



 **ANNUAL** 20  
**REPORT** 21



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# ANNUAL REPORT 2021

## City of Spruce Grove, Alberta

2021 Annual Report for the year ended December 31, 2021

Prepared by: Finance, Corporate Communications,  
and Integrated Planning and Strategic Services

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**INTRODUCTION**

# CITY PROFILE



THE CITY OF SPRUCE GROVE IS A VIBRANT, DYNAMIC COMMUNITY OF MORE THAN 37,000 PEOPLE.

Located just 11 kilometres west of Edmonton, the City offers housing options for everyone, excellent schools, sports, culture and recreation facilities, and a mix of businesses ranging from national retailers, shops, locally owned and chain restaurants, and professional services.

The City's plans, services and ongoing operations are carried out by a workforce of more than 300 employees who are overseen by three general managers and a City Manager who reports to Spruce Grove City Council.



# SPRUCE GROVE CITY COUNCIL



SERVING THE COMMUNITY OF CHOICE



From left to right: Councillor Stuart Houston, Councillor Dave Oldham, Councillor Danielle Carter, Mayor Jeff Acker, Councillor Erin Stevenson, Councillor Jan Gillett, Councillor Reid MacDonald

The City of Spruce Grove is governed by an elected council of a mayor and six councillors. Spruce Grove City Council is responsible for identifying the overall vision for the community and developing a long-term strategic plan for the city. Council also reviews and approves new or amended policies, procedures, and bylaws and approves the annual corporate plan, which is the City's principal guiding document for providing residents with a high quality of life at an affordable rate, while also staying the strategic course of municipal economic sustainability.



Mayor and Council – 780-962-7604



[council@sprucegrove.org](mailto:council@sprucegrove.org)

# GOVERNANCE STRUCTURE



## City Manager's Office

The City Manager's Office includes the City Manager who is responsible for the overall administration of the City of Spruce Grove and provides a key administrative leadership role to the organization. The City Manager acts as a liaison between Spruce Grove City Council and Administration and ensures the implementation of City policies and programs. Corporate Communications and Economic and Business Development are also part of this area. Corporate Communications leads communications planning and consulting, branding and visual identity, writing and editing, issues management, crisis communications and media relations for the organization and supports the communication needs of other departments within the City. Economic and Business Development is responsible for facilitating programs and services intended to help local businesses prosper and grow, and attract new business and investment to Spruce Grove.

## Corporate Services

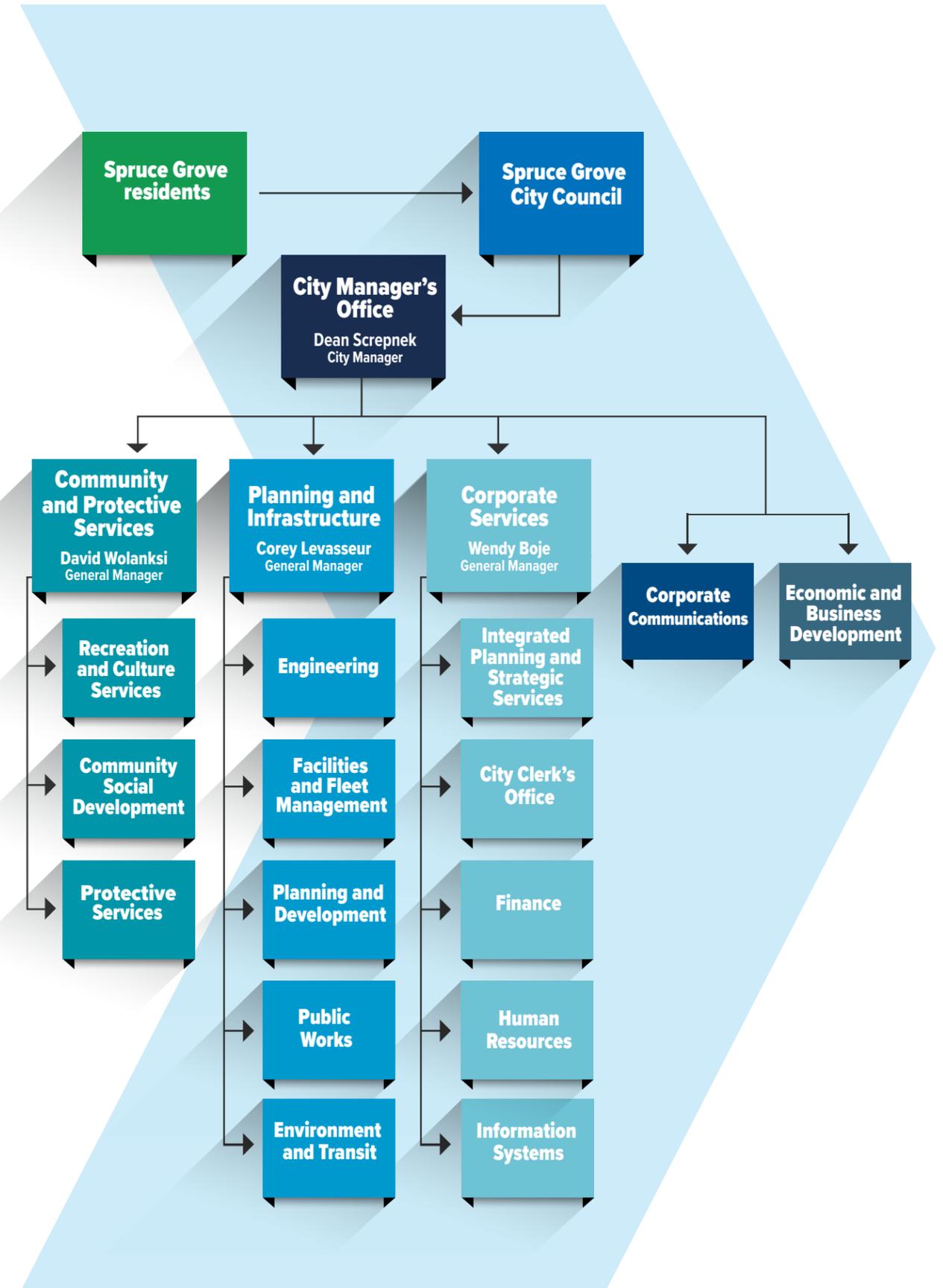
Corporate Services is comprised of several areas that focus on integrated strategic planning, legislative and policy administration, information systems, insurance, risk and legal administration, election and census administration and customer service program coordination. Other responsibilities include human resource management, labour and employee relations, financial planning and reporting, information technology and network administration, corporate planning and asset management.

## Community and Protective Services

Community and Protective Services is comprised of several areas with responsibilities including preventative social programming, counselling, indoor and outdoor facility management, open space planning, recreation, community events, Horizon Stage, volunteer development, Enforcement Services and integrated Fire/EMS. In addition, Community and Protective Services works as the City's administrative liaison to the Spruce Grove Public Library, RCMP Officer in Charge, TransAlta Tri Leisure Centre, accessible transit services, Yellowhead Regional Library and Allied Arts Council, and facilitates a number of boards and committees including the Community Police Advisory Committee, Community Road Safety Advisory Committee, and the Joint Use Committee.

## Planning and Infrastructure

Planning and Infrastructure is comprised of several areas that are responsible for long-range planning, construction-related projects, monitoring the construction of new infrastructure by private interests, sustainability initiatives, and the ongoing maintenance of most of the City's traditional servicing infrastructure and physical assets. In addition, Planning and Infrastructure is responsible for providing a number of primary services through contract arrangements, including Spruce Grove Transit, solid waste, organics and recyclable materials collection, and all building, plumbing, electrical and gas inspections for new construction.



## MAYOR'S MESSAGE

Last year was an opportunity for our community to show its strength and resiliency. There may have been some challenges along the way, but we were able to come together and find ways to move forward. Many of these successes are highlighted in this year's Annual Report, and show how we are stronger when we work together.

In October, we welcomed three new members to Spruce Grove City Council, and I was honoured to be elected as Mayor. I am committed to continuing to lead us forward, as we build on the momentum we have previously achieved. We are all passionate about our community and region, and I'm confident we will make our residents and businesses proud as we work together to tackle the challenges and opportunities before us.

Looking back on our work in 2021, as well as our priorities for future years, we are focusing on economic and social recovery to maintain the high quality of life we enjoy in Spruce Grove and the region. We are supporting our businesses and workforce and continuing to invest in our infrastructure to protect what we have for future generations. We're incorporating more public art into our community, and finding new ways to support alternate modes of transportation. And we are taking steps forward to build a more inclusive community.

One of our first major undertakings as City Council is the development of a new Strategic Plan, which will set the stage for how we develop our community over the next four years. Through this strategic planning process, we are identifying our priorities, and a key focus that is resonating with all of Council is a renewed focus on community and finding ways to come together. Council and Administration will work together to achieve the goals outlined in the Strategic Plan, so there is much to be excited about.



We have already shown the strength of our community spirit in 2021, as we continued to support our local businesses and celebrate one another as friends and neighbours. This Annual Report focuses on sharing these stories to celebrate the significant efforts that have gone into our recovery from the effects of the pandemic.

Now is the time for us to focus on strengthening our community connections and finding ways to bring people together again. This will be the year we reconnect and remind ourselves of why Spruce Grove is such a great place to call home.

I look forward going on this journey with you and my colleagues on Spruce Grove City Council as we work together to continue building a great city.

**JEFF ACKER**  
MAYOR

## CITY MANAGER'S MESSAGE

On behalf of the City of Spruce Grove, I am pleased to present our 2021 Annual Report to the community, our residents, and our businesses. This document highlights many of our accomplishments from last year and also includes our audited financial statements.

I am proud to share these stories from 2021 that highlight key areas of accomplishments in community building, commercial and infrastructure development, transit and pedestrian trails, digital communication, safety, environmental stewardship, and more.

The City realized a \$16.7 million surplus in 2021, which is \$4.9 million higher than budgeted. This higher than expected surplus is primarily related to operating expenses coming in \$5.0 million under budget in 2021, and is explained in more detail in this report. There was also higher than predicted growth and development activity. Growth was projected to be 1.25 per cent, but actual growth came in at 1.46 per cent.

Looking ahead to 2022 and beyond, there are many exciting projects and important plans in the works.

Major private investments are being developed in our community, such as the St. Michael's Fenwyck Heights senior's independent living facility and Myshak Metro Ballpark complex, which will also include condo units, a restaurant, and much more on site.

Spruce Grove City Council is developing their new Strategic Plan, which outlines the goals, objectives, and actions they want to accomplish within their term. This plan provides direction for Administration on where to focus resources, which is detailed as part of the corporate planning process.



In 2022, the City will initiate the renewal of the Municipal Development Plan, which is a comprehensive policy plan that will guide the long-term future of the community. It will ensure the policy direction and framework reflects the municipality's needs on economic, servicing, environmental, social, cultural, and governance matters.

And to enhance our customer service delivery, we will begin work on a formal Customer Experience Strategy.

I am very proud of all the things we have accomplished this past year, and there is much to look forward to in the years ahead. I am committed and excited to continuing to work with City Council, Administration staff, and all of you in the community to keep enhancing our quality of life in this great city.

**DEAN SCREPNEK**  
CPA, CMA, CLGM  
CITY MANAGER



# COMMUNITY RECOVERY

## RECONNECTING AND CELEBRATING OUR RESILIENCY

### Coming together again

Last year saw the return of several community programs and events that had been put on hold because of the pandemic. It was a thrill for both City staff and residents to welcome back many of our usual favourites in 2021.

- The Jubilee Park spray park was open for the summer and provided residents a great way to escape the heat! During operating hours, there were an average of 47 attendees at the spray park any given time.
- Each week, up to 900 participants took part in Pop Up Playground, which brought drop-in programming to parks throughout Spruce Grove in July and August.
- Thirty-seven block parties were held last summer, with 92 per cent of participants indicating they felt a stronger sense of community with neighbours.

We hosted Canada Day events throughout the city, as well as Light Up in Central Park, which had a renewed focus on community and cultural connections. We also supported many other events, such as Shakespeare in the Park, an outdoor performance by the Edmonton Symphony Orchestra, and the Rotary Club of Spruce Grove's first annual Grove Ribfest.

In November, Horizon Stage reopened for rentals and community use, with two special presentations in December, as part of a phased re-opening that was collaboratively developed with community stakeholders and partners.



## A celebration of recovery

Over the past two years, our community adapted to the challenges of the pandemic. Businesses changed the way they operate, while community groups found new ways to serve their clientele. As a City, we wanted to highlight these incredible examples of resiliency and celebrate the efforts of these groups. As a result, the Spruce Grove Recovers campaign was developed. This campaign was a series of video profiles that featured some of the great stories from within our community. Across all channels, the ten videos received nearly 18,000 views and reached over 36,500 people.



“

*MAKING SURE WE HAVE WAYS TO CONNECT WITH EACH OTHER IN A MEANINGFUL WAY IS SO ESSENTIAL TO OUR HEALTH.*

*– Dr. Doug Klein, Change Health Alberta*



**STRONGER TOGETHER**  
CELEBRATING AND SUPPORTING OUR COMMUNITY

## Community Grants

### Community Recovery Grant

Launched in 2020, the Community Recovery Grant supports organizations to deliver locally-driven preventative social services and programs to support COVID-19 recovery by enhancing the well-being of individuals, families, and the overall community. 2021's recipient, Change Health Alberta, was awarded \$10,000 for its proactive health intervention programs to advance health and wellness across Spruce Grove, including increasing access to mental health support to youth and families.

### Community Grant Program – Domestic Violence

The Domestic Violence Grant is an annual program to support organizations in our community that work to prevent domestic violence and support those who are affected by it. The objectives of the program are to: support organizations offering treatment services for court mandated and self-referred offenders, victims of domestic violence, and children exposed to domestic violence; reduce incidents of recidivism and improve victim safety; and ensure treatment programs are accessible to Spruce Grove residents. Three organizations were awarded the grant in 2021: Parkland Turning Points Society (\$10,000), Edmonton Violence Prevention Centre (\$17,000), and Today Family Violence Help Centre (\$3,000).

# Local residents inducted into City's Awards of Excellence program

An accomplished ice hockey player, an internationally known epilepsy advocate, and a dedicated student volunteer were inducted into the City's Awards of Excellence program last year.

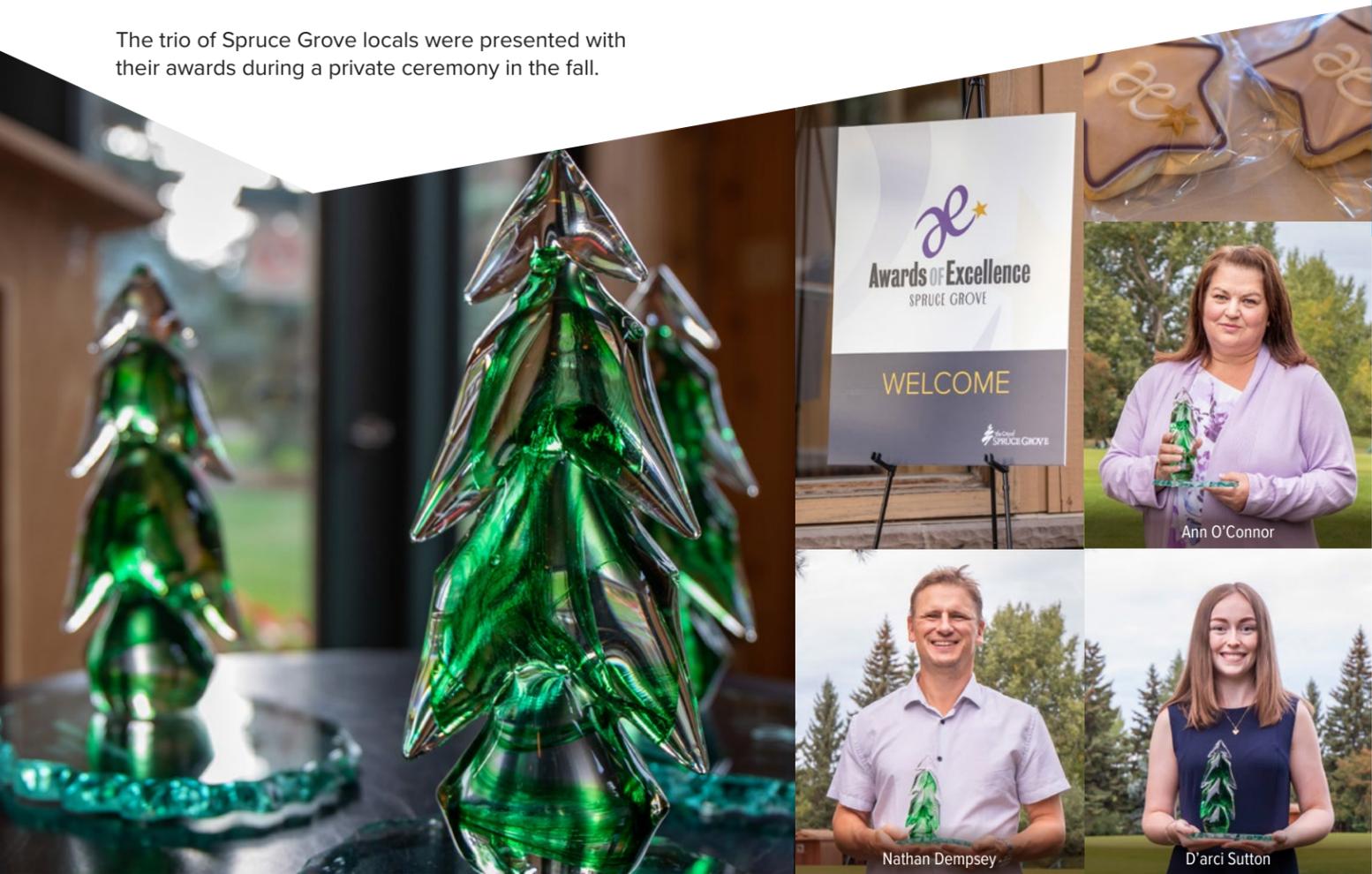
Nathan Dempsey, a former professional hockey player who currently leads the hockey program at the Vimy Ridge Academy in Edmonton, was recognized in the Athletics category for his achievements. Ann O'Connor and D'arci Sutton were both recognized in the Significant Achievement category. Ann is an author, keynote speaker, community volunteer, and founded an epilepsy support group (Parkland Aiming at Care for Epilepsy). D'arci is known for her numerous academic, musical, and athletic achievements, as well as her dedication to volunteer service.

The trio of Spruce Grove locals were presented with their awards during a private ceremony in the fall.

The Spruce Grove Awards of Excellence program was established in 2003 as a way for the City to recognize outstanding community members who have made contributions in the areas of athletics, arts, education, the environment, innovation, community service, or significant achievement.

This is the highest form of recognition offered by the City, and to be eligible, a nominee must have made a significant contribution to the City or have achieved national and/or international recognition in the nomination category.

For more information about the Awards of Excellence program and inductees, visit [sprucegrove.org/AOE](http://sprucegrove.org/AOE).



## STRONGER TOGETHER CELEBRATING AND SUPPORTING OUR COMMUNITY

# New murals add public art to community

Two new pieces of public art were added to Spruce Grove last year, thanks to a mural project in partnership with the Allied Arts Council of Spruce Grove.

Following a public call for artists that asked for "bright, colourful, and modern nature" and brought in 30 submissions, two murals were selected that captured this perfectly.

Lacey Jane Wilburn and Layla Folkmann of Lacey & Layla Art were selected to add their piece, called *A Charm* to a wall on the Cumbria Centre, located in central Spruce Grove at 93 McLeod Avenue.

Featuring a flock of hummingbirds, the mural design is a celebration of Mother Nature's beauty through realistic descriptions of this creature that makes its home in Alberta.

Megan Kumpula of Spruce Grove was selected to create the second mural, located on a building at the intersection of King Street and McLeod Avenue.

This mural incorporates spruce tree branches, the famous Alberta wild rose, and the lily, which symbolizes fresh life and rebirth – with thoughts of Spruce Grove's revitalization in mind.



## Hope&Home website

The Hope&Home website was launched in October. The website provides information about the Tri-Region Homelessness and Poverty Initiative, the Champion's Table and its members, and news and relevant information about poverty and homelessness. Learn more at [hopeandhome.ca](http://hopeandhome.ca).

## Building an inclusive community



Recognizing the importance of equity, diversity, and inclusion – both as an organization and for the community – work began last year to strengthen the City’s knowledge and awareness on this topic.

Thanks to a \$50,000 Measuring Municipal Inclusion Grant from the Alberta Urban Municipalities Association (now

called Alberta Municipalities), work was completed in 2021 to evaluate and support the City’s level of inclusiveness. Outcomes included Gender Based Analysis Plus (GBA+) training for staff, the development of an equity toolkit, and the formation of an internal Equity, Diversity, and Inclusion Committee.

Accessibility audits were also completed for four City facilities, with the results being presented to Council in early 2022.

The City recognized and participated in the first National Day for Truth and Reconciliation on September 30, with staff participating in a virtual workshop and Talking Circle to help them reflect on the significance of this day and what it means for the community and the country by learning more about the intergenerational trauma caused to Indigenous Peoples due to residential schools and other aspects of colonialism. Members of Council were invited to a Talking Circle and an outdoor Indigenous performance hosted by the Spruce Grove Public Library.



## A CITY IN MOTION FINDING NEW WAYS TO CONNECT

## Habitat for Humanity starts build in Spruce Grove

A special anniversary build for Habitat for Humanity Edmonton broke ground in Spruce Grove last year.

Habitat for Humanity is celebrating 30 years of serving families and decided to mark this milestone by building a duplex for two families in Spruce Grove. Work began in July with a mixture of volunteers, staff, and contractors building on site, and is expected to be completed in 2022.

The first Habitat project in Spruce Grove dates back to 1999, when a single-family home was constructed for a local family. There are now 10 Habitat homes in the community, and these homes have benefitted 15 families.

Over the years, the City has been a significant supporter of Habitat projects by helping the charity to acquire land and/or through affordable housing funding.





## Connecting communities

*Two new pedestrian trail projects kicked off last year, with a focus on providing safe connections.*

The City of Spruce Grove and the Town of Stony Plain collaborated to explore options to connect the trail networks of both municipalities. The trail connection will make commuting between the two communities more accessible and safer for those using alternate modes of transportation.

Construction of the trail started in September and the portion of the trail north of Highway 16A along the future Boundary Road to the access at Holy Trinity Catholic Church was completed in 2021. The portion of trail that will run north of the church access to Copperhaven School is expected to be complete in spring 2022, along with the portion of trail that will cross Highway 16A.

A cost-sharing arrangement for this trail enhancement is in place, with the City committing two-thirds of the funds for this project and the Town contributing one-third. The approved 2021 budget for Spruce Grove's portion of the work was \$800,000: \$300,000 which was to be spent

in 2021 and \$500,000 in 2022/2023. A total of \$258,744 was spent on Phase I as of December 31, 2021.

Also in 2021, work was completed on the Jubilee Park Boardwalk Trail. This was funded by a \$200,000 contribution under a Community Benefit Agreement with Trans Mountain.

As part of the Trans Mountain Expansion Project, Trans Mountain has committed funds to communities impacted by construction. The City decided to use these funds to enhance the existing trail network in Jubilee Park by creating a new boardwalk system within the forested area.

The boardwalk will help to provide safe connections along the existing trail network during all seasons and limit disturbance to the wetland eco-system. Alberta Environment and Parks has approved the new boardwalk, and a portion of the existing trail system will be permanently closed as part of the wetland protection.

## Local transit goes on-demand

Local transit ridership increased significantly last year with the launch of on-demand service in May 2021.

The new on-demand local transit service replaced Spruce Grove Transit Route 568, which operated on a fixed route and schedule. The introduction of on-demand service resulted in a steady increase in ridership on the local transit service, with 5,341 total riders in 2021.

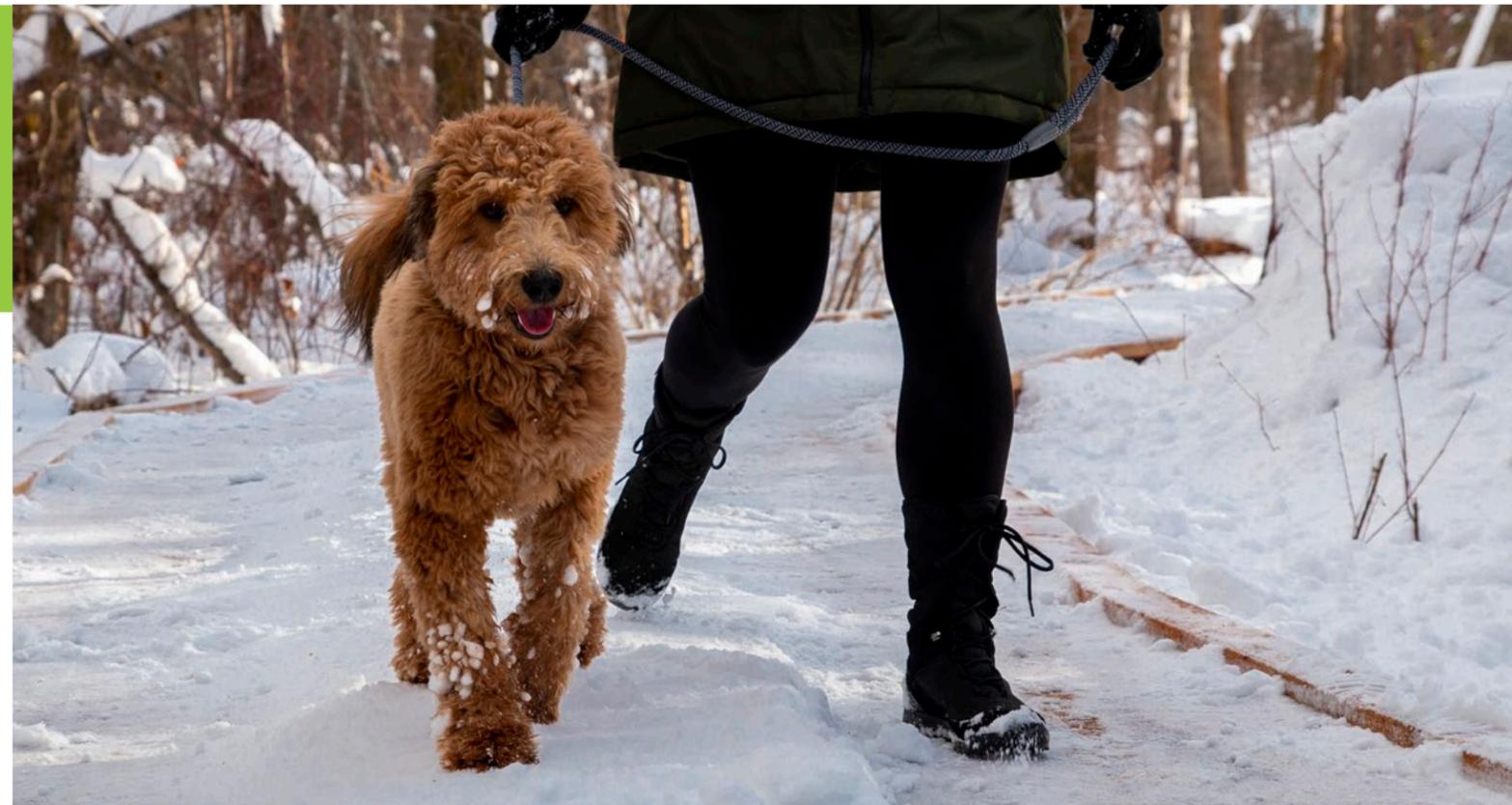
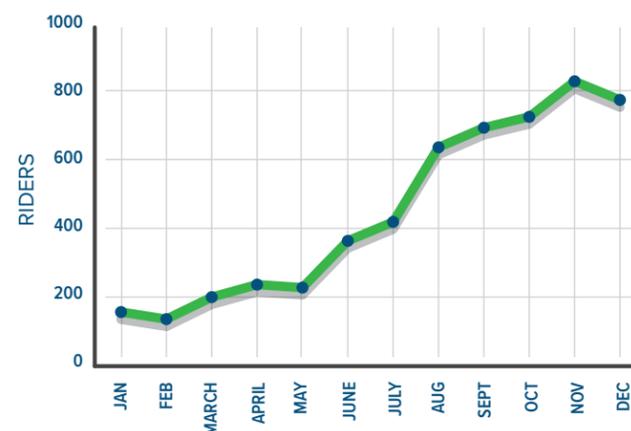
The new service also provides expanded hours of operation and an increased number of bus stops for riders to access. Riders can easily book a trip using the Pick-Up On-Demand app or by phone. Trips can be booked for right away or up to a week in advance, and the on-demand system calculates the most efficient route based on customer needs so trips are as fast as possible.

Work continued in 2021 on the creation of the Edmonton Metropolitan Transit Services Commission, which is a collaborative effort to create an accessible and integrated regional transit service. Stony Plain's local transit service also launched in 2021, with a connection into Spruce Grove. Commuter transit service into Edmonton experienced lower numbers last year due to the impacts of the pandemic.

### Local Transit Service Revenue

2020: **\$3,598**  
2021: **\$11,947**  
2022: **\$30,600** (FORECAST)

### LOCAL TRANSIT RIDERSHIP 2021





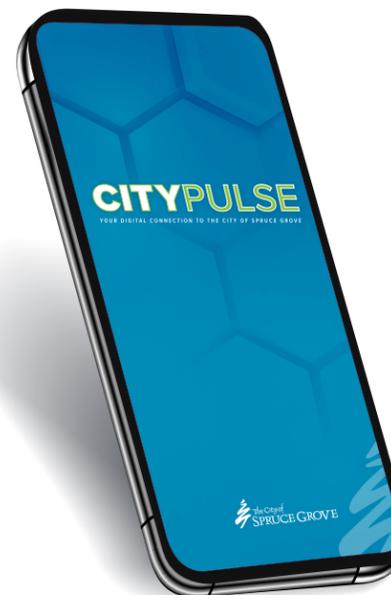
## **STAYING CONNECTED** PROVIDING VIRTUAL OPPORTUNITIES TO STAY INFORMED

### **Digital communication**

The City of Spruce Grove uses a variety of online tools to connect with residents and businesses. These include:

- The City's website ([sprucegrove.org](http://sprucegrove.org))
- *CityPulse* e-newsletter ([sprucegrove.org/CityPulse](http://sprucegrove.org/CityPulse))
- Connect Spruce Grove, where you can get information and share your thoughts on various City plans, projects, and initiatives ([connect.sprucegrove.org](http://connect.sprucegrove.org))
- Social media, including Facebook, Twitter, and Instagram
- Livestreamed Council meetings

In 2021, we launched new tools and saw significant increases in online engagement on our existing channels.



### **CityPulse e-newsletter**

In June, we launched our CityPulse e-newsletter, which provides residents with timely updates on City news, projects, and events. CityPulse is delivered to inboxes on a bi-weekly basis and is another way residents can stay informed on what's happening in Spruce Grove. Sign up at [sprucegrove.org/citypulse](http://sprucegrove.org/citypulse).

PRODUCED AND DELIVERED  
**14 E-NEWSLETTERS** IN 2021

**AVERAGE OPEN RATE OF 78%**,  
WHICH IS **44% HIGHER** THAN  
THE INDUSTRY AVERAGE

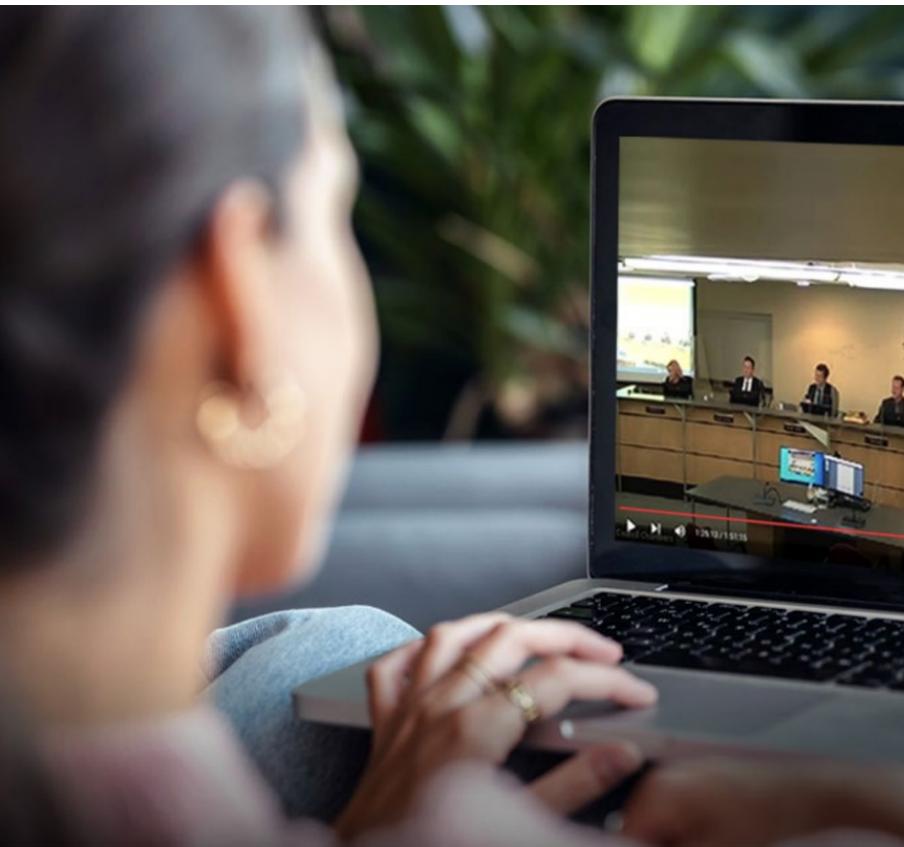
**438 SUBSCRIBERS** BY  
THE END OF THE YEAR

# Upgraded Council Chambers

Last year Council Chambers underwent a significant modernization, funded by the Investing in Canada Infrastructure Program. Audio/video equipment was upgraded to facilitate live streaming and recording of City Council and Committee of the Whole meetings, which made meetings more accessible to the public, promoted transparency, and enhanced communication between Council and the community. The agenda management software used to publicly share the agenda package, which contains items for discussion and decision, was also upgraded to better meet the needs of a digitally connected community.

  
**33**  
MEETINGS  
LIVESTREAMED

  
**2,155**  
TOTAL VIEWS



# Our most popular Facebook post of 2021

Our most popular Facebook post from last year was all about adding public art to the community! A post about a new mural in the City Centre received 745 reactions, 90 comments, and 20 shares. You can learn more about this mural on page 17.



# Social media and website stats

 <p><b>10,918</b> (+705 over 2020) <b>400,849 USERS</b> (+28.2% over 2020)</p>	 <p><b>Total website visits:</b> <b>1,237,339</b> (+44% over 2020)</p>						
 <p><b>3,629</b> (+475 over 2020) <b>9,903 USERS</b> (+226.6% over 2020)</p>	<p><b>TOP 5 MOST VISITED WEB PAGES:</b></p> <table border="0"> <tr> <td><b>1</b> The City's Response to COVID-19: <b>82,980</b></td> <td><b>2</b> 2021 Municipal Election: <b>59,635</b></td> </tr> <tr> <td><b>3</b> 2021 Municipal Election "meet the candidates": <b>58,277</b></td> <td><b>4</b> Careers: <b>35,319</b></td> </tr> <tr> <td><b>5</b> Canada Day: <b>31,961</b></td> <td></td> </tr> </table>	<b>1</b> The City's Response to COVID-19: <b>82,980</b>	<b>2</b> 2021 Municipal Election: <b>59,635</b>	<b>3</b> 2021 Municipal Election "meet the candidates": <b>58,277</b>	<b>4</b> Careers: <b>35,319</b>	<b>5</b> Canada Day: <b>31,961</b>	
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<b>5</b> Canada Day: <b>31,961</b>							
 <p><b>6,603</b> (+268 over 2020)</p>							
 <p><b>2,707</b> (+705 over 2020)</p>							

## FOLLOW US AND STAY INFORMED

-  [sprucegrove.org](http://sprucegrove.org)
-  [@citysprucegrove](https://twitter.com/citysprucegrove)
-  [connect.sprucegrove.org](http://connect.sprucegrove.org)
-  [@sprucegrove](https://www.facebook.com/sprucegrove)
-  [@cityofsprucegrove](https://www.instagram.com/cityofsprucegrove)
-  [City of Spruce Grove](http://City of Spruce Grove)



## INVESTING IN OUR FUTURE BUILDING A FOUNDATION FOR SUCCESS

## Revitalizing our City Centre

Work began last year to redevelop Spruce Grove's City Centre area, starting with a significant overhaul of Columbus Park.

Located at the corner of Main Street and McLeod Avenue, Columbus Park is being redeveloped into a space that will be suitable for gathering and public events in all seasons. Features of the updated park will include:

- Improved seating and shelter
- New greenery
- A permanent stage
- Power outlets
- A water bottle fill station
- Bike racks

Underground services are also being installed to potentially accommodate a washroom facility in the future.

A significant amount of work was completed during the 2021 construction season, with remaining work scheduled

to be completed in 2022 as early as weather permits. The approved budget for the Columbus Park redevelopment project is \$1.76 million.

Also last year, work continued on the streetscape design for the revitalization of McLeod Avenue and Main Street, with construction scheduled to begin in 2022.

These projects are part of the \$32.1 million City Centre Area Redevelopment Plan, which is focused on revitalizing the City Centre area into a dynamic, welcoming, and accessible mixed use space for residents and visitors. As this area is the oldest part of Spruce Grove, the project also includes rehabilitation of the underground infrastructure to service businesses and residents and create the opportunity for new development.

Throughout this process, consultation and engagement has occurred with key stakeholders, including the City Centre Business Association, the business community, residents in the area, and the community at large.

### Sign up for project updates!

A dedicated project website was set up for the City Centre Area Redevelopment Plan, with information and updates on project work. Last year, 24 updates were posted to the site, which received a total of 1,200 visits. The site will continue to be updated in 2022 as redevelopment work continues in the City Centre. For more information and to sign up for project updates, visit [sprucegrove.org/CCARP](https://sprucegrove.org/CCARP).



*\*Artist rendering/subject to change*



**Did you know?**

As part of the redevelopment work at Columbus Park, the clock tower that stood at the corner of Main Street and McLeod Avenue was taken down and provided to the Spruce Grove and District Agricultural Society for future display.

Additionally, five long-standing trees that needed to be removed from the park to accommodate the redevelopment work also found a new home on the Ag Society's grounds thanks to a partnership between the City, the Ag Society, and Kiwi Nurseries. Three Linden trees, one Bur Oak and one Ohio Buckeye tree were removed prior to construction and relocated near the society's grain elevator, water tower, and shed.



Photo credit: Victor Moroz



Photo credit: Kiwi Nurseries

# Investing in the municipality

Various projects to enhance the City's roadways, utilities, buildings, parks, and facilities were completed last year.

**Roadways**

- Grove Drive arterial resurfacing was completed in July.
- Surface improvements in both the Lakewood neighbourhood and the Grove Meadows neighbourhood were finished in August.
- Total investment: \$4.72 million

**Water main and sanitary work**

- Work to replace the water main along South Avenue, as well as reconstruct the roadway following construction, was substantially complete by the end of October.
- Water main and sanitary rehabilitation work in the Grove Meadows neighbourhood was also substantially complete by the end of October.
- Total investment: \$6.15 million

**Storm network**

- Upgrades to the existing storm network in the industrial area were finished in August.
- Replacement of the culvert on Fairway Drive started in 2021 and is expected to be complete in the spring of 2022.
- Total investment: \$478,000



## 2021 BUILDING PERMIT ACTIVITY



**907**  
TOTAL BUILDING PERMITS



**87**  
COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL PERMITS



**386**  
RESIDENTIAL PERMITS



**434**  
RESIDENTIAL IMPROVEMENT PERMITS

**COMBINED TOTAL BUILDING PERMIT VALUE: \$220 MILLION**  
(A SIGNIFICANT INCREASE FROM \$80 MILLION IN 2020)

As part of the City's commitment to supporting our community's infrastructure, in 2021 a dedicated 1 per cent tax increase was implemented and used to fund the lifecycle maintenance of City-owned assets. This is part of the City's fiscal sustainability framework that aims to work towards a system that funds today, while considering the needs of tomorrow, and resulted in \$618,000 that will be invested directly back into the municipality. This 1 per cent dedicated tax increase will continue until 2025.

## Creating opportunities to connect

Thanks to a partnership between TELUS and the City, work began last year to build out a community-wide fibre-optic network in Spruce Grove.

Through this collaboration, the City contributed \$4.25 million to the project towards building out connectivity throughout the industrial areas of Spruce Grove, with Telus investing a further \$50 million to provide access to a fibre optic broadband connection for over 90 per cent of homes and businesses within the City boundary.

Construction on the fibre-optic network started in September 2021, and Telus anticipates the majority of homes and businesses will be connected by end of 2022. The buildout of the fibre-optic network in the industrial areas was completed in April 2022.



## Regional collaboration

In 2021, the City joined 12 other regional municipalities in making a commitment to the Collaborative Economic Development initiative, which will explore potential economic development opportunities for Edmonton Metropolitan Region partners through projects targeting new, non-residential growth and jobs beyond individual municipal boundaries. This follows the principle of shared cost for shared benefit as the basis for collaboration.

This new partnership is in addition to the City's existing regional collaboration opportunities, including Edmonton Global, Edmonton Metropolitan Regional Board, and work on the Tri-Municipal Regional Plan.



## Supporting investment in our city

Last year, St. Michael's Health Group announced the development of Fenwyck Heights, a five-storey 170-suite residence that will provide housing and supportive services to local seniors. Construction of this \$54 million project is expected to be completed by spring 2023, and once complete, the facility is expected to bring an estimated 75 full-time equivalent positions to the community.

The City supported St. Michael's Health Group by assisting in consultations leading to development and subdivision approvals, and providing support for funding applications to the Canada Mortgage and Housing Corporation.



## PROTECTING OUR CITY

KEEPING OUR COMMUNITY SAFE

## SPRUCE GROVE FIRE SERVICES



**3,190**  
TOTAL  
RESPONSES  
IN 2021



### HIGHLIGHTS

Garbage or  
grass fires:

**46**

Fires causing  
dollar loss:

**33**

Motor vehicle  
collisions:

**90**

Public hazard/  
service calls:

**69**

Medical  
calls:

**2,612**

False  
alarms:

**326**

Undetermined: **11**

Other: **3**

## SPRUCE GROVE ENFORCEMENT SERVICES



### HIGHLIGHTS

Public  
assistance:

**1,143**

Property bylaw  
complaints:

**615**

Animal control  
complaints:

**668**

Traffic related  
complaints:

**1,124**

Calls to assist  
RCMP/  
Fire Services:

**145**

Public  
Health Act:

**116**

Other: **139**



**3,950**  
TOTAL  
RESPONSES  
IN 2021



## ENVIRONMENTAL STEWARDSHIP

FINDING WAYS TO REDUCE  
OUR FOOTPRINT

## Reducing our single use

To help reduce plastic pollution in the community, a Single-Use Items Reduction Bylaw was developed and approved in early 2021. The bylaw restricts the distribution of plastic checkout bags, plastic straws and polystyrene serving ware.

Most of last year was used as an opportunity for engagement with local businesses, as well as providing a transition period for businesses to use up existing stock and prepare for the bylaw to come into effect on January 1, 2022.

Phone calls to 343 local businesses were made to ensure they were aware of the bylaw, and to tell them about an online toolkit they could use to help communicate the upcoming changes to their customers.

For information on the bylaw, visit [sprucegrove.org/singleuse](https://sprucegrove.org/singleuse).



### Reduce Your Use design contest

A contest was also held that invited Spruce Grove youth to submit artwork showing how people could “reduce your use” and help cut down on pollution from single-use items. A total of 82 entries were received, and the winner was 10-year-old Amelia. Her winning design appeared on a reusable bag that was distributed to residents throughout the year.

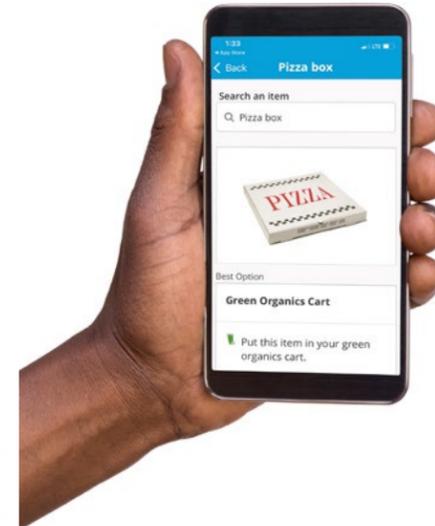
## Building a Climate Change Action Plan

Work began to develop a Climate Change Action Plan, which will serve as a guiding document for the City to address climate change over the next 10 years. Community engagement involved two public surveys and a webinar. It is anticipated a public report will be shared in 2022. For details visit [sprucegrove.org/CCAP](https://sprucegrove.org/CCAP).



## Sort with success

Residents made good use of the Trim Your Trash app last year. The free mobile app provides waste sorting tips, online calendars and reminders, and even a waste sorting game! Download it at [sprucegrove.org/sort](https://sprucegrove.org/sort).



### 2021 TRIM YOUR TRASH STATS

- 637** APP DOWNLOADS
- 63,507** ITEMS VIEWED
- 21,535** CALENDAR VIEWS
- 746** REMINDERS CREATED
- 587** GAMES PLAYED

IN 2021,  
**3,346 TONNES OF ORGANICS**  
AND **2,201 TONNES OF RECYCLING**  
WERE DIVERTED FROM LANDFILL,  
THANKS TO THE COMMUNITY'S  
COMMITMENT TO REDUCING WASTE.

## Eco Centre

Did you know the City has an Eco Centre where you can drop off items that can't be placed in your black waste cart, blue recycling bag or green organics cart? Household hazardous waste, electronics, appliances and extra garbage are also accepted at the Eco Centre.

In 2021, the Eco Centre had **34,260** visitors and collected:

- **36.13 tonnes** of blue recycling bags
- **94.33 tonnes** of cardboard
- **332.57 tonnes** of metal
- **338.71 tonnes** of organics
- **591.54 tonnes** of waste
- **308.81 tonnes** of construction material

50 Diamond Ave.



Monday to Saturday: 10 a.m.–5:30 p.m.  
Sunday: Closed  
Statutory holidays: Closed



[sprucegrove.org/ecocentre](https://sprucegrove.org/ecocentre)



## LOOKING FORWARD TO 2022 AND BEYOND

LONG-TERM PLANNING PAVES  
THE WAY TO SUCCESS

## 2021-2025 Strategic Plan being developed

Spruce Grove City Council is developing a new multi-year Strategic Plan for the duration of their term (2021-2025). Members of Council will participate in a series of strategic planning retreats in the first and second quarters of 2022 to develop the Strategic Plan, which outlines the goals, objectives, and actions that are a priority for Council within their term. This plan provides direction for Administration on where to focus resources, which is detailed as part of the corporate planning process. The community will have the opportunity to provide input into the draft Strategic Plan prior to its expected finalization in summer 2022.

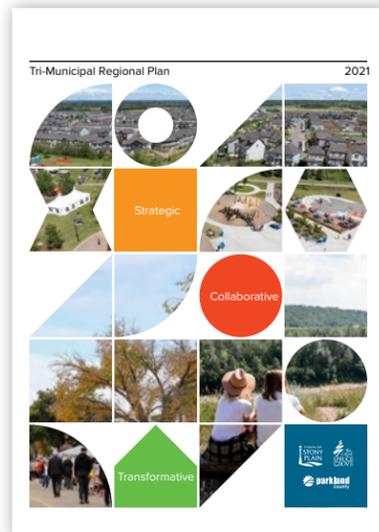


## Renewal of the Municipal Development Plan

Spruce Grove continues to see unprecedented growth and development. In the last 10 years, the population of Spruce Grove has increased by over 40 per cent. This has resulted in changes in demographics as well as economic and employment growth.

In 2022, the City will initiate the renewal of the Municipal Development Plan (MDP). The MDP is a comprehensive policy plan that will guide the long-term future of the community. It will ensure the policy direction and framework reflects the municipality's needs on economic, servicing, environmental, social, cultural, and governance matters. Put simply, it will create the long-term vision for the path forward for a healthy and vibrant community.

The vision and direction of the MDP will be guided by the community and will involve extensive community engagement. The MDP is expected to be completed in 2024 and will be presented to Council for final approval at that time.



## Implementing the Tri-Municipal Regional Plan

City Council received the final report on the Tri-Municipal Regional Plan along with implementation recommendations in June 2021. This commitment to regional collaboration represents a more holistic and coordinated effort to capitalize on opportunities that support community development and growth within the region. Spruce Grove, Stony Plain, and Parkland County are currently having strategic discussions on next steps to implementing recommendations from the report.



# FINANCIAL SECTION



# FINANCIAL STATEMENT DISCUSSION & ANALYSIS

APRIL 28, 2022



This Financial Statement Discussion & Analysis (the “FSD&A”) provides an explanation of the significant items, transactions and events presented in the audited consolidated financial statements and the trends and factors that influenced them. It provides readers with information regarding recent financial performance and speaks to the City of Spruce Grove’s (the “City’s”) financial practices and evolving strategies. This report was reviewed by the auditors and is included in the City’s 2021 Annual Report. Section 276 of the Municipal Government Act outlines financial reporting requirements for municipalities. The consolidated financial statements in this document ensure the City meets those requirements. An equally important goal is to provide openness and transparency of financial reporting for all stakeholders, as this will help to foster stakeholder trust in the decisions of City Council and the financial management of the City. Analysis of the consolidated financial statements also provides insight into financial conditions to inform future decision making.

## ROLES AND RESPONSIBILITIES

Management bears responsibility for the preparation of this discussion and the consolidated financial statements, paying close attention to the integrity, relevance and comparability of the data within the statements. These statements are prepared in accordance with the Canadian Generally Public Sector Accounting Standards (GAAP) established by the Public Sector Accounting Board (PSAB) of the Financial Reporting and Assurance Standards Canada. The external audit firm of KPMG LLP is appointed by City Council to express an audit opinion on the financial statements.

The City is engaged in many relationships that have an impact on financial decisions. The City’s closest relationships exist with its tri-municipal region partners, the Town of Stony Plain and Parkland County. There are joint service agreements and shared commitments to capital projects. One facility that has showcased that tri-municipal relationship is the TransAlta Tri-Leisure Centre; jointly built and operated by the municipalities through

a Part IX company. The City's proportionate share of that facility's operation is consolidated in the financial statements that are the subject of this FSD&A.

The Spruce Grove Public Library is also consolidated within these financial statements.

This discussion should be read in conjunction with the audited consolidated financial statements and accompanying notes. The City's 2021 audited consolidated financial statements include:

**Consolidated Statement of Financial Position**

- This statement reports on the City's financial assets, liabilities, net debt, non-financial assets and accumulated surplus at December 31 year-end. This statement can be used to analyze the City's ability to finance future activities and fulfill past commitments.

**Consolidated Statement of Operations and Accumulated Surplus**

- This statement reports the revenues earned and expenses incurred in the year with the resulting annual surplus (deficit) and summarizes the change in the resulting accumulated surplus.

**Consolidated Statement of Changes in Net Debt**

- This statement reports the City's net debt position and changes to that position at year-end.

**Consolidated Statement of Cash Flows**

- This statement reports the cash resources provided by operating, capital, investing, and financing activities, and how those resources were generated or used. Net changes to cash and cash equivalents since the last reporting period are evidenced in this statement.

**2021 FINANCIAL HIGHLIGHTS & TREND ANALYSIS**

2021 presented both challenges and positive results for the City. The COVID-19 pandemic continued to impact the City's operations, but there was also higher than predicted growth and development activity. Growth was projected to be 1.25%, but actual growth came in at 1.46%. Growth places added pressures on City programs and services that were already impacted by the pandemic.

To address repairs, maintenance and replacement of critical infrastructure, the City implemented a five year dedicated 1% tax rate increase in 2021 to be transferred to municipal lifecycle reserves. The City also received \$4.25 million in Municipal Stimulus Program funding from the Province of Alberta that was used to fund utility-related water rehabilitation work and an industrial storm implementation project. In exchange, a \$4.25 million transfer was made from the Utility Reserve to fund a community-wide fibre-optic network in the City.

The City realized a \$16.7 million surplus in 2021, which is approximately \$5.0 million higher than budgeted. This higher than expected surplus is primarily related to operating expenses (including amortization expense) coming in \$5.0 million under budget in 2021 and has been explained in further detail later in this report. As annual surpluses are not expected to continue in the future, the City's funding strategy is to utilize its annual surplus to fund the cost of implementing approved one-time business cases for the following year's financial plan so that these costs are not built into ongoing funding requirements that are funded by municipal property taxes.

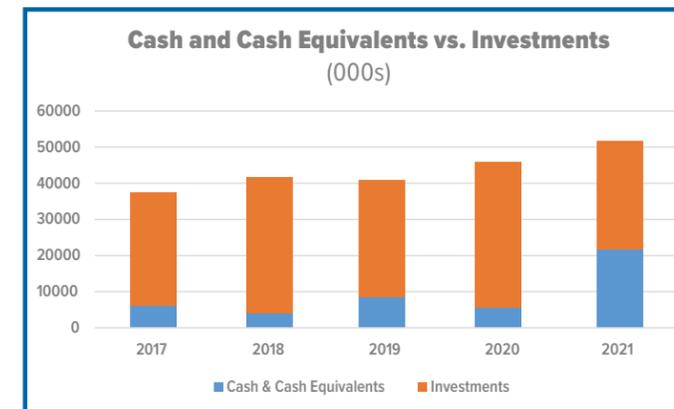
**FINANCIAL ASSETS**

The Financial Assets of the City are made up of cash and cash equivalents, accounts receivable, investments and land held for resale. In comparison to 2020, overall financial assets increased by \$13.3 million in large part due to an increase in cash and cash equivalents. Just prior to the end of the 2021 year the City received Municipal Sustainability Initiative and Canada Community-Building grant funding from the Province of Alberta that was not able to be invested given the timing of receipt. Cash has also gone up due to the timing of payments to vendors around the year-end. Land held for resale remained unchanged at year end with a balance of \$1.7 million. Having a higher cash and cash equivalents level in 2021 improved the stability of the City's overall financial position resulting in an improvement of the net debt position.

**Cash and Cash Equivalents and Investment Position**

During 2021, the City's changes in cash and investment position were due to:

- \$33.5 million generated from City operations;
  - \$19.5 million invested in capital assets and offset by \$0.9 million received proceeds from disposal of tangible capital assets;
  - \$3.8 million applied in net disposal of investments;
  - \$3.1 million in loan principal repayments.
- At December 31, 2021, cash flows increased by \$15.6 million, ending at \$21.2 million. The City's cash activities are summarized on the Consolidated Statement of Cash Flows.



**Accounts Receivable**

Accounts receivable increased by \$1.6 million to \$16.7 million in 2021. A large component of this increase is related to amounts receivable from developers under signed Development Agreements. Twelve new agreements were signed by the City and developers in 2021. Receivables are subject to timing on payments and do not present a substantial risk to the City. Note 3 in the consolidated financial statements provides details of the accounts receivable.

**Investments**

The City's investments range from short term investments to longer term bonds with maturity dates ranging from 2022 to 2033. These investments generate additional revenues for the City and contribute to fiscal

sustainability. In comparison with 2020, the carrying value of investments was \$3.8 million lower, as investments were disposed of in the last quarter of the year to generate funds to cash flow operations. Note 4 in the consolidated financial statements provides details of the investments. Similar to 2020, investment income earned in the year was \$0.8 million.

**LIABILITIES**

The City's liabilities are made up of accounts payable and accrued liabilities, deferred revenue, liabilities for contaminated sites, and long-term debt. Overall, liabilities increased by \$4.4 million in 2021.

**Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are short term payable amounts for the expenses incurred by the City. The payments to vendors, wages to employees, and other items that are similar in nature will be paid within the year. At the close of 2021, this account increased by \$4.3 million over 2020 due to timing of payments to vendors, as several large construction invoices were not paid until early in 2022. Note 6 in the consolidated financial statements provides details of the accounts payable and accrued liabilities.

**Deferred Revenue**

Deferred revenue represents funds received by the City under developer, grant or other agreements that have not been earned. These funds will be recognized as revenue when used for the purpose specified in the respective agreement. The deferred revenue balance increased by \$3.2 million in 2021 primarily due to receipt of capital grant funding for capital project costs not yet incurred. Note 7 of the consolidated financial statements provides details of the deferred revenues.

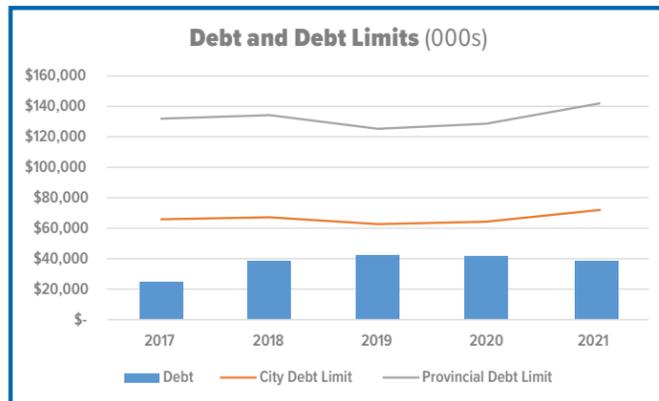
**Liabilities for Contaminated Sites**

The City maintains a liability for contaminated sites to reflect that an environmental standard for remediation exists for lands owned by the City, as the projected and estimated contamination for specific lands exceed the environmental standard. There is an expectation that

future resources will be required to remediate the contamination. A slight reduction in the liability from \$1.3 million to \$1.2 million occurred in 2021 due to some remediation and monitoring work that took place in the historic public works yard and the Pioneer Cemetery site. Details of the liabilities for contaminated sites can be found in Note 8 of the consolidated financial statements.

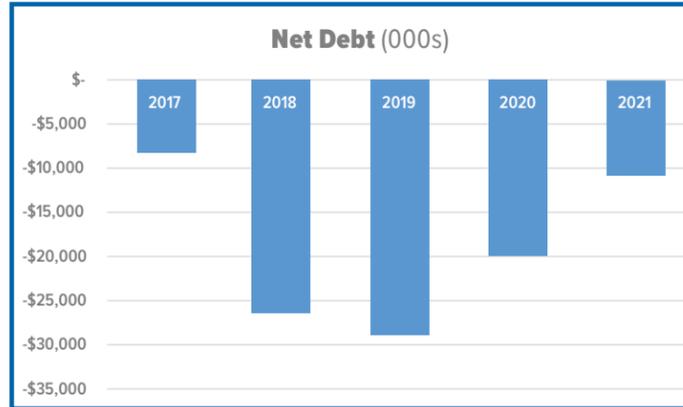
### Long-Term Debt

The actual long-term debt of the City is \$38.6 million in 2021, down from \$41.7 million in 2020. The allowable provincial limit of long-term debt under section 276(2) and section 255/200 of the Municipal Government Act for the City of Spruce Grove is \$141.7 million. By City policy, a self-imposed debt limit of 50 per cent of the provincial limit exists, at \$70.9 million. Actual borrowing represents 27.2% of the provincial limit and 54.4% of the City's self-imposed limit. Notes 9 and 10 in the consolidated financial statements provide details on long-term debt and the associated debt limits.



### NET DEBT

The City of Spruce Grove's overall net debt position improved from 2020. Net debt was \$20.0 million at the end of 2020 and decreased to \$11.1 million in 2021. The year-end results also came in better than 2021 projected net debt of \$26.9 million. Being in a net debt position implies that future dollars will be required to pay for past decisions. The improvement in the net debt position can be attributed to better than budgeted 2021 annual surplus.



### NON-FINANCIAL ASSETS

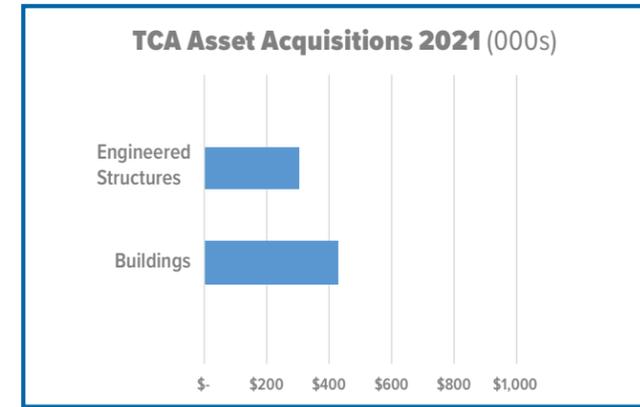
These assets are predominantly comprised of tangible capital assets (TCA) but also include inventory and prepaid expenses. These assets are used to provide services to citizens. Overall non-financial assets increased by \$7.8 million in 2021 which is attributed primarily to TCA acquisitions. The Consolidated Statement of Financial Position demonstrates the non-financial asset balances.

### Tangible Capital Assets

The City accumulates assets through purchase, construction and through contribution from developers. Contributed assets are received from developers upon completion and approval of neighborhoods. Once assets are contributed, the City takes on the responsibility and liability for future maintenance and replacement of these assets. For the year, the changes in value of the City's TCA are comprised of:

- \$26.3 million increase in TCA acquisitions, including \$6.7 million in contributed TCA;
- \$17.8 million amortization expense; and
- \$0.026 million gain on disposal (net of amortization expense) and \$0.9 million in proceeds from disposal of TCA

Net tangible capital assets increased by \$7.7 million, ending the year at \$561.3 million. Note 11 of the consolidated financial statements provides details related to tangible capital assets. Capital acquisitions in 2021 were mainly on engineered structures and contributed land.



### ACCUMULATED SURPLUS

The accumulated surplus of the City is \$551.4 million of which investment in tangible capital assets represents \$523.1 million. The financial surplus position of the City is therefore \$28.3 million or 5.1% of overall surplus. The financial surplus position has increased from 2020 to 2021. With this financial surplus position, the City is just above the Government Finance Officers Association recommended cash flow management and emergency preparedness range of two to three months of expenses (\$16.5 to \$24.8 million). The current financial surplus position of \$28.3 million is made up of municipal surplus of \$39.3 million (2020 - \$30.1 million), utility surplus of \$4.6 million (2020 - \$7.7 million), and developer deficit of \$15.6 million (2020 - \$15.4 million). There is room within the municipal surplus to create opening balances for reserves as approved by Council in 2021. Administration is currently in the process of calculating proposed opening reserve balances.



### REVENUES AND EXPENSES

Annual surplus of \$16.7 million exceeds budgeted surplus by \$5.0 million. This surplus can be primarily attributed to operating expenses (including amortization expense), which came in \$5.0 million under budget. The following comments provide additional insight:

- Operating revenues came in slightly higher than budget by \$0.3 million, due in part to higher than expected income from development activities (licenses and permits), offset by a reduction in rental revenues due to COVID-19 related temporary facility closures.
- Operating expenses were \$5.0 million under budget. Salaries, wages and benefits contributed to half of the variance, or \$2.5 million. These savings were generated from vacant positions, and recruitment delays in hiring for positions. Purchases from other governments came in \$0.7 million under budget due to a drop in demand for transit ridership and the lowering of fees for transit service by the City of Edmonton, both a direct result of the pandemic. Snow and ice control contract expenses came in \$0.4 million under budget as there was a lower the anticipated snowfall in the first quarter of 2021. Amortization of tangible capital assets was under budget by \$0.6 million due to a delay in the timing of completion of construction projects. The remaining shortfall from budget of \$0.8 million can be attributed to materials, goods, and supplies which came lower than budget due to delayed hardware upgrades, road work, and reducing programming.
- Also tied to the delayed completion of construction projects, is the variance in government transfers – capital. 2021 actual results came in \$8.5 million under budget.
- Contributed tangible capital assets came in higher than budgeted in 2021 due to more than expected contributed land under new development agreements signed during the year, which is a direct result of higher than anticipated development activity.

- Developer contributions and levies collected in 2021 were \$3.2 million higher than budget due to the rebound from the 2020 effects of the economy and the pandemic on the development industry.

Note 14 of the consolidated financial statements provides detail by organizational segment of the revenues and expenses of the City for 2021.

### LOOKING FORWARD

In 2022, the City will continue the journey of fiscal sustainability and maturation of City processes, programs and servicing to support a growing city. The City will continue to refine the Long Term Capital Planning process through the ongoing development of asset management information and the establishment of reserves for capital lifecycle funding. The fiscal sustainability work will also involve the creation and review of necessary financial policies. The City will have policy discussions on debt and the City's position on front ending development. The City will also examine the possibility of expanding the pool of offsite levies to include soft costs such as recreation facilities, police facilities, libraries, and fire halls. Implementation and progressive growth of reserves through dedicated funding sources will enable the City to maintain a healthy cash position to mitigate operational

risk as well as to fund future capital spending. The City continues to mature its financial planning and decision making framework to create stronger sustainability, transparency, equity and competitiveness in outcomes for its stakeholders, and a more sustainable financial future for the residents of Spruce Grove.

2022 will see a new Council strategic plan developed, as well as the renewal of the City's Municipal Development Plan, which work together to support a proactive path forward for a healthy and vibrant community. Major projects such as the proposed Civic Centre Development aim to address the needs in our community and the broader tri-municipal area, including sports, recreation, arts and culture, by bringing all those amenities together under one roof. In addition, the City Centre Area Redevelopment Plan is in progress and will help to revitalize the downtown core through the redevelopment of Columbus Park, streetscapes that invite pedestrians, and an urban design that attracts both residents and new businesses.

*Anthony Lempfers*  
APRIL 28, 2022

**ANTHONY LEMPHERS**  
CPA - CGA, BBA  
CHIEF FINANCIAL OFFICER



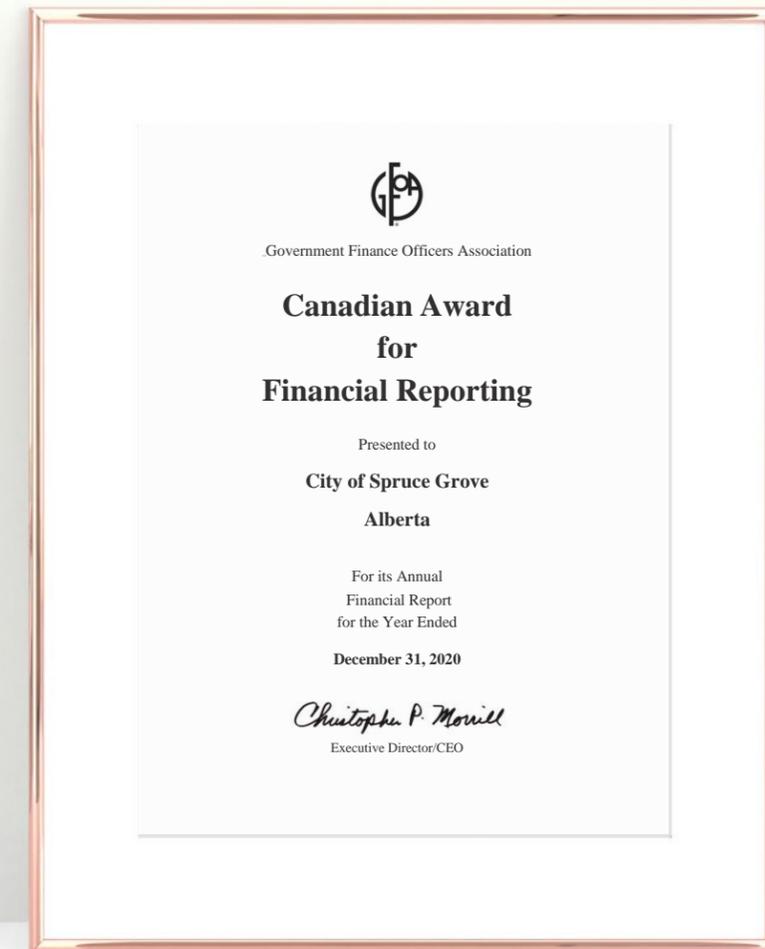
### LETTER OF TRANSMITTAL OF THE ANNUAL FINANCIAL REPORT

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Spruce Grove for its annual financial report for the fiscal year ended December 31, 2020. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose

contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.





# FINANCIAL SUMMARY

## 2021 Financial Summary

This financial summary is intended to assist with understanding the management of the City of Spruce Grove's resources. It provides an overview of the 2021 financial statements. Unless indicated, all information is presented on a consolidated basis.



### City revenue sources

The City of Spruce Grove's 2021 revenue came from a variety of sources:

- **36% Property Tax:** Paid by Spruce Grove property owners to help cover the costs of the services they use within the City. Residents paid approximately 76 per cent of the total property taxes, while businesses pay the remaining 24 per cent.
- **36% Sales and User Fees:** This includes sales to other governments, franchise fees, fines, licenses and permits, rentals and other.
- **6% Contributed Tangible Capital Assets:** Items such as roads and sewers, which are put in by developers and then transferred to the City to own and manage.
- **13% Government Transfers – Capital:** Funds the City receives from the provincial and federal government, as well as neighbouring municipalities which are used for the construction or acquisition of tangible capital assets.
- **3% Government Transfers – Operating:** Funds the City receives from the provincial and federal governments, as well as neighbouring municipalities which are used for operating programs.
- **6% Other Revenues:** This includes penalties on taxes and utilities, rentals, fines investment income, contributed tangible capital assets, and developer contribution and levies.

The City also collects levies on behalf of the provincial government for education and on behalf of the Meridian Foundation for local seniors housing. The City does not use this funding and passes it on directly to both the Province of Alberta and Meridian Foundation. The City also does not set or control the amount of these levies.

**Financial position**

At the end of 2021, future revenues of \$11 million were required to pay for past transactions or events.

Surplus funds have accumulated over the history of the City to \$551 million. Virtually all surplus funds, \$523 million, have been used used to buy or build roads, utilities, buildings and other capital assets used to deliver municipal services.

<b>Financial position</b> (\$ millions)	<b>2021</b>	<b>2020</b>
Financial assets	79	66
Liabilities	90	86
<b>Net debt</b>	-11	-20
Non-financial assets	562	555
Accumulated surplus	551	535

**Financial activities**

The City's financial activities include revenue, operating expenses and capital projects. The result of 2021 operations is an annual surplus of \$17 million and \$26 million was used in the acquisition of capital assets.

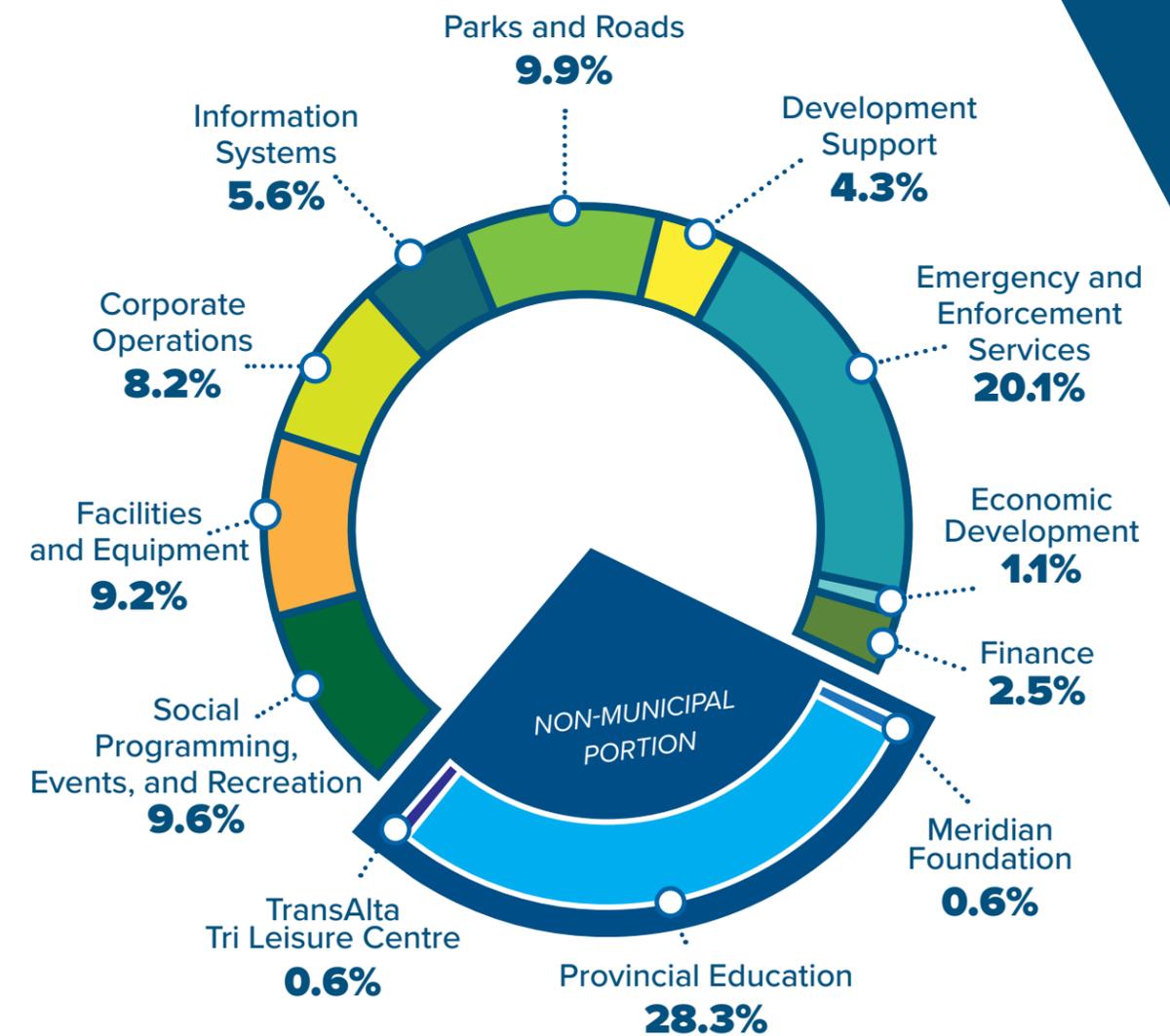
The budget tries to predict actual results as accurately as possible. Both the 2021 annual deficit from operations and capital projects were under budget.

<b>Financial activities</b> (\$ millions)	<b>Budget</b>	<b>2021</b>	<b>2020</b>
Revenue – operations	91	91	88
Expenses – operations	104	99	91
Annual deficit from operations	-13	-8	-3
Revenue – capital	25	25	22
Annual surplus	12	17	19
<b>Capital asset acquisitions</b>			
Purchased capital assets	35	20	14
Contributed capital assets	2	7	14
Total acquisitions	37	26	28

**Distribution of 2021 tax dollars**

(On a non-consolidated basis)

The municipal portion of your property taxes is based on the City's budgeted revenue requirements. This portion is retained by the City and is used to pay for amenities and services for residents and the community as a whole, such as roads, public transit, public safety, parks and open spaces, programming, and much more! The distribution of tax dollars is illustrated in this chart.





# CONSOLIDATED FINANCIAL STATEMENTS

CITY OF SPRUCE GROVE  
FOR THE YEAR ENDED  
DECEMBER 31, 2021



KPMG LLP  
2200, 10175 – 101 Street  
Edmonton, AB T5J 0H3  
Telephone (780) 429-7300  
Fax (780) 429-7379  
www.kpmg.ca

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the City of Spruce Grove

### *Opinion*

We have audited the consolidated financial statements of the City of Spruce Grove (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



### Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in the "Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the "Annual Report", as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

Edmonton, Canada

April 25, 2022

Independent Auditors' Report

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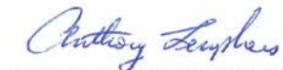
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The consolidated financial statements of the City of Spruce Grove (the "City") are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements include amounts that are based on the best estimates and judgements of management. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Management maintains systems of accounting and administrative controls to provide reasonable assurance that the transactions are appropriately authorized, accurately recorded, that assets are properly accounted for and safeguarded and that the consolidated financial statements reliably report the City's operating and financial results.

City Council has approved the information contained in the consolidated financial statements.

KPMG LLP has been appointed by City Council to provide an independent audit opinion on the consolidated financial statements.



Anthony Lemphers, CPA-CGA, BBA  
Chief Financial Officer



Dean Screpnek, CPA, CMA, CLGM  
City Manager

April 25, 2022  
Spruce Grove, Alberta

CITY OF SPRUCE GROVE  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

	2021	2020
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 2)	\$ 21,180	\$ 5,629
Accounts Receivable (Note 3)	16,741	15,179
Investments (Note 4)	39,344	43,145
Land Held for Resale (Note 5)	1,746	1,746
	<b>79,011</b>	<b>65,699</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 6)	19,252	14,881
Deferred Revenue (Note 7)	31,065	27,817
Liability for Contaminated Sites (Note 8)	1,208	1,250
Long-Term Debt (Notes 9 and 10)	38,595	41,713
	<b>90,120</b>	<b>85,661</b>
<b>Net Debt</b>	<b>(11,109)</b>	<b>(19,962)</b>
<b>Non-Financial Assets</b>		
Inventory and Prepaid Expenses	1,229	1,062
Tangible Capital Assets (Note 11)	561,253	553,603
	<b>562,482</b>	<b>554,665</b>
<b>Accumulated Surplus (Note 12)</b>	<b>\$ 551,373</b>	<b>\$ 534,703</b>
<b>Impacts of COVID-19 (Note 28)</b>		

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF SPRUCE GROVE  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

	2021 Budget (Note 27)	2021 Actual	2020 Actual
<b>Revenue</b>			
Property Taxes (Schedule 1)	\$ 42,291	\$ 42,236	\$ 41,054
Sales and User Fees	26,325	26,378	23,921
Sales to Other Governments	2,667	2,828	2,667
Franchise Fees (Note 26)	6,634	6,532	6,149
Fines	2,933	2,434	1,542
Government Transfers - Operating (Schedule 2)	3,577	3,833	6,925
Licenses and Permits	1,407	2,282	1,334
Rentals	2,377	1,768	1,506
Penalties	876	1,051	982
Other	1,409	952	903
Investment Income	335	791	865
	<b>90,831</b>	<b>91,085</b>	<b>87,848</b>
<b>Expenses (Schedule 3)</b>			
General Government	15,327	16,011	12,175
Protective Services	19,893	19,163	17,436
Transportation and Roadway Services	31,587	26,734	26,401
Utilities	20,430	22,241	20,533
Community Services	13,743	11,836	11,238
Development Services	3,261	3,234	2,924
	<b>104,241</b>	<b>99,219</b>	<b>90,707</b>
<b>Annual Deficit before the Undernoted</b>	<b>(13,410)</b>	<b>(8,134)</b>	<b>(2,859)</b>
Gain on Disposal of Tangible Capital Assets	-	26	512
Government Transfers - Capital (Schedule 2)	23,145	14,657	7,178
Contributed Tangible Capital Assets	1,836	6,737	13,668
Developer Contribution and Levies	170	3,384	265
	<b>25,151</b>	<b>24,804</b>	<b>21,623</b>
<b>Annual Surplus</b>	<b>11,741</b>	<b>16,670</b>	<b>18,764</b>
Accumulated Surplus, Opening	534,703	534,703	515,939
<b>Accumulated Surplus, Closing (Note 12)</b>	<b>\$ 546,444</b>	<b>\$ 551,373</b>	<b>\$ 534,703</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

	2021 Budget (Note 27)	2021 Actual	2020 Actual
<b>Annual surplus</b>	\$ 11,741	\$ 16,670	\$ 18,764
<b>Change in Inventory and Prepaid Expenses</b>	-	(167)	18
<b>Tangible Capital Assets</b>			
Contributed	(1,836)	(6,737)	(13,668)
Purchased	(35,264)	(19,515)	(13,611)
Proceeds on Disposal	-	855	701
Gain on Disposal	-	(26)	(512)
Amortization	18,413	17,773	17,262
	<u>(18,687)</u>	<u>(7,650)</u>	<u>(9,828)</u>
<b>Change in Net Debt</b>	(6,946)	8,853	8,954
Net Debt, Opening	(19,962)	(19,962)	(28,916)
<b>Net Debt, Closing</b>	<u>\$ (26,908)</u>	<u>\$ (11,109)</u>	<u>\$ (19,962)</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

	2021	2020
<b>Cash Provided by (Used For):</b>		
<b>Operating Activities</b>		
Annual Surplus	\$ 16,670	\$ 18,764
<b>Items not involving cash:</b>		
Amortization	17,773	17,262
Gain on Disposal of Tangible Capital Assets	(26)	(512)
Contributed Tangible Capital Assets	(6,737)	(13,668)
<b>Change in non-cash working capital balances:</b>		
(Increase)/Decrease in Accounts Receivable	(1,562)	1,920
Increase in Accounts Payable and Accrued Liabilities	4,371	1,112
Increase/(Decrease) in Deferred Revenue	3,248	(3,762)
Decrease in Liability for Contaminated Sites	(42)	(50)
(Increase)/Decrease in Inventory and Prepaid Expenses	(167)	18
	<u>33,528</u>	<u>21,084</u>
<b>Capital Activities</b>		
Purchased Tangible Capital Assets	(19,515)	(13,611)
Proceeds on Disposal of Tangible Capital Assets	855	701
	<u>(18,660)</u>	<u>(12,910)</u>
<b>Investing Activities</b>		
Purchased Investments	(51,944)	(44,126)
Proceeds on Disposal of Investments	55,745	33,451
	<u>3,801</u>	<u>(10,675)</u>
<b>Financing Activities</b>		
Long-term Debt Issued	-	2,556
Long-term Debt Repaid	(3,118)	(2,965)
	<u>(3,118)</u>	<u>(409)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<u>15,551</u>	<u>(2,910)</u>
Cash and Cash Equivalents, Opening	5,629	8,539
<b>Cash and Cash Equivalents, Closing</b>	<u>\$ 21,180</u>	<u>\$ 5,629</u>

The accompanying notes are an integral part of these consolidated financial statements.

The City of Spruce Grove (the "City") is a municipality in the Province of Alberta, Canada and operates under the provisions of the *Municipal Government Act*.

**1. Significant Accounting Policies**

The consolidated financial statements of the City of Spruce Grove are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards. Significant accounting policies adopted by the City are as follows:

**a. Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the City, and are, therefore, accountable for the administration of their financial affairs and resources.

The reporting entity includes all divisions and departments that comprise City operations, the City of Spruce Grove Library Board and the TransAlta Tri Leisure Centre. Inter-organizational transactions and balances between these entities have been eliminated.

The City is associated with various other boards, commissions and other organizations that are not part of the government reporting entity.

Property taxes levied include requisitions for education and seniors housing organizations that are not part of the government reporting entity. The consolidated financial statements exclude any trusts under administration for the benefit of external parties.

**b. Financial Assets**

**i. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and cash equivalents that are highly liquid. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

**ii. Investments**

Investments are recorded at amortized cost. Should there be a loss in value that is not considered temporary, the respective investment is written down to recognize the loss.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue is added to the deferred revenue balance.

**1. Significant Accounting Policies (continued)**

**b. Financial Assets (continued)**

**iii. Land Held for Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes amounts for acquisition, sales commission and interest. Interest is capitalized whenever external debt is issued to finance the acquisition of land held for resale. Repayments of interest from third parties reduces the amount of capitalized interest.

**c. Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

**i. Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the tangible capital assets. The cost, less residual value of tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful life as follows:

Asset	Useful Life in Years
Engineered Structures	20 - 75
Machinery & Equipment	4 - 20
Buildings	25 - 50
Vehicles	8 - 25
Land Improvements	15 - 25
Leasehold Improvements	Life of the Lease

Amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Construction in progress is not amortized until the asset is available for productive use.

**ii. Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

**iii. Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

1. Significant Accounting Policies (continued)

c. Non-Financial Assets (continued)

iv. Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as tangible capital assets and are not amortized.

v. Inventory

Inventory is comprised of supplies held for consumption and is recorded at the lower of cost and replacement cost.

d. Revenue Recognition

i. Revenue

Revenues are recognized in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

ii. Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisition over-levies and under-levies arise from the difference between the actual tax levy made to cover each requisition and the actual amount requisitioned. Where the actual levy differs from the requisition, the requisition tax rate is adjusted in the subsequent year.

iii. Developer Contributions

Developer contributions are recognized as revenue in the period they are used for the purpose specified.

iv. Developer Offsite Levies

Offsite levies are collected from developers upon the execution of a development agreement as per the offsite levy bylaw. These funds are restricted to fund the construction of specific infrastructure and are recognized as revenue once the infrastructure has been built and the City has provided a construction completion certificate.

1. Significant Accounting Policies (continued)

d. Revenue Recognition (continued)

v. Government Transfers

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. These transfers are not the result of an exchange transaction, and are not expected to be repaid in the future, or the result of a direct financial return. Revenue is recognized in the period when events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

e. Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

f. Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the financial statement date, when:

- (a) an environmental standard exists;
- (b) contaminations exceed the environmental standard;
- (c) the municipality owns the land; or is directly responsible; or accepts responsibility;
- (d) it is expected that future economic benefits will be given up; and
- (e) the liability can be reasonably estimated.

The liability is estimated to cover remediation, post remediation operation, maintenance and monitoring costs based on information available at the financial statement date.

In some cases, environmental standards are created by internal policy and voluntary compliance with such environmental standards may create a liability.

**1. Significant Accounting Policies (continued)**

**g. Use of Estimates**

The preparation of the consolidated financial statements of the City requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results may differ from those estimates.

Estimates have been used to determine provisions for accrued liabilities, liability for contaminated sites, useful lives of tangible capital assets, fair values of contributed tangible capital assets, and provisions made for allowances for doubtful receivable accounts.

In addition, developer contributions and offsite levies utilize forecasted development costs, staging and financing requirements.

**h. Future Accounting Standard Pronouncements**

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2021, the City continued to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translation (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Standard	Name	Effective Date
PS1201	Financial Statement Presentation	April 1, 2022
PS3450	Financial Instruments	April 1, 2022
PS2601	Foreign Currency Translation	April 1, 2022
PS3041	Portfolio Investments	April 1, 2022
PS3280	Asset Retirement Obligations	April 1, 2022
PS3400	Revenue	April 1, 2023
PSG-8	Purchased Intangibles	April 1, 2023
PS3260	Public Private Partnerships	April 1, 2023

**2. Cash and Cash Equivalents**

	2021	2020
Cash	\$ 20,405	\$ 4,860
Cash Equivalents	775	769
	<b>\$ 21,180</b>	<b>\$ 5,629</b>

Cash equivalents include investments that have an effective interest rate of 0.80% (2020 - 0.90%) that mature in less than three months.

**3. Accounts Receivable**

	2021	2020
<b>Property Taxes</b>		
Current Taxes and Grants in Place of Taxes	\$ 1,873	\$ 2,214
Arrears	827	866
	<b>2,700</b>	<b>3,080</b>
<b>Other</b>		
Government Transfers	323	447
Local Improvements	3,401	3,709
Trade and Other	4,683	4,734
Utility	2,446	2,391
Developer Contributions and Levies	2,752	497
Goods and Services Tax	233	187
Interest Receivable	348	261
Allowance for Doubtful Accounts	(145)	(127)
	<b>14,041</b>	<b>12,099</b>
	<b>\$ 16,741</b>	<b>\$ 15,179</b>

CITY OF SPRUCE GROVE  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

**4. Investments**

	Amortized Cost 2021	Market Value 2021	Amortized Cost 2020	Market Value 2020
Bonds	\$ 16,633	\$ 16,495	\$ 17,049	\$ 17,546
GICs	52	52	52	52
Notes	12,892	12,829	11,881	11,666
Other	9,767	9,767	14,163	14,163
	<b>\$ 39,344</b>	<b>\$ 39,143</b>	<b>\$ 43,145</b>	<b>\$ 43,427</b>

Investments in bonds have effective interest rates of 1.29% to 2.93% (2020 - 1.23% to 3.36%) with maturity dates from March 2022 to January 2033. The guaranteed investment certificate (GIC) bears interest at 0.20% (2020 - 0.35%) maturing May 2022. Note investments have a variable interest rate and are linked to the performance of an equity market index with maturity dates from December 2027 to November 2031. Other investments include a callable interest savings account with an effective rate of 0.80% (2020 - 0.90%). Bond and note amortized costs below market value at December 31, 2021 are considered temporary. No provision for impairment has been made.

CITY OF SPRUCE GROVE  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

**5. Land Held for Resale**

The City holds an interest in lands in the amount of \$1,746 (2020 - \$1,746) representing the costs related to the Westwind land assembly undertaken by the City. The City has entered into an option agreement with the developer to dispose of the assembled land in parcels. That agreement is set to expire on March 21, 2025.

During the year interest on long-term debt in the amount of \$13 (2020 - \$16) was capitalized and subsequently reimbursed by the developer.

**6. Accounts Payable and Accrued Liabilities**

	2021	2020
Trade and Accrued Liabilities	\$ 10,682	\$ 7,764
Wages and Benefits	3,627	3,384
Holdbacks	416	1,724
Deposits	1,316	924
Developer Commitments	3,172	1,033
Debenture Interest	39	52
	<b>\$ 19,252</b>	<b>\$ 14,881</b>

CITY OF SPRUCE GROVE  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

**7. Deferred Revenue**

	2020	Amount Received and Receivable	Interest and Other	Amounts Recognized	2021
<b>Developer Contributions</b>					
Administration	\$ 95	\$ 49	\$ 1	\$ -	\$ 145
Neighborhood Parks	844	256	9	2	1,107
Municipal Reserve	192	-	2	-	194
Parks - South	1,714	-	14	-	1,728
Regional Parks	-	316	-	316	-
Cash in Lieu of Parking	105	-	1	-	106
Downtown Redevelopment	3	-	-	-	3
Developer Default	-	155	-	155	-
	2,953	776	27	473	3,283
<b>Developer Offsite Levies</b>					
Water	-	127	-	127	-
Transportation	-	2,386	-	2,386	-
Sanitary Sewer	-	398	-	398	-
	-	2,911	-	2,911	-
<b>Developer Contributions and Offsite Levies</b>	2,953	3,687	27	3,384	3,283
<b>Government Transfers - Capital</b>					
Canada Community-Building Fund	2,854	4,188	-	3,028	4,014
Municipal Sustainability Initiative	19,552	7,654	102	6,850	20,458
Other	149	5,530	(5)	4,779	895
	22,555	17,372	97	14,657	25,367
<b>Government Transfers - Operating</b>					
Municipal Sustainability Initiative	-	260	-	260	-
Other	283	2,032	-	2,087	228
RCMP Policing	-	701	-	701	-
Family & Community Support Services	68	958	-	785	241
	351	3,951	-	3,833	469
<b>Other Revenue</b>					
Sponsorships	804	344	-	494	654
Property Taxes	476	11,119	-	11,257	338
User Fees	678	6,136	-	5,860	954
	1,958	17,599	-	17,611	1,946
	\$ 27,817	\$ 42,609	\$ 124	\$ 39,485	\$ 31,065

CITY OF SPRUCE GROVE  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

**8. Liability for Contaminated Sites**

	2021	2020
Historic Public Works Yard - salt impacted soil	\$ 127	\$ 150
Pioneer Cemetery - salt impacted soil	1,081	1,100
	\$ 1,208	\$ 1,250

The fair value of the liability for contaminated sites is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted using the consumer price index. Subsequent to the initial measurement, the obligation will be adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation are recognized in the consolidated statement of operations and accumulated surplus.

The estimated undiscounted future remediation expenditures is \$1,208 and a discount rate of 3.00% (2020 - 3.00%) has been used. The City plans to remediate the sites over a 5-year period with an expected completion date of December 31, 2023.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

**9. Long-Term Debt**

	2021	2020
<b>Province of Alberta</b>		
Agrena	\$ 496	\$ 679
Library	500	653
Local Improvements	3,287	3,619
Public Works Facility	4,305	4,481
Storm Upgrades	2,029	2,116
TransAlta Tri Leisure Centre	41	330
Protective Services Facility	5,017	5,355
Industrial Watermain	2,070	2,160
	<b>17,745</b>	19,393
<b>CIBC</b>		
Development	12,122	13,085
RCMP Facility	7,818	8,260
	<b>19,940</b>	21,345
<b>Other</b>		
Other	458	523
Westwind Land Assembly	452	452
	<b>910</b>	975
	<b>\$ 38,595</b>	<b>\$ 41,713</b>

The required repayments for the Province of Alberta debt and scheduled repayments for all other debt, assuming the scheduled repayments are followed, are as follows:

	Principal	Interest	Total
2022	\$ 2,924	\$ 991	\$ 3,915
2023	2,931	908	3,839
2024	2,825	829	3,654
2025	3,035	753	3,788
2026	2,619	686	3,305
Subsequent	24,261	3,416	27,677
	<b>\$ 38,595</b>	<b>\$ 7,583</b>	<b>\$ 46,178</b>

Debt repayable to the Province of Alberta bears interest at rates ranging from 1.88% to 6.00% per annum (2020 - 1.88% to 6.38%) and matures in periods 2022 to 2040. This debt is issued on the credit and security of the City.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

**9. Long-Term Debt (continued)**

Demand facilities with CIBC are repaid on amortization periods extending to 2034 and 2039 at notional interest rates of 2.50% and 2.59%.

The Westwind Land Assembly loan, repayable to Versabank, bears interest at prime plus 0.9%. Payments are interest only with the principal due when the land is sold, and due in full no later than March 2025. The City has entered into an agreement with a developer to reimburse any interest incurred on this loan.

The City has a revolving demand facility with CIBC for \$5 million which has not been drawn upon as of December 31, 2021 (2020 - not drawn).

Interest on long-term debt amounted to \$1,156 (2020 - \$1,194). The City's interest expense for the year is \$1,144 (2020 - \$1,178) while the remaining \$12 (2020 - \$16) relates to Westwind lands and was capitalized as part of land held for resale during the year. The City's total cash payment for interest in 2021 is \$1,164 (2020 - \$1,193).

**10. Debt Limits**

Section 276 (2) of the Municipal Government Act requires that debt and debt limits are defined by Alberta Regulation 255/200 for the City be disclosed as follows:

	2021	2020
<b>Total Debt Limit</b>		
(1.5 times revenue, as defined in the regulation)	\$ 141,747	\$ 132,937
Total Debt	<b>(38,595)</b>	(41,713)
<b>Amount of Debt Limit Unused</b>	<b>103,152</b>	91,224
<b>Debt Servicing Limit</b>		
(0.25 times revenue, as defined in the regulation)	23,625	22,156
Debt Servicing	<b>(3,915)</b>	(4,252)
<b>Amount of Debt Servicing Limit Unused</b>	<b>\$ 19,710</b>	\$ 17,904

Revenue as defined in Alberta Regulation 255/2000 is calculated using the total revenue for the reporting year less capital government transfers and contributed tangible capital assets recognized in the year. The City has a financial policy that requires maintaining debt to a maximum of 50% of the above provincial debt limit. As of December 31, 2021 the City is in compliance with this internal debt limit.

CITY OF SPRUCE GROVE  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

**11. Tangible Capital Assets**

2021	Land	Land Improvements	Leasehold Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	2021
<b>Cost</b>									
Balance, Opening	\$ 165,736	\$ 26,222	\$ 1,005	\$ 103,668	\$ 425,078	\$ 26,895	\$ 11,690	\$ 2,343	\$ <b>762,637</b>
Acquired	-	137	-	170	12,737	2,558	105	3,808	<b>19,515</b>
Contributed	5,828	24	-	-	869	16	-	-	<b>6,737</b>
Disposals	(320)	-	-	-	(1,318)	(1,143)	(116)	-	<b>(2,897)</b>
Transfers	-	-	-	416	292	-	-	(708)	-
<b>Balance, Closing</b>	171,244	26,383	1,005	104,254	437,658	28,326	11,679	5,443	<b>785,992</b>
<b>Accumulated Amortization</b>									
Balance, Opening	-	12,126	894	20,045	154,873	16,853	4,242	-	<b>209,033</b>
Amortization	-	1,243	11	2,192	11,441	2,199	687	-	<b>17,773</b>
Disposals	-	-	-	-	(973)	(978)	(116)	-	<b>(2,067)</b>
<b>Balance, Closing</b>	-	13,369	905	22,237	165,341	18,074	4,813	-	<b>224,739</b>
<b>Net Book Value, Closing</b>	\$ 171,244	\$ 13,014	\$ 100	\$ 82,017	\$ 272,317	\$ 10,252	\$ 6,866	\$ 5,443	\$ <b>561,253</b>

CITY OF SPRUCE GROVE  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
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**11. Tangible Capital Assets (continued)**

2020	Land	Land Improvements	Leasehold Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	2020
<b>Cost</b>									
Balance, Opening	\$ 156,726	\$ 25,905	\$ 1,005	\$ 100,660	\$ 411,973	\$ 26,564	\$ 11,275	\$ 2,738	\$ <b>736,846</b>
Acquired	-	105	-	1,833	9,194	520	563	1,396	<b>13,611</b>
Contributed	8,635	126	-	-	4,900	7	-	-	<b>13,668</b>
Disposals	-	-	-	-	(1,022)	(195)	(273)	-	<b>(1,490)</b>
Transfers	375	85	-	1,174	33	-	125	(1,792)	-
<b>Balance, Closing</b>	165,736	26,221	1,005	103,667	425,078	26,896	11,690	2,342	<b>762,635</b>
<b>Accumulated Amortization</b>									
Balance, Opening	-	10,879	883	17,865	144,831	14,847	3,766	-	<b>193,071</b>
Amortization	-	1,247	11	2,181	11,031	2,066	726	-	<b>17,262</b>
Disposals	-	-	-	-	(992)	(61)	(248)	-	<b>(1,301)</b>
<b>Balance, Closing</b>	-	12,126	894	20,046	154,870	16,852	4,244	-	<b>209,032</b>
<b>Net Book Value, Closing</b>	\$ 165,736	\$ 14,095	\$ 111	\$ 83,621	\$ 270,208	\$ 10,044	\$ 7,446	\$ 2,342	\$ <b>553,603</b>

**12. Accumulated Surplus**

	Budget (Note 27)	2021	2020
Municipal	\$ 27,816	\$ 39,285	\$ 30,113
Utility	3,599	4,585	7,672
Developer (Note 13)	(16,676)	(15,607)	(15,424)
	14,739	28,263	22,361
Investment in Tangible Capital Assets	531,705	523,110	512,342
	\$ 546,444	\$ 551,373	\$ 534,703

**13. Developer Deficit**

	2020	Transfer In	Transfer Out	2021
Transportation	\$ (6,153)	\$ 2,386	\$ (1,371)	\$ (5,138)
Sanitary Sewer	(6,443)	398	(1,296)	(7,341)
Water	(445)	126	(682)	(1,001)
Regional Parks	(2,383)	316	(60)	(2,127)
Neighborhood Parks	-	2	(2)	-
Developer Default	-	156	(156)	-
	\$ (15,424)	\$ 3,384	\$ (3,567)	\$ (15,607)

The City paid for certain transportation and water infrastructure projects on behalf of developers and financed this development with long-term debt in order to advance the construction of these projects. The developer deficits are expected to be repaid with proceeds from future developer levies. Long-term debt in the amount of \$12,122 (2020 - \$13,085) was taken out by the City as offsite levy fund balances are currently insufficient to pay for future development's share of these project costs. Future interest charges of \$1,536 (2020 - \$1,788) are expected to be repaid by proceeds received from future developer levies.

**14. Segmented Disclosure**

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the financial statements. Allocation methodologies are employed in the preparation of the segmented financial information. User charges and other revenue have been allocated to the segment based upon the segment that generated that revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges and developer levies are allocated to the segment for which the transfer was made. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide are as follows:

**14. Segmented Disclosure (continued)**

**a. General Government**

General government is comprised of Council and General Administration. Council makes decisions regarding delivery and service levels on behalf of the municipality in order to balance the needs and wants of City residents in a financially responsible manner. General Administration is responsible for the administration of the municipality as a whole.

**b. Protective Services**

Protective Services is comprised of Safe City – Enforcement Services, Police and Fire. Safe City – Enforcement Services provides enforcement in the areas of Provincial Acts and Municipal Bylaws; developing proactive educational safe city programs; and management of the Automated Traffic Enforcement contract. Fire is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; detection or extinguishment of fires; and advanced life support to Alberta Health Services 24/7.

**c. Transportation and Roadway Services**

Transportation and Roadway Services is comprised of the Engineering Services and the Public Works departments. They are responsible for the planning, development and maintenance of roadway systems.

**d. Utilities**

The City is responsible for environmental programs such as the engineering, operation and maintenance of Water, Sanitary Sewer and Stormwater networks and facilities and Solid Waste Management.

**e. Community Services**

Community Services provides recreational and cultural services, activities which promote the health and well being of its citizens, and activities related to parks and cemetery maintenance and operation.

**f. Development Services**

Development Services is comprised of Planning and Development Services and Economic Development. Planning and Development Service manages long term planning, current planning and subdivision, development permits and safety code disciplines. Economic Development is responsible for facilitating programs and services intended to help local businesses prosper and grow, and attract new business and investment in the City.

CITY OF SPRUCE GROVE  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

14. Segmented Disclosure (continued)

2021	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total	Budget (Note 27)
<b>Revenue</b>								
Property Taxes	\$ 41,927	\$ -	\$ -	\$ -	\$ 309	\$ -	\$ 42,236	\$42,291
Sales and User Fees	177	1,178	719	23,153	923	228	26,378	26,325
Sales to Other Governments	-	2,828	-	-	-	-	2,828	2,667
Franchise Fees	6,532	-	-	-	-	-	6,532	6,634
Fines	6	2,426	-	2	-	-	2,434	2,933
Government Transfers - Operating	257	701	958	-	1,876	41	3,833	3,577
Licenses and Permits	-	1	79	62	-	2,140	2,282	1,407
Rentals	-	528	77	-	1,163	-	1,768	2,377
Penalties	924	-	-	127	-	-	1,051	876
Other	156	4	295	(2)	334	165	952	1,409
Investment Income	747	-	18	-	4	22	791	335
	50,726	7,666	2,146	23,342	4,609	2,596	91,085	90,831
<b>Expenses</b>								
Salaries, Wages & Benefits	8,283	9,544	7,491	2,189	6,709	2,240	36,456	38,999
Contracted & General Services	6,211	1,870	4,525	3,685	2,264	814	19,369	19,718
Materials, Goods & Supplies	487	773	2,794	400	1,196	16	5,666	6,343
Purchases from Other Governments	-	5,886	1,708	10,482	222	-	18,298	19,006
Transfers to Government, Agencies & Other Organizations	1	11	-	-	97	30	139	133
Bank Charges	147	-	-	-	3	-	150	144
Interest on Long-Term Debt	6	-	854	120	66	98	1,144	1,066
Other	197	-	-	12	15	-	224	419
Amortization	679	1,079	9,362	5,353	1,264	36	17,773	18,413
	16,011	19,163	26,734	22,241	11,836	3,234	99,219	104,241
<b>Annual Surplus (Deficit) before Undernoted</b>								
Gain on Disposal of Tangible Capital Assets	34,715	(11,497)	(24,588)	1,101	(7,227)	(638)	(8,134)	(13,410)
Government Transfers - Capital	220	-	10,067	4,252	118	-	14,657	23,145
Contributed Tangible Capital Assets	-	-	210	683	16	5,828	6,737	1,836
Developer Contribution and Levies	155	-	2,705	524	-	-	3,384	170
	375	-	12,987	5,459	134	5,849	24,804	25,151
<b>Annual Surplus (Deficit)</b>	<b>\$ 35,090</b>	<b>\$ (11,497)</b>	<b>\$ (11,601)</b>	<b>\$ 6,560</b>	<b>\$ (7,093)</b>	<b>\$ 5,211</b>	<b>\$ 16,670</b>	<b>\$11,741</b>

CITY OF SPRUCE GROVE  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

14. Segmented Disclosure (continued)

2020	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total
<b>Revenue</b>							
Property Taxes	\$ 40,745	\$ -	\$ -	\$ -	\$ 309	\$ -	\$ 41,054
Sales and User Fees	141	1,343	717	20,648	990	82	23,921
Sales to Other Governments	-	2,667	-	-	-	-	2,667
Franchise Fees	6,149	-	-	-	-	-	6,149
Fines	2	1,539	-	1	-	-	1,542
Government Transfers - Operating	-	726	4,217	-	1,939	43	6,925
Licenses and Permits	-	2	54	29	-	1,249	1,334
Rentals	-	362	105	-	1,039	-	1,506
Penalties	902	-	-	80	-	-	982
Other	141	8	241	70	318	125	903
Investment Income	708	-	21	-	18	93	865
	48,788	6,647	5,355	20,828	4,613	1,592	87,848
<b>Expenses</b>							
Salaries, Wages & Benefits	7,886	8,987	7,222	2,023	6,567	2,186	34,871
Contracted & General Services	3,023	1,176	4,569	3,493	1,993	565	14,819
Materials, Goods & Supplies	403	688	2,631	477	1,032	11	5,242
Purchases from Other Governments	-	5,494	2,004	9,320	-	-	16,818
Transfers to Government, Agencies & Other Organizations	1	11	-	-	231	37	280
Bank Charges	107	-	-	-	3	-	110
Interest on Long-Term Debt	10	-	887	95	97	89	1,178
Other	97	-	-	2	28	-	127
Amortization	648	1,080	9,088	5,123	1,287	36	17,262
	12,175	17,436	26,401	20,533	11,238	2,924	90,707
<b>Annual Surplus (Deficit) before Undernoted</b>							
Loss on Disposal of Tangible Capital Assets	-	-	7	-	-	505	512
Government Transfers - Capital	68	-	7,043	-	67	-	7,178
Contributed Tangible Capital Assets	-	-	4,372	654	7	8,635	13,668
Developer Contribution and Levies	-	-	234	31	-	-	265
	68	-	11,656	685	74	9,140	21,623
<b>Annual Surplus (Deficit)</b>	<b>\$ 36,681</b>	<b>\$ (10,789)</b>	<b>\$ (9,390)</b>	<b>\$ 980</b>	<b>\$ (6,551)</b>	<b>\$ 7,808</b>	<b>\$ 18,764</b>

**15. Salary and Benefits Disclosure**

Disclosure of salaries and benefits for municipal officials and the chief administrative officer is required by Alberta Regulation 313/2000. This information is not presented in thousands of dollars.

	2021	2021	2020	2020
	Salaries	Benefits	Salaries	Benefits
Mayor Acker (i)	\$ 15,867	\$ 4,842	\$ -	\$ -
Councillor Carter (i)	10,491	3,070	-	-
Councillor Gillett (i)	10,884	3,004	-	-
Councillor Houston (i)	11,082	3,855	-	-
Councillor MacDonald (i)	10,884	2,753	-	-
Councillor Oldham	50,939	13,628	53,491	12,707
Councillor Stevenson	55,981	10,735	55,890	11,263
Mayor Houston (ii)	94,703	10,260	114,361	14,128
Councillor Acker (ii)	49,074	9,889	51,541	12,486
Councillor Gruhlke (ii)	42,489	10,389	53,135	12,581
Councillor McKenzie (ii)	44,214	10,496	56,001	12,742
Councillor Rothe (ii)	42,657	8,118	53,397	10,261
	<b>439,265</b>	<b>91,039</b>	437,816	86,168
Chief Administrative Officer	219,581	49,309	-	-
Interim Chief Administrative Officer	11,887	3,464	25,595	6,761
Former Chief Administrative Officer	-	-	225,936	36,244
	<b>231,468</b>	<b>52,773</b>	251,531	43,005
	<b>\$ 670,733</b>	<b>\$ 143,812</b>	\$ 689,347	\$ 129,173

Salaries include remuneration and per diem paid to elected officials, including a basic honorarium, and a meeting per diem. Benefits include the employer's share of all benefits paid on behalf of elected officials and include Canada Pension Plan, health care, extended health care, dental, group life, accidental death and dismemberment insurance, dependent life insurance, a home office expense allowance, car allowance, and WCB coverage. Employees are also eligible for Employment Insurance, Long Term Disability, Local Authorities Pension Plan, APEX Plus Pension Plan and memberships to the TransAlta Tri Leisure Centre. Council is eligible for a matching RRSP contribution of up to 4% of their annual salary.

Councillors also serve on a number of external Committees/Boards for which they receive remuneration directly from those organizations and which are not included in the above Salary and Benefits Disclosure.

- (i) Council term started October 2021.
- (ii) Council term ended October 2021.

**16. Local Authorities Pension Plan**

Employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. LAPP is financed by employer and employee contributions and by investment earnings of the LAPP fund.

The City is required to make current service contributions to LAPP of 9.39% (2020 - 9.39%) of eligible pensionable earnings up to the year's maximum pension earnings and 13.84% (2020 - 13.84%) on pensionable earnings above this amount. Employees are required to make current service contributions of 8.39% (2020 - 8.39%) of pensionable salary up to the year's maximum pensionable earnings and 12.84% (2020 - 12.84%) on pensionable salary above this amount. Contributions for current service are recorded as expenses in the year in which they become due.

Total current service contributions by the City to LAPP in 2021 were \$2,425 (2020 - \$2,446). Total current service contributions by the employees of the City to LAPP in 2021 were \$2,202 (2020 - \$2,223). Total optional service contributions by the City to LAPP in 2021 were \$86 (2020 - \$75).

City employees are able to buy back their first year of service within five years from their start date with LAPP. The City is obligated to pay the employer portion of any prior service buy-back. In 2021, the City's potential liability for optional service buy-back is \$60 (2020 - \$27).

At December 31, 2020, LAPP disclosed a surplus of \$5.0 billion.

**17. APEX Supplementary Pension Plan**

The APEX supplementary pension plan, and Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pensions Plans Act commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees (approximately 121 beneficiaries). The plan supplements the Local Authorities Pension Plan.

The prescribed class of employees and the City make contributions. Employees and the City are required to make current service contributions to APEX of 2.61% and 3.85% respectively of pensionable earnings up to \$162 (2020 - \$154).

Total current service contributions by the City to APEX in 2021 were \$422 (2020 - \$431). Total current service contributions by the employees of the City in 2021 were \$286 (2020 - \$292).

**18. TransAlta Tri Leisure Centre**

The City, Parkland County and the Town of Stony Plain jointly developed, constructed, and are now operating the TransAlta Tri Leisure Centre (the "TLC"). The building is jointly owned by the City, Parkland County and the Town of Stony Plain. The City's proportionate share of the building is 42.0% (2020 - 42.0%).

The Tri-Municipal Leisure Facility Corporation (the "Corporation") operates and manages the TLC. The City, Parkland County and Town of Stony Plain provide annual contributions for a total of \$2,381 (2020 - \$2,357) to support the operations of the TLC, with the City's proportionate share being 49.5% - (2020 - 49.5%).

The City's proportionate share (49.5%) of the financial position and operations of the TLC is as follows:

	2021	2020
<b>Financial Position</b>		
Financial Assets	\$ 697	\$ 904
Liabilities	(423)	(474)
<b>Net Financial Assets</b>	<b>274</b>	<b>430</b>
Non Financial Assets	964	1,097
<b>Accumulated Surplus</b>	<b>1,238</b>	<b>1,527</b>
<b>Operations</b>		
Revenue	2,845	2,708
Expenses	(3,134)	(3,083)
<b>Annual Deficit</b>	<b>\$ (289)</b>	<b>\$ (375)</b>

**19. Related Parties**

Transactions with related parties are included within these consolidated financial statements.

Related parties include key management personnel which the City has determined to include the Mayor, Council and members of the City's senior leadership team. In the normal course of operations, key management personnel incur various costs on behalf of the City. Such transactions between the City and key management personnel are recorded at a value similar to that which would have been arrived at if the parties were unrelated.

**20. Alberta Municipal Insurance Exchange**

The City is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the City could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

**21. Developer Agreements**

Developers have entered into agreements with the City in the amount of approximately \$197,750 and are committed to installing and constructing certain works to serve the development of lands within the City. The City has taken security from the developers in the form of letters of credit in the amount of \$20,296 to secure the performance by the developers under the agreements.

**22. Financial Instruments**

The City's financial instruments consist of accounts receivable, investments, accounts payable and accrued liabilities, liability for contaminated sites, and long-term debt. It is management's opinion that the City is not exposed to significant interest or currency risks arising from these financial instruments.

The City is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that taxpayers and entities to which the City provides services may experience financial difficulty and be unable to fulfil their obligations. The large number of diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying values of all the City's financial instruments approximate their fair value.

**23. Contractual Rights**

Contractual rights are rights of the City to economic resources from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

In 2021, the City was allocated \$9,602 in Municipal Sustainability Initiative (MSI) Capital funding. Funding was received in 2022, based on submission and approval of project applications and satisfying subsequent reporting requirements.

The City has ongoing leases and contracts that will be received or receivable for each of the next five years and thereafter are as follows:

Year	Leases and Contracts
2022	\$ 661
2023	643
2024	607
2025	560
2026	552
Thereafter	6,283
	<b>\$ 9,306</b>

**24. Contractual Obligations**

As at December 31, 2021, authorized costs for capital projects and transfers committed through a purchase order or other contractual agreement, but not yet expended, amounts to \$2,198.

The City has ongoing operating leases for facilities. The future minimum payments are as follows:

Year	Basic Rent
2022	\$ 230
2023	122
2024	68
2025	68
2026	68
Thereafter	270
	<u>\$ 826</u>

**25. Contingent Liabilities**

The City is defendant in various lawsuits as at December 31, 2021. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of the loss can be reasonably estimated, amounts have been included within accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded.

**26. Franchise Fees**

Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 is as follows:

	2021 Budget (Note 27)	2021 Actual	2020 Actual
Atco Gas	\$ 2,686	\$ 2,440	\$ 2,328
Fortis Alberta Inc.	3,948	4,092	3,821
	<u>\$ 6,634</u>	<u>\$ 6,532</u>	<u>\$ 6,149</u>

**27. Budget**

The budget information presented in these consolidated financial statements is based on the Final Operating and Capital Budgets approved by Council on April 12, 2021 .

**28. Impacts of COVID-19**

The City has experienced significant financial impacts due to the COVID-19 pandemic. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the the City in 2022.

The City has experienced the following indicators of financial implications and undertaken the following activities in 2021 in relation to the COVID-19 pandemic:

- Experienced temporary decline in the fair value of investments and investment income.
- Work from home requirements continued for those able to do so, as well as segregated work units.
- Temporarily reduced service on Spruce Grove Transit routes, and a drop in demand for ridership.
- Temporarily closed several City-owned facilities, and experienced reduced income and expenditure as a result of closures. Many of the facilities started to reopen beginning of the third quarter of 2021.
- Some part-time and seasonal employees have been temporarily or permanently terminated. Short to medium term vacancies existed due to recruitment delays and staffing challenges.

CITY OF SPRUCE GROVE  
**SCHEDULE 1 – PROPERTY TAXES**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

	2021 Budget (Note 27)	2021 Actual	2020 Actual
<b>Property Taxes</b>			
Residential	\$ 45,518	\$ 45,305	\$ 44,405
Non-Residential			
Commercial	11,179	11,052	10,876
Industrial	2,413	2,490	2,341
Linear	352	399	350
Agricultural	2	2	2
	59,464	59,248	57,974
<b>Less Requisitions</b>			
Alberta Education	12,810	14,452	14,365
Evergreen Catholic Schools	4,046	2,251	2,241
Meridian Foundation	314	306	311
Designated Industrial Property	3	3	3
	17,173	17,012	16,920
	\$ 42,291	\$ 42,236	\$ 41,054

CITY OF SPRUCE GROVE  
**SCHEDULE 2 – GOVERNMENT TRANSFERS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

	2021 Budget (Note 27)	2021 Actual	2020 Actual
<b>Government Transfers - Capital</b>			
Canada Community-Building Fund	\$ 2,726	\$ 3,028	\$ 2,412
Municipal Sustainability Initiative	14,500	6,850	3,830
Municipal Stimulus Program	4,251	4,195	57
GreenTRIP	1,045	197	502
Other	623	387	377
	23,145	14,657	7,178
<b>Government Transfers - Operating</b>			
Municipal Sustainability Initiative	239	260	254
Other	1,816	2,087	5,124
RCMP Policing	701	701	726
Family & Community Support Services	821	785	821
	\$ 3,577	\$ 3,833	\$ 6,925

The Canada Community-Building Fund was formerly named the Gas Tax Fund.

CITY OF SPRUCE GROVE  
**SCHEDULE 3 – EXPENSES BY DEPARTMENT**  
 FOR THE YEAR ENDED DECEMBER 31, 2021  
 (IN THOUSANDS OF DOLLARS)

	2021 Budget (Note 27)	2021 Actual	2020 Actual
<b>General Government</b>			
City Clerk	\$ 707	\$ 649	\$ 382
City Manager	663	623	683
Corporate Communications	975	1,012	957
Corporate Services Administration	272	295	253
Council	756	608	656
Finance	2,474	2,345	2,067
Human Resources	1,724	1,446	1,356
Information Systems	6,074	7,537	4,357
Integrated Planning and Strategic Services	1,682	1,496	1,464
	<b>15,327</b>	<b>16,011</b>	<b>12,175</b>
<b>Protective Services</b>			
Fire	9,908	10,150	9,556
Municipal Enforcement and Safe City	2,866	2,563	1,868
Police	7,119	6,450	6,012
	<b>19,893</b>	<b>19,163</b>	<b>17,436</b>
<b>Transportation and Roadway Services</b>			
Engineering	1,999	1,916	1,648
Facilities and Fleet Management	6,306	5,797	5,618
Planning and Infrastructure Administration	759	512	617
Public Works	19,395	16,453	16,259
Environment and Transit	3,128	2,056	2,259
	<b>31,587</b>	<b>26,734</b>	<b>26,401</b>
<b>Utilities</b>			
Stormwater	1,481	2,609	2,591
Solid Waste	2,815	3,095	2,999
Sanitary Sewer	5,166	5,293	4,768
Water	10,968	11,244	10,175
	<b>20,430</b>	<b>22,241</b>	<b>20,533</b>
<b>Community Services</b>			
Agrena/Sports Park	2,082	1,738	1,604
Community and Protective Services Administration	507	493	432
Community Social Development	836	645	516
Culture	1,637	888	971
Family and Community Support Services	1,331	1,214	1,294
Leisure Centre	4,009	3,427	3,392
Library	1,658	1,882	1,652
Recreation	1,683	1,549	1,377
	<b>13,743</b>	<b>11,836</b>	<b>11,238</b>
<b>Development Services</b>			
Economic and Business Development	1,064	1,075	921
Planning and Development	2,197	2,159	2,003
	<b>3,261</b>	<b>3,234</b>	<b>2,924</b>
	<b>\$ 104,241</b>	<b>\$ 99,219</b>	<b>\$ 90,707</b>



# STATISTICAL SECTION

General Statistics	2021	2020	2019	2018	2017
Population	37,645	37,081	36,012	35,766	34,881
Municipal Employees stated in Full Time Equivalents	304	304	305	285	289
Municipal Employees per 1,000 population	8.08	8.20	8.58	7.97	8.29

Infrastructure	2021	2020	2019	2018	2017
Municipal Area (in hectares)	3676	3161	3161	3165	3165
Number of Dwellings	14345	14011	13814	13581	13269
Roads (KM)	234.14	238.81	209.21	209.21	197.74
Watermains (KM)	179.71	179.71	190.33	187.63	186.48
Wastewater Mains (KM)	173.86	173.86	173.73	171.76	168.26
Storm Drainage Mains (KM)	138.09	138.54	130.27	128.3	123.6

Source: Government of Alberta Municipal Affairs

Age Demographics	2021	2016
0 to 14 years	21.64%	22.56%
15 to 29 years	18.58%	20.19%
30 to 44 years	24.04%	24.45%
45 to 59 years	17.98%	17.71%
60 and over	17.73%	15.03%

Source: Statistics Canada, 2021 Census of Population.

Permit Statistics	2021	2020	2019	2018	2017
<i>Development and Building Permits Value</i>					
Residential	193,152,043	62,214,965	62,802,005	90,267,062	84,577,093
Commerical	5,096,109	1,620,500	2,214,000	23,985,187	20,862,396
Industrial	4,728,094	5,281,601	6,768,897	3,577,047	3,700,000
Institutional	-	-	-	19,845,693	16,309,780
Alterations/Additions Value	17,657,275	11,246,181	31,294,284	12,826,368	10,086,905
Electrical	249,680	102,833	114,860	131,948	121,563
Gas	97,038	63,330	65,313	82,318	79,719
Plumbing	79,745	50,450	51,871	75,499	66,599
Total Value	221,059,984	80,579,859	103,311,231	150,791,123	135,804,055

Permit Statistics	2021	2020	2019	2018	2017
<i>Number of Permits</i>					
New Construction Permits	395	219	222	307	331
Permits for Alteration/Addition	512	475	446	466	425
Electrical	2068	1308	1241	1320	1208
Gas	962	666	668	784	814
Plumbing	438	315	279	432	393
Total Number of Permits	4,375	2,983	2,856	3,309	3,171

Consumer Price Index Change	2021	2020	2019	2018	2017
Alberta	4.8%	3.0%	1.2%	1.4%	2.5%
Canada	4.8%	2.4%	1.4%	1.7%	2.1%

Unemployment Rates	2021	2020	2019	2018	2017
Alberta	7.5%	11.1%	7.0%	6.4%	7.8%
Canada	6.0%	8.8%	5.6%	5.6%	6.3%

CPI and Unemployment Rates obtained from Statistics Canada

Revenue by Source	2021	2020	2019	2018	2017
Property Taxes	42,236	41,054	40,372	37,961	35,563
Sales & User Fees	26,378	23,921	24,183	23,996	23,653
Sales to Other Governments	2,828	2,667	2,667	2,665	2,695
Franchise Fees	6,532	6,149	5,443	4,578	4,597
Fines	2,434	1,542	3,484	3,939	4,889
Government Transfers	18,490	14,103	23,388	9,084	10,987
Licenses & Permits	2,282	1,334	1,609	1,736	1,918
Rentals	1,768	1,506	2,311	2,091	1,120
Penalties	1,051	982	970	868	814
Other	952	903	1,592	1,197	4,424
Investment Income	791	865	506	115	388
Local Improvement Levies	-	-	-	6	60
Gain (Loss) on Disposal & Transfer of Tangible capital Assets	26	512	-2,788	-106	17
Contributed Tangible Capital Assets	6,737	13,668	11,581	9,651	16,432
Developer Contribution & Levies	3,384	265	1,974	905	6,050
<b>Total Revenues</b>	<b>115,889</b>	<b>109,471</b>	<b>117,292</b>	<b>98,686</b>	<b>113,607</b>

Expenses by Function	2021	2020	2019	2018	2017
General Government	16,011	12,175	11,644	12,972	11,938
Protective Services	19,163	17,436	17,981	16,031	15,562
Transportation & Roadway Services	26,734	26,401	29,268	28,237	24,529
Utilities	22,241	20,533	18,896	17,664	16,009
Community Services	11,836	11,238	13,623	14,404	12,726
Development Services	3,234	2,924	3,199	3,558	3,043
<b>Total Expense by Function</b>	<b>99,219</b>	<b>90,707</b>	<b>94,611</b>	<b>92,866</b>	<b>83,807</b>

Surplus and Accumulated Surplus	2021	2020	2019	2018	2017
Total Revenue	115,889	109,471	117,292	98,686	113,607
Total Expenses	99,219	90,707	94,611	92,866	83,807
Annual Surplus	16,670	18,764	22,681	5,820	29,800
Accumulated Surplus, Beginning Year	534,703	515,939	493,258	487,438	457,638
Accumulated Surplus, End of Year	551,373	534,703	515,939	493,258	487,438

Expenses by Object	2021	2020	2019	2018	2017
Salaries, Wages & Benefits	36,456	34,874	36,597	34,910	33,267
Contracted & General Services	19,369	14,819	17,019	19,025	15,835
Materials, Goods & Supplies	5,666	5,242	5,452	5,402	4,966
Purchases from other Governments	18,298	16,818	16,521	15,856	14,013
Transfers to Gov't, Agencies & Other Org.	139	280	176	843	250
Bank Charges	150	110	167	164	165
Interest on Long-Term Debt	1,144	1,177	1,265	898	634
Other	224	127	390	318	261
Amortization	17,773	17,260	17,024	15,450	14,416
<b>Total Expenses by Object</b>	<b>99,219</b>	<b>90,707</b>	<b>94,611</b>	<b>92,866</b>	<b>83,807</b>

# TAXATION

in thousands of dollars (unaudited)

Tax Rate (in mills)	2021	2020	2019	2018	2017
Municipal – Residential	0.0066715	0.0063141	0.0062247	0.0059158	0.0055652
Municipal – Non-Residential	0.0093951	0.0087179	0.0088484	0.0084727	0.0084886
Annexed – Residential	0.0042229	0.0041383	0.0040878	0.0039673	0.0038728
Annexed – Non-Residential	0.0084455	0.0082765	0.0081755	0.0079345	0.0077455
School – Residential	0.0026727	0.0025860	0.0025721	0.002559	0.0025319
School – Non-Residential	0.0038774	0.0037620	0.0036674	0.0037096	0.0036922
TransAlta Tri Leisure Centre	0.0000536	0.0000518	0.0000524	0.0000526	0.0000719
Meridian Foundation	0.0000530	0.0000522	0.000051	0.0000472	0.0000446

Assessment Values	2021	2020	2019	2018	2017
Residential and Farmland	4,928,339	4,918,053	4,847,462	4,772,741	4,781,632
Commercial and Industrial	1,046,554	1,044,460	1,007,846	978,088	978,884
Linear and M&E	54,041	52,459	49,886	49,046	49,550
Total Assessment	6,028,934	6,014,972	5,905,194	5,799,875	5,810,066

Collection of Taxes	2021	2020	2019	2018	2017
Municipal Taxes	42,236	41,054	40,372	37,961	35,563
Current Year Uncollected	1,873	2,213	1,806	1,692	1,882
More than One Year in Arrears	827	866	490	618	450
% of Current Tax Year Levied Uncollected	4.43%	5.39%	4.47%	4.46%	5.29%

# TAXATION

in thousands of dollars (unaudited)

Taxation	2021	2020	2019	2018	2017
Residential	45,305	44,405	43,641	41,648	39,262
Commercial	11,052	10,876	10,673	10,024	9,546
Industrial	2,490	2,341	2,360	2,274	2,270
Linear	399	350	334	318	291
Agricultural	2	2	2	2	2
Total Taxes	59,248	57,974	57,010	54,266	51,371

Requisitions	2021	2020	2019	2018	2017
Alberta School Foundation Fund	14,452	14,365	13,993	13,734	13,256
Evergreen Catholic Separate	2,251	2,241	2,341	2,296	2,298
Meridian Foundation	306	311	301	275	254
Designated Industrial Property	3	3	3	-	-
Total Requisitions	17,012	16,920	16,638	16,305	15,808
Municipal Taxes	42,236	41,054	40,372	37,961	35,563

# LONG-TERM DEBT

in thousands of dollars (unaudited)

Long-Term Debt	2021	2020	2019	2018	2017
Tax Supported	10,359	11,498	12,590	13,637	19,333
Supported by Utilities	2,070	2,160	-	-	-
Supported by Other	22,919	24,436	25,591	20,572	452
Supported by Local Improvements	3,287	3,619	3,941	4,255	4,748
Total Long Term Debt	38,635	41,713	42,122	38,464	24,533
Population	37,645	37,081	36,012	35,766	34,881
Long-Term Debt per Capita	1,026.30	1,124.92	1,169.67	1,075.43	703.33
Debt Limits	2021	2020	2019	2018	2017
Total Debt Limit	141,747	132,937	128,643	125,224	134,259
Total Debt	38,635	41,713	42,122	38,464	24,533
Total Debt Limit Available	103,112	91,224	86,521	86,760	109,726
Percentage of Debt Limit Used	27.26%	31.38%	32.74%	30.72%	18.27%

# NET DEBT AND ACCUMULATED SURPLUS

in thousands of dollars (unaudited)

Net Debt	2021	2020	2019	2018	2017
Annual Surplus	16,670	18,764	22,681	5,820	29,800
Change related to Tangible Capital Assets	-7,650	-9,830	-25,164	-23,736	-29,644
Change related to Other Non Financial Assets	-167	20	15	-306	139
(Increase) Decrease in Net Financial Assets	8,853	8,954	-2,468	-18,222	294
Net Debt, Beginning of Year	-19,962	-28,916	-26,448	-8,226	-8,521
Net Debt, End of Year	-11,109	-19,962	-28,916	-26,448	-8,226

Accumulated Surplus	2021	2020	2019	2018	2017
Municipal Surplus	39,284	30,113	21,069	16,954	18,712
Utility Surplus	4,585	7,672	7,778	8,792	8,620
Developer Deficit	-15,607	-15,424	-15,011	-13,084	-10,684
Equity in Tangible Capital Assets	523,111	512,342	502,103	480,596	470,790
Accumulated Surplus	551,373	534,703	515,939	493,258	487,438

# TANGIBLE CAPITAL ASSETS ACQUISITIONS

in thousands of dollars (unaudited)

Tangible Capital Asset Acquisitions	2021	2020	2019	2018	2017
Land	5,828	8,635	2,927	2,793	8,688
Land Improvements	161	231	1,230	594	2,848
Leasehold Improvements	-	-	1	-	-
Buildings	170	1,833	12,504	-	1,174
Engineered Structures	13,606	14,094	21,211	16,806	19,821
Machinery & Equipment	2,574	527	2,861	2,278	1,970
Vehicles	105	563	2,052	335	2,362
Construction in Progress	3,808	1,396	2,653	16,691	7,775
Total Acquisition of Tangible Capital Assets	26,252	27,279	45,439	39,497	44,638





City Hall

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[sprucegrove.org](http://sprucegrove.org)