

2023 ANNUAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
CITY OF SPRUCE GROVE, ALBERTA, CANADA



LAND ACKNOWLEDGEMENT

The City of Spruce Grove is honoured to acknowledge the land we work, play, and make our homes on as Treaty 6 territory, and the Métis Nation of Alberta Region 4. This is sacred land that holds the hearts, footsteps and spirits of many First Nation, Métis and Inuit Peoples, and in particular, Paul First Nation, Enoch Cree Nation, Alexis Nakota Sioux Nation, Michel First Nation, Alexander First Nation, and the Lac Ste. Anne Métis. We recognize and acknowledge Indigenous values, traditional teachings, ways of being, contributions, and historical inequities. The City is dedicated to Truth and Reconciliation to help in healing, and learning to build reciprocal and trusted relationships. We commit towards strengthening relations and building bridges with the Indigenous Nations whose traditional territories the City is located within.



2023 ANNUAL REPORT

City of Spruce Grove, Alberta

2023 Annual Report for the year ended December 31, 2023

Prepared by: Finance, Corporate Communications,
and Business Advisory Services

315 Jespersen Ave., Spruce Grove
AB, Canada T7X 3E8
780-962-2611
sprucegrove.org

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INTRODUCTION

CITY PROFILE

The City of Spruce Grove is a vibrant, dynamic community of nearly 39,000 people.

Located just 11 kilometres west of Edmonton, the City offers a variety of housing options, 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 four general managers and a City Manager who reports to Spruce Grove City Council.



SPRUCE GROVE

2023 SNAPSHOT



**32 CITY FACILITIES WITH
A TOTAL COMBINED SPACE OF
481,217 ft²**



2023 COUNCIL MEETINGS AND GOVERNANCE AND PRIORITIES COMMITTEE MEETINGS



2,371
TOTAL
VIEWS



33
MEETINGS
LIVESTREAMED



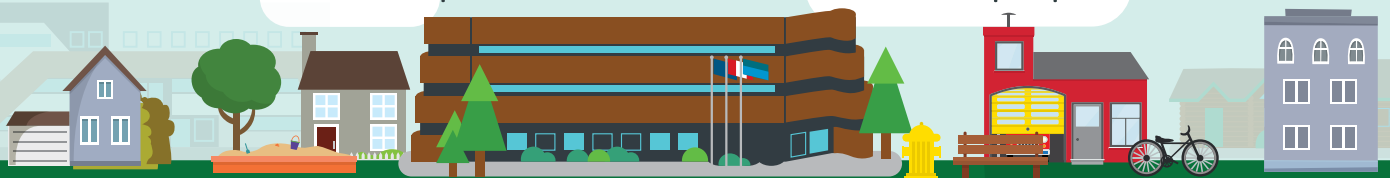
4,197

TOTAL RESPONSES
BY SPRUCE GROVE
ENFORCEMENT SERVICES
IN 2023



6,957

TOTAL RESPONSES
BY SPRUCE GROVE
FIRE SERVICES IN 2023
(INCLUDING MEDICAL CALLS FOR
SERVICE OUTSIDE SPRUCE GROVE)



2023 CURBSIDE COLLECTION

(AVERAGE HOUSEHOLD AMOUNT)

ORGANICS: **277 kg**

RECYCLING: **87 kg**

WASTE: **643 kg**



36.2%
OVERALL WASTE
DIVERSION RATE

2023 BUILDING PERMIT ACTIVITY



1,174
TOTAL
BUILDING
PERMITS



87
COMMERCIAL,
INDUSTRIAL, AND
INSTITUTIONAL PERMITS



358
RESIDENTIAL
PERMITS



715
RESIDENTIAL
IMPROVEMENT
PERMITS

COMBINED TOTAL BUILDING PERMIT VALUE: **\$277 MILLION**



246 km
OF ROADS



150 km
OF SIDEWALKS



44
PLAYGROUNDS



1,305
WATER HYDRANTS



262
BENCHES



48,639

LOCAL TRANSIT
RIDERS IN 2023

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 strategic plan for the city. Council sets policy direction by reviewing and approving new or amended policies 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.



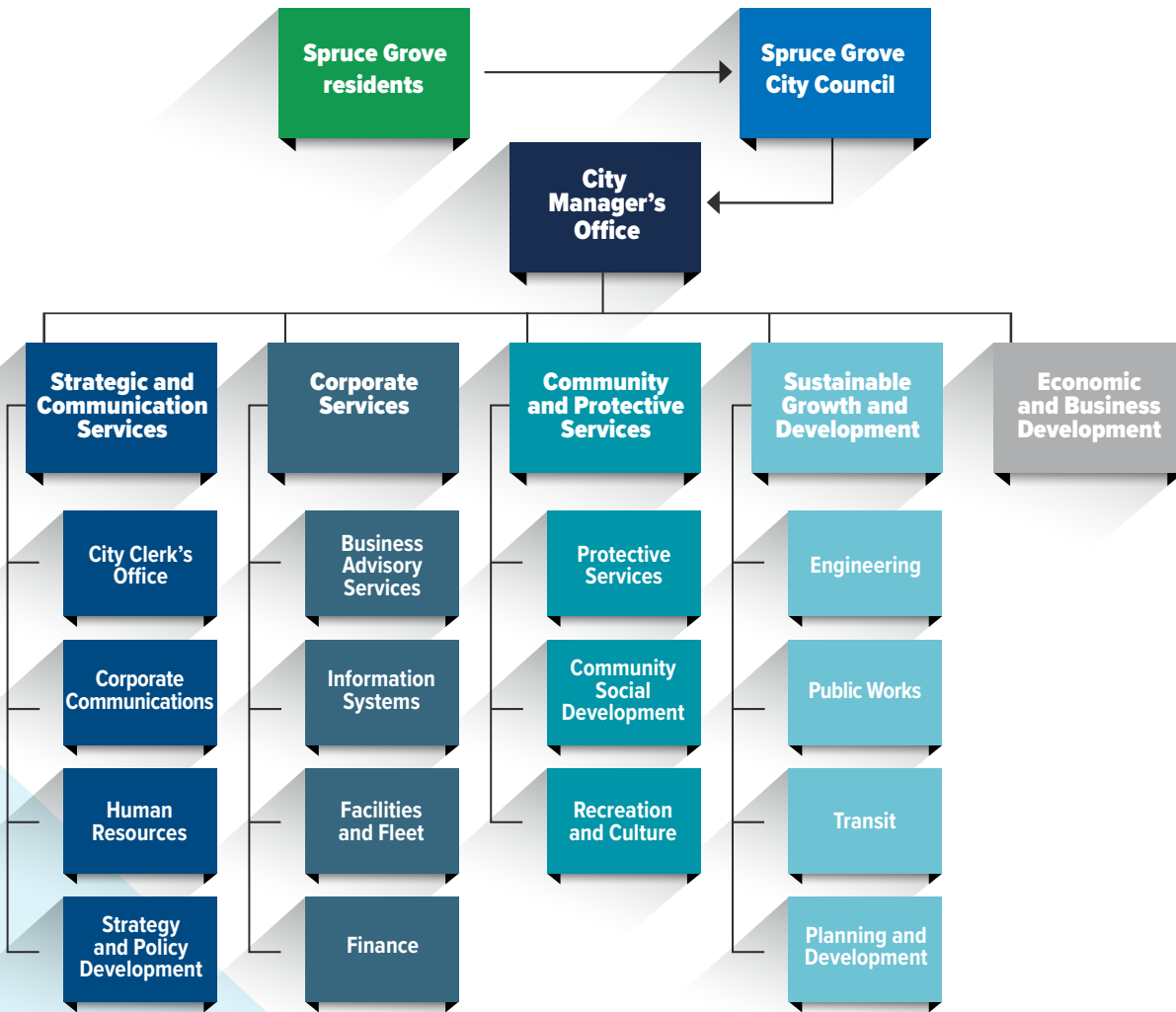
Mayor and Council – 780-962-7604



council@sprucegrove.org



GOVERNANCE STRUCTURE





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. Economic and Business Development is also part of this area. 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. In addition, the department facilitates boards and committees including the City Centre Business Association and the Economic Development Advisory Committee.

Corporate Services

Corporate Services is comprised of several areas that focus on leading out key corporate and operational business functions for the organization. Key functions include the City's fiscal stewardship framework, integrated risk management, long-range accommodation planning, as well as information management and technology governance. Operational business functions include financial planning and reporting, utility administration, assessment and taxation, procurement, insurance and claim administration, legal administration, customer service program coordination, technology and network administration, corporate planning and reporting, asset management, and the ongoing management and maintenance of the City's facilities and fleet vehicle and equipment assets throughout their lifecycle. Corporate Services contains the following departments: Business Advisory Services, Information Systems, Facilities and Fleet Management, and Finance.



Strategic and Communication Services

Strategic and Communication Services is comprised of several areas with responsibilities including strategy and policy development, legislative administration, intergovernmental relations, and environmental initiatives. As well, Strategic and Communication Services leads human resources, corporate training and labour relations, strategic communications planning and consulting, branding and visual identity, issues management and media relations for the organization. In addition, this division supports senior management and elected officials who represent the City's interests with various intergovernmental associations including the Edmonton Metropolitan Region Board (EMRB), Alberta Municipalities, Mid-Sized Cities Mayors Caucus, as well as the Federation of Canadian Municipalities (FCM). This area also facilitates boards and committees including the Subdivision and Development Appeal Board and the Youth Advisory Committee as well as serving as the City's administrative liaison to the Meridian Housing Foundation Management Board. Strategic and Communication Services contains the following departments: City Clerk's Office, Corporate Communications, Human Resources, and Strategy and Policy Development.



GOVERNANCE STRUCTURE



Community and Protective Services

Community and Protective Services is comprised of several areas with responsibilities that include preventative social programming, counselling, indoor and outdoor facility management, open space planning, recreation, culture, community events, Horizon Stage, volunteer development, Enforcement Services and integrated Fire/EMS. In addition, Community and Protective Services serves as the City's administrative liaison to the RCMP Parkland Detachment (including oversight entities), TransAlta Tri Leisure Centre Board, Yellowhead Regional Library Board, Inter City Forum on Social Policy, Joint Use Committee, and facilitates boards and committees including the Spruce Grove Public Library Board. Community and Protective Services contains the following departments: Protective Services, Community Social Development, and Recreation and Culture.



Sustainable Growth and Development Services

Sustainable Growth and Development Services is comprised of several areas that are responsible for long-range land use planning, construction-related projects, and monitoring the construction of new infrastructure by private interests. In addition, Sustainable Growth and Development Services provides essential infrastructure services for the community through operating and maintaining many of the City's physical infrastructure assets, such as utilities, roadways, trails, and parks, following their initial construction through to the end of their service lives. The division is also responsible for providing key services through contract arrangements, including transit, solid waste, organics and recyclable materials collection, and all building, plumbing, electrical and gas inspections for new construction. This area also serves as the City's administrative liaison to ARROW Utilities, Capital Region Parkland Water Services Commission, and Edmonton Region Waste Advisory Committee. Sustainable Growth and Development Services contains the following departments: Engineering, Public Works, Transit*, and Planning and Development.

**In 2024 the Transit department will move to Community and Protective Services*

MAYOR'S MESSAGE



As we look back on 2023, I can't help but think just how fortunate we all are to call this place home.

Spruce Grove is a community of proud, caring, hard-working people who love their city and take care of their neighbours. I see and hear it everywhere I go; in our schools, our businesses, at our community events, and here in our City facilities. I cannot overstate how proud I am to represent the people of Spruce Grove as your mayor.

If 2022 was a year of coming back together... 2023 was a year of hitting the ground running.

We are no longer the quiet little community west of Edmonton that we once were. Spruce Grove has cemented itself firmly among Alberta's fastest growing mid-size cities and you don't have to look far to see the proof.

This year was chock full of "firsts". The Civic Centre – the largest ever building project in Spruce Grove's history – began rising into the skyline north of Westwind Drive. We witnessed one of the fastest average annual growth rates in Alberta at 3.41 per cent over the past 10 years, as our population jumped to nearly 39,000 people. We recorded an impressive 580 new housing starts – more than any other municipality in our region outside of Edmonton. And we set a new development record with \$277 million in building permit values – over \$100 million more than the year previous.

But our growth and maturity as a city is about more than just numbers and statistics. It's about how we support and lift each other up, how we collaborate with our regional

neighbours, and how we take care of this beautiful piece of paradise we get to call home.

More than 1,200 people rolled up their sleeves to take part in the new and improved Spruce Up Spruce Grove community clean-up initiative. It was so encouraging to see folks working together and taking such pride and ownership in their neighbourhoods.

2023 also saw several new electric vehicle charging stations installed throughout the community, both for public and City fleet vehicles, and a new way to get around the city during our e-scooter pilot program.

To say the future looks bright is an understatement.

I truly believe that when we set our minds on something and we work together, there's nothing we can't accomplish in Spruce Grove.

2023 was a busy, productive, and rewarding year, and 2024 is already off to a strong start. I know there are many more exciting times ahead, and I can't wait to stand with you and watch it all unfold.

A handwritten signature in blue ink, appearing to read "Jeff Acker".

**JEFF
ACKER**
MAYOR

CITY MANAGER'S MESSAGE



On behalf of the City of Spruce Grove and the hundreds of City staff who work hard to deliver the programs and services that our residents rely on, I am proud to present our 2023 Annual Report to the Community. This document highlights many of our accomplishments over the past year, as well as our audited financial statements, so you can see exactly how your tax dollars are being put to work.

The information on the following pages provides insight to our successes in areas such as community building, program and service delivery, new infrastructure projects, environmental stewardship, emergency response and more.

The City recognized a consolidated surplus of \$53.6 million in 2023; \$8.8 million higher than budgeted, mainly due to increased contributed tangible capital assets. Economic conditions continued to blossom in 2023, as we experienced assessment growth of 3.18 percent; higher than the projected growth of 2.66 per cent.

We completed public engagement on two significant initiatives this year: our new Community Standards Bylaw (CSB) and an update to our Municipal Development Plan (MDP). The CSB will become an important tool for ensuring a safe, healthy and inviting community, and will provide clear rules and regulations around things like public behaviour, property maintenance, noise control, neighbour relations, and cannabis use. The MDP, Shaping our Community, is a policy document providing guidance for decision-making in the short, medium and long terms. It imagines what Spruce Grove can be 10, 20, even 30 years from now. We continue working on both initiatives and I encourage you to follow along at sprucegrove.org/CommunityStandards and sprucegrove.org/ShapingSG.

Construction activity continued at a brisk pace in 2023, as we issued a record \$227 million in building permits –

a 50 per cent increase over 2022 and a jump of more than \$100 million. Work continued on the Civic Centre project, the City Centre Area Redevelopment Plan, and design and planning for the Re-imagined Central Park revitalization project which will see construction get underway in the spring of 2024.

We continued to build relationships with our regional neighbours in 2023, both in the Edmonton metro region and here in the Tri Municipal Region. We expanded our on-demand local transit service and integrated with Stony Plain Transit and Acheson Transit to establish a single, on-demand local transit system, and we increased our schedule to include Saturday on-demand service in Spruce Grove. We also continued to work with our neighbours in Stony Plain and Parkland County to offer a number of partnered programs and workshops through our Community Social Development department which support social connections, family resiliency, and overall well-being.

Like Mayor Acker, I am very optimistic about what the future holds for Spruce Grove. We have many exciting projects underway and we're working hard to bring City Council's commitment for the future – laid out in the 2022-2025 Strategic Plan – to life. I am proud of the work that was accomplished in 2023 and look forward to making great strides in 2024, to ensure Spruce Grove continues to be a place we are all proud to live, work and raise our families.

DEAN
SCREPNEK
CPA, CMA, CLGM
CITY MANAGER



LOOKING BACK ON 2023

Council's Commitment to the Community

Updating and implementing the 2022-2025 Strategic Plan

The City's 2022-2025 Strategic Plan outlines Spruce Grove City Council's vision for the future of Spruce Grove as outlined in their commitment statement. It sets the goals and priorities for the course of Council's term (2021-2025) and contains four main themes:



Community Connections



Environmental Sustainability



Economic Prosperity



Governance in Action



Each year, Council reviews the plan to ensure it continues to reflect the priorities they have heard from the community. This results in necessary adjustments to the strategic plan, referred to as “amendments.”

At a retreat in February 2023, Council and Administration discussed proposed amendments and priorities, following which, Council made minor amendments to the 2022-2025 Strategic Plan which were approved in March 2023. Further amendments were made in February 2024 and will be reported on in next year's Annual Report. The 2024 amendments were integrated with the 2023 amendments and have been released as the second edition of the 2022-2025 Strategic Plan, which can be viewed online at sprucegrove.org/StrategicPlan.

Progress report

Since the 2022-2025 Strategic Plan was originally approved, significant progress has been made in moving Council's priorities forward. As of December 31, 2023, 42 per cent of actions in the plan have been completed and, in some cases, integrated into everyday business. All actions from 2022 and 2023 were completed or reprioritized by Council in the second edition.





Welcoming a new neighbour

The City was happy to officially welcome Skydancer Indigenous Cultural Centre and Art Gallery to Spruce Grove in 2023. Skydancer is an active partner and community leader on many important Indigenous-led events in the region including National Indigenous Peoples Day, National Day for Truth and Reconciliation, and National Day of Awareness for Missing and Murdered Indigenous People (also known as Red Dress Day). Skydancer hosts several community events throughout the year including Tea and Bannock with an Elder, Talking Circle, and various arts and culture workshops that help to restore Indigenous knowledge and traditions. The organization also maintains a gallery of locally crafted Indigenous art.



Supporting the unsheltered

Support for residents without access to safe, stable housing remained a priority for Spruce Grove City Council in 2023, with the establishment of the Community Outreach Team and support for the Winter Emergency Response.

Community Outreach Team

The City launched a Community Outreach program in 2023 to provide in-person support to individuals experiencing multiple barriers to well-being, including those who are living without shelter or at risk of becoming unsheltered. A team of trained, professional community outreach staff works directly with individuals who require assistance by focusing on locations that are frequented by vulnerable residents. The Community Outreach Team, along with various social agencies and law enforcement partners, work to address matters related to homelessness, encampments, and social disorder. The Community Outreach Team consists of an outreach supervisor, three community outreach workers, and a dedicated Community Peace Officer. Outreach services are available Monday to Friday, from 8:30 a.m. to 4:30 p.m.

sprucegrove.org/Outreach

Winter Emergency Response

Winter Emergency Response is an emergency, cold weather program intended to mitigate risk for individuals living without shelter who are vulnerable to serious, critical, or potentially life-threatening health impacts resulting from exposure to extreme cold weather. The program was expanded in 2023 to include daytime warming centres at rotating locations in Spruce Grove and Stony Plain, along with the Late Night Cafe program which provides food, shelter, and support during the overnight hours. The program is operated by the Winter Emergency Response Committee and supported by the City of Spruce Grove and several community partner agencies.

sprucegrove.org/WER



A youth perspective

Five new members joined the Youth Advisory Committee (YAC) in 2023 to help engage the community and bring a youth perspective on a variety of municipal issues. Council established the YAC to provide an opportunity for young people from 12 to 18 years old to profile youth issues and provide recommendations to Council on matters that directly impact youth. Committee members also provide their perspective on youth-oriented City policies, programs, and services, and consult with City Administration to support youth initiatives.

For more information, visit sprucegrove.org/YouthAdvisoryCommittee.

Awards of Excellence inductees

A trio of elite Spruce Grove athletes was inducted into the Awards of Excellence program in 2023, each recognized for outstanding accomplishments in their sport.

Brendan Bottcher



The winner of five Grand Slam of Curling events, Brendan Bottcher first began bringing home the hardware years

earlier as a junior curler. Since then, he's racked up gold medals at the Alberta Junior Men's Championship, the Canadian Championship, and the World Championship in 2012. Brendan's skipped rinks to multiple podium titles on the national stage, including a bronze at the 2023 Brier.

Justin Lawrence



Justin Lawrence's passion for football began at the age of 10 as a Spruce Grove Cougar. Following a

successful high school and university career, Justin was drafted by the Calgary Stampeders in 2018. He ended his first year in the league on a high note, as the Stampeders won the 106th Grey Cup, earning Justin his first of two Grey Cup rings. The second came in 2022 with the Toronto Argonauts, when he was also named Eastern Conference All-Star.

Reid Schaefer



Reid Schaefer started his hockey journey with Spruce Grove Minor Hockey, before being drafted by the Seattle

Thunderbirds of the Western Hockey League when he was just 14 years old. He was part of the Canadian Men's World Junior Hockey Team that would win gold at the 2023 IIHF World Junior Championship. Originally drafted in the first round by the Edmonton Oilers in 2022, Reid was traded to the Nashville Predators in 2023.



Keeping Spruce Grove safe

Follow us on Facebook

The Protective Services Facebook page continued to grow in 2023, adding more than 800 new followers. The page is a valuable resource to keep residents informed about active emergency situations, safety education initiatives, and a look behind the scenes with the firefighters and peace officers who keep the community safe.



The most popular post of 2023 came in June when some special four-legged guests stopped by the department. Service Dogs of Edmonton and Area trains service dogs to work with people who are more likely to need assistance from emergency services. Visiting the fire hall helps the dogs become comfortable around people in uniform, emergency

vehicles, stretchers, and medical equipment, so that they're able to concentrate and work effectively during real emergency situations.



Follow us at facebook.com/SpruceGroveProtectiveServices.

Ruby hits the road

Spruce Grove Fire Services welcomed a new pumper truck to the fleet in 2023, but before sending it out to fight fires, the department asked its Facebook followers to give the new truck a name. Staff narrowed the choices to: Big Red, Clifford, Pepper, Ruby, and Sriracha. Ultimately, it was Ruby that came out on top, collecting more than 185 votes!



The department placed an official name tag on Ruby before sending her into action.

SPRUCE GROVE FIRE SERVICES	
	TOTAL RESPONSES IN 2023 6,957 <small>(INCLUDING MEDICAL CALLS FOR SERVICE OUTSIDE SPRUCE GROVE)</small>
SPRUCE GROVE ENFORCEMENT SERVICES	
	TOTAL RESPONSES IN 2023 4,197

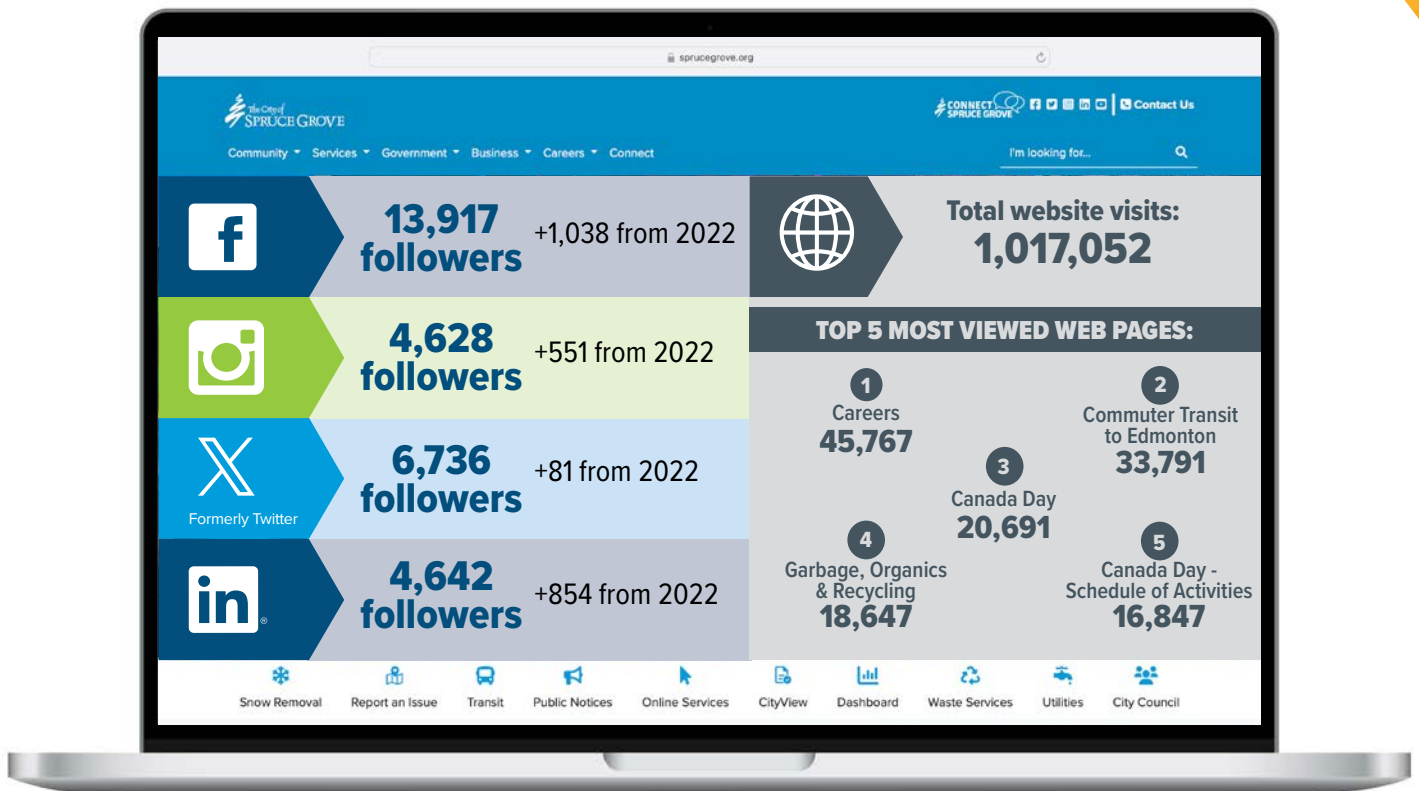


One of our most popular Facebook posts of 2023

It was May 19 when the City unveiled its newest piece of public art in what would become one of our most popular Facebook posts of 2023. This colourful mural was painted on the west side of the Agrena building by Edmonton-based artist Alixandra Jade and was one of two murals completed to celebrate the 50th anniversary of the Spruce Grove and District Agricultural Society. The mural illustrates the progression of agriculture in Spruce Grove from the early 1900s up to the present. The post reached nearly 30,000 people and racked up over 800 likes and reactions, 69 comments and was shared 34 times. See the colourful mural on the west exterior wall of the Agrena at 9 Agrena Road in Spruce Grove.



Social media and website stats





Work continues on Civic Centre project

The Civic Centre project is the single largest infrastructure project ever undertaken by the City. Following the groundbreaking in late 2022, construction started in early 2023. Located north of Westwind Drive and east of Century Road, the Civic Centre will include a spectator arena, a community arena, a new branch of Spruce Grove Public Library, a black box theatre, an art gallery and program space, a community walking area located on the shared concourse of the spectator arena, and the co-located Spruce Grove Transit Centre. The Civic Centre is expected to open to the public in early 2025.

Spruce Grove Transit Centre

The co-located Transit Centre began taking shape in 2023 and will help meet the growing transportation needs of our community. With parking stalls available for Park & Ride users, the Transit Centre will serve as the central location for all commuter service into and out of Spruce Grove and will also be a regular stop for the City's local on-demand transit service, providing patrons of the Civic Centre another way to get there and enjoy all its amenities. The Transit Centre is scheduled to open in late 2024.

A permanent home for the Saints

In December 2023, the City and the Spruce Grove Saints announced they had reached an agreement in principle for the Junior "A" hockey club to play out of the Civic Centre's spectator arena. Mayor Jeff Acker dropped the ceremonial puck to mark the announcement, alongside members of the Saints' management group. As part of the agreement, both the Saints and the City will make significant investments in the facility, supporting the needs of the hockey club as well as the community.

Follow along with the Civic Centre project and view a monthly timelapse video of the construction progress at sprucegrove.org/CivicCentre.





E-scooter pilot project

Residents were offered a new way of getting around the community in the summer of 2023, as the City embarked on a six-month electric scooter (e-scooter) pilot project in partnership with Bird Canada.

The company provided nearly 100 scooters, staged at several locations around the community and between May to November, over 18,000 rides were recorded, for a total distance of more than 68,000 kilometres! The pilot program will continue in 2024.



Busting down barriers at Jubilee Park

A new, accessible play feature was installed at Jubilee Park in 2023 as part of the City's commitment to improving accessibility. The Liberty Swing allows people who use a wheelchair, or those who require extra support, to enjoy the playground alongside friends and family. Local organization Cohesive Communities purchased the specially made swing – along with an identical one for Stony Plain – thanks to a donation from Colleen and John Prince of Parkland County. The swing requires a key to operate, which is available during the summer months at Jubilee Park and Border Paving Athletic Centre. Learn more about the Liberty Swing at sprucegrove.org/LibertySwing.



COMMUNITY CONNECTIONS
COMMUNITY CONNECTION THROUGH
RECREATION AND PLAY



Re-imagined Central Park

Planning for the long-awaited Re-imagined Central Park revitalization project kicked into high gear in 2023, as the City hosted engagement sessions with residents and community partners. The park is being refreshed and updated to improve the park experience for users of all ages, interests and abilities. Construction will begin in the spring of 2024 and continue through 2025.

Keep up to date on the project and see more concept renderings at sprucegrove.org/ReimaginedCP.





Spruce Up Spruce Grove

More than 1,250 Spruce Grove residents, community groups, schools, teams and businesses took part in a new spring clean-up initiative aimed at removing garbage from parks and trails in 2023. Registration for Spruce Up Spruce Grove opened in April and participants were invited to an official kick-off party in early May. The initiative not only cleaned up the community, but also helped encourage relationships between neighbours and fostered a sense of pride and ownership of community spaces and 100 per cent of survey respondents said they planned to participate in the initiative if it were offered again – which it is! The 2024 edition of Spruce Up Spruce Grove includes the community clean-up which will run from April to May and a new tree planting component in the Heritage Grove Forest in May and June.

sprucegrove.org/SpruceUpSpruceGrove



Municipal Development Plan

The City continued working to update the Municipal Development Plan (MDP), Shaping our Community. Significant community consultation was completed in 2023, including feedback from residents, businesses, associations, clubs, and other community organizations. The resulting shared values and goals captured in the plan will guide what Spruce Grove can be 10, 20, and 30 years from now. The MDP is the City's overarching plan that provides guidance and policy direction for the City's future growth in line with our values and goals. The draft plan will go to City Council for consideration in spring 2024.

sprucegrove.org/MDP



COMMUNITY CONNECTIONS
COMMUNITY CONNECTION
THROUGH CULTURE EXPERIENCES

New public art

Two new pieces of public art were unveiled in Spruce Grove in 2023. One is permanently installed on a City building, while the other will be visible at several events and in different locations around the community.

A new mural on the west wall of the Agrena was unveiled in May, which illustrates the importance of agriculture in Spruce Grove, and the progression of agriculture from the 1900s all the way to the present. The mural was painted by Edmonton-based artist Alixandra Jade and was one of two murals completed to celebrate the 50th anniversary of the Spruce Grove and District Agricultural Society. See the colourful mural for yourself on the west exterior wall of the Agrena at 9 Agrena Road.

The second mural of 2023 was painted on the sides of a portable shipping container during our Canada Day and Alberta Day celebrations. The beautiful mountain and prairie landscapes were designed and painted by Cyrena Sitter, Ryan

Andrade, and Marilyn Son. Watch for the shipping container mural on display at events throughout the community.

See the City's other murals and public art at sprucegrove.org/PublicArt.





A big year for Horizon Stage

Celebrating a major milestone

It was a celebration decades in the making at Horizon Stage in 2023, as the community landmark commemorated its 40th anniversary entertaining and inspiring audiences in Spruce Grove and beyond. The milestone anniversary was marked by the return of several fan favourite artists who have performed on the stage over the past four decades, including Canadian Country Music Association Hall of Famer George Fox, Rankin Family member Jimmy Rankin, musical magician Chris Funk, and tributes to classic performers including the Eagles and Patsy Cline. In 2023, Horizon Stagelighter Society and Horizon Stage Tech Team logged a combined 2,740 hours of volunteer service in their efforts to bring the stage to life. Horizon Stage continues to be a place for our community to enjoy and celebrate the performing arts, where we can come together and connect over our shared love of theatre, music, dance, and other community presentations. The theatre is also available to rent for private events and performances. Learn more about Horizon Stage and view upcoming performances at horizonstage.com.



Well-known Canadian performers Storm the Stage

An iconic children's performer, an award-winning country singer and the star of a popular Canadian sitcom took to Horizon Stage in March as part of the Storm the Stage Concert Series. Fred Penner, Lindsay Ell, and Brent Butt entertained crowds and tickets were free, made possible by a Government of Canada grant to help alleviate the financial impacts of the COVID-19 pandemic on the arts, culture, heritage, and sports sectors.

Community-initiated events offer fun, food, and culture

Residents enjoyed a wide range of community-initiated events in 2023, from markets and live music to agricultural demonstrations, and of course... food! These events were planned and organized by community organizations and proudly supported by the City.

Grove Rotary Ribfest

Anyone near Central Park on the weekend of July 15 likely noticed some delicious smells wafting through the air. The annual Grove Rotary Ribfest included some great ribs and other festival foods, along with live music, children's activities, a skate park competition hosted by the Spruce Grove Skate Park Society, an outdoor market, and a car show organized by the Rotary Club of Parkland After Dark.

City Centre Markets

The Spruce Grove City Centre Business Association expanded its City Centre Markets to three Sundays in July and August. The markets were hosted at the Pioneer Centre

due to the ongoing revitalization work in the City Centre area. The markets were a chance for local small businesses to showcase their products to a wider audience and included local vendors and artists, food trucks, live music, buskers, kids' activities, and more.

Agra Fair

The annual Agra Fair kicked off with a parade through Spruce Grove on August 26 before the festivities moved to the Agrena (curling rink) and Central Park. Hosted by the Spruce Grove and District Agriculture Society, the event included a pancake breakfast, a market of local vendors, food trucks, agricultural demonstrations, pony rides, and much more.



Coming together to celebrate

It was another great year for community events and gatherings in Spruce Grove. Popular City-led events and programming drew thousands of people who were ready to connect with their neighbours, celebrate and have fun.



Canada Day

The annual Canada Day celebration at Jubilee Park was another one for the books, with incredible entertainment, great food, and a large dose of Canadian Pride (despite a few raindrops and lightning bolts from Mother Nature!). The day kicked off with a pancake breakfast at the Protective Services Building in partnership with Knights of Columbus, before the festivities shifted to Jubilee Park. Crowds were treated to a vendor market, food trucks, children's entertainment, and birthday cake. In the evening, musical headliner and Canadian rock band 54-40 wowed crowds before the evening was capped off with a fireworks display over Jubilee Park. Details on this annual event can be found at sprucegrove.org/CanadaDay.

Alberta Day

Pride for our great province was on display as we celebrated Alberta Day (and our province's 118th birthday!) on September 1. The outdoor community gathering near Fuhr Sports Park included free musical entertainment by Alberta country musicians Stirling John and Ryan Snow, games, food, and family-friendly activities.

Seniors' Strawberry Tea

Spruce Grove seniors gathered at Living Waters Christian Academy in June for the annual Seniors' Strawberry Tea. The event is held every summer as part of Alberta Seniors' Week and includes free cake, coffee, tea, and musical entertainment. Mayor Jeff Acker gave the opening address before heading out to the floor to serve tea and refreshments alongside students from Living Waters.

Summer in the City

A new camp especially for teenagers was added to the City's roster of Summer in the City programs in 2023. The Teen Retreat is a week-long camp for teens 13 to 17 that included sports, art, games, and a field trip. Fourteen participants took part in the inaugural camp. Art Explorer camps provided participants the opportunity to try out a variety of artistic techniques and mediums, learn new skills, and experiment with different materials. The week-long adventure camps gave campers the opportunity to make friends, experience new activities, and express themselves through learning and play. In total, 109 youth and teens took part in the Art Explorer camps along with 172 participants in Adventure Camps. Summer in the City information can be found online at sprucegrove.org/SITC.

The Leaders in Training program provided 32 youth and teens nearly 1,800 hours of work experience and valuable leadership skills as they helped to run the Summer in the City camps including Adventure Camp, Art Explorer Camp, and Pop-Up playground. The teens also attended valuable training sessions, helped plan programs, led activities and participated in field trips. For details about Summer in the City camps and leadership opportunities, visit sprucegrove.org/Leaders.





Block parties

The Community Block Party program expanded in 2023 by offering three location options for hosts: private property (such as the host's backyard), a closed street (full street or cul-de-sac closure), and City-owned park or green space. Forty-one block parties were hosted in Spruce Grove in 2023, ranging in size from 15 people to over 100. The program encourages residents to get to know their neighbours and connect with their community. One hundred per cent of block party hosts said they would host again in the future and more than 90 per cent of participants said attending a block party made them want to participate in more events in their neighbourhood. Survey respondents said block parties helped them feel welcome, helped to create friendships, and increased their feeling of security and that their neighbours were watching out for them. For program details, visit sprucegrove.org/BlockParty.



Light Up

The holiday season was officially ushered in on November 25 as Central Park was transformed into a magical spectacle of light during the annual Light Up celebration. More than a quarter million glimmering bulbs illuminated the park as over 7,000 residents enjoyed live musical entertainment, crafts, food, and free skating and curling at the Agrena. See the moment the lights were switched on at sprucegrove.org/LightUp.



Teen Takeover

The City introduced a new program just for teens in 2023 (and a night off for their parents!). Teen Takeover is an event where teens age 13 to 18 have exclusive access to the TransAlta Tri Leisure Centre to enjoy swimming, sports, music, free food and more. Nearly 200 teens registered for the inaugural event and more are planned for 2024. See upcoming dates at sprucegrove.org/TeenTakeover.



Climate Change Capacity Building Program

Last year the City of Spruce Grove completed a project to encourage community collective action toward climate resiliency in Spruce Grove.

These efforts built on the City’s Climate Change Action Plan that was released by the City in 2022 and included the development of new website materials, including updated website content, an infographic and printable worksheets/flash cards, the creation of new social media content, and a water conservation workshop that was held in October.

The program was funded by the Government of Alberta

through the Municipal Climate Change Action Centre as part of the Climate Resilience Capacity Building Program. The program is a partnership between Alberta Municipalities, Rural Municipalities and the Government of Alberta. For details visit sprucegrove.org/ClimateChangeAction.



Electric vehicle charging stations

New electric vehicle charging stations were installed in Spruce Grove last year, thanks to grant funding provided by the Municipal Climate Change Action Centre.

A total of 17 charging stations were installed and 12 are available for public use, while the other five are located internally for City fleet vehicles.

The public can charge electric vehicles at three locations throughout the City:

- Fuhr Sports Park (six stations)
- The Agrena (four stations)
- City Hall (two stations)

For more details visit sprucegrove.org/ElectricVehicles.





Spruce Grove Transit

Transit service enhancements

- The City of Spruce Grove collaborated with the Town of Stony Plain and Parkland County to establish a single, on-demand local transit system. The municipal partnership provides riders the ability to book rides online through an on-demand booking platform and offers over 500 pick-up and drop-off locations. If needed, riders can also book rides over the phone.
- Youth and student riders were able to start using the Arc system last year, which is a regional electronic fare payment system.
- Ten new bus stop pads were constructed, making the bus stops more accessible and easier for individuals to get on and off the bus.

Low Income Transit Pass

The Low Income Transit Pass Program was implemented last year to help support residents access to public transit at a subsidized monthly rate for both on-demand local and commuter passes. Newcomers to Canada can also request a fully subsidized pass for three months and then transition to the subsidized rate program.

Spruce Grove Transit Centre

Development of a new Transit Centre with a heated shelter started last year to help meet the growing transportation needs of the community. Co-located at the Civic Centre site on Westwind Drive and scheduled to open in late 2024, the Transit Centre will serve as the central location for all commuter service into and out of the City and will also be a regular stop for our local on-demand transit service. There will be 600 parking stalls available for Park & Ride users.

The project is funded by the Government of Canada through the Investing in Canada Infrastructure Program and the Government of Alberta’s Municipal Sustainability Initiative and GreenTRIP grant programs.

Transit ridership

Route 560 (Commuter):

- 2021 – 39,334
- 2022 – 77,693
- 2023 – 116,090

On-demand local transit:

- 2021 – 4,645
- 2022 – 16,625
- 2023 – 48,639

sprucegrove.org/Transit



ENVIRONMENTAL
SUSTAINABILITY



Eco Centre and residential waste collection

The City has a comprehensive waste collection program that includes residential waste, organics and recycling collection, as well as an Eco Centre.

The Eco Centre is a drop-off facility where residents can dispose of items that can't be placed in their 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 2023, the Eco Centre had 29,276 visitors and collected:

- 38.09 tonnes of blue recycling bags
- 91.72 tonnes of cardboard
- 277.97 tonnes of metal
- 273.64 tonnes of organics
- 604.14 tonnes of waste

Find the Eco Centre at:

50 Diamond Avenue

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

Curbside waste collection in 2023:

- 277 kg of organics were diverted from landfills per average household
- 87 kg of recyclables were diverted from landfills per average household
- 643 kg of landfilled solid waste produced per average household
- 4,298 tonnes of total waste were diverted from landfills
- 36.2 per cent overall curbside waste diversion rate

DID YOU KNOW?
ALMOST HALF OF
LANDFILLED WASTE
(BY WEIGHT) IS FOOD WASTE
THAT COULD BE DIVERTED
TO ORGANIC CARTS.



Trim Your Trash

Residents really made use of the Trim Your Trash app in 2023. The free mobile app provides reminders, online calendars and waste sorting tips. For more details on Trim Your Trash, visit sprucegrove.org/Sort.

- First-time visitors **21,403**
- Items viewed **40,139**
- Calendar views **30,922**
- Reminders created **664**
- Games played **509**

Extra organics collection events

To provide an option to those residents who may have extra organics materials, last year the City introduced extra organics collection events, which are held four times a year – twice in the spring and twice in the fall. This is an opportunity for residents to dispose of extra yard waste that does not fit into the green organics carts.

For details and dates visit sprucegrove.org/ExtraOrganicsCollection.



LAST YEAR,
47.08 TONNES
WERE COLLECTED
DURING THE EXTRA
ORGANICS COLLECTION
EVENTS.



Members of Spruce Grove City Council and the City Centre Business Association officially marked the substantial completion of the streetscape revitalization project with a ceremonial ribbon cutting on October 23, 2023.

City Centre revitalization

The first stage of the City Centre Area Redevelopment Plan was substantially completed in 2023, marking a significant milestone in the revitalization of the City's urban core.

This stage was a streetscape revitalization project that included both the below and above ground rehabilitation of McLeod Avenue from Queen Street to King Street and Main Street from Church Road to First Avenue.

The streetscape revitalization project is one element to implement the City Centre Area Redevelopment Plan, a \$43 million project that is focused on making the City Centre a place where people of all ages come to shop, dine, work, live, socialize, interact, and participate in a variety of community, arts, and cultural experiences.

sprucegrove.org/CCARP



Industrial and commercial investments

Throughout 2023, there were a number of major development and expansion projects in Spruce Grove's industrial area, including the BeeMaid Honey production facility that underwent an expansion to 138,000 sq. ft. – more than five times its original size when it started producing honey in 1993. TC Energy also expanded its presence in Spruce Grove by acquiring an additional 47,000 square foot facility and constructing an additional 100,000 square feet of office and storage space at their existing location.

Over in the Ballpark District, work continued on construction

of a new ballpark stadium by Spruce Gold Partnership, which is scheduled to open in spring 2025, and initial commercial development as part of the Ballpark District is currently underway. Other large commercial developments in the city, such as the Markets at Easton and Creekside Commons, are expected to move ahead in the near future.

Additionally, the City developed the South Century Industrial Park to make additional industrial land available in Spruce Grove. This 18-acre industrial park was serviced and is now on the market.



New high load corridor completed

A new high load corridor was created on Campsite Road/Jennifer Heil Way last summer to connect Spruce Grove's industrial area to Highway 16.

Traffic signal adapters were installed on the north/south poles allowing them to swivel out of the way to accommodate oversize loads through Spruce Grove.

The corridor now allows local businesses to transport large pieces of equipment and fabricated components safely and cost-effectively and will promote long-term economic development and prosperity in the region.





2023 construction projects

Last year was busy on the construction front in Spruce Grove with several significant projects completed in 2023, including:

- Surface improvement work on Jespersen Avenue, Creekside Way, and Stoneshire Manor
- Resurfacing on Highway 16A
- Installation of pressure reducing valves on the north side of Spruce Grove
- Watermain replacement along Calahoo Road/Golden Spike Road
- Replacement of the playground at Longview Park

In addition to these larger projects, City crews also conducted regular maintenance and repairs on streets and sidewalks throughout the community, including:

- Crack sealing
- Street sweeping
- Line painting
- Pothole repairs
- Asphalt repairs
- Concrete repairs and maintenance
- Traffic light repairs and maintenance
- Drainage maintenance

As part of the City’s commitment to supporting our community’s infrastructure, in 2023 the City continued with an annual dedicated one per cent tax increase that was implemented in 2021 and used to fund the lifecycle replacement of City-owned assets. This is part of the City’s work in support of fiscal sustainability that aims to fund the costs of today, while also considering the financial needs of tomorrow.



2023 BUILDING PERMIT ACTIVITY



1,174
TOTAL
BUILDING
PERMITS



87
COMMERCIAL,
INDUSTRIAL, AND
INSTITUTIONAL
PERMITS



358
RESIDENTIAL
PERMITS



715
RESIDENTIAL
IMPROVEMENT
PERMITS

COMBINED TOTAL BUILDING PERMIT VALUE:
\$277 MILLION – A RECORD YEAR FOR SPRUCE GROVE!

LICENSED LOCAL BUSINESSES IN SPRUCE GROVE: **1,448**



Municipal census

The City of Spruce Grove conducted a census in the spring of 2023 which revealed a population of 38,985 – an increase of 1,340 residents since 2021! An average annual population growth rate of 3.41 per cent for the past decade makes Spruce Grove one of the fastest growing cities in Alberta. And it seems like people who arrive here choose to stay here as more than 66 per cent of residents have lived in Spruce Grove for more than five years. The top three neighbourhoods by population are Harvest Ridge (3,438), Spruce Ridge (3,398) and Aspenglen (2,359).

For more census highlights, visit sprucegrove.org/Census.



Community Standards Bylaw survey



The City began developing a Community Standards Bylaw last year, which will be a tool for ensuring a safe, healthy and inviting community. In 2023, residents, businesses and community groups were surveyed on topics for the proposed bylaw, including themes around public behaviour, property maintenance, neighbour relations, noise control, and excessive odours. More than 1,200 responses were collected in the survey, and the feedback has informed the development of the bylaw which is expected to be implemented in 2024.

Details can be found at sprucegrove.org/CommunityStandards.

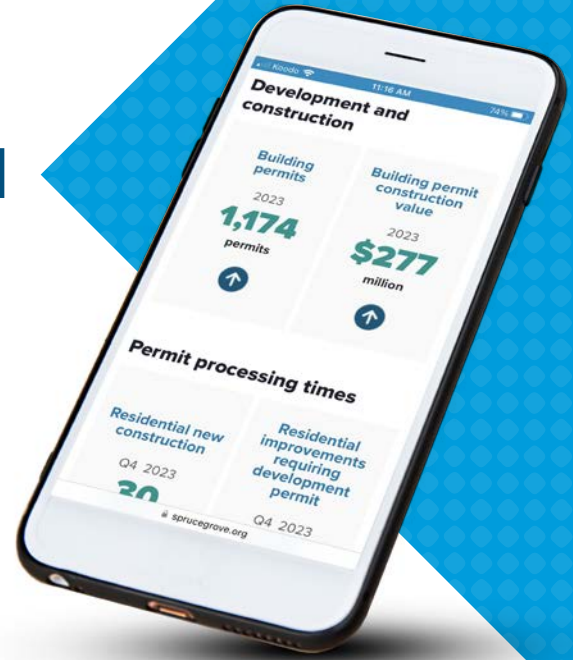




New Reporting Dashboard

A new Reporting Dashboard was added to the City's website in early 2023. It displays trends and statistics about the community such as population, demographics and the local economy, as well as indicators regarding the City's operations like permit processing times, transit use and enforcement. Data is tracked over time, showing what the City is doing well, and where more focus or attention may be needed.

Check out the Reporting Dashboard at sprucegrove.org/Dashboard.



Regional cooperation

In June 2023, Spruce Grove Mayor Jeff Acker was elected to the position of Vice Chair of the Edmonton Metropolitan Region Board (EMRB). He was voted in by his peers on the board, made up of regional mayors, and began his term in November.

Beyond his work with the EMRB, Mayor Acker shares a

collaborative relationship with fellow tri region mayors Allan Gamble from Parkland County and William Choy from Stony Plain.

Strong regional partnerships help Mayor Acker contribute to regional solutions which in turn benefit residents and businesses in Spruce Grove.



Stony Plain Mayor William Choy, Spruce Grove Mayor Jeff Acker, and Parkland County Mayor Allan Gamble.



New school zones

Three new school zones were announced prior to the start of the 2023/2024 school year, based on a recommendation from a Spruce Grove Roadway Speed Limit study, which was presented to Council in June. The new school zones are located at École Broxton Park School, St. Joseph Catholic School and Copperhaven School. As a reminder, all designated school zones have a maximum speed of 30 km/h on school days between 7:30 a.m. and 4:30 p.m.

Read more about traffic safety at sprucegrove.org/TrafficSafety.



Integrated Transportation Master Plan

In the fall of 2023, the City invited residents, business owners and other interested parties to share their thoughts about planning a transportation network that will support a safe, accessible and healthy community. The feedback has been used to help inform an integrated

Transportation Master Plan (iTMP), a long-term plan for the City's transportation network that will set priorities and guide investment choices for roads, sidewalks, trails, transit and other transportation infrastructure. The plan is being finalized and is expected to be completed in 2024.



LOOKING AHEAD TO 2024

There was much to celebrate from 2023, as it marked a year of significant growth and the beginning of several important programs and projects in the community. Equally important, however, is the look ahead to 2024 which will be filled with investment throughout the community. This long-term planning helps pave the way for continued success in Spruce Grove and helps ensure we are meeting the needs of residents both now and into the future. This includes a continued commitment to implementing Council's priorities outlined in the 2022-2025 Strategic Plan (Second Edition), which can be viewed online at sprucegrove.org/StrategicPlan.



Capital investments

Two major capital projects will be underway in Spruce Grove in 2024.

Civic Centre

Construction work on the Civic Centre significantly ramped up in 2023 and that will continue in 2024 in preparation for the facility's official opening to the public in 2025. The \$77.7 million Civic Centre is the largest project the City has ever undertaken and once complete, it will be home to:

- A spectator arena, which will be home to the Spruce Grove Saints
- A community arena that will be named in honour of fallen Edmonton Police Service constable and Spruce Grove resident Brett Ryan
- A branch of the Spruce Grove Public Library
- A black box theatre designed with multi-use capabilities
- Art gallery and program room
- A community walking area located on the shared concourse of the spectator arena

Regular project updates and monthly one-minute timelapses of the progress at the site is available at sprucegrove.org/CivicCentre.

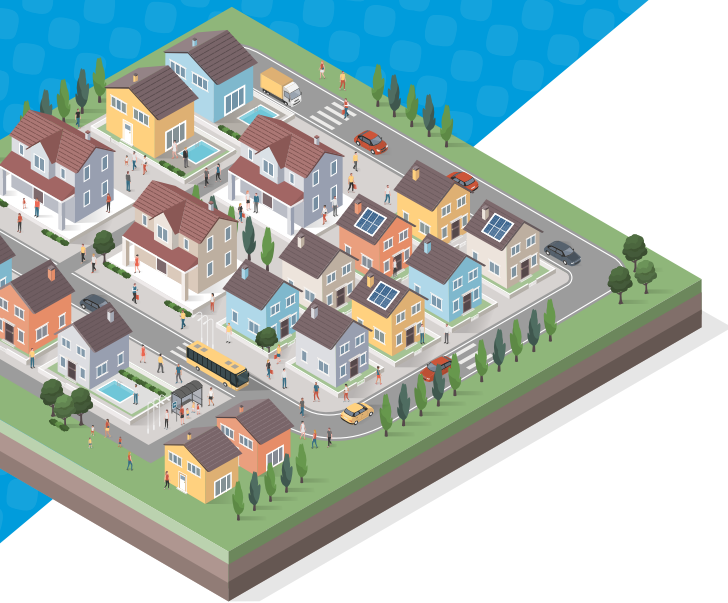
Re-imagined Central Park

Starting in 2024, the City is undertaking a multi-year revitalization project for one of our community's most loved and well-used spaces: Central Park.

This includes adding new amenities like a wheeled sports facility, pump track, new picnic areas, seating, and a playground with accessible features. Retaining the key aspects of the park is also a top priority, including the skating oval, treed area, splash pad, and Lions Log Cabin.

To learn more about the Re-imagined Central Park project visit sprucegrove.org/ReimaginedCP.





Community Standards Bylaw implementation

Following extensive public engagement throughout 2023, a new Community Standards Bylaw (CSB) will be implemented in 2024 as an important tool for ensuring a safe, healthy and inviting community.

The CSB and related amendments to other bylaws will address 14 topics related to public behaviour, property maintenance, neighbour relations, noise control and excessive odours on private and public property in Spruce Grove.

While engaging with the public for the CSB, the City also gathered feedback about urban farming activities, including backyard hens and beekeeping. A bylaw for backyard hens is expected to go to Council in 2024, followed by a bylaw for urban beekeeping in 2025.

Stay informed about the progress of the CSB and urban farming at sprucegrove.org/CommunityStandards.

Heritage Grove Park

Located within Spruce Grove is the natural wonder of Heritage Grove Park with its many all-weather trails that connect neighbourhoods and parks throughout the community.

To support the ongoing health and appearance of the Heritage Grove Forest, Spruce Grove City Council has approved a significant investment in additional annual forest maintenance starting in 2024.

This additional maintenance will help with the removal and clean-up of deadfall and dead standing trees as well as invasive species, while also improving the aesthetic of the forest.

Other proactive maintenance throughout the year includes tree planting, regular trail care and clearing, waste collection, and the removal of noxious weeds.

Speed limit reduction

In the summer of 2024, the speed limit on neighbourhood residential streets will be reduced from 50 km/h to 40 km/h. This reduction was approved by City Council in 2023 based on recommendations from a Spruce Grove Roadway Speed Limit study.

An education and awareness campaign will precede the speed reduction to ensure community members and motorists are aware of the change.





FINANCIAL SECTION



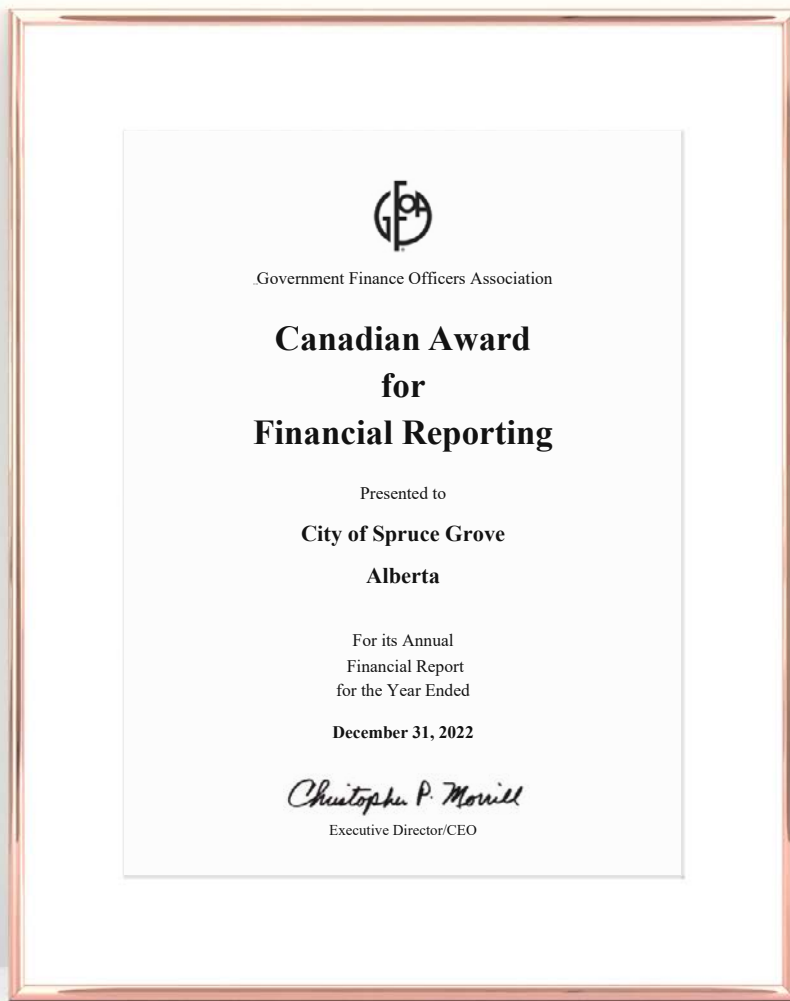
Letter of Transmittal of the Annual Financial Report

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, 2022. 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.





2023 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 City's 2023 Audited Consolidated 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. The Spruce Grove Public Library is also consolidated within these statements. Unless indicated, all information is presented on a consolidated basis.

This financial summary should be read in conjunction with the City's 2023 Audited Consolidated Financial Statements (hereinafter referred to as "Financial Statements") and accompanying notes. The Financial Statements include:

- **Consolidated Statement of Financial Position**

The Statement of Financial Position reports on the City's assets, liabilities and municipal equity at the end of each year. This statement will give the reader an indication whether or not the City has the necessary assets to provide services to its citizens in the future and meet current financial commitments.

- **Consolidated Statement of Operations and Accumulated Surplus**

The Statement of Operations reports on revenues, expenses and the results of operations for the entire year.

- **Consolidated Statement of Changes in Net Debt**

The Statement of Net Financial Assets (Debt) reconciles the excess of revenue over expenses to the net financial assets (financial resources available to finance future transactions). Positive net assets are an indicator that the City is able to meet its liabilities and obligations out of existing assets and has resources to use in the future. Negative net assets (net debt) is an indicator that future resources are required to pay for past transactions events.

- **Consolidated Statement of Remeasurement Gains and Losses**

The Statement of Remeasurement Gains and Losses is a new financial statement that presents the unrealized change in the value of financial instruments, such as investments, being measured at fair market value at the Statement of Financial Position date as well as the year end conversion of balances held in foreign currency, such as payables.

- **Consolidated Statement of Cash Flows**

The Statement of Cashflows identifies where the City's cash came from and how it was used. This statement explains the change in cash and cash equivalents since the previous reporting period.

- **Consolidated Notes to Financial Statements**

The notes to the Financial Statements contain important information and explanations, some of which are required by legislation and regulation. The notes highlight various aspects and provide background information on the impacts of specific values in the Financial Statements.

Roles and responsibilities

Management bears full 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 Public Sector Accounting Standards. The external audit firm of Metrix Group LLP is appointed by City Council to express an audit opinion on the Financial Statements. The auditors issued an unqualified opinion on these Financial Statements.



Who uses the City of Spruce Grove Financial Statements and why?



CITY RESIDENTS

Spruce Grove residents use the City's Financial Statements to help them understand how financial resources have been used to provide services to their community.



CITY COUNCIL

The City's Financial Statements provide information to City Council on its financial position. This information has been validated by a professional, independent auditor.



GOVERNMENTS

Senior levels of government use the City's Financial Statements to determine if funds were used in accordance with the funding requirements.

2023 Financial highlights & trend analysis

A significant driver of City revenue is economic activity, which affects the number of taxable properties, influences construction activity, and impacts the demand for City Services. Overall economic conditions continued to progress in 2023, which led to an increase in development activity. Assessment growth in 2023 was projected to be 2.66 per cent, but actual growth came in at 3.18 per cent for the year.

Financial position

At the end of 2023, future revenues of \$19.1 million (2022 - \$6.3 million) were required to pay for past transactions or events.

Surplus funds have accumulated over the history of the City to \$617 million (2022 - \$566 million). Virtually all surplus funds \$597 million (2021 - \$535 million) have been used to acquire or construct roadways, underground utilities, facilities, and other tangible capital assets used to deliver municipal services.

Financial position (\$ millions)	2023	2022
Financial Assets	63	87
Liabilities	82	93
Net debt	-19	-60
Non-financial Assets	636	572
Accumulated Surplus	617	566

Financial Assets

The Financial Assets of the municipality are made up of cash and cash equivalents, accounts receivable, investments and land held for resale. In comparison to 2022, overall financial assets decreased by \$24.0 million the end of 2023 mainly due to maturing investments (Note 4) being utilized for working capital. This also resulted in cash and cash equivalents increasing \$6.4 million over 2022 (Note 2). Accounts receivable (Note 3) saw a reduction of \$1.5 million over 2022 mainly due to a decrease in new development agreements. Land held for resale (Note 5) increased \$1.3 million in 2023 as some City owned land was marketed for sale.

Liabilities

The City's liabilities are comprised of accounts payable and accrued liabilities, deferred revenues, liabilities for contaminated sites, asset retirement obligations and long-term debt. Overall, liabilities decreased \$11.3 million in 2023. Accounts payable and accrued liabilities (Note 6) increased \$8.8 million due to the adoption of CPA Canada Public Sector Accounting Standard Section 3450 for financial contracts and holdbacks for large capital projects that will be paid as the applicable work is complete. Deferred revenue (Note 7) decreased \$21.1 million in large proportion for the use of Municipal Sustainability Initiative and Canada Community Building Fund capital grant funds. Long-term debt increased \$1.1 million due to the new loan for an industrial watermain capital project.

Net Debt

The City of Spruce Grove's overall net debt position increased from the prior year-end. Net debt was \$6.3 million at the end of 2022 compared to \$19.1 million by the end of 2023. However, the year-end results came in better than the 2023 projected net debt of \$49.9 million, primarily attributed to lower than planned capital asset acquisitions in 2023.

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 \$63.6 million in 2023 which is attributed primarily to TCA acquisitions (Note 13).

Accumulated Surplus

The accumulated surplus of the City is \$616.5 million of which the investment in tangible capital assets represents \$597.1 million. The financial surplus position of the City is \$22 million or 3.6 per cent of overall accumulated surplus. The financial surplus position has decreased from 2022 to 2023, however the City's financial position remains within the Government Financial Officers Association recommended cash flow management and emergency preparedness range of two to three months of expenses (\$18.9 to \$28.4 million). The current financial surplus position of \$22 million is made up of municipal surplus of \$28.7 million (2022 - \$35.1 million), utility surplus of \$7.5 million (2022 - \$7.6 million) and developer deficit of \$14.2 million (2022 - \$12.6 million).

Financial activities

The City's financial activities include operating revenue and expenses and capital project revenue and expenditures. 2023 operations produced an annual surplus of \$54 million and \$57 million was used to purchase tangible capital assets.

Actual consolidated revenues increased to \$167 million in 2023 from \$122 million in 2022, mainly due to increased capital government transfers for Municipal Sustainability Initiative and contributed tangible capital assets for underground infrastructure. Total consolidated expenses increased to \$113 million in 2023 from \$107 million 2022, for increased salaries, wages and benefits as well as increased costs for contracted services for RCMP and transit.

Financial activities (\$ millions)	2023 ACTUALS	2022 ACTUALS
Revenue - Operations	107	98
Expenses - Operations	113	107
Annual Deficit from Operations	-6	-9
Revenue - Capital	60	24
Annual Surplus	54	15
Capital Asset Acquisitions		
Purchased Capital Assets	57	21
Contributed Capital Assets	27	6
Total Acquisitions	84	27

Operating revenues

2023 Operating Revenues came in higher than in 2022 by \$9.5 million:

- **Property taxes** (details in Schedule 1) increased \$4 million in conjunction with the residential and commercial growth realized
- **Sales and user fees** increased \$2.3 million primarily due to utility services
- **Franchise fees** increased \$294k inline with increased sales and user fees for utility services
- **Government transfers** (operating) increased \$654k mainly for Transit cost share and grant funding.
- **Licenses and permits** increased \$717k and mainly due to increased building, development, and electrical permit activity.
- **Sales to other governments** slightly increased by \$61k for Alberta Health Services contract fees
- **Rentals** increased \$379k from city facility rentals and leases
- **Other revenue** also increased \$1.4 million mainly due to land sales
- **Fines revenue** decreased \$908k due to gap in Automated Traffic Enforcement (ATE) vendor contract
- **Investment income** increased \$614k, reflective of high market interest rates
- **Penalties** increased by \$21k for interest on overdue accounts

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 for operations and passes it directly on to the Province of Alberta and Meridian Foundation. The City also does not set or control the amount of these levies.

Operating expenditures

Operating Expenses* were \$6.7 million higher in 2023 when compared to 2022:

- **Community Services** increased \$2.5 million mainly due to inflationary increases in salaries, wages, and benefits and increasing materials, goods and supplies.
- **Utilities** increased \$1.3 million mainly due to increased costs for bulk water purchases and the industrial watermain long term debt interest and principal repayments.
- **Transportation and Roadway** increased \$1.1 million mainly due to increased amortization costs for roadways and land improvements and as well as increased on demand transit service costs.
- **Protective Services** increased \$1 million for shared policing costs with Town of Stony Plain for support staff, crime analyst, training, and office supplies.
- **Development Services** increased \$460k mainly due to increased contracted services for studies in Economic Development and consulting fees in Planning and Development, these departments also saw inflationary increases in salaries, wages, and benefits and materials, goods and supplies.
- **General Government** increased 315k mainly due to inflationary increases in salaries, wages, and benefits.

* 2023 expenditures are further broken down in detail in Note 16, by organizational segment and in Schedule 3, by department.

City revenue sources

The City of Spruce Grove's 2023 revenue came from a variety of sources:

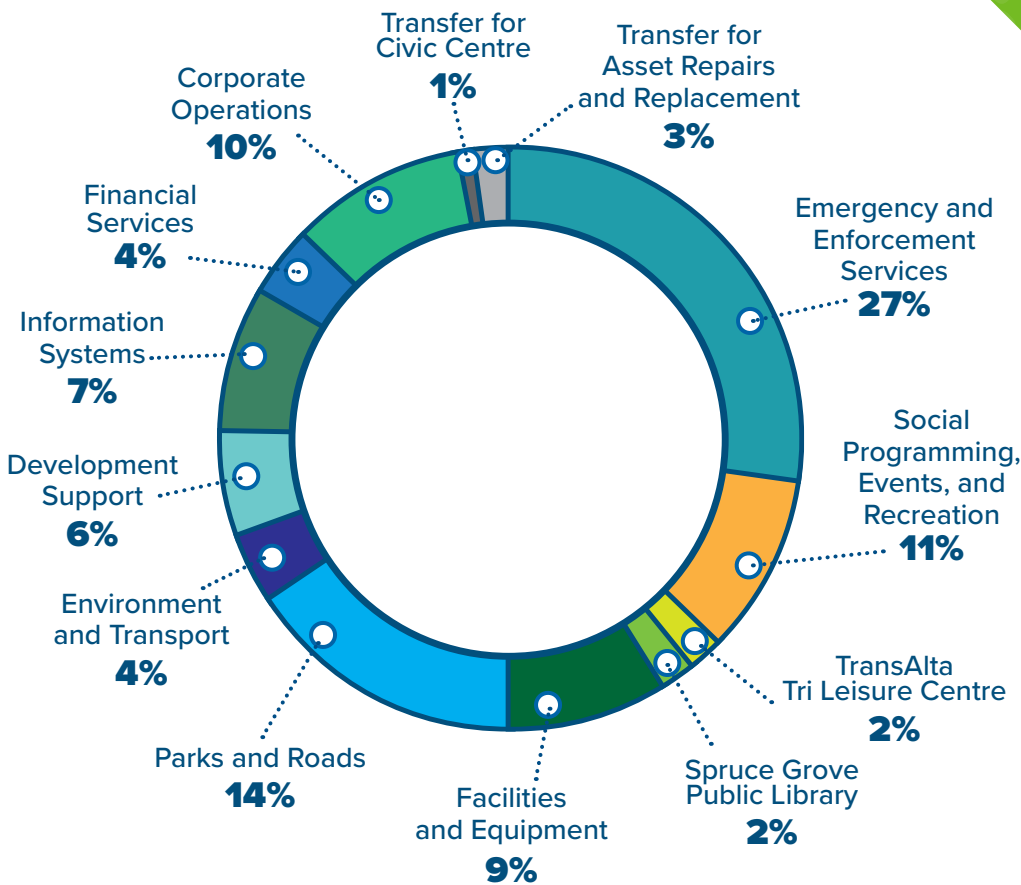
- **29% Property Tax:** Paid by Spruce Grove property owners to help cover the costs of the services* they use within the City. Residents paid approximately 76 per cent of the total property taxes, while businesses pay the remaining 24 per cent.
- **28% Sales and User Fees:** This includes sales to other governments, franchise fees, fines, licenses and permits.
- **16% Contributed Tangible Capital Assets:** Items such as roadways and underground utilities (watermain, stormwater and sanitary sewer systems), which are constructed by developers and transferred to the City to own and manage.
- **19% 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 to fund for operating programs and activities.
- **5% Other Revenues:** This includes rental revenue, penalties on taxes and utilities, investment income, gains, or losses on disposal of tangible capital assets, developer contribution and levies, and other income.

* Refer to the distribution of tax dollars chart on the next page.

Distribution of 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 roadways, public transit, public safety, parks and open spaces, programming, and much more! The distribution of tax dollars is illustrated in this chart.



Looking forward

In 2024, the City will continue on the journey of building a fiscal stewardship framework and evolving City processes, programs and services to support our growing city. The fiscal stewardship framework involves the creation and review of necessary financial policies. As part of this work Administration is currently in the process of updating the City's investments and reserve policy, which will be brought forth to Council for consideration in 2024. The City is dedicated to investing in and serving our community.



CONSOLIDATED FINANCIAL STATEMENTS

CITY OF SPRUCE GROVE
FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Spruce Grove

Opinion

We have audited the accompanying consolidated financial statements of the City of Spruce Grove (the "City"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2023, and the results of its operations, remeasurement gains and losses, changes in net debt, and its 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 Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect

(continues)

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Mayor and Council of the City of Spruce Grove (*continued*)

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 these consolidated 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 consolidated 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 City's internal control.
- Evaluate the appropriateness of accounting policies 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 City'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 consolidated 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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the City or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 22, 2024

MANAGEMENT'S REPORT

MANAGEMENT'S REPORT

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 to ensure that the consolidated financial statements are presented fairly, in all material aspects.

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.

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



Anthony Lemphers, CPA, CGA, BBA
Director, Finance



Dean Screpnek, CPA, CMA, CLGM
City Manager

April 22, 2024
Spruce Grove, AB

CITY OF SPRUCE GROVE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023
(IN THOUSANDS OF DOLLARS)

	2023	2022 <i>Restated</i> (Note 1)
Financial Assets		
Cash and Cash Equivalents (Note 2)	\$ 14,761	\$ 8,408
Accounts Receivable (Note 3)	16,049	17,574
Investments (Note 4)	29,996	60,203
Land Held for Resale (Note 5)	2,196	868
	63,002	87,053
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	28,626	19,777
Deferred Revenue (Note 7)	12,720	33,815
Liability for Contaminated Sites (Note 8)	971	1,181
Asset Retirement Obligations (Note 9)	531	506
Long-Term Debt (Note 11)	39,257	38,111
	82,105	93,390
Net Debt	(19,103)	(6,337)
Non-Financial Assets		
Inventory and Prepaid Expenses	1,490	1,345
Tangible Capital Assets (Note 13)	634,127	570,539
	635,617	571,884
Accumulated Surplus (Note 14)	\$ 616,514	\$ 565,547
Accumulated Surplus consists of:		
Accumulated surplus from operations	\$ 619,128	\$ 565,547
Accumulated remeasurement losses	(2,614)	-
	\$ 616,514	\$ 565,547

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

ON BEHALF OF THE COUNCIL


 _____ MAYOR

 _____ COUNCILLOR

CITY OF SPRUCE GROVE

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

	2023 Budget (Note 30)	2023 Actual	2022 Actual Restated (Note 1)
Revenue			
Property Taxes (Schedule 1)	\$ 49,230	\$ 49,247	\$ 45,235
Sales and User Fees	30,052	30,825	28,562
Franchise Fees (Note 28)	8,045	7,738	7,444
Government Transfers - Operating (Schedule 2)	5,058	4,663	4,009
Licenses and Permits	1,845	3,038	2,321
Sales to Other Governments	2,721	2,779	2,718
Rentals	2,584	2,685	2,306
Other	783	2,259	841
Fines	2,501	2,030	2,938
Investment Income	668	1,232	618
Penalties	795	816	795
	104,282	107,312	97,787
Expenses			
Transportation and Roadway Services	36,164	30,888	29,747
Utilities	22,804	23,861	22,610
Protective Services	22,628	21,840	20,828
General Government	17,932	16,474	16,159
Community Services	14,824	16,165	13,630
Development Services	4,314	4,188	3,728
	118,666	113,416	106,702
Annual Deficit before the Undernoted	(14,384)	(6,104)	(8,915)
Government Transfers - Capital (Schedule 2)	29,790	31,635	12,585
Contributed Tangible Capital Assets (Note 13)	18,375	27,461	6,060
Gain (Loss) on Disposal of Tangible Capital Assets	516	409	(162)
Developer Contribution and Levies	1,961	180	5,030
	50,642	59,685	23,513
Annual Surplus (Deficit)	36,258	53,581	14,598
Accumulated Surplus, Opening As Previously Stated		565,999	551,373
Change in accounting policies (Note 1)		(452)	(424)
Accumulated Surplus, Opening As Restated		565,547	550,949
Accumulated Surplus, Closing		\$ 619,128	\$ 565,547

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, 2023

(IN THOUSANDS OF DOLLARS)

	2023 Budget (Note 30)	2023 Actual	2022 Actual Restated (Note 1)
Annual Surplus	\$ 36,258	\$ 53,581	\$ 14,598
Inventory and Prepaid Expenses			
Acquisition	-	(1,490)	(1,345)
Consumption	-	1,345	1,229
Change in Inventory and Prepaid Expenses	-	(145)	(116)
Tangible Capital Assets			
Contributed	(18,375)	(27,461)	(6,060)
Purchased	(81,155)	(56,533)	(21,279)
Proceeds on Disposal	-	561	143
(Gain) Loss on Disposal	(516)	(409)	162
Tangible Capital Assets transferred to Land Held for Sale	-	915	-
Amortization	20,194	19,339	17,805
	(79,852)	(63,588)	(9,229)
Other			
Change in Accumulated Remeasurement Loss	-	(2,614)	-
Change in Net Debt	(43,594)	(12,766)	5,253
Net Debt, Opening	(6,337)	(6,337)	(11,590)
Net Debt, Closing	\$ (49,931)	\$ (19,103)	\$ (6,337)

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

CITY OF SPRUCE GROVE
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

	2023 Actual
Accumulated remeasurement losses, beginning of year	\$ -
Unrealized gain (loss) from adoption of PS 3450:	
Investments designated at fair value	(1,075)
Financial contracts	353
Amounts reclassified to consolidated statement of operations:	
Investments designated at fair value	4
Unrealized gain (loss) attributable to:	
Investments designated at fair value	718
Financial contracts	(2,614)
Net change for the year	(2,614)
Accumulated remeasurement losses, end of year	\$ (2,614)

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, 2023

(IN THOUSANDS OF DOLLARS)

	2023	2022
Cash Provided by (Used For):		
Operating Activities		
Annual Surplus	\$ 53,581	\$ 14,598
Items not involving cash:		
Amortization of Tangible Capital Assets	19,339	17,805
Loss (Gain) on Disposal of Tangible Capital Assets	(409)	162
Contributed Tangible Capital Assets	(27,461)	(6,060)
Asset Retirement Obligation Accretion	25	25
Change in non-cash working capital balances:		
Decrease/(Increase) in Accounts Receivable	2,861	(833)
Increase in Accounts Payable and Accrued Liabilities	5,253	565
(Decrease)/Increase in Deferred Revenue	(21,095)	2,750
Decrease in Liability for Contaminated Sites	(210)	(27)
Increase in Inventory and Prepaid Expenses	(145)	(116)
Decrease/(Increase) in Land Held for Sale	(1,328)	878
	30,411	29,747
Capital Activities		
Acquisition of Tangible Capital Assets	(56,533)	(21,279)
Proceeds on Disposal of Tangible Capital Assets	561	143
Transfer of Land Held of Sale	915	-
	(55,057)	(21,136)
Investing Activities		
Purchased Investments	(4,002)	(35,385)
Proceeds on Disposal of Investments	33,855	14,526
	29,853	(20,859)
Financing Activities		
Long-term Debt Issued	4,600	2,400
Long-term Debt Repaid	(3,454)	(2,924)
	1,146	(524)
Increase (Decrease) in Cash and Cash Equivalents	6,353	(12,772)
Cash and Cash Equivalents, Opening	8,408	21,180
Cash and Cash Equivalents, Closing (Note 2)	\$ 14,761	\$ 8,408

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

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

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. Valuation of Financial Assets and Liabilities

The City's financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost
Investments	Fair value and amortized cost
Accounts receivable	Lower of cost and net recoverable value
Inventories of supplies	Lower of cost and replacement cost
Accounts payable and accrued liabilities	Cost
Asset retirement obligations	Cost or present value
Long-term debt	Amortized Cost
Derivatives	Fair value

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses.

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

1. Significant Accounting Policies (continued)

b. Valuation of Financial Assets and Liabilities (continued)

All financial assets are assessed annually for impairment. Impairment losses are recognized in the consolidated statement of operations. A write-down of a financial asset to reflect a loss that is other than temporary in value is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are expensed as they are incurred.

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 consist of authorized investments pursuant to provisions of the Municipal Government Act and comprise financial instruments issued by the Canadian government and Schedule I, II, and III banks as well as asset backed securities. All investments are in accordance with the Investment Policy approved by Council.

Investments with original maturity dates of more than 90 days are classified as investments on the consolidated statement of financial position.

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. Discounts and premiums arising on the purchase of investments are amortized over the term of the investment. Should there be a loss in value that is not considered temporary, the respective investment is written down to recognize the loss.

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, land improvements, 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.

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

1. Significant Accounting Policies (continued)

b. Valuation of Financial Assets and Liabilities (continued)

iv. Derivatives

The City uses derivative financial instruments consisting of bank interest rate swap agreements to manage its interest rate exposure. The City specifically designates these agreements as hedges of debt instruments and recognizes interest differentials as adjustments to interest expense in the period the differentials occur. Under interest rate swap agreements, the City agrees with other parties to exchange, at specific intervals, the difference between fixed-rate and variable-rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The fair value of the interest rate swap agreements is estimated using quotes from counterparties and represents the cash requirement if the existing agreements had been settled at year end.

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.

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

1. Significant Accounting Policies (continued)

c. Non-Financial Assets (continued)

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.

At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under capital leases are amortized on a straight-line basis over the term of the lease that is the estimated useful lives of the assets. The imputed interest is charged against income. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

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.

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

1. Significant Accounting Policies (continued)

d. Revenue Recognition (continued)

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.

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:

- an environmental standard exists;
- contaminations exceed the environmental standard;
- the municipality owns the land; or is directly responsible; or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- 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.

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

1. Significant Accounting Policies (continued)

g. Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- remediation of contamination of a tangible capital asset created by its normal use;
- post-retirement activities such as monitoring; and
- constructing other tangible capital assets to perform post-retirement activities.

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, the asset retirement costs are added to the carrying amount of the related tangible capital asset in productive use and are amortized over the estimated useful life of the related tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets or for tangible capital assets no longer in productive use are expensed in the consolidated statement of operations

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. Subsequent to the initial measurement, the asset retirement obligation is adjusted to reflect the passage of time and is recognized as an accretion expense in the consolidated statement of operations.

These liabilities reflect the City's best estimate, as of December 31, 2023, of the amount required to retire tangible capital assets. Estimates are made by management using professional judgment, similar contractor costs, and third-party quotes, and are subsequently re-measured taking into account any new information and the appropriateness of assumptions used

h. Use of Estimates and Measurement Uncertainty

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, asset retirement obligations, liability of 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.

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

1. Significant Accounting Policies (continued)

i. Changes in Accounting Policies - Prospective

Effective January 1, 2023, the City has adopted Canadian public sector accounting standards PS 1201 Financial Statement Presentations, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments required for government organizations beginning on or after April 1, 2022. The new standards have been applied prospectively. Comparative results have not been restated. The changes to the City's financial statements from previous years are as follows:

1. The carrying value of financial instruments included in investments and derivative contracts are measured at fair value to correspond with how they are evaluated and managed. Prior to January 1, 2023, these financial instruments were recorded at cost or not recognized.
2. Disclosure of the hierarchy of inputs used in the determination of fair value for investments are reported according to the following levels:
 - Level 1: Fair value is based on quoted prices in an active market.
 - Level 2: Fair value is based on model-based valuation methods for which all significant assumptions are observable in the market or quoted prices for similar but not identical assets.
 - Level 3: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.
3. Unrealized gains and losses are recorded in the new statement of remeasurement gains and losses. Prior to January 1, 2023, unrealized gains and losses were not recorded in the financial statements. This change to January 1, 2023 opening balances are as follows:
 - Decrease to investments by \$1,075
 - Increase to financial contracts receivable by \$1,867;
 - Increase to financial contracts payable by \$1,514;
 - Increase to accumulated remeasurement losses by \$722.

j. Changes in Accounting Policies - Modified Retroactive

Effective January 1, 2023, the City adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations, and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On the effective date of the PS 3280 standard, the City recognized the following to conform to the new standard:

- asset retirement obligations;
- asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- accumulated amortization on the capitalized cost; and
- adjustment to the opening balance of the accumulated surplus.

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

1. Significant Accounting Policies (continued)

j. Changes in Accounting Policies - Modified Retroactive (continued)

The effects of this change are as follows:

	2022		
	As Previously Reported	Adjustments	As Restated
Consolidated Statement of Financial Position			
Asset Retirement Obligations (Note 9)	\$ -	\$ 506	\$ 506
Tangible Capital Assets (Note 13)	570,485	54	570,539
Accumulated Surplus (Note 14)	565,999	(452)	565,547
Consolidated Statement of Operations			
Amortization	17,802	3	17,805
Accretion	-	25	25
Annual Surplus	14,626	(28)	14,598
Accumulated Surplus, Beginning of year	551,373	(424)	550,949
Accumulated Surplus, End of year (Note 14)	565,999	(452)	565,547
Consolidated Statement of Changes in Net Debt			
Annual Surplus	14,626	(28)	14,598
Amortization	17,802	3	17,805
Net debt, Beginning of year	(11,109)	(481)	(11,590)
Net debt, End of year	(5,831)	(506)	(6,337)
Consolidated Statement of Cash Flows			
Annual Surplus	14,626	(28)	14,598
Amortization of Tangible Capital Assets	17,802	3	17,805
Increase in Asset Retirement Obligations	-	25	25

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

1. Significant Accounting Policies (continued)

k. Future Accounting Standard Pronouncements

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. In 2024, the City will continue to assess the impact and prepare for the adoption of these standards.

Standard	Name	Effective Date
PS 3400	Revenue	April 1, 2023
PSG-8	Purchased Intangibles	April 1, 2023
PS 3160	Public Private Partnerships	April 1, 2023
PS 1202	Financial Statement Presentation	April 1, 2026

2. Cash and Cash Equivalents

	2023	2022
Cash	\$ 14,761	\$ 7,613
Cash Equivalents	-	795
	\$ 14,761	\$ 8,408

3. Accounts Receivable

	2023	2022
Property Taxes		
Current Taxes and Grants in Place of Taxes	\$ 1,843	\$ 1,776
Arrears	589	534
	2,432	2,310
Other		
Trade and Other	3,318	3,456
Local Improvements	2,789	3,093
Utility	2,788	2,503
Developer Contributions and Levies	2,133	5,079
Financial Contracts	1,335	-
Government Transfers	684	663
Goods and Services Tax	464	245
Interest Receivable	346	431
Allowance for Doubtful Accounts	(240)	(206)
	13,617	15,264
	\$ 16,049	\$ 17,574

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

4. Investments

	2023	2022
Investments - amortized cost	\$ 17,231	\$ 60,203
Investments - fair valued	12,765	-
Total	\$ 29,996	\$ 60,203

The composition of investments measured at amortized costs is as follows:

	Amortized Cost 2023	Market Value 2023	Amortized Cost 2022	Market Value 2022
Bonds	\$ 16,738	\$ 15,418	\$ 16,558	\$ 14,642
GICs	466	466	51	51
Other	27	27	30,351	30,395
Notes	-	-	13,243	12,167
	\$ 17,231	\$ 15,911	\$ 60,203	\$ 57,255

Investments in bonds have effective interest rates of 1.29% to 3.55% (2022 - 1.29% to 2.93%) with maturity dates from March 2024 to August 2033. Other investments include a callable interest savings account with an effective rate of 5.55% (2022 - 4.80%).

The composition of investments measured at fair value is as follows

	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Principal protected notes	\$ -	\$ 12,765	\$ -	\$ 12,765	\$ -	\$ -	\$ -	\$ -

Fair values are those derived from:

- Level 1: Fair value is based on quoted prices in an active market.
- Level 2: Fair value is based on model-based valuation methods for which all significant assumptions are observable in the market or quoted prices for similar but not identical assets.
- Level 3: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

5. Land Held for Resale

The City holds an interest in lands in the amount of \$2,196 (2022 - \$868) representing the costs related to the Westwind land assembly and site servicing costs undertaken by the City to prepare an 18 acre industrial site owned by the City for future development. The City entered into an option agreement with the developer to dispose of the assembled land in parcels that was set to expire on March 21, 2025. In August 2022, the City entered into an amended agreement with the developer to purchase the Westwind lands for the development of an ice arena complex, public recreation and transit facilities along with related amenities.

In 2023 interest on long-term debt associated with the assembled land in the amount of \$15 (2022 - \$16) was capitalized.

6. Accounts Payable and Accrued Liabilities

	2023	2022
Trade and Accrued Liabilities	\$ 12,434	\$ 11,704
Wages and Benefits	4,053	4,009
Holdbacks	4,051	486
Financial Contracts	3,596	-
Developer Commitments	2,249	2,030
Deposits	2,214	1,514
Debenture Interest	29	34
	\$ 28,626	\$ 19,777

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

7. Deferred Revenue

	2022	Amount Received and Receivable	Interest and Other	Amounts Recognized	2023
Developer Contributions					
Administration	\$ 224	\$ 18	\$ -	\$ -	\$ 242
Neighborhood Parks	1,260	48	60	(22)	1,346
Municipal Reserve	541	-	(110)	-	431
Cash in Lieu of Municipal Reserve	1,811	-	87	-	1,898
District and Regional Parks	-	105	-	(105)	-
Downtown Redevelopment	3	-	-	(3)	-
Land Acquisition	3	1	-	-	4
Developer Default	-	25	-	(25)	-
	3,842	197	37	(155)	3,921
Developer Levies					
Water	-	38	-	(38)	-
Transportation	-	529	-	(529)	-
Recreation	-	30	-	-	30
Library	-	8	-	-	8
	-	605	-	(567)	38
Developer Contributions and Levies	3,842	802	37	(722)	3,959
Government Transfers - Capital					
Municipal Sustainability Initiative	23,981	3,894	859	(23,083)	5,651
Canada Community-Building Fund	3,504	2,239	94	(5,150)	687
GreenTrip	73	999	1	(1,039)	34
Government Transfers - Capital - Other	57	2,345	2	(2,363)	41
	27,615	9,477	956	(31,635)	6,413
Government Transfers - Operating					
RCMP Policing	-	701	-	(701)	-
Family & Community Support Services	-	868	-	(868)	-
Municipal Sustainability Initiative	-	519	-	(519)	-
Government Transfers - Operating - Other	292	2,374	-	(2,575)	91
	292	4,462	-	(4,663)	91
Other Revenue					
Sponsorships	451	654	-	(681)	424
Property Taxes	359	13,430	-	(13,386)	403
User Fees	1,082	6,777	-	(6,617)	1,242
Cash in Lieu of Parking	174	2	12	-	188
	2,066	20,863	12	(20,684)	2,257
	\$ 33,815	\$ 35,604	\$ 1,005	\$ 57,704	\$ 12,720

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

8. Liability for Contaminated Sites

	2023	2022
Historic Public Works Yard - salt impacted soil	\$ 72	\$ 108
Pioneer Cemetery - salt impacted soil	899	1,073
	\$ 971	\$ 1,181

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 are \$971 and a discount rate of 6.95% (2022 - 3.00%) has been used. The City started assessment in 2023 required to develop a Risk Management Plan (RMP) to demonstrate that impacts will not cause adverse environmental effects if left in place. The RMP will require approval by Alberta Environment and Protected Areas (APEA). If accepted, the RMP will require on-going monitoring and reporting of groundwater quality to APEA for approximately 20 years.

9. Asset Retirement Obligations

	2023	2022 <i>Restated</i> <i>(Note 1)</i>
Balance, beginning of year	\$ 506	\$ 481
Accretion expense	25	25
Balance, end of year	\$ 531	\$ 506

Tangible capital assets with associated retirement obligations include buildings and engineered structures.

The City has asset retirement obligations to remove various hazardous materials including, asbestos, lead, mercury, and mold from various buildings under its control. Regulations require the City to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the Town to remove the materials when the asset retirement activities occur.

Asset retirement obligations of \$531 (2022 - \$506) are measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to \$1,694 (2022 - \$1,694), a discount rate of 5.25% (2022 - 5.00%) with retirement and reclamation activities expected to be settled between 2034 and 2070.

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

10. Derivatives

The City has entered into interest rate swap agreements with Canadian Imperial Bank of Canada ("CIBC") to manage volatility of interest rates. As at December 31, 2023, the City held contracts for settlement between July 2024 and June 2050, with a notional amounts ranging from \$698 to \$25,704 (2022- \$2,400 to \$25,704). The fair value of outstanding contracts receivable is \$1,335 and of contracts payable is \$3,596.

11. Long-Term Debt

	2023	2022
Province of Alberta		
Industrial Watermain	\$ 1,885	\$ 1,979
Protective Services Facility	4,308	4,668
Public Works Facility	3,933	4,123
Local Improvements	2,596	2,947
Storm Upgrades	1,848	1,940
Library	173	340
Agrena	104	304
	14,847	16,301
CIBC		
Development	10,893	11,157
RCMP Facility	6,933	7,375
City Centre ARP	2,360	2,400
Industrial Watermain	3,900	-
	24,086	20,932
Other		
Capital Lease Obligations	324	426
Westwind Land Assembly	-	452
	324	878
	\$ 39,257	\$ 38,111

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

11. Long-Term Debt (continued)

The required repayments for the Province of Alberta debt and expected repayments for all other debt are as follows:

	Principal		Interest		Total
2024	\$ 2,849	\$	1,261	\$	4,110
2025	2,910		1,127		4,037
2026	2,945		1,039		3,984
2027	2,871		950		3,821
2028	2,905		862		3,767
Subsequent	24,453		4,429		28,882
	<u>\$ 38,933</u>	\$	<u>9,668</u>	\$	<u>48,601</u>

Debt repayable to the Province of Alberta bears interest at rates ranging from 1.88% to 4.44% per annum (2022 - 1.88% to 4.44%) and matures in periods 2024 to 2040. This debt is issued on the credit and security of the City.

Infrastructure loan facilities with the Canadian Imperial Bank of Canada ("CIBC") for Development and the RCMP Facility have fixed terms of 15 to 25 years, effective interest rates ranging from 2.5% to prime rate (2022 - 1.88% to 6.00%) and maturity dates of July 2034 to November 2048 and are repayable upon demand.

The Westwind Land Assembly loan was repaid to Versabank in 2023.

Interest on long-term debt amounted to \$1,133 (2022 - \$1,153). The City's interest expense for the year is \$1,118 (2022 - \$1,137) while the remaining \$15 (2022 - \$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 2023 is \$1,132 (2022 - \$1,164).

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

11. Long-Term Debt (continued)

Capital lease obligations are included in the long-term debt balances. The City has entered into lease agreements to acquire printers and solar panels which have been financed by a capital lease with Meridian OneCap and Enmax Generation respectively. The liability recorded under the capital leases represents the minimum lease payments payable net of imputed interest at an average rates ranging from 3% to 5.75% per annum.

The City's obligation under capital leases consists of:

	2023	2022
Minimum lease payments payable	\$ 381	\$ 454
Less: Portion representing interest to be recorded over the remaining term of the leases	(57)	(68)
Total leases	324	386
Less: current portion	(62)	(62)
Long-term portion	\$ 262	\$ 324

Future minimum annual lease payments payable under the capital leases are as follows:

	Principal	Interest	Total
2024	\$ 35	\$ 9	\$ 44
2025	25	8	33
2026	25	8	33
2027	26	7	33
2028	27	6	33
Subsequent	186	19	205
	\$ 324	\$ 57	\$ 381

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

12. 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:

	2023	2022
Total Debt Limit		
(1.5 times revenue, as defined in the regulation)	\$ 161,852	\$ 153,983
Total Debt	(39,257)	(38,111)
Amount of Debt Limit Unused	122,595	115,872
Debt Servicing Limit		
(0.25 times revenue, as defined in the regulation)	26,975	25,664
Debt Servicing	(4,110)	(4,061)
Amount of Debt Servicing Limit Unused	\$ 22,865	\$ 21,603

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, 2023 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, 2023

(IN THOUSANDS OF DOLLARS)

13. Tangible Capital Assets

2023	Land	Land Improvements	Leasehold Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	2023
Cost									
Balance, Opening	\$ 172,925	\$ 27,115	\$ 1,005	\$ 104,553	\$ 444,125	\$ 29,605	\$ 11,905	\$ 20,574	\$ 811,807
Acquired	-	575	-	1,128	18,721	2,760	1,499	31,850	56,533
Contributed	15,676	-	-	-	11,759	26	-	-	27,461
Disposals	-	-	-	-	(1,270)	(492)	(631)	-	(2,393)
Transfers	86	2,010	-	73	7,110	605	565	(10,449)	-
Transfer of Land Held for Sale	-	-	-	-	-	-	-	(915)	(915)
Balance, Closing	188,687	29,700	1,005	105,754	480,445	32,504	13,338	41,060	892,493
Accumulated Amortization									
Balance, Opening	-	14,646	916	24,444	175,969	19,784	5,509	-	241,268
Amortization	-	1,406	11	2,178	12,774	2,156	814	-	19,339
Disposals	-	-	-	-	(1,267)	(343)	(631)	-	(2,241)
Balance, Closing	-	16,052	927	26,622	187,476	21,597	5,692	-	258,366
Net Book Value, Closing	\$ 188,687	\$ 13,648	\$ 78	\$ 79,132	\$ 292,969	\$ 10,907	\$ 7,646	\$ 41,060	\$ 634,127

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

13. Tangible Capital Assets (continued)

	2022								
2022	Land	Land Improvements	Leasehold Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	<i>Restated</i> (Note 1)
Cost									
Balance, Opening	\$ 171,244	\$ 26,383	\$ 1,005	\$ 104,254	\$ 437,658	\$ 28,326	\$ 11,679	\$ 5,443	\$ 785,992
Restatement (Note 1)	-	-	-	112	3	-	-	-	115
Balance (Restated), Opening	171,244	26,383	1,005	104,366	437,661	28,326	11,679	5,443	786,107
Acquired	-	459	-	108	3,322	1,537	186	15,667	21,279
Contributed	1,681	14	-	-	4,337	28	-	-	6,060
Disposals	-	-	-	-	(1,195)	(444)	-	-	(1,639)
Transfers	-	259	-	79	-	158	40	(536)	-
Balance, Closing	172,925	27,115	1,005	104,553	444,125	29,605	11,905	20,574	811,807
Accumulated Amortization									
Balance, Opening	-	13,369	905	22,237	165,341	18,074	4,813	-	224,739
Restatement (Note 1)	-	-	-	56	2	-	-	-	58
Balance (Restated), Opening	-	13,369	905	22,293	165,343	18,074	4,813	-	224,797
Amortization	-	1,277	11	2,151	11,609	2,061	696	-	17,805
Disposals	-	-	-	-	(983)	(351)	-	-	(1,334)
Balance, Closing	-	14,646	916	24,444	175,969	19,784	5,509	-	241,268
Net Book Value, Closing	\$ 172,925	\$ 12,469	\$ 89	\$ 80,109	\$ 268,156	\$ 9,821	\$ 6,396	\$ 20,574	\$ 570,539

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

13. Tangible Capital Assets (continued)

a. Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair value at the date of contribution. Contributed tangible capital assets consisting of land, land improvements, roads, stormwater, water and sanitary sewer infrastructure received during the year have a value of \$27,461 (2022 - \$6,060).

b. Cultural and Historical Tangible Capital Assets

The City owns original artworks that are on permanent display at City Center. The artworks were purchased by the City and have significant cultural and historical value in perpetuity.

14. Accumulated Surplus

	2023	2022 <i>Restated</i> (Note 1)
Municipal	\$ 28,679	\$ 35,146
Utility	7,498	7,588
Developer Deficit	(14,171)	(12,638)
Segmented Surplus Total	22,006	30,096
Equity in Tangible Capital Assets	597,122	535,451
Accumulated Remeasurement Loss	(2,614)	-
	\$ 616,514	\$ 565,547

15. Developer Deficit

	2022	Transfer In	Transfer Out	2023
Transportation	\$ (2,950)	\$ 1,229	\$ (2,463)	\$ (4,184)
Sanitary Sewer	(6,908)	-	(247)	(7,155)
Water	(1,015)	38	(140)	(1,117)
District and Regional Parks	(1,765)	105	(55)	(1,715)
	\$ (12,638)	\$ 1,372	\$ (2,905)	\$ (14,171)

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 offsite levies. Long-term debt in the amount of \$10,893 (2022 - \$11,158) was taken out by the City as offsite developer fund balances are currently insufficient to pay for future development's share of these project costs.

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

16. 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:

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, 2023

(IN THOUSANDS OF DOLLARS)

16. Segmented Disclosure (continued)

2023	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total	Budget (Note 30)
Revenue								
Property Taxes	\$ 49,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,247	\$ 49,230
Sales and User Fees	175	1,169	830	26,018	2,436	197	30,825	30,052
Sales to Other Governments	-	2,779	-	-	-	-	2,779	2,721
Franchise Fees	7,738	-	-	-	-	-	7,738	8,045
Fines	-	2,029	-	-	-	1	2,030	2,501
Government Transfers - Operating	17	709	1,262	-	2,139	536	4,663	5,058
Licenses and Permits	-	152	116	-	-	2,770	3,038	1,845
Rentals	-	647	95	-	1,941	2	2,685	2,584
Penalties	681	-	7	128	-	-	816	795
Other	126	14	443	4	468	1,204	2,259	783
Investment Income	1,070	-	10	-	71	81	1,232	668
	59,054	7,499	2,763	26,150	7,055	4,791	107,312	104,282
Expenses								
Salaries, Wages & Benefits	10,299	11,059	8,184	2,221	8,890	2,639	43,292	44,641
Contracted & General Services	5,043	1,273	5,470	3,977	3,585	1,152	20,500	24,009
Materials, Goods & Supplies	101	876	3,409	495	1,719	94	6,694	6,825
Purchases from Other Governments	-	7,550	2,648	10,869	-	-	21,067	20,346
Transfers to Government, Agencies & Other Organizations	8	11	10	-	698	68	795	415
Bank Charges	88	-	-	-	6	114	208	206
Interest on Long-Term Debt	2	-	765	251	20	80	1,118	1,595
Other	341	-	-	8	29	-	378	435
Amortization	590	1,070	10,399	6,039	1,200	41	19,339	20,194
Accretion	2	1	3	1	18	-	25	-
	16,474	21,840	30,888	23,861	16,165	4,188	113,416	118,666
Annual Surplus (Deficit) before Undernoted								
	42,580	(14,341)	(28,125)	2,289	(9,110)	603	(6,104)	(14,384)
Government Transfers - Capital	101	203	11,341	-	19,990	-	31,635	29,987
Contributed Tangible Capital Assets	-	-	3,707	8,051	26	15,677	27,461	18,375
Gain on Disposal of Tangible Capital Assets	-	-	259	-	-	150	409	516
Developer Contribution and Levies	25	-	161	(6)	-	-	180	1,961
	126	203	15,468	8,045	20,016	15,827	59,685	50,839
Annual Surplus (Deficit)	\$ 42,706	\$ (14,138)	\$ (12,657)	\$ 10,334	\$ 10,906	\$ 16,430	\$ 53,581	\$ 36,455

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

16. Segmented Disclosure (continued)

2022	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total (Restated) (Note 1)
Revenue							
Property Taxes	\$ 45,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,235
Sales and User Fees	180	1,228	621	23,895	2,119	519	28,562
Sales to Other Governments	-	2,718	-	-	-	-	2,718
Franchise Fees	7,444	-	-	-	-	-	7,444
Fines	-	2,938	-	-	-	-	2,938
Government Transfers - Operating	42	700	1,238	-	1,989	40	4,009
Licenses and Permits	-	100	113	-	-	2,108	2,321
Rentals	-	631	99	-	1,575	1	2,306
Penalties	672	-	-	123	-	-	795
Other	56	28	179	75	370	133	841
Investment Income	501	-	14	-	17	86	618
	54,130	8,343	2,264	24,093	6,070	2,887	97,787
Expenses							
Salaries, Wages & Benefits	9,259	10,574	7,887	2,162	7,375	2,555	39,812
Contracted & General Services	5,663	1,963	6,110	4,152	3,312	960	22,160
Materials, Goods & Supplies	172	874	3,211	377	1,512	14	6,160
Purchases from Other Governments	-	6,393	2,155	10,331	-	-	18,879
Transfers to Government, Agencies & Other Organizations	1	9	-	-	130	10	150
Bank Charges	112	-	-	-	5	60	177
Interest on Long-Term Debt	4	-	868	139	37	89	1,137
Other	350	-	-	14	33	-	397
Amortization	596	1,014	9,513	5,434	1,208	40	17,805
Accretion	2	1	3	1	18	-	25
	16,159	20,828	29,747	22,610	13,630	3,728	106,702
Annual Surplus (Deficit) before Undernoted							
	37,971	(12,485)	(27,483)	1,483	(7,560)	(841)	(8,915)
Loss on Disposal of Tangible Capital Assets	-	-	(162)	-	-	-	(162)
Government Transfers - Capital	59	-	12,075	393	58	-	12,585
Contributed Tangible Capital Assets	-	-	442	3,910	27	1,681	6,060
Developer Contribution and Levies	116	-	4,146	768	-	-	5,030
	175	-	16,501	5,071	85	1,681	23,513
Annual Surplus (Deficit)	\$ 38,146	\$ (12,485)	\$ (10,982)	\$ 6,554	\$ (7,475)	\$ 840	\$ 14,598

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

17. 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.

	2023 Salaries	2023 Benefits	2022 Salaries	2022 Benefits
Mayor Acker	\$ 118,801	\$ 18,672	\$ 112,902	\$ 18,243
Councillor Carter	68,107	14,582	63,339	14,340
Councillor Gillett	69,529	14,606	63,601	14,343
Councillor Houston	67,263	14,459	67,575	10,881
Councillor MacDonald	60,122	11,751	62,834	11,993
Councillor Oldham	62,484	14,228	63,584	14,374
Councillor Stevenson	67,461	11,823	66,094	11,288
	513,767	100,121	499,929	95,462
City Manager	260,581	48,697	244,692	49,923
	\$ 774,348	\$ 148,818	\$ 744,621	\$ 145,385

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.

18. 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 8.45% (2022 - 8.45%) of eligible pensionable earnings up to the year's maximum pension earnings and 12.23% (2022 - 12.80%) on pensionable earnings above this amount. Employees are required to make current service contributions of 7.45% (2022 - 7.45%) of pensionable salary up to the year's maximum pensionable earnings and 11.23% (2022 - 11.80%) on pensionable salary above this amount. Contributions for current service are recorded as expenses in the year in which they become due.

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

18. Local Authorities Pension Plan (continued)

Total current service contributions by the City to LAPP in 2023 were \$2,634 (2022 - \$2,329). Total current service contributions by the employees of the City to LAPP in 2023 were \$2,359 (2022 - \$2,091). Total optional service contributions by the City to LAPP in 2023 were \$46 (2022 - \$62).

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 2023, the City's potential liability for optional service buy-back is \$35 (2022 - \$58).

At December 31, 2022, LAPP disclosed a surplus of \$12.7 billion (2021 - \$11.9 billion)

19. 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 124 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 2.42% and 2.96% respectively of pensionable earnings up to \$175 (2022 - \$171).

Total current service contributions by the City to APEX in 2023 were \$409 (2022 - \$450). Total current service contributions by the employees of the City in 2023 were \$335 (2022 - \$305).

20. 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 (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% (2022 - 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 \$2,945 (2022 - \$2,454) to support the operations of the TLC, with the City's proportionate share being 51.8% - (2022 - 49.5%).

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

20. TransAlta Tri Leisure Centre (continued)

The City's proportionate share (51.8%) of the financial position and operations of the TLC is as follows:

	2023	2022
Financial Position		
Total Financial Assets	\$ 917	\$ 753
Liabilities	(691)	(456)
Net Financial Assets	226	297
Non Financial Assets	973	867
Accumulated Surplus	1,199	1,164
Operations		
Revenues	3,331	3,871
Expenses	(4,777)	(3,991)
Annual Deficit	\$ (1,446)	\$ (120)

21. 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.

22. 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.

23. Developer Agreements

Developers have entered into agreements with the City 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 \$19,697 to secure the performance by the developers under the agreements.

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

24. Financial Instruments

Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities.

All material risks that affect the market value of the City's investments in fixed income are adequately explained in credit and interest rate risk below.

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty, debtor or issuer to fully honour its financial obligations with the City. The City is exposed to credit risk on investments and has established an investment policy in compliance with the MGA to limit investments with required minimum credit quality standards. The City's exposure, based on the risk rating of money market holdings and bonds, has not changed significantly year over year.

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. Management has established a provision for receivables and assesses it annually to address any new concerns that may arise

Interest rate risk

Interest rate risk is the risk that the City earnings will be affected by the fluctuation and degree of volatility in interest rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income instruments.

The City uses interest rate swap agreements to manage its interest rate exposure. The City specifically designates these agreements as hedges of debt instruments and recognizes interest differentials as adjustments to interest expense in the period the differentials occur. Under interest rate swap agreements, the City agrees with other parties to exchange, at specific intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed-upon notional principal amount. The fair value of the interest rate swap agreements is estimated using quotes from counterparties and represents the cash requirement if the existing agreements had been settled at year end.

Liquidity Risk

Liquidity risk is the risk that the City will encounter difficulty in meeting obligations associated with its financial liabilities.

The City has a revolving credit facility with CIBC for \$5 million that bears interest at prime less 0.25%, which has not been drawn upon as of December 31, 2023. The City believes, based on its assessment of future cash flows, it will have access to sufficient capital through internally generated cash flows, external sources and the undrawn credit facility to meet current spending forecasts. Management continues to monitor the City's liquidity position on a regular basis.

CITY OF SPRUCE GROVE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

25. 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.

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
2024	\$ 1,063
2025	1,040
2026	1,011
2027	1,011
2028	1,011
Thereafter	9,570
	\$ 14,706

26. Contractual Obligations

As at December 31, 2023, authorized costs for capital projects and transfers committed through a purchase order or other contractual agreement, but not yet expended, amounts to \$47,302.

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

Year	Basic Rent
2024	\$ 157
2025	157
2026	157
2027	157
2028	157
Thereafter	715
	\$ 1,500

CITY OF SPRUCE GROVE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

27. Contingent Liabilities

The City is defendant in various lawsuits as at December 31, 2023. 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.

28. Franchise Agreements

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

	2023	2022
Atco Gas	\$ 3,174	\$ 3,054
Fortis Alberta Inc.	4,564	4,390
	\$ 7,738	\$ 7,444

29. Comparative Information

Certain other comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

30. Budget

City Council approved the 2023 - 2025 Corporate Plan on December 5, 2022, which formally approved the interim budget for operating revenue and expenses and capital revenue and expenditures for 2023. The operating budget information presented in these consolidated financial statements is based on the final operating budget for revenues and expenses approved by Council as part of the 2023 Spring Budget Adjustment process on April 11, 2023. The capital budget presented in these consolidated financial statements is based on the final capital budget for revenues and expenditures approved by Council on September 25, 2023.

CITY OF SPRUCE GROVE
SCHEDULE 1 - PROPERTY TAXES

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

	2023 Budget (Note 30)	2023 Actual	2022 Actual
Property Taxes			
Residential	\$ 51,274	\$ 51,322	\$ 47,775
Non-Residential			
Commercial	12,254	12,387	11,611
Industrial	3,013	2,976	2,729
Linear	444	462	402
Agricultural	24	22	21
	67,009	67,169	62,538
Less Requisitions			
Alberta Education	14,879	15,020	14,509
Evergreen Catholic Schools	2,466	2,436	2,370
Meridian Foundation	431	462	420
Designated Industrial Property	3	4	4
	17,779	17,922	17,303
	\$ 49,230	\$ 49,247	\$ 45,235

CITY OF SPRUCE GROVE
SCHEDULE 2 - GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

	2023 Budget (Note 30)	2023 Actual	2022 Actual
Government Transfers - Capital			
Canada Community Building Fund	\$ 5,150	\$ 5,150	\$ 2,769
Municipal Sustainability Initiative	21,330	23,083	6,849
GreenTrip	1,420	1,039	781
Other	1,890	2,363	2,186
	29,790	31,635	12,585
Government Transfers - Operating			
Municipal Sustainability Initiative	260	519	260
RCMP Policing	720	701	701
Family & Community Support Services	713	868	857
Other	3,365	2,575	2,191
	5,058	4,663	4,009
	\$ 34,848	\$ 36,298	\$ 16,594

CITY OF SPRUCE GROVE

SCHEDULE 3 - EXPENSES BY DEPARTMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

(IN THOUSANDS OF DOLLARS)

	2023 Budget (Note 30)	2023 Actual	2022 Restated (Note 1)
General Government			
City Clerk	\$ 605	\$ 616	\$ 439
City Manager	757	760	646
Corporate Communications	1,406	1,185	1,082
Corporate Services Administration	467	348	370
Council	850	761	748
Finance	2,785	2,806	2,619
Human Resources	2,250	2,317	1,961
Information Systems	6,825	5,605	6,495
Integrated Planning and Strategic Services	1,987	1,987	1,799
Policy	-	89	-
	17,932	16,474	16,159
Protective Services			
Fire	11,801	11,455	11,073
Municipal Enforcement	1,589	1,576	1,445
Safe City	1,434	665	1,342
Police	7,804	8,144	6,968
	22,628	21,840	20,828
Transportation and Roadway Services			
Engineering	3,905	2,202	2,140
Facilities and Fleet Management	8,093	6,724	6,415
Planning and Infrastructure Administration	595	538	502
Public Works	20,035	18,236	18,221
Environment and Transit	3,536	3,188	2,469
	36,164	30,888	29,747
Utilities			
Stormwater	1,816	2,856	2,620
Wastewater	3,486	3,065	3,241
Sanitary Sewer	5,607	5,986	5,477
Water	11,895	11,954	11,272
	22,804	23,861	22,610
Community Services			
Agrena/Sports Park	2,583	2,756	2,225
Community and Protective Services Administration	560	653	562
Community Social Development	-	-	761
Culture	103	101	818
Family and Community Support Services	2,518	2,553	1,240
Leisure Centre	4,641	5,135	4,268
Library	1,797	1,916	1,861
Recreation	2,622	3,051	1,895
	14,824	16,165	13,630
Development Services			
Economic and Business Development	1,145	1,230	1,001
Planning and Development	3,169	2,958	2,727
	4,314	4,188	3,728
	\$ 118,666	\$ 113,416	\$ 106,702



STATISTICAL SECTION



GENERAL STATISTICS

in thousands of dollars (unaudited)

General Statistics	2023	2022	2021	2020	2019
Population	38,985	38,647	37,645	37,081	36,012
Municipal Employees stated in Full Time Equivalents	303.5	290	280.4	280.4	280.4
Municipal Employees per 1,000 population	7.8	7.5	7.4	7.6	7.8

* May differ from previous annual reports as the amounts now only include permanent positions.

Infrastructure	2023	2022	2021	2020	2019
Municipal Area (in hectares)	3,676	3,676	3,676	3,161	3,161
Number of Dwellings*	16,862	16,200	15,801	15,441	15,238
Roads (km)**		243	236	234	234
Watermains (km)**		166	161	159	159
Wastewater Mains (km)**		177	171	164	161
Storm Drainage Mains (km)**		137	132	130	130

* Numbers have been restated for all years to include Multi-Family Units.

** Numbers have been restated for 2019-2022. Data for 2023 is not available.

Age Demographics	2023	2021	2016
0 to 14 years	21.22%	21.64%	22.56%
15 to 29 years	16.40%	18.58%	20.19%
30 to 44 years	23.67%	24.04%	24.45%
45 to 59 years	17.85%	17.98%	17.71%
60 and over	20.85%	17.73%	15.03%

Source: Municipal Census, 2023, and Statistics Canada, 2021 Census of Population.

GENERAL STATISTICS

in thousands of dollars (unaudited)

Permit Statistics	2023	2022	2021	2020	2019
Building Permit Value					
Residential	159,905,551	134,337,350	193,152,043	62,214,965	62,802,005
Commercial	4,185,432	2,412,138	5,096,109	1,620,500	2,214,000
Industrial	20,742,450	3,375,000	4,728,094	5,281,601	6,768,897
Institutional	58,137,258	-	-	-	-
Alterations/Additions Value	34,242,210	35,507,621	17,657,275	11,246,181	31,294,284
Total Value	277,212,901	175,632,109	220,633,521	80,363,247	103,079,186

Permit Statistics	2023	2022	2021	2020	2019
Number of Permits					
New Construction Permits	364	336	395	219	222
Permits for Alteration/Addition	754	392	512	475	446
Electrical	2,508	2,058	2,068	1,308	1,241
Gas	1,054	894	962	666	668
Plumbing	623	501	438	315	279
Total Number of Permits	5,319	4,190	4,375	2,983	2,856

Consumer Price Index Change	2023	2022	2021	2020	2019
Alberta	3.3%	6.4%	3.2%	1.1%	1.8%
Canada	3.9%	6.8%	3.4%	0.7%	1.9%

Figures are based on annual average Consumer Price Index (CPI) data published by Statistics Canada.

Unemployment Rates	2023	2022	2021	2020	2019
Alberta	6.3%	5.6%	7.5%	11.1%	7.0%
Canada	5.8%	5.0%	6.0%	8.8%	5.6%

CPI and Unemployment Rates obtained from Statistics Canada

FINANCIAL STATEMENTS

in thousands of dollars (unaudited)

Revenue by Source	2023	2022*	2021	2020	2019
Property Taxes	49,247	45,235	42,236	41,054	40,372
Sales & User Fees	30,825	28,562	26,371	23,921	24,183
Sales to Other Governments	2,779	2,718	2,828	2,667	2,667
Franchise Fees	7,738	7,444	6,532	6,149	5,443
Fines	2,030	2,938	2,434	1,542	3,484
Government Transfers	36,298	16,594	18,490	14,103	23,388
Licenses & Permits	3,038	2,321	2,282	1,334	1,609
Rentals	2,685	2,306	1,768	1,506	2,311
Penalties	816	795	1,051	982	970
Other	2,259	841	959	903	1,592
Investment Income	1,232	618	791	865	506
Gain (Loss) on Disposal & Transfer of Tangible capital Assets	409	-162	26	512	-2,788
Contributed Tangible Capital Assets	27,461	6,060	6,737	13,668	11,581
Developer Contribution & Levies	180	5,030	3,384	265	1,974
Total Revenues	166,997	121,300	115,889	109,471	117,292

* Effective January 1, 2023, the City adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations, and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

FINANCIAL STATEMENTS

in thousands of dollars (unaudited)

Expenses by Function	2023	2022*	2021	2020	2019
General Government	16,474	16,159	16,011	12,175	11,644
Protective Services	21,840	20,828	19,163	17,436	17,981
Transportation & Roadway Services	30,888	29,747	26,734	26,401	29,268
Utilities	23,861	22,610	22,241	20,533	18,896
Community Services	16,165	13,630	11,836	11,238	13,623
Development Services	4,188	3,728	3,234	2,924	3,199
Total Expense by Function	113,416	106,702	99,219	90,707	94,611

Surplus and Accumulated Surplus	2023	2022*	2021	2020	2019
Total Revenue	166,997	121,300	115,889	109,471	117,292
Total Expenses	113,416	106,702	99,219	90,707	94,611
Annual Surplus	53,581	14,598	16,670	18,764	22,681
Accumulated Surplus, Beginning Year	565,547	550,949	534,703	515,939	493,258
Accumulated Surplus, End of Year	619,128	565,547	551,373	534,703	515,939

Expenses by Object	2023	2022*	2021	2020	2019
Salaries, Wages & Benefits	43,292	39,812	36,456	34,874	36,597
Contracted & General Services	20,500	22,160	19,369	14,819	17,019
Materials, Goods & Supplies	6,694	6,160	5,666	5,242	5,452
Purchases from other Governments	21,067	18,879	18,298	16,818	16,521
Transfers to Gov't, Agencies & Other Org.	795	150	139	280	176
Bank Charges	208	177	150	110	167
Interest on Long-Term Debt	1,118	1,137	1,144	1,177	1,265
Other	378	397	224	127	390
Amortization	19,339	17,805	17,773	17,260	17,024
Accretion	25	25			
Total Expenses by Object	113,416	106,702	99,219	90,707	94,611

* Effective January 1, 2023, the City adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations, and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

TAXATION

in thousands of dollars (unaudited)

Tax Rate (in mills)	2023	2022	2021	2020	2019
Municipal – Residential	0.0064992	0.0065900	0.0066715	0.0063141	0.0062247
Municipal – Non-Residential	0.0098658	0.0096214	0.0093951	0.0087179	0.0088484
Annexed – Residential	0.0043093	0.0042133	0.0042229	0.0041383	0.0040878
Annexed – Non-Residential	0.0086184	0.0084266	0.0084455	0.0082765	0.0081755
School – Residential	0.0023679	0.0024730	0.0026727	0.0025860	0.0025721
School – Non-Residential	0.0034092	0.0038237	0.0038774	0.0037620	0.0036674
TransAlta Tri Leisure Centre	0.0000000	0.0000000	0.0000536	0.0000518	0.0000524
Meridian Foundation	0.0000672	0.0000673	0.0000530	0.0000522	0.0000510

Assessment Values	2023	2022	2021	2020	2019
Residential and Farmland	5,653,108	5,145,497	4,715,790	4,854,420	4,819,699
Commercial and Industrial	1,141,741	1,050,570	1,007,490	1,046,722	1,026,166
Linear	48,633	44,861	42,011	39,335	38,572
Total Assessment	6,843,482	6,240,929	5,765,291	5,940,477	5,884,437

Collection of Taxes	2023	2022	2021	2020	2019
Municipal Taxes	49,219	45,207	42,236	41,054	40,372
Current Year Uncollected	1,853	1,785	1,873	2,213	1,806
More than One Year in Arrears	589	535	827	866	490
% of Current Tax Year Levied Uncollected	3.76%	3.95%	4.43%	5.39%	4.47%

TAXATION

in thousands of dollars (unaudited)

Taxation	2023	2022	2021	2020	2019
Residential	51,319	47,775	45,305	44,405	43,641
Commercial	12,387	11,611	11,052	10,876	10,673
Industrial	2,976	2,729	2,490	2,341	2,360
Linear and M&E	462	402	399	350	334
Agricultural	22	21	2	2	2
Total Taxes	67,166	62,538	59,248	57,974	57,010

Requisitions	2023	2022	2021	2020	2019
Alberta School Foundation Fund	15,020	14,509	14,452	14,365	13,993
Evergreen Catholic Separate	2,436	2,370	2,251	2,241	2,341
Meridian Foundation	462	420	306	311	301
Designated Industrial Property	4	4	3	3	3
Total Requisitions	17,922	17,303	17,012	16,920	16,638
Municipal Taxes	49,244	45,235	42,236	41,054	40,372

LONG-TERM DEBT

in thousands of dollars (unaudited)

Long-Term Debt	2023	2022	2021	2020	2019
Tax Supported	15,451	16,810	18,177	19,758	21,293
Supported by Utilities	9,993	6,319	4,099	4,276	2,200
Supported by Other	11,217	12,036	13,072	14,060	14,688
Supported by Local Improvements	2,596	2,946	3,287	3,619	3,941
Total Long Term Debt	39,257	38,111	38,635	41,713	42,122
Population	38,985	38,647	37,645	37,081	36,012
Long-Term Debt per Capita	1,006.98	986.13	1,026.30	1,124.92	1,169.67

Debt Limits	2023	2022	2021	2020	2019
Total Debt Limit	161,852	153,983	141,747	132,937	128,643
Total Debt	39,257	38,111	38,635	41,713	42,122
Total Debt Limit Available	122,595	115,872	103,112	91,224	86,521
Percentage of Debt Limit Used	24.25%	24.75%	27.26%	31.38%	32.74%

NET DEBT AND ACCUMULATED SURPLUS

in thousands of dollars (unaudited)

Net Debt	2023	2022*	2021	2020	2019
Annual Surplus	53,581	14,598	16,670	18,764	22,681
Change related to Tangible Capital Assets	-63,588	-9,229	-7,650	-9,830	-25,164
Change related to Other Non Financial Assets	-145	-116	-167	20	15
Change in Accumulated Remeasurement Loss	-2,614				
Change in Net Debt	-12,766	5,253	8,853	8,954	-2,468
Net Debt, Beginning of Year	-6,337	-11,590	-19,962	-28,916	-26,448
Net Debt, End of Year	-19,103	-6,337	-11,109	-19,962	-28,916

Accumulated Surplus	2023	2022*	2021	2020	2019
Municipal Surplus	28,679	35,146	39,284	30,113	21,069
Utility Surplus	7,498	7,588	4,585	7,672	7,778
Developer Deficit	-14,171	-12,638	-15,607	-15,424	-15,011
Equity in Tangible Capital Assets	597,122	535,451	523,111	512,342	502,103
Accumulated Remeasurement Gain/-Loss	-2,614				
Accumulated Surplus	616,514	565,547	551,373	534,703	515,939

* Effective January 1, 2023, the City adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations, and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

TANGIBLE CAPITAL ASSETS ACQUISITIONS

in thousands of dollars (unaudited)

Tangible Capital Asset Acquisitions	2023	2022	2021	2020	2019
Land	15,676	1,681	5,828	8,635	2,927
Land Improvements	575	473	161	231	1,230
Leasehold Improvements	-	-	-	-	1
Buildings	1,128	108	170	1,833	12,504
Engineered Structures	30,480	7,659	13,606	14,094	21,211
Machinery & Equipment	2,786	1,565	2,574	527	2,861
Vehicles	1,499	186	105	563	2,052
Construction in Progress	31,850	15,667	3,808	1,396	2,653
Total Acquisition of Tangible Capital Assets	83,994	27,339	26,252	27,279	45,439



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City Hall

315 Jespersen Ave. T7X 3E8

Phone: 780-962-2611

Monday to Friday 8:30 a.m. – 4:30 p.m.

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