

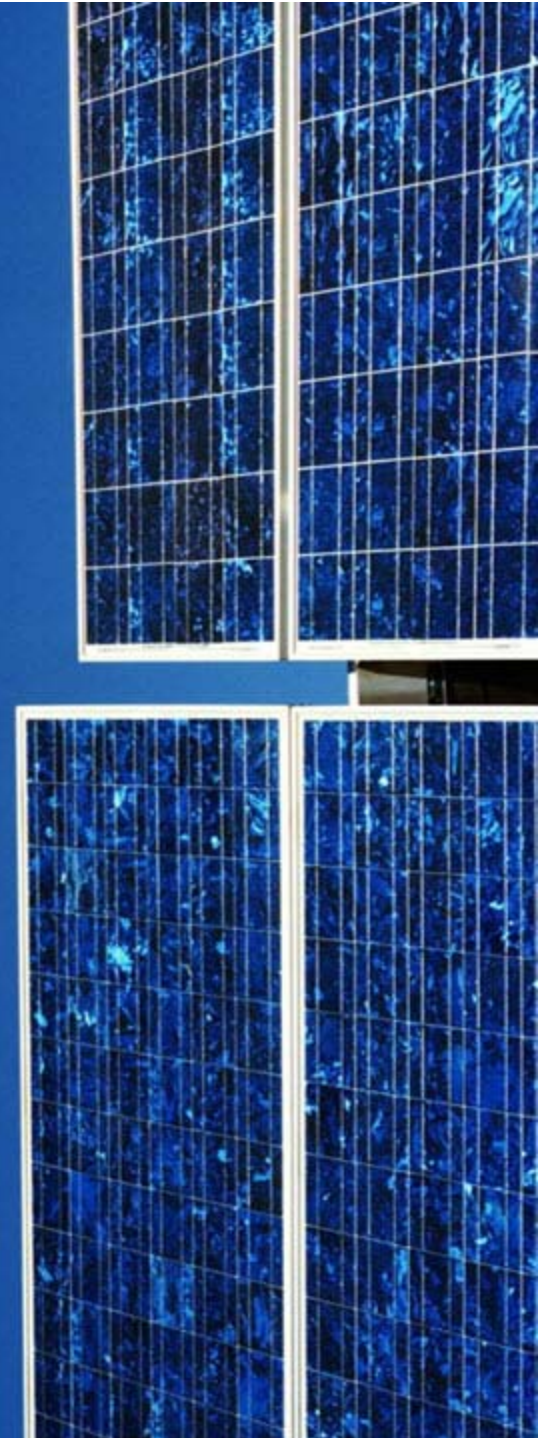


The City of Spruce Grove

December 31, 2019 External Audit Completion Summary

KPMG LLP

Presented to Council - April 27, 2020



The City of Spruce Grove

KPMG Audit Report

We completed our audit and have provided our audit opinion (dated April 27, 2020) on the consolidated financial statements of the City of Spruce Grove for the year ended December 31, 2019.

We are satisfied that the consolidated financial statements are fairly presented.

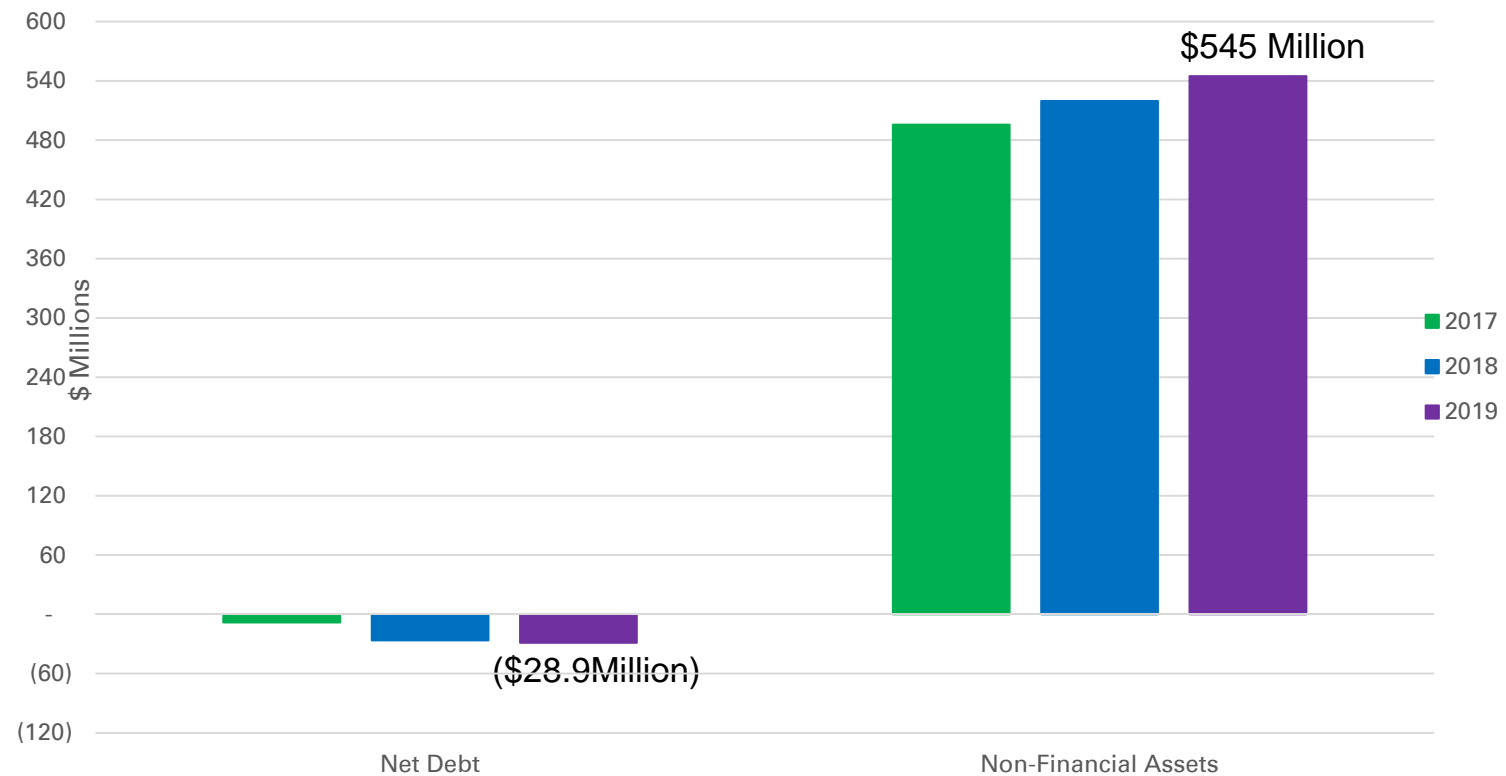
We are satisfied that significant accounting policies, estimates and disclosures in the consolidated financial statements are appropriate.

In addition, we have provided or will provide separate reports on the following:

- Municipal Financial Information Return for the City;
- Local Authorities Pension Plan – compliance audit;
- APEX Supplementary Pension Plan – compliance audit; and
- Family and Community Support Services – grant audit.

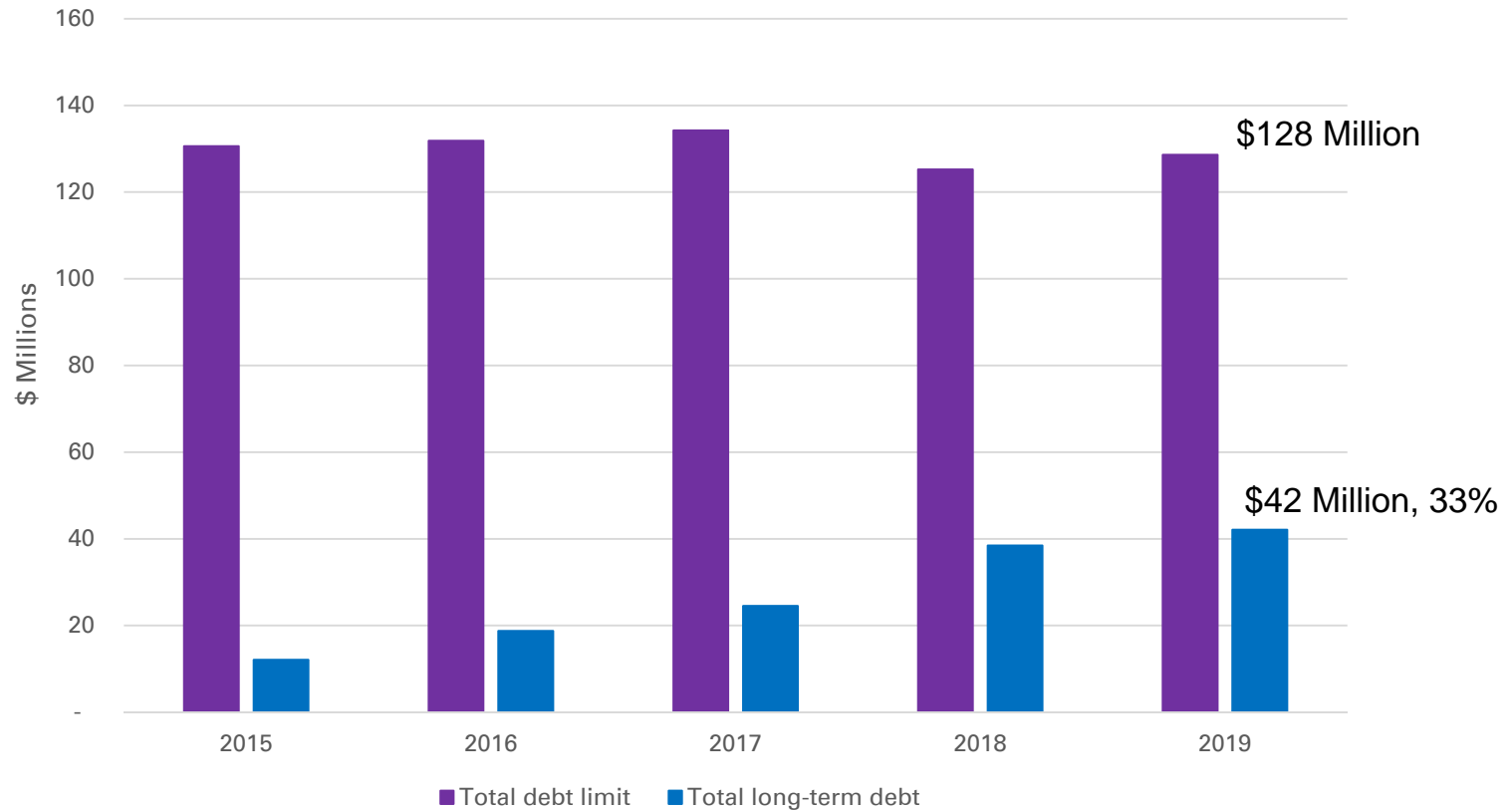
The City of Spruce Grove

2019 Results - Net Debt and Non-Financial Assets



The City of Spruce Grove

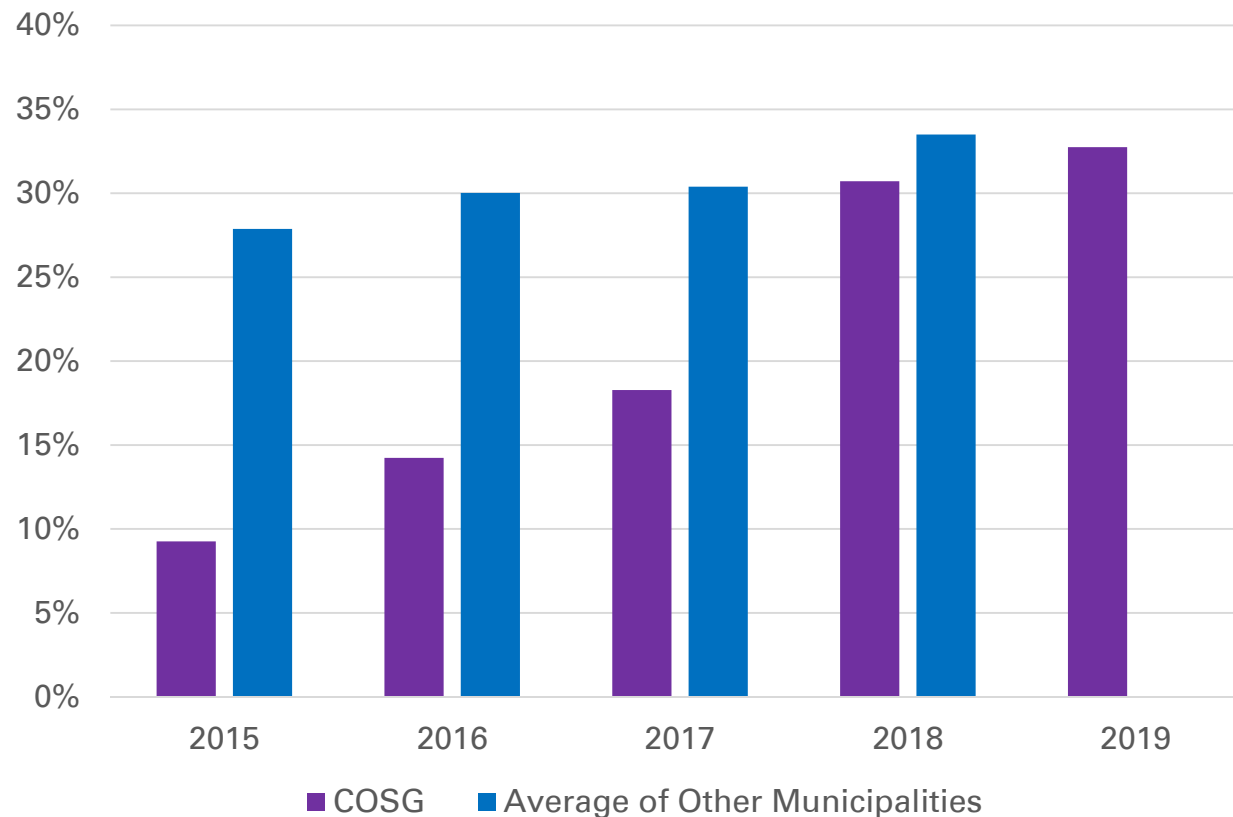
2019 Results - Long-term debt



- New debt in 2019 - \$5.6M (2018 - \$15.1M), 2019 repayments of approximately \$1.9M (2018 – \$1.9M)

The City of Spruce Grove

2019 Results - % of Debt Limit Utilized



- Other Municipalities include City of Leduc, City of Edmonton, City of St. Albert, Parkland County and Strathcona County

The City of Spruce Grove

2019 Results - Operating Revenue

	Budget (\$'000s)	2019 (\$'000s)	2018 (\$'000s)
Property Taxes	\$ 40,448	\$ 40,372	\$ 37,961
Sales and User Fees	26,049	24,183	23,996
Sales to Other Governments	2,662	2,667	2,665
Franchise Fees	5,709	5,443	4,578
Fines	4,782	3,484	3,939
Government Transfers - operating	3,263	3,440	3,530
Licenses and Permits	2,225	1,609	1,736
Rentals, Penalties and Other	3,853	4,873	4,156
Local Improvement Levies	-	-	6
Interest	<u>222</u>	<u>506</u>	<u>115</u>
Total Revenue	\$ <u>89,213</u>	\$ <u>86,577</u>	\$ <u>82,682</u>

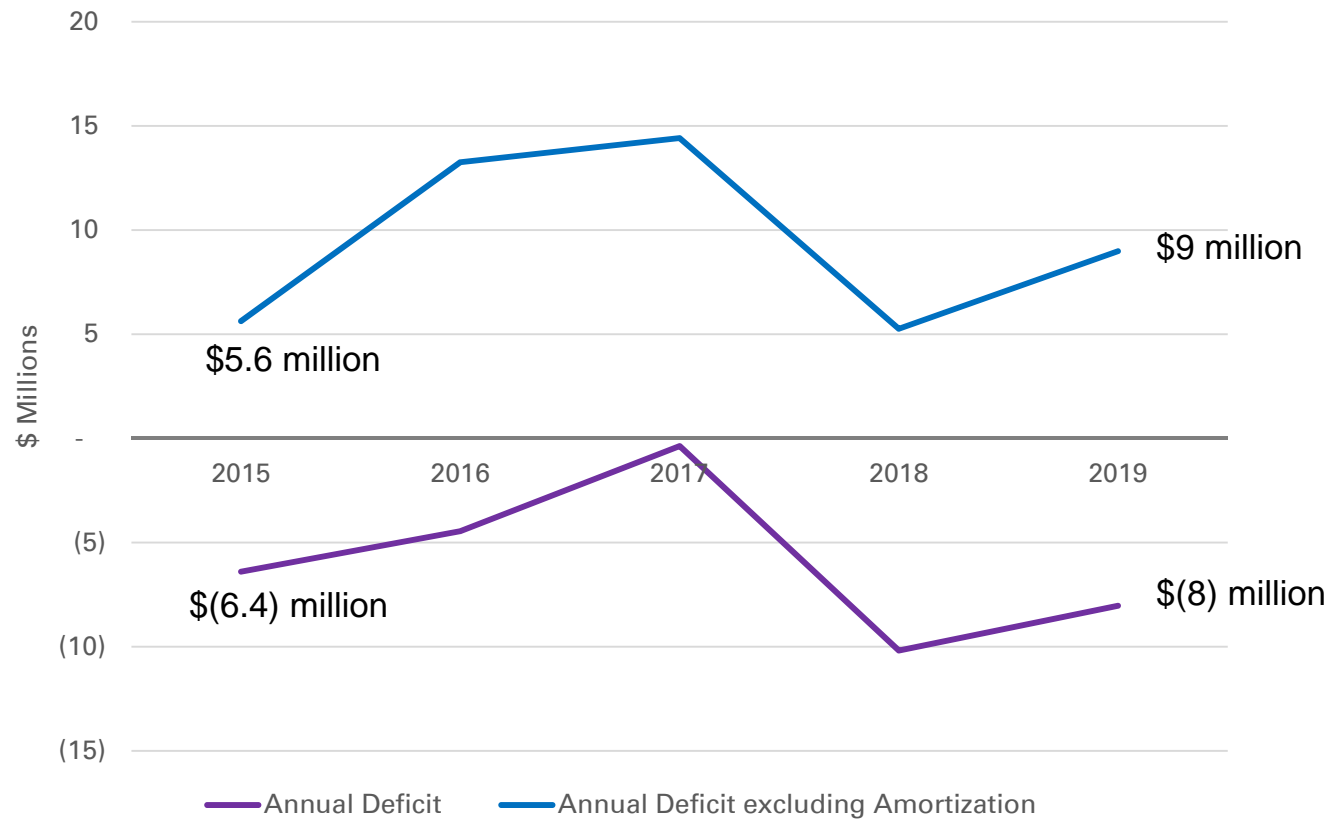
The City of Spruce Grove

2019 Results - Expenses

	Budget (\$'000s)	2019 (\$'000s)	2018 (\$'000s)
Salaries, Wages & Benefits	\$ 37,000	\$ 36,597	\$ 34,910
Contracted & General Services	22,032	17,019	19,025
Materials, Goods & Supplies	5,992	5,452	5,402
Purchases from Other Governments	18,686	16,521	15,856
Transfers to Government, Agencies & Other	260	176	843
Bank Charges	167	167	164
Interest on Long-Term Debt	1,038	1,265	898
Other	404	390	318
Amortization	<u>16,074</u>	<u>17,024</u>	<u>15,450</u>
Total Expenses	\$ <u>101,653</u>	\$ <u>94,611</u>	\$ <u>92,866</u>

The City of Spruce Grove

2019 Results – Annual Deficit before Other Revenue Items



The City of Spruce Grove

2019 Results - Statement of Operations

	Budget (\$'000s)	2019 (\$'000s)	2018 (\$'000s)
Revenue	\$ 89,213	\$ 86,577	\$ 82,682
Expenses	(101,653)	(94,611)	(92,866)
Loss on Disposal of Tangible Capital Assets	-	(2,788)	(106)
Government Transfers - Capital	22,824	19,948	5,554
Contributed Tangible Capital Assets	13,795	11,581	9,651
Developer Contributions and Levies	<u>5,735</u>	<u>1,974</u>	<u>905</u>
Annual Surplus	\$ <u>29,914</u>	\$ <u>22,681</u>	\$ <u>5,820</u>

The City of Spruce Grove

2019 Results - Accumulated Surplus

	2019 (\$'000s)	2018 (\$'000s)
Municipal	\$ 21,069	\$ 16,954
Utility	7,778	8,792
Developer Deficit	<u>(15,011)</u>	<u>(13,084)</u>
	13,836	12,662
Investment in Tangible Capital Assets	<u>502,103</u>	<u>480,596</u>
	\$ <u>515,939</u>	\$ <u>493,258</u>

The City of Spruce Grove

2019 Results - Changes in Net Debt

	Budget (\$'000)	2019 (\$'000s)	2018 (\$'000s)
Annual Surplus	\$ 29,914	\$ 22,681	\$ 5,820
Change in Inventory and Prepaid Expenses	(61)	15	(306)
Contributions of Tangible Capital Assets	(13,795)	(11,581)	(9,651)
Acquisition of Tangible Capital Assets	(46,316)	(33,858)	(29,846)
Loss on Disposal of Tangible Capital Assets	-	2,788	106
Amortization of Tangible Capital Assets	16,074	17,024	15,450
Proceeds from Disposal of Tangible Capital Assets	=	<u>463</u>	<u>205</u>
Change in Net Debt	\$ (14,184)	(2,468)	(18,222)
Net Debt, Opening	<u>(26,448)</u>	<u>(26,448)</u>	<u>(8,226)</u>
Net Debt, Closing	\$ <u>(40,632)</u>	\$ <u>(28,916)</u>	\$ <u>(26,448)</u>



Thank you

We would like to take this opportunity to thank
City Administration for their hard work
in making the 2019 audit a success.



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