

cityofgp.com

CITY OF  
**GRANDE**  
prairie

**December 31, 2023**

# ANNUAL REPORT

**City of Grande Prairie, Alberta, Canada**



## Hello / Taa Haanach'e / Tansi,

The City respectfully acknowledges the Beaver, Cree, Dene and Métis people as the original caretakers of these Lands and surrounding areas.

We are grateful to live, learn, work and play on Treaty 8 territory within Turtle Island and acknowledge these Lands have been home to diverse and sovereign First Nations and Inuit Nations since time immemorial.

## Thank You / Wuujo Aasanalaa / Kinanâskomitin



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# INTRODUCTION



# MAYOR & COUNCIL

## City of Grande Prairie Council 2021–2025



Mayor

**Jackie Clayton**



Councillor

**Grant Berg**



Councillor

**Gladys Blackmore**



Councillor

**Wendy Bosch**



Councillor

**Dylan Bressey**



Councillor

**Mike O'Connor**



Councillor

**Kevin O'Toole**



Councillor

**Wade Pilat**



Councillor

**Chris Thiessen**



# MESSAGE FROM MAYOR & COUNCIL

**“This Annual Report highlights how we’ve brought our Strategic Plan to life this year, focusing on providing quality services and value to our residents.”**

2023 was a year of creativity and enhancement of City services, as part of our ongoing commitment to Council’s 2022–2025 Strategic Priorities of:

- Quality of Life
- Engaging Relationships
- Inclusive & Caring Community
- Innovative Efficiencies & Economic Readiness

From enhancing our annual events, to providing improved recreation services, to demonstrating our commitments with our regional partners, to ongoing engagement with our residents, to supporting businesses and future development, our focus was on optimizing how we serve our community.

City Council extends our gratitude to all of our residents, businesses, organizations and valuable regional partners for all the growth, innovation and success 2023 brought.

This Annual Report highlights how we’ve brought our Strategic Plan to life this year, focusing on providing quality services and value to our residents.

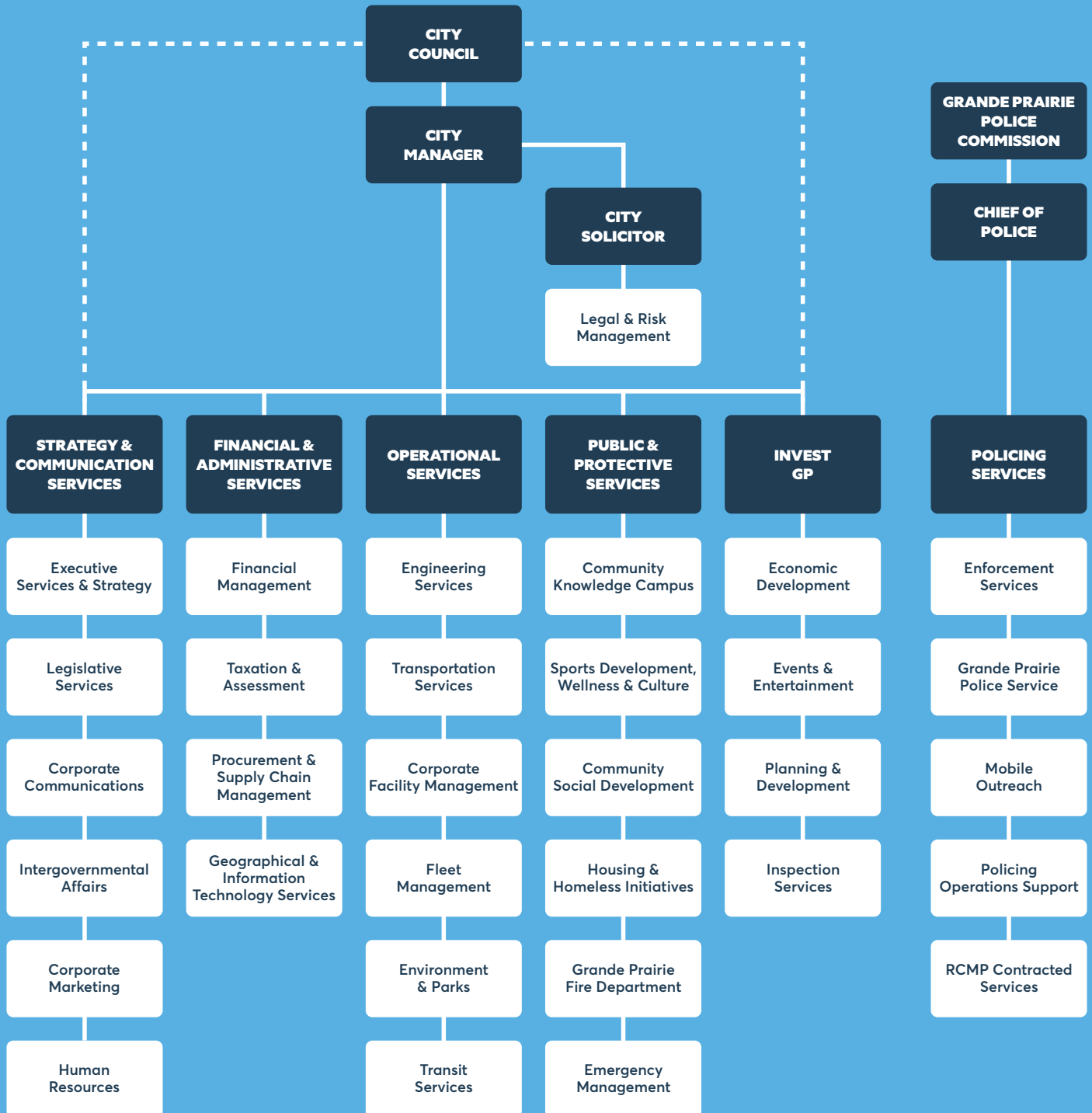
We look forward to 2024 with optimism and excitement for the possibilities ahead.

Sincerely,

**Mayor Jackie Clayton**



# ORGANIZATIONAL STRUCTURE







# QUALITY OF LIFE

Where we want to live, work and play.



Active Lifestyle



Fierce Community Pride



Safety



# ENGAGING RELATIONSHIPS

Strong and purposeful relationships expand local government value.



Reputation Management



Brand, Marketing & Communication



Culture & Pride



# INCLUSIVE & CARING COMMUNITY

A community that includes all people and serves all people.



Multicultural



Youth to Seniors



Housing



# INNOVATIVE EFFICIENCIES & ECONOMIC READINESS

A strong local economy enables a sustainable high quality of life.



Strategic Growth



Innovation Development



Attraction

# QUALITY OF LIFE



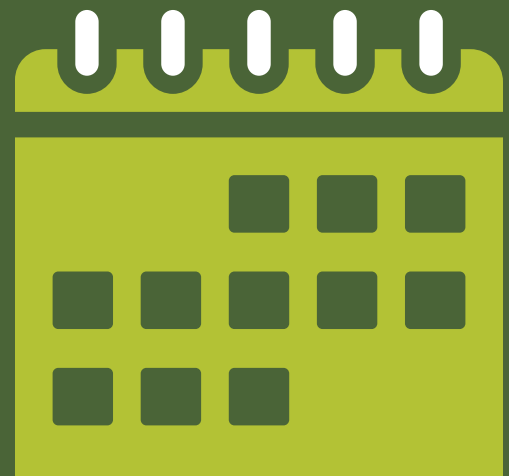
Quality of life is our overarching priority, guiding the whole of our strategic plan. Fostering a community where our people love where they live includes building fierce community pride, promoting an active lifestyle, and keeping our residents safe.

Check out these highlights on how we focused on quality of life in 2023:

## ANNUAL EVENTS

- Grande North Winter Festival
- Women of Influence Awards
- Canada Day
- Eastlink Centre Triathlon
  - 2023 was the first year the Eastlink Centre Triathlon was sanctioned as a Triathlon Alberta event, and it was the only Triathlon Alberta event to include Special Olympics teams.
- Heritage Day
- Alberta Day
- Experience GP
- Halloween Spooktacular
- Design Works Centre 20th Anniversary
  - The Design Works Centre celebrated 20 years in the community with the Two Decades of Twin Ice event.
  - Many important events have been held at the facility including the 2022 Grand Slam of Curling, the 2010 Arctic Winter Games and the 2006 Oilers training camp.
  - Over 500 people came out to celebrate the history and future of the facility featuring public skate, sports demos, a hockey skills competition, figure skating demonstration, family and children activities, and a Grande Peace Athletic Club alumni hockey game.
- New Years Eve-ning Out

We also made some upgrades to our events calendar at [cityofgp.com/events](https://cityofgp.com/events) to better highlight and promote our year-round event schedule and provide space for local event organizers to add their community events in.





## Municipal Police Service

City Council approved the establishment of the Grande Prairie Police Service on March 7. The decision was made following a years-long assessment of policing in Grande Prairie that included a public consultation process, a review of existing policing methods, and the creation of a transition plan.

For 2023, we established the Municipal Police Commission and appointed the first Chief of Police. The phased implementation of the GPPS is expected to reach full capacity by 2027. Council believes the establishment of the GPPS is an innovative development in modern policing, specifically tailored to meet and respond to the unique needs of our community. This approach aligns with the priority of quality of life, and supports the development of a community in which all residents feel safe.



## Launch of Grande Access Pass

We introduced our Grande Access Pass, an all-inclusive membership to multiple recreation facilities to help promote community wellness and active lifestyle.

The Grande Access Pass provides admission, discounts and exclusive offers to the Eastlink Centre, Design Works Centre, Aquatera Outdoor Pool and Dave Barr Community Centre for both drop-in and classes.

247 residents took advantage of this new feature in 2023.



## Urban Forest

Work got underway on an Urban Forest Strategy that will safeguard, enhance, and celebrate our urban forest for generations to come. This visionary strategy will be built upon a foundation of community input.

The urban forest provides our city with a host of incredible benefits, from cleaner air and a healthier environment to spaces for relaxation and recreation. It's an essential part of what makes Grande Prairie such a wonderful place to call home. We're thankful for the 26 open house attendees and 152 survey takers that helped shape the vision for this strategy.

**Grande Prairie is the first city in Alberta to transition from the RCMP to a municipal police service since 1956.**



## Trail Repairs

Major investments were made in two significant trail connections. The Maskwôtêh Trail Connection was completed north of 116 Avenue and west of 108 Street. The work bridges two existing trails, improving access for more people to enjoy Maskwôtêh Park, especially visitors to the newly opened Blossoming Garden of Hope and the Grande Prairie Regional Hospital.

In partnership with the County of Grande Prairie, we also proudly announced a new project to join the existing trail systems between the South Bear Creek Park and the Dunes. This million-dollar, inter-municipal infrastructure investment was made possible in part through \$750,000 in grant funding from the Canada Community Revitalization Fund.



## Bike Etiquette Signage

Grande Prairie parkgoers may have noticed the addition of new signs this spring.

We installed 12 new signs at the entrance and exits of Crystal Lake Park and 37 along the Muskosepepi Park trail system to remind users of proper bicycle etiquette and provide a better experience for all trail users.



## Sport Tourism Assessment

We completed a sport tourism assessment with Sport Tourism Canada. Key categories include structure, existing assets, financial model, marketing, strategy, bidding, partnerships, event delivery, evaluation, and legacy. The report provides recommendations for the City to strategically guide sport tourism initiatives for future growth and continued success bidding on and hosting sporting events.

This will help us carry on our legacy as a games city, especially as we gear up to host the Alberta Winter Games, National Aboriginal Hockey Championships and Special Olympics Summer Games in 2024!

**23,000 annual flowers were planted across the City's ornamental parks in 2023.**



## COMMUNITY SAFETY HIGHLIGHTS

- In 2023, Mobile Outreach responded to 8,965 calls, aiding 935 unique individuals. This figure reflects distinct recipients of assistance, not concurrent cases.
- Case Workers aided 195 individuals experiencing homelessness for the purpose of engagement with the Housing HUB.
- Needle mitigation efforts led to 4,594 needles collected to keep our community clean and safe.



# ENGAGING RELATIONSHIPS



Purposeful relationships with our valued community partners are what makes Grande Prairie a strong and connected city.

Here's how we grew some of our key relationships and built on mutual strengths to better support our community in 2023:

## INDIGENOUS RELATIONS

### Indigenous Relations Framework

Council adopted the City of Grande Prairie's first Indigenous Relations Framework on April 17.

The framework was developed to outline our local approach to the Truth and Reconciliation Commission of Canada: Calls to Action and the United Nations Declaration of the Rights of Indigenous People

Focus areas include:

- Building connections
- Community culture
- Commerce & creativity
- City services
- Education & acknowledgement

Council is committed to advancing the specific action items listed under each focus area in the Indigenous Relations Framework to do our part for truth and reconciliation locally and nationally.

### Flag Raising in Council Chambers

On September 18, City Council hosted a Pipe Ceremony and permanent flag raising for the Treaty 8 and Metis flags in Council Chambers. In attendance were Chiefs from the surrounding First Nations, Metis Local representatives, City Council, and Senior Administration.

We will keep these flags raised in Council Chambers as a reminder that the decisions we make in Council Chambers should always be done with the thought of Indigenous Nations and Indigenous people in our work.







## GPREP Activations

The Grande Prairie Regional Emergency Partnership (GPREP) was activated several times this year to support emergency response for major events such as the Dunes West Wildfire and the Northwest Territories Wildfires.

As a member of GPREP, the City was proud to have opened our community to welcome evacuees. We showcased our response efforts during a tour with Premier Smith, Minister Loewen and Minister Toews.

We also supported 1300 registered evacuees from Dunes West and over 2000 evacuees from the Northwest Territories, connecting them with accommodations and vital support services.

The response from all of our residents, partners, businesses and organizations that stood up in this time of great need is precisely what makes Grande Prairie an inclusive, caring community, and a demonstration of what is possible when we prioritize engaging relationships.



## Intermunicipal Collaboration

We proudly partnered with our neighbours the County of Grande Prairie and Municipal District of Greenview on a selection of significant initiatives to represent our region this year including:

- The 24th World Petroleum Congress
- The Regional Workforce Development Partnership
- An Evening with Grande Prairie
- PetroChem Canada West
- World Agri-Tech Innovation Summit
- Northwest Alberta Energy Evening
- Carbon Capture Canada
- Alberta Industrial Heartland Conference
- Global Energy Show
- Grande Prairie Regional Innovation Network

We're thankful for these and other local partners for making us stronger together as we build our region and support our current and future residents.

**The Eastlink Centre had 235 evacuees visit their facility as part of the City's offering of free transit and recreation access to those impacted by the wildfires.**



## Alberta Municipalities Resolution Endorsement

City Council proposed a Resolution at the Alberta Municipalities Convention that would require the organization to lobby the provincial government for funding to municipalities who permit their firefighters to respond to medical first response calls when paramedics are unavailable.

The Resolution passed with 96% of members supporting.



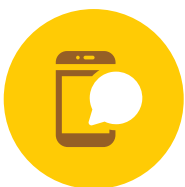
## Naming Rights Partnerships

Two naming rights partnerships worth \$20,000 were signed in 2023 including:

- South Arena at Design Works Centre: Signed with CDN Controls Ltd. for 1 year, for \$10,000
- North Arena at Design Works Centre: Signed with Weyerhaeuser for 1 year, for \$10,000

Naming rights agreements provide many benefits to the community including enhancing programs, facilities, projects and services while also creating additional revenue streams for the City to minimize tax impacts. Through the support of existing naming rights partners we were also able to provide:

- The Here Comes Summer event to kick off a summer of swimming at the Aquatera Outdoor Pool. 219 people joined for free swimming, a bbq, outdoor games, live music and demonstrations.
- Renovation of the Brandt Skyloft in Bonnetts Energy Centre to enhance the area, increase attendance at events, and support a strong guest experience.



## Text Notifications

SMS texting was rolled out to provide residents text message notifications of all of our news, events and updates here at the City of Grande Prairie!

Residents can sign up and subscribe to everything from media releases to snow removal and construction, recreation amenity updates and more!

This initiative is part of our ongoing efforts to expand services and provide alternative communication methods, catering to the diverse interests and needs of Grande Prairie residents.

# PUBLIC ENGAGEMENT

16 Public Engagement Projects			
Project Name	Open House Attendees	Survey Responses	Other
Municipal Police Service Review	88	758	
Did You Know? All About Accessible Transit	-	38	
96 St. Road Rehabilitation	8	-	
Intersection Improvements	4	250	
Did You Know? All About Neighbourhood Associations	50	-	
Municipal Development Plan Review	50	129	
Boulevard Naturalization Pilot Program	35	-	
Transportation Study	39	251	
Food Access and Affordability Household Survey	-	2,188	
Farewell Leisure Centre	-	-	13 story submissions
2024 Budget	125	242	17 stakeholder attendees
Grande Prairie Immigration Survey	-	693	
Urban Forest Strategy	26	152	
Storm Drainage Master Plan	26	13	
Proposed Recreation Facility	40	138	
RCMP Townhalls	65	233	

**Access GP responded to 32,298 telephone, 15,033 email and 5,228 in-person inquiries in 2023.**



**INCLUSIVE &  
CARING  
COMMUNITY**

Community is built by fostering a deep and sincere connection amongst our residents, and providing supports for all social, economic and physical needs.

Highlights of how we worked to support an inclusive, caring community in 2023 include:



## Housing and Homelessness

Phases 1 and 2 of construction on the Coordinated Care Campus were completed in 2023, allowing 63 residents to move into supportive living units and connect with vital supports to help them gain independence and sustain housing. Phase 3 is scheduled for completion in 2024, including the completion of 43 independent living units, municipal office space and a reception space for an Emergency Operations Centre.

The Fletcher House also opened up in the community, offering 18 supportive housing units and 24 independent low-income housing units.

Both these units are supporting Council's Homelessness Strategy by providing critical infrastructure and supports to address chronic homelessness and empower people along the housing continuum.



## Free Recreation Opportunities

Council approved the addition of 400 more hours of free recreational drop-in at the Activity and Reception Centre for a total of 615 hours, ensuring access to sport and play for all economic backgrounds.

Additionally, 9 free skates with 780 participants were offered at Design Works Centre due to generous sponsorships by the City of Grande Prairie, Design Works Inc, Bearisto and Associates, KMSC Law, Mainline Construction, and Iron Slinger.



## Transit Upgrades

Transit announced two major service improvements:

- 1. Late-night transit:** Using the on-demand system, transit now offers service until 11 p.m. Monday to Saturday, and 8 p.m. on Sundays, to better support riders and make improvement based on rider feedback.
- 2. Free fares for youth:** Transit fare was made free for all youth 17 and under to improve accessibility and affordability. We're thankful for our valued school district partners for making this a successful roll-out.



## Sensory Accessibility

Eastlink Centre introduced a new sensory swim time twice a week that offers patrons the opportunity to swim with the music and other water features turned off to reduce noise and provide a more inclusive experience for those with sensory sensitivities.

Bonnetts Energy Centre introduced new sensory kits for their events that include noise softening headphones, UV rated sunglasses, fidget tools, communication-style lanyards to enhance accessibility, inclusivity and enjoyment for all patrons. Introducing the sensory kits is one way Bonnetts Energy Centre is working to support community needs and provide more accessible event practices within the venue.



## Blossoming Garden of Hope Opening

With a grand opening on June 8, the Blossoming Garden of Hope was officially unveiled. The garden is a community-driven project by Tiny Hands of Hope and The Compassionate Friends Grande Prairie Chapter to offer hope, comfort, and healing to all who visit.

The City of Grande Prairie provided the property and location for the garden and will resume responsibility for ongoing maintenance of the garden and its features following any remaining warranty periods.

This garden provides a space for reflection and remembrance in the beauty of nature. Anyone touched by the significant loss of a child regardless of age or gestation, is welcome at the Blossoming Garden of Hope, including friends, classmates, medical professionals, and first responders.



## Grande Prairie Inclusive and Caring Community Initiative

In 2023, the City of Grande Prairie Inclusive and Caring Community Initiative (GPICCC) worked in collaboration with the Grande Prairie Local Immigration Partnership (GPLIP) to bolster community capacity in attracting and retaining newcomers, enlighten employers, and enhance the knowledge of service providers, all with the aim of fostering a warm and inclusive community.

The City of Grande Prairie has been awarded a \$300,000 Settlement, Integration, and Language Project (SILP) Grant from the Alberta Government for the Grande Prairie Inclusive and Caring Community Initiative (GPICCC), until March 31, 2025.



## Community Grants and Funding

- \$971,700 in Family and Community Support Service Funding was awarded to support local groups and organizations providing preventative social services.
- \$45,100 in Pursuit of Excellence Funding was awarded to local athletes and athletic groups.
- \$124,072 in Arts Development Funding was awarded to support art and culture in the community.
- \$2,539,256 in Community Group Funding was awarded including an additional \$1,673,100 for the Grande Prairie Public Library.



## Equity, Diversity and Inclusion Training

Our Equity, Diversity and Inclusion Committee provided both internal and external training including:

- 55 community members, 15 youth from the Youth Advisory Council and Communities Building Youth Futures and 624 staff members completing Unconscious Bias Training.
- 20 community members and 542 staff members completing Addressing Racism and Discrimination Training.

**1,842 Recreation Access Passes and 1,257 Transit Access Passes were distributed in 2023 to eligible applicants needing financial support to stay active and connected in the community.**



**INNOVATIVE  
EFFICIENCIES  
& ECONOMIC  
READINESS**



Throughout all of our work, we focus on building Innovative Efficiencies and Economic Readiness by developing and executing actions that foster a strong and resilient local economy.

## ECONOMIC DATA

2023 Indicators	Stat
Building permits	579
Construction value	\$86,446,891
Total population (2022 Estimate)	68,350
Total number of dwellings	27,551
Overdimensional vehicles	953
Drilling licenses	947
Drilling completions	932

## GRANTS & INCENTIVES

Grant Name	Grants Issued	Amount Approved for Award
Barrier Free	7	\$62,023.94
Beautification and Patio	3	\$45,000.00
Marketing	8	\$17,149.59
Training	9	\$8,660.00
Business Revitalization	5	\$111,960.50
Municipal Fee Rebate	2	\$20,000.00
Residential Infill	2	\$30,000.00
Business Retention & Expansion	None; 1 payment	\$47,054.09

\*Subject to change based on actuals.

## INVEST GRANDE PRAIRIE HIGHLIGHTS

Invest Grande Prairie celebrated its 2<sup>nd</sup> year anniversary with the following accomplishments:

- Received the Economic Developers of Alberta Award for Economic Development Renewal Project, mid-sized cities category.
- Industry mixers hosted with local businesses (June) and Real Estate and Financial Sectors (October).
- Hosted the 2023 Growing the North Conference with the Grande Prairie Chamber of Commerce and regional partners.
- Launch of a new Invest Grande Prairie video showcasing the collaborative alignment of divisions to best serve investors and businesses.
- Celebration of Small Business Week with a new highlight video and Council visiting small business to celebrate their contributions to the community and local economy.
- Grant funding of \$75K from the Government of Alberta for an investment attraction action plan and pitch book.
- New releases for 2023 GP Guide, 2023 Retail Market Gap Analysis, 2023 Opportunities Book and the 2023 Hotel and Event Facilities Guide.



## Rural Renewal Stream

As a designated community under the Rural Renewal Stream of the Alberta Advantage Immigration Program, we've continued to work hard connecting eligible workers with local employers.

In 2023 we provided 494 candidate endorsement letters and are working with 505 local employers.



## New Grant Coordinator Position

We streamlined how we apply for grants to maximize resources with the hiring of a Grant Coordinator. With this new position the City submitted 71 grant applications, including:

- \$13,595,040 applied for via the Housing Accelerator Fund
- \$5,448,000 from the Police Transition Grant

We also received \$30,482,116 in funding from other levels of government including:

- \$7,244,531 in Municipal Sustainability Initiative Capital Funding
- \$944,952 in Municipal Sustainability Initiative Operational Funding
- \$5,030,000 in Canada Community-Building Fund Funding
- \$1,338,376 in Family and Community Support Services Funding
- \$4,197,000 in Outreach and Support Services Initiatives Funding

**In 2023 the [cityofgp.com/immigration](https://cityofgp.com/immigration) webpage, which directed people to information on the Rural Renewal Stream, received 250,297 visits, the highest traffic of all our webpages.**



## Cyber Security Strategy

Work continued to build on the Cyber Security Strategy throughout 2023 to safeguard the City's digital assets and infrastructure. The initiatives introduced as part of the overarching strategy include:

- A Cyber Security Response plan to help mitigate the impact of threats and intrusions
- An Artificial Intelligence and Machine Learning threat detection solution
- Multi-factor authentication for users accessing the City network
- Enhanced cyber security awareness programs for employees

All of these efforts bolster our organization's security measures and incident response capabilities, protecting the City's digital assets.



## Supplier Performance Evaluation Program Pilot

A Supplier Performance Evaluation Program was piloted in 2023 with plans for a full roll-out in 2024.

Areas of evaluation include: safety and compliance; service, delivery, and conformance; quality; project management; schedule and post construction.

Evaluation provides insights on the performance of the supplier to ensure quality products or services are delivered on time, in the right quantity and within budget.

**On July 10, the City experienced a 1:100 year storm event. Due to our ongoing investments and commitments to sustainable infrastructure, our storm system handled the event with no major issues.**



## 911 Computer Aided Dispatch System (CAD)

The Grande Prairie Fire Department's GP911 implemented the next generation in Computer Aided Dispatch Systems (CAD). GP911 is the first Canadian 911 center to implement this next generation platform.

This application is used by dispatch centers to coordinate emergency response efforts and is particularly significant for the City of Grande Prairie as we support dispatch throughout Northwestern Alberta and parts of British Columbia.



## Clean Energy Improvement Program (CEIP)

The Clean Energy Improvement Program (CEIP) is an energy efficiency improvement program for residential property owners with financing provided by the City.

25 applications were received within the first 45 days, and 43 were received in total.



## Municipal Development Plan Review

A review of the City's Municipal Development Plan took place to ensure it remains aligned with our long-range vision.

The Municipal Development Plan provides a framework for all land use decision making by Council and can be viewed as our overarching community strategic plan, driving future growth and development.

We're thankful for everyone who joined us for our public information sessions to learn more and share your thoughts and ideas. A selection of proposed updates was presented including items focused on economic development, investment attraction, Indigenous relations and more to ensure the City's growth and development aligns with the needs and desires of our residents.

# CORPORATE CULTURE IMPROVEMENTS

## Municipal Leadership Academy

A Municipal Leadership Academy was rolled out to the organization to facilitate leadership development of staff, mentoring and growth of leaders within the City. A total of 70 staff members have enrolled who are dedicated and committed to leading the future of the City with the same high quality services and care our residents expect from us.

## ONE Program

The City of Grande Prairie new employee orientation was re-developed as the Onboarding New Employees Program with 250 new and existing employees going through the program this year.

Through this program and orientation we are able to share our guiding beliefs and values with our new staff so whether you are dealing with a property assessor, guest services or the City Manager, you know you're going to get the same experience no matter which representative of the City you are connecting with.

## Practicum Students

Five practicum students gained work experience at the City over 2023. This opportunity allowed them to fulfill their learning objectives, equipping them with valuable experience to enhance their job-prospects after they have graduated.

We enjoy partnerships with organizations like Northwestern Polytechnic so we can help build our community and our future workforce, in turn bolstering our local economy.

## Chief of Human Resources Officer Vlog

The City's Chief Human Resources Officer created a new monthly vlog for staff to share internal news, highlight departments and better connect with employees. This is one of many steps the City is taking to support corporate culture, building a strong, well-rounded organization for maximum impact.

## CUPE Negotiations

We successfully negotiated a Letter of Understanding for a full-time president in the position to allow for ease of access and conflict resolutions to better support and advocate for our employees.





# FINANCIAL INFORMATION



# MESSAGE FROM THE CFO

I am pleased to present the Consolidated Financial Statements for the fiscal year ended December 31, 2023. These financial statements have been externally audited by Fletcher Mudryk LLP, who issued an unqualified audit opinion in their report dated April 22, 2024.

The City of Grande Prairie (the "City") provides a multitude of services to its residents, including general government, protective services, transportation services, community development, planning and development and recreation and culture.

The City controls the Grande Prairie Public Library and the Grande Prairie Airport Commission, comprising the consolidated entities in the Consolidated Audited Financial Statements. In addition, the City is a shareholder of Aquatera Utilities Ltd., a company which provides water, wastewater, garbage collection and recycling services to residents of the City.

Management is responsible for the accurate, complete, and fair reporting of financial transactions and related disclosure information. This report will provide readers with an overview of the financial performance, health, and other valuable information for the 2023 fiscal year.

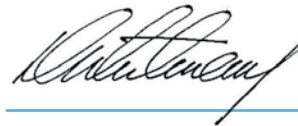
Included in the report is an introduction to the City, including the Mayor and Council, Senior Administration and overall organizational structure.

The Financial section includes an overview of the City's financial planning, budgeting, accounting, auditing, and reporting processes, as well as financial highlights and other explanatory information for the 2023 fiscal year.

The Consolidated audited financial statements for the fiscal year ending December 31, 2023 are included in the financial information section, which include the operating results, financial position, and significant accounting policies for the City.

Included in the Statistical Information section is various data related to the City's financial trends presented on a 2-year and 5-year comparative basis.

The annual report provides detailed information on the City's financial position and how financial resources have been allocated to provide services to the residents.



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**Danielle Whiteway CPA, CA**

**Chief Financial Officer**

# REPORTING & CONTROLS

## Business Planning

On a four-year cycle, Council sets priorities that guide the City's decisions over the course of their term. Each City department creates a business plan, identifying the core services that they provide to residents and outlines the goals to be achieved in order to support the priorities of Council.

## Budgeting

Budgets are created to support the business plans and priorities of Council. Annually, the City creates a four-year operating budget and five-year capital budget for approval by Council.

City departments, with support from the Financial Management department, develop the budget required to support core service delivery and achievement of Council's priorities, estimating the expected revenues and expenses to be achieved and spent over the period. Once determined reasonable, it is brought forward to Council for final approval.

## Accounting

The revenues and expenses of all the function areas of the City; general government, protective services, transportation services, community development, planning and development, and recreation and culture are combined and accounted for in one financial system. Financial services are provided to the City under the leadership of the Chief Financial Officer, with support from the Financial Management team.

## Reporting

Administration monitors actual results and forecasted expectations monthly in comparison to the City's approved budget. This process ensures variances are reasonably explained, and highlights the requirement for any mitigating strategies in order to achieve budget results. Council's Financial and Administrative Services Committee receives quarterly unaudited financial statements, which includes the quarterly

variance and forecast reporting. Contained within the quarterly reports are the following unaudited statements and schedules:

- Unconsolidated Statement of Financial Position
- Unconsolidated Statement of Operations by Object
- Operating Variances
- Reserve Balances
- Capital project reporting and capital funding details\*
- Other related information

\*A summary of capital projects is included in Q1 and Q3, with a detailed listing of capital projects included in the Q2 and Q4 reports.

## Auditing

The Municipal Government Act requires municipalities to appoint an independent, external auditor.

The external auditor's role is to provide an opinion on the consolidated financial statements each fiscal year in that they present fairly, in all material respects, the financial position of the City, and the results of the City's financial activities and accumulated surplus, changes in net financial assets and financial position in accordance with Canadian Public Accounting Standards. The audited consolidated financial statements for the 2023 fiscal year end, including the audit report and related findings, were presented to the Financial & Administrative Services Committee on April 16, 2024 and approved by Council on April 22, 2024.

The City will be issuing a Request for Proposal for Audit Services in 2024, resulting in a multi-year contract with a qualified external audit firm. The process will be administered by the City's Procurement department in collaboration with the Financial Management team.



# FINANCIAL HIGHLIGHTS

Financially, the municipality managed a balanced budget through prudent fiscal management, leveraging provincial grants, and sustaining revenue from property taxes. Council and Administration continued to allocate funding based on priority, looking for methods to improve and promote efficiency, while enhancing transparency with the public. In recognition of the on-going budgetary pressures being experienced by many residents, City Council approved a property tax increase of 1.71% at budget deliberations.

## Investments

The City generates additional revenue through investing funds and strives to achieve a balance between maximum security and the highest rate of return on investment. The Municipal Government Act (MGA) and Council Policy 323 guide how the City invests funds and the types of investment instruments that may be used. The City's investment portfolio consists of fixed income investments and Canadian treasury bills that achieved a weighted average investment yield of 1.68% in 2023.

Additionally, the City receives investment income from its shareholdings in Aquatera Utilities Inc., a company that provides water, wastewater, garbage disposal, and recycling services to several communities in the region. In 2023, the City had 72.01% ownership in Aquatera, consisting of both common and preferred shares. The City's proportionate share of this investment was valued at \$150.4M as of December 31, 2023. During fiscal 2023, the City earned \$7.64M from this investment through franchise fees and dividends.

## Deferred Revenue

Deferred revenues consist of both capital and operating amounts and are classified as such due to restrictions placed on funding. A significant portion of this funding is restricted by other levels of government including funds for the Municipal Sustainability Initiative (MSI), Canada Community Building Fund (CCBF) and Investing in Canadian Infrastructure Program (ICIP). As of December 31, 2023 the City has

\$26.4M in unspent deferred revenues, an increase of approximately \$4M from the prior year attributed to unspent operating grants.

## Long-Term Debt

The City has long-term debt outstanding for significant capital projects. The City is required to stay within certain thresholds for overall borrowings and the related debt servicing costs, both of which are governed by the MGA, as well as Council Policy 350. At the end of 2023, the City was well within both required limits.

	2023	2022
Total Long-Term Debt	\$131.2M	\$138.6M
Debt Limit Remaining	\$166.7M	\$139.0M
Debt Servicing Limit Remaining	\$38.0M	\$34.2M

Long term borrowing is a strategic funding source for major capital infrastructure projects as it allows for the tax implications of borrowing to be spread out over the period that residents benefit from the underlying asset. The City maintains prudent borrowing practices to ensure the minimization of total borrowing costs, matching of debt servicing costs with the benefit of the underlying asset, and financial flexibility for future borrowings.

## Asset Retirement Obligations

The City owns buildings which contain hazardous materials such as asbestos. The City is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include removal and disposal of the hazardous materials in a prescribed manner when it is disturbed.

Various estimates and assumptions are included in the valuation of these obligations as at the reporting date and into the future. As such, changes to these estimates could result in changes to the reported obligations.

## Reserves

A portion of the City's accumulated surplus has been restricted for certain future purposes. Reserves are a prudent business practice that enhances the City's financial strength, allowing for flexibility, cash flow management, and the ability for the City to achieve Council priorities. Reserves also provide for stabilization of property taxes, provision of consistent service levels and in some cases, minimizing the need for debt financing.

Council has the authority to create and close reserve funds. All transactions, re-designations or revisions require Council approval. At the end of 2023, there was \$94M in City reserves available for future use.

## Net Financial Assets

The City was in a net financial assets position of \$112.3M as of year-end, as financial assets exceeded financial liabilities. A net financial asset position indicates that the City has the necessary financial resources on hand to repay financial liabilities and support future operations.

	2023	2022 (Restated)
Financial Assets	\$331.7M	\$330.0M
Financial Liabilities	\$219.4M	\$224.8M
Net Financial Assets	\$112.3M	\$105.2M

## Accumulated Surplus

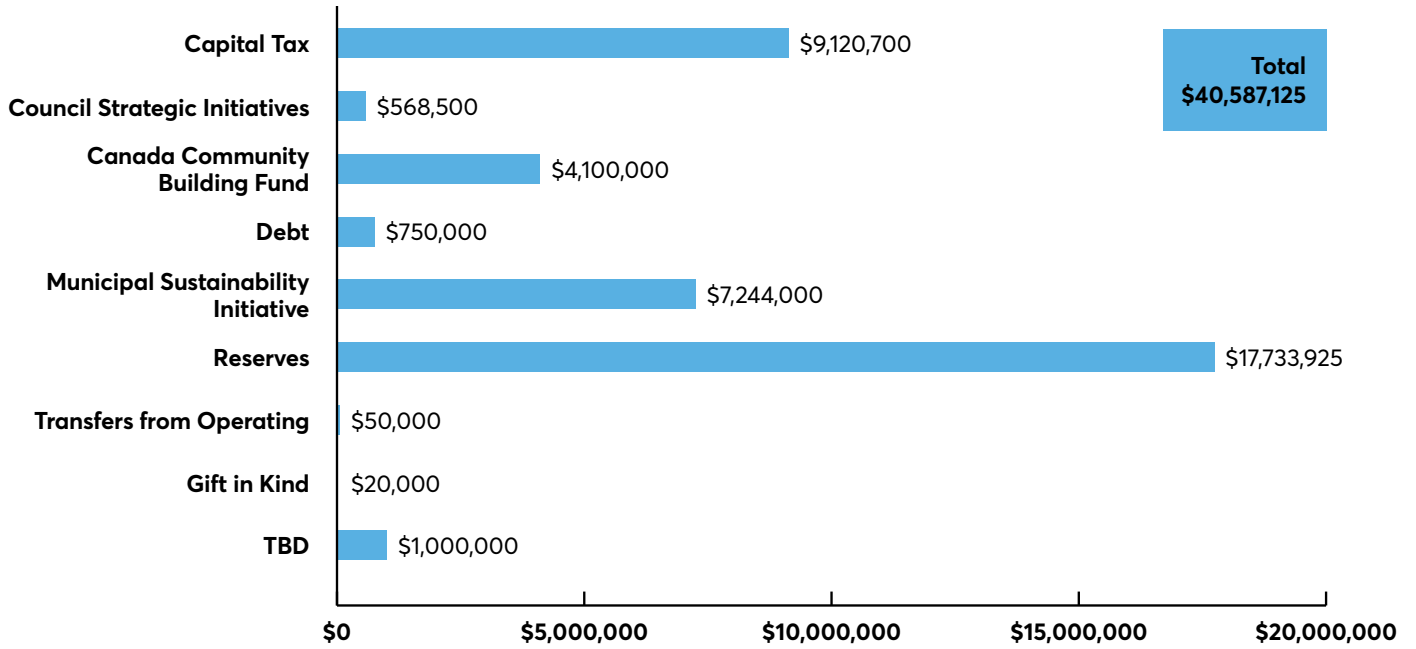
Accumulated surplus consists of unrestricted and restricted amounts, as well as equity in investments and tangible capital assets. An accumulated surplus position indicates that the City has the resources to provide future services, consisting of both cash and non-cash components. The City incurred an increase in accumulated surplus of \$23.6M over 2022, with total accumulated surplus of \$864.8M as of December 31, 2023.

	2023	2022 (Restated)
Unrestricted Surplus	\$23.9M	\$28.9M
Restricted Surplus	\$104.9M	\$111.8M
Equity in Investments	\$150.5M	\$137.6M
Equity in Tangible Capital Assets	\$585.5M	\$578.1M
Total	\$864.8M	\$841.2M

## Capital Projects

City Council approved a total of \$40.6M in capital projects for the 2023 fiscal year.

Funding for capital projects came from a variety of sources such as long-term debt, provincial and federal funding, reserves, and municipal tax dollars. Capital investments expand and improve services while ensuring safety and improving quality of life for residents.



Highlights of some of the most significant project costs in 2023 include:



**Road Rehab (includes Highway 43 Rehab & Minor Resurfacing)**

\$13.9M



**Coordinated Care Campus – Cedar Point**

\$7.3M



**Fleet Equipment & Vehicle Replacement**

\$2.5M



**Storm Infrastructure Upgrades and Replacement**

\$2.0M



**Pedestrian Links**

\$1.8M



**Slope Repair North of 68th Avenue**

\$1.6M

**City of Grande Prairie**

# **CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2023**



**FLETCHER MUDRYK LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS  
— TRUST • RESPECT • PRIDE —

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## INDEPENDENT AUDITORS' REPORT

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To the Members of Council of the City of Grande Prairie

### *Opinion*

We have audited the accompanying consolidated financial statements of the City of Grande Prairie (the City), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of financial activities, remeasurement gains and losses, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

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 financial activities, remeasurement gains and losses and changes in accumulated surplus, changes in net financial assets 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 *Independent 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 the 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 relating 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.

Independent Auditors' Report to the Members of Council of City of Grande Prairie (continued)

*Independent 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 is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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.




Grande Prairie, Alberta  
April 22, 2024

Chartered Professional Accountants

## Consolidated Statement of Financial Position

December 31, 2023

	2023	2022 <i>(Restated-Note 25)</i>
<b>FINANCIAL ASSETS</b>		
Cash <i>(Note 2)</i>	\$ 34,130,251	\$ 37,754,175
Portfolio investments <i>(Note 3)</i>	110,833,188	115,518,298
Receivables		
Taxes and grants in place of taxes receivable <i>(Note 4)</i>	10,296,672	10,546,572
Trade and other receivables <i>(Note 5)</i>	23,918,293	26,794,451
Agreements receivable <i>(Note 6)</i>	908,273	1,156,373
Loans receivable <i>(Note 7)</i>	215,072	-
Assets held for resale	1,010,782	686,716
Investment in government business enterprise <i>(Note 8)</i>	150,445,595	137,607,338
	<u>331,758,126</u>	<u>330,063,923</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 9)</i>	22,190,581	25,567,153
Deferred revenue <i>(Note 10)</i>	26,453,430	20,310,952
Employee benefit obligations <i>(Note 11)</i>	4,941,034	4,887,756
Long-term debt <i>(Note 12)</i>	131,190,169	138,565,262
Asset retirement obligations <i>(Note 14)</i>	34,640,288	35,511,876
	<u>219,415,502</u>	<u>224,842,999</u>
<b>NET FINANCIAL ASSETS</b>	<u>112,342,624</u>	<u>105,220,924</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Schedule 2)</i>	750,599,050	751,171,388
Inventory for consumption	1,511,559	1,259,534
Prepaid expenses	1,286,953	1,116,304
	<u>753,397,562</u>	<u>753,547,226</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 865,740,186</u>	<u>\$ 858,768,149</u>
CONTINGENT LIABILITIES <i>(Note 26)</i>		
<b>ON BEHALF OF THE CITY OF GRANDE PRAIRIE</b>		
	_____	Mayor

Please see accompanying notes to financial statements

## Consolidated Statement of Financial Activities

Year Ended December 31, 2023

	<i>Budget</i> <i>(Unaudited -</i> <i>Note 24)</i>		
	2023	2023	2022 <i>(Restated-Note 25)</i>
<b>REVENUES</b>			
Net municipal taxes <i>(Schedule 3)</i>	\$ 125,541,616	\$ <b>124,922,400</b>	\$ 121,844,203
Government transfers for operating <i>(Schedule 4)</i>	14,944,349	<b>16,466,256</b>	13,602,346
User fees and sales of goods	18,033,119	<b>18,434,159</b>	15,274,767
Interest and investment income	2,852,500	<b>2,954,214</b>	3,685,299
Penalties and cost of taxes	2,346,000	<b>2,260,358</b>	2,331,506
Development levies	-	<b>666,828</b>	466,967
Fines, rentals, licenses and permits	17,240,820	<b>12,142,914</b>	11,881,348
Franchise and concession contracts	15,394,271	<b>14,938,127</b>	15,410,015
Transfers from other organizations	64,500	<b>256,632</b>	256,746
Other revenue	675,459	<b>5,540,094</b>	311,969
	<u>197,092,634</u>	<u><b>198,581,982</b></u>	<u>185,065,166</u>
<b>EXPENDITURES</b>			
General government and administration	21,804,777	<b>29,089,233</b>	29,880,553
Protective services	55,479,039	<b>59,388,875</b>	53,207,662
Transportation services	41,937,256	<b>68,951,027</b>	70,413,686
Community and social development	9,602,187	<b>8,805,644</b>	10,387,226
Planning and development services	4,565,598	<b>4,625,530</b>	3,699,476
Recreation and cultural services	45,823,167	<b>53,405,220</b>	49,487,086
	<u>179,212,024</u>	<u><b>224,265,529</b></u>	<u>217,075,689</u>
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES BEFORE THE FOLLOWING</b>	<u>17,880,610</u>	<u><b>(25,683,547)</b></u>	<u>(32,010,523)</u>
<b>OTHER ITEMS</b>			
Contributed tangible capital assets	-	<b>1,403,367</b>	1,260,472
Gain on disposal of tangible capital assets	-	<b>202,073</b>	208,509
Gain on disposal of assets held for resale	-	-	704,279
Government transfers for capital <i>(Schedule 4)</i>	11,344,000	<b>15,644,891</b>	33,650,681
Subsidiary operations <i>(Note 19)</i>	3,398,050	<b>16,839,422</b>	11,339,090
	<u>14,742,050</u>	<u><b>34,089,753</b></u>	<u>47,163,031</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 32,622,660</u>	<u>\$ <b>8,406,206</b></u>	<u>\$ 15,152,508</u>

Please see accompanying notes to financial statements



## Consolidated Statement of Remeasurement Gains and Losses

Year Ended December 31, 2023

	2023	2022
<b>REMEASUREMENT GAINS - BEGINNING OF YEAR</b>	<b>\$ 2,395,969</b>	<b>\$ -</b>
Unrealized gains (loss) attributable to:		
Fair value adjustment of interest rate swap	<u>(1,434,169)</u>	<u>2,395,969</u>
<b>ACCUMULATED REMEASUREMENT GAINS - END OF YEAR</b>	<b><u>\$ 961,800</u></b>	<b><u>\$ 2,395,969</u></b>

Please see accompanying notes to financial statements

## Consolidated Statement of Changes in Accumulated Surplus

Year Ended December 31, 2023

	2023	2022
<b>ACCUMULATED OPERATING SURPLUS - BEGINNING OF YEAR</b>		
As previously reported	\$ 886,670,238	\$ 871,158,973
Restatement <i>(Note 25)</i>	<u>(30,298,058)</u>	<u>(29,939,301)</u>
As restated	856,372,180	841,219,672
Excess of revenues over expenditures	<u>8,406,206</u>	<u>15,152,508</u>
<b>ACCUMULATED OPERATING SURPLUS - END OF YEAR</b>	<b>864,778,386</b>	<b>856,372,180</b>
<b>ACCUMULATED REMEASUREMENT GAINS - END OF YEAR</b>	<u>961,800</u>	<u>2,395,969</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b><u>\$ 865,740,186</u></b>	<b><u>\$ 858,768,149</u></b>

Please see accompanying notes to financial statements

## Consolidated Statement of Changes in Net Financial Assets

Year Ended December 31, 2023

	<i>Budget</i> <i>(Unaudited)</i> 2023	2023	2022 <i>(Restated-Note 25)</i>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	\$ 32,622,660	\$ 8,406,206	\$ 15,152,508
Acquisition of tangible capital assets	(40,587,125)	(34,151,305)	(49,925,427)
Contributed tangible capital assets	-	(1,403,367)	(1,260,472)
Proceeds on disposal of tangible capital assets	-	727,584	772,938
Tangible capital assets reclassified as held for resale	-	324,066	-
Amortization of tangible capital assets	-	35,277,432	34,039,870
Loss (gain) on disposal of tangible capital assets	-	(202,073)	(208,509)
	<u>(40,587,125)</u>	<u>572,337</u>	<u>(16,581,600)</u>
Acquisition of inventory for consumption	-	(1,063,969)	(914,452)
Use of inventory for consumption	-	811,944	953,105
Acquisition of prepaid expenses	-	(2,571,608)	(2,541,501)
Use of prepaid expenses	-	2,400,959	2,336,572
Fair value adjustment of interest rate swap	-	(1,434,169)	2,395,969
	<u>-</u>	<u>(1,856,843)</u>	<u>2,229,693</u>
	<u>(40,587,125)</u>	<u>(1,284,506)</u>	<u>(14,351,907)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(7,964,465)	7,121,700	800,601
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	105,220,924	105,220,924	104,420,323
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 97,256,459</u>	<u>\$ 112,342,624</u>	<u>\$ 105,220,924</u>

Please see accompanying notes to financial statements

## Consolidated Statement of Cash Flows

Year Ended December 31, 2023

	2023	2022 <i>(Restated-Note 25)</i>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 8,406,206	\$ 15,152,508
Items not affecting cash:		
Amortization of tangible capital assets	35,277,432	34,039,870
Accretion of asset retirement obligations	292,173	275,015
Fair value adjustment of interest rate swap	(1,434,169)	2,395,969
Contributed tangible capital assets	(1,403,367)	(1,260,472)
Gain on disposal of tangible capital assets	(202,073)	(208,509)
Subsidiary operations	(16,839,422)	(11,339,090)
	<u>24,096,780</u>	<u>39,055,291</u>
Change in non-cash working capital:		
Taxes and grants in place of taxes receivable	249,900	(668,419)
Trade and other receivables	2,876,158	13,184,249
Assets held for resale	-	262,139
Accounts payable and accrued liabilities	(3,376,573)	6,359,123
Deferred revenue	6,142,478	(19,812,111)
Employee benefit obligations	53,278	463,087
Asset retirement obligation	(1,163,760)	-
Inventory for consumption	(252,025)	38,652
Prepaid expenses	(170,649)	(204,929)
	<u>28,455,587</u>	<u>38,677,082</u>
Cash from operating activities		
<b>INVESTING ACTIVITIES</b>		
Agreements receivable repayments	248,100	219,090
Loans receivable issued	(215,072)	-
Dividends declared by Aquatera Utilities Inc.	4,001,165	3,903,212
Assets transferred to Aquatera Utilities Inc.	-	(78,480)
	<u>4,034,193</u>	<u>4,043,822</u>
Cash from investing activities		
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term financing	-	6,600,000
Long-term debt repaid	(7,375,093)	(7,656,994)
	<u>(7,375,093)</u>	<u>(1,056,994)</u>
Cash used by financing activities		
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(34,151,305)	(49,925,427)
Proceeds on disposal of tangible capital assets	727,584	772,938
	<u>(33,423,721)</u>	<u>(49,152,489)</u>
Cash used by capital activities		
<b>INCREASE (DECREASE) IN CASH</b>	<b>(8,309,034)</b>	<b>(7,488,579)</b>
CASH - BEGINNING OF YEAR	<u>153,272,473</u>	<u>160,761,052</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 144,963,439</u></b>	<b><u>\$ 153,272,473</u></b>

Please see accompanying notes to financial statements

(continues)

## Consolidated Statement of Cash Flows

Year Ended December 31, 2023

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	2023	2022
<b>CASH CONSISTS OF:</b>		
Cash <i>(Note 2)</i>	\$ 34,130,251	\$ 37,754,175
Portfolio investments <i>(Note 3)</i>	<u>110,833,188</u>	<u>115,518,298</u>
	<u>\$ 144,963,439</u>	<u>\$ 153,272,473</u>

Please see accompanying notes to financial statements

# Consolidated Schedule of Changes in Accumulated Operating Surplus (Schedule 1)

Year Ended December 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Investments	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF YEAR	\$ 28,896,500	\$ 111,797,325	\$ 137,607,338	\$ 608,369,075	\$ 886,670,238	\$ 871,158,973
Restatement (Note 25)	-	-	-	(30,298,058)	(30,298,058)	(29,939,301)
BALANCE, AS RESTATED	28,896,500	111,797,325	137,607,338	578,071,017	856,372,180	841,219,672
Excess of revenues over expenditures	8,406,206	-	-	-	8,406,206	15,152,508
Unrestricted funds designated for future use	(27,195,336)	27,195,336	-	-	-	-
Restricted funds used for operations	8,759,150	(8,759,150)	-	-	-	-
Share of net earnings from subsidiary	(16,839,422)	-	16,839,422	-	-	-
Dividends receivable	4,001,275	-	(4,001,275)	-	-	-
Current year funds used for tangible capital assets	(8,824,899)	-	-	8,824,899	-	-
Restricted funds used for tangible capital assets	-	(25,326,406)	-	25,326,406	-	-
Contributed tangible capital assets	(1,403,367)	-	-	1,403,367	-	-
Annual amortization expense	35,277,432	-	-	(35,277,432)	-	-
Annual accretion expense	292,173	-	-	(292,173)	-	-
Asset retirement obligation settlement	(1,163,760)	-	-	1,163,760	-	-
Disposal of tangible capital assets	849,579	-	-	(849,579)	-	-
Long-term debt for capital repaid	(7,147,823)	-	-	7,147,823	-	-
Stock dividend (Note 8)	(110)	-	110	-	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 23,907,598</b>	<b>\$ 104,907,105</b>	<b>\$ 150,445,595</b>	<b>\$ 585,518,088</b>	<b>\$ 864,778,386</b>	<b>\$ 856,372,180</b>

Please see accompanying notes to financial statements

# Consolidated Schedule of Tangible Capital Assets (Schedule 2)

Year Ended December 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Assets Under Construction	2023	2022
<b>COST</b>									
BALANCE, BEGINNING	\$ 92,883,817	\$ 83,460,123	\$ 297,733,615	\$ 579,607,763	\$ 40,038,172	\$ 27,165,384	\$ 5,239,043	\$ 1,126,127,917	\$ 1,077,704,174
Restatement (Note 25)	-	-	7,035,032	-	-	-	-	7,035,032	7,035,032
AS RESTATED	92,883,817	83,460,123	304,768,647	579,607,763	40,038,172	27,165,384	5,239,043	1,133,162,949	1,084,739,206
Acquisition of tangible capital assets	-	197,158	158,751	1,144,851	1,367,629	157,087	32,529,196	35,554,672	51,185,899
Transfers of assets under construction	25,640	1,256,092	6,993,296	20,087,962	4,362,866	992,326	(33,718,182)	-	-
Other transfers	(324,066)	-	-	-	-	-	-	(324,066)	-
Disposal of tangible capital assets	-	-	(43,656)	(4,421)	(1,158,251)	(184,989)	-	(1,391,317)	(2,762,156)
<b>BALANCE, ENDING</b>	92,585,391	84,913,373	311,877,038	600,836,155	44,610,416	28,129,808	4,050,057	1,167,002,238	1,133,162,949
<b>ACCUMULATED AMORTIZATION</b>									
BALANCE, BEGINNING	-	42,438,018	94,515,843	212,659,147	19,209,395	11,347,944	-	380,170,347	348,411,946
Restatement (Note 25)	-	-	1,821,214	-	-	-	-	1,821,214	1,737,471
AS RESTATED	-	42,438,018	96,337,057	212,659,147	19,209,395	11,347,944	-	381,991,561	350,149,417
Annual amortization	-	3,767,239	6,981,835	19,253,194	3,717,032	1,558,132	-	35,277,432	34,039,871
Accumulated amortization on disposals	-	-	(43,656)	(3,095)	(634,065)	(184,989)	-	(865,805)	(2,197,727)
<b>BALANCE, ENDING</b>	-	46,205,257	103,275,236	231,909,246	22,292,362	12,721,087	-	416,403,188	381,991,561
<b>NET BOOK VALUE, ENDING</b>	\$ 92,585,391	\$ 38,708,116	\$ 208,601,802	\$ 368,926,909	\$ 22,318,054	\$ 15,408,721	\$ 4,050,057	\$ 750,599,050	\$ 751,171,388
2022 NET BOOK VALUE, ENDING (Restated)	\$ 92,883,817	\$ 41,022,105	\$ 208,431,590	\$ 366,948,616	\$ 20,828,777	\$ 15,817,440	\$ 5,239,043	\$ 751,171,388	

Please see accompanying notes to financial statements

## Consolidated Schedule of Property and Other Taxes (Schedule 3)

Year Ended December 31, 2023

	<i>Budget (Unaudited)</i> 2023	2023	2022
<b>Taxation</b>			
Real property taxes	\$ 154,065,523	\$ 152,543,274	\$ 150,674,183
Linear property taxes	2,438,237	2,613,974	2,438,237
Downtown Business Revitalization Zone	329,597	322,481	326,794
Grants in place of taxes	638,834	350,839	360,951
Local improvement	16,700	8,350	8,350
	<u>157,488,891</u>	<u>155,838,918</u>	<u>153,808,515</u>
<b>Requisitions</b>			
Alberta School Foundation Fund	31,148,259	30,052,382	31,165,296
Grande Spirit Foundation	496,509	561,629	496,509
Downtown Business Revitalization Zone	302,507	302,507	302,507
	<u>31,947,275</u>	<u>30,916,518</u>	<u>31,964,312</u>
	<u>\$ 125,541,616</u>	<u>\$ 124,922,400</u>	<u>\$ 121,844,203</u>

Please see accompanying notes to financial statements



## Consolidated Schedule of Government Transfers (Schedule 4)

Year Ended December 31, 2023

	<i>Budget</i> <i>(Unaudited)</i> 2023	2023	2022
<b>Transfers for operating</b>			
Provincial government	\$ 9,790,536	\$ 11,223,747	\$ 8,542,243
Federal government	565,539	1,632,689	1,675,820
Other local governments	4,588,274	3,609,820	3,384,283
	<u>14,944,349</u>	<u>16,466,256</u>	<u>13,602,346</u>
<b>Transfers for capital</b>			
Provincial government	7,244,000	9,408,314	23,118,933
Federal government	4,100,000	6,163,820	10,340,219
Other local governments	-	72,757	191,529
	<u>11,344,000</u>	<u>15,644,891</u>	<u>33,650,681</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 26,288,349</u>	<u>\$ 32,111,147</u>	<u>\$ 47,253,027</u>

Please see accompanying notes to financial statements

## Consolidated Schedule of Expenditures by Object (Schedule 5)

Year Ended December 31, 2023

	<i>Budget (Unaudited)</i> 2023	2023	2022 <i>(Restated-Note 25)</i>
<b>EXPENDITURES</b>			
Salaries, wages and benefits	\$ 100,641,604	\$ <b>102,680,678</b>	\$ 94,451,653
Contracted and general services	40,628,762	<b>46,664,874</b>	44,377,447
Materials, goods and utilities	20,953,222	<b>23,683,620</b>	29,960,653
Provision for allowances	288,626	<b>89,955</b>	55,954
Transfers to individuals, local boards and other organizations	11,227,521	<b>10,618,459</b>	8,966,618
Bank charges and short-term interest	491,383	<b>352,658</b>	361,121
Interest on long-term debt	4,980,906	<b>4,605,680</b>	4,587,358
Amortization expense	-	<b>35,277,432</b>	34,039,870
Accretion expense	-	<b>292,173</b>	275,015
	<b>\$ 179,212,024</b>	<b>\$ 224,265,529</b>	<b>\$ 217,075,689</b>

Please see accompanying notes to financial statements

# Consolidated Schedule of Segment Disclosure (Schedule 6)

Year Ended December 31, 2023

	General Government	Protective Services	Transportation Services	Community Development	Planning and Development	Recreation and Culture	Total
<b>REVENUE</b>							
Net municipal taxes	\$ 124,922,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,922,400
Government transfers	3,890,252	4,419,924	441,921	6,645,774	-	1,068,385	16,466,256
User fees and sales of goods	486,936	3,969,728	7,834,920	28,273	286,958	5,827,344	18,434,159
Investment income	2,211,490	43,749	611,940	-	-	87,035	2,954,214
Other revenue	17,263,752	3,492,929	8,325,022	362,973	2,009,759	4,350,518	35,804,953
	148,774,830	11,926,330	17,213,803	7,037,020	2,296,717	11,333,282	198,581,982
<b>EXPENSES</b>							
Salaries, wages and benefits	19,221,651	29,699,196	21,936,916	2,947,237	3,392,803	25,482,875	102,680,678
Contracted and general services	7,391,010	25,801,072	6,135,923	577,456	108,905	6,650,508	46,664,874
Materials, goods and utilities	1,167,947	2,083,668	12,356,096	603,728	16,971	7,455,210	23,683,620
Transfers to local boards and agencies	451,716	-	46,954	4,650,275	-	5,469,514	10,618,459
Interest on long-term debt	2,515	276,386	1,718,409	-	623,386	1,984,984	4,605,680
Amortization expense	532,625	1,448,714	26,563,535	23,400	467,227	6,241,931	35,277,432
Accretion	7,287	14,417	133,681	3,699	16,238	116,851	292,173
Other expenses (recovery)	314,482	65,422	59,513	(151)	-	3,347	442,613
	29,089,233	59,388,875	68,951,027	8,805,644	4,625,530	53,405,220	224,265,529
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS</b>	\$ 119,685,597	\$ (47,462,545)	\$ (51,737,224)	\$ (1,768,624)	\$ (2,328,813)	\$ (42,071,938)	\$ (25,683,547)
2022 EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS (restated)	\$ 116,535,950	\$ (43,878,018)	\$ (59,172,967)	\$ (1,729,595)	\$ (3,103,643)	\$ (40,662,250)	\$ (32,010,523)

Please see accompanying notes to financial statements

# Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Grande Prairie (the "City") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the City are as follows:

### Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net assets and changes in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the City and are, therefore, accountable to the City for the administration of their financial affairs and resources. Included within the reporting entity of the City are the following:

Grande Prairie Public Library  
Grande Prairie Airport Commission

Aquatera Utilities Inc., a subsidiary corporation controlled by the City of Grande Prairie, is accounted for on a modified equity basis, consistent with the Canadian public sector accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise is not consolidated, its accounting policies are not adjusted to conform with those of the City and inter-organizational transactions and balances are not eliminated.

The schedule of taxes levied also includes requisitions for education, health, social and senior foundations that are not part of the City's reporting entity.

Interdepartmental and organizational transactions and balances have been eliminated.

The consolidated financial statements also exclude trust assets that are administered for the benefit of external parties as described in Note 21.

### Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Inventories for resale

Assets held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as storm sewers, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

#### Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

#### Agreements receivable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

#### Requisition over-levy and under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and the property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

#### Employee future benefits

Certain employees of the City are members of the Local Authorities Pension Plan (LAPP), a multi-employer defined benefit pension plan. The President of the Alberta Treasury Board and the Minister of Finance are the legal trustees and administrators of the Plan, which is governed by a Board of Trustees. Since the Plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the City does not recognize its share of any plan surplus or deficit.

Qualifying employees of the City are members of the APEX Supplementary Pension Plan (APEX), a multi-employer defined benefit pension plan. The Trustee of the plan is the Alberta Municipal Services Corporation, a subsidiary of the Alberta Urban Municipalities Association and the plan is administered by a Board of Trustees. Since the Plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the City does not recognize its share of any plan surplus or deficit.

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## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employees of the Grande Prairie Firefighters Association, a department of the City of Grande Prairie, are members of the Grande Prairie Firefighters Supplementary Pension Plan, a defined benefit pension plan. The plan is administered by a Board of Trustees made up of representatives of the City, the Association and independent trustees.

Employees of the Grande Prairie Police Service, a department of the City of Grande Prairie, are members of the Special Forces Pension Plan (SFPP), a multi-employer defined benefit pension plan. The Special Forces Pension Plan Corporation is the legal trustee and administrator of the Plan, which is governed by a Board of Directors. Since the Plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the City does not recognize its share of any plan surplus or deficit.

#### Contaminated sites liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring. At this time, no contaminated sites liabilities have been identified and, thus, no liability has been recorded.

#### 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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

#### Tangible capital assets

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

Buildings	25 - 50
Land improvements	15 - 45
Engineered structures	5 - 75
Machinery and equipment	5 - 25
Vehicles	5 - 25

In the year of acquisition, a full year of amortization is applied. Assets under construction are not amortized until the asset is available for productive use.

The City regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year an asset is disposed of.

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

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

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## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Impairment of long-lived assets

The City tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

#### Asset retirement obligations

Asset retirement obligations (ARO) consists of the legal obligations associated with the retirement of tangible capital assets controlled by the City. The City recognizes the fair value in the period in which it incurs a legal obligation associated with the retirement of a tangible capital asset when, the event giving rise to the obligation has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The estimated fair value of an ARO is capitalized as part of the related tangible capital asset and depreciated on the same basis as the underlying asset.

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the City to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the City reviews the carrying amount of the liability. The City recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the asset retirement obligation.

#### Inventory held for consumption

Inventories of materials and supplies held for consumption are recorded at the lower of cost and replacement cost. Cost is determined on a first-in, first-out basis.

#### Reserves for future expenditures

Reserves are established at the discretion of Council to set aside funds for future expenditures and capital projects.

#### Tax revenue

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

Requisitions operate as a flow through and are excluded from municipal revenue.

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# Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the period in which 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.

### Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

Significant estimates made by management in these consolidated financial statements include the provision for amortization of tangible capital assets, provisions for uncollectible receivables and asset retirement obligations.

### Budget

The budget amounts are presented for information purposes and have not been audited.

### Future accounting changes

The Public Sector Accounting Board has issued the following accounting standard:

1. PS 3160 Public Private Partnerships (effective April 1, 2023)  
This accounting standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner.
2. PS 1202 Financial Statement Presentation (effective April 1, 2026)  
This accounting standard sets out general and specific requirements for the presentation of information in general purpose financial statements.

Management is currently assessing the impact of these standards on the consolidated financial statements.

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## 2. CASH

Cash held in bank accounts bear interest at rates ranging between prime less 1.89% and prime less 1.85% depending on the cash balance (2022 - prime less 1.85%).

Included in cash and portfolio investments are restricted amounts aggregating \$18,757,617 (2022 - \$16,802,290) to be used for specific projects included in deferred revenue (*Note 10*).

The City has entered into a credit facility agreement which encompasses a revolving line of credit with a maximum limit of \$15,000,000 bearing interest at the bank prime rate less 0.25% and secured by borrowing by-laws and approvals as required to be in compliance with the Alberta Municipal Government Act and its Regulations. At year-end, no amounts were withdrawn against the available balance.



## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 3. PORTFOLIO INVESTMENTS

Portfolio investments, with a market value of \$108,267,253, are readily convertible to cash, consist of fixed income investments and Canadian treasury bills, have a weighted average investment yield of 1.68% (2022 - 2.01%) per annum and mature between July, 2024 and July, 2035.

Included in cash and portfolio investments are restricted amounts aggregating \$18,757,617 (2022 - \$16,802,290) to be used for specific projects included in deferred revenue (*Note 10*).

In addition, the City holds \$1,495,560 (2022 - \$1,299,676) that is held in trust as described in (*Note 21*).

### 4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2023	2022
Current taxes and grants in place of taxes	\$ 6,665,940	\$ 6,857,051
Arrears	3,630,732	3,689,521
	<b>\$ 10,296,672</b>	<b>\$ 10,546,572</b>

### 5. TRADE AND OTHER RECEIVABLES

	2023	2022
Trade and other receivables	\$ 7,865,448	\$ 7,510,994
Government grants receivable	8,076,318	9,043,813
Dividends receivable	4,001,275	3,903,212
Fair value adjustment of interest rate swap	961,800	2,395,969
Goods and services tax	226,377	1,158,060
Accrued investment earnings	2,807,492	2,797,916
Less: allowances for uncollectible trade and other receivables	(20,417)	(15,513)
	<b>\$ 23,918,293</b>	<b>\$ 26,794,451</b>

### 6. AGREEMENTS RECEIVABLE

	2023	2022
RCMP	\$ 749,495	\$ 976,768
Swan City Hockey Association	158,778	179,605
	<b>908,273</b>	<b>1,156,373</b>
Agreements receivable due in one year	(238,201)	(269,372)
	<b>\$ 670,072</b>	<b>\$ 887,001</b>

(continues)

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 6. AGREEMENTS RECEIVABLE *(continued)*

Estimated principal amounts to be received are as follows:

2024	\$	238,201
2025		249,655
2026		282,931
2027		43,917
2028		45,813
Thereafter		47,756
		<u>908,273</u>
	<u>\$</u>	<u>908,273</u>

The RCMP agreement receivable is for a portion of the costs of the RCMP facility as agreed to by the parties. The amount is based on a proportion of specific debentures issued by the City to the Province of Alberta, is unsecured, bears interest at a weighted average rate equal to the corresponding ACFA debentures of 4.00% per annum, with repayment to be proportionate to the total annual principal and interest repayments on the specific debentures and matures in 2026. The actual amount receivable will be determined annually based on certain criteria established between the parties. Management has determined this estimate based on the best information available at year-end date. Any change to the estimate will be accounted for as a current transaction in the period the change becomes known.

The Swan City Hockey Association agreement receivable is secured by a seat on the Board of Directors, bears interest at a rate of 4.25%, with quarterly blended payments of \$12,267 and matures in 2029. During the year, the City agreed to provide an interest free payment deferral period with repayment to commence in 2026.

Capital agreements above consist of the RCMP for a total of \$749,495 (2022 - \$976,768) (*Note 15*).

### 7. LOANS RECEIVABLE

Loans receivable consist of amounts due from individual taxpayers for amounts relating to clean energy projects completed within the City through the Clean Energy Improvement Program administered by Alberta Municipalities. These loans are to be repaid in conjunction with property tax payments, include interest at 3% per annum and are repayable in terms of between 15 and 20 years.

### 8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

	<u>2023</u>	<u>2022</u>
Aquatera Utilities Inc. - 72.01% ownership (2022 - 72.01%)		
141,368 common shares (2022 - 130,353)	\$ 1,414	\$ 1,304
150,365 preferred shares (2022 - 139,350)	150,443,954	139,428,716
Cumulative share of earnings	160,602,007	143,762,623
Cumulative share of dividends declared	<u>(160,601,780)</u>	<u>(145,585,305)</u>
	<u>\$ 150,445,595</u>	<u>\$ 137,607,338</u>

On December 31, 2023, Aquatera Utilities Inc. declared a stock dividend, under which the City received 11,015 common and 11,015 preferred shares with a carrying value of \$11,015,238 in aggregate.

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Trade payables and other accrued liabilities	\$ 15,937,635	\$ 18,162,186
Construction holdbacks payable	1,705,178	2,919,772
Accrued payroll	3,874,456	3,753,964
Accrued interest payable	673,312	731,231
	<u>\$ 22,190,581</u>	<u>\$ 25,567,153</u>

### 10. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Operating grants	\$ 8,590,215	\$ 3,966,891
MSI capital grant	3,409,381	4,878,387
CCBF capital grant	5,095,717	5,245,994
ICIP capital grant	26,831	734,419
MSP capital grant	-	494,277
Other capital grants	1,635,473	1,482,322
	<u>18,757,617</u>	<u>16,802,290</u>
Sales and user charges	7,695,813	3,508,662
	<u>\$ 26,453,430</u>	<u>\$ 20,310,952</u>

Deferred sales and user charges consist of amounts received by or committed to the City which are taken into revenue in the period in which they are earned and corresponding expenditures incurred. Unexpended funds related to deferred grants are fully supported by cash and portfolio investments held exclusively for these projects.

Deferred operating grants consist of restricted amounts for specific affordable housing and homelessness initiatives.

#### Municipal Sustainability Initiative (MSI)

Capital funding in the amount of \$7,244,531 (2022 - \$7,244,531) was committed to the City in the current year from the Municipal Sustainability Initiative, as approved under the funding agreement. Unexpended funds related to this advance, and amounts from prior periods carried forward are supported by cash and portfolio investments held exclusively for these projects, which are scheduled for completion in subsequent periods.

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## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 10. DEFERRED REVENUE *(continued)*

Canada Community Building Fund (CCBF, formerly the Federal Gas Tax Fund)

Capital funding in the amount of \$4,325,022 (2022 - \$4,140,164) was received in the current year from the Canada Community Building Fund. Unexpended funds related to amounts carried forward from prior periods, and amounts from prior periods carried forward are supported by cash and portfolio investments held exclusively for these projects, which are scheduled for completion in subsequent periods.

Investing in Canada Infrastructure Program (ICIP)

No capital funding was committed to the City in the current year from the COVID-19 Resilience Stream. Unexpended funds related to amounts carried forward from prior periods are supported by cash and portfolio investments held exclusively for these projects, which are scheduled for completion in subsequent periods.

Other deferred capital grants consist of restricted amounts for specific capital projects.

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### 11. EMPLOYEE BENEFIT OBLIGATIONS

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

Post-employment benefits

The City pays 100% of the premiums for retiree life insurance benefits to qualifying retirees for a two-year period after termination of employment. The City's cost of these benefits is recognized as a program expenditure as the coverage is incurred.

Total benefit payments on behalf of retirees during the year were \$14,930 (2022 - \$21,397).

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 12. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
Tax supported debentures	\$ 102,895,950	\$ 109,728,805
Tax supported bankers acceptance interest rate swaps	<u>28,294,219</u>	<u>28,836,457</u>
	<b>131,190,169</b>	138,565,262
Long-term debt due in one year	<u>(7,199,009)</u>	<u>(7,375,094)</u>
Long-term debt due thereafter	<u>\$ 123,991,160</u>	<u>\$ 131,190,168</u>

Principal repayment terms are approximately:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,199,009	\$ 4,401,714	\$ 11,600,723
2025	6,976,810	4,140,240	11,117,050
2026	6,653,413	3,891,221	10,544,634
2027	6,548,713	3,658,208	10,206,921
2028	6,626,613	3,427,864	10,054,477
Thereafter	<u>97,185,611</u>	<u>42,680,988</u>	<u>139,866,599</u>
	<u>\$ 131,190,169</u>	<u>\$ 62,200,235</u>	<u>\$ 193,390,404</u>

Debenture debt is repayable to the Province of Alberta, bears interest at rates ranging from 2.40% to 5.15% per annum and matures in years 2024 through 2049.

Bankers acceptance interest rate swaps (BAIRS) are repayable to CIBC and consist of facilities as follows:

Infrastructure loan bears interest at a rate of 2.99% plus a 0.62% stamping fee. The loan revolves quarterly and matures in 2052.

Affordable Housing loan bears interest at a rate of 3.20% plus a 0.72% stamping fee. The loan revolves quarterly and matures in 2051.

BAIRS have the ability to be terminated by the City and would result in the need to repay both the outstanding loan amount (notional value) and settle up the potential breakage cost/benefit of the BAIRS. The potential breakage cost/benefit is dependent upon prevailing interest rates and can fluctuate from a loss to a gain dependent upon the market interest rates. If the City were to have terminated these loans as at December 31, 2023, a gain of \$961,800 would have been realized. The City does not have any plans to terminate these products and intends to carry them for the full term.

Debenture debt is issued on the credit and security of the City at large.

Cash paid for interest on long-term debt amounted to \$4,663,600 (2022 - \$4,658,536).

Included in long-term debt is a loan in the amount of \$10,565,645 (2022 - \$11,652,194) that was entered into on behalf of the Grande Prairie Airport Commission and is being repaid by the Commission.

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 13. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the City of Grande Prairie be disclosed as follows:

	<u>2023</u>	<u>2022</u>
Total debt limit	\$ 297,872,973	\$ 277,597,749
Total debt	<u>(131,190,169)</u>	<u>(138,565,262)</u>
Amount debt limit remaining	<u>\$ 166,682,804</u>	<u>\$ 139,032,487</u>
Debt servicing limit	\$ 49,645,496	\$ 46,266,292
Debt servicing	<u>(11,600,723)</u>	<u>(12,057,894)</u>
Service on debt limit remaining	<u>\$ 38,044,773</u>	<u>\$ 34,208,398</u>

The debt limit is calculated at 1.5 times revenue of the City (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the consolidated financial statements must be interpreted as a whole.

Borrowing is further limited by the City's policy not to exceed 80% of the above debt limit, and a service on debt limit of not more than 15% of net municipal taxes and grants in place of taxes.

### 14. ASSET RETIREMENT OBLIGATIONS

	<u>2023</u>	<u>2022</u> <i>(Restated-Note 25)</i>
Asset Retirement Obligations, beginning of year	\$ 35,511,876	\$ 35,236,861
Accretion expense	292,172	275,015
Liability settled	<u>(1,163,760)</u>	<u>-</u>
Asset Retirement Obligations, end of year	<u>\$ 34,640,288</u>	<u>\$ 35,511,876</u>

#### Hazardous Materials Abatement and Demolition

The City owns buildings which contain hazardous materials including asbestos. The City is legally required to perform abatement activities upon renovation or demolition of the buildings. Abatement activities include handling and disposing of the hazardous materials in a prescribed manner when it is disturbed.

Undiscounted future cash flows expected total \$211,466,415 and will be settled over the next 82 years. The estimated total liability of \$22,296,492 (2022 - \$23,268,966) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4% and assuming annual inflation of 3.15%. The City has not designated assets for settling the abatement and demolition activities.

(continues)

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 14. ASSET RETIREMENT OBLIGATIONS (continued)

Bear Creek Reservoir, Dam and Control Structure

The City operates a licensed dam and is legally required to perform closure activities upon the retirement of the structure. Closure activities include, but are not limited to, removal of the control structure and dam, sediment management, regrading and reconstruction of the creek, armouring of creek banks downstream to ensure creek stability and erosion control.

Undiscounted future cash flows expected total \$56,983,482 and will be settled in an estimated 39 years. The estimated total liability of \$12,343,796 (2022 - \$12,242,910) is based on the sum of discounted future cash flows for retirement activities using a discount rate of 4% and assuming annual inflation of 3.15%. The City has not designated assets for settling the abatement and demolition activities.

### 15. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022 <i>(Restated-Note 25)</i>
Tangible capital assets (Schedule 2)	\$ 750,599,050	\$ 751,171,388
Capital agreements receivable (Note 6)	749,495	976,768
Long-term debt issued for capital purposes (Note 12)	(131,190,169)	(138,565,262)
Asset retirement obligations liability (Note 14)	(34,640,288)	(35,511,876)
	<b>\$ 585,518,088</b>	<b>\$ 578,071,018</b>

### 16. RESTRICTED SURPLUS

Council has set aside funds as an internal allocation of accumulated surplus as follows:

	Balance Beginning	Additions	Reductions	Balance Closing
Cemetery perpetual care	\$ 4,089,539	\$ 278,794	\$ -	\$ 4,368,333
Facility renewal	10,556,971	3,605,426	3,583,049	10,579,348
Financial stabilization	16,131,016	5,610,206	1,890,150	19,851,072
Fleet management system	9,213,460	2,135,366	2,456,214	8,892,612
Future expenditures	49,149,207	11,188,275	22,970,678	37,366,804
Pinnacle Ridge special tax	34,555	505	2,142	32,918
Public	3,147,046	47,442	-	3,194,488
Public art	195,812	18,064	-	213,876
Public housing commission	151,724	2,287	-	154,011
Transportation system levies	9,371,545	1,027,863	716,715	9,682,693
	102,040,875	23,914,228	31,618,948	94,336,155
Library	1,663,245	284,516	153,277	1,794,484
Airport	8,093,205	2,996,592	2,313,331	8,776,466
	<b>\$ 111,797,325</b>	<b>\$ 27,195,336</b>	<b>\$ 34,085,556</b>	<b>\$ 104,907,105</b>

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 17. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary	Benefits and Allowances	2023	2022
Mayor:				
J. Clayton	\$ 153,007	\$ 16,189	<b>\$ 169,196</b>	\$ 162,331
Councillors:				
G. Berg	76,803	12,589	<b>89,392</b>	81,266
G. Blackmore	74,753	12,589	<b>87,342</b>	84,266
W. Bosch	77,453	12,589	<b>90,042</b>	80,966
D. Bressey	75,063	12,592	<b>87,655</b>	87,416
J. Lehnrs	-	-	-	51,513
M. O'Connor	77,386	8,839	<b>86,225</b>	83,713
K. O'Toole	80,816	12,589	<b>93,405</b>	88,766
W. Pilat	73,053	12,589	<b>85,642</b>	15,328
C. Thiessen	80,153	12,589	<b>92,742</b>	88,602
City Manager:	444,848	45,212	<b>490,060</b>	929,830
Designated officers:	602,579	107,298	<b>709,877</b>	632,448

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, travel allowances and car allowances.

The City Manager position represents one full-time equivalent in 2023 (2022 – one FTE), which was filled by multiple individuals in consecutive terms. In 2023 three individuals sequentially occupied this role (2022 – two).

Designated officers include the Chief Financial Officer, City Assessor and City Clerk, consisting of three full-time equivalent positions (2022 - 3 FTE).



## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 18. EMPLOYEE FUTURE BENEFITS

#### a) 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 Alberta Public Sector Pension Plans Act. The LAPP serves about 291,259 people and 437 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The City is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

Total current service contributions by the City to the LAPP in 2023 were \$5,994,562 (2022 - \$5,782,260). Total current service contributions by the employees of the City to the LAPP in 2023 were \$5,370,677 (2022 - \$5,194,641).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.7 billion (2021 surplus - \$11.9 billion).

Effective January 1, 2024, member contribution rates will be 8.45% of pensionable earnings up to the year's maximum pensionable earnings and 11.65% thereafter for employers and 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 10.65% thereafter for employees.

#### b) APEX Supplementary Pension Plan

Eligible employees may also elect to participate in the voluntary APEX Supplementary Pension Plan offered through the Alberta Urban Municipalities Association, which is covered by the Public Sector Pension Plans Act. The plan serves about 2,500 people and 72 employers. It is funded by employer and employee contributions and investment earnings on the APEX fund.

The City is required to make current service contributions of 2.96% of pensionable earnings up to the year's maximum pensionable earnings of \$175,333 (2022 - \$171,000) for those employees who have elected to participate in the Plan. No contributions are required on earnings above the maximum threshold.

Employees of the City electing to participate in the Plan are required to make current service contributions of 2.45% of pensionable earnings up to the year's maximum pensionable earnings of \$175,333 (2022 - \$171,000). No contributions are required on earnings above the maximum threshold.

Total current and past service contributions made by the City to APEX in 2023 were \$413,446 (2022 - \$487,665). The current and past service contributions by employees of the City to APEX in 2023 were \$337,993 (2022 - \$330,601).

At December 31, 2022, the Plan disclosed an actuarial surplus of \$3.3 million (2021 - \$2.1 million).

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## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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18. EMPLOYEE FUTURE BENEFITS *(continued)*

c) Grande Prairie Firefighters Supplementary Pension Plan

Effective January 1, 2004, the City initiated a defined benefit pension plan on behalf of employees of the Grande Prairie Firefighters Association.

The City is required to make current service contributions to the Plan of 3.760% of pensionable earnings, with no annual maximum limit. Plan members are required to make current service contributions of 3.076% of pensionable earnings with no annual maximum limit and are responsible for 100% of past service contributions.

Total current service contributions made by the City to the Firefighters Supplementary Pension Plan in 2023 were \$430,290 (2022 - \$317,320). Total current contributions by the employees of the City to the Plan in 2023 were \$352,008 (2022 - \$259,573).

At December 31, 2022, the Plan disclosed an actuarial deficit of \$2.8 million (2021 - \$1.4 million). The City and the plan members have agreed to share the cost of future service and future additional unfunded liabilities 55% by the City and 45% by plan members. It is management's opinion that the City's proportionate share of any such unfunded liability as at December 31, 2023 would not have significant impact on the financial position of the City.

d) Special Forces Pension Plan

Effective October 1, 2023, the City of Grande Prairie joined the Special Forces Pension Plan to accommodate sworn officers.

The Special Forces Pension Plan (SFPP) is jointly governed under the Joint Governance of Public Sector Pension Plans Act in 2018 and by the Employment Pension Plans Act (EEPA). Since the SPFF Corporation became a public agency on November 2, 2019, they are subject to the Alberta Public Agencies Governance Act (APAGA), the Financial Administration Act, and the Fiscal Planning and Transparency Act.

The SPFF serves about 7,812 members and 8 employers. The SFPP is a contributory plan funded by employer and employee contributions and by investment earnings of the SFPP Fund.

Employer contributions for current service contributions to the SFPP are 14.55% of pensionable earnings up to the year's maximum pensionable earnings. Employees of the City are required to make current service contributions of 13.45% of pensionable salary up to the year's maximum pensionable salary.

Total current service contributions made by the City to the SFPP in 2023 were \$8,258. Total current service contributions by the employees of the City to the SFPP in 2023 were \$7,634.

On December 31, 2022, the SFPP disclosed in actuarial surplus of \$265.3 million (2021 - \$424.2 million).

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 19. SUBSIDIARY OPERATIONS

Aquatera Utilities Inc. was established in 2003 by the City of Grande Prairie to provide water, wastewater and solid waste management services to the City, County of Grande Prairie No. 1, Town of Sexsmith, other municipalities and commercial users.

The following is a summary of condensed financial information related to the City's proportionate share in Aquatera Utilities Inc. for the year ended December 31, 2023:

	<u>2023</u>	<u>2022</u>
<b>Financial Position:</b>		
Financial assets	\$ 63,202,101	\$ 69,567,394
Physical assets	294,719,632	288,272,348
Total assets	<u>357,921,733</u>	<u>357,839,742</u>
Current liabilities, including callable debt	60,209,173	62,153,584
Deferred revenue of capital contributions	142,134,536	152,613,470
Landfill closure and post-closure liability	5,210,835	5,465,350
Total liabilities	<u>207,554,544</u>	<u>220,232,404</u>
Net assets	<u>\$ 150,367,189</u>	<u>\$ 137,607,338</u>
<b>Results of Operations:</b>		
Revenue	\$ 58,406,198	\$ 51,444,720
Amortization expense	(7,827,021)	(7,951,812)
Finance costs	(1,037,154)	1,936,276
Net subsidiary operations	241,892	8,318
Operating expenses	<u>(32,944,493)</u>	<u>(34,098,412)</u>
	<u>\$ 16,839,422</u>	<u>\$ 11,339,090</u>

Annual dividends were declared in the year in the amount of \$4,001,275 (2022 - \$3,903,212). At year-end, the dividends declared had not been received.

Aquatera Utilities Inc. has recognized a decommissioning liability for the estimated expected costs for closure and post-closure activities of the landfill site. These estimated costs are based on estimates and assumptions related to future events and using information currently available to management. Future events may result in significant changes to the estimated total costs and the estimated liability.

Aquatera Utilities Inc. estimates the discounted amount of cash required to settle its decommissioning liability to be approximately \$6,623,259 (2022 - \$6,418,263), calculated using inflation rates of 2.70% and a long-term discount rate of 5.60% per annum.

The majority of closure costs are related to cells 1 - 9 of the landfill and are expected to occur in approximately six years dependent upon future usage rates. Annual post-closure costs are expected to extend to 25 years beyond closure of the landfill in accordance with Alberta Environment regulations. The expected capacity remaining is 485,064 (2022 - 582,077) metric tonnes with an annual estimated utilization of 97,013 metric tonnes. The current year liability and capacity reflects cells 1 - 9 with a total further capacity of approximately 7.5 million metric tonnes and a total lifespan of approximately 50 years once cells 10 - 17 are completed.

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 20. RELATED PARTY TRANSACTIONS

The following is a summary of transactions and balances with related and other parties for the year ended December 31, 2023:

	<u>2023</u>	<u>2022</u>
Aquatera Utilities Inc. <i>(a government business enterprise controlled by the City)</i>		
Franchise fee revenue, including amounts in lieu of taxes	\$ 3,639,809	\$ 3,500,244
Cost recovery	91,426	77,385
Utility and other expenses	967,121	759,920
Dividends declared	4,001,273	3,903,212
Trade and other accounts receivable	4,265,543	4,203,404
Trade accounts payable	81,970	176,337

Transactions and balances with Aquatera Utilities Inc. are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The summary of specific transactions with regional municipalities is not intended to be representative of all transactions undertaken with these or other municipalities, but is intended to identify only specific transactions that management has identified as relevant to the users of these consolidated financial statements.

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### 21. FUNDS HELD IN TRUST

The City administers the following trusts on behalf of third parties. As related trust assets are not owned by the City, the trusts have been excluded from the consolidated financial statements. The following table provides a summary of the transactions within these trusts during the year:

	<u>Balance</u> <u>Beginning</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Closing</u>
Community funds and endowments	\$ 1,299,676	\$ 255,017	\$ 59,133	\$ 1,495,560

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 22. FINANCIAL INSTRUMENTS

The City's financial instruments consist of cash and portfolio investments, accounts receivable, investments, agreements receivable, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the City is not exposed to significant currency risks arising from these financial instruments.

The City is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. 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 and diversity of taxpayers and customers minimizes this credit risk.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; currency rate risk, interest rate risk and other price risk. The City is mainly exposed to interest rate risk and other price risk with respect to its portfolio investments and Banker's Acceptance Interest Rate Swap agreements.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

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### 23. SEGMENTED DISCLOSURE

The City of Grande Prairie is a diversified municipal government that provides a wide range of services to its citizens. The Schedule of Segmented Disclosure (Schedule 6) has been prepared in accordance with PS 2700 Segmented Disclosures and is intended to help users of the consolidated financial statements identify the resources allocated to support major activities of the City and allow users to make more informed judgments regarding the government reporting entity.

Segmented information has been identified based on functional activities provided by the City. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follow:

#### General Government

General Government is comprised of Council, City Manager, Corporate Communications, Information Technology, Financial Services, Assessment and Taxation, Procurement, Human Resources, Legislative Services, Insurance and Risk Management, Organizational Efficiency and other corporate functions that provide for the overall operation of the City.

#### Protective Services

Protective Services is comprised of Fire, Police, Emergency Management, Bylaw Enforcement, Business Licenses, Animal Control and Building Inspections.

#### Transportation Services

Transportation Services is comprised of Engineering Services, Roads, Public Transit, Fleet, Storm Water and Airport Operations.

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## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 23. SEGMENTED DISCLOSURE *(continued)*

#### Community Development

Community Development is comprised of Family and Community Support Services, Cemetery and other community supports.

#### Planning and Development

Planning and Development is comprised of Economic Development, Municipal Planning and Land Development.

#### Recreation and Culture

Recreation and Culture is comprised of Parks Operations, Arenas, Community Knowledge Campus, Library, and other activities related to providing recreational and cultural opportunities in the City.

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### 24. BUDGETED ANNUAL SURPLUS

The annual operating budget is prepared based upon the City's annual fiscal plan, therefore, a reconciliation of the budgeted surplus as disclosed in these consolidated financial statements to the budget as approved by Council is required under Public Sector Accounting Board standards.

	<u>2023</u>
Budget surplus per consolidated financial statements	\$ 32,622,660
Transfers to reserves	(15,317,170)
Transfers from reserves	4,092,457
Internal charges	(6,915,009)
Internal recoveries	6,915,009
Capital investment income	-
Capital project expenses	-
Budgeted capital transfers	(11,344,000)
Debt principal payments	(5,894,466)
Subsidiary budget - Library	6,200
Subsidiary budget - Airport	<u>(4,165,681)</u>
City operating budget, approved by Council	<u>\$ -</u>

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

### 25. PRIOR PERIOD ADJUSTMENT

Effective January 1, 2023, the City of Grande Prairie adopted the new 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 cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- accumulated amortization on the capitalized cost;
- asset retirement obligations; and
- adjustments to the opening balance of the accumulated surplus.

Amounts are measured using information, assumptions and discount rates where applicable that are current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated amortization is measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied.

The impact on the comparative financial statements as a result of the change in accounting policy is as follows:

	As previously reported	Adjustment recognized	As restated
<u>Statement of Financial Activities</u>			
Expenses - amortization of tangible capital assets	\$ 33,956,128	\$ 83,742	\$ 34,039,870
Expenses - accretion of asset retirement obligations	-	275,015	275,015
Excess of revenues over expenditures	15,511,265	(358,757)	15,152,508
<u>Statement of Financial Position</u>			
Tangible capital assets - cost	\$ 1,077,704,174	\$ 7,035,032	\$ 1,084,739,206
Tangible capital assets - accumulated amortization	(380,170,347)	(1,821,214)	(381,991,561)
Asset retirement obligations	-	(35,511,876)	(35,511,876)
Accumulated surplus	(889,066,207)	30,298,058	(858,768,149)

## Notes to Consolidated Financial Statements

Year Ended December 31, 2023

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### 26. CONTINGENT LIABILITIES

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.

The City has been named defendant in various lawsuits as at December 31, 2023. While it is not possible to estimate the ultimate liability with respect to the pending litigation, based on evaluation and correspondence with the City's various legal counsel, management indicates that it is unlikely that there will be a materially adverse effect on the financial position of the City. The ultimate settlement of these lawsuits, if any, will be recorded in the period the details become known.

The City annually reviews any potential environmental liabilities resulting from its operations and properties, as well as any potential reclamation obligations. The City has identified sites that have the potential to result in remediation obligations, but the sites have not exceeded any existing environmental standard. A liability will be recorded for these sites when an environmental standard has been exceeded, the likelihood of the City becoming responsible for the site is determinable and the amount of the liability can be reasonably estimated.

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### 27. COMMITMENTS

The City has entered into various leases and other agreements as part of its on-going operations. It is the opinion of management that there are no commitments that will have a materially adverse effect on the financial position of the City.

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### 28. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.





# STATISTICAL INFORMATION



# MUNICIPAL INDICATOR RESULTS

Municipal indicators are tools used to measure various aspects of a municipality's governance, finances or community. Each year these results are compared against benchmarks established by Municipal Affairs and the results are published on the Municipal Indicators' Dashboard. Below, we have included a presentation of the financial related indicator results for the City for 2023.

	2022	2023
<b>Indicator: Audit Outcome</b>	Unqualified Audit Opinion - No Concern	Unqualified Audit Opinion - No Concern

**What It Means:** The municipal auditor was able to complete the audit and express an opinion and did not identify a specific concern about the ability of the municipality to meet its financial obligations.

**Expected Result:** The audit report does not identify a going concern risk or denial of opinion.

<b>Indicator: Population Change (10 year period)</b>	16.55%	16.55%
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**What It Means:** The change in population of the municipality over the past ten years. Municipal population data is as published in the annual Municipal Affairs Population List, with exception of 2021 where the federal census data was used.

**Expected Result:** The population of the municipality is stable or growing and has not declined by more than 20 per cent over a ten-year period.

<b>Indicator: Current Ratio</b>	3.28	2.95
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**What It Means:** The municipality is able to pay for its current financial obligations using cash or near-cash assets.

**Expected Result:** The ratio of current assets to current liabilities is greater than one.

<b>Indicator: Accumulated Surplus</b>	\$313,633,434	\$279,260,298
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**What It Means:** The municipality has more operational assets than liabilities, which generally provides the municipality with cash flow to meet ongoing obligations and manage through lean periods of the year where costs may exceed revenues.

**Expected Result:** The municipality has a positive (above zero) surplus. An accumulated deficit is a violation of Section 244 of the Municipal Government Act.

	2022	2023
<b>Indicator: On-Time Financial Reporting</b>	All financial reporting was submitted on-time.	Financial reporting was submitted May 13, 2024.

**What It Means:** The municipality is preparing its audited financial reports on a timely basis. Financial reporting is an important aspect of municipal accountability to its residents and businesses.

**Expected Result:** The municipality's financial statements and financial information return for the preceding calendar year are received by Municipal Affairs no later than May 1st or the approved extension date.

<b>Indicator: Debt to Revenue Percentage</b>	74.87%	66.06%
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**What It Means:** The municipality has maintained reasonable levels of borrowing debt.

**Expected Result:** The municipality's total borrowings represent less than 120 per cent of its total revenue.

<b>Indicator: Debt Service to Revenue Percentage</b>	6.52%	5.84%
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**What It Means:** The municipality has assumed a reasonable level of borrowing repayment obligations.

**Expected Result:** The municipality's total costs for borrowing repayments do not exceed 20 per cent of its total revenue.

<b>Indicator: Infrastructure Investment - Asset Sustainability Ratio</b>	1.79	1.64
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**What It Means:** The municipality is replacing its existing tangible capital assets and investing in new assets and infrastructure at a rate exceeding the estimated wear or obsolescence of its existing assets.

**Expected Result:** The municipality's average capital additions exceed the average amortization (depreciation).

<b>Indicator: Infrastructure Age - Net Book Value of Tangible Capital Assets</b>	66.24%	64.32%
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**What It Means:** The municipality is replacing existing assets on a regular basis. If the municipality is adding new services or expanding facilities and infrastructure, it would be expected that the ratio would be higher than 40 per cent.

**Expected Result:** The net book value of the municipality's tangible capital assets is greater than 40 per cent of the original cost. If the municipality is adding new services or expanding facilities and infrastructure, it would be expected that the ratio would be higher than 40 per cent.

# POPULATION & OTHER STATISTICS

**Unaudited | For the year ended December 31, 2023**

	2019	2020	2021	2022	2023
<b>Population</b>					
	69,088	69,088	64,141	64,141	64,141
<b>Building Permits (\$)</b>					
Residential	\$49,969,833	\$39,922,485	\$40,042,604	\$56,173,739	\$38,517,984
Commercial/Industrial/ Mixed Use	\$168,386,588	\$49,406,130	\$44,734,202	\$60,523,263	\$47,918,908
<b>Total</b>	<b>\$218,356,420</b>	<b>\$89,328,615</b>	<b>\$84,776,806</b>	<b>\$116,697,002</b>	<b>\$86,436,892</b>
<b>Building Permits (number)</b>					
Residential	582	536	441	531	425
Commercial/Industrial/ Mixed Use	298	126	165	176	124
HVAC Residential	2,049	1,670	1,756	1,930	1,545
Institutional	19	16	14	18	14
Accessory/Demolition	13	18	19	16	16
<b>Total</b>	<b>2,961</b>	<b>2,366</b>	<b>2,395</b>	<b>2,671</b>	<b>2,124</b>

# TAXES LEVIED & COLLECTED

**Unaudited | For the year ended December 31, 2023**

	2019	2020	2021	2022	2023
<b>Current Levy (including supplementary)</b>					
	\$144,971,728	\$148,038,060	\$151,393,280	\$153,473,371	\$155,508,087
<b>Taxes Receivable (penalties included)</b>					
Current	\$5,380,808	\$5,847,562	\$11,821,209	\$6,857,108	\$6,665,940
In arrears one year or more	\$2,235,873	\$3,814,864	\$3,813,091	\$3,689,521	\$3,625,580
<b>Total</b>	<b>\$7,616,681</b>	<b>\$9,662,426</b>	<b>\$15,634,300</b>	<b>\$10,546,629</b>	<b>\$10,291,520</b>
<b>Balance outstanding as a % of the current levy</b>					
Current	3.71%	3.95%	7.81%	4.47%	4.29%
In arrears one year or more	1.54%	2.58%	2.52%	2.40%	2.33%

# VALUATION OF TAXATION & ASSESSMENT

**Unaudited | For the year ended December 31, 2023**

	2019	2020	2021	2022	2023
<b>Tax Rates</b>					
Residential	12.2380	12.0083	12.4918	12.5747	12.6220
Non-residential	19.9088	19.4360	21.1308	21.3302	21.6776
<b>Assessed Values</b>					
Residential	6,825,962,450	6,950,932,460	6,908,068,870	6,968,301,410	7,033,454,670
% of total	68.0%	67.6%	68.5%	68.6%	68.9%
Non-residential	3,207,583,120	3,331,615,930	3,176,545,500	3,182,959,600	3,176,642,380
% of total	32.0%	32.4%	31.5%	31.4%	31.1%
<b>Total Assessment</b>	<b>10,033,545,570</b>	<b>10,282,548,390</b>	<b>10,084,614,370</b>	<b>10,151,261,010</b>	<b>10,210,097,050</b>
<b>Municipal Tax Levies</b>					
Residential	64,675,662	66,423,198	67,142,885	67,721,122	69,508,392
% of total	55.8%	55.5%	55.4%	55.3%	55.4%
Non-residential	51,173,184	53,295,987	54,090,718	54,666,856	55,999,708
% of total	44.2%	44.5%	44.6%	44.7%	44.6%
<b>Total Municipal Tax Levy</b>	<b>115,848,846</b>	<b>119,719,184</b>	<b>121,233,603</b>	<b>122,387,978</b>	<b>125,508,100</b>
<b>Requisition Tax Levies</b>					
Residential	18,204,176	17,251,599	18,497,525	19,191,230	18,559,756
Non-residential	12,074,086	11,536,655	12,286,137	12,422,848	11,996,448
<b>Total Requisitions</b>	<b>30,278,262</b>	<b>28,788,254</b>	<b>30,783,662</b>	<b>31,614,078</b>	<b>30,556,203</b>
<b>Total Taxes Levied</b>	<b>146,127,108</b>	<b>148,507,439</b>	<b>152,017,265</b>	<b>154,002,056</b>	<b>156,064,303</b>
<b>% of Total Taxes</b>					
Residential	56.7%	56.3%	56.3%	56.4%	56.4%
Non-residential	43.3%	43.7%	43.7%	43.6%	43.6%

# VALUATION OF TAXATION & ASSESSMENT

**Unaudited | For the year ended December 31, 2023**

Appeals	2019	2020	2021	2022	2023
<b>LARB (Local Assessment Review Board)</b>					
Number of complaints filed	-	-	-	1	1
Number of complaints resulting in adjustment	-	-	-	-	-
Adjustments as a % of complaints filed	0%	0%	0%	0%	0%
<b>CARB (Composite Assessment Review Board)</b>					
Number of complaints filed	46	45	66	94	61
Number of complaints resulting in adjustment	-	-	4	8	-
Adjustments as a % of complaints filed	0%	0%	6%	9%	0%

# CONSOLIDATED STATEMENT OF OPERATIONS

**Unaudited | For the year ended December 31, 2023**

	2019	2020	2021	2022 (restated)	2023
<b>Revenue</b>					
Net municipal property taxes	115,798,134	118,070,415	120,607,487	121,844,203	124,922,400
Government transfers	29,947,231	49,474,841	53,226,411	47,253,027	32,111,147
User fees and sales of goods	22,042,442	9,203,345	9,631,075	15,274,767	18,434,159
Interest and investment income	4,048,707	5,030,019	3,672,342	3,685,299	2,954,214
Penalties and cost of taxes	2,047,603	1,030,622	1,701,448	2,331,506	2,260,358
Development levies	772,770	1,125,876	336,108	466,967	666,828
Fines, rentals, licenses and permits	14,035,133	8,284,775	9,316,741	11,881,348	12,142,914
Franchise and concession contracts	12,774,515	12,860,099	13,179,715	15,410,015	14,938,127
Transfers from other organizations	169,005	1,114,934	1,067,879	256,746	256,632
Other revenue	2,824,972	1,225,899	2,291,311	311,969	5,540,094
Contributed assets	16,094,124	8,654,561	5,081,753	1,260,472	1,403,367
Gain on disposal of assets & assets held for sale	-	-	-	912,788	202,073
Subsidiary operations	9,743,909	11,952,884	14,160,874	11,339,090	16,839,422
<b>Total Revenue</b>	<b>230,298,545</b>	<b>228,028,270</b>	<b>234,273,144</b>	<b>232,228,197</b>	<b>232,671,735</b>
<b>Expenses</b>					
General government and administration	20,582,734	21,371,034	20,287,091	29,880,553	29,089,233
Protective services	49,108,401	48,287,121	50,593,959	53,207,662	59,388,875
Transportation services	65,026,450	63,701,664	61,629,394	70,413,686	68,951,027
Community and social development	8,581,146	10,347,049	15,666,656	10,387,226	8,805,644
Planning and development services	3,497,497	3,084,520	2,996,321	3,699,476	4,625,530
Recreation and cultural services	52,676,004	38,379,241	40,610,156	49,487,086	53,405,220
Loss on disposal of assets	729,500	2,904,388	2,048,971	-	-
<b>Total Expenses</b>	<b>200,201,732</b>	<b>188,075,017</b>	<b>193,832,548</b>	<b>217,075,689</b>	<b>224,265,529</b>
<b>Annual Surplus</b>					
<b>Annual Surplus</b>	<b>30,096,813</b>	<b>39,953,253</b>	<b>40,440,596</b>	<b>15,152,508</b>	<b>8,406,206</b>
General government and administration	738,802,539	790,765,124	830,718,377	871,158,973	856,372,180
Protective services	21,865,772	-	-	(29,939,301)	-
<b>Accumulated Operating Surplus - End of Year</b>	<b>790,765,124</b>	<b>830,718,377</b>	<b>871,158,973</b>	<b>856,372,180</b>	<b>864,778,386</b>
Accumulated remeasurement gains - end of year	-	-	-	2,395,969	961,800
<b>Accumulated Surplus - End of Year</b>	<b>812,630,896</b>	<b>830,718,377</b>	<b>871,158,973</b>	<b>858,768,149</b>	<b>865,740,186</b>



# CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT

**Unaudited | For the year ended December 31, 2023**

	2019	2020	2021	2022 (restated)	2023
Salaries, wages and benefits	94,110,613	85,566,436	85,162,633	94,451,653	102,680,678
Contracted and general services	33,634,694	32,808,736	34,211,519	44,377,447	46,664,874
Materials, goods and utilities	21,482,269	20,338,062	22,184,429	29,960,653	23,683,620
Provision for allowances	915,672	48,353	51,427	55,954	89,955
Transfers to individuals, local boards and other organizations	10,048,004	11,122,982	13,172,397	8,966,618	10,618,459
Bank charges and short-term interest	534,745	440,738	434,410	361,121	352,658
Interest on long-term debt	9,532,132	4,349,356	4,138,761	4,587,358	4,605,680
Amortization expense	29,214,103	30,495,966	32,428,001	34,039,870	35,277,432
Accretion expense	-	-	-	275,015	292,173
Loss on disposal of assets	729,500	2,904,388	2,048,971	-	-
	<b>200,201,732</b>	<b>188,075,017</b>	<b>193,832,548</b>	<b>217,075,689</b>	<b>224,265,529</b>

# CONSOLIDATED SCHEDULE OF NET FINANCIAL ASSETS

**Unaudited | For the year ended December 31, 2023**

	2019	2020	2021	2022 (restated)	2023
Financial assets	302,877,669	327,873,635	343,035,202	330,063,923	331,758,126
Financial liabilities	199,462,146	196,656,824	203,378,018	224,842,999	219,415,502
<b>Net financial assets</b>	<b>103,415,523</b>	<b>131,216,811</b>	<b>139,657,184</b>	<b>105,220,924</b>	<b>112,342,624</b>

# CONSOLIDATED LONG TERM DEBT, DEBT LIMIT AND DEBT SERVICE LIMIT

**Unaudited | For the year ended December 31, 2023**

	2019	2020	2021	2022	2023
<b>Debt Limit</b>					
Maximum allowable debt	281,836,428	269,688,351	269,067,800	277,597,749	297,872,973
Total debt and loans (\$)	132,371,803	124,675,032	139,622,256	138,565,262	131,190,169
Percentage used (%)	47%	46%	52%	50%	44%
<b>Debt Service Limit</b>					
Maximum allowable debt service	46,972,738	44,948,059	44,844,633	46,266,292	49,645,496
Service on debt	12,126,790	11,738,876	33,777,053	12,057,894	11,600,723
Percentage used (%)	26%	26%	75%	26%	23%
Percentage of expenditures (%)	6%	6%	17%	6%	5%
<b>Long-term Debt</b>					
Total long-term debt	\$124,675,032	\$139,622,256	\$138,565,262	\$138,565,262	\$131,190,169
Long-term debt per capita	\$1,805	\$2,177	\$2,160	\$2,160	\$2,045

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