

Consolidated Financial Statements

City of Saskatoon, Saskatchewan, Canada

Year Ended December 31, 2019

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Independent Auditor's Report

To His Worship the Mayor and City Council of
City of Saskatoon

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of City of Saskatoon (the "City"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, cash flow and changes in net financial assets (debt) for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2019, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter- Unaudited Supplementary Information

We draw attention to the fact that the supplementary information included in all schedules and appendices immediately following the notes to the financial statements do not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants

Saskatoon, Saskatchewan

June XX, 2020

Consolidated Statement of Financial Position

As at December 31, 2019

(in thousands of dollars)

	2019	2018
Financial Assets		
Cash and Cash Equivalents	\$ 74,637	\$ 38,277
Taxes Receivable (Note 2)	15,963	15,731
Accounts Receivable and User Charges (Note 3)	96,539	100,547
Loans Receivable (Note 4)	612	1,197
Land Inventory for Resale	8,081	8,132
Other Assets (Note 5)	4,922	2,151
Investments (Note 6)	458,331	453,285
Total Financial Assets	659,085	619,320
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Notes 9 & 14.b)	148,965	147,264
Deferred Revenue (Note 10)	83,034	85,560
Term Debt (Note 11)	331,412	358,983
Accrued Pension Liability (Note 8)	12,517	14,231
Employee Benefits Payable (Note 13)	45,692	42,763
Total Financial Liabilities	621,620	648,801
Total Net Financial Assets (Debt)	37,465	(29,481)
Non-Financial Assets		
Prepaid Expenses	12,305	12,127
Tangible Capital Assets (Note 23)	4,389,573	4,326,264
Inventory of Materials and Supplies	17,246	16,049
Total Non-Financial Assets	4,419,124	4,354,440
Accumulated Surplus (Note 18)	\$ 4,456,589	\$ 4,324,959

Commitments and Contingent Liabilities (Note 14)

Subsequent Event (Note 21)

Consolidated Statement of Operations

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019 Budget	2019	2018
Revenues			
Taxation (Note 7)	\$ 269,706	\$ 269,351	\$ 254,221
Grants-in-Lieu of Taxes (Note 7)	6,428	6,836	4,167
User Charges	462,830	453,193	442,347
Government Transfers - Operating (Note 12)	60,844	59,128	63,773
Government Transfers - Capital (Note 12)	30,317	30,317	97,404
Investment Income	11,744	16,782	13,537
Contribution from Developers & Others - Operating	59,838	59,838	74,386
Contribution from Developers & Others - Capital	14,306	14,306	74,542
Franchise Fees	18,454	18,497	16,055
Other	29,060	22,938	22,474
Total Revenue	963,527	951,186	1,062,906
Expenses (Note 17)			
Arts, Culture & Events Venues	8,249	7,830	10,454
Community Support	18,123	17,630	17,706
Corporate Asset Management	8,658	9,168	5,672
Corporate Governance & Finance	44,377	42,125	48,791
Debt Servicing Costs	10,895	10,895	12,127
Environmental Health	55,068	55,696	54,553
Fire	49,896	52,703	49,972
Land Development	9,144	8,282	8,006
Libraries	13,756	13,756	23,521
Police	106,999	108,272	104,558
Recreation & Culture	67,601	65,597	69,142
Taxation & General Revenues	5,062	6,176	7,040
Transportation	196,173	195,704	179,942
Urban Planning & Development	34,375	33,520	26,706
Utilities	207,551	192,202	185,826
Total Expenses	835,927	819,556	804,016
Surplus of Revenues Over Expenses	127,600	131,630	258,890
Accumulated Surplus, Beginning of Year	-	4,324,959	4,066,069
Accumulated Surplus, End of Year (Note 18)		\$ 4,456,589	\$ 4,324,959

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019	2018
Operating Activities		
Surplus of Revenues over Expenses	\$ 131,630	\$ 258,890
Items Not Affecting Cash:		
Amortization	144,146	141,617
Contributed Tangible Capital Assets	(6,744)	(33,898)
Net Change In Non-Cash Working Capital Items:		
Taxes Receivable	(232)	(1,832)
Accounts Receivable and User Charges	4,008	24,031
Loans Receivable	585	561
Land Inventory for Resale	51	485
Other Assets	(2,771)	2,303
Prepaid Expenses	(178)	(681)
Inventory of Materials and Supplies	(1,197)	(1,162)
Accounts Payable and Accrued Liabilities	1,701	(102,866)
Deferred Revenue	(2,526)	369
Accrued Pension Liability	(1,714)	(2,959)
Employee Benefits Payable	2,929	(842)
	269,688	284,016
Investing Activities:		
Purchase of Investments	(98,533)	(261,153)
Proceeds on Disposition of Investments	93,487	226,121
	(5,046)	(35,032)
Financing Activities:		
Proceeds From Term Debt	-	38,815
Term Debt Repaid	(27,571)	(28,985)
	(27,571)	9,830
Capital Activities:		
Acquisition of Tangible Capital Assets	(200,711)	(279,983)
Increase (Decrease) in Cash and Cash Equivalents	36,360	(21,169)
Cash and Cash Equivalents - Beginning of Year	38,277	59,446
Cash and Cash Equivalents at End of Year	\$ 74,637	\$ 38,277

Consolidated Statement of Changes in Net Financial Assets (Debt)

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019		
	Budget	2019	2018
Surplus of Revenues over Expenses	\$ 127,600	\$ 131,630	\$ 258,890
Net Acquisition of Tangible Capital Assets	-	(200,711)	(279,983)
Contributed Assets	-	(6,744)	(33,898)
Amortization	-	144,146	141,617
Deficit from Capital Transactions	-	(63,309)	(172,264)
Net Change in Prepaid Expenses	-	(178)	(681)
Net Change in Inventory of Materials and Supplies	-	(1,197)	(1,162)
Deficit from other Non-financial Expenses	-	(1,375)	(1,843)
Increase in Net Financial Assets	127,600	66,946	84,783
Net Debt, Beginning of Year	(29,481)	(29,481)	(114,264)
Net Financial Assets (Debt), End of Year	\$ 98,119	\$ 37,465	\$ (29,481)

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Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies

a. Nature of the Organization

The City of Saskatoon ("the City") is a municipality in the Province of Saskatchewan, incorporated in 1901 as a village and 1906 as a city and operates under the provisions of *The Cities Act* effective January 1, 2003.

The consolidated financial statements of the City are prepared by management in accordance with Public Sector Accounting Standards ("PSAS"), as recommended by the Chartered Professional Accountants of Canada ("CPA Canada"). The consolidated financial statements were prepared by the City's Finance Division. Significant aspects of the accounting policies adopted by the City are as follows:

b. Basis of Consolidation

i. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and fund balances of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are wholly owned or controlled by the City, namely:

- ◆ General Revenue and Capital Funds
- ◆ Board of Police Commissioners
- ◆ Wastewater Utility
- ◆ Storm Water Management Utility
- ◆ Water Utility
- ◆ Saskatoon Light & Power
- ◆ Mendel Art Gallery (Operating as "Remai Modern Art Gallery")
- ◆ Centennial Auditorium (Operating as "TCU Place")
- ◆ Saskatchewan Place (Operating as "SaskTel Centre")
- ◆ Saskatoon Public Library ("Library")
- ◆ Saskatchewan Information and Library Services Consortium Inc. ("SILS")*
- ◆ Reserve Funds

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies (continued)

b. Basis of Consolidation (continued)

i. Reporting Entity (continued)

All Schedules (1 to 4) and Appendices (1 to 8) are unaudited. All inter-fund amounts have been eliminated through the consolidation. Schedule 4 (unaudited), and supporting Appendices 1 to 8 (unaudited), include only those revenues and expenses reflected in the City's annual operating budget, which is prepared to identify the City's property tax requirements. Excluded from this Schedule are the operations of the Remai Modern Art Gallery, TCU Place, SaskTel Centre, Library, and the Sinking Fund.

*The Library has a 25.01 percent interest in the SILS, which has been proportionately consolidated.

ii. Trust and Pension Funds

Trust funds (see Note 16) and pension funds and their related operations administered by the City are not reflected in the consolidated financial statements.

iii. Accounting for School Board Transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards, are not reflected in the municipal fund balances of these financial statements. Amounts due to/from school boards are reported on the Consolidated Statement of Financial Position as accounts payable and accrued liabilities/accounts receivable.

c. Basis of Accounting

i. Use of Estimates

The preparation of consolidated financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Significant estimates include accrued pension liabilities, contingent liabilities and commitments, provision for doubtful accounts, employee benefits payable, landfill liability, contaminated sites remediation, the amortization of tangible capital assets, and the allocation of costs associated with land development, including contributions from developers.

ii. Financial and Non-financial Assets and Liabilities

Financial assets and financial liabilities have been presented separately from the non-financial assets of the City on the Consolidated Statement of Financial Position. A financial asset is defined as an asset that can be used to discharge existing liabilities or finance future operations and is not for consumption in the normal course of operations. A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. Non-financial assets are those that are normally employed to provide future services and have useful lives extending beyond the current year.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies (continued)

c. Basis of Accounting (continued)

iii. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term highly liquid investments with original maturities of 90 days or less at the date of acquisition and which are subject to an insignificant risk of change in value. Cash and cash equivalents are recorded at cost.

iv. Loans Receivable

Loans receivable are recorded at cost less an allowance for doubtful accounts. Allowance for doubtful accounts is recognized when collection is in doubt. Loans receivable and interest revenue recognized on loans receivable are recorded at lower of cost and net recoverable value.

v. Land Inventory for Resale

The City is one of the primary property developers in the municipality. Land inventory for resale is recorded at the lower of adjusted cost and replacement cost. Adjusted cost includes amounts for land acquisition and improvements to prepare the land for sale. Land is available for resale are recognized as a financial asset when all the following criteria are met:

- ◆ Prior to the date of the financial statements, the City or an individual with the appropriate level of authority commits the government to selling the asset;
- ◆ the asset is in a condition to be sold;
- ◆ the asset is publicly seen to be for sale;
- ◆ there is an active market for the asset;
- ◆ there is a plan in place for selling the asset; and,
- ◆ it is reasonably anticipated that the sale to a purchaser external to the City will be completed within one year of the financial statement date.

vi. Investments

All investments are recorded at amortized cost using the effective interest rate method. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis. When there has been a loss in a value of an investment that is other than temporary decline, the investment is written down to recognize the loss and the loss is recognized in the consolidated statement of operations.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies (continued)

c. Basis of Accounting (continued)

vii. Provision for Landfill Closure and Post Closure

The Environmental Management and Protection Act of Saskatchewan sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of landfill sites. This requirement is being provided for over the estimated remaining life of the landfill sites based on usage, and is funded through tipping fees. The annual provision is reported as an expense in Environmental Health in the Consolidated Statements of Operations and the accumulated provision is reported as a liability on the Consolidated Statement of Financial Position.

viii. Tangible Capital Assets

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

◆ Buildings	25 to 50 years
◆ Plants and Facilities	20 to 50 Years
◆ Roadways	20 to 75 years
◆ Underground Networks	50 to 75 years
◆ Electrical Utility	10 to 45 years
◆ Vehicles	4 to 30 years
◆ Traffic Control	15 to 30 years
◆ Machinery and Equipment	5 to 25 years
◆ Land Improvements	20 to indefinite years
◆ Furniture and Fixtures	20 years
◆ Information and Communication	15 years

A full year's amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for use. Interest costs for the construction and development of tangible capital assets are not capitalized.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies (continued)

c. Basis of Accounting (continued)

viii. Tangible Capital Assets (continued)

- (a) Contribution of tangible capital assets
Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.
- (b) Leases
Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risk 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.
- (c) Land under roads
Land under roads that is acquired other than by a purchase agreement is valued at cost.
- (d) Cultural, historical and works of art
The City manages and controls various works of art and non-operational historical and cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are expensed.

ix. Inventories of Materials and Supplies

Inventories of materials and supplies are valued at the lower of cost and replacement cost. Cost is determined using an average cost basis.

x. Revenues and Expenses

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from development charges for services that have not yet been provided at the time the charges are collected are accounted for as deferred revenue until used for the purpose specified. Gross revenues for the 2019 fiscal year are \$951,186. Expenses are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due. Gross expenses for the 2019 fiscal year are \$819,556. Budget information is presented on a basis consistent with that used for actual results. The budget was approved by City Council on November 28, 2018. Any Council-approved changes made to capital budgets throughout the fiscal year have been excluded from the 2019 budgeted amounts. Amounts for contributions from developers are not specifically budgeted for and as a result, the comparison between actual and budgeted amounts on the Statement of Operations is hindered. Readers are encouraged to review Schedule 4 (unaudited) which includes a comparison of the City's operating budget to actual results.

xi. Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. A provision has been recorded in Accounts Payable and Accrued Liabilities for potential losses on assessment appeals outstanding as of December 31, 2019.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies (continued)

c. Basis of Accounting (continued)

xii. Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the revenue amount can be made. Government transfer programs include operations funding received from Funding Agreements such as the Federal Gas Tax Revenue Transfer Program, the Urban Highway Connector Program, the Provincial Revenue Sharing Program, the Provincial and Federal Police funding programs as well as Transit and Library Funding Agreements. The use of these funds are restricted to eligible expenses as identified in the funding agreements.

Authorization and approval are required before the funds can be expended. Government transfers, where funding has been received, that have not met the criteria to be recognized as revenue are recorded as deferred revenue in the Statement of Financial Position.

xiii. Pension Amounts

The City of Saskatoon makes contributions to the General Superannuation, Part-Time and Seasonal Employee Superannuation, Police Superannuation, Saskatoon Police Pension Plan, Fire and Protective Services Department Superannuation Plan and Saskatoon Firefighters' Pension Plan on behalf of its staff. The General Superannuation, Police Superannuation and Fire and Protective Services Department Superannuation plans are defined benefit plans with the exception of the Part-Time and Seasonal Employee plan, which is a defined contribution plan. The Police Pension Plan and Saskatoon Firefighters' Pension Plans are contributory target benefit plans. Pension expense for the defined benefit plans are based on actuarially determined amounts. Pension expense for the defined contribution and contributory target benefit plans are based on the City's contributions.

xiv. Public-Private Partnerships

A public-private partnership ("P3s") is a contractual agreement between a public authority and a private entity for the provision of infrastructure and/or services. The City's P3s are assessed based on the substance of the underlying agreement and are accounted as follows:

- ◆ Costs incurred during construction or acquisition are recognized in the work-in-progress and liability balances based on the estimated percentage complete.
- ◆ Construction costs, as well as the combined total of future payments, are recognized as a tangible capital asset and amortized over the useful life once the asset is in service.
- ◆ Sources of funds used to finance the tangible capital asset and future payments are classified based on the nature of the funds, such as debt, grants, and/or reserves.

xv. Provision for Contaminated Sites

The Environmental Management and Protection Act (Saskatchewan) sets out the regulatory requirements in

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies (continued)

c. Basis of Accounting (continued)

regards to contamination. Under this Act, there is a requirement for the persons responsible to address the contamination that is causing or has caused an adverse effect. A liability is recorded for sites where contamination exists that exceeds an environmental standard. The City is legally responsible or has accepted responsibility for the contamination, future economic benefits are expected to be given up and a reasonable estimate for the provision can be made.

xvi. Accumulated Surplus/Deficit

Accumulated surplus/deficit represents the City's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that the City has net resources (financial and non-financial) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

xvii. Related Party Disclosure

Related Party Disclosure (PS 2200) standard covers disclosure of related parties. Parties are considered related when one party has the ability to exercise control or shared control over the other, it could be an individual or an entity. Key management personnel include members of council, general managers and their close family members including their spouse and dependents.

Disclosure will include information about the types of related party transactions and the relationship underlying them especially when they have occurred at a value different from that which would have been arrived at if the parties were unrelated; and they have, or could have, a material financial effect on the financial statements.

As of December 31, 2019, there are no material transactions for disclosure from key management personnel (2018 - nil).

d. Accounting Standards Adopted in the Current Year

Restructuring Transactions

In 2019, the City adopted Restructuring Transactions (PS 3430) to comply with PSAS. This standard applies to all public sector entities for years beginning on or after April 1, 2018. The City adopted this standard on January 1, 2019. The City has applied this standard prospectively on applicable restructuring transactions. PS 3430 establishes how to record assets, liabilities, revenues, and expenses related to restructuring transactions as well as disclosure requirements for the recipient and transferor. For the year ended December 31, 2019, there were no restructuring transactions.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies (continued)

e. Future Accounting Pronouncements

Standards effective for fiscal years beginning on or after April 1, 2021

i) Financial Statement Presentation

PS 1201 Financial Statement Presentation requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.

ii) Foreign Currency Translation

PS 2601 Foreign Currency Translation requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

iii) Portfolio Investments

PS 3041 Portfolio Investments has removed the distinction between temporary and portfolio investments. This section was amended to conform to PS 3450, Financial Instruments and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS 3041, PS 3030, Temporary Investments, will no longer apply.

iv) Financial Instruments

PS 3450 Financial Instruments establish recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

v) Asset Retirement Obligation

PS 3280, Asset Retirement Obligations establish guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

1. Accounting Policies (continued)

e. Future Accounting Pronouncements (continued)

Standards effective for fiscal years beginning on or after April 1, 2022

vi) Revenue

PS 3400, Revenue establishes standards on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payor.

The City continues to assess the impacts of all the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

2. Taxes Receivable

It is the normal practice of the City to review its accounts receivable on a regular basis and write off any accounts which are considered to be uncollectable. A general allowance of \$0 (2018 - \$0) for uncollectable taxes is included in the balance of Taxes Receivable.

3. Accounts Receivable and User Charges

Accounts receivable consist of the following:

	2019	2018
Trade and other receivable	\$ 61,400	\$ 63,747
Utility receivable	30,989	31,059
Government transfers receivable	4,150	5,741
Total	\$ 96,539	\$ 100,547

The City also calculates an allowance for uncollectable accounts relating to Utility billings. At December 31, 2019 this amount is \$50 (2018 - \$50) and is included in Accounts Receivable and User Charges.

4. Loans Receivable

City Bylaw No. 8418 was approved by City Council in 2005 to authorize a 15 year loan in the amount of \$10,550 from the City to Saskatoon Soccer Centre Inc. for the construction of the North East Soccer Park, in Forest Park, in Saskatoon. The total annual payment under the loan is shared by Saskatoon Soccer Centre Inc. and the City resulting in an amount receivable from the Saskatoon Soccer Centre Inc. of \$7,037 and a deferred grant of \$3,513 that is amortized over the life of the loan payments. Interest is recognized as earned at 2.80 percent to 4.60 percent per annum over the life of the loan. Security on the loan is by way of an assignment lease against the Henk Ruys Soccer Centre and the North East Soccer Park. The amount receivable and deferred grant as at the end of December 31, 2019 are \$612 and \$305 (2018 - \$1,197 and \$598) and included in Notes 3 and 5 respectively.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

5. Other Assets

	2019	2018
Deferred Charges	\$ 4,411	\$ 1,701
Other Inventory for Resale	511	450
Total	\$ 4,922	\$ 2,151

Deferred charges consist primarily of work in progress on custom work orders.

6. Investments

	Cost		Market	
	2019	2018	2019	2018
Investments	\$ 458,331	\$ 453,285	\$ 470,561	\$ 422,888

Investments consist primarily of corporate and government bonds. Maturities are between 2020 - 2027 with effective interest rates of 1.14 percent to 5.25 percent (2018 - 1.14 percent to 5.25 percent) per annum.

2019 investments contain \$5,116 (2018 - \$4,716) in restricted funds related to sinking funds accumulated to retire debt.

7. Net Taxes Available For Municipal Purposes

	2019	2018
Gross Taxation Revenue Collected	\$ 447,435	\$ 427,498
Taxes collected on Behalf of Others:		
Saskatoon School Division No. 13	(124,836)	(122,936)
St. Paul's Roman Catholic Separate School Division No. 20	(45,150)	(44,992)
Business Improvement Districts	(1,262)	(1,182)
Net Taxes Available For Municipal Purposes	\$ 276,187	\$ 258,388
Comprised of:		
Municipal	269,351	254,221
Grants-in-Lieu	6,836	4,167
	\$ 276,187	\$ 258,388

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

7. Net Taxes Available For Municipal Purposes (continued)

The Education Act and *The Cities Act* set out the manner in which collection of taxes and trailer license fees are to be submitted to the School Boards and the Business Improvement Districts. As the City is acting as agent only for the collection of such taxes, these amounts are not reflected in the Statement of Operations, nor are the Assets, Liabilities, and Fund Balances of these Boards included in the consolidated financial statements.

8. Accrued Pension Liability

The City administers six employee pension plans - the General Superannuation Plan for City of Saskatoon Employees not covered by the Police and Fire Departments' Superannuation Plans ("General Plan"), the Saskatoon Police Pension Plan ("Police TB Plan"), the Retirement Plan for Employees of the Saskatoon Board of Police Commissioners ("Police DB Plan"), the Saskatoon Firefighters' Pension Plan ("Fire TB Plan"), the City of Saskatoon Fire and Protective Services Department Superannuation Plan ("Fire DB Plan"), and the Defined Contribution Pension Plan for Seasonal and Non-Permanent Part-Time Employees of the City of Saskatoon ("Seasonal Plan"). Combined, these plans provide pension benefits for all eligible staff of the City. The General, Police DB, and Fire DB Plans are contributory defined benefit plans. The Police TB Plan and the Fire TB Plan are contributory target benefit plans. The Seasonal Plan is a defined contribution plan.

In all Plans, contributions are made by Plan members and the City as stipulated by pension agreements. The defined benefit and target benefit plans provide for a benefit that is integrated with the Canada Pension Plan, and is based on years of contributory service times a percentage of average earnings as defined by each plan. The Seasonal Plan provides a benefit based on the annuity that can be purchased with the funds in an employee's account (i.e. a money purchase plan).

The accrued pension obligation relates to the five main Plans – the Police TB Plan, the Police DB Plan, the Fire TB Plan, the Fire DB Plan and the General Plan. The General Plan provides for partial inflation protection on benefits accrued to December 31, 2000. The Fire DB Plan and the Police DB Plan provided for partial ad-hoc indexing from time to time in the past when deemed affordable through plan surpluses. The latest increase for eligible retired members of the Fire DB Plan was granted January 1, 2008 and the latest increase for retired members of the Police DB Plan was granted July 1, 2010. On January 1st of each calendar year, pensioners and spouses in receipt of a pension from the Police TB Plan and the Fire TB Plan are eligible to receive a cost-of-living increase on their pension in payment, equal to 25% of the increase in the Consumer Price Index. In accordance with the latest filed valuation reports, the average age of the 3,622 employees accruing service under the five main Plans is 43.68 years. At present, the Plans provide benefits for 2,081 retirees and surviving spouses; benefit payments were \$77,335 in 2019 (2018 - \$70,314).

Employees make contributions in accordance with the following: Seasonal Plan 5.8 percent of salary below the year's maximum pensionable earnings (YMPE) and 7.4 percent above the YMPE; General Plan 8.4 percent of salary below the YMPE and 10 percent above the YMPE; Fire TB Plan 9 percent of salary; and Police TB Plan 9 percent of salary while the City contributes an equal amount. In 2019, employee contributions for current and past service for the five main Plans were \$26,085 (2018 - \$25,583), and the City's contributions were \$28,756 (2018 - \$28,064). A separate pension fund is maintained for each plan. Pension fund assets are invested entirely in marketable investments of organizations external to the City. The accrued pension obligation at December 31 includes the following components:

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

8. Accrued Pension Liability (continued)

	2019	2018
Accrued Benefit Obligation	\$ (1,449,792)	\$ (1,371,397)
Pension Fund Assets		
Marketable Securities	1,488,659	1,420,322
	38,867	48,925
Unamortized Actuarial Losses	(8,581)	(36,075)
Accrued Benefit Asset	30,286	12,850
Valuation allowance*	(42,803)	(27,081)
Net Carrying Value of Accrued Benefit Liability	\$ (12,517)	\$ (14,231)

Actuarial valuations for accounting purposes are performed at least triennially using the projected benefit method prorated on services. The most recent valuations were prepared by AON Consulting as at December 31, 2019 for the General Plan, December 31, 2019 for the Fire TB Plan, December 31, 2019 for the Fire DB Plan, December 31, 2019 for the Police TB Plan and December 31, 2019 for the Police DB Plan. The unamortized actuarial loss is amortized on a straight-line basis over the expected average remaining service life of the related employee groups applicable to each of the Plans which is 13 years on average.

The actuarial valuations were based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used represent the City's best estimates.

The expected inflation rate is 2.25 percent for the five Plans. The discount rate used to determine the accrued benefit obligation is 6.15 percent for the General Plan, 6 percent for the Police TB Plan, 6.25 percent for the Police DB Plan, 5.95 percent for the Fire TB Plan and 6.20 percent for the Fire DB Plan. The earnings increase rate is 3.25 percent for the General Plan, 3.25 percent for the Police TB Plan, 3.25 percent for the Police DB Plan, 3.25 percent for the Fire TB Plan and 3.25 percent for the Fire DB Plan.

Pension fund assets are valued using a market-related value which amortizes realized and unrealized gains and losses over a five-year period. The expected rate of return on General Plan assets is 6.15 percent, on Police TB Plan assets is 6 percent, on Police DB Plan assets is 6.25 percent, on Fire TB Plan assets is 5.95 percent and on Fire DB Plan assets is 6.20 percent. The actual rate of return on Plan assets in 2019 was 6.45 percent. The market value of assets at December 31, 2019 was \$1,515,456 (2018 - \$1,372,546).

Effective January 1, 2016, the Fire DB and Police DB Plans were amended to close the plans to new entrants, freeze pensionable service, cease employee contributions and change the cost sharing arrangement in the plan such that the City assumes full responsibility for all past and future deficits in the plan.

The City's contributions to the defined contribution pension plan for Seasonal and Non-permanent Part-time Employees were \$422 in 2019 (2018 - \$362).

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

8. Accrued Pension Liability (continued)

*The valuation allowance is comprised of \$31,610 for the General Plan, \$4,493 for the Fire Plan, and \$6,700 for the Police Plan.

The total expenditures related to pensions in 2019 include the following components:

	2019	2018
Current Period Benefit Cost	\$ 39,933	\$ 40,548
Less: Employee Contributions	(26,085)	(25,583)
Amortization of Actuarial Loss	560	1,280
Increase in valuation allowance	15,722	9,665
Pension Expense Excluding Interest	30,130	25,910
Interest Cost On The Average Accrued Benefit Obligation	85,228	82,025
Expected Return On Average Pension Plan Assets	(88,931)	(82,830)
Pension Interest Expense	(3,703)	(805)
Total Pension Expense	\$ 26,427	\$ 25,105

9. Accounts Payable And Accrued Liabilities

Included in accrued liabilities is \$13,156 (2018 - \$8,571) for the estimated total landfill closure and post closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2019, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. The change in calculation resulted in \$4,585 (2018 - \$1,214) of liability being recognized in 2019 in Environmental Health expenditures in the Statement of Operations. The increase in recognized expense and decrease in estimated remaining life is due to a 20 percent reduction in future landfill life as a result of revised final conditions projected in 2019. Estimated total expenditures represented by the sum of the future cash flows for closure and post closure care activities discounted at the City's average long-term borrowing rate of 2.81 percent is \$27,638 (2018 - \$20,645).

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection, and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 35 year post-closure period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is 52 percent - 7,192,155 cubic meters (2018 - 57 percent - 6,718,347 cubic meters) of its total estimated capacity of 13,755,470 cubic meters and its estimated remaining life is 41 years (2018 - 53 years). The period for post closure care is estimated to be 35 years (2018 - 35 years).

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

9. Accounts Payable And Accrued Liabilities (continued)

The unfunded liability for the landfill will be paid for per the annual approved budget where capital expenses will be funded from the Landfill Reserve. At December 31, 2019, the balance of the Landfill Reserve is \$1,896 (2018 - \$1,218).

10. Deferred Revenue

	2018	Externally Restricted Contributions Received	Non-Restricted Contributions Received	Revenue Recognized	2019
Development Charges	\$ 46,519	\$ -	\$ 4,444	\$ -	\$ 50,963
Federal Government Transfers	23,017	28,305	-	30,317	21,005
Ticket Sales and Other	16,024	-	-	4,958	11,066
	\$ 85,560	\$ 28,305	\$ 4,444	\$ 35,275	\$ 83,034

Development charges are fees levied on new development to help pay for the infrastructure required to service new growth. Deposits are received for various capital projects from land developers and recognized in revenue when the corresponding capital expenditures of neighborhood development is incurred. Deferred Federal Government transfers are externally restricted amounts that are recognized in revenue when the conditions of use are satisfied. Ticket sales and other amounts are a result of the City and its controlled enterprises receiving cash upfront for services they are to perform in the future.

11. Term Debt

	2019	2018
Water Utility	\$ 16,140	\$ 23,290
Wastewater Utility	7,923	9,956
Gas Tax	5,068	9,975
Operating fund	102,530	110,699
Public Private Partnership ("P3") Term Debt	199,751	205,063
Total Term Debt	331,412	358,983
Sinking Funds Accumulated to Retire Debt	(5,116)	(4,716)
Net Term Debt	\$ 326,296	\$ 354,267

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

11. Term Debt (continued)

The long-term debt is repayable as follows:

2020	\$ 24,446
2021	19,047
2022	19,709
2023	15,488
2024	14,296
Thereafter	238,426
	<hr/>
	\$ 331,412

Regulations

The regulations under *The Cities Act* require that individual debenture issue bylaws be submitted, reviewed, and approved by the Saskatchewan Municipal Board ("SMB") with the exception that an urban municipality with a population greater than 30,000 can apply to the SMB for a debt limit. The City's debt limit is \$558,000 (2018 - \$558,000) as approved by the SMB. The total interest paid by the City for debt in 2019 was \$10,895 (2018 - \$12,126).

The long-term debt for the City consists of debentures, banker's acceptance swap loans, a sinking fund and Canada Mortgage and Housing Corporation (CMHC) loans.

Debentures and Sinking Fund

Debentures outstanding are \$79,525 (2018 - \$88,839) and have been issued with terms of 10-15 years. Included in this amount is the sinking fund with outstanding principal of \$45,000 and a term of 30 years. Funds totaling \$5,116 (2018 - \$4,716) have been accumulated to date for maturing the Sinking Fund debt in 2043. The all-in-cost of borrowing for debentures ranges from 2.68 percent - 4.67 percent per annum with principal payments made annually and interest payments made semi-annually.

Banker's Acceptance Swap Loans

Banker's acceptance swap loans have a total of \$46,152 (2018 - \$50,111) in outstanding principal with a spread of 0.2 percent - 0.30 percent per annum over the offering rate. As at December 31, 2019 the offering rates were 2.06 percent and 1.97 percent per annum. Each loan revolves quarterly at progressively smaller amounts and have been issued with 10 and 20 year terms.

CMHC Loans

The two CMHC loans were issued at 10 and 15 year terms with a 3.29 percent and 3.98 percent per annum cost of borrowing. Principal and interest for the CMHC loans are both made annually with principal of \$5,984 (2018 - \$14,970) still outstanding.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

11. Term Debt (continued)

P3 Term Debt

During construction of the North Commuter Parkway and Traffic Bridge ("NCPTB") and the Civic Operations Centre ("COC"), the City recorded a portion of the project costs as assets under construction, using the construction costs to date and an equivalent liability to Graham Commuter Partners ("GCP") and Integrated Team Solutions ("ITS"), respectively. The term debt represented the deferred capital payment portion of the project costs based on the terms of the agreement. The NCPTB project was completed during 2018. The City is now amortizing the accumulated costs of the completed project over its useful life, expensing the annual interest cost and settling the long-term liability over the term of the project agreements. The City has \$199,751 (2018 - \$205,063) to be repaid by monthly interest and principal payments over 25 years at an interest rate of 4.5 percent per annum. Principal is due 2041.

12. Government Transfers

The following transfers have been included in revenues:

	2019	2018
Operating Transfers		
Federal	\$ 2,182	\$ 8,554
Provincial	56,946	55,219
	59,128	63,773
Capital Transfers		
Federal	24,972	67,511
Provincial	5,345	29,893
	30,317	97,404
Total	\$ 89,445	\$ 161,177

13. Employee Benefits Payable

Vacation leave is credited to employees on a monthly basis based on contractual obligations. Such credits are accumulated from the period April 1 to March 31 and may not be taken in advance. Therefore, credits earned from April 1, 2019 to December 31, 2019 would normally be available to employees after April 1, 2020. The vacation payable balance as at December 31, 2019 is \$25,403 (2018 - \$23,876) and is included in employee benefits payable in the Statement of Financial Position.

The City operates a number of Sick Leave Benefit Plans as stipulated within agreements with the various Unions and Associations of employees. These plans are based on the accumulation of sick leave credits to a specified maximum, or are guaranteed long-term disability plans. For those Unions with accumulated sick leave plans, the employee is entitled to a cash payment under specified circumstances, including retirements, based upon a formula

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

13. Employee Benefits Payable (continued)

stipulated in the union agreement. The employee benefits were based on medical and dental health care trends assumptions. The assumptions used represent the City's best estimates. The expected medical care trend rate is 8.25 percent and dental care trend rate is 6 percent per annum.

The total of vacation payable and accrued benefit obligation for sick leave benefit plans for the year ended December 31, 2019 amounts to \$45,692 (2018 - \$42,763).

Employee benefits payable are recorded as financial liabilities on the Consolidated Statement of Financial Position. The change in the accrued benefit obligation is as follows:

	2019	2018
Accrued benefit obligation, beginning of year	\$ 18,887	\$ 20,538
Current period benefit cost	1,447	1,595
Interest on accrued benefit obligation	492	401
Less Benefits Paid	(537)	(871)
Actuarial gain	-	(2,776)
Accrued benefit obligation, end of year	\$ 20,289	\$ 18,887

14. Commitments And Contingent Liabilities

a. Lawsuits

Various lawsuits and claims are pending by and against the City. It is the opinion of management that final determination of any other claims will not materially affect the financial position of the City beyond any amounts that have already been accrued. Where the loss of various claims brought against the City cannot be reasonably estimated or the likelihood of loss is unknown, amounts have not been accrued as the City's administration believe that there will be no material adverse effects on the financial position of the City.

b. Contaminated Sites

A provision for remediation of known contaminated sites has been accrued in Accounts Payable and Accrued Liabilities in the amount of \$10,325 (2018 - \$10,227). The provision is based on \$10,907 (2018 - \$10,917) in expenditures expected to be incurred over the next 4 years discounted using rates ranging from 0.75 percent to 2.14 percent per annum. The liability reflects the City's best estimate as at December 31, 2019, of the amount that is required to remediate sites to current environmental standards. Where possible, provisions for remediation are based on environmental assessments completed on a site. For sites where no assessment has been completed, estimates of the remediation are completed using the best information available for the site.

The liability for contaminated sites include sites associated with former industrial operations. The nature of contamination includes chemicals, heavy metals, salt and other organic and in-organic contaminants. The sources of the contamination include underground fuel storage tanks, hazardous materials storage and other industrial activities. Sites often have multiple sources of contamination.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

14. Commitments And Contingent Liabilities (continued)

c. NCPTB

The North Commuter Parkway Traffic Bridge (NCPTB) qualified for P3 funding from the Government of Canada and Province of Saskatchewan. On September 8 2015, City Council announced that Graham Commuter Partners (GCP) had been chosen to design, build, finance, operate and maintain the NCPTB. The project was completed in 2018. GCP will operate and maintain the North Commuter Parkway and adjacent roadways until 2048 and will maintain the Traffic Bridge until 2048.

d. COC

On October 27, 2014, City Council announced that Integrated Team Solutions (ITS) will design, build, finance and maintain the Transit Operations Facility and a permanent Snow Management Facility both located at Civic Operations Centre (COC) (Phase 1). Construction of Phase 1 was substantially complete late 2016 with move in early 2017. ITS will operate the new facility until Fall 2041.

15. Property Realized Reserve

The Property Realized Reserve, which is included on Schedule 3 (unaudited), is reported net of all withdrawals. This practice does not recognize the value of assets for property purchased but not yet sold, or repayable advances of funds. At December 31, 2019, the gross value of the Property Realized Reserve is estimated to be \$190,997 (2018 - \$179,186) itemized as follows:

	2019	2018
Gross Value of Reserve, December 31	\$ 190,997	\$ 179,186
Advances Repayable from Future Revenue Fund Provisions	(2,595)	(3,351)
Property Purchased from Reserve and not yet re-sold (at estimated cost)	(144,621)	(135,101)
Net Balance of Reserve, December 31	\$ 43,781	\$ 40,734

16. Trust Funds

The City administers two trust funds, the Cemetery Perpetual Care Fund and the Group Insurance Trust Fund. The reserve balances in these trusts are \$5,332 (2018 - \$5,079) and \$2,385 (2018 - \$1,391), respectively.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

17. Expenses By Object

The following is a summary of the expenses reported on the Consolidated Statement of Operations by object:

	2019	2018
Wages and Benefits	\$ 323,687	\$ 331,350
Contracted and General Services	169,029	159,645
Heating, Lighting, Power, Water and Telephone	115,688	109,870
Materials, Goods and Supplies	30,679	27,200
Finance Charges	26,912	24,266
Donations, Grants and Subsidies	9,415	10,068
Amortization	144,146	141,617
Total	\$ 819,556	\$ 804,016

18. Accumulated Surplus

	2019	2018
Fund Balances		
Funds to offset taxation or user charges in future years (Schedule 1)	\$ 76,307	\$ 106,459
Unexpended capital financing (Schedule 2)	(141,721)	(194,483)
Reserves (Schedule 3)	232,091	250,508
	166,677	162,484
Net Investment in Tangible Capital Assets		
Tangible Capital Assets	4,389,573	4,326,264
Capital outlay financed by long-term liabilities to be recovered in future years	(67,432)	(130,160)
Capital outlay financed by internal investments	(32,229)	(33,629)
	4,289,912	4,162,475
Total Accumulated Surplus	\$4,456,589	\$ 4,324,959

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

19. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for various services and long-term leases. Contractual rights arise from the normal course of business and are not reflected in the consolidated financial statements until revenues or assets are received. The following table summarizes the contractual rights of the City for future assets over the next five years:

	Government Transfers	Future Lease Revenue	Total
2020	\$ 35,837	\$ 987	\$ 36,824
2021	25,838	987	26,825
2022	37,334	987	38,321
2023	18,870	987	19,857
2024	15,870	987	16,857
	\$ 133,749	\$ 4,935	\$ 138,684

20. Segmented Information

The Consolidated Schedule of Segmented Disclosures has been prepared in accordance with PS2700 Segmented Disclosures. Segmented Disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

The segments have been selected based on a presentation similar to that adopted for the municipal planning and budgeting processes.

Segments include:

a. Arts, Culture & Events Venues

Provides opportunities for citizens to participate in and enjoy the benefits of arts, culture and events.

b. Community Support

Provides support and community investment to help build capacity in sport, recreation, culture, heritage, and social organizations, and enhances neighborhood based associations and organizations.

c. Corporate Asset Management

Provides building operation and maintenance services for the City's buildings and structures and manages its fleet

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

20. Segmented Information (continued)

c. Corporate Asset Management (continued)

of vehicles and equipment.

d. Corporate Governance & Finance

Provides administrative, human resources, information technology and finance supports for all other business lines.

e. Environmental Health

Preserves and protects the long-term health of our urban environment.

f. Fire Services

Provides fire prevention, public fire and life safety education, emergency response, and the direction and coordination of the City's emergency planning and preparedness.

g. Land Development

Operates on a level playing field with the private sector, and ensures adequate levels of service inventory for both residential and industrial land are maintained to meet demand.

h. Police

Works in partnership with the community to develop collaborative strategies to reduce crime and victimization. In partnership with City Council and the community, continues enforcement with proactive prevention, education, and early intervention strategies.

i. Recreation & Culture

Provides opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities.

j. Taxation & General Revenues

The property levy is the amount required from property taxes to balance the operating budget. This levy includes growth in the assessment roll over the previous year plus the requirements to fund the current year's budget. Supplementary taxes are levied on properties that were changed in the current taxation year and not a part of the original levy. Other corporate revenues, including the Municipal Operating Grant, are applied to the general fund and are included in this business line.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

20. Segmented Information (continued)

k. Transportation

Efficiently moves people, services, and goods while minimizing environmental impact and promoting sustainability.

l. Urban Planning & Development

A proactive approach to addressing future opportunities and pressures on our community that accommodates growth and change (e.g. population, diversity of public services and amenities, broader scope of education, research, business), while balancing long-term economic, environmental, and social needs and achieving the desired quality of life expressed by our citizens.

m. Utilities

Provides cost-effective and high-quality electricity (Saskatoon Light & Power), quality drinking water, treatment of wastewater, recycling, and storm water management (Water and Sewer).

n. Saskatoon Public Library

Provides library and programming services to citizens of all ages in a downtown branch as well as local branches in communities throughout the City.

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

20. Financial Activities by Segment

Surplus (Deficit) of Revenues over Expenses

i. 2019

	Arts, Culture & Events Venue	Community Support	Corporate Asset Mgmt.	Corporate Governance & Finance	Enviro Health	Fire	Police	Rec & Culture	Tax & General Revenues	Trans.	Urban Planning & Design	Land	Library	Utilities
Revenues Total														
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,396	\$ -	\$ -	\$ -	\$ 24,955	\$ -
Grants-in-Lieu	-	-	-	-	-	-	-	-	-	-	-	1,573	5,263	-
User Charges	(222)	-	-	508	10,615	1,252	2,349	38,347	-	14,045	-	-	229	386,070
Government Transfers	630	309	-	5,235	2	-	9,625	963	45,051	6,410	-	-	716	20,504
Investment Income	-	-	-	16,782	-	-	-	-	-	-	-	-	-	-
Contribution from Developers & Others	657	-	-	-	-	-	-	3,258	-	-	-	70,229	-	-
Other	5,534	-	3,080	2,644	-	478	73	8,197	2,698	234	-	-	-	18,497
Total Revenues	6,599	309	3,080	25,169	10,617	1,730	12,047	50,765	292,145	20,689	-	71,802	31,163	425,071
Expenses														
Wages and Benefits	8,000	2,630	8,149	30,156	8,336	46,451	83,041	26,672	25	51,731	9,846	1,734	13,640	33,276
Contracted and General Services	(8,065)	6,296	12,328	8,309	22,108	4,231	15,374	21,404	4,942	31,411	6,076	630	4,231	39,754
Donations, Grants and Subsidies	-	8,378	-	-	211	-	12	(113)	856	-	(27)	32	66	-
Heating, Lighting, Power, Water and Telephone	1,532	116	4,496	(33)	148	72	566	6,165	-	7,472	60	22	1,424	93,648
Materials, Goods and Supplies	5,251	109	(24,050)	2,127	2,581	682	5,517	3,911	-	20,627	10,522	(2,399)	(6,626)	12,427
Finance Charges	927	-	71	624	527	-	28	252	(65)	14,017	14	-	7	10,510
Amortization	185	101	8,174	942	21,785	1,267	3,734	7,306	-	70,865	7,029	8,263	1,014	13,481
Total Expenses	7,830	17,630	9,168	42,125	55,696	52,703	108,272	65,597	5,758	196,123	33,520	8,282	13,756	203,096
Surplus (Deficit) of Revenues over Expenses	\$ (1,231)	\$ (17,321)	\$ (6,088)	\$ (16,956)	\$ (45,079)	\$ (50,973)	\$ (96,225)	\$ (14,832)	\$ 286,387	\$ (175,434)	\$ (33,520)	\$ 63,520	\$ 17,407	\$ 221,975

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

Financial Activities by Segment (continued)

Surplus (Deficit) of Revenues over Expenses (continued)

i. 2019 (continued)

<u>Total</u>
\$269,351
6,836
453,193
89,445
16,782
74,144
<u>41,435</u>
951,186
323,687
169,029
9,415
115,688
30,679
26,912
<u>144,146</u>
<u>819,556</u>
<u>\$131,630</u>

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Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

Financial Activities by Segment (continued)

Surplus (Deficit) of Revenues over Expenses (continued)

ii. 2018

	Arts, Culture & Events Venue	Community Support	Corporate Asset Mgmt.	Corporate Governance & Finance	Enviro Health	Fire	Police	Rec & Culture	Tax & General Revenues	Transp.	Urban Planning & Design	Land	Library
Revenues													
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,148	\$ -	\$ -	\$ -	\$ 23,073
Grants-in-Lieu	-	-	-	-	-	-	-	-	-	-	-	1,261	-
User Charges	-	-	-	445	941	594	2,210	31,021	-	19,770	50	2,905	566
Government Transfers	596	459	75	6,819	102	-	9,026	703	43,382	93,422	2,535	-	670
Investment Income	-	-	-	13,537	-	-	-	-	-	-	-	-	-
Contribution from Developers	2,469	-	-	-	-	-	61	49,459	-	11	-	93,499	-
Other	-	795	3,085	619	6	512	94	27	5,058	5,824	6,454	-	-
Total Revenues	3,065	1,254	3,160	21,420	1,049	1,106	11,391	81,210	279,588	119,027	9,039	97,665	24,309
Expenses													
Wages and Benefits	8,846	3,210	2,930	33,304	9,990	43,908	81,653	27,631	215	53,061	9,649	1,714	12,548
Contracted and General Services	4,423	5,775	581	9,417	18,893	3,924	14,071	21,327	4,466	27,424	4,013	888	3,726
Donations, Grants and Subsidies	-	8,178	44	-	205	-	12	(200)	1,646	-	122	-	61
Heating, Lighting, Power, Water and Telephone	1,445	143	158	70	64	72	593	6,138	3	7,304	65	23	1,448
Materials, Goods and Supplies	1,315	305	89	236	835	3,925	3,471	2,205	-	6,584	63	(339)	1,986
Finance Charges	964	-	71	2,013	104	-	30	546	-	9,638	13	-	7
Amortization	153	90	7,840	914	21,970	1,260	3,504	7,427	-	71,125	7,102	7,307	100
Total Expenses	17,146	17,701	11,713	45,954	52,061	53,089	103,334	65,074	6,330	175,136	21,027	9,593	19,876
Surplus (Deficit) of Revenues over Expenses	\$ (14,081)	\$ (16,447)	\$ (8,553)	\$ (24,534)	\$ (51,012)	\$ (51,983)	\$ (91,943)	\$ 16,136	\$ 273,258	\$ (56,109)	\$ (11,988)	\$ 88,072	\$ 4,433

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

<u>Utilities</u>	<u>Total</u>
\$ -	\$ 254,221
2,906	4,167
383,845	442,347
3,388	161,177
-	13,537
3,429	148,928
16,055	38,529
<hr/>	
409,623	1,062,906
42,691	331,350
40,717	159,645
-	10,068
92,344	109,870
6,525	27,200
10,880	24,266
12,825	141,617
<hr/>	
205,982	804,016
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\$203,641	\$ 258,890

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Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

21. Subsequent Events

Subsequent to the City's year-end, the impact of the novel coronavirus (COVID-19) in Canada and on the global economy has increased dramatically. While the City has seen reductions in revenue and increased expenses from numerous service lines at this time and it is not possible to reliably estimate the impact, length and severity that COVID-19 will have on the financial results and operations of the City in the future. The Federal Government has announced support to municipalities and the funding is yet to be determined.

22. Contractual Obligations

During 2019, the City entered into an agreement for the implementation of an enterprise resource planning system for a total cost of \$11 million over three years, of which \$1.34 million has been incurred as of December 31, 2019. The anticipated completion date is March 2022.

During 2019, the City entered into an agreement to rehabilitate the Sid Buckwold Bridge for \$20.1 million over two years, of which \$8.9 million has been incurred as of December 31, 2019. The anticipated completion date is December 31, 2020.

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Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

(in thousands of dollars)

23. Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2019

(in thousands of dollars)

	Cost		Accumulated Amortization				Net Book Value				
	Opening Balance	Additions	Transfers from Work in Progress	Disposals	Balance End of Year	Accum. Amort. Beg. of Year	Accum. Amort. on Disposals	Accum. Amort. End of Year	2019	2018	
Land	\$ 335,341	\$ 11,609	\$ 4,021	\$ (2)	\$ 350,969	\$ -	\$ -	\$ -	\$ 350,969	\$ 335,341	
Land Improvements	343,098	2,965	5,693	-	351,756	164,247	-	11,043	176,466	178,851	
Buildings	726,848	6,151	-	-	732,999	153,680	-	13,877	565,442	573,168	
Roadways	2,179,394	38,191	18,570	-	2,236,155	791,895	-	58,927	1,385,333	1,387,499	
Plant and Facilities	414,180	2,691	3,324	-	420,195	130,532	-	11,574	278,089	283,648	
Underground Networks	1,391,782	25,160	26,713	-	1,443,655	361,208	-	18,684	1,063,763	1,030,574	
Electrical Utility	405,257	14,944	932	(3,999)	417,134	184,664	(2,110)	10,763	223,817	220,593	
Machinery and Equipment	41,233	4,124	4,546	(248)	49,655	21,877	(115)	3,302	24,591	19,356	
Traffic Control	36,222	1,444	204	(166)	37,704	14,490	(55)	1,180	22,089	21,732	
Vehicles	171,162	12,074	1,148	(8,929)	175,455	83,946	(7,378)	10,911	87,976	87,216	
Other Tangible Capital Assets	104,267	11,179	-	(13,208)	102,238	81,717	(13,208)	3,885	29,844	22,550	
Assets under Construction	165,736	80,609	(65,151)	-	181,194	-	-	-	181,194	165,736	
Total	\$ 6,314,520	\$ 211,141	\$ -	\$ (26,552)	\$ 6,499,109	\$ 1,988,256	\$ (22,866)	\$ 144,146	\$ 2,109,536	\$ 4,389,573	\$ 4,326,264

Contributed assets totaled \$6,744 (2018 - \$33,898) and were capitalized at their fair value at the time of receipt. Assets contributed during the year consisted primarily of infrastructure components, including sanitary sewer mains, storm water mains, water mains, grading, sidewalks, roadways and street lights.

Schedule1 - *Schedule of Funds to Offset Taxation or User Charges in Future Years*

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019	2018
Balance, Beginning of Year	\$ 106,459	\$ 93,961
Transfer from (to) Revenue Stabilization Reserve	3,019	3,100
Decrease (Increase) in Employee Benefit Payable	(2,929)	842
Increase in Landfill Closure/Post Closure Care Liability	(4,585)	(1,214)
Increase (Decrease) in Accrued Debt Principal	(27,571)	9,830
Decrease (Increase) in Accrued Pension Liability	1,714	2,959
Surplus (Deficit) for the Year (Schedule 4)	200	(3,019)
Balance, End of Year	\$ 76,307	\$ 106,459

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Schedule 2 - Schedule of Capital Operations

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019 Budget	2019	2018
Source of funds			
Province of Saskatchewan	\$ -	\$ 216	\$ 26,456
Federal Gas Tax Program	-	19,608	649
Government of Canada	-	104	2,701
Transport Canada	-	53	55,492
Federal Transit Funding Program	-	3,368	4,908
Building Canada Fund (FED)	13,204	1,820	3,749
Building Canada Fund (PROV)	-	1,640	3,570
Federation of Canadian Municipalities	-	25	150
FCM Green Fund Grant	-	22	-
Taxation	-	2,520	2,249
Utility Contribution	-	6,981	7,766
Contributions from Developers	14,306	14,306	38,097
Appropriations			
Reserves	224,527	226,218	193,706
	252,037	276,881	339,493
Expenses			
Community Support	80	10	412
Corporate Asset Management	22,200	17,393	18,398
Corporate Governance & Finance	2,425	5,051	3,633
Environmental Health	2,434	3,734	5,173
Fire	390	2,703	2,256
Library	700	-	-
Police	3,167	3,362	2,333
Recreation & Culture	22,722	11,466	39,900
Saskatoon Land	71,399	33,884	29,054
Transportation	63,458	62,825	304,238
Urban Planning & Development	2,073	10,883	5,707
Utilities	65,075	72,808	62,966
	256,123	224,119	474,070
Increase (Decrease) in Unexpended Capital Financing	(4,086)	52,762	(134,577)
Unexpended Capital Financing, Beginning of Year	-	(194,483)	(57,106)
Unexpended Capital Financing, End of Year	\$ (4,086)	\$ (141,721)	\$ (191,683)

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019	2018
Replacement		
Albert Community Centre	\$ -	\$ 50
Automated Garbage Containers	(41)	(29)
Access Transit	156	542
Boards:		
TCU Place	4,807	4,614
Saskatoon Public Library	7,386	6,572
SaskTel Centre	816	599
Buildings and Grounds Equipment	123	134
Bus Replacement	1,323	1,495
Civic Radio Reserve	20	20
Civic Vehicles and Equipment	8,536	5,829
Computer Equipment	1	1
Fire Apparatus	1,185	1,047
Fire Equipment	708	667
Grounds Maintenance Equipment Acquisition	27	2
Infrastructure Replacement:		
Parks	656	552
Storm Water Management	1,052	1,857
Surface Improvements	61	(133)
Water and Sewer Replacement	4,282	5,257
Landfill	1,896	1,282
Leisure Service Equipment	1,440	1,164
Paved Roadways Infrastructure	333	87
Photocopy Machine	246	226
Police - Vehicle/Radio	(31)	243
Radio Trunking	20	103
Saskatoon Light & Power	3,540	7,741
Wastewater Collection/Treatment	1,245	1,209
Water Utility	2,593	1,967
Weigh Scales	1	1
Balance, End of Year	\$ 42,381	\$ 43,099

Schedule 3 - *Schedule of Reserves*

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019	2018
Future Expenses		
Animal Services	\$ 96	\$ 47
Active Transportation Reserve	14	14
Affordable Housing - Operating	566	29
Arbor Creek Parks	23	31
Boards:		
TCU Place	7,308	6,331
Saskatoon Public Library	33,177	31,070
Remai Modern Art Gallery	7,247	7,646
SaskTel Centre	10,224	9,630
Bridge Major Repairs	1,448	16,164
Building Permits/Inspections	4,820	6,269
Campsite	178	135
Business Licensing Stabilization	438	286
Cemetery	760	670
Civic Buildings Comprehensive Maintenance	165	(259)
Civic Hospitality	215	215
Community Support Grant	58	99
Corporate Capital	417	239
Corporate Information Systems Development	11	10
Cosmo Stabilization	30	30
Cultural Capital	243	185
Dedicated Lands	976	725
Dedicated Roadways	1,154	968
Downtown Housing	1,256	1,128
Errors and Omissions	-	442
Facade Conservation and Enhancement	61	89
Fire Department Uniforms	118	127
Fiscal Stabilization	4,775	4,262
Forestry Farm	115	66
Fuel Stabilization	354	354
General Voting	634	454
Golf Course Capital	332	60
Golf Course Stabilization	200	-

Schedule 3 - *Schedule of Reserves*

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019	2018
Heritage Fund	\$ 96	\$ 131
Holiday Park Golf Course Development	307	209
Idylwyld Drive Maintenance	28	28
Insurance Deductible	1,579	1,373
Interest Stabilization	1,416	1,416
Lakeridge Ponding	57	57
Land Bank	(14,761)	(21,741)
Land Operations	3,673	3,673
Neighbourhood Park Enhancement	499	325
Parking Facilities	346	361
Parks Grounds Maintenance Stabilization	460	-
Pest Control	-	1
Police Equipment	249	(178)
Police Facilities Major Repair	112	96
Planning Levy	(103)	47
Prepaid Services	28,591	57,251
Property Realized	43,781	40,734
Public Works Building	119	193
Recycling Utility Stabilization	879	729
Reserve for Capital Expenditures	2,128	2,068
River Landing Capital	294	446
Saskatoon Minor Football Field Stabilization	7	20
Saskatoon Light & Power Distribution Extension	41	582
Saskatoon Light & Power Revenue Stabilization	2,463	2,614
Saskatoon Soccer Capital	1,831	1,577
Sign Shop Equipment Acquisition	113	134
Snow & Ice Contingency	2,965	3,122
Snow & Ice Equipment Acquisition	547	282
Special Events	867	1,502
Sports Participation	108	131
Storm Water Management Utility Stabilization	2,803	2,056
Streetscape	2,926	2,655
Street Cleaning/Sweeping Acquisition	238	211
Sundry	6,605	5,392
Traffic Noise Attenuation	533	271
Traffic Safety	(38)	30

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019	2018
Transportation Infrastructure Expansion	\$ 80	\$ (32)
Transit Capital	780	889
Urban Development Agreement	14	-
Vehicle & Equipment	500	500
Warranty	2,517	2,184
Waste Minimization	279	362
Wastewater Collection/Treatment Capital	1,989	989
Water & Wastewater Utility Stabilization	2,833	5,648
Water Capital Projects	11,546	1,555
Balance, End of Year	189,710	207,409
Total Reserves, End of Year	\$ 232,091	\$ 250,508

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Schedule 4 - Schedule of Revenues and Expenditures

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019 Budget	2019	2018
Revenues			
Taxation	\$ 244,767	\$ 244,393	\$ 231,149
Grants-in-Lieu of Taxes	42,945	43,352	41,439
General Revenues	102,821	104,788	99,307
User Fees	55,870	53,917	52,847
Transfers from Other Government (Grants)	60,192	63,015	62,505
Land Administration Fee	3,766	2,603	2,905
Total Revenues for the Year	510,361	512,068	490,152
Expenditures			
Arts, Culture & Events Venue	8,249	8,530	7,657
Community Support	18,556	18,062	17,569
Corporate Asset Management	11,634	12,144	14,240
Corporate Governance & Finance	46,710	44,459	48,189
Debt Servicing Costs	28,975	28,975	29,135
Environmental Health	19,937	20,490	20,552
Fire	50,873	53,682	49,209
Land Development	6,066	5,204	1,188
Policing	105,014	106,286	100,635
Recreation & Culture	56,201	54,696	52,310
Taxation & General Revenues	4,437	6,768	7,766
Transportation	139,288	138,685	132,357
Urban Planning & Development	14,421	13,569	12,364
Total Expenditures for the Year	510,361	511,550	493,171
Surplus (Deficit)	\$ -	\$ 518	\$ (3,019)

Appendix 1 - Schedule of Revenues

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019 Budget	2019	2018
Taxation			
Property Levy	\$ 244,270	\$ 243,873	\$ 230,669
Municipal Services Agreement	328	335	316
Trailer Occupancy	97	107	95
Amusement	72	78	69
	244,767	244,393	231,149
Grants-in-Lieu of Taxes			
Senior Governments and Agencies	7,350	6,835	6,823
Own Utilities - Saskatoon Light & Power	22,647	23,016	22,693
Own Utilities - Water	7,159	7,159	5,935
Own Utilities - Wastewater	4,769	4,770	4,727
Land Bank Program	1,020	1,572	1,261
	42,945	43,352	41,439
General Revenues			
R.M. of Corman Park	450	461	461
Licence and Permits	8,140	7,286	7,204
Fines and Penalties	14,272	13,648	12,719
Automated Enforcement Fines	-	-	2,028
Property Rentals	2,874	3,081	3,086
Franchise Fees	18,453	18,497	16,055
Interest Earnings	11,744	14,755	12,171
Tax Penalties	2,150	2,648	2,504
Other Revenue	1,163	1,347	1,114
Utility Return on Investment	34,110	33,810	32,510
Administration Recovery	9,455	9,255	9,455
Grants	10	-	-
	102,821	104,788	99,307
User Fees			
Legal Fees	325	348	292
Tax Searches and Enforcement	215	160	153
Police	2,043	2,350	2,210
Fire	523	792	594

Appendix 1 - Schedule of Revenues

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019 Budget	2019	2018
Engineering	\$ 376	\$ 304	\$ 365
Parking	6,735	6,733	6,698
Solid Waste Management	5,180	4,460	4,803
Environmental Protection	-	3	3
Transportation	233	375	246
Cemetery	1,365	1,106	1,161
Community Partnerships	18	22	244
Planning	1	2	-
Tourist Campsite	624	583	542
Forestry Farm Park	1,219	1,157	1,171
PotashCorp. (now Nutrien) Playland	540	443	413
Albert Community Centre	191	196	195
Marr Residence	1	-	-
Swimming Pools	464	411	464
Golf Courses	4,025	3,755	3,263
Skating Rinks	2,346	2,285	2,236
Rentals	6,915	6,779	6,488
Programming	6,605	5,926	6,075
Outdoor Sports Fields	696	749	737
Transit	13,939	14,046	13,523
River Landing	1,291	932	971
	55,870	53,917	52,847
Transfers From Other Government (Grants)	65,427	63,015	62,505
Land Administration Fee	3,766	2,603	2,905
Total Revenues	\$ 515,596	\$ 512,068	\$ 490,152

Appendix 2 - Schedule of Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019 Budget	2019	2018
Arts, Culture & Events Venues			
Remai Modern	\$ 5,932	\$ 6,191	\$ 5,475
SaskTel Center	559	581	478
TCU Place	1,758	1,758	1,704
	8,249	8,530	7,657
Community Support			
Cemeteries	1,585	1,528	1,547
Animal Services	1,409	1,434	1,351
Community Development	3,790	3,575	3,702
Community Investments & Supports	11,772	11,525	10,969
	18,556	18,062	17,569
Corporate Asset Management			
City-Owned Property - Land	587	554	3,930
Facilities Management	11,047	11,501	10,336
Fleet Services	-	89	(26)
	11,634	12,144	14,240
Corporate Governance & Finance			
Assessment & Taxation	3,545	3,241	3,174
City Clerk's Office	3,009	2,872	2,619
City Manager's Office	697	639	678
City Solicitor's Office	2,409	2,446	2,472
Corporate Support	20,896	20,335	20,188
Financial Services	4,021	3,881	3,569
General Services	7,609	6,887	11,458
Legislative	1,721	1,573	1,446
Revenue Services	1,955	1,714	1,853
Service Saskatoon	848	871	732
	46,710	44,459	48,189

Appendix 2 - Schedule of Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019 Budget	2019	2018
Debt Servicing Costs			
Debt Charges	\$ 28,975	\$ 28,975	\$ 29,135
Environmental Health			
Waste Handling Services	13,304	13,890	14,378
Waste Reduction & Resource Recovery	1,069	1,257	1,073
Pest Management	1,042	951	984
Environmental Program	644	658	496
Urban Forestry	3,878	3,734	3,621
	19,937	20,490	20,552
Fire			
Emergency Measures	446	450	425
Fire Services	50,427	53,232	48,784
	50,873	53,682	49,209
Land Development			
Saskatoon Land	6,066	5,204	1,188
	-	-	-
Police			
Saskatoon Police Services	105,014	106,286	100,635
Recreation & Culture			
Marketing Services	667	640	633
Forestry Farm Park	2,804	2,813	2,905
Playground & Recreation Areas	927	914	893
Nutrien Playland	540	466	412
Albert Community Centre	264	231	193
Marr Residence	23	22	31
Outdoor Pools	1,407	1,271	1,283
Golf Courses	4,025	3,754	3,263
Indoor Rinks	2,650	2,631	2,517
Leisure Centers - Rentals	10,984	10,851	10,511
Leisure Centers - Program	11,670	11,518	11,278
Spectator Ballfields	170	157	158
Outdoor Sports Fields	1,252	1,213	1,138
Parks Maintenance & Design	15,345	15,256	14,315
River Landing	1,291	932	971
Targeted Programming	610	541	573

Appendix 2 - Schedule of Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019 Budget	2019	2018
Gordon Howe Campsite	\$ 624	\$ 582	\$ 541
Community Partnerships	706	676	464
Program Research & Design	242	228	231
	56,201	54,696	52,310
Taxation & General Revenues			
Fines and Penalties	5,734	5,912	6,627
General Revenues	(2,264)	(188)	(511)
Other Levies	303	398	1,004
Property Levy	664	646	646
	4,437	6,768	7,766
Transportation			
Transit Operations	43,316	42,977	41,730
Access Transit	5,787	5,779	5,566
Transportation Services	7,700	8,072	6,795
Road Maintenance	44,775	44,274	43,010
Snow & Ice Management	13,663	13,739	12,836
Street Cleaning/Sweeping	4,357	4,290	4,287
Bridges, Subways, Overpasses	7,410	7,406	6,007
Street Lighting	7,232	7,248	6,819
Parking	3,948	3,816	4,143
Engineering	724	705	774
Impound Lot	376	379	390
	139,288	138,685	132,357
Urban Planning & Development			
Attainable Housing	427	426	424
Business Improvement Districts	108	108	108
Development Review	1,283	1,221	1,215
Regional Planning	511	473	445
Bylaw Compliance	764	735	666
Long-Range Planning	228	210	217
Neighborhood Planning	764	703	599
Research & Mapping	474	456	453
Urban Design	2,482	2,644	2,469

Appendix 2 - Schedule of Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019 Budget	2019	2018
Building and Plumbing Permits & Standards	\$ 5,919	\$ 5,168	\$ 4,682
Business License	1,461	1,425	1,086
	14,421	13,569	12,364
Total Expenses	\$ 510,361	\$ 511,550	\$ 493,171

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Appendix 3 - Water Utility Statement of Revenues and Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019		
	Budget	2019	2018
Revenues			
Metered	\$ 79,542	\$ 75,246	\$ 64,251
Infrastructure Levy	15,217	14,441	15,105
Miscellaneous	260	294	299
Fire Protection Charge	715	715	715
Late Payment Penalties	164	163	177
	95,898	90,859	80,547
Expenses			
General	11,781	11,536	10,439
Laboratory	654	559	540
Treatment and Pumping	12,889	12,083	12,238
Buildings and Grounds	915	777	748
Meters	1,992	1,813	1,669
Watermains	9,111	9,673	9,383
Hydrants	1,436	1,072	1,377
Services	3,494	4,123	3,638
Contribution to Capital Reserves	37,362	36,523	24,177
Debt Charges	10,957	10,689	13,198
	90,591	88,848	77,407
Surplus Before Transfer from Reserve	5,307	2,011	3,140
Transfer to Stabilization Reserve	(5,307)	(2,011)	(3,140)
Surplus	\$ -	\$ -	-

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Appendix 4 - Wastewater Utility Statement of Revenues and Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019		
	Budget	2019	2018
Revenues			
Metered	\$ 52,997	\$ 49,816	\$ 50,317
Infrastructure Levy	24,071	22,951	24,835
Late Payment Penalties	109	109	118
Miscellaneous	1,549	1,582	1,524
Flood Protection Levy	195	270	278
	78,921	74,728	77,072
Expenses			
General	8,689	8,328	8,085
Heavy Grit Facility	388	292	291
Laboratory	657	612	593
Lift Stations	2,010	1,892	1,824
Pollution Control Plant	8,138	6,959	7,984
Sludge Handling & Disposal	2,002	1,679	1,462
Sewer Engineering	494	401	434
Sewer Inspections	744	397	438
Sewer Maintenance	5,162	4,587	4,701
Sewer Connections	2,296	2,049	2,126
Debt Charges	5,971	5,867	6,370
Contribution to Capital Reserves	38,527	37,342	39,450
	75,078	70,405	73,758
Surplus Before Transfer from Reserve	3,843	4,323	3,314
Transfer to Stabilization Reserve	(3,843)	(4,323)	(3,314)
Surplus	\$ -	\$ -	\$ -

Appendix 5 - Storm Water Management Utility Statement of Revenues and Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019		
	Budget	2019	2018
Revenues			
Metered	\$ 8,110	\$ 8,269	\$ 6,534
Late Payment Penalties	12	11	12
	8,122	8,280	6,546
Expenses			
General	267	258	220
Storm Sewers Engineering	564	391	313
Storm Sewer Maintenance	2,070	1,890	2,305
Drainage	991	-	692
Operating Utility-Transfer to Reserves	4,230	4,994	2,728
	8,122	7,533	6,258
Surplus Before Transfer from Reserve	-	747	288
Transfer to Stabilization Reserve	-	(747)	(288)
Surplus	\$ -	\$ -	\$ -

Appendix 6 - Saskatoon Light & Power Utility Statement of Revenues and Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019		
	Budget	2019	2018
Revenues			
Metered	\$ 149,262	\$ 151,975	\$ 151,233
Municipal Surcharge	14,926	15,340	15,146
Service Connection Fee	390	369	418
Miscellaneous	704	1,186	813
Landfill Gas Generation	1,275	972	938
Late Payment Penalties	300	271	295
	166,857	170,113	168,843
Expenses			
General	5,663	5,979	5,046
Equipment	-	235	75
Custom Work	50	39	11
Power Purchased	87,343	89,811	88,661
Buildings and Grounds	742	740	699
Poles, Lines, and Feeders	5,936	5,406	5,437
Substations	1,201	916	978
Street Lighting	1,748	1,782	1,592
Meters	1,302	1,006	1,069
System Operations	165	103	106
Landfill Gas Generation	1,274	972	937
Provision for Capital Extension	6,428	6,428	6,250
Provision for Capital Replacement	7,949	7,949	9,826
	119,801	121,366	120,687
Surplus Before Transfer from Reserve	47,056	48,747	48,156
Transfer to Stabilization Reserve	(24,660)	(25,731)	(25,459)
Surplus	\$ 22,396	\$ 23,016	\$ 22,697

Appendix 7 - Waste Services Utility Statement of Revenues and Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019		
	Budget	2019	2018
Revenues			
Residential Recycling	\$ 4,875	\$ 4,814	\$ 4,646
Compost	474	94	94
Multi-Unit Recycling	3,702	4,185	2,580
Leaves and Grass	544	549	479
	9,595	9,642	7,799
Expenses			
General	1,018	819	722
Contractor Services	7,299	7,113	6,662
Contribution to Capital Reserve	793	972	157
	9,110	8,904	7,541
Surplus Before Transfer from Reserve	485	738	258
Transfer to Stabilization Reserve	(485)	(738)	(258)
Surplus	\$ -	\$ -	-

Appendix 8 - Land Operations Statement of Revenues and Expenses

For the Year Ended December 31, 2019

(in thousands of dollars)

(unaudited)

	2019		
	Budget	2019	2018
Land Sale Revenue			
Single, Multi-Family & Commercial	\$ 52,438	\$ 40,352	\$ 29,735
Industrial/Suburban Centre	12,500	8,550	19,253
	64,938	48,902	48,988
Cost of Land Sold			
Single, Multi-Family & Commercial	37,126	27,102	18,070
Industrial/Suburban Centre	5,835	4,598	11,439
	42,961	31,700	29,509
Net Sales	21,977	17,202	19,479
Other Revenue			
Rock Sales	-	21	-
Cost Recoveries	-	9	6
Property Lease	2,601	2,724	2,647
Interest	112	163	324
Total Other Revenue	2,713	2,917	2,977
Other Expenses			
Salaries & Benefits	1,854	1,698	1,535
Operating Expenses	707	583	575
Grants-in-Lieu of Taxes	1,020	1,606	1,303
Maintenance	366	249	236
Interest	830	830	850
Marketing	1,361	1,079	1,192
Contribution to Reserves	1,367	558	961
Total Other Expenses	7,505	6,603	6,652
Surplus	\$ 17,185	\$ 13,516	\$ 15,804

Consolidated Revenues and Expenses

For the Years Ended December 31, 2019 to 2015

(in thousands of dollars)

(unaudited)

	2019	2018	2017	2016	2015
Revenues					
Taxation	\$ 269,351	\$ 254,221	\$ 242,886	\$ 227,493	\$ 213,232
Grants-in-Lieu of Taxes	6,836	4,167	6,183	5,275	4,986
User Charges	453,193	442,347	414,509	392,543	379,082
Government Transfers	89,445	161,177	137,373	115,722	91,949
Investment Income	16,782	13,537	11,913	13,025	13,708
Contribution from Developers	74,144	148,928	121,037	94,051	196,143
Franchise Fees	18,497	16,055	15,818	21,701	21,616
Other	22,938	22,474	7,729	22,610	25,189
Total Revenues	951,186	1,062,906	957,448	892,420	945,905
Expenses					
Arts, Culture & Events Venues	7,830	10,454	11,959	6,226	5,661
Community Support	17,630	17,706	17,154	21,328	17,553
Corporate Asset Management	9,168	5,672	(7,902)	(5,792)	(7,867)
Corporate Governance & Finance	42,125	48,791	38,429	56,818	47,526
Debt Servicing Costs	10,895	12,127	14,132	16,465	14,795
Environmental Health	55,696	54,553	52,581	38,754	51,235
Fire	52,703	49,972	47,737	47,841	45,831
Land Development	8,282	8,006	26,060	1,972	1,974
Library	13,756	23,521	23,035	18,159	19,100
Police	108,272	104,558	102,199	99,926	104,043
Recreation & Culture	65,597	69,142	65,598	75,940	76,084
Taxation & General Revenues	6,175	7,040	6,697	3,672	4,681
Transportation	195,705	179,942	159,823	142,924	136,226
Urban Planning & Development	33,520	26,706	24,345	19,601	20,293
Utilities	192,202	185,826	184,892	161,732	198,376
Total Expenses	819,556	804,016	766,739	705,566	735,511
Surplus of Revenues over Expenses	\$ 131,630	\$ 258,890	\$ 190,709	\$ 186,854	\$ 210,394

Summary of Operating Revenues

For the Years Ended December 31, 2019 to 2015

(in thousands of dollars)

(unaudited)

	2019	2018	2017	2016	2015
Taxation	\$ 244,393	\$ 231,149	\$ 220,086	\$ 206,562	\$ 193,806
Grants-in-Lieu of Taxes	43,352	41,439	38,744	36,524	34,708
General Revenues	104,788	99,307	93,963	95,163	91,357
User Fees	53,917	52,847	51,968	50,005	49,328
Transfers from Other Governments	63,015	62,505	64,813	66,546	65,318
Land Development	2,603	2,905	2,415	2,086	3,590
	\$ 512,068	\$ 490,152	\$ 471,989	\$ 456,886	\$ 438,107

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Summary of Operating Expenses

For the Years Ended December 31, 2019 to 2015

(in thousands of dollars)

(unaudited)

	2019	2018	2017	2016	2015
Land Development	\$ 5,204	\$ 1,188	\$ 2,415	\$ 2,086	\$ 3,590
Arts, Culture & Events Venues	8,530	7,657	7,183	7,206	5,841
Community Support	18,062	17,569	18,027	16,001	15,944
Corporate Asset Management	12,144	14,240	11,751	11,725	10,010
Debt Servicing Costs	28,975	29,135	29,461	27,787	26,884
Corporate Governance & Finance	44,459	48,189	40,230	38,152	37,421
Environmental Health	20,490	20,552	18,566	19,127	18,622
Fire	53,682	49,209	47,478	47,120	45,955
Police	106,286	100,635	96,927	93,280	89,949
Recreation & Culture	54,696	52,310	51,069	49,623	47,930
Taxation & General Revenues	6,768	7,766	7,605	7,809	6,840
Transportation	138,685	132,357	131,555	123,242	112,497
Urban Planning & Development	13,569	12,364	12,822	13,075	14,565
	\$511,550	\$ 493,171	\$ 475,089	\$ 456,233	\$ 436,048

Summary of Capital Operations

For the Years Ended December 31, 2019 to 2015

(in thousands of dollars)

(unaudited)

	2019	2018	2017	2016	2015
Sources of Funds					
Province of Saskatchewan	\$ 216	\$ 26,456	\$ 32,106	\$ 1,830	\$ 8,040
Federal Gas Tax Program	19,608	649	199	-	-
Provincial Building Communities Program	-	-	-	921	-
Urban Highway Connector Program	-	-	-	226	678
Government of Canada	104	2,701	14,087	46	57
Transport Canada	53	55,492	3,179	38,582	-
Federal Transit Funding Program	3,368	4,908	9,513	11	2,380
Federal Gateway and Border Crossings	-	-	-	-	2,056
Building Canada Fund (FED)	1,820	3,749	5,027	2,599	3,965
Building Canada Fund (PROV)	1,640	3,570	4,628	2,599	4,136
Federation of Canadian Municipalities	25	150	-	-	-
FCM Green Fund Grant	22	-	-	-	-
Taxation	2,520	2,249	82	4,145	3,932
Utility Contribution	6,981	7,766	7,011	6,045	5,809
Contributions from Developers Benefiting Property Owners and Other Users	14,306	38,097	24,251	29,468	60,532
Appropriations					
Reserves	226,218	190,906	156,978	178,361	170,628
	276,881	336,693	257,061	264,833	262,213
Application of Funds					
Community Support	10	412	625	366	326
Corporate Asset Management	17,393	18,398	118,042	55,170	24,499
Corporate Governance & Finance	5,051	3,633	2,068	1,035	1,532
Environmental Health	3,734	5,173	3,123	2,942	2,351
Fire	2,703	2,256	5,561	1,797	1,492
Police	3,362	2,333	2,672	2,885	3,255
Recreation & Culture	11,466	39,900	15,229	24,539	60,172
Transportation	62,825	304,238	97,489	60,875	70,363
Urban Planning & Development	10,883	5,707	2,996	13,629	12,027
Saskatoon Land	33,884	29,054	42,237	58,842	98,297
Utilities	72,808	62,966	76,229	52,634	55,999
	224,119	474,070	366,271	274,714	330,313
Increase (Decrease) in Unexpended Capital Financing	52,762	(137,377)	(109,210)	(9,881)	(68,100)
Unexpended Capital Financing, Beginning of Year	(194,483)	(57,106)	52,104	61,985	130,085
Unexpended Capital Financing, End of Year	\$ (141,721)	\$ (194,483)	\$ (57,106)	\$ 52,104	\$ 61,985

Summary of Public Utilities Operating Results

For the Years Ended December 31, 2019 to 2015

(in thousands of dollars)

(unaudited)

	2019	2018	2017	2016	2015
Net surplus after deducting operating expenses, debt charges and contributions to reserves:					
Saskatoon Light & Power	\$ 23,016	\$ 22,697	\$ 24,660	\$ 23,063	\$ 21,319
Net Surplus	23,016	22,697	24,660	23,063	21,319
Amount contributed by Utilities to Revenue as Return on Investment	\$ 23,016	\$ 22,697	\$ 24,660	\$ 23,063	\$ 21,319

Summary of Reserves and Surplus

For the Years Ended December 31, 2019 to 2015

(in thousands of dollars)

(unaudited)

	2019	2018	2017	2016	2015
Reserves					
Property Realized	\$ 43,781	\$ 40,734	\$ 30,901	\$ 21,717	\$ 27,792
Replacement	42,381	43,099	35,268	26,881	18,092
Future Expenses	145,729	169,694	141,136	109,765	93,009
Surplus (Deficit)	200	(3,019)	(3,100)	653	2,058
	\$ 232,091	\$ 250,508	\$ 204,205	\$ 159,016	\$ 140,951

Summary of Term Debt and Required Sinking Fund Consolidation of All Obligations

As at December 31, 2019 to 2015

(unaudited)

	2019	2018	2017	2016	2015
Total Term Debt	\$ 331,413,653	\$ 358,983,525	\$ 349,153,177	\$ 318,771,454	\$ 263,051,368
Population Estimate at July 31 (1)	272,200	278,500	273,010	266,064	262,900
Gross Debt Per Capita	\$ 1,218	\$ 1,289	\$ 1,278	\$ 1,198	\$ 1,001
Net Debt Per Capita	\$ 1,199	\$ 1,272	\$ 1,265	\$ 1,188	\$ 994
Mill Rate Supported Debt	\$ 377	\$ 397	\$ 441	\$ 488	\$ 529
Legal Debt Limit	\$ 558,000,000	\$ 558,000,000	\$ 558,000,000	\$ 558,000,000	\$ 558,000,000
Debt servicing costs as a percentage of total expenses	1.34 %	1.53 %	1.86 %	1.72 %	1.46 %

(1) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

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Summary of Term Debt and Required Sinking Fund By Responsibility Centre

For the Years Ended December 31, 2019 to 2015

(unaudited)

	2019	2018	2017	2016	2015
Waterworks Utility	\$ 16,140,370	\$ 23,290,018	\$ 30,327,183	\$ 37,170,298	\$ 43,853,933
Wastewater Utility	\$ 7,923,230	\$ 9,955,420	\$ 11,941,150	\$ 13,886,890	\$ 15,798,560
Gas Tax	\$ 5,068,033	\$ 9,974,638	\$ 16,627,895	\$ 23,065,231	\$ 29,284,796
P3	\$ 199,750,467	\$ 205,064,241	\$ 169,800,486	\$ 114,721,990	\$ 35,000,000
Total Debt Not Supported by Civic Mill Rate	\$ 228,882,100	\$ 248,284,317	\$ 228,696,714	\$ 188,844,409	\$ 123,937,289
Total Civic Mill Rate Debt	\$ 102,531,553	\$ 110,699,208	\$ 120,456,463	\$ 129,927,045	\$ 139,114,079
Total Term Debt	\$ 331,413,653	\$ 358,983,525	\$ 349,153,177	\$ 318,771,454	\$ 263,051,368
Sinking Funds Accumulated to Retire Debt	\$ (5,115,762)	\$ (4,715,417)	\$ (3,706,357)	\$ (2,685,616)	\$ (1,780,650)
Net Debt	\$ 326,297,891	\$ 354,268,108	\$ 345,446,820	\$ 316,085,838	\$ 261,270,718
Population Estimate at Dec. 31 (2)	272,200	278,500	273,010	266,064	262,900
Gross Debt Per Capita	\$ 1,218	\$ 1,289	\$ 1,278	\$ 1,198	\$ 1,001
Net Debt Per Capita	\$ 1,199	\$ 1,272	\$ 1,265	\$ 1,188	\$ 994
Mill Rate Supported Debt	\$ 377	\$ 397	\$ 441	\$ 488	\$ 529

(1) All figures are based on book values and have not been adjusted for foreign currency exchange.

(2) Population data is provided by the City Planning Branch, derived from Statistics Canada census data.

Term Debt Maturing With Percentages

As at December 31, 2019

(unaudited)

Year	Long-Term Debt Maturing	Percentage Yearly	Percentage Reduction Accumulated
2020	\$ 18,886,247	14.34 %	14.34 %
2021	13,107,949	9.96 %	24.30 %
2022	13,499,952	10.25 %	34.55 %
2023	8,998,233	6.83 %	41.39 %
2024	7,512,805	5.71 %	47.09 %
2025	3,819,000	2.90 %	49.99 %
2026	3,078,000	2.34 %	52.33 %
2027	3,171,000	2.41 %	54.74 %
2028	3,267,000	2.48 %	57.22 %
2029	3,368,000	2.56 %	59.78 %
2030	3,469,000	2.63 %	62.41 %
2031	3,575,000	2.72 %	65.13 %
2032	911,000	0.69 %	65.82 %
2043	244,750,467	34.18 %	100.00 %
Total Debt	331,413,653	100.00 %	
Sinking funds accumulated to retire debt	(5,115,762)	-	-
Net Debt	\$326,297,891	- %	

Summary of Property Assessment and Tax Levy

For the Years Ended December 31, 2019 to 2015

(unaudited)

	2019*	2018	2017*	2016	2015
Gross Assessments	\$ 46,354,613,030	\$ 45,895,563,135	\$ 45,959,955,680	\$ 33,857,081,395	\$ 33,140,448,115
Exemptions	10,508,887,425	10,430,652,235	10,066,975,145	7,600,970,280	7,549,330,626
Assessed Value for Taxation	\$ 35,845,725,605	\$ 35,464,910,900	\$ 35,892,980,535	\$ 26,256,111,115	\$ 25,591,117,489
Tax Rate:					
General	6.82	6.54	6.29	7.92	7.63
Library	0.70	0.65	0.65	0.80	0.77
Education:					
Public/Separate Board	4.12	4.12	4.13	5.03	5.03
Total	11.64	11.31	11.07	13.75	13.43
Property Roll Collections:					
Current	\$ 438,524,761	\$ 422,067,470	\$ 406,646,405	\$ 380,850,825	\$ 362,771,314
Arrears	11,504,573	10,188,342	10,484,884	8,470,615	8,709,950
Total Collected	\$ 450,029,334	\$ 432,255,812	\$ 417,131,289	\$ 389,321,440	\$ 371,481,264
Percentage of Levy Collected:					
Current	96.28 %	96.98 %	95.74 %	95.65 %	95.84 %
Current and Arrears	96.11 %	96.84 %	95.96 %	95.39 %	95.67 %
Taxes Outstanding:					
Current	\$ 11,226,572	\$ 10,497,249	\$ 9,513,185	\$ 10,448,938	\$ 7,820,928
Arrears	3,546,299	3,448,714	2,919,214	2,387,274	2,164,633
	\$ 14,772,871	\$ 13,945,963	\$ 12,432,399	\$ 12,836,212	\$ 9,985,561

* Reassessment Year

Saskatoon Economic Statistics

For the Years Ended December 31, 2019 to 2015

(unaudited)

	2019	2018	2017	2016	2015
Saskatoon population (December 31)*:	272,200	268,188	262,993	256,711	250,746
Annual change	1.50 %	1.98 %	2.45 %	2.38 %	1.38 %
Saskatoon inflation rate - annual change	1.60 %	2.30 %	1.80 %	1.20 %	1.90 %
Saskatoon unemployment rate - annual average	5.85 %	6.63 %	7.90 %	6.93 %	5.80 %
Number of Persons Employed in Saskatoon	179,771	174,800	170,050	168,300	169,675
Saskatoon Building Permits					
Total Number	3,369	3,566	3,998	3,950	4,327
Total Value	\$ 648,900	\$ 642,595	\$ 762,082	\$ 727,597	\$ 1,020,394
Annual Change	(5.52)%	(10.81)%	1.22 %	(8.71)%	(13.39)%

* July population estimates are provided by Statistics Canada annual estimates.

* Statistics Canada has revised their past estimates to reflect a change to the base year of 2016, from the previous 2011. This occurred in 2018 which means that many of the population estimates declined. Statistics Canada had been estimating Saskatoon's population at a higher growth rate, and have therefore re-adjusted the population bases.

Sources of Information: Statistics Canada, Conference Board of Canada and the City of Saskatoon - Community Services Department

Major Taxpayers in Saskatoon

2019 Taxable Assessment

(in thousands of dollars)

(unaudited)

Midtown Plaza Inc.	\$	291,389
Boardwalk REIT Properties Holdings Ltd.		194,085
Mainstreet Equity Corp.		180,807
Concorde Group Corp.		142,923
Calloway REIT Saskatoon South		111,789
Boulevard Real Estate Equities		111,349
Pillar Properties Corp.		110,633
Saskatoon West Shopping Centres Limited		104,914
Centre at Circle & Eighth Property Inc.		102,942
959630 Alberta Inc.		102,276
CNH Canada Ltd.		85,826
The Saskatoon Co-operative Association Limited		81,901
Nexus Holdings Inc.		76,716
Deer Lodge Hotels Ltd.		75,199
Dream Asset Management Corporation		74,395

Summary of Expenses by Object

December 31, 2019

(in thousands of dollars)

(unaudited)

	2019	2018	2017	2016	2015
Wages and Benefits	\$ 323,687	\$ 331,350	\$ 327,544	\$ 280,655	\$ 282,741
Contracted and General Services	169,029	159,645	149,564	161,007	188,684
Heating, Lighting, Power, Water and Telephone	115,688	109,870	106,737	97,683	99,809
Materials, Goods and Supplies	30,679	27,200	24,019	16,635	23,353
Finance Charges	26,912	24,266	14,132	16,465	12,098
Donations, Grants and Subsidies	9,415	10,068	10,752	9,888	11,679
Amortization	144,146	141,617	133,991	123,233	116,898
	\$ 819,556	\$ 804,016	\$ 766,739	\$ 705,566	\$ 735,262

Summary of Accumulated Surplus and Net Financial Assets (Debt)

(in thousands of dollars)

(unaudited)

	2019	2018	2017	2016	2015
Accumulated Surplus	\$4,456,589	\$ 4,324,959	\$ 4,066,069	\$ 3,875,360	\$ 3,688,506
Net Financial Assets (Debt)	\$ 37,465	\$ (29,481)	\$ (114,264)	\$ (125,106)	\$ (57,943)

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