

Summary of 2019 Consolidated Financial Statements

For 2019, the City had consolidated operating revenues of \$947.5 million, along with consolidated operating expenses of \$819.1 million, resulting in a net surplus of \$128.4 million. Overall, the City has strengthened its accumulated surplus from \$4.3 billion to \$4.5 billion, an increase of 2.97% over 2018's figures.

Revenues

1. Taxation Revenues increased by 6% from \$254.2 million to \$269.4 million, due to the Council approved 2019 property tax increase of 4.4%, along with a growth in the number of properties captured in the City's property tax role, or other status changes throughout the year.
2. User Charges increased by 2.5% from \$442.3 million to \$453.2 million, due to increased rates for some services, starting January 1, 2019. User Charges were 2% lower than the original budget of \$462.8 million dollars, due to anticipated conservation on some services like Water/Wastewater that occurs when user rates are increased.
3. Investment Income increased by 24% from \$13.5 million to \$16.8 million, due to higher cash balances, lower yields on Money Market Securities, as well as a realized gain from an investment that was sold in January 2019 which caused a positive variance of \$800,000.

Expenses

1. Expenses for 2019 saw a marginal increase of 1.8% over 2018's figures, but were under budget by 1.1%.

Assets

1. Cash and Cash Equivalents increased by 95% from \$38.3 million to \$74.6 million, due to significant projects completed in 2018, including the substantial completion payment for the North Commuter and Traffic Bridge.
2. When looking at the City's overall level of liquidity, Finance looks at the City's Total Financial Assets, which is a combination of Cash, Receivables, Land Inventory for Resale, and Other Assets and Investments. When comparing these totals between 2018 and 2019, the City strengthened its Total Financial Assets by 6.3% from \$619.3 million to \$658.1 million.

Liabilities

1. Term Debt decreased by 7.7% from \$358.9 million to \$331.4 million, due to debt payments throughout 2019.
2. Similar to Assets, the City's overall level of financial liabilities is a combination of Accounts Payable and Accrued Liabilities, Deferred Revenue, Term Debt, Accrued Pension Liability and Employee Benefits Payable. When comparing these totals between 2018 and 2019, the City decreased its Total Financial Liabilities by 3.8% from \$648.8 million to \$632.9 million.

Reserves

Overall Reserves decreased by 7.4% from \$250.5 million to \$232.1 million.

While the City saw some significant changes between 2018 and 2019 including the appropriate increases to numerous reserves throughout the year, there were several reserves significantly utilized for items such as Saskatoon Light & Power's increase in capital programs, major bridge repairs, the Construction and Design Division finishing a 160 lot phase of deep services in Aspen Ridge, as well as the coverage for the Water and Wastewater Services deficit for 2019.

Subsequent Events Note

This year, the financial statements will include a Subsequent Events Note, directly related to the current situations surrounding the novel coronavirus (COVID-19). As we can't capture the exact financial picture that COVID-19 has caused on the City of Saskatoon, especially based on the Financial Statements date of December 31, 2019, this note must be incorporated into this year's financial statements to advise readers of this issue.