

2019 Audited Financial Statements and Financial Reports

ISSUE

Each year the City of Saskatoon's (City) Audited Consolidated Financial Statements are presented to City Council for information following a formal review and approval by the Standing Policy Committee on Finance.

BACKGROUND

At its meeting on April 27, 2020, when considering the 2019 preliminary year-end financial results, subject to an external audit, City Council resolved:

1. That the Snow and Ice deficit of \$646,610 be offset by a transfer from the Snow and Ice Management Contingency Reserve; and
2. That the year-end surplus of \$518,343 be transferred to the Fiscal Stabilization Reserve."

CURRENT STATUS

The annual audit of the City's consolidated financial statements has been conducted by the contracted external auditor, Deloitte LLP, and has presented its report to the Standing Policy Committee on Finance at its In Camera meeting on June 15, 2020.

The Consolidated Financial Statements include all the City's entities, including the civic operating and capital programs, Saskatoon Public Library, TCU Place, SaskTel Centre, Remai Modern Art Gallery of Saskatchewan and Saskatoon Police Service. In addition, the City's Pension Plans are included in these statements.

DISCUSSION/ANALYSIS

City of Saskatoon 2019 Audited Consolidated Financial Statements

The preliminary 2019 operating net surplus of \$518,343 has been confirmed via the external audit as seen on Schedule 5 (Schedule of Revenues and Expenditures) in the 2019 Audited Consolidated Financial Statements (Appendix 1).

The City's 2019 Audited Consolidated Financial Statements have been prepared in accordance with Canadian public sector accounting standards as established the Public Sector Accounting Board (PSAB). The report has also been completed in accordance with direction specified in *The Cities Act*.

At its meeting on June 15, 2020, the Standing Policy Committee on Finance approved the 2019 Draft Audited Consolidated Financial Statements. At that time, the external auditor indicated that the City's significant accounting policies are appropriate and in accordance with PSAB. This translates to a clean audit opinion from the external auditor and speaks to the City's responsible stewardship of its financial resources.

The City's Statement of Financial Position remains in a healthy position with the balance of all reserves at \$232.1 million, however reduced from \$250.5 million in 2018. While the City saw changes in reserves between 2018 and 2019, there were several reserves significantly utilized for items such as Saskatoon Light & Power's increase in capital programs, major bridge repairs, and major deep servicing for development of the Aspen Ridge neighbourhood.

Further highlights of the consolidated financial statements are included in the Summary of Consolidated Financial Statements (Appendix 2).

Other 2019 Financial Reports

In addition to the 2019 Audited Consolidated Financial Statements, the following reports are attached:

- 2019 Draft Financial Statements – Superannuation Plans (Appendix 3)
- 2019 Audited Financial Statements – Civic Boards (Appendix 4)

OTHER IMPLICATIONS

There are no privacy, legal, social, financial, or environmental implications identified.

NEXT STEPS

Once the reports have been received by City Council, the 2019 Annual Report will be finalized, which will include the results of the 2019 Business Plan and the Audited Consolidated Financial Statements.

The 2019 Annual Report will be posted on the City's website following the digital first strategy. A limited number of printed copies will be produced and distributed to stakeholder organizations, including the Chamber of Commerce, North Saskatoon Business Association, and Business Improvement Districts. The 2019 Annual Report will be made available to members of the public upon request.

APPENDICES

1. 2019 Draft Audited Consolidated Financial Statements
2. Summary of 2019 Consolidated Financial Statements
3. 2019 Draft Financial Statements – General Superannuation Plans
4. 2019 Audited Financial Statements – Civic Boards

REPORT APPROVAL

Written by: David Reynolds, Director of Finance
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Approved by: Jeff Jorgenson, City Manager