

Preliminary Year-End Results – December 31, 2025

ISSUE

This report is to inform City Council of the preliminary year-end financial results for the fiscal year ending December 31, 2025. A deficit of \$195,616 was realized in the Civic operations which is a 0.03% variance from the approved civic budget of \$663.0 million. The Utility programs realized a surplus of \$18.85 million which is a 4.61% variance from budget and is largely due to a surplus within the Water and Wastewater Utilities that will be used for future infrastructure renewal and replacement plans. Administration is also requesting City Council approval of the following recommendations, subject to the confirmation of the external audit.

RECOMMENDATION

That the Standing Policy Committee on Finance recommend to City Council:

1. That the 2025 year-end deficit be transferred from the Fiscal Stabilization Reserve in the amount of \$195,616.34; and
2. That \$4,000,000 be transferred from the Water and Wastewater Stabilization Reserve to the Infrastructure Replacement Reserve – Water and Wastewater.

BACKGROUND

Prior to the annual external audit of the City of Saskatoon's (City) year-end financial statements, the Administration tables a report to inform City Council and the public on the preliminary year-end financial results.

At its [January 29, 2025](#) meeting, City Council resolved:

1. "That the Interest Stabilization Reserve be abolished;
2. That the Investment Income Reserve be established as outlined in Appendix 1, of the January 15, 2025, report of the Corporate Financial Services Division;
3. That the existing balance within the Interest Stabilization Reserve be transferred to the Investment Income Reserve; and
4. That the City Clerk's office be requested to amend City Council Policy No. C03-003, Reserve for Future Expenditures accordingly."

DISCUSSION/ANALYSIS

Appendix 1 provides a summary of the financial results by business line for the year ending December 31, 2025. Appendix 2 provides a detailed overview of the 2025 Preliminary Year-End Financial Civic Operating or Property Tax Supported Budget results and recommendations for allocation of the surplus funds. Appendix 3 includes details on the Fiscal Stabilization Reserve, Snow and Ice Management Contingency Reserve and the Parks Grounds Maintenance Stabilization Reserve while Appendix 4 is a detailed overview of the Utility programs.

Property Tax Supported Civic Operating Budget Results

A deficit of \$195,616 was realized in the Civic operations which is a 0.03% variance from the approved civic budget of \$663.0 million. Some of the more significant variances include:

- Snow & Ice Management experienced a deficit of \$3.03 million. There was a total of eight snow events in 2025 including the full residential snow clearing in February 2025 (compared to budget which has five snow events fully budgeted and a sixth snow event partially funded) and 16 weather events.
- Transit Operations and Access Transit had a combined surplus of \$2.69 million. Revenues were \$117,140 favourable and expenditure savings of \$2.57 million were primarily due to fuel savings;
- Waste Handling Service, which includes the Landfill, had a surplus of \$1.51 million due to higher revenue than expected in residential and commercial tonnage and higher than budgeted diversion revenues from scrap metal; and
- Overall total fuel savings including Transit Operations but excluding Utilities, was \$2.80 million.

A more detailed overview of all favourable and unfavourable variances can be found in Appendix 2.

Property Tax Supported Civic Operating Budget Recommendations

The remaining \$195,616 of the civic deficit is recommended to be covered through a transfer from the Fiscal Stabilization Reserve which will bring the balance in the reserve to approximately \$16.84 million which will be available to offset future operating budget deficits or challenges. This would also leave the existing funds of \$7.73 million within the Snow and Ice Management Contingency Reserve. Appendix 3 includes details on the Fiscal Stabilization Reserve, Snow and Ice Management Contingency Reserve and the Parks Grounds Maintenance Stabilization Reserve.

Investment Income Reserve

In 2025, the City realized \$25.73 million in net investment income. Of this amount, \$17.43 million has been applied to the operating budget to support civic services as approved in the 2025 budget. The remaining \$8.30 million remains in the Investment Income Reserve which will be used to offset years of investment losses and/or used for discretionary allocation purposes as per City Council Policy C03-003, [Reserve for Future Expenditures](#).

A more comprehensive overview of the City's 2025 investment performance will be provided to the Standing Policy Committee on Finance in the coming months.

Utilities

As shown in Appendix 4, the following City Utility surpluses or deficits were realized in 2025, resulting in an overall 4.2% surplus in the City's Utilities:

Utility Program	(Surplus)/Deficit
Saskatoon Light & Power	(3,485,464)
Storm Water Utility	(312,836)
Water Utility	(8,076,885)
Waste Water Utility	(5,807,769)
Waste Services Utility	(1,168,114)
Total	(18,851,069)

The majority of the 2025 surplus is related to Saskatoon Water and Wastewater which experienced revenue which was higher than expected from higher sales volumes and also experienced savings in chemicals and maintenance and equipment from lower water main breaks. Saskatoon Light and Power also had favourable net metered revenue as well as savings in salaries due to vacancies, vehicles and equipment and fuel expenditures.

For additional context, the Water/Wastewater Utilities have seen four deficits and six surpluses in the past ten years (including 2025). The City’s operating budget, including Utilities, is always based on a variety of assumptions including weather fluctuations which significantly impact the financial performance of the utilities. On a cumulative basis over the past 10 years, Saskatoon Water/Wastewater has generated an approximate 1.2% positive variance relative to approved budget with the last three years all being surpluses totalling \$32.0 million which will be utilized to fund the infrastructure renewal and replacement plans for the utility reducing the impact on future rates and borrowing. As at December 31, 2025, there is \$44.39 million outstanding in Water and Wastewater debt with Water and Wastewater debt expected to be \$363.86 million by 2030 to support construction of the new Water Treatment Plant.

The 2025 Utility surpluses or deficits have been transferred to or from their respective utility stabilization, capital or replacement reserves as outlined in [Council Policy No. C03-003](#), Reserves for Future Expenditures. In accordance to Council Policy No. C03 003, City Council approval is required to transfer from the Saskatoon Water and Wastewater Stabilization Reserve to the Infrastructure Replacement Reserve – Waste and Wastewater. Administration is recommending that \$4.00 million be transferred from the Water and Wastewater Stabilization Reserve to the Infrastructure Replacement Reserve – Waste and Wastewater. More information can be found in Appendix 4 on the Utility surplus.

Statutory Boards and Controlled Corporation Results

The Saskatoon Police Service’s surplus of \$4.02 million and the subsequent transfer to the Police Fiscal Stabilization Reserve and the Saskatoon Police Service Capital Reserve, for a net impact of \$0 to the \$195,616 civic deficit, is included in the City’s year-end results. The remaining Statutory Boards and Controlled Corporations are not included in the City’s year-end results but are summarized as follows:

- SaskTel Centre is reporting a preliminary surplus of \$1.35 million (The guaranteed amount from the SEG agreement) before contribution to the Civic Buildings

Comprehensive Maintenance Reserve and adjustments as per the SEG agreement.

- TCU Place is reporting a preliminary surplus of \$555,104 for the fiscal year ended December 31, 2025, due to higher-than-expected last minute event activity and ancillary sales in the 4th quarter. The surplus will be allocated to the TCU Stabilization Reserve.
- Remail Modern is reporting a preliminary operating surplus of \$156,374 for the fiscal year ended December 31, 2025, which will be used primarily for planned allocations to their stabilization reserve and capital funds.

FINANCIAL IMPLICATIONS

The financial implications are included within the report.

OTHER IMPLICATIONS

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

NEXT STEPS

The external audit of the financial statements is expected to be completed in June. Following the external audit, the audited financial statements will be presented to City Council for approval. At that time, the year-end financial results will be confirmed or adjusted based on recommendations of the external audit.

APPENDICES

1. Preliminary Financial Results – Year Ending December 31, 2025
2. Civic Operating/Property Tax Supported Preliminary Year-End Financial Results
3. Contingency Reserves
4. Utility Preliminary Year-End Financial Results

REPORT APPROVAL

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