
2017 Audited Financial Statements and Financial Reports

Recommendation

That the report of the CFO/General Manager, Asset and Financial Management Department, dated May 28, 2018, be received as information.

Topic and Purpose

The purpose of this report is to present the City of Saskatoon's (City) 2017 Audited Financial Statements and Financial Reports.

Report Highlights

1. The 2017 Audited Consolidated Financial Statements reflect a clean audit opinion from the City's external auditor.
2. Other 2017 Financial Reports included are financial statements for the City's superannuation plans, the Saskatoon Public Library, and the 2017 Capital Status Report.

Strategic Goal

The Audited Consolidated Financial Statements support the Strategic Goal of Asset and Financial Sustainability by demonstrating how the City invests in what matters, and demonstrates openness, accountability and transparency in the allocation of resources.

Background

At its meeting on March 26, 2018, when considering the 2017 preliminary year-end financial results, subject to an external audit, City Council resolved:

- “1. That the fuel surplus amount of \$355,002 not be transferred to the Fuel Stabilization Reserve;
2. That a reduction of \$1,250,000 in the budgeted contribution to the Landfill Replacement Reserve be approved;
3. That the Snow & Ice surplus of \$87,800 not be transferred to the Snow & Ice Management Reserve;
4. That a reduction of \$488,500 in the budgeted contribution to the Snow & Ice Management Reserve be approved;
5. That a reduction of \$130,539 in the contribution to the Golf Course Capital Reserve be approved;
6. That an additional one time return on investment transfer of \$325,000 be made from the Water/Waste Water Utility to the Civic Operating Budget; and
7. That a \$3,104,900 withdrawal from the Fiscal Stabilization Reserve be applied to the 2017 year-end results in order to balance the budget.”

Report

City of Saskatoon 2017 Audited Consolidated Financial Statements

The preliminary 2017 operating net deficit of \$3.10 million has been confirmed via the external audit as seen on Schedule 5 (Schedule of Revenues and Expenditures) in the Consolidated Financial Statements (Attachment 1).

The City's 2017 Audited Consolidated Financial Statements have been prepared in accordance with the financial reporting recommendations of the Public Sector Accounting Board (PSAB). At its meeting on May 22, 2018, the Standing Policy Committee on Finance approved the 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 \$207 million, up from \$158 million in 2016. The increase is mainly due to continued collection of levies related to development to offset prepaid expenditures previously incurred through Saskatoon Land and development-type reserves such as the Prepaid Services, Property Realized and Land Bank Reserves. The Landfill Replacement and Water & Sewer Replacement Reserve continued towards a surplus position due to previously authorized deficits.

Other 2017 Financial Reports

In addition to the 2017 Audited Consolidated Financial Statements, the following reports are also attached:

- 2017 Capital Status Report (Attachment 2)
- 2017 Financial Reports – Superannuation Plans (Attachment 3)
- 2017 Audited Financial Statements for the Saskatoon Public Library (Attachment 4)

Communication Plan

Once the reports have been received by City Council, the 2017 Annual Report will be finalized, which will include the results of the 2017 Business Plan and the Audited Consolidated Financial Statements.

The finalized 2017 Annual Report will be posted on the City's website. Hard copies will be forwarded to stakeholder organizations including the Chamber of Commerce, North Saskatoon Business Association, and Business Improvement Districts, and will also be available to the public.

Due Date for Follow-up and/or Project Completion

There is no follow-up required.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. City of Saskatoon 2017 Consolidated Financial Statements, Draft
2. 2017 Capital Status Report
3. 2017 Financial Reports – Superannuation Plans
4. 2017 Audited Financial Statements Saskatoon Public Library

Report Approval

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Reviewed by: Kerry Tarasoff, CFO/General Manager, Asset and Financial
Management Department
Approved by: Jeff Jorgenson, Acting City Manager

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