

Consolidated Financial Statements

City of Saskatoon, Saskatchewan, Canada

Year Ended December 31, 2016

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Independent Auditor's Report

To His Worship the Mayor and City Council:

We have audited the accompanying consolidated financial statements of the City of Saskatoon, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations, changes in net financial debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Saskatoon as at December 31, 2016 and the results of its operations, changes in net financial debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 20 to the consolidated financial statements, which explains that certain comparative information for the year ended December 31, 2015 has been restated.

Chartered Professional Accountants,
Licensed Professional Accountants
Saskatoon, Saskatchewan
June 26, 2017

Consolidated Statement of Financial Position

As at December 31, 2016

(in thousands of dollars)

	2016	2015 Restated Note 20
Financial Assets		
Cash and Cash Equivalents (Note 2)	\$ 68,483	\$ 68,305
Taxes Receivable (Note 3)	13,605	11,309
Accounts Receivable and User Charges (Note 3)	122,308	99,051
Loans Receivable (Note 4)	2,296	2,811
Land Inventory for Resale	8,172	8,709
Investments (Note 6)	364,149	372,748
Other Assets (Note 5)	1,614	4,421
Accrued Pension Asset	7,076	-
Total Financial Assets	587,703	567,354
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	267,995	229,174
Deferred Revenue (Note 10)	73,577	85,912
Term Debt (Note 11)	318,771	263,050
Accrued Pension Liability (Note 8)	-	9,296
Employee Benefits Payable (Note 12)	41,466	37,865
Total Financial Liabilities	701,809	625,297
Total Net Financial Debt	(114,106)	(57,943)
Non-Financial Assets		
Prepaid Expenditures	12,111	13,306
Tangible Capital Assets (Note 18)	3,975,505	3,721,697
Inventory of Materials and Supplies	12,850	11,446
Total Non-Financial Assets	4,000,466	3,746,449
Accumulated Surplus (Note 19)	\$ 3,886,360	\$ 3,688,506

Consolidated Statement of Operations

For the Year Ended December 31, 2016

(in thousands of dollars)

	2016 Budget	2016	2015
Revenues			
Taxation (Note 7)	\$ 227,969	\$ 227,493	\$ 213,232
Grants in Lieu of Taxes (Note 7)	4,490	5,275	4,986
User Charges	377,722	392,543	379,082
Government Transfers - Operating (Note 13)	67,973	67,907	66,620
Government Transfers - Capital (Note 13)	-	47,815	25,329
Investment Income	13,090	13,025	13,708
Contribution from Developers and Others - Operating	-	49,628	90,399
Contribution from Developers and Others - Capital	-	44,423	105,744
Franchise Fees	21,895	21,701	21,616
Other	22,007	22,610	25,109
Total revenue	735,146	892,420	945,825
Expenses			
General Government	36,682	30,775	35,384
Protection of Persons and Property	158,055	157,840	162,352
Transportation	125,155	151,635	151,635
Recreation and Culture	99,094	81,134	102,000
Social and Family Services	5,952	5,685	6,537
Planning and Development	40,168	38,629	49,444
Saskatoon Light & Power	112,476	108,430	116,346
Environmental Health	111,503	108,305	99,783
Debt Servicing Costs	12,088	12,134	10,560
Total expenses	701,173	694,567	734,041
Surplus of Revenues Over Expenses (Note 21)	-	197,853	211,784
Accumulated Suplus, Beginning of Year (restated) (Note 19 & 20)	-	3,689,727	3,477,943
Accumulated Surplus, End of Year (restated)	\$	3,887,580	\$ 3,689,727

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2016

(in thousands of dollars)

	2016	2015
Operating Activities:		
Surplus of Revenues Over Expenses	\$ 197,854	\$ 210,563
Net Change In Non-Cash Working Capital Items:		
Taxes Receivable	(2,296)	(506)
Accounts Receivable and User Charges	(23,257)	12,173
Loans Receivable	515	694
Land Inventory for Resale	537	(3,149)
Other Assets	2,807	2,498
Accrued Pension Asset	(7,076)	1,749
Prepaid Expenditures	1,195	(10,630)
Inventory of Materials and Supplies	(1,404)	(342)
Accounts Payable and Accrued Liabilities	38,821	99,624
Deferred Revenue	(12,335)	(21,689)
Accrued Pension Liability	(9,296)	9,296
Employee Benefits Payable	3,601	2,053
Amortization	123,233	116,898
Revenue from Contributed Assets	(9,056)	(35,000)
	303,843	384,232
Investing Activities		
Decrease In Investments	8,599	10,258
	8,599	10,258
Financing Activities:		
Proceeds From Term Debt	79,722	50,000
Term Debt Repaid	(24,001)	(25,054)
	55,721	24,946
Capital Activities:		
Acquisition of Tangible Capital Assets	(367,985)	(408,065)
	(367,985)	(408,065)
Increase in Cash and Cash Equivalents	178	11,371
Cash and Cash Equivalents at Beginning of Year	68,305	56,934
Cash and Cash Equivalents at End of Year	\$ 68,483	\$ 68,305

Consolidated Statement of Changes in Net Financial Debt

For the Year Ended December 31, 2016

(in thousands of dollars)

	2016 Budget	2016	2015
Surplus of Revenues over Expenses	\$ -	\$ 197,854	\$ 210,563
Net Acquisition of Tangible Capital Assets	(429,946)	(367,985)	(408,065)
Contributed Assets	-	(9,056)	(35,000)
Amortization	123,115	123,233	116,898
Deficit from Capital Transactions	(306,831)	(253,808)	(326,167)
Net Change in Prepaid Expenses	1,296	1,195	(10,630)
Net Change in Inventory of Materials and Supplies	(1,404)	(1,404)	(342)
Deficit from other Non-financial Expenditures	(108)	(209)	(10,972)
Decrease in Net Financial Debt	(306,939)	(56,163)	(126,270)
Net Financial Assets (Debt), Beginning of Year	(57,943)	(57,943)	68,633
Net Financial Debt, End of Year	\$ (364,882)	\$ (114,106)	\$ (57,943)

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Notes to Financial Statements

For the Year Ended December 31, 2016

(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 of Saskatoon (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 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 ("Mendel")
- ◆ 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 Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

1. Accounting Policies (continued)

b. Basis of Consolidation (continued)

i. Reporting Entity (continued)

All interfund amounts have been eliminated through the consolidation. Schedule 5, and supporting Appendices 1 to 7, 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 Mendel, TCU Place, SaskTel Centre, Library, and the Sinking Fund.

The Library has an 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. 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.

ii. 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 purposes specified. Gross revenues for the 2016 fiscal year are \$892,420. 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 2016 fiscal year are \$711,171. Budget information is presented on a basis consistent with that used for actual results. The budget was approved by City Council on December 1, 2015. Any Council-approved changes made to capital budgets throughout the fiscal year have been excluded from the 2016 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 5 which includes a comparison of the City's operating budget to actual results.

iii. 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, 2016.

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

1. Accounting Policies (continued)

c. Basis of Accounting (continued)

iv. Cash and Cash Equivalents

Cash and cash equivalents consists 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.

v. Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which 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 expenditures as identified in the funding agreements. Authorization and approval are required before the funds can be expended.

vi. 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.

vii. 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 when approved for sale by the Land Bank Committee and when all municipal services have been completed.

viii. Loans Receivable

Loans receivable are recorded at cost less 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.

ix. 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.

x. 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 Plans 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

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

1. Accounting Policies (continued)

c. Basis of Accounting (continued)

x. Pension Amounts (continued)

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.

xi. 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 and the accumulated provision is reported as a liability on the Consolidated Statement of Financial Position.

xii. 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 assets and 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.

xiii. Segmented Reporting

Segmented information on the City's Consolidated Financial Activities is presented in note 21. The basis for segmentation is on capital and operating services for both utilities and the general City programs, plus information on the Library, Mendel, TCU Place and SaskTel Centre. Amounts are further allocated based on the types of services performed in each segment. Each account is designated as belonging to a particular segment and these accounts are further allocated to a particular service area (function) upon preparation of the Consolidated Financial Statements. Employee pension, sick and vacation costs have been allocated to each segment on a pro-rata basis.

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

1. Accounting Policies (continued)

c. Basis of Accounting (continued)

xiv. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to 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 and Land Improvements	20 to indefinite years
♦	Furniture and Fixtures	20 years
♦	Information & 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.

- (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 a nominal 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.

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

1. Accounting Policies (continued)

c. Accounting Standards Effective Beginning On Or After April 1, 2017

a) Assets

PS 3210, Assets provides additional guidance on the definition of assets and new disclosure requirements for those assets not recognized in the government's financial statements.

b) Contingent Assets

PS 3320, Contingent Assets defines and establishes standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. The existence of a contingent asset must be disclosed when the occurrence of the confirming future event is likely.

c) Contractual Rights

PS 3380, Contractual Rights defines and establishes standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

d) Inter-Entity Transactions

PS 3420, Inter-Entity Transactions specifically addresses the reporting of transactions between entities controlled by a government that comprise the government's reporting entity from both a provider and recipient perspective.

e) Related Party Transactions

PS 2200 Related Party Transactions defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required 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.

Accounting Standards Effective Beginning On Or After April 1, 2018

e) Restructuring Transactions

PS 3430, Restructuring Transactions establishes how to record and report restructuring transactions, for both transferors and recipients, the transfer of assets and/or liabilities together with related programs or operation responsibilities.

Accounting Standards Effective Beginning On Or After April 1, 2019

f) 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

g) Financial 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.

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

1. Accounting Policies (continued)

h) 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.

i) Financial Instruments

PS 3450 Financial Instruments establishes 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.

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

d. 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 will be classified based on the nature of the funds, such as debt, grants, and/or reserves.

e. Provision for Contaminated Sites

The Environmental Management and Protection Act (Saskatchewan) sets out the regulatory requirements in 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 provision in PS 3260 is provided for non-productive 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. Non-productive sites include any site where the contamination is a result of past activities not related to the current use of the site.

f. 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.

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

2. Cash And Cash Equivalents

	Cost		Market	
	2016	2015	2016	2015
Cash	\$ 60,179	\$ 64,027	\$ 60,179	\$ 64,027
Short-Term Investments	8,304	4,278	8,304	4,278
Total	\$ 68,483	\$ 68,305	\$ 68,483	\$ 68,305

3. Taxes Receivable And Accounts Receivable And User Charges

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 \$820 (2015 - \$918) for uncollectable taxes is included in the balance of Taxes Receivable.

The City also calculates an allowance for uncollectable accounts relating to Utility billings. At December 31, 2016 this amount is \$66 (2015 - \$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 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, 2016 are \$2,296 (2015 - \$2,811).

5. Other Assets

	2016	2015
Deferred Charges	\$ 1,369	\$ 4,248
Other Inventory for Resale	245	173
	\$ 1,614	\$ 4,421

6. Investments

	Cost		Market	
	2016	2015	2016	2015
Investments	\$ 364,149	\$ 372,748	\$ 379,198	\$ 398,384

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

Investments consist primarily of corporate and government bonds. Maturities are between 2017-2026 with effective interest rates of 1.0 percent to 5.25 percent.

2016 Investments contain \$2,685 (2015 - \$1,781) in restricted funds related to sinking funds accumulated to retire debt.

7. Net Taxes Available For Municipal Purposes

	2016	2015
Gross Taxation Revenue Collected	\$ 387,218	\$ 369,818
Taxes collected on Behalf of Others:		
Saskatoon School Division No. 13	(109,409)	(107,377)
St. Paul's Roman Catholic Separate School Division No. 20	(43,959)	(43,238)
Business Improvement Districts	(1,082)	(985)
Net Taxes Available For Municipal Purposes	\$ 232,768	\$ 218,218
Comprised of:		
Municipal	227,493	213,232
Grants in Lieu of Taxes	5,275	4,986
	\$ 232,768	\$ 218,218

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 Schedule of Revenue and Expenditures, nor are the Assets, Liabilities, and Fund Balances of these Boards included in the consolidated financial statements.

8. Accrued Pension Asset

The City administers six employee pension plans - the General Superannuation Plan ("General Plan"), the Saskatoon Police Pension Plan, the Police Superannuation Plan ("Police Plan"), the Saskatoon Firefighters' Pension Plan, the Fire and Protective Services Department Superannuation Plan ("Fire Plan"), and the Part-Time and Seasonal Employee Superannuation Plan ("Seasonal Plan"). Combined, these plans provide pension benefits for all eligible staff of the City. General, Police, and Fire Plans are contributory defined benefit plans. The Saskatoon Police Pension Plan and the Saskatoon's Firefighters' Pension 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 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 Part-Time and Seasonal Employee Superannuation 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 Retirement Plan for Employees of the City of Saskatoon Board of Police Commissioners, the Saskatoon Police Pension Plan, the Retirement Plan for Employees of the Fire and Protective Services Department of the City of Saskatoon, the Saskatoon Firefighters' Pension Plan and the General Superannuation Plan for City of Saskatoon employees not covered by the Police and Fire and Protective Services Departments' Superannuation Plans. The General Plan provides for partial inflation protection on benefits accrued to December 31, 2000. Fire and Police plans have 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 Plan was granted January 1, 2008 and the latest increase for retired members of the Police Plan was granted July 1, 2010. In accordance with the latest filed valuation reports. The average age of the 3,463 employees accruing service under the Plans is 43.30 years. At present, the Plans provide benefits for 1,870 retirees and surviving spouses; benefit payments were \$64,594 in 2016.

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

Employees make contributions in accordance with the following: General Plan 8.1 percent of salary below the year's maximum pensionable earnings (YMPE) and 9.7 percent above the YMPE; Fire Plan 10.9 percent of salary; Saskatoon Firefighters' Pension Plan 9 percent of salary; Police Plan 9 percent of salary; and Saskatoon Police Pension Plan 9 percent of salary while the City contributes an equal amount. In 2016, employee contributions for current and past service were \$24,269 (2015 - \$23,008), and the City's contributions were \$23,613 (2015 - \$22,839). 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:

	2016	2015
Accrued Benefit Obligation	\$ (1,290,024)	\$ (1,197,190)
Pension Fund Assets		
Marketable Securities	1,257,162	1,162,206
	(32,862)	(34,984)
Unamortized Actuarial Losses	39,808	25,688
Accrued Benefit Asset (Liability)	6,946	(9,296)
Valuation allowance	130	-
Net Carrying Value Of Accrued Benefit Asset (Liability)	\$ 7,076	\$ (9,296)

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, 2015 for the General Plan, December 31, 2015 for the Fire Plan, January 1, 2016 for the Saskatoon Fire Fighters' Pension Plan, December 31, 2015 for the Police Plan and January 1, 2016 for the Saskatoon Police Pension 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 6.45 percent for the General Plan, 6 percent for the Police Plan, 6.25 percent for the Saskatoon Police Pension Plan, 5.95 percent for the Fire Plan and 6.20 percent for the Saskatoon Fire Fighters' Pension Plan. The earnings increase rate is 3.25 percent for the General Plan, 3 percent for the Police Plan, 3 percent for the Saskatoon Police Pension Plan, 6.11 percent for the Fire Plan and 6.11 percent for the Saskatoon Fire Fighters' Pension 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 6.45 percent, on Police Plan assets is 6.60 percent, on Saskatoon Police Pension Plan assets is 6.25 percent, on Fire Plan assets is 6.30 percent and on Saskatoon Fire Fighters' Pension Plan assets is 6.20 percent. The actual rate of return on Plan assets in 2016 was 9.63 percent. The market value of assets at December 31, 2016 was \$1,296,836 (2015 - \$1,221,737).

Effective January 1, 2016, the Saskatoon Fire and Protective Services Department Superannuation and Saskatoon Police Superannuation 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 \$311 in 2016 (2015 - \$299).

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

The total expenditures related to pensions in 2016 include the following components:

	2016	2015
Current Period Benefit Cost	\$ 36,910	\$ 35,229
Less: Employee Contributions	(23,615)	(23,008)
Curtailments	-	10,831
Amortization of Actuarial Loss	6,297	8,067
Increase in valuation allowance	2,536	-
Pension Expense Excluding Interest	22,128	31,119
Interest Cost On The Average Accrued Benefit Obligation	76,542	73,899
Expected Return On Average Pension Plan Assets	(74,622)	(71,134)
Pension Interest Expenditure	1,920	2,765
Total Pension Expense	\$ 24,048	\$ 33,884

9. Accounts Payable And Accrued Liabilities

Included in accrued liabilities is \$5,917 (2015 - \$8,379) for the estimated total landfill closure and post closure care expenditures. The estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenditures recognized as at December 31, 2016, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post closure care activities discounted at the City's average long-term borrowing rate of 3.55 percent. Amounts to be accrued for in future years as the landfill's capacity is consumed are estimated at \$8,515. The expense recorded with respect to landfill closure liability is recorded in the Consolidated Statement of Operations.

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 expenditures, 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 59 percent (2015 - 60 percent) of its total estimated capacity and its estimated remaining life is 51 years (2015 - 45 years). The period for post closure care is estimated to be 35 years (2015 - 35 years).

The expected lifespan for the landfill has been conservatively estimated on the basis of waste diversion rates rising slowly. With the introduction of residential curbside recycling in 2013 and the beginning of multi-unit recycling in 2014, the diversion rate is expected to eventually rise from the current level of 21 percent to about 30 percent. The expected tonnes of total recyclable material captured is lower than originally anticipated because the increase in curbside and multi-unit collection was accompanied by a decrease in recycling depot tonnage. The optimization strategy for the landfill is based on the existing facility footprint.

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

10. Deferred Revenue

	2016	2015
Development Charges	\$ 49,669	\$ 59,626
Federal Government Transfers	7,701	12,915
Ticket Sales and Other	16,207	13,371
	\$ 73,577	\$ 85,912

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. These are included in the development charges listed above. In addition, 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

a. Debt - principle amounts due in:

	2016	2015
2016	\$ -	\$ 24,002
2017	24,697	24,697
2018	25,433	25,433
2019	22,256	22,256
2020	18,886	18,886
2021	13,108	13,108
2022	13,500	13,500
2023	8,998	8,998
2024	7,513	7,513
2025	3,819	3,819
2026	3,078	3,078
2027	3,171	3,171
2028	3,267	3,267
2029	3,368	3,368
2030	3,469	3,469
2031	3,575	3,575
2032	911	910
2043	45,000	45,000
Total Term Debt (11c)	204,049	228,050
Public Private Partnership ("P3") Term Debt (11b)	114,722	35,000
	318,771	263,050
Sinking Funds Accumulated To Retire Debt	(2,685)	(1,781)
Net Term Debt	\$ 316,086	\$ 261,269

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

Interest rates range from 1.81 percent to 4.68 percent. All debt instruments have been issued in Canadian funds.

b. P3 Term Debt

During construction of the North Commuter Parkway and Traffic Bridge ("NCPTB") and the Civic Operations Centre ("COC"), the City records 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 represents the deferred capital payment portions of the project costs based on the terms of the agreement. Once completed, the City amortizes the accumulated costs of the completed project over its useful life, expenses the annual interest cost and settles the long-term liability over the term of the project agreements. The City has \$114,722 (2015 - \$35,000) to be repaid by monthly interest and principal payments over 25 years at an interest rate of 4.5%. Principal is due 2041.

c. Components of Debt:

	2016	2015
Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.20%, revolves quarterly at progressively smaller amounts until October 22, 2018 (offering rate at December 31, 2016 was 0.900%)	\$ 7,471	\$ 10,991
Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.28%, revolves quarterly at progressively smaller amounts until March 24, 2025 (offering rate at December 31, 2016 was 0.934%)	12,960	14,328
Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.30%, revolves quarterly at progressively smaller amounts until February 9, 2032 (offering rate at December 31, 2016 was 0.894%)	44,752	47,033
Total	\$ 65,183	\$ 72,352

The above "Components of Debt" are included in the total Net Term Debt balance in Note 11.a.

d. 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 (2015-\$558,000) as approved by the SMB. The total interest paid by the City for debt in 2016 was \$12,134 (2015 - \$10,560).

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

12. 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, 2016 to December 31, 2016 would normally be available to employees after April 1, 2017.

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 stipulated in the union agreements.

Employee benefits payable are recorded as financial liabilities on the Consolidated Statement of Financial Position, offset by a reduction in fund balances. The total of these liabilities is as follows:

	2016	2015
Vacation leave accrual	\$ 22,252	\$ 19,585
Sick leave credits	19,214	18,280
	\$ 41,466	\$ 37,865

The City's liability for sick leave credits is an actuarially determined amount. Significant assumptions include: discount rate 1.85 percent (2015 - 3.00 percent); earnings increase rate 3.25 percent (2015 - 3.25 percent); and, inflation rate 2.25 percent (2015 - 2.25 percent).

13. Government Transfers

The following transfers have been included in revenues:

	2016	2015
Operating Transfers		
Federal	\$ 7,977	\$ 8,495
Provincial	59,930	58,125
	67,907	66,620
Capital Transfers		
Federal	41,238	13,236
Provincial	6,577	12,093
	47,815	25,329
	\$ 115,722	\$ 91,949

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

14. Commitments And Contingent Liabilities

a. Lawsuits

Various lawsuits and claims are pending by and against the City. Provisions have been made for any claims that are likely and the amount of the potential loss can be reasonably estimated. It is the opinion of management that final determination of any other claims will not materially affect 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 \$8,012 (2015 - \$12,305). The provision is based on expenditures expected to be incurred over the next 10 years discounted using rates ranging from .75 percent to 1.42 percent. The liability reflects the City's best estimate as at December 31, 2016, of the amount that is required to remediate non-productive sites back 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.

c. NCPTB

NCPTB is being pursued as a P3 project and has qualified for P3 funding from the Government of Canada and Province of Saskatchewan. On September 8, 2015 City Council announced that GCP has been chosen to design, build, finance, operate and maintain the NCPTB. The project is expected to be substantially complete October 2018. GCP will operate and maintain the North Commuter Parkway and adjacent roadways until 2048 and will maintain the Traffic Bridge until 2048 (note 11b).

d. COC

On October 27, 2014, City Council announced that ITS will design, build, finance and maintain the Transit Operations Facility and a permanent Snow Management Facility both located at 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 (note 11b).

15. Property Realized Reserve

The Property Realized Reserve, which is included on Schedule 3, 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, 2016, the gross value of the Property Realized Reserve is estimated to be \$149,251 (2015 - \$158,945) itemized as follows:

	2016	2015
Gross Value of Reserve, December 31	\$ 149,251	\$ 158,945
Advances Repayable from Future Revenue Fund Provisions	(6,006)	(8,072)
Property Purchased from Reserve and not yet re-sold (at estimated cost)	(121,528)	(123,081)
Net Balance of Reserve, December 31	\$ 21,717	\$ 27,792

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

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 \$4,563 (2015 - \$4,365) and \$551 (2015 - \$836), respectively.

17. Expenses By Object

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

	2016	2015
Wages and Benefits	\$ 280,655	\$ 282,741
Contracted and General Services	150,007	188,684
Heating, Lighting, Power, Water, and Telephone	97,683	99,809
Materials, Goods and Supplies	16,635	23,353
Finance Charges	16,465	12,098
Donations, Grants and Subsidies	9,888	11,679
Amortization	123,233	116,898
	\$ 694,566	\$ 735,262

18. Tangible Capital Assets

	Net Book Value	
	2016	2015 <i>Restated Note 20</i>
Land	\$ 288,834	\$ 276,808
Land Improvements	161,379	161,527
Buildings	465,674	295,791
Roadways	993,898	976,822
Plant and Facilities	281,706	250,955
Underground Networks	832,898	819,195
Electrical Utility	214,282	209,182
Machinery and Equipment	17,672	18,155
Traffic Control	14,353	9,318
Vehicles	70,663	61,827
Other	23,266	24,970
	3,364,625	3,104,550
Assets under Construction	610,880	617,147
	\$ 3,975,505	\$ 3,721,697

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

18. Tangible Capital Assets (continued)

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 4). Contributed assets totaled \$9,056 (2015 - \$35,000) and were capitalized at their fair value at the time of receipt. Assets contributed during the year consisted of land, park equipment, underground networks which includes sanitary sewer mains and storm water mains and roadway components which includes sidewalks, local roads and street lights.

As at December 31, 2016, tangible capital assets of \$77,684 were included as assets under construction and a related accrued liability of \$77,684 was recorded in relation to the North Commuter Parkway Traffic Bridge.

19. Accumulated Surplus

	2016	2015 <i>Restated Note 20</i>
Fund Balances		
Funds to offset taxation or user charges in future years (Schedule 1)	\$ 83,123	\$ 13,574
Unexpended capital financing (Schedule 2)	52,104	61,985
Reserves	158,302	140,951
	293,529	216,510
Net Investment in Tangible Capital Assets		
Tangible Capital Assets	3,975,504	3,721,697
Capital outlay financed by long-term liabilities to be recovered in future years	(370,500)	(235,952)
Capital outlay financed by internal investments	(12,173)	(13,749)
	3,592,831	3,471,996
Total Accumulated Surplus	\$ 3,886,360	\$ 3,688,506

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

20. Prior period adjustments

The comparative figures for 2015 have been adjusted to record tangible capital assets of \$22,044 contributed by Saskatchewan Department of Highways in 2012 that were not recorded at the time of contribution. The restatement of prior period comparative amounts that impacted the 2015 consolidated financial statements are as follows:

	2015 as previously reported	Adjustments	2015 Adjusted
Impact on Consolidated Statement of Financial Position			
Tangible Capital Assets	\$ 3,699,653	\$ 22,044	\$ 3,721,697
Total Non-Financial Assets	3,724,405	22,044	3,746,449
Total Net Financial Debt	(57,943)	-	(57,943)
Accumulated Surplus	3,666,462	22,044	3,688,506
Impact on Consolidated Statements of Operations			
Transportation	152,856	-	152,856
Total Expenses	735,262	-	735,262
Surplus of Revenues over Expenses	210,563	-	210,563
Accumulated Surplus, Beginning of Year	3,455,899	22,044	3,477,943
Accumulated Surplus, End of Year	\$ 3,666,462	\$ 22,044	\$ 3,688,506

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

The contributed assets have been included in Note 18 as Roadways.

21. Financial Activities by Segment

a. Surplus (Deficit) of Revenues over Expenses

i. 2016

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	SaskTel Centre	Consolidation Adjustments	\$
Revenues										
Taxation	\$ 210,707	\$ -	\$ -	\$ -	\$ 20,931	\$ -	\$ -	\$ -	(4,145)	\$ 227,493
Grants in Lieu	36,524	-	-	-	-	-	-	-	(31,249)	5,275
User Charges	87,606	303,871	-	-	249	-	10,545	19,736	(29,464)	392,543
Government Transfers	66,547	-	44,215	2,599	684	677	-	-	1,000	115,722
Investment Income	11,144	-	-	-	-	-	57	123	1,701	13,025
Contribution from Developers	-	-	21,877	7,195	-	-	-	-	64,979	94,051
Other	48,504	-	-	-	230	-	52	-	(4,475)	44,311
From Reserves	-	-	182,590	-	-	-	-	-	(182,590)	-
Utility Contribution	-	-	-	6,045	-	-	-	-	(6,045)	-
Total Revenues	461,032	303,871	248,682	15,839	22,094	677	10,654	19,859	(190,288)	892,420
Expenses										
General Government	50,537	-	41,918	-	-	-	-	-	(61,680)	30,775
Protection of Persons and Property	156,100	-	5,001	-	-	-	-	-	(3,261)	157,840
Transportation	114,426	6,142	107,951	-	-	-	-	-	(76,885)	151,634
Environmental Health	12,209	136,266	20,368	19,107	-	-	-	-	(79,645)	108,305
Social and Family Services	5,685	-	-	-	-	-	-	-	-	5,685
Planning and Development	30,697	-	28,156	-	-	-	-	-	(20,224)	38,629
Recreation and Culture	50,581	-	27,783	-	21,695	4,876	10,896	19,734	(54,431)	81,134
Saskatoon Light & Power	-	154,551	4,885	15,480	-	-	-	-	(66,486)	108,430
Debt Servicing Costs	5,018	8,565	-	-	-	-	-	-	(1,449)	12,134
Total Expenses	425,253	305,524	136,062	34,587	21,695	4,876	10,896	19,734	(364,061)	694,566
Surplus (Deficit) of Revenues over Expenses	\$ 35,779	\$ (1,653)	\$ 12,620	\$ (18,748)	\$ 399	\$ (4,199)	\$ (242)	\$ 125	\$ 173,773	\$ 197,854

Notes to Financial Statements

For the Year Ended December 31, 2016

(in thousands of dollars)

21. Financial Activities by Segment (continued)

a. Surplus (Deficit) of Revenues over Expenses (continued)

ii. 2015

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Sasktel Centre	Consolidation Adjustments	
Revenues										
Taxation	\$ 193,806	\$ -	\$ 3,932	\$ -	\$ 19,426	\$ -	\$ -	\$ -	(3,932)	\$ 213,232
Grants in lieu	34,703	-	-	-	-	-	-	-	(29,717)	4,986
User Charges	83,360	289,680	-	-	220	305	11,214	19,468	(25,165)	379,082
Government Transfers	65,318	-	23,417	1,912	696	606	-	-	-	91,949
Investment Income	10,810	-	-	-	-	-	48	121	2,729	13,708
Contribution from Developers	-	-	58,149	5,532	-	-	-	-	132,462	196,143
Other	50,110	-	-	-	280	-	-	-	(3,665)	46,725
From Reserves	-	-	131,296	39,331	-	-	-	-	(170,627)	-
Utility Contribution	-	-	-	5,809	-	-	-	-	(5,809)	-
Total Revenues	438,107	289,680	216,794	52,584	20,622	911	11,262	19,589	(103,724)	945,825
Expenses										
General Government	83,299	-	4,700	-	-	-	-	-	(52,615)	35,384
Protection of Persons and Property	161,258	-	5,344	-	-	-	-	-	(4,250)	162,352
Transportation	82,717	5,754	146,584	-	-	-	-	-	(82,199)	152,856
Environmental Health	28,792	121,020	34,541	30,132	-	-	-	-	(114,702)	99,783
Social and Family Services	4,662	-	-	-	-	-	-	-	1,875	6,537
Planning and Development	29,508	-	44,243	-	-	-	-	-	(24,307)	49,444
Recreation and Culture	46,620	-	47,874	-	20,702	12,691	11,794	19,276	(56,957)	102,000
Saskatoon Light & Power	-	153,642	3,888	15,630	-	-	-	-	(56,814)	116,346
Debt Servicing Costs	15,134	(3,039)	-	-	-	-	-	-	(1,535)	10,560
Total Expenses	451,990	277,377	287,174	45,762	20,702	2,691	11,794	19,276	(391,504)	735,262
Surplus (Deficit) of Revenues over Expenses	\$ (14,189)	\$ 12,303	\$ (70,074)	\$ 6,822	\$ (80)	\$ 11,780	\$ (532)	\$ 313	\$ 287,780	\$ 210,563

Schedule 1 - Schedule of Funds to Offset Taxation or User Charges in Future Years

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

		2016	2015
		\$	\$
Balance, Beginning of Year	\$	13,574	\$ (24,496)
Transfer to Revenue Stabilization Reserve		(2,058)	(553)
Increase in Employee Benefit Payable		(3,601)	(2,053)
Decrease (Increase) in Landfill Closure/Post Closure Care Liability		2,462	(337)
Increase in Accrued Debt Principal		55,721	50,000
Decrease (Increase) in Accrued Pension Liability		16,372	(11,045)
Surplus for the Year (Schedule 5)		653	2,058
<i>Balance, End of Year</i>	\$	83,123	\$ 13,574

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Schedule 2 - Schedule of Capital Operations

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget	2016	2015
<i>Source of funds</i>			
Province of Saskatchewan	\$ 9,753	\$ 1,830	\$ 8,040
Municipal Economic Enhancement Program	1,482	-	-
Provincial Building Communities Program	-	921	-
Urban Highway Connector Program	-	226	678
Government of Canada	-	46	57
Transport Canada	40,728	38,582	-
Federal Transit Funding Program	-	11	2,380
Federal Gateway and Border Crossings	-	-	2,056
Building Canada Fund (FED)	14,211	2,599	3,965
Federal Infrastructure Stimulus	209	-	-
Building Canada Fund (PROV)	14,463	2,599	4,134
FCM Green Fund Grant	44	-	-
Green Municipal Fund Federation of Canadian Municipalities	2,303	-	-
Canada Mortgage and Housing Corporation Municipal Infrastructure Lending Program	30,900	-	-
Taxation	-	4,145	3,932
Utility Contribution	9,177	6,045	5,809
Borrowing	33,470	-	-
Contributions from Developers Benefitting Property Owners and Other Users	79,067	29,468	60,534
Appropriations			
Reserves	178,361	178,361	170,628
Library Capital Reserve	2,566	-	-
	264,956	264,833	262,213
<i>Expenditures</i>			
General Government	1,552	42,303	6,864
Protection of Persons and Property	3,632	4,937	5,015
Transportation	125,278	110,063	133,498
Environmental Health	29,682	40,101	60,736
Planning and Development	50,968	28,667	60,011
Recreation and Culture	28,889	27,928	44,566
Saskatoon Light & Power Expansion and Replacements	22,388	20,715	19,623
Library	2,567	-	-
	264,956	274,714	330,313
Decrease in Unexpended Capital Financing	-	(9,881)	(68,100)
Unexpended Capital Financing, Beginning of Year	-	61,985	130,085
Unexpended Capital Financing, End of Year	\$ -	\$ 52,104	\$ 61,985

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016	2015
	\$	\$
<i>Replacement</i>		
Albert Community Centre	\$ 1	\$ 29
Automated Garbage Containers	7	19
Access Transit	(106)	66
Boards:		
TCU Place	4,097	3,689
Saskatoon Public Library	5,284	4,548
SaskTel Centre	570	431
Buildings and Grounds Equipment	214	187
Bus Replacement	605	822
Civic Radio Reserve	-	20
Civic Vehicles and Equipment	2,016	3,425
Computer Equipment	250	393
Fire Apparatus	825	546
Fire Equipment	100	101
Grounds Maintenance Equip Acquisition	163	211
Infrastructure Replacement:		
Parks	(286)	(1,302)
Storm Water Management	1,721	3,538
Surface Improvements	37	(14)
Water and Sewer Replacement	(4,035)	(9,944)
Landfill	(1,052)	(1,787)
Leisure Service Equipment	946	893
Paved Roadways Infrastructure	595	38
Photocopy Machine	186	166
Police - Vehicle/Radio	575	541
Radio Trunking	325	304
Saskatoon Light & Power	9,826	6,984
Wastewater Collection/Treatment	610	1,732
Water Utility	3,226	2,275
Weigh Scales	181	181
Balance, End of Year	\$ 26,881	\$ 18,092

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016	2015
	\$	\$
<i>Future Expenditures</i>		
Animal Services	\$ 68	\$ 68
Animal Trading - Zoo	66	64
Active Transportation Reserve	14	39
Affordable Housing - Operating	210	88
Arbor Creek Parks	177	184
Boards:		
TCU Place	4,661	3,716
Saskatoon Public Library	23,246	21,130
Mendel Art Gallery	11,212	6,385
SaskTel Centre	6,089	4,793
Bridge Major Repairs	719	(253)
Building Permits/Inspections	7,866	8,042
Campsite	163	444
Cemetery	491	401
Civic Buildings Comprehensive Maintenance	2,434	1,339
Civic Hospitality	185	162
Community Support Grant	107	139
Corporate Capital	828	665
Corporate Information Systems Development	259	691
Cosmo Stabilization	30	30
Cultural Capital	80	47
Dedicated Lands	1,911	2,528
Dedicated Roadways	754	608
Downtown Housing	716	645
Errors and Omissions	660	656
Facade Conservation and Enhancement	117	94
Federal Gas Tax Reserve	2,127	-
Fire Department Uniforms	201	201
Fiscal Stabilization	8,122	6,552
Forestry Farm	56	157
Fuel Stabilization	1,325	1,325
General Voting	128	226
Golf Course Capital	557	936
Golf Course Stabilization	76	200
Heritage Fund	147	191

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016	2015
	\$	\$
Holiday Park Golf Course Development	155	969
Idylwyld Drive Maintenance	26	951
Insurance Deductible	1,823	2,248
Interest Stabilization	2,029	2,029
Lakeridge Ponding	57	57
Land Bank	(32,427)	(15,245)
Land Operations	3,363	3,413
Neighbourhood Park Enhancement	438	262
Parking Facilities	284	741
Parks Grounds Maintenance Stabilization	336	336
Pest Control	68	54
Police Equipment	149	129
Police Facilities Major Repair	498	548
Planning Levy	139	338
Prepaid Services	2,125	(25,318)
Property Realized	21,717	27,792
Public Works Building	116	89
Recycling Utility Stabilization	666	441
Reserve for Capital Expenditures	3,182	2,478
River Landing Capital	299	226
S'toon Minor Football Field Stabilization	65	65
Saskatoon Light & Power Distribution Extension	(1,189)	(4,934)
Saskatoon Light & Power Revenue Stabilization	1,354	60
Saskatoon Soccer Capital	1,287	1,096
Sign Shop Equipment Acquisition	126	217
Snow & Ice Contingency	2,088	977
Snow & Ice Equip Acquisition	267	2
Special Events	1,553	1,215
Sports Participation	104	90
Storm Water Management Utility Stabilization	1,460	1,197
Streetscape	3,397	3,405
Street Cleaning/Sweeping Acquisition	158	131
Sundry	14,462	24,871
Traffic Noise Attenuation	2,317	2,001
Traffic Safety	295	1,309
Transportation Infrastructure Expansion	(386)	858
Transit Capital	527	267

Schedule 3 - Schedule of Reserves

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016	2015
	\$	\$
Vehicle and Equipment	4,095	2,251
Warranty	1,773	2,023
Waste Minimization	156	-
Wastewater Collection/Treatment Capital	1,819	6,536
Water and Wastewater Utility Stabilization	9,153	9,803
Water Capital Projects	5,695	4,388
Balance, End of Year	131,421	122,859
Total Reserves, End of Year	\$ 158,302	\$ 140,951

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Schedule 4 - Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	Cost				Accumulated Amortization					Net Book Value	
	Tangible Capital Assets										
	End of Year										
	Opening Balance Restated (Note 20)	Additions	Disposals	Write-Downs	Balance End of Year	Accumulated Amortization Beginning of Year Restated (Note 20)	Accumulated Amortization on Disposals	Amortization	Accumulated Amortization End of Year	2016 \$	2015 - Restated (Note 20) \$
Land	\$ 276,808	\$ 12,056	\$ (30)	\$ -	\$ 288,834	\$ -	\$ -	\$ -	\$ -	288,834	\$ 276,808
Land Improvements	294,222	9,810	-	-	304,032	132,695	-	9,958	142,653	161,379	161,527
Buildings	413,984	181,717	-	-	595,701	118,193	-	11,834	130,027	465,674	295,791
Roadways	1,606,972	67,236	(888)	-	1,673,320	630,150	888	50,160	679,422	993,898	976,822
Plant and Facilities	348,271	41,479	-	-	389,750	97,316	-	10,727	108,043	281,707	250,955
Underground Networks	1,128,712	29,035	-	-	1,157,747	309,517	-	15,332	324,849	832,898	819,195
Electrical Utility	365,182	15,928	(1,050)	-	380,060	156,000	574	10,352	165,778	214,282	209,182
Machinery and Equipment	33,396	1,995	(451)	-	34,940	15,241	154	2,181	17,268	17,672	18,155
Traffic Control	20,784	5,890	-	-	26,674	11,466	-	855	12,321	14,353	9,318
Vehicles	135,056	18,235	(9,025)	-	144,266	73,229	8,228	8,601	73,602	70,664	61,827
Other Property, Plant and Equipment	97,290	1,524	-	-	98,814	72,320	-	3,231	75,551	23,263	24,970
Assets under Construction	617,147	-	(6,266)	-	610,881	-	-	-	-	610,881	617,147
Total	\$ 5,337,824	\$ 384,905	\$ (17,710)	\$ -	\$ 5,705,019	\$ 1,616,127	\$ 9,844	\$ 123,231	\$ 1,729,514	\$ 3,975,505	\$ 3,721,697

Schedule 5 - Schedule of Revenues and Expenditures

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget	2016	2015
<i>Revenues</i>			
Taxation	\$ 207,018	\$ 206,562	\$ 193,806
Grants in Lieu of Taxes	35,739	36,524	34,708
General Revenues	94,862	95,163	91,322
User Fees	53,369	50,005	49,363
Transfers from Other Gov't (Grants)	67,378	66,546	65,318
Land Administration Fee	6,383	2,086	3,590
Total Revenues for the Year (Appendix 1)	464,749	456,886	438,107
<i>Expenditures</i>			
Community Support	15,947	15,989	15,775
Civic Facilities	10,739	11,763	7,755
Environmental Health	19,211	19,127	18,622
Legislative & Corporate Administration	72,733	71,947	92,563
Land Development	6,383	2,086	3,590
Fire & Protective Services	47,305	47,118	45,955
Recreation & Cultural Services	56,617	56,801	54,944
Police	94,156	93,280	89,949
Transportation	125,664	123,267	92,778
Urban Planning & Development	14,298	13,078	12,780
Taxation	1,696	1,777	1,338
Total Expenditures for the Year (Appendix 2)	464,749	456,233	436,049
Surplus	\$ -	\$ 653	\$ 2,058

Appendix 1 - Schedule of Revenues

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget	2016	2015
Taxation			
Property Levy	\$ 206,625	\$ 206,133	\$ 193,406
Municipal Services Agreement	231	254	237
Trailer Occupancy	90	100	94
Amusement	72	75	69
	207,018	206,562	193,806
Gants in Lieu of Taxes			
Senior Governments and Agencies	5,180	5,278	4,999
Own Utilites - Saskatoon Light & Power	21,060	21,101	20,483
Own Utilities-Water	5,277	5,291	4,838
Own Utilites-Wastewater	3,852	3,862	3,641
Land Bank Program	370	992	747
	35,739	36,524	34,708
General Revenues			
R.M. of Corman Park	130	130	126
Provincial Government	-	-	982
Licence and Permits	9,144	7,869	10,170
Fines and Penalties	10,002	8,855	8,150
Automated Enforcement Fines	2,500	4,259	3,835
Property Rentals	2,605	3,324	3,020
Franchise Fees	21,895	21,701	21,616
Interest Earnings	11,209	11,144	10,810
Tax Penalties	1,600	2,088	1,846
Other Revenue	262	278	348
Utility Return on Investment	26,060	26,060	24,297
Administration Recovery	9,455	9,455	6,105
Soccer Centre Tax Agreement & Other Grant	-	-	17
	94,862	95,163	91,322

Appendix 1 - Schedule of Revenues

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget	2016	2015
User Fees			
Legal Fees	\$ 278	\$ 256	\$ 288
Tax Searches and Enforcement	255	220	240
Police	1,384	2,028	2,051
Fire	462	351	377
Engineering	532	310	239
Parking	6,033	5,979	5,281
Solid Waste Management	6,540	4,530	5,054
Environmental Protection	8	11	67
Transportation	245	230	224
Cemetery	1,227	1,163	1,122
Planning	431	231	259
Tourist Campsite	628	583	568
Forestry Farm Park	901	949	947
Kinsmen Park Rides	577	480	289
Albert Community Centre	157	193	189
Swimming Pools	447	409	430
Golf Courses	3,897	3,497	3,789
Skating Rinks	2,015	2,165	2,061
Rentals	6,189	6,039	5,745
Programming	6,586	6,144	6,016
Outdoor Sports Fields	573	573	517
Transit	13,823	13,114	13,144
River Landing	181	550	466
	53,369	50,005	49,363
Transfers From Other Gov't (Grants)	67,378	66,546	65,318
Land Administration Fee	6,383	2,086	3,590
Total Revenues	\$ 464,749	\$ 456,886	\$ 438,107

Appendix 2 - Schedule of Expenditures

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget	2016	2015
Community Support			
Community Development	\$ 3,579	\$ 3,325	\$ 3,536
Community Investments & Supports	9,371	9,613	9,245
Animal Control	1,428	1,439	1,405
Cemeteries	1,569	1,612	1,589
	15,947	15,989	15,775
Corporate Asset Management			
Civic Facilities	10,739	11,763	7,755
Environmental Health			
Environmental Program	446	441	875
Waste Collection and Disposal	13,334	13,473	12,595
Waste Minimization	466	492	493
Urban Forestry	3,565	3,365	3,363
Pest Management	921	879	822
Environmental Awareness	479	477	474
	19,211	19,127	18,622
Corporate Governance and Finance			
Legislative	1,562	1,299	1,368
City Manager's Office	676	673	658
City Clerk's Office	2,371	2,172	2,108
City Solicitor's Office	2,227	2,199	2,077
Financial Services	4,837	4,057	4,089
Corporate Support	17,735	17,909	15,042
Revenue Services	2,029	1,856	1,824
Assessment	3,672	3,195	3,199
General Services	31,233	32,436	54,389
City-Owned Property	2,158	2,293	2,307
Fines & Penalties	4,233	3,858	5,502
	72,733	71,947	92,563
Land Development	6,383	2,086	3,590

Appendix 2 - Schedule of Expenditures

For the Year Ended December 31, 2016

(in thousands of dollars)

	2016 Budget	2016	2015
Fire Services			
Fire	\$ 46,887	\$ 46,731	\$ 45,558
Emergency Measures	418	387	397
	47,305	47,118	45,955
Police			
Police	94,156	93,280	89,949
Recreation and Culture			
Spectator Ballfields	153	151	147
Marketing Services	609	590	591
Community Partnerships	369	438	284
Forestry Farm Park	2,519	2,621	2,570
Golf Courses	3,897	3,496	3,789
Gordon Howe Campsite	628	583	567
Indoor Rinks	2,374	2,429	2,409
Kinsmen Park	578	480	288
Outdoor Pools	1,293	1,215	1,215
Outdoor Sports Fields	960	925	872
Parks Maintenance & Design	13,021	13,402	13,656
Playground & Recreation Areas	906	843	829
Program Research & Design	218	229	230
Rec/Competitive Facilities - Program	10,482	10,523	10,107
Rec/Competitive Facilities - Rentals	10,236	10,172	9,983
Targetted Programming	593	551	713
Albert Community Centre	228	231	220
Race Relations	144	142	138
Credit Union Centre	559	559	559
Marr Residence	22	23	28
Mendel Art Gallery	5,027	5,026	3,661
River Landing	180	551	467
TCU Place	1,621	1,621	1,621
	56,617	56,801	54,944

Appendix 2 - Schedule of Expenditures

For the Year Ended December 31, 2016

(in thousands of dollars)

	2016 Budget	2016	2015
Transportation			
Transit	\$ 40,827	\$ 39,333	\$ 39,370
Access Transit	4,692	4,805	4,686
Transportation Services	8,400	8,605	6,571
Snow & Ice Management	13,284	10,805	11,024
Road Maintenance	39,391	39,986	10,678
Parking	2,740	3,129	4,791
Street Cleaning/Sweeping	3,800	4,362	3,866
Bridges, Subways, Overpasses	5,324	5,259	5,123
Street Lighting	5,912	5,991	5,773
Engineering	764	599	628
Impound Lot	530	393	268
	125,664	123,267	92,778
Urban Planning & Development			
Affordable Housing	425	336	336
Building Permits & Standards	6,648	5,946	7,716
Business Improvement Districts	108	108	108
Business Licenses & Bylaw Enforcement	1,691	1,566	1,435
Development Review	1,270	1,269	1,191
Future Growth	663	645	1,082
Neighborhood Planning	549	513	483
Research & Mapping	459	446	419
Urban Design	2,485	2,249	10
	14,298	13,078	12,780
Taxation			
Other Levies	1,050	1,131	1,078
Tax Loss Compensation	646	646	260
	1,696	1,777	1,338
Total Expenditures	\$ 464,749	\$ 456,233	\$ 436,049

Appendix 3 - Water Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget (Unaudited)	2016	2015
Revenues			
Metered	\$ 58,786	\$ 58,426	\$ 54,676
Infrastructure Levy	10,863	10,910	9,367
Miscellaneous	139	272	285
Fire Protection Charge	715	715	697
Late Payment Penalties	155	180	174
	70,658	70,503	65,199
Expenditures			
General	12,283	10,584	9,932
Laboratory	-	(151)	(77)
Treatment and Pumping	12,019	12,371	10,814
Buildings and Grounds	936	720	913
Meters	1,668	1,607	1,602
Watermains	7,929	7,435	7,422
Hydrants	1,365	1,176	829
Services	2,565	2,986	2,859
Contribution to Capital Reserves	20,802	20,861	20,059
Debt Charges	11,091	11,091	9,238
	70,658	68,680	63,591
Surplus (Deficit) Before Transfer from (to) Reserve	-	1,823	1,608
Transfer from (to) Stabilization Reserve	-	(1,823)	(1,608)
Surplus	\$ -	\$ -	\$ -

Appendix 4 - Wastewater Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget (Unaudited)	2016	2015
Revenues			
Metered	\$ 42,911	\$ 41,948	\$ 40,563
Infrastructure Levy	18,922	18,965	12,935
Late Payment Penalties	102	120	116
Miscellaneous	906	1,485	1,607
Flood Protection Levy	-	-	3,841
	62,841	62,518	59,062
Expenditures			
General	9,093	7,660	7,166
Laboratory	-	(66)	(4)
Lift Stations	1,743	1,521	1,751
Pollution Control Plant	7,595	7,329	7,423
Sludge Handling and Disposal	1,960	1,789	1,710
Sewer Engineering	452	428	417
Sewer Inspections	645	419	374
Sewer Maintenance	4,724	4,632	3,907
Service Connections	2,557	1,872	1,669
Contribution to Capital Reserves	28,976	27,290	27,531
Debt Charges	5,096	5,096	4,151
	62,841	57,970	56,095
Surplus Before Transfer to Reserve	-	4,548	2,967
Transfer to Stabilization Reserve	-	(4,548)	(2,967)
Surplus	\$ -	\$ -	\$ -

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

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget (Unaudited)	2016	2015
<i>Revenues</i>			
Metered	\$ 6,000	\$ 6,108	\$ 5,729
Late Payment Penalties	11	12	12
	6,011	6,120	5,741
<i>Expenditures</i>			
General	166	170	151
Storm Sewer Engineering	417	376	418
Storm Sewer Maintenance	1,859	1,806	1,448
Drainage	878	814	671
Contribution to Capital Reserves	2,691	2,691	2,957
	6,011	5,857	5,645
Surplus (Deficit) Before Transfer from (to) Reserve	-	263	96
Transfer from (to) Stabilization Reserve	-	(263)	(96)
<i>Surplus</i>	\$ -	\$ -	-

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

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget (Unaudited)	2016	2015
Revenues			
Metered	\$ 140,208	\$ 140,643	\$ 136,524
Municipal Surcharge	14,020	14,064	13,652
Service Connection Fee	435	425	446
Miscellaneous	593	489	807
Landfill Gas Generation	1,332	1,275	1,121
Tax Collection Commission	2	2	2
Late Payment Penalties	275	301	291
	156,865	157,199	152,843
Expenditures			
General	26,440	26,446	25,461
Power Purchased	83,336	82,577	80,509
Landfill Gas Generation	1,334	1,274	1,120
Buildings and Grounds	807	592	569
Poles, Lines, and Feeders	5,056	5,202	5,434
Substations	1,023	810	1,018
Street Lighting	1,324	1,327	1,482
Meters	1,367	1,529	1,564
System Operations	181	146	161
Provision for Capital Extension	5,935	5,935	6,279
Provision for Capital Replacement	7,005	7,005	7,055
	133,808	132,843	130,652
Surplus Before Transfer to Reserve	23,057	24,356	22,191
Transfer to Stabilization Reserve	-	(1,293)	(872)
Surplus	\$ 23,057	\$ 23,063	\$ 21,319

Appendix 7 - Recycling Utility Statement of Revenues and Expenditures

For the Year Ended December 31, 2016

(in thousands of dollars)

(unaudited)

	2016 Budget (Unaudited)	2016	2015
<i>Revenues</i>			
Recycling	\$ 4,243	\$ 4,268	\$ 4,063
Multi Unit Recycling	1,954	2,419	1,949
Leaves and Grass	358	346	344
Compost	380	498	475
	6,935	7,531	6,831
<i>Expenditures</i>			
Recycling General	6,197	6,686	4,062
Multi Unit Recycling	-	-	1,949
Leaves and Grass	358	347	344
Compost	380	498	476
	6,935	7,531	6,831
<i>Surplus Before Transfer to Reserve</i>	-	-	-
Transfer to Stabilization Reserve	-	-	-
<i>Surplus</i>	\$ -	\$ -	\$ -

Consolidated Revenues and Expenses

For the Years Ended December 31, 2016 to 2012

(in thousands of dollars)

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
<i>Consolidated Revenues</i>					
Taxation	227,493	213,232	196,367	178,380	166,000
Grants in Lieu of Taxes	5,275	4,986	4,328	4,429	4,043
User Charges	392,543	379,082	360,813	338,675	316,826
FCM Green Fund Grant	-	-	28	91	(54)
Government Transfers	115,722	91,949	81,225	99,914	135,798
Investment Income	13,025	13,708	13,475	12,173	11,305
Contribution from Developers	94,051	196,143	168,324	192,990	225,846
Other	44,311	46,725	44,701	40,218	35,386
Total Revenues	892,420	945,825	869,261	866,870	895,150
<i>Consolidated Expenses</i>					
General Government	30,775	35,384	26,689	30,557	25,177
Transportation	157,840	152,856	149,303	145,911	126,176
Protection of Persons and Property	151,634	162,352	141,953	135,822	125,748
Recreation and Culture	81,134	102,000	103,213	109,207	88,452
Social and Family Services	5,685	6,537	4,398	6,032	8,784
Planning and Development	38,629	49,444	36,927	24,961	27,976
Saskatoon Light & Power	108,430	116,346	106,568	96,376	89,733
Environmental Health	108,305	99,783	91,518	92,230	81,036
Debt Servicing Costs	12,134	10,560	7,125	6,043	5,999
Total Expenses	\$ 694,566	\$ 735,262	\$ 667,694	\$ 647,139	\$ 579,081
Surplus of Revenues over Expenses	\$ 197,854	\$ 210,563	\$ 201,567	\$ 219,731	\$ 316,069

Summary of Revenues

For the Years Ended December 31, 2016 to 2012

(in thousands of dollars)

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Taxation	\$ 206,562	\$ 193,806	\$ 178,318	\$ 161,177	149,440
Grants in Lieu of Taxes	36,524	34,708	33,135	30,921	29,106
General Revenues	95,163	91,322	83,977	78,957	74,303
User Fees	50,005	49,363	48,847	56,887	43,479
Transfers from Other Governments	66,546	65,318	62,878	63,613	57,358
Land Development	2,086	3,590	7,024	-	-
	\$ 456,886	\$ 438,107	\$ 414,179	\$ 391,555	353,686

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Summary of Expenses

For the Years Ended December 31, 2016 to 2012

(in thousands of dollars)

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Community Support	\$ 15,989	\$ 15,775	\$ 14,777	\$ 14,235	\$ 13,616
Corporate Asset Management	11,763	7,755	7,145	8,064	6,509
Environmental Health	19,127	18,622	18,456	17,738	16,282
Corporate Governance and Finance	71,947	92,563	80,572	63,229	58,848
Land Development	2,086	3,590	7,024	7,119	9,443
Public Safety	93,280	89,949	85,038	79,429	75,604
Fire Services	47,118	45,955	43,944	43,706	40,252
Recreation & Culture	56,801	54,944	51,508	49,143	46,233
Transportation	123,267	92,778	93,154	98,879	69,028
Urban Planning & Development	13,078	12,780	10,843	12,370	11,612
Taxation	1,777	1,338	1,165	1,085	1,184
	\$ 456,233	\$ 436,049	\$ 413,626	\$ 394,997	\$ 348,611

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Summary of Capital Operations

For the Years Ended December 31, 2016 to 2012

(in thousands of dollars)

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Sources of Funds					
Province of Saskatchewan	\$ 1,830	\$ 8,040	\$ 165	\$ 9,509	\$ 36,075
Saskatchewan Water Corporation	-	-	-	-	3
Federal Gas Tax Program	-	-	-	-	4,189
Provincial Building Communities Program	921	-	2,274	279	54
Urban Highway Connector Program	226	678	473	45	4,958
Government of Canada	46	57	16	-	9
Transport Canada	38,582	-	-	-	-
Federal Transit Funding Program	11	2,380	3,510	618	633
Federal Gateway and Border Crossings	-	2,056	2,961	8,224	18,238
Building Canada Fund (FED)	2,599	3,965	6,673	11,349	9,987
Building Canada Fund (PROV)	2,599	4,136	529	4,858	3,055
Federal Infrastructure Stimulus Fund	-	-	-	-	12
Federation of Canadian Municipalities	-	-	-	-	90
FCM Green Fund Grant	-	-	28	91	(54)
Western Economic Diversification	-	-	130	-	-
Taxation	4,145	3,932	4,543	4,211	3,454
Utility Contribution	6,045	5,809	8,061	8,189	8,098
Contributions from Developers Benefiting Property Owners and Other Users	29,468	60,532	41,432	14,502	22,452
Appropriations					
Reserves	178,361	170,628	251,083	286,279	218,352
	\$ 264,833	\$ 262,213	\$ 321,878	\$ 348,154	\$ 329,605
Application of Funds					
General Government	\$ 42,303	\$ 6,864	\$ 7,895	\$ 17,996	\$ 4,595
Protection of Persons and Property	4,937	5,015	4,949	43,743	57,761
Transportation	110,063	133,498	112,061	132,371	165,608
Environmental Health	40,101	60,736	85,068	88,640	93,572
Social and Family Services	-	-	(540)	(1,952)	187
Planning and Development	28,667	60,011	34,932	54,736	25,503
Recreation and Culture	27,928	44,566	44,174	24,890	12,029
Saskatoon Light & Power Expansion and Replacements	20,715	19,623	18,007	19,292	20,910
	274,714	330,313	306,546	379,716	380,165
Increase (Decrease) in Unexpended Capital Financing	\$ (9,881)	\$ (68,100)	\$ 15,332	\$ (31,562)	\$ (50,560)
Unexpended Capital Financing, Beginning of Year	61,985	130,085	114,753	146,315	196,875

Summary of Capital Operations

For the Years Ended December 31, 2016 to 2012

(in thousands of dollars)

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Unexpended Capital Financing, End of Year	\$ 52,104	\$ 61,985	\$ 130,085	\$ 114,753	\$ 146,315

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Summary of Public Utilities Operating Results

For the Years Ended December 31, 2016 to 2012

(in thousands of dollars)

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Net surplus after deducting operating expenses, debt charges and contributions to reserves:					
Saskatoon Light & Power	\$ 23,063	\$ 21,319	\$ 23,408	\$ 23,758	\$ 21,517
Transit System (before contribution from General Revenue)	-	-	-	-	(20,329)
Net Surplus	23,063	21,319	23,408	23,758	1,188
Amount contributed by Utilities to Revenue as Return on Investment	\$ 23,063	\$ 21,319	\$ 23,408	\$ 26,286	\$ 24,900

Summary of Reserves and Surplus

For the Years Ended December 31, 2016 to 2012

(in thousands of dollars)

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Reserves					
Property Realized	\$ 21,717	\$ 27,792	\$ 28,955	\$ 47,912	\$ 38,740
Replacement	26,881	18,092	(20)	(2,243)	(2,200)
Future Expenditures	109,051	93,009	55,135	60,214	79,162
Surplus (Deficit)	653	2,058	553	(3,442)	5,075
	\$ 158,302	\$ 140,951	\$ 84,623	\$ 102,441	\$ 120,777

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

As at December 31, 2016 to 2012

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Total Term Debt	\$318,771,454	\$ 263,051,368	\$ 238,103,885	\$ 234,509,219	\$ 197,125,312
	318,771,454	263,051,368	238,103,885	234,509,219	197,125,312
Population Estimate at Dec. 31 (1)	266,064	262,900	257,300	248,700	239,000
Gross Debt Per Capita	\$ 1,198	\$ 1,001	\$ 925	\$ 943	\$ 825
Net Debt Per Capita	\$ 1,188	\$ 994	\$ 922	\$ 943	\$ 825
Mill Rate Supported Debt	\$ 488	\$ 529	\$ 514	\$ 562	\$ 440
Legal Debt Limit	\$558,000,000	\$ 558,000,000	\$ 558,000,000	\$ 414,000,000	\$ 414,000,000
Debt servicing costs as a percentage of total expenditures	1.701 %	1.455 %	1.067 %	0.934 %	1.036 %

(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 Year Ended December 31, 2016

(unaudited)

	2016	2015
	\$	\$
Waterworks Utility	\$ 37,170,298	\$ 43,853,933
Wastewater Utility	\$ 13,886,890	\$ 15,798,560
Gas Tax	\$ 23,065,231	\$ 29,284,796
P3	\$ 114,721,990	\$ 35,000,000
Total Debt Not Supported by Civic Mill Rate	\$ 188,844,409	\$ 123,937,289
Total Civic Mill Rate Debt	\$ 129,927,045	\$ 139,114,079
Total Term Debt	\$ 318,771,454	\$ 263,051,368
Sinking Funds Accumulated to Retire Debt	\$ (2,685,616)	\$ (1,780,650)
Net Debt	\$ 316,085,838	\$ 261,270,718
Population Estimate at Dec. 31 (2)	266,064	262,900
Gross Debt Per Capita	\$ 1,198	\$ 1,001
Net Debt Per Capita	\$ 1,188	\$ 994
Mill Rate Supported Debt	\$ 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, 2016

(unaudited)

Year	Long-Term Debt Maturing \$	Percentage Yearly \$	Percentage Reduction Accumulated \$
2017	\$ 24,696,773	7.750 %	7.750 %
2018	25,433,406	7.980 %	15.730 %
2019	22,256,099	6.980 %	22.710 %
2020	18,886,247	5.920 %	28.630 %
2021	13,107,949	4.110 %	32.740 %
2022	13,499,952	4.230 %	36.980 %
2023	8,998,233	2.820 %	39.800 %
2024	7,512,805	2.360 %	42.160 %
2025	3,819,000	1.200 %	43.360 %
2026	3,078,000	0.970 %	44.320 %
2027	3,171,000	0.990 %	45.320 %
2028	3,267,000	1.020 %	46.340 %
2029	3,368,000	1.060 %	47.400 %
2030	3,469,000	1.090 %	48.490 %
2031	3,575,000	1.120 %	49.610 %
2032	911,000	0.290 %	49.890 %
2043	159,721,990	50.110 %	100.000 %
Total Debt	318,771,454	100.000 %	
Sinking funds accumulated to retire debt	(2,685,616)	-	-
Net Debt	\$316,085,838	- %	

Summary of Property Assessment and Tax Levy

For the Years Ended December 31, 2016 to 2012

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Gross Assessments	\$ 33,857,081,395	\$33,140,448,115	\$32,187,650,200	\$30,448,361,645	\$ 5,389,037,180
Exemptions	7,600,970,280	7,549,330,626	7,394,587,326	7,137,299,775	3,222,423,140
Assessed Value for Taxation	\$ 26,256,111,115	\$25,591,117,489	\$24,793,062,874	\$23,311,061,870	\$ 2,166,614,040
	Mills	Mills	Mills	Mills	Mills
Tax Rate:					
General	7.92	7.63	7.26	6.79	12.05
Library	0.80	0.77	0.74	0.72	1.33
Education:					
Public Board/Separate Board	5.03	5.03	5.03	5.03	9.51
Total	13.75	13.43	13.03	12.54	22.89
	\$ -	\$ -	\$ -	\$ 302,869,121	\$ 289,960,812
Property Roll Collections:					
Current	\$ 380,850,825	\$ 362,771,314	\$ 340,692,675	\$ 318,630,299	\$ 297,078,078
Arrears	8,470,615	8,709,950	8,041,664	6,968,087	5,815,050
Total Collected	\$ 389,321,440	\$ 371,481,264	\$ 348,734,339	\$ 325,598,386	\$ 302,893,128
Percentage of Levy Collected:					
Current	95.650 %	95.837 %	96.440 %	96.190 %	95.400 %
Current and Arrears	95.390 %	95.666 %	96.050 %	95.980 %	95.200 %
Taxes Outstanding:					
Current	\$ 10,448,938	\$ 7,820,928	\$ 7,647,150	\$ 8,208,711	\$ 6,506,252
Arrears	2,387,274	2,164,633	2,136,065	1,580,279	1,495,262
	\$ 12,836,212	\$ 9,985,561	\$ 9,783,215	\$ 9,788,990	\$ 8,001,514

* Reassessment

Saskatoon Economic Statistics

For the Years Ended December 31, 2016 to 2012

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Saskatoon population (December 31)*:	266,064	262,900	257,300	248,700	239,000
Annual change	1.203 %	1.900 %	6.191 %	4.059 %	2.050 %
Saskatoon inflation rate - annual change	1.200 %	- %	1.900 %	1.000 %	1.470 %
Saskatoon unemployment rate - annual average	6.780 %	5.800 %	3.580 %	4.100 %	5.600 %
No. of Persons Employed in Saskatoon	168,233	169,625	169,100	164,175	152,675
Saskatoon Building Permits					
Total Number	3,950	4,327	4,996	5,020	5,196
Total Value	\$ 727,597	\$ 1,020,394	\$ 878,238	\$ 1,088,500	\$ 1,082,100
Annual Change	(8.712)%	(0.130)%	(0.479)%	(3.400)%	15.500 %

* December population estimates are provided by Planning & Development, derived from Statistics Canada annual July estimate data.

Sources of Information:

Statistics Canada

City of Saskatoon - Planning Branch, Community Services Department

Major Taxpayers in Saskatoon

2016 Taxable Assessment

(in thousands of dollars)

(unaudited)

Midtown Plaza Inc.	\$ 206,973,800
Boardwalk REIT Properties Holdings Ltd.	130,812,200
Pillar Properties Corp.	115,374,400
Centre At Circle & Eighth Property Inc.	88,017,900
Calloway REIT Saskatoon South	87,712,200
959630 Alberta Inc.	75,043,540
Mainstreet Equity Corp.	74,692,450
Dundeal Canada (GP) Inc.	63,799,800
101042414 Saskatchewan Ltd.	58,877,800
The Saskatoon Co-operative Association Limited	58,612,300
Nexus Holdings Inc.	55,818,190
CNH Canada Ltd.	54,661,000
Saskatoon West Shopping Centres Limited	51,271,300
Boulevard Real Estate Equities Ltd.	50,773,350
Pillar Development Corp.	48,204,200

Summary of Accumulated Surplus and Net Financial Assets (Debt)

(in thousands of dollars)

(unaudited)

	2016	2015 <i>Restated Note 20</i>	2014	2013	2012
	\$	\$	\$	\$	\$
Accumulated Surplus	\$ 3,886,360	\$ 3,688,506	\$ 3,455,899	\$ 3,254,332	\$ 3,034,601
Net Financial Assets (Debt)	\$ (114,106)	\$ (57,943)	\$ 68,633	\$ 52,815	\$ 115,061

Expenses by Object

(in thousands of dollars)

(unaudited)

	2016	2015	2014	2013	2012
	\$	\$	\$	\$	\$
Wages and Benefits	\$ 272,288	\$ 282,741	\$ 266,776	\$ 280,437	\$ 249,565
Contracted and General Services	158,374	188,684	158,191	113,033	117,166
Heating, Lighting, Power, Water, and Telephone	97,683	99,809	96,332	91,426	84,830
Materials, Goods and Supplies	16,635	23,353	21,101	41,389	23,702
Finance Charges	16,465	12,098	6,493	7,103	7,794
Donations, Grants and Subsidies	9,888	11,679	8,835	11,905	12,381
Amortization	123,233	116,898	109,966	101,845	83,643
	\$ 694,566	\$ 735,262	\$ 667,694	\$ 647,138	\$ 579,081

December 31, 2015

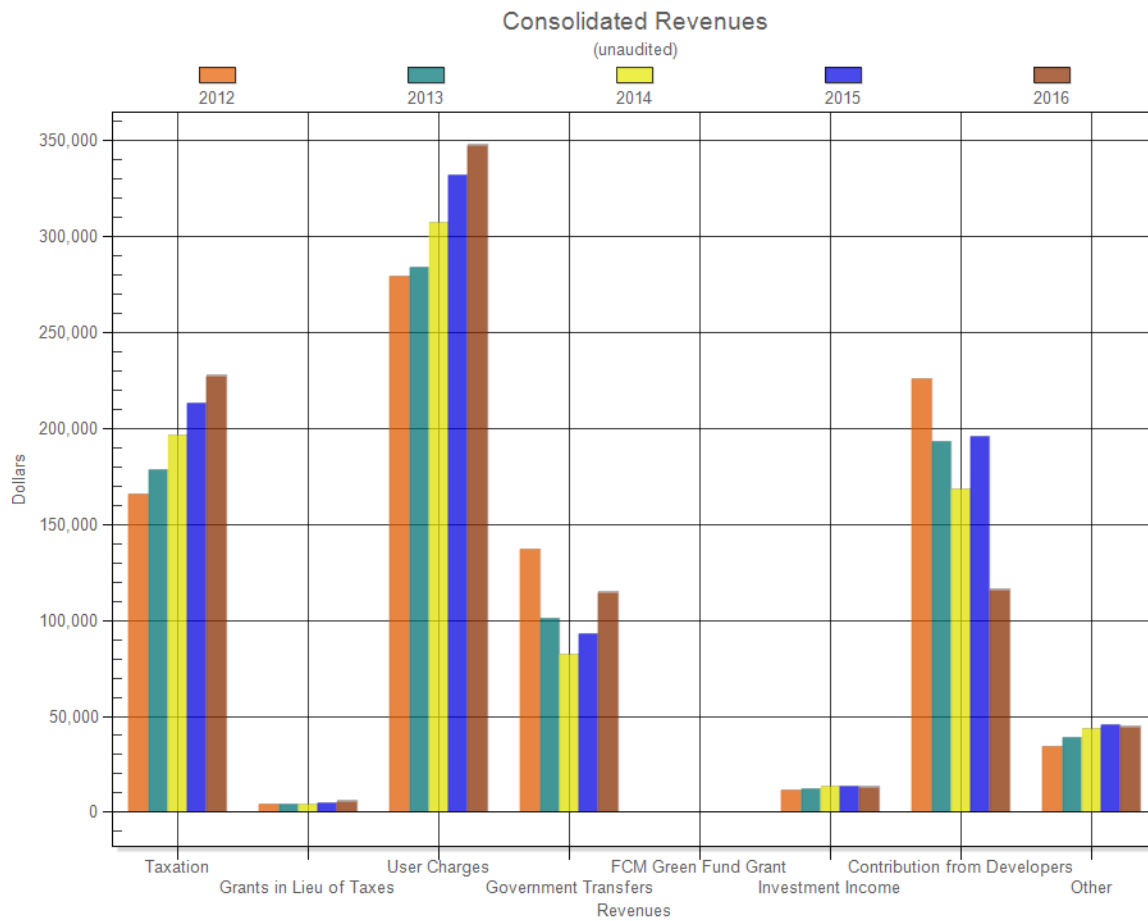
Consolidated Revenues

For the Years 2012 to 2016

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Consolidated Revenues

For the Years 2012 to 2016



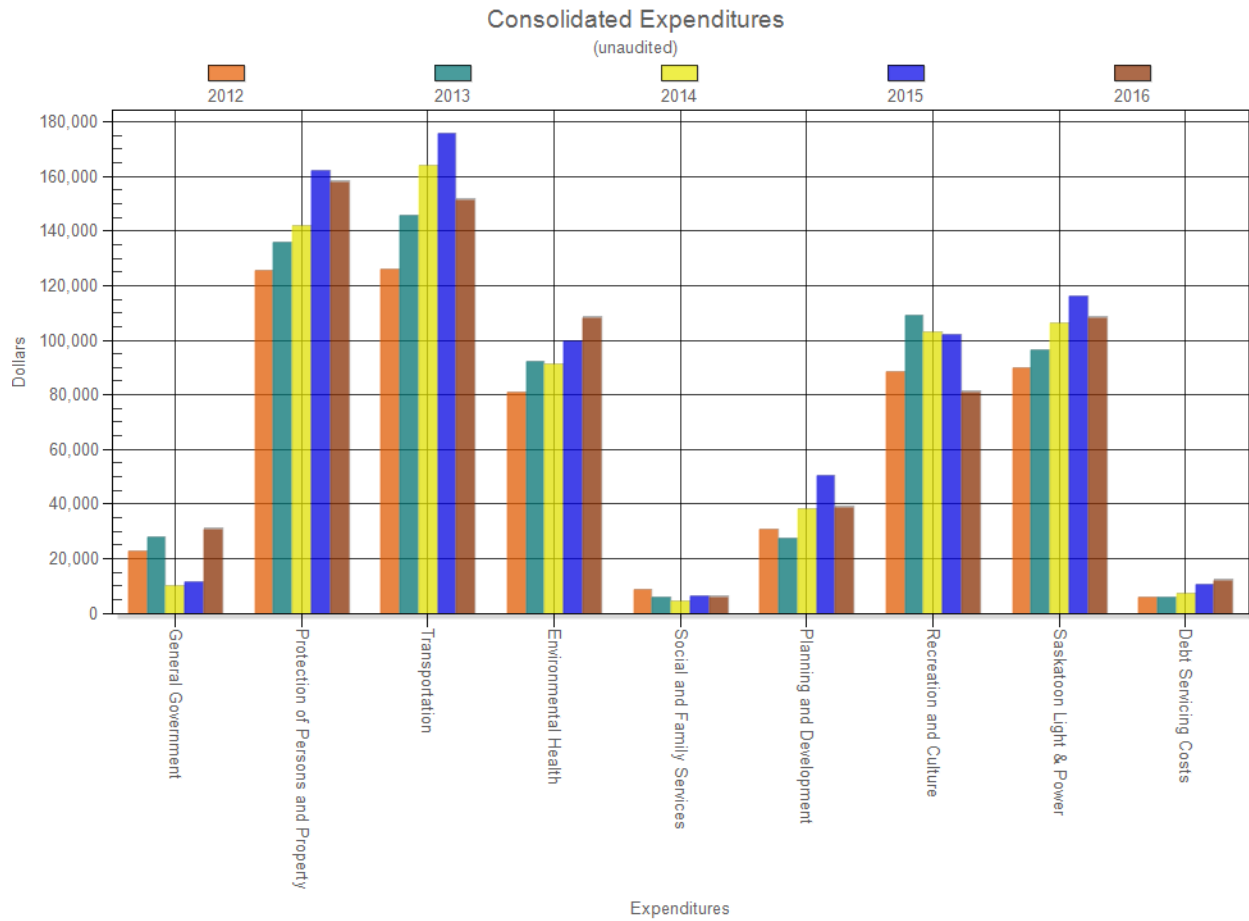
Consolidated Expenditures

For the Years 2012 to 2016

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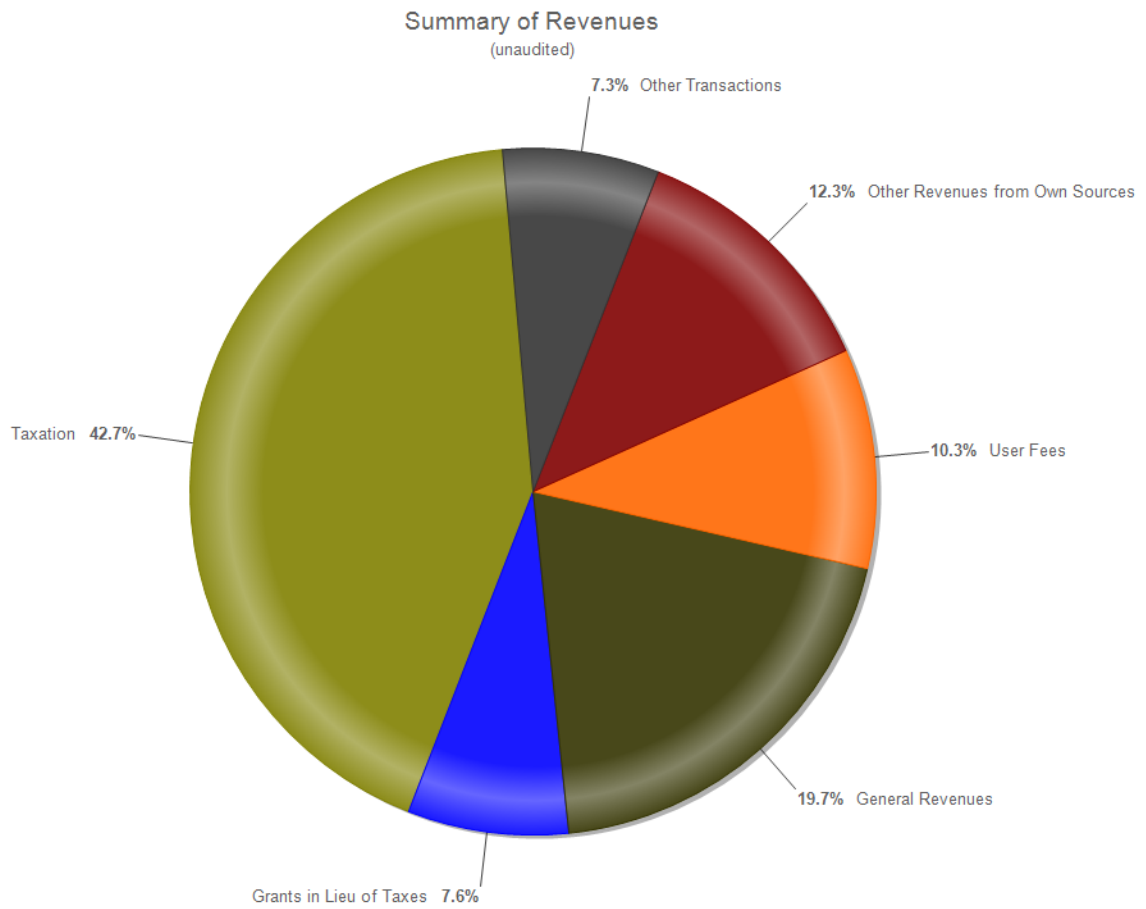
Consolidated Expenditures

For the Years 2012 to 2016



Consolidated Expenditures

For the Years 2012 to 2016



Consolidated Expenditures

For the Years 2012 to 2016

