



The List of In Camera Agenda Items immediately follows the Public Meeting Agenda on Page 98. Items 6.3 and 6.4 will be dealt with following Appointment of Chair and Vice Chair. The remaining items will be considered following the Public Meeting.

Urgent Business was added on Page 4.

PUBLIC AGENDA

STANDING POLICY COMMITTEE ON FINANCE

MONDAY, AUGUST 18, 2014, AT 2:00 P.M., COUNCIL CHAMBERS

Councillor C. Clark
Councillor R. Donauer
Councillor A. Iwanchuk
Councillor E. Olauson
Councillor T. Paulsen
His Worship Mayor D. Atchison (Ex-Officio)

1. Call to Order

- 1.1 Appointment of Chair
- 1.2 Appointment of Vice Chair
- 1.3 Introductions

[IN CAMERA SESSION]

2. Confirmation of Agenda

3. Adoption of Minutes

4. Unfinished Business

5. Communications

5.1 Matters Requiring Direction

- 5.1.1 Meewasin Valley Authority Financial Statements, March 31, 2014
[File No. CK. 1895-1]

Recommendation

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

That the Meewasin Valley Authority Financial Statements, March 31, 2014, be received as information.

5.1.2 2015 Budget Proposal – Saskatoon Accessibility Advisory Committee [File No. CK. 1704-5]

Recommendation

That the Standing Policy Committee on Finance recommend:

That the proposed 2015 budget of the Saskatoon Accessibility Advisory Committee be forwarded to the 2015 Business Plan and Budget deliberations for consideration at the appropriate time.

6. Requests to Speak (*new matters*)

7. Reports from Administration

7.1 Delegated Authority Matters

7.1.1 Inquiry – Councillor Olauson (May 21, 2013)
Process and Policy – Leasing of City Lands [File No. CK. 4225-1]

Recommendation

That the information be received.

7.2 Matters Requiring Direction

7.2.1 Proposed Risk Based Management Program
Internal Audit Services – Request for Proposals
[File No. CK. 1600-3]

Recommendation

1. That the Standing Policy Committee on Finance recommend to City Council:
 - (a) That the proposed enhanced Enterprise Risk Management program to be called Risk Based Management, as described in the August 18, 2014 report of the City Solicitor, be approved;
 - (b) That the proposed Council policy for a Risk Based Management system be adopted as a component of corporate governance for the City; and
2. That the request for proposals for internal audit services include language to ensure that any proponent is aware that it will be required to audit risk management programs and practices, may be called on to assist with the modification and improvement of such programs, and that the proponent will be required to audit the risk management practice and performance of all departments.

7.2.2 Business Improvement Districts' 2013 Financial Statements
[File No. CK. 1680-1]

Recommendation

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

That the 2013 Audited Financial Statements from The Partnership, Broadway Business Improvement District, Riversdale Business Improvement District, and the Sutherland Business Improvement District be received as information.

7.2.3 New Building Canada Fund and Federal Gas Tax Fund
[File No. CK. 1860-1]

Recommendation

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

That the capital projects identified in the August 18, 2014 report of the CFO/General Manager, Asset and Financial Management Department, be approved for submission to the appropriate authorities for funding from the New Building Canada Fund or the Gas Tax Fund.

7.2.4 Request for Lease Buyout – Motor Grader for Public Works
[File No. CK. 1390-1]

Recommendation

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

1. That the purchase agreement submitted by Kramer Limited for the lease buyout of a 2008 Caterpillar 140M Motor Grader at a total cost of \$176,116.44 (including GST and PST) be approved; and
2. That Purchasing Services be requested to issue the appropriate purchase order.

8. Urgent Business

9. Adjournment



URGENT BUSINESS

PUBLIC AGENDA

STANDING POLICY COMMITTEE ON FINANCE

MONDAY, AUGUST 18, 2014, COUNCIL CHAMBER

Section 112 of Bylaw No. 9170, The Procedures and Committees Bylaw states:

- (1) *The administration may request to add a matter to the agenda of a Council Committee meeting as urgent business after the agenda has been prepared and distributed by the City Clerk.*
- (2) *In these circumstances, the administration shall submit a report to the City Clerk requesting to add the item to the agenda, which shall include an explanation of the reasons and degree of urgency of the matter, as soon as possible.*
- (3) *The City Clerk shall distribute any requests from the administration to add a matter of urgent business to the agenda to the Council Committee members as soon as they are available.*
- (4) *During the confirmation of the agenda, a Council Committee member may move to add a report, communication, speaker or motion to the agenda if the matter arises from an unforeseeable situation of urgency.*
- (5) *Council Committee may only consider a matter of urgent business by a majority vote of Council Committee members present.*

2. Confirmation of Agenda

The Committee is requested to add the following additional items as Urgent Business

8. Urgent Business

8.1 Delegated Authority Matters

8.1.1 Request for Direct Sale to Saskatchewan Telecommunications
Marquis Industrial Area [File No. CK. 4215-1]

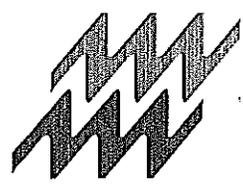
Recommendation

1. That the Director of Saskatoon Land be authorized to offer, by direct sale, Lot 2, Block 952, Plan 102145687 to Saskatchewan Telecommunications Holding Corporation, and Lot 3, Block 942, Plan 102145687 to Saskatchewan Telecommunications for the purpose of building a data centre to house servers and equipment for its customers' information technology needs; and
2. That the City Solicitor be requested to prepare the Direct Sale Agreement and that His Worship the Mayor and City Clerk be authorized to execute the Agreement under the Corporate Seal.

8.1.2 Request for Direct Sale to 101205311 Saskatchewan Ltd.
[File No. CK. 4215-1]

Recommendation

1. That the Director of Saskatoon Land be authorized to offer, by direct sale, remnant parcel NE 21-36-06-3; Ext 44; Parcel No. 13616643 to 101205311 Saskatchewan Ltd. (Attachment 1); and
2. That the City Solicitor be requested to prepare the Direct Sale Agreement and that His Worship the Mayor and City Clerk be authorized to execute the Agreement under the Corporate Seal.



Meewasin Valley Authority
402 - 3rd Avenue South
Saskatoon, Saskatchewan
S7K 3G5
Phone (306) 665-6887
Fax (306) 665-6117

Meewasin

July 14, 2014

Mayor & Council
City of Saskatoon
222 Third Avenue North
Saskatoon, SK S7K 0J5

Dear Mayor & Council;

Section 80(2) of the Meewasin Valley Authority Act states that a copy of the annual audit shall be furnished to each of the participating parties; as the elected officials of the City of Saskatoon, please accept the enclosed copy of the Meewasin Valley Authority Financial Statements, March 31, 2014, satisfying this requirement.

Sincerely,

Lloyd Isaak
Chief Executive Officer

Enclosure





MEEWASIN VALLEY AUTHORITY
FINANCIAL STATEMENTS
MARCH 31, 2010



Management's Responsibility

To the Participating Parties:

Management has responsibility for preparing the accompanying financial statements. This responsibility includes selecting appropriate accounting principles and making objective judgements and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorised, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed entirely of directors who are neither management nor employees of the Authority. The Audit Committee is appointed by the Board to review the financial statements in detail with management and to report to the Board prior to their approval of the financial statements for publication.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Board of Directors to audit the financial statements and report directly to the Participating Parties; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

June 6, 2014



Chief Executive Officer



Director of Operations

Independent Auditors' Report

To the Participating Parties:
Meewasin Valley Authority

We have audited the accompanying financial statements of Meewasin Valley Authority, which comprise the statement of financial position as at March 31, 2013, the statements of operations and changes in fund balances and cash flows, and the accompanying schedules 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 financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly in all material respects the financial position of Meewasin Valley Authority as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Comparative Information

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that Meewasin Valley Authority adopted Canadian public sector accounting standards on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2012 and April 1, 2011, and the statements of operations, and changes in fund balances and cash flows for the year ended March 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Saskatoon, Saskatchewan
June 6, 2013

MNP LLP

Chartered Accountants

MEEWASIN VALLEY AUTHORITY

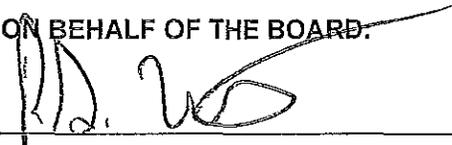
Statement of Financial Position

March 31, 2014

	<u>2014</u>	<u>2013</u>
Assets		
<i>Current</i>		
Cash	\$ 169,188	31,356
Short-term investments (note 3)	1,406,211	2,301,382
Accounts receivable (note 4)	342,550	77,866
Inventory	8,655	8,322
Prepaid expenses	<u>67,452</u>	<u>76,615</u>
	1,994,056	2,495,541
Capital assets (note 5)	<u>2,031,204</u>	<u>2,063,683</u>
	<u>\$ 4,025,260</u>	<u>4,559,224</u>
Liabilities		
<i>Current</i>		
Accounts payable and accrued charges	\$ 241,507	303,942
Deferred revenue (note 6)	-	450,809
Due to <i>Partners FOR the Saskatchewan River Basin</i> (note 7c)	251,150	297,585
Due to <i>Road Map 2020</i> (note 7d)	-	4,375
	<u>492,657</u>	<u>1,056,711</u>
Fund Balances		
General fund – unrestricted	37	38,528
Construction projects fund – internally restricted	187,940	313,970
Donations fund – unrestricted	199,812	77,722
Capital assets fund – invested in capital assets	2,031,204	2,063,683
Land access fund – internally restricted	214,365	189,365
Capital assets replacement fund – internally restricted	888,940	808,940
Restricted contributions fund – externally restricted (note 2a)	<u>10,305</u>	<u>10,305</u>
	<u>3,532,603</u>	<u>3,502,513</u>
Commitments (note 13)		
	<u>\$ 4,025,260</u>	<u>4,559,224</u>

The accompanying notes form an integral part of the financial statements.

ON BEHALF OF THE BOARD.


 _____ Director


 _____ Director

MEEWASIN VALLEY AUTHORITY

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2014

	General Fund (Schedule 1)	Construction Projects Fund (Schedule 2)	Donations Fund (Schedule 3)	Capital Assets Fund	Land Access Fund	Capital Assets Replacement Fund	Restricted Contributions Fund	2014 Total	2013 Total
Revenues									
Statutory	\$ 1,510,998	755,499	—	—	—	—	—	2,266,497	2,246,020
Grants	52,627	596,609	—	—	—	—	—	649,236	671,159
Donations	—	—	647,331	—	—	—	—	647,331	623,742
Other	110,670	214,006	900	—	—	—	—	325,576	177,563
	<u>1,674,295</u>	<u>1,566,114</u>	<u>648,231</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,888,640</u>	<u>3,718,484</u>
Expenditures	1,790,657	1,655,624	354,815	—	—	—	—	3,801,096	3,936,534
Amortization	—	—	—	57,454	—	—	—	57,454	62,600
	<u>1,790,657</u>	<u>1,655,624</u>	<u>354,815</u>	<u>57,454</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,858,550</u>	<u>3,999,134</u>
Excess (deficiency) of revenues over expenditures	(116,362)	(89,510)	293,416	(57,454)	—	—	—	30,090	(280,650)
Fund balance, beginning of year	38,528	313,970	77,722	2,063,683	189,365	808,940	10,305	3,502,513	3,783,163
Inter-fund allocations:									
Purchase of capital assets	—	(24,975)	—	24,975	—	—	—	—	—
From general fund	(93,455)	(11,545)	—	—	25,000	80,000	—	—	—
From donations fund	171,326	—	(171,326)	—	—	—	—	—	—
Fund balance, end of year	\$ <u>37</u>	<u>187,940</u>	<u>199,812</u>	<u>2,031,204</u>	<u>214,365</u>	<u>888,940</u>	<u>10,305</u>	<u>3,532,603</u>	<u>3,502,513</u>

The accompanying notes form an integral part of the financial statements.

MEEWASIN VALLEY AUTHORITY

3.

Statement of Cash Flows

March 31, 2014

	<u>2014</u>	<u>2013</u>
Cash provided by (used in) the following activities:		
<i>Operating</i>		
Excess of revenue over expenditures	\$ 30,090	(280,650)
Add item not affecting cash:		
Amortization	<u>57,454</u>	<u>62,600</u>
	<u>87,544</u>	<u>(218,050)</u>
Change in non-cash operating working capital:		
Accounts receivable	(264,684)	(28,297)
Prepaid expenses	9,163	(4,111)
Inventory	(333)	1,212
Accounts payable and accrued charges	(62,435)	(17,904)
Deferred revenue	(450,809)	22,617
Due to <i>Partners FOR the Saskatchewan River Basin</i>	(46,435)	31,072
Due to <i>Road Map 2020</i>	<u>(4,375)</u>	<u>(8,024)</u>
	<u>(732,364)</u>	<u>(221,485)</u>
<i>Investing</i>		
Redemption of short-term investments (net)	895,171	99,875
Purchase of capital assets	<u>(24,975)</u>	<u>(7,165)</u>
	<u>870,196</u>	<u>92,710</u>
<i>Financing</i>		
Advance (repayment) of long-term annuity (net)	---	(26,000)
Net change in cash during the year	137,832	(154,775)
Cash, beginning of year	<u>31,356</u>	<u>186,131</u>
Cash, end of year	\$ <u>169,188</u>	<u>31,356</u>

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

Year ended March 31, 2014

1. Purpose and Objective of Meewasin Valley Authority

The Meewasin Valley Authority is incorporated under a special act, The Meewasin Valley Authority Act, of the Legislature of the Province of Saskatchewan.

The Meewasin Valley Authority ("Meewasin") is a conservation agency established to protect and develop the natural and heritage resources of the Meewasin Valley and promote a better understanding of these resources. The three participating parties provide statutory funding and appointments to the Board of Directors: the City of Saskatoon, University of Saskatchewan, and Government of Saskatchewan. This statutory funding represented 58% of total revenue in the current year (2013 - 60%).

2. Accounting Policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

(a) Fund Accounting**i) General Fund**

Revenues and expenses related to program delivery and administration activities are reported in the General Fund.

ii) Construction Projects Fund

Meewasin charges construction project expenditures to the construction projects fund as incurred. Construction project expenditures include all costs associated with landscaping or construction of a service facility on land owned by either Meewasin or a participating party. These costs include expenditures for planning and research and allocations of salaries.

When a project is completed and retained by Meewasin, the project cost is recorded as a capital asset with a credit to the capital assets fund.

iii) Donations Fund

Meewasin records revenues and expenditures related to fundraising activities in the donations fund. From time to time, the net proceeds of these activities are allocated to the general fund or the construction projects fund where they are used to support Meewasin programs.

iv) Capital Assets Fund

Meewasin charges capital asset purchases to the general fund and construction projects fund as incurred. In order to maintain a record of capital assets, all purchased and constructed capital assets are recorded at cost as capital assets with a corresponding credit to the capital assets fund. When capital assets are sold the proceeds on disposal are included in revenue and the related net book value of the asset is removed from both the capital asset account and the capital assets fund.

Notes to the Financial Statements

Year ended March 31, 2014

2. Accounting Policies - *continued*

(a) Fund Accounting - *continued*

iv) Capital Assets Fund

Independent appraisals are undertaken when new conservation easements are acquired. The results are vetted with Canada Revenue Agency prior to acquisition. These easements are recorded as a separate class of asset at the appraised value with a corresponding credit to the capital assets fund.

Amortization is charged to the capital assets fund using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Useful Life</u>
Building	20 years
Equipment and office furniture	10 years
Electronic data processing equipment	3.33 years
Vehicles	3.33 years

No amortization is recorded in the year an asset is acquired or for assets under construction.

It is expected that this policy will charge the capital assets fund with the total cost of the assets over the useful lives of the assets.

v) Land Access Fund

Meewasin has established a land access fund to secure public access to riverbank land as opportunity and need arise.

vi) Capital Assets Replacement Fund

A capital assets replacement fund has been established to provide for the eventual replacement of major capital assets.

vii) Restricted Contributions Fund

Donations that are subject to externally imposed stipulations are kept in the fund until such time as they are spent as stipulated.

(b) Financial instruments

Meewasin recognizes its financial instruments when Meewasin becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with PS 4260 *Related Party Transactions* (refer to Note 7).

At initial recognition, Meewasin may irrevocably elect to subsequently measure any financial instrument at fair value. Meewasin has not made such an election during the year.

Notes to the Financial Statements

Year ended March 31, 2014

2. Accounting Policies – *continued***(b) Financial instruments - *continued***

Meewasin measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of Meewasin performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net re-measurements of financial assets measured at fair value are reported in the statement of re-measurement gains and losses.

(c) Revenues and Expenditures Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All tax-receipted contributions are recognized as revenue of the Donations Fund in the year they are receipted.

Investment income is recognized in the General Fund, except investment income (loss) related to the Restricted Contributions Fund, which is recognized in that fund.

Grants in the form of donated services from government agencies are recorded at the contracted amount. Pledges are recorded as the donation is received.

Revenue is allocated between the various funds based on statutory and contractual requirements or as specified by donors.

The Board of Directors approves allocations between funds.

Notes to the Financial Statements

Year ended March 31, 2014

2. Accounting Policies - continued

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenditures in the periods in which they become known.

3. Short-term Investments

Short-term investments consist of bankers acceptances and bearer discount notes bearing interest at rates ranging from 1.18 – 1.26% with maturity dates between April 2014 and July 2014.

4. Accounts Receivable

Meewasin has an amount in accounts receivable at March 31, 2014 of \$149,151 from a related party, the City of Saskatoon, (2013 - \$3,763) pursuant to funding agreements between the parties.

As at March 31, 2014, a funding agreement continues with the City of Saskatoon related to the River Landing, Riverfront capital project, Phase II.

Meewasin has an amount in accounts receivable at March 31, 2014 of \$58,406 from a related party, the Province of Saskatchewan, (2013 – \$2,000) pursuant to funding agreements between the parties.

5. Capital Assets

	2014			2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,218,293	---	1,218,293	1,218,293
Conservation easement	257,200	---	257,200	257,200
Building	1,184,899	706,537	478,362	506,793
Equipment and office furniture	61,400	32,274	29,126	34,596
Electronic data processing equipment	176,643	130,509	46,134	38,446
Vehicles	<u>46,685</u>	<u>44,596</u>	<u>2,089</u>	<u>8,355</u>
	<u>\$ 2,945,120</u>	<u>913,916</u>	<u>2,031,204</u>	<u>2,063,683</u>

6. Deferred Revenue

Deferred revenue includes the following categories:

- (a) Meewasin has deferred capital contributions of \$0 from the Province of Saskatchewan that relate to capital expenditures for the Meewasin Valley Trail to be made in a subsequent period (2013 - \$435,861).
- (b) Meewasin deferred contributions of \$0 from the Province of Saskatchewan received in 2012-2013 that were for expenditures on International Trails Day (2013 - \$14,948).

Notes to the Financial Statements

Year ended March 31, 2014

7. Related Party Transactions

(a) Participating parties

In addition to the statutory assessments and deferred contributions in Note 6, Meewasin received the following grants and other payments during the year from its participating parties:

		<u>2014</u>	<u>2013</u>
Province of Saskatchewan	Construction projects fund	\$ 504,767	527,902
Province of Saskatchewan	General fund grants	18,685	10,000
City of Saskatoon	Construction projects fund grants	60,000	50,000
City of Saskatoon	Construction projects sale of goods and services	189,821	49,175
City of Saskatoon	General fund grants	---	23,000
University of Saskatchewan	Construction projects sale of goods and services	4,500	---

(b) Meewasin Foundation Inc.

Since August 1, 1999, the former operations of Meewasin Foundation Inc. are being reported within Meewasin's Donation Fund. The Foundation continues as the beneficial owner of life insurance policies provided by donors.

(c) Partners FOR the Saskatchewan River Basin (PFSRB)

PFSRB is a non-profit environmental corporation operating under its own Board of Directors. Financial accountability resides with that Board of Directors. The Meewasin Valley Authority is engaged under contract to provide PFSRB with management services and program delivery.

As at March 31, 2014, the net value of assets and liabilities held by Meewasin on behalf of PFSRB is shown on the Meewasin Statement of Financial Position as \$251,150 due to PFSRB (2013 - \$297,585).

During the year, Meewasin Valley Authority provided grants to PFSRB of \$20,000 (2013 - \$20,000). Meewasin provided a donation in-kind to PFSRB of \$26,378 representing staff support and office space (2013 - \$22,642).

Financial statement users interested in the activities of PFSRB for the year ended March 31, 2014 are referred to that entity's own financial statements.

(d) Road Map 2020: Working for a Sustainable Saskatoon Inc. (Road Map)

Road Map was a non-profit corporation operating under its own Board of Directors. Financial accountability resides with that Board of Directors. The Meewasin Valley Authority was engaged under contract to provide Road Map with management services. As at March 31, 2014 the net value of assets and liabilities held by Meewasin on behalf of Road Map is shown on the Meewasin Statement of Financial Position as \$0 due to Road Map 2020 (2013 - \$4,375). During the year, Meewasin provided grants to Road Map of \$0 (2013 - \$5,000).

The corporation was dissolved on January 28, 2014 and net cash assets were distributed to Meewasin Valley Authority (\$26) and the Saskatchewan Environmental Society (\$3,260) per resolution of the Board of Directors.

Notes to the Financial Statements

Year ended March 31, 2014

8. Contractual Obligations

The Meewasin Valley Authority entered into an agreement with the Leisureland Community Co-operative Ltd. whereby the public use of certain lands (Maple Grove) owned by Meewasin is limited. The agreement was a condition of the purchase of the property by Meewasin and will expire December 31, 2022.

9. Government Assistance

In addition to the amounts received from the Province of Saskatchewan and City of Saskatoon per note 7(a), during the year Meewasin received \$39,709 in cash grants from the Government of Canada (2013 - \$66,869).

10. Defined Contribution Plan

The Authority participates in a multi-employer defined contribution plan on behalf of its employees. Contributions are based on 7.25% of salary up to \$12,135 per participant per annum. The Authority's contributions and corresponding expense totalled \$103,648 in 2014 (\$103,628 - 2013).

11. Endowment Funds

- (a) The Saskatoon Community Foundation, a registered charitable foundation, under an agreement with Meewasin has established an endowment fund called *The Meewasin Valley Fund* for the benefit of Meewasin.

At The Saskatoon Community Foundation's fiscal year end December 31, 2013, the balance of The Meewasin Valley Fund was \$678,197 (2012 - \$618,800). The Saskatoon Community Foundation manages these funds within the parameters established by the fund agreement.

- (b) The Saskatoon Community Foundation, under an agreement with Meewasin, established an endowment fund called *The Wes Bolstad Fund* for the Meewasin Valley Authority. At the Saskatoon Community Foundation's fiscal year end December 31, 2013, the balance of the fund was \$16,701 (2012 - \$15,246).
- (c) During 2012 The Saskatoon Community Foundation, under an agreement with Meewasin, established an endowment fund called *The Susan Lamb Fund* for the Meewasin Valley Authority. An initial contribution of \$10,000 was made by Meewasin on November 26, 2012. At the Saskatoon Community Foundation's fiscal year end December 31, 2013, the balance of the fund was \$19,221 (2012 - \$10,000).

12. Pledged Donations

Outstanding pledges were not recorded in revenue. The outstanding pledges receivable within five years, as at March 31, 2014, were \$867,880 (2013 - \$824,545). The pledges by year going forward are: \$637,474 - 2015; \$92,700 - 2016; \$68,106 - 2017; \$44,800 - 2018; and \$24,800 - 2019.

Donation Fund expenditures represent the cost of fundraising activity and include consultant fees for the Meewasin Matters Campaign. The costs relate to actual donations received and to the pledged donations achieved.

13. Commitments

At March 31, 2014 Meewasin Valley Authority has outstanding commitments of \$231,409 related to on-going construction projects (2013 - \$285,219).

Notes to the Financial Statements

Year ended March 31, 2014

14. Financial Instruments

All significant financial assets, financial liabilities and equity instruments of Meewasin are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, and credit risk.

The Meewasin Valley Authority's financial instruments include cash, short-term investments, accounts receivable, and accounts payable and accrued charges. The carrying amounts of these instruments approximate their respective fair values. Financial instruments also include due to Partners FOR The Saskatchewan River Basin and due to Road Map 2020. The fair values of these instruments can not be estimated as the timing of future cash flows is not determinable.

As at March 31, 2014, the Meewasin Valley Authority does not have any outstanding contracts or financial instruments with embedded derivatives.

(a) Risk Management Policy

Meewasin, as part of operations, has established the risk management objective of preserving the value of its financial instruments to ensure that they can be used in support of the Meewasin purpose. Risks are controlled because the *Meewasin Valley Authority Act* requires that investments are made in compliance with the *Financial Administration Act (SK)*.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. Meewasin is exposed to price risk through its short-term investments in banker's acceptances. The risk is minimized due to the short terms to maturity of the investments held.

(c) Credit concentration

Financial instruments that potentially subject Meewasin to concentrations of credit risk consist of accounts receivable. 99% of accounts receivable is comprised of amounts due from federal, provincial, and municipal governments, other public institutions such as the University of Saskatchewan and school boards, and financial institutions. Meewasin believes that there is minimal risk associated with the collection of these amounts. Meewasin performs regular credit assessments of its debtors and provides allowances for potentially uncollectible accounts receivable.

MEEWASIN VALLEY AUTHORITY

11.

Statement of General Fund

Schedule 1

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Revenues		
Statutory funding:		
City of Saskatoon	\$ 464,250	459,667
Government of Saskatchewan	606,000	606,000
University of Saskatchewan	440,748	431,680
Fee for service	62,527	59,645
Grants	52,627	35,143
Interest and other	48,143	52,715
	<u>1,674,295</u>	<u>1,644,850</u>
Expenditures		
Administrative	606,106	616,986
Development review	83,395	74,274
Facility operation	209,421	221,835
Planning	186,828	63,432
Public education and involvement	204,914	175,438
Beaver Creek	250,376	273,291
Meewasin Valley Centre	189,121	191,655
Resource conservation	14,474	12,222
Special projects	46,022	44,219
	<u>1,790,657</u>	<u>1,673,352</u>
Deficiency of revenues over expenditures	(116,362)	(28,502)
Fund balance, beginning of year	38,528	57,228
Allocations		
To purchase of capital assets	-	(7,165)
To capital assets replacement fund	(80,000)	(46,728)
From (to) construction projects fund	11,545	(11,605)
To land access fund	(25,000)	(25,000)
From donations fund	171,326	100,300
Fund balance, end of year	\$ <u>37</u>	<u>38,528</u>

The accompanying notes form an integral part of the financial statements.

MEEWASIN VALLEY AUTHORITY

12.

Statement of Construction Projects Fund

Schedule 2

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Revenues		
Statutory funding		
City of Saskatoon	\$ 232,125	229,833
Government of Saskatchewan	303,000	303,000
University of Saskatchewan	220,374	215,840
Fee for service and other	214,006	62,525
Grants	<u>596,609</u>	<u>636,016</u>
	1,566,114	1,447,214
Expenditures		
Beaver Creek	31,960	195,685
Cosmopolitan Park	---	6,230
Kiwanis Park	3,513	11,327
Maple Grove	4,360	25,836
Mendel Riverbank	11,561	---
Meewasin Rink	4,000	17,970
Meewasin Valley Centre	34,586	31,939
Meewasin Valley Trail	1,181,512	1,336,795
Natural Areas	15,048	4,177
Northeast Swale	19,011	26,509
Paradise Beach	---	1,803
Park signage	1,934	11,387
Peggy McKercher Conservation Area	10,116	3,607
Poplar Bluffs	2,890	656
Riverbank restoration	186,321	222,463
River Landing - Riverfront I	12,282	50,584
River Landing - Riverfront II	18,826	23,073
Rotary Park	6,406	4,272
St. Joseph High School	31,292	20,667
Tree planting	64,835	30,708
U. of S. Riverbank and East Side Weir	15,171	11,800
Weir Riverbank	---	4,360
	<u>1,655,624</u>	<u>2,041,848</u>
Deficiency of revenues over expenditures	(89,510)	(594,634)
Fund balance, beginning of year	313,970	538,999
Allocations		
To purchase capital assets	(24,975)	---
(To) from general fund	(11,545)	11,605
From donations fund	---	358,000
Fund balance, end of year	\$ <u>187,940</u>	<u>313,970</u>

The accompanying notes form an integral part of the financial statements.

MEEWASIN VALLEY AUTHORITY

Statement of Donations Fund

Schedule 3

Year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Revenues		
General	\$ 197,754	180,309
Meewasin Cameco Trails campaign	---	21,361
Cameco Riverfront campaign	10,000	10,000
W2W Trails Campaign	414,563	395,725
Planned giving	2,324	377
Plant - A - Tree	11,840	10,671
Rink Campaign	9,950	5,000
Gift Club	900	300
Gift shop (gross margin)	<u>900</u>	<u>2,677</u>
	<u>648,231</u>	<u>626,420</u>
Expenditures		
General administration	74,748	74,554
W2W Trails Campaign	221,322	91,016
Individual donations	6,364	5,665
Planned giving	5,799	3,131
Plant - A - Tree	3,405	3,094
Rink Campaign	7,993	7,505
Gift shop	2,075	1,513
Other	2,759	1,588
Saskatoon Community Foundation – Wes Bolstad Fund	551	518
Saskatoon Community Foundation – Susan Lamb Fund	5,347	11,880
The Meewasin Endowment Fund (note 10)	<u>24,452</u>	<u>20,870</u>
	<u>354,815</u>	<u>221,334</u>
Excess of revenues over expenditures	293,416	405,086
Fund balance, beginning of year	77,722	130,936
Allocations		
To construction projects fund	---	(358,000)
To general fund	<u>(171,326)</u>	<u>(100,300)</u>
Fund balance, end of year	\$ <u>199,812</u>	<u>77,722</u>

The accompanying notes form an integral part of the financial statements.

CITY OF SASKATOON

Office of the City Clerk

To: Secretary, Standing Policy Committee
on Finance

Date: June 17, 2014

Phone: 975-3240

Our File: CK. 1704-5

From: **Kathy O'Brien, Secretary**

Saskatoon Accessibility Advisory Committee Your File:

Re: 2015 Proposed Budget – Saskatoon Accessibility Advisory Committee

The Saskatoon Accessibility Advisory Committee, at its meeting held on June 13, 2014, resolved that the Committee submit a proposed budget for 2015 of \$3,000 which would be allocated to Education and Awareness Training. This amount is identical to that which was requested and approved for 2014.

KO

/ko

Inquiry – Councillor Olauson (May 21, 2013) Process and Policy – Leasing of City Lands

Recommendation

that the information be received.

Topic and Purpose

To report on the current policy and process for leasing City-owned farmland being held for future development.

Report Highlights

1. The current process and policy for leasing City farmland is outlined in City Council Policy No. C09-012, Administration of Civic Properties.
2. Research indicates that City farmland leases are achieving market rates.
3. The current process for leasing City-owned farmland should be maintained.

Strategic Goal

This report supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes, and the priority of exploring alternative sources of revenue to pay for ongoing operations under the Strategic Goal of Asset and Financial Sustainability.

Background

The following inquiry was made by Councillor Olauson at the May 21, 2013, meeting of City Council:

“Would the Administration please report on the process and policy that will be used going forward in regards to the leasing of City lands to any and all parties.”

The Land Bank Program acquires farmland for future development. In the interim, lands acquired under this program are leased to farmers, primarily to mitigate maintenance costs until development occurs and to ensure the farmland is properly maintained at no cost to the City. The rental income generated is a by-product of this objective and represents a marginal source of income (approximately \$90,000 in 2013).

Report

The Current Process and Policy for Leasing City Farmland

The current policy directive for leasing City farmlands is provided under City Council Policy No. C09-012, Administration of Civic Properties. Under this Policy, City-owned property should bring maximum economic benefit to the City and the rent should be based on current market value. Agreements of less than 12 months in duration can be approved by the Administration, while lease terms greater than 1 year require City

Council's approval. Most farmland lease agreements have been negotiated on an annual basis at a rate reviewed and agreed upon each year with the lessee.

Occasionally, public tendering of farmland leases has been utilized when individuals previously farming the land were no longer interested and no other interested parties were apparent. In recent years, the farm lease market has been very stable with the same long-term farmers remaining constant year after year. In many cases, lands acquired by the City for future development are leased back to the vendor as part of the purchase agreement.

The certainty of lands being made available to the tenants on a continuous basis has been appreciated by the farmers, as farming is a multi-year process with the lands typically being worked and fertilized in the fall in preparation for spring seeding.

Research indicates that City Farmland Leases are Achieving Market Rates

To determine if the current policy and process being utilized for leasing of farmland is effective, Real Estate Services conducted a wide range of research including inquiries with other municipalities, large land owners, farmers, and input from the current tenants of City-owned farmland.

On average, the current lease rate for City-owned farmland is \$35 per acre. In comparison, Dundee Real Estate and Asset Management (DREAM) which also owns large tracts of farmland for future development, leases its land for \$30 per acre. Discussions with farmers leasing farmland from other individuals have indicated lease rates ranging from \$25 to \$50 per acre depending upon the quality of the soil.

This research would indicate that City rental rates are within market range and are deemed reasonable, when recognizing the City's farmland lease agreements include clauses to reduce the leased area at any time if the City requires the land for development or other civic use. In addition, some City farmlands have low-lying areas which cannot be seeded/farmed. Both of these factors have a negative impact on rates.

Real Estate Services has contacted the municipalities of Medicine Hat and Lloydminster which have active Land Bank programs and regularly lease out City-owned land to farmers. The City of Lloydminster takes a similar approach to Saskatoon in that it leases its land to the same individuals year after year, with the primary focus being continued and effective property maintenance of the lands. Occasionally, when a prior tenant or adjacent farmer is not available or interested in farming the land, a tender will be issued. The City indicated that this approach is the most cost effective administratively.

The City of Medicine Hat tenders out its farmland due to very strong demand resulting from quality soils suited for intensive farming. They indicated they have had issues in the past with farmers who submit high bids, aggressively and irresponsibly farm the land, and then walk away from the long-term lease agreement. This has resulted in situations where the City has had to offer the land rent-free for a period of time until the

land has recovered from the use of aggressive short-term focused farming practices. Legal action was subsequently initiated against the offending farmer. This issue would be a potential concern for Real Estate Services if public tendering of farmland is pursued for all land holdings.

The majority of farmers contacted were against the idea of tendering out the farmland and clearly preferred the current approach utilized by Real Estate Services to lease farmland. This approach provides them certainty of longer term use of the land which enables them to utilize responsible farming practices.

It should also be noted that during land acquisition negotiations, purchase agreements with sellers often contain clauses that allow continued use of the land for farming by the land owner. Providing this option to the seller has played a significant role in securing Land Bank acquisitions for future development of the land.

The Current Process for Leasing City Owned Farmland Should be Maintained

The preferred process for handling farmland leases is to continue leasing farmland on a market value basis to individuals who have historically been farming the land. Real Estate Services would continue to conduct annual research to ensure market rental rates are maintained for City-owned farmland. The Administration recommends this option as the main purpose of leasing City-owned land for farming is to ensure ongoing maintenance of the land takes place. The intent is to ensure the land is cared for and some revenue is received to cover maintenance costs and taxes in lieu until development occurs.

The Administration suggests that public tendering of farmland leases continue in limited circumstances where land acquisition lease arrangements do not exist, lands are outside the three-year development stream, and land is not required for other civic uses.

Due Date for Follow-up and/or Project Completion

If there is a tender in the future for a longer lease term, a report will be submitted to the Standing Policy Committee on Finance for consideration.

Public Notice

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

Report Approval

Written by: Linda Lei, Property Agent, Real Estate Services
Reviewed by: Keith Pfeil, Manager, Real Estate Services
Frank Long, Director of Saskatoon Land
Approved by: Marlys Bilanski, CFO/General Manager, Asset & Financial
Management Department

Proposed Risk Based Management Program Internal Audit Services – Request for Proposals

Recommendations

- 1) That the Finance Committee recommend to City Council that:
 - (a) the proposed enhanced Enterprise Risk Management program to be called Risk Based Management as described in this report be approved;
 - (b) the attached proposed Council policy for a Risk Based Management system be adopted as a component of corporate governance for the City; and
- 2) That the request for proposals for internal audit services include language to ensure that any proponent is aware that it will be required to audit risk management programs and practices, may be called on to assist with the modification and improvement of such programs, and that the proponent will be required to audit the risk management practice and performance of all departments.

Topic and Purpose

This report proposes a program to manage risk and uncertainty arising from enterprise level activities for the City.

Report Highlights

This report outlines the role of internal audit in Enterprise Risk Management programs, the state of our current program and proposes an update to our current program. This report also provides further background regarding aligning the City's internal audit and Enterprise Risk Management functions to ensure maximum value for the City.

Strategic Goal

This proposed program supports the Strategic Goal of Continuous Improvement.

Background

Our current internal audit contract is set to expire. Risk management of enterprise level risks is becoming an increasing concern for Administration and internal audit programs.

This report examines further information on internal audit models, examples of best practices in Enterprise Risk Management, and the relationship between the programs.

Report

Saskatoon's current program utilises the risk management process common to many Enterprise Risk Management ("ERM") programs, including ongoing review and monitoring, and was designed to apply to all types and levels of risk at the City. The program began with a review of current mitigation of the negative impacts of operational risk, with review of strategic or "enterprise-wide" risk deferred until later. The program is designed to:

- develop and heighten awareness of the internal and external context in which planning and operations are carried out, and what uncertainties those operations entail;
- identify risks that arise, and measure the likelihood and impact of risk events;
- identify and evaluate current and proposed mitigation measures;
- gather and communicate risk information to management to direct mitigation efforts; and
- ensure ongoing review of programs and practices to support continuous improvement.

The program thus seeks to improve the management of uncertainty, and to ensure that management has the information needed to effectively mitigate risk in a timely way. Please see Attachment 3 for a detailed description of the current program.

Administration has identified a need to update and fully implement the program formally to address strategic or enterprise level risk. The steps necessary to implement the full program are:

- set parameters for the program and establish a Council policy for enterprise level risk management;
- establish a Leadership Team Risk Committee and set responsibilities for the program;
- identify, assess and mitigate/exploit strategic and enterprise level risks at the upper management and City Council levels;
- develop risk communication and education programming and materials;
- ongoing annual review;
- ongoing review, including audits, and modification of the ERM program, to ensure that the program is achieving objectives, adopting best practices, and contributing to the continuous improvement of management at the City.

Please see Attachments 1 and 2 for a detailed description of the proposed program.

The role of internal audit in ERM programs is to review departmental and corporate risk management programs and practices and suggest improvements, and to review the risk

**Proposed Risk Based Management Program
Internal Audit Services – Request for Proposals**

management program itself. The Institute of Internal Auditors recommends against the ongoing management of risk by internal audit in order to avoid a conflict with audit's role to review and suggest improvements. City of Saskatoon Council Policy No. C02-032 indicates that risk management is a key management role, and that the auditor will "assist the organization by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems". Thus, any firm awarded the contract for the City's internal audit function must bring sophisticated risk-based audit skills and resources to the program.

Public Notice

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

Attachments

1. Proposed Council Policy – "Corporate Governance – Risk Based Management Policy".
2. Detailed Description of Proposed Risk Based Management Program.
3. Detailed Background of Current Program.

Report Approval

Written by: Wayne Bischoff, Solicitor
Approved by: Patricia Warwick, City Solicitor
Approved by: Murray Totland, City Manager

158-0492-wab-1.docx

Corporate Governance - Risk Based Management Policy

Purpose

1. To ensure that the City:
 - (a) is protected from the negative effects of risk to the fullest extent possible; and
 - (b) realises maximum positive results from its activities and efforts.

Definitions

2.
 - (a) **“risk”** means uncertainty about whether a risk event that has the potential to significantly affect the goals and objectives of the City will result in a gain or loss in the achievement of the corporate goal or objective;
 - (b) **“Risk Based Management”** (RBM) means a systematic, proactive and ongoing process to understand and manage risk, and to communicate risk information throughout the City, which contributes positively to the achievement of corporate objectives, and as further described in Appendix A hereto;
 - (c) **“risk event”** means an event arising out of the activities or operations of the City that gives rise to uncertainty about whether the goal or objective will be achieved;
 - (d) **“risk management”** means avoiding, accepting, transferring or treating the uncertainty arising from a risk event to minimise the negative impact of the risk event and increase the likelihood of achieving the goal or objective, by reducing the negative outcomes of risk events and enhancing the positive outcomes of intelligent risk taking;
 - (e) **“risk tolerance level”** means a level of negative risk event outcome that is acceptable in the particular operations of the City.

Implementation of the Policy

3. Policy Statement

The City shall adopt a process to manage the City’s enterprise level risk, entitled RBM, based on the ISO 31000 Risk Management Standard, as described herein and the Schedules attached hereto. Administration shall embed into corporate operations and reporting a systematic, proactive and ongoing process to

understand and manage risk and uncertainty, and to communicate risk information throughout the City, which will contribute positively to the achievement of corporate objectives.

4. Policy Principles

The RBM process shall:

- (a) create value for the City;
- (b) be an integral part of organizational processes;
- (c) be an integral part of decision making;
- (d) explicitly address uncertainty;
- (e) be systematic, supported and timely;
- (f) be based on the best available information;
- (g) be tailored to the City's specific needs;
- (h) take human and cultural factors into consideration;
- (i) be transparent and inclusive;
- (j) be dynamic, iterative and responsive to change;
- (k) facilitate continuous improvement of management practices; and
- (l) enhance achievement of the goals of the organization.

5. The City of Saskatoon RBM Process Outcomes

- (1) Management decisions shall be taken with the support of systematically obtained and organised risk and uncertainty information to ensure effective and efficient use of City resources.
- (2) All risks that have the potential to significantly impede the achievement of corporate goals and objectives shall be identified, analysed, treated, and disclosed when reporting to Administration, Council or Committees.
- (3) The integration of RBM into all operations of the City will be supported by a corporate philosophy and culture that actively supports and encourages all employees to systematically and proactively manage risk using the RBM system, and to take a "risk smart" approach to managing all risk inherent in City activities.
- (4) RBM will be integrated into short, medium and long term strategic and business planning, including budget planning, and ongoing operations of the City, and will be consistently applied to the development and implementation of policy, programs, plans and future directions for the City.
- (5) The RBM process shall be reviewed and benchmarked against risk management best practices, and this policy shall be reviewed and updated by Council at appropriate intervals.

6. Reporting

- (1) All reports and presentations to Council or Committees made by Administration shall consider and disclose all significant risks arising from activities or recommendations contained in the report. **It is not acceptable to protect Council from bad news by concealing risks.**
- (2) Use of common language and terms outlined in the RBM documents shall be used when disclosing risk and uncertainty to Administration, Council or Committees.

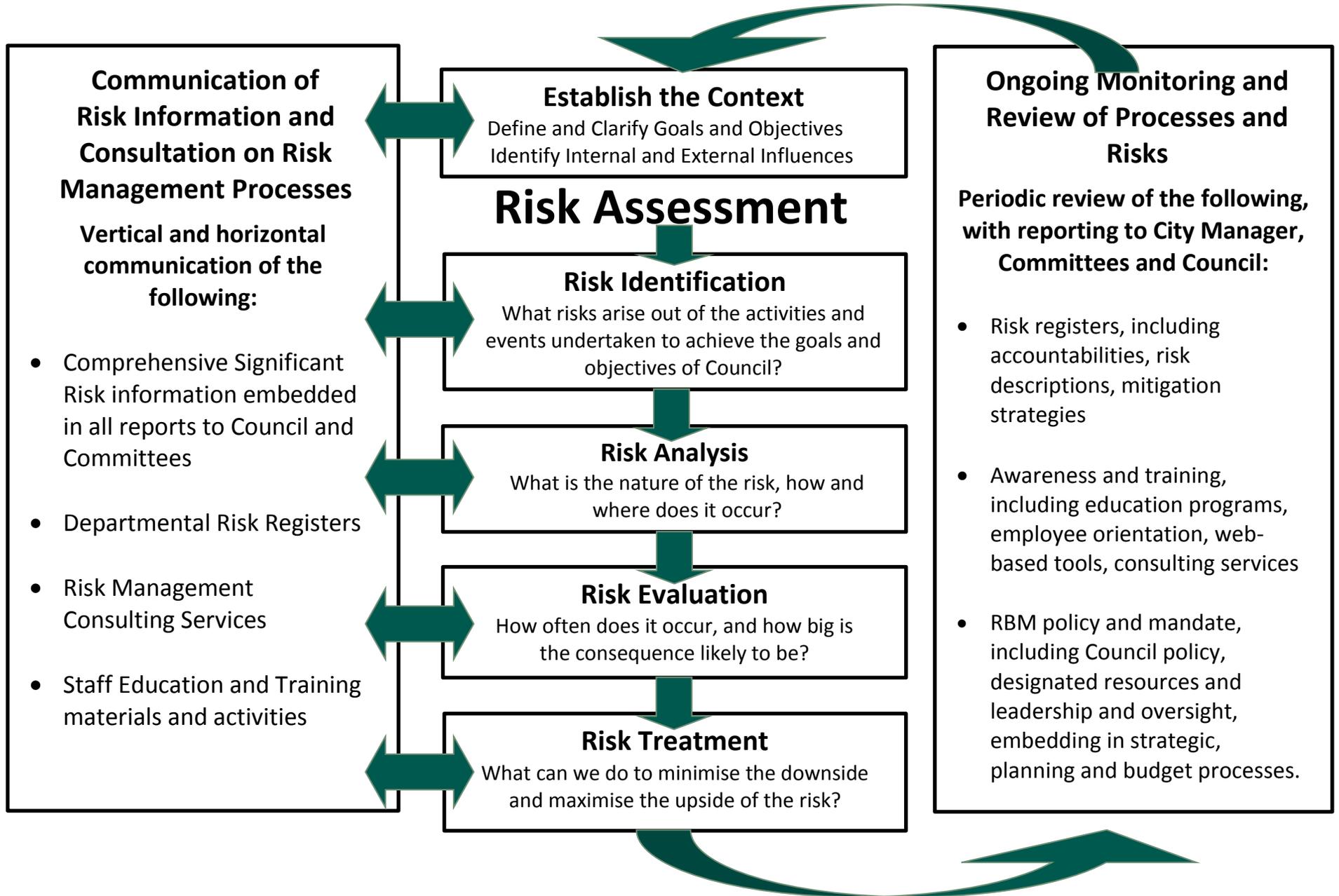
7. Risk Tolerance

- (1) Council, in consultation with the City Manager, shall set risk tolerance levels for the corporation. Risk tolerance levels will be set in consideration of relevant legislated requirements, corporate goals and objectives, and the principles and processes outlined in this policy.
- (2) All City employees shall carry out their obligations within approved risk tolerance levels.

8. Responsibility

- (1) Council shall be responsible to set and review risk management policy.
- (2) The City Manager shall be responsible for risk management throughout the corporation of the City.
- (3) The City Manager may further delegate particular risk management duties as defined in the RBM procedures attached hereto.
- (4) All City employees shall be responsible for management of risk and uncertainty within the scope of their duties, and shall comply with requirements of the RBM system. Management of particular risks shall be assigned to the person most aware of, and best able to manage, the particular risk.

Risk Based Management Model



Detailed Description of Proposed Program

Risk Based Management Proposal

Risk based management (RBM) is a process intended to ensure that significant risks facing the City are addressed in a positive, systematic and productive way. The process is modelled on the International Standards Organization 31000 Standard for Risk Management, and is similar to Calgary's Integrated Risk Management program. The program is intended to encourage and develop new attitudes and practices in the management of risk at the City. Accordingly, success of the program requires a strong commitment from Council and Administration, and requires significant support and encouragement to ensure success in achieving an enhanced culture of risk management at the City.

Currently the City is addressing risk in an ad hoc way, where each department deals with risks inherent in its own operations in its own way. However, Administration has identified a need for a systematic approach to managing risk in a strategic or corporate wide way. Embedding a rigorous system to examine the impact of risks on a corporate wide basis will give management helpful tools and information upon which to base better risk management decisions. Most large corporations, both public and private, have similar programs intended to gather, analyse and communicate this type of risk information, to assist administration to make the best decisions possible.

The program, as described in the attachments, is intended to ensure that Administration, after carefully considering the goals and ambitions set by Council and Administration, identifies and analyses the significant risks and uncertainties that may impede the achievement of those goals and ambitions. Administration, once it has identified the risks that arise out of the activities undertaken to achieve the goals, then puts measures in place designed to raise the likelihood of success in the achievement of the goals and objectives, and to lower the likelihood of negative outcomes from those activities. It is structured around a Leadership Team Risk Committee, reporting to the City Manager, who then reports to Committee and Council.

Since the RBM system is based on risk information, it is important to have the best information possible on which to base management decisions. Timely and accurate information about:

- the City's strategic plans, goals and ambitions;
- the activities necessary to achieve those goals;
- the risks and uncertainties that may impact the achievement of these strategies, goals and ambitions; and,
- the most effective way to mitigate the risks and ensure achievement of goal is critical to the success of the program.

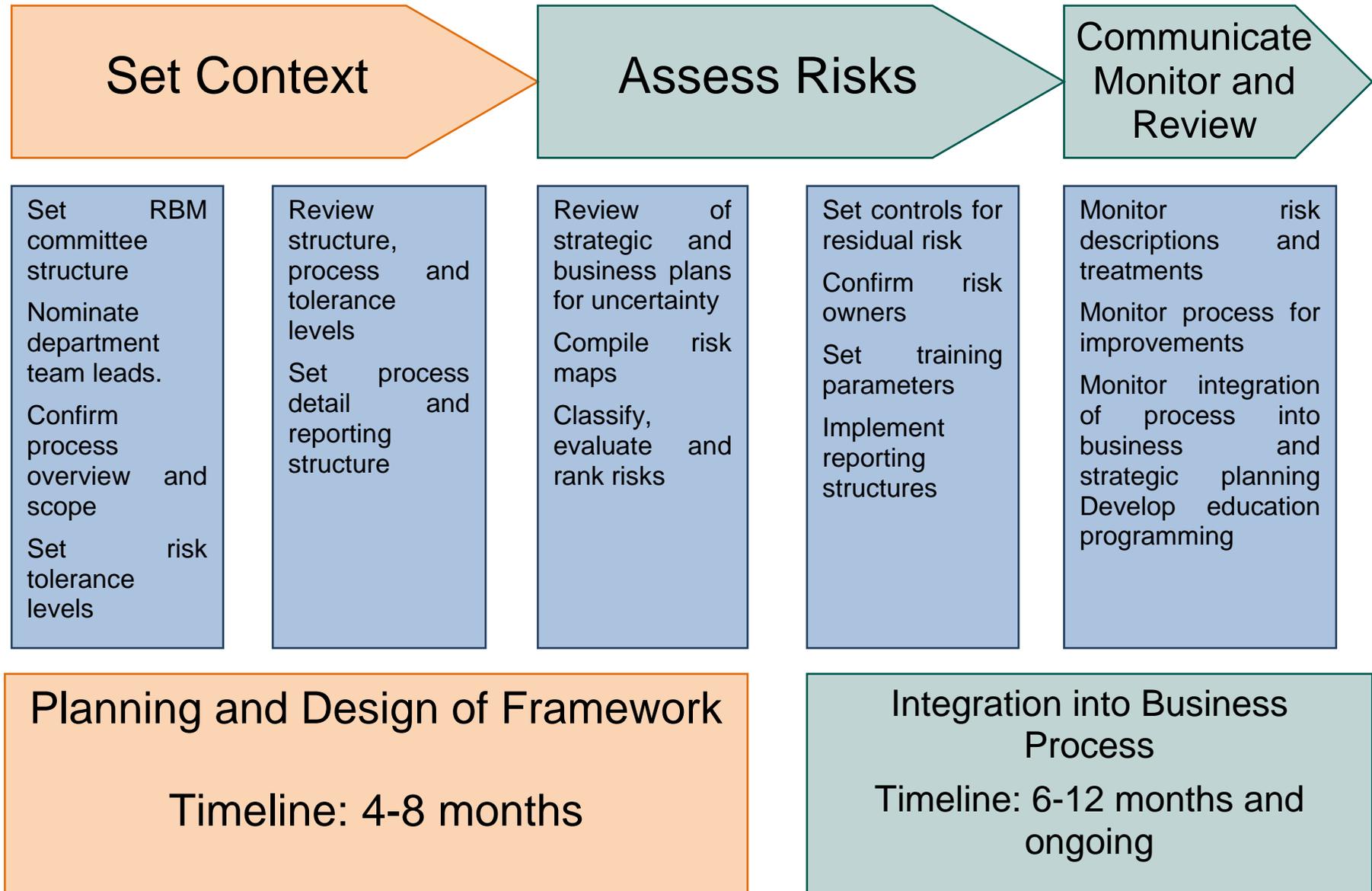
Accordingly, we have developed a proposed policy for consideration. It is also necessary to ensure that the best risk information possible is produced and collected from within the corporation and from external sources, and so risk management education of managers and employees is vitally important. It is also important to have effective and efficient communication mechanisms in place that will ensure that any risk information that is gathered gets to those in the best position to make decisions about how any significant risk will be treated. Our RBM proposal includes both these important components.

City of Saskatoon Risk Based Management Program - Roles and Responsibilities

	RBM Policy Development	RBM Program Planning and Development	RBM Implementation and Operation	Monitor and Report	Review
City Council	Set corporate scope and objectives for RBM policy in support of corporate business plan and objectives	Review and approve corporate risk map, corporate risk priorities and allocation of resources	Approve corporate risk priorities and mitigation resource allocation Ongoing review of programs and activities for compliance with RBM program Review reporting for new programs and activities for appropriate risk identification, mitigation strategies and resource allocation	Annually review ongoing program and new projects, review risk identification and mitigation strategies and allocation of mitigation resource priorities	Review annual audits and departmental reviews to ensure ongoing compliance with policy, program and corporate goals and objectives Review RBM program to ensure compliance with best practices
City Manager	Chair RBM Committee, ensure compliance with policy, plan and develop recommendations to Committee and Council for City's RBM policy	Plan and develop recommendations to Council for RBM program and ensure coordination with corporate strategic and business plan objectives Set corporate structure of RBM program, corporate risk mitigation strategy priorities, resources priorities, corporate risk appetite in compliance with Council policies	Establish, maintain and support awareness and ongoing culture of risk management throughout all departments of corporation Implement and maintain management practices to ensure risk management is incorporated into all aspects of planning and operations at all levels of the corporation in accordance with Council policy Encourage excellence in risk management at all levels of the corporation, and ongoing awareness and improvement of risk management programs and practices in the City	Ensure ongoing compliance with Council, RBM policy and program within corporate administration Monitor effectiveness of internal and external RBM communication, promote ongoing communication of RBM program objectives and activities Reporting to Council	Coordinate with Finance Committee and Internal Auditor Review annual audits for compliance with policy and program Review of policy and program objectives for compliance with corporate objectives and industry best practices
RBM Committee City Manager City Clerk City Solicitor General Managers Communications Officer Fire Chief	Plan and develop recommendations to City Manager and Council on RBM policy, incorporating the following: <ul style="list-style-type: none"> • principles of effective risk management • corporate business plan and objectives • role and goals of policy in daily planning and operations, ensuring a high level of integration into all activities 	Plan and develop recommendations to Council for RBM program design, incorporating principles of effective risk management, including: <ul style="list-style-type: none"> • corporate business plan and objectives • require departmental, division and section RBM coordinators and accountabilities • recommend corporate risk appetite • develop corporate risk map • prioritise risk consequences • prioritise mitigation strategies • determine employee education and training strategies and practices • establish and maintain appropriate risk communication strategies and channels 	Review legal and regulatory requirements Determine and make recommendations on ranking of corporate risks Develop, support and maintain RBM communication channels internally and externally Allocate corporate risk resources Ensure adequate resources are allocated to education and training Support and maintain the role and goals of the program in daily planning and operations Encourage and demonstrate a commitment to excellence and ongoing improvement in the RBM program	Monitor RBM performance through ongoing assessment of selected parameters for departments against performance standards Ongoing monitoring and reassessment of corporate risk rankings and mitigation strategies Monitor appropriateness of allocation of corporate risk resources Promote ongoing monitoring and implementation of program improvements Reporting through City Manager to Council	Coordinate and conduct annual formal review and audits of departmental and corporate risk appetite, risk maps, mitigation strategies, and resource allocation Coordinate with Finance Committee and Internal Auditor Coordinate and supervise implementation of action plans/program modifications arising out of audits and reviews

	RBM Policy Development	RBM Program Planning and Development	RBM Implementation and Operation	Monitor and Report	Review
Risk Management Division	<p>Advise City Manager and RBM Committee regarding RBM policy planning and development</p> <p>Assist with policy development</p> <p>Communicate and promote policy internally and externally</p>	<p>Advise City Manager and RBM Committee regarding RBM program planning and development</p> <p>Advise and update RBM Committee on long range plans and developments in enterprise risk management best practices</p> <p>Facilitate risk assessments and mapping with departmental, division and section leaders and teams</p> <p>Advise and assist with development of measurement standards and accountabilities</p>	<p>Establish and maintain documentation and materials and practices to describe and promote an effective and proactive RBM policy and program</p> <p>Provide advice, training and assistance on risk identification, assessment, analysis and mitigation strategies to all levels of management and operations</p> <p>Ensure adequate and appropriate insurance is obtained and maintained where required for risk mitigation</p> <p>Identify the need for, coordinate and facilitate loss prevention programs for new and existing programs</p>	<p>Monitor and report to RBM Committee regarding issues arising out of loss prevention, claims and insurance</p> <p>Monitor and report on emerging issues in RBM practices</p> <p>Monitor and report on opportunities for improvement of program</p> <p>Reporting to the City Manager</p>	<p>Assist committee with coordination of internal program reviews</p> <p>Cooperate with internal audits of program</p>
Division Directors and Section Managers	<p>Consult with RBM Committee members (General Managers) on design of RBM policy</p>	<p>Develop internal departmental risk maps</p> <p>Set internal department, division and section, risk accountabilities</p>	<p>Identify legal and regulatory requirements for operations and planning</p> <p>Promote RBM program and ensure integration into daily operations and planning</p> <p>Ensure ongoing risk identification and assessment in departmental operations and planning</p>	<p>Reporting to RBM Committee through General Manager regarding new risks, effectiveness of current mitigation strategies and suggested new mitigation strategies</p> <p>Ongoing monitoring of regulatory and legislative requirements that impact at department, division and section levels</p>	<p>Participate in and assist with coordination of annual departmental review of department/division/section risk map, mitigation strategies, resource allocation</p> <p>Cooperate with internal audits of program</p>
Department, Division and Section Employees	<p>Consult with division directors and section managers on design of RBM policy</p>	<p>Consult with division directors and section managers on design of RBM program</p>	<p>Ensure ongoing, daily, front-line risk identification, analysis and assessment in all operations and planning, and identify mitigation options</p>	<p>Reporting to division directors and sections managers as appropriate regarding new risks, effectiveness of current mitigation strategies and suggested new mitigation strategies</p>	<p>Participate in annual departmental review and audit of risk inventory</p>
Internal Auditor and Finance Committee	<p>Internal Auditor and the Finance Committee will have an ongoing role in both the development of the program and in long term program monitoring. They will be consulted during the planning and development of the program. The Internal Auditor and the Finance Committee will review the Risk Map and forward comments to Council. In addition, the Internal Auditor will audit the program to ensure the program itself is running properly, and report to Council through the Finance Committee.</p>				

Risk Based Management Strategic and Business Planning Process



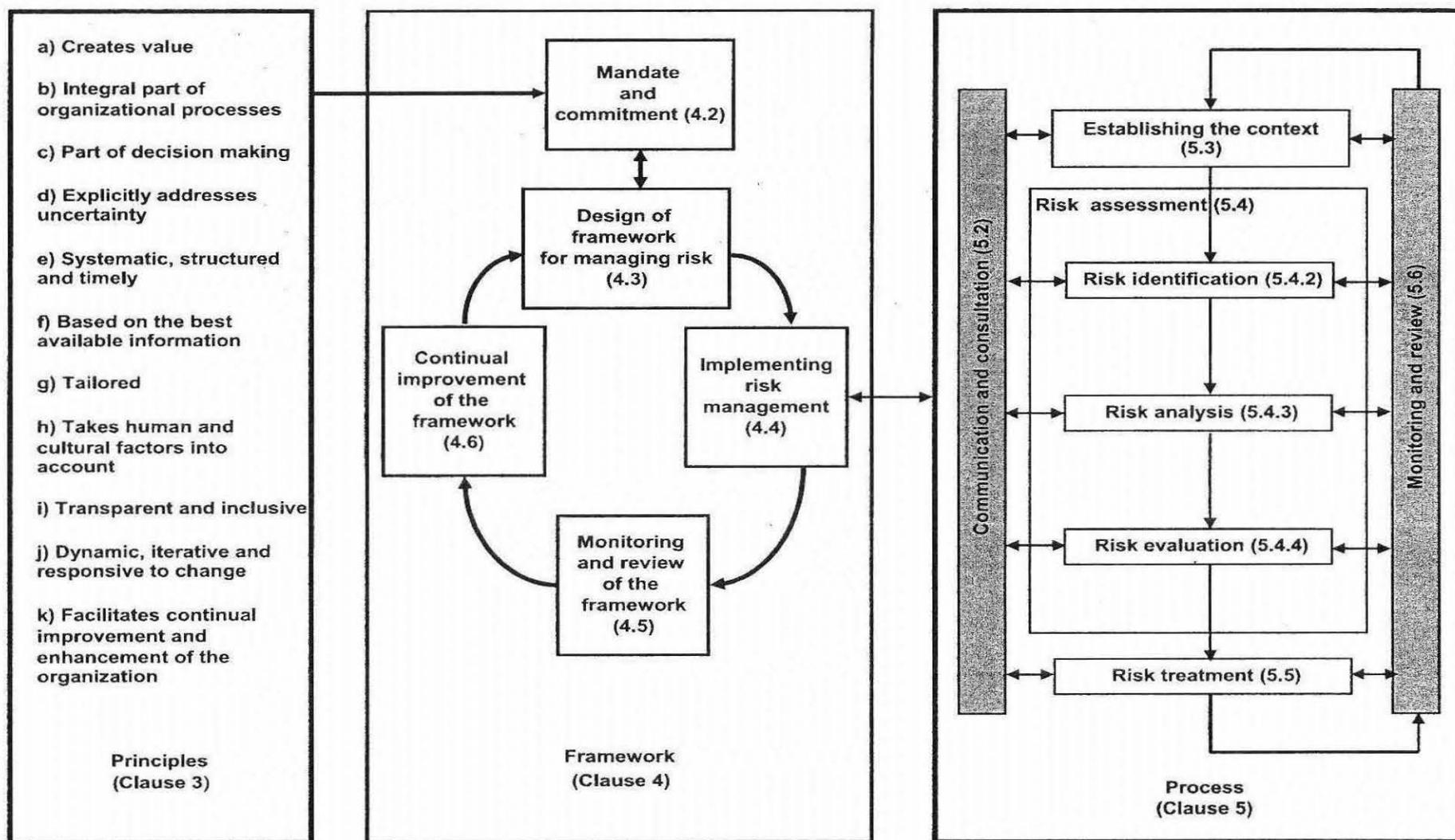


Figure 1 — Relationships between the risk management principles, framework and process

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Detailed Background

Summary

Our operational Enterprise Risk Management (ERM) program has been in hiatus since completion of the initial phase of the operational risk mapping. Renewed interest in an ERM program has recently become apparent as a result of deliberations of the Leadership Team and the Administration's discussions with prospective candidates for the internal audit (IA) position. The IA candidates are interested in using risk based information to inform their audits for the City, and have inquired about the status of the City's ERM program, which could provide such information for the audit work. Risk Management Division made a comprehensive proposal for the ERM program in 2005, which included a system for the identification and analysis of all types of risk. The program was approved, and the initial pilot of the program was restricted to mapping operational risk, with the intention of conducting strategic or enterprise wide risk assessments later. With the renewed interest in ERM, Risk Management Division is seeking direction with respect to the future of the program, both in terms of an operational risk program, and a strategic and enterprise wide approach to risk. This report is intended to give background for that decision.

Background

Our current internal audit contract is set to expire. The Administration has reviewed other information on new directions in the audit profession, and had discussions regarding the evolving relationship between internal audit and ERM including ERM/audit best practices in Calgary, Alberta and London, Ontario. The Administration has gathered further information on internal audit models, examples of best practices in ERM, best practices for the relationship between the programs, and how the two programs could be best structured together to serve the City's needs, so that the Administration may make an informed decision on the proper form and content of the RFP for internal audit services. This report provides background for further discussion at the Finance Committee, with the goal that the City's internal audit and ERM functions are updated and aligned with current best practices to ensure maximum value for the City.

The City of Saskatoon ERM Program

Our current program, based on the New Zealand/ISO standard, was proposed in 2005. It utilises the standard 5 step risk management process common to ERM programs, with ongoing process review and monitoring and inter-departmental communication of consistently formatted risk information. The process was initially designed to apply to all types and levels of risk that the City may face, from front line operational risks to enterprise wide strategic and planning risks.

At that time, after consultation with senior management and Council, a decision was taken to start with a "bottom up" or operational risk approach to risk mapping for the

pilot risk mapping project, with the understanding that it would have a strong and helpful impact on risk awareness and mitigation in the operational departments. A more strategic or “enterprise wide” approach to risks was deferred to after the initial operational risk mapping exercise was complete. It was also decided to limit the exercise to an assessment of whether each departments’ mitigation of the negative aspect or “downside” of risk could be improved, and did not include exploring how the City might further exploit opportunities presented by the positive or “upside” of risk management.

The program pilot in the Transit Division developed enhanced levels of awareness of the context in which the operations were carried out, what those operations entailed, identified the operational risks that arose out of those operations, measured the likelihood that the risk would occur and the typical size of the impact of any negative risk events, identified current and proposed mitigation measures, and communicated the risk information to those that were in the best position to approve and direct mitigation efforts. This allowed the employees and managers to improve the management of uncertainty in their operations, and to ensure that those in the best position to make risk management decisions had the information they needed to take decisions that would result in effective and timely mitigation of those risks. Once the Transit Division pilot program was completed, the limited operational risk mapping program was expanded to all departments within the City’s Administration. The risks identified in this process were recorded in a risk map for each section, branch and department, and were rated, ranked and prioritised in relation to the other risks identified by each section and branch to allow for the most effective allocation of mitigation resources. The risk register of operational risks was completed and was collated to a City “Top Ten” list of operational risks, by June 2010.

As indicated above, upon conclusion of the operational risk mapping pilot, the program was intended to extend to include identification of more strategic, “top down” enterprise wide upper management and Council risks and mitigation strategies. The next steps in implementing the full program were to:

- § establish a senior risk committee to clarify goals and expectations for the full ERM program, to set and monitor a risk reporting structure, to monitor the effectiveness of the program, to provide leadership in the design and implementation of the expanded program, to set roles and accountabilities for risk management, and to determine resources and support for the program;
- § identify, assess and mitigate/exploit of strategic and enterprise level risks at the upper management and Council levels;
- § continued review of each operational risk map by key departmental personnel to ensure that they were keeping abreast of any changes in the risk profile for each section, branch and department, and to ensure that the best possible mitigation strategies in relation to each risk were identified and utilised;
- § develop ongoing education programming and materials to ensure that new and existing employees were aware of resources and responsibilities for risk management;

- § continue to review and modify the ERM program to ensure that the program was achieving objectives, adopting best practices as they developed, and contributing to the continuous improvement of management at the City.

This extension was not implemented, and the program has been on hiatus since the operational risk map was completed.

Case Studies in Current Best Practice in Public ERM

Most public bodies in Canada are exploring ERM programs for their operations, and several have mature programs already in place. Administration surveyed several of the cities and provinces in Canada that have ERM programs. A sampling of programs of interest follows.

Calgary has an active and mature ERM program, in addition to its traditional insurance, claims and loss prevention risk management program. Calgary's ERM program is also based on the NZ/ISO standard, and is very similar in design to our process. The program is called the Calgary Integrated Risk Program, and is administered out of the City Manager's Office. Their program began with a "top down" review and mapping of more strategic or "enterprise wide" type risks, and used the ISO/NZ process to ensure that the root cause of each risk was analysed. We were advised that the program was developed initially with the assistance of consultants to compress the time required for initial risk identification and mapping, but on an ongoing basis is run without assistance from consultants in order to ensure that the program remains useful and relevant to management, promotes a culture of risk awareness within the City, and does not become a compliance/audit type program. The process seeks to assist management to identify measure and rank current and emerging risks, and identify current and proposed mitigation measures, all within the context of identified goals and objectives. Their risk map is reviewed and updated regularly, as is the program itself, to ensure that the most up to date process and information is available to management to assist with the ongoing functioning and optimization of the City administration. There is an ERM committee of senior management that meets regularly to provide direction to the program, and ensure the most effective use of the City's risk resources. The program is embedded into reporting and budget cycles through an ongoing education program for new and existing employees, a requirement that any and all reports going to Council and budget include a risk section, setting and monitoring goals and accountabilities for identified risks and treatments, and by ongoing review and update of departmental and City wide risk registers. Upper management and Council support is critical, in their view, to the success of the program.

The Administration was advised that London, Ontario had a ERM program that was well integrated with internal audit. We contacted the risk manager for the City of London, Ontario, who indicated London does not run a formal ERM program, and they are unaware of any such program, or initiative to develop one, in the City. The City of London risk manager administers an extensive traditional risk management program, consisting of management of insurance programs, claims, and a very active set of loss

prevention initiatives. The risk manager has not yet recommended an ERM program to the City of London because in her view the concepts and practice of ERM are still developing, and are not yet sufficiently defined and clarified. We have a copy of the City of London's most recent RFP for internal audit services. The document discloses the standard language recommended by the IIA for the provision of services in respect of risk management, but does not seem to ask for the proponent auditor to supply and operate an ERM program. Also, the Administration spoke with a member of the Price Waterhouse Coopers internal audit team for the City of London. He indicated that their program identifies and evaluates risks for the city for the purposes of the audit program, but they do not operate an ERM program for the City of London.

The British Columbia provincial government has one of the most mature and extensive ERM programs in all of Canada, which has been in operation since 2002. The program has been embedded in all provincial departments through education and reporting requirements, and in 2011 was renewed to ensure more consistency and compliance across all ministries in terms of practice and reporting. The program aims to develop an enhanced culture of risk awareness and continual improvement of risk management practice. The province has set up a department that is responsible for administering the program, which provides education, resources, and advice to all other departments. Risk reports from all ministries are required under the program, are collated at the deputy minister level, and updated mitigation progress reports are submitted at six month intervals. The program is also based on the ISO/NZ standard, and uses a standard five point objective/subjective scale to rank risks for impact and frequency for ranking purposes. Their standard risk map, while a somewhat complicated document, records the above information as well as information regarding time-lines and accountabilities for dealing with each risk. The department offers extensive ongoing education to employees and managers in all departments to ensure that their internal risk programs are meeting objectives set by the province, and to ensure that the risk knowledge and culture throughout the administration of the province are mature and productive. The department also administers extensive insurance and claims handling programs.

Best Practices - Ideal Program

The ideal ERM program, based on studies done by the Risk and Insurance Management Society, who are leaders in the field, is one that assists managers and employees to take an informed, proactive and effective approach to managing the uncertainties inherent in the activities and programs they administer. It works by educating employees and managers on the application of the basic principles of risk management so they are better able to manage the uncertainties in their activities, and thus increase the likelihood of achieving goals and objectives. It also works by identifying and embedding processes in planning and operations through various means to ensure that risk is considered and managed in all aspects of the work of the enterprise. It assists management to attain the goals and objectives set for it by providing proven processes that aid in identifying and mitigating the uncertainties that may impede the achievement of those goals and objectives, thus preventing unpleasant

surprises and contributing to the ongoing improvement of management processes. It allows management to take a risk informed and managed approach to new and existing programs and projects, thus leading to greater creativity and confidence, and enhanced performance. Information about risks arising out of activities is appropriately shared vertically, horizontally, and inwardly/outwardly, between all internal and external stakeholders, through meetings, reporting requirements, risk mapping, education sessions, newsletters/emails and web-pages. New and existing employees receive ongoing training and reminders about the basic risk management principles and language, and their application in the particular context of the individual employee's work, and in the broader activities of the enterprise. The program and the risk information it produces are consistent across the organisation, and updated and reported regularly, with input from all levels of the organisation, including at the highest level. It is actively championed by the most senior levels of the organisation, and provided with sufficient resources to ensure the success of the program. It works with audit to inform the auditor's work, from management's view, of the risks of the corporation and their mitigation, and provides a vehicle to respond to issues raised by the auditor with respect to success of management's risk treatments, and the enhanced functioning of the program itself. Benefits of such a fully functioning ERM program, identified by those with mature programs, include:

- § a culture within the organisation of constantly evolving and improving management of risk and opportunity, including the mitigation of negative risk impacts and exploitation of positive risk outcomes;
- § a culture of "smart" risk taking, including the ability to be more confident in adopting new programs and processes through effective risk management;
- § continuously improving management performance; and,
- § cost savings through more effective and efficient use of resources.

Our current ERM program is based on these principles, and only requires the steps recommended above to begin a full implementation of the program. The ERM program, and the relationship between the audit and ERM functions, should be directed by this committee, and managed to maturity based on these ideals.

Role of Internal Audit

The historical role of audit with respect to ERM programs has been to receive and review risk identification and mitigation information, to suggest improvements to the risk management practices of the operational departments, and to review the risk management program itself to suggest improvements. The Institute of Internal Auditors (IIA) has in recent years has advocated for a more active role in developing and reviewing risk management programs, but the IIA continues to recommended against the ongoing management of risk by internal audit in order to avoid a conflict with audit's role to review and suggest changes (see *Internal Auditing's Role in Risk Management*, The Institute of Internal Auditors Research Foundation, March 2011 at pp 12-13. In addition, the new IIA Standard 2120-Risk Management, indicates at 2120.C3 that "When assisting management in establishing or improving risk management processes,

internal auditors must refrain from assuming any management responsibility by actually managing risks.”)

City of Saskatoon Council Policy No. C02-032, speaks to the role of internal audit in risk management for the City at Section 5.6. This policy indicates that risk management is a key management role, and that the auditor will “assist the organisation by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems.” Administration Policy A02-004, Risk Management, does not speak to an ERM function, or audit’s role in such a program, and should be updated to reflect enhancements to the program as indicated earlier.

Auditors can bring valuable resources and skills to the risk management function of any organisation, but must retain their objectivity so as to be able to perform their primary function of reviewing and critiquing management roles and performance. Typical roles for audit have included bringing additional resources to the initial risk mapping and program design stages to compress time lines for start up of the program (U of S, Calgary), providing expertise in quantitative approaches to risk evaluation and ranking, and critiquing management’s performance in respect of management of operational and strategic level risk. Any firm awarded the contract for the City’s internal audit function must bring sophisticated and skilled risk audit resources to the program in addition to those of a typical financial auditor.

Business Improvement Districts' 2013 Financial Statements

Recommendation

1. that the 2013 Audited Financial Statements from The Partnership, Broadway Business Improvement District, Riversdale Business Improvement District, and the Sutherland Business Improvement District be received as information; and
2. that a copy of this report be forwarded to City Council for information.

Topic and Purpose

The purpose of this report is to present the 2013 Audited Financial Statement as provided by each of the four Business Improvement Districts (BIDs) for information.

Report Highlights

1. The Partnership, Broadway, Riversdale and Sutherland Business Improvement Districts have submitted their financial statements for the year ended December 31, 2013.

Strategic Goal

Being open, accountable and transparent is a key factor in achieving the Strategic Goal of Asset and Financial Sustainability. The four BIDs are organizations created by the City of Saskatoon to create stewardship of a defined business improvement district's identity and to complete projects within these districts to improve, beautify and maintain publicly-owned lands, buildings and structures in the BID, in addition to any improvement, beautification or maintenance that is provided at the expense of the urban municipality at large.

Report

The bylaws for each of the BIDs state that "on or before the 31st day of March in each year, the Board shall submit its annual report for the preceding year to the Council, and that report shall include a complete audited and certified financial statement of its affairs, with balance sheet and revenue and expenditure statement."

Attached are copies of the audited financial statements for The Partnership, Riversdale, Broadway and Sutherland BIDs for the year ended December 31, 2013.

Other Considerations/Implications

There are no policy, financial, environmental, privacy, or CPTED implications or considerations.

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. 2013 Financial Statements, The Partnership – Saskatoon.
2. 2013 Financial Statements, Broadway BID.
3. 2013 Financial Statements, Riversdale BID.
4. 2013 Financial Statements, Sutherland BID.

Report Approval

Written by: Jason Turnbull, Acting Director of Finance & Supply
Approved by: Marlys Bilanski, CFO/General Manager, Asset & Financial
Management Department

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**SASKATOON DOWNTOWN BUSINESS
IMPROVEMENT DISTRICT
"THE PARTNERSHIP"**

FINANCIAL STATEMENTS

December 31, 2013

Saskatoon Downtown Business Improvement District (The Partnership)

Management Responsibility for Financial Reporting

The accompanying financial statements and all other information contained in this annual report are the responsibility of the management of Saskatoon Downtown Business Improvement District (The Partnership). The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and have been approved by the Board of Directors.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of Saskatoon Downtown Business Improvement District (The Partnership), which includes adherence by all employees of Saskatoon Downtown Business Improvement District (The Partnership)'s Code of Conduct. Management maintains a system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial information. Such information also includes data based on management's best estimates and judgments.

The Audit committee reviews the annual financial statements and recommends them to the Board of directors for its approval. In addition, the Audit committee meets periodically with financial officers of the organization and the external auditors, and reports to the Board of Directors thereon. The Audit Committee also reviews the annual report in its entirety.

The Accompanying financial statements have been audited by the auditors who are engaged by the board of Directors on the recommendation of the audit committee and whose appointment was ratified at the annual meeting of members. The auditors have access to the Audit committee, without management present, to discuss the results of their work.

Dave Denny
Chairman

G.W. Robinson C.A. Professional Corporation

1003 The Tower at Midtown
Saskatoon, Saskatchewan S7K 1J5
Phone: (306) 933-2222
Fax: (306) 933-2250
Email: gwrobinson@shaw.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatoon Downtown Business Improvement District (The Partnership)

I have audited the accompanying financial statements of Saskatoon Downtown Business Improvement District (The Partnership), which comprise the statement of financial position as at December 31, 2013 and the statements of excess of expenses over revenues and changes in net assets and cash flows for the years 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 financial statements in accordance with Canadian accounting standards for not-for-profit organizations for such internal control as management determines is necessary to enable for preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saskatoon Downtown Business Improvement District (The Partnership) as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

G.W. Robinson C.A. Professional Corporation



**Chartered Accountant
Saskatoon, Saskatchewan
May 30, 2014**

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
STATEMENT OF FINANCIAL POSITION
as at December 31, 2013

	2013	2012
CURRENT ASSETS		
Cash	\$ 199,177	\$ 243,005
Accounts receivable		
City of Saskatoon	66,797	-
Other	10,122	4,494
Short term investments (Note 3)	317,204	314,155
Equity in co-operative	511	428
Prepaid expenses	9,205	8,540
Current portion of notes receivable	<u>-</u>	<u>3,000</u>
	603,016	573,622
NOTE RECEIVABLE (Note 2)	-	500
INVESTMENTS HELD FOR FUTURE COMMITMENTS (Note 3)	103,030	103,029
CAPITAL ASSETS, NET (Note 4)	<u>42,571</u>	<u>71,072</u>
	<u>\$ 748,617</u>	<u>\$ 748,223</u>
CURRENT LIABILITIES		
Accounts payable	\$ 63,729	\$ 19,879
Deferred revenue (Note 6)	<u>216,101</u>	<u>185,642</u>
	279,830	205,521
NET ASSETS	<u>468,787</u>	<u>542,702</u>
	<u>\$ 748,617</u>	<u>\$ 748,223</u>
Contingent Liability (Note 11)		
Commitments (Note 10)		

The accompanying notes form an integral part of the financial statements.

APPROVED BY THE BOARD

..... Director

..... Director

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
STATEMENT OF OPERATIONS
year ended December 31, 2013

	Budget Unaudited	2013	2012
REVENUE			
Revenue - The Partnership (Schedule 1)	\$ 555,200	\$ 554,423	\$ 483,106
Revenue - Community Support Program (Schedule 2)	<u>360,691</u>	<u>367,580</u>	<u>193,773</u>
	915,891	922,003	676,879
EXPENDITURES - Schedule			
Expenses - the Partnership (Schedule 1)	555,200	628,338	514,468
Expenses - Community Support Program (Schedule 2)	<u>360,691</u>	<u>367,580</u>	<u>193,773</u>
	915,891	995,918	708,241
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>(73,915)</u>	<u>(31,362)</u>
NET ASSETS, BEGINNING OF YEAR		<u>542,702</u>	<u>574,064</u>
NET ASSETS, END OF YEAR		<u>\$ 468,787</u>	<u>\$ 542,702</u>

The accompanying notes form an integral part of the financial statements.

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
STATEMENT OF CHANGES IN NET ASSETS
year ended December 31, 2013

	2013							2012
	Internally Restricted				Investment In Capital Assets	Unrestricted Net Assets	Total	Total
	Special Events	Façade Imp. Lns.	Streetscape/ Maintenance	Assessment Appeal				
Balance, beginning of year	\$ 100,000	\$ -	\$ -	\$ 317,500	\$ 71,073	\$ 54,129	\$ 542,702	\$ 574,064
Excess of revenue over expenditures	-	-	-	-	-	(73,915)	(73,915)	(31,362)
Additions to Capital Assets	-	-	-	-	-	-	-	-
Internal Restrictions (Note 5)	-	-	-	(217,500)	-	217,500	-	-
Capital Assets: Depreciation	-	-	-	-	(28,502)	28,502	-	-
Balance, end of year	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 42,571</u>	<u>\$ 226,216</u>	<u>\$ 468,787</u>	<u>\$ 542,702</u>

The accompanying notes form an integral part of the financial statements.

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
STATEMENT OF CASH FLOWS
year ended December 31, 2013

	2013	2012
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Cash collections in the year	\$ 922,003	\$ 676,879
Cash paid to suppliers and employees	<u>1,005,469</u>	<u>412,697</u>
	(83,466)	264,182
Interest received	<u>8,678</u>	<u>8,233</u>
	<u>(74,788)</u>	<u>272,415</u>
INVESTING ACTIVITIES		
Repayment of notes receivable	500	3,000
Acquisition of investments	3,050	8,193
Increase in deferred revenue	30,459	185,642
Acquisition of capital assets	<u>-</u>	<u>(55,422)</u>
	<u>34,009</u>	<u>141,413</u>
NET CASH INFLOW	(40,779)	413,828
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>557,160</u>	<u>143,332</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 516,381</u>	<u>\$ 557,160</u>
CASH AND CASH EQUIVALENTS COMPRISED OF:		
Cash	\$ 199,177	\$ 243,005
Short term investments	<u>317,204</u>	<u>314,155</u>
	<u>\$ 516,381</u>	<u>\$ 557,160</u>

The accompanying notes form an integral part of the financial statements.

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

PURPOSE OF THE ORGANIZATION

The Saskatoon Downtown Business Improvement District (The Partnership) is a non-profit organization established through a bylaw of the City of Saskatoon. The Partnerships mandate is to make the downtown core a better place to live, work, shop, visit, play and invest.

The organization has also assumed a special project the Community Support Officer (CSO) Program for a period of April 1, 2012 to March 31, 2014. The purpose of the project is to deploy Community Support Officers who will endeavor to address the community issues in the area of the downtown core.

1. SIGNIFICANT ACCOUNTING POLICIES

a) Capital Assets

Capital assets are initially recorded at cost. Amortization is provided using methods at rates intended to amortize the cost of assets over their estimated useful lives.

	<u>Method</u>	<u>Rate</u>
Equipment, Furniture, fixtures	straight line	20%
Vehicles	straight line	30%
Computerized equipment	straight line	45%
Leasehold improvements	straight line	20%

b) Revenue Recognition

Revenue is recognized when the amount is received or receivable or if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income comprising of interest from fixed income investments is recognized on an accrual basis.

c) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the capital assets.

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement uncertainty (Continued)

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods which they become known.

d) Investment in Capital Assets

The Partnership has adopted the policy of reflecting that portion of its Net Assets that are invested in capital assets separately in the Statement of Financial Position and Statement of Net Assets. Acquisitions of capital assets increase the investment account. Amortization and dispositions decrease the investment account and both are accounted for as transfers from (to) the Unrestricted Net Assets account.

e) Donated Services

The work of The Partnership is dependant on a substantial number of individuals that have made significant contributions of their time to the organization. The value of the contributed time is not reflected in these financial statements.

f) Investments

Investments consist of Canadian fixed income certificates with varying maturity dates. Fixed income investments maturing beyond twelve months from the year end are classified as long term. The investments are internally restricted.

g) Financial Instruments

Financial instruments are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statement of operations in the period for which the gain or loss occurs. Changes in fair value of the investments are recorded in the statement of operations.

i) Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that The Partnership would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of cash, investments, amounts receivable and accounts payable approximate their carrying values due to their nature or capacity for prompt liquidation.

ii) Risk Management

The Partnership manages its exposure to the risks associated with financial instruments that have a potential to affect its operating and financial performance through the Board of Management.

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial Instruments (continued)

iii) Credit Risk

Due to the nature of it's operations, The Partnership has minimal credit risk.

iv) Interest Rate Risk

The Partnership manages it's exposure to interest rate risk by maximizing the interest income earned while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest do not have a significant impact in its results of operations.

v) Currency Risk

The Partnership is not exposed to currency risk since all cash and investments are held in Canadian funds.

vi) Liquidity Risk

The Partnership endeavors to manage liquidity risk by maintaining sufficient cash and investment balances for settlement of its obligations. Liquidity requirements are managed based on expected cash flow to ensure there is significant capital in order to meet short-term obligations.

2. NOTE RECEIVABLE

The District makes unsecured, zero interest loans under a façade improvement program for businesses located in the district. As of December 31, 2013 all loans are paid in full.

	2013	2012
Note receivable	\$ -	\$ 3,500
Due within one year	-	(3,000)
Long-term portion	\$ -	\$ 500

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

3. INVESTMENTS

	2013	2012
Short term investments		
Canadian fixed income	<u>\$ 317,204</u>	<u>\$ 314,155</u>
Investments held for future commitments:		
Canadian fixed income	<u>\$ 103,030</u>	<u>\$ 103,029</u>

The Canadian fixed income investments have effective interest rates ranging from 1.87% to 2.345% with maturity dates ranging from March 2014 to January 2015.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2013	2012
Computer hardware	\$ 8,497	\$ 6,036	\$ -	\$ -
Banner signs	37,510	37,510	-	3,751
Equipment	12,195	11,007	1,188	5,412
Leasehold improvements	43,851	17,282	26,569	35,435
Office furniture and equipment	29,930	22,042	7,888	13,683
Office sign	7,940	7,836	104	898
Vehicles	16,903	10,081	6,822	11,893
	<u>\$ 156,826</u>	<u>\$ 111,794</u>	<u>\$ 42,571</u>	<u>\$ 71,072</u>

5. INTERNALLY RESTRICTED NET ASSETS

In 1996, The Partnership adopted the policy of segregating and restricting a portion of its net assets (then called surplus) for specific designated purposes. The Board of Management reviews the amounts so restricted and transfers amounts between Unrestricted Net Assets and the various restricted accounts to reflect the changing needs of the Partnership on an annual basis.

The Net Assets reflected as Internally Restricted are not available for other purposes without the authorization of the Board of Management.

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

5. INTERNALLY RESTRICTED NET ASSETS (Continued)

During the year the Board of Management approved a transfers within the internally restricted net assets to the unrestricted net assets as follows:

	2013	2012
Façade improvements	\$ -	\$ -
Assessment appeal	(217,500)	-
Streetscape/Maintenance	-	(25,000)
Unrestricted net assets	217,500	25,000
	\$ -	\$ -

The Partnership has allocated funds to provide for potential future obligations and contingencies for the internally restricted fund.

6. DEFERRED REVENUE

The balance of deferred revenue as at December 31, 2013 is comprised of \$35,900 from the City of Saskatoon for the parking grant for 2014. The Community Support Program has an amount of \$149,742 for 2014 for their program.

7. RELATED PARTY TRANSACTIONS

During the year The Partnership was approved for \$537,230 (2012 - \$474,595) in funding from the City of Saskatoon.

8. ECONOMIC DEPENDENCE

The Partnership receives its funding from the City of Saskatoon through a special levy on property assessments from the businesses located in the downtown district. The Partnership's ability to continue its viable operations is dependent upon maintaining that funding (See Note 11).

9. COMMITMENT

The Partnership entered into a ten year agreement for office space on November 1, 2007. The current lease payments are \$12,000 annually for the next five years. The lease expires on October 31, 2017.

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2013

10. CONTINGENT LIABILITY

The Partnership estimates and accrues for the possible repayment of the Levy to the City of Saskatoon in the event of successful municipal tax appeals by one or more the Downtown Business Improvement District property owners. The Partnership's assessment of it's potential liability for such matters could change, with the result that the amounts for this contingent liability recorded in The Partnership's financial statements could increase by a material amount. No liability has been recorded in this regard.

11. COMPARATIVE FIGURES

Certain comparative figures in the statement of operations have been reclassified to conform with the financial statement presentation adopted for the current year.

12. INCOME TAXES

The Saskatoon Downtown Business Improvement District is a not-for-profit organization established through a by-law of the City of Saskatoon. As a result, under the Income Tax Act, it is exempt from income taxes.

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
SCHEDULE OF REVENUE AND EXPENSES
year ended December 31, 2013

	Budget Unaudited	2013 Actual	2012 Actual
REVENUE			
Business tax levy	\$ 453,300	\$ 481,797	\$ 420,795
Parking grants	36,000	35,900	35,900
Street maintenance	18,000	19,533	17,900
Investment and other earnings	<u>9,000</u>	<u>17,193</u>	<u>8,511</u>
	<u>516,300</u>	<u>554,423</u>	<u>483,106</u>
EXPENSES			
ADMINISTRATION			
Amortization	\$ 2,000	15,747	\$ 13,401
Office and administration	78,300	84,207	78,751
Wages and benefits	<u>173,500</u>	<u>251,020</u>	<u>181,521</u>
	<u>253,800</u>	<u>350,974</u>	<u>273,673</u>
MARKETING			
Other	65,200	39,376	35,729
Research and education	<u>25,000</u>	<u>46,562</u>	<u>19,907</u>
	<u>90,200</u>	<u>85,938</u>	<u>55,636</u>
MEETINGS			
Board, committee and other	<u>4,700</u>	<u>5,405</u>	<u>1,441</u>
SPECIAL EVENTS			
Events	<u>30,400</u>	<u>29,833</u>	<u>30,703</u>
STREET CLEANING			
	<u>137,200</u>	<u>156,188</u>	<u>153,015</u>
TOTAL EXPENSES	<u>516,300</u>	<u>628,338</u>	<u>514,468</u>
Deficiency of expenses over revenue	<u>\$ -</u>	<u>\$ (73,915)</u>	<u>\$ (31,362)</u>

SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT
"THE PARTNERSHIP"
COMMUNITY SUPPORT PROGRAM
SCHEDULE OF REVENUE AND EXPENSES
year ended December 31, 2013

	Budget Unaudited	2013 Actual	2012 Actual
REVENUE			
City of Saskatoon grant	\$ 360,691	\$ 367,580	\$ 193,773
EXPENSES			
ADMINISTRATION			
Amortization	10,000	12,755	5,814
Office and administration	29,000	49,195	16,071
Program	62,000	2,314	26,337
Wages and benefits	241,691	260,768	130,224
	<u>342,691</u>	<u>325,032</u>	<u>178,446</u>
MARKETING AND RESEARCH			
Research and education	18,000	42,548	15,327
	<u>18,000</u>	<u>42,548</u>	<u>15,327</u>
TOTAL EXPENSES	<u>360,691</u>	<u>367,580</u>	<u>193,773</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BROADWAY BUSINESS IMPROVEMENT DISTRICT

FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2013

and

Independent Auditors' Report

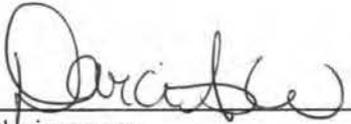
Management Statement of Responsibility

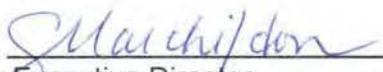
The financial statements contained in this Annual Report are the responsibility of management. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations applied and deemed to present fairly the financial position, results of operations and changes in net assets and cash flows of the Organization. Where necessary, management has made informed judgments and estimates of the outcome of events and transactions, with due consideration given to materiality.

As a means of fulfilling its responsibility for the integrity of financial information included in this Annual Report, management relies on the Organization's system of internal control. This system has been established to ensure, within reasonable limits, that assets are safeguarded, that transactions are properly recorded and executed in accordance with management's authorization and that the accounting records provide a solid foundation from which to prepare the financial statements. It is recognized that no system of internal control can detect and prevent all errors and irregularities. Nonetheless, management believes that the established system provides an acceptable balance between benefits to be gained and the related costs.

Breen & Associates, Chartered Accountants are responsible for auditing the financial statements and giving an opinion on them. As part of that responsibility, they review and assess the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, they also consider the effectiveness of the selected internal accounting controls to establish a basis for reliance thereon in determining the nature, timing and extent of audit tests to be applied. Management emphasizes the need for constructive recommendations as part of the auditing process and implements a high proportion of their suggestions.

The Organization's management is responsible for the preparation of timely financial statements which are reviewed in detail by the Board at its regular meetings.


Chairperson


Executive Director

March 17, 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Management of the
Broadway Business Improvement District:

We have audited the accompanying financial statements of the Broadway Business Improvement District, which comprise the statement of financial position as at December 31, 2013 and the statements of financial activity changes in net assets and cash flow statement 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 financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

Basis for Qualified Opinion

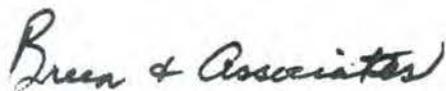
In common with many non-profit organizations, the Broadway Business Improvement District derives part of its revenues from fundraising activities which are not susceptible to complete audit verification. Accordingly, our verification of fundraising revenue was substantially limited to accounting for amounts recorded in the records of the Broadway Business Improvement District, and we were not able to determine if adjustments might be necessary to revenues or surplus for the year, nor unrestricted net assets at the end of the year.

Qualified Opinion

In our opinion, except for the affects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Broadway Business Improvement District as at December 31, 2013, and its financial performance and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

In accordance with the terms of our engagement, we have not audited, nor do we express an opinion on the budget figures included in the accompanying financial statements.



Breen & Associates
Chartered Accountants

March 17, 2014

BROADWAY BUSINESS IMPROVEMENT DISTRICT**SCHEDULE OF PROMOTIONAL ACTIVITY****FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 Actual	2013 Budget (Unaudited)	2012 Actual
REVENUES:			
Art Fest	\$ 11,363	\$ 8,500	\$ 8,674
AGM and Awards Ceremony	1,093	500	1,279
Christmas promotion	5,600	8,500	8,852
Heritage grant	14,500	6,500	200
Street fair	23,351	15,000	12,230
Walk of Stars Revenue	-	1,500	-
	<u>55,907</u>	<u>40,500</u>	<u>31,235</u>
EXPENSES:			
Advertising and promotion	19,507	10,000	11,370
AGM	1,153	1,500	1,203
Art Fest	7,891	8,500	6,761
Christmas promotion	1,563	11,500	8,275
Heritage QR Expenses	17,032	4,049	-
New Marketing Initiatives and Memberships	2,009	12,584	4,066
Other programs and events	1,109	9,000	-
Street fair	23,631	15,000	14,213
Walk of Stars	843	1,500	-
	<u>74,738</u>	<u>73,633</u>	<u>45,888</u>
NET PROMOTIONAL ACTIVITY	<u>\$ (18,831)</u>	<u>\$ (33,133)</u>	<u>\$ (14,653)</u>

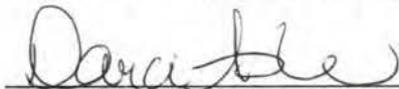
BROADWAY BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
ASSETS		
FINANCIAL ASSETS:		
Cash	\$ 46,397	\$ 56,715
Walk of Stars funds (Note 2)	3,500	4,110
Investments (Note 3)	68,339	61,066
Accounts receivable	23,545	15,842
GST receivable	4,220	2,606
Total Financial Assets	<u>146,001</u>	<u>140,339</u>
CAPITAL ASSETS (Note 4)	<u>6,939</u>	<u>5,708</u>
Total Assets	<u>152,941</u>	<u>146,047</u>
LIABILITIES:		
Accounts payable and accrued liabilities	10,886	9,385
Deferred revenue	35,900	35,900
Total Liabilities	<u>46,786</u>	<u>45,285</u>
NET FINANCIAL ASSETS	<u>106,155</u>	<u>100,762</u>
NON-FINANCIAL ASSETS:		
Stock and supplies	5,362	3,856
Total Non-Financial Assets	<u>5,362</u>	<u>3,856</u>
	<u>\$ 111,517</u>	<u>\$ 104,618</u>
NET ASSETS:		
Externally restricted fund (Note 2)	3,327	4,135
Unrestricted funds	<u>108,190</u>	<u>100,483</u>
Total Net Assets	<u>\$ 111,517</u>	<u>\$ 104,618</u>

Approved on behalf of the Board:



BROADWAY BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Externally Restricted Fund	Unrestricted	2013 Total	2012 Total
BALANCE AT BEGINNING OF THE YEAR	\$ 4,135	\$ 100,483	\$ 104,618	\$ 92,837
Surplus for the year	-	7,707	7,707	11,748
Reserve fund revenue	35	-	35	33
Reserve fund expenditures	(843)	-	(843)	-
BALANCE AT END OF THE YEAR	<u>\$ 3,327</u>	<u>\$ 108,190</u>	<u>\$ 111,517</u>	<u>\$ 104,618</u>

The accompanying notes are an integral part of the financial statements.

BROADWAY BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Actual	2013 Budget (Unaudited)	2012 Actual
REVENUES:			
Business tax levy and parking fees	\$ 199,474	\$ 214,640	\$ 194,297
Summer Employment Grant	5,250	4,500	-
Maintenance revenue	5,712	5,040	5,600
Interest	1,358	750	1,426
Marketing	3,976	-	2,009
Donation revenue	-	-	1,000
Miscellaneous	1,349	-	877
	<u>217,119</u>	<u>224,930</u>	<u>205,209</u>
EXPENDITURES:			
Amortization	1,507	-	1,158
Bad debts	780	-	-
Board expenses	279	2,500	1,721
Business development	30	750	530
Insurance	1,450	1,850	1,511
Miscellaneous	748	3,000	408
Office	14,693	17,174	11,757
Professional Development	180	1,500	75
Professional fees	5,565	3,150	3,150
Rent	10,888	12,000	10,934
Repairs and maintenance	3,565	3,500	2,908
Wages, benefits, and contracted services	151,704	155,422	144,656
	<u>191,389</u>	<u>200,846</u>	<u>178,808</u>
SURPLUS FROM OPERATIONS BEFORE NET PROMOTIONAL ACTIVITY	25,730	24,084	26,401
NET PROMOTIONAL ACTIVITY (Schedule 1)	<u>(18,831)</u>	<u>(33,133)</u>	<u>(14,653)</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ 6,899</u>	<u>\$ (9,049)</u>	<u>\$ 11,748</u>

The accompanying notes are an integral part of the financial statements.

BROADWAY BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
CASH RECEIVED (PAID) RELATED TO:		
OPERATING ACTIVITIES:		
Levies and grants	\$ 219,184	\$ 192,204
Interest and dividends received	1,329	1,459
Supplies and employees	<u>(220,169)</u>	<u>(138,162)</u>
	<u>344</u>	<u>55,501</u>
INVESTING ACTIVITIES:		
Purchase of capital assets	(2,739)	(2,041)
Purchase of investments, net	<u>(6,663)</u>	<u>(1,058)</u>
	<u>(9,402)</u>	<u>(3,099)</u>
(DECREASE) INCREASE IN CASH DURING THE YEAR	(9,058)	52,402
CASH AT BEGINNING OF THE YEAR	<u>60,825</u>	<u>8,423</u>
CASH AT END OF THE YEAR	<u>\$ 51,767</u>	<u>\$ 60,825</u>
CASH IS COMPRISED OF THE FOLLOWING:		
Cash	\$ 46,397	\$ 56,715
Restricted cash	<u>3,500</u>	<u>4,110</u>
	<u>\$ 49,897</u>	<u>\$ 60,825</u>

The accompanying notes are an integral part of the financial statements.

BROADWAY BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES:

The Broadway Business Improvement District (BBID) has been established to provide for the continued revitalization of the Broadway Business area. Funding for this purpose is derived from a special assessment of taxes from those businesses located in the Broadway district and various fundraising activities. Its significant accounting policies are as follows:

Accounting Standards For Not-For-Profit Organizations (ASNFPO's)

These financial statements have been prepared in accordance with Part III of the CICA Handbook - Accounting ("Part III") Accounting Standards for Not-For-Profit Organizations (ASNFPO's)

Fund Accounting

The BBID follows the restricted fund method of accounting for contributions.

The Unrestricted Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Restricted Fund reports only restricted resources that are to be used for individual recognition purposes.

Stock and Supplies

Stock and supplies is recorded at the lower of cost or net realizable value.

Investments

Short-term investments are stated at the lower of cost or net realizable value with market value approximating cost.

Long-term investments are stated at cost unless there is a permanent impairment in the value of the investments, in which case the investment is reflected at net realizable value.

Capital Assets

Capital assets in excess of thresholds established by the BBID are recorded at cost. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. These capital assets are amortized over the asset's estimated useful life using the diminishing balance method of amortization.

BROADWAY BUSINESS IMPROVEMENT DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2013**

1. SIGNIFICANT ACCOUNTING POLICIES - continued:

Net-Financial Assets:

Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

Non-Financial Assets

Non-financial assets are accounted for as assets by the BBID because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the BBID unless they are sold.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Assumptions underlying deferred cost valuations are limited by the availability of reliable comparable data and the uncertainty concerning future events.

By nature, asset valuations are subjective and do not necessarily result in precise determinations. Should underlying assumptions change, the estimated net recoverable amount could change by a material amount.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

BROADWAY BUSINESS IMPROVEMENT DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2013**

1. SIGNIFICANT ACCOUNTING POLICIES - continued:

Donated materials and services

The BBID utilizes the services of many volunteers and at times receives donated materials. The value of these volunteer services and donated materials are not recognized in the financial statements due to the difficulty in determining their extent and related value.

2. WALK OF STARS:

This externally restricted fund consists of donations to be used for the Walk of Stars program. This program is designed to recognize individuals who have made significant contributions to the Broadway District by having a commemorative Star created and placed in areas of the District designated for this purpose.

Only expenses relating to the creation, installation, and maintenance of the ceremonial Star and relating to the ceremony to unveil the Star can be paid for out of the externally restricted fund.

3. INVESTMENTS:

Investments are comprised of the following:

	<u>2013</u>	<u>2012</u>
Term deposits cashable within one year	\$ 33,042	\$ 40,476
Term deposits cashable after one year	<u>35,297</u>	<u>20,590</u>
	<u>\$ 68,339</u>	<u>\$ 61,066</u>

4. CAPITAL ASSETS:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>		<u>Rate</u>
			<u>2013</u>	<u>2012</u>	
Computer	\$ 2,926	\$ 1,274	\$ 1,652	\$ 1,545	25%
Event related assets	3,298	682	2,616	824	20%
Office equipment	2,046	573	1,473	1,841	20%
Signage	<u>2,080</u>	<u>882</u>	<u>1,198</u>	<u>1,498</u>	20%
	<u>\$ 10,350</u>	<u>\$ 3,411</u>	<u>\$ 6,939</u>	<u>\$ 5,708</u>	

BROADWAY BUSINESS IMPROVEMENT DISTRICTNOTES TO THE FINANCIAL STATEMENTSDECEMBER 31, 2013

5. BANK INDEBTEDNESS:

The BBID has established a line of credit with a limit of \$10,000. The balance at December 31, 2013 is NIL.

6. LEASE COMMITMENT:

The BBID is committed to lease arrangements related to its office premises, expiring on September 14, 2014. The monthly lease cost is \$667 plus occupancy. At the expiration of the lease term, the BBID has an option to renew the lease for a further three year term at a rate to be negotiated at that time.

7. FINANCIAL INSTRUMENTS:

The BBID as part of its operations carries a number of financial instruments. It is management's opinion that the BBID is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair Value

The carrying value of the BBID's cash and short-term investments, accounts receivable, accrued interest receivable and trade accounts payable approximates their fair value due to their short-term nature.

8. ECONOMIC DEPENDENCE:

The BBID relies on a significant amount of its funding from the City of Saskatoon in order to finance its operations. Without this funding, there would be doubt regarding the BBID's ability to sustain its current level of operating activities.

9. COMPARATIVE AND BUDGET FIGURES:

Certain of the prior year's figures, provided for the purpose of comparison, have been reclassified in accordance with the current year's presentation.

The budget figures included in the accompanying financial statements are unaudited and are derived from the budget approved by the BBID Board of Directors.

JAMES H. STINN

Certified General Accountant

Prof. Corp.

SUITE 300 – 820 51ST STREET EAST
SASKATOON, SASKATCHEWAN S7K 0X8
PHONE (306) 955-9977 FAX (306) 955-3633
E-MAIL jstinn@sasktel.net

SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2013

**SUTHERLAND BUSINESS IMPROVEMENT DISTRICT
INDEX TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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Independent Auditor's Report	1
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Statement of Revenues and Expenditures and Fund Balance	3
Statement of Changes in Financial Position	4
Notes to the Financial Statements	5

JAMES H. STINN

Certified General Accountant

Prof. Corp.

SUITE 300 – 820 51ST STREET EAST
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PHONE (306) 955-9977 FAX (306) 955-3633
E-MAIL jstinn@sasktel.net

INDEPENDENT AUDITOR'S REPORT

To the Members of Sutherland Business Improvement District:

I have audited the accompanying financial statements of Sutherland Business Improvement District which comprise the statement of financial position as at December 31, 2013 and the statements of revenues and expenditures, and fund balance, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Organization's responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Canadian generally accepted accounting principles, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian Auditing Standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Sutherland Business Improvement District as at December 31, 2013 and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Saskatoon, Saskatchewan
January 20, 2014

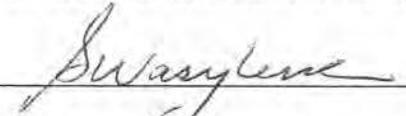


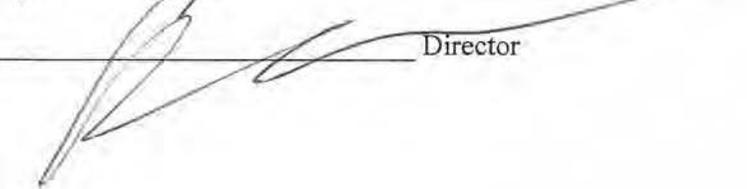
Certified General Accountant, Prof. Corp.

**SUTHERLAND BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Bank	\$ 80,581	\$ 79,516
Accounts receivable	<u>2,651</u>	<u>1,004</u>
	<u>\$ 83,232</u>	<u>\$ 80,520</u>
LIABILITIES		
Current liabilities		
Accounts payable and accruals	\$ <u>2,978</u>	\$ <u>1,271</u>
FUND BALANCES		
General fund	<u>80,254</u>	<u>79,249</u>
	<u>\$ 83,232</u>	<u>\$ 80,520</u>

APPROVED ON BEHALF OF THE BOARD:


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements.

**SUTHERLAND BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
Revenue		
Business assessments	\$ 25,526	\$ 20,434
Interest and other	<u>8</u>	<u>8</u>
	<u>25,534</u>	<u>20,442</u>
Expenditures		
Administrative support	152	244
Audit fees	1,324	1,312
Bank charges	193	0
Central Ave Master Plan Report	0	2,625
Contract Services (Exec Director)	17,158	13,600
Insurance	880	0
Membership fees	340	539
Newsletter and advertising	0	3,584
Office	625	93
Rent	200	0
Strategic planning	552	642
Street Signs	62	1,089
Telephone	659	604
Utilities	549	649
Website	0	711
Welcome train sign project	<u>1,836</u>	<u>893</u>
	<u>24,530</u>	<u>26,585</u>
Net income (loss)	1,004	(6,143)
Fund balance, beginning of year	<u>79,250</u>	<u>85,392</u>
Fund balance, end of year	<u>\$ 80,254</u>	<u>\$ 79,249</u>

The accompanying notes are an integral part of these financial statements:

**SUTHERLAND BUSINESS IMPROVEMENT DISTRICT
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
Operating activities		
Net income	\$ 1,004	\$ (6,143)
Change in non-cash components of working capital:		
Accounts receivable	(1,647)	727
Accounts payable and accruals	<u>1,708</u>	<u>(895)</u>
Increase in cash	1,065	(6,311)
Cash, beginning of year	<u>79,516</u>	<u>85,827</u>
Cash, end of year	<u>\$ 80,581</u>	<u>\$ 79,516</u>

The accompanying notes are an integral part of these financial statements.

SUTHERLAND BUSINESS IMPROVEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2013

1. GENERAL

The Sutherland Business Improvement District was established under the provisions of the Saskatchewan Urban Municipalities Act via a bylaw of the City of Saskatoon. The main function of the Sutherland Business Improvement District is to improve business in the Sutherland area of Saskatoon, Saskatchewan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

The accounts of the Organization are maintained with the principles of "fund accounting" in order that limitations are placed on the use of available resources. Under fund accounting resources are classified for accounting purposes with specific objectives.

The General Fund accounts for the Organization's administrative activities. This fund reports unrestricted resources. This is the only fund that the Organization has.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant areas of estimation include allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of long-lived assets, accrued liabilities, employee future benefits, and disclosure of contingencies.

Revenue and Expense Recognition

Revenue and expenses are recognized using the accrual basis of accounting. Revenue is recognized in the year of receipt.

Donation of Services

The Organization received a significant amount of volunteer services throughout the year. The monetary value of these services has not been recognized in these financial statements.

Financial instruments

The financial instruments of the Organization consist of cash, receivables, and payables. Unless otherwise noted, it is the Board's opinion that the Organization is not exposed to significant interest or credit risks arising from these financial instruments.

Income Taxes

Due to the nature of the activities as a non-profit organization, the Organization is exempt from income tax.

The accompanying notes are an integral part of these financial statements.

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2013**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

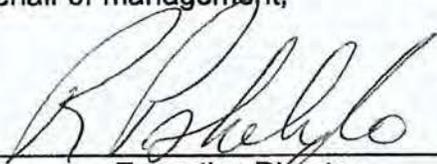
The management of Riversdale Business Improvement District is responsible for management of the District. The accompanying financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and necessarily include amounts which are based on informed judgment and management estimates. Financial data presented elsewhere in this annual report is consistent with that in the financial statements.

Ensuring the integrity and objectivity of financial information is an integral part of management's responsibility. Management maintains an appropriate system of internal accounting and administrative controls, policies and procedures to provide reasonable assurance that all transactions are authorized, financial records are complete and accurate, and assets are safeguarded against loss.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board has reviewed and approved these financial statements.

Davies & Drury Chartered Accountants, the District's independent auditors, have examined the financial statements of the District. Their responsibility is to conduct an independent and objective audit and to report on the fairness of presentation of the District's financial position and results of operations as shown in the financial statements. The Auditors' Report outlines the scope of their examination and their opinion.

On behalf of management,



Executive Director

AUDITORS' REPORT

To the Members of
Riversdale Business Improvement District

We have audited the accompanying financial statements of Riversdale Business Improvement District, which comprise the statement of financial position as at December 31, 2013 and the statements of operations, of changes in net assets and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Riversdale Business Improvement District as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian ASNFPO.



Chartered Accountants

June 16, 2014

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

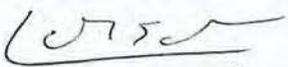
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 99,381	\$ 77,737
Restricted cash	292	351
Short-term investments	59,407	58,396
Accounts receivable	16,353	17,769
Prepaid expenses	1,015	1,070
	<u>176,448</u>	<u>155,323</u>
PROPERTY AND EQUIPMENT (Note 3)	<u>5,195</u>	<u>6,834</u>
	<u>\$ 181,643</u>	<u>\$ 162,157</u>

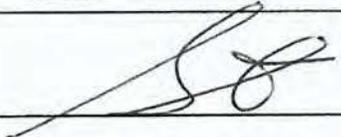
LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 1,027	\$ 662
Deferred contributions	35,900	35,900
	<u>36,927</u>	<u>36,562</u>
NET ASSETS:		
Internally restricted net assets	292	351
Unrestricted net assets	144,424	125,244
	<u>144,716</u>	<u>125,595</u>
	<u>\$ 181,643</u>	<u>\$ 162,157</u>

Approved by the Board:



Director



Director

The accompanying notes are an integral part of the financial statements.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
REVENUE:		
City of Saskatoon surtaxes	\$ 144,279	\$ 138,436
Parking grant	35,900	35,900
Other grants	10,377	12,797
Interest income	1,557	1,836
Silent film festival	-	1,500
	<u>192,113</u>	<u>190,469</u>
EXPENDITURES:		
Advertising and promotion	13,754	12,742
Amortization	1,639	2,200
Bank charges and interest	461	307
Board meetings and education	5,403	7,186
Insurance	3,516	2,662
Memberships and dues	2,043	1,675
Office	4,687	5,991
Professional fees	7,183	6,560
Projects	1,155	278
Rent	5,100	5,620
Repairs and maintenance	3,570	4,055
Salaries and benefits	118,977	135,084
Seminars and conventions	2,266	3,393
Silent film festival	-	2,574
Telephone	3,179	2,509
	<u>172,933</u>	<u>192,836</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 19,180</u>	<u>\$ (2,367)</u>

The accompanying notes are an integral part of the financial statements.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Internally restricted net assets</u>	<u>Unrestricted net assets</u>	<u>2013</u>	<u>2012</u>
Net assets at beginning of the year	\$ 351	\$ 125,244	\$ 125,595	\$ 128,027
Excess of revenue over expenditures	-	19,180	19,180	(2,367)
Net interest incurred on restricted cash	<u>(59)</u>	<u>-</u>	<u>(59)</u>	<u>(65)</u>
Net assets at end of the year	<u>\$ 292</u>	<u>\$ 144,424</u>	<u>\$ 144,716</u>	<u>\$ 125,595</u>

The accompanying notes are an integral part of the financial statements.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Excess of revenue over expenditures	\$ 19,180	\$ (2,367)
Net interest incurred on restricted cash	(59)	(65)
Item not affecting cash		
Amortization	1,639	2,200
Net change in non-cash working capital items:		
Accounts receivable	1,416	(8,724)
Prepaid expenses	55	83
Accounts payable and accrued liabilities	365	(1,955)
Deferred contributions	-	35,900
	<u>22,596</u>	<u>25,072</u>
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(688)
Net decrease in short-term investments	<u>(1,011)</u>	<u>(908)</u>
	<u>(1,011)</u>	<u>(1,596)</u>
INCREASE IN CASH DURING THE YEAR	21,585	23,476
CASH AT BEGINNING OF THE YEAR	<u>78,088</u>	<u>54,612</u>
CASH AT END OF THE YEAR	<u>\$ 99,673</u>	<u>\$ 78,088</u>
CASH CONSISTS OF:		
Cash in bank - unrestricted	\$ 99,381	\$ 77,737
Restricted cash	292	351
	<u>\$ 99,673</u>	<u>\$ 78,088</u>

The accompanying notes are an integral part of the financial statements.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

1. NATURE OF OPERATIONS:

Riversdale Business Improvement District is an unincorporated entity set up to revitalize the business district in the Riversdale area of Saskatoon, Saskatchewan. The District's mission statement is as follows: *to provide a mutually-beneficial business environment for participating members in the Riversdale Business Improvement District by promoting area development and celebrating our uniqueness and cultural diversity.*

No provision for income taxes has been made in these financial statements as the entity is a not-for-profit organization. To the extent the District maintains its not-for-profit status, no income taxes will be payable.

2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Property and Equipment

Property and equipment are recorded at cost. The District provides for amortization using the declining balance method at rates designed to amortize the cost of property and equipment over their estimated useful lives. The annual amortization rates are as follows:

Automotive	30%
Office equipment	20%
Office furniture and fixtures	20%
Computer equipment	45%
Maintenance equipment	20%

Revenue Recognition

The District follows the deferral method of accounting for contributions, which include grants and surtaxes. Contributions are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is assured. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenditures are recognized. Interest income or expense on restricted cash is recorded as a direct increase or decrease to internally restricted net assets.

Financial Instruments

Measurement of Financial Instruments

The District initially measures its financial assets and liabilities at fair value.

The District subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and restricted cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2013****2. SIGNIFICANT ACCOUNTING POLICIES - continued:****Financial Instruments - continued****Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Risks and Concentrations

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest or credit risks arising from these financial instruments, except as follows:

Credit Risk

The District is exposed to credit risk in connection with its accounts receivable because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. At year end, accounts receivable is substantially all due from the City of Saskatoon.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Assumptions underlying deferred cost valuations are limited by the availability of reliable comparable data and the uncertainty concerning future events.

By nature, asset valuations are subjective and do not necessarily result in precise determinations. Should underlying assumptions change, the estimated net recoverable amount could change by a material amount.

3. PROPERTY AND EQUIPMENT:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2013</u>	<u>2012</u>
Automotive	\$ 8,555	\$ 7,957	\$ 598	\$ 855
Office equipment	14,624	12,833	1,791	2,239
Office furniture and fixtures	2,931	2,625	306	382
Computer equipment	3,604	3,194	410	745
Maintenance equipment	12,306	10,216	2,090	2,613
	<u>\$ 42,020</u>	<u>\$ 36,825</u>	<u>\$ 5,195</u>	<u>\$ 6,834</u>

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

4. RELATED PARTY TRANSACTIONS:

The District paid rent of \$0 (2012 - \$520) to a board member during the year for the use of garage space.

The transaction was in the normal course of operations and has been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

5. ECONOMIC DEPENDENCE:

The District's principal sources of revenue consist of grants and an allocation of property taxes from the City of Saskatoon. The city levies a surtax on property taxes based upon the District's budget for the following year. The District is dependent upon the city for the collection and transfer of this revenue.

New Building Canada Fund and Federal Gas Tax Fund

Recommendation

that the SPC on Finance recommend that City Council approve the capital projects identified in this report for submission to the appropriate authorities for funding from the New Building Canada Fund or the Gas Tax Fund.

Topic and Purpose

The purpose of this report is to request City Council's approval to submit the projects contained within this report for funding under the New Building Canada Fund (NBCF) and the Gas Tax Fund (GTF).

Report Highlights

1. The Administration has identified priority projects to submit for funding from the NBCF and GTF.

Strategic Goal

The recommendations in this report support the Strategic Goal of Asset and Financial Sustainability under the four-year priority of developing funding strategies for expenses related to new capital expenditures.

Background

On February 13, 2014, the Government of Canada announced the implementation of the New Building Canada Plan, which is a new long-term infrastructure program. This new plan includes the NBCF and the GTF. The new plan also includes the P3 Canada Fund (Attachment 1). The City is eligible to apply for funding under the two components within the NBCF: the National Infrastructure Component, which is merit-based, and the Funding for National/Regional Projects under the Provincial-Territorial Infrastructure Component (PTIC).

The NBCF is designed to provide federal financial support for eligible infrastructure projects. There are three eligible project categories that are most relevant to the City of Saskatoon (City) at this time: (a) Highway & Major Roads; (b) Public Transit; and (c) Water & Wastewater.

As noted, the New Building Canada Plan also includes the Federal GTF. The new plan makes the GTF a permanent, per capita, funding source for eligible municipal infrastructure projects. The renewed GTF expands eligible projects to include recreation and cultural infrastructure in addition to the traditional transportation and water and wastewater projects.

The Administration has discussed capital project priorities with the Executive Committee on numerous occasions. This report brings forward those project priorities that meet

criteria within the New Building Canada Plan and provide the opportunity for the City to maximize both Federal and Provincial contributions under this program.

Report

The Administration is developing a Major Transportation Infrastructure Funding Plan (Plan). The purpose of the Plan is to fund many transportation projects that are currently a very high priority for the City, and will provide a positive impact on the quality of life for many citizens.

The Plan is intended to provide funding for several current and future transportation projects. This includes funding for the North Commuter Parkway and Traffic Bridge, several interchanges, a one-time contribution to both the Bridge Major Repair Reserve (to assist in funding the University Bridge repairs), and the City's proposed Bus Rapid Transit (BRT) system. The Plan includes funding from various sources, including the NBCF, the GTF and the P3 Canada Fund.

New Building Canada Fund

As part of the Plan development, the Administration reviewed all eligible capital projects. It has selected those projects that are currently a very high priority for the City, as well as those that will maximize the federal and provincial contributions from the PTIC of the NBCF.

The NBCF is a ten-year program divided into two five-year phases. Total funding for Saskatchewan under the PTIC ten-year program is \$437M, covering both the Funding for National/Regional Projects and the Small Communities Fund. The Funding for National/Regional Projects is available for eligible projects submitted by the province, and eligible groups within the cities of Regina and Saskatoon (municipal governments, non-profit and for-profit organizations). In the Administration's view, it would not be unreasonable to expect that the City could be eligible to receive in excess of \$175M over the ten-year time frame.

The Administration has selected four major road projects for submission and consideration under the first phase of the PTIC in an effort to maximize the potential funding. Although provinces are not required to provide matching funding under the PTIC, the province has indicated that it will provide matching funding to municipal infrastructure projects that help to achieve provincial objectives and interests. Saskatchewan's Ministry of Highways and Infrastructure, responsible for administering the PTIC, has a particular interest in road/interchange projects, especially if they form part of the National Highway System, or have a prominent regional role.

The projects that the Administration is proposing to submit to the Ministry of Highways and Infrastructure for PTIC funding are:

- McOrmond and Highway 5 Interchange
- Boychuk and Highway 16 Interchange
- Marquis Drive and Idylwyld Interchange
- Marquis Drive and Highway 16 Interchange

The total estimated value of these interchange projects is \$150M. To fund these projects, the City is anticipating that \$50M would come from Federal PTIC, a matching \$50M from the provincial government, and \$50M from the City. The City's portion of funding will come from the Interchange Levy, which is currently being collected from all new lots in the surrounding sectors, and specific development charges within servicing agreements with developers within the neighbourhoods of Rosewood and Brighton.

In addition to the interchanges, the Administration is proposing to submit two transit projects under the NBCF:

- the proposed BRT
- Transit Bus Replacements

While these two projects are not totally quantified at this time, they will ensure the City receives maximum funding under the NBCF.

Gas Tax Fund

Effective July 22, 2014, the City entered into an Administrative Agreement on the GTF for a ten-year term (2014 through 2023) with Saskatchewan's Ministry of Government Relations. Under this agreement, the City will receive \$65.6M from 2014 to 2018, and funding beyond this term based on federal census population counts has not yet been determined. Future GTF allocations will be determined after the 2016 federal census results are tabulated.

In an effort to maximize the funding potential, the Administration reviewed all eligible capital projects and selected projects that are currently funded by the Water Capital Reserve or Wastewater Capital Reserve. Water and Wastewater capital projects are fully funded by rates charged for these services. For any Water Utility projects that receive GTF funding, an equivalent amount will be paid from the Utility to the City's General Revenue, thus making this funding available to City Council for re-allocation to other capital projects. This approach will not have any effect on the rates charged to the customer for these services.

The projects that the Administration is proposing to submit to the Ministry of Government Relations for GTF funding are:

- Odour Abatement System – Capital Project 1234
- Lift Station Upgrades – Capital Project 1243
- Wastewater Relining Cell 2, 3, 4, 6 – Capital Projects 2226, 2228, 2566 and 2567
- Water Treatment Plant-Primary 25kVa Loop – Capital Project 2229
- Filter Plant Underdrain Upgrade – Capital Project 2220
- Clarifier Tube Settlers – Capital Project 2558
- Sand Separators – Capital Project 2559
- Clarifier Construction – Capital Project 2562
- Low Lift Upgrade – Capital Project 2563
- Drain Line – Capital Project 2564

- Transfer Pumping and Electrical Upgrades – Capital Project 2565
- Chlorine Room Capacity Upgrade – Capital Project 2571

Options to the Recommendation

City Council could ask the Administration to review different projects to determine eligibility for funding.

Public and/or Stakeholder Involvement

There is no public or stakeholder involvement required at this time.

Communication Plan

There is no communication plan required at this time.

Financial Implications

Projects approved under the NBCF will also require funding by the City. The City's share will be accommodated through the Major Transportation Infrastructure Funding Plan. This plan will likely require future contributions from property taxes.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations.

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.

Attachment

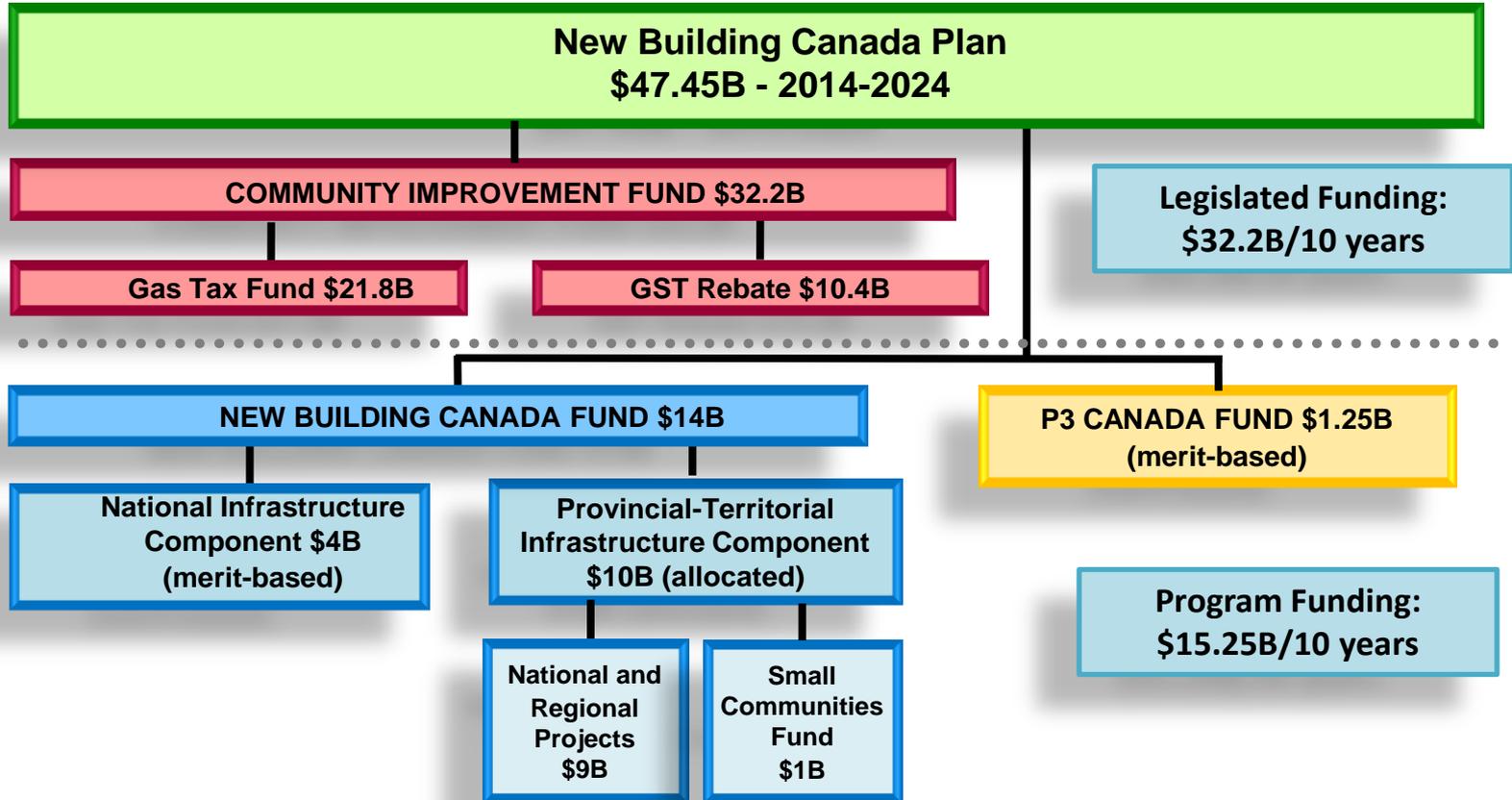
1. Fact Sheet: New Building Canada Plan Framework.

Report Approval

Written by: Linda Andal, Director of Financial Planning

Approved by: Marlys Bilanski, CFO/General Manager, Asset & Financial Management Department

Approved by: Murray Totland, City Manager



Request for Lease Buyout – Motor Grader for Public Works

Recommendation

that the SPC on Finance recommend that City Council:

1. approve the purchase agreement submitted by Kramer Limited for the lease buyout of a 2008 Caterpillar 140M Motor Grader at a total cost of \$176,116.44 (including GST and PST); and
2. request that Purchasing Services issue the appropriate purchase order.

Topic and Purpose

The purpose of this report is to obtain approval for the lease buyout of a motor grader for Public Works (Roadways).

Report Highlights

1. Fleet Services, at the request of Public Works (Roadways) rented a Caterpillar motor grader (with intuitive steering control) to assess its suitability over the 2013/2014 winter season.
2. Public Works (Roadways) has determined that the unit is an essential addition to its fleet.
3. Kramer Limited has offered to apply 100% of the seasonal lease amount toward the purchase.

Strategic Goals

The recommendations in this report support the long-term strategy to ensure roads and bridges are maintained in working order and in a state of good repair under the Strategic Goal of Moving Around.

These recommendations also contribute to the Success Drivers of Infrastructure Maintenance and Efficient Road Systems, through the four-year priority of establishing service levels for repair and maintenance of our roads and bridges.

Background

City expansion and increased roadway infrastructure, combined with increased traffic flow, have necessitated innovative approaches for roadway maintenance and additional fleet and resources to manage this growth.

Fleet Services was requested by Public Works (Roadways) to lease an additional motor grader to meet demands of this growth for an eight-month period last winter, and at the same time, to trial new grader steering and implement technology (intuitive steering control). Currently, all of the City of Saskatoon's (City) motor grader fleet has steering wheels and levers for controlling implements. Industry trend is moving away from this old technology and into multi-joystick control, with benefits of increased sensitivity and control, greater precision and equipment control, and significantly reduced operator fatigue with 78% reduced hand, wrist, and arm movement.

Report

Following the eight-month trial lease through the period ending June 2014, Public Works has determined that the Caterpillar motor grader with intuitive steering control is essential for its operations to meet capacity requirements, and for operator acceptance and preference to reduce operator fatigue and error.

In making a decision for this procurement, the following information was taken into consideration:

- The cost to procure a brand new motor grader is \$300,000.
- The current life cycle is approximately 15 - 20 years.
- A leased motor grader has less than 7,000 hours. Average accumulated hours per year for the City's motor grader fleet is 1,000 hours.
- A new lease is taken out on a motor grader each year. The leased grader has to be fit up for snow removal application involving the installation of snow wings and associated controls and hydraulic lines, and the installation of wear bars on the underside of sliding equipment. The cost for fit up for snow removal equipment for each unit is between \$6,000 - \$10,000.

Kramer Limited has offered to apply 100% of the paid lease amount toward the purchase of the unit.

Fleet Services deems the purchase price to be fair, based on the year and hours of the unit. The Administration is recommending the lease buyout of the 2008 Caterpillar 140M Motor Grader in order to take advantage of the 100% lease payment application to purchase option on the rental agreement.

Options to the Recommendation

Options considered were the continued re-leasing of motor graders on an annual basis. This option does not take advantage of annual savings on fit-up costs, and the capital cost reduction of having 100% of the lease payments applied to the purchase price, as well as the benefit of having the equipment for use year round.

Public and/or Stakeholder Involvement

Public and/or stakeholder involvement is not required.

Communication Plan

A communications plan is not required.

Policy Implications

The requested approval is in accordance with Policy No. C02-030, Purchase of Goods, Services and Work; Policy No. A02-027, Corporate Purchasing Procedure; and Bylaw No. 8174, The City Administration Bylaw, 2003.

Financial Implications

The net cost to the City for the buy out purchase of a 2008 Caterpillar 140M Motor Grader is as follows:

Equipment	Price
2008 Caterpillar 140M Motor Grader	\$172,700.00
Less rent paid	(36,000.00)
Plus interest*	8,958.00
Outstanding leased repair work orders	14,447.86
Taxable balance	160,105.86
GST	8,005.29
PST	8,005.29
Total contract price	\$176,116.44
GST rebate	(8,005.29)
Net Cost to the City	<u>\$168,111.15</u>

*Interest is charged at 3% over the bank's daily posted Prime Rate and is calculated on the declining balance from October 29, 2013 to August 30, 2014.

There is sufficient funding within the 2014 approved Capital Project 1356 Snow & Ice Management Equipment Acquisition for this procurement.

Other Considerations/Implications

There are no policy, environmental, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The leased purchase agreement submitted by Kramer Limited expires on August 30, 2014. It is the intention of Fleet Services to have this procurement in place prior to this expiration date.

Public Notice

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

Report Approval

Written by: Rod McKenzie, Manager of Fleet Services
Reviewed by: Tim Halstead, Director of Facilities & Fleet Management
Approved by: Marlys Bilanski, CFO/General Manager, Asset & Financial Management Department
Approved by: Murray Totland, City Manager

Request for Direct Sale to Saskatchewan Telecommunications – Marquis Industrial Area

Recommendation

- 1) that the Director of Saskatoon Land be authorized to offer, by direct sale, Lot 2, Block 952, Plan 102145687 to Saskatchewan Telecommunications Holding Corporation, and Lot 3, Block 942, Plan 102145687 to Saskatchewan Telecommunications for the purpose of building a data centre to house servers and equipment for its customers' information technology needs; and
- 2) that the City Solicitor be requested to prepare the Direct Sale Agreement and that His Worship the Mayor and City Clerk be authorized to execute the Agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain authorization for the direct sale of 3.31 acres of land in the Marquis Industrial area to Saskatchewan Telecommunications (SaskTel) and Saskatchewan Telecommunications Holding Corporation (SaskTel).

Report Highlights

1. Policy No. C09-033, Sale of Serviced City–Owned Lands, supports the direct sale of land to SaskTel, as it is a utility company requiring the land for a specific purpose.
2. Saskatoon Land is requesting authorization to enter into a Direct Sale Agreement for 3.31 acres of land at fair market value.

Strategic Goal

The recommendations in this report support the long-term strategy to increase revenue sources and reduce reliance on residential property taxes, as well as the four-year priority to provide revenue to support new capital expenditures including core services such as fire halls, roadways, and underground services, under the Strategic Goal of Asset and Financial Sustainability.

Background

On June 10, 2014, the Corporate Services Manager of SaskTel inquired about land available in the Marquis Industrial area that would be available for purchase. SaskTel's goal is to build a data centre that would house servers and equipment for customers' information technology needs. SaskTel has been an active customer of Saskatoon Land, with multiple land purchases in prior years for the use of installing telecommunication towers around the city.

Report

Request to Purchase City-Owned Land

SaskTel has requested to purchase approximately 3.31 acres of land (Attachment 1) for the purpose of building a data centre to house servers and equipment for its customers' information technology needs. The direct sale is in accordance with City of Saskatoon Policy No. C09-033, Sale of Service City-Owned Lands, as follows:

- “3.2 The Administration may pursue or entertain direct sale, or long-term leases under the City's Industrial Land Incentives Program, of civic lands when one or more of the following conditions are present:
- i) a situation where a utility company or government agency requires a site for a specific purpose.”

Direct Sale Agreement

Saskatoon Land is requesting authorization to enter into a direct sale agreement for two parcels of a combined 3.31 acres of land at fair market value of \$1,600,000 plus GST. This pricing is consistent with the reserve bid prices that were approved by City Council on June 23, 2014.

Terms and Conditions

Lot 2, Block 942, Plan 102145687:

1. Purchase Price – \$860,000 plus GST.
2. Price Includes – All direct and offsite service levies. The Purchaser is responsible for their own service connection to street mains and other shallow buried utilities (e.g. gas, power and telephone).
3. Costs – Each to pay own legal and title fees.
4. Easements – Purchaser to agree that the City and other utility agencies will register easements for new and existing utilities within the parcel.
5. Possession date – Upon payment of the balance in full and issuance of title for Transfer in Trust.
6. Conditions Precedent – Subject to approval by the Standing Policy Committee on Finance.
7. Environmental Condition of Land – As is.
8. Deposit – Deposit in the amount of 10% of the purchase price (\$86,000) plus GST to be paid within 10 business days of approval by the Standing Policy Committee on Finance.

Lot 3, Block 942, Plan 102145987:

1. Purchase Price – \$740,000 plus GST.
2. Price Includes – All direct and offsite service levies. The Purchaser is responsible for their own service connection to street mains and other shallow buried utilities (e.g. gas, power and telephone).
3. Costs – Each to pay own legal and title fees.
4. Easements – Purchaser to agree that the City and other utility agencies will register easements for new and existing utilities within the parcel.
5. Possession date – Upon payment of the balance in full and issuance of title for Transfer in Trust.
6. Conditions Precedent – Subject to approval by the Standing Policy Committee on Finance.
7. Environmental Condition of Land – As is.
8. Deposit – Deposit in the amount of 10% of the purchase price (\$74,000) plus GST to be paid within 10 business days of approval by the Standing Policy Committee on Finance.

Options to the Recommendation

The only other option would be not to proceed with the direct sale of land and offer the parcel for sale via Public Tender.

Public and/or Stakeholder Involvement

In June of 2014, SaskTel expressed interest in the purchase of approximately 3.31 acres of land for the purpose of building a data centre to house servers and equipment for its customers' information technology needs.

Communication Plan

A communication plan is not required.

Financial Implications

The proceeds from the sale of this land will be deposited to the Property Realized Reserve.

Other Considerations/Implications

There are no policy, environmental, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

There is no due date for follow-up and/or project completion required.

Public Notice

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

Attachment

1. Possible Direct Sale.

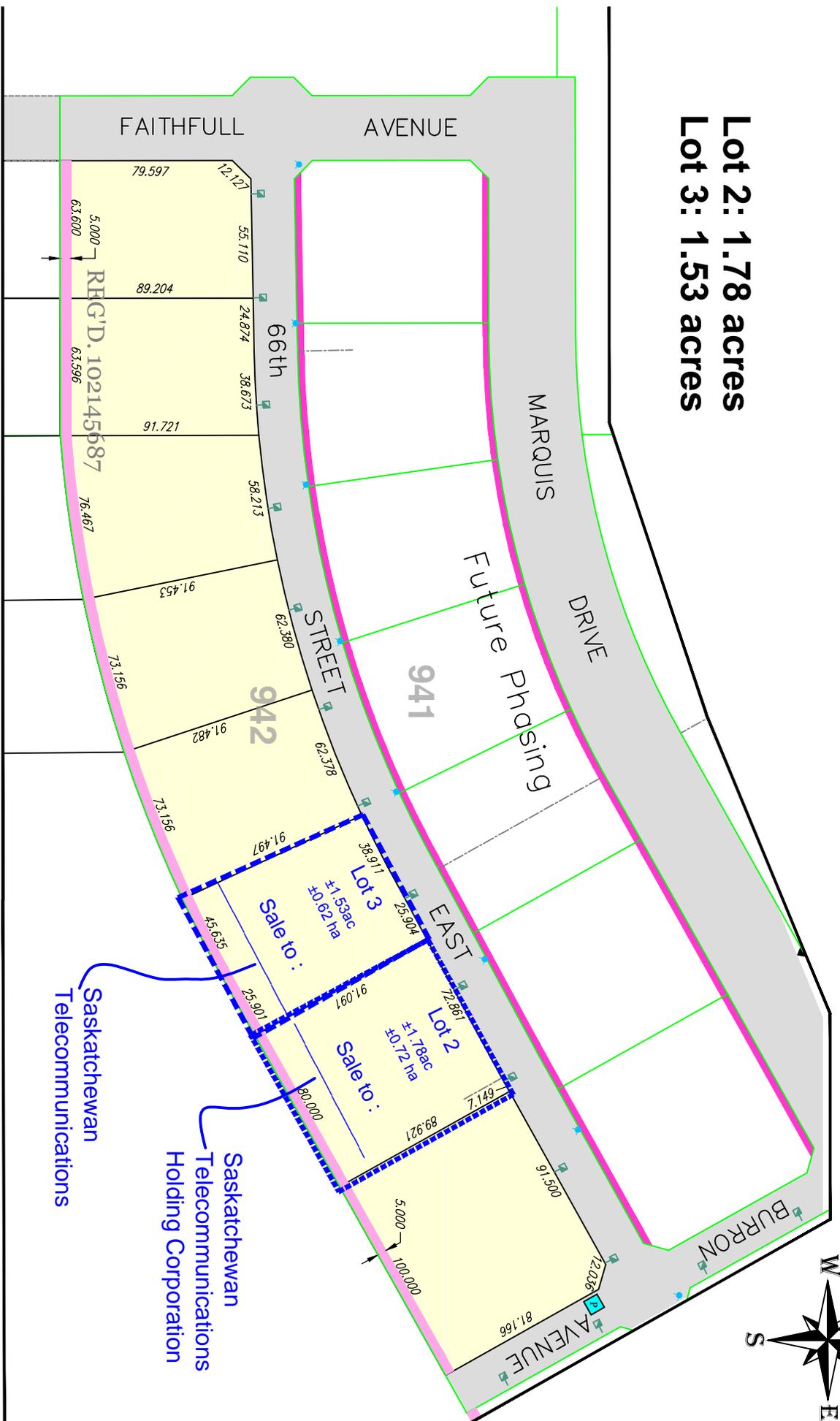
Report Approval

Written by: Chelsea Mamer, Staff Accountant
Reviewed by: Jeremy Meinema, Finance and Sales Manager
Approved by: Frank Long, Director of Saskatoon Land
Marlys Bilanski, CFO/General Manager, Asset & Financial Management

Request for Direct Sale to Saskatchewan Telecommunications.doc

Possible Direct Sale

Lot 2: 1.78 acres
Lot 3: 1.53 acres



LEGEND

- SUBJECT SITE
- HEAVY INDUSTRIAL
- Future Development
- 942 BLOCK NUMBER
- 5m EASEMENT
- 3m EASEMENT
- #123 REGISTERED PLAN NUMBER
- FIRE HYDRANT
- MAILBOX
- LIGHT POLE



Note: Saskatoon Land does not guarantee the accuracy of this plan. Lot dimensions and the location of other features are supplied for information only and are subject to change without notice. Pink and yellow colorings are for illustrative purposes only and does not represent what will be constructed. To ensure accuracy, please refer to the Registered Plan of Survey. Distances are in meters unless shown otherwise. Do not scale.

Request for Direct Sale to 101205311 Saskatchewan Ltd.

Recommendation

- 1) that the Director of Saskatoon Land be authorized to offer, by direct sale, remnant parcel NE 21-36-06-3; Ext 44; Parcel No. 13616643 to 101205311 Saskatchewan Ltd. (Attachment 1); and
- 2) that the City Solicitor be requested to prepare the Direct Sale Agreement and that His Worship the Mayor and City Clerk be authorized to execute the Agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain authorization for the direct sale of 0.32 acres of land west of the city to 101205311 Saskatchewan Ltd.

Report Highlights

1. 101205311 Saskatchewan Ltd. approached Saskatoon Land with an offer to purchase a 0.32 acre remnant parcel.
2. Policy No. C09-033, Sale of Serviced City-Owned Lands, supports the sale of the parcel to 101205311 Saskatchewan Ltd.

Strategic Goal

The sale of this parcel supports the long-term strategy of increasing revenue sources and reducing reliance on property taxes, and the four-year priority of providing revenue to fund new capital expenditures, including core services such as fire halls, roadways, and underground services under the Strategic Goal of Asset and Financial Sustainability.

Background

On June 23, 2014, Saskatoon Land was approached by an agent of 101205311 Saskatchewan Ltd. regarding the potential sale of a remnant parcel west of the city along Highway 7, and south of the CN Rail Line (Attachment 1). The adjacent lands are already owned by the corporation and they would like to acquire this last remaining parcel to create a contiguous site.

Report

101205311 Saskatchewan Ltd. submitted an offer of \$7,812.50 per acre to purchase a 0.32 acre remnant parcel west of the city (Attachment 2). This parcel has no immediate or future benefit to the city and is able to be disposed of. The direct sale is in accordance with City of Saskatoon Policy No. C09-033, Sale of Serviced City-Owned Lands, as follows:

- “3.2 The Administration may pursue or entertain direct sale, or long-term leases under the City’s Industrial Land Incentives Program of civic lands when one or more of the following conditions are present:
- f) A situation where a remnant parcel is not needed by the City and could be sold to an adjacent property owner.”

The following terms and conditions would be applied to the sale:

1. Purchase Price – Purchase price is \$2,500.00 plus GST (\$7,812.50 per acre)
2. Price Includes – As is.
3. Costs – Each to pay own legal and title fees.
4. Condition of Land – As is.
5. Possession Date – Upon payment of the balance in full and issuance of title for transfer in trust.
6. Conditions Precedent – Subject to approval by the Standing Policy Committee on Finance.

Options to the Recommendation

The only other option would be to not proceed with the sale of the parcel.

Public and/or Stakeholder Involvement

In June of 2014, 101205311 Saskatchewan Ltd. submitted an offer to purchase a remnant parcel of land west of the city.

Communication Plan

No communication plan is required.

Financial Implications

The proceeds from sale of the parcel will be deposited into the Property Realized Reserve.

Other Considerations/Implications

There are no policy, environmental, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

There is no due date for follow-up and/or project completion required.

Public Notice

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

Attachments

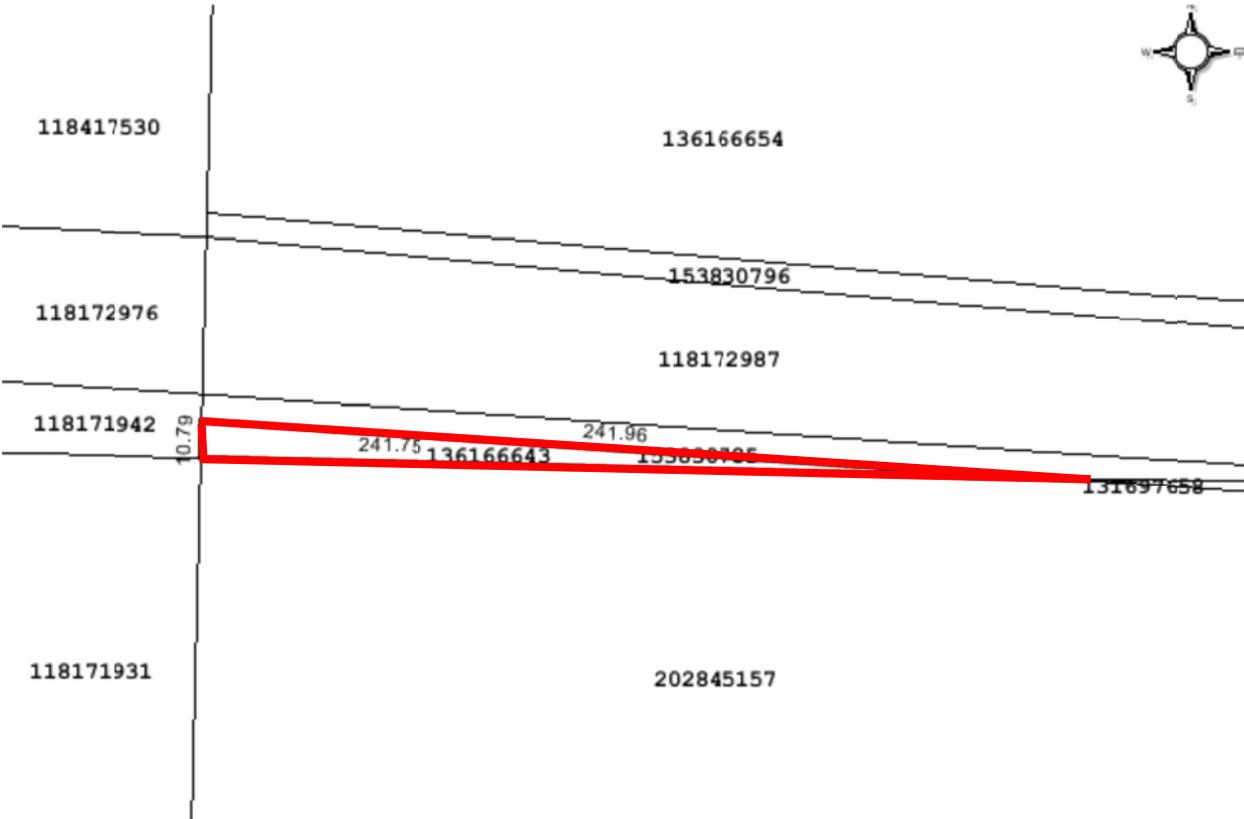
1. Diagram Indicating Proposed Land Sale.
2. Map Indicating Proposed Land Sale Location.

Report Approval

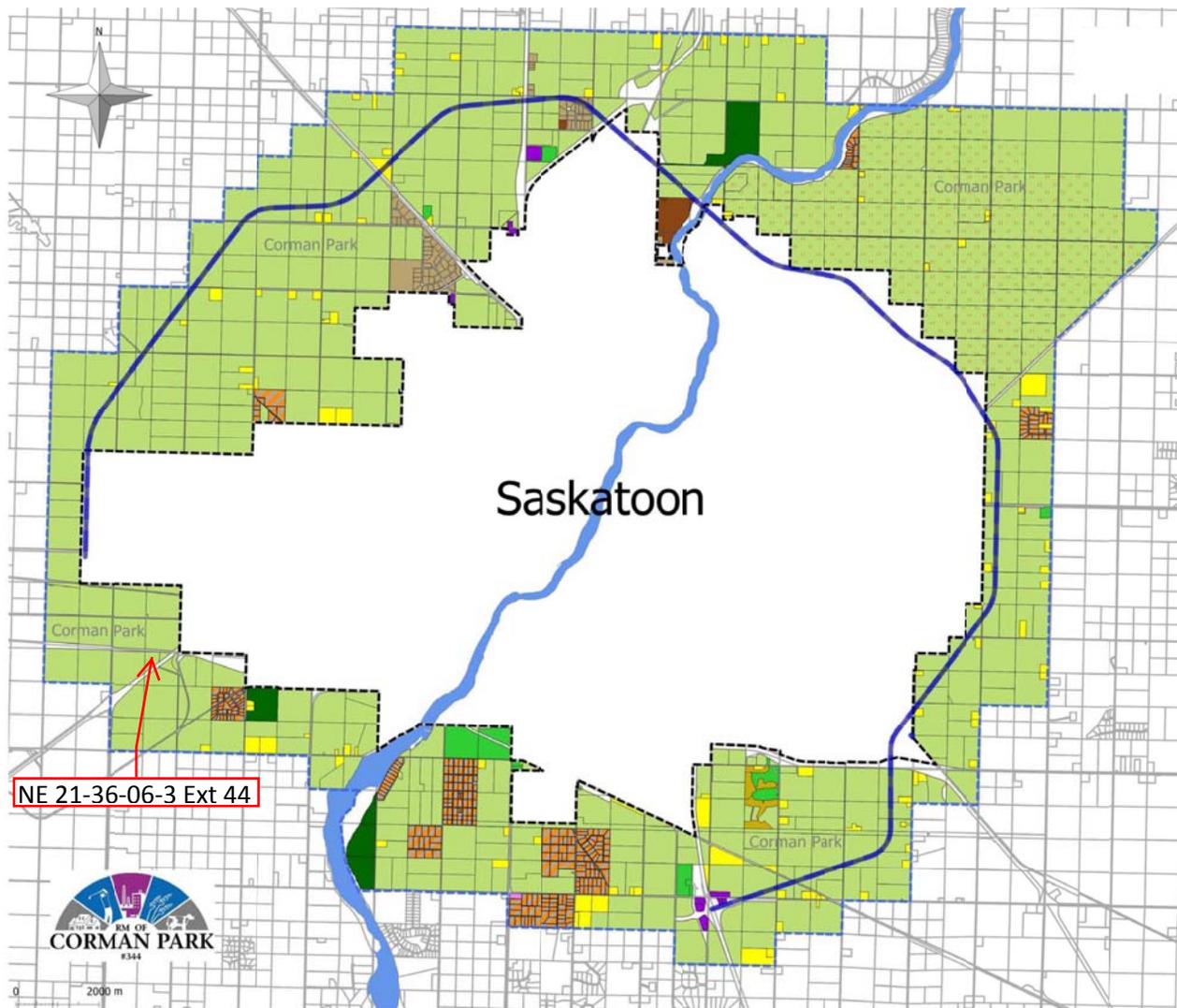
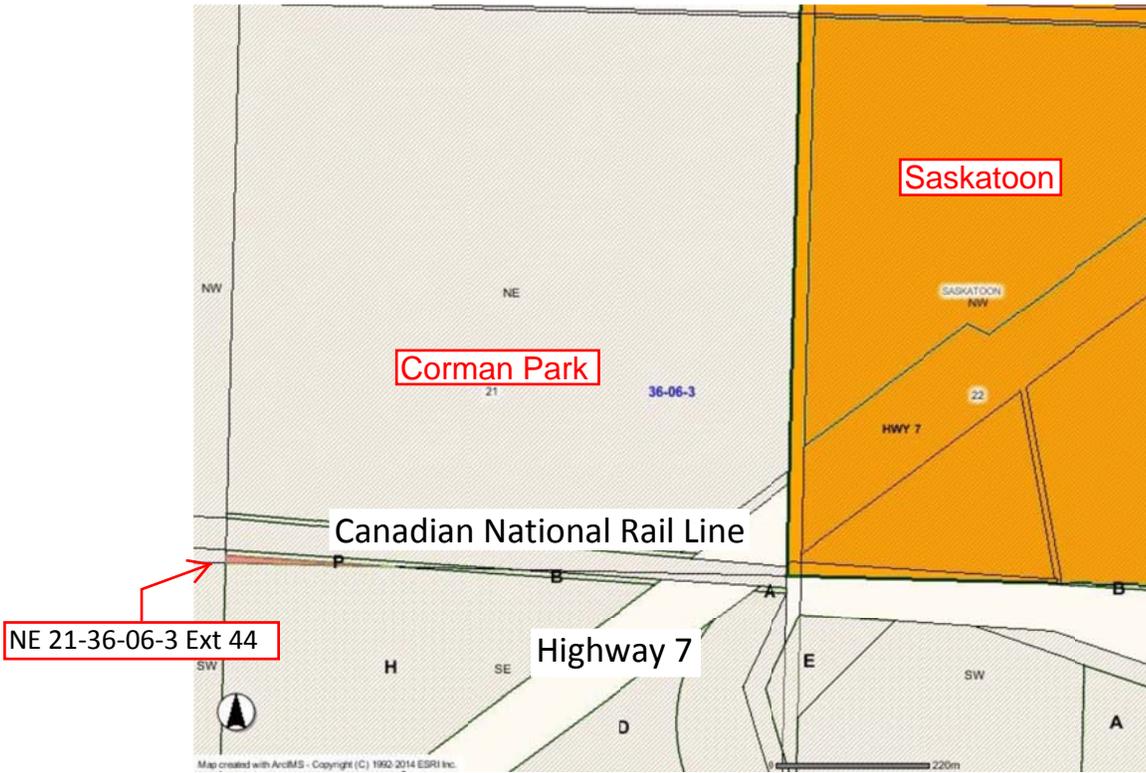
Written by: Jeremy Meinema, Finance and Sales Manager
Reviewed by: Frank Long, Director of Saskatoon Land
Approved by: Marlys Bilanski, CFO/General Manager, Asset & Financial Management.

Request for Direct Sale to 101205311 Saskatchewan Ltd.docx

Diagram Indicating Proposed Land Sale



Proposed Land Sale: NE Section 21, Township 36, Range 06 W3 Extension 44 – 0.32 acres





LIST OF ITEMS TO BE DISCUSSED

IN CAMERA STANDING POLICY COMMITTEE ON FINANCE

**MONDAY, AUGUST 18, 2014, IMMEDIATELY FOLLOWING PUBLIC MEETING AT
2:00 P.M., COMMITTEE ROOM "A"**

Councillor C. Clark
Councillor R. Donauer
Councillor A. Iwanchuk
Councillor E. Olauson
Councillor T. Paulsen
His Worship Mayor D. Atchison (Ex-Officio)

- 1. Call to Order**
- 2. Confirmation of Agenda and In Camera Items**
- 3. Adoption of Minutes**
- 4. Unfinished Business**
- 5. Communications** *(requiring the direction of the Committee)*
- 6. Reports from the Administration**
 - 6.1 Audit Report *[In Camera – Economic, Financial and Other Interests, Audits and Tests and Policy Options/Advice]*
 - 6.2 Audit Report *[In Camera – Third Party Information]*
 - 6.3 Proposed Sale of Land *[In Camera – Economic/Financial and Other Interests]*
 - 6.4 Proposed Sale of Land
[In Camera – Economic/Financial and Other Interests]
 - 6.5 Proposed Purchase of Land
[In Camera – Economic/Financial and Other Interests]
 - 6.6 Proposed Sale of Land
[In Camera – Economic/Financial and Other Interests]

In Camera Agenda
Standing Policy Committee on Finance
August 18, 2014
Page 2

6.7 Information Report
[In Camera – Economic/Financial and Other Interests]

6.8 Information Report
[In Camera – Economic/Financial and Other Interests]

7. Urgent Business

8. Verbal Updates

8.1 Council Members

8.2 Administration

9. Adjournment