



REVISED AGENDA  
STANDING POLICY COMMITTEE ON FINANCE  
PUBLIC MEETING

Monday, July 18, 2016, 2:00 p.m.

Council Chamber, City Hall

Committee Members:

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

Pages

1. CALL TO ORDER

2. *CONFIRMATION OF AGENDA*

*Recommendation*

1. That the recommendation for Item 7.2.6 "Design and Construction Agreement for the Repair and Renovation of the Mendel Building" state that it be forward on to the July 21, 2016 meeting of City Council, instead of the August 18, 2016 meeting of City Council;
2. That the recommendation for Item 6.1.1 "Statement of Work - Review of Resource Scheduling at Saskatoon Transit" state "That the Statement of Work, dated July 12, 2016, provided by Internal Auditors, PricewaterhouseCoopers, for the Review of Resource Scheduling at Saskatoon Transit, be approved"; and
3. That the agenda be confirmed as amended.

3. DECLARATION OF CONFLICT OF INTEREST

4. ADOPTION OF MINUTES

*Recommendation*

That the minutes of the Regular Meeting of the Standing Policy Committee on Finance held on May 30th, 2016, be adopted.

5. UNFINISHED BUSINESS

6. COMMUNICATIONS (requiring the direction of the Committee)

6.1 Delegated Authority Matters

<b>6.1.1</b>	<b><i>Statement of Work - Review of Resource Scheduling at Saskatoon Transit (File CK. 1600-18)</i></b>	<b>6 - 10</b>
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***Recommendation***

That the Statement of Work, dated July 12, 2016, provided by Internal Auditors, PricewaterhouseCoopers, for the Review of Resource Scheduling at Saskatoon Transit, be approved.

**6.2 Matters Requiring Direction**

<b>6.2.1</b>	<b>Meewasin Valley Authority Financial Statements (File CK. 1870-10)</b>	<b>11 - 27</b>
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**Recommendation**

That the Standing Policy Committee on Finance report to City Council that the Meewasin Valley Authority Financial Statements, dated March 31, 2016, be received as information.

**6.3 Requests to Speak (new matters)**

**7. REPORTS FROM ADMINISTRATION**

**7.1 Delegated Authority Matters**

**7.2 Matters Requiring Direction**

<b>7.2.1</b>	<b>Saskatoon Land Website Restructuring - Award of Request for Proposal (Files CK. 261-20 and AF. 260-1)</b>	<b>28 - 31</b>
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**Recommendation**

That the Standing Policy Committee on Finance recommend to the July 21, 2016 meeting of City Council:

1. That the proposal submitted by Digital Echidna for the Website Restructuring Project for a cost of \$89,100 (plus applicable taxes) be approved; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

<b>7.2.2</b>	<b>SREDA - New Funding Agreement 2017-2020 (Files CK. 1870-10, AF. 1840-10 x 3500-1)</b>	<b>32 - 33</b>
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**Recommendation**

That the Standing Policy Committee on Finance recommend to

the August 18, 2016 meeting of City Council that the proposed funding agreement with the Saskatoon Regional Economic Development Authority (SREDA), as outlined in this report, be referred to the 2017 Corporate Business Plan and Budget deliberations.

- 7.2.3 Business Improvement Districts' 2015 Financial Statements (Files CK. 1680-1, AF. 1680-2, 1680-3, 1680-4, 1680-5 and 1680-6)** 34 - 83

**Recommendation**

1. That the 2015 Audited Financial Statements from Saskatoon Downtown Business Improvement District, Broadway Business Improvement District, Riversdale Business Improvement District, Sutherland Business Improvement District, and the 33rd Street Business Improvement District be received as information; and
2. That the report of the General Manager, Asset and Financial Management Department, dated July 18, 2016, be forwarded to the August 18, 2016 meeting of City Council for information.

- 7.2.4 Amending Agreement for Green Bridge Landscaping and Linear Park Consulting Services - Hatch Mott MacDonald (Files CK. 4110-41, AF. 4131-1 and LA. 4131-28-039)** 84 - 86

**Recommendation**

That the Standing Policy Committee on Finance recommend to the July 21, 2016 meeting of City Council:

1. That Saskatoon Land enter into an amending agreement to the existing Hatch Mott MacDonald engineering services agreement for the amount of \$32,496.49 (excluding GST), for services regarding Contract No.13-0062, McOrmond Drive Green Bridge, and Contract No.15-0069 Linear Park Landscaping;
2. That the Administration be given approval to exceed 25% of the original fee schedule value by the percentage set out in this report; and
3. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

- 7.2.5 Review of Errors and Omissions Liability Reserve and Self-Insured Retention Reserve Review (File CK. 1815-1)** 87 - 88

### **Recommendation**

That the Standing Policy Committee on Finance recommend to the August 18, 2016 meeting of City Council:

1. That upon any claims outstanding against the Errors and Omissions Liability Reserve being completed, the Errors and Omissions Liability Reserve be dissolved and any amounts remaining in the Errors and Omissions Liability Reserve be transferred to the Self-Insured Retention Reserve;
2. That no further contributions be made to the Errors and Omissions Liability Reserve and any shortfall of funds be paid from the Self-Insured Retention Reserve; and
3. That no change to the contribution level or cap of the Self-Insured Retention Reserve be made at this time.

**7.2.6 *Design and Construction Agreement for the Repair and Renovation of the Mendel Building (Files CK. 620-4 and CP. 0600-001)***

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### ***Recommendation***

That the Standing Policy Committee on Finance recommend to the July 21, 2016 meeting of City Council:

1. That the City of Saskatoon enter into a design and construction agreement to repair and renovate the Mendel Building with the Children's Discovery Museum on the Saskatchewan Inc. based on the key terms set out in this report;
2. That the City of Saskatoon endorse submission of this combined project by the Children's Discovery Museum to the Canada Cultural Spaces Fund; and
3. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

**8. URGENT BUSINESS**

**9. MOTIONS (notice previously given)**

**10. GIVING NOTICE**

**11. IN CAMERA AGENDA ITEMS**

**Recommendation**

That the Committee move *In Camera* to consider Items 11.1 to 11.10.

**11.1 Internal Audit Report (File CK. 1600-3)**

*[In Camera - Third Party Information]*

**11.2 Internal Audit - Statement of Work (File CK. 1600-1)**

*[In Camera - Third Party Information]*

**11.3 Internal Audit - Statement of Work (File CK. 1600-19)**

*[In Camera - Third Party Information]*

**11.4 Snow & Ice Management Program (File CK. 1600-33)**

*[In Camera - Third party Information]*

**11.5 Audit Matter (File CK. 1600-24)**

*[In Camera - Third Party Information]*

**11.6 Land Matter (Files CK. 4020-1, AF. 4020-1 and LA. 4020-014-004)**

*[In Camera - Economic/Financial - Land]*

**11.7 Land Sales (Files CK. 4215-1, AF. 4214-1 and LA. 4221-016-002)**

*[In Camera - Economic/Financial - Land]*

**11.8 Land Sales (Files CK. 4110-36, AF. 4001-0 x 4131-1)**

*[In Camera - Economic/Financial - Land]*

**11.9 Internal Audit Update (Files CK. 1600-3 and AF. 1600-1)**

*[In Camera - Audits and Tests]*

**11.10 Audit Matter (File CK. 1600-24)**

*[In Camera - Economic/Financial and Other Interests]*

**12. ADJOURNMENT**

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# *Statement of Work*

Review of Resource Scheduling at  
Saskatoon Transit

Submitted by PwC on July 12, '16  
for July 18, '16 SPCF Public Meeting



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## 1. *Scope, Approach & Limitations*

The overall scope of the engagement is to review the resource scheduling process and identify improvements with respect to how to efficiently utilize current technology and/or enhance current processes to minimize operating costs. In order to do so, we will conduct a current-state assessment (as described below) over the transit division. The current-state assessment will address:

- Resource scheduling process and integration of spare board employees;
- Current technology and opportunities to improve resource scheduling process;
- Route cutting and overtime cost impact;
- Benchmark industry or other municipality key performance indicators relevant to a transit authority; and
- Comparison of coverage based transit model to other acceptable industry or municipality standards.

The current-state assessment will also delve into the following details of resource scheduling at Saskatoon Transit:

- Current state assessment of resource scheduling processes;
- Review of past three years operating costs and performance levels;
- Impact of current coverage based strategy on future outlook, growth and sustainability;
- Ratio of required spare boards to regular employees;
- Cost of spare board employees and their utilization; and
- Dispatching spare boards and comparison with industry or municipality standards.

The engagement will incorporate whether or not the current process for resource scheduling utilizes an efficient methodology, one that is held to industry or municipality best practices. It will also provide a look into the effectiveness of the current process and its ability to meet stated goals and objective.

PwC will also conduct a best-practices assessment (utilizing standards from industry and other comparable municipalities). We will provide a summary of best practices across comparable cities' transit divisions (specifically addressing management of spare boards). PwC will compare and contrast the current-state assessment to the best-practices assessment in order to identify opportunities for improvement.

For the purposes of this project, we expect to work with Saskatoon Transit and the Corporate Risk division at the City of Saskatoon. The review will include but not be limited to in-scope areas identified above and will include reviewing available information (i.e. operational and financial data) from 2013 through 2015 in order to (information permitting):

- Identify opportunities to enhance the resource scheduling process;
- Identify positive themes and observations;
- Identify efficiency gaps and provide advice to enhance resource scheduling and staff utilization; and
- Identify current constraints with respect to resource scheduling.

## 2. *Timeline and Deliverables*

Dates are estimates and may change, based on availability of information and both City of Saskatoon and PwC resources.

<b>Deliverable</b>	<b>Details</b>	<b>Projected Delivery Date</b>
<b>Preliminary Observations and Recommendations to Review</b>	Positive themes, key observations, risks and recommendations from the review will be discussed with the key contacts from Transit: Jim McDonald, Mike Moellenbeck, Cory Shrigley, and Harold Matthies.	September
<b>Draft Report to Management</b>	Draft report provided for management review and feedback. To be provided to Jim McDonald, Nicole Garman, and Jeff Jorgenson.	October
<b>Final Report to SPCF</b>	Final report to SPCF in-camera during a 10-15 minute presentation followed by question period.	November
We will communicate bi-weekly to key personnel to keep everyone apprised of our progress and will arrange additional status update meetings as necessary to discuss any issues which may arise.		

## 3. *Key Contacts*

The key contacts for this project are:

- Mike Moellenbeck, Operations Manager, Transit Division
- Cory Shrigley, Customer Support & Engagement Manager, Transit Division
- Harold Matthies, Transit IT Coordinator, Transit Division
- Jim McDonald, Director, Transit Division
- Nicole Garman, Director of Corporate Risk
- Jeff Jorgenson, General Manager of Transportation & Utilities

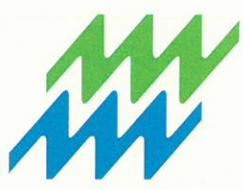
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## 4. Budget

Our fees are based on actual hours incurred by PwC staff, at the below agreed upon hourly billing rate in the Internal Audit Services Agreement dated January 1, 2015. In accordance with the approved 2016 Internal Audit Plan, we estimate that our fees for the completion of our services under this Statement of Work will be \$70,000 plus out of pocket expenses and applicable taxes, which will be charged on an actual basis.

<b>Role</b>	<b>Expected Hours</b>
Engagement Partner	30
Quality Assurance Partner	15
Engagement Manager	150
Senior Auditor	115
Auditor	115
<b>Total</b>	<b>425</b>

1870-10



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

**Meewasin**

July 11, 2016

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, 2016, satisfying this requirement.

Sincerely,

Lloyd Isaak  
Chief Executive Officer

Enclosure

**OFFICE OF THE**  
**JUL 08 2016**  
**MAYOR**



**MEEWASIN VALLEY AUTHORITY**  
**FINANCIAL STATEMENTS**  
*MARCH 31, 2016*

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 Meewasin Valley 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.

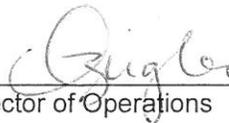
MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board of Directors to audit the financial statements and report directly to the Participating Parties; their report follows. The external auditors have full and free access to, and meet periodically and separately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

June 3, 2016



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Chief Executive Officer



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Director of Operations

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, 2016, 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*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, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan  
June 3, 2016

*MNP* LLP

Chartered Professional Accountants

Statement of Financial Position

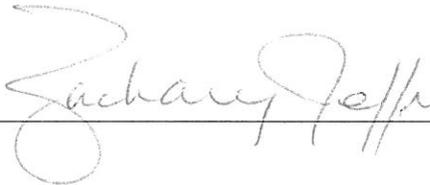
As at March 31, 2016

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
<i>Current</i>		
Cash	\$ 1,073,552	192,726
Short-term investments (note 3a)	-	1,500,140
Accounts receivable (note 4)	233,309	254,969
Inventory	6,264	5,889
Prepaid expenses	<u>76,837</u>	<u>59,421</u>
	<u>1,389,962</u>	<u>2,013,145</u>
Long term investments (note 3b)	73,784	17,115
Tangible capital assets (note 5)	<u>1,954,498</u>	<u>1,985,928</u>
	<b>\$ <u>3,418,244</u></b>	<b><u>4,016,188</u></b>
<b>Liabilities</b>		
<i>Current</i>		
Accounts payable and accrued charges	\$ 166,417	150,581
Deferred revenue (note 6)	122,628	439,568
Due to <i>Partners FOR the Saskatchewan River Basin</i> (note 7c)	<u>165,459</u>	<u>200,099</u>
	<u>454,504</u>	<u>790,248</u>
<b>Fund Balances</b>		
General fund – unrestricted	1	1
Construction projects fund – internally restricted	-	1
Donations fund – unrestricted	407,931	126,400
Capital assets fund – invested in capital assets	1,954,498	1,985,928
Land access fund – internally restricted	214,365	214,365
Capital assets replacement fund – internally restricted	376,640	888,940
Restricted contributions fund – externally restricted (note 2a)	<u>10,305</u>	<u>10,305</u>
	<u>2,963,740</u>	<u>3,225,940</u>
Commitments (note 13)		
	<b>\$ <u>3,418,244</u></b>	<b><u>4,016,188</u></b>

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

ON BEHALF OF THE BOARD:

 Director

 Director

# MEEWASIN VALLEY AUTHORITY

2.

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2016

	General Fund (Schedule 1)	Construction Projects Fund (Schedule 2)	Donations Fund (Schedule 3)	Capital Assets Fund	Land Capital Assets Access Fund	Replacement Contributions Fund	Restricted Fund	2016 Total	2015 Total
<b>Revenues</b>									
Statutory	\$ 1,545,365	1,086,222	-	-	-	-	-	<b>2,631,587</b>	2,302,248
Grants	38,756	733,719	-	-	-	-	-	<b>772,475</b>	632,158
Donations	-	-	745,758	-	-	-	-	<b>745,758</b>	1,105,897
Other	109,059	69,049	1,583	-	-	-	-	<b>179,691</b>	179,989
	<u>1,693,180</u>	<u>1,888,990</u>	<u>747,341</u>	-	-	-	-	<b>4,329,511</b>	4,220,292
Expenditures									
Amortization	1,812,997	2,483,137	247,822	-	-	-	-	<b>4,543,956</b>	4,468,477
	<u>1,812,997</u>	<u>2,483,137</u>	<u>247,822</u>	<u>47,755</u>	-	-	-	<b>47,755</b>	58,478
								<b>4,591,711</b>	4,526,955
Excess (deficiency) of revenues over expenditures	(119,817)	(594,147)	499,519	(47,755)	-	-	-	<b>(262,200)</b>	(306,663)
Fund balance, beginning of year	1	1	126,400	1,985,928	214,365	888,940	10,305	<b>3,225,940</b>	3,532,603
Inter-fund allocations:									
Purchase of capital assets	-	(16,325)	-	16,325	-	-	-	-	-
From construction projects fund	60,515	(60,515)	-	-	-	-	-	-	-
From capital assets replacement fund	-	512,300	-	-	-	(512,300)	-	-	-
From donations fund	59,302	158,686	(217,988)	-	-	-	-	-	-
Fund balance, end of year	<u>1</u>	<u>-</u>	<u>407,931</u>	<u>1,954,498</u>	<u>214,365</u>	<u>376,640</u>	<u>10,305</u>	<b>2,963,740</b>	<u>3,225,940</u>

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

## Statement of Cash Flows

Year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
<b>Cash provided by (used in) the following activities:</b>		
<i>Operating</i>		
Deficiency of revenues over expenditures	\$ (262,200)	(306,663)
Adjustments for items not affecting cash:		
Amortization	47,755	58,478
Donation of long term investments	<u>(56,669)</u>	<u>(17,115)</u>
	<u>(271,114)</u>	<u>(265,300)</u>
Change in non-cash operating working capital:		
Accounts receivable	21,660	87,581
Prepaid expenses	(17,416)	8,031
Inventory	(375)	2,766
Accounts payable and accrued charges	15,836	(90,926)
Deferred revenue	(316,940)	439,568
Due to <i>Partners FOR the Saskatchewan River Basin</i>	<u>(34,640)</u>	<u>(51,051)</u>
	<u>(602,989)</u>	<u>130,669</u>
<i>Investing</i>		
Redemption (purchase) of short-term investments (net)	1,500,140	(93,929)
Purchase of capital assets	<u>(16,325)</u>	<u>(13,202)</u>
	<u>1,483,815</u>	<u>(107,131)</u>
Net change in cash during the year	880,826	23,538
Cash, beginning of year	<u>192,726</u>	<u>169,188</u>
Cash, end of year	\$ <u>1,073,552</u>	<u>192,726</u>

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

**Notes to the Financial Statements**

Year ended March 31, 2016

**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 61% of total revenue in the current year (2015 - 55%).

**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, 2016

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, 2016

**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 are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the appropriate 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, 2016

**2. Accounting Policies - continued**

## (d) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenues over expenditures in the periods in which they become known.

**3. Investments**

## (a) Short-term investments

At March 31, 2016 the value of short term investments is \$nil, (2015 - \$1,500,140).

## (b) Long-term investments

Long-term investments consist of three (2015 – one) donated whole life insurance policies. The cost of which are \$73,784 (2015 - \$17,115) at March 31, 2016.

**4. Accounts Receivable**

Meewasin has an amount in accounts receivable at March 31, 2016 of \$171,227 from a related party, the Province of Saskatchewan's Saskatchewan Building Communities Program, (2015 - \$nil) pursuant to funding agreements between parties.

**5. Tangible Capital Assets**

	<b>2016</b>			<b>2015</b>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 1,218,293	-	<b>1,218,293</b>	1,218,293
Conservation easement	257,200	-	<b>257,200</b>	257,200
Building	1,184,899	763,398	<b>421,501</b>	449,932
Equipment and office furniture	61,884	31,311	<b>30,573</b>	33,343
Electronic data processing equipment	82,562	64,966	<b>17,596</b>	27,160
Vehicles	<u>39,311</u>	<u>29,976</u>	<u><b>9,335</b></u>	-
	<u>\$ 2,844,149</u>	<u>889,651</u>	<u><b>1,954,498</b></u>	<u>1,985,928</u>

Notes to the Financial Statements

Year ended March 31, 2016

6. Deferred Revenue

Deferred revenue includes the following categories:

- (a) Meewasin has deferred capital contributions of \$nil from the Province of Saskatchewan that relate to capital expenditures for the Meewasin Valley Trail to be made in a subsequent period (2015 - \$66,188).
- (b) Meewasin has deferred revenue of \$1,000 from the City of Saskatoon which is a Development Review fee (2015 - \$306,850 1<sup>st</sup> Quarter statutory funding).
- (c) Meewasin has deferred revenue of \$121,428 from Trans Canada Trail that relates to expenditures for trail construction phase II to be made in a subsequent period (2015 - \$47,959).
- (d) Meewasin has deferred revenue of \$200 which is a pre-payment for a 2016 River canoe tour (2015 - \$nil).
- (e) Meewasin has deferred revenue of \$nil from J.W. McConnell Family Foundation that relates to expenditures for Cities for People to be made in a subsequent period (2015 - \$18,571).

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>2016</u>	<u>2015</u>
Province of Saskatchewan	Construction projects fund	\$ 310,116	451,053
Province of Saskatchewan	General fund grants	13,020	5,280
City of Saskatoon	Construction projects fund grants	66,000	50,000
City of Saskatoon	Construction projects sale of goods and services	30,035	60,827
City of Saskatoon	General fund grants	8,450	700

- (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, 2016, the net value of assets and liabilities held by Meewasin on behalf of PFSRB is shown on the Meewasin Statement of Financial Position as \$165,459 due to PFSRB (2015 - \$200,099).

During the year, Meewasin Valley Authority provided grants to PFSRB of \$20,000 (2015 - \$20,000). Meewasin provided a donation in-kind to PFSRB of \$17,431 representing staff support and office space (2015 - \$24,016).

Financial statement users interested in the activities of PFSRB for the year ended March 31, 2016 are referred to that entity's own financial statements.

## Notes to the Financial Statements

Year ended March 31, 2016

**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 \$350,340 in cash grants from the Government of Canada (2015 - \$79,843).

**10. Defined Contribution Plan**

Meewasin participates in a multi-employer defined contribution plan on behalf of its employees. Contributions are based on 7.25% of salary up to \$12,685 per participant per annum. Meewasin's contributions and corresponding expense totalled \$120,896 in 2016 (2015 - \$116,954).

**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, 2015, the balance of The Meewasin Valley Fund was \$793,774 (2014 - \$783,037). 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, 2015, the balance of the fund was \$18,192 (2014 - \$17,985).
- (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, 2015, the balance of the fund was \$21,593 (2014 - \$20,518).

**12. Pledged Donations**

Outstanding pledges were not recorded in revenue. The outstanding pledges receivable within five years, as at March 31, 2016, were \$260,285 (2015 - \$766,037). The pledges by year going forward are: \$115,293 - 2017; \$51,248 - 2018; \$31,248 - 2019; \$31,248 - 2020; and \$31,248 - 2021.

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, 2016 Meewasin Valley Authority has outstanding commitments of \$301,909 related to on-going projects (2015 - \$540,977).

**Notes to the Financial Statements**

Year ended March 31, 2016

**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, long-term investments, 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. The fair values of these instruments cannot be estimated as the timing of future cash flows is not determinable.

As at March 31, 2016, 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. 97% (2015 – 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.

## Statement of General Fund

Schedule 1

Year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
Revenues		
Statutory funding:		
City of Saskatoon	\$ 485,163	479,267
Government of Saskatchewan	606,140	606,000
University of Saskatchewan	454,062	449,565
Fee for service	64,449	64,504
Grants	38,756	14,479
Interest and other	44,610	40,559
	<u>1,693,180</u>	<u>1,654,374</u>
Expenditures		
Administrative	645,890	622,044
Development review	85,758	84,320
Facility operation	216,427	172,799
Planning	117,283	176,220
Public education and involvement	235,078	197,459
Beaver Creek	235,584	224,011
Meewasin Valley Centre	213,478	204,386
Resource conservation	6,209	60
Special projects	57,290	39,952
	<u>1,812,997</u>	<u>1,721,251</u>
Deficiency of revenues over expenditures	(119,817)	(66,877)
Fund balance, beginning of year	1	37
Allocations		
From construction projects fund	60,515	14,999
From donations fund	59,302	51,842
Fund balance, end of year	\$ <u>1</u>	<u>1</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, 2016

	<u>2016</u>	<u>2015</u>
Revenues		
Statutory funding		
City of Saskatoon	\$ 556,163	239,633
Government of Saskatchewan	303,028	303,000
University of Saskatchewan	227,031	224,783
Fee for service and other	69,049	74,337
Grants	<u>733,719</u>	<u>617,679</u>
	<b>1,888,990</b>	<b>1,459,432</b>
Expenditures		
Beaver Creek	72,384	100,387
Cosmopolitan Park	5,620	14,910
Fred Heal Canoe Launch	-	1,004
Maple Grove	-	29,064
Meewasin Rink	6,356	4,588
Meewasin Swale	43,559	60,113
Meewasin Swale Trail Development Plan	497	4,544
Meewasin Valley Centre	6,638	14,908
Meewasin Valley Trail	1,385,769	1,870,897
Mendel Riverbank	538,212	139,854
Natural Areas	11,038	6,291
Paradise Beach	-	717
Park signage	5,473	4,818
Peggy McKercher Conservation Area	4,014	7,168
Poplar Bluffs	-	9,315
Riverbank restoration	274,765	131,643
River Landing - Riverfront I	12,063	12,656
River Landing - Riverfront II	-	12,759
Rotary Park	1,302	3,222
St. Joseph High School	18,573	18,668
Tree planting	96,874	53,639
U. of S. Riverbank and East Side Weir	-	1,147
Weir Riverbank	-	3,746
	<u>2,483,137</u>	<u>2,506,058</u>
Deficiency of revenues over expenditures	<b>(594,147)</b>	<b>(1,046,626)</b>
Fund balance, beginning of year	1	187,940
Allocations		
To purchase capital assets	(16,325)	(13,202)
To general fund	(60,515)	(14,999)
From donations fund	158,686	886,888
From capital asset replacement fund	<u>512,300</u>	<u>-</u>
Fund balance, end of year	\$ <u>-</u>	<u>1</u>

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

## Statement of Donations Fund

Schedule 3

Year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
Revenues		
General	\$ 290,768	197,388
Cameco Riverfront campaign	10,000	10,000
Trails Campaign	418,111	829,535
Planned giving	1,351	51,422
Plant - A - Tree	13,662	10,602
Rink Campaign	11,466	6,050
Gift Club	400	900
Gift shop (gross margin)	<u>1,583</u>	<u>589</u>
	<u>747,341</u>	<u>1,106,486</u>
Expenditures		
General administration	122,664	61,777
Trails Campaign	34,393	107,370
Individual donations	14,260	3,163
Planned giving	2,851	1,826
Plant - A - Tree	3,757	3,689
Rink Campaign	9,366	6,187
Gift shop	480	733
Other	2,812	1,826
Saskatoon Community Foundation – Wes Bolstad Fund	1,258	-
Saskatoon Community Foundation – Susan Lamb Fund	1,569	875
The Meewasin Endowment Fund (note 11)	<u>54,412</u>	<u>53,722</u>
	<u>247,822</u>	<u>241,168</u>
Excess of revenues over expenditures	499,519	865,318
Fund balance, beginning of year	126,400	199,812
Allocations		
To construction projects fund	(158,686)	(886,888)
To general fund	<u>(59,302)</u>	<u>(51,842)</u>
Fund balance, end of year	\$ <u>407,931</u>	<u>126,400</u>

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

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# Saskatoon Land Website Restructuring – Award of Request for Proposal

## Recommendation

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

1. That the proposal submitted by Digital Echidna for the Website Restructuring Project for a cost of \$89,100 (plus applicable taxes) be approved; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

## Topic and Purpose

The purpose of this report is to receive City Council approval to award the Request for Proposals (RFP) for the Website Restructuring Project to Digital Echinda.

## Report Highlights

1. On March 10, 2016, the City of Saskatoon (City) issued an RFP for the restructuring of Saskatoon Land's current website.
2. Ten proponents submitted proposals by the required deadline, and the RFP submissions were evaluated using criteria established by the Project Steering Committee.
3. The Administration is recommending Digital Echidna be awarded the contract for the restructuring of Saskatoon Land's website.

## Strategic Goal

A website better tailored to marketing and selling land will increase sales which supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes under Strategic Goal of Asset and Financial Sustainability.

Restructuring the Saskatoon Land website also supports the four-year priority of developing a new website that is more customer and citizen friendly under the Strategic Goal of Continuous Improvement.

## Background

To be effective in marketing Saskatoon Land's communities and land parcels, a strong web presence is critical. An improved website will also provide easier access to customers who are seeking information regarding lot availability, neighbourhood amenities and land sale policies.

## Report

### RFP Issued

Restructuring Saskatoon Land's current website is required to improve the ability market developments and land parcels. The existing website has proven to be an effective tool in the provision of civic services and information, however, the current website lacks the

flexibility to be used as an effective land and community marketing tool. Current market research indicates that individuals and businesses start their search for new homes and business locations on the Internet. To be effective in marketing communities and land parcels, a professional web presence is critical.

The restructured website will promote access through a range of devices to:

- retrieve information on development areas;
- provide potential customers with:
  - real-time parcel inventory status;
  - lot characteristics;
  - neighbourhood amenities; and
- provide information on land sales policies.

The website will also enable builder customers to find information on upcoming lot draws and other information, as well as resources specific to their needs. The new website will further distinguish Saskatoon Land as an arm's length business operating within the larger corporate structure of the corporation.

An external consultant for the Saskatoon Land Website restructuring project is preferred in order to allow dedicated resources to be assigned to the project to meet the year-end completion target. Additionally, the project requires specialized expertise in implementing a customer (builder) engagement strategy to ensure the needs of both the internal and external users of the website are fulfilled.

### Request for Proposals Issued

The RFP for the Website Restructuring Project was issued on March 10, 2016, with a closing date of April 15, 2016. Ten proposals from the following companies were received:

- 247 Labs Inc.
- CDI Corporation
- Digital Echidna
- Fujitsu
- Horizon
- iFathom Corporation
- KAMICODE INC.
- Melcher Media
- OPIN
- zu

### Award of RFP

The RFP Steering Committee, comprised of staff from the Saskatoon Land, Information Technology (IT) and Communications Divisions, evaluated the proposals received based upon the following criteria as detailed in the RFP:

Category	Points
Project management	15
Customer engagement strategy	10
Creation of Saskatoon Land website, elements, templates and structure using existing City Drupal and LAMP framework	40
Integration of the City’s Digital Program Policies and Standards, and Plain-Language Guide	4
Embedding of live mapping component into the website with existing City ESRI/GIS systems	4
User login capabilities through existing ADFS framework	4
Advice on modular interactive applications	3
Financial proposal	20
<b>Total</b>	<b>100</b>

Upon the evaluation of all proposals submitted, the RFP Steering Committee determined that the proposal submitted by Digital Echidna best meets the RFP requirements. The Administration is recommending award of the contract to Digital Echidna for a net cost of \$96,228.

**Options to the Recommendation**

City Council could choose to not proceed with awarding the RFP; however, the Administration does not recommend this option as the ability to effectively market new communities and land parcels may be lost.

**Public and/or Stakeholder Involvement**

The unsuccessful proponents have been notified.

**Financial Implications**

The net cost to the City for the Website Restructuring Project is as follows:

<b>Breakdown</b>	<b>Price</b>
Price Proposal	\$ 89,100
GST	\$ 4,455
HST (Ontario)	\$ 7,128
<b>Contract Price</b>	<b><u>\$100,683</u></b>
GST Rebate	<u>(\$4,455)</u>
<b>Net Cost to City</b>	<b><u>\$ 96,228</u></b>

There is sufficient funding within the neighbourhood land development fund for this purchase.

**Other Considerations/Implications**

There are no policy, environmental, privacy, or CPTED implications or considerations, and a communication plan is not required.

**Public Notice**

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

**Report Approval**

Written by: Chelsea Mamer, Staff Accountant  
Reviewed by: Jeremy Meinema, Finance & Sales Manager  
Frank Long, Director of Saskatoon Land  
Approved by: Shelley Sutherland, Acting General Manager, Asset & Financial  
Management Department

Saskatoon Land Website – Award of RFP.docx

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## SREDA – New Funding Agreement 2017 - 2020

### Recommendation

That the Standing Policy Committee on Finance recommend to City Council that the proposed funding agreement with the Saskatoon Regional Economic Development Authority (SREDA), as outlined in this report, be referred to the 2017 Corporate Business Plan and Budget deliberations.

### Topic and Purpose

The purpose of this report is to provide the proposed terms for the renewal funding agreement between the City of Saskatoon (City) and (SREDA) for the years 2017 – 2020, and to request City Council approval to refer this agreement to the 2017 Corporate Business Plan and Budget deliberations in November/December 2016.

### Report Highlights

1. The existing funding allocations in the agreement between SREDA and the City ends in 2016.
2. The proposed level of funding in the new agreement for the years 2017 - 2020 is based on the existing formula of \$3 per capita.
3. The financial impact to the mill rate is an increase of \$45,700 per year for the years 2017 - 2020 inclusive in order to reach the 2020 target of \$885,500.
4. The Administration is recommending the continuance of the existing bonus provision based on the performance criteria set by City Council, and provides a maximum bonus of \$125,000 paid from industrial property revenues in the Property Realized Reserve (PRR).

### Strategic Goal

Maintaining a fee for service agreement with SREDA supports the long-term strategy of working collaboratively with economic development authorities, local businesses and education institutions to promote Saskatoon as a great place to live, work and raise a family under the Strategic Goal of Economic Diversity and Prosperity.

### Background

City Council approved the previous funding agreement between the City and SREDA for the years 2013 - 2016 based on a formula of \$3 per capita at its Budget meeting on December 4 and 5, 2012.

The Funding Agreement also provided for a bonus payment of up to \$125,000 annually, based on the successful achievement of the agreed-upon annual performance measure targets. The funding source for the bonus payment is from industrial property sale proceeds that reside within the Property Realized Reserve.

### Report

An error in the expiry date in the existing funding agreement between the City and SREDA of December 31, 2017 requires the agreement to be terminated, as the last funding allocation identified in the existing agreement is for the calendar year ending

December 31, 2016. Therefore, a new agreement is required to outline the funding allocations beginning in 2017.

The City's CFO/General Manager, Asset and Financial Management Department, and the President/CEO of SREDA have jointly agreed to the terms for the proposed funding agreement that uses the same formula of \$3 per capita and projected population figures of 295,184 in 2020 to reach a level of funding of \$885,500 by 2020.

The 2016 approved base funding for SREDA was \$702,600 using a 2016 projected population figure of 234,200. The 2020 funding level of \$885,500 is an increase of \$182,800 or \$45,700 per year over the four year period.

A bonus payment of up to \$125,000 per year based on the performance targets set by SREDA and approved by City Council remains in the proposed terms of the agreement. This amount is paid from industrial land sales proceeds in the PRR. City Council reviews and approves SREDA's performance measures and targets and bonus payment on an annual basis.

**Options to the Recommendation**

City Council can continue to fund SREDA under the existing Fee-for-Service Agreement, or request an alternative funding formula.

**Public and/or Stakeholder Involvement**

The President/CEO of SREDA and the Board of Directors have reviewed and agree with the proposed terms of the new agreement as outlined in this report.

**Financial Implications**

Approval of the agreement will increase the mill rate by \$45,700 per year starting in 2017 and ending in 2020 for total impact of \$182,900 over the four years.

**Other Considerations/Implications**

There are no policy, environmental, privacy, or CPTED considerations or implications, and a communication plan is not required.

**Due Date for Follow-up and/or Project Completion**

If the recommendation is approved, City Council will consider the proposed agreement at the 2017 Corporate Business Plan and Budget deliberations in November/December 2016.

**Public Notice**

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

**Report Approval**

Written and

Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

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## Business Improvement Districts' 2015 Financial Statements

### Recommendation

1. That the 2015 Audited Financial Statements from Saskatoon Downtown Business Improvement District, Broadway Business Improvement District, Riversdale Business Improvement District, Sutherland Business Improvement District, and the 33<sup>rd</sup> Street Business Improvement District be received as information; and
2. That this report be forwarded to the August 18, 2016 meeting of City Council for information.

### Topic and Purpose

The purpose of this report is to present the 2015 Audited Financial Statement as provided by each of the five Business Improvement Districts (BIDs) for information.

### Report Highlights

1. Saskatoon Downtown, Broadway, Riversdale, Sutherland and 33<sup>rd</sup> Street Business Improvement Districts have submitted their financial statements for the year ended December 31, 2015.

### Strategic Goal

Being open, accountable and transparent is a key factor in achieving the Strategic Goal of Asset and Financial Sustainability. The five 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."

The 2015 Audited Financial Statements are being presented after the March 31 date due to delays in the audit process.

Attached are copies of the audited financial statements for the BIDS for the year ended December 31, 2015.

### 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. 2015 Financial Statements, Saskatoon Downtown BID
2. 2015 Financial Statements, Broadway BID
3. 2015 Financial Statements, Riversdale BID
4. 2015 Financial Statements, Sutherland BID
5. 2015 Financial Statements, 33<sup>rd</sup> Street BID

**Report Approval**

Written by: Kyra Macfarlane, Corporate Accounting Manager  
Reviewed by: Clae Hack, Director of Finance  
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

BIDSFInStmnts2015.docx

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**





**BUCKBERGER BAERG**  
**& PARTNERS LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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Paul Pastor CPA CA CBV\*  
Jeff Persic CPA CA CFE\*

\* services provided through  
professional corporation

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Saskatoon Downtown Business Improvement District

We have audited the accompanying financial statements of Saskatoon Downtown Business Improvement District, which comprise the statement of financial position as at December 31, 2015, and the statement of operations, statement of changes in net assets and statement of cash flows 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 risk assessments, the auditor considers internal control relevant to the organization'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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT (continued)**

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatoon Downtown Business Improvement District as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

SASKATOON, SASKATCHEWAN

March 23, 2016

*Buchberger Berg & Partners LLP*

Chartered Professional Accountants

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2015**

	<u>Operating fund</u>	<u>Externally restricted fund</u>	<u>Internally restricted fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 455,591	\$ -	\$ 200,000	\$ 655,591	\$ 650,040
Accounts receivable	38,820	-	-	38,820	65,769
Prepaid expenses	8,806	-	-	8,806	8,482
Interfund receivable	-	197,395	-	-	-
	<u>503,217</u>	<u>197,395</u>	<u>200,000</u>	<u>703,217</u>	<u>724,291</u>
Capital assets (Note 3)	75,273	35,959	-	111,231	35,275
	<u>\$ 578,490</u>	<u>\$ 233,354</u>	<u>\$ 200,000</u>	<u>\$ 814,448</u>	<u>\$ 759,566</u>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities (Note 4)	\$ 15,194	\$ 135,419	\$ -	\$ 150,612	\$ 142,920
Interfund payable	197,395	-	-	-	-
Deferred revenue	-	-	-	-	107,787
	<u>212,589</u>	<u>135,419</u>	<u>-</u>	<u>150,612</u>	<u>250,707</u>
Commitments (Note 5)					
<b><u>NET ASSETS</u></b>					
Internally restricted fund	-	-	200,000	200,000	200,000
Externally restricted fund	-	97,935	-	97,935	-
Operating fund	365,901	-	-	365,901	308,859
	<u>365,901</u>	<u>97,935</u>	<u>200,000</u>	<u>663,836</u>	<u>508,859</u>
	<u>\$ 578,490</u>	<u>\$ 233,354</u>	<u>\$ 200,000</u>	<u>\$ 814,448</u>	<u>\$ 759,566</u>

See accompanying notes

Approved on behalf of the members

Director \_\_\_\_\_

Director \_\_\_\_\_

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2015**

	<u>Operating fund</u>	<u>Externally restricted fund</u>	<u>Internally restricted fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b>Revenue</b>					
Business tax levy	\$ 585,551	\$ -	\$ -	\$ 585,551	\$ 573,131
City of Saskatoon grant	-	496,022	-	496,022	336,325
Parking grant	35,900	-	-	35,900	35,900
Street maintenance	20,539	-	-	20,539	19,916
Investment and other earnings	18,272	-	-	18,272	20,495
Other revenue	-	396	-	396	-
	<u>660,262</u>	<u>496,418</u>	<u>-</u>	<u>1,156,680</u>	<u>985,767</u>
<b>Expenditures</b>					
Amortization	14,832	8,638	-	23,470	23,737
Events	29,350	-	-	29,350	28,389
Marketing	22,962	-	-	22,962	31,069
Meetings	6,243	-	-	6,243	5,653
Office and administration	92,313	55,213	-	147,526	149,780
Research and education	20,331	17,241	-	37,572	19,195
Street cleaning	146,813	-	-	146,813	131,851
Wages and benefits	270,376	313,910	-	584,286	521,021
	<u>603,220</u>	<u>395,002</u>	<u>-</u>	<u>998,222</u>	<u>910,695</u>
Excess of revenue over expenditures before other item	57,042	101,416	-	158,458	75,072
Loss on disposal of capital assets	-	(3,481)	-	(3,481)	-
	<u>57,042</u>	<u>97,935</u>	<u>-</u>	<u>154,977</u>	<u>75,072</u>
<b>Excess of revenue over expenditures</b>	<b>\$ 57,042</b>	<b>\$ 97,935</b>	<b>\$ -</b>	<b>\$ 154,977</b>	<b>\$ 75,072</b>

*See accompanying notes*

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2015**

	<u>Operating fund</u>	<u>Externally restricted fund</u>	<u>Internally restricted fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b>Net assets, beginning of year</b>	\$ 308,859	\$ -	\$ 200,000	\$ 508,859	\$ 433,787
Excess of revenue over expenditures	<u>57,042</u>	<u>97,935</u>	<u>-</u>	<u>154,977</u>	<u>75,072</u>
<b>Net assets, end of year</b>	<b><u>\$ 365,901</u></b>	<b><u>\$ 97,935</u></b>	<b><u>\$ 200,000</u></b>	<b><u>\$ 663,836</u></b>	<b><u>\$ 508,859</u></b>

*See accompanying notes*

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditures	\$ 154,977	\$ 75,072
Items not affecting cash		
Amortization	23,470	23,737
Loss on disposal of capital assets	<u>3,481</u>	<u>-</u>
	181,928	98,809
Net change in non-cash working capital items		
Accounts receivable	26,949	1,539
Prepaid expenses	(324)	723
Accounts payable and accrued liabilities	7,692	44,191
Deferred revenue	<u>(107,787)</u>	<u>(108,314)</u>
	<u>108,458</u>	<u>36,948</u>
<b>Cash flows (used in) from investing activities</b>		
Purchase of capital assets	(103,407)	(16,441)
Proceeds on disposal of capital assets	500	-
Disposal of investments	<u>-</u>	<u>420,234</u>
	(102,907)	403,793
<b>Net increase in cash and cash equivalents</b>	5,551	440,741
Cash and cash equivalents, beginning of year	<u>650,040</u>	<u>209,299</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 655,591</b></u>	<u><b>\$ 650,040</b></u>

*See accompanying notes*

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**1. Nature of operations**

Saskatoon Downtown Business Improvement District (the "organization") is a non-profit organization established through the Bylaws of the City of Saskatoon. The organization's mandate is to make the downtown core a better place to live, work, shop, visit, play and invest. The organization is exempt from income taxes under Section 149 of the Income Tax Act.

The organization entered into a Memorandum of Agreement with the City of Saskatoon to deliver and manage the Community Support Program (CSO Program). The purpose of the CSO Program is to deploy community support officers who will endeavour to address the community issues in the area of the downtown core. During the year, the organization signed another Memorandum of Agreement with the City of Saskatoon to extend the CSO Program indefinitely.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**Fund accounting**

The organization follows the principles of fund accounting.

The Operating fund accounts for the general operations and events of the organization. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund.

The Externally restricted fund accounts for the operations of the Community Support Program.

The Internally restricted fund is established for the purposes of maintaining a reserve for future uncertain expenditures. The balances in the Internally restricted fund are not available for any purpose without the authorization of the Board of Directors.

**Cash and cash equivalents**

Cash and cash equivalents are defined as cash and short-term deposits with term maturity of three months or less from year end.

**Capital assets**

Capital assets are recorded at cost, less accumulated amortization. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	45%
Leasehold improvements	20%
Office equipment	20%
Office signage	20%
Vehicles	30%

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**2. Significant accounting policies (continued)**

**Impairment of long-lived assets**

Long-lived assets, which comprise capital assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

**Revenue recognition**

The organization follows the deferral method of accounting for contributions which includes grants and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

Investment and other income is recognized as earned.

**Donated material and services**

The work of the organization 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.

**Financial instruments**

The organization initially records a financial instrument at its fair value except for a related party transaction which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in excess of revenues over expenditures in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include cash, accounts receivable, and accounts payable and accrued liabilities.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**2. Significant accounting policies (continued)**

**Use of estimates**

The preparation of financial statements in conformity 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 revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

**3. Capital assets**

**Operating fund**

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Total 2015</u>	<u>Total 2014</u>
Computer equipment	\$ 21,565	\$ 21,565	\$ -	\$ -
Leasehold improvements	18,180	18,180	-	3,523
Office equipment	32,974	25,077	7,897	837
Office signage	60,122	60,122	-	5,704
Vehicles	78,195	10,820	67,375	1,320
	<u>\$ 211,036</u>	<u>\$ 135,764</u>	<u>\$ 75,272</u>	<u>\$ 11,384</u>

**Externally restricted fund**

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Total 2015</u>	<u>Total 2014</u>
Computer equipment	\$ 4,427	\$ 3,827	\$ 600	\$ -
Leasehold improvements	25,671	16,530	9,141	14,275
Office equipment	11,269	7,888	3,381	5,635
Vehicles	23,913	1,076	22,837	3,981
	<u>\$ 60,853</u>	<u>\$ 25,494</u>	<u>\$ 35,959</u>	<u>\$ 23,891</u>

**SASKATOON DOWNTOWN BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**4. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities is \$131,069 (2014 - \$131,069) of unspent revenues from the first contract relating to the Community Support Program. This amount was repaid to the City of Saskatoon after December 31, 2015.

**5. Commitments**

The organization has committed to the following minimum annual lease payments under certain building operating leases with third parties:

2016	\$	62,996
2017		56,459
2018		17,730

**6. Economic dependence**

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

**7. Financial instruments**

**Liquidity risk**

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial instruments. The organization's approach is to establish an internally restricted fund whose purpose is to ensure it maintains an amount sufficient to meet its liabilities when due, under both normal and stressed circumstances.

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**





**BUCKBERGER BAERG  
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professional corporation

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Broadway Business Improvement District**

We have audited the accompanying financial statements of Broadway Business Improvement District, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, changes in fund balances and cash flows 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 risk assessments, the auditor considers internal control relevant to the organization'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 organization'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.

**INDEPENDENT AUDITOR'S REPORT** (continued)

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Broadway Business Improvement District as at December 31, 2015, 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.

SASKATOON, SASKATCHEWAN

March 14, 2016

*Buchberger Baerg & Partners LLP*

Chartered Professional Accountants

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash	\$ 44,167	\$ 11,250
Restricted cash	3,575	3,540
Investments (Note 3)	77,684	70,274
Inventory	6,105	12,184
Prepaid expenses	945	-
Accounts receivable	26,476	30,199
GST receivable	<u>2,438</u>	<u>3,965</u>
	161,390	131,412
Capital assets (Note 4)	<u>4,254</u>	<u>5,468</u>
	<b><u>\$ 165,644</u></b>	<b><u>\$ 136,880</u></b>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	<u>\$ 11,864</u>	<u>\$ 14,048</u>
<b><u>FUND BALANCES</u></b>		
Restricted fund	3,575	3,540
General fund	<u>150,205</u>	<u>119,292</u>
	<u>153,780</u>	<u>122,832</u>
	<b><u>\$ 165,644</u></b>	<b><u>\$ 136,880</u></b>

*See accompanying notes*

Approved by the Board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Business tax levy	\$ 187,086	\$ 174,968
Events	40,088	54,718
Parking grant	35,900	35,900
Street maintenance	6,148	6,032
Employment grant	6,118	9,499
Marketing and new initiatives	3,290	12,154
Interest income	1,757	1,103
	<u>280,387</u>	<u>294,374</u>
<b>Expenditures</b>		
Advertising	9,125	15,690
Amortization	1,141	1,470
Bad debts	1,300	580
Board expenses	2,503	471
Events	30,378	49,077
Insurance	1,600	1,525
Office	7,964	9,196
Professional and business development	9,511	3,316
Professional fees	11,126	16,865
Rent	11,383	10,934
Repairs and maintenance	3,031	3,941
Wages and benefits	160,412	170,207
	<u>249,474</u>	<u>283,272</u>
<b>Excess of revenues over expenditures from General fund</b>	<u>30,913</u>	<u>11,102</u>
<b>Restricted fund</b>		
Walk of Stars interest income	35	463
Walk of Stars expenses	-	(250)
<b>Excess of revenues over expenditures from Restricted Fund</b>	<u>35</u>	<u>213</u>
<b>Excess of revenues over expenditures</b>	<u>\$ 30,948</u>	<u>\$ 11,315</u>

*See accompanying notes*

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CHANGES IN FUND BALANCES**

**YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>		
	<u>Total</u>	<u>General fund</u>	<u>Restricted fund</u>
Fund balance, beginning of year	\$ 122,832	\$ 119,292	\$ 3,540
Excess of revenues over expenditures	<u>30,948</u>	<u>30,913</u>	<u>35</u>
Fund balance, end of year	<b><u>\$ 153,780</u></b>	<b><u>\$ 150,205</u></b>	<b><u>\$ 3,575</u></b>
			<u>2014</u>
	<u>Total</u>	<u>General fund</u>	<u>Restricted fund</u>
Fund balance, beginning of year	\$ 111,517	\$ 108,190	\$ 3,327
Excess of revenues over expenditures	<u>11,315</u>	<u>11,102</u>	<u>213</u>
Fund balance, end of year	<b><u>\$ 122,832</u></b>	<b><u>\$ 119,292</u></b>	<b><u>\$ 3,540</u></b>

*See accompanying notes*

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>Cash flows from (used in) operating activities</b>		
Excess of revenues over expenditures	\$ 30,948	\$ 11,315
Item not affecting cash		
Amortization	1,141	1,470
Net change in non-cash working capital items:		
Inventory	6,079	(6,822)
Prepaid expenses	(945)	-
Accounts receivable	3,723	(6,653)
GST receivable	1,527	255
Accounts payable and accrued liabilities	(2,186)	3,163
Unearned revenue	-	(35,900)
	<u>40,287</u>	<u>(33,172)</u>
<b>Cash flows from (used in) investing activities</b>		
Proceeds on sale of capital assets	75	-
Purchase of investments	<u>(7,410)</u>	<u>(1,935)</u>
	<u>(7,335)</u>	<u>(1,935)</u>
<b>Net increase (decrease) in cash during the year</b>	32,952	(35,107)
<b>Cash, beginning of year</b>	<u>14,790</u>	<u>49,897</u>
<b>Cash, end of year</b>	<u>\$ 47,742</u>	<u>\$ 14,790</u>

*See accompanying notes*

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**1. Nature of operations**

Broadway Business Improvement District (the "organization") was established in 1986 for the purpose of supporting and advancing the interests of all businesses situated within the boundaries of the Broadway district in Saskatoon, Saskatchewan. The organization is exempt from income taxes under Section 149 of the Income Tax Act.

**2. Significant accounting policies**

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

**Fund accounting**

The organization follows the principles of fund accounting.

The General fund accounts for the general operations and events of the organization. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund.

The 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 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 to the ceremony to unveil the star can be paid for out of the externally-restricted fund.

**Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

**Investments**

Investments are recorded at fair market value.

**Capital assets**

Capital assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	25%
Event equipment	20%
Office equipment	20%

## **BROADWAY BUSINESS IMPROVEMENT DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**2. Significant accounting policies (continued)**

**Impairment of long-lived assets**

Long-lived assets, which comprise capital assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

**Revenue recognition**

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Business tax levy, parking meter, and maintenance revenues are recognized when the funds are received. All other sources of revenues are recognized when the product is delivered or the services rendered.

**Financial instruments**

The organization initially records a financial instrument at its fair value except for a related party transaction which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in excess of revenues over expenditures in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include cash, investments, accounts receivable, and accounts payable and accrued liabilities.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

**Donated material and services**

Donated materials and services are recorded at fair value when fair value can be reasonably estimated and when the materials and services are purchased.

The organization is dependent on the voluntary services of many individuals to the activities of the organization. Since these services are not normally purchased and because of the difficulty in determining their fair value, no amounts have been reflected in these financial statements for volunteer services.

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**2. Significant accounting policies (continued)**

**Use of estimates**

The preparation of financial statements in conformity 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 revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

**3. Investments**

	<u>2015</u>	<u>2014</u>
Term deposits cashable within one year	\$ 56,046	\$ 34,014
Term deposits cashable after one year	<u>21,638</u>	<u>36,260</u>
	<b><u>\$ 77,684</u></b>	<b><u>\$ 70,274</u></b>

**4. Capital assets**

	<u>2015</u>			<u>2014</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment	\$ 2,926	\$ 1,996	\$ 930	\$ 1,239
Event equipment	5,378	2,937	2,441	3,051
Office equipment	<u>1,971</u>	<u>1,088</u>	<u>883</u>	<u>1,178</u>
	<b><u>\$ 10,275</u></b>	<b><u>\$ 6,021</u></b>	<b><u>\$ 4,254</u></b>	<b><u>\$ 5,468</u></b>

**5. Line of credit**

The organization has established a line of credit with the Affinity Credit Union with an authorized limit of \$10,000. At year end, no amount had been drawn on this line of credit.

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

**6. Lease commitments**

The organization is committed to lease agreements related to its office premises, expiring on August 31, 2018. The monthly lease payments including occupancy costs under the current lease agreement are \$1,047 from January 2016 until March 2016 and \$1,115 from April 2016 through August 2018.

2016	\$	13,176
2017		13,380
2018		8,920

**7. Economic dependence**

The organization 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 organization's ability to sustain its current level of operating activities.

**8. Financial instruments**

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relates to its accounts receivable.

**Liquidity risk**

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and operating lease commitments.

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

Financial Statements

For the year ended December 31, 2015

and Independent Auditors' Report

## **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

## INDEPENDENT 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, 2015 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.

### 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 (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, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian ASNFPO.



Chartered Accountants  
Saskatoon, Saskatchewan

May 11, 2016

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

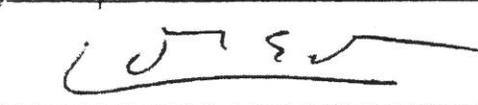
**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 121,026	\$ 91,687
Restricted cash	173	233
Short-term investments	39,496	39,015
Accounts receivable	19,895	14,675
Prepaid expenses	1,299	1,197
	<u>181,889</u>	<u>146,807</u>
PROPERTY AND EQUIPMENT (Note 3)	<u>3,097</u>	<u>3,994</u>
	<u>\$ 184,986</u>	<u>\$ 150,801</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
 <b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	<u>\$ 1,719</u>	<u>\$ 400</u>
 <b>NET ASSETS:</b>		
Internally restricted net assets	173	233
Unrestricted net assets	<u>183,094</u>	<u>150,168</u>
	<u>183,267</u>	<u>150,401</u>
	<u>\$ 184,986</u>	<u>\$ 150,801</u>

Approved by the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
REVENUE:		
City of Saskatoon surtaxes	\$ 165,456	\$ 150,653
Parking grant	35,900	35,900
Other grants	18,433	14,971
Interest income	1,544	1,440
	<u>221,333</u>	<u>202,964</u>
EXPENDITURES:		
Advertising and promotion	16,968	21,326
Amortization	897	1,201
Bank charges and interest	357	1,212
Board meetings and education	1,657	2,733
Insurance	2,622	2,126
Memberships and dues	1,704	2,109
Office	3,678	6,694
Professional fees	7,886	7,591
Projects	15,433	-
Rent	5,400	5,355
Repairs and maintenance	2,461	3,911
Salaries and benefits	119,228	135,417
Seminars and conventions	6,759	4,420
Telephone	3,417	3,184
	<u>188,467</u>	<u>197,279</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 32,866</u>	<u>\$ 5,685</u>

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Internally restricted net assets</u>	<u>Unrestricted net assets</u>	<u>2015</u>	<u>2014</u>
Net assets at beginning of the year	\$ 233	\$ 150,168	\$ 150,401	\$ 144,716
Excess of revenue over expenditures	<u>(60)</u>	<u>32,926</u>	<u>32,866</u>	<u>5,685</u>
Net assets at end of the year	<u>\$ 173</u>	<u>\$ 183,094</u>	<u>\$ 183,267</u>	<u>\$ 150,401</u>

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Excess of revenue over expenditures	\$ 32,866	\$ 5,685
Item not affecting cash:		
Amortization	897	1,201
Net change in non-cash working capital items:		
Accounts receivable	(5,220)	1,678
Prepaid expenses	(102)	(182)
Accounts payable and accrued liabilities	1,319	(628)
Deferred contributions	-	(35,900)
	<u>29,760</u>	<u>(28,146)</u>
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Net (increase) decrease in short-term investments	<u>(481)</u>	<u>20,393</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	29,279	(7,753)
CASH AT BEGINNING OF THE YEAR	<u>91,920</u>	<u>99,673</u>
CASH AT END OF THE YEAR	<u>\$ 121,199</u>	<u>\$ 91,920</u>
CASH CONSISTS OF:		
Cash in bank - unrestricted	\$ 121,026	\$ 91,687
Restricted cash	173	233
	<u>\$ 121,199</u>	<u>\$ 91,920</u>

# RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 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, 2015**

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.

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>2015</u>	<u>2014</u>
Automotive	\$ 8,555	\$ 8,262	\$ 293	\$ 419
Office equipment	14,624	13,478	1,146	1,433
Office furniture and fixtures	2,931	2,735	196	245
Computer equipment	3,604	3,480	124	225
Maintenance equipment	12,306	10,968	1,338	1,672
	<u>\$ 42,020</u>	<u>\$ 38,923</u>	<u>\$ 3,097</u>	<u>\$ 3,994</u>

4. FINANCIAL INSTRUMENTS:

The District, as part of its operations, carries financial instruments. It is management's opinion that the District is not exposed to significant interest, currency, credit, liquidity or other price 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.

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

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.

**SUTHERLAND BUSINESS IMPROVEMENT DISTRICT  
INDEX TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Receipts and Expenditures and Fund Balance	3
Statement of Changes in Financial Position	4
Notes to the Financial Statements	5-6

# JAMES H. STINN

CPA, Prof. Corp.

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## 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, 2015 and the statements of receipts 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.

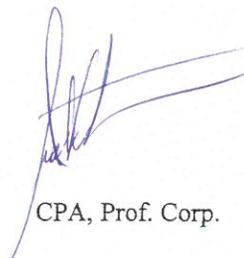
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2015 and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Saskatoon, Saskatchewan  
February 2, 2016

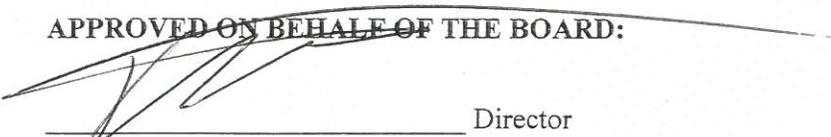


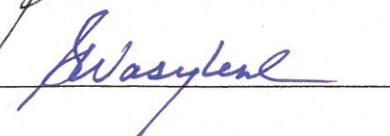
CPA, Prof. Corp.

**SUTHERLAND BUSINESS IMPROVEMENT DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Bank	\$ 73,925	\$ 76,891
Accounts receivable	0	3,097
Prepaid Expenses	<u>200</u>	<u>330</u>
	<u>\$ 74,125</u>	<u>\$ 80,318</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accruals	\$ <u>2,209</u>	\$ <u>1,450</u>
<b>FUND BALANCES</b>		
<b>General fund</b>	<u>71,916</u>	<u>78,868</u>
	<u>\$ 74,125</u>	<u>\$ 80,318</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, 2015**

	<u>2015</u>	<u>2014</u>
<b>Receipts</b>		
Business assessments	\$ 27,642	\$ 29,207
Interest and other	<u>0</u>	<u>3</u>
	<u>27,642</u>	<u>29,210</u>
<b>Expenditures</b>		
Audit fees	1,436	1,570
Bank charges	5	154
Contract services (Exec director)	22,506	22,341
Flower project	0	149
Insurance	800	800
Membership fees	620	464
Newsletter and advertising	1,692	1,783
Office	812	1,086
Rent	941	210
Repairs and maintenance	3,529	482
Street Signs	630	0
Telephone	659	609
Urban camp	0	351
Utilities	679	524
Website	<u>285</u>	<u>73</u>
	<u>34,594</u>	<u>30,596</u>
<b>Deficiency of receipts over expenditures</b>	(6,952)	(1,386)
<b>Fund balance, beginning of year</b>	<u>78,868</u>	<u>80,254</u>
<b>Fund balance, end of year</b>	<u>\$ 71,916</u>	<u>\$ 78,868</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, 2015**

	<u>2015</u>	<u>2014</u>
<b>Operating activities</b>		
Deficiency of receipts over expenditures	\$ (6,952)	\$ (1,386)
Change in non-cash components of working capital:		
Accounts receivable	3,097	(446)
Prepaid's	130	(330)
Accounts payable and accruals	<u>758</u>	<u>(1,528)</u>
<b>Decrease in cash</b>	(2,966)	(3,690)
<b>Cash, beginning of year</b>	<u>76,891</u>	<u>80,581</u>
<b>Cash, end of year</b>	<u>\$ 73,925</u>	<u>\$ 76,891</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, 2015**

**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

Financial instruments, including cash, accounts receivable and accounts payable and accruals, are initially recorded at their fair value and are subsequently measured at cost or amortized cost, net of any provisions for impairment.

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.

**SUTHERLAND BUSINESS IMPROVEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2015**

**3. FINANCIAL INSTRUMENTS**

The Organization's financial instruments consist of cash, accounts receivable, and accounts payable and accruals. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, credit or liquidity risks arising from these financial instruments.

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

**33RD STREET BUSINESS  
IMPROVEMENT DISTRICT**  
**Financial Statements**  
**Year Ended December 31, 2015**

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## INDEPENDENT AUDITORS' REPORT

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To the Members of 33rd Street Business Improvement District

We have audited the statement of financial position of 33rd Street Business Improvement District as at December 31, 2015 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free of material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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 an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit sufficient assurance about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 organization'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 organization'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 evaluation of the overall presentation of the financial statements.



### Unqualified Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of company as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### Report on Other Legal and Regulatory Requirements

As required by the Financial Administration Act of Saskatchewan we report that, in our opinion, Canadian Public Sector Accounting Standards have been applied on a consistent basis.

We further report in accordance with the Financial Administration Act of Saskatchewan that, in our opinion, proper books of account have been kept by the organization, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the organization.

*Bjorn Sigurdson C.P.A. Prof. Corp.*

Saskatoon, Saskatchewan  
June 16, 2016

Bjorn Sigurdson C.P.A. Prof. Corp.



33RD STREET BUSINESS IMPROVEMENT DISTRICT

Statement of Financial Position

December 31, 2015

---

**ASSETS**

CURRENT

Cash	\$ 11,603
Goods and services tax recoverable	<u>234</u>

\$ 11,837

**LIABILITIES**

CURRENT LIABILITIES

Accrued liabilities (Note 3)	\$ 2,430
------------------------------	----------

NET ASSETS

9,407

\$ 11,837

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See notes to financial statements

**33RD STREET BUSINESS IMPROVEMENT DISTRICT**

**Statement of Operations**

**Year Ended December 31, 2015**

---

<b>REVENUE</b>	<b>\$ 18,333</b>
<b>EXPENSES</b>	
Maintenance	3,723
Advertising	1,308
Accounting fees	2,430
Supplies	47
Insurance	1,097
Office supplies	156
Travel	106
Bank charges	59
	<u>8,926</u>
<b>EXCESS OF OPERATIONS REVENUE OVER EXPENSES</b>	<b>\$ 9,407</b>

**33RD STREET BUSINESS IMPROVEMENT DISTRICT**

**Statement of Net Assets**

**Year Ended December 31, 2015**

---

<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ -</b>
OPERATIONS REVENUE OVER EXPENSES	<u><b>9,407</b></u>
<b>NET ASSETS - END OF YEAR</b>	<u><b>\$ 9,407</b></u>

**33RD STREET BUSINESS IMPROVEMENT DISTRICT**

**Statement of Cash Flows**

**Year Ended December 31, 2015**

---

<b>OPERATING ACTIVITIES</b>	
Operations revenue over expenses	<u>\$ 9,407</u>
Changes in non-cash working capital:	
Accrued liabilities	2,430
GST payable (receivable)	<u>(234)</u>
	<u>2,196</u>
Cash flow from operating activities	<u>11,603</u>
<b>INCREASE IN CASH FLOW</b>	<b>11,603</b>
CASH - Beginning of year	<u>-</u>
<b>CASH - End of year</b>	<b><u>\$ 11,603</u></b>

# 33RD STREET BUSINESS IMPROVEMENT DISTRICT

## Notes to Financial Statements

Year Ended December 31, 2015

---

### 1. NATURE OF ORGANIZATION

The purpose of the organization is to promote the interests of the 33rd Street Business Improvement District's business owners, property owners and residents and thereby foster economic growth and stability within the 33rd Street Business Improvement District.

For Canadian income tax purposes the corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

#### Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the year. Items subject to such estimates include receivable collectibility and useful life of property and equipment. Actual results could differ from those estimates as additional information becomes available in the future.

#### Financial Instruments

The organization records financial instruments at fair value when acquired or issued. In subsequent periods the organization measures all financial asset and financial liabilities at amortized cost.

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

It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments unless otherwise noted.

#### Revenue Recognition

Levy payments are recognized as revenue as each payment is received. Interest and other revenue are recognized in the appropriate fund when earned.

#### Contributed Services

Directors, committee members and owners volunteer their time to assist in the corporation's activities. While their services benefit the corporation considerably, a reasonable estimate of their amount and fair market value cannot be made and, accordingly, these contributed services are not recognized in these financial statements.

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**33RD STREET BUSINESS IMPROVEMENT DISTRICT**

**Notes to Financial Statements**

**Year Ended December 31, 2015**

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3. ACCRUED LIABILITIES

The following is a summary of the organization's related party transactions:

Bjorn Sigurdson CPA Prof Corp	
Year end audit fees	<u>\$ 2,430</u>

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4. FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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## Amending Agreement for Green Bridge Landscaping and Linear Park Consulting Services – Hatch Mott MacDonald

### Recommendation

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

1. That Saskatoon Land enter into an amending agreement to the existing Hatch Mott MacDonald engineering services agreement for the amount of \$32,496.49 (excluding GST), for services regarding Contract No.13-0062, McOrmond Drive Green Bridge, and Contract No.15-0069 Linear Park Landscaping;
2. That the Administration be given approval to exceed 25% of the original fee schedule value by the percentage set out in this report; and
3. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

### Topic and Purpose

The purpose of this report is to obtain City Council approval to enter into an amending agreement with Hatch Mott MacDonald who is the engineering and landscape consultant for the McOrmond Drive Green Bridge and Linear Park Landscaping. The amending agreement will result in the fee schedule exceeding 25% of the original contract value.

### Report Highlights

1. Scope changes requested by the Administration and schedule extensions requested by the Green Bridge contractor, Innovative Civil Constructors Inc. (ICCI), have resulted in a need to exceed the original fee schedule for engineering services on both projects.
2. The Administration is requesting City Council approval to add an additional \$32,496.49 to the HMM fee schedule for engineering services.
3. The Administration is requesting approval to exceed the original contract value for engineering services from HMM by up to 38% to ensure the completion of the projects.

### Strategic Goal

This report supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes and the four-year priority of developing funding strategies related to new capital expenditures under the Strategic Goal of Asset and Financial Sustainability.

## **Background**

Hatch Mott MacDonald (HMM) was hired on May 31, 2013 through a Request for Proposals as the general consultant to complete the detailed design, detailed tender documents, contract administration, and construction management for the Green Bridge project including the landscaping of the bridge and adjacent linear parks. Construction of the Green Bridge structure (Contract No. 13-0062) was substantially completed in 2015. Work on the adjacent linear parks was awarded to Wilco and is currently underway. HMM's original consultant fee was \$295,000.

## **Report**

### Contract Extensions to Date

Since entering into the Engineering Services Agreement with HMM, there have been six approved change orders totalling \$66,905 which equals 22.7% of the original contract between HMM and the City of Saskatoon (City). The following scope changes and delays on the Green Bridge project have resulted in contract extensions to date:

- At the detailed design and tender phase of the project, it became apparent that the best way to proceed was to tender the Green Bridge structure and the landscaping component as two separate contracts. It was determined that one contract for both items would be quite complex and by splitting the contracts, there would be an increased probability to obtain favourable pricing overall. This resulted in additional engineering services to tender and administer both contracts.
- To aid in sales of the lots backing the linear park portion of Richards Park, Saskatoon Land extended the scope of park landscaping (Contract No. 15-0069) to include the entire linear park portion of Richards Park.
- HMM's engineering services fee budget was also strained due to quality control issues and significant schedule extensions requested by the contractor. This resulted in significant out of scope person hours. At the substantial construction completion stage of the bridge structure, the City, was able to recoup \$30,000 as liquidated damages from ICCI for delays incurred. The liquidated damages were negotiated to partially offset additional consulting costs beyond the previous change orders.

### HMM Change Order No. 7

An additional engineering services cost from HMM in the amount of \$32,496.49 is required to complete the project. Approval of this change would result in the contract extensions equalling 33.7% of the original contract.

Administrative Policy No. A02-027, Corporate Purchasing Procedure, Section 10.2 states:

“In any event, if all contract extensions cumulatively exceed 25% of the original contract price, the contract extension must be approved by Council.”

The Administration is seeking City Council approval as the additional costs exceed 25% of the original contract value.

**Unforeseen Future Minor Scope Changes**

Landscape Contract No.15-0069 is underway. Scope changes to the construction contract are not expected but some minor unforeseen changes may occur which could potentially necessitate additional consulting contract extensions. Therefore, out of an abundance of caution, the Administration is requesting permission to exceed the original contract fee schedule for the HMM matter by up to 38%.

**Options to the Recommendation**

There are no other viable options for compensating HMM for unforeseen out of scope work regarding these projects.

**Public and/or Stakeholder Involvement**

Public and/or stakeholder involvement is not required.

**Financial Implications**

There is sufficient funding available in Capital Project No. 1405-5 - Land Development Evergreen, to cover the increased costs of the engineering services.

Of the requested fee increase, \$30,000 has been recouped through liquidated damages that the City has received from ICCI.

**Other Considerations/Implications**

There are no policy, environmental, privacy, or CPTED implications or considerations and a communication plan is not required.

**Due Date for Follow-up and/or Project Completion**

The Green Bridge structure, landscaping, and linear park landscaping will be completed in October 2016.

**Public Notice**

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

**Report Approval**

Written by: Derek Thompson, Land Development Project Manager  
Reviewed by: Frank Long, Director of Saskatoon Land  
Approved by: Shelley Sutherland, Acting General Manager, Asset & Financial Management Department

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## Review of Errors and Omissions Liability Reserve and Self-Insured Retention Reserve Review

### Recommendation

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

1. Upon any claims outstanding against the Errors and Omissions Liability Reserve being completed, the Errors and Omissions Liability Reserve be dissolved and any amounts remaining in the Errors and Omissions Liability Reserve be transferred to the Self-Insured Retention Reserve;
2. No further contributions be made to the Errors and Omissions Liability Reserve and any shortfall of funds be paid from the Self-Insured Retention Reserve; and
3. No change to the contribution level or cap of the Self-Insured Retention Reserve be made at this time.

### Background

In 2008, the City cancelled its municipal Errors and Omissions Insurance Policy and created the Errors and Omissions Liability Reserve. The Errors and Omissions Policy was cancelled because it was not cost effective. Both the premiums and the deductible were high. The Errors and Omissions Liability Reserve was created to self-insure for losses formerly covered by the Errors and Omissions Policy. The Errors and Omissions Liability Reserve was to be funded by a contribution of \$100,000 per year and capped at \$1 million. Currently, the Errors and Omissions Liability Reserve level is approximately \$680,000.00.

### Report

In 2015, the City Solicitor's Office investigated the possibility of re-securing an Errors and Omissions Insurance Policy. It was determined that the Errors and Omissions Insurance Policy would be available at a reasonable cost with a reasonable deductible and, therefore, was re-purchased effective December 15, 2015.

It is recommended that upon completion of any claims outstanding against the Errors and Omissions Liability Reserve, the Reserve be dissolved and any amounts remaining in the Errors and Omissions Liability Reserve be transferred to the Self-Insured Retention Reserve. The Self Insured Retention Reserve is used to pay deductibles under all of the City's insurance policies and to pay third-party claims, the amount of which are under the deductible.

It is further recommended that no further contributions be made to the Errors and Omissions Liability Reserve. If there is a shortfall in the Errors and Omissions Liability

Reserve respecting any outstanding claims, the shortfall would be paid out of the Self-Insured Retention Reserve.

Also, the City Solicitor's Office has reviewed the sufficiency of the Self-Insured Retention Reserve. Even with the added burden from eventual cancellation of the Errors and Omissions Liability Reserve, the Self-Insured Retention Reserve is in a healthy position such that the contributions needed for 2015 and 2016 were less than the maximum permitted. At present, Administration believes the Self-Insured Retention Reserve should be sufficient to cover deductibles under all of the City's insurance policies and third-party claims, the amount of which are under the various policies' deductibles in normal circumstances. The Administration recommends no change to the contribution rate of up to \$850,000.00 annually or the cap level of \$2.5 million. The Self-Insured Retention Reserve is not designed to address a series of unusual or catastrophic losses. The City carries various insurance policies for such eventualities.

**Options to the Recommendation**

Retain the Errors and Omissions Liability Reserve.

**Policy Implications**

The added advantage of purchasing the Errors and Omissions Policy is that the City has \$5 million coverage insurance instead of the \$1 million cap on the Errors and Omissions Liability Reserve.

**Public Notice**

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

**Report Approval**

Written by: B. H. Rossmann, Q.C., Director of Municipal Law  
and Civil Litigation

Approved by: Patricia Warwick, City Solicitor

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## Design and Construction Agreement for the Repair and Renovation of the Mendel Building

### Recommendation

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

1. That the City of Saskatoon enter into a design and construction agreement to repair and renovate the Mendel Building with the Children's Discovery Museum on the Saskatchewan Inc. based on the key terms set out in this report;
2. That the City of Saskatoon endorse submission of this combined project by the Children's Discovery Museum to the Canada Cultural Spaces Fund; and
3. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

### Topic and Purpose

The purpose of this report is to outline the key terms for a design and construction agreement between the City of Saskatoon (City) and the Children's Discovery Museum on the Saskatchewan Inc. (Museum) and to ensure that this agreement is used as an opportunity to repair and renovate the Mendel Building in an efficient, coordinated and cost-effective manner.

### Report Highlights

1. Capital replacements and repairs are planned for the Mendel Building when it is vacated. High-priority items include remediation of asbestos, a new boiler, new sprinklers, replacement of the fire alarm system, and accessibility improvements.
2. A combined project with the Museum as lead is recommended to integrate the City's capital replacement and repairs with the Museum's tenant improvements.
3. The benefits and rationale for a combined project include better coordination of technical issues, improved schedule management, limitation of construction safety risk, and greater leverage of in-kind services.
4. The City's capital costs will be included in a grant request to the Canada Cultural Spaces Fund. The maximum potential grant to the City would be \$1.1M, which amounts to 50% of these costs.

### Strategic Goals

This report supports the Strategic Goals of Asset and Financial Management, Quality of Life, and Sustainable Growth. The proposed project will improve a City-owned asset and increase access and functionality of this cultural facility. It also supports the City Centre as a cultural and entertainment district and preserves the character of the Mendel Building as a heritage structure.

### Background

At its meeting on December 14, 2015 City Council resolved:

- "1. That an Offer to Lease Agreement between the City of Saskatoon and the Children's Discovery Museum on the Saskatchewan Inc. for a portion of

the Mendel Building based on the terms as set out in the following report be approved;”

This Agreement was executed earlier this year. Consistent with direction from City Council (August 2010), the City maintains ownership of the building and grounds, and the Conservatory will remain under the management and operation of the Parks Division.

### **Report**

The Mendel Building requires capital replacements and repairs by the City prior to the commencement of operations by the Museum of their tenant area. The Museum will also be carrying out tenant improvements within the Mendel Building in order to create spaces and environments to support their program. The City and Museum have identified that there is an opportunity to achieve efficiencies by combining responsibilities under a single design and construction agreement.

#### Capital Replacements and Repair

In 2013, the City completed a *Mechanical and Electrical Systems Conditions Assessment* to define, prioritize and cost the upgrades needed to these systems. Top priorities are: adding sprinklers; water pipe upgrade; boiler replacement; building management system; energy and electrical meters for the conservatory; and fire alarm system replacement. Integrating the design of these components with the Museum’s design of their tenant area will minimize rework and associated costs.

The City recently completed an asbestos review of the Mendel Building. Asbestos-containing materials are used throughout the building. Asbestos remediation efforts are considered high-risk in nature and, therefore, a comprehensive approach to removing all materials when the building is unoccupied has been recommended. This means that for a five-month period, only asbestos abatement specialists would be allowed onsite. This is expected to impact both schedule and budget.

In addition, the Mendel Building does not meet standards for accessibility regarding access to public washrooms and the lower level lobby. The preliminary Museum master plan includes an additional elevator and accessible washrooms.

#### Combined Project with Museum as Lead

This report proposes combining the design and implementation of the City’s required capital replacement and repairs with the Museum’s tenant improvements into a single project led by the Museum. The intent is to combine work under a single contract in order to achieve the most coordination while also minimizing cost, risks, and time impacts. The Museum has retained Strata Development as construction manager and Kindrachuk Agrey as architect and is ready to assume this lead role immediately.

A third-party cost estimate for the City’s portion will be prepared and would be used to determine the City’s financial contribution to the project. The City would pay

proportionally for the management, design, tendering, and construction of the capital replacement and repairs for the required base building work.

The proposed key terms for a combined project are included in Attachment 1.

Asbestos removal by abatement specialists would be undertaken by the City outside the scope of this agreement. It would proceed as soon as possible once the Gallery has vacated the building.

### Benefits and Rationale of Combined Project

The proposed key terms for a design and construction agreement are based on previous civic agreements with the Friends of the Bowl and the Friends of the Forestry Farm Park and Zoo for renovation and improvements to civic assets. Benefits of this approach are as follows:

- Better integration and coordination than two separate projects, resulting in fewer errors and less likelihood of delay.
- Reduced design costs from an integrated process.
- Reduced occupational health and safety risk by having fewer contractors on site.
- Lower construction bids due to the Museum's lead as a non-profit organization.
- Greater opportunities for the Museum for fundraising through in-kind sponsorships.
- Clarification of public perception that the Museum is an independent initiative (i.e. not City-led).

### Grant request to the Canada Cultural Spaces Fund

The Museum has completed several steps in the application process for Department of Canadian Heritage funding under the Canada Cultural Spaces Fund and proposes that the City's capital and asbestos costs be included in this grant request. The Administration supports this idea. Grant guidelines require that, to be eligible, this application requires permission from the City as owner of the Mendel Building. If endorsed by City Council, the Administration will provide a letter of support accordingly.

If the Canada Cultural Spaces Fund grant application is successful, up to 50% of City costs could be covered. This would allow resolution of the unanticipated asbestos costs. It would also allow the City to fund most of the accessibility upgrades identified by the Museum. If unsuccessful, the Administration will provide a further report identifying how to address these outstanding items.

### **Options to the Recommendation**

City Council may choose instead to proceed with a stand-alone design and construction scope only for the building's capital replacements and repairs.

**Public and/or Stakeholder Involvement**

The City and the Museum have discussed the concept of a combined project with the Museum as the lead. This is the preferred option for both parties.

**Communication Plan**

Changes to Mendel Building operations will be communicated through the City’s website, on-site postings, and Public Service Announcements (PSAs). The City’s project webpage will be updated regularly. Communications and marketing for the Museum’s development, construction, and programming are resourced and managed by the Museum.

**Financial Implications**

Prior to the investigation of asbestos contamination, the Civic Buildings Comprehensive Maintenance Reserve (CBCM) program included \$1.5M for the capital replacements and repairs noted. This funding would be contributed to achieve all aspects of the scope of work identified under the combined project excluding asbestos removal and upgrades required to achieve full building accessibility. The preliminary cost estimate is \$700,000 for complete removal of all asbestos containing materials.

The table below shows City costs and potential Canada Cultural Spaces Fund grant proceeds and allocations. Accessibility improvements consist of an additional elevator to allow access to the second floor (currently offices, no public access) and added accessible washrooms in the basement and main floor level. An initial estimate shows costs of approximately \$500,000 for these items. The table shows a City allocation of \$400,000 (81%) toward this total. Residual accessibility costs above \$400,000 would be borne by the Museum.

<b>Capital Costs and Funding Sources</b>		
	<b>Costs</b>	<b>Funding Sources</b>
Children’s Discovery Museum costs	\$7,400,000	
City’s CBCM costs	\$1,500,000	
City’s asbestos costs	\$700,000	
Canada Cultural Spaces Fund potential grant		\$4,800,000*
Children’s Discovery Museum contribution		\$3,300,000
City contribution		\$1,500,000
<b>TOTAL</b>	<b>\$9,600,000</b>	<b>\$9,600,000</b>

\*Note: Asbestos costs are eligible for this grant and the \$700,000 figure is included in this amount. The Museum has agreed to allocate grant funding for this purpose.

**Other Considerations/Implications**

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

**Due Date for Follow-up and/or Project Completion**

Next steps are to finalize the Lease of the Mendel Building and an agreement for programming services with the Museum. Future updates regarding the Museum’s tenancy will be included in a Museum annual progress report to be submitted to City Council later this year.

**Public Notice**

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

**Attachment**

1. Design and Construction Agreement - Key Terms.

**Report Approval**

Written by: Eric Westberg, Project Manager, Corporate Initiatives  
 Reviewed by: Brenda Wallace, Director of Environmental and Corporate Initiatives  
 Del Ehlert, A/Director of Facilities and Fleet  
 Kerry Tarasoff, CFO and General Manager, Asset and Financial Management Department  
 Approved by: Catherine Gryba, General Manager, Corporate Performance Department

## Design and Construction Agreement – Key Terms

### Overview

The following are the key terms for combining the City of Saskatoon's (City) repair of the Mendel Building with the renovations by the Children's Discovery Museum on the Saskatchewan, Inc. (Museum) under a design and construction agreement.

	<b>Children's Discovery Museum will act as Project Lead</b>
Description	The scope of the City's repair (capital maintenance) will be designed, tendered and constructed by the Museum as a fully integrated part of the Mendel Building renovation/construction process.
Project Management	<p>There will be a single Construction Manager for all design and construction, reporting to the Museum. The awarding of tenders, obtaining permits, and day-to-day construction supervision is the responsibility of the Museum.</p> <p>The Museum and the City will jointly attend construction meetings to allow for coordination and timely problem solving.</p>
Decision-making structure	A single design team will be formed including representatives from the Museum and City. The Museum will act as "agent" for the City in executing the design and construction, consulting with an identified point person from the City who acts as a conduit for all queries and attends project meetings. Any changes required to the design or cost of items related to the City's repair of the Mendel Building must be approved by the City Administration.
Procurement	The Museum leads the tender process utilizing an approach which aligns well with the City's Procurement Policy. The City will assist in the creation and completion of all technical or other drawings or documents required for items related to the City's repair of the Mendel Building, including any instructions to bidders.
Review of Costs and Financial Controls	<p>The City and the Museum will cooperatively, and in good faith, determine the cost attributed to the City. A third party shall prepare all cost estimates for work and a cost consultant will review all tender prices for items related to the City's repairs.</p> <p>Costs for design, management, permits and fees will be determined on a proportional basis and outlined in a detailed schedule of costs agreed to by both parties.</p> <p>The Museum will apply for funding under the Canada Cultural Spaces Fund and will provide all appropriate documentation required by the funding program, including a schedule of costs agreed to by both the Museum and City.</p> <p>The Museum shall invoice the City for work that has been completed.</p>

## **Scope of City's Repair of the Mendel Building (Capital Maintenance)**

- Fire Alarm system replacement
- Add Sprinklers
- Upgrade water pipes as required; lead in water test
- Boiler replacement
- Building management system (automated controls for mechanical equipment)
- Utility meters for Conservatory
- Sanitary sewer inspection

### **Agency**

It is understood that the City's capital maintenance scope will be designed, tendered and constructed by the Museum in a manner that fully integrates both the capital maintenance scope and the Tenant Improvements into a single renovation project. The City will pay for the management, design, tendering and construction of the capital maintenance scope following the cost sharing methodology defined below. Except for specific exceptions, it is assumed that the City would not have paid for construction costs outside of the scope defined in the Capital Maintenance Scope that would be incurred as part of the Tenant Improvement.

### **Insurance Requirements**

The City will continue to hold applicable insurance on the Mendel Building and the Museum agrees to cover 50% of the costs of additional insurance required during the construction phase.