

***DRAFT - Consolidated Financial Statements***

City of Saskatoon, Saskatchewan, Canada  
Year Ended December 31, 2012

# *Consolidated Statement of Financial Position*

As at December 31, 2012

(in thousands of dollars)

	2012	2011
<b><i>Financial Assets</i></b>		
Cash and Cash Equivalents (Note 2)	\$ 71,913	\$ 76,634
Taxes Receivable (Note 3)	9,146	8,141
Accounts Receivable and User Charges (Note 3)	145,422	123,868
Loan Receivable (Note 4)	4,238	4,678
Land Inventory for Resale	4,672	3,639
Other Assets (Note 5)	5,576	5,207
Investments (Note 6)	299,358	251,750
Accrued Pension Asset (Note 8)	14,826	27,336
<b>Total Financial Assets</b>	<b>555,151</b>	<b>501,253</b>
<b><i>Financial Liabilities</i></b>		
Accounts Payable and Accrued Liabilities (Note 9)	120,119	112,569
Deferred Revenue (Note 10)	90,648	131,609
Term Debt (Note 11)	197,125	127,368
Employee Benefits Payable (Note 12)	32,198	30,857
<b>Total Financial Liabilities</b>	<b>440,090</b>	<b>402,403</b>
<b>Total Net Financial Assets</b>	<b>115,061</b>	<b>98,850</b>
<b><i>Non-Financial Assets</i></b>		
Prepaid Expenditures	2,516	2,948
Tangible Capital Assets	2,905,159	2,605,861
Inventory of Materials and Supplies	11,865	10,873
<b>Total Non-Financial Assets</b>	<b>2,919,540</b>	<b>2,619,682</b>
<b>Accumulated Surplus (Note 20)</b>	<b>\$ 3,034,601</b>	<b>\$ 2,718,532</b>

# Consolidated Statement of Operations

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Revenues</b>			
Taxation (Note 7)	\$ 163,449	\$ 166,000	\$ 154,687
Grants in Lieu of Taxes (Note 7)	4,111	4,043	4,133
User Charges	311,604	314,744	300,291
Government Transfers (Note 13)	57,287	58,578	54,205
Investment Income	9,666	11,305	10,987
Contribution from Developers and Others	-	167,564	104,288
Other	31,278	35,386	32,956
<b>Total revenue</b>	<b>577,395</b>	<b>757,620</b>	<b>661,547</b>
<b>Expenses</b>			
General Government	26,982	24,977	23,865
Transportation	109,629	125,949	103,488
Protection of Persons and Property	124,092	125,748	121,824
Recreation and Culture	78,795	88,157	83,536
Social and Family Services	3,370	8,752	8,453
Planning and Development	31,497	27,976	36,879
Saskatoon Light & Power	92,672	89,391	86,930
Environmental Health	69,369	80,050	86,834
Debt Servicing Costs	11,014	5,999	4,019
<b>Total expenses</b>	<b>547,420</b>	<b>576,999</b>	<b>555,828</b>
<b>Surplus of Revenues over Expenses before Other Capital Contributions</b>	<b>29,975</b>	<b>180,621</b>	<b>105,719</b>
<b>Other Capital Contributions</b>			
Government Transfers (Note 13)	-	77,220	110,455
Contribution from Developers and Others	-	58,282	41,079
Federation of Canadian Municipalities	-	-	217
Federation of Canadian Municipalities Green Fund Grant	-	(54)	54
Western Economic Diversification	-	-	5
<b>Total Other Capital Contributions</b>	<b>-</b>	<b>135,448</b>	<b>151,810</b>
<b>Surplus of Revenues over Expenses</b>	<b>29,975</b>	<b>316,069</b>	<b>257,529</b>
Accumulated Surplus, Beginning of Year (Note 21)	-	2,718,532	2,461,003
<b>Accumulated Surplus, End of Year</b>	<b>\$ 3,034,601</b>	<b>\$ 2,718,532</b>	

# Consolidated Statement of Cash Flow

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012	2011
<b><i>Cash Flows from (used in) Operating Activities:</i></b>		
Surplus of Revenues over Expenses	\$ 316,069	\$ 257,529
Changes in Non-Cash Items		
Taxes Receivable	(1,005)	(382)
Accounts Receivable and User Charges	(21,554)	(27,748)
Loan Receivable	440	425
Land Inventory for Resale	(1,033)	2,082
Other Assets	(369)	1,003
Accrued Pension Asset	12,510	6,136
Prepaid Expenditures	432	6
Inventory of Materials and Supplies	(992)	(863)
Accounts Payable and Accrued Liabilities	7,550	10,384
Deferred Revenue	(40,961)	(27,644)
Employee Benefits Payable	1,341	2,651
Amortization	83,642	75,187
<b>Total Cash Flow from Operating Activities</b>	<b>356,070</b>	<b>298,766</b>
<b><i>Cash Flow from (used in) Investing Activities:</i></b>		
Increase (decrease) in Investments	(47,608)	85,266
<b><i>Cash Flows from (used in) Financing Activities:</i></b>		
Proceeds from Term Debt	90,000	-
Term Debt Repaid	(20,243)	(18,142)
<b>Total Cash Flow from (used in) Financing Activities</b>	<b>69,757</b>	<b>(18,142)</b>
<b><i>Cash Flows used for Capital:</i></b>		
Acquisition of Capital Assets	(382,940)	(329,418)
<b>Net Cash used in Capital Activities</b>	<b>(382,940)</b>	<b>(329,418)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(4,721)</b>	<b>36,472</b>
Cash and Cash Equivalents at Beginning of Period	76,634	40,162
<b><i>Cash and Cash Equivalents at End of Period</i></b>	<b>\$ 71,913</b>	<b>\$ 76,634</b>

## *Consolidated Statement of Changes in Net Financial Assets*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012	2011
Surplus of Revenues over Expenses	\$ 316,069	\$ 257,529
Net Acquisition of Tangible Capital Assets	(382,940)	(329,418)
Amortization of Tangible Capital Assets	83,642	75,187
<b>Deficit from Capital Transactions</b>	<b>(299,298)</b>	<b>(254,231)</b>
Net Change in Prepaid Expenses	432	6
Net Change in Inventory of Materials and Supplies	(992)	(863)
<b>Deficit from other Non-financial Expenditures</b>	<b>(560)</b>	<b>(857)</b>
<b>Increase (Decrease) in Net Financial Assets</b>	<b>16,211</b>	<b>2,441</b>
Net Financial Assets, Beginning of Year	98,850	96,409
<b>Net Financial Assets, End of Year</b>	<b>\$ 115,061</b>	<b>\$ 98,850</b>

# *Notes to the Consolidated Financial Statements*

**For the Year Ended December 31, 2012**

(in thousands of dollars)

## ***1. Accounting Policies***

The consolidated financial statements of the City of Saskatoon (the "City") are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants ("CICA"). Significant aspects of the accounting policies adopted by the City are as follows:

### ***a. Basis of Consolidation***

#### **i. Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenue, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City, namely:

- General Revenue and Capital Funds
- Board of Police Commissioners
- Wastewater Utility
- Storm Water Management Utility
- Water Utility
- Saskatoon Light & Power
- Transit Utility
- Mendel Art Gallery
- Centennial Auditorium (Operating as TCU Place)
- Saskatchewan Place (Operating as Credit Union Centre)
- Saskatoon Public Library
- Saskatchewan Information and Library Services (SILS)
- Reserve Funds

# *Notes to the Consolidated Financial Statements*

For the Year Ended December 31, 2012

(in thousands of dollars)

## **1. Accounting Policies (continued)**

### **a. Basis of Consolidation (continued)**

#### **i. Reporting Entity (continued)**

All interfund amounts have been eliminated through the consolidation. Schedule 6, and supporting Appendices 1 to 7, include only those revenues and expenditures reflected in the City's annual Operating Budget, which is prepared to identify the City's property tax requirements. Excluded from this Schedule are the operations of the Mendel Art Gallery, TCU Place, Credit Union Centre, Saskatoon Public Library, and the Sinking Fund.

The Saskatoon Public Library has an interest in the Saskatchewan Information and Library Services Consortium Inc. ("SILS"), which has been proportionately consolidated.

#### **ii. Trust and Pension Funds**

Trust funds (see Note 16) and pension funds and their related operations administered by the City are not reflected in the consolidated financial statements.

#### **iii. Accounting for School Board Transactions**

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, are not reflected in the municipal fund balances of these financial statements. Amounts due to/from school boards are reported on the Consolidated Statement of Financial Position as accounts payable/accounts receivable.

### **b. Basis of Accounting**

#### **i. Revenues and Expenditures**

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from development charges for services that have not yet been provided at the time the charges are collected are accounted for as deferred revenue until used for the purposes specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

#### **ii. Property Tax Revenue**

Property tax revenue is based on assessments determined in accordance with Saskatchewan legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal. A provision has been recorded in Accounts Payable and Accrued Liabilities for potential losses on assessment appeals outstanding as of December 31, 2012.

#### **iii. Cash Equivalents**

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

# *Notes to the Consolidated Financial Statements*

For the Year Ended December 31, 2012

(in thousands of dollars)

## *1. Accounting Policies (continued)*

### *b. Basis of Accounting (continued)*

#### **iv. Inventories of Materials and Supplies**

Inventories of materials and supplies are valued at the lower of cost and net realizable value. Cost is determined using average laid in costs.

#### **v. Land Inventory for Resale**

The City is one of the primary property developers in the municipality. Land inventory for resale is recorded at the lower of adjusted cost and net realizable value. Adjusted cost includes amounts for land acquisition and improvements to prepare the land for sale. Land is available for resale when approved for sale by the Land Bank Committee and when all municipal services have been completed.

#### **vi. Investments**

All investments are recorded at amortized cost using the effective interest rate method. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis. When there has been a loss in a value of an investment that is other than temporary decline, the investment is written down to recognize the loss and the loss is recognized in the consolidated statement of operations.

#### **vii. Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the revenue amount can be made.

#### **viii. Pension Amounts**

The City of Saskatoon makes contributions to the General Superannuation, Part-Time and Seasonal Employee Superannuation, Police Superannuation, and Fire and Protective Services Department Superannuation Plans on behalf of its staff. All plans are defined benefit plans with the exception of the Part-Time and Seasonal Employee plan. Pension expense for the defined benefit plans are based on actuarially determined amounts. Pension expense for the defined contribution plan is based on the City's contributions.

#### **ix. Use of Estimates**

The preparation of consolidated financial statements in accordance 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Significant estimates include pension amounts, employee benefits payable, landfill liability, and the amortization of tangible capital assets.



# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands of dollars)

## 1. Accounting Policies (continued)

### b. Basis of Accounting (continued)

#### x. Segmented Reporting

Segmented information on the Consolidated Financial Activities is presented on Schedule 4. It is based on capital and operating services for both utilities and the general City programs, plus information on the Saskatoon Public Library, Mendel Art Gallery, TCU Place and Credit Union Centre.

#### xi. Derivative Financial Instruments

The City has entered into two interest rate swap agreements with the Royal Bank of Canada in order to manage the interest rate exposure associated with its term debt loans. The agreements arrange for the exchanging of the floating interest rate cash flows from the underlying debt instruments with fixed interest rate cash flows based on a notional amount. Because the term swap agreement effectively and completely hedges the interest costs on the underlying debt obligations, the City is reflecting the obligation as term debt.

#### xii. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	25 to 50 years
Plants and Facilities	20 to 50 Years
Roadways	20 to 75 years
Underground Networks	50 to 75 years
Electrical Utility	10 to 45 years
Vehicles	4 to 30 years
Traffic Control	15 to 30 years
Machinery and Equipment	5 to 25 years
Land and Land Improvements	20 to indefinite years
Other- Furniture and Fixtures	10 to 20 years
Information and Communication	10 to 15 years

A full year's amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for use. Interest costs for the construction and development of tangible capital assets are capitalized.

- (a) Contribution of tangible capital assets  
Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands of dollars)

## 1. Accounting Policies (continued)

### b. Basis of Accounting (continued)

#### xii. Tangible Capital Assets (continued)

- (b) Leases  
Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risk incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.
- (c) Land under roads  
Land under roads that is acquired other than by a purchase agreement is valued at a nominal cost.
- (d) Cultural, historical and works of art  
The City manages and controls various works of art and non-operational historical and cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are expensed.

## 2. Cash And Cash Equivalents

	Cost		Market	
	2012	2011	2012	2011
Cash	\$ 71,913	\$ 76,634	\$ 71,913	\$ 76,634
<b>Total</b>	<b>\$ 71,913</b>	<b>\$ 76,634</b>	<b>\$ 71,913</b>	<b>\$ 76,634</b>

## 3. Receivables

It is the normal practice of the City to review its accounts receivable on a regular basis and write off any accounts which are considered to be uncollectable. A general allowance of \$1,548 (2011 - \$1,484) for uncollectable taxes is included in the balance of Taxes Receivable.

## 4. Loan Receivable

City Bylaw No. 8418 was approved by City Council in 2005 to authorize a 15 year loan in the amount of \$10,550 from the City to Saskatoon Soccer Centre Inc. for the construction of the North East Soccer Park, in Forest Park, in Saskatoon. The total annual payment under the loan is shared by Saskatoon Soccer Centre Inc. and the City resulting in an amount receivable from the Saskatoon Soccer Centre Inc. of \$7,037 and a deferred grant of \$3,513 that is amortized over the life of the loan payments. Interest is recognized as earned at 2.80 percent to 4.60 percent over the life of the loan. Security on the loan is by way of an assignment lease against the Henk Ruys Soccer Centre and the North East Soccer Park. The amount receivable and deferred grant as at the end of December 31, 2012 are \$4,238 (2011 - \$4,678).

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands of dollars)

### 5. Other Assets

	2012		2011	
Deferred Charges	\$	5,276	\$	4,962
Other Inventory for Resale		300		245
	\$	5,576	\$	5,207

### 6. Investments

	Cost		Market	
	2012	2011	2012	2011
Federal, provincial, municipal, federal government agency and corporate bonds	\$ 299,358	\$ 251,750	\$ 305,630	\$ 260,276

Maturities are between 2013- 2024 with effective interest rates of 0.946 percent to 5.25 percent.

### 7. Net Taxes Available For Municipal Purposes

	2012		2011	
<b>Gross Taxation Revenue Collected</b>	\$	306,237	\$	291,384
<b>Taxes collected on Behalf of Others:</b>				
Saskatoon School Division No. 13		(95,645)		(92,219)
St. Paul's Roman Catholic Separate School Division No. 20		(39,811)		(39,571)
Business Improvement Districts		(738)		(774)
<b>Net taxes available for municipal purposes</b>	\$	170,043	\$	158,820
<b>Comprised of:</b>				
Municipal		166,000		154,687
Grants in Lieu of Taxes		4,043		4,133
	\$	170,043	\$	158,820

The Education Act and The Cities Act set out the manner in which collection of taxes and trailer license fees are to be submitted to the School Boards and the Business Improvement Districts. As the City is acting as agent only for the collection of such taxes, these amounts are not reflected in the Schedule of Revenue and Expenditures, nor are the Assets, Liabilities, and Fund Balances of these Boards included in the consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands of dollars)

## 8. Pension Plans

The City administers four employee pension plans - the General Superannuation Plan, the Police Superannuation Plan, the Fire and Protective Services Department Superannuation Plan, and the Part-Time and Seasonal Employee Superannuation Plan. Combined, these plans provide pension benefits for all eligible staff of the City. General, Police, and Fire Plans are contributory defined benefit plans. The Seasonal Plan is a defined contribution plan. In all Plans, contributions are made by Plan members and the City as stipulated by pension agreements. The defined benefit plans provide for a benefit that is integrated with the Canada Pension Plan, and is based on years of contributory service times a percentage of average earnings as defined by each plan. The Part-Time and Seasonal Employee Superannuation Plan provides a benefit based on the annuity that can be purchased with the funds in an employee's account (i.e. a money purchase plan).

The accrued pension asset relates to the three main plans – the Retirement Plan for Employees of the City of Saskatoon Board of Police Commissioners, the Retirement Plan for Employees of the Fire and Protective Services Department of the City of Saskatoon, and the General Superannuation Plan for City of Saskatoon employees not covered by the Police and Fire and Protective Services Departments' Superannuation Plans. The General Plan provides for partial inflation protection on benefits accrued to December 31, 2000. Fire and Police plans have provided for partial ad hoc indexing from time to time in the past when deemed affordable through surpluses. The latest increase for eligible retired members of the Fire and General Plan was granted January 1, 2008 and January 1, 2011, respectively. The latest increase for retired members of the Police Plan was granted July 1, 2010. In accordance with the latest filed valuation report as at December 31, 2012, the average age of the 3,308 employees accruing service under the Plans is 43.27 years. There are 05 former employees who are entitled to deferred pension benefits. At present, the Plans provide benefits for 1,668 retirees and surviving spouses; benefit payments were \$45,558 in 2012.

Employees make contributions in accordance with the following: General Pension 7.9 percent of salary; Fire Pension 7.7 percent of salary; and Police Pension 8.34 percent of salary while the City contributes an equal amount. In 2012, employee contributions for current service were \$17,500 (2011 - \$17,000), and the City's contributions were \$17,500 (2011 - \$17,000). A separate pension fund is maintained for each Plan. Pension fund assets are invested entirely in marketable investments of organizations external to the City. The accrued benefit asset at December 31 includes the following components:

	2012	2011
<b>Accrued benefit obligation</b>	<b>\$ (976,441)</b>	<b>\$ (964,597)</b>
<b>Pension fund assets</b>		
Marketable securities	907,785	891,819
	(68,656)	(72,778)
Unamortized actuarial losses	83,482	100,114
<b>Accrued benefit asset</b>	<b>14,826</b>	<b>27,336</b>
<b>Net carrying value of accrued benefit asset</b>	<b>\$ 14,826</b>	<b>\$ 27,336</b>

Actuarial valuations for accounting purposes are performed at least triennially using the projected benefit method prorated on services. The most recent valuations were prepared by AON Consulting as at December 31, 2012. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups applicable to each of the Plans in 2012 of 13.8 years on average (2011 - 13.33 years on average).

The actuarial valuations were based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases, and employee turnover and mortality. The assumptions used represent the City's best estimates.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands of dollars)

## 8. Pension Plans (continued)

The expected inflation rate is 2.5 percent for the General Plan and 3.0 percent for the Fire and Police Plan. The discount rate used to determine the accrued benefit obligation is 7.0 percent for the General Plan, 6.6 percent for the Police Plan and 6.7 percent for the Fire Plan. The earnings increase rate is 3.5 percent for the General Plan and 3.5 percent for the Fire and Police Plan.

Pension fund assets are valued using a market-related value which amortizes realized and unrealized gains and losses over a five-year period. The expected rate of return on General Plan assets is 7.0, 6.6 percent for the Police Plan assets and 6.7 percent for the Fire Plan assets. The actual rate of return on Plan assets in 2012 was 3.6 percent. The market value of assets at December 31, 2012 was \$926,470 (2011 - \$849,412).

The total expenditures related to pensions in 2012 include the following components:

	2012	2011
Current period benefit cost	\$ 36,158	\$ 34,461
Less: Employee contributions	(17,806)	(16,707)
Amortization of actuarial loss	10,589	6,491
<b>Pension expense excluding interest</b>	<b>28,941</b>	<b>24,245</b>
Interest cost on the average accrued benefit obligation	63,596	60,036
Expected return on average pension plan assets	(62,515)	(61,691)
<b>Pension interest expenditure</b>	<b>1,081</b>	<b>(1,655)</b>
<b>Total Pension Expense</b>	<b>\$ 30,022</b>	<b>\$ 22,590</b>

## 9. Accounts Payable And Accrued Liability

Included in accrued liabilities is \$6,884 (2011 - \$7,798) for the estimated total landfill closure and post closure care expenditures. The estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenditures recognized as at December 31, 2012, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post closure care activities discounted at the City's average long-term borrowing rate of 3.72 percent. The expense recorded with respect to landfill closure liability is recorded in the Consolidated Statement of Operations.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection, and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 35 year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is 62 percent (2011 - 56 percent) of its total estimated capacity and its estimated remaining life is 46 years (2011 - 52 years). The period for post closure care is estimated to be 35 years (2011 - 36 years).

## ***Notes to the Consolidated Financial Statements***

**For the Year Ended December 31, 2012**

(in thousands of dollars)

### ***9. Accounts Payable And Accrued Liability (continued)***

The expected lifespan for the Landfill has been conservatively estimated on the basis of waste diversion rates rising slowly. With the introduction of residential curbside recycling in 2013, the diversion rate is expected to rise from the current level of 23% to 40% or higher. The optimization strategy for the Landfill is also based on the existing facility footprint. Should additional lands be annexed into the Landfill footprint, the lifespan would also increase.

## *Notes to the Consolidated Financial Statements*

For the Year Ended December 31, 2012

(in thousands of dollars)

### *10. Deferred Revenue*

	<b>2012</b>	<b>2011</b>
Development Charges	<b>\$ 53,449</b>	<b>\$ 44,777</b>
Federal Government Transfers	<b>12,296</b>	25,952
Provincial Government Transfers	<b>13,771</b>	47,100
Ticket Sales and Other	<b>11,132</b>	13,780
	<b>\$ 90,648</b>	<b>\$ 131,609</b>

Government transfers include sources of funding from the federal and provincial governments that are required to be spent on approved eligible capital projects. These transfers are deferred until eligible expenditures are incurred.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands of dollars)

## 11. Term Debt

### a. Debt

Year Repayable	2012	2011
2013	\$ 22,616	\$ 18,821
2014	20,037	17,225
2015	20,693	14,639
2016	18,899	15,179
2017	19,508	13,259
2018	20,142	13,732
2019	16,849	14,220
2020	13,352	10,767
2021	7,433	7,099
2022	7,671	997
2023	3,003	1,042
2024	3,097	190
2025	2,986	198
2026	3,078	-
2027	3,171	-
2028	3,267	-
2029	3,368	-
2030	3,469	-
2031	3,575	-
2032	911	-
<b>Total Debt</b>	<b>\$ 197,125</b>	<b>\$ 127,368</b>

Interest rates range from 1.81 percent to 5.625 percent. All long-term debt instruments have been issued in Canadian Funds.

### b. Derivative Financial Instruments Associated with Debt:

	2012	2011
Royal Bank Banker's Acceptance Loan - offering rate plus spread of 0.20% revolves quarterly at progressively smaller amounts until October 2013 (offering rate at December 31, 2011 was 1.28143%)	3,202	6,198
Financial instrument created by interest rate swap agreement - 3.00% terminates October 2013 - the notional amount of this swap is equal to the loan noted above.		



# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands of dollars)

Government transfers include sources of funding from the federal and provincial governments that are required to be spent on approved eligible capital projects. These transfers are deferred until eligible expenditures are incurred.

## b. Derivative Financial Instruments Associated with Debt: (continued)

	2012	2011
Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.20%, revolves quarterly at progressively smaller amounts until October 2018 (offering rate at December 31, 2011 was 1.28143%)	20,755	23,761
Financial instrument created by interest rate swap agreement - 3.58% terminates October 2018 - the notional amount of this swap is equal to the loan noted above.		
Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.30% revolves quarterly at progressively smaller amounts until February 9, 2032 (offering rate at December 31, 2012 was 1.29500%).	53,477	0

## c. Regulations

The regulations under The Cities Act require that individual debenture issue bylaws be submitted, reviewed, and approved by the Saskatchewan Municipal Board ("SMB") with the exception that an urban municipality with a population greater than 30,000 can apply to the SMB for a debt limit. The City's debt limit is \$414,000 as approved by the SMB.

## 12. Employee Benefits Payable

Vacation leave is credited to employees on a monthly basis based on contractual obligations. Such credits are accumulated from the period April 1 to March 31 and may not be taken in advance. Therefore, credits earned from April 1, 2012 to December 31, 2012 would normally be available to employees after April 1, 2013.

The City operates a number of Sick Leave Benefit Plans as stipulated within agreements with the various Unions and Associations of employees. These plans are based on the accumulation of sick leave credits to a specified maximum, or are guaranteed long-term disability plans. For those Unions with accumulated sick leave plans, the employee is entitled to a cash payment under specified circumstances, including retirements, based upon a formula stipulated in the union agreements.

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

	2012	2011
Vacation leave accrual	\$ 18,252	\$ 18,021
Sick leave credits	13,946	12,836
	\$ 32,198	\$ 30,857

## *Notes to the Consolidated Financial Statements*

For the Year Ended December 31, 2012

(in thousands of dollars)

The City's liability for sick leave credits is an actuarially determined amount. Significant assumptions include: discount rate 3.00 percent; earnings increase rate 3.50 percent; and, inflation rate 2.50 percent.

### **13. Government Transfers**

The following transfers have been included in revenues:

	2012	2011
<b>Operating Transfers</b>		
Federal	\$ 8,110	\$ 8,484
Provincial	50,468	45,721
	<b>58,578</b>	54,205
<b>Capital Transfers</b>		
Federal	32,985	50,863
Provincial	44,235	59,592
	<b>77,220</b>	110,455
	<b>\$ 135,798</b>	\$ 164,660

### **14. Contingencies**

#### **a. Lawsuits**

Various lawsuits and claims are pending by and against the City. Provisions have been made for any claims that are likely and the amount of the potential loss can be reasonably estimated. It is the opinion of management that final determination of any remaining claims will not materially affect the financial position of the City.

#### **b. Contractual Obligations**

The City has not entered into any long-term contractual obligations, the recognition of which would materially affect these financial statements.

### **15. Property Realized Reserve**

The Property Realized Reserve, which is included on Schedule 3, is reported net of all withdrawals. This practice does not recognize the value of assets for property purchased but not yet sold, or repayable advances of funds. At December 31, 2012, the gross value of the Property Realized Reserve is estimated to be \$118,066 (2011 - \$80,008) itemized as follows:

	2012	2011
Gross Value of Reserve, December 31	\$ 118,066	\$ 80,008

## *Notes to the Consolidated Financial Statements*

For the Year Ended December 31, 2012

(in thousands of dollars)

### *15. Property Realized Reserve (continued)*

	2012	2011
Advances Repayable from Future Revenue Fund Provisions	(4,632)	(6,505)
Property Purchased from Reserve and not yet re-sold (at estimated cost)	(74,694)	(58,004)
<b>Net Balance of Reserve, December 31</b>	<b>\$ 38,740</b>	<b>\$ 15,499</b>

### *16. Trust Funds*

The City administers two trust funds, the Cemetery Perpetual Care Fund and the Group Insurance Trust Fund. The reserve balances in these trusts are \$3,563 (2011 - \$3,362) and \$1,023 (2011 - \$655), respectively.

### *17. Expenditures By Object*

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

	2012	2011
Wages and Benefits	\$ 249,565	\$ 231,353
Contracted and General Services	115,084	124,858
Heating, Lighting, Power, Water, and Telephone	84,830	85,056
Materials, Goods and Supplies	23,702	21,943
Finance Charges	7,794	5,489
Donations, Grants and Subsidies	12,381	11,947
Amortization	83,643	75,187
	<b>\$ 576,999</b>	<b>\$ 555,833</b>

### *18. Comparative Figures*

#### **a. Reclassified to conform with current year**

Certain comparative figures have been reclassified to conform with the current year's consolidated financial statements presentation.

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

(in thousands of dollars)

### 19. Tangible Capital Assets

	Net Book Value	
	2012	2011
Land	\$ 239,248	\$ 227,237
Land Improvements	155,898	135,687
Buildings	176,190	125,585
Roadways	628,271	607,835
Plant and Facilities	168,052	86,019
Underground Networks	704,735	670,179
Electrical Utility	181,325	174,276
Machinery and Equipment	11,606	10,276
Traffic Control	7,850	7,509
Vehicles	56,738	52,315
Other	21,810	16,707
	<b>2,351,723</b>	2,113,625
Assets under Construction	<b>553,436</b>	492,236
	<b>\$ 2,905,159</b>	\$ 2,605,861

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 5).

Interest capitalized was \$190 (2011 - \$77). Contributed assets totaled \$33,127 (2011 - \$25,742) and were capitalized at their fair value at the time of receipt.

### 20. Accumulated Surplus

	2012	2011
<b>Fund Balances</b>		
Funds to offset taxation or user charges in future years (Schedule 1)	\$ (12,048)	\$ (1,039)
Unexpended capital financing (Schedule 2)	146,315	196,875
Reserves (Schedule 3)	115,702	52,451
	<b>249,969</b>	248,287
<b>Net Investment in Tangible Capital Assets</b>		
Tangible Capital Assets (Schedule 5)	2,905,159	2,605,861
Capital outlay financed by term liabilities to be recovered in future years	(102,499)	(116,299)
Capital outlay financed by internal investments	(18,028)	(19,317)

## *Notes to the Consolidated Financial Statements*

For the Year Ended December 31, 2012

(in thousands of dollars)

### *20. Accumulated Surplus (continued)*

	2012	2011
	2,784,632	2,470,245
<b>Total Accumulated Surplus</b>	<b>\$ 3,034,601</b>	<b>\$ 2,718,532</b>

### *21. New Standards Not Yet Adopted*

A number of new standards and amendments to standards which may impact the City are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. In particular, the following new and amended standards, which become effective for annual periods beginning on or after April 1, 2012, are:

- PS 3410, Government Transfers
- PS 3450, Financial Instruments
- PS 1201, Financial Statement Presentation
- PS 2601, Foreign Currency Translation
- PS 3510, Tax Revenue
- PS 3800, Government Assistance
- PS 3260, Liability for Contaminated Sites

The extent of the impact on adoption of these standards is not known at this time.

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

**For the Year Ended December 31, 2012**

(in thousands of dollars)

		<b>2012</b>	<b>2011</b>
Balance, Beginning of Year	\$	<b>(1,039)</b>	\$ 6,734
Transfer to Revenue Stabilization Reserve		<b>(3,073)</b>	(420)
Increase in Employee Benefit Payables		<b>(1,341)</b>	(2,651)
Decrease in Accrued Pension Asset		<b>(12,510)</b>	(6,136)
Increase in Landfill Closure/Post Closure Care Liability		<b>915</b>	(1,884)
Increase in accrued term debt principal		<b>(75)</b>	245
Surplus for the Year (Schedule 6)		<b>5,075</b>	3,073
<b><i>Balance, End of Year</i></b>	\$	<b>(12,048)</b>	\$ (1,039)

## *Schedule 2 - Schedule of Capital Operations*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Source of funds</b>			
Province of Saskatchewan	\$ 13,404	\$ 36,075	\$ 55,836
Saskatchewan Water Corporation	-	3	-
Federal Gas Tax Program	-	4,189	6,090
Provincial Building Communities Program	-	54	980
Urban Highway Connector Program	-	4,958	1,221
Government of Canada	-	9	274
Federal Transit Funding Program	435	633	1,361
Federal Gateway and Border Crossings	25,615	18,238	31,176
Building Canada Fund (FED)	930	9,987	7,639
Federal Infrastructure Stimulus Fund	-	12	3,875
Recreational Infrastructure Canada (FED)	-	-	392
Building Canada Fund (PROV)	930	3,055	1,555
Federation of Canadian Municipalities	-	90	217
FCM Green Fund Grant	-	(54)	54
Green Municipal Fund Federation of Canadian Municipalities	200	-	-
Taxation	590	3,454	5,205
Utility Contribution	2,165	8,098	8,398
Borrowing	39,647	-	-
Contributions from Developers Benefitting Property Owners and Other Users	49,614	22,452	15,325
<b>Appropriations</b>			
Sinking Fund	-	-	675
Reserves	206,219	218,352	174,973
Library Reserve	-	-	50
Lib Cap-Lib Res	100	-	-
	<b>339,849</b>	<b>329,605</b>	<b>315,296</b>
<b>Expenditures</b>			
General Government	4,100	4,595	4,131
Protection of Persons and Property	2,222	57,761	19,579
Transportation	204,253	165,608	177,454
Environmental Health	88,148	93,572	69,622
Social and Family Services	-	187	-
Planning and Development	20,211	25,503	34,601
Recreation and Culture	5,063	12,029	9,618
Saskatoon Light & Power Expansion and Replacements	15,752	20,910	14,441

## ***Schedule 2 - Schedule of Capital Operations***

**For the Year Ended December 31, 2012**

(in thousands of dollars)

	<b>2012 Budget (Unaudited)</b>	<b>2012</b>	<b>2011</b>
Library	100	-	-
	<b>339,849</b>	<b>380,165</b>	329,446
<b>Increase in Unexpended Capital Financing</b>	-	<b>(50,560)</b>	(14,150)
Unexpended Capital Financing, Beginning of Year	-	<b>196,875</b>	211,025
<b>Unexpended Capital Financing, End of Year</b>	<b>\$ -</b>	<b>\$ 146,315</b>	<b>\$ 196,875</b>



### *Schedule 3 - Schedule of Reserves*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012	2011
<b>Replacement</b>		
Albert Community Centre	\$ 4	\$ 2
Automated Garbage Containers	30	24
Access Transit	(52)	(65)
<b>Boards:</b>		
TCU Place	260	(8)
Saskatoon Public Library	3,419	3,063
Mendel Art Gallery	137	135
Credit Union Centre	1,562	879
Buildings and Ground Equipment	87	35
Bus Replacement	196	746
Civic Vehicles and Equipment	669	406
Civic Radio Reserve	60	-
Saskatoon Light & Power	6,708	3,920
Computer Equipment	316	245
Grounds Maintenance Equipment Acquisition	189	97
Fire Equipment	677	544
Fire Apparatus	508	(15)
<b>Infrastructure Replacement:</b>		
Surface Improvements	2,225	1,224
Water and Sewer Replacement	(17,137)	(18,326)
Parks	(1,298)	(1,116)
Storm Water Management	2,023	629
Landfill	(5,953)	(255)
Leisure Service Equipment	410	329
Photocopy Machine	585	235
Police - Vehicle/Radio	1,120	1,222
Radio Trunking	334	176
Wastewater Collection/Treatment	438	335
Water Utility	102	203
Weigh Scales	181	181
<b>Balance, End of Year</b>	<b>(2,200)</b>	<b>(5,155)</b>
<b>Future Expenditures</b>		
Animal Services	85	75
Animal Trading - Zoo	63	61
Affordable Housing - Operating	2,502	4,772

### *Schedule 3 - Schedule of Reserves*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012	2011
<b>Boards:</b>		
TCU Place	2,786	1,492
Saskatoon Public Library	16,637	13,576
Mendel Art Gallery	2,767	1,086
Credit Union Centre	2,755	2,086
Bridge Major Repairs	(391)	(1,099)
Building Permits/Inspections	3,981	2,801
Corporate Capital	(259)	(580)
Campsite	193	158
Civic Buildings Comprehensive Maintenance	532	(629)
Civic Hospitality	120	113
Community Support Grant	145	129
Corporate Information Systems Development	439	609
Cosmo Stabilization	60	60
Dedicated Lands	1,887	1,754
Dedicated Roadways	965	784
Downtown Housing	599	107
Errors and Omissions	397	299
Saskatoon Light & Power Distribution Extension	(5,115)	(3,915)
Saskatoon Light & Power Revenue Stabilization	-	576
Fire Department Uniforms	140	346
Forestry Farm Park and Zoo Capital	274	120
Forestry Farm Park Development	62	89
Forestry Farm Auditorium	26	26
Fuel Stabilization	1,000	1,000
General Voting	16	167
Golf Course Capital	264	280
Golf Course Stabilization	200	200
Heritage Fund	223	261
Holiday Park Golf Course Development	667	560
Idylwyld Drive Maintenance	896	936
Insurance Deductible	1,369	894
Interest Stabilization	1,702	1,243
Lakeridge Ponding	57	57
Land Bank	26,866	(22,600)
Land Operations	3,039	2,697
Municipal Heritage Advisory	12	11
Neighbourhood Park Enhancement	307	441

### *Schedule 3 - Schedule of Reserves*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012	2011
North Sask Rugby	2	2
Parking Facilities	864	803
Pest Control	68	68
Police Facilities Major Repair	330	620
Police Equipment	378	146
Planning Levy	703	599
Prepaid Services	(7,828)	25,680
Property Realized	38,740	15,499
Public Works Building	53	43
Reserve for Capital Expenditures	4,772	2,146
River Landing Capital	80	-
Fiscal Stabilization	5,831	2,701
Saskatoon Soccer Capital	418	-
Sign Shop Equipment Acquisition	40	20
Sinking Fund	232	230
Snow & Ice Contingency	807	549
Snow & Ice Acquisition	-	440
Special Events	360	251
Sports Participation	76	76
Storm Water Management Utility Stabilization	766	82
Streetscape	3,361	2,713
Street Cleaning/Sweeping Acquisition	50	25
Sundry	(2,379)	(5,511)
Traffic Noise Attenuation	274	288
Traffic Safety	144	230
Transit Capital	(3)	78
Transportation Infrastructure Expansion	(3,585)	(4,798)
Reserves-Fund 04	419	-
Urban Development Agreement	-	3
Vehicle and Equipment Acquisition	173	173
Warranty	931	1,767
Waste Minimization	(122)	(131)
Wastewater Collection/Treatment Capital	215	(8)
Water and Wastewater Utility Stabilization	3,063	1,393
Water Capital Projects	81	14
Weather	250	250
SIGI Reserve (Saskatchewan Infrastructure Growth Initiative)	70	122

### ***Schedule 3 - Schedule of Reserves***

**For the Year Ended December 31, 2012**

(in thousands of dollars)

	<b>2012</b>	<b>2011</b>
<b>Balance, End of Year</b>	<b>117,902</b>	57,606
<b>Total Reserves, End of Year</b>	<b>\$ 115,702 \$</b>	52,451

## Schedule 4 - Schedule of Financial Activities by Segment

For the Year Ended December 31, 2012

(in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Consolidation Adjustments	2012
Taxation	\$ 149,472	\$ -	\$ 3,454	\$ -	\$ 16,517	\$ -	\$ -	\$ -	\$ (3,443)	<b>166,000</b>
Grant in lieu	29,106	-	-	-	-	-	-	-	(25,063)	<b>4,043</b>
User Charges	68,226	260,789	-	-	313	516	12,626	19,850	(47,576)	<b>314,744</b>
FCM Green Fund Grant	-	-	-	(54)	-	-	-	-	-	<b>(54)</b>
Government Transfers	57,358	-	63,044	14,259	732	488	-	-	-	<b>135,881</b>
Investment Income	9,552	-	-	-	-	-	67	54	1,631	<b>11,305</b>
Contribution from Developers	-	-	18,262	5,224	-	-	-	-	198,574	<b>225,846</b>
Other	40,004	-	-	-	203	19	-	300	(5,140)	<b>35,386</b>
From Reserves	-	-	195,963	22,389	-	-	-	-	(205,532)	-
Utility Contribution	-	-	-	8,098	-	-	-	-	(8,098)	-
<b>Total Revenues</b>	<b>353,718</b>	<b>260,789</b>	<b>280,723</b>	<b>49,916</b>	<b>17,765</b>	<b>1,023</b>	<b>12,693</b>	<b>20,204</b>	<b>(94,647)</b>	<b>893,151</b>
General Government	48,269	-	4,640	-	-	-	-	-	(27,932)	<b>24,977</b>
Protection of Persons and Property	130,280	-	58,383	-	-	-	-	-	(62,915)	<b>125,748</b>
Transportation	61,375	39,772	163,376	3,993	-	-	-	-	(142,567)	<b>125,949</b>
Environmental Health	11,769	84,751	47,000	47,590	-	-	-	-	(111,059)	<b>80,050</b>
Social and Family Services	3,491	-	187	-	-	-	-	-	5,074	<b>8,752</b>
Planning and Development	31,727	-	26,232	-	-	-	-	-	(29,984)	<b>27,976</b>
Recreation and Culture	42,525	-	13,505	-	17,899	3,465	13,409	19,991	(22,637)	<b>88,157</b>
Saskatoon Light & Power	-	132,583	(1,966)	23,103	-	-	-	-	(64,329)	<b>89,391</b>
Debt Servicing Costs	4,978	5,158	-	-	-	-	-	-	(4,137)	<b>5,999</b>
<b>Total Expenses</b>	<b>334,414</b>	<b>262,264</b>	<b>311,357</b>	<b>74,686</b>	<b>17,899</b>	<b>3,465</b>	<b>13,409</b>	<b>19,991</b>	<b>(460,486)</b>	<b>576,999</b>
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>\$ 19,304</b>	<b>\$ (1,475)</b>	<b>\$ (30,634)</b>	<b>\$ (24,770)</b>	<b>\$ (134)</b>	<b>\$ (2,442)</b>	<b>\$ (716)</b>	<b>\$ 213</b>	<b>\$ 365,839</b>	<b>\$ 316,152</b>

## Schedule 4 - Schedule of Financial Activities by Segment

For the Year Ended December 31, 2011

(in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Consolidation Adjustments	2011
<i>Revenues</i>										
Taxation	\$ 139,049	\$ -	\$ 5,205	\$ -	\$ 15,638	\$ -	\$ -	\$ -	(5,205)	\$ 154,687
Grants in Lieu of Taxes	29,153	-	-	-	-	-	-	-	(25,020)	4,133
User Charges	25,947	253,155	-	-	326	569	11,247	16,863	(46,408)	261,699
FCM Green Fund Grant	-	-	-	54	-	-	-	-	-	54
Federation of Canadian Municipalities	-	-	217	-	-	-	-	-	-	217
Government Transfers	52,837	-	97,241	13,159	690	598	-	-	135	164,660
Investment Income	10,567	-	-	-	-	-	40	52	328	10,987
Contribution from Developers	-	-	10,493	2,749	-	-	-	-	132,125	145,367
Other	75,601	-	-	-	442	20	2	-	(4,522)	71,543
Western Economic Diversification	-	-	-	-	-	-	-	-	5	5
From Reserves	-	-	147,625	28,023	-	-	-	-	(175,648)	-
Utility Contribution	-	-	-	8,398	-	-	-	-	(8,398)	-
<b>Total Revenues</b>	<b>333,154</b>	<b>253,155</b>	<b>260,781</b>	<b>52,383</b>	<b>17,096</b>	<b>1,187</b>	<b>11,289</b>	<b>16,915</b>	<b>(132,608)</b>	<b>813,352</b>
<i>Expenses</i>										
General Government	45,789	-	4,170	-	-	-	-	-	(26,094)	23,865
Protection of Persons and Property	122,882	-	19,762	-	-	-	-	-	(20,804)	121,840
Transportation	59,428	36,699	173,185	5,925	-	-	-	-	(171,754)	103,483
Environmental Health	14,337	78,822	23,837	46,434	-	-	-	-	(76,596)	86,834
Social and Family Services	3,227	-	-	-	-	-	-	-	5,210	8,437
Planning and Development	27,601	-	34,924	-	-	-	-	-	(25,646)	36,879
Recreation and Culture	40,466	-	10,739	-	17,261	3,352	11,897	16,773	(16,952)	83,536
Saskatoon Light & Power	-	132,699	748	13,827	-	-	-	-	(60,344)	86,930
Debt Servicing Costs	4,683	5,373	-	-	-	-	-	-	(6,037)	4,019
<b>Total Expenses</b>	<b>318,413</b>	<b>253,593</b>	<b>267,365</b>	<b>66,186</b>	<b>17,261</b>	<b>3,352</b>	<b>11,897</b>	<b>16,773</b>	<b>(399,017)</b>	<b>555,823</b>

***Schedule 4 - Schedule of Financial Activities by Segment***

For the Year Ended December 31, 2011

(in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Library	Mendel	TCU Place	Credit Union Centre	Consolidation Adjustments	2011
Surplus (Deficit) of Revenues over Expenses \$	14,741 \$	(438) \$	(6,584) \$	(13,803) \$	(165) \$	(2,165) \$	(608) \$	142 \$	266,409 \$	257,529

## Schedule 5 - Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2012

(in thousands of dollars)

	Cost				Accumulated Amortization					Net Book Value	
	Opening Balance	Additions	Disposals	Write-Downs	Balance End of Year	Accumulated Amortization Beginning of Year	Accumulated Amortization on Disposals	Amortization	Accumulated Amortization End of Year	2012	2011
Land	\$ 227,237	\$ 15,555	\$ 3,544	\$ -	\$ 239,248	\$ -	\$ -	\$ -	\$ -	\$ 239,248	\$ 227,237
Land improvements	228,943	29,412	-	-	258,355	93,256	-	9,201	102,457	155,898	135,687
Buildings	216,305	56,726	-	-	273,031	90,720	-	6,121	96,841	176,190	125,585
Roadways	1,065,813	50,277	-	-	1,116,090	457,978	-	29,841	487,819	628,271	607,835
Plant and Facilities	153,791	88,118	-	-	241,909	67,772	-	6,084	73,856	168,053	86,019
Underground Networks	923,652	47,395	-	-	971,047	253,473	-	12,839	266,312	704,735	670,179
Electrical Utility	295,447	16,188	1,425	-	310,210	121,171	660	8,374	128,885	181,325	174,276
Machinery and Equipment - cost	19,164	2,494	-	-	21,658	8,888	-	1,164	10,052	11,606	10,276
Traffic Control	16,443	911	-	-	17,354	8,934	-	570	9,504	7,850	7,509
Vehicles	124,426	11,539	5,849	-	130,116	72,111	5,361	6,628	73,378	56,738	52,315
Other property, plant and equipment	76,545	7,957	121	-	84,381	59,838	86	2,819	62,571	21,810	16,707
Assets under Construction	492,236	61,200	-	-	553,436	-	-	-	-	553,436	492,236
<b>Total</b>	<b>\$ 3,840,002</b>	<b>\$ 387,772</b>	<b>\$ 10,939</b>	<b>\$ -</b>	<b>\$ 4,216,835</b>	<b>\$ 1,234,141</b>	<b>\$ 6,107</b>	<b>\$ 83,641</b>	<b>\$ 1,311,675</b>	<b>\$ 2,905,160</b>	<b>\$ 2,605,861</b>



## *Schedule 6 - Schedule of Revenues and Expenditures*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Revenues</b>			
Taxation	\$ 147,224	\$ 149,440	\$ 139,049
Grants in Lieu of Taxes	29,865	29,106	29,153
General Revenues	70,360	74,303	73,529
User Fees	34,974	34,036	31,970
Transfers from Other Governments	55,963	57,358	52,836
Land Development	6,063	9,443	6,618
<b>Total Revenues for the Year (Appendix 1)</b>	<b>344,449</b>	<b>353,686</b>	<b>333,155</b>
<b>Expenditures</b>			
Community Support	13,323	13,616	12,758
Corporate Asset Management	7,777	6,509	6,315
Environmental Health	17,227	16,282	15,829
Corporate Governance and Finance	59,262	58,848	54,378
Land Development	6,063	9,443	6,619
Police	75,927	75,604	72,371
Fire & Protective Services	40,416	40,252	39,123
Recreation & Cultural Services	46,361	46,233	44,380
Transportation	66,780	69,028	66,292
Urban Planning & Development	10,306	11,612	11,022
Taxation	1,007	1,184	995
<b>Total Expenditures for the Year (Appendix 2)</b>	<b>344,449</b>	<b>348,611</b>	<b>330,082</b>
<b>Surplus</b>	<b>\$ -</b>	<b>\$ 5,075</b>	<b>\$ 3,073</b>

## *Appendix 1 - Schedule of Revenues*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Taxation</b>			
Property Levy	\$ 146,914	\$ 149,101	\$ 138,721
Municipal Services Agreement	173	180	173
Trailer Occupancy	75	88	89
Amusement	62	71	66
	<b>147,224</b>	<b>149,440</b>	<b>139,049</b>
<b>Gants in Lieu of Taxes</b>			
Senior Governments and Agencies	3,855	4,051	4,134
Own Utilites - Saskatoon Light & Power	25,754	17,730	17,855
Own Utilities-Water	-	3,849	4,091
Own Utilites-Wastewater	-	3,124	2,818
Own Utilities-Transit	-	199	133
Land Bank Program	256	153	122
	<b>29,865</b>	<b>29,106</b>	<b>29,153</b>
<b>General Revenues</b>			
R.M. of Corman Park	70	75	75
Provincial Government	974	974	929
Licence and Permits	5,285	7,204	6,391
Fines and Penalties	6,512	8,992	6,861
Automated Enforcement Fines	1,355	1,316	1,264
Property Rentals	1,232	1,666	1,288
Franchise Fees	17,773	17,754	17,913
Interest Earnings	9,601	9,552	10,568
Tax Penalties	1,005	1,257	1,197
Other Revenue	202	248	328
Utility Return on Investment	23,760	22,666	23,907
Administration Recovery	2,081	2,081	2,040
Soccer Centre Tax Agreement & Other Grant	10	18	18
Land Bank Distribution	500	500	750
	<b>70,360</b>	<b>74,303</b>	<b>73,529</b>
<b>User Fees</b>			
Legal Fees	200	231	168
Tax Searches and Enforcement	193	203	166
Police	1,292	1,504	1,131
Fire	132	207	209

## *Appendix 1 - Schedule of Revenues*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Engineering	781	779	667
Parking	5,338	5,725	5,312
Solid Waste Management	7,065	5,054	5,073
Environmental Protection	352	177	153
Transportation	219	228	209
Cemetery	974	1,175	1,008
Planning	443	336	287
Tourist Campsite	532	527	475
Forestry Farm Park	684	799	717
Kinsmen Park Rides	156	107	122
Albert Community Centre	112	157	152
Marr Residence	1	-	-
Swimming Pools	369	362	317
Golf Courses	3,038	2,886	2,936
Skating Rinks	1,961	1,965	1,888
Rentals	5,049	5,081	4,868
Programming	5,462	5,888	5,534
Ball Fields	30	38	42
Outdoor Sports Fields	372	311	311
River Landing	219	296	225
	<b>34,974</b>	<b>34,036</b>	31,970
Transfers from Other Governments	<b>55,962</b>	<b>57,358</b>	52,835
	<b>55,962</b>	<b>57,358</b>	52,835
Land Development	<b>6,063</b>	<b>9,443</b>	6,618
	<b>6,063</b>	<b>9,443</b>	6,618
<b>Total Revenues</b>	<b>\$ 344,448</b>	<b>\$ 353,686</b>	<b>\$ 333,154</b>

## Appendix 2 - Schedule of Expenditures

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Community Support</b>			
Community Development	\$ 2,944	\$ 2,953	\$ 2,837
Community Investments & Supports	7,932	8,173	7,596
Animal Control	1,129	1,072	1,087
Cemeteries	1,318	1,418	1,238
	<b>13,323</b>	<b>13,616</b>	<b>12,758</b>
<b>Corporate Asset Management</b>			
Vehicle & Equipment Services	(37)	(316)	390
Civic Facilities	7,814	6,825	5,925
	<b>7,777</b>	<b>6,509</b>	<b>6,315</b>
<b>Environmental Health</b>			
Environmental Program	616	720	587
Waste Collection and Disposal	12,013	10,979	10,959
Waste Minimization	760	853	791
Urban Forestry	3,061	2,980	2,777
Pest Management	777	750	715
	<b>17,227</b>	<b>16,282</b>	<b>15,829</b>
<b>Corporate Governance and Finance</b>			
Legislative	1,231	1,120	1,068
City Manager's Office	1,443	1,404	1,162
City Clerk's Office	2,096	1,985	2,029
City Solicitor's Office	1,985	2,045	1,691
Financial Services	3,284	3,301	3,197
Revenue Services	2,059	2,051	2,020
Assessment	3,097	2,955	2,765
Corporate Support	14,813	13,702	12,877
General Services	26,483	27,040	24,844
City-Owned Property	126	138	71
Fines & Penalties	2,645	3,107	2,654
	<b>59,262</b>	<b>58,848</b>	<b>54,378</b>
Land Development	6,063	9,443	6,619
	<b>6,063</b>	<b>9,443</b>	<b>6,619</b>
<b>Fire &amp; Protective Services</b>			
Fire	40,193	40,029	38,938

## *Appendix 2 - Schedule of Expenditures*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Emergency Measures	223	223	185
	<b>40,416</b>	<b>40,252</b>	39,123
<b>Policing</b>			
Police	75,927	75,604	72,371
	-	-	-
	<b>75,927</b>	<b>75,604</b>	72,371
<b>Recreation and Cultural Services</b>			
Spectator Ballfields	131	146	132
Marketing Services	573	547	525
Community Partnerships	227	223	209
Forestry Farm Park	2,303	2,307	2,267
Golf Courses	3,038	2,881	2,936
Gordon Howe Campsite	532	526	476
Indoor Rinks	2,160	2,061	2,040
Kinsmen Park Rides	198	175	163
Outdoor Pools	1,044	987	968
Outdoor Sports Fields	736	713	606
Parks Maintenance & Design	11,094	11,116	10,473
Playground & Recreation Areas	768	783	748
Program Research & Design	192	184	179
Rec/Competitive Facilities - Program	8,749	9,001	8,647
Rec/Competitive Facilities - Rentals	9,155	9,086	8,776
Targetted Programming	566	507	610
Albert Community Centre	224	223	211
Credit Union Centre	398	398	398
Marr Residence	20	22	20
Mendel Art Gallery	2,507	2,507	2,237
River Landing	290	384	306
TCU Place	1,456	1,456	1,453
	<b>46,361</b>	<b>46,233</b>	44,380
<b>Transportation</b>			
Transit Subsidy	20,746	20,746	21,211
Access Transit	4,062	4,275	3,993
Transportation Services	6,281	6,156	5,874
Road Maintenance	14,857	14,271	14,467

## *Appendix 2 - Schedule of Expenditures*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
Snow & Ice Management	7,998	9,885	8,294
Street Cleaning/Sweeping	2,299	2,556	2,586
Bridges, Subways, Overpasses	1,446	1,333	960
Street Lighting	5,489	5,541	5,307
Parking	2,006	2,785	2,184
Engineering	839	716	725
Impound Lot	757	764	691
	<b>66,780</b>	<b>69,028</b>	<b>66,292</b>
<b>Urban Planning &amp; Development</b>			
Affordable Housing	426	364	409
Building Permits & Standards	3,931	5,805	5,131
Business Improvement Districts	108	108	108
Business Licenses & Bylaw Enforcement	1,212	1,202	1,094
Development Review	1,047	987	988
Future Growth	416	409	373
Neighborhood Planning	507	428	455
Research & Mapping	414	365	333
Urban Design	2,245	1,944	2,131
	<b>10,306</b>	<b>11,612</b>	<b>11,022</b>
<b>Taxation</b>			
Other Levies	808	989	805
Property Tax Discount	40	36	32
Tax Loss Compensation	159	159	158
	<b>1,007</b>	<b>1,184</b>	<b>995</b>
<b>Total Expenditures</b>	<b>\$ 344,449</b>	<b>\$ 348,611</b>	<b>\$ 330,082</b>

### *Appendix 3 - Water Utility Statement of Revenues and Expenditures*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Revenues</b>			
Metered	\$ 46,296	\$ 44,193	\$ 40,859
Infrastructure Levy	4,394	4,071	3,983
Miscellaneous	133	126	123
Fire Protection Charge	603	652	652
Late Payment Penalties	149	148	155
	<b>51,575</b>	<b>49,190</b>	<b>45,772</b>
<b>Expenditures</b>			
General	7,321	7,182	7,214
Laboratory	518	454	425
Treatment and Pumping	8,889	7,987	8,517
Buildings and Grounds	891	605	594
Meters	1,480	1,440	1,328
Watermains	6,513	5,390	5,869
Hydrants	1,230	828	928
Services	2,070	2,116	2,114
Contribution to Capital Reserves	13,145	12,716	8,785
Debt Charges	9,518	9,504	10,398
	<b>51,575</b>	<b>48,222</b>	<b>46,172</b>
<b>Deficit Before Transfer from Reserve</b>	-	<b>968</b>	<b>(400)</b>
Transfer from Stabilization Reserve	-	<b>(967)</b>	400
<b>Surplus/Deficit</b>	\$ -	\$ 1	\$ -

## *Appendix 4 - Wastewater Utility Statement of Revenues and Expenditures*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Revenues</b>			
Metered	\$ 31,829	\$ 30,563	\$ 28,453
Infrastructure Levy	6,068	5,621	5,500
Late Payment Penalties	98	99	104
Miscellaneous	710	1,019	1,158
Flood Protection Levy	3,300	3,625	3,536
	<b>42,005</b>	<b>40,927</b>	<b>38,751</b>
<b>Expenditures</b>			
General	5,556	5,485	5,038
Laboratory	562	523	506
Lift Stations	1,117	1,360	1,439
Pollution Control Plant	6,865	6,249	5,979
Sludge Handling and Disposal	1,662	1,492	1,442
Sewer Engineering	380	301	272
Sewer Inspections	485	347	307
Sewer Maintenance	3,184	3,167	2,973
Service Connections	2,886	2,222	1,945
Contribution to Capital Reserves	14,435	14,208	13,568
Debt Charges	4,873	4,867	4,432
	<b>42,005</b>	<b>40,221</b>	<b>37,901</b>
<b>Surplus Before Transfer to Reserve</b>	-	706	850
Transfer to Stabilization Reserve	-	(703)	(850)
<b>Surplus/Deficit</b>	\$ -	\$ 3	\$ -



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

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Revenues</b>			
Metered	\$ 3,532	\$ 4,510	\$ 3,455
Late Payment Penalties	10	10	11
	<b>3,542</b>	<b>4,520</b>	<b>3,466</b>
<b>Expenditures</b>			
General	316	255	281
Storm Sewer Engineering	235	220	221
Storm Sewer Maintenance	1,090	1,554	1,259
Drainage	445	353	488
Contribution to Capital Reserves	1,456	1,456	1,456
	<b>3,542</b>	<b>3,838</b>	<b>3,705</b>
<b>Deficit Before Transfer from Reserve</b>	-	<b>682</b>	<b>(239)</b>
Transfer from Stabilization Reserve	-	<b>(684)</b>	239
<b>Surplus/Deficit</b>	\$ -	<b>(2) \$</b>	-

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

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b><i>Revenues</i></b>			
Metered	\$ 123,853	\$ 118,177	\$ 119,009
Municipal Surcharge	12,385	11,817	11,900
Service Connection Fee	450	428	432
Miscellaneous	534	528	515
Tax Collection Commission	2	-	2
Late Payment Penalties	245	247	259
	<b>137,469</b>	<b>131,197</b>	<b>132,117</b>
<b><i>Expenditures</i></b>			
General	23,671	21,943	22,322
Power Purchased	71,112	68,280	68,631
Buildings and Grounds	672	613	549
Poles, Lines, and Feeders	4,084	4,444	3,811
Substations	890	702	673
Street Lighting	1,026	1,075	1,147
Meters	1,131	1,102	1,018
System Operations	152	161	126
Provision for Capital Extension	4,485	4,485	3,654
Provision for Capital Replacement	6,486	6,299	6,181
	<b>113,709</b>	<b>109,104</b>	<b>108,112</b>
<b>Surplus Before Transfer (to) from Reserve</b>	<b>23,760</b>	<b>22,093</b>	<b>24,005</b>
Transfer to Stabilization Reserve	-	(576)	98
<b><i>Surplus</i></b>	<b>\$ 23,760</b>	<b>\$ 21,517</b>	<b>\$ 24,103</b>

## *Appendix 7 - Transit Utility Statement of Revenues and Expenditures*

For the Year Ended December 31, 2012

(in thousands of dollars)

	2012 Budget (Unaudited)	2012	2011
<b>Revenues</b>			
Mail Carriers	\$ 11	(7)	\$ 10
Passes	7,084	7,363	6,472
Cash Fares	2,162	2,066	1,935
Ticket Sales	1,993	2,140	2,025
Charter	904	733	593
Senior Citizens' Passes	646	448	388
General Services Operating Allowance	20,746	20,746	20,460
Advertising	500	663	526
Miscellaneous	4	3	4
Province of Saskatchewan	873	800	640
	<b>34,923</b>	<b>34,955</b>	<b>33,053</b>
<b>Expenditures</b>			
General	3,172	3,104	2,762
<b>Transportation</b>			
Planning	385	388	387
Operating	15,645	15,543	15,251
Supervision	1,745	1,853	1,807
Customer Services	680	532	626
Equipment Servicing	9,208	9,211	9,061
Equipment Repair	760	551	584
Stores	189	217	197
Buildings	964	964	955
Contribution to Capital Reserves	2,175	2,175	2,175
	<b>34,923</b>	<b>34,538</b>	<b>33,805</b>
<b>Deficit</b>	\$ -	\$ 417	\$ (752)