

# 2021 Annual Report

for the fiscal year ended December 31, 2021

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City of Regina, Saskatchewan



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Prepared by City of Regina

- Financial Services
- Corporate Strategy & Performance
- Citizen Experience

Audited by:

- MNP LLP

DRAFT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Regina for its Annual Financial Report for the fiscal year ended December 31, 2020. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. To be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily-readable and efficiently-organized annual financial report with content that conforms to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs.



Government Finance Officers Association

# **Canadian Award for Financial Reporting**

Presented to

**City of Regina  
Saskatchewan**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2020**

*Christopher P. Morill*

Executive Director/CEO

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# 2021



## Overview



# Regina at a glance



..... Established as a city in **1903**

Capital of Saskatchewan



The City of Regina maintains more than **100** parks and approximately **240,500** trees in public spaces, which is more than one tree per person.

**182.4 km<sup>2</sup>**  
land area

**\$284,700**  
2021 median housing price

Average house in Canada: \$713,500 (December 2021, Canadian Real Estate Association's House Price Index)



Household income per capita  
(2021, Conference Board of Canada)

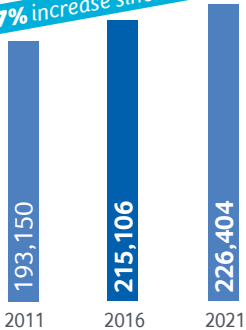
**55.9K**

**1,226 km**  
of roads

## City of Regina Population

(Statistics Canada)

**17% increase since 2011**



Regina Census Metropolitan Area (CMA)  
**263,659** residents  
(2021 Conference Board of Canada)

**39,605** residents identify as a visible minority  
**20,715** identified as having Aboriginal ancestry  
**36,910** immigrants



**36.5**  
median age

**2016 Census**

**577 m** above sea level

The City's Official Community Plan projects the population will grow to **300,000** in the next 20 years.

**2.49 million** visits/stays per year  
**8000+** jobs into Regina economy  
**\$700 million**  
(2019, Economic Development Regina)

**139,000**  
Total employment

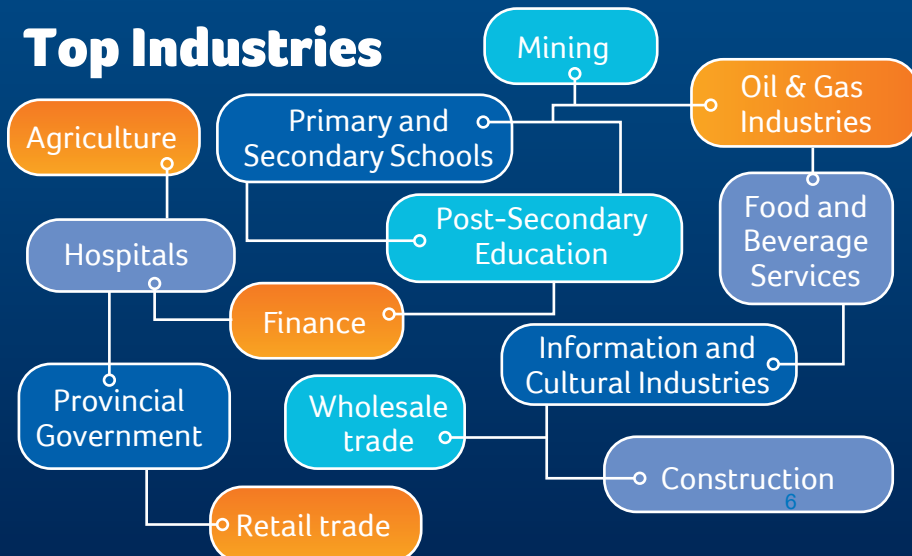
**6.8%**  
Unemployment rate

**Economy**  
Regina CMA  
(As of Dec. 31, 2021, Conference Board of Canada)

**3.1%** increase in real **GDP**

Consumer Price Index annual inflation of **2.4%**

## Top Industries



**3 post-secondary institutions**



University of Regina, Regina Campus of Saskatchewan Polytechnic and First Nations University of Canada

# Citizen Satisfaction & Budget Engagement

## 2021 Citizen Satisfaction Survey

The Citizen Satisfaction Survey explores how Regina residents feel about their city, from quality of life to municipal services, taxation and communications. The results help the City to understand what it is doing well and what needs improvement. In 2021, 800 Regina residents 18 and older completed the survey. A full report is available at [Regina.ca](https://regina.ca).

**77%**

rate the quality of life in Regina as good

**62%**

satisfied with the quality of services and programs provided by the City

**48%**

think they receive good value for their municipal tax dollars

**80%**

agree that a portion of today's property tax dollars should be allocated to help fund the cost of rebuilding infrastructure in the future

**72%**

satisfied with the overall quality of City communications

**73%**

agree Regina is on the right track to become a better city 10 years from now

**63%**

satisfied with level and quality of customer service provided by the City

**62%**

think the City effectively and efficiently delivers services on a daily basis

While public health restrictions impacted how we gathered, COVID-19 did not stop the City from engaging in conversations with residents on policy and processes that impact our daily lives. Through responsive problem-solving, the City quickly adapted engagement practices to the virtual and digital space.

## 2021 Budget Survey

More than 2,500 residents participated in the consultation for the 2021 City Budget, offering feedback on budget priorities and considerations to help guide Council's decision-making.

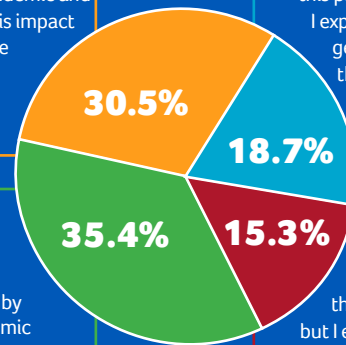
### My household has...

Been negatively impacted financially by this pandemic and I expect this impact to continue over the upcoming year.

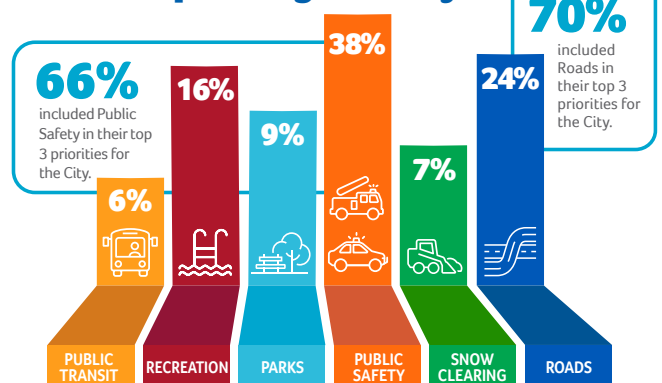
NOT been negatively impacted financially by this pandemic, but I expect things to get worse over the upcoming year.

NOT been negatively impacted financially by this pandemic and I expect that to continue.

Been negatively impacted financially by this pandemic, but I expect things to improve in the upcoming year.



### Your #1 Spending Priority



# Message from the Mayor



June 15, 2022

Dear Regina residents,

On behalf of City Council, I am pleased to present the 2021 City of Regina Annual Report.

2021 was a year of laying the foundation for recovery as our city continued to navigate the pandemic, while ensuring proper investments and decisions were made to assist Regina in overcoming challenges and preparing for the future.

Last year, we announced nearly \$2 billion of new private investment into the Greater Regina Area. Companies such as Cargill, Viterro and Red Leaf Pulp announced major projects, while Samsung announced a new regional office and Brandt Group of Companies announced a major expansion of their workforce. These investments will create over 2500 direct and indirect jobs within our local economy. What these announcements show is that global companies see Regina's potential and they are creating a signal to others that Regina is the place to invest in.

The City of Regina also focused on delivering efficient and effective operations in 2021. With support from Deloitte, we completed phase one of our efficiency review. Six services were reviewed with an estimated efficiency savings of \$17.1 million annually. Fourteen opportunities were selected for implementation based on impact. City Administration will begin implementation on these opportunities in 2022. We are accountable to the residents of Regina, and we will work persistently to deliver the highest level of value for taxpayer dollars.

Last year, we were all called to bear witness to past harms done against Indigenous Peoples. We are on the path of seeking a better understanding of Indigenous culture and values. We are committed to advocating, supporting and taking action to facilitate Truth and Reconciliation. In 2021, City Council unanimously approved renaming Dewdney Pool and Park to Buffalo Meadows. In 2022, we will be rebuilding Reconciliation Regina and creating economic fairness through new Indigenous procurement policies. This fall, Regina will be hosting on September 29, Miyo-wîciwîtowin Day, a national event on Truth and Reconciliation to deepen our understanding about the history of Indigenous Peoples in Canada – we hope the community can join us.

We continue working on enhancing the quality of life and building a safer community for our residents. City Council approved the Community Safety and Well-being (CSWB) Plan in 2021. The CSWB Plan outlines a multi-year strategy to improve safety and well-being for Regina residents by focusing on six priority areas to address pressure points and social issues that present as barriers in our city. We look forward to working and engaging with the community in 2022 to ensure the successful implementation of the Plan.

As a resident of Regina, your ideas, concerns and feedback are crucial. I invite you to read more details about the City's performance in the pages of this document and to participate in the public engagement activities the City of Regina makes available throughout the year.

Sincerely,

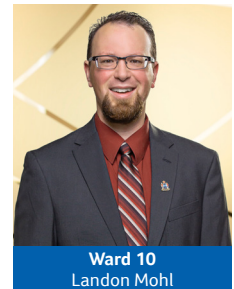
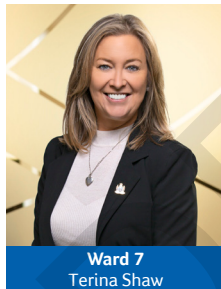
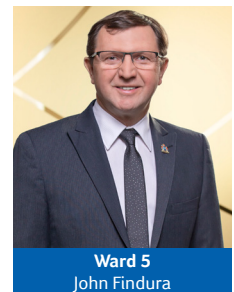
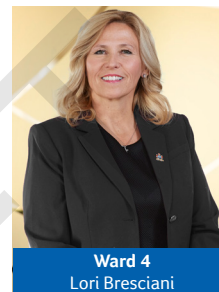
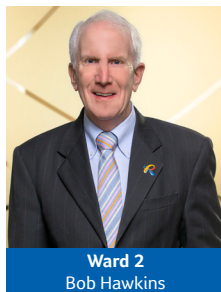
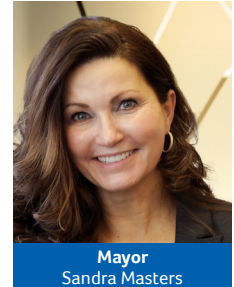
A handwritten signature in black ink, appearing to read 'Sandra Masters'.

Sandra Masters  
Mayor



# Corporate Governance & Accountability

Regina's City Council (2020-24) is comprised of a mayor and 10 City Councillors, each elected for a four-year term. City Council is responsible for providing policy direction for the City, setting long-range strategic priorities and approving the civic operating, capital and utility budgets. Council direction supports the continued delivery of municipal services and City-specific plans, programs and initiatives to drive community growth, economic development and quality of life.



## Boards, Committees & Commissions

Regina's decision-making structure is handled through a committee system as outlined in the *Committee Bylaw* and in accordance with the *Procedure Bylaw*, which provides information on proper protocol and how the proceedings in each meeting are carried out. Committees review and consider matters brought forth by the public and City Administration, and provide recommendations to City Council.

Executive Committee consists of all City Council members and makes recommendations to Council relating to items emanating from the offices of the City Clerk, City Manager or City Solicitor unless those items are specifically related to the mandate of another main committee. The Regina Planning Commission advises and assists City Council with respect to all matters pertaining to community planning and development.

City Council also establishes advisory committees to receive input and advice from the citizens of Regina. These committees are made up of members of the public and Councillors. Appointments to committees are made by City Council. Citizens are encouraged to participate in local government by applying to the committee of their choice each year in September and by attending Executive Committee and City Council meetings as a delegate whenever they wish to speak to an agenda item.

- ▶ Executive Committee
- ▶ Accessibility Advisory Committee
- ▶ Board of Police Commissioners
- ▶ Board of Revision
- ▶ City Centre Core Development Advisory Committee
- ▶ Development Appeals Board
- ▶ Regina Airport Authority
- ▶ Regina Appeal Board
- ▶ Regina Downtown Business Improvement District Board
- ▶ Regina Planning Commission
- ▶ Regina Public Library Board
- ▶ Regina Warehouse Business Improvement District Board



# Message from the City Manager



June 15, 2022

Mayor Masters and Councillors,

I am pleased to submit the City of Regina's 2021 Annual Report, pursuant to Section 155 of The Cities Act.

Throughout 2021, as we faced ongoing impacts COVID-19, the City of Regina remained resilient and focused on economic recovery. The City was committed to responsive recovery and investment ensuring delivery of essential services, making strategic investment in infrastructure, financial stability and supporting business opportunities.

There is significant optimism as the greater Regina area economy has started to rebound in 2021 and into 2022. After declining by 5.3 per cent in 2020 from the impacts of the COVID-19 pandemic, Regina's economy grew by almost 4.0 per cent in 2021 with similar growth expected in 2022 according to the Conference Board of Canada. Industry is increasingly seeing Regina as a destination and our

transportation and tourism industries are well-positioned to recover with international flights resuming at Regina International Airport.

The City's commitment to responsible financial management has allowed it to maintain a AAA credit rating for the past three years despite the impacts of the pandemic. The City supported more than 319 local small- and mid-sized businesses through the Regina Economic Recovery Grant program. More than \$1.7 million in matching grants have helped businesses adapt or transform their operations in response to COVID-19 with over \$1.3 million of that total distributed in 2021. Strategic investment in infrastructure continued in 2021 with \$176 million toward capital infrastructure and facilities, including \$30.9 million of provincial funding from the Municipal Economic Enhancement Program.

In 2021, Administration made significant advancement toward the City's goal of becoming a renewable city by 2050 with major projects including development of the Energy & Sustainability Framework and the Regina Transit Master Plan. The Framework and Transit Master Plan were both approved by Council in early 2022. We now look forward to taking action and reporting outcomes to residents and Council.

The 2021 external Efficiency Review conducted by Deloitte Canada has identified new, innovative ways of doing business to improve the long-term sustainability of our services and ensure residents receive the best value for their investment in our City. As we look forward to 2022, we will adapt City operations to save costs, modernize our service delivery including transforming our service and performance culture, and make smart investments for our community now and into the future.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jim Nicol', written over a light blue horizontal line.

Jim Nicol  
Interim City Manager

# City of Regina Administration

Regina's municipal operations are guided by our community's vision to be a vibrant, inclusive and thriving city. This vision is driven by approximately 2,800 employees who are responsible for managing and sustaining City infrastructure, facilities and programs that support the overall growth and vitality of our community and quality of life for residents. Many services such as sport, culture and recreation programs are also delivered in partnership with community organizations, and by private some services, such as Paratransit and water treatment, are delivered by private businesses.

## The Role of the City Manager

The City Manager leads the Executive Leadership Team and works closely with Council. The City Manager implements the decisions of Council, provides advice and manages City Administration, while being accountable for ensuring all City operations and projects comply with the strategic priorities and direction set by Council.

## Executive Leadership Team

The Executive Leadership Team (ELT) oversees all City operations and plays a major role in developing and implementing public policy by advising on best practice, research and balancing community priorities and legislated requirements to ensure Council's decision-making is well-informed.

### City Manager's Office

#### City Clerk's Office

Deputy City Clerk  
Corporate Information Governance

#### City Solicitor's Office

Legal Services  
Parking & Licencing Services  
Bylaw Enforcement

#### People & Transformation

**Executive Director's Office**  
Divisional Business Support  
External Relations & Strategic Priorities  
Corporate Strategy

**Communications & Engagement**

**People & Organizational Culture**

**Information, Energy & Technology**

#### Citizen Services

**Executive Director's Office**  
Divisional Business Support

**Fire & Protective Services**

**Transit & Fleet Services**

**Roadways & Transportation**

**Water, Waste, Environment**

#### City Planning & Community Development

**Executive Director's Office**  
Divisional Business Support  
Integration & Stakeholder Relations

**Sustainable Infrastructure**

**Planning & Development Services**

**Parks, Recreation & Cultural Services**

#### Financial Strategy & Sustainability

**Executive Director's Office**  
Divisional Business Support  
Budget & Long-term Financial Planning

**Financial Services**

**Land, Real Estate & Facilities**

**Assessment & Property Revenue Services**

# Efficiency Review

In 2021, Deloitte Canada conducted a review of six City of Regina service areas to identify opportunities for savings and innovation. These opportunities will enable the City to reinvest those gains in the community and to accomplish more using existing resources.

Implementation of the Efficiency Review priorities will initiate significant change across the organization that will continue to transform the City's service and performance culture.

Fourteen opportunities were selected as priorities to be driven by a newly formed Transformation Office. The estimated savings from the 14 priorities is approximately \$17.2 million annually, with a one-time investment cost of up to \$12.6 million.



- Establish a Transformation Office
- Implement a modern Customer Relationship Management (CRM) system
- Clarify Service Definitions



- Reduce operational damage to City equipment
- Increase the scope of Telematics; analyze and act on data collected
- Improve civic maintenance operations
- Introduce a ratchet to limit asset replacements when budgeting



- Schedule and deploy Parks resources more effectively
- Define and apply key performance indicators (KPIs)



- Monitor utilities at City locations and act to reduce usage



- Improve procurement approaches
- Revise procurement contract terms
- Consolidate low value purchasing



- Introduce long-term contract and vendor management

## Examples of 2021 Efficiencies and Savings



Consolidating two conventional transit buses into a single articulating bus **reduced annual transit operating costs** by \$112,000.



The implementation of a Negotiated Request for Proposals (NRFP) procurement method for facilities construction increased collaboration with successful vendors and **saved more than \$3 million**, also resulting in better terms and conditions, better construction methods and addressing economic supply issues.



A **revamped building permit process** cut the average residential review time from 39 days in 2018 to 5.4 days in 2021. Average commercial review time fell from 45 days to 16.8 days.



The City saved **\$21 million** by relining 23.5 kilometres of sewer lines rather than replacing them. Relining is just a quarter of the cost of replacement.



Changing from a five-day operating model to a seven-day schedule in the Forestry unit increased work output, reduced scheduled overtime and **saved \$50,000** during a 10-week pilot project.



Modernizing and streamlining Service Regina operations **reduced staffing and operational costs** by \$265,000, which will be reinvested to further improve the customer experience.

# 2021 Annual Report Highlights

## Responsive Recovery & Investment

The 2021 Annual Report reflects the City's corporate and financial performance, including priorities set in the 2021 Budget.

### Responsible, Inclusive Governance



The City recognized the **National Day for Truth and Reconciliation** on Sept. 30. Employees and residents were encouraged to observe a day of quiet reflection and to participate in or support community events focused on understanding the tragic history and ongoing legacy of residential schools.

Council endorsed renaming Dewdney Pool and Park to **Buffalo Meadows**, recognizing the harmful policies of Edgar Dewdney towards Indigenous peoples, including establishing and overseeing residential schools.

The City continues to maintain its **AAA credit rating** from S&P Global, demonstrating long-term financial planning strength.



### Strengthening Partnerships



The development and implementation of a **Winter City Strategy** led to the inaugural Frost Winter Festival event announced in December 2021. The project was led by the Regina Winter Festival Committee and service partners.



The City developed a **Community Safety & Well-being Plan** in collaboration with the Canadian Municipal Network on Crime Prevention, Regina Police Service and other community partners.

### Advancing Economic Development



2021 was an extraordinary year for economic development. Close to **\$3 billion of new private investment** was announced within the Greater Regina area.

Agricultural technology led the way, with confirmation of several major developments:

- Red Leaf Pulp – wheat straw pulp mill
- Cargill – canola processing facility
- Viterra – canola crushing facility



The City supported local small- and mid-sized businesses through the **Regina Economic Recovery Grant** program.

Since August 2020, more than \$1.7 million in matching grants have helped 319 local businesses to adapt or transform their operations in response to COVID-19. Over \$1.3 million was distributed in 2021.



Development of a 29-unit permanent supportive housing facility was advanced with \$7.8 million from the Government of Canada's **Rapid Housing Initiative**.



Through the Canadian Tire Foundation, \$1.2 million was secured for a **new spray pad/playground** to be constructed in 2023.



## Environmental Sustainability



Regina's **Energy & Sustainability Framework** was developed. It outlines a path for Regina to become a renewable, net-zero community by 2050.

About 2,800 households took part in a **Food & Yard Waste Pilot**, diverting 300 tonnes of residential waste from the landfill through the fall and winter of 2020-21. This successful pilot led to the approval of a citywide service expected to divert up to 24,000 tonnes of waste every year while reducing annual emissions by 10,000 tonnes.

The \$5.3 million **Maple Leaf Pool** reopened in June, prioritizing accessibility and sustainability. Solar panels generate enough electricity for half of the facility's needs, and a new filtration system reduces water consumption by 90 per cent. Similar features will be included in the new Wascana pool.

After significant upgrades, the **Landfill Gas to Energy Facility** continues to create new sources of renewable energy, reduce greenhouse gases and lessen dependence on traditional energy sources such as fossil fuels.

Twenty additional landfill gas wells were installed in 2021, bringing the total number of active wells onsite to 53. These additional wells are used to capture more landfill gas. Landfill gas capture reduced emissions by nearly 9,500 tonnes in 2021.

A project to monitor energy use in 50 City facilities was initiated and will provide the City with the ability to track energy consumption and make recommendations for energy savings.



## Investing in Infrastructure



In 2021, the City invested a total of **\$176 million toward capital infrastructure and facilities**, including \$30.9 million using provincial funding from the Municipal Economic Enhancement Program (MEEP). MEEP-funded projects included Residential Road Renewal, the new Wascana Pool, redeveloping the Municipal Justice Building, and repairing/constructing sidewalks.

### Other 2021 investments:

- Resurfaced **10.1 km of pavement** and replaced **13 km of sidewalks** on major roadways
- Refreshed **12.8 km of gravel alleys** and reconstructed **6.4 km of paved alleys**
- Installed **3.7 km of multi-use pathways** and **1 km of on-street bike lanes**
- **Improved sidewalks** and **access to transit** on Park Street
- Relined **23 km of sewer mains** and renewed **10.4 km of water mains**
- Replaced **41 hydrants**, as well as **153 water service connections**
- Inspected and cleaned more than **80 km of large and small diameter sewer mains**
- Dredged **9 km of creek** and **improved storm channels**
- Installed **seven new sets of traffic signals**, renewed **two traffic signals** with two more to be completed by end of season
- Installed **one new pedestrian corridor** with five more renewed
- Completed **15.2 km of permanent pavement markings**
- Planted **477 trees** in parks or along roadways



# Financial Position

As at December 31, 2021 (in thousands of dollars)

	Actual 2021	Actual 2020
<b>Financial Assets</b>		
Cash	\$169,267	\$96,587
Short-term Investments	421,574	461,126
Accounts Receivable	56,632	43,450
Taxes Receivable	12,123	14,964
Land Inventory	25,257	20,592
	684,853	636,719
<b>Financial Liabilities</b>		
Bank indebtedness	1,725	-
Accounts payable and accrued liabilities	64,233	47,213
Taxes payable to school boards	1,323	11,570
Deferred revenue	119,790	121,984
Capital lease obligations	1,197	1,223
Long-term debt	331,657	292,989
Employee benefit obligations	72,068	74,483
Landfill closure and post-closure	14,678	12,574
	606,671	562,036
Net Financial Assets	78,182	74,683
Non-Financial Assets	2,462,963	2,377,971
Accumulated Surplus	\$2,541,145	\$2,452,654
<b>Reserves</b>		
<b>City of Regina Reserves</b>		
General utility reserve	110,391	96,663
General fund reserve	36,421	29,398
Covid-19 recovery reserve	2,902	15,872
Solid waste reserve	38,839	30,915
Regina revitalization initiative - stadium reserve	(3,734)	(4,312)
Land development reserve	(23,268)	(16,357)
Asset revitalization reserve	14,640	14,625
Fleet replacement reserve	20,012	20,964
Social development reserve	4,954	3,694
Elections & property reserve	424	192
Planning & sustainability reserve	(4,012)	(2,331)
Winter road maintenance reserve	1,812	2,169
Regina Police Service general reserve	3,206	1,618
Employer provided parking reserve	3,422	2,930
Other City of Regina reserves	3,636	3,402
<b>Group Benefits reserves:</b>		
Group life insurance reserve	7,693	8,758
Dental benefits reserve	2,685	2,359
Medical - City of Regina reserve	1,010	1,076
Police services premium red' reserve	422	367
Other group benefits reserves	239	184
Other Entities reserves:	16,486	18,358
	\$238,180	\$230,544

## Financial Assets:

Financial Assets increased by \$48 million (7.6%) due to a \$73 million increase in cash as term deposits matured. They were not reinvested in anticipation of hiring an investment manager to implement the Council-approved investment policy. Accounts receivables increased by \$13 million with claims to Infrastructure Canada related to the Winnipeg Street Overpass project and other receivables, offset by a \$40 million reduction in short-term investments. The increase in Land Inventory reflects more work done for the Towns Phase 2 development.

## Financial Liabilities:

Financial Liabilities increased by \$45 million (7.6%) mainly due to a \$39 million increase in long-term debt associated with the Buffalo Pound plant renewal project approved by Council in February 2021. Other significant changes include an increase of \$17 million in accounts payable in the City of Regina and consolidated entities, offset by a \$10 million decrease in taxes payable to school boards due to a change in the timing of the payments.

## Non-financial Assets:

Non-financial assets increased by \$85 million (3.4%) as a result of continued investments in tangible capital assets to strengthen service delivery.

## Reserves:

Most City reserves are self-sustaining whereby both the operating and capital costs are funded from the reserves, such as the Utility Fund Reserve. Other reserves are established for future capital replacement like the Fleet Replacement Reserve. Unallocated funding within the General Fund Reserve and the Asset Revitalization Reserve provides Council with the most flexibility. Reserves (committed and uncommitted funds) increased by \$8 million. Major changes include: an increase in the General Utility, Solid Waste and General Operating reserves for net operating surpluses for the year, offset by a planned decrease in the COVID-19 Reserve to offset pandemic-related costs and a decrease in the Land Development Reserve due to development of City-owned land.

# Consolidated Financials

## Consolidated Statement of Operations and Accumulated Surplus Revenue

As at December 31, 2021 (in thousands of dollars)

	Actual 2021	Actual 2020
<b>Revenue</b>		
Taxation	\$292,063	\$284,740
Fees and charges	255,611	227,757
Government Transfers	102,684	103,719
Electrical distribution	30,492	29,502
Licenses, fines and levies	18,037	14,684
Gas distribution	6,139	6,216
Interest and penalties	7,885	9,133
Interest on long term investments	1,046	893
Servicing agreement fees	9,069	8,080
Land sales	181	26
Other	6,685	7,468
Contribution of tangible capital assets	17,739	4,061
Other capital contributions	958	644
	<b>748,589</b>	<b>696,923</b>
<b>Expenses</b>		
Parks, recreation and community services	135,571	117,695
Police	98,012	98,326
Legislative and administrative services	86,081	89,927
Water, wastewater and drainage	103,987	94,332
Roads and traffic	81,651	66,394
Fire	53,367	50,590
Transit	42,884	40,490
Waste collection and disposal	29,728	28,235
Grants	12,205	12,974
Planning and development	16,612	15,231
	<b>660,098</b>	<b>614,194</b>
Annual Surplus	<b>88,491</b>	<b>82,729</b>
Accumulated Surplus, Beginning of Year	<b>2,452,654</b>	<b>2,369,923</b>
<b>Accumulated Surplus, End of Year</b>	<b>\$2,541,145</b>	<b>\$2,452,654</b>

### Revenues:

Revenues increased by \$52 million (7.4%). The increase is mainly related to the following:

- \$28 million increase in fees and charges as various activities resumed at REAL and other City of Regina facilities
- \$14 million increase in contribution of capital assets with higher levels of development and favorable economic factors
- \$7 million more in taxation revenue related to growth and tax rate increases

### Expenses:

Expenses increased \$46 million (7.5%). Parks, Recreation & Cultural Services saw increased costs associated with meeting demand as the number of events and activities increased during the year. Roads & Transportation expenses grew with the investment in infrastructure and construction. Water, Wastewater and Environment experienced higher costs associated with a high number of watermain breaks due to a dry summer, higher costs of water purchases and other increased costs.

### Annual Surplus:

Annual surplus is the amount of revenue greater than expenses. The increase in consolidated surplus for 2021 was \$6 million.

### Accumulated Surplus:

Accumulated surplus includes both cash and non-cash items (such as tangible capital assets) that are not available to spend. The Accumulated surplus shows a growth of \$88 million. This is related to a \$83 million increase in our tangible capital assets such as land, buildings, roads, and equipment that the City continues to invest in and an increase in the net financial assets of \$4 million.



# Reconciling Our Budget

On an annual basis, the City prepares a balanced budget, which incorporates the expected revenues and expenditures to provide the residents of our community with services, programs and infrastructure that are efficient, reliable and affordable and that support a vibrant and inclusive community. The budget, presented to City Council for approval, as per Section 128 of The Cities Act, details the planned operating and capital activities, as well as the property tax mill rate increase for the upcoming year.

The budget process has two components: the operating budget, which includes operations and routine maintenance, and the capital budget, which includes capital planning. These components are presented in a manner that considers the cash inflows required to support the cost to provide the services, or cash outflows. This is known as the “cash basis” and provides a clear determination of the property tax required for the year. The budget prepared in this manner provide a key source of information that is used to assess, monitor, and report on the overall financial performance of the City of Regina. Reporting done throughout the year helps decision makers stay on top of actions and initiatives approved in the budget to discuss variances from the plan.

The City’s financial statements use “accrual accounting” to comply with financial reporting requirements established by the Public Sector Accounting Board. Accrual accounting requires financial transactions to be recorded and reported when they occur, regardless of when cash is collected or paid. The financial statements are also prepared on a consolidated basis and include all organizations and enterprises which are controlled by the City, as described in Note 1 of the statements.

Given that the budget and financial statements are prepared using different methodologies that use different approaches to recording transactions, the following table adjusts the 2021 Council-approved budget to the “Total Adjusted Budget” used in the financial statements following Public Sector Accounting Standards. Specifically, the table below summarizes how the balanced budget for the operating and capital budget and the budgets for the consolidated entities are adjusted to conform with accrual accounting principles. The adjustments include the elimination of contributions to and withdrawals from our various reserves, internal cost recoveries, re-classifications between revenue and expenses, as well as recognition of tangible capital assets and the associated amortization (i.e. the reduction of an asset’s value over the time it is used).



## City of Regina Council Approved Budget

	Operating	Capital	Consolidat- ed Entities	Adjustments	Total Adjusted Budget
<b>Revenue</b>					
Taxation	269,373	-	24,253	(550)	293,076
Fees and charges	221,039	-	44,620	(27,735)	237,924
Government Transfers	49,108	38,349	16,918	-	104,372
Electrical distribution	29,800	-	-	-	29,800
Licenses, fines and levies	11,577	-	-	-	11,577
Gas distribution	5,400	-	-	-	5,400
Interest and penalties	6,975	-	202	-	7,177
Interest on short term investments	-	-	-	-	-
Servicing agreement fees	-	8,439	-	-	8,439
Land sales	-	-	-	-	-
Other Revenues	4,580	-	518	(107)	4,991
Contribution of tangible capital assets	-	-	-	-	-
Other capital contributions	-	-	-	-	-
<b>Total Revenue</b>	<b>597,852</b>	<b>46,785</b>	<b>86,511</b>	<b>(28,392)</b>	<b>702,756</b>
<b>Expenses</b>					
Parks, recreation and community services	52,040	19,692	70,877	(7,642)	134,967
Police	96,290	4,080	-	(1,268)	99,102
Legislative and administrative services	60,180	33,883	-	(14,416)	79,647
Water, wastewater and drainage	91,018	57,775	12,353	(66,154)	94,992
Roads and traffic	39,290	57,236	-	(16,285)	80,241
Fire	45,861	440	-	634	46,935
Transit	39,278	13,369	-	(7,365)	45,282
Waste collection and disposal	34,695	580	-	3,468	38,743
Grants	12,701	-	-	(65)	12,636
Planning and development	15,778	3,225	-	(2,125)	16,878
<b>Total Expenses</b>	<b>487,131</b>	<b>190,280</b>	<b>83,230</b>	<b>(111,218)</b>	<b>649,423</b>
<b>Annual Surplus</b>					<b>53,333</b>



# Awards and Recognition



## **AAA credit rating**

S&P Global

In 2021, the City of Regina again received the highest possible credit rating awarded by S&P Global, demonstrating the City's strong financial management practices, long-term financial planning capabilities and stewardship of public funds.



## **Corporate Address Repository (CARS) Initiative**

Best-in-Class in Corporate Addressing

This multi-year project solved a challenge that has existed for over 20 years. CARS is a single source of truth for civic addresses, creating consistency and standardization in corporate addressing, and the many corporate systems that use addresses. It received accolades from the Municipal Information Systems Association (MISA) and other municipalities are looking to the City of Regina as a best-in-class example for managing addressing and addresses.



## **Tree Cities of the World designation**

Food and Agriculture Organization of the United Nations  
Arbor Day Foundation

Regina was recognized as a "Tree City of the World" in 2021. Regina is one of 120 cities globally, as well as 15 cities in Canada, to be accepted into the Tree Cities of the World program. This international program recognizes cities across the world that meet the five core standards for care and planning of urban trees and forests. Regina has more than 500,000 hand-planted trees that help with flooding, natural cooling, plus remove the CO2 equivalent of 3,330 mid-sized vehicles from the atmosphere each year.



## **Certificate of Excellence in Assessment Administration**

International Association of Assessing Officers (IAAO)

The City of Regina is one of only three municipalities in Canada to achieve this certification. This recognition is given to those assessment jurisdictions that are using the identified best-practices throughout their service delivery.



## **International Accreditation**

Commission of Fire Accreditation International

Regina Fire and Protective Services is one of only eight fire departments in Canada to achieve International Accreditation. This accreditation, which is valid until 2022, recognizes the fire department is continuously meeting industry standards and making improvements to their services, including response times and improved data integrity.



# Design Regina:

## 2021 Official Community Plan Results

Design Regina: Official Community Plan (OCP) manages the city's growth to 300,000 people and sets the stage for its longer-term development to 500,000 people. The plan contains a comprehensive policy framework that guides the physical, environmental, economic, social and cultural development of the city. The City of Regina undertook many actions over the past year that advance the OCP and its community priorities. Visit [Regina.ca/ocp](https://regina.ca/ocp) for more information.

# 1

### Develop complete neighbourhoods

Create safe and inclusive neighbourhoods that are easy to get around and that have a mix of housing choices, amenities and services. Community input will drive a proactive approach to city planning.

- Fire Master Plan approved
- Community Safety & Well-being Plan approved

# 2

### Embrace built heritage and invest in arts, culture, sport and recreation

Enhance quality of life, community identity and pride by supporting heritage preservation, arts, culture and four- season sport and recreation activities that will foster community vibrancy and cohesiveness.

- Partnered with organizations to receive approximately \$1.5 million in grant funding and donations
- Municipal Justice Building designated as municipal heritage property
- Heritage Building Rehabilitation Program review initiated

# 3

### Support the availability of diverse housing options

Support a variety of housing choices to ensure people from all walks and stages of life are welcomed to live in Regina.

- Provided leadership for development of a new 29-unit permanent supportive housing facility

# 4

### Create better, more active ways of getting around

Make it easier for people of all abilities to travel by investing in public transit in appropriate locations and planning for all active forms of transportation. This includes providing access routes so all people can more easily travel from home to work and to other destinations.

- Invested \$24 million in Residential Road Renewal Program
- Installed multi-use pathway along Albert Street and a section of the crosstown bike lane between Forget and Elphinstone Streets
- Invested \$1.4 million in sidewalk construction and rehabilitation
- Permanent pavement markings installed in 24 locations
- Upgrades to lighting, sidewalks, ramps and traffic infrastructure through Downtown Renewal Projects
- On-Demand Transit Service pilot initiated resulting in 50% cost savings for on-demand routes
- Implemented Accessible Taxi Rebate Program

# 5

## Promote conservation, stewardship and environmental sustainability

Reduce the City's environmental footprint, prioritize the conservation of land, water and energy, and embrace new operational measures, such as leading practices for waste management.

- Developed Energy & Sustainability Framework
- Landfill Gas to Energy Facility expansion of 20 additional wells and new flare
- Completion of Food & Yard Pilot program
- 12,000 beetles released at Landfill to remove noxious weed, leafy spurge
- Multi-stream waste program implemented throughout all City of Regina facilities; estimated to achieve 50 per cent waste diversion with 6,000 bins in circulation.
- Began energy audit monitoring in 50 City facilities
- Completion of new Parks and Facilities Yard Operations Centre and Equipment Storage Building

# 6

## Achieve long-term financial viability

Spend money wisely to ensure the City's ability to manage its services and amenities both now and in the future. This includes considering the full costs of operating before committing to projects or services and to search out new ways to generate revenue to ensure the City has the financial resources to meet customers' needs.

- Maintaining City's AAA credit rating from S&P Global
- Reduced transit costs by \$112,000 by consolidating two 40-foot conventional transit buses into a single 60-foot articulating bus
- Reviewed and updated financial models for Utility and Service Agreement Fees, Cemeteries, Solid Waste, Urban Highway Connector Program and others
- Completed comprehensive review of City reserves
- Investment Policy updated and approved by Council
- Telematic technology expanded for City vehicles
- More than \$3 million saved through Negotiated Requests for Proposal (NRFP) procurement
- Received for the 29th consecutive year the Canadian Award for Financial Reporting from Government Finance Officers Association (GFOA)

# 7

## Foster economic prosperity

Work cooperatively with surrounding municipalities, agencies, levels of government and other stakeholders to determine and evaluate opportunities to collaborate, to plan for and potentially deliver services regionally.

- Almost \$3 billion in new private investment announced
- More than \$1.3 million distributed to Regina businesses through Regina Economic Recovery Grant
- Adopted "tax lift" on intensified development to fund related infrastructure needs

# 8

## Optimize regional cooperation

Work cooperatively with surrounding municipalities, agencies, levels of government and other stakeholders to determine and evaluate opportunities to collaborate, to plan for and potentially deliver services regionally.

- Cooperative procurement extended to City of Moose Jaw for standardized water and sewer supplies
- Memo of Understanding approved with the Regina Airport Authority
- Collaboration with external agencies such as the Saskatchewan Health Authority, Royal Canadian Mounted Police and Saskatchewan Public Safety Agency
- Fire Service Agreements were reviewed with Rural Municipalities, neighbouring communities and government entities

# Service Partners

The City of Regina has multiple service partners who report annually to City Council and are included in the City's consolidated financial statements.

## Regina Police Service

Regina Police Service (RPS) enhances the safety of our city and provides policing services to the residents of Regina and, in partnership with the RCMP, to some of the surrounding region. The RPS currently has 414 sworn officers and 197 civilian personnel combining to form a total employee complement of 611.

## Regina Public Library

Regina Public Library (RPL) includes eight branch locations throughout the city and a Central Library downtown. It is governed by an independent board under The Public Libraries Act, 1996. Library resources are available to all residents of Regina, including additional collections held at over 300 Saskatchewan public library branches through the Saskatchewan Information Library Services Consortium.

## Buffalo Pound Water Treatment Plant

The Buffalo Pound Water Treatment Plant is a not-for-profit corporation legally known as the Buffalo Pound Water Treatment Corporation. The Cities of Moose Jaw and Regina jointly own the Plant (City of Regina: 74 per cent; City of Moose Jaw: 26 per cent) and a Board of Directors governs the Corporation on behalf of the two Cities. The Plant provides water to approximately 260,000 customers primarily in Regina and Moose Jaw and currently has a rated production capacity of 205 million litres per day.

## Economic Development Regina

Guided by the City of Regina's Official Community Plan and its 2020-2030 Economic Growth Plan, Economic Development Regina's (EDR) is a not-for-profit municipal corporation that provides leadership for economic growth to the City of Regina and the community.

## The Regina Exhibition Association Limited

The Regina Exhibition Association Limited (REAL) is a not-for-profit corporation that operates and maintains recreational and entertainment facilities on more than 100 acres of campus grounds. The REAL District includes Mosaic Stadium, the Brandt Centre, the Affinity Plex, the Cooperators Centre, the International Trade Centre, and the Queensbury Convention Centre. It hosts signature events such as Canada's Farm Show and the Queen City Exhibition and is home to Canadian Western Agribition, the Saskatchewan Roughriders and the Regina Pats.

## The Regina Downtown Business Improvement District

The Regina Downtown Business Improvement District (RDBID) provides a range of business and community services to promote and enhance the Downtown District's unique assets, improve conditions for businesses operating in the district, and improve the quality of life for those who shop, work, live and play downtown.

## Regina's Warehouse Business Improvement District

Regina's Warehouse Business Improvement District (RWBID) is an organizing and financing mechanism established to promote and enhance the area's unique buildings and other historical assets, enhance business conditions and improve the quality of life for those that live in and visit the area.

The Warehouse District encompasses 80 blocks from the west side of Albert Street to the east side of Winnipeg Street and north from the CP rail yard to the south side of 4th Avenue.

# 2021



## Financial Statement: Discussion and Analysis

# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

**For the Year Ended December 31**

*(in thousands of dollars)*

## INTRODUCTION

The discussion and analysis of the City of Regina's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should review the "Introduction" and "City of Regina Performance in 2021" contained within the Annual Report, notes to the financial statements and financial statements to enhance their understanding of the corporation's service efforts and accomplishments from both financial and non-financial perspectives.

## HIGHLIGHTS

The Consolidated Financial Statements combine the financial results of the City's divisions with the financial results of the agencies that are accountable to and controlled or owned by the City. These include:

- Regina Downtown Business Improvement District
- Regina's Warehouse Business Improvement District
- Economic Development Regina Inc.
- Regina Public Library Board
- Buffalo Pound Water Treatment Corporation (BPWTC)
- Regina Exhibition Association Limited (REAL)

Key financial highlights for 2021 are as follows:

- The 2021 Consolidated Financial Statements report net financial assets of \$78.2 million, an increase of \$3.5 million from \$74.7 million at the end of 2020.
- The 2021 Consolidated Financial Statements show an annual surplus of \$88.5 million compared to \$82.7 million in 2020.
- The City's accumulated surplus increased from \$2.45 billion at the end of 2020 to \$2.5 billion at December 31, 2021. The accumulated surplus shows positive growth in our financial position, primarily related to an \$83 million net increase in Tangible Capital Assets which is due to continued investment in our Tangible Capital Assets to provide future service capacity. Examples of this investment includes: \$25.3 million to residential road infrastructure; \$17.2 million to larger road infrastructure; and \$17.9 million to water infrastructure renewal.
- Revenues increased by \$51.7 million and expenses increased by \$45.9 million from 2020. The increase in revenues is primarily due to increases in fees and charges, licenses, fines and levies, and contribution of tangible capital assets. The increase in expenses is mainly due to increase in parks, recreation and community services, water, wastewater and drainage, and roads.
- The City's reserves increased by \$7.6 million to \$238.2 million. The largest change was a planned reduction of the COVID-19 recovery reserve that was used to offset one-time pandemic costs in the 2021 budget.



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

### REVENUES

The Consolidated Statement of Operations show how and where the City recognizes its revenues. The City of Regina had consolidated revenue of \$748.6 million in 2021 as shown below:

**Table 1: Revenues - Budget to Actual and Prior Year Comparison**

	2021 Budget	2021 Actual	Budget Variance Favourable (Unfavourable)	2020 Actual	Year over Year Increase (Decrease)
Taxation	293,076	292,063	(1,013)	284,740	7,323
Fees and charges	237,924	255,611	16,838	227,757	27,854
Government transfers	104,372	102,684	(1,688)	103,719	(1,035)
Electrical distribution	29,800	30,492	692	29,502	990
Licenses, fines and levies	11,577	18,037	6,460	14,684	3,353
Gas distribution	5,400	6,139	739	6,216	(77)
Interest and penalties	7,177	7,885	7,678	9,133	(1,248)
Interest on short term investments	-	1,046	(4,724)	893	153
Servicing agreement fees	8,439	9,069	630	8,080	989
Land sales	-	181	181	26	155
Other	4,991	6,685	(4,831)	7,468	(783)
Contribution of tangible capital assets	-	17,739	17,739	4,061	13,678
Other capital contributions	-	958	(958)	644	314
	702,756	748,589	37,743	696,923	51,666

The schedule above includes both operating and capital revenues, and controlled subsidiaries. The five-year trend is reported on Table 5.

**Taxation revenue** was \$7.3 million higher in 2021 when compared to 2020 primarily due to a 2.34% increase in the mill rate and new properties coming onto the assessment roll during the year.

**Fees and charges** increased \$27.9 million in 2021 as the economy opened up and consolidated entities such as Regina Exhibition Association Limited reported an \$11 million increase in revenues as they were able to hold major events again in 2021.

**Licenses, fines and levies** increased by \$3.4 million as well due to the lifting of the pandemic restrictions primarily and an increase in traffic violation fees.

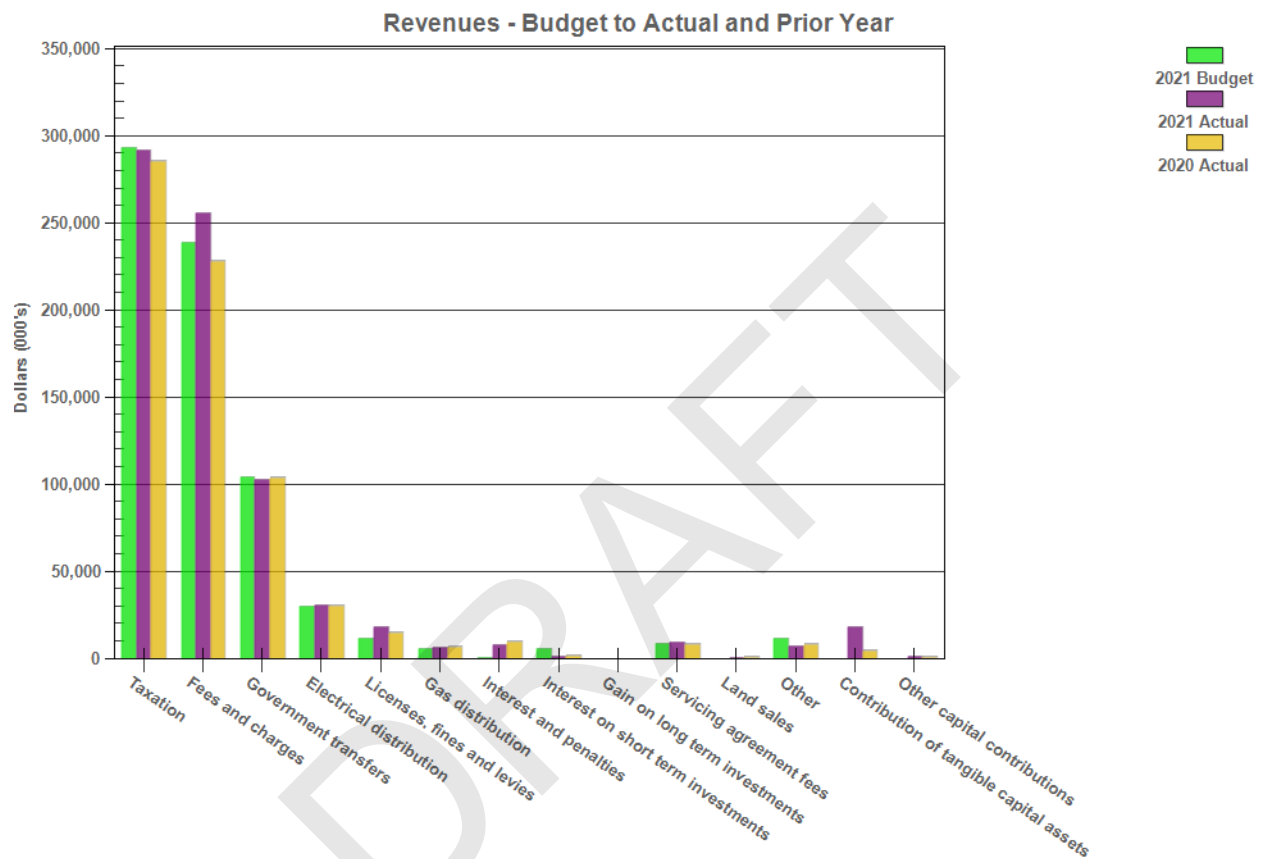
**Contribution of tangible capital assets** for 2021 were \$17.7 million above budget since this item is not budgeted for; contributions were \$13.7 million more than 2020 due to more development and economic factors. This revenue includes tangible capital assets, such as land, roads, and underground networks that the City receives at no cost or below fair market value as per development agreements. However, the City will be expected to maintain and rehabilitate these assets from this point forward. The City's tangible capital assets support all of the services we provide.

# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Table 2: Revenues - Budget to Actual and Prior Year**



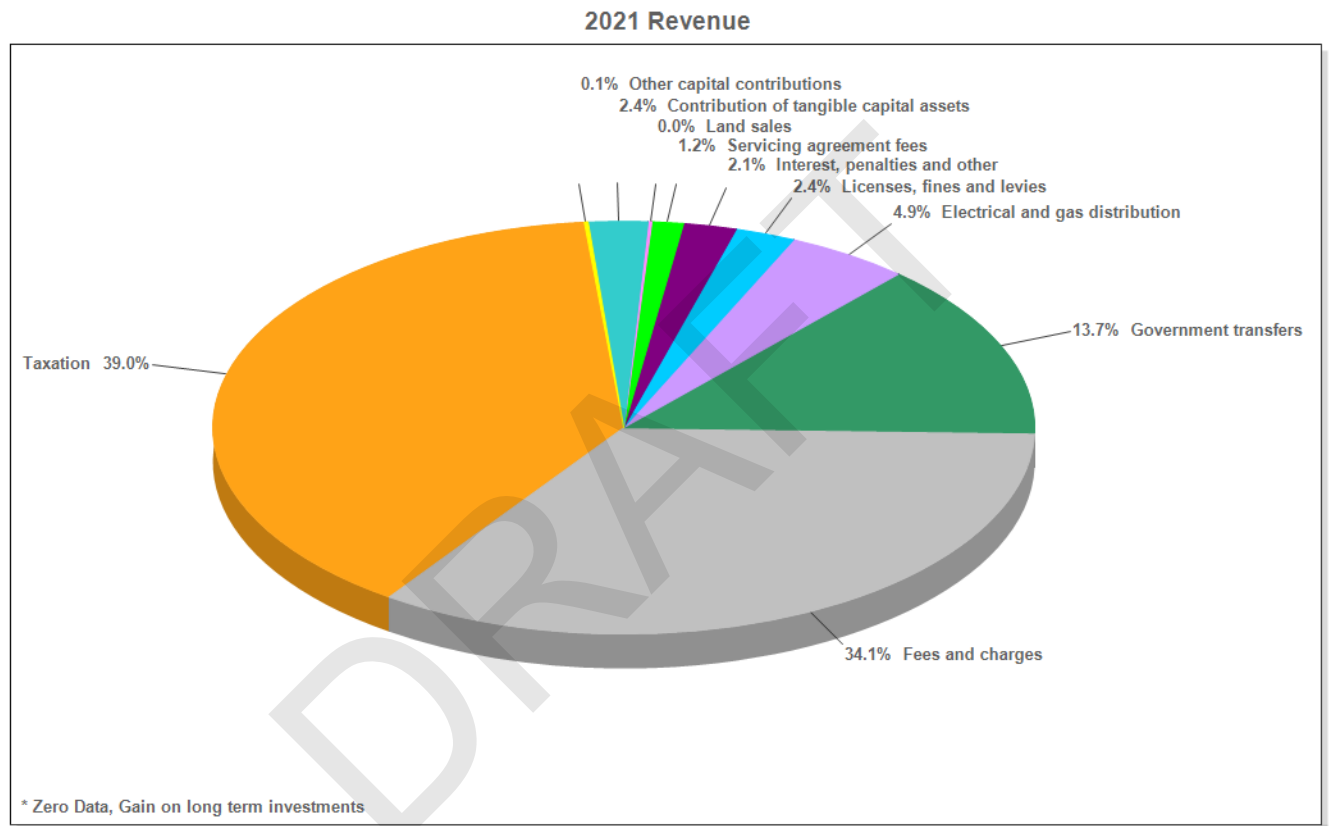
## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Of the total revenue earned in the year, 73.1% (2020 -73.5%) is attributed to taxation and fees. This amount varies slightly each year but has consistently been approximately 71% for the past five years.

**Table 3: 2021 Revenue by Type**



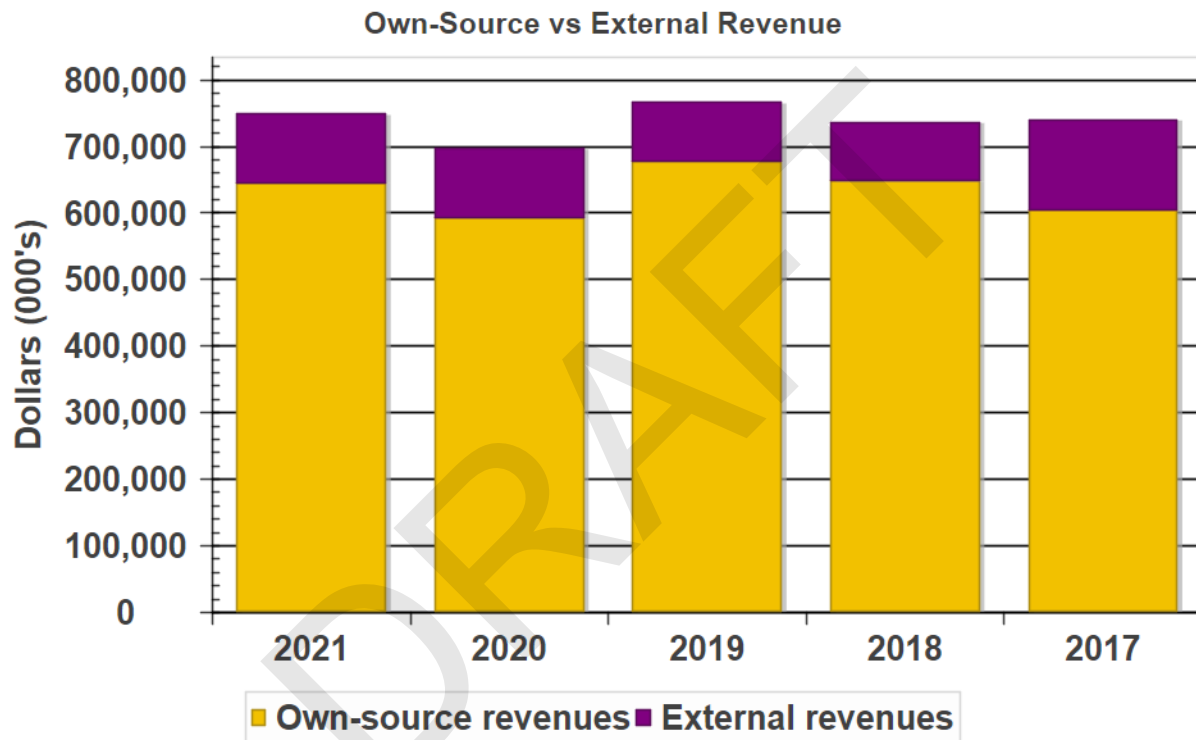
## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

The City's financial condition is reflected in the overall economic and financial environment, and the City's ability to meet service commitments to the public, obligations to creditors, employees and others. Table 4 reflects a comparison of own-source revenue to external revenues.

**Table 4: Own-Source vs External Revenue**



With the exception of 2020 due to COVID-19, own-source revenues, which include taxation, have increased over the past five years, while government transfers have remained relatively unchanged. This increase means the City relies heavily on its own source of funding to cover the cost of providing services. 2017 has higher government transfers due to funding received specifically for the Wastewater Treatment Plant and the Stadium projects. Increasing own source revenues shows the City is more self sustaining and less reliant on government funding.



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 5 provides a summary of the total revenue collected over the last five years. The top five revenue sources include taxation, fees and charges, government transfers, electrical distribution and licenses, fine and levies.

**Table 5: Revenue Summary**

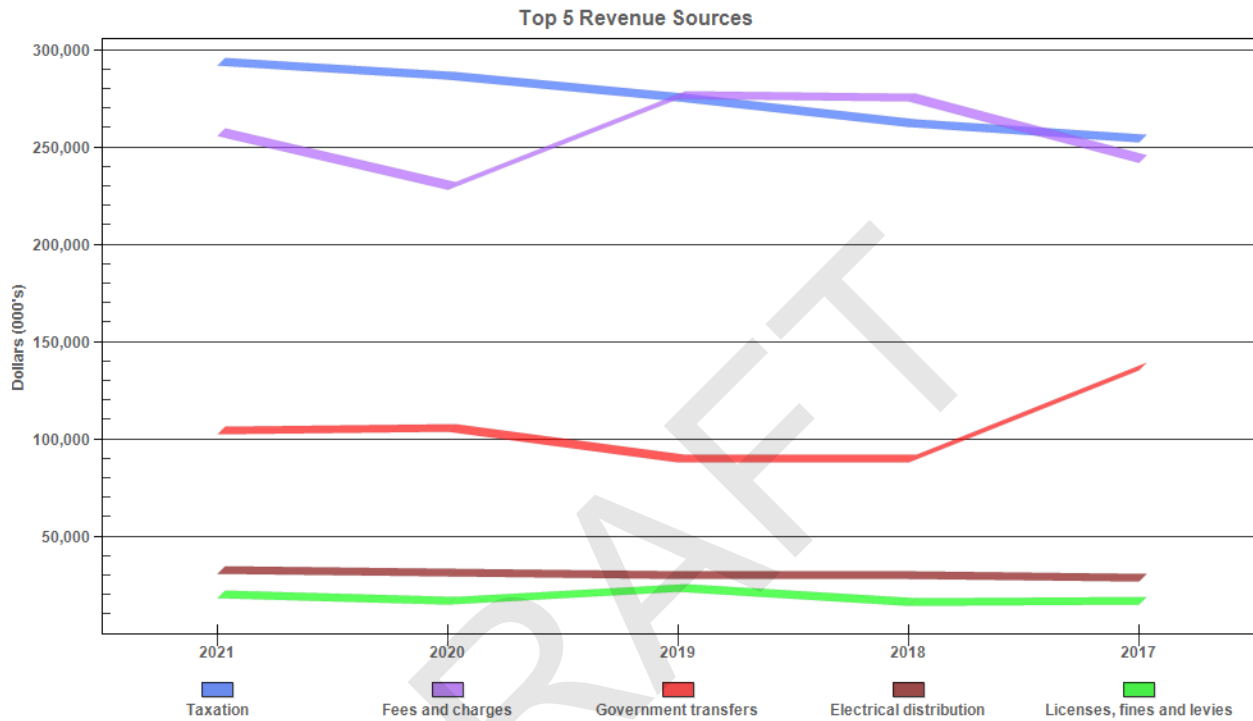
	2021	2020	2019	2018	2017
Taxation	292,063	284,740	273,380	260,358	252,165
Fees and charges	255,611	227,757	275,004	273,373	241,665
Government transfers	102,684	103,719	87,732	88,016	134,965
Electrical distribution	30,492	29,502	28,312	27,893	26,534
Licenses, fines and levies	18,037	14,684	21,420	13,970	14,542
Gas distribution	6,139	6,216	5,630	3,190	5,975
Interest and penalties	7,885	9,133	9,553	5,211	2,810
Interest on short term investments	1,046	893	4,309	7,769	10,351
Gain on long term investments	-	-	11,311	(8,128)	(4,145)
Servicing agreement fees	9,069	8,080	4,523	9,758	13,847
Land sales	181	26	443	3,769	5,408
Other	6,685	7,468	8,279	6,707	8,271
Contribution of tangible capital assets	17,739	4,061	35,417	43,148	26,050
Other capital contributions	958	644	601	1,501	2,003
	748,589	696,923	765,914	736,535	740,441

Certain revenues, particularly own-source revenues follow a predictable pattern of growth; these include revenues such as taxation, licenses, fines and levies, and electrical distribution. Other revenues follow a less predictable pattern of growth such as: government transfers are dependent on the level of funding provided by government; and contributed assets which follow development levels and economic factors.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Taxation revenue** generally increases with growth and tax rate increases.

Taxation revenues result from Municipal and Library taxes levied on all properties in the city and business improvement levies assessed by the Business Improvement Districts on properties in the districts.

Property taxes are calculated by applying a mill rate and mill rate factor to each property assessment. The mill rate and mill rate factor together are known as the tax rate.

**Table 7: Taxable Property Assessment**

$$\boxed{\begin{array}{c} \text{Taxable} \\ \text{assessment} \end{array}} \times \boxed{\begin{array}{c} \text{Mill} \\ \text{rate} \end{array}} \times \boxed{\begin{array}{c} \text{Mill rate} \\ \text{factor} \end{array}} = \boxed{\begin{array}{c} \text{Property} \\ \text{tax} \end{array}}$$

Taxable Property Assessment (in thousands of dollars)	
Year	Total
2021	26,769,165
2020	29,391,967
2019	29,049,338
2018	28,545,124
2017	27,932,498

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Table 8: Mill Rates And Levies**

Year	<u>Mill Rates</u>			<u>Business Improvement Levies</u>	
	Municipal	Library	Total	Regina's Warehouse	Regina's Warehouse
				Downtown	Improvement District
2021*	9.4513	0.8510	10.3023	0.7233	0.5457
2020	8.3716	0.7497	9.1213	0.5997	0.5040
2019	8.1081	0.7329	8.8410	0.5997	0.5040
2018	7.7716	0.7199	8.4915	0.5822	0.4893
2017*	7.4483	0.7199	8.1682	0.5708	0.4750

\* Reassessment year and the mill rates and business improvement levies were restated to revenue neutral rates.

**Table 9: Municipal Mill Rate Factors**

Property Class/Subclass	<u>Mill Rate Factors</u>				
	2021	2020	2019	2018	2017
Residential	0.91034	0.91152	0.91152	0.91152	0.91152
Condominiums	0.91034	0.91152	0.91152	0.91152	0.91152
Multi-family residential	0.91034	0.91152	0.91152	0.91152	0.91152
Commercial and industrial	1.24950	1.21040	1.21040	1.21040	1.21040
Golf courses	0.81197	0.78654	0.78654	0.78654	0.78654
Agriculture	1.24950	1.21040	1.21040	1.21040	1.21040
Railway/Pipelines	1.24950	1.21040	1.21040	1.21040	1.21040
Resources	1.24950	1.21040	1.21040	1.21040	1.21040



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Table 10: Tax Levies and Collection**

	2021	2020	2019	2018	2017
Municipal tax levy	267,773	261,142	250,561	238,268	231,346
Global Transportation Hub Authority	2,873	2,765	2,736	2,435	1,916
School boards tax levy	146,215	149,602	148,848	143,640	140,355
Library tax levy	24,290	23,598	22,819	22,090	21,391
<b>Total tax levy</b>	<b>441,151</b>	<b>437,107</b>	<b>424,964</b>	<b>406,433</b>	<b>395,008</b>
Tax levy per capita - Municipal*	1,071	1,111	1,035	1,017	1,003
Tax levy per capita - School boards*	585	637	615	613	608
Tax levy per capita - Library*	97	100	94	94	93
<b>Total tax levy per capita* (\$)</b>	<b>1,753</b>	<b>1,848</b>	<b>1,744</b>	<b>1,724</b>	<b>1,704</b>
Tax levy per household - Municipal**	2,701	2,736	2,625	2,424	2,354
Tax levy per household - School boards**	1,475	1,567	1,559	1,470	1,363
Tax levy per household - Library**	245	247	239	224	222
<b>Total tax levy per household** (\$)</b>	<b>4,421</b>	<b>4,550</b>	<b>4,423</b>	<b>4,118</b>	<b>3,939</b>
Tax arrears, end of year (prior to allowance for doubtful accounts)	23,138	25,253	18,327	13,833	11,594
Arrears as a % of total tax levy	5.24%	5.78%	4.31%	2.62%	2.31%
Tax levy as a % of General operating revenue	35.77%	37.47%	32.71%	32.35%	31.24%
<b>Total taxes collected</b>	<b>418,013</b>	<b>411,854</b>	<b>405,321</b>	<b>388,756</b>	<b>361,920</b>

\*2016-2020 population figures are based on the 2016 census. 2021 population figure is based on 2021 census.

\*\* Household figure as obtained from Stats Canada 2016 and 2021 census.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Table 11: Major Property Taxpayers in Regina in 2021**

Registered Owner	Total Taxable Assessment	% of Total Taxable Assessment
1. Harvard Developments Inc.	347,337	1.30%
2. Consumers' Co-operative Refineries Ltd.	276,634	1.03%
3. HDL Investments Inc.	269,477	1.01%
4. Cornwall Centre Inc.	173,277	0.65%
5. SBLP Southland Mall Inc.	165,934	0.62%
6. Boardwalk REIT Properties Holdings Ltd.	123,441	0.46%
7. Nobel Reit GP Inc./Commandite FPI Nobel Inc.	101,957	0.38%
8. Cornerstone Holdings Ltd.	100,236	0.37%
9. Loblaw Properties West Inc.	99,230	0.37%
10. Mountwater Capital Corp.	83,568	0.31%
11. City Centre Equities Inc.	82,049	0.31%
12. Regina Airport Authority	80,054	0.30%
13. SGC Holdings Inc.	76,863	0.29%
14. Westdale Construction Co. Ltd.	73,761	0.28%
15. Sherwood Co-operative Association Ltd.	71,611	0.27%
Total	2,125,429	7.95%
Total 2021 taxable assessment	26,769,165	100.00%

The list of major taxpayers does not include properties where grant or payments in lieu of property tax are paid. This list has remained relatively stable over the last number of years. The major property taxpayers shows that the levy base is a very diverse, strong and stable group.

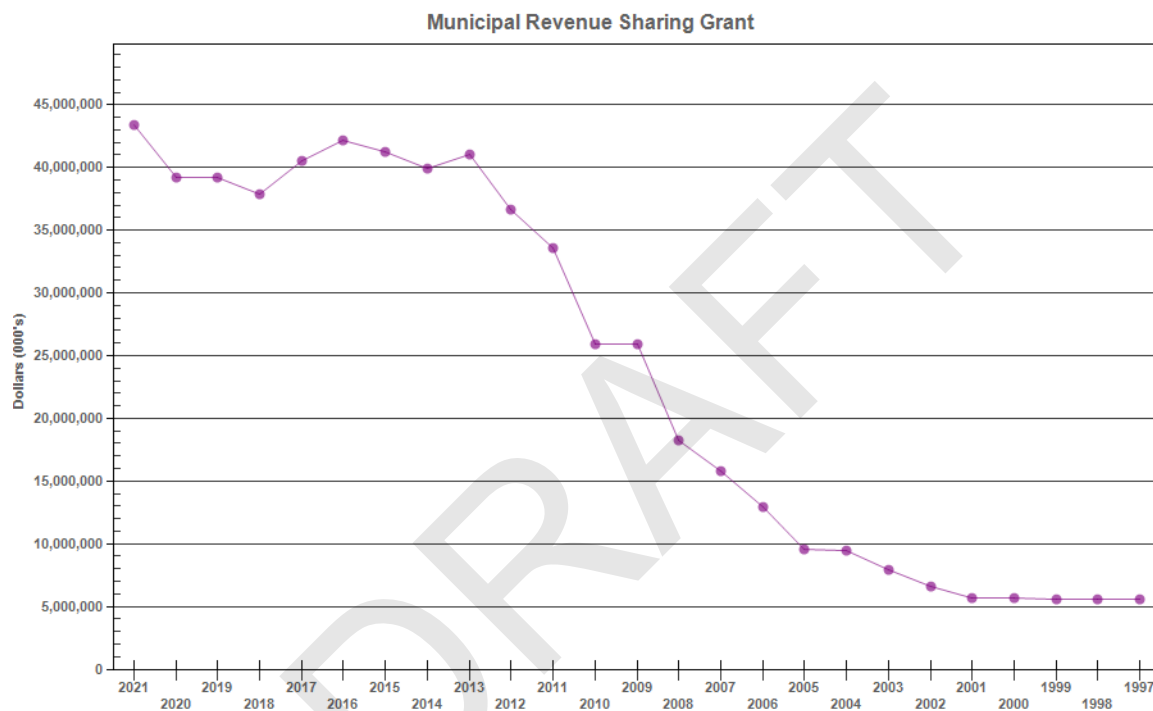
## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Government transfers** include both operating and capital transfers and reflects the variability in various Federal and Provincial capital grant programs. The Provincial Municipal Revenue Sharing (MRS) Grant is one of the largest single grant program available to the City of Regina. Table 12 shows the provincial municipal operating grants received by Regina since 1997.

**Table 12: Municipal Operating Grants Trends**



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

### EXPENSES

The total operating expenses are reported in the Consolidated Statement of Operations. Consolidated expenses totaled \$660.1 million in 2021. The increase in expenses was due to the increase in Parks, recreation and community services, Water, wastewater and drainage and increases in costs for services related to roads and traffic. The spending in all categories are consistent with Council-approved priorities.

**Table 13: Expenses – Budget to Actual and Prior Year Comparison**

	2021 Budget	2021 Actual	Variance Favourable (Unfavourable)	2020 Actual	Increase (Decrease)
Parks, recreation and community services consolidated	143,092	135,571	7,521	117,695	17,876
Police	102,375	98,012	4,363	98,326	(314)
Legislative and administrative services	80,571	86,081	(5,510)	89,927	(3,846)
Water, wastewater and drainage	94,992	103,987	(8,995)	94,332	9,655
Roads and traffic	80,241	81,651	(1,410)	66,394	15,257
Fire	46,935	53,367	(6,432)	50,590	2,777
Transit	45,282	42,884	2,398	40,490	2,394
Waste collection and disposal	38,743	29,728	9,015	28,235	1,493
Grants	12,636	12,205	431	12,974	(769)
Planning and development	11,538	16,612	(5,074)	15,231	1,381
	656,405	660,098	(3,693)	614,194	45,904

The schedule above includes both operating and capital expense, and controlled subsidiaries. The five-year trends are reported on Table 16 by expense type and on Table 18 by expense by object.

**Parks, recreation and community services** increased \$17.9 million from 2020 due to controlled subsidiaries operating closer to pre-pandemic levels in 2021 when compared to 2020.

**Water, wastewater and drainage** expenses were \$9.7 million higher than 2020 due to increased amortization expenses, higher costs of water purchases, an increased number of water main breaks due to a dry summer, and higher capital project costs.

**Roads and traffic** expenses were \$15.3 million higher than 2020 due to an increase in construction during the year. This increase is an investment in infrastructure that is a key component to service delivery.

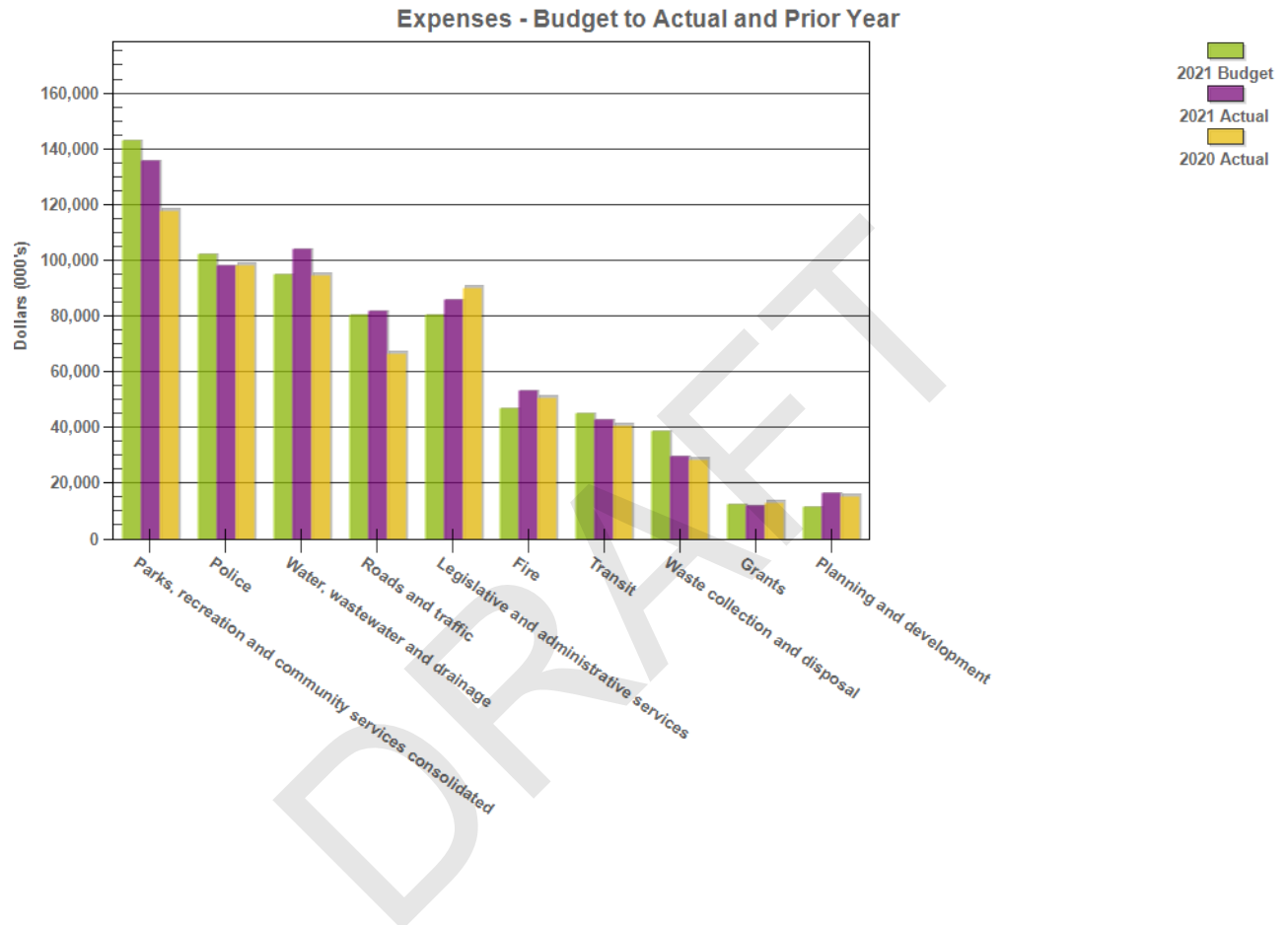


# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 14: Expenses – Budget to Actual and Prior Year



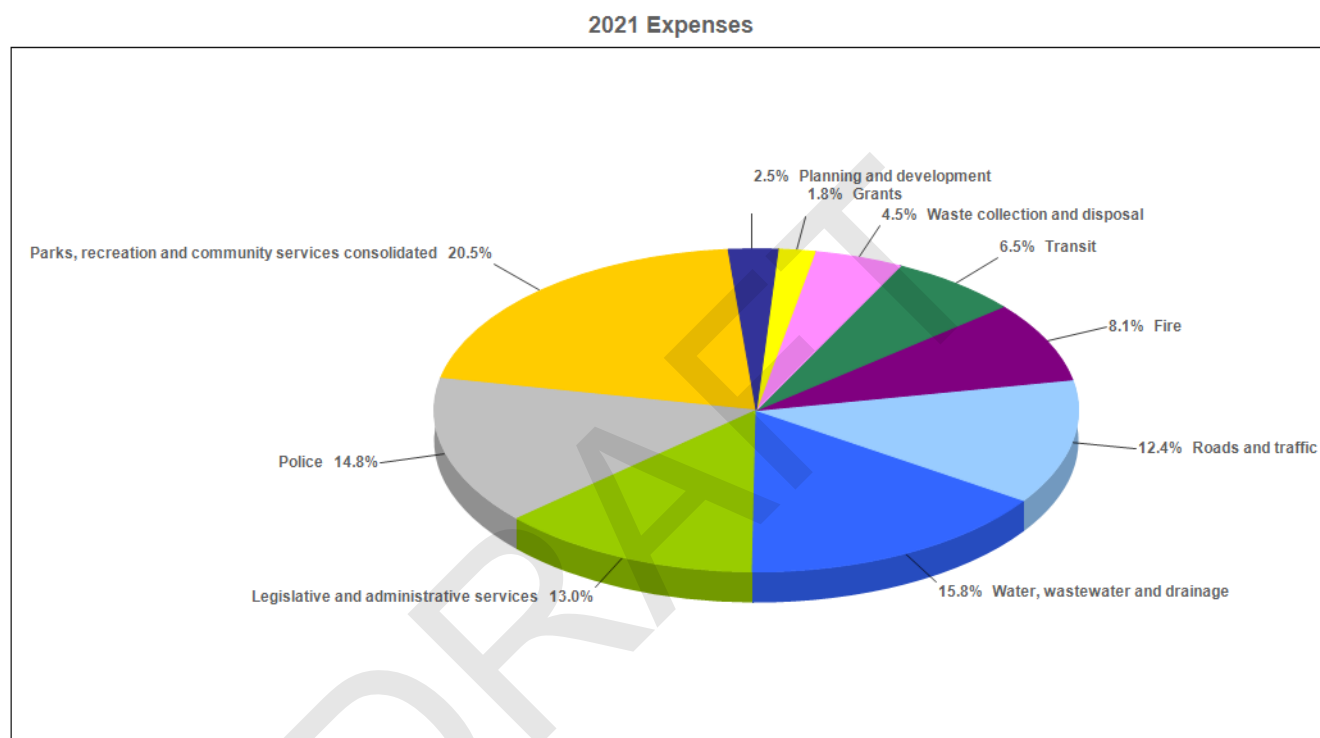
## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Of the total expenditures incurred, almost 64.2% is attributed to four areas: Parks, recreation and community services; Police; Legislative and administrative services and Water, wastewater and drainage.

**Table 15: 2021 Expense by Type**



An analysis of the significant trends in expenses indicate that the City of Regina's expenses have increased by \$81.2 million over the last five years (Table 16). Almost 55% of this increase is the result of the City's continued investment in the road infrastructure and the cost to provide safe, reliable drinking water to residents. Table 17 provides a graphic representation on the historical expenses by department.

**Table 16: Expense Summary**

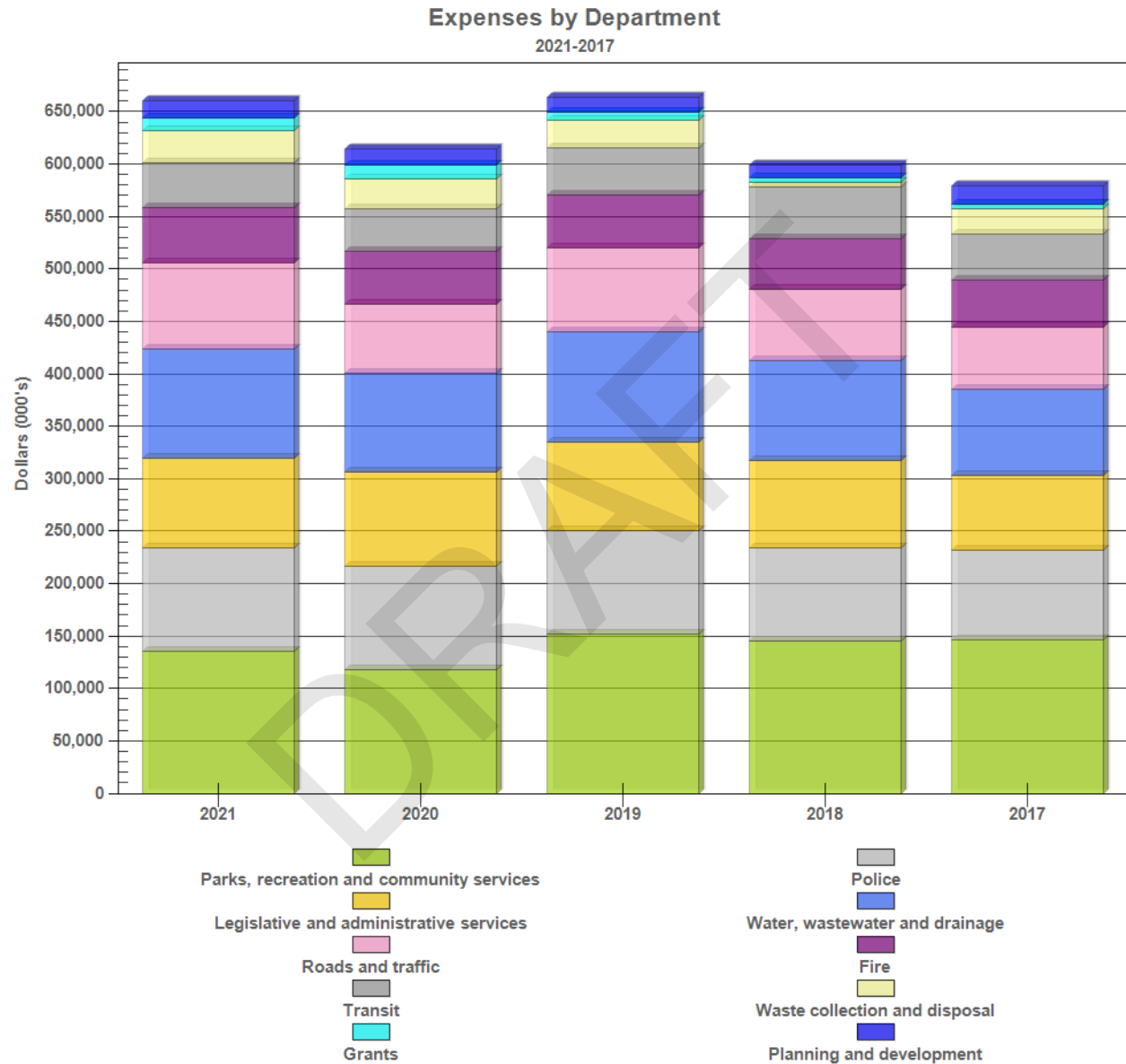
	2021	2020	2019	2018	2017
Parks, recreation and community services	135,571	117,695	151,623	145,436	146,667
Police	98,012	98,326	98,527	88,614	84,605
Legislative and administrative services	86,081	89,927	84,163	83,313	71,812
Water, wastewater and drainage	103,987	94,332	105,784	95,420	82,036
Roads and traffic	81,651	66,394	80,304	67,527	58,998
Fire	53,367	50,590	49,814	48,997	45,651
Transit	42,884	40,490	45,193	48,722	43,895
Waste collection and disposal	29,728	28,235	26,787	4,036	23,734
Grants	12,205	12,974	7,358	4,639	4,548
Planning and development	16,612	15,231	14,278	12,347	16,948
<b>Total</b>	<b>660,098</b>	<b>614,194</b>	<b>663,831</b>	<b>599,051</b>	<b>578,894</b>

# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 17: Expenses by Department



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Approximately 46.3% of the total expenses incurred by the City of Regina are attributed to wages and benefits. Wages and benefits have increased by a nominal and predictable 8.6% from 2017 to 2021 which is reasonable due to collective bargaining agreements and staff advancing through annual union step increases. Included in these costs are changes to post employment obligations such as pension plans, sick and vacation payout's.

Several categories of expenses (contracted services, materials and supplies, and amortization) are impacted by capital projects which span several years. These in turn are impacted by major projects as well as the availability of government funding. While a majority of project expenditures are capitalized not all meet the criteria, thus, an increase in capital projects causes an increase in certain related operating expenses both at the time of construction and into the future.

The number of people employed by the City of Regina and it's related entities in the last five years, including casual staff, is as follows:

2021 - 5,027  
2020 - 4,846  
2019 - 5,242  
2018 - 5,238  
2017 - 5,471

This represents the number of employees paid during the year by the City of Regina and its related entities, which include: Buffalo Pound Water Treatment Corporation, Regina Downtown Business Improvement District, Regina's Warehouse Business Improvement District, Regina Public Library Board, The Regina Exhibition Association Limited and Economic Development Regina.

**Table 18: Expense by Object**

	2021	2020	2019	2018	2017
Wages and benefits	305,911	299,764	300,417	276,772	281,686
Materials, supplies and other goods	85,341	58,537	116,930	79,478	78,734
Contracted and general services	115,783	108,231	105,949	107,025	90,354
Transfer payments/grants	12,226	13,075	9,372	9,347	5,582
Utilities	20,179	19,228	17,036	18,311	20,799
Interest and bank charges	11,983	12,324	13,058	13,418	13,811
Amortization of tangible assets	108,675	103,035	101,069	94,700	87,928
<b>Total</b>	<b>660,098</b>	<b>614,194</b>	<b>663,831</b>	<b>599,051</b>	<b>578,894</b>

As the economy opens up there is increased activity and therefore expenses under material, supplies and other goods are increasing as the services are increasing to pre-pandemic levels.

Table 19 and 20 illustrate total expenses by object.

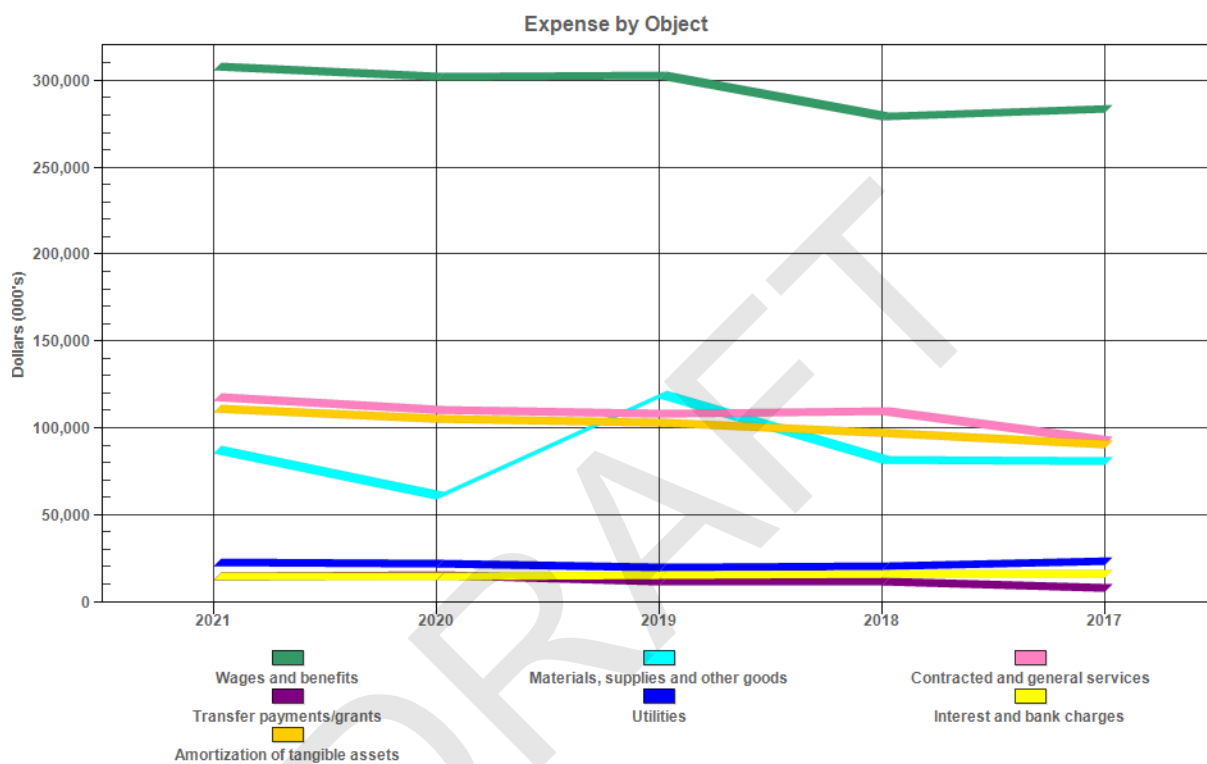


## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 19: Expense by Object

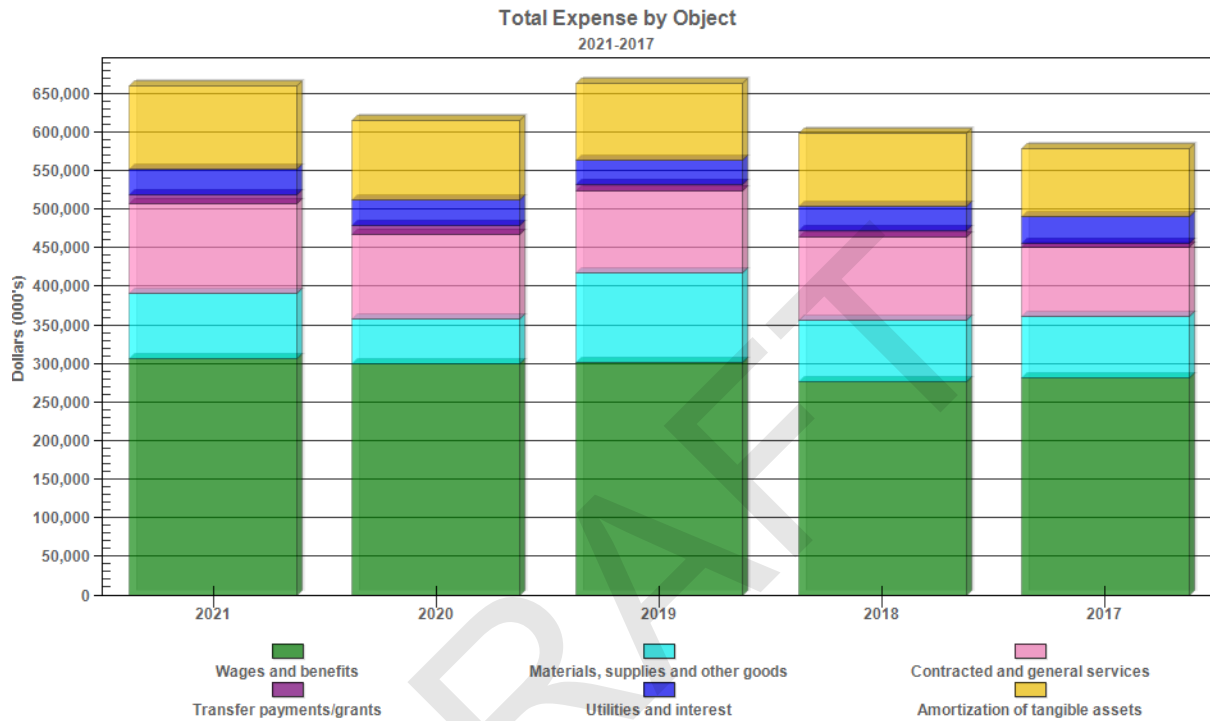


# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Table 20: Total Expense by Object**



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 21: General Capital Funds

	Budget 2021	Actual 2021	Actual 2020	Actual 2019	Actual 2018	Actual 2017
<b>Revenue</b>						
Government transfers						
Federal	33,846	17,268	12,698	23,047	14,992	54,109
Provincial	-	19,699	2,408	7,210	8,507	17,304
Fees and charges	-	7,955	423	7,265	10,949	24
Servicing agreement fees	6,929	5,875	4,669	2,109	5,861	7,000
Contribution of tangible capital assets	-	13,871	3,993	17,915	38,730	21,798
Other capital contributions	-	957	644	601	1,368	2,003
Other revenues	-	1,024	1,371	835	502	1,660
	40,775	66,649	26,206	58,982	80,909	103,898
<b>Expenses</b>	-	108,546	87,576	104,763	106,952	105,015
<b>Surplus (Deficit)</b>	40,775	(41,897)	(61,346)	(45,781)	(26,043)	(1,117)

Annually, City Council approves a Capital Plan to support the Strategic Plan and to respond to the service demands of the city, which requires investment in tangible capital assets. The budget details each capital project based on the maximum forecast expenditure for the year to accommodate the planning and scheduling requirements associated with the projects. There is a higher degree of variability between actual and budget for capital projects as there is typically a portion of the budget carried forward to future years for projects not completed within the fiscal year. At the end of 2021, the carry forward amount available in the General Capital and Utility Capital funds was \$247.6 million (2020 - \$250.9 million).

### OTHER SIGNIFICANT TRENDS

Other significant trends for the City of Regina can be determined by analyzing the Statement of Financial Position for the past five years (Table 22). This statement presents information to describe the City's financial position at the end of the year. This information allows users to evaluate the City's ability to finance its activities and to meet its liabilities and contractual obligations, as well as its ability to provide future services. The City needs to understand the total economic resources they have available to deliver services. These resources can be finalized (eg. cash, accounts receivable) and non-financial (eg. tangible capital assets).

The City also has liabilities for service delivery to be settled in the future that will consume the financial resources. This is measured by the City's net financial asset position. This measure is considered tandem with the accumulated surplus to determine the City's ability to delivery services in the future. A significant portion of accumulated surplus includes the investment made in tangible capital assets which, for the City, represents service delivery capacity.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Table 22: Statement of Financial Position**

	2021	2020	2019	2018	2017
<b>Financial assets</b>					
Cash	169,267	96,587	88,476	77,924	137,099
Short-term investments	421,574	461,127	400,830	100,460	20,510
Accounts receivable	56,632	43,450	49,280	72,789	87,225
Taxes receivable	12,123	14,964	11,753	10,370	6,252
Long-term investments	-	-	-	276,092	276,151
Land inventory	25,257	20,592	27,192	30,083	20,391
	684,853	636,719	577,531	567,718	547,628
<b>Financial liabilities</b>					
Bank indebtedness	1,725	-	-	-	-
Accounts payable and accrued liabilities	64,233	47,213	64,836	66,860	72,967
Taxes payable to school boards	1,323	11,570	6,449	8,000	7,006
Deferred revenue	119,790	121,984	89,496	74,446	77,208
Capital lease obligations	1,197	1,223	1,463	735	1,135
Long-term debt	331,657	292,989	302,619	317,692	319,635
Employee benefit obligations	72,068	74,483	67,949	66,095	69,679
Landfill closure and post-closure	14,678	12,574	9,859	9,278	28,862
	606,671	562,036	542,671	543,106	576,492
<b>Net financial (debt) assets</b>	78,182	74,683	34,860	24,612	(28,864)
<b>Non-financial assets</b>					
Tangible capital assets	2,447,965	2,364,486	2,322,717	2,232,502	2,146,267
Materials and supplies	10,875	10,075	8,975	8,072	7,552
Prepaid expense	4,123	3,410	3,374	2,656	5,404
<b>ACCUMULATED SURPLUS</b>	2,541,145	2,452,654	2,369,926	2,267,842	2,130,359
<b>ANNUAL SURPLUS</b>	88,492	82,729	102,083	137,483	161,547

**Cash** increased by \$72.7 million as compared to 2020 due to \$60 million increase in matured term deposits that were not reinvested in anticipation for the hiring of the new investment manager. The bank balance is also higher than previously as the City is maintaining a higher bank balance to account for accounts payables.

**Short-term investments** decreased \$40 million in 2021 due to the City liquidating investments in preparation of new investments under a new investment manager. The contract for the investment manager is in place and investments under the Council-approved investment policy will begin in 2022.

**Accounts receivables** increased by \$13.2 million from 2020 due to a receivable from the Co-op refinery and also a receivable from Infrastructure Canada for a claim related to the Winnipeg Street Overpass project.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

**Land inventory** increased by \$4.7 million due to additional work done in 2021 as the City began developing the Towns Phase 2.

**Accounts payable** increased by \$17.0 million from 2020; based on a five-year trend, 2021 is within the normal range for accounts payable. However, some of the increases were increases in assessment appeals, increase in payables of controlled subsidiaries and numerous progress payments and invoices that were accrued at the end of the year.

**Taxes payable to school boards** decreased by \$10.2 million. This variance is due to the COVID-19 related addendum to the Education Property Tax agreement for 2020 where school boards were paid monthly based on actual monthly collections instead of being paid based on the previous year collection patterns where the bulk of current school levy billed is paid during May and June. This meant that the final 2020 payable amount due in January 2021 would be larger than in a normal year.

**Long term debt** increased by \$39.0 million due to Buffalo Pound Water Treatment Corporation taking on more debt in the year for the plant renewal project. The plant renewal project is a high priority project to ensure the Buffalo Pound Water Treatment Plant continues to meet its mandate and provide the Cities of Regina and Moose Jaw with safe and reliable drinking water. The project will ensure long-term viability of the plant to meet its mandate into the future.

Table 23: City of Regina Long-Term Debt

	2021	2020	2019	2018	2017
Total debt outstanding, beginning of year	292,989	302,619	317,692	319,635	293,512
Debt issued during year	38,668	-	12,000	-	33,300
Debt repayments during year	(330,460)	(301,396)	(27,073)	(1,943)	(7,177)
Total debt outstanding, December 31	1,197	1,223	302,619	317,692	319,635
General municipal debt outstanding, end of year	178,506	184,871	191,023	195,612	200,981
Water & Sewer Utility debt outstanding, end of year	-	-	-	7,845	8,752
Wastewater Treatment Plant debt outstanding, end of year	70,913	72,427	73,849	75,186	76,440
Buffalo Pound Loan Payable	74,103	30,649	31,563	32,447	33,300
REAL	8,135	5,042	6,184	6,602	162
Total debt outstanding	331,657	292,989	302,619	317,692	319,635
Authorized debt limit, December 31	450,000	450,000	450,000	450,000	450,000
Debt per capita (\$)*	1,411	1,247	1,250	1,357	1,385
Debt per household (\$)**	3,474	3,069	3,170	3,328	3,348
Debt per community assessed value	1.24%	1.00%	1.04%	1.11%	1.14%
Debt as a multiple of revenue	44.3%	42.0%	39.5%	43.1%	43.2%

\*2016-2020 population figure figured was obtained from the 2016 census. 2021 population figure was obtained from 2021 census.

\*\* Household figure as obtained from Stats Canada 2016 and 2021 census.



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

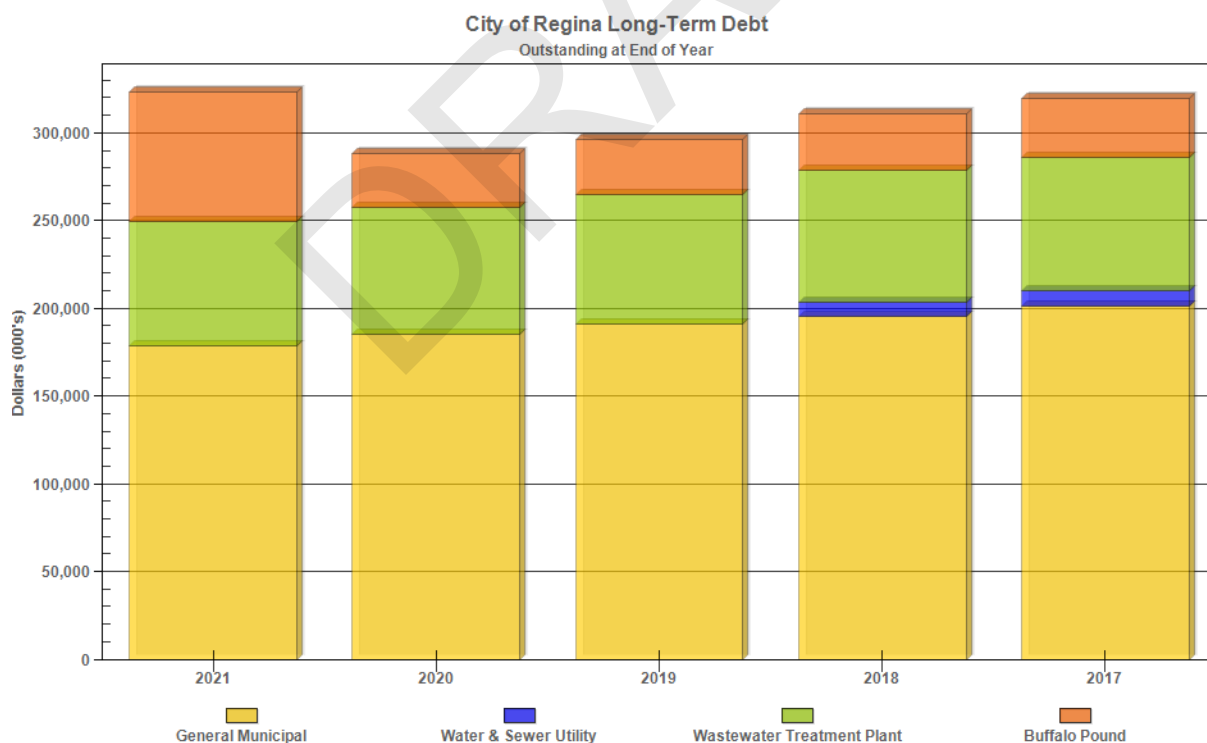
(in thousands of dollars)

### Long-Term Debt

The affordability of debt is influenced by many factors including the City's revenue, current debt obligations and other financial obligations. The City's Debt Management Policy outlines specific measures to evaluate the affordability of debt. The policy sets limits on the amount of debt the City can borrow, within the current debt limit set by the Saskatchewan Municipal Board.

The City of Regina's current approved debt limit approved by the Saskatchewan Municipal Board is \$450 million. The total consolidated debt on December 31, 2021 was \$331.7 million. The debt undertaken by agencies accountable to and controlled or owned by the City are considered within the overall debt limit. These agencies are responsible for the repayment of the debt they take on. Historically, the City has used a traditional approach to issuing debt for large capital projects and all debt currently held is planned debt. This approach allows the City of Regina to maintain a reasonable debt limit and demonstrates a commitment to long-term planning and fiscal management. New debt was taken by Buffalo Pound Water Treatment Corporation in 2021 for the plant renewal project.

**Table 24: City of Regina Long-Term Debt**



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

The cost of servicing the debt over the past five years is presented in the Table 25. The debt service ratio of 5% of consolidated revenues is set within the Debt Management Policy. The limit was exceeded in 2019 with a one-time balloon payment.

**Table 25: City of Regina Debt Service Cost**

***City of Regina Debt Service Costs***

	2021	2020	2019	2018	2017
General municipal debt					
Principal	4,426	4,252	16,589	5,368	5,214
Interest	7,027	7,201	7,681	8,188	8,410
	11,453	11,453	24,270	13,556	13,624
Water and Sewer Utility					
Principal	-	-	7,846	906	906
Interest	-	-	196	414	456
	-	-	8,042	1,320	1,362
3rd Party					
Principal	2,844	2,671	2,509	2,106	1,178
Interest	4,596	4,682	4,763	5,922	4,840
	7,440	7,353	7,272	8,028	6,018
Total	18,893	18,806	39,584	22,904	21,004
Debt service costs as a % of total expenses	2.9%	3.1%	6.0%	3.8%	3.6%

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

### ***Employee Benefit Obligations***

Employee benefit obligations include liabilities for pensions, sick and severance, vacation and overtime. The increase in employee benefit obligations from 2017 to 2021 primarily reflects the impact of general wage increases and employees reaching the age of retirement. As a larger proportion of the City's work force reaches retirement age over the next 5 to 10 years, the cash outlays relating to this obligation will continue to grow.

Employee benefit obligations also include the liability for the Regina Police Pension. The Regina Civic Superannuation and Benefits Plan includes a larger group of employees, but since it is a multi-employer plan, it is not possible to determine the City's portion of the deficit and thus no amount is included in the Consolidated Statement of Financial Position for this Plan. As disclosed in note 10 d) of the Consolidated Financial Statements, an actuarial extrapolation completed of the plan for accounting purposes indicates a surplus of benefit obligation over plan assets of \$201.9 million at December 31, 2021 (2020 - \$96.6 million surplus).

	2021	2020	2019	2018	2017
City of Regina employer contributions	15,992	15,974	15,540	16,062	15,138

### ***Tangible Capital Assets***

Tangible capital assets support all of the services provided by the City and its consolidated entities. These assets are capitalized on the Statement of Financial Position at cost and amortized over their estimated useful lives on the Statement of Operations. The City's tangible capital assets include land, buildings, vehicles and equipment, roads and bridges, and underground and other networks. The value of the tangible capital assets grow as the City receives contributed assets from developers and invests in new or replacement assets to continue to provide services.

	2021	2020	2019	2018	2017
Tangible Capital Assets - Net Book Value	2,447,965	2,364,486	2,322,717	2,232,502	2,146,267

The City continues to invest in infrastructure as noted in the table above. The acquisition of tangible capital assets is authorized largely through the Council-approved capital budget. On March 14, 2021, Council adopted the 2021 annual Capital plan and the 2021-2025 Capital plan.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

### **Accumulated Surplus**

The accumulated surplus represents the net assets of the City, and the yearly change in the accumulated surplus is equal to the annual excess of revenues over expenses for the year.

Accumulated surplus is comprised of all the accumulated surpluses and deficits of the funds, reserves and controlled entities that are included in the statements, along with the City's unfunded liabilities such as vacation, retirement allowances and landfill liabilities. Accumulated surplus primarily consists of the City's investments in tangible capital assets (2021 - 96%; 2020 - 93%). Investments in tangible capital assets is an important aspect of service delivery and is not intended or readily accessible for user in funding ongoing operations.

	2021	2020	2019	2018	2017
Accumulated surplus	2,541,145	2,452,654	2,369,925	2,267,842	2,130,359

The City's accumulated surplus, through its investment in tangible capital assets, has grown by \$88.5 million in 2021, indicating a strong foundation upon which services will continue to be delivered in the future.

### **Reserves**

The City allocates funds to reserves to meet specific future operating and capital requirements. They are a key component to the City's long-term financial strategy, supporting long-term financial viability. Two of the largest reserves are the General utility reserve and General fund reserve, which are intended to provide funding in the event of an operating deficit, as well as for one-time initiatives.

**Table 26: Reserves**

	2021	2020	2019	2018	2017
Reserves					
City of Regina Reserves	209,645	199,442	172,666	187,738	209,923
Group Benefits Reserves	12,049	12,744	11,978	8,722	7,759
Other Entities Reserves	16,486	18,358	16,533	21,355	15,498
	238,180	230,544	201,177	217,815	233,180

# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)



Over the past five years the City's reserves have fluctuated as reserves are used for their intended purposes as defined in the *Regina Administration Bylaw, 2003-69*. Two comprehensive reviews have been completed in this time period (2018 and 2021) that have established a strong foundation for establishing and reporting the reserves to ensure sound fiscal management. Overall, the steady reserve level is an indication of how the City continues to ensure appropriate reserve balances to support planned projects.

The number and level of reserves maintained by a municipality depend on several factors including service levels, internal financial policies, risk tolerances, age of infrastructure, long-term financial plans, and economic conditions. The City's reserves align to the bylaw and internal policies. An annual reserve report is presented to City Council to detail the balances and use of each reserve and recommend any adjustments to continue to align to the best practices.

## MEASURING FINANCIAL VIABILITY

The Public Sector Accounting Standards (PSAS) issued a Statement of Recommended Practice for governments that supports discussions about a government's financial condition. This financial condition is reflected in the overall economic and financial environment, the City's ability to meet service commitments to the public, as well as financial obligations to creditors, employees and others. It takes into account sustainability, flexibility and vulnerability.



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

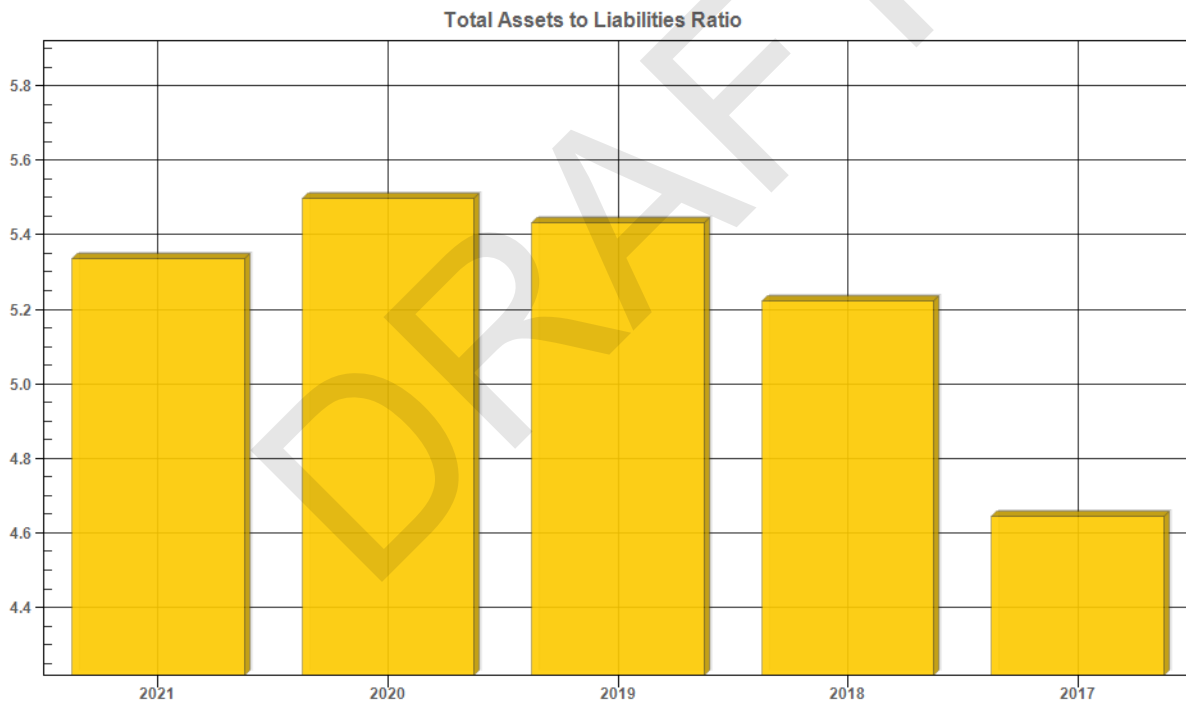
(in thousands of dollars)

### ***Sustainability***

Sustainability is the degree to which a government can maintain its existing programs and meet existing creditor requirements without increasing the relative debt or tax burden on the economy.

The total assets to liabilities ratio has increased from 4.7 to 5.2 from 2017 to 2021 (Table 27). The increase is due to the increase in financial assets, reduced net debt as well as investments in our tangible capital assets which provide service capacity. The City's financial assets to liabilities ratio has increased from 0.95 to 1.13 from 2017 to 2021 (Table 28). A cash increase of \$72.7 million and \$13.2 million increase in accounts receivable in 2021 have resulted in an increase in financial assets, causing a correlating increase in the ratio of financial assets to liabilities which supports the ability of the City to finance its commitments.

**Table 27: Total Assets to Liabilities Ratio**

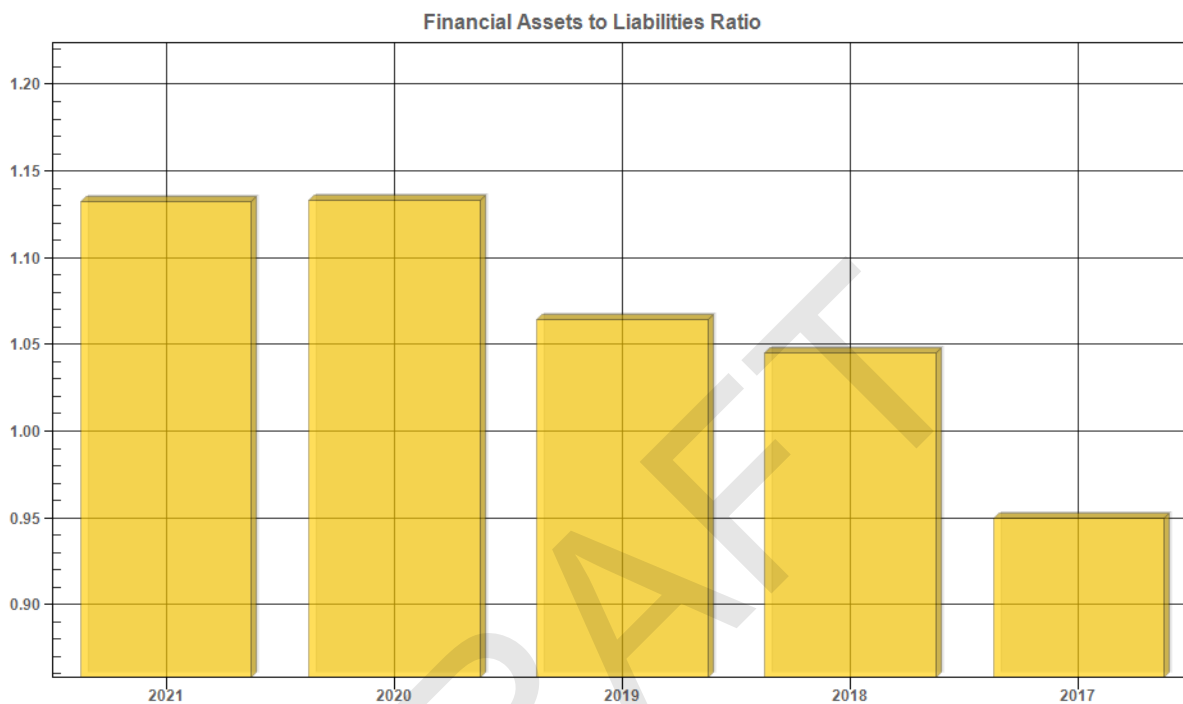


## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 28: Financial Assets to Liabilities Ratio



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

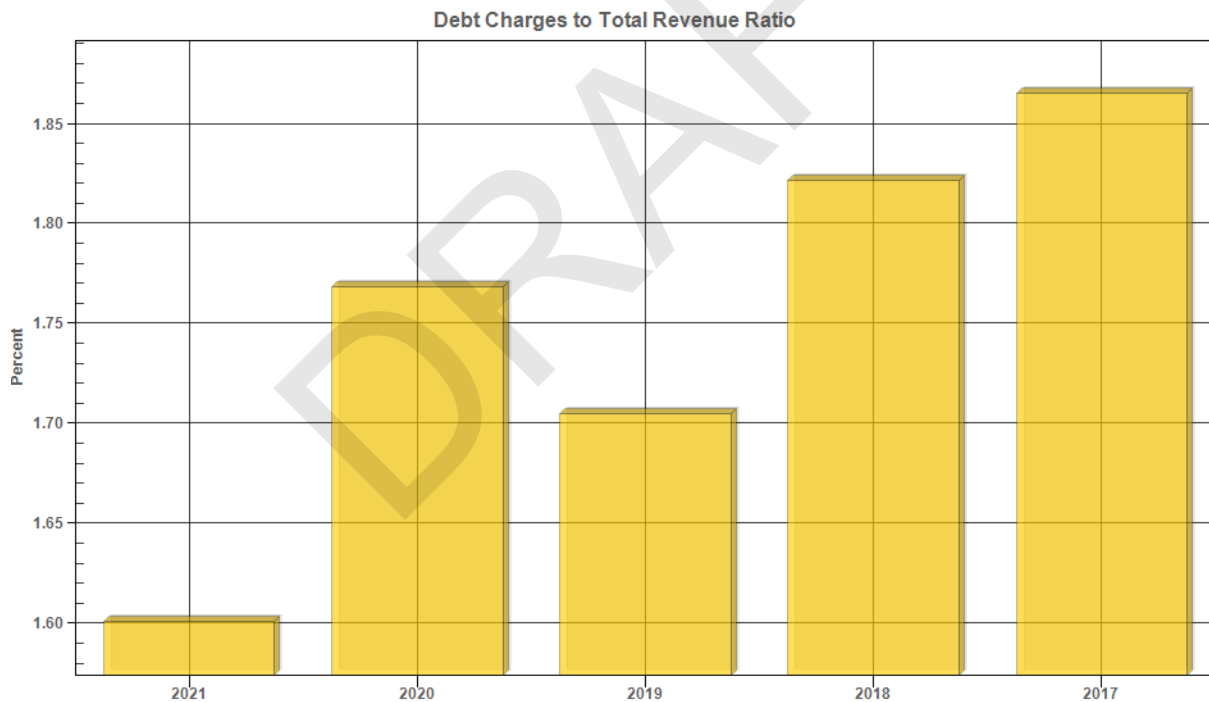
For the Year Ended December 31

(in thousands of dollars)

### ***Flexibility***

Flexibility is the degree to which government can change its debt or tax burden and still meet its existing financial obligations. One measure of flexibility is debt charges to total revenue. This ratio, often referred to as the interest bite, indicates the proportion of total revenue that is required to pay interest charges on debt and therefore, is not available to pay for program costs. It illustrates the extent to which past borrowing decisions present a constraint on a government's ability to meet its financial and service commitments in the current period. Specifically, the more government uses revenues to meet the interest costs on past borrowing, the less will be available for program spending. This indicator is important because when this indicator increases for an extended period of time, assuming relatively stable interest rates, it means that the government has consistently chosen borrowing over increases in taxation or user fees to meet its financial and service commitments. This will eventually have an effect on its flexibility because once a government borrows, its first commitment must be to service its debt. Failing to do so would impair its future ability to borrow or to roll over its existing debt.

**Table 29: Debt Charges to Total Revenue Ratio**



# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

## Vulnerability

This is the degree to which a government is dependent on, and therefore vulnerable to, sources of funding outside of its control. The risk of relying on external funding sources is that the City does not directly control or influence either the amount or timing of such revenues. Vulnerability is measured by calculating the ratio of revenues from senior governments to the City's own-source revenues. The ratio of government transfers to total revenue is higher in 2021 due to Municipal economic enhancement program received from the provincial government and other COVID-19 funding from the federal government.

Table 30: Government Transfers to Total Revenue Ratio



## CREDIT RATING

A credit rating is a forward-looking opinion provided by an arm's-length organization, such as S & P Global's service to identify a borrower's overall credit worthiness. It focuses on the borrower's capacity and willingness to meet its financial commitments as they come due. The credit rating also influences the interest rate to be paid when borrowing.

S & P Global undertakes a detailed analysis of the borrower's financial condition, using a robust set of criteria, and updates it annually. The City of Regina's credit rating by S & P Global for 2021 remains AAA, the highest rating possible. According to the credit agency, this consistently strong performance reflects the City's ongoing commitment to sound fiscal management.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

### MOSAIC STADIUM

Operating Results	2021	2020
<b>Revenues</b>		
Property Tax	9,022	7,833
Grant Revenue	2,129	2,129
Tenant Revenue	2,608	2,565
Facility Fees	2,346	-
Community Use	50	17
Other Rent	300	300
Other General Revenue	759	759
Interest	-	-
<b>Total Revenues:</b>	<b>17,214</b>	<b>13,602</b>
<b>Expenditures</b>		
Contracted Property Management	4,089	3,649
Utilities	803	755
Consulting Services	3	-
Property Tax	263	283
Other	33	3
<b>Total Expenditures:</b>	<b>5,191</b>	<b>4,689</b>
<b>Surplus (Deficit) Before Debt Repayment</b>	<b>12,023</b>	<b>8,913</b>
<b>Debt Repayment - Principal &amp; Interest</b>	<b>11,446</b>	<b>11,445</b>
<b>Net Surplus (Deficit) for the year</b>	<b>578</b>	<b>(2,532)</b>

**Property Tax Revenue** – Regina City Council committed to implementing a 0.45% mill rate increase each year for 10 years beginning in 2013 (CR13-6). After the initial 10-year period, this pool of property tax revenue will (a) continue to be dedicated to stadium operations; and (b) will only be increased in response to growth in the assessment roll.

**Grant & Tenant Revenue** – In 2017 Sask Sport Inc. and the Saskatchewan Roughrider Football Club Inc. (SRFC) entered into 30-year lease agreements as tenants of Mosaic Stadium.

The Sask Sport lease generates revenue of \$2.5 million per year for the use of Sask Sport's leased space and the allocation of a minimum of 600 hours per year for Sask Sport affiliated organizations to access the field of play. A portion of this revenue is recorded as tenant revenue and the balance is recorded as grant revenue.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

### Mosaic Stadium Operating Results

#### Grant & Tenant Revenue (Continued)

The SRFC lease generates revenue of a minimum of \$1.5 million per year. In 2018 and each subsequent year, this amount is adjusted to ensure that the revenue received by the City is not unduly eroded due to inflation. In addition, the SRFC pays \$500,000 per year to the City for the ability to market the naming rights and sponsorship rights in respect of the stadium.

**Facility Fees** – In addition to the rent paid to the City, the SRFC also collects and remits to the City a facility fee of \$12 per ticket sold for SRFC games.

**Other General Revenue** – Regina City Council (CR13-6) committed to incorporating the general revenue used to fund the operating maintenance budget for the old stadium as a funding source to support the new stadium. The operating maintenance budget for the former stadium was \$759,000.

**Contracted Property Management Expense** – The City has contracted Regina Exhibition Association Limited (REAL) to operate and maintain the stadium on the City's behalf. In return the City pays REAL a minimum of \$3.6 million per year. The City also pays REAL a per event fee for the services provided during SRFC game days, Sask Sport affiliated user group events etc. These fees are reviewed by the City and REAL on a regular basis to determine if any adjustment to the fee(s) is required.

**Utilities Expenses** – This includes the cost for heat, power, telephones and the managed information technology service contract with SaskTel. REAL can take advantage of a discounted rate for electricity so the cost of power for the stadium is reimbursed to REAL through the stadium operating and maintenance contract.

**Property Tax Expense** – This represents the remittance of property taxes collected from stadium tenants.

**Debt Repayment** – External financing in support of the stadium was obtained from two sources. The Province of Saskatchewan provided a loan of \$100.0 million (CM14-1). The term of this loan is 31.5 years with an interest rate of 3.99 % per annum. The current balance outstanding is \$84.9 million.

The Canadian Imperial Bank of Commerce provided a loan of \$100.4 million (CR14-45), of which \$67.4 million was used to fund the construction of the stadium and \$33.0 million was set aside for interim cash flow purposes. The term of this loan is 30 years with an interest rate of 4.102 % per annum. The current outstanding balance is \$85.4 million.

#### Long Term Financial Outlook

Losses will be incurred during the first ten years of stadium operations. This is a result of the City's obligation to expend approximately \$11.0 million per year in debt repayments from the start of stadium operations while the amount of property tax revenue dedicated to the stadium starts out at approximately \$715,000 per annum. At the end of 30 years when the debt has been fully repaid, it is projected that the stadium will have generated a net positive cash flow.

The COVID-19 pandemic resulted in Federal, Provincial and Local governments nationwide enacting emergency measures to combat the spread of the virus. Those measures included the cancellation of large public gatherings such as the events held at Mosaic Stadium. It is not possible at this time to reliably estimate the long-term impact on the future financial results of the stadium. Active and diligent management of the stadium's operations will be required to ensure long-term financial sustainability.



# 2021



## Consolidated Financial Statements

## MANAGEMENT'S REPORT

### RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements and all other information contained in this report are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes some amounts, which are based on the best estimates and judgments of management. Financial data elsewhere in this report is consistent with that of the consolidated financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that the financial records are reliable for the preparation of financial statements.

MNP LLP, the City's appointed external auditors, have audited the consolidated financial statements. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the consolidated financial statements, follows.

Barry Lacey, CPA, CA, CMA  
Executive Director,  
Financial Strategy & Sustainability

Jim Nicol  
Interim City Manager

June 15, 2022

# Independent Auditor's Report

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To Mayor Masters and Members of City Council of City of Regina:

## Opinion

We have audited the consolidated financial statements of City of Regina (the "City"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. The other information also comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

June 15, 2022

Chartered Professional Accountants

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

(in thousands of dollars)

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash	\$ 169,267	\$ 96,587
Short-term investments (Note 3)	421,574	461,126
Accounts receivable (Note 4)	56,632	43,450
Taxes receivable (Note 5)	12,123	14,964
Land inventory (Note 6)	25,257	20,592
	<b>684,853</b>	<b>636,719</b>
<b>FINANCIAL LIABILITIES</b>		
Bank indebtedness	1,725	-
Accounts payable and accrued liabilities	64,233	47,213
Taxes payable to school boards	1,323	11,570
Deferred revenue (Note 7)	119,790	121,984
Capital lease obligations (Note 8)	1,197	1,223
Long-term debt (Note 9)	331,657	292,989
Employee benefit obligations (Note 10)	72,068	74,483
Landfill closure and post-closure (Note 11)	14,678	12,574
	<b>606,671</b>	<b>562,036</b>
<b>NET FINANCIAL ASSETS</b>	<b>78,182</b>	<b>74,683</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12) (Schedule 3)	2,447,965	2,364,486
Materials and supplies	10,875	10,075
Prepaid	4,123	3,410
<b>ACCUMULATED SURPLUS (Note 13)</b>	<b>\$ 2,541,145</b>	<b>\$ 2,452,654</b>

Contractual obligations (Note 20)

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31

(in thousands of dollars)

	Budget (Note 1j)	Actual	Actual
	2021	2021	2020
<b>REVENUE</b>			
Taxation (Note 15)	\$ 293,076	\$ 292,063	\$ 284,740
Fees and charges	237,924	255,611	227,757
Government transfers (Note 16)	104,372	102,684	103,719
Electrical distribution	29,800	30,492	29,502
Licenses, fines and levies	11,577	18,037	14,684
Gas distribution	5,400	6,139	6,216
Interest and penalties	7,177	7,885	9,133
Interest on short term investments	-	1,046	893
Servicing agreement fees	8,439	9,069	8,080
Land sales	-	181	26
Other	4,991	6,685	7,468
Contribution of tangible capital assets (Note 12)	-	17,739	4,061
Other capital contributions	-	958	644
	702,756	748,589	696,923
<b>EXPENSES</b>			
Parks, recreation and community services	134,967	135,571	117,695
Police	99,102	98,012	98,326
Legislative and administrative services	79,647	86,081	89,927
Water, wastewater and drainage	94,992	103,987	94,332
Roads and traffic	80,241	81,651	66,394
Fire	46,935	53,367	50,590
Transit	45,282	42,884	40,490
Waste collection and disposal	38,743	29,728	28,235
Grants	12,636	12,205	12,974
Planning and development	16,878	16,612	15,231
	649,423	660,098	614,194
<b>ANNUAL SURPLUS</b>	53,333	88,491	82,729
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	-	\$ 2,452,654	2,369,925
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 53,333	\$ 2,541,145	\$ 2,452,654

See accompanying notes to consolidated financial statements.



## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31

(in thousands of dollars)

	Budget (Note 1j)	Actual	Actual
	2021	2021	2020
Annual surplus	\$ 53,333	\$ 88,491	\$ 82,729
Acquisition of tangible capital assets	-	(176,386)	(143,063)
Contribution of tangible capital assets	-	(17,739)	(4,061)
Amortization of tangible capital assets	-	108,675	103,035
Proceeds on disposal of tangible capital assets	-	1,024	5,446
Loss (gain) on disposal of tangible capital assets	-	947	(3,126)
	-	(83,479)	(41,769)
Net change in materials and supplies	-	(800)	(1,100)
Net change in prepaid	-	(713)	(36)
	-	(1,513)	(1,136)
Increase in net financial assets	53,333	3,499	39,824
NET FINANCIAL ASSETS, BEGINNING OF YEAR	74,683	74,683	34,859
NET FINANCIAL ASSETS, END OF YEAR	\$ 128,016	\$ 78,182	\$ 74,683

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31

(in thousands of dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Annual surplus	\$ 88,491	\$ 82,729
<b>Non-cash items</b>		
Amortization of tangible capital assets	108,675	103,035
Loss (gain) on disposal of tangible capital assets	947	(3,126)
Contribution of tangible capital assets	(17,739)	(4,061)
<b>Net change in non-cash working capital balances</b>		
(Increase) decrease in accounts receivable	(13,182)	5,830
Decrease (increase) in taxes receivable	2,841	(3,211)
Increase in bank indebtedness	1,725	-
Increase (decrease) in accounts payable and accrued liabilities	17,020	(17,623)
Increase (decrease) in taxes payable to school boards	(10,247)	5,121
(Decrease) increase in deferred revenue	(2,194)	32,488
Decrease in capital lease obligations	(26)	(240)
(Decrease) increase in employee benefit obligations	(2,415)	6,534
Increase in landfill closure and post-closure liability	2,104	2,715
Increase in land inventory	(4,665)	6,600
Increase in materials and supplies	(800)	(1,100)
Increase in prepaid	(713)	(36)
	<b>169,822</b>	<b>215,655</b>
<b>CASH FLOWS USED IN CAPITAL ACTIVITIES:</b>		
Acquisition of tangible capital assets	(176,386)	(143,063)
Proceeds on disposal of tangible capital assets	1,024	5,446
	<b>(175,362)</b>	<b>(137,617)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Redemption (purchase) of short term investments	39,552	(60,300)
Proceeds on sale of short term investments	-	3
	<b>39,552</b>	<b>(60,297)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES:</b>		
Advance (repayment) of long-term debt	38,668	(9,630)
<b>INCREASE IN CASH</b>	<b>72,680</b>	<b>8,111</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>96,587</b>	<b>88,476</b>
<b>CASH, END OF YEAR</b>	<b>\$ 169,267</b>	<b>\$ 96,587</b>

See accompanying notes to consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

The City of Regina (the City) is a municipality in the Province of Saskatchewan, Canada and operates under the provisions of *The Cities Act*.

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Regina are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant aspects of the accounting policies adopted by the City are as follows:

#### a. Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus, changes in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises which are controlled by the City, namely:

- General operating and capital funds
- Water and sewer utility operating and capital funds
- Regina Public Library Board (RPL)
- Economic Development Regina Inc. (EDR)
- Regina Downtown Business Improvement District (RDBID)
- Regina's Warehouse Business Improvement District (RWBID)
- The Regina Exhibition Association Limited (REAL)
- Buffalo Pound Water Treatment Corporation (BPWTC)

Inter departmental and inter organizational transactions and balances have been eliminated.

On January 1, 2016 the City of Regina and the City of Moose Jaw incorporated a non-profit corporation under the *Non-Profit Corporations Act, 1995 (Saskatchewan)*. The City has a 74.00% interest in the Buffalo Pound Water Treatment Corporation (BPWTC) which has been proportionately consolidated.

The Regina Public Library Board has a 22.07% (2020 - 22.15%) interest in the Saskatchewan Information and Library Services Consortium Inc. (SILS) and a 5.79% interest in mamaweyatitan centre, which has been proportionately consolidated.

On January 1, 2016, Economic Development Regina Inc. (EDR) incorporated under *The Non-Profit Corporations Act, 1995*, with the City of Regina as its sole voting member.

The Regina Exhibition Association Limited (REAL) was incorporated in 1907 pursuant to an act of the Legislature of the Province of Saskatchewan, being C. 41, Statutes of Saskatchewan and transitioned to *The Non-profit Corporations Act, 1995 (Saskatchewan)* on January 1, 2014.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)*

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### b. Revenue recognition

Revenues are recorded using the accrual basis of accounting whereby revenues are recognized as they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Property tax revenues are recorded at the time tax billings are issued. Property tax revenue is based on assessments determined in accordance with provincial legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded net of a provision for potential losses on outstanding assessment appeals and uncollected taxes. By their nature, these provisions are subject to measurement uncertainty and the impact on the consolidated financial statements of future periods could be material (Note 15). Penalties on overdue taxes are recorded in the period levied.

Electrical distribution revenue consists of the municipal surcharge and payments in lieu of taxes received from SaskPower. The municipal surcharge revenue and payments in lieu of taxes are equal to 10% and 5%, respectively of the value of the supply of electrical energy provided by SaskPower to customers within the City limits.

Gas distribution revenue mainly consists of the payments in lieu of taxes received from SaskEnergy and TransGas. The payment in lieu of taxes received from SaskEnergy is equal to 5% of the fees levied by SaskEnergy to customers within the City limits. The payment in lieu of taxes received from TransGas is equal to 5% of the transportation fees and the deemed value of the gas transmitted by TransGas to consumers within the City limits. Pursuant to an agreement with the City for two major consumers who are served by TransGas, the 5% payments to the City in lieu of taxes are based on the transportation costs and the deemed value of the fuel stock consumed.

Government transfers are recognized in the consolidated 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 amounts can be made. Prior to that time, any amounts received are recorded as deferred revenue.

Donated or contributed capital assets are recorded at fair value at the date of contribution.

#### c. Expense recognition

Expenses are recorded using the accrual basis of accounting whereby expenses are recognized as they are incurred and measurable based upon receipt of goods and services and/or the legal obligation to pay.

#### d. Use of estimates

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include allowance for doubtful accounts on accounts receivable and taxes receivable, accrued liabilities, employee benefit obligations, landfill closure and post-closure obligations, contribution of tangible capital assets, provision on tax appeals, the amortization of tangible capital assets, or any provision for impairment of investment values.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### e. Materials and supplies

Inventories of materials and supplies are valued at the lower of net realizable value and average cost.

#### f. Taxes collected for others

The City collects taxes for the Regina Separate School Board, the Regina Public School Board and the Global Transportation Hub Authority. These taxes, which are not included in the City's financial results, are remitted to the respective entities less an amount to offset cancellations relating to school taxes and the City's cost in carrying the receivables.

#### g. Deferred revenue

The City receives servicing agreement fees, payments in lieu of parking and payments in lieu of dedication of land for public reserve under the authority of provincial legislation and City bylaws. The City also receives special taxes levied pursuant to Section 275 of *The Cities Act*, which are to be expended on alley maintenance. As well, the City receives various government grants for special programs offered by either the Provincial or Federal governments and also receives deposits on lots. These funds are restricted as to their use and are not recognized as revenue until the fiscal period in which they are used to make qualifying expenses.

Deferred revenue also includes monies received in advance for taxes, transit passes, servicing and sub-division revenue, prepaid cemetery revenue and pre-season sales from the various recreational facilities.

#### h. Employee benefit plans

The City participates in contributory defined benefit or defined contribution pension plans for virtually all of its employees. Under the defined contribution plan, the City's obligations are limited to its contributions. These contributions are expensed in the period in which they are due and payable.

Costs related to defined benefit pension plans considered to be single-employer plans are recognized when earned by plan members. Pension benefit obligations are actuarially determined using the projected benefit method prorated on service and the pension plan administrator's best estimate of expected salary and benefit escalation and retirement ages of employees. Market rates are used to measure the accrued benefit obligation, as well as the assets of the pension plans. Actuarial gains and losses on pension obligations and/or pension fund assets are amortized over the average remaining service life of the related employee groups.

For defined benefit plans considered to be multiemployer plans, contributions are expensed when they are due and payable.

The City has various post-employment benefits and termination benefit obligations earned by employees and expected to be provided to them when they are no longer providing active service.

The obligations for vested sick leave, service or retirement allowances and other post employment benefits have been determined on an actuarial basis. The obligations for vacation pay and banked time in lieu of overtime have been accounted for at an undiscounted value at the current rate of pay.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### i. 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:

<b>General</b>	
Land improvements	10 to 100 years
Buildings and building improvements	15 to 121 years
Vehicles and equipment	
Fire trucks and buses	5 to 20 years
Police vehicles	4 to 10 years
Other vehicles	2 to 25 years
Equipment	4 to 50 years
Office and information technology	
Hardware	2 to 15 years
Software	2 to 10 years
Other	7 to 25 years
<b>Infrastructure</b>	
Plants and facilities	5 to 100 years
Roads	1 to 40 years
Underground networks	25 to 119 years
Bridges and other structures	20 to 85 years

Assets under construction are not amortized until the asset is available for productive use. Interest on debt used to purchase tangible capital assets is not capitalized.

Tangible capital assets received as contributions, which are primarily roads and underground networks, are recorded at their fair value at the date of receipt and also are recorded as revenue. Fair value is determined based on an estimate of the cost to construct the contributed asset.

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases and recorded as tangible capital assets. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Land under roads that is acquired other than by a purchase agreement is valued at a nominal cost. Works of art and historical treasures are not recognized in these consolidated financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### j. Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on March 14, 2021.

#### k. Investments

All investments are recorded at cost less write downs to reflect other than temporary declines in value. Investment transactions are accounted for at the trade date. Interest income is recorded on the accrual basis.

#### l. Foreign currency

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect as at December 31, and non-monetary items are translated at rate of exchange in effect when the assets were acquired or obligations incurred. Revenue and expenses are translated at rates in effect at the time of the transactions or at rates of exchange established by the terms of the forward foreign exchange contract. Gains (losses) on foreign currency translation are included as revenue (expenses).

#### m. Land inventory

Land for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

#### n. Loan Guarantees

Periodically the City provides loan guarantees on specific debt issued by related authorities and other entities not consolidated in the City's financial statements. Loan guarantees are accounted for as contingent liabilities and no amounts are accrued in the consolidated financial statements of the City until the City considers it likely that the borrower will default on the specified loan obligation. Should a default occur, the City's liability would be recorded in the consolidated financial statements.

#### o. COVID-19

In March of 2020, there was a global outbreak of COVID-19 (Coronavirus), which had a significant impact on businesses through the restrictions put in place by the Canadian, Provincial and Municipal Governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak had and will have on the City is minimal as there was no significant decrease in revenues and no additional funding was received as a result of COVID-19. In addition, the pandemic did not cause any closure of the business.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 2. NEW STANDARDS AND AMENDMENTS TO STANDARDS

Standards and amendments effective for financial statements on or after April 1, 2022:

#### a. PS 1201 Financial Statement Presentation

Financial Statement Presentation requires a new statement of re-measurement gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.

#### b. PS 2601 Financial Currency Translation

Financial Currency Translation requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

#### c. PS 3041 Portfolio Investments

Portfolio Investments has removed the distinction between temporary and portfolio investments. This section was amended to conform to PS 3450, Financial Instruments and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS 2041, PS 3030, Temporary Investments will no longer apply.

#### d. PS 3450 Financial Instruments

Financial Instruments establish recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

#### e. PS 3280 Asset Retirement Obligation

Asset Retirement Obligations establish guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a public sector entity. The standard covers the entity's legal obligations established by agreement, contract or legislation including obligations created by a promissory estoppel for tangible capital assets that are in productive and that are no longer in productive use. As this standard also includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Standards and amendments effective for financial statements on or after April 1, 2023:

#### f. PS 3400 Revenue

Revenue establishes standards on how to account for and report on revenue. This standard provides the identification, recognition, measurement, and disclosure for revenues arising from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payor.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 3. SHORT-TERM INVESTMENTS

Short-term investments are recorded at cost and have a fair value approximating cost. The investments are in a money market fund, holdings of which may include a combination of term deposits, treasury bills, commercial paper, bankers' acceptances or promissory notes. The average yield earned from investments was 0.63% (2020 - 1.18%).

### 4. ACCOUNTS RECEIVABLE

	2021	2020
Trade and other receivable	40,185	23,377
Water and sewer receivable	20,375	20,073
Allowance for doubtful accounts	(3,928)	(5,520)
	56,632	37,930

### 5. TAXES RECEIVABLE

	2021	2020
Taxes receivable	24,789	25,254
Allowance for doubtful accounts	(12,666)	(10,290)
	12,123	14,964

### 6. LAND INVENTORY

Property acquired through the tax enforcement process and held for sale is recorded at the lesser of cost and net realizable value. Cost is equal to the outstanding taxes including any applicable penalties, as well as the costs incurred in acquiring the land. Land acquired other than through the tax enforcement process and held for re-sale is recorded at the lower of cost or net realizable value. Land inventory also includes acquisition costs of the land and the improvements to prepare the land for sale or servicing. Related development costs incurred to provide infrastructure are recorded as capital assets under their respective function.

	2021	2020
Long-term inventory	25,257	20,592

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 7. DEFERRED REVENUE

	December 31, 2020	Externally restricted inflows	Revenue earned	December 31, 2021
Municipal Economic Enhancement Program	30,441	-	(18,576)	11,865
The Community Building Fund	18,296	26,211	(13,520)	30,987
Servicing agreement fees	53,232	2,166	(8,408)	46,990
Property taxes	1,229	1,357	(1,229)	1,357
Paved alleys	2,206	124	(463)	1,867
Gravel alleys	889	140	-	1,029
Cemetery internments	769	150	(80)	839
REAL	1,823	979	-	2,802
Other	13,099	8,955	-	22,054
	121,984	40,082	(42,276)	119,790

### 8. CAPITAL LEASE OBLIGATIONS

The following is a schedule of future minimum lease payments under capital leases for computer equipment, software and building contracts along with the balance of the capital lease obligation:

2022	556
2023	394
2024	163
2025	84
	1,197

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 9. LONG-TERM DEBT

#### Debenture debt

The City's long-term debt consists of \$178,506 (2020 - \$184,871) of unsecured debentures issued in the form of fully registered certificates held by The Canadian Depository for Securities Ltd. (CDS), on behalf of beneficial owners as direct and indirect participants of CDS. The debentures are issued for 10 or 30-year terms with principal payable either annually or semi-annually and interest payable semi-annually.

#### Obligation under long-term financing agreement – Public Private Partnership (P3)

The long-term debt represents the deferred capital payments portion of the Wastewater Treatment Plant based on the terms of the P3 agreement. The City amortizes the accumulated cost of the completed project over its useful life, expenses the annual interest cost and settles the long-term liability over the term of the P3 project agreement. The City has \$70,913 (2020 - \$72,427) of deferred capital payments that it has recorded as long-term debt. The long-term debt has a 27-year term with principal and interest payable monthly. The entire principal is due 2044.

#### Term loan

BPWTC entered into a non-revolving term loan and an interest rate swap agreement with the Bank of Montreal for a 25 year term to fix the interest rate at 3.46%. The term loan is subject to renewal on November 30, 2027. BPWTC also entered into a term loan of \$60,000 payable to TD bank based on a 20-year mortgage style amortization with an interest rate fixed at 3.09% through an interest rate swap. The City has guaranteed its proportionate share of the term loan.

	2021	2020
City of Regina unsecured debentures and loan		
Operating fund	178,506	184,871
WWTP debt - long-term	70,913	72,427
BPWTC term loan	74,103	30,649
REAL debt - long term	8,135	5,042
<b>Total debt</b>	<b>331,657</b>	<b>292,989</b>
Authorized debt limit	450,000	450,000
Interest rates	1.95-5.60%	1.95-5.10%
Interest costs for year	13,438	12,111

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 9. LONG-TERM DEBT (CONTINUED)

#### Bank indebtedness

Pursuant to *The Regina Administration Bylaw No. 2003-69*, the City can incur bank indebtedness. Interest on this indebtedness is calculated at the prime rate of interest less 0.55%, payable monthly and the City has pledged certain revenues as security for the debt obligation. REAL has an authorized line of credit with HSBC Bank Canada for \$6,789 at a rate of prime - 0.25%, at December 31, 2021 there is an amount of \$1,725 outstanding on the line of credit. The City has access to an unsecured line of credit of up to \$10,000 to cover any bank overdrafts arising from day to day cash transactions.

The long-term debt is repayable as follows:

2022	13,788
2023	14,432
2024	13,455
2025	13,921
2026-2045	276,061
	331,657

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 10. EMPLOYEE BENEFIT OBLIGATIONS

The City's employee benefit obligations to be funded in the future are as follows:

	Total 2021	Total 2020
<b>Defined benefit pension plans</b>		
Regina Police Superannuation and Benefits Plan	20,153	19,843
RPPP Supplemental Pension Plan	3,042	2,956
Target Retirement Income Plan	(14,676)	(11,809)
	<b>8,519</b>	<b>10,990</b>
<b>Other benefit plans</b>		
Termination payments	28,322	29,591
Continuation of group life, medical and dental benefits	11,417	11,080
	<b>39,739</b>	<b>40,671</b>
<b>Other plans and arrangements</b>		
Vacation	18,257	17,530
Overtime	5,046	4,862
Group life, medical and dental plans	507	430
	<b>23,810</b>	<b>22,822</b>
	<b>72,068</b>	<b>74,483</b>

#### a. Defined benefit pension plans

The Regina Police Superannuation and Benefits Plan is a defined benefit pension plan. As required by provincial legislation, an actuarial funding valuation is completed at least triennially.

By Memorandum of Agreement dated January 21, 2013, the City and the Employees' Pension Committee agreed to freeze the Regina Police Pension Plan (RPPP) as of June 30, 2014, and to establish the Target Retirement Income Plan (TRIP) for the Regina Police Service as of July 1, 2014. All active members in the RPPP moved over to the TRIP for service on or after July 1, 2014. There are no longer any active members accruing service in the RPPP.

Effective July 1, 2014, the Regina Police Superannuation and Benefits Pension Plan was amended per Amendment 2014-1 which served to close the plan to new entrants, freeze pensionable service, cease employee contributions and change the cost sharing arrangement of the Plan, such that the City assumes full responsibility for all past and future unfunded liabilities in the plan. Prior to this amendment, and as shown in the consolidated financial statements for prior years, the City was responsible for reporting approximately 51% of the Plan's accrued benefit liability. As a result of the amendment to the Plan effective July 1, 2014, the City is now responsible for reporting 100% of the Plan's accrued benefit liability and assets.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

#### a. Defined benefit pension plans (Continued)

An actuarial valuation of the defined benefit pension plans is performed using the projected benefit method prorated on service to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements.

The results of the most recent actuarial valuations and significant assumptions utilized in these valuations are as follows:

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan	Total 2021	Total 2020
Fair value of plan assets, beginning of year	90,713	351,379	-	442,092	398,557
Employees' contributions	6,044	-	-	6,044	5,879
Employer contributions	5,984	4,243	-	10,227	9,913
Actual return on plan assets	11,744	37,431	-	49,175	48,109
Less benefits paid	(956)	(19,437)	-	(20,393)	(20,366)
Fair value of plan assets, end of year	113,529	373,616	-	487,145	442,092
Accrued benefit obligation, beginning of year	70,906	394,263	3,999	469,168	429,704
Current period benefit cost	11,123	-	-	11,123	9,945
Interest on accrued benefit obligation	4,749	20,381	206	25,336	24,340
Actuarial loss	-	12,978	74	13,052	25,763
Less benefits paid	(956)	(19,437)	(235)	(20,628)	(20,584)
Accrued benefit obligation, end of year	85,822	408,185	4,044	498,051	469,168
Funded status, plan surplus (deficit)	27,707	(34,569)	(4,044)	(10,906)	(27,076)
Unamortized net actuarial loss (gain)	(13,031)	14,416	1,002	2,387	16,086
Accrued benefit asset (liability)	14,676	(20,153)	(3,042)	(8,519)	(10,990)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan	Total 2021	Total 2020
Current period benefit cost	11,123	-	-	11,123	9,945
Amortization of actuarial (gain) loss	(695)	2,392	115	1,812	1,704
Employee contributions	(6,044)	-	-	(6,044)	(5,879)
Interest expense	4,749	20,381	206	25,336	24,340
Expected return on plan assets	(6,016)	(18,220)	-	(24,236)	(22,911)
Change in valuation allowance	2,867	-	-	2,867	3,080
Benefit expense	5,984	4,553	321	10,858	10,279

The actuarial valuations were performed by Aon.

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan
Date of most recent valuation	0	0	0
Discount rate (%)	6.6	5.3	5.3
Inflation rate (%)	2.25	2.25	2.25
Long term return rate on plan assets (%)	6.6	5.6	n/a
Rate of compensation increase (%)	2.75	2.75	2.75
Expected average remaining service years	11.3	9.7	9.7
Contribution rate as a percentage of salary:			
Members prior to July 1, 2014	n/a	11.33%-12.83%	0.00%
Members post July 1, 2014	6.80%-10.70%	0.00%	0.00%
City prior to July 1, 2014	n/a	11.83%-13.33%	variable
City post July 1, 2014	8.50%	6.19%	variable

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)*

### 10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

#### b. Other benefit plans

Pursuant to union agreements, eligible employees are entitled to termination payments based upon their unused sick leave or years of service.

Group life, medical and dental benefits represents the obligation for the continuation of group life insurance, dental and medical benefits for employees on long-term disability and the City's share of group life insurance for early retirees.

Retirees may continue group life insurance coverage to age 65 on a 50% cost-shared basis with the City. Employee and employer premiums for continuation of group life insurance for employees on long-term disability are fully funded through contributions maintained in a reserve. Medical and dental coverage for employees on long-term disability is provided on a 50% cost shared basis between the employee and employer.

A group life insurance plan is administered by Saskatchewan Blue Cross on a self-insured basis, with a stop loss provision limiting losses to claims in excess of 150% of premiums for any calendar year. The primary components of the plan are funded equally by employer and employees. Dental and medical plans are also provided for most employees on a cost-shared or employer-funded basis.

For group life insurance, the balance of the employer and employee premiums collected in excess of claims are held in group insurance reserves, which are intended for future benefits and stabilization of premiums. The employer's portion of the obligations under the group insurance plan that will be funded from the reserves is reflected in Other Benefit Plans. Amounts held in the reserves that reflect obligations to be funded from employee contributions have been included in Accounts Payable and Accrued Liabilities. The balance of the group life insurance reserves, after reflecting the liabilities for the employee and employer share of future obligations is \$7,693 (2020 - \$8,758). This amount has been included in Group Benefits reserves (Note 14).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Actuarial valuations are performed to determine the accrued benefit obligation and the expense to be recognized in the consolidated financial statements. The results of and significant assumptions utilized in these valuations are as follows:

	City employees	Library employees	Group life, medical and dental plans	Total 2021	Total 2020
Accrued benefit obligation, beginning of year	28,647	836	11,080	40,563	33,301
Current period benefit cost	2,338	52	833	3,223	2,449
Interest on accrued benefit obligation	450	9	190	649	847
Actuarial gain	-	(49)	435	386	6,938
Less benefits paid	(2,010)	(57)	(1,121)	(3,188)	(2,972)
Change in assumptions	(2,030)	-	-	(2,030)	-
Unamortized net actuarial loss	-	136	-	136	108
Accrued benefit liability - unfunded	27,395	927	11,417	39,739	40,671
Current period benefit cost	2,338	52	-	2,390	1,858
Amortization of actuarial loss (gain)	652	(21)	-	631	235
Interest expense	450	9	-	459	645
Benefit expense	3,440	40	-	3,480	2,738

	AON	AON	Mercer
Date of most recent valuation	Dec 31, 2020	Dec 31, 2020	Dec 31, 2020
Discount rate (%)	1.5	2.3	2.0-2.7
Rate of compensation increase (%)	3.75-4.65	2.25-2.5	2.2
Expected average remaining service years	8-14	10	n/a

#### c. Other plans and arrangements

Employees are entitled to vacation pay and overtime as outlined in administrative policies and/or contractual agreements. The liability for these benefits is determined using current rates of pay and is undiscounted.

Out of scope employees are contractually entitled to certain pensions and termination payments. BPWTC employees are entitled to termination payments based upon years of service or unused sick leave. Benefits start to vest after 10 years of service and are recognized as expenses when they are vested.

Group life, medical and dental plans represents the liability for claims in progress and claim fluctuations under those plans at the end of the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

#### d. Multiemployer defined benefit plans

Two multiemployer defined benefit plans provide benefits to employees of the City of Regina, the Regina Qu'Appelle Health Region (the Regina General Hospital Division and Community Health Division), Buffalo Pound Water Treatment Corporation, Regina Public Library, and the non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan. The following represents the amounts for these plans:

	Superannuation & Benefit Plan	Long-Term Disability Plan	Total 2021	Total 2020
Benefit expense	17,578	721	18,299	18,103
Surplus of plan assets over benefit obligation per plan financial statements	201,920	32,221	234,141	180,507
<b>Contribution rate as a percentage of salary:</b>				
Members	7.8 - 13.1%	0.46%		
Employers	9.8 - 14.6%	0.46%		
Employee contributions	15,761	721	16,482	16,268
Date of most recent actuarial valuation	Dec 31, 2019	Dec 31, 2019		

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the City cannot be easily determined. Accordingly, the multiemployer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plans are recognized in these consolidated financial statements. The benefit expense reflected in the consolidated financial statements is equal to the City's contributions for the year.

A valuation was performed as at December 31, 2019 establishing a minimum funding requirement. In accordance with the Minimum Funding Regulations and the Plan's funding policy, the unfunded liability determined by the December 31, 2019 valuation is amortized over a period of no more than 20 years which began January 1, 2016. The cost sharing arrangement was amended such that 60% of the unfunded liability for service prior to January 1, 2016 was to be funded by the participating employer contributions and 40% from employee contributions.

#### e. Defined contribution pension plan

The Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan is a defined contribution plan. Pension fund assets are invested in marketable investments of organizations external to the City. Benefit expense is limited to the City's contributions to the plan.

	2021	2020
Casual employee members' contribution rate	3.00%	3.00%
Elected official members' contribution rate	6.95%	6.95%
Members' contributions	362	364
Benefit expense	362	364

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 11. LANDFILL CLOSURE AND POST-CLOSURE

Legislation requires closure and post-closure care of solid waste landfill sites. Closure care includes final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	2021	2020
Estimated closure and post-closure costs over 40 years after capacity is reached	62,305	45,690
Discount rate	3.19%	2.69%
Expected year capacity will be reached	2048	2044
<b>Capacity (m3):</b>		
Used to date	12,783,680	12,114,514
Remaining	9,292,320	9,961,486
<b>Total</b>	<b>22,076,000</b>	<b>22,076,000</b>
Percent utilized	57.91%	54.88%
Landfill liability	14,678	12,574

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 groundwater and leachates from the site, ongoing environment monitoring, site inspection and maintenance. The liability recognized in the consolidated financial statements is subject to measurement uncertainty. The recognized amounts are based on the City's best information and judgment. Amounts could change by more than a material amount in the long term.

The estimated remaining capacity of the landfill is 42.09% (2020 - 45.12%) and the remaining landfill liability amount is \$10,669 (2020 0 \$10,339).

The unfunded liability for the landfill will be paid for per the annual approved budget where capital expenditures will be funded from the Solid waste reserve and operational expenses will be funded through the operating budget, resulting in a reduction in the transfer to the Solid waste reserve.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 12. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2021	2020
<b>General</b>		
Land	159,652	148,962
Land improvements	89,702	89,603
Buildings and building improvements	470,720	466,734
Vehicles and equipment	181,890	176,518
Office and information technology	16,437	21,551
<b>Infrastructure</b>		
Plants and facilities	377,832	375,255
Roads	433,474	411,024
Underground and other networks	562,485	546,952
Bridges and other structures	44,552	42,285
	2,336,744	2,278,884
Assets under construction	111,221	85,602
	2,447,965	2,364,486

Tangible capital assets contributed to the City totaled \$17,739 (2020 - \$4,061), which were capitalized and recorded as revenue at their fair value at the time of receipt. The breakdown of contributed assets is as follows:

	2021	2020
Land	7,750	3,404
Land improvements	344	440
Underground and other networks	3,386	68
Vehicles and equipment	12	100
Roads	5,765	49
Plant & Facilities	482	-
	17,739	4,061



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 13. ACCUMULATED SURPLUS

Accumulated surplus represents the equity of an organization. In determining accumulated surplus, revenue and expenses are recognized as they are earned and incurred, according to PSAS.

Council, through its annual budget process and other policies and bylaws, may fund certain amounts on a basis that differs from the expense recognition basis prescribed by PSAS.

Unappropriated surpluses represent equity relating to certain entities consolidated within the City's financial statements that have not been designated for a specific use by that entity.

Appropriations for capital projects and reserves represent amounts that are internally restricted for specific purposes.

Obligations to be funded from future revenues represent amounts recognized as expenses according to PSAS, that will be funded from future revenues.

Infrastructure to be funded from future service agreement fees represent infrastructure that has been constructed by the City, of which the costs are expected to be funded from future service agreement fees.

	2021	2020
<b>Unappropriated surplus:</b>		
Regina Downtown Business Improvement District	80	78
Economic Development Regina Inc.	197	192
Regina Public Library Board	5,001	3,809
Regina's Warehouse Business Improvement District	(117)	(70)
The Regina Exhibition Association Limited	(11,313)	(7,072)
Buffalo Pound Water Treatment Corporation	(3,148)	1,516
Tangible capital assets	2,447,965	2,364,486
Buffalo Pound Water Treatment Corporation portion of tangible capital asset financing	(3,971)	-
<b>Appropriated surplus:</b>		
General capital projects	136,100	142,104
Utility capital projects	110,957	108,795
Buffalo Pound capital funding projects	77,847	23,965
Reserves (Note 14)	238,180	230,544
<b>Infrastructure to be funded from future servicing agreement fees:</b>		
Water, wastewater and drainage	(37,033)	(34,424)
<b>Obligations to be funded from future revenues:</b>		
Long-term debt (Note 9)	(331,657)	(292,989)
Employee benefit obligations (Note 10)	(72,068)	(74,483)
Landfill closure and post-closure (Note 11)	(14,678)	(12,574)
Capital lease obligations (Note 8)	(1,197)	(1,223)
<b>Accumulated surplus</b>	<b>2,541,145</b>	<b>2,452,654</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 14. RESERVES

	2021	2020
<b>City of Regina reserves:</b>		
General utility reserve	110,391	96,663
General fund reserve	36,421	29,398
Covid-19 recovery reserve	2,902	15,872
Solid waste reserve	38,839	30,915
Regina revitalization initiative - stadium reserve	(3,734)	(4,312)
Land development reserve	(23,268)	(16,357)
Asset revitalization reserve	14,640	14,625
Fleet replacement reserve	20,012	20,964
Social development reserve	4,954	3,694
Elections & property reassessment reserve	424	192
Planning & sustainability stabilization reserve	(4,012)	(2,331)
Winter road maintenance reserve	1,812	2,169
Regina Police Service general reserve	3,206	1,618
Asphalt reserve	767	969
Community investment grants reserve	791	609
Golf course reserve	1,699	861
Technology reserve	236	238
mâdawêyatîtan centre reserve	392	294
Employer provided parking reserve	3,422	2,930
Cemetery reserve	(391)	306
Regina Police Service radio equipment reserve	142	125
	<b>209,645</b>	<b>199,442</b>
<b>Group Benefits reserves:</b>		
Group life insurance reserve	7,693	8,758
Dental benefits reserve	2,685	2,359
Medical - City of Regina reserve	1,010	1,076
Police services premium reduction reserve	422	367
Police long-term disability reserve	239	184
	<b>12,049</b>	<b>12,744</b>
<b>Other Entities reserves:</b>		
Regina Public Library reserves	15,934	14,460
Buffalo Pound Water Treatment Corporation/Administration Board	84	3,023
Regina Downtown Business Improvement District reserve	294	374
Regina's Warehouse Business Improvement District infrastructure reserve	174	174
Economic Development Regina reserve	-	327
	<b>16,486</b>	<b>18,358</b>
	<b>238,180</b>	<b>230,544</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 15. TAXATION

	Budget (Note 1j)	Actual	Actual
	2021	2021	2020
Total taxation revenue levied	-	<b>441,151</b>	437,107
<b>Taxes levied on behalf of others:</b>			
Regina School Division No. 4	-	<b>(101,149)</b>	(103,408)
Global Transportation Hub Authority	-	<b>(2,873)</b>	(2,765)
Regina Roman Catholic Separate School Division No. 81	-	<b>(45,066)</b>	(46,194)
Taxation revenue	293,076	<b>292,063</b>	284,740
<b>City of Regina</b>			
Municipal levies	251,562	<b>250,348</b>	244,123
Grants in lieu	15,420	<b>15,399</b>	15,838
Supplementary taxes	1,200	<b>1,062</b>	533
Other	(776)	<b>(292)</b>	(754)
	267,406	<b>266,517</b>	259,740
<b>Regina Public Library</b>			
Taxation levies	22,731	<b>22,813</b>	22,085
Grants in lieu	1,522	<b>1,477</b>	1,513
	24,253	<b>24,290</b>	23,598
Regina Downtown Business Improvement District levies	1,154	<b>1,002</b>	1,138
Regina's Warehouse Business Improvement District levies	263	<b>254</b>	264
	293,076	<b>292,063</b>	284,740

Taxation revenue is recorded net of an allowance for uncollectible outstanding taxes and a provision for potential losses on assessment appeals outstanding. As at December 31, 2021, the following amounts are reflected in the Consolidated Statement of Financial Position for these provisions:

	2021	2020
Allowance for doubtful outstanding taxes netted against taxes receivable	<b>12,665</b>	10,290
Provision for assessment appeals included in accounts payable	-	11,206

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 16. GOVERNMENT TRANSFERS

	Budget (Note 1j)	Actual	Actual
	2021	2021	2020
<b>Operating transfers</b>			
Federal	1,373	<b>9,208</b>	16,583
Provincial	67,666	<b>56,509</b>	57,608
	69,039	<b>65,717</b>	74,191
<b>Capital transfers</b>			
Federal	15,324	<b>17,268</b>	27,072
Provincial	25	<b>19,699</b>	2,456
	15,349	<b>36,967</b>	29,528
	84,388	<b>102,684</b>	103,719

Government transfers do not include grants in lieu of taxes received from the Federal and Provincial governments. These amounts are included with taxation revenue (Note 15).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 17. GOVERNMENT PARTNERSHIPS

BPWTC was incorporated in 2016 as a non-profit membership corporation by the City of Regina and the City of Moose Jaw. Its purpose is to operate the assets of the Buffalo Pound Water Treatment Plant. BPWTC is responsible for reliable and efficient provision of safe, high quality and affordable drinking water to the Cities. Based on the provisions of unanimous membership agreement, BPWTC is intended to operate a full cost recovery model and is mainly funded by water rates as paid by the Cities.

The following is a schedule of relevant financial information as stated within the financial statements of BPWTC for the year ended December 31, 2021 in thousands of dollars. There are no known contractual obligations or contingencies as at December 31, 2021. These amounts represent 100% of the financial position and activities:

	2021	2020
Financial assets	97,925	51,849
Financial liabilities	106,184	54,971
Net financial assets	(8,259)	(3,122)
Inventory	128	224
Prepaid	19	-
Tangible capital assets	106,211	90,891
Accumulated surplus	98,099	87,993
<b>Statement of Operations</b>		
Revenue	26,800	33,836
Expenses	16,693	22,348
Annual surplus	10,107	11,488
Accumulated surplus, beginning of year	87,993	76,505
Accumulated surplus, end of year	98,100	87,993

The financial statements shown are proportionately consolidated within the consolidated financial statements at 74.00%, representing the City's interest in BPWTC. After eliminating inter-company transactions, the following amounts have been included in the consolidated financial statements:

<b>Statement of Financial Position</b>	<b>2021</b>	<b>2020</b>
Financial assets	71,718	38,368
Financial liabilities	78,576	33,412
Non-financial assets	78,691	67,425
Net assets	71,833	72,381
<b>Statement of Operations</b>		
Revenue	5,979	11,992
Expenses	12,282	11,047
Annual surplus (deficit)	(6,303)	945

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 17. GOVERNMENT PARTNERSHIPS (CONTINUED)

The City of Regina and the Regina Public Library entered into a master agreement with the Board of Education of the Regina School Division No. 4 and constructed an integrated educational/library/community facility in the North Central area of the City of Regina known as the māmawēyatitān centre. The purpose of the partnership is to develop and operate a Facility as an integrated gathering place of the community and to deliver programs and services to the public. Any distribution (recovery) of annual operation surplus (deficit) is shared between the partners according to their respective usage of services.

The condensed supplementary financial information of the māmawēyatitān centre is as follows:

	2021	2020
Tangible Capital Assets	34,247	36,325

The above financial information has been proportionately consolidated with the City and the Regina Public Library's partnership share of 27.15%. After adjusting the accounting policies to be consistent with those of the City's and Regina Public Library and eliminating transactions between the partnership and the City, the following amounts have been included in the consolidated financial statements:

	2021	2020
Tangible Capital Assets	9,531	9,862

### 18. FUNDS HELD IN TRUST

The City of Regina administers the following trusts. As related assets are not owned by the City, the trusts have been excluded from the consolidated financial statements. Following is a summary of the net assets of the trusts:

	2021	2020
Perpetual Care Trust	2,699	2,683
Williamson Driver Award	5	5
	2,704	2,688

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 19. CONTRACTUAL RIGHTS

#### 1) Saskatchewan Roughrider Football Club Inc. Lease Agreement

On June 6, 2017 the City and the Saskatchewan Roughrider Football Club Inc. (SRFC) entered into a lease agreement for Mosaic Stadium. The term of the Agreement became effective as of February 13, 2017 and expires on March 31, 2047, or until earlier terminated by either party pursuant to the terms of this Agreement. The yearly lease fee is \$1,553.

#### 2) BPWTC - New Building Canada Fund

BPWTC entered into an agreement in November 2018 with the Minister of Infrastructure and Communities of the Government of Canada as part of a program entitled the New Building Canada Fund - Provincial - Territorial Infrastructure Component - National Regional Projects (the "Program"). Under this agreement, BPWTC has a contractual right to receive contributions for eligible expenditures up to a maximum of \$10,291 by March 31, 2024. BPWTC also entered into an agreement in January 2019 with the Minister of Government Relations of the Province of Saskatchewan as part of the Program. Under this agreement, BPWTC has a contractual right to receive contributions for eligible expenditures up to a maximum of \$10,291 by March 31, 2022. BPWTC is using these funds for the electrical capital upgrade project. Up until December 31, 2021, BPWTC had claimed total \$9,310 from each of the Federal and the Provincial governments.

BPWTC entered into an agreement with the Government of Canada and Province of Saskatchewan in March 2021 as part of Investing in Canada Infrastructure Program. Under this agreement, BPWTC has a contractual right to receive contribution for eligible expenditure up to a maximum of \$74,269 from the Province of Saskatchewan and \$89,132 from the Government of Canada up until March 31, 2026. No contributions have been received as of December 31, 2021.

### 20. CONTRACTUAL OBLIGATIONS

#### 1) Wastewater Treatment Plant

As at December 31, 2021, the expected commitment related to the Wastewater Treatment Plant is \$215,870. The Wastewater Treatment Plant is a P3 project and has qualified for P3 funding from the Government of Canada. On May 29, 2014 the City announced that EPCOR Water Prairies Inc. as the preferred proponent to design, build, finance, operate and maintain the City's new Wastewater Treatment Plant. EPCOR has taken on operations for the existing facility. EPCOR will also operate the new facility until June 2044.

The payment schedule, including capital payments on long term debt, is as follows:

Year	Amount
2022	13,102
2023	9,808
2024	10,601
2025	9,744
2026 through 2044	172,615



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 2) māmawêyatitân centre Development Agreement

The agreement was made between the Board of Education of the Regina School Division No. 4 of Saskatchewan, the City and the Regina Public Library Board. The City and the Regina Public Library's share is 27.15%.

### 3) Taylor Field Neighbourhood

This project is the redevelopment of the area where historic Mosaic Stadium was located.

### 4) Railyard Renewal

This project is the redevelopment of the Railyard site in the City Centre, including the implementation of the Yards Neighbourhood Plan.

### 5) Animal Services Agreement

The agreement made on January 1, 2015 between the City and the Regina Humane Society Inc. (RHS) for animal services and the capital cost of a new facility. The City's share is 46% of the capital costs of the RHS Facility. The commitment includes an annual fee of \$1,290 for services; share of the capital cost of the facility \$9,660 of which \$X was paid by the City in 2021; financing costs for the financing of the City's share; and an amount equal to 10% of the value of all licenses sold or renewed through RHS.

### 6) Globe Theatre

On September 21, 2020, the City entered into an agreement with the Globe Theatre Society (Globe Theatre) to provide up to \$6,600 to support the revitalization of the Globe Theatre's Prince Edward Building, of which \$1,983 has been paid in 2021.

### 7) Lawsuits

In the ordinary course of business, various claims and lawsuits are brought against The City. Provisions have been made for any claims that are likely and the amount of the potential loss can be reasonably estimated. It is the opinion of management that final determination of any other claims will not materially affect the financial position of the City.

### 8) BPWTC

BPWTC has entered into several agreements that contain contractual obligations of \$15,759 as of December 31, 2021.

### 9) Viterra Canda Inc.

The City entered into a Memorandum of Understanding with Viterra Canada Inc. ancillary to the Option to Purchase Agreement dated April 12, 2021 that outlined incentives provided to Viterra including: transfer of up to \$12,600 for the Land Development Reserve to fund the costs of providing water and wastewater infrastructure, paying development charges, and acquiring land for rail, water and wastewater infrastructure; transfer \$6,000 from the Asset Revitalization Reserve to fund the costs of investments in rail line development.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 21. SEGMENTED INFORMATION

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, and public transit, and water. The organizational structure includes Legal, City Clerk and Governance, Corporate Services, Human Resources, City Services, Transportation and Utilities, Planning and Development and Regina Police Services. The segmented information in these statements reflect the organizational structure described. For management reporting purposes, the City's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. The financial activities of the City reported by Fund are included in Schedule 1. City Services are provided by groups/divisions and their activities are reported in these funds. Certain divisions that have been separately disclosed in the segmented information in Schedule 2, along with the services they provide, are as follows:

#### a. Citizen Services

The Citizen Services Division delivers reliable services to address the fundamental needs of our community and partners. This includes providing services in the areas of fire suppression, transit, waste management, water, wastewater, and transportation. The division is comprised of four departments: Fire & Protective Services, Roadways & Transportation, Transit & Fleet and Water, Waste & Environmental Services.

#### b. Citizen Experience, Innovation & Performance

The Citizen Experience, Innovation and Performance division plans and supports organizational change that modernizes our traditional business lines and the services citizens rely on every day. Together we integrate people, strategy, process and technology to create an environment that sparks innovation, transforms services and changes our workplace culture.

This division includes: Citizen Experience, Technology & Digital Innovation, People & Organizational Culture and Corporate Strategy & Performance.

#### c. City Planning & Community Development

This division shapes the City's development and the quality of life residents experience by working with internal and external partners to create complete neighbourhoods, and programs and services that achieve the goals of the Official Community Plan for residents and visitors. The division consists of four departments: Facilities Services; Parks, Recreation & Cultural Services; Planning & Development Services; and Sustainable Infrastructure.

#### d. Regina Police Service

Regina Police Service is responsible for the delivery of policing services within the municipality and dedicated to a safe and caring community. Regina Police Service is responsible for the delivery of policing services within the municipality and dedicated to a safe and caring community.

#### e. Financial Strategy & Sustainability

The Financial Strategy & Sustainability division contributes to a customer-focused, financially sustainable city by providing strategic, equitable, and transparent tax, financial, and land management services. These high-level services are delivered via three departments: Assessment, Tax & Utility Billing; Financial Services, and Land & Real Estate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)*

### 21. SEGMENTED INFORMATION (CONTINUED)

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Operations by Segment (Schedule 2).

### 22. COMPARATIVE FIGURES

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

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**CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION**
**2021 Schedule 1**
**For the year ended December 31**
*(in thousands of dollars)*

	General Operating	Utility Operating	General Capital	Utility Capital	Total City of Regina
<b>REVENUE</b>					
Taxation	267,067	-	-	-	267,067
Fees and charges	69,774	155,338	7,238	2,048	234,398
Government transfers	58,397	-	36,967	-	95,364
Electrical distribution	30,492	-	-	-	30,492
Licenses, fines and levies	17,690	347	-	-	18,037
Gas distribution	6,139	-	-	-	6,139
Interest and penalties	7,164	316	-	-	7,480
Interest on short term investments	1,046	-	-	-	1,046
Servicing agreement fees	1,478	817	5,875	899	9,069
Land sales	181	-	-	-	181
Other	5,236	289	1,024	-	6,549
Contribution of tangible capital assets	-	-	13,870	3,869	17,739
Other capital contributions	-	-	958	-	958
	464,664	157,107	65,932	6,816	694,519
<b>EXPENSES</b>					
Parks, recreation and community services	56,172	-	9,969	-	66,141
Police	93,864	-	560	-	94,424
Legislative and administrative services	65,675	-	3,605	-	69,280
Water, wastewater and drainage	-	70,707	-	12,505	83,212
Roads and traffic	35,904	-	16,439	-	52,343
Fire	51,879	-	62	-	51,941
Transit	36,846	-	(20)	-	36,826
Waste collection and disposal	25,625	-	691	-	26,316
Grants	12,270	-	1,983	-	14,253
Planning and development	16,612	-	-	-	16,612
Amortization	-	-	75,257	22,375	97,632
	394,847	70,707	108,546	34,880	608,980
Annual surplus	69,817	86,400	(42,614)	(28,064)	85,539

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION

Schedule 1

RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation adjustments	Consolidated 2021
1,002	-	-	24,290	254	-	(550)	292,063
-	3,610	16,306	965	-	28,267	(27,935)	255,611
138	-	3,302	412	56	3,412	-	102,684
-	-	-	-	-	-	-	30,492
-	-	-	-	-	-	-	18,037
-	-	-	-	-	-	-	6,139
-	-	207	198	-	-	-	7,885
-	-	-	-	-	-	-	1,046
-	-	-	-	-	-	-	9,069
-	-	-	-	-	-	-	181
220	-	17	-	6	-	(107)	6,685
-	-	-	-	-	-	-	17,739
-	-	-	-	-	-	-	958
1,360	3,610	19,832	25,865	316	31,679	(28,592)	748,589
1,341	3,582	-	20,907	301	32,354	(12,582)	112,044
-	-	-	-	-	-	-	94,424
-	-	-	-	-	-	-	69,280
-	-	10,182	-	-	-	(13,962)	79,432
-	-	-	-	-	-	-	52,343
-	-	-	-	-	-	-	51,941
-	-	-	-	-	-	-	36,826
-	-	-	-	-	-	-	26,316
-	-	-	-	-	-	(2,048)	12,205
-	-	-	-	-	-	-	16,612
67	27	2,179	2,710	23	6,037	-	108,675
1,408	3,609	12,361	23,617	324	38,391	(28,592)	660,098
(48)	1	7,471	2,248	(8)	(6,712)	-	88,491

**CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT**
**2021 Schedule 2**
**For the year ended December 31**
*(in thousands of dollars)*

	Citizen Services	Citizen Experience, Innovation & Performance	City Planning & Community Development	Regina Police Service	Financial Strategy & Sustainability	Total City of Regina
<b>REVENUES</b>						
Taxation	-	-	9,022	-	258,045	267,067
Fees and charges	43,052	206	19,721	1,250	170,169	234,398
Government transfers	30,458	-	13,578	8,500	42,828	95,364
Electrical distribution	-	-	-	-	30,492	30,492
Licenses, fines and levies	6,019	-	868	-	11,150	18,037
Gas distribution	-	-	-	-	6,139	6,139
Interest and penalties	-	-	-	-	7,480	7,480
Interest on short term investments	-	-	71	-	975	1,046
Servicing agreement fees	1,153	-	7,017	-	899	9,069
Land sales	-	-	181	-	-	181
Other	816	32	3,841	1,278	582	6,549
Contribution of tangible capital assets	9,633	-	356	-	7,750	17,739
Other capital contributions	-	-	958	-	-	958
	91,131	238	55,613	11,028	536,509	694,519
<b>EXPENSES</b>						
Wages and benefits	106,976	19,396	44,045	81,908	22,696	275,021
Material, supplies, and other goods	33,469	1,849	10,890	5,329	16,892	68,429
Contracted and general services	52,408	6,171	36,000	6,615	11,116	112,310
Utilities	5,963	2	4,365	520	18,665	29,515
Transfer payments/grants	3	2	8,644	61	5,555	14,265
Interest and bank charges	-	-	7,020	-	4,788	11,808
Amortization of tangible assets	73,555	5,047	15,439	3,591	-	97,632
	272,374	32,467	126,403	98,024	79,712	608,980
Excess of revenues over expenditures (expenses over revenues)	\$ (181,243)	\$ (32,229)	\$ (70,790)	\$ (86,996)	\$ 456,797	\$ 85,539

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation Adjustment	Consolidated 2021
1,002	-	-	24,290	254	-	(550)	292,063
-	3,610	16,306	965	-	28,267	(27,935)	255,611
138	-	3,302	412	56	3,412	-	102,684
-	-	-	-	-	-	-	30,492
-	-	-	-	-	-	-	18,037
-	-	-	-	-	-	-	6,139
-	-	207	198	-	-	-	7,885
-	-	-	-	-	-	-	1,046
-	-	-	-	-	-	-	9,069
-	-	-	-	-	-	-	181
220	-	17	-	6	-	(107)	6,685
-	-	-	-	-	-	-	17,739
-	-	-	-	-	-	-	958
1,360	3,610	19,832	25,865	316	31,679	(28,592)	748,589
779	1,590	3,154	13,602	180	13,797	(2,212)	305,911
237	1,992	1,356	7,305	31	12,943	(6,952)	85,341
317	-	4,154	-	90	2,193	(3,280)	115,784
-	-	1,518	-	-	3,245	(14,100)	20,178
8	-	-	-	-	-	(2,048)	12,225
-	-	-	-	-	176	-	11,984
67	27	2,179	2,710	23	6,037	-	108,675
1,408	3,609	12,361	23,617	324	38,391	(28,592)	660,098
\$ (48) \$	1 \$	7,471 \$	2,248 \$	(8) \$	(6,712) \$	- \$	88,491



**CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT**
**2020 Schedule 2**
**For the year ended December 31**
*(in thousands of dollars)*

	Citizen Services	Citizen Experience, Innovation & Performance	City Planning & Community Development	Regina Police Service	Financial Strategy & Sustainability	Total City of Regina
<b>REVENUES</b>						
Taxation	\$ -	\$ -	7,833	\$ -	253,058	\$ 260,891
Fees and charges	35,529	270	14,374	1,215	165,224	216,612
Government transfers	11,749	-	10,079	8,449	59,974	90,251
Electrical distribution	-	-	-	-	29,502	29,502
Licenses, fines and levies	4,610	-	-	-	10,074	14,684
Gas distribution	-	-	-	-	6,216	6,216
Interest and penalties	-	-	-	-	8,436	8,436
Interest on short term investments	-	-	163	-	730	893
Servicing agreement fees	1,107	-	5,623	-	1,350	8,080
Land sales	-	-	26	-	-	26
Other	7,697	74	3,219	993	1,196	13,179
Contribution of tangible capital assets	117	-	540	-	3,404	4,061
Other capital contributions	-	-	644	-	-	644
	60,809	344	42,501	10,657	539,164	653,475
<b>EXPENSES</b>						
Wages and benefits	103,285	18,066	41,023	82,261	27,379	272,014
Material, supplies, and other goods	22,328	2,803	3,746	5,772	14,779	49,428
Contracted and general services	27,830	4,706	55,442	6,169	11,716	105,863
Utilities	5,211	2	4,272	555	17,558	27,598
Transfer payments/grants	13	-	8,953	108	5,843	14,917
Interest and bank charges	-	-	7,193	-	4,917	12,110
Amortization of tangible assets	68,323	4,928	15,128	3,470	-	91,849
	226,990	30,505	135,757	98,335	82,192	573,779
Excess of revenues over expenditures (expenses over revenues)	\$ (166,181)	\$ (30,161)	\$ (93,256)	\$ (87,678)	456,972	\$ 79,696

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

	RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation Adjustment	Consolidated 2020
\$	1,137	\$ -	\$ -	23,598	\$ 264	\$ -	(1,150)	\$ 284,740
	-	3,275	15,305	1,433	-	15,557	(24,425)	227,757
	92	-	9,275	-	34	4,067	-	103,719
	-	-	-	-	-	-	-	29,502
	-	-	-	-	-	-	-	14,684
	-	-	-	-	-	-	-	6,216
	-	-	441	256	-	-	-	9,133
	-	-	-	-	-	-	-	893
	-	-	-	-	-	-	-	8,080
	-	-	-	-	-	-	-	26
	56	-	17	-	-	-	(5,784)	7,468
	-	-	-	-	-	-	-	4,061
	-	-	-	-	-	-	-	644
	1,285	3,275	25,038	25,287	298	19,624	(31,359)	696,923
	606	1,424	3,111	13,019	165	11,379	(1,954)	299,764
	131	1,297	7,124	7,757	75	5,211	(12,485)	58,537
	452	-	2,070	-	108	1,559	(1,821)	108,231
	-	-	1,818	-	-	3,063	(13,251)	19,228
	6	-	-	-	-	-	(1,848)	13,075
	-	-	-	-	-	214	-	12,324
	70	27	2,383	2,699	18	5,987	-	103,035
	1,265	2,748	16,506	23,475	366	27,413	(31,359)	614,194
\$	20	\$ 527	\$ 8,532	\$ 1,812	(68)	(7,789)	\$ -	\$ 82,729

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**
**2021 Schedule 3**
**For the year ended December 31**
*(in thousands of dollars)*

	<b>General</b>				
	Land	Land improvements	Buildings and building improvements	Vehicles and equipment	Office and information technology
<b>Cost</b>					
Balance, beginning of year	148,962	183,158	576,142	356,102	43,206
Add:					
Additions during the year	10,691	3,012	2,841	30,609	3,195
Transfers from assets under construction	-	2,350	15,403	4,316	296
Less:					
Disposals during the year	1	185	99	13,370	2,669
Balance, end of year	159,652	188,335	594,287	377,657	44,028
<b>Accumulated amortization</b>					
Balance, beginning of year	-	93,555	109,408	179,584	21,655
Add:					
Amortization	-	5,263	14,258	29,210	8,602
Less:					
Accumulated amortization on disposals	-	185	99	13,027	2,666
Balance, end of year	-	98,633	123,567	195,767	27,591
Net Book Value	159,652	89,702	470,720	181,890	16,437

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 3

Infrastructure						
Plants and facilities	Roads	Underground and other networks	Bridges and other structures	Assets under construction	2021	2020
512,797	834,553	781,390	56,968	85,602	3,578,880	3,472,091
1,680	49,130	24,782	2,918	65,267	194,125	147,124
13,109	2,104	1,983	88	-	39,649	71,131
594	14,337	100	-	39,648	71,003	111,466
526,992	871,450	808,055	59,974	111,221	3,741,651	3,578,880
137,542	423,529	234,438	14,683	-	1,214,394	1,149,354
11,885	27,561	11,157	739	-	108,675	103,035
267	13,114	25	-	-	29,383	37,995
149,160	437,976	245,570	15,422	-	1,293,686	1,214,394
377,832	433,474	562,485	44,552	111,221	2,447,965	2,364,486

# 2021



## General Trust Fund

## Independent Auditor's Report

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To Mayor Masters and Members of City Council of the of General Trust Fund of the City of Regina:

### Opinion

We have audited the financial statements of General Trust Fund of the City of Regina (the "Trust"), which comprise the statement of financial position as at December 31, 2021, and the statement of revenue, expenditures and change in fund balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2021, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

June 15, 2022

Chartered Professional Accountants



## General Trust Fund

### STATEMENT OF FINANCIAL POSITION

(in thousands of dollars)

As at December 31

	Perpetual Care Trust	Williamson Driver Award	Total 2021	Total 2020
<b>FINANCIAL ASSETS</b>				
Cash	129	-	129	76
Long-term investments (Note 4)	2,633	5	2,638	2,768
Accounts receivable	8	-	8	-
<b>Total Assets</b>	<b>2,770</b>	<b>5</b>	<b>2,775</b>	<b>2,844</b>
<b>FINANCIAL LIABILITIES AND FUND BALANCES</b>				
Due to the City of Regina	71	-	71	156
Fund balance	2,699	5	2,704	2,688
<b>Total Liabilities and Fund Balances</b>	<b>2,770</b>	<b>5</b>	<b>2,775</b>	<b>2,844</b>

See accompanying notes.

## General Trust Fund

### STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE

(in thousands of dollars)

As at December 31

	Perpetual Care Trust	Williamson Driver Award	Total 2021	Total 2020
<b>REVENUE</b>				
Contributions	16	-	<b>16</b>	10
Investment income	72	-	<b>72</b>	157
<b>Total Revenue</b>	<b>88</b>	<b>-</b>	<b>88</b>	<b>167</b>
<b>EXPENDITURES</b>				
Cemetery maintenance	72	-	<b>72</b>	157
<b>Total Expenditures</b>	<b>72</b>	<b>-</b>	<b>72</b>	<b>157</b>
<b>Excess of revenue over expenditures</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>10</b>
<b>Fund balance, beginning of year</b>	<b>2,683</b>	<b>5</b>	<b>2,688</b>	<b>2,678</b>
<b>Fund balance, end of year</b>	<b>2,699</b>	<b>5</b>	<b>2,704</b>	<b>2,688</b>

See accompanying notes.

## General Trust Fund

### NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

As at December 31

#### 1. PURPOSE OF FUND

The General Trust Fund (the "Trust") comprises the assets, liabilities, revenues and expenses of the following two trusts administered by the City of Regina (the City):

- (a) Perpetual Care Trust - In accordance with *The Cemeteries Act, 1999*, a portion of the monies received by the City from the sale of cemetery plot rights is put into a trust and invested. The income from the trust is used to pay for care and maintenance of the plots. Special approval is needed from the Registrar of Cemeteries before trust capital can be used to fund care and maintenance. The amendment to the Act exempted municipal owned cemeteries being required to contribute the 15% dollar value of plot sales to the perpetual care fund beginning in 1999. Since that time the City has not made this contribution to the fund and this funding has been part of the annual revenue to the Cemetery reserve.
- (b) Williamson Driver Award - When a bond was bequeathed to the City of Regina with trust conditions attached, a trust was established under *The Trust Act*. Each year the income from the bond is used to provide a safe-driving award to a Regina Transit employee.

#### Impact of Covid-19

In March of 2020, there was a global outbreak of COVID-19 (Coronavirus), which had a significant impact on businesses through the restrictions put in place by the Canadian, Provincial and Municipal Governments regarding travel, business operations and isolations/quarantine orders. At this time, the extent of the impact of COVID-19 outbreak had and will have on the organization is minimal as there was no significant decrease in revenues and no additional funding was received as a result of COVID-19. In addition, the pandemic did not cause any closure of the business

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards, as recommended by the Chartered Professional Accountants of Canada (CPA Canada). The following policies are considered to be significant.

- (a) The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and use 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 period. Actual results could differ from those estimates.
- (b) Investments are recorded at cost less write-downs to reflect other than temporary declines in values. Any gains or losses are recognized on disposition of the investments.
- (c) Investment revenue is recorded on the accrual basis.

## General Trust Fund

### NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

As at December 31

#### 3. FINANCIAL INSTRUMENTS

Long-term investments are primarily exposed to foreign currency, interest rate, and market risk.

Interest rate risk refers to the adverse consequences of interest rate changes on the General Trust Fund's cash flows, financial position and excess of revenues over expenditures. This risk arises from differences in the timing and amount of cash flows related to the General Trust Fund's assets and liabilities.

Foreign currency risk arises from holding investments denominated in currencies other than the Canadian dollar. Fluctuations in the relative value of the Canadian dollar against these foreign currencies can result in a positive or negative effect on the fair value of investments held in the pooled bond fund.

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market.

#### 4. LONG-TERM INVESTMENTS

The long-term investments consist of a pooled bond fund. A pooled bond fund is a group of individual bonds managed by an investment manager. The market value of the pooled bond fund units is based on the market price per unit which is determined by the overall market values of each of the bonds in the fund.

	2021	2020
Investment cost	2,638	2,768
Market value	2,602	2,877

#### 5. STATEMENT OF CASH FLOWS AND CHANGE IN NET FINANCIAL ASSETS

The statement of cash flows and the statement of change in net financial assets have not been prepared for the year ended December 31, 2021, as they would not provide additional information.

# 2021



## Appendices

## Appendix 1 - Glossary of Terms

**Accrual Accounting:** the accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay. This is also known as the full accrual basis of accounting.

**Accrued Benefit Liability:** the amount recorded in the Statement of Financial Position representing the present value of the expected payouts for benefits which employees have earned at year end, after allowing for the required smoothing of actuarial gains and losses. PSAS requires amortization of each actuarial gain or loss over the Expected Average Remaining Service Life of the employee group, at the time of the actuarial valuation. This net liability may be lower than the gross liability when actuarial losses exceed gains, or larger than the gross liability when gains exceed losses.

**Accrued Benefit Obligation:** the present value of the expected payouts for benefits which employees have earned at year end. This amount is calculated by the City's actuaries every three years, and updated based on actual data between valuations.

**Accumulated amortization:** the sum of all amortization expensed on a given asset or asset class to-date.

**Accumulated surplus:** the difference between the City's financial and non-financial assets and its liabilities. The accumulated surplus represents the net financial and physical assets/resources available to provide future services. It is the sum of amounts invested in: tangible capital assets; the operating, capital, reserve and reserve funds; net of amounts to be recovered from future revenues.

**Amortization expense:** annual charge to expense to represent allocation of an asset's cost over its useful life.

**Amounts to be recovered:** the sum of items that have not been included in previous budgets and that will be recovered from future rates or taxes. Amounts to be recovered consist of outstanding debt, unfunded future employment costs, unfunded landfill post-closure costs, as well as unfunded environmental, property and liability claims.

**Assets:** assets have three essential characteristics: (1) they embody a future benefit that involves a capacity, singly or in combination with other assets, to provide future net cash flows or to provide goods and services; (2) the government can control access to the benefit; and (3) the transaction or event giving rise to the government's control of the benefit has already occurred.

**Benchmarking:** the measurement of the quality of an organization's policies, programs, services, etc., and their comparison with similar measurements of its peers. The objectives of benchmarking are: (1) to determine what and where improvements are called for; (2) to analyze how other organizations achieve their high-performance levels; and (3) to use this information to improve performance.

**Brownfield development:** undeveloped or previously developed properties that may be contaminated. These are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant.

**Budget – operating/utility:** an outline of the government's operating/utility revenue and expense plan for the upcoming year. The Operating/Utility Budget is formally presented early each year and is subject to public consultation and debate prior to approval. The Operating/Utility Budget sets out the amount of taxes to be collected for the year, fees to be charged and authorized expenses.

**Budget - capital:** an outline of the government's capital revenue and expense plans for the upcoming year. It is the process of allocating resources for major capital projects, investment, and expenditures.

**Business Improvement District (BID):** a Business Improvement District is an association of commercial property owners and tenants within a defined district who work in partnership with the City to create a thriving, competitive, and safe business areas that attract shoppers, diners, tourists, and new businesses.

**Canadian Professional Accountants of Canada (CPA Canada):** the CPA Canada conducts research into current business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government.

**Consolidated statements:** financial statements which include all of the entities controlled by the City.

**Consolidation:** inclusion of all entities controlled by the City, except for those which qualify as government business enterprises, on a line-by-line basis in the City's financial statements.

**Contingent Liabilities:** possible obligations that may result in the future sacrifice of economic benefits arising from existing conditions or situations involving uncertainty. The uncertainty will ultimately be resolved when one or more future events not wholly within the government's control occur or fail to occur. Resolution of the uncertainty will confirm the incurrence or non-incurrence of a liability.

**Contra-account:** an account in the financial records that offsets or reduces the balance of a related account, for example; Accumulated Amortization of an asset class is contra to the Tangible Capital Asset account for that same class.

**Contractual Obligations:** obligations of a government to others that will become liabilities when the terms of a contract or agreement are met.

**Dashboard:** a reporting tool that visually displays an organization's performance status on a collection of performance indicators. It provides decision makers with easily accessible information to inform decisions about service delivery and the performance of parts or the whole of an organization.

**Debenture:** a debt instrument where the issuer promises to pay interest and repay the principal by the maturity date. It is unsecured, meaning there is no lien on any specific asset.

**Debt:** a financial obligation to another entity from borrowing money.

**Deferred revenue:** amounts received or funds with external restrictions, which have remained unspent at year end. These amounts are shown with liabilities and are recognized in revenue when the revenues are earned, which may include spending the monies for their intended purpose.

**Deficit:** the amount, if any, by which government expenses exceed revenues in any given year. Unlike the senior levels of government, municipalities cannot budget to run a deficit.

**Fair Value:** the price that would be agreed upon in an arm's length transaction and in an open market between knowledgeable, willing parties who are under no compulsion to act. It is not the effect of a forced or liquidation sale.

**Financial Assets:** assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets include cash; an asset that is convertible to cash; a contractual right to receive cash or another financial asset from another party; a temporary or portfolio investment; and a financial claim on an outside organization or individual.



**Fiscal Year:** the City of Regina's fiscal year runs from January 1 to December 31.

**GAAP:** generally accepted accounting principles, as laid out in the relevant handbook – the Public-Sector Accounting Handbook for government organizations and the CPA Canada Handbook.

**GAAS:** generally accepted auditing standards. Standards established by CPA Canada for use by public accountants when conducting external audits of the financial statements.

**Greenfield development:** new developments that occur on lands located at the city's periphery that have not previously been developed. New servicing such as roads, water and sewer are all requirements for greenfield development.

**GST:** the Goods and Services Tax levied on either goods or services by the federal government.

**Indemnity:** an agreement whereby one party agrees to compensate another party for any loss suffered by that party. The City can either seek or provide indemnification.

**Infrastructure:** the facilities, systems and equipment required to provide public services and support private sector economic activity including network infrastructure (e.g., roads, bridges, water and wastewater systems, large information technology systems, buildings (e.g., hospitals, schools, courts, and machinery and equipment (e.g., medical equipment, research equipment)).

**Key Performance Indicators (KPI):** a set of quantifiable measures that an organization uses to gauge or compare performance in terms of meeting their strategic and operational goals.

**Liabilities:** are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. These liabilities have three essential characteristics: (1) they embody a duty or responsibility to others, leaving a government little or no discretion to avoid settlement of the obligation; (2) the duty or responsibility to others entails settlement by future transfer or use of assets, provision of goods or services, or other form of economic settlement at a specified or determinable date, on occurrence of a specified event, or on demand; and (3) the transactions or events obligating the government have already occurred.

**LTD:** the Long Term Disability plan.

**Multi-employer Pension Plan:** is a defined benefit pension plan to which two or more governments or government organizations contribute, usually pursuant to legislation or one or more collective bargaining agreements. The main distinguishing characteristic of a multi-employer plan is that the contributions by one participating entity are not segregated in a separate account or restricted to provide benefits only to employees of the entity and, thus may be used to provide benefits to employees of all participating entities.

**Net Book Value of Tangible Capital Assets:** historical cost of tangible capital assets less both the accumulated amortization and the amount of any write-downs.

**Net Debt:** the difference between the City's total liabilities and financial assets. It represents the City's future revenue requirements to pay for past transactions and events.

**Non-Financial Assets:** assets that normally do not generate cash capable of being used to repay existing debts. For the Province, it comprises tangible capital assets and net assets of broader public sector organizations.

**Prepaid Expenses:** the prepaid expenses are non-financial assets which result when payments are made in advance of the receipt of goods or services. Prepaid expenses may arise from payments for insurance premiums, leases, professional dues, memberships and subscriptions.

**PSAS:** the CPA Canada Public Sector Accounting Handbook sets standards and provides guidance for financial and other performance information reported by the public sector.

**Present Value:** the current worth of one or more future cash payments, determined by discounting the payments using a given rate of interest.

**Realized Gains and Losses:** gains/losses resulting from selling assets at a price higher/lower than the original purchase price.

**Recognition:** the process of including an item in the financial statements of an entity.

**Reserves and reserve funds:** funds segregated by Municipal Council for the purpose of carrying on specific activities or attaining certain objectives in accordance with internally established restrictions or limitations.

**RRI:** the Regina Revitalization Initiative is the largest revitalization project in City of Regina's history beginning with the construction of a new stadium at Evraz Place.

**Service Agreement Fee:** amounts collected from developers through Servicing Agreements entered into by the City and the Developer in respect of the development area, which must be spent in a prescribed manner.

**S & P Global:** the world's leading index provider and the foremost source of independent credit ratings. S & P Global; formerly Standard & Poor's has been providing financial market intelligence to decision-makers for more than 150 years.

**Straight-Line Basis of Amortization:** a method whereby the annual amortization expense is computed by dividing (1) the historical cost of the asset less the residual value by (2) the number of years the asset is expected to be used.

**Surplus:** the amount by which revenues exceed expenses in any given year.

**Tangible Capital Assets:** physical assets including land, buildings, transportation and transit infrastructure, water & wastewater infrastructure, vehicles and equipment.

**The Cities Act 2002:** the Statutes of Saskatchewan that outlines the broad permissive powers of the City of Regina to pass by-laws that range from public safety, to the City's economic, social and environmental wellbeing.

**Total Debt:** the City's total consolidated borrowings outstanding that includes debt or borrowings by the City's related entities.

**Transfer Payments:** grants or transfers of monies to individuals, organizations or other levels of government for which the government making the transfer does not receive any goods or services directly in return, as would occur in a purchase or sale transaction; expect to be repaid, as would be expected in a loan; or expect a financial return, as would be expected in an investment.

**Unrealized Gain or Loss:** an increase or decrease in the fair value of an asset accruing to the holder. Once the asset is disposed of or written off, the gain or loss is realized.

**WCB:** Workers' Compensation Board, Saskatchewan.

