

Economic Development Regina Inc. (EDR) - Annual Submittals 2019

Date	May 13, 2020
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Financial Services
Item No.	EX20-13

RECOMMENDATION

Executive Committee recommends that City Council:

1. Authorize the Executive Director, Financial Strategy & Sustainability, as the City's proxy, to exercise the City of Regina's voting rights at the upcoming Economic Development Regina Inc. (EDR) annual general meeting as follows:
 - a. Approve the audited financial statements for the 2019 operating year (Appendix A);
 - b. Approve the 2019 Annual Report (Appendix B);
 - c. Approve the 2020 Business Plan (Appendix C);
 - d. Approve the 2020 Operating Budget (Appendix D); and
 - e. Appoint MNP LLP as the auditor of EDR for the 2020 financial statement year, pursuant to section 149 of *The Non-profit Corporations Act, 1995 (Saskatchewan)*.
2. Approve this report at its May 27, 2020 meeting.

ISSUE

Economic Regina Inc. (EDR) is the lead agency for economic development and tourism marketing for the Greater Regina Area. EDR is a not-for-profit public-private partnership

that is governed by a volunteer Board of Directors, with the City of Regina as its sole voting member.

As the sole voting membership holder of EDR, the City must (i) appoint or waive the requirement of an auditor; (ii) approve the audited financial statements of EDR; (iii) approve the annual report; (iv) approve the budget for the following fiscal year; and (v) consider any other resolutions that may be brought forward. There are no additional resolutions to be considered.

Administration requires delegated authority from City Council in order to exercise the City's voting rights at EDR's annual general meeting in accordance with the direction provided by City Council.

IMPACTS

As EDR is a municipal corporation of the City of Regina, the audited financial statements of EDR will be consolidated into the City's 2019 Annual Report and Consolidated Financial Statements.

EDR is building a more diverse financial structure to support their ability to deliver a sustainable service for Regina as evidenced by exceeding their 2019 target of \$1.5 million in funding by attaining \$1.7 million in partner and third-party funding. EDR also supported over 500 entrepreneurs in the Greater Regina Area through their Square One Business Services.

OTHER OPTIONS

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DISCUSSION

Audited Financial Statements

Pursuant to the Unanimous Membership Agreement, EDR is required to provide the City with its annual report and audited financial statements, and the audited financial statements are to be received by City Council. Administration has reviewed EDR's audited financial statements (Appendix A) and will be consolidating the information into the City's December 31, 2019 financial statements, as is required by accounting standards. Administration found no irregularities or items of concern within the financial statements.

Highlights of the audited financial statements prepared in accordance with Canadian Public Sector Accounting Standards for the year ended December 31, 2019 include:

- Surplus of approximately \$85,000 on revenues in excess of \$3.6 million
- An accumulated surplus of \$556,000, an increase of almost \$85,000 from December 31, 2018

- The December 31, 2019 accumulated surplus is comprised of the following:
 - \$327,000 - restricted for special projects and capital improvements
 - \$152,000 – unrestricted
 - \$77,000 - invested in property and equipment
- **2019 Annual Report**

EDR's 2019 Annual Report, attached as Appendix B, highlights EDR's vision, mission, goals, and role in advancing the economic prosperity and growth for the Greater Regina Area. Highlights include:

 - Increased partnership funding
 - Continuation of the Regina Advantage Campaign that focuses on increasing Regina's profile as an economic and entrepreneurial powerhouse
 - Continuation of the Audacity Movement in support of Regina's entrepreneurs

2020 Business Plan

In 2020, EDR plans to establish a bold new direction with high impact priorities. An economic growth plan for the City's consideration will be completed and EDR will create its five-year strategy. 2020 Business plan details are provided in Appendix C.

2020 Operating Budget

EDR total operating budget for 2020 is a balanced budget with expenditures of \$3.6 million funded through net revenues of an equal amount, made up of \$1.8 million from the City of Regina, \$579,000 from Regina Hotel Association, and \$1.2 million from other revenue sources. The 2020 Budget for EDR was previously discussed in public Executive Committee meeting (EX19-35) on November 13, 2019. The Budget detail is provided in Appendix D.

Appointment of Auditor

As the sole voting member, the City must appoint or waive the requirements for an auditor for EDR pursuant to *The Non-profit Corporations Act, 1995 (Saskatchewan)*. City administration has requested that EDR use the same auditor as the City. Subsequently, EDR has engaged MNP LLP as its auditor.

DECISION HISTORY

Effective January 1, 2016, Economic Development Regina Inc. (EDR) was continued under *The Non-profit Corporations Act, 1995 (Saskatchewan)*, with the City becoming its sole voting member. This change in structure made EDR a "municipal corporation" of the City. As the sole voting membership holder of EDR, the City must exercise its voting rights at the EDR annual general meeting.

EDR presented its planned 2020 Budget to Executive Committee on November 13, 2019 (EX19-35) as information into the development of the City's 2020 Budget. On December 9, 2019, City Council approved \$1.8 million in funding for EDR as part of the City's 2020 Budget (CM19-15).

The recommendations contained in this report requires City Council approval.

Respectfully Submitted,

Respectfully Submitted,



June Schultz, Director

4/24/2020



Barry Lacey, Exec. Director, Financial Strategy & Sustainability

5/5/2020

Prepared by: Abiodun Akindele, Financial Management Analyst

ATTACHMENTS

Appendix A- 2019 Audited Financial Statements

Appendix B - 2019 Annual Report

Appendix C- 2020 Business Plan

Appendix D- 2020 Budget