

Economic Development Regina Inc. (EDR) - Annual Submittals 2020

Date	April 21, 2021
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Financial Services
Item No.	EX21-35

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 2020 operating year (Appendix A);
 - b. Approve the 2020 Annual Report (Appendix B);
 - c. Approve the 2021 Operating Budget (page 12 of Appendix C); and
 - d. Appoint MNP LLP as the auditor of EDR for the 2021 financial statement year, pursuant to section 149 of *The Non-profit Corporations Act, 1995 (Saskatchewan)*.
2. Approve this report at its April 28, 2021 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 scheduled for April 29, 2021, 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 2021 Annual Report and Consolidated Financial Statements.

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, 2021 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, 2021 include:

- Surplus of approximately \$115,000 on revenues in excess of \$2.8 million
- An accumulated surplus of \$1.08 million
- The December 31, 2020 accumulated surplus is comprised of the following:
 - \$827,000 – restricted for special projects and capital improvements
 - \$192,000 – unrestricted
 - \$63,000 – invested in property and equipment

2020 Annual Report

EDR's 2020 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:

- Pivoting toward economic recovery and long-term growth
- Continued focus on a competitiveness framework for Regina
- Continuation of the Audacity Movement in support of Regina's entrepreneurs

2021 Operating Budget and Business Plan

In 2020, EDR developed an Economic Growth Plan for the Greater Regina Area. The plan includes 19 specific, achievable actions, serves as a template for recovery and growth now and into the future. In 2021, EDR will maintain its focus on recovery while working toward the vision set out in the growth plan. The EDR Board has identified the following key priorities that will have the greatest positive impact on Regina's economic recovery.

- Agriculture and Food
- Events, Conventions and Trade Shows
- Entrepreneurship
- Destination Marketing

EDR's total operating budget for 2021 is a balanced budget with expenditures of \$3.1 million funded through net revenues of an equal amount, made up of \$2.1 million from the City of Regina, \$62,500 from Regina Hotel Association, and \$940,000 from other revenue sources. The 2021 Budget for EDR was previously discussed in the public Executive Committee meeting (EX21-3) on January 6, 2021 and on March 24, 2021 (CM21-3).

The Budget detail is provided starting on page 12 of Appendix C.

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.

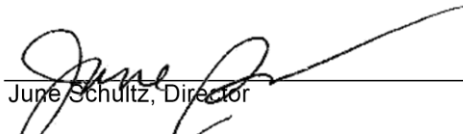
DECISION HISTORY

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.

The 2021 Budget for EDR was previously discussed in public Executive Committee meeting (EX21-3) on January 6, 2021 and on March 24, 2021 (CM21-3). The Budget detail is provided in Appendix G in the March 24, 2021 report.

Respectfully Submitted,

Respectfully Submitted,



June Schultz, Director

4/15/2021



Barry Lacey, Exec. Director, Financial Strategy & Sustainability

4/16/2021

Prepared by: Jonathan Barks, Financial Business Partner

ATTACHMENTS

Appendix A - 2020 Financial Statements

Appendix B - 2020 Annual Report

Appendix C - 2021 Business Plan