

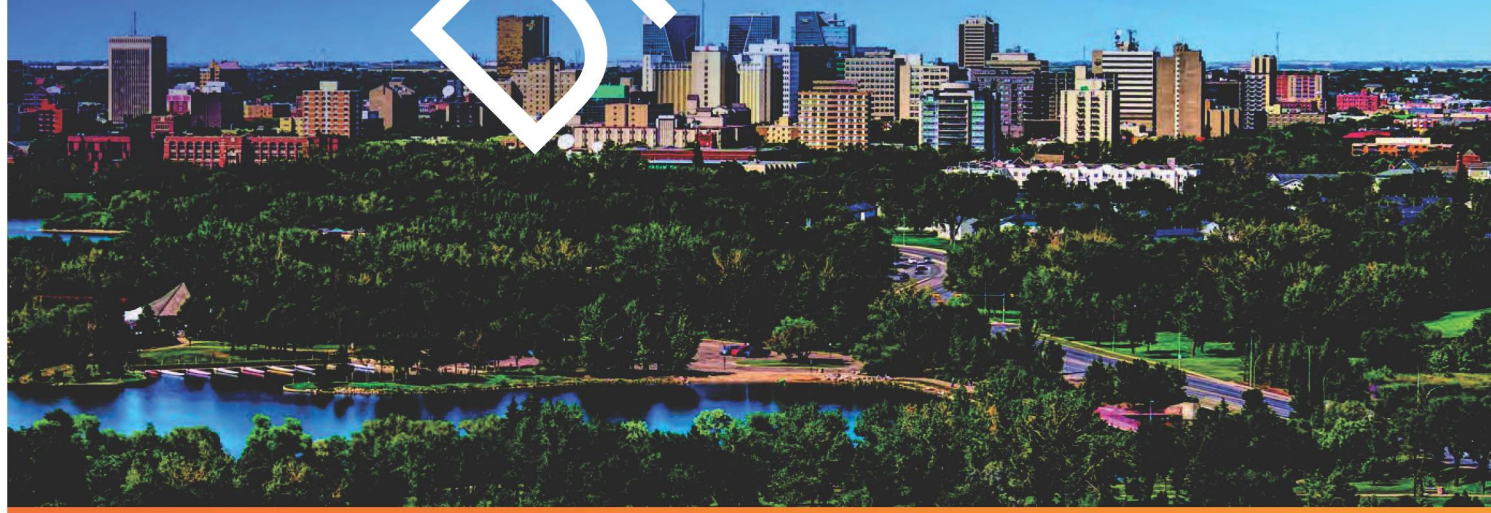
# 2020 Annual Report

for the fiscal year ended December 31, 2020

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City of Regina, Saskatchewan

DRAFT



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Prepared by City of Regina

- Financial Services
- Corporate Strategy & Performance
- Citizen Experience

Audited by:

- MNP LLP

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, 2019. 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, 2019**



Executive Director/CEO

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## Message from the City Manager



June 9, 2021

Mayor Sandra Masters and Members of City Council,

I am pleased to submit the City of Regina's 2020 Annual Report, pursuant to Section 155 of *The Cities Act*.

The City of Regina is displaying resilience as we face ongoing challenges from the COVID-19 pandemic. In 2020, the City prepared and responded effectively to evolving public health measures, reallocating resources and adapting other programs and services as needed to maintain essential services. I am extremely proud of how we have managed this unprecedented situation, and I would like to extend a sincere thank you to our City staff and service partners who have continued to deliver high-quality services and programs in 2020, and the citizens of Regina for their commitment to the health and safety of our community.

Although the future impacts of the pandemic are uncertain, I have great confidence in our community, City Council and Administration that we continue to pull together to meet the challenges ahead and move our city forward into full recovery and growth.

The 2020 Annual Report goes beyond reporting on financial performance and includes an overview of our organization's performance for the past year. It meets our commitment to the public to report our progress on *Design Regina: The Official Community Plan* (OCP). As well, it provides a progress report on our Strategic Plan and service results from the past year. I want to acknowledge that after measuring our operational performance against national benchmarks from Municipal Benchmarking Network Canada (MBNCanada), Regina remains one of the most efficiently managed municipalities in the MBNCanada network.

The City's mission – we are dedicated to building a strong community by providing reliable, sustainable services – has driven our planning and prioritization for the past year. A key objective of both our OCP and Strategic Plan is to ensure financial sustainability into the future. In support of this, over the last four years the City has prioritized continuous improvement and achieved over \$20 million in efficiencies and cost reductions.



As we move into 2021, an efficiency review of the City's operations will begin. The primary purpose of the efficiency review is to find ways to "do more or better with the same," and is an opportunity to leverage innovation and new service delivery models to support community recovery. Additionally, a Recovery and Efficiency Task Force has been established to engage with community leaders and provide advice to Council on COVID-19 recovery efforts to support our community.

The consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Chartered Professional Accountants of Canada. The City management is responsible for the preparation and presentation of the financial statements and related information contained in this report.

The consolidated financial statements include those entities that are accountable to the City of Regina. These entities include Regina Public Library, Economic Development Regina Inc., Buffalo Pound Water Treatment Corporation, The Regina Exhibition Association Limited (operating as Evraz Place), Regina Downtown Business Improvement District and Regina's Warehouse Business Improvement District.

City Council appointed the accounting firm of MNP LLP to perform an audit of the City's 2020 financial statements. Their report is included in this document. The City's system of internal controls helps maintain the integrity of our financial information. The Executive Committee reviews the external auditor's audit plan and ensures corrective action is taken for weaknesses identified in the City's internal control system. The City's operations are typically divided (General Operating, General Capital, Utility Operating and Utility Capital) for budgeting and reporting purposes. In the financial statements, segment disclosure is also provided by divisional areas.

Based on the consolidated information, the following points are noted for 2020:

The City's (consolidated entity) net financial assets increased in 2020 by \$39.8 million to a total of \$74.7 million. This is generally attributable to an increase in short term investments and decrease in the accounts payable. Total revenues in 2020 were \$696.9 million, a decrease of \$69.0 million from 2019. Total expenses in 2020 were \$614.2 million, a decrease of \$49.6 million from 2019.

Planning, development and monitoring of the annual operating and capital budgets are fundamental to the City's financial administration. For 2020, the City's General Operating Fund ended the year with an operating surplus of approximately \$2.3 million. The surplus is determined on a basis consistent with the presentation of the 2020 General Operating Budget before PSAS standards are consolidated and applied.

Respectfully submitted,

Chris Holden  
City Manager

## Message from the Mayor



June 9, 2021

Dear Regina residents,

On behalf of City Council, I am pleased to present the 2020 City of Regina Annual Report. Over the past year, the global COVID-19 pandemic has brought change to our homes, workplaces and neighbourhoods without exception. Community heroes have emerged in all sectors of Regina, and we are exceedingly grateful for the strength and resilience that has been shown; particularly, of course, among those on the front lines delivery health care, essential services, education and caring for our vulnerable population. The City of Regina's top priority is the health and safety of our citizens.

To assist with the challenges of the pandemic in 2020, the City provided financial flexibility to residents through property tax and utility payment deferral period, achieved internal savings and reprioritized capital spending to ensure a contingency for COVID-related impacts. The Regina Economic Recovery Grant was also created to support the short-term needs and longer-term recovery efforts required for Regina businesses. To date, approximately \$1.4 million has been distributed to 280 local businesses through the program.

City Administration is to be commended for their leadership and continued commitment to providing reliable and efficient services for residents. This is evidenced by several recognitions in 2020:

- Regina received its second AAA credit rating from S&P Global, acknowledging strong financial management and long-term planning.
- The Canadian Home Builders' Association ranked the City of Regina #1 overall in a benchmarking study comparing the building and development processes of 23 municipalities across Canada.
- The Assessment & Property Revenue Services Department was only one of three municipalities in Canada to achieve the Certificate of Excellence in Assessment Administration, given to jurisdictions that are using identified best practices throughout their service delivery.
- Regina was again recognized as a Tree City of the World by the United Nations' Arbor Day Foundation for its care and planning of the community's urban trees and forests.
- The Commission of Fire Accreditation International has recognized the Regina Fire & Protective Services as continuing to meet industry standards and making



improvements to their services, including response times. The department is one of only eight other Canadian departments to achieve international accreditation.

The City is committed to a high quality of life for its residents. This is reinforced by Council's goal of becoming a renewable city by 2050, and the development of an Energy & Sustainability Framework that will outline the community-wide actions needed to achieve this. The Framework will focus on climate change mitigation through reduced energy consumption, improved energy efficiency and transitioning to renewable or low-carbon energy sources.

Strides toward greater environmental sustainability are also evidenced by increased waste diversion through the permanent Yard Waste Depot, launch of the Food and Yard Waste pilot in September and multiple Household Hazardous Waste Days.

Regina is taking an inclusive approach to increasing community safety and well-being through development of a Community Safety and Well-being Plan that gives attention to social issues such as poverty and inequality as well as services for those experiencing mental illness, substance use challenges and homelessness. In December 2020, City Council created a new Community Wellness Committee to further accelerate such needed initiatives, while the approved Plan to End Homelessness received Council endorsement and signaled the start of further work to support Regina's most vulnerable.

Investment in roads and other infrastructure continue to be priorities identified by Regina residents and to which the City is responding. A combined 34 kilometres of roadway and sidewalk renewal was completed in 2020, notably on Park Street where cars, fully accessible transit service and cyclists all share space on a major corridor in Regina. The Victoria Street Beautification Project and progressing construction of new outdoor aquatic facilities are among other highlights. The 2021 Budget will invest a total \$133 million on general capital projects and infrastructure renewal, including an additional \$58 million for capital projects related to the City's water, wastewater and stormwater system.

The past year also brought forward important dialogue with our Indigenous community about the harmful legacy represented by the statue of Sir John A. Macdonald in Victoria Park. As of this writing, the statue has been placed into temporary storage while consultation continues with the broader community to provide a more complete story of the impact of Macdonald's policies on all community members throughout Regina's history. Supporting this increased understanding is an important responsibility of the City as an institution engaged in the Truth and Reconciliation.

I invite you to read more details about the City's performance in the pages of this document, to contact myself or your Councillors on issues of concern, and to participate in the public engagement activities the City makes available throughout the year. It is a privilege to serve the Regina community.

Sincerely,

Sandra Masters

Mayor

# 2020



## Overview



# Regina at a glance



Established as a city in 1903

Capital of Saskatchewan

Also known as the queen city

Regina •



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

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

**\$284,700**  
2020 median housing price

Average house in Canada: \$607,280  
(December 2021, MLS Home Price Index)



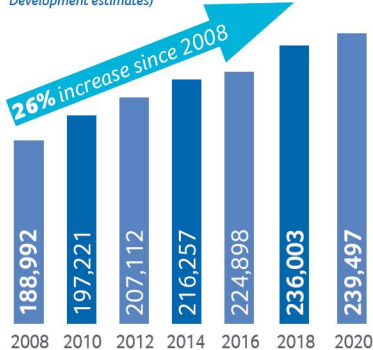
Household income per capita  
(2020, Conference Board of Canada)

**55.03 K**

**1,226 km**  
of roads

## Population

(2020 City Planning & Community Development estimates)



Regina Central Metropolitan Area (CMA)

**263,184** residents

(2021 Conference Board of Canada)

**41,230** residents identify as a visible minority  
**21,650** 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  
**\$700 million** into Regina economy  
(2019, Economic Development Regina)

**133,900**  
Total employment

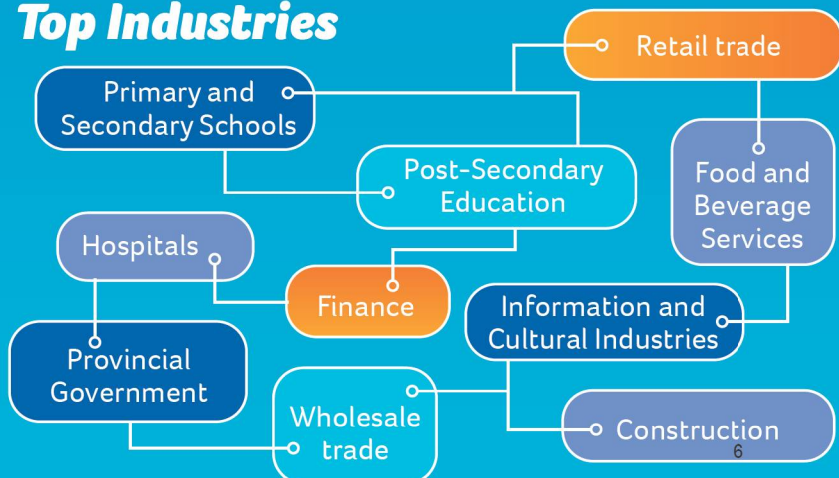
**8.1%**  
Unemployment rate

**Economy**  
Regina CMA  
(2021 Conference Board of Canada)

**3.8%**  
decrease in real GDP

Consumer Price Index annual inflation of  
**1.4%**

## Top Industries



**3 post-secondary institutions**

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

## City Council

Regina's City Council is made up of 11 elected representatives including a mayor and 10 city councillors.

The mayor is elected at-large by all Regina residents who vote in the civic election. Councillors are elected by voters in the wards they represent. Elections are held every four years. The 2020-24 Regina City Council was elected on November 9, 2020 and sworn into office on November 23, 2020.

City Council is responsible for the governance of the City of Regina, subject to provincial legislation. City Council's primary responsibility is to provide policy direction for the operation of the City. Council also sets the long-range service goals and approves the civic operating, capital and Utility budgets.

The Mayor presides at all meetings of City Council and is the ceremonial head of the municipal government. The Mayor and City Clerk are the municipality's symbolic and official signing officers, respectively.

### 2020-2024 Regina City Council



Mayor Sandra Masters



Ward 1 Councillor  
Cheryl Stadnichuk



Ward 2 Councillor  
Bob Hawkins



Ward 3 Councillor  
Andrew Stevens



Ward 4 Councillor  
Lori Bresciani



Ward 5 Councillor  
John Findura



Ward 6 Councillor  
Daniel LeBlanc



Ward 7 Councillor  
Terina Shaw



Ward 8 Councillor  
Shanon Zachidniak



Ward 9 Councillor  
Jason Mancinelli



Ward 10 Councillor  
Landon Mohl

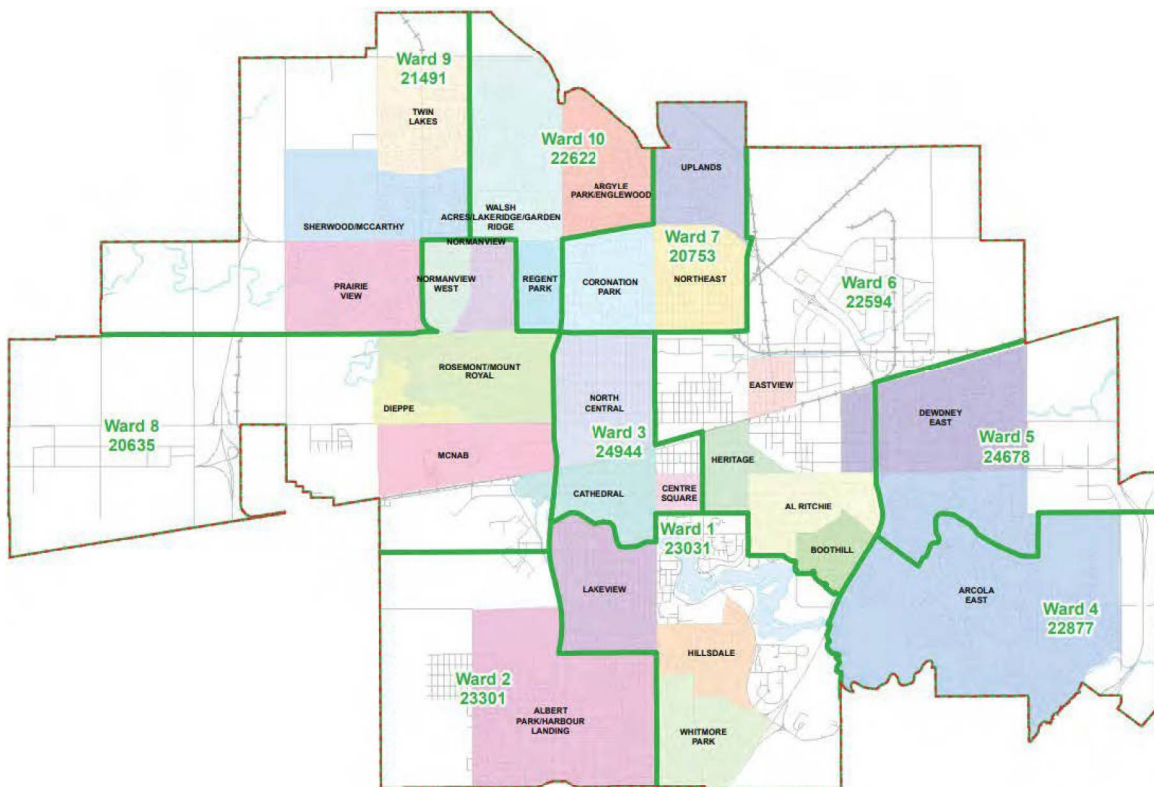


## New Electoral Ward Map

The City of Regina established new ward boundaries for the 2020 municipal election. The new boundaries ensure the population of each ward is similar in number, that every resident's vote has the same value, and that each resident has equitable representation from their ward councillors.

A review was required due to the growth Regina has seen since the last boundary review in 2014 as some wards had fallen outside of the 10 per cent variation limit established by section 60 of *The Cities Act*.

The City's 2020 Municipal/School Board Election was held on November 9, 2020.





## Guiding Direction

In 2013, the City adopted a new Official Community Plan, Design Regina, based on our Vision. This plan outlines the Community Priorities and the policy goals and actions to be achieved over the next 25 years. This is the foundation for our strategic planning.

### Our Vision

Regina will be Canada's most vibrant, inclusive, attractive, sustainable community, where people live in harmony and thrive in opportunity.

#### Vibrant:

Young people and creative spirits are inspiring dynamic neighbourhoods and an exciting downtown, all of which feature first-rate facilities for health, wellness and artistic expression.

#### Inclusive:

Our community welcomes people. We live the values of respect and trust and celebrate the strength that comes from our diversity.

#### Attractive:

Residents and visitors choose Regina because it's clean, green, lively, friendly, affordable and fun.

#### Sustainable:

People forge a balance between the economic, social, environmental and cultural dimensions of their decisions by serving as stewards of the resources we share and by demonstrating leadership.

#### Harmony:

Empathy and understanding come from, and lead to, being safe in our homes and neighbourhoods; building strong social networks throughout the community creates synergy and sense of belonging.

#### Opportunity:

The entrepreneurial spirit powers Regina as a center of success where research, innovation and excellence abound.

### Our Mission

We are dedicated to building a strong community by providing reliable, sustainable services.

### Our Values

Accountability • Respect • Collaboration

### Our Principles

#### Community First

- We exist to serve the community.
- We always consider the community's perspective.
- We base decisions on what's best for the whole over the needs of one or a few.

#### One City – One Team

- We are stronger together than individually.
- From front-line workers to executive leaders to Council, we are all invested in the success of the City.
- We strive for a deeper connection between the City, stakeholders and the community.
- We support, challenge and trust each other.
- We celebrate each other's success.
- We stand united and speak with one voice while delivering effective, reliable services and programs.



## COVID-19 Pandemic Response

The year 2020 will always be synonymous with the COVID-19 pandemic. As with all communities across Canada and the world, the City of Regina was heavily impacted by this global health crisis and the public health orders that were first announced in Canada on March 11, 2020 and continued throughout 2020 into 2021.

Throughout 2020 the health and safety of Regina citizens and City employees has been our top priority while minimizing financial and service impacts from the pandemic. The City prepared for and quickly responded to evolving public health measures and reallocated resources to areas of most need to ensure that essential services continued while adapting other programs and services as needed. Through responsible planning and ongoing monitoring of impacts we have strived to position the City and the community to emerge strongly from the pandemic.

Examples of these efforts in 2020:

### *2020 Municipal/School Board Election*

- A large and unprecedented challenge arose for the 2020 Municipal/School Board elections as a result of the COVID-19 pandemic. In response to public health orders and the need to ensure community safety, in-person polls were modified to enforce proper safeguards and physical distancing. Alternative voting options of mail-in ballots and curbside/drive-thru voting were heavily encouraged and promoted. While a typical election year sees between 80 and 120 applications of mail-in ballots, 4,970 votes were cast through this method in 2020. The drive-thru poll had a total of 1,806 ballots cast compared to the 1,083 that were received in 2016.

### *Financial Response*

- Administration achieved internal savings, reallocated funding and developed options for Council to defer and reprioritize capital spending while taking advantage of recovery funding from senior levels of government.
- Creation of the Regina Economic Recovery Grant supported the short-term needs and longer-term recovery efforts required for Regina businesses.
- Considerable efforts were focused on supporting residents during the COVID-19 pandemic. These included adjusting parking enforcement to respond to the changing parking patterns of residents, suspended late payment charges, extended licence periods, removed minimum driving requirements for taxi licence holders and provided support for taxi and rideshare providers to minimize transmission concerns. Bylaw enforcement practices were also adjusted to focus primarily on health and safety violations.
- Financial pandemic relief measures were implemented including deferral of the property tax deadline and water utility payments until September 30, extension of a 40 per cent property tax exemption for licensed non-profit childcare centres, and suspension of collection enforcement.
- Leveraged our supply chain to provide personal protective equipment (PPE) and cleaning supplies to several local non-profit organizations.

### *Service Adjustments*

- Transit, an essential service, quickly adapted to ensure employee and public safety. In a short period of time, buses were outfitted with necessary protective equipment and



stringent cleaning procedures were implemented to continue providing conventional transit and paratransit service.

- A high standard of response was still met despite a significant increase in fire, public safety and other emergency related incidents.
- The COVID-19 pandemic required a re-imagining of how sport, culture, recreation, parks & cemetery services and programs can be delivered safely for customers and staff and compliant with public health requirements. The City also responded to community needs by providing new social programs to vulnerable segments.
- Pandemic safety protocols were created and implemented for all City facilities.

## Major Highlights of 2020

### Renewable & Sustainable Regina

The City of Regina has committed to becoming a renewable City by 2050. City Council voted unanimously in support of this decision in October 2018, joining a growing number of municipalities around the world that are committed to moving to 100 per cent renewable energy sources.

In October Council endorsed the development of the Energy & Sustainability Framework to make Regina renewable by 2050. The framework will outline guiding principles, establish energy and emissions reduction targets, identify corporate and community-wide action plans, develop methods for regular and transparent reporting to City Council and the community, and consider collectively the community's economic, social and environmental health.



- The City continued its commitment toward environmental sustainability and achieving Council's goal of 65 per cent diversion of residential waste from the Landfill through several initiatives that encouraged citizens to reduce, reuse and recycle:
  - A permanent leaf and yard waste depot location was opened at the Landfill in 2019, receiving 2,660 tonnes of waste in its first season of operation. In 2020, the amount of diverted leaf and yard waste increased by 60% as 4,250 tonnes of waste was refined into compost. The compost is used for various purposes by the City's contractor including selling it to the market and a portion being returned to residents for use.
  - Select City facilities received waste bins for mixed recycling, compost, refundables, and landfill as part of the Green Routine pilot project. City Council has approved the path forward to expand to all City owned facilities in 2021. This includes parks and



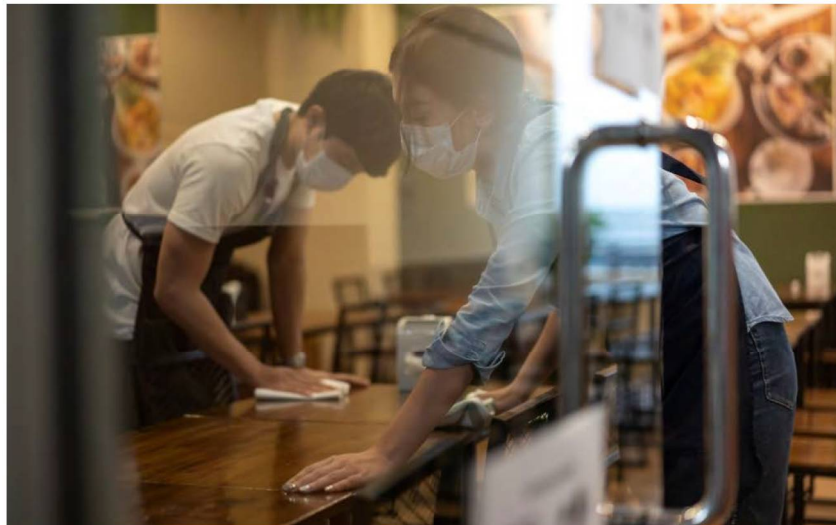
outdoor facilities, public-facing indoor facilities such as community centres and arenas, and the remaining internal city facilities.

- The City's Treecycle Program provided residents with free recycling of Christmas trees and diverted 30 tonnes of trees from the Landfill. The collected trees were taken to a local composter and turned into nutrient-rich compost.
- Numerous Household Hazardous Waste Days were held for residents to drop-off their hazardous household materials to be recycled and disposed of in an environmentally responsible manner. This helped prevent the environmentally harmful disposal of household hazardous waste in garbage bins or by pouring items down the drain or stormwater sewers. Overall, 125 tonnes of hazardous waste was collected.
- Improved operational processes at the landfill through improved waste compaction and decreased soil use saved landfill space equivalent to 100 days of waste.
- The City's CartSmart Team took to the streets in the fall to find out if Regina residents were recycling the right stuff. Using 'Good Job' and 'Oops' stickers the program recognized good recycling behaviour and educated residents about items that don't belong in the blue cart. Over 2,000 carts were assessed during the program with the following results:
  - 39 per cent of recycling carts received 'Good Job' stickers
  - 67 per cent of recycling carts received an "Oops" tags
  - 70 per cent of carts with "Oops" tags made improvements when revisited.

Through additional education and information, it is expected these results will improve as residents stated they would recycle more if they were more confident about what can and can't go in the recycling cart.

### Economic Recovery and Growth

The City of Regina, and the greater Regina area (GRA), has grown in its population and economic base substantially since 2008. As Regina emerges from the impacts of the COVID-19 pandemic, it will aim to not only recover but grow and build a stronger City. Partnerships, innovation, engagement with industry, and a focus on competitive and efficient policies and processes will position Regina for success.



- *The Regina Advantage*, A Plan for Economic Growth 2020-2030, created by Economic Development Regina (EDR), was approved by Council in October. Developed through extensive public engagement, the plan identifies key opportunities to increase the City's prosperity and economic growth. The aim is to promote the GRA as a leading destination



for visitors, talent, businesses and investment. The City of Regina, EDR, and other stakeholders will collaborate to advance the plan.

- Collaboration with EDR, Regina Exhibition Association Limited (REAL) and local hotels to develop an Events, Convention, Tradeshow (ECT) policy and foundation that supports this sector of the economy.
- A Recreation Facility/Amenity Partnership Framework was developed to guide public investment in partnership opportunities.
- The Community Investment Grants Program supported the core operating and programming of 24 cultural, sport and recreation, and social development organizations in 2020, and allocated approximately 228 separate grants, ranging in amount from \$640 to \$308,000 for first time and recurring events, core operating programs and services in the community. In 2020, 81 per cent of applications received grant funding and 74 per cent of all funds requested were approved.

### **Community Safety and Well-being**

Increasing community safety and well-being for people living in Regina requires a collective approach to issues such as poverty and inequality as well as services for those struggling with mental illness, substance use challenges, and homelessness. Much work is underway in 2021, including the development of a Community Safety and Well-being plan.



2020 laid the foundation in several ways for this important City priority:

- In December, City Council created a new community wellness committee to focus on issues such as housing, poverty reduction, mental and physical wellness, addiction, discrimination and other social determinants of health and crime.
- The City continues to make progress on reconciling diverse experiences of our community towards a shared history. The City maintains its leadership role through Reconciliation Regina to ensure a community response to the Truth and Reconciliation Commission's Calls for Action and the Missing and Murdered Indigenous Women and Girls (MMIWG) Calls for Justice.
- Adoption of the Civic Arts & Cultural Collections Policy advanced Regina's Cultural Plan and provided a mechanism to guide initial dialogue with Indigenous Elders regarding the legacy of John A. Macdonald and the statue in Victoria Park.
- The Plan to End Homelessness received City Council endorsement and signaled the start of further work to improve the quality of life for Regina's most vulnerable.



- Following zoning amendments to allow body rub establishments in Industrial Zones, a licensing and regulatory scheme for body rub establishments was developed, improving enforcement with a focus on public safety and harm reduction.

### Investing in infrastructure

Regina residents consistently identify infrastructure as a top spending priority. Investing in infrastructure renewal extends the life of the City's assets and provides safety and improved quality of life for citizens.



- Several major construction projects were completed in 2020 despite COVID-19 restrictions delaying the start of the construction season:
  - The Creeks Pump Station was expanded to ensure the reliability of wastewater service from residential and commercial developments in southeast Regina.
  - In order to extend the life of the road network, 30 kilometres of road infrastructure renewal was completed, most notably on Albert Street, Park Street and Sunset Drive.
  - The Victoria Avenue beautification project, which saw numerous upgrades completed over a two-year span, also came to a close in the fall.
  - Advancement of the Recreation Master Plan through Maple Leaf & Wascana Pool projects, redevelopment of Regent Par 3 and the development of the Mount Pleasant Dog Park. Construction of a new Maple Leaf Pool and completion of designs for Wascana Pool moves the City forward to better serve the current and future recreation needs of residents.
  - Veterans Sections in the Regina and Riverside cemeteries were completed; a full funding grant was awarded through the Federal Government to complete this work.
  - Installation of a new Columbaria at the Riverside Cemetery.
  - The twinning of Dewdney Avenue from Courtney Street to Pinkie Road.
  - Installation of Glockenspiel with programming completed by a committee of local experts and musician Jeremy Sauer.
- To ensure the City of Regina is meeting the goals of the Transportation Master Plan, almost four additional kilometres were added to the multi-use pathway system which allows cycling access and connects neighborhoods together. The Park Street project implemented several firsts for the City of Regina, including bike lane installation as part of road rehabilitation, parking-protected bike lanes, Transit Access Platforms, bike boulevards, custom paint and signage, and a new way to engage the public. It introduces



new infrastructure to enable a complete street that accommodates cars, pedestrians, fully accessible transit service and "all ages, all abilities" cyclists on renewed infrastructure.

### **Building Permits and Inspections Service Review**

In 2019, the development and construction industry in Regina expressed ongoing concerns regarding the time it takes to process and approve development and building permit applications. The Building Permits and Inspections service review was completed in response to this concern.



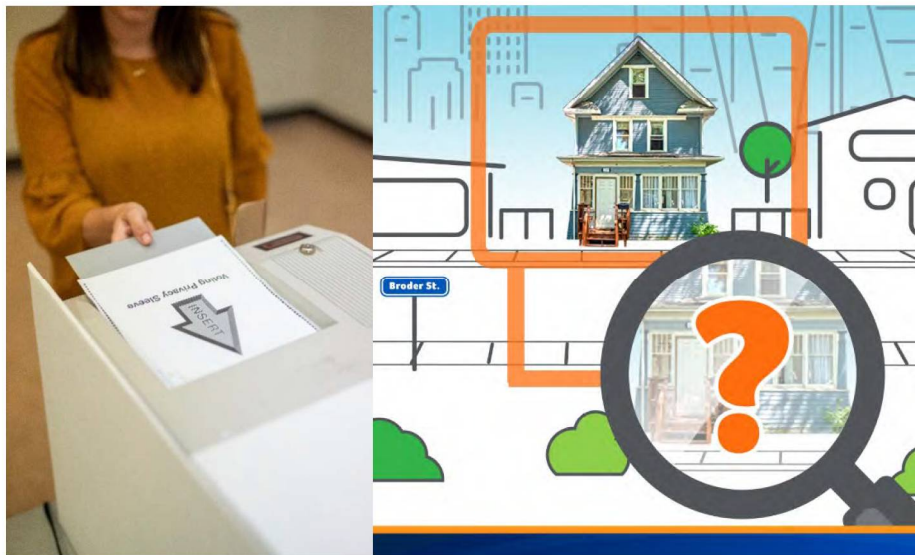
- The positive work that resulted from the review is reflected in Regina's number one ranking in a benchmarking study completed by the Canadian Home Builders' Association that looked at processes, timelines and customer experience for 23 cities across Canada. Cities were evaluated on a variety of factors which fall within three major elements that feed into housing affordability, providing tools and features to improve quality submissions, ensuring approvals are done in an expedient manner and housing costs stemming from government charges that get borne by buyers/renters. Regina was rated first for its application approval timelines, ninth for keeping government fees and charges affordable, and eleventh for the structures and processes available to developers.
- Thirty of thirty-seven recommendations of the service review have been implemented to date, with the remainder in progress. Numerous process improvements were completed following the Building Permit Service Review, resulting in improved turnaround times for all application types. Improvements include:
  - A cold-weather stucco solution that allows temporary occupancy until final finishing of the new home exterior can be completed when weather allows.
  - Partial permits which allow work to start quicker and allow site servicing and the foundation to be built prior to approval of the full permit.
  - Pre-application meetings which document details prior to an application and result in quicker review turnaround, better consistency and supports the development of a collaborative working relationship with industry; development of a streamlined process for small projects (decks, garages, basement developments, foundation repairs, pools and hot tubs), which will result in a three-day turnaround time for these types of applications. These application types represent more than 70 per cent of the total residential volume and as such, will be impactful to service delivery and customer satisfaction.



- Improvements to Regina.ca/build to provide more information, enhance the user experience and provide more clarity when searching for information about building permits.
- A re-organization of the Planning & Development Services Department to optimize the structure and positions involved in permit reviews with a focus on customer service and building partnerships with stakeholders and clients. The new structure implements a system of monitoring permits through a file manager approach and a direct point of contact for customers.

### Connecting with Citizens

While public health restrictions impacted how we gather, share ideas and have conversations, the pandemic did not stop the City's need to meaningfully engage with citizens on policy and processes that impact our daily lives. The City still had budget decisions to make, land use applications to process and community spaces and neighbourhood plans to be designed. Through responsive problem-solving, the City quickly adapted to engagement practices in the virtual and digital space.



- Be Heard Regina, a new online platform for public engagement, was launched and provides citizens with more opportunity to be involved in projects that impact their families and neighbourhoods through surveys, polls and other features.
- Communication related to the municipal election required proactive planning and collaboration to effectively recruit workers, inform potential candidates and spread awareness of where, when and how to vote while adapting to increase the promotion of mail in ballots, advance polls and safety protocols during the pandemic - and even respond to a snowstorm on the eve of election day.
- As a means to educate residents about recycling, audits were performed on curbside blue cart materials to determine reoccurring items that are considered contaminants. Using the audit results, a public education campaign targeted specific items to explain why the items were not recyclable. As a result, the contamination rate was reduced to 10 per cent which resulted in lower processing fees.
- The City successfully launched a communication campaign providing education and awareness of property revaluation, which is completed every four years in the effort to establish market value assessments.

# Awards and Recognition



## **AAA credit rating**

S&P Global

In 2020, 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.



## **Building Permit Approval Process**

Canadian Home Builders' Association

The City of Regina ranked #1 overall in a benchmarking study comparing 23 municipalities from across Canada. Cities were evaluated on a variety of topics related to building and development. Regina ranked first for its application approval timelines, ninth for keeping government fees and charges affordable, and eleventh for the structures and processes available to developers.



## **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" for the second consecutive year. 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 Assessment & Property Revenue Services Department was recertified by the IAAO, only one of 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 other 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.



# Providing Better Services to Citizens



## Technological Innovations



### Improved Fire Response Time

Responding to incidents in a timely manner is critical to help ensure the safety of citizens and property. In 2020, older wall maps in fire stations were replaced by a digital map. The new map shows optimized routing to the incident, which has reduced the response time to fires by an average of **15-20 seconds**.



### Optimizing Construction Timelines

Through geographic information system (GIS) technology and workforce planning, the time to complete concrete repairs was substantially reduced by mobilizing equipment and labour crews in smaller concentrated areas versus completing specific stages of work across larger geographic areas. Overall construction time for this work was reduced by **62 per cent** in 2020.



### Virtual Work

The COVID-19 pandemic made it necessary for City administration to find new ways of working and fostered new proficiency in using available technology. This resulted in adaptation and many efficiencies throughout the organization. The City's media scrums, job recruitment interviews, internal and external meetings, and training programs all successfully moved to a primarily virtual format.



### Transportation Flexibility

*The Regina Taxi Bylaw, 1994* was amended to create a more level playing field for the taxi and rideshare industries, such as Uber, and provide more flexible booking options for residents and visitors to the City.



### Short-term Housing

Creation of *The Residential Short-Term Accommodation Licensing Bylaw* and associated changes to the *Regina Zoning Bylaw, 2019* allowed residents to offer short term accommodation in their homes, through platforms such as Airbnb, while at the same time providing outreach and enforcement mechanisms to address community nuisances. Implementation of this program will occur in 2021.



### Election Participation

The COVID-19 pandemic required modification of the 2020 Municipal/School Board Election polling stations to adhere to public health orders and a push toward alternative options for votes to be cast. Alternative voting options had significant uptake:

- ▶ Mail-In Ballot option saw a total of **4,970 votes** cast compared to approximately 150 in 2016.
- ▶ The Drive-thru had a total of **1,806 ballots** cast compared to 1,083 in 2016.

Efforts to increase voter awareness and information available on Regina.ca were successful. There were more than **1.35 million views** to the elections page, an increase of almost 60 per cent over 2016.

## Improved Processes



### Extending Landfill Lifespan

It was forecasted in 2018 that the City's landfill would reach maximum capacity and require expansion or replacement by 2044. An opportunity was identified to better utilize the effective space at the current city landfill. By using less soil in the waste mixture, using GPS tools to measure waste storage and density, and separating construction and demolition waste, it is expected that the useful life of the landfill has been extended by **four years**.



### Building Permit Processes

In response to concerns raised by industry, many improvements were made to the building permits and inspections process. This positive work is reflected in Regina's number one ranking in a benchmarking study completed by the Canadian Home Builders' Association that looked at processes, timelines and customer experience for 23 cities across Canada. Processing times for residential and commercial permit applications were reduced by **69%** and **54%**.



### Roadways Service Requests

By providing more consistent information to residents when roadways service requests are submitted, this process has been made more efficient and allowed for approximately **500 hours** of staff time to be reprioritized.



### Communicating Road Work

Work was undertaken to improve communication during the 2020 construction season through changes to the City's online Road Report and major project promotion, resulting in a better experience for residents navigating city streets.



### Winter Road Maintenance

A review of the Winter Maintenance Policy and service adjustments related to reduced annual snowfall has resulted in a lower overall maintenance cost while allowing to plan for enhanced services in school zones, to plow all sidewalks adjacent to transit stops, and to pay more attention to high traffic residential roads.

## Internal Efficiencies



### Realigning Service Areas

A 2019 management review resulted in **\$3 million** cost-saving efficiencies in 2020 and has allowed for funding to be redirected to City priorities, and departmental changes that better support a modern, citizen-centric organization.



### Roadway Procurement

Fixed price contracts for roadway maintenance work resulted in the reduction of cost overruns, including materials and overtime, saving **\$1.46 million** in 2020.



### Paperless Processes

The City's Finance department found more areas to go paperless eliminating labour-intensive manual entry and saving approximately **3,850 hours** per year.



### Procurement Approval

Using modern e-signature technology in the procurement process has reduced costs by **\$32,000**, shortening the contract cycle time by nearly **18 business days** per contract, and saved over **2,400 hours** of annual internal labour for printing and administration.



## The Environment in Which We Work

### Economic Profile

While Regina is the provincial capital and has a large public service sector, it also depends on a resource-based economy featuring the oil and gas, potash and agricultural sectors. Regina is the home base for companies such as EVRAZ, a vertically-integrated steel, mining and vanadium business; Viterra, a leading grain and oilseeds marketer and handler; the Co-op Refinery Complex, the world's first cooperatively-owned refinery; and AGT Foods and Ingredients, one of the largest suppliers of value-added pulses, staple foods and food ingredients in the world. Regina also serves as head office for several provincial Crown corporations, including SaskEnergy, SaskPower, SaskTel and SGI CANADA as well as Farm Credit Canada, a federal Crown corporation.

Diversification into sectors such as banking and finance, computer and information technology, manufacturing, and telecommunications led to low unemployment, rising personal income levels and strong growth in gross domestic product (GDP). Regina's GDP grew by an annual average near 2.7 per cent from 1999-2018, well above Canada's 2.2 per cent. The growth rate from 2016 to 2020 has slowed compared to previous years.

### *COVID-19 Impacts*

The City was directly affected by COVID-19 as safety restrictions impacted several services provided to citizens, reducing revenues and requiring service adjustments to ensure public health and safety. The economic impacts of COVID-19 resulted in Regina's real GDP declining by 3.8 per cent in 2020, according to estimations by the Conference Board of Canada (CBOC) in March 2021. Owing partly to Regina's relatively large and stable public sector this drop was less than the province's decline of an estimated 5.0 per cent. This continues the trend of Regina's GDP rising faster or falling less than the overall province's in 14 of the past 20 years from 1999-2018.

The CBOC forecasts Regina will bounce back in 2021 and 2022, as it forecasts expansions of 5.1 per cent and 4.0 per cent. These expectations need to be tempered by the uncertainty of ongoing COVID-19 impacts on the economy. However, there is hope for a strong economic recovery with the widespread distribution of a vaccine in 2021 and significant combined financial support and programming provided by the federal, provincial, and municipal levels of government.

### Organization Profile

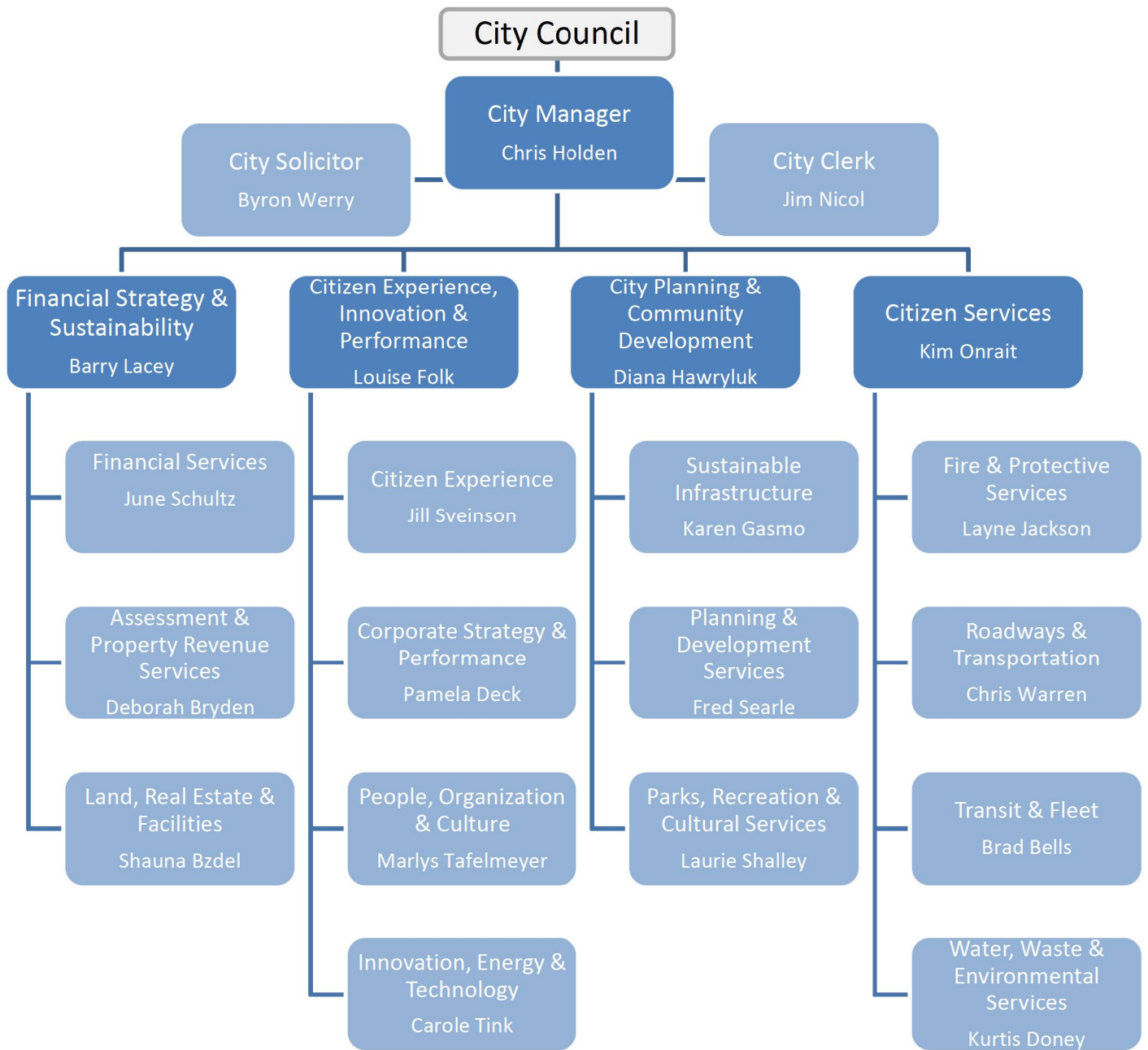
The City operates more than 60 lines of business each year by approximately 2,700 permanent, casual and term employees, including over 1,900 permanent positions. Many services such as sport, culture and recreation programs are also delivered in partnership with community organizations, and by private businesses as in the case of services such as Paratransit and water treatment.

The City can provide these services through a range of revenue sources. While about half of its revenue comes from property taxes, the City also charges user fees, secures grants from other levels of government and collects revenues from a variety of other sources.

## Organization Structure

- *Officers of Council*, comprised of the City Manager, City Clerk and City Solicitor, provides leadership and support to the organization, as well as strategic governance, legal advice, and support to elected officials to facilitate informed and transparent decision-making.
- *Citizen Experience, Innovation & Performance* plans and leads organizational change that modernizes our traditional business lines and the services citizens rely on every day. Together the division integrates people, strategy, process and technology to create an environment that sparks innovation, transforms services and changes our workplace culture. This division includes: Citizen Experience; Corporate Strategy & Performance; People & Organizational Culture; and Innovation, Energy & Technology.
- *Citizen Services* 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, environmental monitoring, wastewater, stormwater and transportation. The division is comprised of four departments: Fire & Protective Services; Transit & Fleet Services; Roadways & Transportation; and Water, Waste & Environmental Services.
- *City Planning & Community Development* shapes the development of Regina and quality of life of its citizens by working with internal and external partners to create complete neighborhood's, programs and services which achieve the goals of the Official Community Plan for citizens and visitors. The division consists of three departments: Sustainable Infrastructure; Planning & Development Services; and Parks, Recreation & Cultural Services.
- *Financial Strategy & Sustainability* 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 & Property Revenue Services; Financial Services; and Land, Real Estate & Facilities.



*Organization Chart as of December 31, 2020*

# 2020



## City of Regina Performance



## City of Regina Performance 2020

Regina's planning and performance measurements are built as an integrated whole, beginning with the Vision, Mission and Values of the organization, through the Official Community Plan (OCP) and the Strategic Plan and through to the delivery of day to day services to residents. The Planning and Performance Measurement Framework is depicted below:



The OCP is the City's highest order plan and the basis upon which other policies and plans are developed. The OCP consists of three major components: a set of financial policies that establish a framework for ensuring the long-term financial sustainability of the City; a growth plan that directs where and how growth will occur; and citywide policy sections that speak to various topics directly and indirectly related to the growth plan.

To support the implementation of the OCP, the City is focused on upgrading or creating Master Plans to further align services and policies to advance the OCP. Master Plans help us understand both the immediate cost of delivery of the service, but also how the service must grow or evolve to serve a growing population (including the financial implications). Master Plans are a key input to the Long-Range Financial Model, the primary tool for understanding the financial sustainability of our services.

## Design Regina: The Official Community Plan Results

The City of Regina undertook many actions and decisions that advanced the OCP in 2020. Highlights of key 2020 actions and decisions in response to **community priorities** are presented below:

**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.

- Neighbourhood Plans are an important part of the OCP, as they use the OCP as a base to more specifically define where and how growth should occur within our neighbourhoods. They inform development decisions in our existing areas and provide residents, community members, and the development community with more certainty around how the neighbourhood is intended to evolve over time. Progress was made on the following neighbourhood plans:



- The Yards Neighbourhood Plan was approved by Council in 2020. Located in Regina's City Centre, the Yards is planned as a complete neighbourhood to include a mix of residential, shopping, employment and entertainment uses in a walkable environment.
- In 2020, the City developed and launched the Neighbourhood Plan Program to develop new neighbourhood plans for 31 communities over the next ten years. In 2020, the City initiated the preparation of the All Ritchie and Hillsdale neighbourhood plans.
- Pedestrian connectivity was improved for transit users as additional sidewalks were developed in South Regina to ensure safer access to bus stops.
- New transit service was approved for the Westerra subdivision in 2020 but due to the COVID-19 pandemic service was postponed and will be implemented in 2021.
- Coordinated a multi-agency coalition "Keeping Our Community Safe" to ensure fire safety for all neighbourhoods in the City of Regina.

**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.

- Expanded PlayEscapes partnership with Growing Young Movers (G.Y.M.). The PlayEscapes program is a community engagement initiative aimed at youth throughout the city, focusing on self-directed play as a way to promote an active lifestyle and foster life skills. G.Y.M. Youth Development Inc. is a non-profit organization dedicated to enhancing the social, emotional, and physical well-being of children and youth through a three-pillar approach: Programming, Knowledge Mobilization, and Supports. G.Y.M. Youth Mentors are now working alongside city employees at the city's PlayEscapes summer program at the māmawēyatitān centre.
- In December 2020, the City entered into a funding agreement with All Nations Hope Network to partner with the YWCA Regina and set up a temporary warm-up space for individuals in response to the reduction in capacity of drop in centres and spaces used to shelter from cold weather during daytime hours and the decrease in emergency shelter beds due to the COVID-19 pandemic. The Awasiw: A Place of Hope temporary warm-up station is located at 3510-5th Ave in the North Central neighbourhood and is available 24-hours a day. It provides an option for shelter to those who might otherwise be spending their days and nights battling extreme outdoor conditions during frigid Saskatchewan winters. Since opening on December 26, 2020, the station has been able to welcome individuals into their space by providing coffee and warm meals, offering cultural and spiritual care, collecting and handing out cold weather items to individuals in need, and intervening in cases of potential opioid overdose by administering Naloxone onsite. Awasiw consistently sees 300-350 individuals within a 24-hour period.
- Launched a community-based therapeutic recreation pilot program for seniors combatting isolation. The program creates/re-creates meaningful recreation, leisure, social opportunities for seniors/older adults that have been isolated as a result of the pandemic. To most effectively run this program, we have partnered with Eden Care Communities Inc, a non-profit in Regina that has an already existing team of Recreation Therapists. The pilot program is currently running and will end in June 2021.
- Development of policy and process to support the Civic Art & Cultural Collections Policy and initiated a legacy review of the John A. Macdonald statue.
- Negotiated an agreement for the City's \$6.6 million contribution to the redevelopment of the Globe Theatre, which will see the restoration of a heritage building at the heart of our downtown.



- Provided a grant for conservation of the Albert Library, a designated heritage property, now the location of the Buddhist Centre, as well as tax exemptions in the amount of \$177,996 (municipal portion) for conservation work on privately owned properties.
- The Cameron & Heap Wholesale Grocery building at 1938 Dewdney Avenue received Heritage Designation. Constructed in 1912, the Cameron & Heap Wholesale Grocery building is one of the oldest warehouse structures still in existence in the Warehouse District.
- Completed construction and operation of Glockenspiel and development of the Glockenspiel Playlist Advisory Committee. Glockenspiel performs pieces arranged by Regina musician Jeremy Sauer.

**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.

- *Housing Incentive Policy (HIP) 2020 Project Funding* – the HIP is the primary tool the City uses to increase the supply of affordable housing in Regina. The HIP provides capital grants and tax exemptions for the creation and repair of affordable housing units. Development of affordable units through the HIP continued at a strong pace in 2020 with capital grants approved for the creation of 131 new affordable units, 11 of which are home ownership units built by Habitat for Humanity Saskatchewan Inc.
- *HIP Amendments 2019-20* – in 2019 City Administration undertook a comprehensive review of the City's HIP to identify revisions to City incentive programs that focus incentives on Regina's critical housing needs. Taking into consideration current housing conditions, feedback from housing providers and introduction of the National Housing Strategy, Plan to End Homelessness and introduction of an Intensification Levy, the review identified several amendments to the HIP including the creation of an Intensification Levy Rebate, tax exemption program for rental repairs and providing capital grants for affordable housing that includes an on-site support suite. These revisions were approved by City Council in January 2020. Administration has subsequently brought forward recommendations for administrative improvements that were identified in the 2019 process.
- *Increasing Role of Social Housing* – since its inception the HIP has funded projects that are considered social housing. Social housing is housing that includes services to the residents above and beyond the basic requirement of affordability. This type of housing works in partnerships with support service providers. This may include supports for physical disabilities, mental illness, addictions, behavioral challenges, or several issues concurrently. HIP capital grants have been provided to an established group of social housing providers, who have proven track records in providing critical housing supply in Regina and who deliver social services through partnerships or internally. The policy trends in this direction.
- *Permanent Supportive Housing* – in-kind support for those experiencing homelessness is provided by the City as a member of City Administration sits on the Regina Homelessness Community Advisory Board. On June 20, 2019 a five-year Plan to End Homelessness for Regina was released. Recommendations developed through stakeholder input and engagement in 2020 will be brought forward in 2021.
- *Community Safety and Wellbeing Plan* – on the direction of Council, Administration engaged consultants to undertake the Community Safety and Well-being (CSWB) Plan. The Plan will be presented to the Community Wellness Committee in fall 2021. CSWB plans study local social issues and identify solutions through a collaborative approach, with an emphasis on integrating human services and continued evaluation and measurement. CSWB planning takes a holistic approach, which includes areas such as



early childhood education, food security, and access to quality housing. By doing this, local partners can collaboratively address social issues relating to wellbeing, and prevention and reduction of crime, ultimately leading to healthier, safer, and more socially inclusive communities.

- *Facilitation of an Emergency Shelter Committee* – the Committee was created in March 2020 by the City as a response to the COVID-19 pandemic. It established a forum for local emergency shelter and affordable housing providers to share information around their COVID-19 response. The City schedules, facilitates discussion and administers the meetings. City staff also help make connections between different organizations and have arranged meetings with the Minister of Social Services.
- *CityView* – the City of Regina Planning & Development Services department has introduced new planning software that makes it easier and more efficient for housing staff to monitor affordable housing projects and flag projects approved under the HIP.
- *Comprehensive Housing Strategy Results:*
  - *Community Investment Grants Program* – in 2020, the City provided \$356,522 in Community Investment Grants related to Housing and Homelessness initiatives. Recipients included Mobile Crisis Services Inc, Regina Treaty/Status Indian Services Inc, Sophia House, and other community partners. (Strategy 27).
  - *Housing Standards Enforcement Team (HSET)* – the HSET focuses on improving unsafe and unsanitary housing conditions by conducting inspections of sites where multiple aspects of health and safety have been compromised. HSET leverages the expertise and accompanying legislation of various agencies to enforce health and safety standards. In 2020, a total of 72 new cases were opened resulting in 41 Orders to Comply issued, 14 dwellings declared as unfit for occupancy, and two dwellings were demolished. The HSET focuses on working with the property owner(s) to achieve compliance. (Strategy 13).
  - *Partnerships* – there is ongoing communication with the federal and provincial governments, Indigenous and non-profit groups, property owners, developers and landlords to support access to affordable home initiatives and homelessness. (Strategy 7, 9, 21).
  - *Secondary Suites* – secondary suites are a low cost and efficient source of new housing supply. There were 1,962 residential applications applied for in 2020. Of the 1,962 applications, 19 included a secondary suite. There were no laneway or garden suites approved. (Strategy 3, 25).

**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.

- The Off-Street Multi-Use Pathways and on-street bike lanes programs aims to increase infrastructure supportive of active transportation. In 2020, the City invested \$1.36 million on both on-street and multi-use pathways, adding 3.8 km of new infrastructure.
- Parks Maintenance increased their winter maintenance service levels for multi-use pathways, providing accessible, active transit routes all-season long.
- *The Regina Taxi Bylaw, 1994* was amended to create a more level playing field for the taxi and rideshare industries and provide more flexible booking options for residents and visitors to the City.
- An “on demand” transit service pilot was started with the objective to analyze the possible efficiencies of providing transit users with the option to book a trip versus waiting for scheduled stops.



- Continuation of the Snow Angels program. Piloted in 2019, funding was provided to assist three community-based organizations to deliver volunteer-led residential snow removal for households that experience accessibility and/or financial challenges.

**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.

- Council endorsed the development of the Energy & Sustainability Framework to make Regina renewable by 2050, which will include actions focused on land use and transportation planning, development and building permit guidelines, energy efficient building design, transportation demand management, waste management, energy conservation, regulatory tools, financial tools, advocacy for legislative change, as well as public education and awareness. A draft Framework is expected in Q4 2021.
- Collaborated with the residents of Harbour Landing to develop a maintenance plan for the Harbour Landing Environmental Reserve that manages weeds and continues to support drainage, habitat, protect nearby properties from flooding, prevent soil erosion and protect water bodies from pollution.
- Green Routine, a waste diversion pilot in select city facilities, resulted in a 37 per cent increase of waste diverted in those facilities. As a result, Green Routine will be expanded to all City owned facilities in 2021.
- Variable Frequency Drive Pumps were designed and installed to reduce energy usage in our water and wastewater system.
- The Landfill Gas to Energy Facility continues to create new sources of renewable energy and lessen the dependence on traditional energy sources such as fossil fuels. In 2020:
  - Emissions reductions from Landfill Gas to Energy Facility was 6,700 Tonne CO<sub>2</sub>e (carbon dioxide equivalent).
  - Operation of flare reduced 9,500 Tonne CO<sub>2</sub>e.
  - The facility generated 1,569 MWh (megawatt hour) of electricity in 2020.

**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.

- Management of City finances throughout the pandemic enabled the creation of a COVID-19 Recovery Reserve to be used to offset one-time pandemic costs in 2021 and fund community or business initiatives focused on a safe recovery. Strong financial management through the pandemic has mitigated long-term impacts to the City's financial viability.
- The Government Finance Officers Association's Canadian Award for Excellence in Financial Reporting encourages and assists Canadian local governments to go beyond the minimum requirements of generally accepted accounting principles and prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. The City of Regina's achievement in providing accurate and articulate financial statements for the period ending December 31, 2019 were recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for the 28th consecutive year.
- *Servicing Agreement Fees (SAF) Finance Model - Procedure Review, Administration Fees* – role and process were clarified in 2020 to allow for efficient administration and accounting of the administration fees.



- *SAF 2021 Rate Review* – continuous review of processes to find collaborative solutions for improvements with internal and external stakeholders were completed in 2020. This included developing an internal governance framework that will be implemented in 2021.
- The Winter Maintenance Policy was reviewed and recommendations were made to ensure the operating budget is more reflective of current winter weather data which points to one less annual storm event. Service adjustments related to reduced annual snowfall has resulted in a lower overall maintenance cost while allowing to plan for enhanced services in school zones, to plow all sidewalks adjacent to transit stops, and to pay more attention to high traffic residential roads.

**Foster economic prosperity:** Support a vibrant and diverse economy that provides opportunities for residents to prosper and Regina to flourish.

- The Building Permits and Inspections Service Review continued our current program's principles of achieving legislative compliance but also focused on economic competitiveness. An economic competitive focus meant that our teams intentionally evaluated how the decisions we make affect the construction industry. We also partnered with construction industry representatives to evaluate feedback prior to any major changes. 30 of 37 Service Review Recommendations have been implemented. Construction is an economic driver and large employment sector in our City. The City of Regina building and development review is targeting some of the fastest permit review timelines in the country in 2021.
- The Regina Economic Recovery Grant program was established in 2020 in response to impacts of the pandemic to support the short-term needs and longer-term recovery efforts of Regina businesses.
- Obtained approval of *The Short-Term Accommodation Licensing Bylaw* that allows residents to operate short term rentals as a means to supplement their income while keeping implementation and enforcement costs at a minimum.
- The City maintained recognition of its AAA credit rating, a key indicator of the City's strong financial management practices. Not only is this the highest possible rating but the rating is significant in conveying the level of stewardship the City exhibits with public funds, particularly, that the City has very strong financial management practices and has strengthened its long-term financial planning capabilities.

**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.

- The City of Regina continues to work with our regional partners to the west through the Moose Jaw Regina Economic Corridor and to the east through the White Butte Planning Commission.
- Collaboration with external agencies such as the Saskatchewan Health Authority, Royal Canadian Mounted Police and Saskatchewan Public Safety Agency allowed valuable knowledge transfer to refine emergency planning policies and procedures.
- Fire Service Agreements were reviewed with rural municipalities, neighboring communities and government/private entities to ensure the appropriate level of response and services available.



## Progress on OCP Targets

The OCP recognizes that compact urban design serves a wide range of purposes from community safety, improved transit and cost savings. Thus, the OCP includes targets that would see the City of Regina become more densely populated.

### Target 1: Intensification

**Goal:** At least 30% of new population is directed to existing urban areas.

**Progress:** In 2020, 4.5 per cent of estimated population growth occurred in existing urban areas of the city, a decrease from the 2019 rate of 5 per cent and in line with trends from the previous three years. Intensification population growth rose from 53 in 2019 to 81 in 2020. However, greenfield population growth rose from 922 to 1,731 in 2020, impacting the 2020 intensification population growth rate. New planning & building software was implemented, which allows accounting for secondary suite building permits, which may have affected the 2020 calculations.

Table 1 shows that the cumulative intensification rate (2014-2020) is 12.2 per cent. The intensification rate varies from year-to-year; however, the longer the cumulative rate stays below the 30 per cent target, the more difficult it will be to achieve the target.

Table 1: Percentage of new population directed to existing urban areas through intensification

| Year             | Per cent of new population in existing urban areas |
|------------------|----------------------------------------------------|
| 2014             | 26%                                                |
| 2015             | 12%                                                |
| 2016             | 11%                                                |
| 2017             | 5%                                                 |
| 2018             | 4%                                                 |
| 2019             | 5%                                                 |
| 2020             | 4.5%                                               |
| Cumulative Rate* | 12.2%                                              |

\*The Cumulative Rate is calculated as the percentage of total population within the intensification boundary since the adoption of the OCP divided by the sum of the total population within the intensification boundary and the total greenfield population since the adoption of the OCP.

Implementation of the Underutilized Land Improvement Strategy continued in 2020, initiating actions and tactics to address barriers to underutilized sites' redevelopment. Council approved a Neighbourhood Corridor & Sequencing Plan in 2020; per the Plan the neighbourhood planning process will be initiated for established neighbourhoods that may identify intensification opportunities at the neighbourhood level. Additionally, the City is exploring incentive options to help encourage intensification and development of underutilized sites.

**Goal:** At least 10,000 new residents will be located in the City Centre.

**Progress:** In 2020, the cumulative number of new residents in the City Centre rose to 74. Growth of the City Centre has been slow since the OCP's approval, as shown in Table 2.

Table 2: Number of new residents in the City Centre since the adoption of the OCP

| Year              | # of new residents in City Centre since 2014 |
|-------------------|----------------------------------------------|
| 2014 to 2016      | 68                                           |
| 2017              | 16                                           |
| 2018              | -11                                          |
| 2019              | -8                                           |
| 2020              | 9                                            |
| Cumulative Growth | 74                                           |

2020 saw a rise in City Centre growth due to the construction of new dwelling units outpacing dwelling units' demolition in the City Centre. City Centre growth is anticipated to increase in later years of the OCP as plans for the Regina Revitalization Initiative, including The Yards Neighbourhood Plan and Taylor Field Neighbourhood Plan, are advanced and implemented.

### Target 2: New Neighbourhood Density

**Goal:** Minimum gross population density of 50 persons per hectare in New Neighbourhoods areas.

**Progress:** Since the adoption of the OCP, secondary plans have been adopted for the Westerra, Southeast Regina and Coopertown neighbourhoods. There are very limited inhabitants in New Neighbourhoods (areas identified in the OCP as being the next phase of growth for Regina to achieve a population of 300,000) with housing construction taking place within Westerra and Rosewood Park concept plan within Coopertown; therefore, it is premature to track the population density of these future Regina neighbourhoods. The City will have a better sense of densities in New Neighbourhoods once they are more built out, in addition to future Statistics Canada data from the 2021 Census. The plans were approved with land use strategies intended to meet the 50 people per hectare threshold.

### Target 3: Urban Forest

**Goal:** *One tree per person in public spaces.*

**Progress:** Regina is proud of its urban forest, particularly when recognizing that every tree in the community has been hand-planted. In previous years, this measure has been reported as trees under the direct control of the City of Regina. However, the urban forest which comprises the City is also represented by the trees in Wascana Centre, RCMP Depot and Government House. The data has been restated to reflect this bigger picture. In 2020, the City also performed a tree count at the Murray, Tor Hill and the Dewdney West Tree Nursery.

Based on these changes, in 2020 Regina had 240,517 trees in public spaces, or 1.02 trees per person, surpassing the goal of one tree per person.



Table 3: Trend information on the number of public trees per person

| Year  | Trees          | Trees per Person |
|-------|----------------|------------------|
| 2016  | 206,148        | 0.93             |
| 2017  | 208,616        | 0.93             |
| 2018  | 210,537        | 0.90             |
| 2019  | 212,872        | 0.91             |
| 2020* | <b>240,517</b> | <b>1.02</b>      |

\*In 2020, 20,491 trees from the now defunct Regina Tree Nursery were added to the urban forest inventory. These trees are managed by the City of Regina.

\*In 2020, 10,923 trees from the Tor Hill and Murray Golf Courses were added to the urban forest inventory. These trees are managed by the City of Regina but outside of city limits.

#### Target 4: Office Development

**Goal:** At least 80% of total office floor area in the city (pertaining to medium and major office development) is located in the Downtown/Central City office area.

**Progress:** The distribution of medium and major office space is reviewed annually. As defined by the OCP, medium office refers to principal use office buildings between 1,000 and 4,000 square metres while major office refers to any office developments that are greater than 4,000 square metres.

In 2020, 79 per cent of medium and major office space was located in the Downtown/Central City Office area. Completion of the Conexus office building (6,844 square metres), located just outside of the Downtown/Central City Office Area within Wascana Centre, was the only addition to the office inventory of medium and major office space in 2020. This is the first time since the office development policies were incorporated into the OCP in 2012 that the amount has dipped below the 80 per cent threshold. The City will continue to monitor office distribution closely to ensure the downtown is maintained as the business centre for the city over the life of the Plan.

Table 4: Trend information on the percentage of Medium and Major Office Floor area in Downtown/Central City office area

| Year | Medium and Major Office Floor area in Downtown/Central City |
|------|-------------------------------------------------------------|
| 2016 | 83%                                                         |
| 2017 | n/a*                                                        |
| 2018 | 80%                                                         |
| 2019 | 80%                                                         |
| 2020 | 79%                                                         |

\*No data collected for 2017 because update was deferred to a later date to be undertaken as part of the OCP 5-Year Review in 2018-19.

## Target 5: Plan Monitoring

**Goal:** This section of the OCP requires that the plan be monitored for implementation (including performance measures) and updated as required.

**Progress:** This report is the mechanism by which the OCP is monitored for implementation. Additional reporting on OCP implementation progress is in development and will be provided on Regina.ca when available.

The first five-year review and update of the OCP was approved in 2020. One of the goals of the OCP is to ensure that it is a living plan that remains current and relevant over its life. A review will be undertaken every five years to ensure the OCP meets this goal. Numerous amendments were approved as part of the first five-year review of Design Regina. Changes included:

- Housekeeping amendments to policies, definitions and maps to improve clarity;
- Addressing required changes from revised provincial legislation regarding school sites;
- Minor adjustments to office development policies; and,
- Work to include a Community Priority with addresses Truth & Reconciliation.

A new Part B.18 Yards Neighbourhood Plan was added to OCP Part B – Secondary Plans. The plan envisions transforming the City-owned former Canadian Pacific Railway yard and adjacent properties, located in Regina’s City Centre, into a vibrant, mixed-use neighbourhood.



## Operating Strategically

Implementing Regina's OCP will move Regina toward a more vibrant, inclusive, attractive community. In many ways, the City will deliver on the policies of the OCP by doing what we do best – providing reliable services to the residents of Regina. However, the vision and policy goals of the OCP require more than just continuing to do what we have always done. The City's current 2018-21 Strategic Plan, *Making Choices Today to Secure Tomorrow*, represents the second in a series of strategic plans that will ensure we make the required changes to truly transform Regina to the city envisioned in the OCP. The Strategic Plan lays out the critical steps for the City to be well-positioned to deliver on the OCP in the future.

To keep the Strategic Plan relevant and responsive to internal shifts and external factors such as the COVID-19 pandemic, the 2022-25 Strategic Plan is now in development. The new Strategic Plan continues to be based on a balanced scorecard methodology which uses four perspectives as a foundation for the plan, and a corporate scorecard to measure strategic results. The 2022-25 Strategic Plan is intended to be finalized and in place in 2021.

### Key Strategic Plan Results

#### Strategic Objective: *Embed One City – One Team and Empower Employees*

##### ***Time Loss Incidents: 2020 Result: 4.98, 2020 Target: 3.52 – Target Not Met***

As people are the foundation of the Strategic Plan, employee safety is taken seriously by the organization. Time loss injury results are an indicator of “employees have the specific knowledge to do their jobs” as safety is a vital part of training employees on how to do their work.

The organization did not meet the target in 2020, however, the frequency of time loss injuries has decreased 19 per cent compared to 2019. In 2020, slips, trips and falls and soft tissue injuries (sprains and pulls) continue to be the most common injuries. The areas of focus continue to be operational areas more prone to incidents.

In March, office staff transitioned to predominately working remotely during the COVID-19 pandemic. A focus on safety in remote work locations was undertaken including creating a physically safe workplace, ergonomics and a focus on mental health and well-being.

The City continues to focus on safety and is committed to our Mission Zero goal to achieve zero workplace injuries, zero fatalities and zero suffering by families.

#### Strategic Objective: *Improve Processes*

##### ***Process Improvements: 2020 Result: 77%, 2020 Target: 60% - Target Exceeded***

Consistent, repeatable, efficient and documented processes are key components of delivering reliable service to the community. A process improvement is a systematic and deliberate task of identifying, analyzing and improving upon existing processes that often includes mapping a current state and developing a desired future state.

77 per cent of the identified process improvements in the scorecard have been completed by year-end, exceeding our corporate target of 60 per cent. The range of process improvements includes technology improvements, enhancing the citizen experience, and internal service improvements.

**Strategic Objective: *Improve Decision-Making******Service Reviews: 2020 Result: 81%, 2020 Target: 75% - Target Exceeded***

Service reviews comprehensively examine a service's rationale, levels and scope, effectiveness, efficiency, and funding. They provide formal recommendations which are tracked as part of the scorecard.

The development and construction industry in Regina expressed ongoing concerns regarding the time it takes to process and approve development and building permit applications. The Building Permits and Inspections service review is in response to this concern. Currently 30/37 (81%) service review recommendations have been completed or are substantially complete, and work continues to complete the final seven recommendations. The service review has made advancements in communication, change management, retention and succession planning, automation of tasks as well as creating consistent processes and enhancing customer service to ensure that service levels for application permits can remain consistent through peak construction times.

**Strategic Objective: *Improve Our Use of Resources******Variance: 2020 Result: 0.8%, 2020 Target: + or - 2.6% - Target Met***

Each year, we look at how accurate our Q3 operating expense variance forecasts are in comparison to our year-end actual results. This measure is important because we need accurate forecasting for reallocation of financial resources and to reduce the risk of large year end surpluses or deficits.

In 2020, the organization met the plus or minus 2.6 per cent target for variance forecasts. While the COVID-19 pandemic had an impact on budgets, the departments carefully managed their forecasts to ensure accurate information was projected.

**Strategic Objective: *Increase Understanding of Service Costs and Revenues Relative to Service Levels******Levels of Service (LOS): 2020 Result: 25%, 2020 Target: 25% - Target Met***

Despite timing challenges resulting from COVID-19, 25 per cent of City services have defined their Levels of Service, which meets our 2020 target. Defining technical levels of service allows us to calculate the cost to deliver the service and refine our internal processes. Defining customer levels of service allows us to clearly communicate our services to citizens.

**Strategic Objective: *Deliver Reliable Service******Service Requests: 2020 Results: 83%, 2020 Target: 86% - Target Not Met***

Responding to citizen requests promptly is an important element of delivering a positive customer experience. We strive to return calls with a requested call-back within 48 hours.

In 2020, 83 per cent of service requests were responded to within two days. This did not meet our target of 86 per cent and continued efforts are underway to focus on citizen experience.



## Our Strategic Plan: Making Choices Today to Secure Tomorrow

► How did we do in 2020?

### Vision

To be Canada's most vibrant, inclusive, attractive, sustainable community, where people live in harmony and thrive in opportunity.

### Mission

We are dedicated to building a strong community by providing reliable, sustainable services.

**We are balancing community need and service affordability to advance the Official Community Plan.**



**Achieved Target on:**



Process Improvement Deliverables



Service Review Recommendations Implemented



Levels of Service

## Completed Strategic Initiatives



Standing Operating Procedures (SOP) – Phase 1



People Strategy



Contract and Procurement Project



Regina.ca

## Strategic Initiatives in Progress:



Work Ready Project



Levels of Service



Fire Protection Master Plan



Transit Master Plan



Costing & Cost Recovery Levels



Building Permits & Inspections

## Where will we continue to focus in 2021 and beyond?

### Customer Service

Deliver Reliable, Citizen-Centric Services



### Invest in our people



Employee Engagement



Improve Time Loss Injuries

### Improve our Use of Resources



Variance Accuracy

**One City-One Team | Community First**  
**Accountability • Respect • Collaboration**



**REGINA**

## MBN Canada Benchmarking

In 2015, the City joined the Municipal Benchmarking Network of Canada (MBNCanada). Participation in MBNCanada enables the City to better understand its effectiveness and efficiency compared to other municipalities across a standard bundle of services and to assess trends in the City's performance over time.

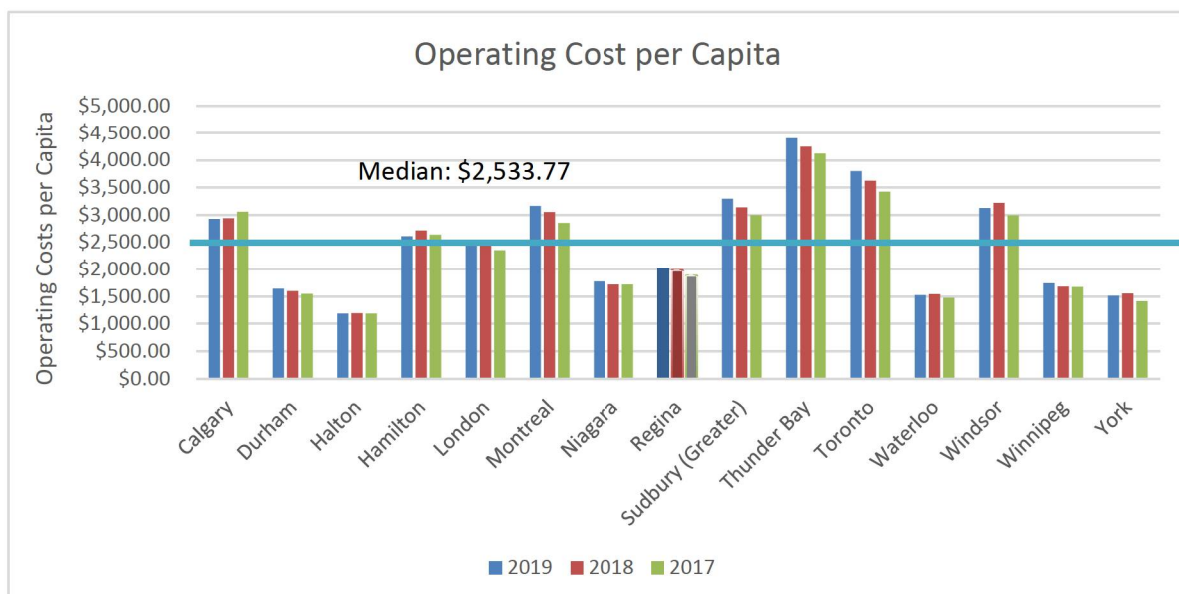
The MBNCanada measurement framework includes service effectiveness and service efficiency measures. Effectiveness measures generally relate to the amount of service provided using factors to allow for comparisons such as population, number of households, or geographic area. Efficiency measures are based on a standardized approach to service costing. A full report of Regina's MBNCanada results can be found at [www.mbnCanada.ca](http://www.mbnCanada.ca).

The City of Regina reports on 28 service areas among 15 municipalities nationally. Each service area has an "Expert Panel" responsible for reviewing and ensuring quality control in measurement. Results can be influenced by several factors which are presented in each service area section in MBNCanada's 2019 Performance Measurement Report. The influencing factors speak to the uniqueness of each municipality such as population, geographic size, weather conditions, organizational form, government type and legislation, and other unique municipal impacts regarding a specific service.

### 2019 Results

MBNCanada follows a rigorous methodology to collect data and ensure accuracy among all the member municipalities; as such there is a lag in reporting. Some of the calculations require full year financial data which limits when data collection can occur; as such, typically the annual report is released in the first week of November. This year with the COVID-19 pandemic the release date for 2019 information was moved to December 21, 2020.

Overall, Regina's efficiency is strong, achieving the second lowest total operating cost per capita among MBNCanada non-regional municipalities and is at the median total operating cost per capita among all MBNCanada participants:





We are trending in the right direction for numerous services, and through incremental service improvements and strategic investments we can improve our rankings in the coming years. Positive progress for City of Regina data from year to year has been displayed in many cases, and we are often faring well compared to our MBNCanada counterparts, especially when our low operating costs are considered.

To meet citizen's expectations in an ever-changing environment, the City must continue to improve our services, leverage technology and innovation, and search for efficiency and effectiveness throughout all our internal processes and service delivery.

Alongside other performance measures and indicators, the City of Regina incorporates this information in the development of our new Strategic Plan and a key input for business planning and budgeting processes. MBNCanada data will also inform the upcoming efficiency review of the city's operations and provide insights into opportunities for continuous improvement and transforming our service delivery.

## Service Partners

All of the City of Regina's Service Partners are included in the City's consolidated financial statements. The following provides more detail about the services our service partners provide and how they are related to the City of Regina.

### Buffalo Pound Water Treatment Corporation

The Buffalo Pound Water Treatment Plant was commissioned in 1955 and provides safe, high quality drinking water to its customers. Located at Buffalo Pound Lake, the Plant provides water to approximately 260,000 customers primarily in Regina and Moose Jaw. Secondary water users include SaskWater, Buffalo Pound Provincial Park and users of the farm water stand located at the Plant. The water is also resold by the Cities and SaskWater to other smaller communities in the Region. The Plant currently has a rated production capacity of 205 million litres per day.

Effective January 1, 2016, the Plant operates as 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 current Board of Directors is comprised of seven members who were jointly appointed by the City Councils of Regina and Moose Jaw.

The Plant has developed a long-term sustainable asset management plan to ensure high quality water treatment into the future. Based on that plan, the Board has established the rate at which it sells treated water to its customers (e.g. the City of Regina and the City of Moose Jaw). In addition to the purchase of water, the Cities are then responsible for providing the infrastructure to get the water from the Plant to their residents as well as collecting and treating wastewater.

Annual Report: <https://www.buffalopoundwtp.ca/publications/annual-report>

Contact: Ryan Johnson  
c/o City of Regina  
Queen Elizabeth II Court  
PO Box 1790  
Regina, SK S4P 3C8  
Ph: 306-694-1377

### 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) role is to provide leadership for economic growth to the City of Regina and the community, with specific accountability for the following core functions:

- Support industry growth and diversification through retention, development and attraction of business and tourism.
- Find innovative ways to support the community in sustaining growth while effectively addressing the challenges of growth.
- Market and promote the Greater Regina Area for business and tourism.
- Ensure the Greater Regina Area prospers as a vibrant and diversified economy for investors, is a strong destination experience for visitors and a place of choice with a high quality of life for residents



EDR was incorporated on January 1, 2016 as a not-for-profit municipal corporation of the City of Regina. City Council's directed mandate for the organization is:

- Create and implement an economic development strategy to grow and sustain prosperity in the city and region
- Encourage the retention, development, attraction and growth of business and tourism products and services for those who live, work, visit, and invest in the city and region
- Market and promote the city and region for business and tourism

The Board of Directors of EDR is appointed by City Council based upon the recommendations from EDR, which are grounded in creating a broad and influential representation of economic and tourism interests of the region. The organization is funded in part through an annual grant from the City of Regina. This core funding is supplemented by significant other financial resources including:

- Industry investment
- Fee for service contracts
- Grants from other levels of government

Annual Report: <https://economicdevelopmentregina.com/about/publications#annual-report>

Contact: John Lee

200-1965 Broad St.  
Regina, SK S4P 1Y1  
Ph: 306-789-5099

### **The Regina Downtown Business Improvement District**

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

Authorized under Section 25 & 26 of *The Cities Act* and City of Regina Bylaw No 2001-76, RDBID programs and services are financed by a special property tax assessment collected from commercial property owners located in the defined boundaries of the Downtown District. This District encompasses 53 blocks bordered by Angus Street to the west, 13th Avenue to the south, Halifax Street to the east, and Saskatchewan Drive to the north. RDBID also extends along Broad Street south to College Avenue.

The special assessments are approved by the Board of Directors of RDBID, which is appointed by City Council, and includes a representative from City Council.

2019 Annual Report: <https://reginadowntown.ca/wp-content/uploads/2020/12/RDBID-Annual-Report-2019-FINAL-.pdf>

Contact: Judith Veresuk

200-1822 Scarth Street  
Regina, SK S4P2G3  
Ph: 306-359-7541

## The Regina Exhibition Association Limited

Originally established in 1884 as an agricultural society, The Regina Exhibition Association Limited (REAL) has evolved into an organization that operates and maintains the community's hub of events, recreational and entertainment facilities on the 102-acre campus grounds.

The City of Regina is the Owner and Sole Shareholder of the land and facilities. Located moments away from the downtown core, REAL is a major contributor to the visitor economy in Regina. City Council provides grant funding to help support its operations, however, most of REAL's revenues are generated by the services it provides. REAL began operating as a not-for-profit corporation in 2014 with oversight from a volunteer Board of Directors appointed by Regina City Council. All surplus profit at year-end is invested into maintenance and improvement of the civic infrastructure on its site, all of which is owned by the City of Regina.

The REAL campus is home to Mosaic Stadium, the Brandt Centre, the Affinity Plex, the Co-operators Centre, the International Trade Centre, and the Queensbury Convention Centre. It is home to signature events such as Canada's Farm Show and the Queen City Exhibition and home to Canadian Western Agribition, the Saskatchewan Roughriders and the Regina Pats.

With the impacts of the public health order in 2020 related to COVID-19, REAL essentially saw its business turn off overnight. However, with community top of mind, the importance of the facilities and infrastructure being able to pivot to our new reality, became imperative for the greater Regina community and a testament to the planning and assets on the REAL campus.

The International Trade Centre became the home of the Saskatchewan Health Authority to serve as a drive through testing facility for COVID-19, a flu clinic, and temporary field hospital. Community events like a drive-through Mini-Donut day, a drive-in Brett Kissel concert and fireworks display, a Halloween Trick or Treat in Mosaic Stadium and a football field converted to an ice rink fondly known as Iceville, all became hugely important community events and allowed REAL to once again connect with community members in a safe environment.

While intended for meetings, conventions and countless moments and memories, for the 3.5 million annual visitors to the REAL campus, the facilities and the team at REAL can service Regina and Saskatchewan when times are uncertain. The Regina Exhibition Association Limited is in the business of serving the community and 2020 has shown the association's ability to adapt to meet ever-changing needs.

The mandate of REAL is to:

- a) operate in the best interests of the community and enrich the quality of life for people in the community through the hosting and delivery of local, regional, national and international events;
- b) develop, operate and maintain City and other facilities to provide world-class hospitality for trade, agri-business, sporting, entertainment and cultural events that bring innovation, enrichment and prosperity to the community; and,
- c) operate with an entrepreneurial spirit and to pursue expanded business ventures that could generate additional revenue.

Annual Report: <https://www.evrzplace.com/about/annual-report>

Contact: Sinead Tierney

PO Box 167

1700 Elphinstone Street

REGINA SK S4P 2Z6

Ph: 306-781-9200



## 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 406 sworn officers and 194 civilian personnel combining to form a total employee complement of 600.

RPS is governed by a Board of Police Commissioners, which is appointed by City Council and includes the Mayor, two members of City Council and two citizens at large, one of whom must be of Indigenous descent. *The Saskatchewan Provincial Police Act* stipulates that the municipality:

- a) is responsible for the maintenance of law and order within its boundaries
- b) shall provide policing services to maintain a reasonable standard of law enforcement; and
- c) shall provide adequate and reasonable facilities required for the policing services mentioned in clause (b).

The Board of Police Commissioners is responsible for approving the plans and budget of the RPS. City Council's role is to approve the funding required by the budget established by the Board of Police Commissioners.

Annual Report: <http://reginapolice.ca/annual-reports/>

Contact: Elizabeth Popowich  
1717 Osler Street,  
PO Box 196  
Regina, SK S4P 2Z8  
Ph: 306-777-6364

## Regina's Warehouse Business Improvement District

Regina's Warehouse Business Improvement District (RWBID) was incorporated in March 2003 under section 25 & 26 of *The Cities Act*. RWBID is an organizing and financing mechanism established to:

- Promote and enhance the area's unique buildings and other historical assets
- Enhance business conditions
- Improve the quality of life for those that live in and make use of 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. The Warehouse District is home to both modern and historic Chicago-style buildings, many of which were built during the settlement boom of the early 1900's.

Businesses located within these geographical boundaries are automatically members of the Warehouse District. RWBID receives operating revenue from an annual levy that is added to all commercial property taxes within the District. This is used to fund RWBID operations, marketing, and general awareness and outreach. RWBID is governed by a City-appointed, volunteer Board of Directors that is comprised of a diverse array of representatives from the community, including businesses, residents, and a representative of City Council.

Website: [www.warehousedistrict.ca](http://www.warehousedistrict.ca)

Contact: Leasa Gibbons  
240-2300 Dewdney Ave  
Regina, SK S4R 1Y2  
Ph: 306-585-3948

# 2020



## 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, 2020. 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 2020" 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 2020 are as follows:

- The 2020 Consolidated Financial Statements report net financial assets of \$74.7 million, an increase of \$39.8 million from \$34.9 million at the end of 2019. The net financial asset position is mainly due to an increase in short-term investments, partially offset by an increase in accounts payable.
- The 2020 Consolidated Financial Statements show an annual surplus of \$82.7 million compared to \$102.1 million in 2019.
- The City's accumulated surplus increased from \$2.4 billion at the end of 2019 to \$2.5 billion at December 31, 2020. Virtually all of the accumulated surplus is tied up in non-financial assets, such as tangible capital assets, which represents the service capacity available for future periods. Non-financial assets were \$2.4 billion at the end of 2020.
- Revenues decreased by \$69.0 million and expenses decreased by \$49.6 million from 2019. The decrease in revenues is primarily due to decreases in fees and charges and licenses fines and levies due to COVID-19 and contribution of tangible capital assets. The decrease in expenses is mainly due to subsidiaries whose main source of revenue expenses were significantly impacted by COVID-19.
- The City's reserves increased by \$29.4 million to \$230.5 million. The Federal Safe Restart Funding received was used to establish a new COVID-19 recovery reserve and has \$15.9 million in 2020. The asset revitalization reserve increased by \$6.0 million due to a transfer of the investment income as per the Regina Administration Bylaw. The fleet replacement reserve increased by \$6.0 million for the transfer of the operating costs to support planned future replacements. Annually, the reserves are assessed to determine the reasonableness of their balances to the current reserve limits, business needs of the City and best practices. Council approved adjustments are made based on the review.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

### REVENUES

The City of Regina had consolidated revenue of \$696.9 million in 2020 as shown below:

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

|                                         | 2020<br>Budget | 2020<br>Actual | Budget Variance<br>Favourable<br>(Unfavourable) | 2019<br>Actual | Year over Year<br>Increase<br>(Decrease) |
|-----------------------------------------|----------------|----------------|-------------------------------------------------|----------------|------------------------------------------|
| Taxation                                | 285,319        | 284,740        | (579)                                           | 273,380        | 11,360                                   |
| Fees and charges                        | 255,129        | 227,757        | (27,372)                                        | 275,004        | (47,247)                                 |
| Government transfers                    | 89,135         | 103,719        | 14,584                                          | 87,732         | 15,987                                   |
| Electrical distribution                 | 27,800         | 29,502         | 1,702                                           | 28,312         | 1,190                                    |
| Licenses, fines and levies              | 12,746         | 14,684         | 1,938                                           | 21,420         | (6,736)                                  |
| Gas distribution                        | 6,400          | 6,216          | (184)                                           | 5,630          | 586                                      |
| Interest and penalties                  | 5,147          | 9,133          | 3,986                                           | 9,553          | (420)                                    |
| Interest on long term investments       | 7,626          | 893            | (6,733)                                         | 4,309          | (3,416)                                  |
| Gain on long term investments           | -              | -              | -                                               | 11,311         | (11,311)                                 |
| Servicing agreement fees                | 1,068          | 8,080          | 7,012                                           | 4,523          | 3,557                                    |
| Land sales                              | -              | 26             | 26                                              | 443            | (417)                                    |
| Other                                   | 5,147          | 7,468          | 2,321                                           | 8,279          | (811)                                    |
| Contribution of tangible capital assets | -              | 4,061          | 4,061                                           | 35,417         | (31,356)                                 |
| Other capital contributions             | -              | 644            | (644)                                           | 601            | 43                                       |
|                                         | 695,517        | 696,923        | 118                                             | 765,914        | (68,991)                                 |

The schedule above includes both operating and capital revenues, and controlled subsidiaries.

**Taxation revenue** was \$11.4 million higher in 2020 when compared to 2019 primarily due to a 3.25% increase in the mill rate and new properties coming onto the assessment roll during the year.

**Fees and charges** decreased \$47.2 million in 2020; \$24.2 million of the decrease was due to the consolidation of REAL who saw a significant decrease in activity due to COVID-19. Transit fees were \$5.9 million under budget as the City continued with essential transit services, however waived fees for several months and saw a reduction in the use of transit services with people working from home and temporary closures of businesses during the lock down; once the economy opened the uptake was not at the same levels. Parks and recreation fees were impacted by \$6.9 million due to facilities being closed for a period and the uptake slow once opened. Building permit revenue decreased \$1.3 million.

**Government transfers** increased by \$15.9 million as the City received \$16.3 million from the Federal government for the restart program in relation to COVID-19. REAL applied for and received government assistance related to the Canada Emergency Wage Subsidy in the amount of \$4.0 million which has been reflected in government transfer revenue in 2020.

**Licenses, fines and levies** decreased by \$6.7 million. Traffic violation fines decreased \$4.4 million as people were not travelling around the City due to lock down and working from home. Parking tickets decreased \$1.7 million due to parking fees being waived for a period of time, the large number of people still working from home, as well as a slow response after the economy opened again.



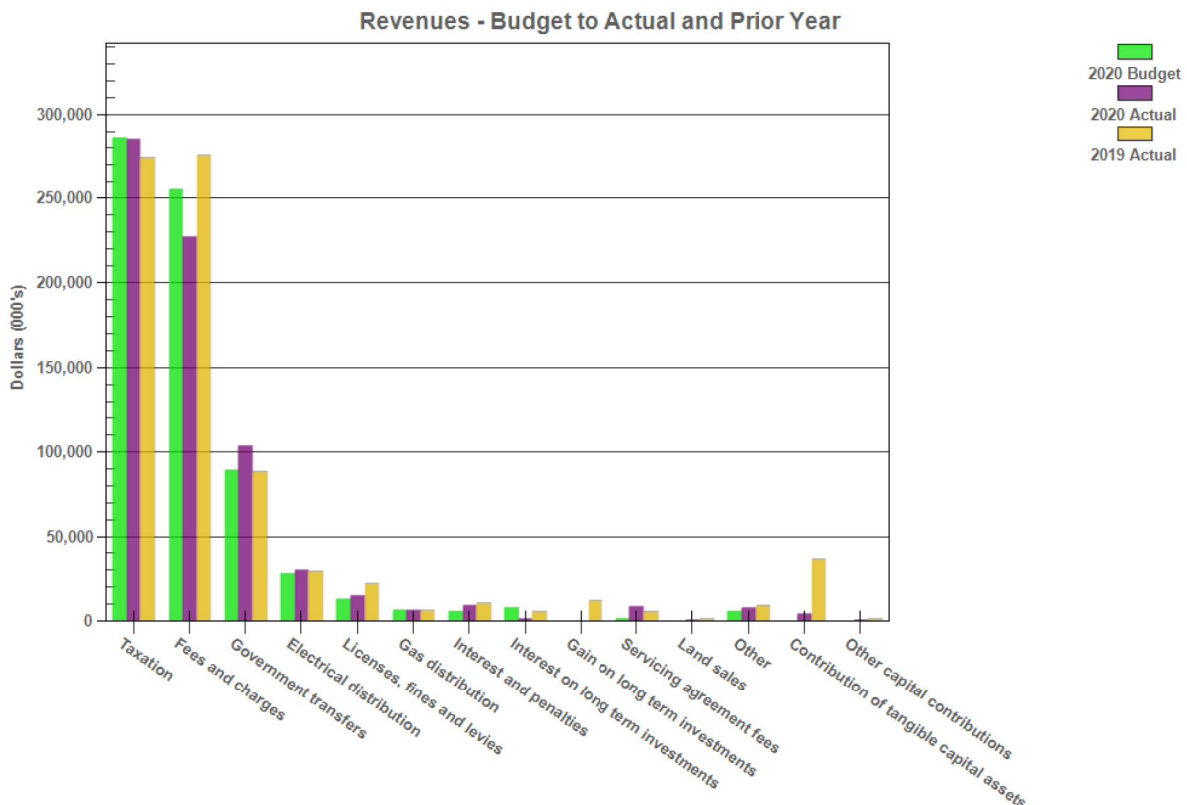
**Interest on long-term investments** are lower than budget and decreased from prior year due to interest rates being significantly lower in 2020.

**Gain on long-term investments** decreased \$11.3 million from prior year; in 2019 the City had a planned redemption of long-term bonds (thus, higher interest), a shift to in-house managed short-term investments (thus, higher interest) and a resulting gain on disposition of the long term investments.

**Servicing agreement fees** for 2020 were \$3.6 million higher compared to 2019. When a servicing agreement is entered into between the City and a developer, the fees collected are inflows of cash or accounts receivable to the City. Servicing agreement fees collected in a given year are recorded as revenue or deferred revenue based on eligible expenditures.

**Contribution to tangible capital assets** for 2020 were \$4.1 million above budget since this item is not budgeted for; contributions were \$31.4 million less than 2019 due to slow 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.

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

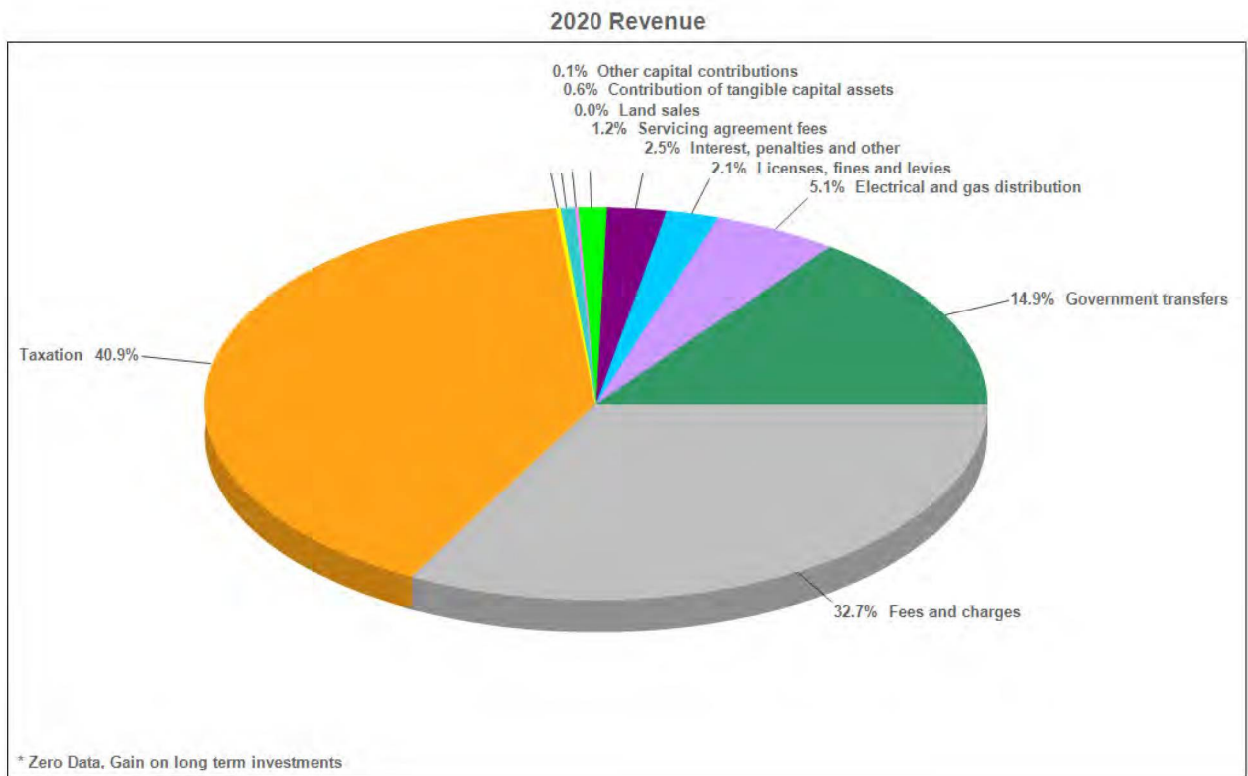


## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Of the total revenue earned in the year, 73.5% (2019 -71.6%) is attributed to taxation and fees.

**Table 3: 2020 Revenue by Type**





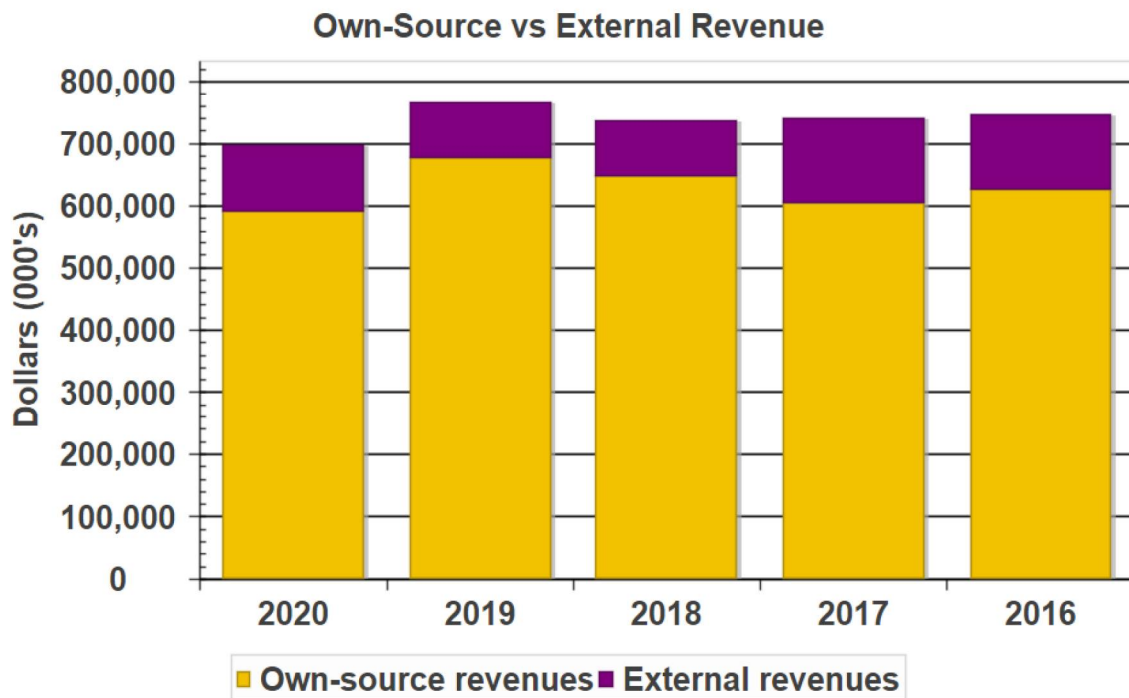
## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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 are approximately the same as they were five years ago. 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.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

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).

**Table 5: Revenue Summary**

|                                         | 2020    | 2019    | 2018    | 2017    | 2016    |
|-----------------------------------------|---------|---------|---------|---------|---------|
| Taxation                                | 284,740 | 273,380 | 260,358 | 252,165 | 240,148 |
| Fees and charges                        | 227,757 | 275,004 | 273,373 | 241,665 | 217,716 |
| Government transfers                    | 103,719 | 87,732  | 88,016  | 134,965 | 118,219 |
| Electrical distribution                 | 29,502  | 28,312  | 27,893  | 26,534  | 25,267  |
| Licenses, fines and levies              | 14,684  | 21,420  | 13,970  | 14,542  | 13,846  |
| Gas distribution                        | 6,216   | 5,630   | 3,190   | 5,975   | 6,138   |
| Interest and penalties                  | 9,133   | 9,553   | 5,211   | 2,810   | 2,103   |
| Interest on long term investments       | 893     | 4,309   | 7,769   | 10,351  | 12,913  |
| Gain on long term investments           | -       | 11,311  | (8,128) | (4,145) | 4,326   |
| Servicing agreement fees                | 8,080   | 4,523   | 9,758   | 13,847  | 17,483  |
| Land sales                              | 26      | 443     | 3,769   | 5,408   | 533     |
| Other                                   | 7,468   | 8,279   | 6,707   | 8,271   | 6,884   |
| Contribution of tangible capital assets | 4,061   | 35,417  | 43,148  | 26,050  | 30,638  |
| Other capital contributions             | 644     | 601     | 1,501   | 2,003   | 49,565  |
|                                         | 696,923 | 765,914 | 736,535 | 740,441 | 745,779 |

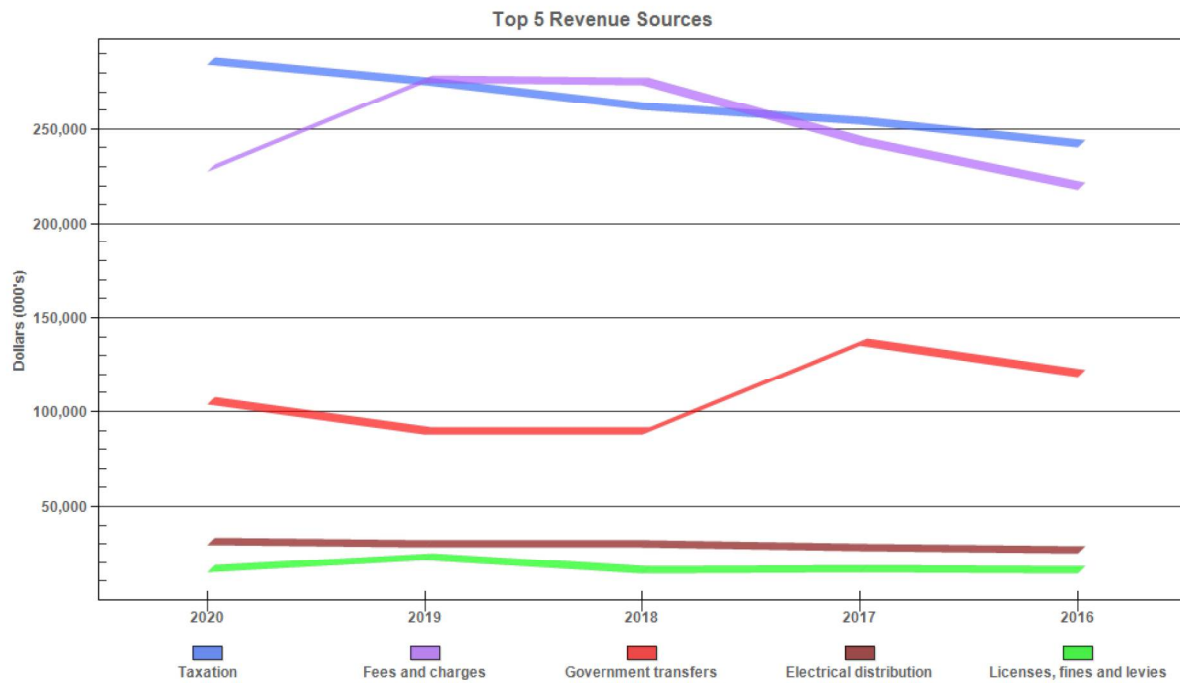
Certain revenues, particularly own-source revenues follow a predictable pattern of growth; these include revenues such as taxation, licenses, fines and levies, and electrical distribution. Other revenues follow a less predictable pattern of growth such as: government transfers are dependent on the level 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

**Table 6: Top Five Revenue Sources**



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**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<br>(in thousands of dollars) |            |
|----------------------------------------------------------|------------|
| Year                                                     | Total      |
| 2020                                                     | 29,391,967 |
| 2019                                                     | 29,049,338 |
| 2018                                                     | 28,545,124 |
| 2017                                                     | 27,932,498 |
| 2016                                                     | 20,613,040 |



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**Table 8: Mill Rates And Levies**

| Year  | <u>Mill Rates</u> |         |         | <u>Business Improvement Levies</u> |                                                     |
|-------|-------------------|---------|---------|------------------------------------|-----------------------------------------------------|
|       | Municipal         | Library | Total   | Regina<br>Downtown                 | Regina's Warehouse<br>Business Improvement District |
|       |                   |         |         |                                    |                                                     |
| 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                                              |
| 2016* | 9.5920            | 0.9594  | 10.5514 | 0.7757                             | 0.7588                                              |

\* 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> |         |         |         |         |
|---------------------------|--------------------------|---------|---------|---------|---------|
|                           | 2020                     | 2019    | 2018    | 2017    | 2016    |
| Residential               | 0.91152                  | 0.91152 | 0.91152 | 0.91152 | 0.87880 |
| Condominiums              | 0.91152                  | 0.91152 | 0.91152 | 0.91152 | 0.87880 |
| Multi-family residential  | 0.91152                  | 0.91152 | 0.91152 | 0.91152 | 0.87880 |
| Commercial and Industrial | 1.21040                  | 1.21040 | 1.21040 | 1.21040 | 1.32901 |
| Golf courses              | 0.78654                  | 0.78654 | 0.78654 | 0.78654 | 0.86359 |
| Agriculture               | 1.21040                  | 1.21040 | 1.21040 | 1.21040 | 1.32901 |
| Railway/Pipelines         | 1.21040                  | 1.21040 | 1.21040 | 1.21040 | 1.32901 |
| Resources                 | 1.21040                  | 1.21040 | 1.21040 | 1.21040 | 1.32901 |

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**Table 10: Tax Levies and Collection**

|                                                                        | 2020    | 2019    | 2018    | 2017    | 2016    |
|------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Municipal tax levy                                                     | 261,142 | 250,561 | 238,268 | 231,346 | 219,414 |
| Global Transportation Hub Authority                                    | 2,765   | 2,736   | 2,435   | 1,916   | 1,742   |
| School boards tax levy                                                 | 149,602 | 148,848 | 143,640 | 140,355 | 127,017 |
| Library tax levy                                                       | 23,598  | 22,819  | 22,090  | 21,391  | 20,734  |
| Total tax levy                                                         | 437,107 | 424,964 | 406,433 | 395,008 | 368,907 |
| Tax levy per capita - Municipal*                                       | 1,111   | 1,035   | 1,017   | 1,003   | 934     |
| Tax levy per capita - School boards*                                   | 637     | 615     | 613     | 608     | 547     |
| Tax levy per capita - Library*                                         | 100     | 94      | 94      | 93      | 88      |
| Total tax levy per capita* (\$)                                        | 1,848   | 1,744   | 1,724   | 1,704   | 1,569   |
| Tax levy per household - Municipal**                                   | 2,736   | 2,625   | 2,424   | 2,354   | 2,281   |
| Tax levy per household - School boards**                               | 1,567   | 1,559   | 1,470   | 1,363   | 1,337   |
| Tax levy per household - Library**                                     | 247     | 239     | 224     | 222     | 216     |
| Total tax levy per household** (\$)                                    | 4,550   | 4,423   | 4,118   | 3,939   | 3,834   |
| Tax arrears, end of year<br>(prior to allowance for doubtful accounts) | 25,253  | 18,327  | 13,833  | 11,594  | 9,658   |
| Arrears as a % of total tax levy                                       | 5.78%   | 4.31%   | 2.62%   | 2.31%   | 1.41%   |
| Tax levy as a % of General operating revenue                           | 37.47%  | 32.71%  | 32.35%  | 31.24%  | 29.42%  |
| Total taxes collected                                                  | 411,854 | 405,321 | 388,756 | 361,920 | 341,921 |

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

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



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**Table 11: Major Property Taxpayers in Regina in 2020**

| Registered Owner                           | Total Taxable Assessment | % of Total Taxable Assessment |
|--------------------------------------------|--------------------------|-------------------------------|
| 1. Harvard Developments Inc.               | 336,791                  | 1.15%                         |
| 2. Consumers' Co-operative Refineries Ltd. | 288,211                  | 0.98%                         |
| 3. HDL Investments Inc.                    | 223,049                  | 0.76%                         |
| 4. Boardwalk REIT Properties Holdings Ltd. | 172,435                  | 0.59%                         |
| 5. Cornwall Centre Inc.                    | 167,350                  | 0.57%                         |
| 6. SBLP Southland Mall Inc.                | 133,974                  | 0.46%                         |
| 7. Local Holdings (Fleming) Inc.           | 105,433                  | 0.36%                         |
| 8. Loblaw Properties West Inc.             | 94,604                   | 0.32%                         |
| 9. City Centre Equities Inc.               | 88,270                   | 0.30%                         |
| 10. Cornerstone Holdings Ltd.              | 88,055                   | 0.30%                         |
| 11. Regina Airport Authority               | 76,705                   | 0.26%                         |
| 12. Westdale Construction Co. Ltd.         | 75,446                   | 0.26%                         |
| 13. Artis Victoria Square Ltd.             | 72,441                   | 0.25%                         |
| 14. SGC Holdings Inc.                      | 69,510                   | 0.24%                         |
| 15. Sherwood Co-operative Association Ltd. | 63,906                   | 0.22%                         |
| <b>Total</b>                               | <b>2,056,180</b>         | <b>7.02%</b>                  |
| <b>Total 2020 taxable assessment</b>       | <b>29,391,967</b>        | <b>100.00%</b>                |

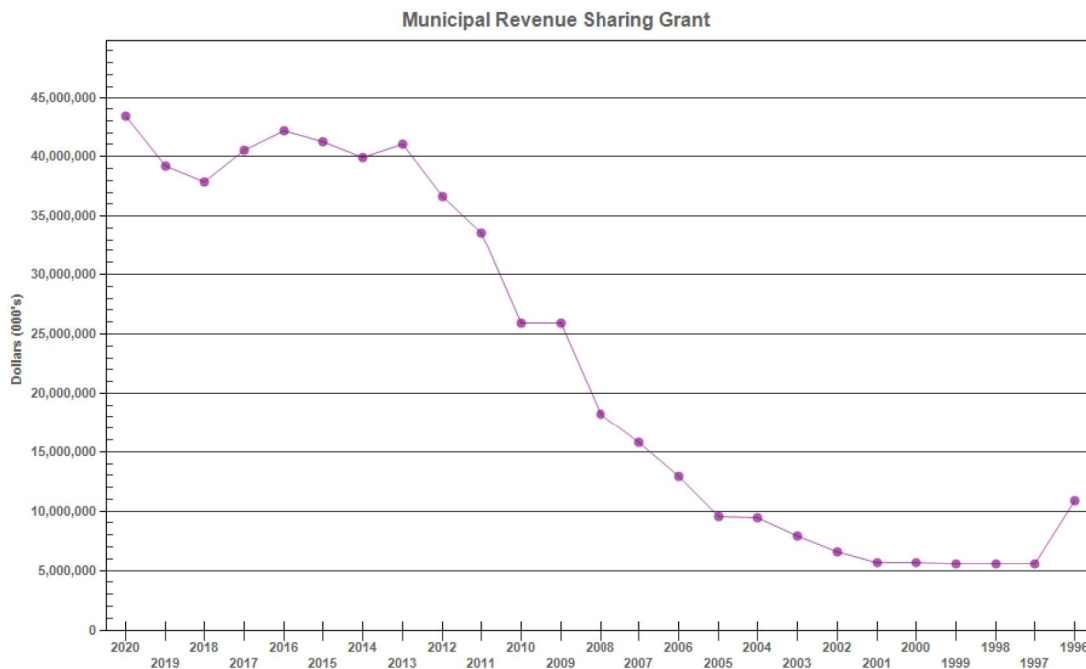
The list of major taxpayers does not include properties where grant or payments in lieu of property tax are paid.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**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 1996.

**Table 12: Municipal Operating Grants Trends**





## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

### EXPENSES

The total operating expenses incurred by the City of Regina totaled \$614.2 million in 2020. The decrease in expenses was due to the decrease in parks, recreation and community services, and decrease in water, wastewater and drainage and decrease in costs for services related to roads and traffic. The decrease in expenses was mainly due to COVID-19.

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

|                                                       | 2020<br>Budget | 2020<br>Actual | Variance<br>Favourable<br>(Unfavourable) | 2019<br>Actual | Increase<br>(Decrease) |
|-------------------------------------------------------|----------------|----------------|------------------------------------------|----------------|------------------------|
| Parks, recreation and community services consolidated | 157,986        | 117,695        | 40,291                                   | 151,623        | (33,928)               |
| Police                                                | 99,270         | 98,326         | 944                                      | 98,527         | (201)                  |
| Legislative and administrative services               | 85,861         | 89,927         | (4,066)                                  | 84,163         | 5,764                  |
| Water, wastewater and drainage                        | 84,053         | 94,332         | (10,279)                                 | 105,784        | (11,452)               |
| Roads and traffic                                     | 69,530         | 66,394         | 3,136                                    | 80,304         | (13,910)               |
| Fire                                                  | 44,912         | 50,590         | (5,678)                                  | 49,814         | 776                    |
| Transit                                               | 45,746         | 40,490         | 5,256                                    | 45,193         | (4,703)                |
| Waste collection and disposal                         | 26,885         | 28,235         | (1,350)                                  | 26,787         | 1,448                  |
| Grants                                                | 4,397          | 12,974         | (8,577)                                  | 7,358          | 5,616                  |
| Planning and development                              | 15,998         | 15,231         | 767                                      | 14,278         | 953                    |
|                                                       | 634,638        | 614,194        | 20,444                                   | 663,831        | (49,637)               |

The schedule above includes both operating and capital expense, and controlled subsidiaries.

**Parks, recreation and community services** decreased \$33.9 million from 2019 partially due to facilities being closed for a period. There were also significant decrease in expenses for the City's subsidiaries whose facilities also had to be closed for a period of time.

**Water, wastewater and drainage** expenses were \$11.5 million lower than 2019 due to lower levels of infrastructure replacement and a slight decrease in work due to COVID-19 safety protocols and a planned decrease in wastewater plant maintenance costs.

**Roads and traffic** expenses were \$13.9 million lower than 2019 due to delayed construction during the year, hiring freezes and administrative costs related to fines revenue also decreased as fines were not charged for part of the year.

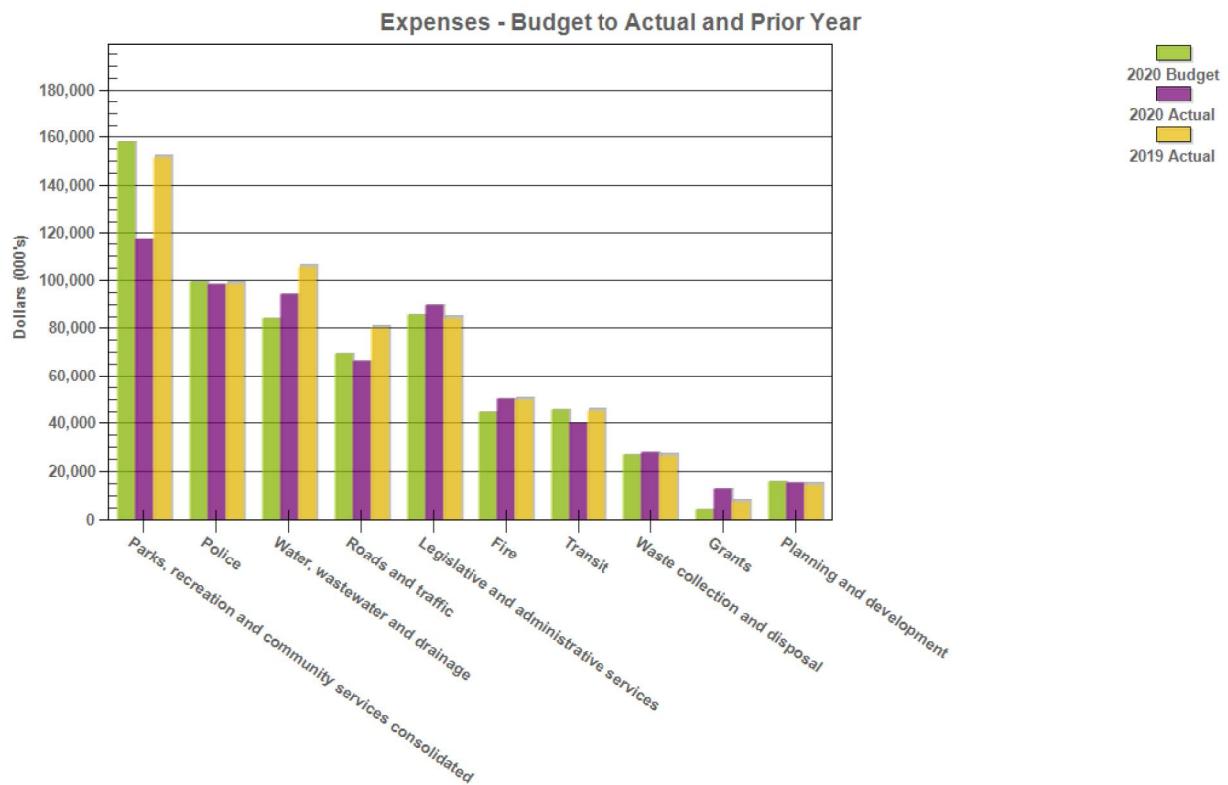
**Transit** costs were \$4.7 million lower than 2019. COVID-19 impacted service levels on conventional transit and Paratransit as there was reduced ridership. This lower level of service resulted in decrease amount of wages and benefits paid, a decrease in the amount paid for the Paratransit contractor, as well as savings in fuel for less vehicles on the road.

**Grants** increased by \$5.6 million; the City increased community investment grants significantly in 2020 partially due to COVID-19, in particular there was the Regina Economic Recovery Grant, additionally there was a significant grant to the Globe Theatre Society.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**Table 14: Expenses – Budget to Actual and Prior Year**



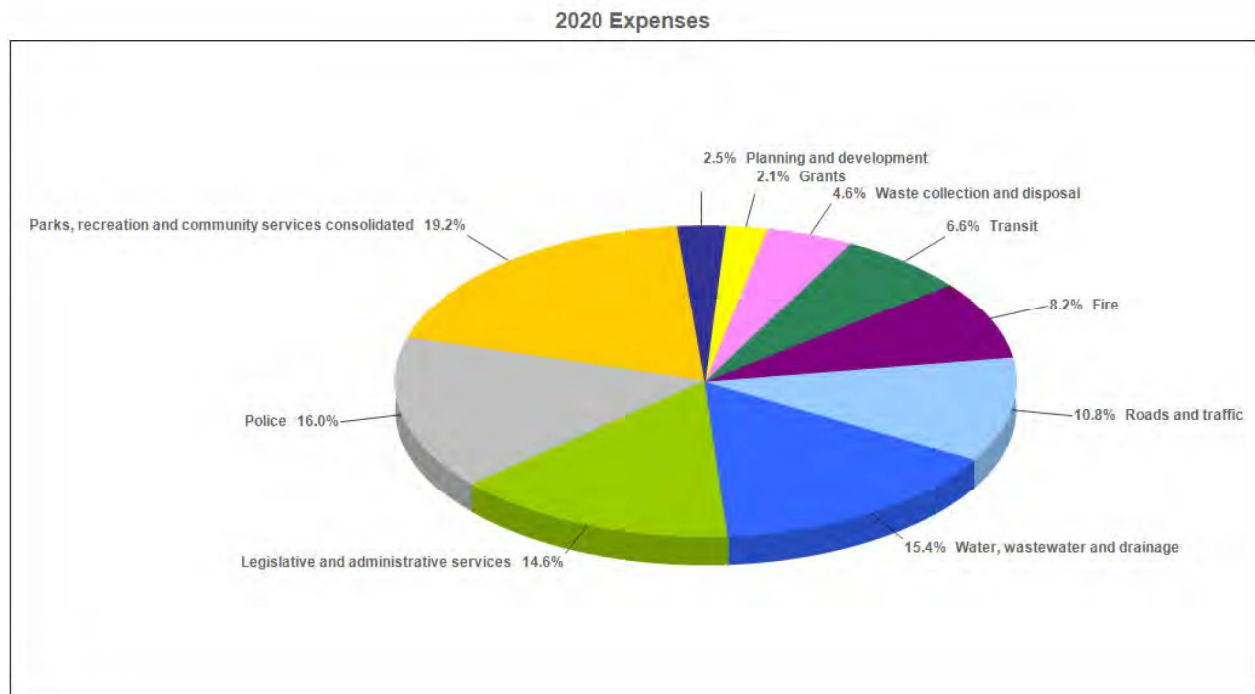


## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Of the total expenditures incurred, almost 65% is attributed to four areas: Parks, recreation and community services; Police; Legislative and administrative services and Water, wastewater and drainage.

**Table 15: 2020 Expense by Type**



An analysis of the significant trends in expenses indicate that the City of Regina's expenses have increased by \$58.8 million over the last five years (Table 16). Table 17 provides a graphic representation on the historical expenses by department.

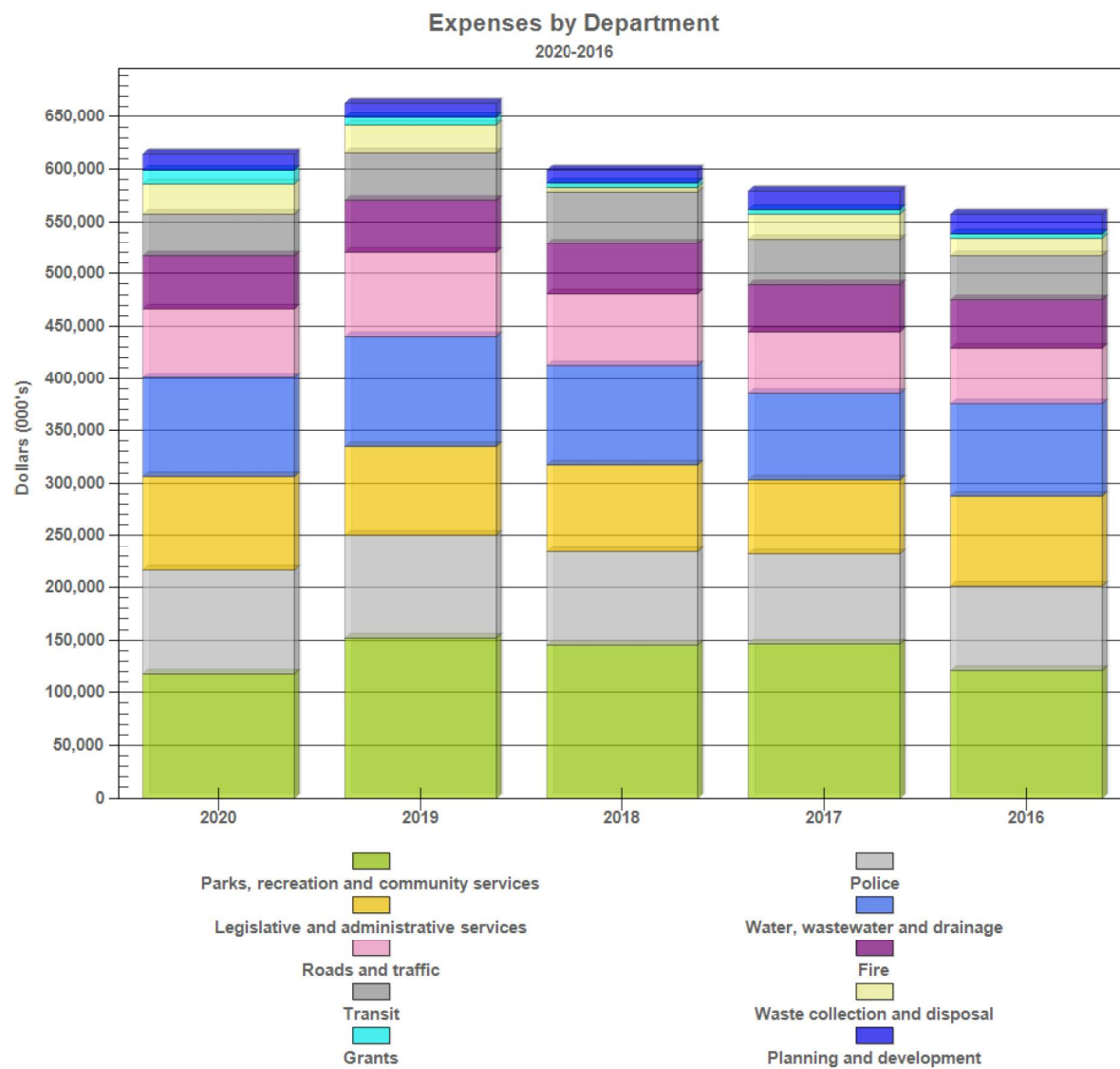
**Table 16: Expense Summary**

|                                          | 2020           | 2019           | 2018           | 2017           | 2016           |
|------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Parks, recreation and community services | 117,695        | 151,624        | 145,436        | 146,667        | 121,148        |
| Police                                   | 98,326         | 98,527         | 88,614         | 84,605         | 80,095         |
| Legislative and administrative services  | 89,927         | 84,163         | 83,313         | 71,812         | 86,738         |
| Water, wastewater and drainage           | 94,332         | 105,784        | 95,420         | 82,036         | 87,518         |
| Roads and traffic                        | 66,394         | 80,304         | 67,527         | 58,998         | 53,095         |
| Fire                                     | 50,590         | 49,814         | 48,997         | 45,651         | 46,319         |
| Transit                                  | 40,490         | 45,193         | 48,722         | 43,895         | 42,032         |
| Waste collection and disposal            | 28,235         | 26,787         | 4,036          | 23,734         | 17,648         |
| Grants                                   | 12,974         | 7,358          | 4,639          | 4,548          | 4,051          |
| Planning and development                 | 15,231         | 14,278         | 12,347         | 16,948         | 18,766         |
| <b>Total</b>                             | <b>614,194</b> | <b>663,832</b> | <b>599,051</b> | <b>578,894</b> | <b>557,410</b> |

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 17: Expenses by Department





## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

### For the Year Ended December 31

Approximately 50% 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 7.4% from 2016 to 2019 which is reasonable due to collective bargaining agreements. Included in these costs are changes to post employment obligations such as pension plans, sick and vacation payouts.

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 its related entities in the last five years, including casual staff, is as follows:

2020 - 4,846  
 2019 - 5,242  
 2018 - 5,238  
 2017 - 5,471  
 2016 - 5,224

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**

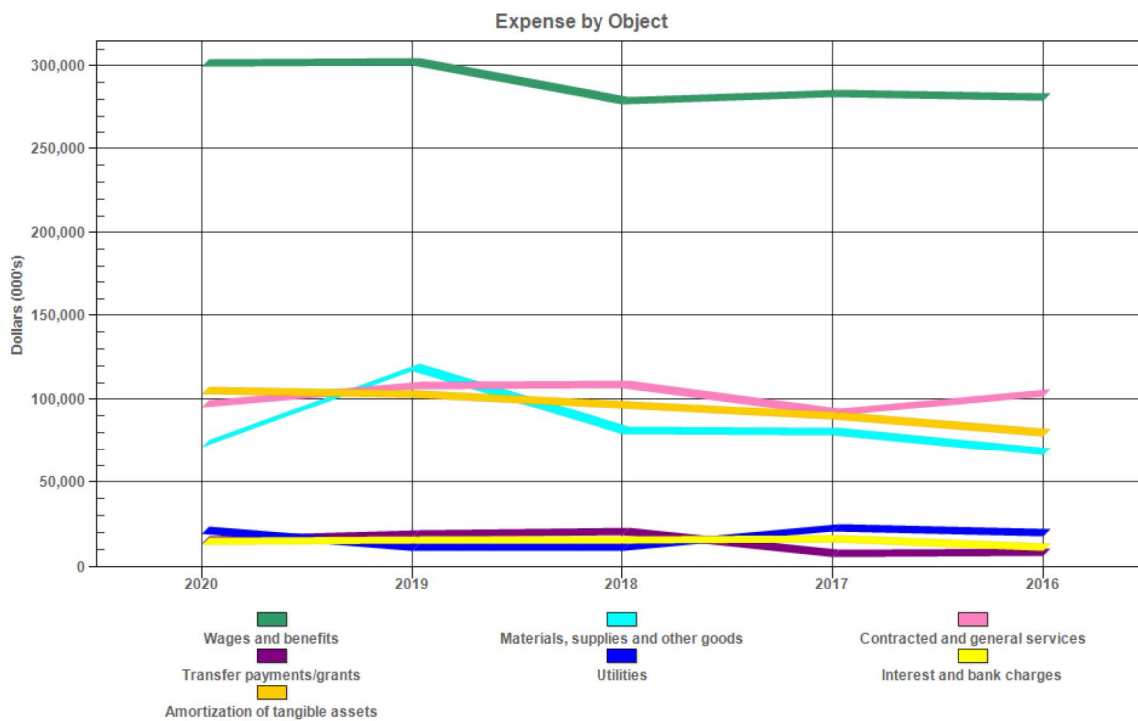
|                                     | 2020           | 2019           | 2018           | 2017           | 2016           |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Wages and benefits                  | 299,890        | 300,417        | 276,772        | 281,686        | 279,101        |
| Materials, supplies and other goods | 71,409         | 116,930        | 79,478         | 78,734         | 66,326         |
| Contracted and general services     | 95,233         | 105,949        | 107,025        | 90,354         | 101,843        |
| Transfer payments/grants            | 13,075         | 9,372          | 9,347          | 5,582          | 5,840          |
| Utilities                           | 19,228         | 17,036         | 18,311         | 20,799         | 17,407         |
| Interest and bank charges           | 12,324         | 13,058         | 13,418         | 13,811         | 9,118          |
| Amortization of tangible assets     | 103,035        | 101,069        | 94,700         | 87,928         | 77,775         |
| <b>Total</b>                        | <b>614,194</b> | <b>663,831</b> | <b>599,051</b> | <b>578,894</b> | <b>557,410</b> |

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 19 and 20 illustrate total expenses by object.

**Table 19: Expense by Object**

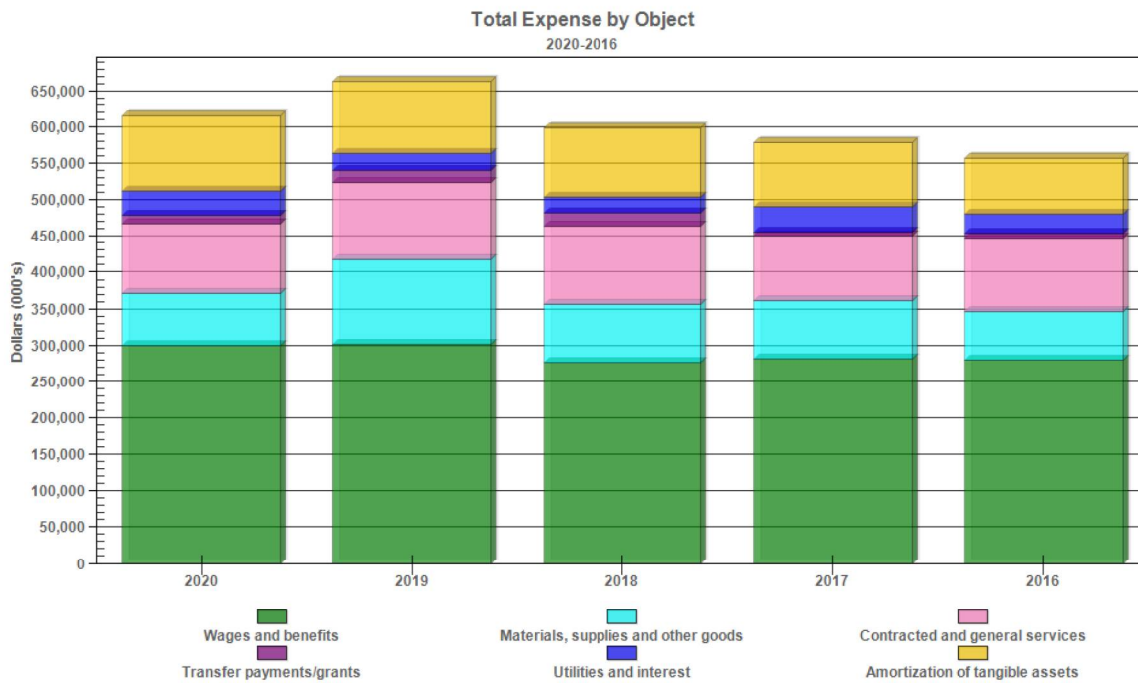




## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 20: Total Expense by Object



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**Table 21: General Capital Funds**

|                                         | <b>Budget<br/>2020</b> | <b>Actual<br/>2020</b> | <b>Actual<br/>2019</b> | <b>Actual<br/>2018</b> | <b>Actual<br/>2017</b> | <b>Actual<br/>2016</b> |
|-----------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Revenue</b>                          |                        |                        |                        |                        |                        |                        |
| Government transfers                    |                        |                        |                        |                        |                        |                        |
| Federal                                 | 19,891                 | 12,698                 | 23,047                 | 14,992                 | 54,109                 | 30,053                 |
| Provincial                              | -                      | 2,408                  | 7,210                  | 8,507                  | 17,304                 | 22,950                 |
| Fees and charges                        | -                      | 423                    | 7,265                  | 10,949                 | 24                     | 122                    |
| Servicing agreement fees                | 258                    | 4,669                  | 2,109                  | 5,861                  | 7,000                  | (4,919)                |
| Contribution of tangible capital assets | -                      | 3,993                  | 17,915                 | 38,730                 | 21,798                 | 25,999                 |
| Other capital contributions             | -                      | 644                    | 601                    | 1,368                  | 2,003                  | 49,565                 |
| Other revenues                          | -                      | 1,371                  | 835                    | 502                    | 1,660                  | 37,369                 |
|                                         | 20,149                 | 26,206                 | 58,982                 | 80,909                 | 103,898                | 161,139                |
| <b>Expenses</b>                         | 106,570                | 87,576                 | 104,763                | 106,952                | 105,015                | 107,701                |
| <b>Surplus (Deficit)</b>                | (86,421)               | (61,346)               | (45,781)               | (26,043)               | (1,117)                | 53,438                 |

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 2020, the carry forward amount available in the General Capital and Utility Capital funds was \$250.9 million (2019 - \$226.9 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.



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**Table 22: Statement of Financial Position**

|                                          | 2020      | 2019      | 2018      | 2017      | 2016      |
|------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Financial assets</b>                  |           |           |           |           |           |
| Cash                                     | 96,587    | 88,476    | 77,924    | 137,099   | 30,678    |
| Short-term investments                   | 461,126   | 400,830   | 100,460   | 20,510    | 472       |
| Accounts receivable                      | 43,450    | 49,280    | 72,789    | 87,225    | 91,854    |
| Taxes receivable                         | 14,964    | 11,753    | 10,370    | 6,252     | 5,668     |
| Long-term investments                    | -         | -         | 276,092   | 276,151   | 339,843   |
| Land inventory                           | 20,592    | 27,192    | 30,083    | 20,391    | 8,899     |
|                                          | 636,719   | 577,531   | 567,718   | 547,628   | 477,414   |
| <b>Financial liabilities</b>             |           |           |           |           |           |
| Accounts payable and accrued liabilities | 47,213    | 64,836    | 66,860    | 72,967    | 69,223    |
| Taxes payable to school boards           | 11,570    | 6,449     | 8,000     | 7,006     | 6,998     |
| Deferred revenue                         | 121,984   | 89,496    | 74,446    | 77,208    | 77,173    |
| Capital lease obligations                | 1,223     | 1,463     | 735       | 1,135     | 1,108     |
| Long-term debt                           | 292,989   | 302,619   | 317,692   | 319,635   | 293,512   |
| Employee benefit obligations             | 74,483    | 67,949    | 66,095    | 69,679    | 75,672    |
| Landfill closure and post-closure        | 12,574    | 9,859     | 9,278     | 28,862    | 24,650    |
|                                          | 562,036   | 542,671   | 543,106   | 576,492   | 548,336   |
| <b>Net financial (debt) assets</b>       | 74,683    | 34,860    | 24,612    | (28,864)  | (70,922)  |
| <b>Non-financial assets</b>              |           |           |           |           |           |
| Tangible capital assets                  | 2,364,486 | 2,322,717 | 2,232,502 | 2,146,267 | 2,025,785 |
| Materials and supplies                   | 10,075    | 8,975     | 8,072     | 7,552     | 7,971     |
| Prepaid expense                          | 3,410     | 3,374     | 2,656     | 5,404     | 5,978     |
| <b>ACCUMULATED SURPLUS</b>               | 2,452,654 | 2,369,926 | 2,267,842 | 2,130,359 | 1,968,812 |
| <b>ANNUAL SURPLUS</b>                    | 82,729    | 102,083   | 137,483   | 161,547   | 188,369   |

**Accounts receivable** decreased by \$5.8 million as compared to 2019, the City received more Gas Tax in 2019 than in 2020.

**Short-term investments** increased \$60.3 in 2020; in 2019 the City had a planned disposition of the long-term bond portfolio and a switch to a short-term portfolio. The disposition proceeds of the bonds, along with the interest and gains are now invested in short-term GIC's. This will allow the City to quickly execute a new investment strategy that is currently being determined.

**Accounts payable** decreased by \$17.6 million from 2019; lower levels of spending overall equated to a lower balance in accounts payable at the end of the year.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

### For the Year Ended December 31

**Taxes payable to school boards** increased by \$5.1 million, this variance is due to 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 January 20, 2021 would be larger than in a normal year.

**Deferred revenue** increased by \$32.5 million due to Municipal Economic Enhancement Program grant from the Federal government in response to COVID-19 impact.

**Employee benefit obligations** increased by \$6.5 million from 2019 primarily due to employees using less vacation and sick time which increased the liability.

**Table 23: City of Regina Long-Term Debt**

|                                                          | 2020    | 2019     | 2018    | 2017    | 2016    |
|----------------------------------------------------------|---------|----------|---------|---------|---------|
| Total debt outstanding, beginning of year                | 302,619 | 317,692  | 319,635 | 271,651 | 228,087 |
| Debt issued during year                                  | -       | 12,000   | -       | 33,300  | 28,015  |
| Debt repayments during year                              | (9,630) | (27,073) | (1,943) | (7,177) | (6,154) |
| Total debt outstanding, December 31                      | 292,989 | 302,619  | 317,692 | 319,635 | 293,512 |
| General municipal debt outstanding, end of year          | 184,871 | 191,023  | 195,612 | 200,981 | 206,236 |
| Water & Sewer Utility debt outstanding, end of year      | -       | -        | 7,845   | 8,752   | 9,658   |
| Wastewater Treatment Plant debt outstanding, end of year | 72,427  | 73,849   | 75,186  | 76,440  | 77,618  |
| Buffalo Pound Loan Payable                               | 30,649  | 31,563   | 32,447  | 33,300  | -       |
| REAL                                                     | 5,042   | 6,184    | 6,602   | 162     | -       |
| Total debt outstanding                                   | 292,989 | 302,619  | 317,692 | 319,635 | 293,512 |
| Authorized debt limit, December 31                       | 450,000 | 450,000  | 450,000 | 450,000 | 450,000 |
| Debt per capita (\$)*                                    | 1,247   | 1,250    | 1,357   | 1,385   | 1,364   |
| Debt per household (\$)**                                | 3,069   | 3,170    | 3,328   | 3,348   | 3,149   |
| Debt per community assessed value                        | 1.00%   | 1.04%    | 1.11%   | 1.14%   | 1.42%   |
| Debt as a multiple of revenue                            | 42.0%   | 39.5%    | 43.1%   | 43.2%   | 39.4%   |

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

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



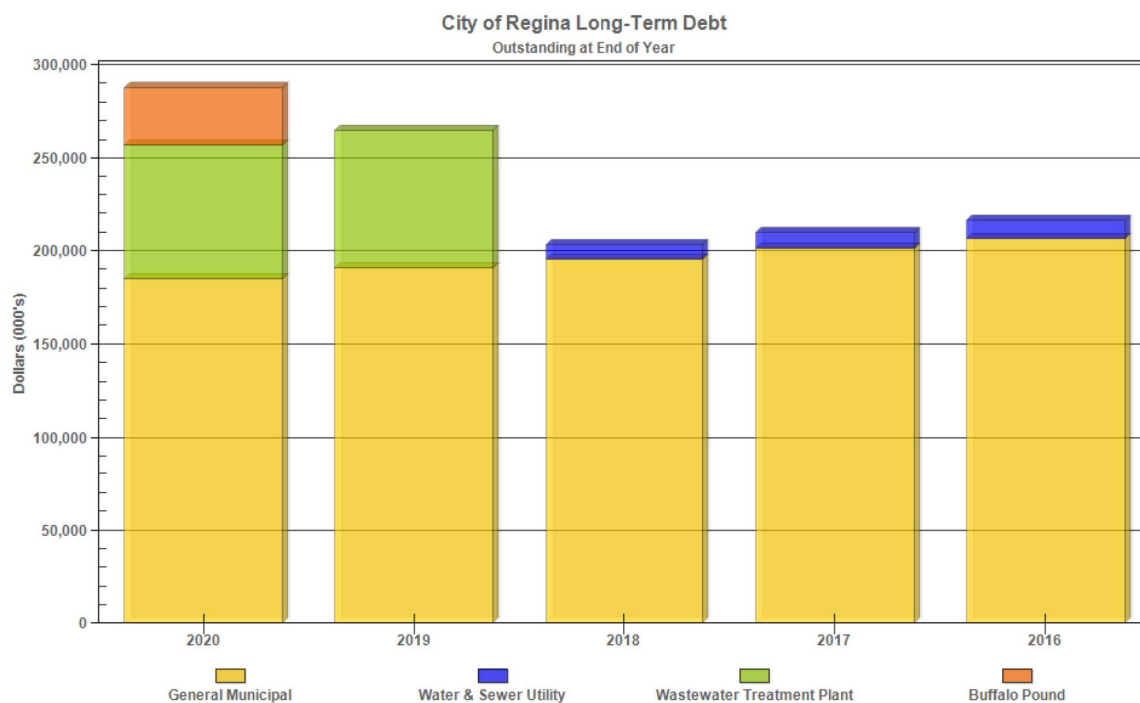
## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

### Long-Term Debt

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, 2020 was \$293.0 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.

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



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

The cost of servicing the debt over the past five years is presented in the Table 25. **Table**

### 25: City of Regina Debt Service Cost

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

|                                             | 2020   | 2019   | 2018   | 2017   | 2016   |
|---------------------------------------------|--------|--------|--------|--------|--------|
| General municipal debt                      |        |        |        |        |        |
| Principal                                   | 4,252  | 16,589 | 5,368  | 5,214  | 5,066  |
| Interest                                    | 7,201  | 7,681  | 8,188  | 8,410  | 8,622  |
|                                             | 11,453 | 24,270 | 13,556 | 13,624 | 13,688 |
| Water and Sewer Utility                     |        |        |        |        |        |
| Principal                                   | -      | 7,846  | 906    | 906    | 906    |
| Interest                                    | -      | 196    | 414    | 456    | 496    |
|                                             | -      | 8,042  | 1,320  | 1,362  | 1,402  |
| 3rd Party                                   |        |        |        |        |        |
| Principal                                   | 2,671  | 2,509  | 2,106  | 1,178  | 1,107  |
| Interest                                    | 4,682  | 4,763  | 5,922  | 4,840  | 4,911  |
|                                             | 7,353  | 7,272  | 8,028  | 6,018  | 6,018  |
| Total                                       | 18,806 | 39,584 | 22,904 | 21,004 | 21,108 |
| Debt service costs as a % of total expenses | 3.1%   | 6.0%   | 3.8%   | 3.6%   | 2.7%   |

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

### *Employee Benefit Obligations*

Employee benefit obligations include liabilities for pensions, sick and severance, vacation and overtime. The increase in employee benefit obligations from 2016 to 2020 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 \$96.6 million at December 31, 2020 (2019 - \$96.6 million surplus).

|                                       | 2020   | 2019   | 2018   | 2017   | 2016   |
|---------------------------------------|--------|--------|--------|--------|--------|
| City of Regina employer contributions | 15,974 | 15,540 | 16,062 | 15,138 | 14,671 |

### *Tangible Capital Assets*

Tangible capital 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.

|                                          | 2020      | 2019      | 2018      | 2017      | 2016      |
|------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Tangible Capital Assets - Net Book Value | 2,364,486 | 2,322,717 | 2,232,502 | 2,146,267 | 2,025,785 |



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

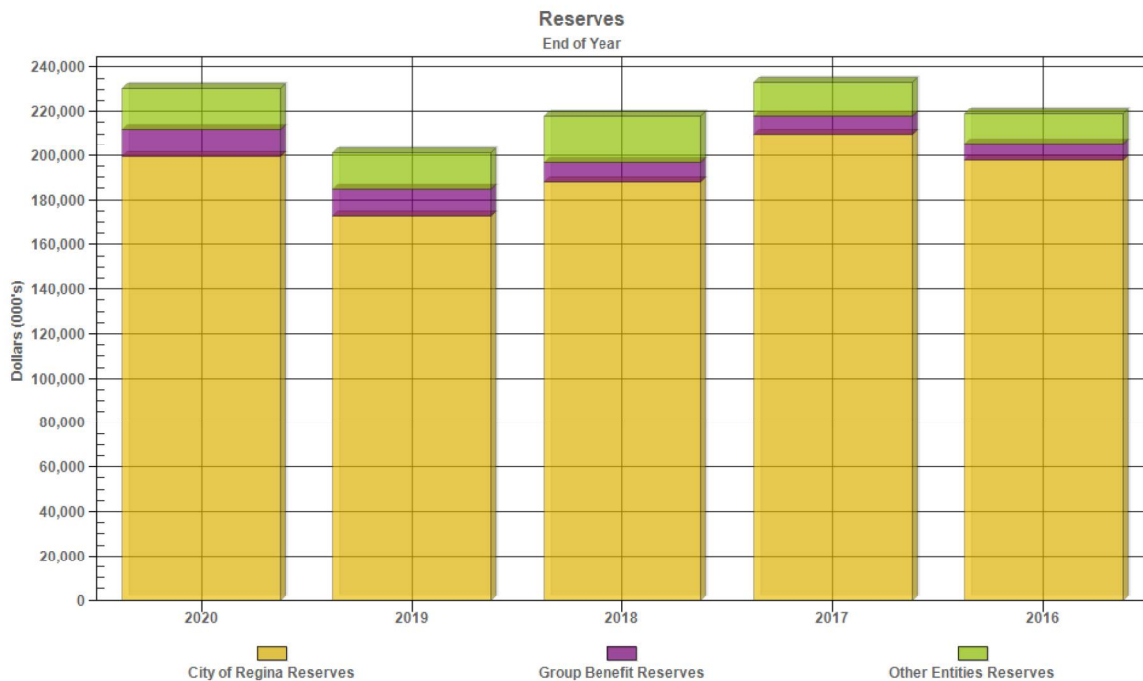
For the Year Ended December 31

### Reserves and Accumulated Surplus

The City allocates funds to reserves to meet specific future operating and capital requirements. 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**

|                         | 2020    | 2019    | 2018    | 2017    | 2016    |
|-------------------------|---------|---------|---------|---------|---------|
| <b>Reserves</b>         |         |         |         |         |         |
| City of Regina Reserves | 199,442 | 172,666 | 187,738 | 209,923 | 197,616 |
| Group Benefits Reserves | 12,744  | 11,978  | 8,722   | 7,759   | 7,732   |
| Other Entities Reserves | 18,358  | 16,533  | 21,355  | 15,498  | 13,416  |
|                         | 230,544 | 201,177 | 217,815 | 233,180 | 218,764 |



**General fund reserve** increased by \$2.4 million due to a small surplus in the General Fund for 2020 that resulted from the City's prudent fiscal management through the COVID-19 pandemic.

**COVID-19 recovery reserve** is a new reserve in 2020; the City received approximately \$16.3 million in senior government funding to help offset the impact of COVID-19. Approximately \$400,000 was used in 2020 with the remaining balance set aside to offset COVID-19 impacts that continue in 2021.

**Regina revitalization initiative - Stadium reserve** is in a deficit of \$4.3 million due to the COVID-19 pandemic resulted in the cancellation of the CFL's 2020 season resulting in a significant decrease in

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

revenue from stadium operations.

**Land development reserve** is in a deficit of \$16.4 million mainly due to the capital requirements for the City's development activities. As land development requires large initial investment to generate future land sales, the reserve is currently in a negative position while investing in projects with expected positive cash flows in the future.

**Asset revitalization reserve** increased by \$6.0 million due to a transfer to the reserve of investment income as per the Regina Administration Bylaw.

### 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.

#### *Sustainability*

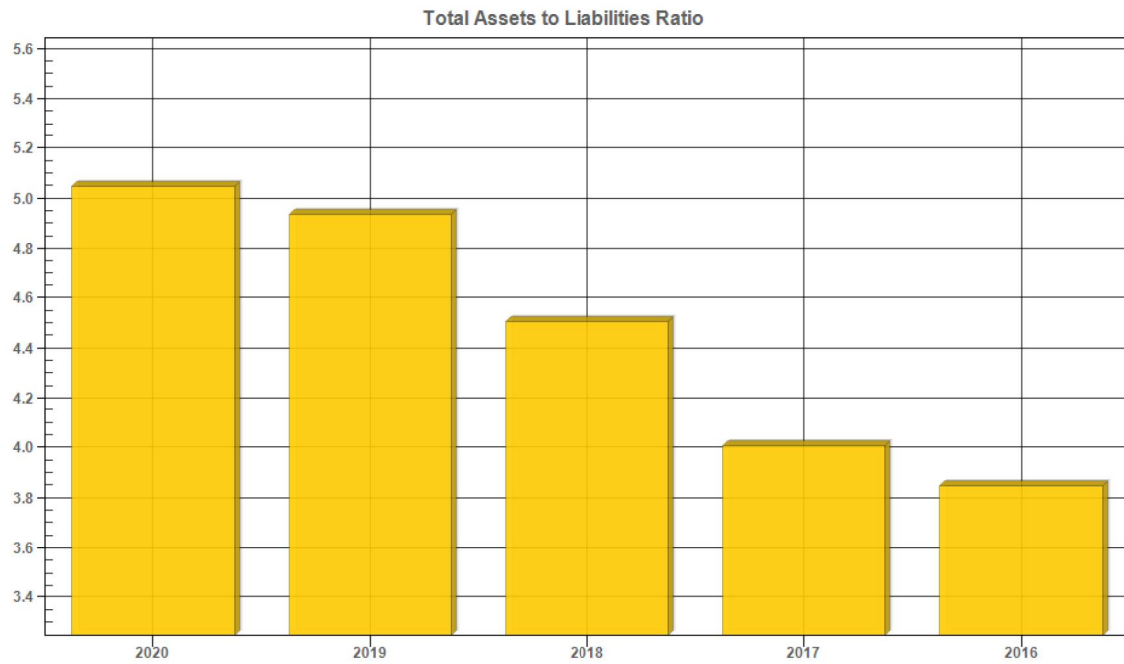
Sustainability is the degree to which a government can maintain its existing programs and meet existing creditor requirements without increasing the relative debt or tax burden on the economy.

The total assets to liabilities ratio has increased from 4.59 to 5.32 from 2016 to 2020 (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 0.87 to 1.12 from 2016 to 2020 (Table 28). A net investment increase of \$60.3 million and \$5.8 million decrease in accounts receivable in 2020 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.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

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

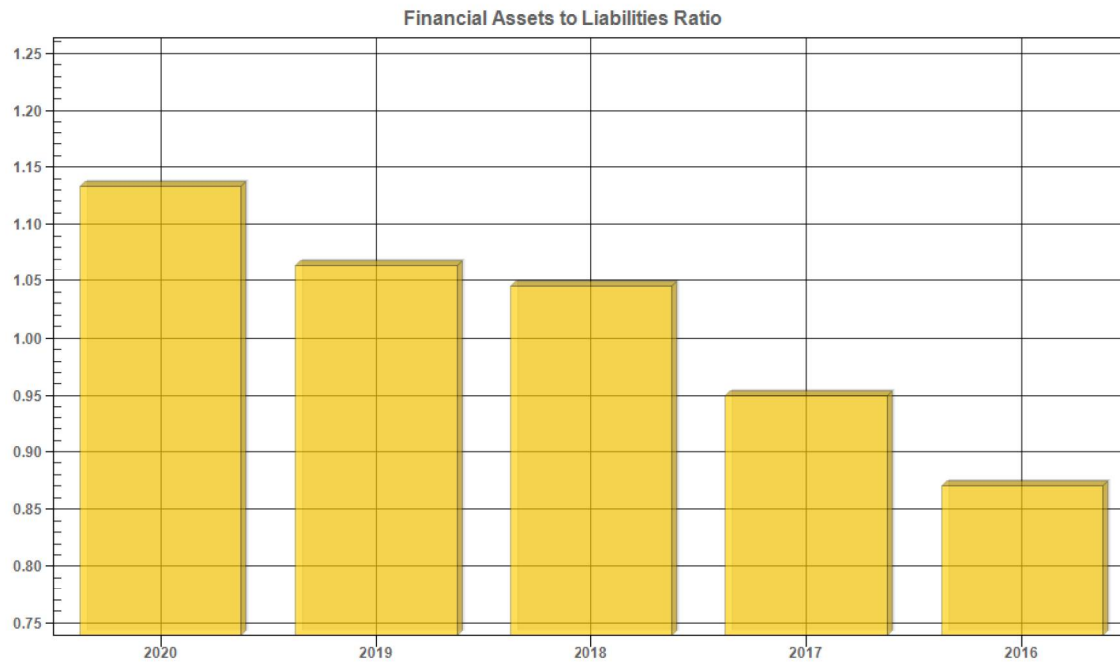




## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

**Table 28: Financial Assets to Liabilities Ratio**



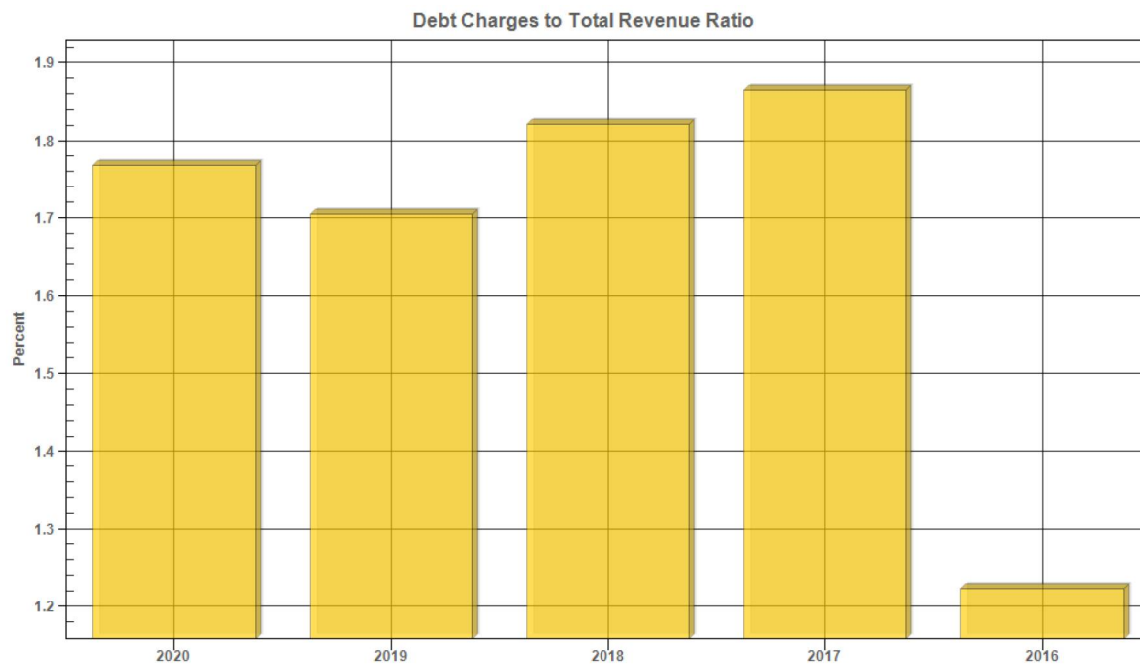
## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

### *Flexibility*

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**



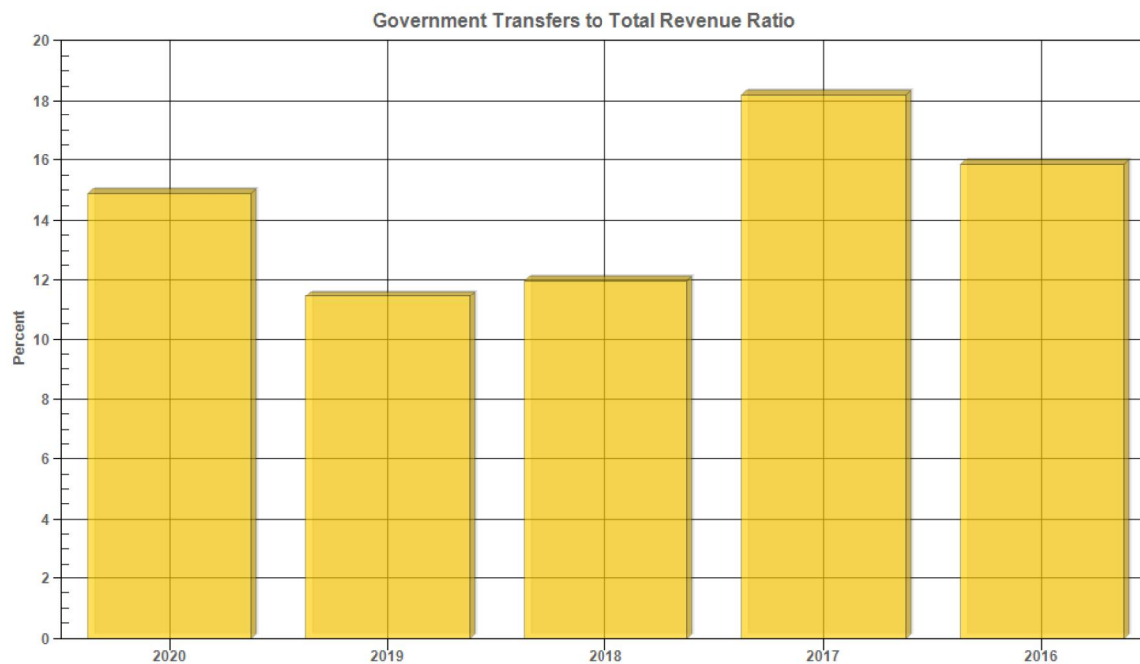
## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

### 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 2020 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 2020 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)

| <b>Mosaic Stadium</b>                            |  |                |               |
|--------------------------------------------------|--|----------------|---------------|
| <b>Operating Results</b>                         |  | <b>2020</b>    | <b>2019</b>   |
| <b>Revenues</b>                                  |  |                |               |
| Property Tax                                     |  | 7,833          | 6,315         |
| Grant Revenue                                    |  | 2,129          | 2,135         |
| Tenant Revenue                                   |  | 2,565          | 2,608         |
| Facility Fees                                    |  | -              | 3,643         |
| Community Use                                    |  | 17             | 82            |
| Other Rent                                       |  | 300            | 300           |
| Other General Revenue                            |  | 759            | 1,518.00      |
| Interest                                         |  | -              | 32            |
| <b>Total Revenues:</b>                           |  | <b>13,602</b>  | <b>16,633</b> |
| <b>Expenditures</b>                              |  |                |               |
| Contracted Property Management                   |  | 3,649          | 4,385         |
| Utilities                                        |  | 755            | 831           |
| Consulting Services                              |  | -              | 19            |
| Property Tax                                     |  | 283            | 277           |
| Other                                            |  | 3              | 91            |
| <b>Total Expenditures:</b>                       |  | <b>4,689</b>   | <b>5,603</b>  |
| <b>Surplus (Deficit) Before Debt Repayment</b>   |  | <b>8,913</b>   | <b>11,030</b> |
| <b>Debt Repayment - Principal &amp; Interest</b> |  | <b>11,445</b>  | <b>11,447</b> |
| <b>Net Surplus (Deficit) for the year</b>        |  | <b>(2,532)</b> | <b>(417)</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. Due to the COVID-19 pandemic, no SRFC games were held. Consequently, the 2020 Facility Fee revenue amount is \$nil.

**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 percent per annum. The current balance outstanding is \$87.1 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 percent per annum. The current outstanding balance is \$87.6 million.

#### Long Term Financial Outlook

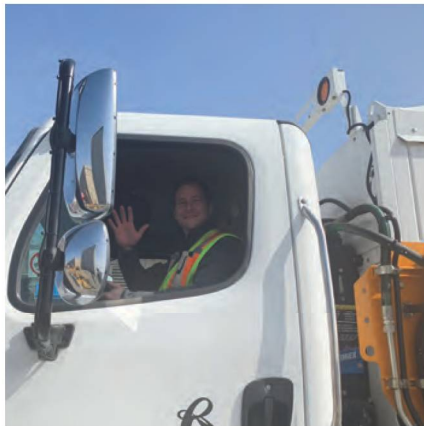
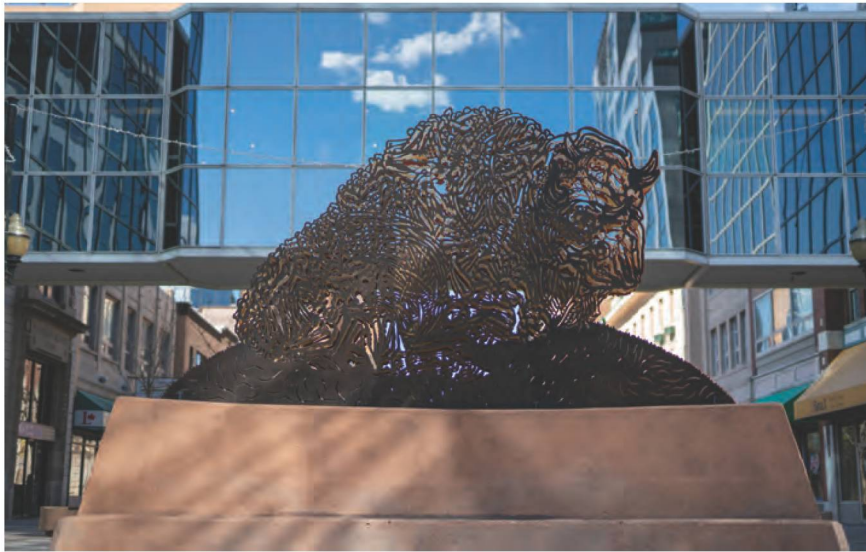
Losses will be incurred during the first ten years of stadium operations. This is a result of the City's obligation to expend approximately \$11.0 million per year in debt repayments from the start of stadium operations while the amount of property tax revenue dedicated to the stadium starts out at approximately \$715,000 per annum. The original projections for the Stadium assumed that at the end of 30 years the debt would be fully repaid, and the stadium would generate a net positive cash flow.

Subsequent to December 31, 2019, the COVID-19 pandemic has resulted in Federal, Provincial and Local governments nationwide enacting emergency measures to combat the spread of the virus. These measures include 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 length and severity of these developments and the impact on

the future financial results of the stadium. Active and diligent management of the stadium's operations will be required to ensure long its term financial sustainability.



# 2020



## 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

Chris Holden  
City Manager

June 9, 2021

## Independent Auditor's Report

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To Her Worship the Mayor and Members of City Council of City of Regina:

### Opinion

We have audited the consolidated financial statements of City of Regina and its subsidiaries (the "City"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, 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, 2020, 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 9, 2021

Chartered Professional Accountants

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at December 31***(in thousands of dollars)*

|                                                | 2020                | 2019                |
|------------------------------------------------|---------------------|---------------------|
| <b>FINANCIAL ASSETS</b>                        |                     |                     |
| Cash                                           | \$ 96,587           | \$ 88,476           |
| Short-term investments (Note 3)                | 461,126             | 400,829             |
| Accounts receivable (Note 4)                   | 43,450              | 49,280              |
| Taxes receivable (Note 5)                      | 14,964              | 11,753              |
| Land inventory (Note 6)                        | 20,592              | 27,192              |
|                                                | <b>636,719</b>      | <b>577,530</b>      |
| <b>FINANCIAL LIABILITIES</b>                   |                     |                     |
| Accounts payable and accrued liabilities       | 47,213              | 64,836              |
| Taxes payable to school boards                 | 11,570              | 6,449               |
| Deferred revenue (Note 7)                      | 121,984             | 89,496              |
| Capital lease obligations (Note 8)             | 1,223               | 1,463               |
| Long-term debt (Note 9)                        | 292,989             | 302,619             |
| Employee benefit obligations (Note 10)         | 74,483              | 67,949              |
| Landfill closure and post-closure (Note 11)    | 12,574              | 9,859               |
|                                                | <b>562,036</b>      | <b>542,671</b>      |
| <b>NET FINANCIAL ASSETS</b>                    | <b>74,683</b>       | <b>34,859</b>       |
| <b>NON-FINANCIAL ASSETS</b>                    |                     |                     |
| Tangible capital assets (Note 12) (Schedule 3) | 2,364,486           | 2,322,717           |
| Materials and supplies                         | 10,075              | 8,975               |
| Prepaid                                        | 3,410               | 3,374               |
| <b>ACCUMULATED SURPLUS (Note 13)</b>           | <b>\$ 2,452,654</b> | <b>\$ 2,369,925</b> |

*Contractual obligations (Note 20)**Significant events (Note 22)**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<br>(Note 1j) | Actual       | Actual       |
|---------------------------------------------------|---------------------|--------------|--------------|
|                                                   | 2020                | 2020         | 2019         |
| <b>REVENUE</b>                                    |                     |              |              |
| Taxation (Note 15)                                | \$ 285,319          | \$ 284,740   | \$ 273,380   |
| Fees and charges                                  | 255,129             | 227,757      | 275,004      |
| Government transfers (Note 16)                    | 89,135              | 103,719      | 87,732       |
| Electrical distribution                           | 27,800              | 29,502       | 28,312       |
| Licenses, fines and levies                        | 12,746              | 14,684       | 21,420       |
| Gas distribution                                  | 6,400               | 6,216        | 5,630        |
| Interest and penalties                            | 5,147               | 9,133        | 9,553        |
| Interest on long term investments                 | 7,626               | 893          | 4,309        |
| Gain on long term investments                     | -                   | -            | 11,311       |
| Servicing agreement fees                          | 1,068               | 8,080        | 4,523        |
| Land sales                                        | -                   | 26           | 443          |
| Other                                             | 5,147               | 7,468        | 8,279        |
| Contribution of tangible capital assets (Note 12) | -                   | 4,061        | 35,417       |
| Other capital contributions                       | -                   | 644          | 601          |
|                                                   | 695,517             | 696,923      | 765,914      |
| <b>EXPENSES</b>                                   |                     |              |              |
| Parks, recreation and community services          | 157,986             | 117,695      | 151,623      |
| Police                                            | 99,270              | 98,326       | 98,527       |
| Legislative and administrative services           | 85,861              | 89,927       | 84,163       |
| Water, wastewater and drainage                    | 84,053              | 94,332       | 105,784      |
| Roads and traffic                                 | 69,530              | 66,394       | 80,304       |
| Fire                                              | 44,912              | 50,590       | 49,814       |
| Transit                                           | 45,746              | 40,490       | 45,193       |
| Waste collection and disposal                     | 26,885              | 28,235       | 26,787       |
| Grants                                            | 4,397               | 12,974       | 7,358        |
| Planning and development                          | 15,998              | 15,231       | 14,278       |
|                                                   | 634,638             | 614,194      | 663,831      |
| <b>ANNUAL SURPLUS</b>                             | 60,879              | 82,729       | 102,083      |
| <b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>     | -                   | 2,369,925    | 2,267,842    |
| <b>ACCUMULATED SURPLUS, END OF YEAR</b>           | \$ 60,879           | \$ 2,452,654 | \$ 2,369,925 |

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<br>(Note 1j) | Actual    | Actual     |
|----------------------------------------------------|---------------------|-----------|------------|
|                                                    | 2020                | 2020      | 2019       |
| Annual surplus                                     | \$ 60,879           | \$ 82,729 | \$ 102,083 |
| Acquisition of tangible capital assets             | -                   | (143,063) | (162,344)  |
| Contribution of tangible capital assets            | -                   | (4,061)   | (35,417)   |
| Amortization of tangible capital assets            | -                   | 103,035   | 101,069    |
| Proceeds on disposal of tangible capital assets    | -                   | 5,446     | 1,590      |
| (Gain) loss on disposal of tangible capital assets | -                   | (3,126)   | 4,887      |
|                                                    | -                   | (41,769)  | (90,215)   |
| Net change in materials and supplies               | -                   | (1,100)   | (903)      |
| Net change in prepaid                              | -                   | (36)      | (718)      |
|                                                    | -                   | (1,136)   | (1,621)    |
| Increase in net financial assets                   | 60,879              | 39,824    | 10,247     |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR            | 34,859              | 34,859    | 24,612     |
| NET FINANCIAL ASSETS, END OF YEAR                  | \$ 95,738           | \$ 74,683 | \$ 34,859  |

*See accompanying notes to consolidated financial statements.*

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31

(in thousands of dollars)

|                                                         | 2020             | 2019             |
|---------------------------------------------------------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>            |                  |                  |
| Annual surplus                                          | \$ 82,729        | \$ 102,083       |
| <b>Non-cash items</b>                                   |                  |                  |
| Amortization of tangible capital assets                 | 103,035          | 101,069          |
| (Gain) loss on disposal of tangible capital assets      | (3,126)          | 4,887            |
| Contribution of tangible capital assets                 | (4,061)          | (35,417)         |
| <b>Net change in non-cash working capital balances</b>  |                  |                  |
| Decrease in accounts receivable                         | 5,830            | 21,637           |
| Increase in taxes receivable                            | (3,211)          | (1,383)          |
| Decrease in accounts payable and accrued liabilities    | (17,623)         | (152)            |
| Increase (decrease) in taxes payable to school boards   | 5,121            | (1,551)          |
| Increase in deferred revenue                            | 32,488           | 15,050           |
| (Decrease) increase in capital lease obligations        | (240)            | 1,385            |
| Increase in employee benefit obligations                | 6,534            | 1,854            |
| Increase in landfill closure and post-closure liability | 2,715            | 581              |
| Increase in land inventory                              | 6,600            | 2,891            |
| Decrease in materials and supplies                      | (1,100)          | (903)            |
| Increase in prepaid                                     | (36)             | (718)            |
|                                                         | <b>215,655</b>   | <b>211,313</b>   |
| <b>CASH FLOWS USED IN CAPITAL ACTIVITIES:</b>           |                  |                  |
| Acquisition of tangible capital assets                  | (143,063)        | (162,344)        |
| Proceeds on disposal of tangible capital assets         | 5,446            | 1,590            |
|                                                         | <b>(137,617)</b> | <b>(160,754)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>            |                  |                  |
| Purchase of short-term investments                      | (60,300)         | (300,350)        |
| Proceeds on sale of short-term investments              | 3                | 276,073          |
|                                                         | <b>(60,297)</b>  | <b>(24,277)</b>  |
| <b>CASH FLOWS USED IN FINANCING ACTIVITIES:</b>         |                  |                  |
| Debt issued                                             | -                | 12,000           |
| Repayment of long-term debt                             | (9,630)          | (27,073)         |
| Repayment of capital lease obligations                  | -                | (657)            |
|                                                         | <b>(9,630)</b>   | <b>(15,730)</b>  |
| INCREASE IN CASH                                        | <b>8,111</b>     | <b>10,552</b>    |
| CASH, BEGINNING OF YEAR                                 | <b>88,476</b>    | <b>77,924</b>    |
| CASH, END OF YEAR                                       | <b>\$ 96,587</b> | <b>\$ 88,476</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 22.15% (2019 - 21.79%) 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                | 30 to 119 years |
| Bridges and other structures        | 20 to 70 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 December 13, 2019.

#### 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.

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)*

### 2. NEW STANDARDS AND AMENDMENTS TO STANDARDS (CONTINUED)

#### 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.

### 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 1.18% (2019 - 2.14%).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 4. ACCOUNTS RECEIVABLE

|                            | 2020          | 2019          |
|----------------------------|---------------|---------------|
| Trade and other receivable | 23,377        | 32,255        |
| Water and sewer receivable | 20,073        | 17,025        |
|                            | <b>43,450</b> | <b>49,280</b> |

The allowance included in accounts receivable for 2020 is \$5,956 (2019 - \$5,640).

### 5. TAXES RECEIVABLE

|                                 | 2020          | 2019          |
|---------------------------------|---------------|---------------|
| Taxes receivable                | 25,254        | 19,643        |
| Allowance for doubtful accounts | (10,290)      | (7,890)       |
|                                 | <b>14,964</b> | <b>11,753</b> |

### 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.

|                     | 2020   | 2019   |
|---------------------|--------|--------|
| Long-term inventory | 20,592 | 27,192 |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 7. DEFERRED REVENUE

|                                        | December<br>31, 2019 | Externally<br>restricted<br>inflows | Revenue<br>earned | December<br>31, 2020 |
|----------------------------------------|----------------------|-------------------------------------|-------------------|----------------------|
| Municipal Economic Enhancement Program | -                    | 30,441                              | -                 | 30,441               |
| Servicing agreement fees               | 57,048               | 2,664                               | (6,480)           | 53,232               |
| Property taxes                         | 1,017                | 1,229                               | (1,017)           | 1,229                |
| Paved alleys                           | 2,301                | 164                                 | (259)             | 2,206                |
| Gravel alleys                          | 550                  | 482                                 | (143)             | 889                  |
| Cemetery internments                   | 747                  | 22                                  | -                 | 769                  |
| REAL                                   | 1,013                | 810                                 | -                 | 1,823                |
| Other                                  | 26,820               | 4,575                               | -                 | 31,395               |
|                                        | 89,496               | 40,387                              | (7,899)           | 121,984              |

### 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:

|      |       |
|------|-------|
| 2021 | 517   |
| 2022 | 422   |
| 2023 | 259   |
| 2024 | 25    |
|      | 1,223 |

## 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 \$184,871 (2019 - \$191,023) 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 \$72,427 (2019 - \$73,849) 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. The City has guaranteed its proportionate share of the term loan.

|                                              | 2020           | 2019           |
|----------------------------------------------|----------------|----------------|
| City of Regina unsecured debentures and loan |                |                |
| Operating fund                               | 184,871        | 191,023        |
| WWTP debt - long-term                        | 72,427         | 73,849         |
| BPWTC term loan                              | 30,649         | 31,563         |
| REAL debt - long term                        | 5,042          | 6,184          |
| <b>Total debt</b>                            | <b>292,989</b> | <b>302,619</b> |
| Authorized debt limit                        | 450,000        | 450,000        |
| Interest rates                               | 1.95-5.10%     | 1.95-5.10%     |
| Interest costs for year                      | 12,111         | 13,264         |

## 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. At December 31, 2020, the City had no bank indebtedness. 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:

|           |                |
|-----------|----------------|
| 2021      | 10,176         |
| 2022      | 10,496         |
| 2023      | 39,564         |
| 2022      | 8,912          |
| 2023-2044 | 223,841        |
|           | <b>292,989</b> |



## 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<br>2020 | Total<br>2019 |
|---------------------------------------------------------|---------------|---------------|
| <b>Defined benefit pension plans</b>                    |               |               |
| Regina Police Superannuation and Benefits Plan          | 19,843        | 19,793        |
| RPPP Supplemental Pension Plan                          | 2,956         | 2,859         |
| Target Retirement Income Plan                           | (11,809)      | (8,729)       |
|                                                         | <b>10,990</b> | <b>13,923</b> |
| <b>Other benefit plans</b>                              |               |               |
| Termination payments                                    | 29,591        | 25,164        |
| Continuation of group life, medical and dental benefits | 11,080        | 8,342         |
|                                                         | <b>40,671</b> | <b>33,506</b> |
| <b>Other plans and arrangements</b>                     |               |               |
| Vacation                                                | 17,530        | 15,435        |
| Overtime                                                | 4,862         | 4,608         |
| Group life, medical and dental plans                    | 430           | 477           |
|                                                         | <b>22,822</b> | <b>20,520</b> |
|                                                         | <b>74,483</b> | <b>67,949</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<br>Retirement<br>Income Plan | Police<br>Pension Plan | RPPP<br>Supplemental<br>Pension Plan | Total<br>2020 | Total<br>2019 |
|-----------------------------------------------|-------------------------------------|------------------------|--------------------------------------|---------------|---------------|
| Fair value of plan assets, beginning of year  | 66,661                              | 331,896                | -                                    | 398,557       | 353,190       |
| Employees' contributions                      | 5,879                               | -                      | -                                    | 5,879         | 5,828         |
| Employer contributions                        | 5,790                               | 4,123                  | -                                    | 9,913         | 9,765         |
| Actual return on plan assets                  | 13,333                              | 34,776                 | -                                    | 48,109        | 48,765        |
| Less benefits paid                            | (950)                               | (19,416)               | -                                    | (20,366)      | (18,991)      |
| Fair value of plan assets, end of year        | 90,713                              | 351,379                | -                                    | 442,092       | 398,557       |
| Accrued benefit obligation, beginning of year | 52,945                              | 372,865                | 3,894                                | 429,704       | 400,485       |
| Current period benefit cost                   | 9,945                               | -                      | -                                    | 9,945         | 10,126        |
| Interest on accrued benefit obligation        | 3,791                               | 20,337                 | 212                                  | 24,340        | 23,905        |
| Actuarial loss                                | 5,175                               | 20,477                 | 111                                  | 25,763        | 14,393        |
| Less benefits paid                            | (950)                               | (19,416)               | (218)                                | (20,584)      | (19,205)      |
| Accrued benefit obligation, end of year       | 70,906                              | 394,263                | 3,999                                | 469,168       | 429,704       |
| Funded status, plan surplus (deficit)         | 19,807                              | (42,884)               | (3,999)                              | (27,076)      | (31,147)      |
| Unamortized net actuarial loss (gain)         | (7,998)                             | 23,041                 | 1,043                                | 16,086        | 17,224        |
| Accrued benefit asset (liability)             | 11,809                              | (19,843)               | (2,956)                              | (10,990)      | (13,923)      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

|                                       | Target<br>Retirement<br>Income Plan | Police<br>Pension Plan | RPPP<br>Supplemental<br>Pension Plan | Total<br>2020 | Total<br>2019 |
|---------------------------------------|-------------------------------------|------------------------|--------------------------------------|---------------|---------------|
| Current period benefit cost           | 9,945                               | -                      | -                                    | 9,945         | 10,126        |
| Amortization of actuarial (gain) loss | (394)                               | 1,994                  | 104                                  | 1,704         | 2,866         |
| Employee contributions                | (5,879)                             | -                      | -                                    | (5,879)       | (5,828)       |
| Interest expense                      | 3,791                               | 20,337                 | 212                                  | 24,340        | 23,905        |
| Expected return on plan assets        | (4,753)                             | (18,158)               | -                                    | (22,911)      | (21,245)      |
| Change in valuation allowance         | 3,080                               | -                      | -                                    | 3,080         | 7,263         |
| Benefit expense                       | 5,790                               | 4,173                  | 316                                  | 10,279        | 17,087        |

The actuarial valuations were performed by Aon.

|                                              | Target<br>Retirement<br>Income Plan | Police Pension<br>Plan | RPPP<br>Supplemental<br>Pension Plan |
|----------------------------------------------|-------------------------------------|------------------------|--------------------------------------|
| Date of most recent valuation                | Dec 31, 2019                        | Dec 31, 2019           | Dec 31, 2019                         |
| 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 \$8,758 (2019 - \$8,161. 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<br>employees | Library<br>employees | Group life,<br>medical and<br>dental plans | Total<br>2020 | Total<br>2019 |
|-----------------------------------------------|-------------------|----------------------|--------------------------------------------|---------------|---------------|
| Accrued benefit obligation, beginning of year | 24,212            | 747                  | 8,342                                      | 33,301        | 31,386        |
| Current period benefit cost                   | 1,812             | 46                   | 591                                        | 2,449         | 2,612         |
| Interest on accrued benefit obligation        | 627               | 18                   | 202                                        | 847           | 989           |
| Actuarial gain                                | 3,889             | 58                   | 2,991                                      | 6,938         | 1,298         |
| Less benefits paid                            | (1,893)           | (33)                 | (1,046)                                    | (2,972)       | (2,984)       |
| Unamortized net actuarial loss                | -                 | 108                  | -                                          | 108           | 205           |
| Accrued benefit liability - unfunded          | 28,647            | 944                  | 11,080                                     | 40,671        | 33,506        |
| Current period benefit cost                   | 1,812             | 46                   | -                                          | 1,858         | 1,713         |
| Amortization of actuarial loss (gain)         | 274               | (39)                 | -                                          | 235           | 187           |
| Interest expense                              | 627               | 18                   | -                                          | 645           | 739           |
| Benefit expense                               | 2,713             | 25                   | -                                          | 2,738         | 2,639         |

|                                          | AON          | AON          | Mercer       |
|------------------------------------------|--------------|--------------|--------------|
| Date of most recent valuation            | Dec 31, 2020 | Dec 31, 2020 | Dec 31, 2020 |
| Discount rate (%)                        | 2.5          | 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<br>& Benefit Plan | Long-Term<br>Disability Plan | Total<br>2020 | Total<br>2019 |
|------------------------------------------------------------------------------------|----------------------------------|------------------------------|---------------|---------------|
| Benefit expense                                                                    | 17,298                           | 706                          | 18,103        | 17,588        |
| Surplus of plan assets over<br>benefit obligation per plan financial<br>statements | 147,960                          | 32,547                       | 180,507       | 128,136       |
| <b>Contribution rate as a percentage of salary:</b>                                |                                  |                              |               |               |
| Members                                                                            | 7.8 - 13.1%                      | 0.46%                        |               |               |
| Employers                                                                          | 8.8 - 14.6%                      | 0.46%                        |               |               |
| Employee contributions                                                             | 15,496                           | 705                          | 16,268        | 15,800        |
| Date of most recent actuarial valuation                                            | Dec 31, 2019                     | Dec 31, 2018                 |               |               |

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.

|                                             | 2020  | 2019  |
|---------------------------------------------|-------|-------|
| Casual employee members' contribution rate  | 3.00% | 3.00% |
| Elected official members' contribution rate | 6.95% | 6.95% |
| Members' contributions                      | 337   | 364   |
| Benefit expense                             | 337   | 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.

|                                                                                  | 2020              | 2019       |
|----------------------------------------------------------------------------------|-------------------|------------|
| Estimated closure and post-closure costs over 40 years after capacity is reached | <b>45,690</b>     | 44,241     |
| Discount rate                                                                    | <b>2.69%</b>      | 3.26%      |
| Expected year capacity will be reached                                           | <b>2044</b>       | 2044       |
| <b>Capacity (m3):</b>                                                            |                   |            |
| Used to date                                                                     | <b>12,114,514</b> | 11,621,034 |
| Remaining                                                                        | <b>9,961,486</b>  | 10,454,966 |
| Total                                                                            | <b>22,076,000</b> | 22,076,000 |
| Percent utilized                                                                 | <b>54.88%</b>     | 52.64%     |
| Landfill liability                                                               | <b>12,574</b>     | 9,859      |

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 45 percent - 9,961,486 cubic metres of its total estimated capacity of 22,076,000 cubic metres and its estimated remaining life of 24 years.

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   |                  |
|-------------------------------------|------------------|------------------|
|                                     | 2020             | 2019             |
| <b>General</b>                      |                  |                  |
| Land                                | 148,962          | 144,718          |
| Land improvements                   | 89,603           | 89,017           |
| Buildings and building improvements | 466,734          | 424,553          |
| Vehicles and equipment              | 176,518          | 172,492          |
| Office and information technology   | 21,551           | 24,676           |
| <b>Infrastructure</b>               |                  |                  |
| Plants and facilities               | 375,255          | 361,889          |
| Roads                               | 411,024          | 413,343          |
| Underground and other networks      | 546,952          | 544,072          |
| Bridges and other structures        | 42,285           | 43,139           |
|                                     | 2,278,884        | 2,217,899        |
| Assets under construction           | 85,602           | 104,818          |
|                                     | <b>2,364,486</b> | <b>2,322,717</b> |

Tangible capital assets contributed to the City totaled \$4,061 (2019 - \$35,417 ), which were capitalized and recorded as revenue at their fair value at the time of receipt. The breakdown of contributed assets is as follows:

|                                | 2020         | 2019          |
|--------------------------------|--------------|---------------|
| Land                           | 3,404        | 4,809         |
| Land improvements              | 440          | 3,305         |
| Underground and other networks | 68           | 12,517        |
| Vehicles and equipment         | 100          | 402           |
| Roads                          | 49           | 8,976         |
| Plant & Facilities             | -            | 5,408         |
|                                | <b>4,061</b> | <b>35,417</b> |

## 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.

|                                                                          | 2020             | 2019             |
|--------------------------------------------------------------------------|------------------|------------------|
| <b>Unappropriated surplus:</b>                                           |                  |                  |
| Regina Downtown Business Improvement District                            | 78               | 57               |
| Economic Development Regina Inc.                                         | 192              | 152              |
| Regina Public Library Board                                              | 3,809            | 3,076            |
| Regina's Warehouse Business Improvement District                         | (70)             | 68               |
| The Regina Exhibition Association Limited                                | (7,072)          | (3,785)          |
| Buffalo Pound Water Treatment Corporation                                | 1,516            | 886              |
| Tangible capital assets                                                  | 2,364,486        | 2,322,717        |
| <b>Appropriated surplus:</b>                                             |                  |                  |
| General capital projects                                                 | 142,104          | 144,022          |
| Utility capital projects                                                 | 108,795          | 82,837           |
| Buffalo Pound capital funding                                            | 23,965           | 31,563           |
| Reserves (Note 14)                                                       | 230,544          | 201,177          |
| <b>Infrastructure to be funded from future servicing agreement fees:</b> |                  |                  |
| Water, wastewater and drainage                                           | (34,424)         | (29,608)         |
| <b>Obligations to be funded from future revenues:</b>                    |                  |                  |
| Long-term debt (Note 9)                                                  | (292,989)        | (302,619)        |
| Employee benefit obligations (Note 10)                                   | (74,483)         | (67,949)         |
| Landfill closure and post-closure (Note 11)                              | (12,574)         | (9,859)          |
| Capital lease obligations (Note 8)                                       | (1,223)          | (1,463)          |
| Bank indebtedness                                                        | -                | (1,347)          |
| <b>Accumulated surplus</b>                                               | <b>2,452,654</b> | <b>2,369,925</b> |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 14. RESERVES

|                                                                         | 2020           | 2019           |
|-------------------------------------------------------------------------|----------------|----------------|
| <b>City of Regina reserves:</b>                                         |                |                |
| General utility reserve                                                 | 96,663         | 93,323         |
| General fund reserve                                                    | 29,398         | 27,002         |
| Covid-19 recovery reserve                                               | 15,872         | -              |
| Solid waste reserve                                                     | 30,915         | 30,019         |
| Regina revitalization initiative - stadium reserve                      | (4,312)        | (1,780)        |
| Land development reserve                                                | (16,357)       | (16,815)       |
| Asset revitalization reserve                                            | 14,625         | 8,674          |
| Fleet replacement reserve                                               | 20,964         | 14,907         |
| Social development reserve                                              | 3,694          | 7,069          |
| Elections & property reassessment reserve                               | 192            | 642            |
| Planning & sustainability reserve                                       | (2,331)        | (444)          |
| Winter road maintenance reserve                                         | 2,169          | 2,368          |
| Regina Police Service general reserve                                   | 1,618          | 1,456          |
| Asphalt reserve                                                         | 969            | 1,256          |
| Grants reserve                                                          | 609            | 383            |
| Golf course reserve                                                     | 861            | 548            |
| Technology reserve                                                      | 238            | 854            |
| Mamaweyatitan renewal reserve                                           | 294            | -              |
| Employer provided parking reserve                                       | 2,930          | 2,634          |
| Cemetery reserve                                                        | 306            | 250            |
| Regina Police Service radio equipment reserve                           | 125            | 320            |
|                                                                         | <b>199,442</b> | <b>172,666</b> |
| <b>Group Benefits reserves:</b>                                         |                |                |
| Group life insurance reserve                                            | 8,758          | 8,161          |
| Dental benefits reserve                                                 | 2,359          | 2,191          |
| Medical - City of Regina reserve                                        | 1,076          | 1,163          |
| Police services premium reduction reserve                               | 367            | 316            |
| Police long-term disability reserve                                     | 184            | 147            |
|                                                                         | <b>12,744</b>  | <b>11,978</b>  |
| <b>Other Entities reserves:</b>                                         |                |                |
| Regina Public Library reserves                                          | 14,460         | 12,747         |
| Buffalo Pound Water Treatment Corporation/Administration Board          | 3,023          | 2,929          |
| Regina Downtown Business Improvement District reserve                   | 374            | 356            |
| Regina's Warehouse Business Improvement District infrastructure reserve | 174            | 174            |
| Economic Development Regina reserve                                     | 327            | 327            |
|                                                                         | <b>18,358</b>  | <b>16,533</b>  |
|                                                                         | <b>230,544</b> | <b>201,177</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 15. TAXATION

|                                                         | Budget<br>(Note 1j) | Actual    | Actual    |
|---------------------------------------------------------|---------------------|-----------|-----------|
|                                                         | 2020                | 2020      | 2019      |
| Total taxation revenue levied                           | -                   | 437,107   | 424,964   |
| <b>Taxes levied on behalf of others:</b>                |                     |           |           |
| Regina School Division No. 4                            | -                   | (103,408) | (102,895) |
| Global Transportation Hub Authority                     | -                   | (2,765)   | (2,736)   |
| Regina Roman Catholic Separate School Division No. 81   | -                   | (46,194)  | (45,953)  |
| Taxation revenue                                        | 285,319             | 284,740   | 273,380   |
| <b>City of Regina</b>                                   |                     |           |           |
| Municipal levies                                        | 244,429             | 244,123   | 233,682   |
| Grants in lieu                                          | 15,420              | 15,838    | 15,240    |
| Supplementary taxes                                     | 1,200               | 533       | 380       |
| Other                                                   | (776)               | (754)     | (146)     |
|                                                         | 260,273             | 259,740   | 249,156   |
| <b>Regina Public Library</b>                            |                     |           |           |
| Taxation levies                                         | 22,146              | 22,085    | 21,337    |
| Grants in lieu                                          | 1,483               | 1,513     | 1,482     |
|                                                         | 23,629              | 23,598    | 22,819    |
| Regina Downtown Business Improvement District levies    | 1,154               | 1,138     | 1,137     |
| Regina's Warehouse Business Improvement District levies | 263                 | 264       | 268       |
|                                                         | 285,319             | 284,740   | 273,380   |

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, 2020, the following amounts are reflected in the Consolidated Statement of Financial Position for these provisions:

|                                                                          | 2020   | 2019  |
|--------------------------------------------------------------------------|--------|-------|
| Allowance for doubtful outstanding taxes netted against taxes receivable | 10,290 | 7,890 |
| Provision for assessment appeals included in accounts payable            | 11,206 | 8,899 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

### 16. GOVERNMENT TRANSFERS

|                            | Budget<br>(Note 1j) | Actual         | Actual |
|----------------------------|---------------------|----------------|--------|
|                            | 2020                | 2020           | 2019   |
| <b>Operating transfers</b> |                     |                |        |
| Federal                    | 13,786              | <b>16,583</b>  | 323    |
| Provincial                 | 42,567              | <b>57,608</b>  | 55,061 |
|                            | 56,353              | <b>74,191</b>  | 55,384 |
| <b>Capital transfers</b>   |                     |                |        |
| Federal                    | 23,603              | <b>27,072</b>  | 20,128 |
| Provincial                 | 9,179               | <b>2,456</b>   | 12,220 |
|                            | 32,782              | <b>29,528</b>  | 32,348 |
|                            | 89,135              | <b>103,719</b> | 87,732 |

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, 2020 in thousands of dollars. There are no known contractual obligations or contingencies as at December 31, 2020. These amounts represent 100% of the financial position and activities:

|                                        | 2020    | 2019   |
|----------------------------------------|---------|--------|
| Financial assets                       | 51,849  | 59,767 |
| Financial liabilities                  | 54,971  | 54,772 |
| Net financial assets                   | (3,122) | 4,995  |
| Inventory                              | 224     | 161    |
| Tangible capital assets                | 90,891  | 71,349 |
| Accumulated surplus                    | 87,993  | 76,505 |
| <b>Statement of Operations</b>         |         |        |
| Revenue                                | 33,836  | 26,013 |
| Expenses                               | 22,348  | 15,016 |
| Annual surplus                         | 11,488  | 10,997 |
| Accumulated surplus, beginning of year | 76,505  | 65,508 |
| Accumulated surplus, end of year       | 87,993  | 76,505 |

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:

|                                        | 2020   | 2019    |
|----------------------------------------|--------|---------|
| <b>Statement of Financial Position</b> |        |         |
| Financial assets                       | 38,368 | 45,162  |
| Financial liabilities                  | 33,412 | 40,529  |
| Non-financial assets                   | 67,425 | 52,917  |
| Net assets                             | 72,381 | 57,550  |
| <b>Statement of Operations</b>         |        |         |
| Revenue                                | 11,992 | 6,636   |
| Expenses                               | 11,047 | 11,123  |
| Annual surplus (deficit)               | 945    | (4,487) |

## 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:

|                         | 2020          | 2019   |
|-------------------------|---------------|--------|
| Tangible Capital Assets | <b>36,325</b> | 36,106 |

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:

|                         | 2020         | 2019  |
|-------------------------|--------------|-------|
| Tangible Capital Assets | <b>9,862</b> | 9,803 |

### 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:

|                         | 2020         | 2019  |
|-------------------------|--------------|-------|
| Perpetual Care Trust    | <b>2,683</b> | 2,673 |
| Williamson Driver Award | <b>5</b>     | 5     |
|                         | <b>2,688</b> | 2,678 |

## 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 June 20, 2021. BPWTC is using these funds for the electrical capital upgrade project.

### 20. CONTRACTUAL OBLIGATIONS

#### 1) Wastewater Treatment Plant

As at December 31, 2020, the expected commitment related to the Wastewater Treatment Plant is \$225,823. 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  |
|-------------------|---------|
| 2021              | 9,952   |
| 2022              | 13,102  |
| 2023              | 9,809   |
| 2024              | 10,601  |
| 2025 through 2044 | 182,359 |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)*

### 2) māmawēyatitān 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 \$1,175 was paid by the City in 2020; 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 \$1,100 has been paid in 2020.

### 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.

## 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:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)*

### 21. SEGMENTED INFORMATION (CONTINUED)

#### 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.

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).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)*

### 22. SIGNIFICANT EVENT

During the year, there was a global outbreak of COVID-19, which has 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, it is unknown the extent of the impact the COVID-19 outbreak may have on the City as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries to fight the virus.

### 23. COMPARATIVE FIGURES

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



## CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION

For the year ended December 31  
(in thousands of dollars)

2020 Schedule 1

|                                          | General<br>Operating | Utility<br>Operating | General<br>Capital | Utility<br>Capital | Total City<br>of Regina | RDBID | EDR   | BPWTC  | RPL    | RWBID | REAL    | Consolidation<br>Adjustment | Consolidated<br>2020 |
|------------------------------------------|----------------------|----------------------|--------------------|--------------------|-------------------------|-------|-------|--------|--------|-------|---------|-----------------------------|----------------------|
| <b>REVENUES</b>                          |                      |                      |                    |                    |                         |       |       |        |        |       |         |                             |                      |
| Taxation                                 | 260,891              | -                    | -                  | -                  | 260,891                 | 1,137 | -     | -      | 23,598 | 264   | -       | (1,150)                     | 284,740              |
| Fees and charges                         | 68,785               | 145,797              | 423                | 1,607              | 216,612                 | -     | 3,275 | 15,305 | 1,433  | -     | 15,557  | (24,425)                    | 227,757              |
| Government transfers                     | 74,191               | -                    | 15,130             | 930                | 90,251                  | 92    | -     | 9,275  | -      | 34    | 4,067   | -                           | 103,719              |
| Electrical distribution                  | 29,502               | -                    | -                  | -                  | 29,502                  | -     | -     | -      | -      | -     | -       | -                           | 29,502               |
| Licenses, fines and levies               | 14,684               | -                    | -                  | -                  | 14,684                  | -     | -     | -      | -      | -     | -       | -                           | 14,684               |
| Gas distribution                         | 6,216                | -                    | -                  | -                  | 6,216                   | -     | -     | -      | -      | -     | -       | -                           | 6,216                |
| Interest and penalties                   | 8,324                | 112                  | -                  | -                  | 8,436                   | -     | -     | 441    | 256    | -     | -       | -                           | 9,133                |
| Interest on long term investments        | 893                  | -                    | -                  | -                  | 893                     | -     | -     | -      | -      | -     | -       | -                           | 893                  |
| Servicing agreement fees                 | 1,349                | 711                  | 4,669              | 1,351              | 8,080                   | -     | -     | -      | -      | -     | -       | -                           | 8,080                |
| Land sales                               | 26                   | -                    | -                  | -                  | 26                      | -     | -     | -      | -      | -     | -       | -                           | 26                   |
| Other                                    | 5,831                | 221                  | 1,371              | 5,756              | 13,179                  | 56    | -     | 17     | -      | -     | -       | (5,784)                     | 7,468                |
| Contribution of tangible capital assets  | -                    | -                    | 3,993              | 68                 | 4,061                   | -     | -     | -      | -      | -     | -       | -                           | 4,061                |
| Other capital contributions              | -                    | -                    | 644                | -                  | 644                     | -     | -     | -      | -      | -     | -       | -                           | 644                  |
|                                          | 470,692              | 146,841              | 26,230             | 9,712              | 653,475                 | 1,285 | 3,275 | 25,038 | 25,287 | 298   | 19,624  | (31,359)                    | 696,923              |
| <b>EXPENSES</b>                          |                      |                      |                    |                    |                         |       |       |        |        |       |         |                             |                      |
| Parks, recreation and community services | 51,161               | -                    | 7,395              | -                  | 58,556                  | 1,196 | 2,720 | -      | 20,776 | 348   | 21,426  | (10,680)                    | 94,342               |
| Police                                   | 94,234               | -                    | 622                | -                  | 94,856                  | -     | -     | -      | -      | -     | -       | -                           | 94,856               |
| Legislative and administrative services  | 74,552               | -                    | 37                 | -                  | 74,589                  | -     | -     | -      | -      | -     | -       | -                           | 74,589               |
| Water, wastewater and drainage           | -                    | 65,963               | -                  | 9,436              | 75,399                  | -     | -     | 14,124 | -      | -     | -       | (18,831)                    | 70,692               |
| Roads and traffic                        | 31,250               | -                    | 6,811              | -                  | 38,061                  | -     | -     | -      | -      | -     | -       | -                           | 38,061               |
| Fire                                     | 48,688               | -                    | 493                | -                  | 49,181                  | -     | -     | -      | -      | -     | -       | -                           | 49,181               |
| Transit                                  | 34,456               | -                    | 186                | -                  | 34,642                  | -     | -     | -      | -      | -     | -       | -                           | 34,642               |
| Waste collection and disposal            | 26,230               | -                    | 360                | -                  | 26,590                  | -     | -     | -      | -      | -     | -       | -                           | 26,590               |
| Grants                                   | 13,744               | -                    | 1,079              | -                  | 14,823                  | -     | -     | -      | -      | -     | -       | (1,848)                     | 12,975               |
| Planning and development                 | 15,231               | -                    | -                  | -                  | 15,231                  | -     | -     | -      | -      | -     | -       | -                           | 15,231               |
| Amortization                             | -                    | -                    | 70,593             | 21,257             | 91,850                  | 70    | 28    | 2,383  | 2,699  | 18    | 5,987   | -                           | 103,035              |
|                                          | 389,546              | 65,963               | 87,576             | 30,693             | 573,778                 | 1,266 | 2,748 | 16,507 | 23,475 | 366   | 27,413  | (31,359)                    | 614,194              |
| Annual surplus                           | 81,146               | 80,878               | (61,346)           | (20,981)           | 79,697                  | 19    | 527   | 8,531  | 1,812  | (68)  | (7,789) | 0                           | 82,729               |

2020 Schedule 2

## CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

For the year ended December 31

(in thousands of dollars)

|                                            | Citizen<br>Services | Citizen<br>Experience | City<br>Planning | Regina<br>Police | Financial<br>Strategy | Total City<br>of Regina | RDBID | EDR   | BPWTC  | RPL    | RWBID | REAL    | Consolidation<br>Adjustment | Consolidated<br>2020 |
|--------------------------------------------|---------------------|-----------------------|------------------|------------------|-----------------------|-------------------------|-------|-------|--------|--------|-------|---------|-----------------------------|----------------------|
| <b>REVENUES</b>                            |                     |                       |                  |                  |                       |                         |       |       |        |        |       |         |                             |                      |
| Taxation                                   | -                   | -                     | 7,833            | -                | 253,058               | 260,891                 | 1,137 | -     | -      | 23,598 | 264   | -       | (1,150)                     | 284,740              |
| Fees and charges                           | 35,529              | 270                   | 14,374           | 1,215            | 165,224               | 216,612                 | -     | 3,275 | 15,305 | 1,433  | -     | 15,557  | (24,425)                    | 227,757              |
| Government transfers                       | 11,749              | -                     | 10,079           | 8,449            | 59,974                | 90,251                  | 92    | -     | 9,275  | -      | 34    | 4,067   | -                           | 103,719              |
| Electrical distribution                    | -                   | -                     | -                | -                | 29,502                | 29,502                  | -     | -     | -      | -      | -     | -       | -                           | 29,502               |
| Licenses, fines and<br>levies              | 4,610               | -                     | -                | -                | 10,074                | 14,684                  | -     | -     | -      | -      | -     | -       | -                           | 14,684               |
| Gas distribution                           | -                   | -                     | -                | -                | 6,216                 | 6,216                   | -     | -     | -      | -      | -     | -       | -                           | 6,216                |
| Interest and penalties                     | -                   | -                     | -                | -                | 8,436                 | 8,436                   | -     | -     | 441    | 256    | -     | -       | -                           | 9,133                |
| Interest on long term<br>investments       | -                   | -                     | 163              | -                | 730                   | 893                     | -     | -     | -      | -      | -     | -       | -                           | 893                  |
| Servicing agreement<br>fees                | 1,107               | -                     | 5,623            | -                | 1,350                 | 8,080                   | -     | -     | -      | -      | -     | -       | -                           | 8,080                |
| Land sales                                 | -                   | -                     | 26               | -                | -                     | 26                      | -     | -     | -      | -      | -     | -       | -                           | 26                   |
| Other                                      | 7,697               | 74                    | 3,219            | 993              | 1,196                 | 13,179                  | 56    | -     | 17     | -      | -     | -       | (5,784)                     | 7,468                |
| Contribution of tangible<br>capital assets | 117                 | -                     | 540              | -                | 3,404                 | 4,061                   | -     | -     | -      | -      | -     | -       | -                           | 4,061                |
| Other capital<br>contributions             | -                   | -                     | 644              | -                | -                     | 644                     | -     | -     | -      | -      | -     | -       | -                           | 644                  |
|                                            | 60,809              | 344                   | 42,501           | 10,657           | 539,164               | 653,475                 | 1,285 | 3,275 | 25,038 | 25,287 | 298   | 19,624  | (31,359)                    | 696,923              |
| <b>EXPENSES</b>                            |                     |                       |                  |                  |                       |                         |       |       |        |        |       |         |                             |                      |
| Wages and benefits                         | 103,312             | 18,066                | 41,119           | 82,261           | 27,379                | 272,137                 | 607   | 1,424 | 3,112  | 13,019 | 165   | 11,379  | (1,954)                     | 299,889              |
| Material, supplies and<br>other goods      | 22,680              | 590                   | 18,835           | 5,772            | 14,423                | 62,300                  | 131   | 1,297 | 7,124  | 7,757  | 75    | 5,211   | (12,485)                    | 71,409               |
| Contracted and general<br>services         | 21,022              | 7,675                 | 46,701           | 6,169            | 11,299                | 92,866                  | 452   | -     | 2,070  | -      | 108   | 1,559   | (1,821)                     | 95,234               |
| Utilities                                  | 5,211               | 2                     | 4,272            | 555              | 17,558                | 27,598                  | -     | -     | 1,818  | -      | -     | 3,063   | (13,251)                    | 19,228               |
| Transfer<br>payments/grants                | 13                  | -                     | 8,953            | 108              | 5,843                 | 14,917                  | 6     | -     | -      | -      | -     | -       | (1,848)                     | 13,075               |
| Interest and bank<br>charges               | -                   | -                     | 7,193            | -                | 4,917                 | 12,110                  | -     | -     | -      | -      | -     | 214     | -                           | 12,324               |
| Amortization of tangible<br>assets         | 68,323              | 4,928                 | 15,128           | 3,470            | -                     | 91,849                  | 70    | 27    | 2,383  | 2,699  | 18    | 5,987   | -                           | 103,035              |
|                                            | 220,561             | 31,261                | 142,201          | 98,355           | 81,419                | 573,777                 | 1,266 | 2,743 | 16,507 | 23,475 | 366   | 27,413  | (31,359)                    | 614,194              |
| Excess of revenues<br>over expenditures    | (159,752)           | (30,917)              | (99,700)         | (87,678)         | 457,745               | 79,698                  | 19    | 527   | 8,531  | 1,812  | (68)  | (7,789) | -                           | 82,729               |

2019 Schedule 2

## CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

For the year ended December 31

(in thousands of dollars)

|                                            | Citizen<br>Services | Citizen<br>Experience | City<br>Planning | Regina<br>Police | Financial<br>Strategy | Total City<br>of Regina | RDBID | EDR   | BPWTC  | RPL    | RWBID | REAL    | Consolidation<br>Adjustment | Consolidated<br>2019 |
|--------------------------------------------|---------------------|-----------------------|------------------|------------------|-----------------------|-------------------------|-------|-------|--------|--------|-------|---------|-----------------------------|----------------------|
| <b>REVENUES</b>                            |                     |                       |                  |                  |                       |                         |       |       |        |        |       |         |                             |                      |
| Taxation                                   | -                   | -                     | 6,315            | -                | 243,370               | 249,685                 | 1,137 | -     | -      | 22,819 | 268   | -       | (529)                       | 273,380              |
| Fees and charges                           | 53,224              | 202                   | 26,175           | 1,340            | 152,232               | 233,173                 | -     | 3,629 | 14,801 | 1,668  | -     | 44,819  | (23,086)                    | 275,004              |
| Government transfers                       | 21,190              | -                     | 16,718           | 9,718            | 39,288                | 86,914                  | 38    | -     | 969    | -      | 1     | (190)   | -                           | 87,732               |
| Electrical distribution                    | -                   | -                     | -                | -                | 28,312                | 28,312                  | -     | -     | -      | -      | -     | -       | -                           | 28,312               |
| Licenses, fines and<br>levies              | 7,156               | -                     | -                | -                | 14,264                | 21,420                  | -     | -     | -      | -      | -     | -       | -                           | 21,420               |
| Gas distribution                           | -                   | -                     | -                | -                | 5,630                 | 5,630                   | -     | -     | -      | -      | -     | -       | -                           | 5,630                |
| Interest and penalties                     | -                   | -                     | -                | -                | 8,216                 | 8,216                   | -     | -     | 924    | 413    | -     | -       | -                           | 9,553                |
| Interest on long term<br>investments       | -                   | -                     | 119              | -                | 4,190                 | 4,309                   | -     | -     | -      | -      | -     | -       | -                           | 4,309                |
| Gain on long term<br>investments           | -                   | -                     | -                | -                | 11,311                | 11,311                  | -     | -     | -      | -      | -     | -       | -                           | 11,311               |
| Servicing agreement<br>fees                | 1,691               | -                     | 2,742            | -                | 90                    | 4,523                   | -     | -     | -      | -      | -     | -       | -                           | 4,523                |
| Land sales                                 | -                   | -                     | 443              | -                | -                     | 443                     | -     | -     | -      | -      | -     | -       | -                           | 443                  |
| Other                                      | 3,644               | 119                   | 1,634            | 2,309            | 344                   | 8,050                   | 279   | -     | 1      | -      | -     | -       | (51)                        | 8,279                |
| Contribution of tangible<br>capital assets | 26,900              | -                     | 4,131            | -                | 4,809                 | 35,840                  | -     | -     | 2,555  | -      | -     | -       | (2,978)                     | 35,417               |
| Other capital<br>contributions             | -                   | -                     | 591              | -                | 10                    | 601                     | -     | -     | -      | -      | -     | -       | -                           | 601                  |
|                                            | 113,805             | 321                   | 58,868           | 13,367           | 512,066               | 698,427                 | 1,454 | 3,629 | 19,250 | 24,900 | 269   | 44,629  | (26,644)                    | 765,914              |
| <b>EXPENSES</b>                            |                     |                       |                  |                  |                       |                         |       |       |        |        |       |         |                             |                      |
| Wages and benefits                         | 99,735              | 18,608                | 38,159           | 83,032           | 22,705                | 262,239                 | 613   | 1,469 | 3,094  | 13,844 | 146   | 19,128  | (116)                       | 300,417              |
| Material, supplies and<br>other goods      | 56,335              | 485                   | 23,036           | 5,826            | 7,332                 | 93,013                  | 150   | 2,047 | 1,695  | 7,021  | 71    | 19,926  | (6,992)                     | 116,930              |
| Contracted and general<br>services         | 13,191              | 7,708                 | 61,900           | 5,743            | 15,964                | 104,506                 | 805   | -     | 3,305  | -      | 129   | 2,048   | (4,844)                     | 105,949              |
| Utilities                                  | 3,203               | 3                     | 4,226            | 475              | 16,979                | 24,886                  | -     | -     | 1,477  | -      | -     | 3,553   | (12,880)                    | 17,036               |
| Transfer<br>payments/grants                | 3                   | -                     | 6,371            | 58               | 4,731                 | 11,163                  | 21    | -     | -      | -      | -     | -       | (1,812)                     | 9,372                |
| Interest and bank<br>charges               | -                   | -                     | 7,362            | -                | 5,696                 | 13,058                  | -     | -     | -      | -      | -     | -       | -                           | 13,058               |
| Amortization of tangible<br>assets         | 67,639              | 4,200                 | 15,500           | 3,402            | -                     | 90,741                  | 69    | 23    | 1,604  | 2,650  | 14    | 5,961   | -                           | 101,069              |
|                                            | 240,106             | 31,004                | 156,554          | 98,536           | 73,407                | 599,606                 | 1,658 | 3,544 | 11,175 | 23,515 | 360   | 50,616  | (26,644)                    | 663,831              |
| Excess of revenues<br>over expenditures    | (126,301)           | (30,683)              | (97,686)         | (85,169)         | 438,659               | 98,821                  | (204) | 85    | 8,075  | 1,385  | (91)  | (5,987) | -                           | 102,083              |



## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

2020 Schedule 3

For the year ended December 31  
(in thousands of dollars)

|                                          | General |                   |                                     |                        | Infrastructure                    |                       |         |                                |                              | 2020                      | 2019      |
|------------------------------------------|---------|-------------------|-------------------------------------|------------------------|-----------------------------------|-----------------------|---------|--------------------------------|------------------------------|---------------------------|-----------|
|                                          | Land    | Land improvements | Buildings and building improvements | Vehicles and equipment | Office and information technology | Plants and facilities | Roads   | Underground and other networks | Bridges and other structures | Assets under construction |           |
| <b>Cost</b>                              |         |                   |                                     |                        |                                   |                       |         |                                |                              |                           |           |
| Balance, beginning of year               | 144,718 | 177,408           | 520,656                             | 341,097                | 49,811                            | 487,909               | 820,845 | 767,861                        | 56,963                       | 104,818                   | 3,323,798 |
| Add:                                     |         |                   |                                     |                        |                                   |                       |         |                                |                              |                           |           |
| Additions during the year                | 4,311   | 5,358             | 6,727                               | 29,886                 | 4,935                             | 6,034                 | 24,422  | 13,534                         | -                            | 51,917                    | 197,761   |
| Transfers from assets under construction | -       | 450               | 49,380                              | 2,310                  | 137                               | 18,854                | -       | -                              | -                            | -                         | 18,984    |
| Less:                                    |         |                   |                                     |                        |                                   |                       |         |                                |                              |                           |           |
| Disposals during the year                | 67      | 58                | 621                                 | 17,191                 | 11,677                            | -                     | 10,714  | 5                              | -                            | 71,133                    | 72,558    |
| Balance, end of year                     | 148,962 | 183,158           | 576,142                             | 356,102                | 43,206                            | 512,797               | 834,553 | 781,390                        | 56,963                       | 85,602                    | 3,467,985 |
| <b>Accumulated amortization</b>          |         |                   |                                     |                        |                                   |                       |         |                                |                              |                           |           |
| Balance, beginning of year               | -       | 88,391            | 96,103                              | 168,590                | 25,131                            | 126,020               | 407,502 | 223,789                        | 13,823                       | -                         | 1,091,296 |
| Add:                                     |         |                   |                                     |                        |                                   |                       |         |                                |                              |                           |           |
| Amortization                             | -       | 5,211             | 13,690                              | 27,281                 | 8,201                             | 11,522                | 25,621  | 10,654                         | 855                          | -                         | 101,069   |
| Less:                                    |         |                   |                                     |                        |                                   |                       |         |                                |                              |                           |           |
| Accumulated amortization on disposals    | -       | 47                | 385                                 | 16,287                 | 11,677                            | -                     | 9,594   | 5                              | -                            | -                         | 47,097    |
| Balance, end of year                     | -       | 93,555            | 109,408                             | 179,584                | 21,655                            | 137,542               | 423,529 | 234,438                        | 14,683                       | -                         | 1,145,268 |
| Net Book Value                           | 148,962 | 89,603            | 466,734                             | 176,518                | 21,551                            | 375,255               | 411,024 | 546,952                        | 42,285                       | 85,602                    | 2,322,717 |

# 2020



## General Trust Fund

## Independent Auditor's Report

To Her Worship the Mayor and Members of City Council 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, 2020, 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, 2020, 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.



**Independent Auditor's Report** *(Continued)*

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- 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 9, 2021

Chartered Professional Accountants

## General Trust Fund

## STATEMENT OF FINANCIAL POSITION

*(in thousands of dollars)*

As at December 31

|                                                    | Perpetual<br>Care<br>Trust | Williamson<br>Driver<br>Award | Total<br>2020 | Total<br>2019 |
|----------------------------------------------------|----------------------------|-------------------------------|---------------|---------------|
| <b>FINANCIAL ASSETS</b>                            |                            |                               |               |               |
| Cash                                               | 76                         | -                             | 76            | 47            |
| Long-term investments (Note 4)                     | 2,763                      | 5                             | 2,768         | 2,711         |
| <b>Total Assets</b>                                | <b>2,839</b>               | <b>5</b>                      | <b>2,844</b>  | <b>2,758</b>  |
| <b>FINANCIAL LIABILITIES AND FUND<br/>BALANCES</b> |                            |                               |               |               |
| Due to the City of Regina                          | 156                        | -                             | 156           | 80            |
| Fund balance                                       | 2,683                      | 5                             | 2,688         | 2,678         |
| <b>Total Liabilities and Fund Balances</b>         | <b>2,839</b>               | <b>5</b>                      | <b>2,844</b>  | <b>2,758</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<br>Care<br>Trust | Williamson<br>Driver<br>Award | Total<br>2020 | Total<br>2019 |
|--------------------------------------------|----------------------------|-------------------------------|---------------|---------------|
| <b>REVENUE</b>                             |                            |                               |               |               |
| Contributions                              | 10                         | -                             | 10            | 8             |
| Investment income                          | 157                        | -                             | 157           | 81            |
| <b>Total Revenue</b>                       | 167                        | -                             | 167           | 89            |
| <b>EXPENDITURES</b>                        |                            |                               |               |               |
| Cemetery maintenance                       | 157                        | -                             | 157           | 81            |
| <b>Total Expenditures</b>                  | 157                        | -                             | 157           | 81            |
| <b>Excess of revenue over expenditures</b> | 10                         | -                             | 10            | 8             |
| <b>Fund balance, beginning of year</b>     | 2,673                      | 5                             | 2,678         | 2,670         |
| <b>Fund balance, end of year</b>           | 2,683                      | 5                             | 2,688         | 2,678         |

*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.

#### 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.

#### 3. FINANCIAL INSTRUMENTS

The carrying value of the amount due to the City of Regina approximates fair value due to its short-term nature.

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.

## General Trust Fund

### NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

As at December 31

#### 3. FINANCIAL INSTRUMENTS (CONTINUED)

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.

|                 | 2020  | 2019  |
|-----------------|-------|-------|
| Investment cost | 2,768 | 2,711 |
| Market value    | 2,877 | 2,747 |

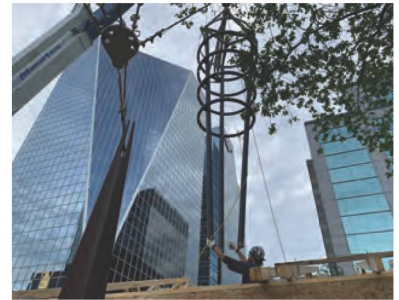
#### 5. STATEMENT OF CASH FLOWS AND CHANGE IN NET FINANCIAL ASSETS

The statement of cash flows and the statement of change in net financial assets have not been prepared for the year ended December 31, 2020, as they would not provide additional information.

#### 6. SIGNIFICANT EVENT

During the year, there was a global outbreak of COVID-19 (coronavirus), which has 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, it is unknown the extent of the impact the COVID-19 outbreak may have on the Trust as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

# 2020



## Appendices



## Appendix 1 - Glossary

**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.

