

**CITY OF REGINA**  
**SASKATCHEWAN, CANADA**  
**2009 ANNUAL REPORT**

**YEAR END DECEMBER 31, 2009**



City of Regina



**REGINA**  
*Infinite Horizons*

# Canadian Award for Financial Reporting

Presented to

City of Regina  
Saskatchewan

For its Annual  
Financial Report  
for the Year Ended  
December 31, 2008

A Canadian Award for Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units whose annual financial reports achieve the highest program standards for Canadian Government accounting and financial reporting.



  
President

  
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Corporation of the City of Regina for its annual financial report for the fiscal year ending December 31, 2008. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and provide peer recognition and technical guidance for officials preparing these reports.

In order to receive the Canadian Award for Financial Reporting, a municipal government must publish an easily readable and efficiently organized annual financial report. The contents of the report must conform 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.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

This is the seventeenth time the City of Regina has received an award for its Annual Financial Report.

*The 2009 Annual Financial Report for the City of Regina was prepared by the Finance Department, with contributions from all City Departments and related organizations.*

*City of Regina, Saskatchewan, Canada*

[www.regina.ca](http://www.regina.ca)



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# Introduction



# Message from the City Manager

May 4, 2010

His Worship, the Mayor  
And Members of City Council

I am pleased to submit the City of Regina's Annual Report for the year ended December 31, 2009. The Annual Report is submitted pursuant to Section 155 of *The Cities Act*. The Annual Report includes consolidated financial statements for the City of Regina reporting entity as required by the Public Sector Accounting Standards Board (PSAB). The purpose of this report is to provide financial, statistical and other information about the City of Regina and related entities to allow readers to gain an understanding of the City and the resources available to the City.



The Annual Report consists of the following sections:

- The introduction familiarizes readers with the strategic focus of Council and its Administration, the political and organizational structure of the City, and the nature and scope of the services provided by the City.
- The Financial Statement Discussion and Analysis section provides additional explanation and trend analysis to provide a broader understanding of the financial statements.
- The Financial Statement section, which includes the Consolidated Financial Statements and the General Trust Fund financial statements.

The preparation and presentation of the financial statements and related information contained in this annual report is the responsibility of management of the City of Regina. The statements have been prepared on a basis consistent with the recommendations of PSAB. Included in the consolidated financial statements are those entities that are accountable to and owned or controlled by the City of Regina. These entities include: Regina Public Library, Regina Regional Opportunities Commission, Buffalo Pound Water Administration Board, Regina Downtown Business Improvement District and Regina's Warehouse Business Improvement District.

City Council appointed the accounting firm of Deloitte & Touche, LLP to perform an independent audit of the City's 2009 financial statements, and their report is included herein. The accuracy and reliability of the financial information is ensured by the City's system of internal controls. The Finance and Administration Committee reviews the external auditor's audit plan, and ensures corrective action is taken for weaknesses identified in the City's internal control system.

As noted, the consolidated financial statements include information on the City's financial position and operating results, along with those of several related entities. The City's operations are typically segmented (General Operating, General Capital, and Utility Operating and 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 2009:

- The City (consolidated entity) has net financial assets of \$18.9 million at the end of 2009, an increase of \$2.3 million from net financial assets of \$16.6 million at the end of 2008.
- Total revenues in 2009 were \$484.5 million, an increase of about \$83.4 million from 2008. Total expenditures in 2009 were \$428.4 million, an increase of about \$62.2 million from 2008.
- The planning, development and monitoring of the annual operating and capital budgets is a fundamental component of the City's financial administration. For 2009, the City's General Operating Fund ended the year with an operating surplus of approximately \$2.9 million. The surplus is determined on a basis consistent with the presentation of the 2009 General Operating Budget and is prior to consolidation and application of the PSAB standards.

The City's achievements in providing accurate and articulate financial statements were recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for the 17th consecutive year. 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, 2008. 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. In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform 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.

Respectfully submitted,



Glen B. Davies  
City Manager

# Message from the Mayor

Dear Regina Citizens,

On behalf of my colleagues at City Council, I'm proud to present the 2009 Annual Report for the City of Regina.

2009 will stand out as an incredible year in Regina's history books for the many accomplishments our residents enjoyed, and for the pivotal community plans we made, which will shape our city for years to come.

Among many achievements in 2009, we opened The Co-operators Centre at Evraz Place in time to host the World Junior Hockey Championships, and we started construction on the Global Transportation Hub. We laid plans for the future with the Regina Downtown Neighbourhood Plan, Waste Plan Regina, Transit Investment Plan and the Recreation Facilities Plan. These plans will ensure a vibrant, thriving community in Regina well into the future.

The City of Regina is going through a rebrand – and it's not just about our new logo. In recent years, Regina has been fortunate to prosper, despite international economic uncertainty, and the Conference Board of Canada continues to provide a positive forecast for our city. We have a population that's growing, a business community that's attracting investment and opportunity, and a family-friendly community that's enjoying new international events, construction and facilities. We have a strong vision of a colourful, exciting future for Regina, and at the heart of this is our new self-image: a city with infinite horizons.

We are committed to making Regina a community our citizens are proud to call home, as captured in the vision for Regina:

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

We demonstrated we're one of the leading municipalities in Canada when we developed a strategic plan, *Accelerating Excellence*, to start making our vision a reality.

These are exciting times to be living in Regina, and there is no better time than now to get involved in your city. Join the City of Regina's facebook page, sign up for our twitter feed, and visit our website to get more information on what's happening in your community, and to provide your feedback. This is your city, have your say.

Sincerely,



Pat Fiocco  
Mayor



# Vision, Mission & Values

City Council and the administration are committed to providing a strategic focus for the future of our community. In 2008, the City of Regina rolled out its five-year corporate strategic plan, *Accelerating Excellence 2008-2012*, to determine the path for achieving its mission and vision.

## Our Vision

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 centre of success where research, innovation and excellence abound.

## Our Mission

We aspire to be the best run municipality in Canada providing services that enhance the quality of life. We serve our community, support the Vision of Council and live our Values.

## Our Values

- **Performance Driven & Accountable:** We all demonstrate leadership qualities. We instill a sense of mutual responsibility, open communication and teamwork while being accountable to each other, our community and Council. Our efforts are performance driven and outcome based.
- **Responsive & Respectful:** We cultivate a professional environment by being responsive and respectful in our conduct and interactions. We focus on safety, diversity and mutual respect.
- **Innovative & Creative:** We continuously improve by promoting innovative approaches to our work and how we serve our community and Council. We are creative, purposeful and take measured risks which results in new ways of doing business and being cost effective.
- **Focused on Excellence:** We are results oriented, providing excellent, responsive and accessible service.

# 2009 Highlights

In 2009, action was taken to build Regina's vision. Some of the highlights include:

## **Vibrant**

- The City of Regina provided financial support to non-profit organizations through its Community Investment Program. In 2009 more than \$5.2 million was granted to community programs, services, facilities and events.
- The Regina Downtown Neighbourhood Plan was adopted by Council. The plan will provide the necessary policy framework to guide development in the downtown for the next 20 years, including a strategy for bringing 5,000 new residents to the area by 2029. Implementation of the plan is underway through such projects as City Square, the conversion of 12<sup>th</sup> Avenue north of Victoria Park into a festival plaza.
- A Recreation Facility Plan was developed through an extensive research and consultation process involving 20 key stakeholders, 75 user groups, 26 community associations, five zone boards, and two advisory committees, as well as public participation. The plan includes strategic direction and recommendations for recreation facilities to the year 2020. The plan will go to City Council in early 2010 and if approved, implementation will take place as resources and partnerships allow.
- The City of Regina is developing a Transit Investment Plan to deliver transit service more effectively and efficiently. The bus fleet consists of 105 buses mainly 40-foot models and seven 30-foot buses. Transit will implement a new, state-of-the-art fare collection system in fall 2010. The smartcard-based system will provide information on riding patterns, recognize and reward frequent riders, reduce fare evasion and offer new fare options. Transit has been acting as a "living lab" for the "TransitLive.com" initiative with TR Labs, which provides real-time information on bus arrivals to a rider's Blackberry, cell phone, telephone or computer. Regina Transit extended its Sunday service in response to customer input.
- The Co-operators Centre at Evraz Place opened in time to host the Regina pool for the 2010 World Junior Hockey Championship. The 286,000 ft<sup>2</sup>, \$60-million centre features six regulation-size ice surfaces with the main arena providing seating for about 1,500 spectators, full food and beverage services, and flexibility to host various ice sports and dry floor events. Each rink has five dressing rooms, an officials' room, and in-floor heating. The facility utilizes cutting-edge energy efficiency including a reclaimed heat circulation system.
- The 5<sup>th</sup> Annual Mayor's Arts and Business Awards celebrating achievement, creativity, innovation and partnerships were held at the Globe Theatre.
- Wascana Centre's Broad Street pedestrian crossing bridge to enhance the Centre's most popular trail will proceed. Features include seating pavilions, interpretative information components and special lighting elements.

### **Inclusive**

- The North Central Legacy study examining transportation, housing, and land use in the North Central neighbourhood was completed. The study will help to co-ordinate neighbourhood planning with the development of a new shared facility on the Scott Collegiate site. The Canadian Institute of Planners recognized this study with an Award for Planning Excellence in the area of Planning For and Development of Aboriginal Communities.
- The Recreation Facility Plan concerning the City's sport, culture and recreation programs and facilities built plans to place a greater emphasis on children and youth, families, and individuals who are more likely to encounter barriers to participation, including seniors, persons with disabilities, individuals of Aboriginal ancestry, single parents, and low- income households and individuals who have recently immigrated.
- The Transit Investment Plan established a 10-year goal to increase its accessibility for all residents; to have a fully accessible low-floor fleet within ten years, by purchasing new buses every year.
- The new City of Regina Facebook page, and twitter feed launched in 2009, make it easier than ever for Regina citizens to keep in touch with what's happening in their community.
- The City received more than 1.3 million visits to our website and assisted nearly 180,000 customers who called Service Regina for information or help.

### **Attractive**

- The Albert Memorial Bridge underwent extensive rehabilitation work including the restoration to their original condition of architectural historical components such as the terracotta balusters, light standards, medallions and plaques.
- Leibel Field will receive a \$3-million upgrade including new artificial turf, washrooms, change rooms and storage facility. The project is a partnership among the Governments of Canada and Saskatchewan, the City of Regina, Regina Minor Football and the Regina Soccer Association.
- Government House will rehabilitate its Victorian Gardens thanks to a \$1.1 million investment from the Governments of Canada and Saskatchewan and the City of Regina.

### **Sustainable**

- To determine more effective ways to collect, dispose, and reduce or divert waste, the City undertook an extensive review of its waste management program. Waste Plan Regina was developed after extensive public consultation and research to help ensure that future solid waste management delivers excellent public service balanced with program affordability. Options were developed for residential and business waste management. Three residential service level options were defined: the current system with slight enhancements; an enhanced system; and a comprehensive system. Public consultation on the options was held towards the end of 2009 with the goal of providing Council with a recommended option in early 2010.
- Construction began on water, wastewater, and stormwater services to the Global Transportation Hub (GTH). The services are expected to be in place by early fall 2010. The GTH is the large transportation infrastructure project underway in southwest Regina. Work has begun on the Regina West Bypass connecting Highways 1 and 11 with access to the GTH.
- The City of Regina received \$19.5 million in funding from the Provincial government's Municipal Economic Enhancement Program (MEEP) for infrastructure projects including a new roof for the Lawson Aquatic Centre, rehabilitation of the Albert Memorial Bridge, and street renewal.

- The Government of Saskatchewan introduced the Municipal Operating Grant to replace the former revenue sharing program giving municipalities an unconditional, predictable, long-term funding formula based on the PST. Under the new formula, Regina received \$26 million in 2009/10. The program was developed with extensive stakeholder consultations.
- The City of Regina began implementing recommendations of the GreenFleet Report to minimize the negative environmental impacts of its vehicle and equipment fleet. Auxiliary heaters were installed in more than 40 vehicles, four hybrid vehicles were added to the fleet, and discussions were started with the Province regarding cost sharing of a hybrid refuse truck.
- The City rehabilitated 27 km of roadways. This is slightly fewer than in the previous year, but there was an increased focus on collector and residential roads.
- The City provides more than \$1 million per year in tax exemptions to promote housing development through the Inner City Housing Stimulation Strategy (ICHSS), Downtown Residential Incentive Policy (DRIP) and Warehouse District housing incentive programs. In total, 469 housing units received exemptions to stimulate housing development under the three incentive programs. This number is expected to increase to 610 units in 2010 due to the multi-unit ownership and rental developments under construction.
- Regina ranked first in its size category in the national Commuter Challenge and was named one of the top cities in terms of the number of participants. As well, Regina placed first in the carpool.ca Rideshare promotion in October for the greatest participation in the Pledge to Pool program, ahead of other cities including Calgary.
- The City was given the Environmental Stewardship Award as part of the Saskatchewan Municipal Awards program for its involvement in the development of the McKell Wascana Conservation Park, which opened in September 2009.
- The conversion of manual garbage pickup to automated cart service is complete. Approximately 30,000 homes now receive cart service.

### **Harmony**

- The City of Regina unveiled “Regina Lace”, a sculpture recognizing immigrants and First Nations people. The project was initiated by City Council in 2005 as part of the Saskatchewan centennial and it is funded through the sale of commemorative plaques and supported by the Regina Multicultural Council.
- Hundreds of Reginans turned out at City Hall for the Canadian Forces Appreciation Day. Activities included Royal Regina Rifles members rappelling down City Hall, a children’s obstacle course, entertainment and a free BBQ.
- The area of 3300 block Dewdney Avenue where the Territorial Building is located, Athol Street, Montague Street, and 8<sup>th</sup> Avenue was named ‘Angel Square’ to honour the memory of women who have lost their lives to domestic violence.
- The Piapot First Nation opened the Cree-land Mini-Mart on its urban reserve in North Central Regina. Open 24-hours, the gas bar and mini-mart employs 25 full-time and 13 part-time employees.
- The City of Regina continues to cultivate relationships with Aboriginal communities and is making progress on workforce diversity initiatives including offering Myths and Misconception training to all City employees.

- Ten Regina Police Service recruits underwent 18 weeks of training at the Saskatchewan Police College including classes in law, self-defence, human behaviour and firearm training and then were mentored in the field by experienced members.
- Regina Crime Stoppers celebrated its 25<sup>th</sup> anniversary. In that time, police have received more than 12,000 tips, leading to 1,922 arrests, solving 3,563 cases and recovering nearly \$10 million in property.
- The Regina Fire Department (RFD) responded to more than 5,400 calls in 2009. Thirteen firefighters were hired. To improve response times, RFD enhanced its technology to Mobile Computer Aided Dispatch.
- The sod was turned at the site of the replacement fire station #4 at Princess Street and Dewdney Avenue. The station is expected to be complete in fall 2010.

### **Opportunity**

- The Regina Regional Economic Development Authority and Tourism Regina merged to form the Regina Regional Opportunities Commission. While a new organization, RROC has a solid foundation and is committed to building on the great work RREDA and Tourism Regina started. RROC employs 15 people and has an annual budget of \$2.5 million.
- The City partnered with Crown Investment Corporation in a feasibility study on developing a new entertainment centre on Dewdney Avenue between Broad and Albert Street. The City's contribution to the project was to assess the servicing needs of this exciting development and to provide advice on urban planning principles to govern its design and construction.
- The heritage renovation of the former Leader building received Council approval. The building received its municipal heritage designation in 1987 and is on the national register of historic buildings. The six-storey structure will have a variety of uses – the first floor will be retail space, offices will be located on the second and third floors, and the upper floors will be luxury condos.
- Premier Brad Wall, Mayor Pat Fiocco and a contingent of Regina employers travelled to Toronto for the National Job Fair (NJF) in an effort to recruit workers from Ontario. The group touted the benefits of living and working in Regina and Saskatchewan. The NJF is the largest recruiting show in the country.
- The City of Regina issued record value building permits for the seventh consecutive year – up 34% to \$458 million.
- More than 80 hectares of new development was approved under servicing agreements with the City of Regina. This is the second highest on record next to 2007.

# City Council

City Council is responsible for the governance of the City of Regina, subject to Provincial legislation. Members of City Council are elected every three years in a municipal election. The Mayor is elected at large. The City of Regina uses a ward system for electing Councillors, with the city divided into ten wards and one Councillor elected in each ward. 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 operating and capital 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 official signing officers. City Council members for the 2009 - 2012 term are shown below.



***Back Row:***

Councillor Michael Fougere  
Councillor Fred Clipsham  
Councillor Chris Szarka

***Middle Row:***

Councillor Jocelyn Hutchinson  
Mayor Pat Fiacco  
Councillor John Findura  
Councillor Wade Murray

***Front Row:***

Councillor Louis Browne  
Councillor Mike O'Donnell  
Councillor Terry Hincks  
Councillor Sharron Bryce

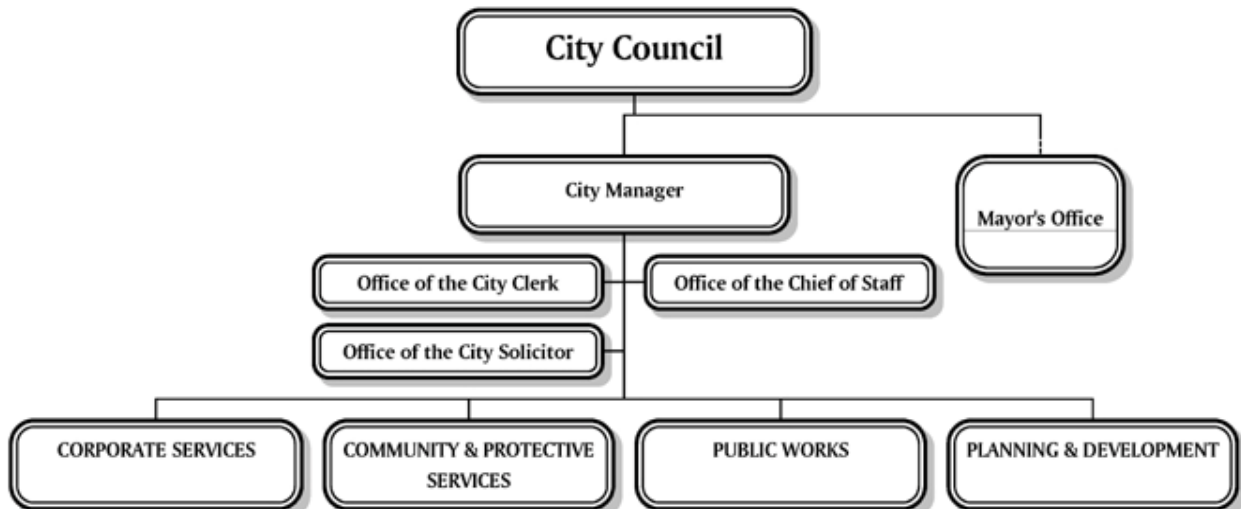


# City Administration

The City Manager is the Chief Administrative Officer of the City and is appointed by City Council. The City Manager's Bylaw 2003-70 outlines the responsibilities, accountabilities, and authority for the position. The City Manager advises Council on all matters related to the City's programs and services and is responsible and accountable for directing and organizing the administration to achieve the goals and objectives of City Council in the most economic, effective, and efficient manner.

The City of Regina, pursuant to *The Police Act, 1990*, is responsible for maintaining law and order within its boundaries. The City appoints a Board of Police Commissioners that is responsible for the delivery of policing services within the municipality, providing general direction, policy and priorities and developing long-term plans. The Board appoints a Chief of Police, who is responsible for the management, administration, and operation of the Police Service, the maintenance of law and order within the municipality, and discipline within the Police Service. The annual Police budget must be approved by City Council.

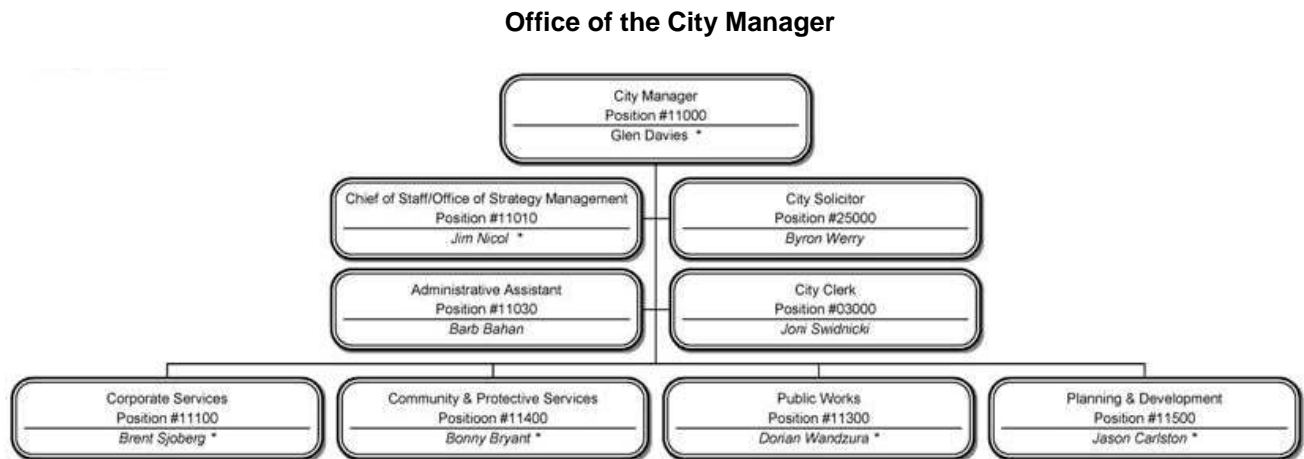
**City of Regina Organizational Structure**



## Office of the City Manager

The management of the civic administration of the City of Regina (excluding the Regina Police Service) is the responsibility of the City Manager. Appointed by City Council, the City Manager's authority is established by the City Manager's Bylaw 2003-70 and Regina Administration Bylaw 2003-69. The City Manager is responsible to City Council for the efficient and effective operation of the City in accordance with City Council policies, decisions and bylaws. The City Manager provides executive direction, strategic guidance and governance support on matters of municipal governance, strategy and protocol, and ensures the City operates according to legislative requirements.

The Office of the City Manager includes the Office of the City Solicitor, the Office of the City Clerk, and the Office of Strategy Management. The Office of Strategy Management includes the following branches: Communications, Government Relations, Service Regina and Strategy & Performance.

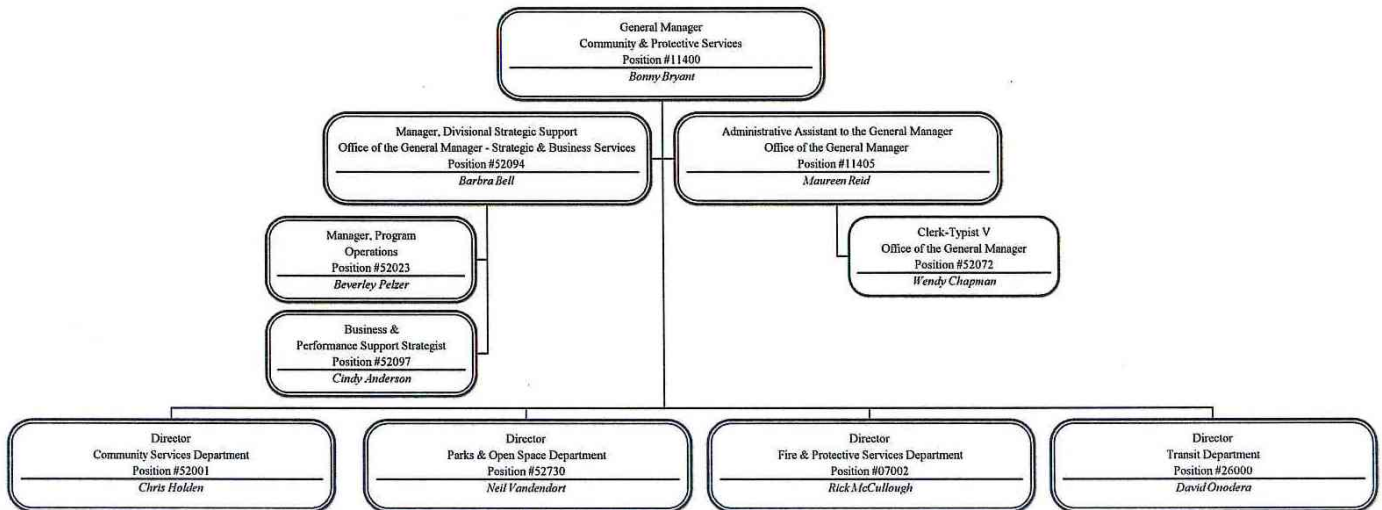


\*denotes members of the Executive Leadership Team

## Community & Protective Services Division

Community & Protective Services is dedicated to engaging and supporting the citizens of Regina. The department contributes to building a safe, healthy and caring community by providing fire and protective services, parks and open space services, community, recreation and cultural programs and services and, public transportation services that respond to the community's needs and expectations.

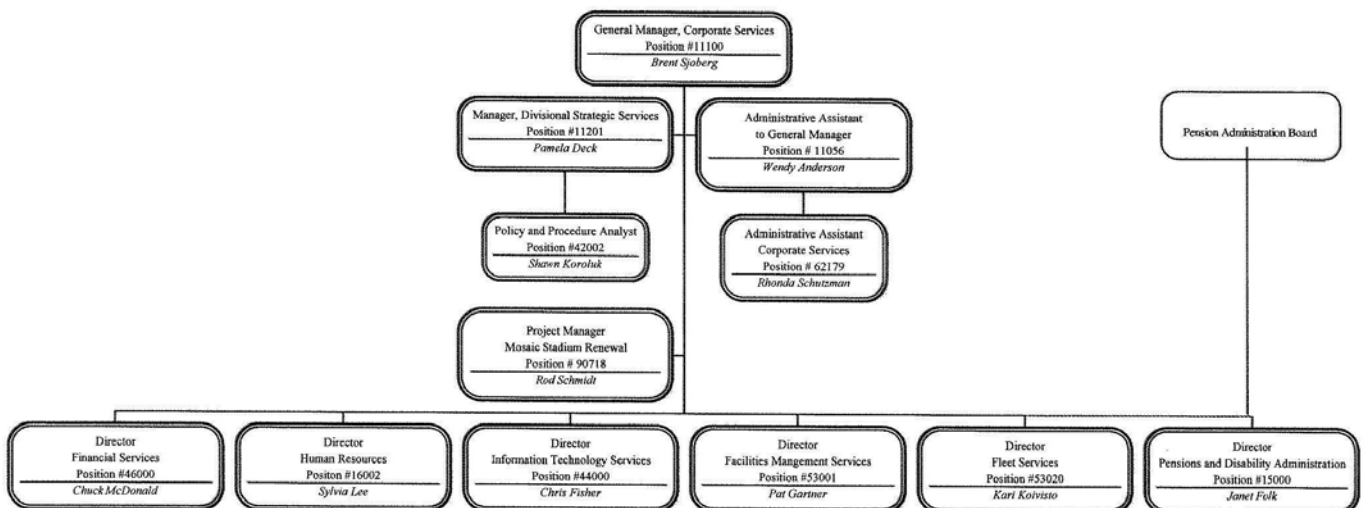
### Community & Protective Services Division



## Corporate Services Division

The Corporate Services Division provides services and support to both internal and external customers; enabling City operations to maximize effectiveness and potential. The Corporate Services team includes: Financial Services, Information Technology Services, Human Resources, Fleet Services and Facilities Management Services. The Director of Pension and Disability reports to the Pension Administration Board.

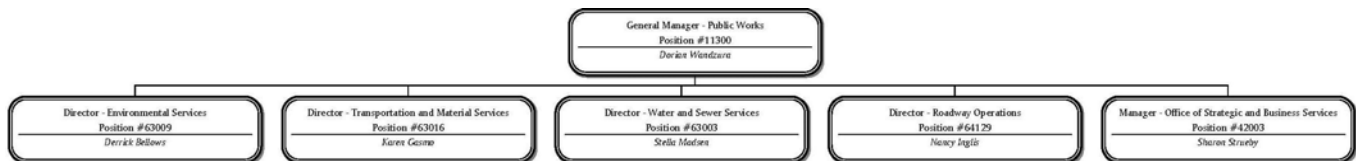
### Corporate Services Division



## Public Works Division

The Public Works Division ensures the City's municipal infrastructure systems are effectively preserved, funded and operated. This division is dedicated to implementing best practices that advance safety, consistency, efficiency, reliability and customer service. Specifically, preserving and operating municipal infrastructure involving roadways, traffic, water, drainage, waste water and solid waste to meet regulatory requirements and community needs.

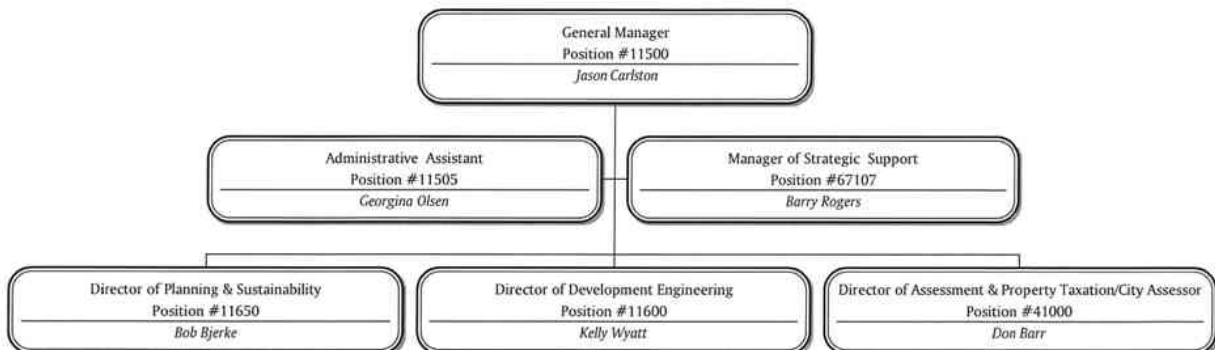
### Public Works Division



## Planning and Development Division

Planning and Development provides a long-term comprehensive approach to planning, engineering and development processes to ensure the efficient use of land and community infrastructure in creating a city that reflects Council's Vision and the goals of Regina residents. Specifically, the Division encompasses land use, neighbourhood, transportation and infrastructure planning, long-range capital planning, development review, building permits and inspection and real estate services.

### Planning & Development Division



## Regina Police Services

The City of Regina, pursuant to *The Police Act, 1990*, is responsible for maintaining law and order within its boundaries. The City appoints a Board of Police Commissioners that is responsible for the delivery of policing services within the municipality, providing general direction, policy and priorities and developing long-term plans. The Board appoints a Chief of Police, who is responsible for the management, administration and operation of the Service, the maintenance of law and order within the municipality, and discipline within the organization. The annual police budget must be approved by City Council.

## Our Future

The City of Regina continues to experience increased growth and opportunity, by all indications. A positive view of our future was painted by the Conference Board of Canada's Metropolitan Outlook, Autumn 2009. The Outlook indicated that Regina's economy will grow by 3% in 2010, Regina's unemployment rate will remain low at about 5% and the population will grow by 1%. Retail sales are expected to increase 2.5% following a slight decline in 2009.

Our Community Scorecard gives us a glimpse of how we will seize opportunity, address community issues, and manage our growth, in order to make our vision for Regina a reality. Our five-year corporate strategic plan, *Accelerating Excellence*, provides a blueprint for building our vision from now until 2012.

Looking forward, the City of Regina has announced its 2010 budget, and will build the vision for Regina in 2010 through the following areas of investment:

1. Supporting family-friendly communities
2. Delivering services that enhance the quality of life
3. Building and maintain our streets and sidewalks
4. Growing our city responsibly

This year, the City continued to receive funding from the Provincial Government through the Municipal Operating Grant, at the same level as 2009, \$25.9 million. The City was also fortunate to receive some funding from the Federal government, through initiatives such as the Gas Tax funding. However, one of the greatest issues to be addressed to ensure the long-term health and vibrancy of our community is stable funding. The City of Regina will continue to push a stable, PST-based funding for municipal operations, and look for alternative revenues to continue to provide quality services to our community, at a reasonable cost to taxpayers.

**FINANCIAL STATEMENT  
DISCUSSION AND ANALYSIS**



# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

## INTRODUCTION

The City of Regina 2009 Annual Financial Report contains the audited Consolidated Financial Statements prepared in accordance with principles and standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, as required by *The Cities Act*.

The following financial statement discussion and analysis (FSD&A) was prepared by the City of Regina Administration. It should be read in conjunction with the audited Consolidated Financial Statements and schedules.

## HIGHLIGHTS

The 2009 Consolidated Financial Statements report an excess of revenues over expenses of \$56 million compared to \$35 million in 2008. The City's accumulated surplus increased from \$931 million at the end of 2008 to \$987 million at December 31, 2009.

Revenues increased by \$83 million while expenses increased \$62 million from the prior year. Other highlights include:

- Long-term debt, including Utility debt, increased by \$71 million during 2009, from \$36 million to \$107 million. New debt was issued to finance projects such as the Global Transportation Hub and the Evraz Place Revitalization Project.
- The City's General Fund Reserve increased by \$7 million.
- The City implemented a mandatory accounting change in 2009 resulting in \$963 million of tangible capital assets being shown on the Statement of Financial Position. As a result 2008 amounts in this report and the financial statements have been restated.

## Demographic and Economic Information

	2009	2008	2007	2006	2005
Population (Census Metropolitan area)	210,000	205,000	201,500	195,000	192,800
Building permits					
Number	2,307	2,387	2,175	1,919	1,670
Values (\$000)	458,354	342,829	336,107	276,928	241,529
Urban dwelling starts	867	1,138	1,114	970	1,060
Inflation rate for Regina (%)	1.7%	3.2%	2.6%	1.9%	2.1%
Unemployment rate (%)					
Saskatchewan	5.8%	4.1%	4.2%	4.3%	5.1%
Canada	8.2%	6.1%	6.0%	6.3%	6.8%
Average selling prices of homes (\$)	244,000	229,000	166,000	132,000	124,000



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### ANALYSIS

#### Revenues - Budget to Actual and Prior Year Comparison

	2009 Budget	2009 Actual	Variance Favourable (Unfavourable)	2008 Actual	Increase (Decrease)
Taxation	143,917	148,529	4,612	146,543	1,986
Fees and charges	108,929	118,735	9,806	106,167	12,568
Government transfers	90,737	119,601	28,864	70,526	49,075
Electrical distribution	26,104	27,110	1,006	25,429	1,681
Licenses, fines and levies	9,339	9,863	524	9,328	535
Gas distribution	10,014	8,532	(1,482)	9,316	(784)
Interest and penalties	4,503	8,990	4,487	7,257	1,733
Service agreement fees	24,023	20,187	(3,836)	3,899	16,288
Land sales	3,000	2,474	(526)	4,824	(2,350)
Other	7,781	693	(7,088)	1,725	(1,032)
Contribution of tangible capital assets	-	19,828	19,828	16,150	3,678
	428,347	484,542	56,195	401,164	83,378

**Taxation revenue** for 2009 was \$4.6 million or 3.2% over budget and \$2.0 million higher than 2008 primarily due to a higher than anticipated number of properties coming onto the assessment roll during the year. An additional \$1 million in unbudgeted revenue was also realized from successful assessment appeals finalized in 2009.

**Fees and charges** for 2009 were \$9.8 million above budget primarily due to higher than anticipated building permit fees, transit sales and landfill revenues. The increase of \$12.6 million compared to 2008 is mainly due to increased landfill revenues due to increased activity and an increase in water and sewer charges due to a 9% increase in rates.

**Government transfers** were \$29 million or 31.8% above budget. This is primarily due to government transfers received related to the Evraz Place Revitalization Project. This revenue was not budgeted for in 2009. Government transfers in 2009 were \$49 million greater than 2008 due to:

- The Provincial municipal operating grant (previously known as revenue sharing grant) increased \$8 million due to a new formula to calculate the grant amount.
- There were many new grants in 2009, the largest being the Municipal Economic Enhancement Program grant, which was about \$11.2 million.
- Government transfers recognized in 2009 were larger by approximately \$20 million related to the Evraz Place Revitalization Project since the majority of work on this project was performed in 2009.

**Electrical distribution** revenue was just over \$1 million or 3.9% above budget and \$1.7 million greater than 2008 due to SaskPower rate increases.

**Interest and penalties** for 2009 was \$4.5 million above budget and was \$1.7 million higher than 2008 primarily due to the influx of cash from the \$84.6 million debt issuance and general delay in the completion of capital projects due to staff shortages.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

*(in thousands of dollars)*

December 31, 2009

### **ANALYSIS** (cont'd)

**Service agreement fees** for 2009 increased \$16.3 million compared to 2008 primarily due to the City receiving service agreement fees for the development occurring in Harbour Landing and The Creeks.

**Other** revenue was \$7.1 million below budget due to the different treatment between budget and accounting standards. The budget shows revenue when received while the accounting does not record the revenue until the projects are started and funds are spent.

**Contribution of tangible capital assets** is \$19.8 million above budget in 2009 since this amount is not budgeted for. This revenue includes tangible capital assets, such as land, roads, and underground networks, the City receives at no cost or below fair market value.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### ANALYSIS (cont'd)

#### Expenses - Budget to Actual and Prior Year Comparison

	2009 Budget	2009 Actual	Variance Favourable (Unfavourable)	2008 Actual	Increase (Decrease)
Parks, recreation and community services	78,323	94,582	(16,259)	80,673	13,909
Police	57,069	61,261	(4,192)	53,001	8,260
Legislative and administrative services	48,569	50,193	(1,624)	44,826	5,367
Water, wastewater and drainage	93,122	50,510	42,612	49,234	1,276
Roads and traffic	49,138	43,814	5,324	44,194	(380)
Fire	31,173	31,736	(563)	29,182	2,554
Transit	31,136	26,400	4,736	25,353	1,047
Waste collection and disposal	13,183	12,695	488	14,082	(1,387)
Grants	6,690	45,168	(38,478)	17,016	28,152
Planning and development	31,783	12,039	19,744	8,658	3,381
	440,186	428,398	11,788	366,219	62,179

The schedule above includes both operating and capital expenses.

**Parks, recreation and community services** expenses for 2009 were \$13.9 million higher than 2008 primarily due to an increase of approximately \$9 million of Regina Pioneer Village Ltd. expenses, which are consolidated into the City's financial statements.

**Police** expenses were \$8.3 million greater than 2008 mainly due to a large increase in the Police Pension liability which, for accounting purposes, is recorded as an expense. Also, there were general wage increases and a new division was created.

**Water, wastewater and drainage** and **Planning and Development** expenses were \$42.6 million and \$19.7 million respectively below budget primarily due to differences in budgeting and accounting for tangible capital assets. Accounting shows amortization of tangible capital assets as an expense while the budget shows the total expenditure to acquire the asset.

**Grants** expenses were \$38.5 million above budget primarily due to the grant provided for the Evraz Place Revitalization Project being unbudgeted. Grant expenses for 2009 are \$28.2 million higher as compared to 2008 primarily due to an increase in funds provided for the Evraz Place Revitalization Project as a result of the majority of work on this project being performed in 2009.

For purposes of establishing and monitoring budgets operating, capital and utility expenses are considered separately. Overall, the General Operating Fund expenses were over budget by just over 2%. The largest variances were:

- Purchased materials and supplies were nearly \$4 million over budget. Pricing and usage were both higher than anticipated in areas such as chemicals, software/licensing, equipment rental, facility maintenance, fuel and asphalt.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### ANALYSIS (cont'd)

- Unbudgeted subsequently approved Council expenditures of \$2 million for the Regina Pioneer Village Ltd. disposition and \$1.5 million land annexation from the Rural Municipality of Sherwood.

There is generally more variability in actuals to budget for capital projects. City Council approves budgets for each capital project based on the maximum forecast expenditure for the year to accommodate the planning and scheduling requirements associated with capital projects. There is typically a portion of the year's budget carried forward to future years for projects not completed within the fiscal year. At the end of 2009, the carry-forward amount available in the General Capital and Utility Capital funds was \$129.8 million (2008 - \$67.1 million). The large carry-forward increases are primarily due to the \$84.6 million debt issuance and general delay in completion of capital projects due to staff shortages.

### General Capital Fund - Budget to Actual Comparison

	Budget 2009	Actual 2009	Actual 2008	Actual 2007	Actual 2006	Actual 2005
<b>Revenues</b>						
Government transfers						
Federal	19,216	26,696	16,903	10,981	6,100	2,200
Provincial	15,960	23,976	4,724	189	4,403	220
Service agreement fees	6,891	10,583	2,449	3,885	2,713	3,814
Miscellaneous revenues	4,380	8,213	2,064	2,062	1,232	3,900
	46,447	69,468	26,140	17,117	14,448	10,134
<b>Expenses</b>	68,020	83,282	64,126	40,214	42,137	32,461
<b>Expenses over revenues</b>	(21,573)	(13,814)	(37,986)	(23,097)	(27,689)	(22,327)

Actual revenues only reflect the funding that is spent in the year referred to. Additional funding may be available for future years.

# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

## SIGNIFICANT TRENDS

### Revenue Summary

	2009	2008	2007	2006	2005
Taxation	148,529	146,543	139,263	128,936	124,242
Fees and charges	118,735	106,167	96,643	92,672	77,964
Government transfers	119,601	70,526	55,369	50,515	19,684
Electrical distribution	27,110	25,429	25,378	23,904	22,123
Licenses, fines and levies	9,863	9,328	8,441	8,724	9,659
Gas distribution	8,532	9,316	8,449	8,710	9,431
Interest and penalties	8,990	7,257	7,003	6,470	6,392
Service agreement fees	20,187	3,899	5,670	3,970	5,292
Land sales	2,474	4,824	2,337	3,257	1,107
Other	693	1,725	2,000	1,048	2,891
Contribution of tangible capital assets	19,828	16,150	-	-	-
	484,542	401,164	350,553	328,206	278,785

**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.

$$\boxed{\text{Taxable assessment}} \times \boxed{\text{Mill rate}} \times \boxed{\text{Mill rate factor}} = \boxed{\text{Property tax}}$$

Taxable Property Assessment (in thousands of dollars)	
Year	Total
2009	9,082,727
2008	6,345,177
2007	6,276,037
2006	6,348,482
2005	6,302,012

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### SIGNIFICANT TRENDS (cont'd)

Year	Mill Rates			Total	Business Improvement Levies	
	Municipal	Schools	Library		Regina Downtown	Regina's Warehouse Business Improvement District
2009	13.4420	n/a	1.4967	14.9387	0.8205	0.8809
2008	18.9130	19.7393	2.1059	40.7582	1.3107	1.3107
2007	18.3907	19.0166	2.0267	39.4340	1.3107	1.3107
2006	17.6987	18.5528	1.9320	38.1835	1.3107	1.1300
2005	17.6987	18.0264	1.8045	37.5296	1.3107	1.1300

Notes:

- 2009 was a reassessment year and the mill rates and business improvement levies were restated to revenue neutral rates. The revenue neutral rates for 2009 are as follows:

Municipal mill rate - 13.4420  
 Library mill rate - 1.4967  
 Regina Downtown levy - 0.6912  
 Regina's Warehouse Business Improvement District levy - 0.8809

- The Provincial Government announced changes to the way education costs are funded by the province and to the way that education property taxes are calculated for 2009.

- The province now sets province wide mill rates to calculate the education tax for properties.
- The education tax credit program has been discontinued and education tax credits no longer apply.
- The province has changed the level of direct funding for school boards.
- The Province wide mill rates for 2009 are: Agricultural at 7.08, Residential (including Condominiums and Multi-family) at 10.08, Commercial & Industrial (tiered rates) – Assessment up to \$499,999 at 12.25, Assessment of \$500,000 to \$5,999,999 at 15.75 and Assessment of over \$6,000,000 at 18.55.

Property Class/Subclass	Municipal Mill Rate Factors				
	2009	2008	2007	2006	2005
Residential	0.89783	0.85494	0.84803	0.84113	0.83423
Condominiums	0.89783	0.85494	0.84803	0.84113	0.83423
Multi family residential	0.93390	1.03147	1.11284	1.19420	1.27557
Commercial and Industrial	1.22945	1.34557	1.34557	1.34557	1.34557
Golf courses	0.92187	0.94826	0.94826	0.94826	0.94826
Agriculture	1.22945	1.34557	1.34557	1.34557	1.34557

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### SIGNIFICANT TRENDS (cont'd)

	<b>Tax Levies and Collection</b>				
	(in thousands of dollars)				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Municipal tax levy	133,919	131,870	125,947	116,474	112,666
School boards tax levy	113,548	120,126	115,650	110,209	97,836
Library tax levy	14,610	14,673	13,316	12,462	11,576
<b>Total tax levy</b>	<b>262,077</b>	<b>266,669</b>	<b>254,913</b>	<b>239,145</b>	<b>222,078</b>
Tax levy per capita	1,248	1,301	1,265	1,226	1,152
Tax arrears, end of year (prior to allowance for doubtful accounts)	5,471	5,049	4,543	5,350	5,702
Arrears as a % of total tax levy	2.09%	1.89%	1.78%	2.24%	2.57%

### Major Property Taxpayers in Regina in 2009

<b>Registered Owner</b>	<b>Total Taxable Assessment (in thousands of dollars)</b>	<b>% of Total Taxable Assessment</b>
1. HDL Investments Inc.	86,402	0.95%
2. Boardwalk REIT Properties Holdings Ltd.	85,514	0.94%
3. Consumers' Co-operative Refineries Limited	84,659	0.93%
4. Cornwall Centre Inc.	76,315	0.84%
5. Gordon Road Property Holdings Inc.	65,875	0.73%
6. Harvard Developments Inc.	48,952	0.54%
7. 1532652 Ontario Limited	48,631	0.54%
8. Saskatchewan Housing Corporation	40,827	0.45%
9. First Willow Developments Ltd.	39,401	0.43%
10. SGC Holdings Inc.	35,076	0.39%
11. Fortis Properties Corporation	32,111	0.35%
12.. Narland Properties (Victoria Square) Ltd.	30,074	0.33%
13. Loblaw Properties West Inc.	29,685	0.33%
14. First Roughriders Developments Limited	25,980	0.29%
15. Normanview Crossing Inc.	15,341	0.17%
<b>Total</b>	<b>744,843</b>	<b>8.21%</b>
<b>Total 2009 taxable assessment</b>	<b>9,082,727</b>	<b>-</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

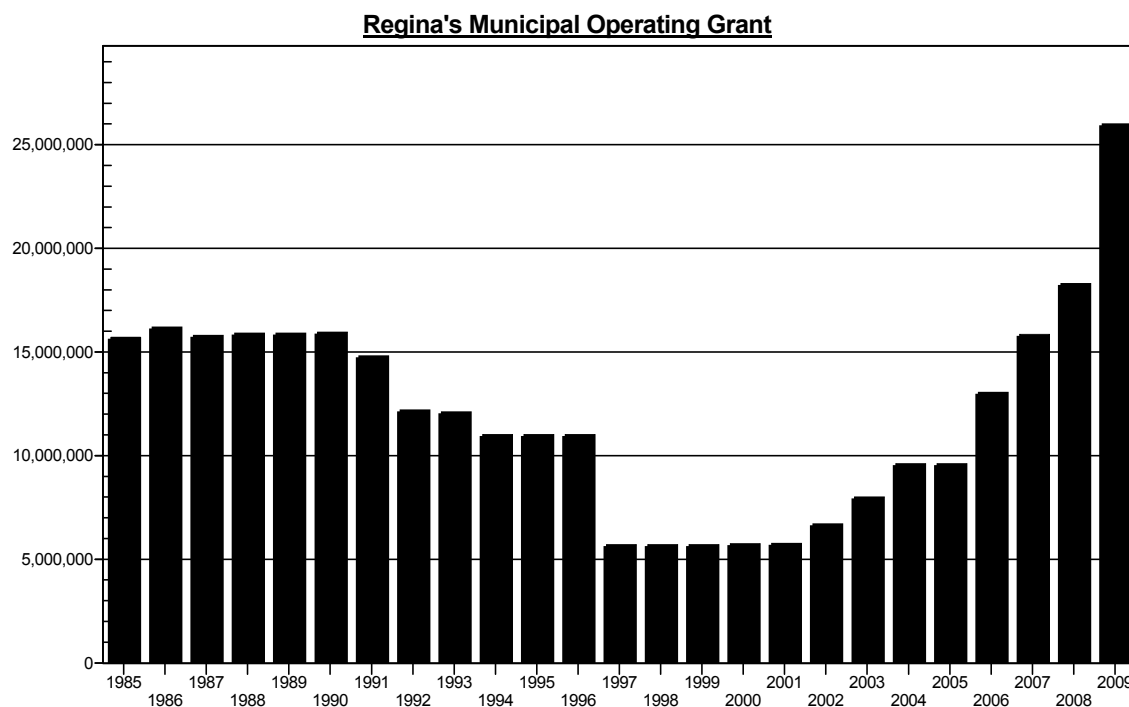
(in thousands of dollars)

December 31, 2009

### SIGNIFICANT TRENDS (cont'd)

**Fees and charges** revenue has generally increased due to rate increases, with some increase over the past few years due to higher building activity. The largest portion of the increase is attributable to increased water and sewer utility rates required to fund infrastructure improvement to meet water and sewer treatment quality standards.

**Government transfers** includes both operating and capital transfers and reflects the variability in various Federal and Provincial capital grant programs. The Provincial municipal operating grant (previously known as revenue sharing grant) is the largest single grant program available to the City of Regina. The following graph shows the Provincial municipal operating grants received by Regina since 1985.



**Electrical and gas distribution revenues** reflect a trend of increasing rates for electricity and volatile rates for natural gas. Electrical consumption has been relative steady over the past ten years. Natural gas consumption decreased on average about 5.5% per year for the years 2005 to 2006, increased by 4.7% in the years 2007 and 2008, and increased 10.8% in 2009.



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### SIGNIFICANT TRENDS (cont'd)

#### Expense Summary

	2009	2008	2007	2006	2005
Parks, recreation and community services	94,582	80,673	76,924	71,177	44,599
Police	61,261	53,001	48,492	46,658	45,490
Legislative and administrative services	50,193	44,826	44,104	44,400	32,900
Water, wastewater and drainage	50,510	49,234	39,415	40,264	40,972
Roads and traffic	43,814	44,194	40,976	36,643	35,805
Fire	31,736	29,182	26,905	27,645	25,693
Transit	26,400	25,353	24,602	21,528	23,513
Waste collection and disposal	12,695	14,082	11,998	12,794	9,125
Grants	45,168	17,016	4,404	4,171	4,168
Planning and development	12,039	8,658	5,863	3,716	3,837
<b>Total</b>	<b>428,398</b>	<b>366,219</b>	<b>323,683</b>	<b>308,996</b>	<b>266,102</b>

#### Expense by Object

	2009	2008	2007	2006	2005
Wages and benefits	223,904	194,637	179,141	168,358	143,390
Capital expenditures	-	-	49,207	53,563	44,707
Material, supplies and other goods	67,262	67,233	49,524	44,152	36,489
Contracted and general services	29,813	27,432	25,407	23,097	22,739
Transfer payments	45,873	17,606	5,231	4,879	4,825
Utilities	12,685	13,583	12,656	11,888	10,700
Interest	3,662	2,137	2,517	3,059	3,252
Amortization of tangible capital assets	45,199	43,591	-	-	-
<b>Total</b>	<b>428,398</b>	<b>366,219</b>	<b>323,683</b>	<b>308,996</b>	<b>266,102</b>

**Wages and benefits** have increased over the past five years due to wage increases and an increase in employees. The number of employees (FTE's) funded through the General Operating Fund over the past five years is as follows:

2009 - 2,169  
 2008 - 2,106  
 2007 - 2,037  
 2006 - 1,999  
 2005 - 1,981

There are no **capital expenditures** in 2008 and 2009 due to the accounting change related to tangible capital assets. Capital expenditures are no longer expensed. Instead, amortization of tangible capital assets is expensed over the useful life of the assets.

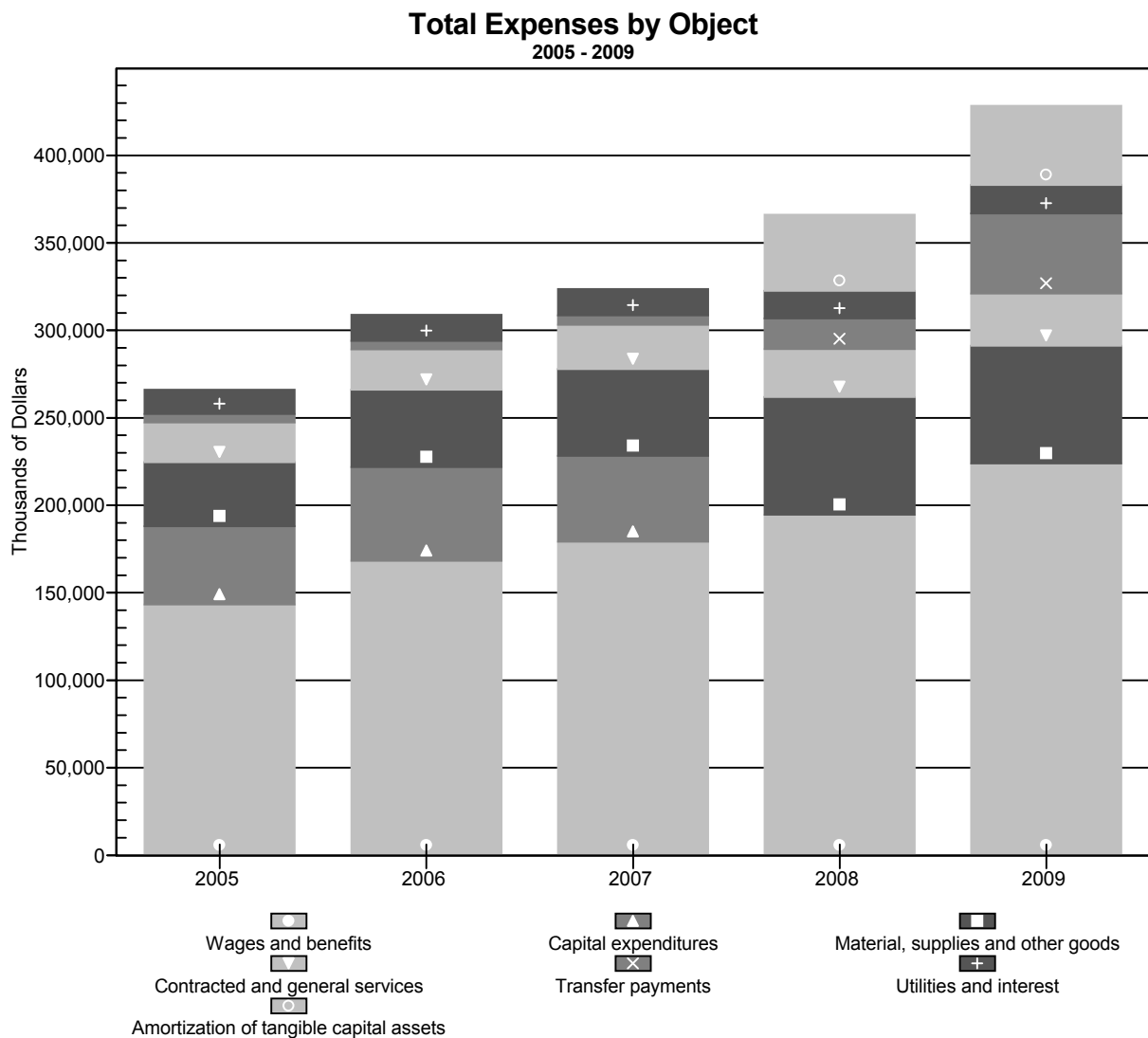
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS  
 (in thousands of dollars)

December 31, 2009

**SIGNIFICANT TRENDS** (cont'd)

**Capital expenditures** were higher in 2006 because of increases in transit, water, sewer, and street infrastructure renewal capital spending.

The following graph displays the proportion of total expenses by object:



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### SIGNIFICANT TRENDS (cont'd)

#### Statement of Financial Position

	2009	2008	2007	2006	2005
<b>Financial assets</b>					
Cash	15,456	11,524	14,563	11,661	11,301
Short-term investments	32,324	71,414	57,038	49,432	30,536
Accounts receivable	36,786	41,307	29,591	36,447	38,002
Taxes receivable	3,771	3,497	3,214	4,077	4,386
Long-term investments	216,755	79,045	75,208	52,349	56,406
	305,092	206,787	179,614	153,966	140,631
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	55,233	59,728	31,581	30,436	28,222
Taxes payable to school boards	5,026	4,967	4,927	11,691	6,939
Deferred revenue	44,313	22,987	20,648	8,131	7,425
Capital lease obligations	1,639	1,986	2,207	2,400	2,124
Long-term debt	106,600	35,754	43,290	53,869	55,900
Employee benefit obligations	43,683	37,109	36,404	35,821	37,490
Landfill closure and post-closure	29,732	27,667	22,450	20,381	15,614
	286,226	190,198	161,507	162,729	153,714
Net financial assets (liabilities)	18,866	16,589	18,107	(8,763)	(13,083)
<b>Non-financial assets</b>					
Tangible capital assets	962,886	908,486	-	-	-
Property held for resale	396	396	231	267	270
Materials and supplies	5,018	5,551	6,059	4,094	3,824
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>987,166</b>	<b>931,022</b>	<b>24,397</b>	<b>(4,402)</b>	<b>(8,989)</b>

#### Investments

Fluctuations in short and long-term investments reflect the timing of debt issues (\$84.6 million of debt was issued in 2009), Provincial and Federal government transfers, and the timing of the expenditure of the proceeds on various capital projects.

#### Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include standard trade and payroll amounts payable as at December 31. The main reason for the increase in accounts payable and accrued liabilities is due to infrastructure work at Harbour Landing but not paid as at December 31, 2009.

It also includes a contingency amount for potential losses on assessment appeals. There are currently a number of appeals outstanding at various levels of the appeal process relating to assessments for the years 2007 through 2009, with a total risk estimated at about \$0.5 million. At the end of 2008, appeals were outstanding for 2001 through 2008, with a total risk of about \$1.7 million. The risk is estimated by a review of each appeal including an analysis of the issues raised in the appeal and the potential reduction in

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### SIGNIFICANT TRENDS (cont'd)

assessment value.

#### **Deferred Revenue**

Deferred revenue has increased in the past few years due to the increase in government transfers. Government transfers that have not been spent on eligible projects are shown as deferred revenue on the Statement of Financial Position.

#### **City of Regina Long-Term Debt**

	2009	2008	2007	2006	2005
Total debt outstanding, beginning of year	28,000	35,300	45,600	55,900	67,500
Debt issued during year	84,600	-	-	-	-
Debt repayments during year	(6,000)	(7,300)	(10,300)	(10,300)	(11,600)
Total debt outstanding, December 31	106,600	28,000	35,300	45,600	55,900
General municipal debt outstanding, end of year	32,500	8,400	9,800	11,200	12,600
Water & Sewer Utility debt outstanding, end of year	74,100	19,600	25,500	34,400	43,300
Authorized debt limit, December 31	200,000	200,000	94,000	94,000	94,000
Total debt outstanding	106,600	28,000	35,300	45,600	55,900
Debt per capita (\$)	508	136	175	234	290

In 2009, Standard & Poor's affirmed its 'AA+' credit rating with a stable outlook for the City based on the City's strong financial performance. The rating reflects the City's modest debt burden and robust cash and investment holdings. The rating indicated that these strengths are partially offset by constraints on the City's financial flexibility that are greater than those faced by most other rated comparable Canadian municipalities.

The City's tax-supported debt was \$ 32.5 million at the end of 2009, while debt incurred to fund the Water and Sewer Utility was \$74.1 million. The City issued \$84.6 million in debt in 2009 and it is expected that borrowing in the range of \$125 million will be required over the period 2010-2014 to fund capital projects.

The City's authorized debt limit is \$200,000 (2008 - \$200,000). The debt limit is approved by the Saskatchewan Municipal Board pursuant to the provisions of *The Cities Act*. When service agreement fee credits are included the City is \$75 million below its debt limit.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### SIGNIFICANT TRENDS (cont'd)

#### City of Regina Debt Service Costs

	2009	2008	2007	2006	2005
<b>General municipal debt</b>					
Principal	1,400	1,400	1,400	1,400	1,400
Interest	881	424	474	511	549
	2,281	1,824	1,874	1,911	1,949
<b>Water and Sewer Utility</b>					
Principal	4,600	5,900	8,900	8,900	10,200
Interest	2,043	1,267	1,646	2,007	2,500
	6,643	7,167	10,546	10,907	12,700
Total	8,924	8,991	12,420	12,818	14,649
Debt service costs as a % of total expenses	2.1%	2.5%	3.8%	4.1%	5.5%

#### Employee Benefit Obligations

The increase in employee benefit obligations from 2005 to 2009 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 five to ten years, the cash outlays relating to this obligation will continue to be significant.

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 any actuarial surplus/deficit and thus no amount is included in the statement of financial position for this plan. As disclosed in note 8 d) of the financial statements, an actuarial extrapolation completed of the plan for accounting purposes indicates a deficit of plan assets over the benefit obligation of \$207.3 million (2008 - \$251.7 million deficit). This deficit is due mainly to the recent unfavourable events in the financial markets.

For funding purposes, the plan was required to complete an actuarial valuation on both a going concern and a solvency basis for December 31, 2007. The valuation for solvency purposes requires any shortfall to be funded over a five-year period. The valuation completed during 2008 and a solvency surplus of \$19 million and a going concern unfunded liability of \$43.6 million. The following table shows the City's contributions to the Plan for the past five years:

	2009	2008	2007	2006	2005
City of Regina employer contributions	11,954	9,952	9,725	10,212	9,040

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

(in thousands of dollars)

December 31, 2009

### SIGNIFICANT TRENDS (cont'd)

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

The City implemented an accounting change in 2009 resulting in \$962.9 million of tangible capital assets being shown on the Statement of Financial Position. This change was required to comply with generally accepted accounting standards. 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. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction. The City's tangible capital assets include land, buildings, vehicles and equipment, roads and bridges, and underground and other networks.

#### ***Reserves and Accumulated Surplus***

	2009	2008	2007	2006	2005
Reserves					
City of Regina Reserves	88,123	61,683	60,604	44,873	30,640
Group Benefits Reserves	7,342	7,553	7,450	6,830	6,682
Other Entities Reserves	8,636	7,948	7,085	6,103	4,777
	104,101	77,184	75,139	57,806	42,099

Reserve balances totaled \$104 million at the end of 2009 (2008 - \$77 million).

The City allocates funds to reserves to meet specific future operating and capital expense requirements. The largest reserve is the General Fund Reserve, which is intended to provide funding in the event of an operating deficit, as well as for one-time initiatives. This reserve balance increased by about \$22 million from 2005 to 2009 primarily because of the City's General Operating Fund surplus and a significant increase in land sales. The reserves represent amounts that Council and has funded through annual operating revenues for future requirements.

The financial statements include a number of liabilities which will be funded from future revenues. These amounts are reflected in Note 13 to the financial statements as Obligations to Funded from Future Revenues, and include amounts related to employee benefit obligations, long-term debt and landfill closure and post-closure costs.

### **Assessment of Financial Condition**

#### ***Sustainability***

Sustainability is the degree to which a government can maintain its existing financial obligations without increasing its debt or tax burden.

One measure of sustainability is financial assets to liabilities. This indicator reports the ratio of a government's financial assets to its liabilities. A result lower than one indicates liabilities exceed financial assets and future revenues will be required to pay for past transactions and events. A result higher than one indicates financial assets exceed liabilities and financial resources are on hand that can finance future

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

*(in thousands of dollars)*

December 31, 2009

operations. A trend showing decreases in this indicator may not be sustainable. An example of an event that could decrease this ratio is continued reliance on debt to finance operations.

The City's financial assets to liabilities ratio has increased from 0.91 to 1.07 from 2005 to 2009. Therefore its sustainability has improved in the past five years. However this ratio has decreased from 1.11 to 1.07 since 2007, indicating a more recent trend of decreased sustainability. If this ratio decreases over the long term it becomes more difficult to finance operations without raising taxes.

### ***Flexibility***

Flexibility is the degree to which a government can change its debt or tax burden and still meet its existing financial obligations.

One measure of flexibility is debt charges to total revenue. This ratio, often referred to as the interest bite, indicates the proportion of total revenue that is required to pay interest charges on debt and therefore, is not available to pay for program costs. It illustrates the extent to which past borrowing decisions present a constraint on a government's ability to meet its financial and service commitments in the current period. Specifically, the more government uses revenues to meet the interest costs on past borrowing, the less will be available for program spending. This indicator is important because, when this indicator increases for an extended period of time and 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.

For the City this ratio decreased from 1.2% to 0.5% from 2005 to 2008 but increased to 0.8% in 2009. While the City shows improved flexibility since 2005, the more recent trend shows a move towards decreased flexibility.

### ***Vulnerability***

Vulnerability is the degree to which a government is dependent on sources of funding outside of its control or is exposed to risks that could impair its ability to meet its existing financial obligations.

One measure of vulnerability is Federal and Provincial government transfers to total revenues. This indicator offers a perspective on the degree of vulnerability the City faces as a result of its dependence on other levels of government for revenues. An increasing dependence on other levels of government for revenues means that the City is increasingly vulnerable to the fiscal decisions of another. Reduced dependence on government transfers may reduce vulnerability but it could also impair sustainability if a government's own tax base has to replace the revenues lost from a reduction in transfer payments. A government that reduces its dependence on government transfers and correspondingly reduces its spending may avoid impairing its sustainability, but it could produce dissatisfaction among constituents.

The City has increased its reliance on government transfers from 7% of total revenues in 2005 to 25% in 2009. This indicates increasing vulnerability and that the City is less able to fund essential programs and services from own-source revenues, increasing vulnerability to changes in Provincial and Federal transfers which are beyond its control.

## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

*(in thousands of dollars)*

December 31, 2009

### LOOKING FORWARD

Regina is entering an exciting phase of growth and development. Building permits continue to hit record levels and the population is growing. Regina is receiving wide recognition as an attractive, vibrant, inclusive and thriving city – a great place to work, raise a family or start a business.

The City itself faces challenges with funding the infrastructure needed to support this growth as well as the existing infrastructure gap. Revenue growth from new development is expected to be higher in the future, however the growth is not sufficient to keep pace with operating expenses or increased capital requirements.

The 2010 budget was built on the framework and priorities established by the City's corporate strategic plan, Accelerating Excellence, with an aim to realizing City Council's vision for Regina 2020: Canada's most vibrant, inclusive, attractive, sustainable community, where people live in harmony and thrive in opportunity.

The budget development process included careful consideration of debt to support strategic capital initiatives. A key factor in the ability to produce a balanced budget was the recognition of the limited ability to increase capital projects in the short term in light of the hot construction market. The City's 2010 budget took into account:

- Regina continues to experience growth - and responsible growth requires investment.
- The cost of many supplies and materials continues to increase above the rate of inflation.
- No increase in provincial funding is anticipated in 2010.
- Citizens hold Council accountable for making progress toward a brighter future, captured in the City's vision, while making efficient use of resources.

To continue to deliver programs and services through this growth period, while making progress on its vision, the City approved a 4% increase in the mill rate in 2010.

These commitments represent a growing recognition of the need for a fundamental change in the revenue framework for cities – critical for our future success.



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**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 generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). 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 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.

The Finance and Administration Committee, established by City Council, comprises five elected officials, along with the Mayor as an ex-officio member. The Committee, in addition to considering a variety of financial and administrative issues, reviews the content of the annual financial report for presentation to City Council, and reviews external audit reports.

Deloitte & Touche LLP, Chartered Accountants, 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.

Glen Davies  
City Manager

April 22, 2010

Brent Sjoberg  
General Manager, Corporate Services



Deloitte & Touche LLP  
900 - 2103 11th Ave  
Bank of Montreal Building  
Regina SK S4P 3Z8  
Canada

Tel: 306-565-5200  
Fax: 306-757-4753  
www.deloitte.ca

## Auditors' Report

To His Worship the Mayor and Members of City Council

We have audited the consolidated statement of financial position of the City of Regina as at December 31, 2009 and the consolidated statements of operations, changes in net financial assets, and cash for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Regina as at December 31, 2009, and the results of its operations and the changes in cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants

Regina, Saskatchewan  
April 22, 2010

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of dollars)

As at December 31, 2009

	2009	2008 (Restated - Note 23)
<b>FINANCIAL ASSETS</b>		
Cash	15,456	11,524
Short-term investments (Note 4)	32,324	71,414
Accounts receivable	36,786	41,307
Taxes receivable (Note 15)	3,771	3,497
Long-term investments (Note 5)	216,755	79,045
	<b>305,092</b>	206,787
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 3)	55,233	59,728
Taxes payable to school boards	5,026	4,967
Deferred revenue	44,313	22,987
Capital lease obligations (Note 6)	1,639	1,986
Long-term debt (Note 7)	106,600	35,754
Employee benefit obligations (Note 8)	43,683	37,109
Landfill closure and post-closure (Note 10)	29,732	27,667
	<b>286,226</b>	190,198
<b>NET FINANCIAL ASSETS</b>	<b>18,866</b>	16,589
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 9)	962,886	908,486
Property held for resale (Note 12)	396	396
Materials and supplies	5,018	5,551
<b>ACCUMULATED SURPLUS (Note 13)</b>	<b>987,166</b>	931,022

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands of dollars)

For the year ended December 31, 2009

	Budget (Unaudited) 2009	Actual 2009	Actual 2008 (Restated - Note 23)
<b>REVENUE</b>			
Taxation (Note 15)	143,917	<b>148,529</b>	146,543
Fees and charges	108,929	<b>118,735</b>	106,167
Government transfers (Note 16)	90,737	<b>119,601</b>	70,526
Electrical distribution	26,104	<b>27,110</b>	25,429
Licenses, fines and levies	9,339	<b>9,863</b>	9,328
Gas distribution	10,014	<b>8,532</b>	9,316
Interest and penalties	4,503	<b>8,990</b>	7,257
Service agreement fees	24,023	<b>20,187</b>	3,899
Land sales	3,000	<b>2,474</b>	4,824
Other	7,781	<b>693</b>	1,725
Contribution of tangible capital assets	-	<b>19,828</b>	16,150
	428,347	<b>484,542</b>	401,164
<b>EXPENSES</b>			
Parks, recreation and community services	78,323	<b>94,582</b>	80,673
Police	57,069	<b>61,261</b>	53,001
Legislative and administrative services	48,569	<b>50,193</b>	44,826
Water, wastewater and drainage	93,122	<b>50,510</b>	49,234
Roads and traffic	49,138	<b>43,814</b>	44,194
Fire	31,173	<b>31,736</b>	29,182
Transit	31,136	<b>26,400</b>	25,353
Waste collection and disposal	13,183	<b>12,695</b>	14,082
Grants	6,690	<b>45,168</b>	17,016
Planning and development	31,783	<b>12,039</b>	8,658
	440,186	<b>428,398</b>	366,219
Excess of (expenses over revenues) revenues over expenses	(11,839)	<b>56,144</b>	34,945
Accumulated Surplus, Beginning of Year, as Previously Reported		<b>22,375</b>	24,397
Prior Period Adjustment - Note 23		<b>908,647</b>	871,680
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, RESTATED</b>		<b>931,022</b>	896,077
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>987,166</b>	931,022

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

(in thousands of dollars)

For the year ended December 31, 2009

	Actual 2009	Actual 2008 (Restated - Note 23)
Excess of (expenses over revenues) revenues over expenses	56,144	34,945
(Acquisition) of tangible capital assets	(90,497)	(64,810)
Contribution of tangible capital assets	(19,828)	(16,150)
Amortization of tangible capital assets	45,199	43,591
Proceeds on disposal of tangible capital assets	667	1,692
Loss (gain) on the disposal of tangible capital assets	2,398	(1,290)
Disposition of RPV's tangible capital assets (Note 20)	7,661	-
(Deficit) of capital expenses over expenditures	(54,400)	(36,967)
Consumption of materials and supplies	461	504
Disposition of RPV's material and supplies	72	-
Surplus of expenses of other non-financial expenses over expenditures	533	504
Increase (decrease) in net financial assets	2,277	(1,518)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	16,589	18,107
NET FINANCIAL ASSETS, END OF YEAR	18,866	16,589

See accompanying notes to consolidated financial statements.



## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of dollars)

For the year ended December 31, 2009

	2009	2008 (Restated - Note 23)
<b>CASH PROVIDED BY</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	56,144	34,945
Non-cash items		
Amortization of tangible capital assets	45,199	43,591
Loss (gain) on disposal of tangible capital assets	2,398	(1,290)
Contribution of tangible capital assets	(19,828)	(16,150)
Gain on disposition of Regina Pioneer Village Ltd. (Note 20)	(2,326)	-
Net change in non-cash working capital balances		
Decrease (increase) in accounts receivable	4,047	(11,716)
Increase in taxes receivable	(274)	(283)
(Decrease) increase in accounts payable and accrued liabilities	(3,027)	28,147
Increase in taxes payable to school boards	59	40
Increase in deferred revenue	22,845	2,339
Decrease in capital lease obligations	(347)	(221)
Increase in employee benefit obligations	8,368	705
Increase in landfill closure and post-closure liability	2,065	5,217
(Increase) in property held for resale	-	(4)
Decrease in materials and supplies	461	508
	<b>115,784</b>	<b>85,828</b>
<b>CAPITAL ACTIVITIES</b>		
(Acquisition) of tangible capital assets	(90,497)	(64,810)
Proceeds on disposal of tangible capital assets	667	1,692
	<b>(89,830)</b>	<b>(63,118)</b>
<b>INVESTING ACTIVITIES</b>		
Net sale (purchase) of short-term investments	39,090	(14,376)
Net purchase of long-term investments	(137,710)	(3,837)
Cash held by Regina Pioneer Village Ltd. on disposition (Note 20)	(3,716)	-
	<b>(102,336)</b>	<b>(18,213)</b>
<b>FINANCING ACTIVITIES</b>		
Long-term debt issued	84,600	-
Long-term debt retired	(4,286)	(7,536)
	<b>80,314</b>	<b>(7,536)</b>
<b>INCREASE (DECREASE) IN CASH POSITION</b>	<b>3,932</b>	<b>(3,039)</b>
<b>CASH POSITION, BEGINNING OF YEAR</b>	<b>11,524</b>	<b>14,563</b>
<b>CASH POSITION, END OF YEAR</b>	<b>15,456</b>	<b>11,524</b>

See accompanying notes to consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, changes in accumulated surplus and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable to the City for the administration of their financial affairs and resources and which are owned or controlled by the City, namely:

- General operating and capital funds
- Water and sewer utility operating and capital funds
- Regina Public Library
- Regina Regional Opportunities Commission
- Regina Downtown Business Improvement District
- Regina's Warehouse Business Improvement District

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

The City has an interest in the Buffalo Pound Water Administration Board, a government partnership, that is proportionately consolidated.

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

#### 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. Expenses are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

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 financial statements of future periods could be material (See Note 15). Penalties on overdue taxes are recorded in the period levied.

Electrical distribution revenues consist 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 of Regina limits.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

Gas distribution revenues mainly consist 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 of Regina 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 of Regina 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 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 can be made.

### **Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles as recommended by PSAB 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 reported amounts of revenues and expenditures during the year. Actual results could differ from those estimates.

### **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.

### **Materials and supplies**

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

### **Taxes collected for others**

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

### **Deferred revenue**

The City receives service 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, and rent revenue received from the Saskatchewan Roughriders football club which is to be spent on upgrading Taylor Field. As well, the City receives various government grants for special programs offered by either the Provincial or Federal governments. 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 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.

For defined benefit pension plans considered to be single-employer plans, the cost of pension benefits is 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 multi-employer plans, the 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.

### 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:

#### General

Land improvements	10 to 100 years
Buildings	15 to 75 years
Vehicles and Equipment	
Fire trucks and buses	15 years
Police vehicles	4 to 10 years
Other vehicles	6 to 25 years
Equipment	4 to 50 years
Office and Information Technology	
Hardware	2 to 13 years
Software	2 to 10 years
Other	10 years

#### Infrastructure

Plants and facilities	5 to 75 years
Roads	20 to 40 years
Underground networks	50 to 75 years
Bridges	40 to 70 years

Assets under construction are not amortized until the asset is available for productive use.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*(in thousands of dollars)*

For the year ended December 31, 2009

Interest on debt used to purchase tangible capital assets is not capitalized.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

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.

### **Budget information**

Unaudited budget information is presented on a basis consistent with that used for actual results.

## **2. CHANGE IN ACCOUNTING POLICIES**

For the 2009 fiscal year the City changed its accounting policy related to the treatment of tangible capital assets to comply with PSAB section 3150, Tangible Capital Assets. Tangible capital assets are capitalized at cost and amortized over their estimated useful lives. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction. This change in accounting policy was accounted for retroactively and has resulted in an adjustment in the prior year to opening accumulated surplus. See Note 23.

The City also implemented PSAB section 1200, Financial Statement Presentation, which establishes general reporting principles and standards for the disclosure of information in government financial statements. This section also resulted in the presentation of a new statement, the Statement of Change in Net Financial Assets.

## **3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities is \$13,530 (2008 - \$12,800) related to amounts owed to developers for infrastructure expenditures made on behalf of the City in 2009. The City issued service agreement fee (SAF) credits to the developers in 2009 for these expenditures. The developers can redeem the SAF credits to offset payment for future service agreement fees. If there are SAF credits owing to developers after 10 years the City will repay the value of the remaining SAF credits to the developers. The City can also choose to repay prior to 10 years. Under the SAF credit agreements the total amount of credits that can be issued to developers is \$39,900.

Total SAF credits issued and not redeemed, plus credits to be issued count against the debt limit of \$200,000. This amount is \$18,500 and when added to the long-term debt of \$106,600 the amount of \$125,100 is below the debt limit.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 4. SHORT-TERM INVESTMENTS

Short-term investments are recorded at cost and have a fair value approximating cost. The investment is in a money market fund, holdings of which may include a combination of treasury bills, commercial paper, bankers' acceptances or promissory notes. The average yield earned from investments was 0.82% (2008 - 3.49%).

### 5. LONG-TERM INVESTMENTS

Long-term investments include investments in a pooled bond fund.

	Carrying Value		Fair Value	
	2009	2008	2009	2008
Pooled bond fund	216,755	79,045	217,414	79,769

A pooled bond fund is a group of individual bonds managed by an investment manager. The fair 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.

### 6. 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:

2010	607
2011	447
2012	376
2013	266
2014	229
Total minimum lease payments	1,925
Less amount representing interest (5.5%-9.25%)	(286)
Capital lease obligations	1,639

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 7. LONG-TERM DEBT

#### Debenture debt

The City's long term debt consists of \$63,500 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 were issued for 10 year terms with principal payable either annually or semi-annually and interest payable semi-annually.

The City also holds \$43,100 of long term debt in the form of an unsecured debenture issued in the form of a fully registered certificate held by The Municipal Financing Corporation of Saskatchewan. Interest is payable semi-annually and the entire principal is due in 2014.

#### Bank indebtedness

Pursuant to *The Regina Administration Bylaw 2003-69*, the City can incur bank indebtedness. Interest on this indebtedness is calculated at the prime rate of interest less 0.5%, payable monthly and the City has pledged certain revenues as security for the debt obligation. At December 31, 2009, the City had no bank indebtedness.

	2009	2008
City of Regina unsecured debentures		
Operating fund	32,500	8,400
Utility fund	74,100	19,600
RPV mortgages	-	5,727
RPV debentures		2,027
<b>Total debt</b>	<b>106,600</b>	35,754
Authorized debt limit	200,000	200,000
Interest rates	0.95 - 5.55%	4.15 - 7.88%
Interest costs for year	3,283	1,950

The debenture debt is repayable as follows:

2010	8,350
2011	8,350
2012	8,350
2013	4,350
2014	47,450
Thereafter to 2022	29,750
	<b>106,600</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 8. EMPLOYEE BENEFIT OBLIGATIONS

The City's employee benefit obligations are as follows. The concept of funding refers to amounts included or to be included in the City's annual budget (see Note 13) and not to the funded status of the defined benefit pension plans described below:

	Funded	To be funded in future	Total 2009	Total 2008
<b>a) Defined benefit pension plans</b>				
Regina Police Superannuation and Benefits Plan	-	2,169	2,169	(1,866)
Regina Police Civilian Employees' Early Retirement	-	381	381	306
	-	2,550	2,550	(1,560)
<b>b) Other benefit plans</b>				
Termination payments	193	14,997	15,190	14,956
Continuation of group life, medical and dental benefits	479	9,808	10,287	7,243
	672	24,805	25,477	22,199
<b>c) Other plans and arrangements</b>				
Vacation	93	12,530	12,623	13,472
Overtime	90	2,575	2,665	2,696
Other termination payments and pensions	31	171	202	156
Group life, medical and dental plans	166	-	166	146
	380	15,276	15,656	16,470
<b>Total</b>	<b>1,052</b>	<b>42,631</b>	<b>43,683</b>	<b>37,109</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.

The Regina Police Civilian Employees' Early Retirement Benefits Arrangement is a defined benefit arrangement augmenting the Regina Police Pension Plan. If a member of the Regina Police Pension Plan retires prior to eligibility for Canada Pension Plan (CPP) benefits, the City pays benefits equivalent to the CPP benefits the member would receive at the CPP retirement age until the member starts to receive actual CPP benefits. Contributions are not required from members.

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 financial statements.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

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

	Police	Police Civilian Employees' Early Retirement	Total 2009	Total 2008
Fair value of plan assets, beginning of year	94,941	-	94,941	121,452
Employer contributions	5,022	-	5,022	5,524
Employee contributions	-	-	-	60
Actual return on plan assets	15,376	-	15,376	(23,791)
Less benefits paid	(7,330)	-	(7,330)	(8,304)
Fair value of plan assets, end of year	108,009	-	108,009	94,941
Accrued benefit obligation, beginning of year	131,937	704	132,641	120,758
Current period benefit cost	3,937	35	3,972	3,552
Interest on accrued benefit obligation	8,466	46	8,512	7,943
Actuarial losses	-	-	-	8,681
Less benefits paid	(7,330)	(40)	(7,370)	(8,334)
Changes in Assumptions	-	-	-	40
Accrued benefit obligation, end of year	137,010	745	137,755	132,640
Funded status - plan deficit	(29,001)	(745)	(29,746)	(37,699)
Unamortized net actuarial loss	26,832	364	27,196	39,259
<b>Accrued benefit liability (asset)</b>	<b>2,169</b>	<b>381</b>	<b>2,550</b>	<b>(1,560)</b>
Current period benefit cost	3,937	35	3,972	3,552
Amortization of actuarial (gains) losses	2,985	33	3,018	184
Interest expense	2,135	46	2,181	(139)
Member contributions	-	-	-	(60)
<b>Benefit expense</b>	<b>9,057</b>	<b>114</b>	<b>9,171</b>	<b>3,537</b>
Actuary	<b>Aon Consulting Inc.</b>			
Date of most recent valuation	Dec 31, 2007	Dec 31, 2007		
Discount rate (%)	6.50	6.50		
Inflation rate (%)	2.5	2.5		
Long term return rate on plan assets (%)	6.75	n/a		
Rate of compensation increase (%)	3.5	4.5		
Expected average remaining service years	13.0	13.0		
Contribution rate as a percentage of salary:	-	-		
Members	11.33-12.83%	-		
City	11.83-13.33%	variable		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*(in thousands of dollars)*

For the year ended December 31, 2009

### **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 \$5,318. This amount has been included in Group Benefit Reserves (Note 14). A similar amount is also recorded for the group dental plan.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

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

	Termination payments		Group life, medical and dental plans	Total 2009	Total 2008
	City employees	Library employees			
Accrued benefit obligation, beginning of year	13,896	1,060	7,243	22,199	21,430
Current period benefit cost	902	69	499	1,470	1,625
Interest on accrued benefit obligation	705	51	356	1,112	1,074
Actuarial (gains) losses	-	(4)	2,764	2,760	(357)
Less benefits paid	(1,382)	(107)	(575)	(2,064)	(1,573)
<b>Accrued benefit liability</b>	<b>14,121</b>	<b>1,069</b>	<b>10,287</b>	<b>25,477</b>	22,199
Current period benefit cost	902	69	499	1,470	1,625
Amortization of actuarial (gains) losses	(87)	(3)	2,764	2,674	(515)
Interest expense	705	51	356	1,112	1,074
<b>Benefit expense</b>	<b>1,520</b>	<b>117</b>	<b>3,619</b>	<b>5,256</b>	2,184

Actuary	Aon Consulting Inc.		Mercer Human Resources Consulting Limited
	Dec 31, 2008	Dec 31, 2007	Nov 30, 2008
Date of most recent valuation			
Discount rate (%)	5.00	5.00	3.60-5.15
Rate of compensation increase (%)	4.5-4.6	4.0	3.6-3.7
Expected average remaining service years	9-14	-	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 not discounted.

Out of scope employees are contractually entitled to certain pensions and termination payments. Buffalo Pound employees are entitled to termination payments based upon years of service or unused sick leave. Benefits start to vest after 10 or 15 years of service and are recognized as expenses when they are vested.

Group Life and Dental Plans represents the liability for claims in progress and claim fluctuations under those plans at the end of the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### d) Multi-employer defined benefit plans

The following two multi-employer defined benefit plans provide benefits to employees of the City of Regina, the Qu'Appelle Health Region (the Regina General Hospital Division and Community Health Division), the Buffalo Pound Water Administration Board, the Regina Public Library Board, and the non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan:

	Superannuation & Benefit Plan	Long-Term Disability Plan	Total 2009	Total 2008
Benefit expense	11,954	1,093	13,047	10,924
(Deficit) surplus of plan assets over benefit obligation per plan financial statements	(207,251)	11,735	(195,516)	(242,202)
Contribution rate as a percentage of salary				
Members	9.42 - 13.96%	1.04%		
Employers	9.42 - 13.96%	1.04%		
City employee contributions	12,024	1,093	13,117	11,097
Date of most recent actuarial valuation	Dec 31, 2007	Dec 31, 2007		
Actuary	Mercer Human Resource Consulting Limited			

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 that are attributable to the City cannot be determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plans are recognized in these financial statements. The benefit expense reflected in the financial statements is equal to the City's contributions for the year.

### 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.

	2009	2008
Casual employee members' contribution rate	3.00%	3.00%
Elected official members' contribution rate	6.95%	6.95%
Members' contributions	264	247
Benefit expense	264	247

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 9. TANGIBLE CAPITAL ASSETS

	NET BOOK VALUE	
	2009	2008
General		
Land	52,053	50,479
Land improvements	22,476	23,654
Buildings and building improvements	55,406	57,223
Vehicles and equipment	95,998	95,333
Office and information technology	7,196	6,510
Infrastructure		
Plants and facilities	139,377	115,579
Roads	225,507	217,169
Underground and other networks	329,385	310,669
Bridges and other structures	13,745	9,562
	941,143	886,178
Assets under construction	21,743	22,308
	962,886	908,486

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 3).

During the year there were no write-downs of assets (2008 - \$nil). In addition, tangible capital assets contributed to the City totalled \$19,828 (2008 - \$16,150) and were capitalized at their fair value at the time of receipt.

Works of art and historical treasures are not recognized in these financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 10. 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.

	2009	2008
Estimated closure and post-closure costs over next 40 years	47,490	45,813
Discount rate	5.00%	5.00%
<b>Discounted cost</b>	<b>33,539</b>	29,837
Expected year(s) capacity will be reached	2012	2011
Capacity (m3) (2008 - tonnes):		
Used to date	8,200,000	10,200,000
Remaining	1,050,000	800,000
Total	9,250,000	11,000,000
<b>Percent utilized</b>	<b>88.65%</b>	92.73%
<b>Liability based on the percentage utilized</b>	<b>29,732</b>	27,667

The liability recognized in the 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.

### 11. COMMITMENTS

The City is committed to the following payments over the next five years under operating leases and service agreements:

2010	244
2011	216
2012	65
2013	32
2014	26
	<b>583</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 12. PROPERTY HELD FOR RESALE

Property acquired through the tax enforcement process and held for sale is recorded at the lesser of cost and the net realizable value. Cost is equal to the outstanding taxes including any applicable penalties, as well as the costs incurred in acquiring the land. The valuation allowance reflects a potential reduction in the carrying value that may be realized upon sale.

	2009	2008 (Restated)
Property held for resale	1,029	971
Valuation allowance	(770)	(736)
Property held for resale, net of allowance	259	235

Land acquired other than through the tax enforcement process and held for sale is recorded at lower of cost or net realizable value

Acquired property held for resale, net realizable value	137	161
	396	396
Acquired property held for resale, estimated fair value - unaudited	18,600	19,994

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 13. ACCUMULATED SURPLUS

Accumulated surplus represents the equity (accumulated deficit) of an organization. In determining accumulated surplus revenues and expenses are recognized as they are earned and incurred, according to generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

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 PSAB.

Unappropriated surpluses (deficits) 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 have been internally restricted for specific purposes.

Obligations to be funded from future revenues represent amounts recognized as expenses according to generally accepted accounting principles, 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, the costs of which are expected to be funded from future service agreement fees.

	2009	2008 (Restated - Note 23)
<b>Unappropriated surpluses (deficits):</b>		
City of Regina	-	161
Regina Downtown Business Improvement District	106	88
Regina Regional Opportunities Commission	583	349
Regina Public Library	877	342
Regina's Warehouse Business Improvement District	27	45
Regina Pioneer Village Ltd.	-	(408)
Investment in tangible capital assets	<b>962,886</b>	908,486
<b>Appropriated surpluses:</b>		
General capital projects	48,575	35,138
Utility capital projects	81,198	31,979
Reserves (Note 14)	104,101	77,184
<b>Infrastructure to be funded from future service agreement fees:</b>		
Roadways	1,503	(3,079)
Water, wastewater and drainage	(32,088)	(17,669)
<b>Obligations to be funded from future revenues:</b>		
Long-term debt (Note 7)	(106,600)	(35,754)
Employee benefit obligations (Note 8)	(42,631)	(36,187)
Landfill closure and post-closure liability (Note 10)	(29,732)	(27,667)
Capital lease obligations (Note 6)	(1,639)	(1,986)
<b>Accumulated surplus</b>	<b>987,166</b>	931,022



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 14. RESERVES

	2009	2008
<b>City of Regina reserves:</b>		
General fund reserve	32,609	25,645
General utility reserve	22,439	8,556
Landfill reserve	18,198	15,087
Winter road maintenance reserve	3,426	3,426
Regina Police Service general reserve	3,415	2,688
Asset Revitalization Reserve	2,239	1,150
Social development reserve	1,679	1,999
Asphalt reserve	1,019	936
Technology reserve	701	591
Golf course reserve	665	452
Grants reserve	514	200
Cemetery reserve	417	413
Employer provided parking reserve	282	52
Regina Police Service radio equipment reserve	200	155
Transit equipment replacement reserve	182	162
Equipment replacement reserve	138	171
	<b>88,123</b>	<b>61,683</b>
<b>Group Benefits reserves:</b>		
Group life insurance reserve	5,318	6,013
Dental benefits reserve	1,298	1,037
Police services premium reduction reserve	337	295
Medical - City of Regina ASO Reserve	330	151
Police long-term disability reserve	59	57
	<b>7,342</b>	<b>7,553</b>
<b>Other Entities' reserves:</b>		
Regina Public Library reserves	7,672	7,205
Regina Downtown Business Improvement District reserve	517	488
Buffalo Pound Water Administration Board capital replacement reserve	360	168
Regina's Warehouse Business Improvement District infrastructure reserve	87	87
	<b>8,636</b>	<b>7,948</b>
	<b>104,101</b>	<b>77,184</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 15. TAXATION REVENUE

	2009	2008
Total taxation revenue levied	<b>262,077</b>	266,669
Taxes collected on behalf of others:		
Regina School Division No. 4	<b>(78,205)</b>	(82,857)
Regina Roman Catholic Separate School Division No. 81	<b>(35,343)</b>	(37,269)
Taxation revenue	<b>148,529</b>	146,543
City of Regina		
Municipal levies	<b>121,948</b>	120,002
Grants in lieu	<b>8,404</b>	8,147
Supplementary taxes	<b>927</b>	965
Other	<b>1,897</b>	2,009
	<b>133,176</b>	131,123
Regina Public Library		
Taxation levies	<b>13,694</b>	13,766
Grants in lieu	<b>916</b>	907
	<b>14,610</b>	14,673
Regina Downtown Business Improvement District levies	<b>600</b>	594
Regina's Warehouse Business Improvement District levies	<b>143</b>	153
	<b>148,529</b>	146,543

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

Allowance for doubtful outstanding taxes netted against taxes receivable	<b>1,708</b>	1,557
Provision for assessment appeals included in accounts payable	<b>534</b>	1,665

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(in thousands of dollars)

For the year ended December 31, 2009

**16. GOVERNMENT TRANSFERS**

	2009	2008
<b>Operating transfers</b>		
Federal	703	969
Provincial	61,706	46,973
	<b>62,409</b>	<b>47,942</b>
<b>Capital transfers</b>		
Federal	40,390	17,363
Provincial	16,802	5,221
	<b>57,192</b>	<b>22,584</b>
	<b>119,601</b>	<b>70,526</b>

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

**17. RELATED PARTY TRANSACTIONS**

	2009	2008
<b>Accounts receivable include the following amounts due from:</b>		
The Regina Civic Employees' Superannuation and Benefit Plan	631	1,113
The Regina Civic Employees' Long-Term Disability Plan	331	611
Perpetual Care Trust and Williamson Driver Award	134	129
The Regina Police Pension Plan	337	263
	<b>1,433</b>	<b>2,116</b>
<b>Revenues include the following amounts charged to:</b>		
The Regina Civic Employees' Superannuation and Benefit Plan	100	71
The Regina Police Pension Plan	34	24
Perpetual Care Trust and Williamson Driver Award	134	129
The Regina Civic Employees' Long Term Disability Plan	14	10
The Chief of Police Pension Plan	-	2
	<b>282</b>	<b>236</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 18. GOVERNMENT PARTNERSHIP

The Buffalo Pound Water Administration Board operates under an agreement between the Cities of Moose Jaw and Regina. Its purpose is to operate the water treatment plant at Buffalo Pound Lake and to supply water to the two cities at cost. Any (recovery) distribution of annual operating (deficit) surplus is shared between the cities according to their respective usage.

The following is a schedule of relevant financial information as stated within the financial statements of the Buffalo Pound Water Administration Board for the year ended December 31, 2009 in thousands of dollars. These amounts represent 100% of the Board's financial position and activities:

	2009	2008 (Restated)
Financial assets	3,858	2,102
Tangible capital assets	28,279	29,363
Other non-financial assets	182	99
<b>Total assets</b>	<b>32,319</b>	<b>31,564</b>
Financial liabilities	3,941	2,283
Capital replacement reserve	489	228
Obligations to be funded from future revenues	(390)	(310)
Investment in tangible capital assets	28,279	29,363
<b>Total liabilities and equity</b>	<b>32,319</b>	<b>31,564</b>
Revenue	8,798	8,340
Expenditures	9,700	9,474
<b>Net loss</b>	<b>(902)</b>	<b>(1,134)</b>

The above amounts are proportionately consolidated within the consolidated financial statements at 73.59% (2008 – 73.54%), the City's interest in the government business partnership. After eliminating transactions between the City and the partnership, the following amounts have been included in the consolidated statements:

	2009	2008 (Restated)
Financial assets	2,419	1,174
Financial liabilities	(780)	(675)
Non-financial assets	20,945	21,666
<b>Net assets</b>	<b>22,584</b>	<b>22,165</b>
<b>Revenue</b>	<b>1,057</b>	<b>1,088</b>
<b>Expenditures</b>	<b>5,755</b>	<b>5,649</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 19. 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:

	2009	2008
Perpetual Care Trust	2,579	2,570
Williamson Driver Award	5	5

### 20. REGINA PIONEER VILLAGE AND REGINA REGIONAL OPPORTUNITIES COMMISSION

Effective June 30, 2009 an agreement was reached whereby Regina Pioneer Village Ltd. (RPV) was amalgamated with the Regina Qu'Appelle Regional Health Region (RQHR). Under the agreement the City's interest in RPV was extinguished and the assets, liabilities, rights and obligations of RPV were effectively transferred and continue as assets and liabilities of RQHR. As a condition of the amalgamation the City made a cash grant to RPV of \$2,000 to address the immediate operating and financial requirements of RPV. The revenues and expenses of RPV have been incorporated in the City's consolidated financial statements up to the amalgamation date (Schedules 1 and 2). As of June 30, 2009 RPV's assets and liabilities were removed from the City's consolidated financial statements, resulting in a gain on the Statement of Operations of \$2,326.

This gain is composed of RPV's net assets transferred out of the consolidated entity:

Cash	(3,716)
Accounts receivable	(474)
Inventory of materials and supplies	(72)
Accounts payable and accrued liabilities	1,468
Deferred revenue	1,519
Long-term debt	9,468
Employee benefits obligations	1,794
Capital assets	(7,661)
Gain on disposition of RPV	2,326

Also in June 2009 the Regina Regional Economic Development Authority merged with Tourism Regina to create a new entity named Regina Regional Opportunities Commission. Pursuant to a transfer agreement dated June 29, 2009, the operations of Tourism Regina and all of its assets were transferred to, and all of its liabilities were assumed by, the City on June 29, 2009. The agreement provides that the operations of Tourism Regina and the continuation of its objectives are to be continued by the City or by an entity designated by the City. The entity identified by the City for the purpose is the Regina Regional Opportunities Commission, an entity created by City By-Law #2009-20 on April 27, 2009.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 21. SEGMENTED INFORMATION

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including police, fire, public transit, and water. 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 divisions and their activities are reported in these funds. Certain divisions that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### **Community and Protective Services**

Community and Protective Services provides fire services, parks and open space services, community, recreation, and cultural programs and services and, public transportation services. It is dedicated to engaging and supporting the citizens of Regina.

#### **Public Works**

Public Works is responsible for ensuring the City's infrastructure systems are effectively preserved, funded, and operated. This division preserves and operates municipal infrastructure involving roadways, traffic, water, drainage, waste water and solid waste to meet regulatory requirements and community needs.

#### **Planning and Development**

Planning and Development provides a long-term comprehensive approach to planning, engineering and development processes to ensure the efficient use of land and community infrastructure. The division encompasses land use, neighbourhood, transportation and infrastructure planning, long-range capital planning, development review, building permits and inspection and real estate services.

#### **Regina Police Services**

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

#### **Corporate Services**

Corporate Services provides services and support to both internal and external customers, enabling City operations to maximize effectiveness and potential. Corporate Services includes Financial Services, Information Technology Services, Human Resources, Fleet Services, and Facilities and Energy Management.

For each reported segment, revenues 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 Segment Disclosure (Schedule 2).

### 22. COMPARATIVE FIGURES

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of dollars)

For the year ended December 31, 2009

### 23. PRIOR PERIOD ADJUSTMENTS

The City has restated its financial statements to comply with the provisions of Section 3150 of the Public Sector Accounting Board Handbook which requires governments to record and amortize their tangible capital assets on their financial statements. Also, the City recorded property held for resale for non tax title property. These adjustments are as follows:

#### Adjustments to opening accumulated surplus

	2009	2008
Accumulated surplus, as previously reported	22,375	24,397
Net book value of tangible capital assets	908,486	871,519
Property held for resale not previously reported	161	161
Accumulated surplus, as restated	931,022	896,077

#### Adjustments to 2008 excess of (expenses over revenues) revenues over expenses

Excess of expenses over revenues, as previously reported	(1,518)
Add:	
Tangible capital assets acquired	80,960
Less:	
Change in non-financial assets	(504)
Amortization expense	(43,591)
Loss on disposal of tangible capital assets	1,290
Proceeds on disposal of tangible capital assets	(1,692)
Excess of revenues over expenses, as restated	34,945

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## FINANCIAL ACTIVITIES BY ORGANIZATION

Schedule 1

*(in thousands of dollars)*

For the year ended December 31, 2009

	General operating	Utility operating	General capital	Utility capital	Total City of Regina
<b>REVENUE</b>					
Taxation	133,517	-	-	-	133,517
Fees and charges	36,244	70,270	-	-	106,514
Government transfers	33,275	733	50,672	5,737	90,417
Electrical distribution	27,110	-	-	-	27,110
Licenses, fines and levies	9,716	-	147	-	9,863
Gas distribution	8,532	-	-	-	8,532
Interest and penalties	8,683	224	-	-	8,907
Service agreement fees	-	-	10,583	9,604	20,187
Land sales	2,337	-	137	-	2,474
Other	11,093	-	(1,703)	(8)	9,382
Contribution of tangible capital assets	-	-	9,632	10,117	19,749
	270,507	71,227	69,468	25,450	436,652
<b>EXPENSES</b>					
Parks, recreation and community services	35,766	-	3,258	-	39,024
Police	59,263	-	1,998	-	61,261
Legislative and administrative services	38,625	-	13,581	-	52,206
Water, wastewater and drainage	-	45,430	-	12,041	57,471
Roads and traffic	24,514	-	19,300	-	43,814
Fire	32,012	-	(276)	-	31,736
Transit	23,823	-	2,577	-	26,400
Waste collection and disposal	10,788	-	1,907	-	12,695
Grants	4,985	-	40,937	-	45,922
Planning and development	12,039	-	-	-	12,039
	241,815	45,430	83,282	12,041	382,568
Excess of revenues over expenses (expenses over revenues)	28,692	25,797	(13,814)	13,409	54,084

See accompanying notes to consolidated financial statements.

## Schedule 1 (cont'd)

Regina Pioneer Village	Regina Downtown	RROC	Buffalo Pound	Regina Public Library	Regina's Warehouse Business Improvement District	Consolidation adjustments	<b>Consolidated 2009</b>
-	600	-	-	14,611	143	(342)	<b>148,529</b>
9,660	80	495	6,462	2,223	-	(6,699)	<b>118,735</b>
27,694	-	1,262	-	982	-	(754)	<b>119,601</b>
-	-	-	-	-	-	-	<b>27,110</b>
-	-	-	-	-	-	-	<b>9,863</b>
-	-	-	-	-	-	-	<b>8,532</b>
70	-	-	13	-	-	-	<b>8,990</b>
-	-	-	-	-	-	-	<b>20,187</b>
-	-	-	-	-	-	-	<b>2,474</b>
2,000	-	-	-	-	-	(10,689)	<b>693</b>
-	-	79	-	-	-	-	<b>19,828</b>
<b>39,424</b>	<b>680</b>	<b>1,836</b>	<b>6,475</b>	<b>17,816</b>	<b>143</b>	<b>(18,484)</b>	<b>484,542</b>
<b>38,281</b>	<b>628</b>	<b>1,547</b>	<b>-</b>	<b>16,552</b>	<b>160</b>	<b>(1,610)</b>	<b>94,582</b>
-	-	-	-	-	-	-	<b>61,261</b>
-	-	-	-	-	-	(2,013)	<b>50,193</b>
-	-	-	7,146	-	-	(14,107)	<b>50,510</b>
-	-	-	-	-	-	-	<b>43,814</b>
-	-	-	-	-	-	-	<b>31,736</b>
-	-	-	-	-	-	-	<b>26,400</b>
-	-	-	-	-	-	-	<b>12,695</b>
-	-	-	-	-	-	(754)	<b>45,168</b>
-	-	-	-	-	-	-	<b>12,039</b>
<b>38,281</b>	<b>628</b>	<b>1,547</b>	<b>7,146</b>	<b>16,552</b>	<b>160</b>	<b>(18,484)</b>	<b>428,398</b>
<b>1,143</b>	<b>52</b>	<b>289</b>	<b>(671)</b>	<b>1,264</b>	<b>(17)</b>	<b>-</b>	<b>56,144</b>

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

Schedule 2

(dollars in thousands)

For the year ended December 31, 2009

	Community and Protective Services	Public Works	Planning and Development	Regina Police Services	Corporate Services	<b>Total City of Regina</b>
<b>REVENUE</b>						
Taxation	-	-	-	-	133,517	<b>133,517</b>
Fees and charges	16,027	83,654	3,046	-	3,787	<b>106,514</b>
Government transfers	32,295	27,227	-	4,998	25,897	<b>90,417</b>
Electrical distribution	-	-	-	-	27,110	<b>27,110</b>
Licenses, fines and levies	6,662	3,201	-	-	-	<b>9,863</b>
Gas distribution	-	-	-	-	8,532	<b>8,532</b>
Interest and penalties	-	224	-	-	8,683	<b>8,907</b>
Service agreement fees	1,144	19,043	-	-	-	<b>20,187</b>
Land sales	-	2,474	-	-	-	<b>2,474</b>
Other	2,402	6,712	-	-	268	<b>9,382</b>
Contribution of tangible capital assets	4	18,583	-	-	1,162	<b>19,749</b>
	<b>58,534</b>	<b>161,118</b>	<b>3,046</b>	<b>4,998</b>	<b>208,956</b>	<b>436,652</b>
<b>EXPENSES</b>						
Wages and benefits	59,769	26,911	9,726	53,023	29,161	<b>178,590</b>
Material, supplies, and other goods	10,603	44,562	(540)	3,267	9,912	<b>67,804</b>
Contracted and general services	9,477	3,995	2,532	2,997	8,141	<b>27,142</b>
Utilities	108	10,998	-	427	3,935	<b>15,468</b>
Transfer payments	44,087	250	320	84	3,899	<b>48,640</b>
Interest	-	2,199	-	-	964	<b>3,163</b>
Amortization	6,091	26,728	-	1,463	7,479	<b>41,761</b>
	<b>130,135</b>	<b>115,643</b>	<b>12,038</b>	<b>61,261</b>	<b>63,491</b>	<b>382,568</b>
Excess of (expenses over revenues) revenues over expenses	(71,601)	45,475	(8,992)	(56,263)	145,465	<b>54,084</b>

See accompanying notes to consolidated financial statements.

## Schedule 2 (cont'd)

Regina Pioneer Village	Regina Downtown	RROC	Buffalo Pound	Regina Public Library	Regina's Warehouse Business Improvement District	Consolidation adjustments	<b>Consolidated 2009</b>
-	600	-	-	14,611	143	(342)	<b>148,529</b>
9,660	80	495	6,462	2,223	-	(6,699)	<b>118,735</b>
27,694	-	1,262	-	982	-	(754)	<b>119,601</b>
-	-	-	-	-	-	-	<b>27,110</b>
-	-	-	-	-	-	-	<b>9,863</b>
-	-	-	-	-	-	-	<b>8,532</b>
70	-	-	13	-	-	-	<b>8,990</b>
-	-	-	-	-	-	-	<b>20,187</b>
-	-	-	-	-	-	-	<b>2,474</b>
2,000	-	-	-	-	-	(10,689)	<b>693</b>
-	-	79	-	-	-	-	<b>19,828</b>
<b>39,424</b>	<b>680</b>	<b>1,836</b>	<b>6,475</b>	<b>17,816</b>	<b>143</b>	<b>(18,484)</b>	<b>484,542</b>
32,534	357	791	1,654	9,978	-	-	<b>223,904</b>
2,803	57	12	930	4,324	-	(8,668)	<b>67,262</b>
1,155	214	520	622	-	160	-	<b>29,813</b>
1,429	-	197	2,640	-	-	(7,049)	<b>12,685</b>
-	-	-	-	-	-	(2,767)	<b>45,873</b>
360	-	-	-	139	-	-	<b>3,662</b>
-	-	27	1,300	2,111	-	-	<b>45,199</b>
<b>38,281</b>	<b>628</b>	<b>1,547</b>	<b>7,146</b>	<b>16,552</b>	<b>160</b>	<b>(18,484)</b>	<b>428,398</b>
1,143	52	289	(671)	1,264	(17)	-	<b>56,144</b>

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

Schedule 2 (cont'd)

(dollars in thousands)

For the year ended December 31, 2008

	Community and Protective Services	Public Works	Planning and Development	Regina Police Services	Corporate Services	<b>Total City of Regina</b>
<b>REVENUE</b>						
Taxation	-	-	-	-	131,450	<b>131,450</b>
Fees and charges	15,129	76,509	2,062	-	3,136	<b>96,836</b>
Government transfers	17,684	7,125	1,500	4,418	18,197	<b>48,924</b>
Electrical distribution	-	-	-	-	25,429	<b>25,429</b>
Licenses, fines and levies	6,385	2,943	-	-	-	<b>9,328</b>
Gas distribution	-	-	-	-	9,316	<b>9,316</b>
Interest and penalties	-	182	-	-	6,658	<b>6,840</b>
Service agreement fees	363	3,536	-	-	-	<b>3,899</b>
Land sales	-	4,824	-	-	-	<b>4,824</b>
Other	340	8,077	-	-	1,322	<b>9,739</b>
Contributed tangible capital assets	-	9,965	-	-	6,185	<b>16,150</b>
	<b>39,901</b>	<b>113,161</b>	<b>3,562</b>	<b>4,418</b>	<b>201,693</b>	<b>362,735</b>
<b>EXPENSES</b>						
Wages and benefits	55,008	24,508	5,311	46,945	26,358	<b>158,130</b>
Material, supplies, and other goods	13,575	42,480	30	3,186	9,538	<b>68,809</b>
Contracted and general services	6,331	8,477	845	2,454	8,229	<b>26,336</b>
Utilities	102	10,877	-	383	3,319	<b>14,681</b>
Transfer payments	15,674	533	40	113	1,781	<b>18,141</b>
Interest	-	1,232	-	-	416	<b>1,648</b>
Amortization of tangible capital assets	6,012	25,643	-	1,439	6,793	<b>39,887</b>
	<b>96,702</b>	<b>113,750</b>	<b>6,226</b>	<b>54,520</b>	<b>56,434</b>	<b>327,632</b>
Excess of (expenses over revenues) revenues over expenses	<b>(56,801)</b>	<b>(589)</b>	<b>(2,664)</b>	<b>(50,102)</b>	<b>145,259</b>	<b>35,103</b>

See accompanying notes to consolidated financial statements.

## Schedule 2 (cont'd)

Regina Pioneer Village	Regina Downtown	RROC	Buffalo Pound	Regina Public Library	Regina's Warehouse Business Improvement District	Consolidation adjustments	<b>Consolidated 2008</b>
-	594	-	-	14,673	153	(327)	<b>146,543</b>
7,636	97	205	6,088	1,508	25	(6,228)	<b>106,167</b>
20,554	-	684	-	898	-	(534)	<b>70,526</b>
-	-	-	-	-	-	-	<b>25,429</b>
-	-	-	-	-	-	-	<b>9,328</b>
-	-	-	-	-	-	-	<b>9,316</b>
110	-	12	45	250	-	-	<b>7,257</b>
-	-	-	-	-	-	-	<b>3,899</b>
-	-	-	-	-	-	-	<b>4,824</b>
-	-	-	1	-	-	(8,015)	<b>1,725</b>
-	-	-	-	-	-	-	<b>16,150</b>
<b>28,300</b>	<b>691</b>	<b>901</b>	<b>6,134</b>	<b>17,329</b>	<b>178</b>	<b>(15,104)</b>	<b>401,164</b>
24,761	325	523	1,453	9,549	-	(104)	<b>194,637</b>
2,155	55	12	1,051	4,171	-	(9,020)	<b>67,233</b>
-	154	204	782	-	155	(199)	<b>27,432</b>
1,695	-	60	2,393	-	-	(5,246)	<b>13,583</b>
-	-	-	-	-	-	(535)	<b>17,606</b>
302	-	-	-	187	-	-	<b>2,137</b>
449	10	4	1,282	1,959	-	-	<b>43,591</b>
<b>29,362</b>	<b>544</b>	<b>803</b>	<b>6,961</b>	<b>15,866</b>	<b>155</b>	<b>(15,104)</b>	<b>366,219</b>
(1,062)	147	98	(827)	1,463	23	-	<b>34,945</b>

# CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 3

(in thousands of dollars)

For the year ended December 31, 2009

	Land	Land Improvements	General Buildings and Building Improvements	Vehicles and Equipment	Office and Information Technology
<b>Cost</b>					
Balance, beginning of year	50,479	80,801	113,543	185,889	14,231
Add:					
Additions during the year	2,196	756	5,593	16,194	3,544
Less:					
Disposals during the year	622	43	13,011	14,211	2,586
Other	-	-	-	-	-
Balance, end of year	52,053	81,514	106,125	187,872	15,189
<b>Accumulated amortization</b>					
Balance, beginning of year	-	57,147	56,320	90,556	7,721
Add:					
Amortization	-	1,933	2,113	12,861	2,774
Less:					
Accumulated amortization on disposals	-	42	7,714	11,543	2,502
Balance, end of year	-	59,038	50,719	91,874	7,993
<b>Net Book Value</b>	<b>52,053</b>	<b>22,476</b>	<b>55,406</b>	<b>95,998</b>	<b>7,196</b>

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 3

(in thousands of dollars)

For the year ended December 31, 2009

Plants and Facilities	Infrastructure				Assets Under Construction	2009	Totals 2008
	Roads	Underground and Other Networks	Bridges and Other Structures				
195,578	493,557	445,392	18,170	22,308	1,619,948	1,548,970	
28,054	25,277	24,792	4,484	20,089	130,979	80,960	
9	6,313	26	-	20,654	57,475	9,982	
-	-	-	-	-	-	-	
223,623	512,521	470,158	22,654	21,743	1,693,452	1,619,948	
79,999	276,388	134,723	8,608	-	711,462	677,451	
4,256	14,895	6,066	301	-	45,199	43,591	
9	4,269	16	-	-	26,095	9,580	
84,246	287,014	140,773	8,909	-	730,566	711,462	
<b>139,377</b>	<b>225,507</b>	<b>329,385</b>	<b>13,745</b>	<b>21,743</b>	<b>962,886</b>	<b>908,486</b>	



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## **GENERAL TRUST FUND**





Deloitte & Touche LLP  
900 - 2103 11th Ave  
Bank of Montreal Building  
Regina SK S4P 3Z8  
Canada

Tel: 306-565-5200  
Fax: 306-757-4753  
[www.deloitte.ca](http://www.deloitte.ca)

## Auditors' Report

To: His Worship the Mayor and Members of City Council

We have audited the statement of financial position of the General Trust Fund as at December 31, 2009 and the statement of revenue, expenditures and change in fund balance for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the General Trust Fund as at December 31, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants

Regina, Saskatchewan  
April 7, 2010

General Trust Fund

**STATEMENT OF FINANCIAL POSITION**

*(in thousands of dollars)*

As at December 31

	Perpetual Care Trust	Williamson Driver Award	Total 2009	Total 2008
<b>ASSETS</b>				
Cash	30	-	<b>30</b>	20
Long-term investments (note 4)	2,683	5	<b>2,688</b>	2,684
	2,713	5	<b>2,718</b>	2,704
<b>LIABILITIES AND FUND BALANCE</b>				
Due to the City of Regina	134	-	<b>134</b>	129
Fund balance	2,579	5	<b>2,584</b>	2,575
	2,713	5	<b>2,718</b>	2,704

*See accompanying notes.*

General Trust Fund

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE**  
*(in thousands of dollars)*

For the year ended December 31

	Perpetual Care Trust	Williamson Driver Award	Total 2009	Total 2008
<b>Revenue</b>				
Contributions	9	-	<b>9</b>	8
Investment income	134	-	<b>134</b>	129
	143	-	<b>143</b>	137
<b>Expenditures</b>				
Cemetery maintenance	134	-	<b>134</b>	129
	134	-	<b>134</b>	129
<b>Excess of revenue over expenditures</b>	9	-	<b>9</b>	8
<b>Fund balance, beginning of year</b>	2,570	5	<b>2,575</b>	2,567
<b>Fund balance, end of year</b>	2,579	5	<b>2,584</b>	2,575

See accompanying notes.

## General Trust Fund

### NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

December 31, 2009

#### 1. PURPOSE OF FUND

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

- (a) Perpetual Care Trust - In accordance with *The Cemeteries Act, 1999*, a portion of the monies received by the City of Regina from the sale of cemetery plot rights is put into a trust and invested. The income of the trust is used to pay for care and maintenance of the plots and special approval is needed from the Registrar of Cemeteries before trust capital can be used to fund care and maintenance.
- (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 generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The following policies are considered to be significant.

- (a) The preparation of the financial statements in accordance with Canadian generally accepted accounting principles 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 writedowns 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 income. This risk arises from differences in the timing and amount of cash flows related to the General Trust Fund's assets and liabilities.

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

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

General Trust Fund

**NOTES TO FINANCIAL STATEMENTS**

*(in thousands of dollars)*

December 31, 2009

**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.

	<b>2009</b>	2008
Investment cost	<b>2,688</b>	2,684
Market value	<b>2,686</b>	2,679

**5. STATEMENT OF CASH FLOWS**

A statement of cash flows has not been prepared for the year ended December 31, 2009, as it would not provide additional information.



## Related Boards and Authorities

### **Regina Regional Opportunities Commission (RROC)**

255, 1919 Rose Street  
Regina, Saskatchewan S4P 3P1  
Fax: (306) 352-1630  
Phone: (306) 522-0227  
Contact: Mr. Larry Hiles

### **Buffalo Pound Water Administration Board**

c/o City of Regina  
Queen Elizabeth II Court  
P.O. Box 1790  
Regina, Saskatchewan S4P 3C8  
Fax: (306) 691-0292  
Phone: (306) 694-4473  
Contact: Mr. Ryan Johnson

### **Regina Public Library**

2311 – 12<sup>th</sup> Avenue  
P.O. Box 2311  
Regina, Saskatchewan S4P 3Z5  
Fax: (306) 352-5550  
Phone: (306) 777-6060  
Contact: Ms. Colleen Schommer

### **Regina Downtown**

140 – 2401 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H8  
Fax: (306) 359-9060  
Phone: (306) 359-7541  
Contact: Mr. Michael Huber

### **Regina's Warehouse Business Improvement District**

202 – 1275 Broad Street  
Regina, Saskatchewan S4R 1Y2  
Fax: (306) 585-1765  
Phone: (306) 585-3948  
Contact: Ms. Amanda Perry