

2019 Annual Report

for the fiscal year ended December 31, 2019



City of Regina, Saskatchewan

City of Regina



REGINA
Infinite Horizons

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Prepared by City of Regina

- Financial Services
- Corporate Strategy & Performance
- Citizen Experience

Audited by:

- MNP LLP

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Regina for its Annual Financial Report for the fiscal year ended December 31, 2018. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. To be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily-readable and efficiently-organized annual financial report with content that conforms to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs.



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Regina
Saskatchewan**

For its Annual
Financial Report
for the Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

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Message from the City Manager



June 30, 2020

His Worship the Mayor and Members of City Council.

I am pleased to submit the City of Regina's 2019 Annual Report, pursuant to Section 155 of *The Cities Act*.

As I write, the City of Regina, like all municipalities across Canada, is currently facing unprecedented challenges resulting from the COVID-19 coronavirus pandemic. Although the future impacts of this crisis are uncertain, I have great confidence in our community, City Council and Administration as we continue to pull together to meet the challenges ahead and move our city forward.

The 2019 Annual Report goes beyond reporting on financial performance and includes an overview of our organization's performance for the past year. It meets our commitment to the public to report our progress on *Design Regina: The Official Community Plan*. As well, it provides a progress report on our Strategic Plan and service results. I am proud to acknowledge that after measuring our operational performance against national benchmarks from Municipal Benchmarking Network Canada (MBN Canada), Regina remains one of the most efficiently managed municipalities in the MBN Canada network.

The City's mission – *we are dedicated to building a strong community by providing reliable, sustainable services* – has driven our planning and prioritization for the past year. In 2019, the Administration continued to implement our 2018-21 Strategic Plan, *Making Choices Today to Secure Tomorrow*. A key objective of the plan is to ensure financial sustainability into the future. Over the last few years, the City has been able to achieve close to \$12 million in operational savings. In 2019, a management review was completed which established a new structure for the City that is even more equipped to deliver on this objective. The review resulted in \$3 million cost-saving efficiencies that allowed for funding to be redirected to City priorities, and departmental changes that better support a modern, citizen-centric organization.

The consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). The preparation and presentation of the financial statements and related information contained in this report is the responsibility of the City management. 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, Economic Development Regina Inc., Buffalo Pound Water Treatment Corporation, The Regina Exhibition Association Limited (operating as Evraz Place); Regina Downtown Business Improvement District and Regina's Warehouse Business Improvement District.

City Council appointed the accounting firm of MNP LLP to perform an audit of the City's 2019 financial statements. Their report is included in this document. The City's system of internal controls helps maintain the integrity of our financial information. The 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. The City's operations are typically divided (General Operating, General Capital, Utility Operating and Utility Capital) for budgeting and reporting purposes. In the financial statements, segment disclosure is also provided by divisional areas.

Based on the consolidated information, the following points are noted for 2019:

- The City's (consolidated entity) net financial assets increased in 2019 by \$10.3 million to a total of \$34.9 million. This is generally attributable to an increase in cash and investments, partially offset by a decrease in accounts receivable.
- Total revenues in 2019 were \$765.9 million, an increase of \$29.4 million from 2018. Total expenses in 2019 were \$663.8 million, an increase of \$64.7 million from 2018.

Planning, development and monitoring of the annual operating and capital budgets are fundamental to the City's financial administration. For 2019, the City's General Operating Fund ended the year with an operating surplus of approximately \$7 million. The surplus is determined on a basis consistent with the presentation of the 2019 General Operating Budget before PSAS standards are consolidated and applied.

The City's achievement in providing accurate and articulate financial statements for the period ending December 31, 2018 was recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for the 27th consecutive year.

Respectfully submitted,



Chris Holden
City Manager

Message from the Mayor



June 30, 2020

Dear Regina citizens,

On behalf of City Council, I am pleased to present to you the 2019 City of Regina Annual Report.

I write this at a time of deep uncertainty as the city, province, nation, and world struggle to combat the spread of the COVID-19 coronavirus pandemic. This is a true test of our ability to respond to unprecedented, unexpected emergencies while maintaining the essential services our residents need to ensure their health and safety. City Council is extremely proud that our community is responding in such a positive way. We are a strong and caring community, and we will continue to work together to support all our residents to make sure we get through this together.

In times like these, I am given comfort by the strong performance of our City Council and Administration. We are fortunate to have employees that ensure Regina continues to grow in a smart, sustainable way while delivering the best value we can for taxpayer dollars. Whether it is finding \$3 million in annual savings in a single budget year or refining programs to provide the maximum level of community support possible, we are fortunate to have such a high-performing leadership team.

This high performance was recognized in several ways in 2019. The stellar financial stewardship of our Administration resulted in S&P Global upgrading the City of Regina's credit rating to AAA, the highest-possible level. This acknowledges our long-term financial planning and extremely strong financial management. Regina's Planning and Development Services Department was honoured for its work on the Underutilized Land Study, receiving the Excellence in Planning Award from the Saskatchewan Professional Planners Institute. Our iconic Mosaic Stadium was recognized by the Rick Hansen Foundation's Accessibility Certification Program, the first stadium in Canada to receive a Gold-level certification for the extensive efforts made to create an effective, safe, and satisfying user experience for the disabled. The United Nations' Arbor Day Foundation also recognized Regina as one of the Tree Cities of the World, praising the city's planning and care of urban trees and forests.

These acknowledgements reflect the important emphasis our City and residents place on quality of life. The City of Regina works hard to strike a balance between keeping taxes low, renewing infrastructure, and making this a wonderful place to live, work and invest. Survey results show

residents are satisfied with the direction we have taken in recent years, with 73 per cent believing we are on the right track to be a better city in 10 years and 61 per cent agreeing the City effectively and efficiently delivers services on a daily basis.

The City delivers effectively on our residents' highest priorities, such as infrastructure investment. In 2019, the City put \$83.9 million into construction, with 34 kilometres of paved roads renewed and 22 kilometres of sidewalks were replaced. Expressway lighting was installed along the Ring Road to improve visibility and safety, with more to come in 2020. The first year of a two-year beautification and improvement project has been completed along Victoria Avenue downtown, creating a more pedestrian-friendly downtown with new accessible and wider sidewalks, new boulevards, larger curbs and enhanced street lighting to better serve our community. Extensive sewer and water pipe relining was also carried out, as well as the replacement of water pipes and service connections.

The City of Regina is committed to sustainability, with City Council voting to make our operations, fleet, and buildings 100 per cent sustainable by 2050. The Administration continues to work on recommendations concerning solar energy generation and automated vehicles, and we will host a conference focused on sustainability later in 2020. This will help inform our next steps towards making Regina a sustainable community. Meanwhile, we continue to make progress towards our goal of diverting 65 per cent of residential waste away from the landfill. In 2019, we opened a permanent leaf and yard waste depot, increasing the amount of material received in 2019 by more than three times. A pilot program for recycling at 12 City facilities increased the amount of material diverted at each facility from 10 per cent to 49 per cent. An educational program was also put in place to help residents make sure they put the proper materials in their blue recycling bins as well.

I am also proud of the City's efforts to move Reconciliation forward in our community. In October we unveiled our 40-foot long Reconciliation Wall display, a permanent legacy to the contribution of Indigenous peoples in Regina's history. Regina, which in 2011 became the first Canadian municipality to fly a Treaty flag, held a ceremony in June to raise the Treaty 4 and Metis flags at the māmawēyatitān centre. Reconciliation Regina, the community group formed by the City to create an action plan to focus and progress our work on reconciliation, held several events including a Youth Empowerment Symposium on Truth and Reconciliation and Orange Shirt Day.

This simply scratches the surface of the efforts made by the City of Regina in 2019. You will find much more detail in the report that follows, and I encourage all Reginans to take the time to peruse this document. As the most accessible level of government in Canada, we look forward to hearing directly from you, be it through our monthly City Council meetings, through communications directly with myself and City Councillors, or through social media.

Sincerely,



Michael Fougere
Mayor



Overview

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Regina at a glance



Capital of Saskatchewan



More than **500,000** hand-planted trees maintained by the City and residents (36% City-owned), and more than **100** parks

118.4 km² land area

Established as a city in **1903**

Household income per capita **52.9K**
(2019, Conference Board of Canada)

\$258,400 2019 average housing price



Average house in Canada is \$517, 124 (Canadian Real Estate Association)

1,226 km of roads

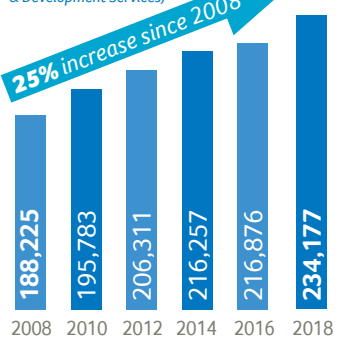
577 m above sea level

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

2.49 million visits/stays per year
(2017 Economic Development Regina)

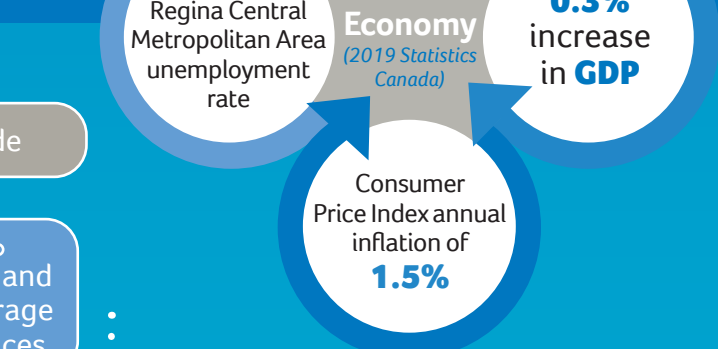
Population

(2018 City of Regina Planning & Development Services)

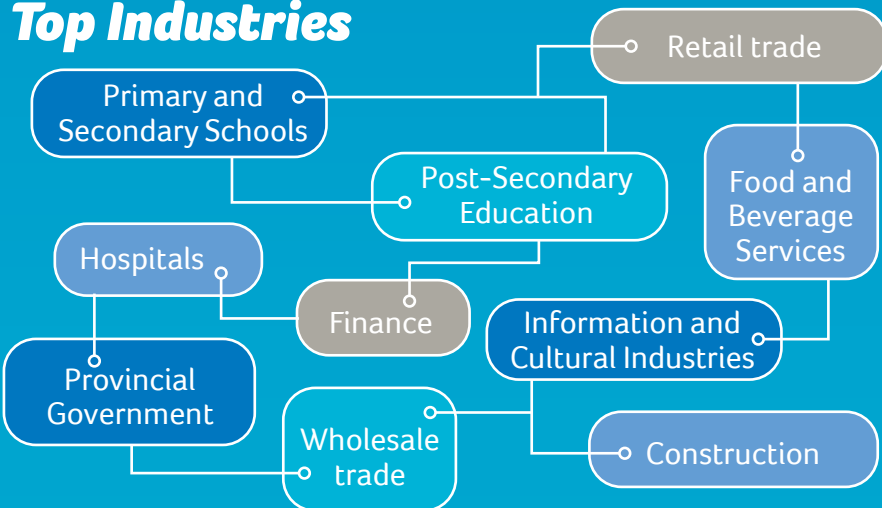


Metropolitan area **257,337** residents
40,000 residents identify as a visible minority
20,000 identified as having Aboriginal ancestry

36.5 median age
(2016 Census)



Top Industries



3 post-secondary institutions

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

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 four years in a municipal election. The City of Regina uses a ward system for electing Regina City Council. The Mayor is elected at large and one Councillor is elected for each of the 10 wards.

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 symbolic and official signing officers, respectively.

City of Regina 2016-2020 Council Members:



Ward 1 Councillor
Barbara Young



Ward 2 Councillor
Bob Hawkins



Ward 3 Councillor
Andrew Stevens



Ward 4 Councillor
Lori Bresciani



Ward 5 Councillor
John Findura



Ward 6 Councillor
Joel Murray



Ward 7 Councillor
Sharron Bryce



Ward 8 Councillor
Mike O'Donnell



Ward 9 Councillor
Jason Mancinelli



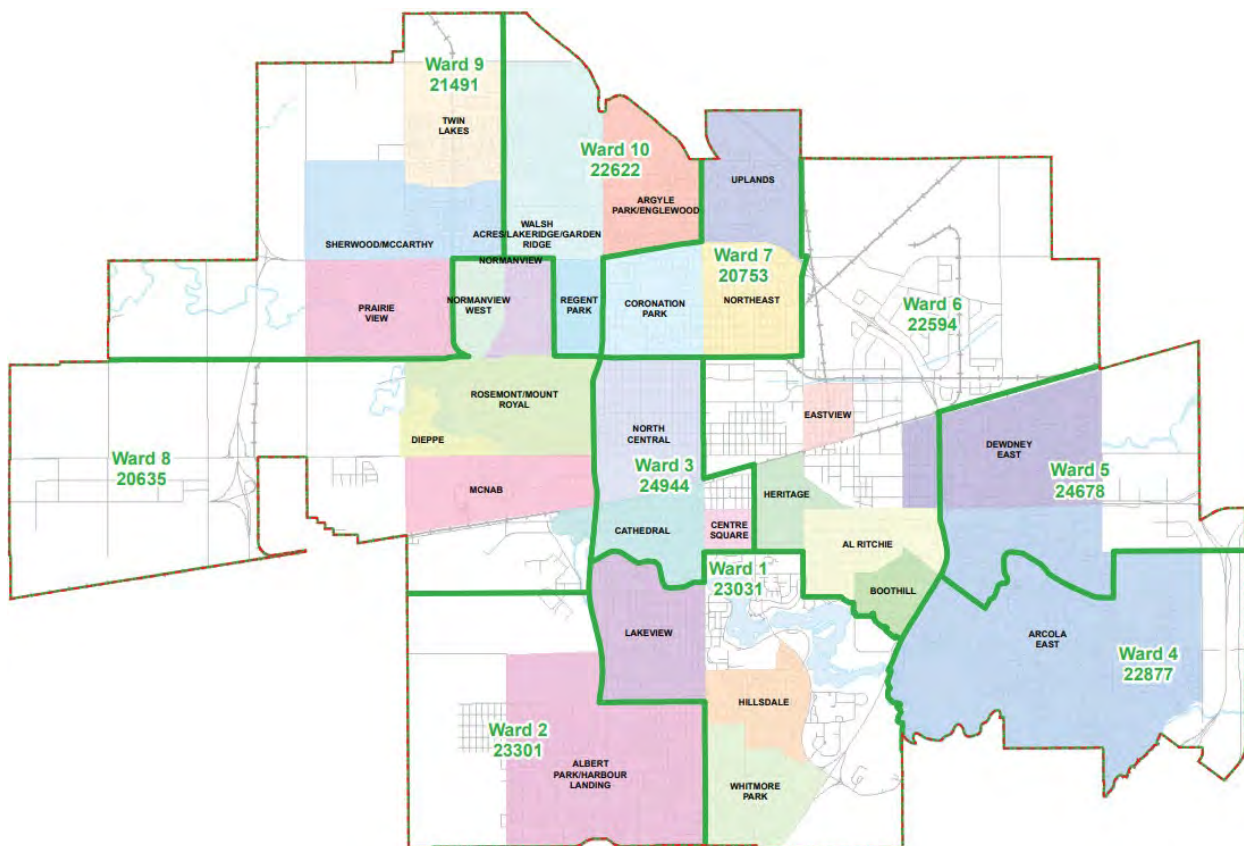
Ward 10 Councillor
Jerry Flegel

New Electoral Ward Map

In early 2019 the City of Regina reviewed its ward boundaries in preparation for the 2020 municipal election. The new ward boundaries ensure the population of each ward is similar in number and every resident's vote has the same value as that of the next person, and that each resident has equitable representation from their ward councillors.

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

The City's 2020 Municipal/School Board Election will be held on November 9, 2020 where members of Council will be voted into the new ward boundaries:



Guiding Direction

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

Our Vision

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

Vibrant:

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

Inclusive:

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

Attractive:

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

Sustainable:

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

Harmony:

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

Opportunity:

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

Our Mission

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

Our Values

Accountability • Respect • Collaboration

Our Principles

Community First

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

One City – One Team

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



Awards and Recognition



AAA credit rating

S&P Global

In 2019, the City of Regina received the highest possible credit rating awarded by S & P Global, demonstrating the City's very strong financial management practices, long-term financial planning capabilities, and stewardship of public funds.



Accessibility Certified Gold

Rick Hansen Foundation Accessibility Certification (RHFAC) Program

Mosaic Stadium is the first stadium in Canada to receive the national rating and is the first site in the province of Saskatchewan. RHFAC rates the level of meaningful access, based upon the holistic user experience of people with varying disabilities affecting their mobility, vision and hearing. This certification demonstrates the City of Regina's commitment to removing barriers and improving accessibility for visitors of all abilities.



Tree Cities of the World designation

Food and Agriculture Organization of the United Nations

Arbor Day Foundation

The City of Regina was among nine Canadian cities in 2019 to be recognized with the "Tree Cities of the World" designation. This international program recognizes cities across the world that meet the five core standards for care and planning of urban trees and forests. Regina has more than 500,000 hand-painted trees maintained by the City and residents, and just over 179,000 trees in its street and park inventory. This total is growing to meet the Official Community Plan's goal of one tree per person in public spaces.



Excellence in Planning Award

Saskatchewan Professional Planners Institute

The City of Regina's Planning and Development Services Department received this recognition for the Underutilized Land Study (ULS). The ULS was developed under the City's Intensification Work Plan to help move the City towards its 30 per cent intensification goal of the Design Regina: The Official Community Plan. The study looked at regulatory, environmental, social and economic barriers to private sector redevelopment of various types of underutilized sites in Regina.




International Accreditation

Commission of Fire Accreditation International

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

What we Heard

The City of Regina conducts an annual Citizen Satisfaction Survey to explore how Regina citizens feel about the City, including quality of life, municipal services, taxation and communications. Here are some key results from 2019.

 **77%** are satisfied with the quality of City communications



73% believe Regina is on the right track to be a better city 10 years from now



72% were satisfied with their most recent contact



65% believe the City offers meaningful opportunities for its residents to participate and provide input on programs, services and plans



61% feel the City effectively and efficiently delivers services on a daily basis

82%

agree that civic recreation facilities are an important part of what makes cities like Regina a good place to live.

Top issues for Regina residents



Road condition/
construction/repairs

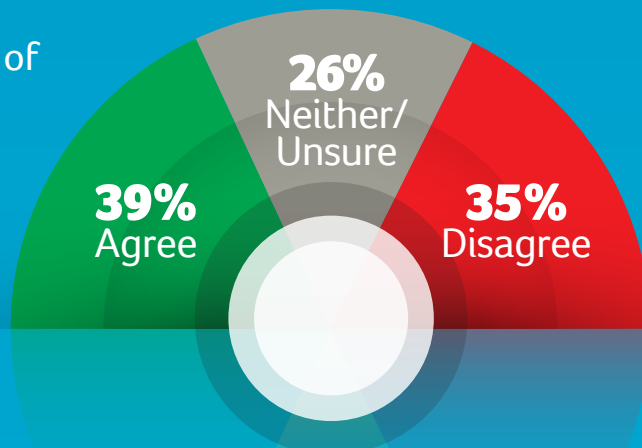


Public safety/
crime/policing



Infrastructure

The City does a good job of balancing meeting the community's needs with affordability for property taxpayers.



Major Highlights of 2019

Investing in infrastructure

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



Several major road construction projects were completed in 2019, successfully delivering on the City's objective to provide safe and quality roadway infrastructure services to our community.

- Approximately 34 kilometres (km) of paved roads were renewed, and 22 km of sidewalks were replaced. In addition, 20 km of gravel and paved alleys were refreshed and reconstructed, and two major bridge structures were replaced.
- Expressway lighting was installed along a three km section of Ring Road to improve visibility and increase safety for drivers on our road network. The second phase of the project will be completed in 2020.
- Victoria Avenue received substantial infrastructure upgrades, incorporating elements from the Official Community Plan and Transportation Master Plan. Improvements have created a more pedestrian-friendly downtown with new accessible and wider sidewalks, new boulevards, larger curbs and enhanced street lighting to better serve our community. The second phase of the two-year project is to be completed in 2020.

Investment in infrastructure also includes projects that ensure continued delivery of safe and efficient water, wastewater and drainage service to the community.

- Existing underground infrastructure were rehabilitated by relining six km of water pipes and relining 25 km of wastewater pipes.

- 1.56 km of water pipes and 170 water service connections were replaced.
- The newly installed infrastructure helped prevent a significant wastewater spill during a major summer storm.

Sports, culture and recreation funding moved forward several key initiatives for the City in 2019.

- Extensive public engagement was conducted for the new Maple Leaf and Wascana Pools, and design of Maple Leaf Pool was completed.
- Funding for the Globe Theatre redevelopment project will restore a heritage building and major cultural resource in Regina's downtown. The municipal funding leverages commitments from both the federal and provincial governments.

Waste reduction initiatives

The City continued its commitment toward environmental sustainability and achieving Council's goal of 65 per cent diversion of residential waste from the Landfill through several initiatives that encouraged citizens to reduce, reuse and recycle:



- A permanent leaf and yard waste depot location was opened at the Landfill, receiving 2,660 tonnes of waste in its first season of operation. This exceeds the capacity of an Olympic-sized swimming pool (2,500 tonnes) and is more than three times the amount of material received in 2018 at seasonal locations throughout Regina. The leaf and yard waste is diverted from the Landfill and refined into compost. The compost is used for various purposes by the City's contractor including selling it to the market and a portion being returned to residents for use.
- The Green Routine pilot was introduced at twelve City facilities for both City employees and the public to compost, recycle and keep waste out of the landfill. Between June 2019 and September 2019, the waste diversion rate at these facilities rose from 10 per

cent to 49 per cent. Next steps will explore how the program might be implemented at all City facilities and subsequently in schools, malls, and other organizations in the city.

- The City's Treecycle Program provided residents with free recycling of Christmas trees and diverted 32 tonnes of trees from the Landfill. The collected trees were taken to a local composter and turned into nutrient-rich compost.
- Numerous Household Hazardous Waste Days were held for residents to drop-off their hazardous household materials to be recycled and disposed of in an environmentally responsible manner. This helped prevent the environmentally harmful disposal of household hazardous waste in garbages or by pouring items down the drain or stormwater sewers. Overall, 122 tonnes (122,000 litres) of hazardous waste was collected.
- Improved operational processes at the landfill through improved waste compaction and decreased soil use saved landfill space equivalent to 100 days of waste.
- The City's CartSmart Team took to the streets in the fall to find out if Regina residents were recycling the right stuff. Using 'Good Job' and 'Oops' stickers the program recognized good recycling behaviour and educated residents about items that don't belong in the blue cart. Over 2,000 carts were assessed during the program with the following results:
 - 28 per cent of recycling carts received 'Good Job' stickers
 - 72 per cent of recycling carts received an "Oops" tags
 - 36 per cent of carts with "Oops" tags made improvements when revisited

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

Indigenous engagement

The City continues to support the development of Reconciliation Regina to engage with Indigenous and community organizations to create a response to the Truth and Reconciliation Commission's 'Call for Action.'

- The Reconciliation Wall – a permanent legacy to the contribution of Indigenous Peoples in the development of our city – was revealed on the main floor of City Hall on October 30, 2019.
- The City, in collaboration with several local, provincial and federal partners, hosted the community's 7th celebration of



National Indigenous Peoples Day on June 21. This day is a unique opportunity for our entire community to learn more about the unique heritage, diverse cultures and outstanding achievements of First Nations, Inuit and Métis peoples in Canada.

- A Treaty 4 and Metis flag-raising ceremony was held on June 4, 2019 to officially launch and celebrate a working relationship between māmawêyatitân centre and the Regina Exhibition Association Limited (REAL) as neighbouring business and service providers in the community.
- Several Reconciliation Regina events were held, including the April 4 Youth Empowerment Symposium on Truth and Reconciliation in our Community at the Royal Saskatchewan Museum, and Orange Shirt Day on September 30. Orange Shirt Day recognizes the harm done to generations of children by residential schools and is an opportunity for Indigenous Peoples, local governments, organizations, educational institutions and communities to come together in the spirit of reconciliation and hope for generations of children to come.

Approval of master plans and major policies

To advance the City's Official Community Plan, the development and implementation of Master Plans are a priority. Master Plans ensure long-term sustainability and delivery of services that meet the needs of the broader community. Continuing to grow the number of established Master Plans are critical to guiding service delivery.

In 2019 several Master Plans were approved:

- The Wastewater Master Plan outlines the goals and strategies to achieve long-term sustainability of the city's wastewater system which examines levels of service, risk mitigation and accommodating for growth. Reliable wastewater service is essential to the health and safety of the



community. The City is committed to providing wastewater service to citizens and planning for a sustainable wastewater service and system.

- The Recreation Master Plan provides direction on priorities for the investment in recreation programs and facilities. The Plan provides guidance for the future of publicly supported recreation opportunities and services, and was developed through engagement with key partners, stakeholders, and the general public, combined with diligent research and a realistic assessment of the current state of recreation in Regina.
- A new Zoning Bylaw was approved by Council following extensive public consultation throughout 2019. The Zoning Bylaw regulates land use and development on all properties

within the City of Regina and facilitates the development goals and objectives of the Official Community Plan. It fosters the development of complete neighbourhoods where residents of all ages have the access they need to housing, work and services that enhance their quality of life.

Enhancing service through technology

The City is constantly looking for ways to use new and improved technology to provide better, more efficient, modern services to citizens.

- A new, mobile-friendly Regina.ca was launched in 2019 to create a better online experience for citizens looking for information about City programs and services. The new website also lays the foundation for future enhancements to online services for residents.
- The launch of the PaybyPhone app in Regina provides motorists a new parking payment option when heading downtown. While coins are still accepted at meters, drivers now also have the convenience of using their smartphone to pay for metered parking in Regina's downtown.
- Provincial and City of Regina regulations are now in place to allow ridesharing companies to operate in Regina, thus expanding the city's transportation options. Rideshare companies must meet all regulatory requirements set out in the *Vehicle for Hire Act* and the *Vehicle(s) for Hire Bylaw No. 2019* and obtain a Transportation Network Company licence from the City of Regina.
- Enhancements to My Account provided additional self-serve options for citizens accessing their property and assessment information online.



The Environment in Which We Work

Economic Profile

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

In recent years, Regina has continued to diversify into sectors such as banking and finance, computer and information technology, manufacturing and telecommunications.

Regina's gross domestic product (GDP) growth is expected to make only marginal gains in the coming years. Regina experienced 0.3 per cent GDP growth in 2019, and the 2020 forecast is a 1.5 per cent increase. Note: this projection preceded the 2020 emergency response to the COVID-19 pandemic, for which the full economic impact is yet unknown.

Organization Profile

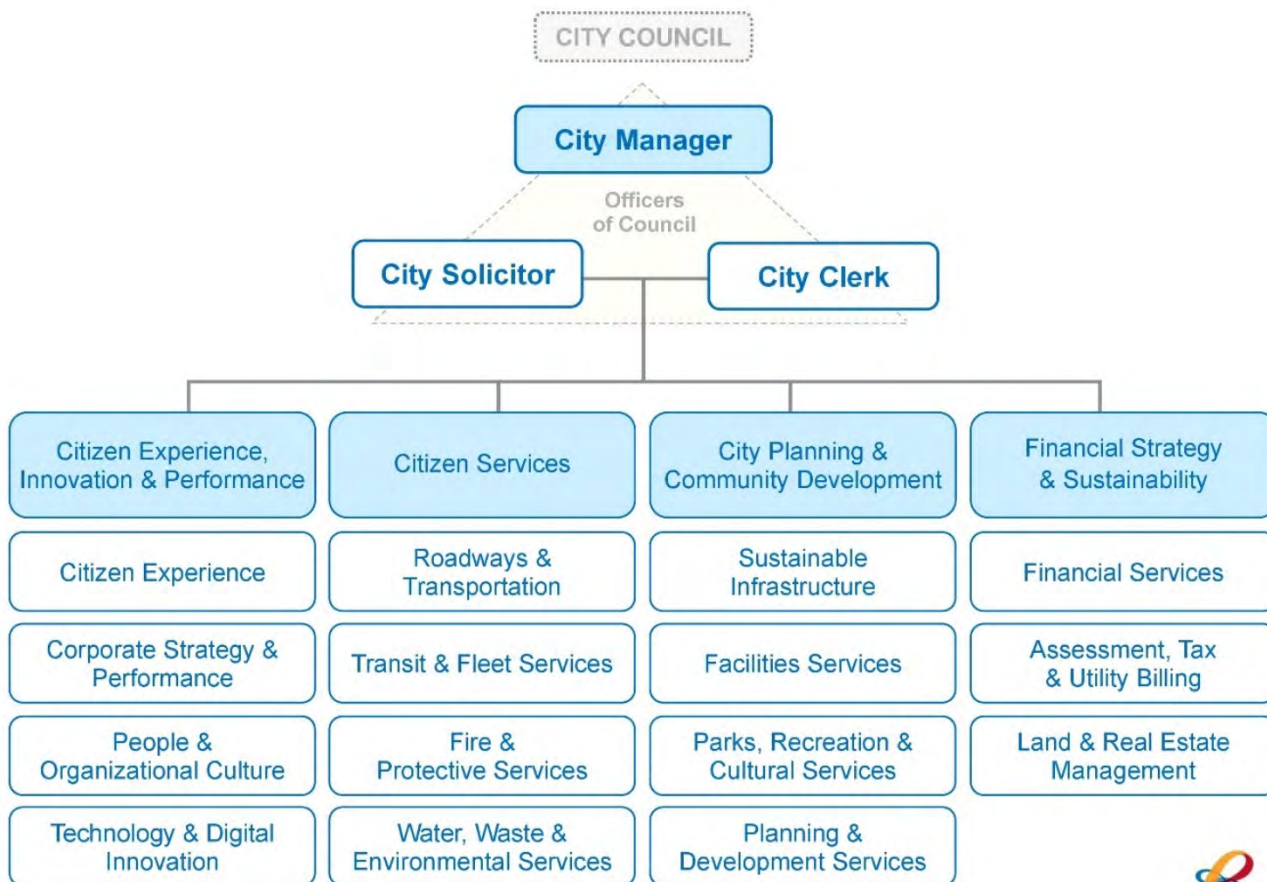
More than 60 City services are delivered each year by approximately 2,800 permanent employees, as well as casual and part-time workers who account for the equivalent of another 360 full-time positions. Many services such as sport, culture and recreation programs are also delivered in partnership with community organizations, and by private businesses as in the case of services such as Paratransit and water treatment.

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

In 2019, a management review was completed to ensure the organization's leadership structure is well positioned to deliver on the City of Regina's vision and mission. The review resulted in cost-saving efficiencies and departmental changes that will better support a modern, citizen-centric organization. In addition to the Officers of Council, which include the offices of the City Manager, the City Clerk, and the City Solicitor, the City's new four divisions are:

- *Citizen Experience, Innovation & Performance* plans and supports organizational change that modernizes our traditional business lines and the services citizens rely on every day. Together it integrates people, strategy, process and technology to create an environment that sparks innovation, transforms services and changes our workplace culture. This division consists of four departments: Citizen Experience, Technology & Digital Innovation, People & Organizational Culture and Corporate Strategy & Performance.

- Citizen Services* delivers reliable services to address the fundamental needs of our community and partners. This includes providing services in the areas of fire suppression, transit, waste management, water, wastewater, and transportation. The division is comprised of four departments: Fire & Protective Services; Roadways & Transportation; Transit & Fleet Services; and Water, Waste & Environmental Services.
- City Planning & Community Development* shapes Regina’s development and the quality of life residents experience by working with internal and external partners to create complete neighbourhoods, and programs and services that achieve the goals of the Official Community Plan for residents and visitors. The division consists of four departments: Facilities Services; Parks, Recreation & Cultural Services; Planning & Development Services; and Sustainable Infrastructure.
- Financial Strategy & Sustainability* contributes to a customer-focused, financially sustainable city by providing strategic, equitable, and transparent tax, financial, and land management services. These high-level services are delivered via three departments: Assessment, Tax & Utility Billing; Financial Services; and Land & Real Estate Management.



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City of Regina Performance 2019

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Operating Strategically

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

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

The City of Regina's planning and performance measurements are integrated, beginning with the Vision, Mission and Values of the organization, through the OCP and the Strategic Plan through to the delivery of day to day services to residents. The Planning and Performance Measurement Framework is depicted below.



The Strategic Plan lays out the critical steps for the City to be well-positioned to deliver on the OCP in the future. It establishes several objectives, the key focus of which is improving our ability to deliver reliable, sustainable services at an affordable cost that is acceptable to residents now and into the future. This strategic effort will require a shift in focus from year-to-year budgeting to look at the long term, recognizing that significant resources are required for asset renewal, some of which last 100 years. It will require that we engage with Council and citizens so that they understand these long-term obligations as part of the full cost of the services they receive.

To support the implementation of the OCP, the Strategic Plan includes projects to upgrade or create Master Plans to further align services and policies to advance the OCP. Master Plans will help us understand both the immediate cost of delivery of the service, but also how the service must grow or evolve to serve a growing population (including the financial implications). Master Plans are a key input to the Long-Range Financial Model (LRFM), the primary tool for understanding the financial sustainability of our services.

Our Strategic Plan: Making Choices Today to Secure Tomorrow

► How did we do in 2019?

Vision

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

Mission

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

We are working together to inform and engage residents who value our services.

85% Secret shopper program

Citizen survey Results:

- 67%** General Information & Communication
- 53%** Residents Trust the City's Service
- 62%** Customer Satisfaction
- 50%** Understand Levels & Costs of Service

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

Achieved Target on:

- Process Improvement Deliverables
- Variance Target
- Service Review Recommendations Implemented

Completed Strategic Initiatives

- Construction Programming & Integration Project
- Level of Service Project- Phase I
- Waste Master Plan
- Recreation Master Plan
- Waste Master Plan

Where will we continue to focus in 2020 and beyond?

Customer Service
deliver reliable, citizen-centric services

Invest in our people
Employee Engagement Survey
Improve Time Loss Injuries

Evolve our processes and services

Strategic Initiatives to be completed in 2020:

- Contract & Procurement Project
- Work Ready Project
- Building and Planning Software
- Launch the People Strategy
- SOP's Phase I
- Fire Protection Master Plan

One City-One Team

Community First

Accountability • Respect • Collaboration

Strategic Plan Results

Asset Renewal and Financial Viability

One of the community priorities of the OCP is to ensure Regina's long-term financial viability. The City is developing asset management plans for all asset categories and has increased its investment and commitment to infrastructure renewal. Since 2011, the City has more than tripled its commitment to reduce Regina's infrastructure deficit through General Fund allocations, rather than relying on external funds or incurring debt. Additionally, the City's 20-year long-range financial model is a useful internal planning tool that helps identify financial risk, particularly to the sustainability of services and levels of service.

2019 Progress

Strong models for long-range financial planning and asset management support the City to make decisions about programs and assets that reflect future service needs and to prepare for the required allocation of resources. Resources were realigned in 2019 to support the Sustainable Infrastructure department, which is advancing asset management.

The City measures the degree to which the organization operates in accordance with its financial forecasts. In 2019, the organization operated 2.5 per cent above budgeted expenditures. The target was +/- 2.7 per cent, which the City met in 2019. The organization has a similar target for 2020 and will continue to work towards delivering budgeted plans as intended.

Citizen Engagement

The City has always made citizen engagement a priority and works with stakeholders, community organizations and partners to develop and implement policy initiatives and seeks input on service and policy changes. As the City works to advance major projects, it is essential to engage residents in a broader discussion of service priorities and affordability. Effort must also be focused on ensuring these discussions with residents are timely and proactive so the cost implications of service changes are understood and, conversely, the service implications of low cost are also understood.

2019 Progress

To improve the City's ability to communicate and engage with residents, the City worked throughout 2019 to expand its newly built Regina.ca website.

On specific issues related to the Strategic Plan, the City continued to survey its residents annually to understand their perceptions of issues and to inform planning for future communications and engagement efforts. From that survey, issues specific to the Strategic Plan are being monitored. Several of these key results are provided earlier in the "What we Heard" section.

Responding to citizen requests promptly is an important element of delivering a positive customer experience. The City strives to return calls with a requested call-back within two business days. In 2019, the organization had a strong response rate of 82 per cent. Although this is slightly below the targeted response rate of 85 per cent, it is important to the City that responsiveness to citizens improves each year.

Employee Engagement and Empowerment

The delivery of reliable, sustainable services to Regina residents is dependent on people. More than half of the City of Regina's budget is spent on employee salaries – people who drive buses, pick up garbage, suppress fires, pave roads, clear snow and teach swimming lessons, among many other roles. The City is dependent on the skills and commitment of its employees, and needs to provide a safe, rewarding workplace, to meet citizen's expectations.

2019 Progress

The Strategic Plan intends that employees' performance is enhanced – that they are committed to customer service, familiar with and capable of delivering standard operating procedures and levels of service, and capable and empowered to identify issues and propose solutions that serve Regina residents. The City will continue to improve approaches to ensuring employees are well-trained, professional, engaged and committed to the residents of Regina and the community. To track the progress on these issues, the City conducts a bi-annual employee survey. The next survey will be completed in 2020.

To analyze citizen experience touchpoints throughout the City a secret shopper program is completed annually. The secret shopper program measures how well City of Regina team members are managing the total citizen experience. In 2019 an overall score of 85 per cent was achieved, indicating that most interactions are meeting citizen's expectations, leaving them with a positive feeling about their experience. Scores indicated citizens responded positively to the friendliness, courtesy, and knowledge of the City of Regina employees. This was slightly below the corporate target of 87.5 per cent. Improvements in using the Customer Service Guidelines consistently will improve these results.

People are the foundation of the Strategic Plan and employee safety is taken seriously by the City. The City experienced challenges with the number of time loss safety incidents that occurred in 2019. Concerted efforts in 2020 will support the priority of getting to Mission Zero (zero safety incidences), as safety is truly everyone's responsibility. There are several initiatives underway to ensure that employees feel safe and incidents are prevented in the future.

Service Improvement

The City of Regina delivers over 60 services. As the City moves forward to provide citizens with reliable, sustainable and affordable services, tools and systems are being utilized to ensure consistency, efficiency and cost-effectiveness. In order to achieve this, efforts include:

- Analyzing each service and documenting levels of service and costs.
- Ensuring that standard operating procedures are consistent with levels of service and are effectively delivered by employees.
- Identifying where service costs should be recovered directly from users to limit the pressure on property tax revenues.
- Implementing process improvements, a systematic and deliberate method of identifying, analyzing and improving existing processes.
- Through service reviews, comprehensively examining a service's rationale, levels and scope, effectiveness, efficiency, and funding to provide formal recommendations.

2019 Progress

Consistent, repeatable, efficient and documented processes are key components of delivering reliable service to the community. In 2019, the City exceeded targets for process improvements delivered and service review recommendations were fully implemented. In addition, progress was made on Level of Service implementation and a plan was developed to document standard operating procedures.

Design Regina: The Official Community Plan Results

The City of Regina undertook many actions and decisions that advanced the OCP in 2019. Highlights of key 2019 actions and decisions in response to community priorities are presented below:

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

- Neighbourhood Plans are an important part of the OCP, as they use the OCP as a base to more specifically define where and how growth should occur within our neighbourhoods. They inform development decisions in our existing areas and provide residents, community members, and the development community with more certainty around how the neighbourhood is intended to evolve over time. A strategy to sequence neighbourhood plan reviews was approved by Council. This determines the order in which the City would engage communities to create neighbourhood plans. Progress was made on the following neighbourhood plans:
 - The Yards Neighborhood Plan, for the Phase II of the Regina Revitalization Initiative, was approved by Council. This plan will transform the former Railyard site into a vibrant, mixed use neighborhood.
 - Council approved a concept plan for the Coopertown neighbourhood.
- Coordinated a multi-agency coalition “Keeping Our Community Safe” to ensure fire safety for all neighbourhoods in the City of Regina.
- Upon completion of the Travel Trainer Program, paratransit customers with disabilities can use conventional transit with confidence and have more freedom with their transportation schedules and destinations. At the same time, their service trips on Paratransit can be used by others needing trips. In 2019, 2,000 trips were moved from paratransit to conventional transit.
- Approval of the Heritage Inventory Policy clarifies how Council will approach designation of heritage properties and provides increased opportunities for residents to identify those elements of their neighbourhoods that are most meaningful and worthy of conservation.
- Completion of a feasibility study that identified options for eliminating the rail crossing at Ring Road between Winnipeg Street and McDonald Street.

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

- The demolition of both Maple Leaf and Wascana Pools moved the City forward in being able to better serve current and future recreation needs for residents. The design and tender of Maple Leaf Pool was completed, and pool basin options and second round of city-wide engagement for Wascana Pool was also completed.
- “Wing in the New Year” – extended transit service hours and offered free rides on New Year’s Eve to ensure a safe and reliable travel option.
- A new Heritage Inventory Policy was approved. This policy advances the protection and conservation of Regina’s heritage properties.

- A contemporary Civic Arts & Cultural Collections Policy was approved. This policy prioritizes leading practice collection management and lays out a path for investment and renewal of the collection.

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

- The Regina Fire Bylaw, 2018-49, implemented throughout 2019, improved tenant safety in residential rental properties by implementing effective but not overly onerous smoke alarm regulations for landlords.
- Undertook a comprehensive review of the Housing Incentives Policy, taking into consideration implications from the National Housing Strategy, Plan to End Homelessness and introduction of an Intensification Levy as well as feedback from local housing providers, to develop recommendations that focus incentives towards housing for those in the greatest need.
- Committed \$2.5 million in capital grants towards the construction of 157 new affordable rental and 11 new affordable home ownership units.

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

- The successful Lane Reversal Traffic Accommodation pilot project was the first attempt at a temporary lane reversal in a construction zone in Canada. The lane reversal accommodation allowed traffic to utilize three lanes of traffic with two lanes open in the dominant direction of traffic flow. The available lanes of traffic were reversed twice per day based on peak drive times. The project was designed and implemented in less than four days during the second phase of road construction along Lewvan Drive. It remained in place throughout the four-month duration and was one of six projects to be reviewed by traffic engineers representing municipalities across Canada.
- The focus of the Residential Road Renewal Project New Surface Treatments project was to improve the driving experience of residential roads. The additional options available to these roads reduces construction timelines and overall project costs, allowing the City to improve poor quality residential roads an estimated 60 to 70 per cent faster than in the past.
- The Snow Routes Program Expansion was implemented in 2019 to assist City of Regina crews in providing safe transportation, and improved mobility and accessibility on city streets.
- Implemented the City's first bi-directional on-street bike lanes on Wascana Gate South.
- Initiation of a Snow Angels pilot program. Three community-based organizations have been funded a total of \$50,000 to trial their approaches to volunteer-led residential snow removal for households that experience accessibility and/or financial challenges.

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

- A section of 13th Avenue and Armour Road saw the successful implementation of using recycled material from a road renewal project being placed as a road surface to mitigate dust on those sections of roads. This treatment helps to reduce dust on the road and only requires minimal maintenance when completed. With utilizing this new dust suppression strategy, the City can expand dust treatment to areas that have further dust suppression needs that currently aren't being met.
- Rehabilitation of three kilometres of wastewater pipe was completed on 15th Avenue using a new relining technique that reduces the amount of time to complete a sewer rehabilitation to approximately nine weeks, significantly less than the two or three construction seasons required with the traditional method. In addition, the technique costs less than one-third the cost of traditional replacement because there is no need to dig up the ground, replace the pipe or rebuild the road.
- Secured funding of \$79,000 from Tree Canada Grant. This will help support the community by providing a tree-lined pathway of approximately three kilometres, the Pilot Butte Creek Pathway located from North Arens Road to Assiniboine Avenue, and helps reduce our carbon footprint by planting additional trees.
- Conventional transit ridership increased by 7.1 per cent and paratransit ridership increased with an additional 1,500 trips.

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

- Implementation of an Intensification Levy was established, which will require new developments within established areas to contribute to the costs for the City to cover a portion of capital infrastructure projects required to support growth.
- Cemetery Bylaw and Fee Schedule was approved by Council. This will continue to support the expectation that the cemetery will operate at a 100 per cent cost recovery and be fully sustainable on its own.

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

- S & P Global, a credit rating agency, upgraded the City's credit rating to AAA in 2019 (the outlook is stable), which demonstrates the City's commitment to maintaining financial discipline and continued management of debt even in difficult times. This is the first time the City has ever achieved this rating.
- Mosaic Stadium was host to several large events, including two Garth Brooks concerts in August and the NHL Heritage Classic in October, as well as a Toronto Raptors viewing event that brought approximately 14,000 residents together and attracted positive national exposure to Regina while showcasing the diverse usage of the facility. To support transportation during these major events, the City chartered services to Saskatchewan

Roughrider home games and provided free rides on specific routes going to and from Mosaic stadium, including the Toronto Raptors viewing party.

- With a focus on customer benefits, the Community Non-Profit Tax Exemption Policy was implemented to ensure consistent review and evaluation of applications for property tax exemptions for non-profit and charitable organizations in alignment with the Community Investment Grant Program.

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

- The City of Regina continues to work with our regional partners to the west through the Moose Jaw Regina Economic Corridor and to the east through the White Butte Planning Commission. The City also continues to meet with the Rural Municipality of Sherwood on a regular basis to discuss developments as well as City initiatives such as the Fire Master Plan.
- Participating in cooperative service initiatives such as Regina Region Local Immigration Partnership and Regina Human Services Partnership to ensure best practice and economical programming for the City of Regina.
- Implemented changes to City transportation and underground infrastructure in coordination with the Ministry of Highways and Infrastructure in support of the Regina Bypass project

Progress on OCP Targets

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

Target 1: Intensification

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

Progress: The intensification rate for 2019 was 5 per cent. This is increased from 4 per cent in 2018 and an improvement from the previous four-year downward trend in the rate. There was an 11 per cent reduction in greenfield residential building permits from 2018 as new development was primarily concentrated in existing neighbourhoods. The people per unit has also increased for most dwelling types, leading to higher density across the city.

As noted in Table 1, the cumulative intensification rate (2014-2019) since the adoption of the OCP is approximately 13 per cent. While the intensification rate may fluctuate year to year, the longer the cumulative rate stays below the 30 per cent target the more difficult it will be to achieve the target.

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

Year	Per cent of new population in existing urban areas
2014	26 %
2015	12 %
2016	11 %
2017	5 %
2018	4 %
2019	5 %
Cumulative Rate*	13 %

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

In 2019, Council approved an Underutilized Land Improvement Strategy, outlining short-term, medium-term and long-term actions to address barriers to the redevelopment of underutilized sites. Council also endorsed a Neighbourhood and Corridor Sequencing Plan to develop neighbourhood plans for established areas. These plans, once developed and approved, may include targeted incentives for intensification. Additionally, the City implemented planning and building software in September 2019 which offers new capabilities such as accounting for secondary suite building permits. This will improve reporting going forward.

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

Progress: In 2019, the cumulative number of additional residents to the City Centre declined to 65 residents. Growth of the City Centre has been slow since the OCP was approved, as seen in Table 2.

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

Year	# of new residents in City Centre since 2014
2014 to 2016	68
2017	16
2018	-11
2019	-8
Cumulative Growth	65

The population in City Centre decreased in 2019, as it did in 2018, due to more demolitions than new construction.

The growth of City Centre population is expected to increase in the later years of the OCP as plans for the Regina Revitalization Initiative, including the Yards Neighbourhood Plan and Taylor Field Neighbourhood, are finalized and implemented.

Target 2: New Neighbourhood Density

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

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

Target 3: Urban Forest

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

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

In 2019, Regina had 212,872 trees in public spaces, or 0.91 trees per person. This is a small increase from 2018 when there were 0.90 trees per person. While the number of trees increases every year, at the current time they are increasing at a rate slower than our population growth.

Table 3: Number of public trees per person

Year	Trees	Trees per Person
2016	206,148	0.93
2017	208,616	0.93
2018	210,537	0.90
2019	212,872	0.91

Target 4: Office Development

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

Progress: The distribution of medium and major office space is reviewed annually. In 2019, 80 per cent of medium and major office space was located in the Downtown/Central City Office area. There was no change in the medium and major office inventory in 2019 from the previous year.

Table 4: Percentage of medium (1,000 – 4,000 m²) and major (>4,000 m²) office space located in the Downtown/Central City.

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

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

Target 5: Plan Monitoring

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

Progress: This report is the mechanism by which the OCP is monitored for implementation. A full chart of all actions and decisions since the OCP was approved can be found at <https://www.regina.ca/about-regina/official-community-plan/>.

The first five-year review and update of the OCP was approved in 2019. One of the goals of the OCP is to ensure that it is a living plan that remains current and relevant over its life. A review will be undertaken every five years to ensure the OCP meets this goal.

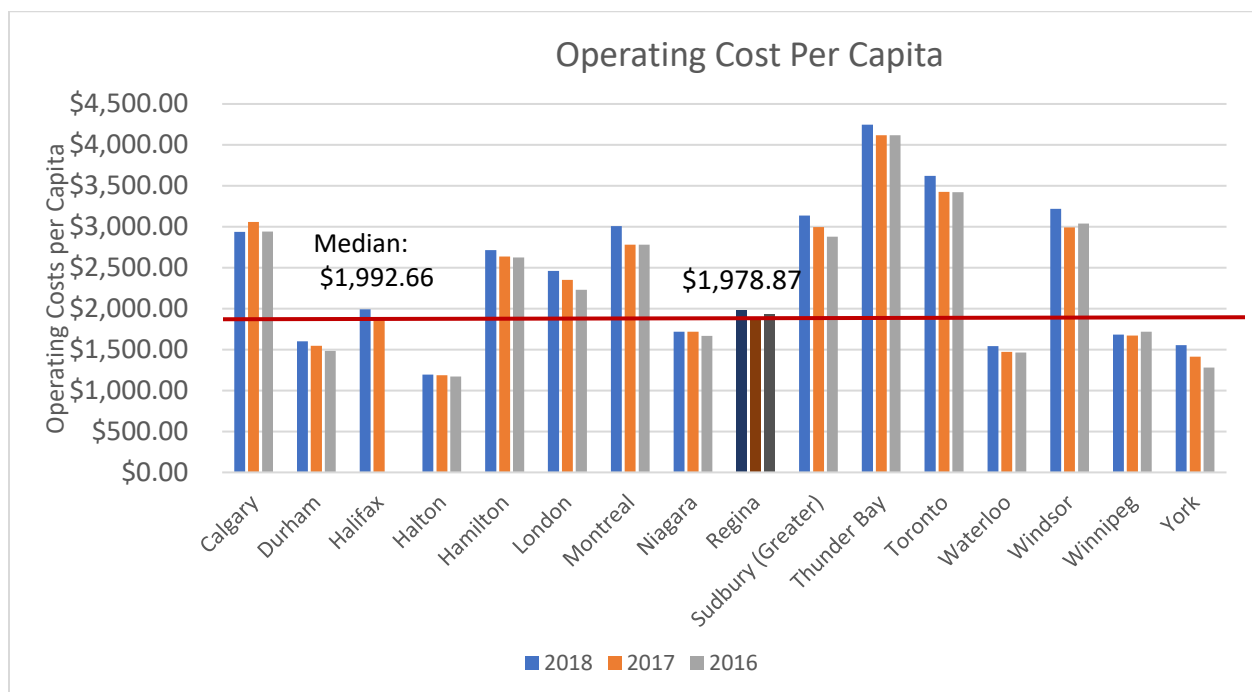
In 2019 OCP amendments were made to the OCP Part B – Secondary Plans to adopt a new Coopertown Neighbourhood Plan and an amendment was made to Part B.10 Former Diocese of Qu'Appelle Neighbourhood Plan allowing standalone commercial development in the Low-Density Residential Policy Area at Council's discretion.

One amendment was made to the OCP Part A – Citywide, which provides an exception to the phasing policy to accommodate unique developments that provide general public benefits. The amendment was intended to accommodate a sports complex in the southeast. The 5-year review process for the OCP was substantially completed in 2019 including public engagement on progress in the first five years of the plan and review of proposed amendments. The project identified amendments to improve clarity of policies and maps, to comply with provincial legislation changes to address school sites in the OCP, and minor amendments to the office development policies. Council approved the report and associated amendments in early 2020.

MBN Canada Benchmarking

In 2014, the City decided to improve its capacity to measure and report on its operational performance. In 2015, the City identified a municipal benchmarking partnership that would allow us to compare our performance to that of other municipalities across a standard bundle of services. This information will assist residents in determining whether they are receiving good value for their tax dollar investments, both from the perspective of cost and service performance. A full report of Regina's MBN Canada results can be found at www.mbnCanada.ca.

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



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

Service Partners

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

Regina Police Service

Regina Police Service (RPS) enhances the safety of our city and provides policing services to the residents of Regina and, in partnership with the RCMP, to some of the surrounding region. The RPS currently has 402 sworn officers and 188 civilian personnel combining to form a total employee complement of 590.

RPS is governed by a Board of Police Commissioners, which is appointed by City Council and includes the Mayor and some members of City Council as well as at least one member of the general public. *The Saskatchewan Provincial Police Act* stipulates that the municipality:

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

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

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

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Buffalo Pound Water Treatment Corporation

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

Effective January 1, 2016, the Plant operates as not-for-profit corporation legally known as the Buffalo Pound Water Treatment Corporation. The Cities of Moose Jaw and Regina jointly own the Plant (City of Regina: 74 per cent; City of Moose Jaw: 26 per cent) and a Board of Directors governs the Corporation on behalf of the two Cities. The current Board of Directors is

comprised of six members who were jointly appointed by the City Councils of Regina and Moose Jaw.

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

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

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Economic Development Regina

Guided by the City of Regina's Official Community Plan, Economic Development Regina's (EDR) role is to provide leadership for economic growth to the City of Regina and the community, with specific accountability for the following core functions:

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

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

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

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

- Industry investment
- Fee for service contracts

- Grants from other levels of government

Annual Report: <https://economicdevelopmentregina.com/about/publications>

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Regina Downtown Business Improvement District

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

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

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

2018 Annual Report: <https://indd.adobe.com/view/932b8cc0-3053-43cf-b06d-936161d292c2>

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Regina Exhibition Association Limited

Regina Exhibition Association Limited (REAL) operates a 100-acre campus, Evraz Place, located moments away from the downtown core. Evraz Place is home to:

- Mosaic Stadium and the Saskatchewan Roughriders
- The Regina Pats who have played on the property for more than 100 years and call the Brandt Centre home.
- The Queensbury Convention Centre, which boasts 42,000 sq. ft. of flexible space for conventions, conferences, weddings, trade shows, meeting, and more.
- The AffinityPlex, which is a 90,000 sq. ft. with a regulation indoor soccer field and flexibility to host trade shows, conferences, gala dinners and more.

- The six-rink hockey arena, the Co-operators Center, which hosts tournaments almost every weekend generating considerable tourism and economic benefit.
- The International Trade Centre (ITC), which is the new home for the Canadian Western Agribition, major trade shows, conferences and other events of all shapes and sizes.
- Two signature events, Queen City Ex and Canada's Farm Show, which bring our community together at Evraz Place as we showcase the best Regina has to offer.

Originally established in 1884 as an agricultural society, REAL has evolved into an organization that operates and maintains the community's hub of events and entertainment. REAL began operating as a not-for-profit municipal corporation in 2014 with oversight from a volunteer Board of Directors appointed by City Council. The City of Regina owns the lands and assets of Evraz Place that REAL operates on the behalf of the City. City Council provides a small annual grant to support its operations. However, the vast majority of REAL's revenues are generated by the services it provides. REAL operates as a not-for-profit corporation and any surplus profit at year-end is invested into maintenance and improvement of civic infrastructure at Evraz Place, all of which is owned by the City of Regina.

The mandate of REAL is to:

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

2018 Annual Report: <https://www.evrazplace.com/about/annual-report>

Contact: Amanda Acorn
 PO Box 167
 1700 Elphinstone ST
 Regina, SK S4P 2Z6
 Ph: 306-781-9200

Regina Public Library

The Regina Public Library (RPL) exists pursuant to *The Public Libraries Act, 1996* of Saskatchewan. It comprises eight neighbourhood branches and a central library that includes a central children's library. The programs, services and supports it provides help to build a strong community; one that values knowledge and understanding, and respects and upholds diversity. Regina Public Library seeks to empower the community by providing access to technology, lifelong learning, and diverse cultural and leisure experiences. In addition to an extensive physical collection, the Library offers a digital collection of eBooks, music, television shows and movies that can be streamed, musical instrument lending, a professional-grade digital media studio, virtual reality gaming, an arthouse film theatre, a contemporary art gallery, and more.

RPL is governed by a Board of Directors, which is appointed by City Council and includes the Mayor, one other member of City Council and several members of the general public.

The Board of Directors of the RPL sets the plan and budget for the Library. They then seek the approval of City Council to obtain the resources for their budget through the establishment of a Library Mill Rate, which is included as part of residents' annual property tax bill. The Library may also apply to City Council for additional financial resources to acquire, build, refurbish, equip or maintain a library building.

Annual Report: <https://www.reginalibrary.ca/about/annual-reporting>

Contact: Colleen Hawkesford
2311 – 12th Avenue
PO Box 2311
Regina, SK S4P 3Z5
Ph: 306-777-6060

The Warehouse District

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

- Promote and enhance the area's unique buildings and other historical assets
- Enhance business conditions
- Improve the quality of life for those that live in and make use of the area.

The Warehouse District encompasses 80 blocks from the west side of Albert Street to the east side of Winnipeg Street and north from the CP rail yard to the south side of 4th Avenue. The Warehouse District is home to both modern and historic Chicago-style buildings, many of which were built during the settlement boom of the early 1900's.

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

Website: www.warehousedistrict.ca

Contact: Leasa Gibbons
202 – 1275 Broad ST
Regina, SK S4R 1Y2
Ph: 306-585-3948



Financial Statement: Discussion and Analysis

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FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

INTRODUCTION

The discussion and analysis of the City of Regina's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should review the "Introduction" and "City of Regina Performance in 2019" contained within the Annual Report, notes to the financial statements and financial statements to enhance their understanding of the corporation's service efforts and accomplishments from both financial and non-financial perspectives.

HIGHLIGHTS

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

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

Key financial highlights for 2019 are as follows:

- The 2019 Consolidated Financial Statements report net financial assets of \$34.9 million, an increase of \$10.3 million from \$24.6 million at the end of 2018. The net financial asset position is mainly due to an increase in cash and investments, partially offset by a decrease in accounts receivable.
- The 2019 Consolidated Financial Statements show an annual surplus of \$102.1 million compared to \$137.5 million in 2019.
- The City's accumulated surplus increased from \$2.3 billion at the end of 2018 to \$2.4 billion at December 31, 2019. Virtually all of the accumulated surplus is tied up in non-financial assets, such as tangible capital assets, which represents the service capacity available for future periods. Non-financial assets were \$2.3 billion at the end of 2019.
- Revenues increased by \$29.4 million and expenses increased by \$64.8 million from 2018. The increase in revenues is due to the increase of taxation and gain on long-term investment. The increase in expenses is due to amortization, wages and benefits expense, and increases in costs for services related to roads and traffic as well as water, wastewater and drainage.
- The City's reserves decreased by \$16.6 million to \$201.2 million. The General Utility reserve decreased by \$9.5 million, the Solid waste reserve decreased by \$9.3 million and the Land development reserve is in a deficit of \$16.8 million. The decreases were partially offset by increases to the General Fund reserve and Asset Revitalization reserve in the amounts of \$3.5 million and \$7.6 million respectively. Annually, the reserves are assessed to determine the reasonableness of their balances to the current reserve limits, business needs of the City and best practices. Council approved adjustments are made based on the review.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

REVENUES

The City of Regina had consolidated revenue of \$765.9 million in 2019 as shown below:

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

	2019 Budget	2019 Actual	Budget Variance Favourable (Unfavourable)	2018 Actual	Year over Year Increase (Decrease)
Taxation	273,298	273,380	82	260,358	13,022
Fees and charges	273,680	275,004	1,324	273,373	1,631
Government transfers	80,116	87,732	7,616	88,016	(284)
Electrical distribution	25,647	28,312	2,665	27,893	419
Licenses, fines and levies	13,807	21,420	7,613	13,970	7,450
Gas distribution	2,478	5,630	3,152	3,190	2,440
Interest and penalties	3,804	9,553	5,749	5,211	4,342
Interest on long term investments	7,026	4,309	(2,717)	7,769	(3,460)
Gain (loss) on long term investments	-	11,311	11,311	(8,128)	19,439
Servicing agreement fees	1,556	4,523	2,967	9,758	(5,235)
Land sales	-	443	443	3,769	(3,326)
Other	13,877	5,608	(8,269)	6,707	(1,099)
Contribution of tangible capital assets	-	35,417	35,417	43,148	(7,731)
Other capital contributions	-	3,272	(3,272)	1,500	1,771
	695,289	765,914	64,081	736,534	29,379

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

Taxation revenue was \$13.0 million higher in 2019 when compared to 2018 primarily due to a 3.33% increase in the mill rate and new properties coming onto the assessment roll during the year.

Licenses, fines and levies were \$7.5 million higher mainly due to an increase in traffic violation fines including the recognition of revenue from a five year Automated Speed Enforcement Agreement.

Gas distribution revenues were \$2.4 million higher than 2018 due to a particularly cold winter in early 2019, which drove up the SaskEnergy and TransGas sales in 2019.

Interest and penalties, interest on long-term investments and gain (loss) on long-term investments have significant changes from the prior year; this was due to a planned redemption of long-term bonds (thus, higher interest), a shift to in-house managed short-term investments (thus, higher interest) and a resulting gain on disposition of the long term investments.

Servicing agreement fees for 2019 were \$5.2 million lower than 2018. When a servicing agreement is entered into between the City and a developer, the fees collected are inflows of cash or accounts receivable to the City. Servicing agreement fees collected in a given year are recorded as revenue or deferred revenue based on eligible expenditures. In 2019 development was slow due to economic factors.

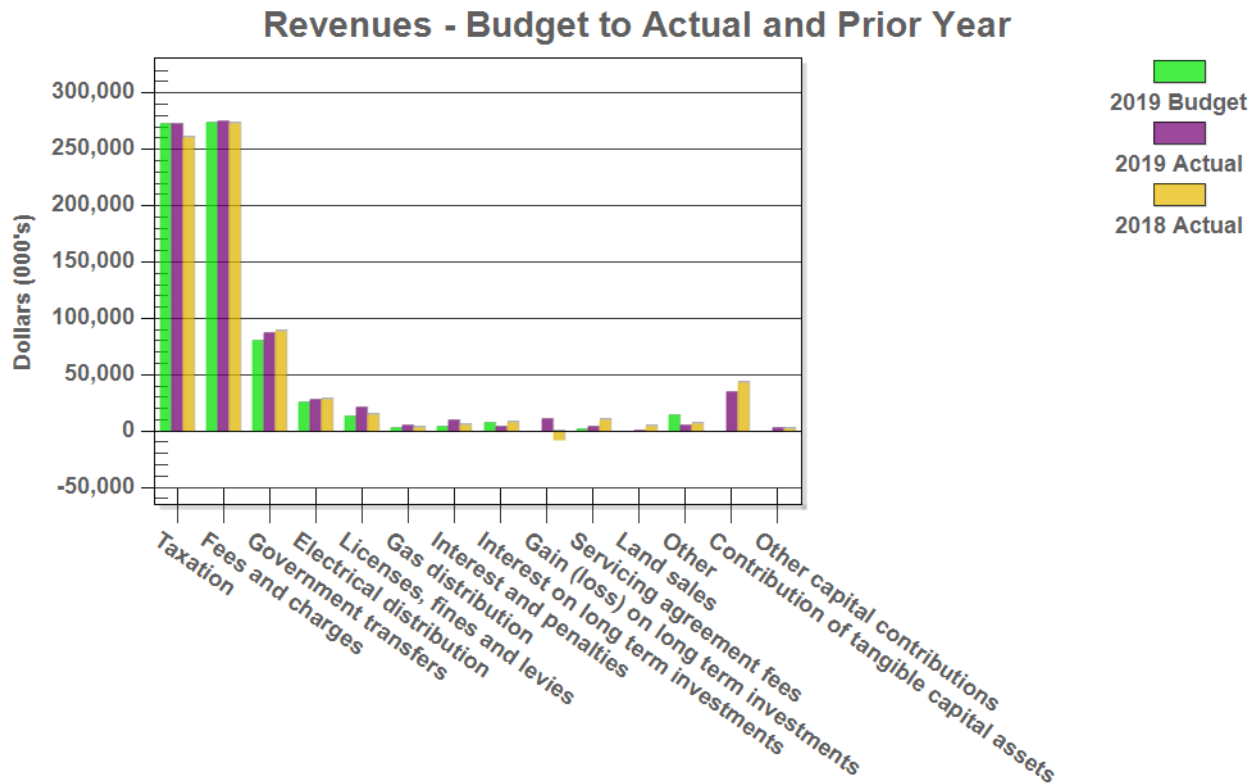
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Land sales were below budget and lower than 2018 due to slow development and economic factors.

Contribution to tangible capital assets for 2019 were \$35.4 million above budget since this item is not budgeted for; contributions were \$7.7 million less than 2018 due to slow development and economic factors. This revenue includes tangible capital assets, such as land, roads, and underground networks that the City receives at no cost or below fair market value as per development agreements. However, the City will be expected to maintain and rehabilitate these assets from this point forward.

Table 2: Revenues - Budget to Actual and Prior Year

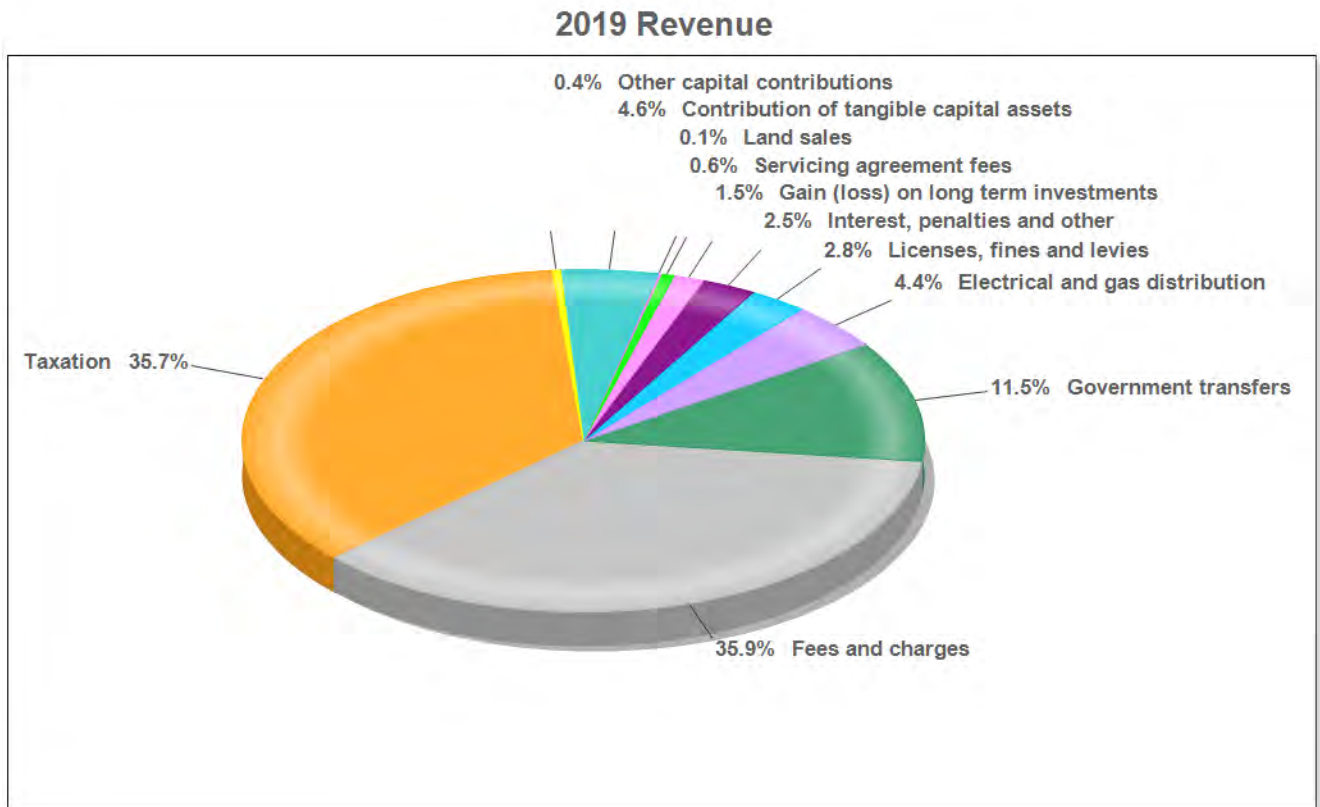


FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Of the total revenue earned in the year, more than 71.3% (2018 - 72.2%) is attributed to taxation and fees.

Table 3: 2019 Revenue by Type



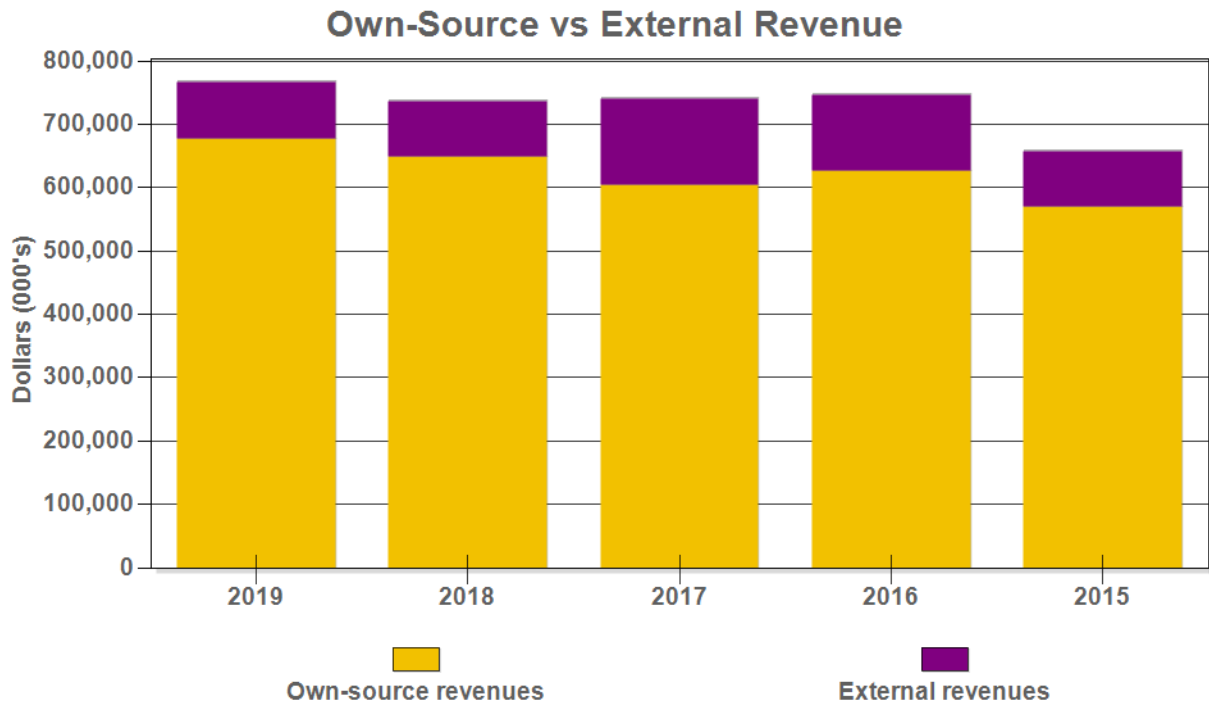
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

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

Table 4: Own-Source vs External Revenue



Own-source revenues, which include taxation, have increased over the past five years, while government transfers are approximately the same as they were five years ago. This increase means the City relies heavily on its own source of funding to cover the cost of providing services. 2016 and 2017 have higher government transfers due to funding received specifically for the Wastewater Treatment Plant and the Stadium projects.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 5 provides a summary of the total revenue collected over the last five years. The top five revenue sources include taxation, fees and charges, government transfers, electrical distribution and contribution of tangible capital assets (Table 5).

Table 5: Revenue Summary

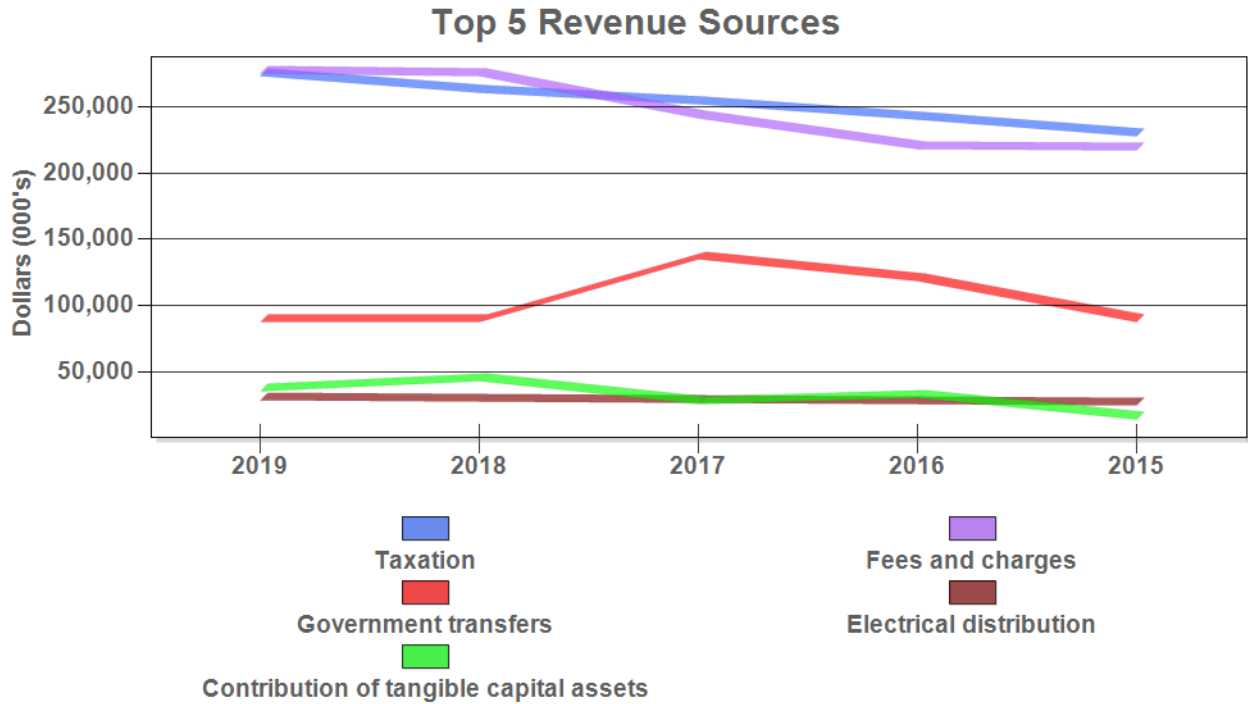
	2019	2018	2017	2016	2015
Taxation	273,380	260,358	252,165	240,148	227,973
Fees and charges	275,004	273,373	241,665	217,716	217,052
Government transfers	87,732	88,016	134,965	118,219	87,661
Electrical distribution	28,312	27,893	26,534	25,267	24,417
Licenses, fines and levies	21,420	13,970	14,542	13,846	14,211
Gas distribution	5,630	3,190	5,975	6,138	7,076
Interest and penalties	9,553	5,211	2,810	2,103	1,833
Interest on long term investments	4,309	7,769	10,351	12,913	20,339
Gain (loss) on long term investments	11,311	(8,128)	(4,145)	4,326	3,877
Servicing agreement fees	4,523	9,758	13,847	17,483	20,339
Land sales	443	3,769	5,408	533	3,877
Other	5,608	6,707	8,271	6,884	11,174
Contribution of tangible capital assets	35,417	43,148	26,050	30,638	14,114
Other capital contributions	3,272	1,500	2,003	49,565	-
	765,914	736,534	740,441	745,779	656,978

Revenue increased by \$108.9 million in the past five years. The main increases were in own source revenues of taxation and fees and charges. Table 17 provides a graphic representation on the historical expenses by department.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 6: Top Five Revenue Sources



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Taxation revenue generally increases with growth and tax rate increases.

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

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

Table 7: Taxable Property Assessment

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

Taxable Property Assessment (in thousands of dollars)	
Year	Total
2019	29,049,338
2018	28,545,124
2017	27,932,498
2016	20,613,040
2015	19,700,181

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 8: Mill Rates And Levies

Year	Mill Rates			Business Improvement Levies	
	Municipal	Library	Total	Regina Downtown	Regina's Warehouse Business Improvement District
2019*	8.1081	0.7329	8.8410	0.5997	0.5040
2018	7.7716	0.7199	8.4915	0.5822	0.4893
2017	7.4483	0.7199	8.1682	0.5708	0.4750
2016	9.5920	0.9594	10.5514	0.7757	0.7588
2015*	9.2856	0.9372	10.2228	0.7388	0.7588

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

Table 9: Municipal Mill Rate Factors

Property Class/Subclass	Mill Rate Factors				
	2019	2018	2017	2016	2015
Residential	0.91152	0.91152	0.91152	0.87880	0.87880
Condominiums	0.91152	0.91152	0.91152	0.87880	0.87880
Multi-family residential	0.91152	0.91152	0.91152	0.87880	0.87880
Commercial and Industrial	1.21040	1.21040	1.21040	1.32901	1.32901
Golf courses	0.78654	0.78654	0.78654	0.86359	0.86359
Agriculture	1.21040	1.21040	1.21040	1.32901	1.32901
Railway/Pipelines	1.21040	1.21040	1.21040	1.32901	1.32901
Resources	1.21040	1.21040	1.21040	1.32901	1.32901

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 10: Tax Levies and Collection

	2019	2018	2017	2016	2015
Municipal tax levy	250,561	238,268	231,346	219,414	208,274
Global Transportation Hub Authority	2,736	2,435	1,916	1,742	1,591
School boards tax levy	148,848	143,640	140,355	127,017	122,026
Library tax levy	22,819	22,090	21,391	20,734	19,699
Total tax levy	424,964	406,433	395,008	368,907	351,590
Tax levy per capita - Municipal*	1,035	1,017	1,003	934	910
Tax levy per capita - School boards*	615	613	608	547	550
Tax levy per capita - Library*	94	94	93	88	87
Total tax levy per capita* (\$)	1,744	1,724	1,704	1,569	1,547
Tax levy per household - Municipal**	2,625	2,424	2,354	2,281	2,208
Tax levy per household - School boards**	1,559	1,470	1,363	1,337	1,336
Tax levy per household - Library**	239	224	222	216	211
Total tax levy per household** (\$)	4,423	4,118	3,939	3,834	3,755
Tax arrears, end of year (prior to allowance for doubtful accounts)	18,327	13,833	11,594	9,658	8,078
Arrears as a % of total tax levy	4.31%	2.62%	2.31%	1.41%	2.30%
Tax levy as a % of General operating revenue	32.71%	32.35%	31.24%	29.42%	31.70%
Total taxes collected	405,321	388,756	361,920	341,921	331,412

*2016-2019 population figures are based on the 2016 census. 2015 population figure was estimated based on the 2011 census population and estimated growth trends.

** Household figure as obtained from Stats Canada 2016 census. 2015 population figure was based off the 2011 census.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 11: Major Property Taxpayers in Regina in 2019

Registered Owner	Total Taxable Assessment	% of Total Taxable Assessment
1. Harvard Developments Inc.	335,612	1.16%
2. Consumers' Co-operative Refineries Ltd.	301,212	1.04%
3. HDL Investments Inc.	223,049	0.77%
4. Boardwalk REIT Properties Holdings Ltd.	179,232	0.62%
5. Cornwall Centre Inc.	166,712	0.57%
6. SBLP Southland Mall Inc.	135,226	0.47%
7. 101143561 Saskatchewan Ltd.	105,433	0.36%
8. Loblaw Properties West Inc.	94,604	0.33%
9. City Centre Equities Inc.	88,270	0.30%
10. Cornerstone Holdings Ltd.	86,263	0.30%
11. Regina Airport Authority	75,972	0.26%
12. Westdale Construction Co. Ltd.	72,770	0.25%
13. SGC Holdings Inc.	69,509	0.24%
14. Artis Victoria Square Ltd.	69,257	0.24%
15. First Willow Developments Ltd.	63,167	0.22%
Total	2,066,288	7.13%
Total 2019 taxable assessment	29,049,338	100.00%

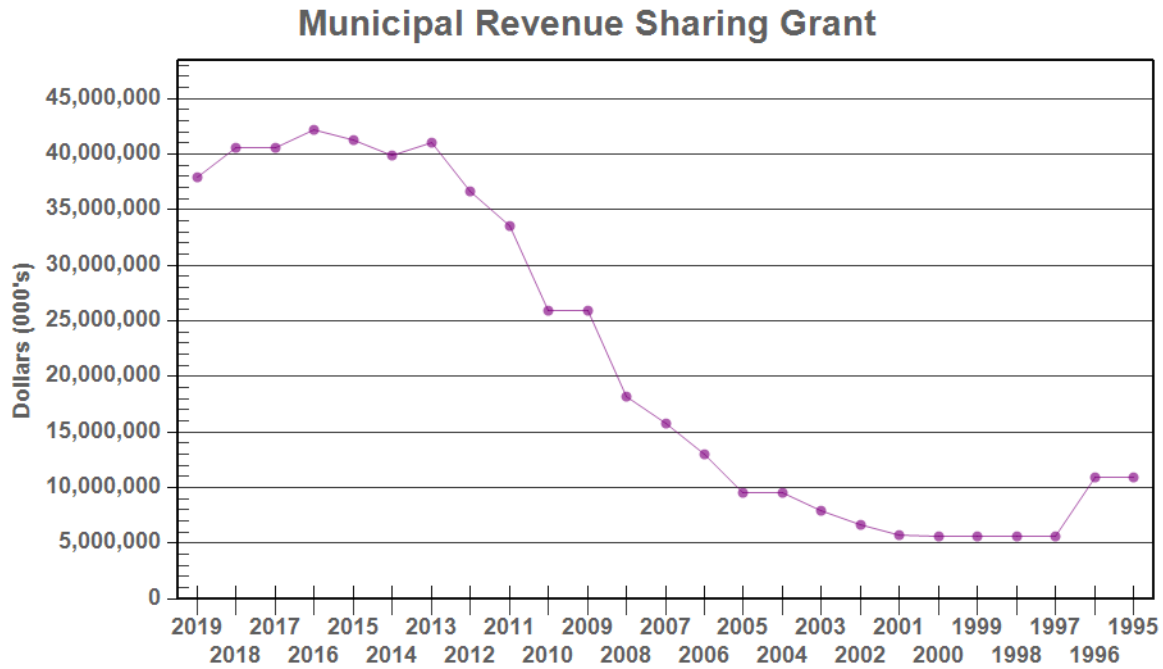
The list of major taxpayers does not include properties where grant or payments in lieu of property tax are paid.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Government transfers include both operating and capital transfers and reflects the variability in various Federal and Provincial capital grant programs. The Provincial Municipal Revenue Sharing (MRS) Grant is one of the largest single grant program available to the City of Regina. Table 12 shows the provincial municipal operating grants received by Regina since 1995.

Table 12: Municipal Operating Grants Trends



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

EXPENSES

The total operating expenses incurred by the City of Regina totaled \$664 million in 2019. The increase in expense was due to amortization, wages and benefits expense, and increase in costs for services related to roads and traffic as well as water, wastewater and drainage.

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

	2019 Budget	2019 Actual	Variance Favourable (Unfavourable)	2018 Actual	Increase (Decrease)
Parks, recreation and community services consolidated	141,100	154,343	(13,243)	145,436	8,907
Police	95,886	98,536	(2,650)	88,614	9,922
Legislative and administrative services	74,882	84,163	(9,281)	83,313	850
Water, wastewater and drainage	137,609	105,784	31,825	95,420	10,364
Roads and traffic	84,657	80,304	4,353	67,527	12,777
Fire	52,451	49,814	2,637	48,997	817
Transit	44,601	45,193	(592)	48,722	(3,529)
Waste collection and disposal	25,968	26,787	(819)	4,036	22,751
Grants	6,163	4,629	1,534	4,639	(10)
Planning and development	17,642	14,278	3,364	12,347	1,931
	680,959	663,831	17,128	599,051	64,780

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

Police expenses were budgeted to be higher in 2019 due to approved increases in wages and benefits of about \$5 million; actual expenses exceeded the budgeted expenses primarily due to over time/additional costs related to an increased focus on serious crime such as drug offences and homicides.

Water, wastewater and drainage expenses were \$10.4 million higher than 2018 due to the increase of amortization expenses, higher cost of water purchased, wages and benefits, and certain project costs that are not capitalized.

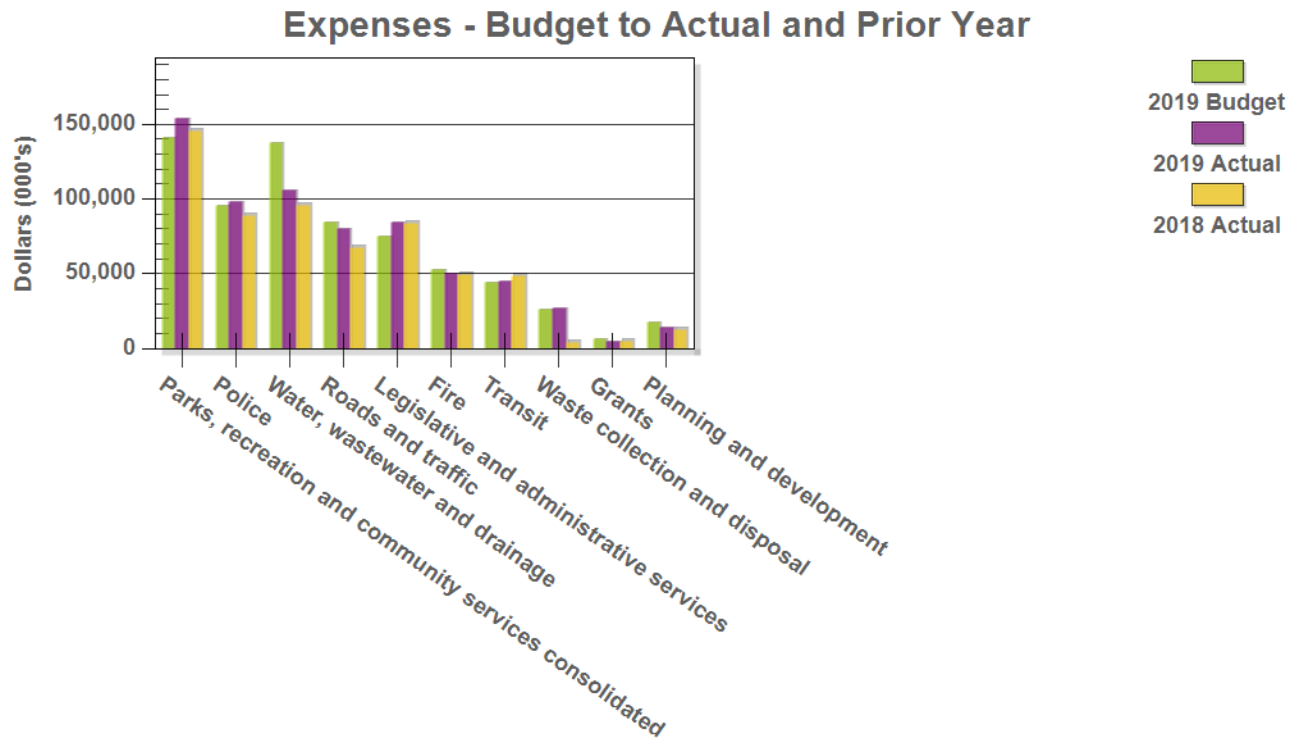
Roads and traffic expenses were \$12.8 million higher than 2018 due to higher non-capitalized project costs, amortization and \$7.0 million in expenses related to traffic violation expenses recognized pursuant to an ongoing contract for Automated Speed Enforcement Agreement; 2019 is a cumulative entry.

Waste collection and disposal costs were lower in 2018 due to a large adjustment (decrease) of \$20 million to the landfill liability in that year; adjusting for that expense, 2019 was comparable to budget.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 14: Expenses – Budget to Actual and Prior Year

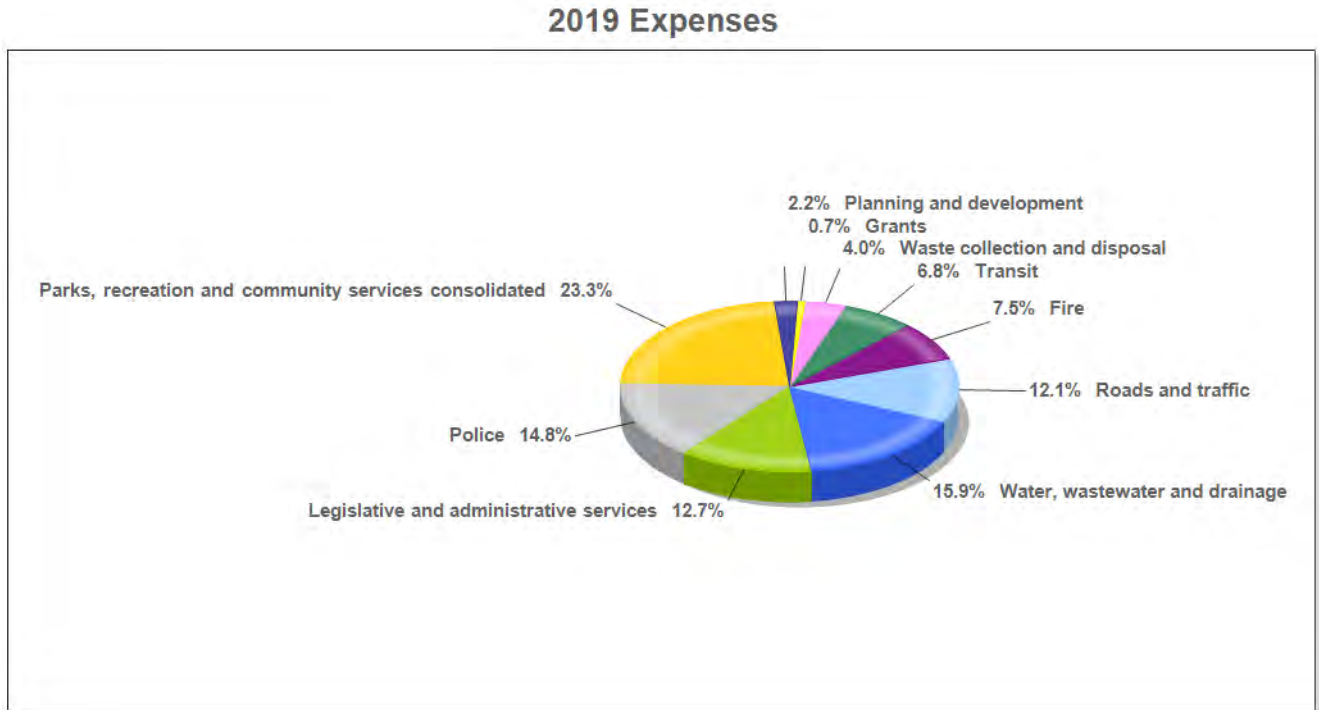


FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Of the total expenditures incurred, almost 67% is attributed to four areas: Parks, recreation and community services; Police; Legislative and administrative services and Water, wastewater and drainage.

Table 15: 2019 Expense by Type



An analysis of the significant trends in expenses indicate that the City of Regina's expenses have increased by \$176.3 million over the last five years (Table 16). Table 17 provides a graphic representation on the historical expenses by department.

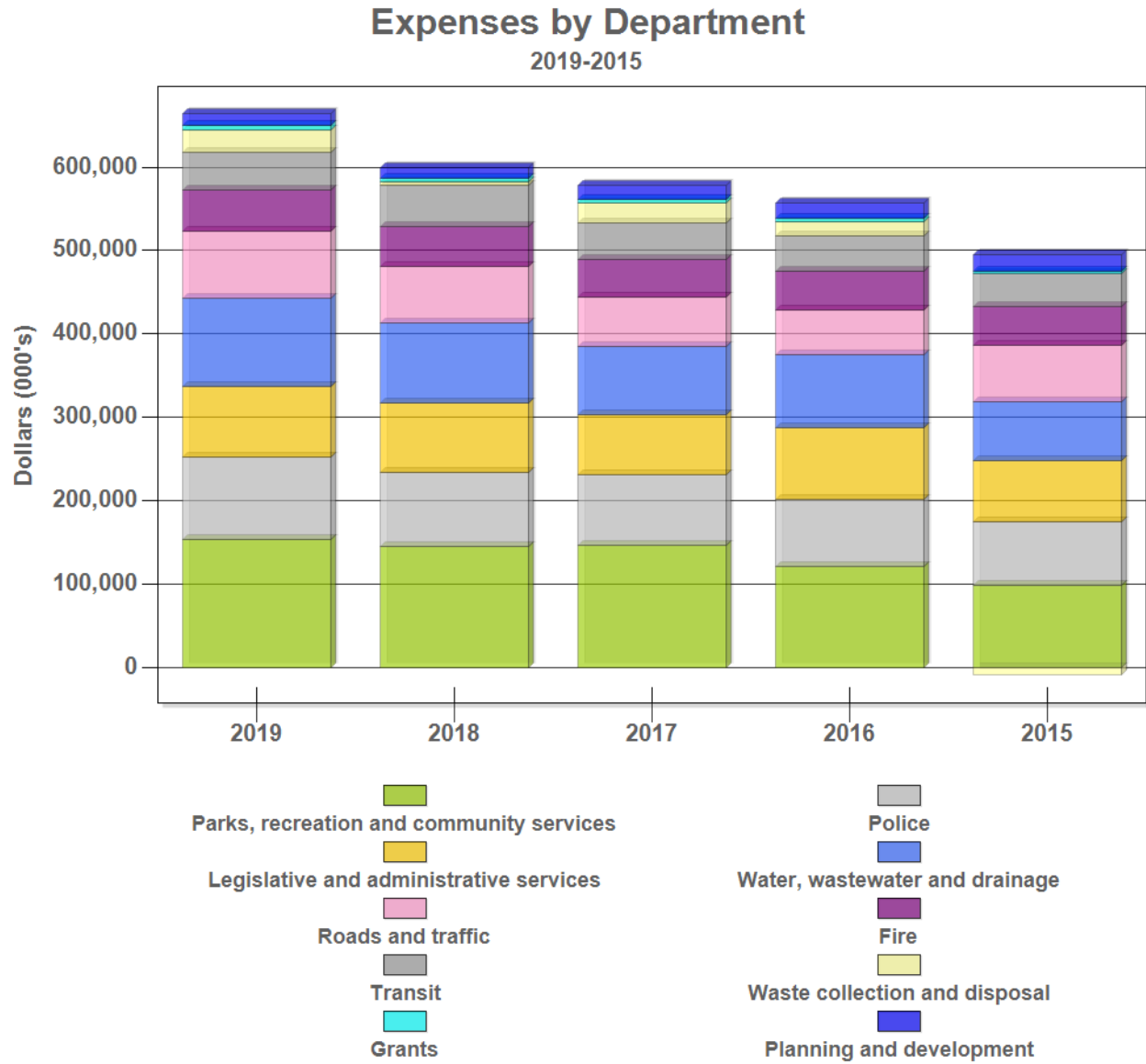
Table 16: Expense Summary

	2019	2018	2017	2016	2015
Parks, recreation and community services	154,343	145,436	146,667	121,148	98,529
Police	98,536	88,614	84,605	80,095	76,480
Legislative and administrative services	84,163	83,313	71,812	86,738	73,296
Water, wastewater and drainage	105,784	95,420	82,036	87,518	70,690
Roads and traffic	80,304	67,527	58,998	53,095	68,030
Fire	49,814	48,997	45,651	46,319	46,041
Transit	45,193	48,722	43,895	42,032	39,285
Waste collection and disposal	26,787	4,036	23,734	17,648	(8,128)
Grants	4,629	4,639	4,548	4,051	3,559
Planning and development	14,278	12,347	16,948	18,766	19,739
Total	663,831	599,051	578,894	557,410	487,521

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 17: Expenses by Department



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Approximately 79% of the total expenses incurred by the City of Regina are attributed to wages and benefits, materials, and contracted and general services. This has fluctuated from a high of 82% to a low of 77% (Table 18). In 2019, wages and benefits made up 45.3% of the costs and material, supplies and contracted services were 33.6%. Table 19 and 20 provide a graphic representation on the historical expenses by object.

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

2019 - 5,242
 2018 - 5,238
 2017 - 5,471
 2016 - 5,224
 2015 - 4,896

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

Table 18: Expense by Object

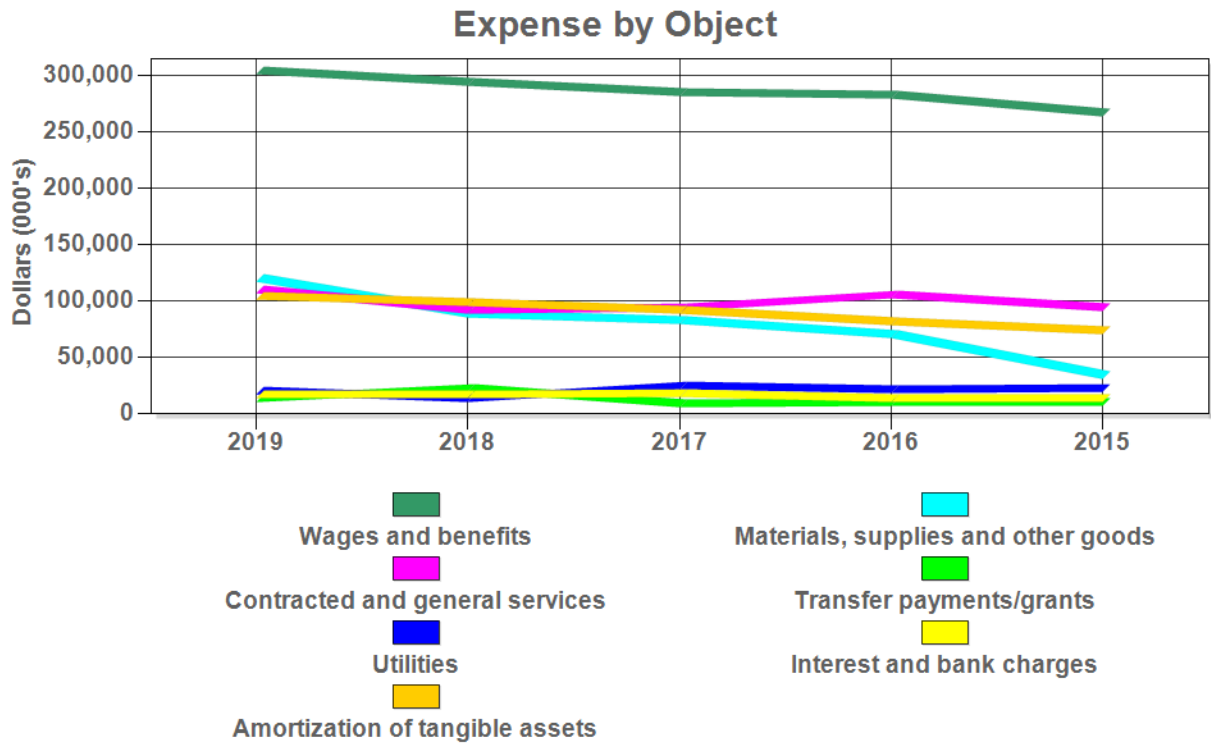
	2019	2018	2017	2016	2015
Wages and benefits	300,417	290,181	281,686	279,101	263,796
Materials, supplies and other goods	116,930	85,165	78,734	66,326	29,834
Contracted and general services	105,949	87,929	90,354	101,843	90,106
Transfer payments/grants	9,372	9,347	5,582	5,840	5,775
Utilities	17,036	18,311	20,799	17,407	18,324
Interest and bank charges	13,058	13,418	13,811	9,118	9,342
Amortization of tangible assets	101,069	94,700	87,928	77,775	70,344
Total	663,831	599,051	578,894	557,410	487,521

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 19 and 20 illustrate total expenses by object.

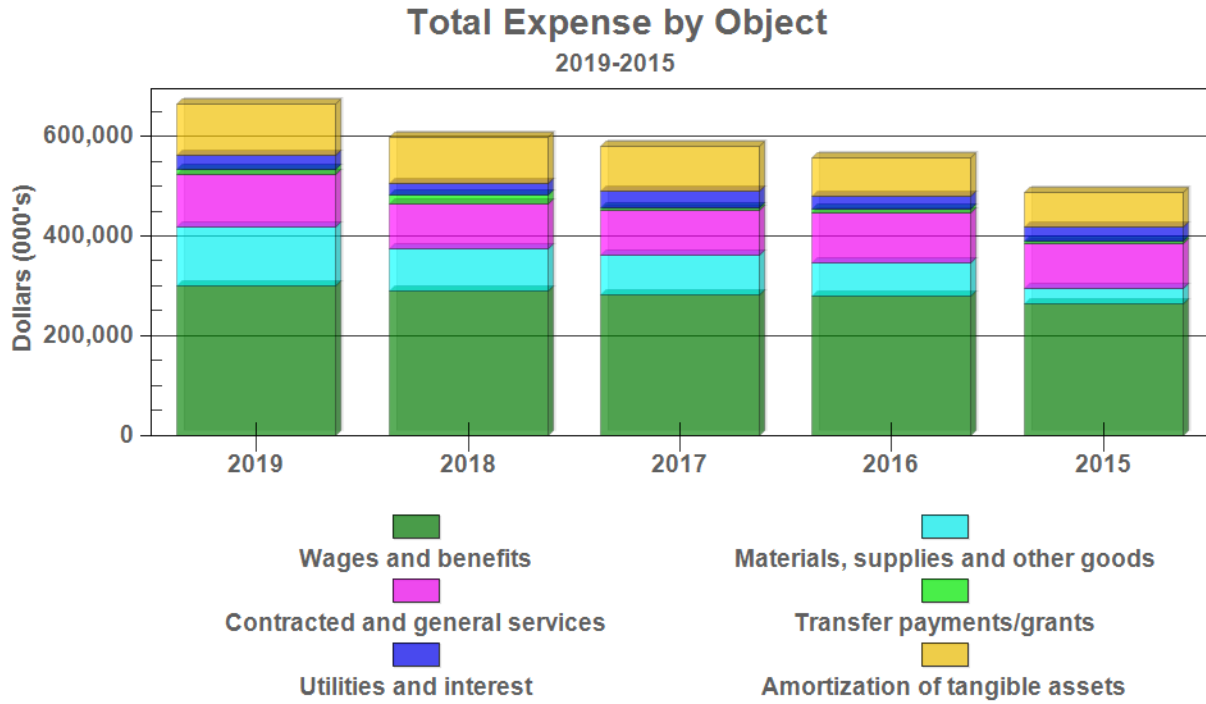
Table 19: Expense by Object



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 20: Total Expense by Object



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 21: General Capital Funds

	Budget 2019	Actual 2019	Actual 2018	Actual 2017	Actual 2016	Actual 2015
Revenue						
Government transfers						
Federal	21,214	23,047	14,992	54,109	30,053	2,974
Provincial	-	7,210	8,507	17,304	22,950	26,820
Fees and charges	-	7,265	10,949	24	122	-
Servicing agreement fees	5,179	2,109	5,861	7,000	(4,919)	13,798
Contribution of tangible capital assets	-	17,915	38,730	21,798	25,999	14,144
Other capital contributions	-	601	1,368	2,003	49,565	-
Other revenues	213	835	502	1,660	37,369	16,252
	26,606	58,982	80,909	103,898	161,139	59,844
Expenses	106,952	104,763	106,952	105,015	107,701	87,578
Surplus (Deficit)	(80,346)	(45,781)	(26,043)	(1,117)	53,438	(13,590)

Annually, City Council approves a Capital Plan to support the Strategic Plan and to respond to the service demands of the city, which requires investment in tangible capital assets. The budget details each capital project based on the maximum forecast expenditure for the year to accommodate the planning and scheduling requirements associated with the projects. There is a higher degree of variability between actual and budget for capital projects as there is typically a portion of the budget carried forward to future years for projects not completed within the fiscal year. At the end of 2019, the carry forward amount available in the General Capital and Utility Capital funds was \$226.9 million (2018 - \$207.8 million).

OTHER SIGNIFICANT TRENDS

Other significant trends for the City of Regina can be determined by analyzing the Statement of Financial Position for the past five years.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 22: Statement of Financial Position

	2019	2018	2017	2016	2015
Financial assets					
Cash	88,476	77,924	137,099	30,678	28,124
Short-term investments	400,810	100,460	20,510	472	271
Accounts receivable	49,280	72,789	87,225	91,854	42,877
Taxes receivable	11,753	10,370	6,252	5,668	4,884
Long-term investments	19	276,092	276,151	339,843	432,679
Land inventory	27,192	30,083	20,391	8,899	329
	577,530	567,718	547,628	477,414	509,164
Financial liabilities					
Accounts payable and accrued liabilities	64,836	66,860	72,967	69,223	147,331
Taxes payable to school boards	6,449	8,000	7,006	6,998	5,990
Deferred revenue	89,496	74,446	77,208	77,173	44,702
Capital lease obligations	1,463	735	1,135	1,108	1,105
Long-term debt	302,619	317,692	319,635	293,512	271,651
Employee benefit obligations	67,949	66,095	69,679	75,672	78,948
Landfill closure and post-closure	9,859	9,278	28,862	24,650	29,124
	542,671	543,106	576,492	548,336	578,851
Net financial (debt) assets	34,859	24,612	(28,864)	(70,922)	(69,687)
Non-financial assets					
Tangible capital assets	2,322,717	2,232,502	2,146,267	2,025,785	1,835,703
Materials and supplies	8,975	8,072	7,552	7,971	7,802
Prepaid expense	3,374	2,656	5,404	5,978	6,625
ACCUMULATED SURPLUS	2,369,925	2,267,842	2,130,359	1,968,812	1,780,443
ANNUAL SURPLUS	102,083	137,483	161,547	188,369	169,457

Cash increased by \$10.5 million at the end of the year due to the redemption of short-term investments intended for year end payment requirements not all of which were required.

Accounts receivable decreased by \$23.5 million as compared to 2018 primarily due to government grants that were due at the end of 2018 and collected in 2019.

Short-term investments increased in 2018 while long-term investments decreased due to a planned disposition of the long-term bond portfolio and a switch to a short-term portfolio. The disposition proceeds of the bonds, along with interest and gains are now invested in short-term GIC's. This will allow the City to quickly execute a new investment strategy that is currently being determined.

Deferred revenue increased by \$15.1 million due to a one time additional contribution of Gas Tax revenue of \$12.3 million and \$2.6 million of Servicing Agreement Fees received related to the Global Transportation Hub.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 23: City of Regina Long-Term Debt

	2019	2018	2017	2016	2015
Total debt outstanding, beginning of year	317,692	319,635	271,651	228,087	228,087
Debt issued during year	12,000	-	33,300	28,015	49,603
Debt repayments during year	(27,073)	(1,943)	(7,177)	(6,154)	(6,039)
Total debt outstanding, December 31	302,619	317,692	319,635	293,512	271,651
General municipal debt outstanding, end of year	191,023	195,612	200,981	206,236	211,484
Water & Sewer Utility debt outstanding, end of year	-	7,845	8,752	9,658	10,564
Wastewater Treatment Plant debt outstanding, end of year	73,849	75,186	76,440	77,618	49,603
Buffalo Pound Loan Payable	31,563	32,447	33,300	-	-
REAL	6,184	6,602	162	-	-
Total debt outstanding	302,619	317,692	319,635	293,512	271,651
Authorized debt limit, December 31	450,000	450,000	450,000	450,000	450,000
Debt per capita (\$)*	1,250	1,357	1,385	1,364	1,218
Debt per household (\$)**	3,170	3,328	3,348	3,149	2,975
Debt per community assessed value	1.04%	1.11%	1.14%	1.42%	1.38%
Debt as a multiple of revenue	39.5%	43.1%	43.2%	39.4%	41.3%

*2016-2019 population figure figured was obtained from the 2016 census. 2015 population figure was based off the 2011 census.

** Household figure as obtained from Stats Canada 2016 census. 2015 population figure was based off the 2011 census.

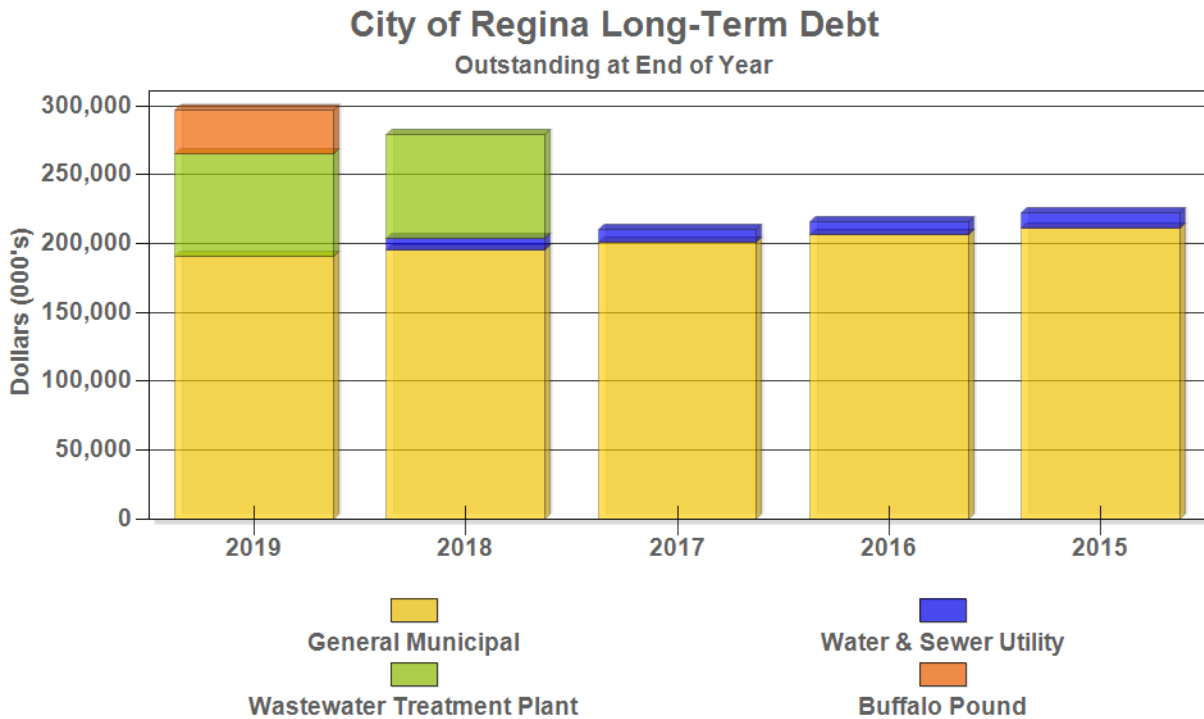
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Long-Term Debt

The City of Regina's current approved debt limit approved by the Saskatchewan Municipal Board is \$450 million. The total consolidated debt on December 31, 2019 was \$302.6 million. The debt undertaken by agencies accountable to and controlled or owned by the City are considered within the overall debt limit. These agencies are responsible for the repayment of the debt they take on. Historically, the City has used a traditional approach to issuing debt for large capital projects and all debt currently held is planned debt. This approach allows the City of Regina to maintain a reasonable debt limit and demonstrates a commitment to long-term planning and fiscal management.

Table 24: City of Regina Long-Term Debt



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

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

Table 25: City of Regina Debt Service Cost

City of Regina Debt Service Costs

	2019	2018	2017	2016	2015
General municipal debt					
Principal	16,589	5,368	5,214	5,066	4,924
Interest	7,681	8,188	8,410	8,622	8,811
	24,270	13,556	13,624	13,688	13,735
Water and Sewer Utility					
Principal	7,846	906	906	906	906
Interest	196	414	456	496	531
	8,042	1,320	1,362	1,402	1,437
3rd Party					
Principal	2,509	2,106	1,178	1,107	-
Interest	4,763	5,922	4,840	4,911	-
	7,272	8,028	6,018	6,018	-
Total	39,584	22,904	21,004	21,108	15,172
Debt service costs as a % of total expenses	6.0%	3.8%	3.6%	2.7%	3.1%

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Employee Benefit Obligations

Employee benefit obligations include liabilities for pensions, sick and severance, vacation and overtime. The increase in employee benefit obligations from 2015 to 2019 primarily reflects the impact of general wage increases and employees reaching the age of retirement. As a larger proportion of the City's work force reaches retirement age over the next 5 to 10 years, the cash outlays relating to this obligation will continue to grow.

Employee benefit obligations also include the liability for the Regina Police Pension. The Regina Civic Superannuation and Benefits Plan includes a larger group of employees, but since it is a multi-employer plan, it is not possible to determine the City's portion of the deficit and thus no amount is included in the Consolidated Statement of Financial Position for this Plan. As disclosed in note 10 d) of the Consolidated Financial Statements, an actuarial extrapolation completed of the plan for accounting purposes indicates a surplus of benefit obligation over plan assets of \$96.6 million at December 31, 2019 (2018 - \$39.0 million deficit).

	2019	2018	2017	2016	2015
City of Regina employer contributions	15,540	16,062	15,138	14,671	14,548

Tangible Capital Assets

Tangible capital assets are capitalized on the Statement of Financial Position at cost and amortized over their estimated useful lives on the Statement of Operations. The City's tangible capital assets include land, buildings, vehicles and equipment, roads and bridges, and underground and other networks.

	2019	2018	2017	2016	2015
Tangible Capital Assets - Net Book Value	2,322,717	2,232,502	2,146,267	2,025,785	1,835,703

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

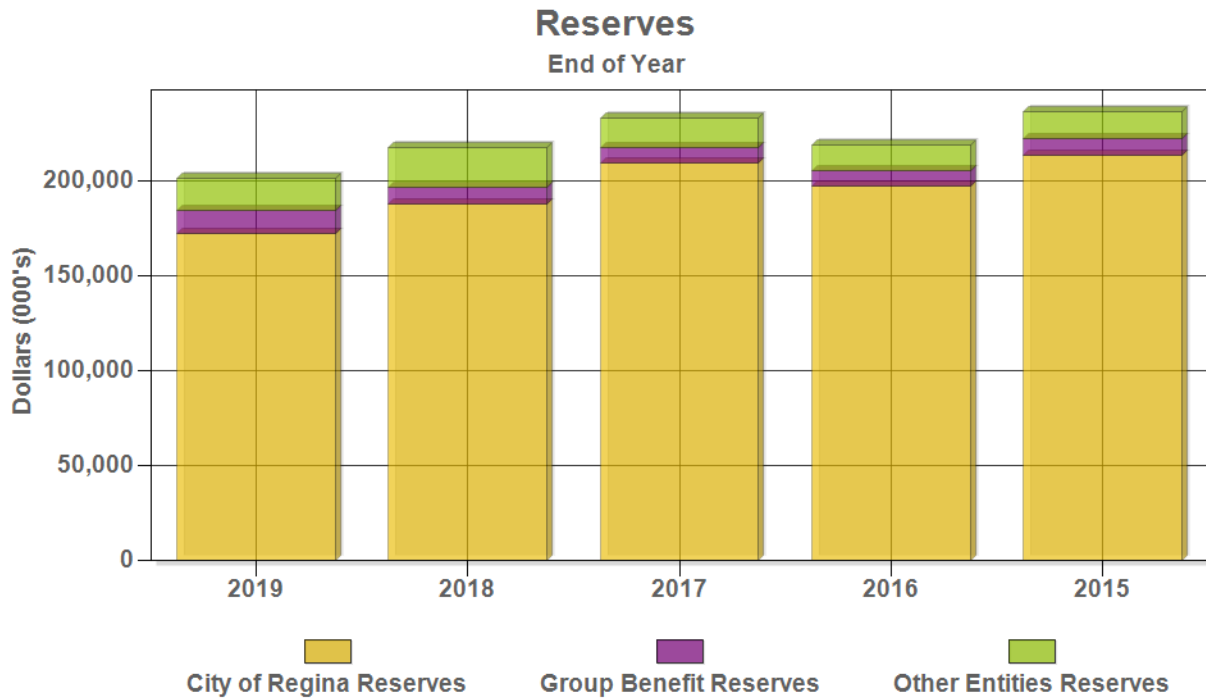
For the Year Ended December 31

Reserves and Accumulated Surplus

The City allocates funds to reserves to meet specific future operating and capital requirements. The largest reserves are the General utility reserve and General fund reserve, which are intended to provide funding in the event of an operating deficit, as well as for one time initiatives.

Table 26: Reserves

	2019	2018	2017	2016	2015
Reserves					
City of Regina Reserves	172,666	187,738	209,923	197,616	213,733
Group Benefits Reserves	11,978	8,722	7,759	7,732	9,010
Other Entities Reserves	16,533	21,355	15,498	13,416	13,977
	201,177	217,815	233,180	218,764	236,720



General utility reserve decreased by \$9.5 million primarily due to the utility investing \$52.4 million in their capital program in 2019 while running a \$42.7 million operating surplus, resulting in \$9.7 million reduction to the reserve balance.

Solid waste reserve decreased by \$9.3 million due primarily to investment of \$18.7 million in its annual capital budget which was partially offset by an operating surplus of \$9.4 million

General fund reserve increased by \$3.5 million, there was an operating surplus of \$7.0 million offset by planned expenses from the reserve.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Regina revitalization initiative - Stadium reserve is in a deficit of \$1.8 million due to a planned transfer to operations in 2019.

Land development reserve is in a deficit of \$16.8 million mainly due to capital expenditure of \$9.5 million, and slow development.

Asset revitalization reserve increased by \$7.6 million due to approval of the transfer of investment gain /interest per the applicable bylaw.

MEASURING FINANCIAL VIABILITY

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

Sustainability

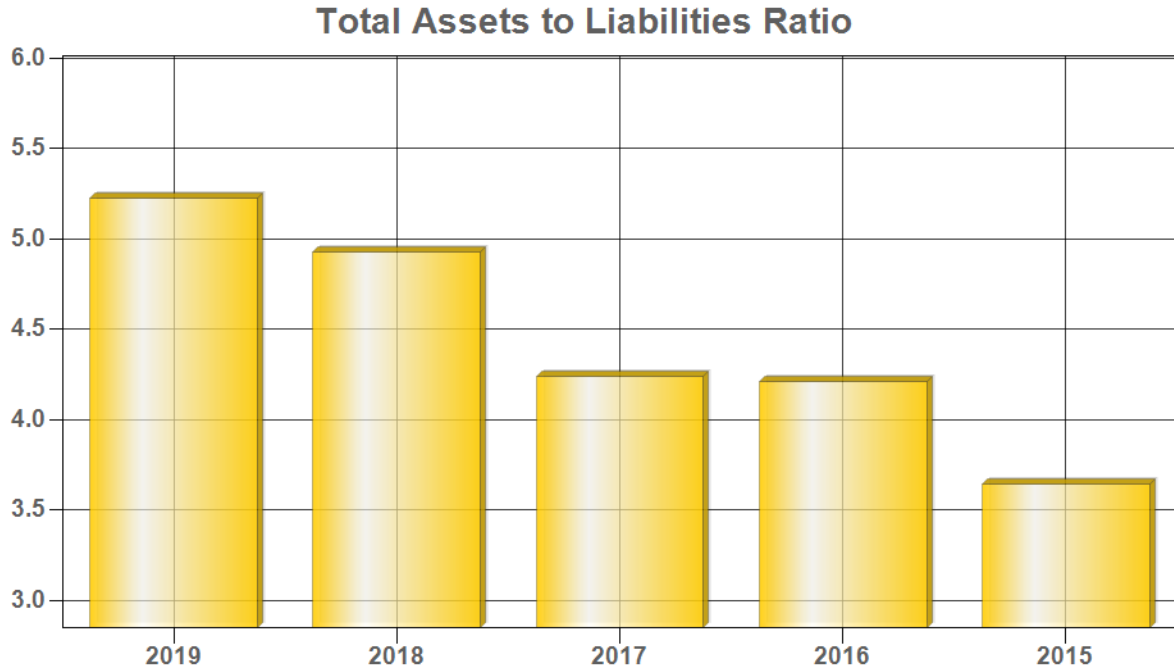
Sustainability is the degree to which a government can maintain its existing programs and meet existing creditor requirements without increasing the relative debt or tax burden on the economy.

The total assets to liabilities ratio has increased from 4.07 to 5.35 from 2015 to 2019 (Table 27). The increase is due to the increase in financial assets, reduced net debt as well as investments in our tangible capital assets which provide service capacity. The City's financial assets to liabilities ratio has increased from 0.88 to 1.06 from 2015 to 2019 (Table 28). A net investment increase of \$24.3 million and \$23.5 million decrease in accounts receivable have resulted in an increase in financial assets, causing a correlating increase in the ratio of financial assets to liabilities which supports the ability of the City to finance its commitments.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

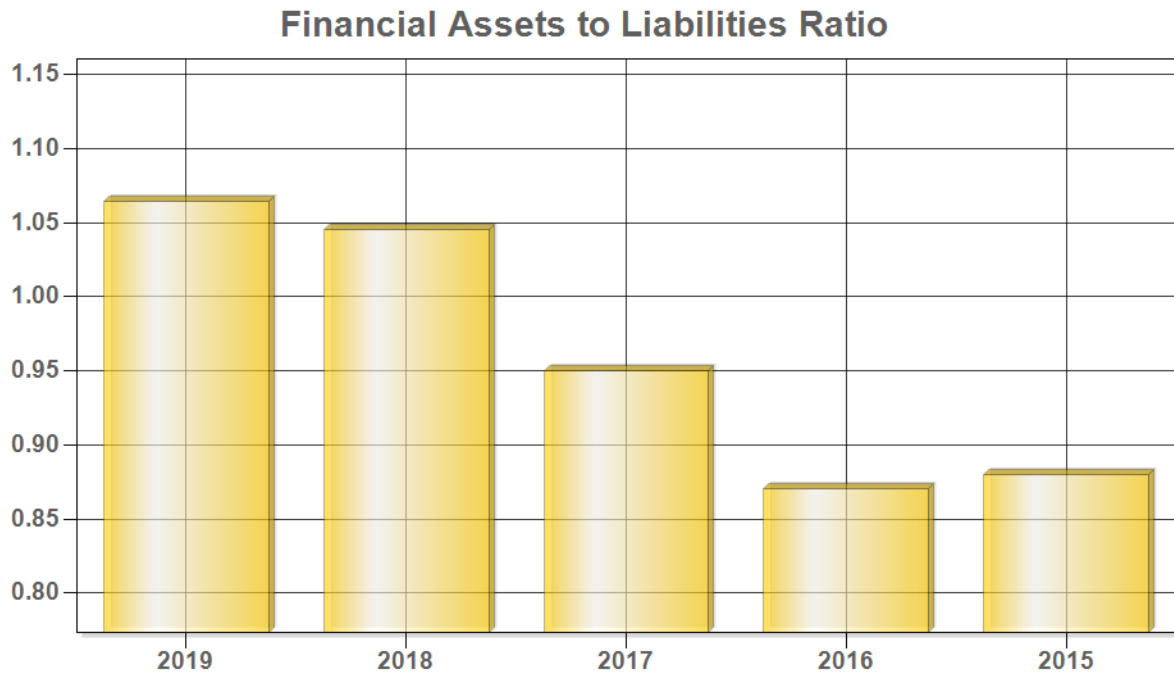
Table 27: Total Assets to Liabilities Ratio



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 28: Financial Assets to Liabilities Ratio



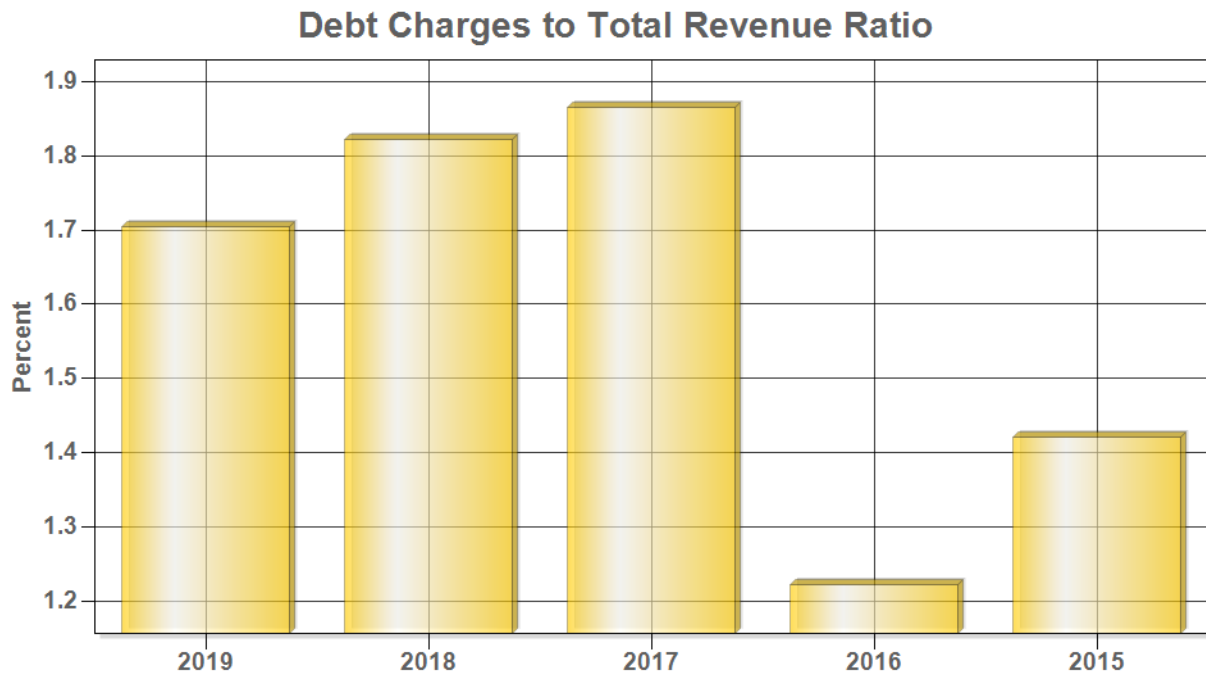
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Flexibility

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

Table 29: Debt Charges to Total Revenue Ratio



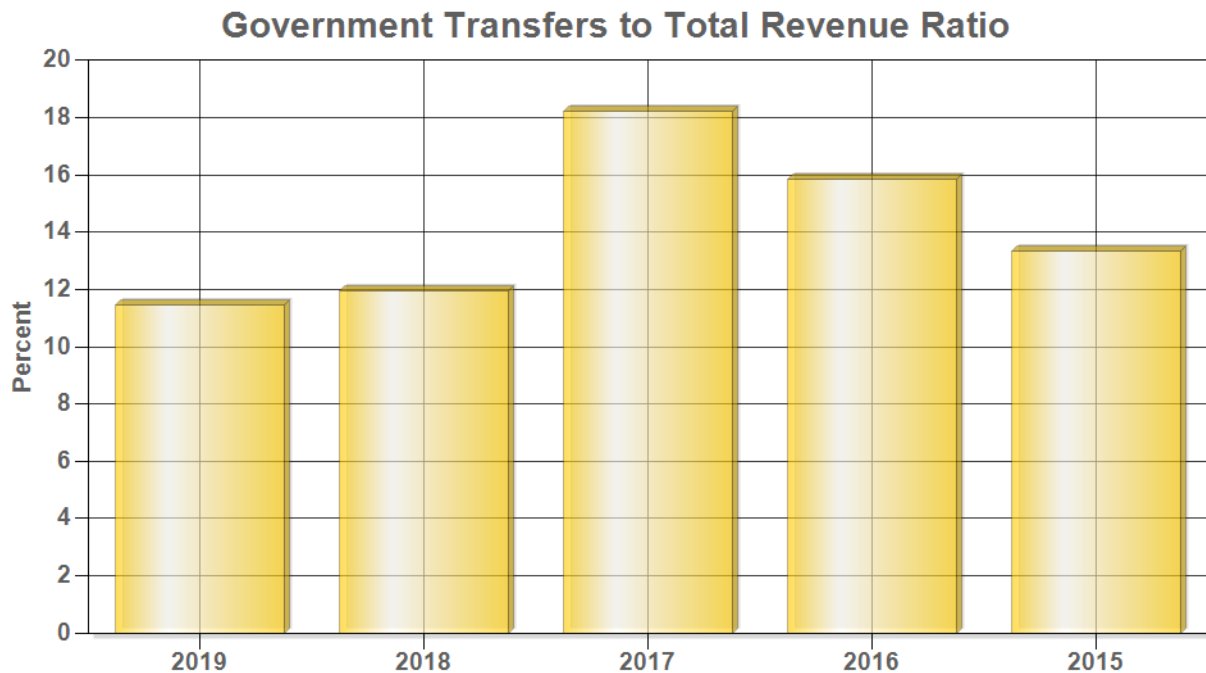
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Vulnerability

This is the degree to which a government is dependent on, and therefore vulnerable to, sources of funding outside of its control. The risk of relying on external funding sources is that the City does not directly control or influence either the amount or timing of such revenues. Vulnerability is measured by calculating the ratio of revenues from senior governments to the City's own-source revenues. The ratio of government transfers to total revenue is much lower in 2018 and 2019 due to no more P3 funding from the federal government for the wastewater treatment plant.

Table 30: Government Transfers to Total Revenue Ratio



CREDIT RATING

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

Standard and Poor's undertakes a detailed analysis of the borrower's financial condition, using a robust set of criteria, and updates it annually. The City of Regina's credit rating by S & P Global for 2019 was increased to AAA, the highest rating possible. According to the credit agency, this consistently strong performance reflects the City's ongoing commitment to sound fiscal management.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Mosaic Stadium Operating Results	2019	2018
Revenues		
Property Tax	6,315	5,272
Grant Revenue	2,135	2,144
Tenant Revenue	2,608	2,508
Facility Fees	3,643	3,637
Community Use	82	76
Other Rent	300	600
Other General Revenue	1,518	-
Interest	32	307
Total Revenues:	16,633	14,544
Expenditures		
Contracted Property Management	4,385	4,740
Utilities	831	1,031
Consulting Services	19	5
Property Tax	277	270
Other	91	64
Total Expenditures:	5,603	6,110
Surplus (Deficit) Before Debt Repayment	11,030	8,434
Debt Repayment - Principal & Interest	11,447	11,437
Net Surplus (Deficit) for the year	(417)	(3,003)

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

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

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

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Mosaic Stadium Operating Results

Grant & Tenant Revenue (Continued)

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

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

Other General Revenue – Regina City Council (CR13-6) committed to incorporating the general revenue used to fund the operating maintenance budget for the old stadium as a funding source to support the new stadium. The operating maintenance budget for the former stadium was \$759,000. Allocation of this funding was omitted in error in 2018. As a result, \$1,518,000 has been recognized as revenue in 2019.

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

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

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

Debt Repayment – External financing in support of the stadium was obtained from two sources. The Province of Saskatchewan provided a loan of \$100.0 million (CM14-1). The term of this loan is 31.5 years with an interest rate of 3.99 percent per annum. The current balance outstanding is \$89.2 million.

The Canadian Imperial Bank of Commerce provided a loan of \$100.4 million (CR14-45), of which \$67.4 million was used to fund the construction of the stadium and \$33.0 million was set aside for interim cash flow purposes. The term of this loan is 30 years with an interest rate of 4.102 percent per annum. The current outstanding balance is \$89.9 million.

Long Term Financial Outlook

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

Subsequent to December 31, 2019, the COVID-19 pandemic has resulted in Federal, Provincial and Local governments nationwide enacting emergency measures to combat the spread of the virus. These measures include the cancellation of large public gatherings such as the events held at Mosaic Stadium. It is not possible at this time to reliably estimate the length and severity of these developments and the impact on the future financial results of the stadium. Active and diligent management of the stadium's operations will be required to ensure long its term financial sustainability.

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Consolidated Financial Statements

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MANAGEMENT'S REPORT

RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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.

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



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



Chris Holden
City Manager

June 30, 2020

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of City of Regina and its subsidiaries (the "City"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

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

Independent Auditor's Report *continued*

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

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

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

Regina, Saskatchewan

June 30, 2020

MNP LLP

Chartered Professional Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

(in thousands of dollars)

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 88,476	\$ 77,924
Short-term investments (Note 3)	400,810	100,460
Accounts receivable (Note 4)	49,280	72,789
Taxes receivable	11,753	10,370
Long-term investments (Note 5)	19	276,092
Land inventory (Note 6)	27,192	30,083
	577,530	567,718
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	64,836	66,860
Taxes payable to school boards	6,449	8,000
Deferred revenue (Note 7)	89,496	74,446
Capital lease obligations (Note 8)	1,463	735
Long-term debt (Note 9)	302,619	317,692
Employee benefit obligations (Note 10)	67,949	66,095
Landfill closure and post-closure (Note 11)	9,859	9,278
	542,671	543,106
NET FINANCIAL ASSETS	34,859	24,612
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12) (Schedule 3)	2,322,717	2,232,502
Materials and supplies	8,975	8,072
Prepaid	3,374	2,656
ACCUMULATED SURPLUS (Note 13)	\$ 2,369,925	\$ 2,267,842

*Commitments and contractual obligations (Note 20)**See accompanying notes to consolidated financial statements.*

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31

(in thousands of dollars)

	Budget (Note 1j)	Actual	Actual
	2019	2019	2018
REVENUE			
Taxation (Note 15)	\$ 273,298	\$ 273,380	\$ 260,358
Fees and charges	273,680	275,004	273,373
Government transfers (Note 16)	80,116	87,732	88,016
Electrical distribution	25,647	28,312	27,893
Licenses, fines and levies	13,807	21,420	13,970
Gas distribution	2,478	5,630	3,190
Interest and penalties	3,804	9,553	5,211
Interest on long term investments	7,026	4,309	7,769
Gain (loss) on long term investments	-	11,311	(8,128)
Servicing agreement fees	1,556	4,523	9,758
Land sales	-	443	3,769
Other	13,877	5,608	6,707
Contribution of tangible capital assets (Note 12)	-	35,417	43,148
Other capital contributions	-	3,272	1,500
	695,289	765,914	736,534
EXPENSES			
Parks, recreation and community services	141,100	154,343	145,436
Police	95,886	98,536	88,614
Legislative and administrative services	74,882	84,163	83,313
Water, wastewater and drainage	137,609	105,784	95,420
Roads and traffic	84,657	80,304	67,527
Fire	52,451	49,814	48,997
Transit	44,601	45,193	48,722
Waste collection and disposal	25,968	26,787	4,036
Grants	6,163	4,629	4,639
Planning and development	17,642	14,278	12,347
	680,959	663,831	599,051
ANNUAL SURPLUS	14,330	102,083	137,483
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	2,267,842	2,130,359
ACCUMULATED SURPLUS, END OF YEAR	\$ 14,330	\$ 2,369,925	\$ 2,267,842

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31

(in thousands of dollars)

	Budget (Note 1j)	Actual	Actual
	2019	2019	2018
Annual surplus	\$ 14,330	\$ 102,083	\$ 137,483
Acquisition of tangible capital assets	-	(197,761)	(191,554)
Amortization of tangible capital assets	-	101,069	94,700
Proceeds on disposal of tangible capital assets	-	1,590	1,317
Loss on disposal of tangible capital assets	-	4,887	9,302
	-	(90,215)	(86,235)
Net change in materials and supplies	-	(903)	(520)
Net change in prepaid	-	(718)	2,748
	-	(1,621)	2,228
Increase in net financial assets	14,330	10,247	53,476
NET FINANCIAL ASSETS, BEGINNING OF YEAR	24,612	24,612	(28,864)
NET FINANCIAL ASSETS, END OF YEAR	\$ 38,942	\$ 34,859	\$ 24,612

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31

(in thousands of dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Annual surplus	\$ 102,083	\$ 137,483
Non-cash items		
Amortization of tangible capital assets	101,069	94,700
Loss on disposal of tangible capital assets	4,887	9,302
Contribution of tangible capital assets	(35,417)	(43,148)
Loss on portfolio investments	-	8,128
Net change in non-cash working capital balances		
Decrease in accounts receivable	21,637	13,634
Increase in taxes receivable	(1,383)	(3,311)
Decrease in accounts payable and accrued liabilities	(152)	(5,941)
(Decrease) Increase in taxes payable to school boards	(1,551)	994
Increase (decrease) in deferred revenue	15,050	(2,933)
Increase in capital lease obligations	1,385	-
Increase (decrease) in employee benefit obligations	1,854	(3,584)
Increase (decrease) in landfill closure and post-closure liability	581	(19,584)
Increase (decrease) in land inventory	2,891	(9,692)
Decrease in materials and supplies	(903)	(520)
(Increase) Decrease in prepaid	(718)	2,748
	211,313	178,276
CASH FLOWS USED IN CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	(162,344)	(148,255)
Proceeds on disposal of tangible capital assets	1,590	1,317
	(160,754)	(146,938)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of short-term investments	(300,350)	(79,950)
Sale (purchase) of long-term investments	276,073	(8,069)
	(24,277)	(88,019)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Debt issued	12,000	9,414
Repayment of long-term debt	(27,073)	(11,357)
Repayment of capital lease obligations	(657)	(551)
	(15,730)	(2,494)
INCREASE (DECREASE) IN CASH	10,552	(59,175)
CASH, BEGINNING OF YEAR	77,924	137,099
CASH, END OF YEAR	\$ 88,476	\$ 77,924

See accompanying notes to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting entity

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

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

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

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

The Regina Public Library has a 21.79% (2018 - 21.59%) interest in the Saskatchewan Information and Library Services Consortium Inc. (SILS), which has been proportionately consolidated.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Revenue recognition

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

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

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

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

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be made. Prior to that time, any amounts received are recorded as deferred revenue.

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

c. Expense recognition

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

d. Use of estimates

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Materials and supplies

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

f. Taxes collected for others

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

g. Deferred revenue

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

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

h. Employee benefit plans

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General	
Land improvements	10 to 100 years
Buildings and building improvements	15 to 121 years
Vehicles and equipment	
Fire trucks and buses	15 to 30 years
Police vehicles	4 to 10 years
Other vehicles	2 to 25 years
Equipment	4 to 50 years
Office and information technology	
Hardware	2 to 15 years
Software	2 to 10 years
Other	7 to 25 years
Infrastructure	
Plants and facilities	5 to 100 years
Roads	1 to 40 years
Underground networks	30 to 119 years
Bridges and other structures	15 to 70 years

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on December 11, 2018.

k. Investments

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

l. Foreign currency

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

m. Land inventory

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

n. Loan Guarantees

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

2. NEW STANDARDS AND AMENDMENTS TO STANDARDS

Standards and amendments effective for financial statements on or after April 1, 2021:

a. PS 1201 Financial Statement Presentation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

2. NEW STANDARDS AND AMENDMENTS TO STANDARDS (CONTINUED)

b. PS 2601 Financial Currency Translation

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

c. PS 3041 Portfolio Investments

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

d. PS 3450 Financial Instruments

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

e. PS 3280 Asset Retirement Obligation

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

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

f. PS 3400 Revenue

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

3. SHORT-TERM INVESTMENTS

Short-term investments are recorded at cost and have a fair value approximating cost. The investments are in a money market fund, holdings of which may include a combination of treasury bills, commercial paper, bankers' acceptances or promissory notes. The average yield earned from investments was 2.14% (2018 - 1.91%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

4. ACCOUNTS RECEIVABLE

	2019	2018
Trade and other receivable	32,255	55,342
Water and sewer receivable	17,025	17,447
	49,280	72,789

The allowance included in accounts receivable for 2019 is \$13,530 (2018 - \$2,320).

5. LONG-TERM INVESTMENTS

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

	Carrying Value		Fair Value	
	2019	2018	2019	2018
Pooled bond fund	19	276,092	-	271,657

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. The City liquidated the pooled bond fund in 2019 and earned an average yield of 6.53%. The City moved the funds from the pooled bond fund to GIC's.

6. LAND INVENTORY

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

	2019	2018
Long-term inventory	27,192	30,083
	27,192	30,083

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)***7. DEFERRED REVENUE**

	December 31, 2018	Externally restricted inflows	Revenue earned	December 31, 2019
Servicing agreement fees	56,742	4,665	(4,359)	57,048
Property taxes	899	1,017	(899)	1,017
Paved alleys	2,236	389	(324)	2,301
Gravel alleys	625	544	(619)	550
Cemetery internments	701	46	-	747
REAL	1,268	-	(255)	1,013
Other	11,975	14,845	-	26,820
	74,446	21,506	(6,456)	89,496

8. CAPITAL LEASE OBLIGATIONS

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

2020	519
2021	435
2022	337
2023	172
	1,463

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

9. LONG-TERM DEBT

Debenture debt

The City's long-term debt consists of \$191,023 (2018 - \$203,458) of unsecured debentures issued in the form of fully registered certificates held by The Canadian Depository for Securities Ltd. (CDS), on behalf of beneficial owners as direct and indirect participants of CDS. The debentures are issued for 10 or 30-year terms with principal payable either annually or semi-annually and interest payable semi-annually.

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

The long-term debt represents the deferred capital payments portion of the Wastewater Treatment Plant based on the terms of the P3 agreement. The City amortizes the accumulated cost of the completed project over its useful life, expenses the annual interest cost and settles the long-term liability over the term of the P3 project agreement. The City has \$73,849 (2018 - \$75,185) of deferred capital payments that it has recorded as long-term debt. The long-term debt has a 27-year term with principal and interest payable monthly. The entire principal is due 2044.

Term loan

BPWTC entered into a non-revolving term loan and an interest rate swap agreement with the Bank of Montreal for a 25 year term to fix the interest rate at 3.46%. The term loan is subject to renewal on November 30, 2027. The City has guaranteed its proportionate share of the term loan.

	2019	2018
City of Regina unsecured debentures and loan		
Operating fund	191,023	203,458
WWTP debt - long-term	73,849	75,185
BPWTC term loan	31,563	32,447
REAL debt - long term	6,184	6,602
Total debt	302,619	317,692
Authorized debt limit	450,000	450,000
Interest rates	1,95-5.00%	3.46-5.00%
Interest costs for year	13,264	14,524

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

9. LONG-TERM DEBT (CONTINUED)

Bank indebtedness

Pursuant to *The Regina Administration Bylaw No. 2003-69*, the City can incur bank indebtedness. Interest on this indebtedness is calculated at the prime rate of interest less 0.55%, payable monthly and the City has pledged certain revenues as security for the debt obligation. At December 31, 2019, the City had no bank indebtedness. The City has access to an unsecured line of credit of up to \$20,000 to cover any bank overdrafts arising from day to day cash transactions. REAL has an authorized line of credit with HSBC, the balance outstanding on the line of credit is \$1,347 (2018 - \$1,596).

The long-term debt is repayable as follows:

2020	9,809
2021	10,137
2022	10,454
2022	39,522
2023-2044	232,697
	302,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

10. EMPLOYEE BENEFIT OBLIGATIONS

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

	Total 2019	Total 2018
Defined benefit pension plans		
Regina Police Superannuation and Benefits Plan	19,793	18,985
RPPP Supplemental Pension Plan	2,859	3,428
Target Retirement Income Plan	(8,729)	(7,723)
	13,923	14,690
Other benefit plans		
Termination payments	25,164	23,377
Continuation of group life, medical and dental benefits	8,342	8,222
	33,506	31,599
Other plans and arrangements		
Vacation	15,435	15,134
Overtime	4,608	4,231
Group life, medical and dental plans	477	441
	20,520	19,806
	67,949	66,095

a. Defined benefit pension plans

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

a. Defined benefit pension plans (Continued)

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

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

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan	Total 2019	Total 2018
Fair value of plan assets, beginning of year	45,969	307,221	-	353,190	357,108
Employees' contributions	5,828	-	-	5,828	5,522
Employer contributions	5,700	4,065	-	9,765	9,313
Actual return on plan assets	9,467	39,298	-	48,765	579
Less benefits paid	(303)	(18,688)	-	(18,991)	(19,332)
Fair value of plan assets, end of year	66,661	331,896	-	398,557	353,190
Accrued benefit obligation, beginning of year	44,503	352,553	3,429	400,485	387,282
Current period benefit cost	10,126	-	-	10,126	9,689
Interest on accrued benefit obligation	3,113	20,593	199	23,905	23,054
Actuarial loss	(4,494)	18,407	480	14,393	-
Less benefits paid	(303)	(18,688)	(214)	(19,205)	(19,541)
Accrued benefit obligation, end of year	52,945	372,865	3,894	429,704	400,484
Funded status, plan surplus (deficit)	13,716	(40,969)	(3,894)	(31,147)	(47,294)
Unamortized net actuarial loss (gain)	(4,987)	21,176	1,035	17,224	32,604
Accrued benefit asset (liability)	8,729	(19,793)	(2,859)	(13,923)	(14,690)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan	Total 2019	Total 2018
Current period benefit cost	10,126	-	-	10,126	9,689
Amortization of actuarial (gain) loss	533	2,275	58	2,866	1,093
Employee contributions	(5,828)	-	-	(5,828)	(5,522)
Interest expense	3,113	20,593	199	23,905	23,054
Expected return on plan assets	(3,250)	(17,995)	-	(21,245)	(21,420)
Change in valuation allowance	7,263	-	-	7,263	(2,942)
Benefit expense	11,957	4,873	257	17,087	3,952

The actuarial valuations were performed by Aon.

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan
Date of most recent valuation	Dec 31, 2018	Dec 31, 2018	Dec 31, 2018
Discount rate (%)	6.6	5.6	5.6
Inflation rate (%)	2.25	2.25	2.25
Long term return rate on plan assets (%)	6.6	5.6	n/a
Rate of compensation increase (%)	2.75	2.75	2.75
Expected average remaining service years	11.5	10.32	10.3
Contribution rate as a percentage of salary:			
Members prior to July 1, 2014	n/a	11.33%-12.83%	0.00%
Members post July 1, 2014	6.80%-10.70%	0.00%	0.00%
City prior to July 1, 2014	n/a	11.83%-13.33%	variable
City post July 1, 2014	8.50%	6.19%	variable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

b. Other benefit plans

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

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

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

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

For group life insurance, the balance of the employer and employee premiums collected in excess of claims are held in group insurance reserves, which are intended for future benefits and stabilization of premiums. The employer's portion of the obligations under the group insurance plan that will be funded from the reserves is reflected in Other Benefit Plans. Amounts held in the reserves that reflect obligations to be funded from employee contributions have been included in Accounts Payable and Accrued Liabilities. The balance of the group life insurance reserves, after reflecting the liabilities for the employee and employer share of future obligations is \$8,161 (2018 - \$5,176). This amount has been included in Group Benefits reserves (Note 14).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

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

	City employees	Library employees	Group life, medical and dental plans	Total 2019	Total 2018
Accrued benefit obligation, beginning of year	22,373	792	8,221	31,386	32,538
Current period benefit cost	1,656	57	899	2,612	2,871
Interest on accrued benefit obligation	716	23	250	989	921
Actuarial gain	1,333	(30)	(5)	1,298	(1,764)
Less benefits paid	(1,866)	(95)	(1,023)	(2,984)	(3,179)
Unamortized net actuarial loss	-	205	-	205	212
Accrued benefit liability - unfunded	24,212	952	8,342	33,506	31,599
Current period benefit cost	1,656	57	-	1,713	1,788
Amortization of actuarial loss (gain)	225	(38)	-	187	180
Interest expense	716	23	-	739	676
Benefit expense	2,597	42	-	2,639	2,644

	AON	AON	Mercer
Date of most recent valuation	Dec 31, 2018	Dec 31, 2018	Dec 31, 2018
Discount rate (%)	2.5	2.3	2.3-2.7
Rate of compensation increase (%)	3.75-4.65	2.25-2.5	2.2
Expected average remaining service years	10-13	10	n/a

c. Other plans and arrangements

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

10. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

d. Multiemployer defined benefit plans

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

	Superannuation & Benefit Plan	Long-Term Disability Plan	Total 2019	Total 2018
Benefit expense	16,903	685	17,588	16,239
(Deficit) surplus of plan assets over benefit obligation per plan financial statements	108,185	31,502	128,136	(6,910)
Contribution rate as a percentage of salary:				
Members	7.8 - 13.1%	0.46%		
Employers	8.8 - 14.6%	0.46%		
Employee contributions	15,115	685	15,800	15,038
Date of most recent actuarial valuation	Dec 31, 2019	Dec 31, 2019		

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

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

e. Defined contribution pension plan

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

	2019	2018
Casual employee members' contribution rate	3.00%	3.00%
Elected official members' contribution rate	6.95%	6.95%
Members' contributions	364	343
Benefit expense	364	343

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

11. LANDFILL CLOSURE AND POST-CLOSURE

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

	2019	2018
Estimated closure and post-closure costs over 40 years after capacity is reached	44,241	52,625
Discount rate	3.26%	4.02%
Expected year capacity will be reached	2044	2043
Capacity (m3):		
Used to date	11,621,034	11,361,615
Remaining	10,454,966	10,714,364
Total	22,076,000	22,075,979
Percent utilized	52.64%	51.47%
Landfill liability	9,859	9,278

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of groundwater and leachates from the site, ongoing environment monitoring, site inspection and maintenance. The liability recognized in the consolidated financial statements is subject to measurement uncertainty. The recognized amounts are based on the City's best information and judgment. Amounts could change by more than a material amount in the long term.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

12. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2019	2018
General		
Land	144,718	140,459
Land improvements	89,017	88,196
Buildings and building improvements	424,553	436,904
Vehicles and equipment	172,492	175,163
Office and information technology	24,676	15,900
Infrastructure		
Plants and facilities	361,889	365,282
Roads	413,343	403,416
Underground and other networks	544,072	516,297
Bridges and other structures	43,139	36,840
	2,217,899	2,178,457
Assets under construction	104,818	54,045
	2,322,717	2,232,502

Tangible capital assets contributed to the City totaled \$35,417 (2018 - \$43,148), which were capitalized and recorded as revenue at their fair value at the time of receipt. The breakdown of contributed assets is as follows:

	2019	2018
Land	4,809	15,167
Land improvements	3,305	3,580
Underground and other networks	12,517	4,418
Vehicles and equipment	402	-
Roads	8,976	19,406
Plant & Facilities	5,408	577
	35,417	43,148

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

13. ACCUMULATED SURPLUS

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

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

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

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

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

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

	2019	2018
Unappropriated surplus:		
Regina Downtown Business Improvement District	57	150
Economic Development Regina Inc.	152	71
Regina Public Library Board	3,076	2,450
Regina's Warehouse Business Improvement District	68	68
The Regina Exhibition Association Limited	(3,785)	(2,765)
Buffalo Pound Water Treatment Corporation	886	775
Tangible capital assets	2,322,717	2,232,502
Appropriated surplus:		
General capital projects	144,022	132,411
Utility capital projects	82,837	75,397
Buffalo Pound capital projects	31,563	32,447
Reserves (Note 14)	201,177	217,814
Infrastructure to be funded from future servicing agreement fees:		
Water, wastewater and drainage	(29,608)	(28,083)
Obligations to be funded from future revenues:		
Long-term debt (Note 9)	(302,619)	(317,692)
Employee benefit obligations (Note 10)	(67,949)	(66,095)
Landfill closure and post-closure (Note 11)	(9,859)	(9,278)
Capital lease obligations (Note 8)	(1,463)	(735)
Bank indebtedness	(1,347)	(1,596)
Accumulated surplus	2,369,925	2,267,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

14. RESERVES

	2019	2018
City of Regina reserves:		
General utility reserve	93,323	102,834
General fund reserve	27,002	23,499
Solid waste reserve	30,019	39,314
Regina revitalization initiative stadium reserve	(1,780)	(1,362)
Land development reserve	(16,815)	(9,224)
Asset revitalization reserve	8,674	1,099
Fleet replacement reserve	14,907	11,157
Social development reserve	7,069	8,958
Elections and property reassessment reserve	642	642
Planning and sustainability stabilization reserve	(444)	1,532
Winter road maintenance reserve	2,368	3,100
Regina Police Service general reserve	1,456	630
Asphalt reserve	1,256	1,345
Community investment grants reserve	383	369
Golf course reserve	548	100
Technology reserve	854	798
Employer-provided parking reserve	2,634	2,269
Cemetery reserve	250	384
Regina Police Service radio equipment reserve	320	294
	172,666	187,738
Group Benefits reserves:		
Group life insurance reserve	8,161	5,176
Dental benefits reserve	2,191	2,180
Medical - City of Regina reserve	1,163	1,068
Police services premium reduction reserve	316	263
Police long-term disability reserve	147	35
	11,978	8,722
Other Entities reserves:		
Regina Public Library reserves	12,747	11,916
Buffalo Pound Water Treatment Corporation/Administration Board	2,929	8,503
Regina Downtown Business Improvement District reserve	356	435
Regina's Warehouse Business Improvement District infrastructure reserve	174	174
Economic Development Regina	327	327
	16,533	21,355
	201,177	217,815

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

15. TAXATION

	Budget (Note 1j)	Actual	Actual
	2019	2019	2018
Total taxation revenue levied	-	424,964	406,433
Taxes levied on behalf of others:			
Regina School Division No. 4	-	(102,895)	(99,455)
Global Transportation Hub Authority	-	(2,736)	(2,435)
Regina Roman Catholic Separate School Division No. 81	-	(45,953)	(44,185)
Taxation revenue	273,298	273,380	260,358
City of Regina			
Municipal levies	233,161	233,682	220,562
Grants in lieu	14,141	15,240	14,851
Supplementary taxes	1,600	380	1,730
Other	374	(146)	(266)
	249,276	249,156	236,877
Regina Public Library			
Taxation levies	21,302	21,337	20,742
Grants in lieu	1,375	1,482	1,348
	22,677	22,819	22,090
Regina Downtown Business Improvement District levies	1,087	1,137	1,131
Regina's Warehouse Business Improvement District levies	258	268	260
	273,298	273,380	260,358

Taxation revenue is recorded net of an allowance for uncollectible outstanding taxes and a provision for potential losses on assessment appeals outstanding. As at December 31, 2019, the following amounts are reflected in the Consolidated Statement of Financial Position for these provisions:

	2019	2018
Allowance for doubtful outstanding taxes netted against taxes receivable	7,890	5,998
Provision for assessment appeals included in accounts payable	8,899	6,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

*(in thousands of dollars)***16. GOVERNMENT TRANSFERS**

	Budget (Note 1j)	Actual	Actual
	2019	2019	2018
Operating transfers			
Federal	264	323	721
Provincial	49,336	55,061	51,069
	49,600	55,384	51,790
Capital transfers			
Federal	30,509	20,128	18,635
Provincial	7	12,220	17,591
	30,516	32,348	36,226
	80,116	87,732	88,016

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

17. GOVERNMENT PARTNERSHIPS

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

The following is a schedule of relevant financial information as stated within the financial statements of BPWTC for the year ended December 31, 2019 in thousands of dollars. There are no known contractual obligations or contingencies as at December 31, 2019. These amounts represent 100% of the financial position and activities:

	2019	2018
Financial assets	59,767	59,093
Financial liabilities	54,772	46,654
Net financial assets	4,995	12,439
Inventory	161	99
Tangible capital assets	71,349	52,969
Accumulated surplus	76,505	65,507
Statement of Operations		
Revenue	26,013	34,990
Expenses	15,016	14,969
Annual surplus	10,997	20,021
Accumulated surplus, beginning of year	65,508	45,487
Accumulated surplus, end of year	76,505	65,508

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

	2019	2018
Statement of Financial Position		
Financial assets	45,162	44,081
Financial liabilities	40,529	34,500
Non-financial assets	52,917	39,271
Net assets	57,550	48,852
Statement of Operations		
Revenue	6,636	2,943
Expenses	11,123	10,974
Annual deficit	(4,487)	(8,031)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

17. GOVERNMENT PARTNERSHIPS (CONTINUED)

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

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

	2019	2018
Tangible Capital Assets	36,106	36,450

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

	2019	2018
Tangible Capital Assets	9,803	9,896

18. FUNDS HELD IN TRUST

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

	2019	2018
Perpetual Care Trust	2,672	2,665
Williamson Driver Award	5	5
	2,677	2,670

19. CONTRACTUAL RIGHTS

1) Saskatchewan Roughrider Football Club Inc. Lease Agreement

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

2) BPWTC - New Building Canada Fund

BPWTC entered into an agreement in November 2018 with the Minister of Infrastructure and Communities of the Government of Canada as part of a program entitled the New Building Canada Fund - Provincial - Territorial Infrastructure Component - National Regional Projects (the "Program"). Under this agreement, BPWTC has a contractual right to receive contributions for eligible expenditures up to a maximum of \$10,291 by March 31, 2024. BPWTC also entered into an agreement in January 2019 with the Minister of Government Relations of the Province of Saskatchewan as part of the Program. Under this agreement, BPWTC has a contractual right to receive contributions for eligible expenditures up to a maximum of \$10,291 by June 20, 2021. BPWTC is using these funds for the electrical capital upgrade project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

20. CONTRACTUAL OBLIGATIONS

1) Wastewater Treatment Plant

As at December 31, 2019, the expected commitment related to the Wastewater Treatment Plant is \$236,080. The Wastewater Treatment Plant is a P3 project and has qualified for P3 funding from the Government of Canada. On May 29, 2014 the City announced that EPCOR Water Prairies Inc. as the preferred proponent to design, build, finance, operate and maintain the City's new Wastewater Treatment Plant. EPCOR has taken on operations for the existing facility. EPCOR will also operate the new facility until June 2044.

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

Year	Amount
2020	10,244
2021	9,965
2022	13,102
2023	9,809
2024 through 2044	192,960

2) māmawêyatitân centre Development Agreement

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

3) Taylor Field Neighbourhood

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

4) Railyard Renewal

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

5) Animal Services Agreement

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

6) Globe Theatre

On March 25, 2019, Globe Theatre requested the City of Regina contribute \$6.6 million to the revitalization Project to renovate buildings.

7) Lawsuits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

21. SEGMENTED INFORMATION

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

a. Citizen Services

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

b. Citizen Experience, Innovation & Performance

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

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

c. City Planning & Community Development

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

d. Regina Police Service

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

e. Financial Strategy & Sustainability

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

21. SEGMENTED INFORMATION (CONTINUED)

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

22. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the effectiveness of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the City. On March 20, 2020 City Council approved extending the property tax payment deadline for three months to allow property owners additional time to pay their 2020 property taxes without incurring a penalty; suspension of utility disconnections for six months and suspension of late payment charges; and suspension of collection activities on all utility accounts until September 30, 2020.

23. COMPARATIVE FIGURES

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

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION

2019 Schedule 1

For the year ended December 31

(in thousands of dollars)

	General Operating	Utility Operating	General Capital	Utility Capital	Total City of Regina
REVENUE					
Taxation	249,685	-	-	-	249,685
Fees and charges	80,394	142,353	7,265	3,161	233,173
Government transfers	55,386	-	30,257	1,271	86,914
Electrical distribution	28,312	-	-	-	28,312
Licenses, fines and levies	21,420	-	-	-	21,420
Gas distribution	5,630	-	-	-	5,630
Interest and penalties	8,007	209	-	-	8,216
Interest on long term investments	4,309	-	-	-	4,309
Gain (loss) on long term investments	11,311	-	-	-	11,311
Servicing agreement fees	1,394	930	2,109	90	4,523
Land sales	443	-	-	-	443
Other	4,074	205	835	265	5,379
Contribution of tangible capital assets	-	-	17,915	17,925	35,840
Other capital contributions	-	-	601	2,671	3,272
	470,365	143,697	58,982	25,383	698,427
EXPENSES					
Parks, recreation and community services	58,599	-	10,743	-	69,342
Police	94,719	-	415	-	95,134
Legislative and administrative services	66,423	-	3,245	-	69,668
Water, wastewater and drainage	-	70,568	-	16,943	87,511
Roads and traffic	31,868	-	21,039	-	52,907
Fire	48,274	-	147	-	48,421
Transit	39,520	-	162	-	39,682
Waste collection and disposal	24,894	-	588	-	25,482
Grants	6,441	-	-	-	6,441
Planning and development	14,278	-	-	-	14,278
Amortization	-	-	68,424	22,318	90,742
	385,016	70,568	104,763	39,261	599,608
Annual surplus	85,349	73,129	(45,781)	(13,878)	98,819

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION

2019 Schedule 1

RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation adjustments	Consolidated 2019
1,137	-	-	22,819	268	-	(529)	273,380
-	3,629	14,801	1,668	-	44,819	(23,086)	275,004
38	-	969	-	1	(190)	-	87,732
-	-	-	-	-	-	-	28,312
-	-	-	-	-	-	-	21,420
-	-	-	-	-	-	-	5,630
-	-	924	413	-	-	-	9,553
-	-	-	-	-	-	-	4,309
-	-	-	-	-	-	-	11,311
-	-	-	-	-	-	-	4,523
-	-	-	-	-	-	-	443
279	-	1	-	-	-	(51)	5,608
-	-	2,555	-	-	-	(2,978)	35,417
-	-	-	-	-	-	-	3,272
1,454	3,629	19,250	24,900	269	44,629	(26,644)	765,914
1,589	3,515	-	20,865	346	44,655	(9,614)	130,698
-	-	-	-	-	-	-	95,134
-	-	-	-	-	-	-	69,668
-	-	9,570	-	-	-	(15,218)	81,863
-	-	-	-	-	-	-	52,907
-	-	-	-	-	-	-	48,421
-	-	-	-	-	-	-	39,682
-	-	-	-	-	-	-	25,482
-	-	-	-	-	-	(1,812)	4,629
-	-	-	-	-	-	-	14,278
69	29	1,604	2,650	14	5,961	-	101,069
1,658	3,544	11,174	23,515	360	50,616	(26,644)	663,831
(204)	85	8,076	1,385	(91)	(5,987)	-	102,083

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

2019 Schedule 2

For the year ended December 31

(in thousands of dollars)

	Citizen Services	Citizen Experience, Innovation & Performance	City Planning & Community Development	Regina Police Service	Financial Strategy & Sustainability	Total City of Regina
REVENUES						
Taxation	-	-	6,315	-	243,370	249,685
Fees and charges	53,224	202	26,175	1,340	152,232	233,173
Government transfers	21,190	-	16,718	9,718	39,288	86,914
Electrical distribution	-	-	-	-	28,312	28,312
Licenses, fines and levies	7,156	-	-	-	14,264	21,420
Gas distribution	-	-	-	-	5,630	5,630
Interest and penalties	-	-	-	-	8,216	8,216
Interest on long term investments	-	-	119	-	4,190	4,309
Gain (loss) on long term investments	-	-	-	-	11,311	11,311
Servicing agreement fees	1,691	-	2,742	-	90	4,523
Land sales	-	-	443	-	-	443
Other	973	119	1,634	2,309	344	5,379
Contribution of tangible capital assets	26,900	-	4,131	-	4,809	35,840
Other capital contributions	2,671	-	591	-	10	3,272
	113,805	321	58,868	13,367	512,066	698,427
EXPENSES						
Wages and benefits	99,735	18,608	38,159	83,032	22,705	262,239
Material, supplies, and other goods	56,335	1,223	22,297	5,826	7,332	93,013
Contracted and general services	13,191	7,708	61,900	5,743	15,964	104,506
Utilities	3,203	3	4,226	475	16,979	24,886
Transfer payments/grants	3	-	6,371	58	4,731	11,163
Interest and bank charges	-	-	7,362	-	5,696	13,058
Amortization of tangible assets	67,639	4,200	15,500	3,402	-	90,741
	240,106	31,742	155,815	98,536	73,407	599,606
Excess of revenues over expenditures (expenses over revenues)	\$ (126,301)	\$ (31,421)	\$ (96,947)	\$ (85,169)	\$ 438,659	\$ 98,821

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

2019 Schedule 2

RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation Adjustment	Consolidated 2019
1,137	-	-	22,819	268	-	(529)	273,380
-	3,629	14,801	1,668	-	44,819	(23,086)	275,004
38	-	969	-	1	(190)	-	87,732
-	-	-	-	-	-	-	28,312
-	-	-	-	-	-	-	21,420
-	-	-	-	-	-	-	5,630
-	-	924	413	-	-	-	9,553
-	-	-	-	-	-	-	4,309
-	-	-	-	-	-	-	11,311
-	-	-	-	-	-	-	4,523
-	-	-	-	-	-	-	443
279	-	1	-	-	-	(51)	5,608
-	-	2,555	-	-	-	(2,978)	35,417
-	-	-	-	-	-	-	3,272
1,454	3,629	19,250	24,900	269	44,629	(26,644)	765,914
613	1,469	3,094	13,844	146	19,128	(116)	300,417
150	2,047	1,695	7,021	71	19,926	(6,992)	116,930
805	-	3,305	-	129	2,048	(4,844)	105,949
-	-	1,477	-	-	3,553	(12,880)	17,036
21	-	-	-	-	-	(1,812)	9,372
-	-	-	-	-	-	-	13,058
69	28	1,604	2,650	14	5,961	-	101,069
1,658	3,544	11,175	23,515	360	50,616	(26,644)	663,831
\$ (204) \$	85 \$	8,075 \$	1,385 \$	(91) \$	(5,987) \$	- \$	102,083

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

2018 Schedule 2

For the year ended December 31

(in thousands of dollars)

	Citizen Services	Citizen Experience, Innovation & Performance	City Planning & Community Development	Regina Police Service	Financial Strategy & Sustainability	Total City of Regina
REVENUES						
Taxation	\$ -	\$ -	5,257	\$ -	232,250	237,507
Fees and charges	51,035	1,061	23,299	1,290	158,489	235,174
Government transfers	22,099	13	6,828	8,165	44,703	81,808
Electrical distribution	-	-	-	-	27,893	27,893
Licenses, fines and levies	(2)	-	-	-	13,972	13,970
Gas distribution	-	-	-	-	3,190	3,190
Interest and penalties	-	-	-	-	4,548	4,548
Interest on long term investments	-	-	400	-	7,369	7,769
Gain (loss) on long term investments	-	-	-	-	(8,128)	(8,128)
Servicing agreement fees	992	1,433	4,489	-	2,845	9,758
Land sales	-	-	3,769	-	-	3,769
Other	1,355	198	658	1,833	41	4,085
Contribution of tangible capital assets	23,824	-	4,158	-	15,166	43,148
Other capital contributions	132	-	1,045	-	323	1,500
	99,435	2,705	49,903	11,288	502,661	665,991
EXPENSES						
Wages and benefits	98,415	18,478	36,802	74,384	22,013	250,092
Material, supplies, and other goods	25,532	528	33,496	5,950	1,922	67,428
Contracted and general services	30,877	10,307	31,975	5,200	14,133	92,492
Utilities	3,776	3	4,110	485	17,553	25,927
Transfer payments/grants	5	20	6,145	42	4,846	11,058
Interest and bank charges	-	-	7,513	-	5,905	13,418
Amortization of tangible assets	63,198	3,660	14,393	3,197	-	84,448
	221,803	32,996	134,434	89,258	66,372	544,863
Excess of revenues over expenditures (expenses over revenues)	\$ (122,368)	\$ (30,291)	\$ (84,531)	\$ (77,970)	436,289	121,128

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

2018 Schedule 2

	RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation Adjustment	Consolidated 2018
\$	1,131 \$	- \$	- \$	22,090 \$	260 \$	- \$	(630) \$	260,358
	3	3,269	15,321	1,210	-	39,399	(21,002)	273,374
	40	-	-	1,284	-	7,142	(2,258)	88,016
	-	-	-	-	-	-	-	27,893
	-	-	-	-	-	-	-	13,970
	-	-	-	-	-	-	-	3,190
	-	-	663	-	-	-	-	5,211
	-	-	-	-	-	-	-	7,769
	-	-	-	-	-	-	-	(8,128)
	-	-	-	-	-	-	-	9,758
	-	-	-	-	-	-	-	3,769
	67	-	2	-	-	2,600	(48)	6,706
	-	-	9,906	-	-	-	(9,906)	43,148
	-	-	-	-	-	-	-	1,500
	1,241	3,269	25,892	24,584	260	49,141	(33,844)	736,534
	552	1,431	2,896	13,409	86	21,714	-	290,180
	142	96	1,593	6,582	33	16,587	(7,279)	85,182
	376	1,657	3,252	-	242	1,697	(11,803)	87,913
	-	-	1,691	-	-	3,735	(13,042)	18,311
	8	-	-	-	-	-	(1,720)	9,346
	-	-	-	-	-	-	-	13,418
	72	25	1,590	2,571	13	5,981	-	94,701
	1,150	3,209	11,022	22,562	374	49,714	(33,844)	599,051
\$	91 \$	60 \$	14,870 \$	2,022 \$	(114) \$	(573) \$	- \$	137,483

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

2019 Schedule 3

For the year ended December 31

(in thousands of dollars)

	General				
	Land	Land improvements	Buildings and building improvements	Vehicles and equipment	Office and information technology
Cost					
Balance, beginning of year	140,459	171,617	536,990	327,810	36,660
Add:					
Additions during the year	4,809	5,034	791	23,255	4,833
Transfers from assets under construction	-	870	-	2,702	11,323
Less:					
Disposals during the year	550	113	17,125	16,239	3,541
Balance, end of year	144,718	177,408	520,656	337,528	49,275
Accumulated amortization					
Balance, beginning of year	-	83,421	100,086	152,647	20,760
Add:					
Amortization	-	5,056	13,143	27,360	7,349
Less:					
Accumulated amortization on disposals	-	86	17,126	14,971	3,510
Balance, end of year	-	88,391	96,103	165,036	24,599
Net Book Value	144,718	89,017	424,553	172,492	24,676

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

2019 Schedule 3

Infrastructure						
Plants and facilities	Roads	Underground and other networks	Bridges and other structures	Assets under construction	2019	2018
480,762	797,353	728,182	49,921	54,044	3,323,798	3,169,007
5,945	38,348	37,902	7,085	69,759	197,761	191,543
1,202	-	2,681	206	-	18,984	40,276
-	14,856	904	245	18,985	72,558	77,028
487,909	820,845	767,861	56,967	104,818	3,467,985	3,323,798
115,480	393,937	211,885	13,080	-	1,091,296	1,022,740
10,540	24,867	11,944	810	-	101,069	94,700
-	11,302	40	62	-	47,097	26,144
126,020	407,502	223,789	13,828	-	1,145,268	1,091,296
361,889	413,343	544,072	43,139	104,818	2,322,717	2,232,502

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General Trust Fund

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of General Trust Fund of the City of Regina (the "Trust"), which comprise the statement of financial position as at December 31, 2019, and the statement of revenue, expenditures and change in fund balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2019, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises that information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report *continued*

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

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

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

Regina, Saskatchewan

June 30, 2020

MNP LLP

Chartered Professional Accountants

General Trust Fund

STATEMENT OF FINANCIAL POSITION*(in thousands of dollars)*

As at December 31

	Perpetual Care Trust	Williamson Driver Award	Total 2019	Total 2018
FINANCIAL ASSETS				
Cash	47	-	47	19
Long-term investments (Note 4)	2,706	5	2,711	2,731
Total Assets	2,753	5	2,758	2,750
FINANCIAL LIABILITIES AND FUND BALANCES				
Due to the City of Regina	80	-	80	80
Fund balance	2,673	5	2,678	2,670
Total Liabilities and Fund Balances	2,753	5	2,758	2,750

See accompanying notes.

General Trust Fund

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

As at December 31

	Perpetual Care Trust	Williamson Driver Award	Total 2019	Total 2018
REVENUE				
Contributions	8	-	8	11
Investment income	81	-	81	80
Total Revenue	89	-	89	91
EXPENDITURES				
Cemetery maintenance	81	-	81	80
Total Expenditures	81	-	81	80
Excess of revenue over expenditures	8	-	8	11
Fund balance, beginning of year	2,665	5	2,670	2,659
Fund balance, end of year	2,673	5	2,678	2,670

See accompanying notes.

General Trust Fund

NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

As at December 31

1. PURPOSE OF FUND

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- (a) The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- (b) Investments are recorded at cost less 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 excess of revenues over expenditures. This risk arises from differences in the timing and amount of cash flows related to the General Trust Fund's assets and liabilities.

General Trust Fund**NOTES TO FINANCIAL STATEMENTS***(in thousands of dollars)*

As at December 31

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

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

4. LONG-TERM INVESTMENTS

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

	2019	2018
Investment cost	2,711	2,731
Market value	2,747	2,667

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

The statement of cash flows and the statement of change in net financial assets have not been prepared for the year ended December 31, 2019, as they would not provide additional information.

6. SUBSEQUENT EVENT

Subsequent to December 31, 2019, the outbreak of Coronavirus, specifically identified as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in the economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the effectiveness of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the General Trust Fund.



Appendices

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Appendix 1 - Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LTD: the Long Term Disability plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WCB: Workers' Compensation Board, Saskatchewan.

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City of Regina



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