



2018 Annual Report

City of Regina, Saskatchewan



City of Regina



REGINA
Infinite Horizons

© 2018, City of Regina. All Rights Reserved.

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, 2017. 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, 2017

Christopher P. Morrill

Executive Director/CEO

(This page left blank intentionally)

Table of Contents

Introduction

Message from the City Manager.....7

Message from the Mayor 9

OVERVIEW..... 11

Vision, Mission and Values..... 13

City Council.....14

Major Highlights of 2018 16

The Environment in Which We Work..... 21

CITY OF REGINA PERFORMANCE 201827

Measuring our Performance29

Service Partners.....39

Financial Information

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS 47

CONSOLIDATED FINANCIAL STATEMENTS..... 83

Management's Report 85

Independent Auditor's Report 87

Consolidated Statement of Financial Position..... 89

Consolidated Statement of Operations and Accumulated Surplus..... 90

Consolidated Statement of Change in Net Financial Assets..... 91

Consolidated Statement of Cash Flows 92

Notes to the Consolidated Financial Statements93

Schedule 1 – Consolidated Statement of Operations by Fund and Organization..... 120

Schedule 2 – Consolidated Statement of Operations by Segment 122

Schedule 3 – Consolidated Statement of Tangible Capital Assets 126

GENERAL TRUST FUND.....129

Independent Auditor's Report 131

Statement of Financial Position 133

Statement of Revenue, Expenditures and Change in Fund Balance 134

Notes to Financial Statements 135

Appendices

Appendix 1 - Detailed Operational Highlights 139

Appendix 2 – Glossary of Terms..... 144

(This page left blank intentionally)

Message from the City Manager

May 27, 2019

His Worship, the Mayor and Members of City Council.

I am pleased to submit the City of Regina's 2018 Annual Report, pursuant to Section 155 of *The Cities Act*.

I am proud to say that the 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. Finally, we report on our operational performance using national benchmarks from Municipal Benchmarking Network Canada (MBN Canada), which identifies Regina as 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 2018, the Administration launched our new strategic plan, *Making Choices Today to Secure Tomorrow*. A key objective of the Plan is to ensure financial sustainability into the future. To that end, since 2017, we have collectively identified over \$11 million in savings. Late in 2018, I undertook a management review, establishing a new structure for the City that will be even more able to deliver on this aim. The objectives of this review were to build our capacity to be citizen-centric and future focused. We will continue to leverage this new structure in 2019.

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). 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 2018 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 segmented (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 2018:

- The City's (consolidated entity) net financial assets increased in 2018 by \$53.5 million to a total of \$24.6 million. This is generally attributable to an increase in short term investments and decrease in the landfill closure and post closure liability.
- Total revenues in 2018 were \$736.5 million, a decrease of \$3.9 million from 2017. Total expenses in 2018 were \$599.1 million, an increase of \$20.2 million from 2017.

Planning, development and monitoring of the annual operating and capital budgets are fundamental to the City's financial administration. For 2018, the City's General Operating Fund ended the year with an operating surplus of approximately \$4.2 million. The surplus is determined on a basis consistent with the presentation of the 2018 General Operating Budget before PSAS standards are consolidated and applied.

The City's achievement in providing accurate and articulate financial statements in 2018 were recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for the 26th consecutive year.

Respectfully submitted,

A handwritten signature in cursive script that reads "C. Holden".

Chris Holden
City Manager

Message from the Mayor

May 27, 2019

Dear Regina residents,

On behalf of City Council, I am pleased to present to you the 2018 City of Regina Annual Report.

This year saw some significant steps forward in our efforts to grow Regina in a smart, sustainable way while delivering the best value we can for your taxpayer dollars. This is increasingly important as we remain one of the fastest-growing cities in all of Canada. As we grow, Council continues to work on investing in the priorities of our residents like public safety, affordable taxation, and well-built, sustainable infrastructure.



Perhaps the most exciting step forward taken in 2018 to grow Regina is the joint investment in the Railyard Renewal Project. This work to redevelop a former railroad container yard will create more diverse housing options, additional urban green space and new commercial opportunities for the area, connect the Warehouse and Downtown neighborhoods, and support the revitalization of Regina's City Centre. The City, the Government of Canada and the Province of Saskatchewan have committed more than \$33.6 million to fund numerous improvements on Dewdney Avenue and the rail site. This includes site cleanup, installing utility infrastructure and developing public spaces. Future work will include a new pedestrian bridge that links the Warehouse District to downtown.

One of the most important and fundamental services a City can provide is safe, clean, and efficient drinking water and wastewater systems. In October, Council approved the Water Master Plan (WMP), which outlines the long-term goals of the water service and identifies the investments that will need to be made in the future to maintain the integrity and affordability of this vital utility.

Among our investments in the water system in 2018 was a significant commitment to upgrade the electrical system at the Buffalo Pound Water Treatment Plant. The cities of Regina and Moose Jaw (who co-own the plant) have signed an agreement with the Canadian and Saskatchewan governments to invest \$32.1 million to ensure a reliable and sustainable source of back-up power that will minimize service interruptions and prevent drinking water advisories for approximately 260,000 residents. We are also working with these partners to plan for a future renewal of the Treatment Plant that will ensure our residents continue to receive some of the highest-quality, best-tasting water in Canada.

Support for our Transit system continues to help increase our ridership, which has increased 21% between 2011 and 2017 (with a 3% increase following in 2018). Thanks to matching funding from the federal government we added a new Arcola Express Route to better serve residents in the southeast (which includes the City's first priority bus lane and traffic signal) and purchased new buses. The City has also reduced prices on monthly passes to ensure Transit remains affordable to its users, introduced training programs aimed at helping people with disabilities teach others who have disabilities how to ride conventional transit buses, and added new internal bus stop displays.

The federal, provincial, and City governments have also jointly funded a new \$30.1 million Transit Fleet Maintenance Facility that is expected to be complete in 2020. This will replace our 70 year old building, allowing for a greater variety of buses to be housed and maintained at the site. It will improve operational efficiencies and reduce greenhouse gas emissions by shifting bus maintenance from its current location along Albert Street to the Transit Operations Centre, saving more than 3,000 hours a year spent transporting buses back and forth between locations.

In 2018, the City continued to make drastic improvements to Regina's residential road network through the Residential Road Renewal Program. Since 2014, a one percent increase in annual property taxes has funded 300 projects to treat residential roads, covering 87 kilometres or 13% of the residential roads network. In 2018, City Council approved a change in the plan that will speed up work on "poor" roads from 36 years to less than 15 years. This contemporary and innovative asset management approach should provide residents with much improved (and still affordable) levels of service in their neighbourhoods.

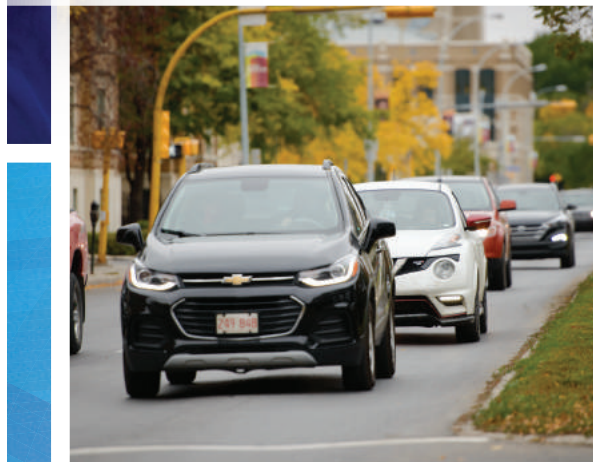
As our population continues to rise, the City is refining its policies to ensure that this growth pays for itself. After much consultation with developers and builders, Council approved new Service Agreement Fee (SAF) rates for in-fill developments in existing areas and industrial lands. These fees are collected from the developers of new property as part of the cost of growth, helping to fund the infrastructure improvements needed to service those developments.

There are many more worthy items contained in this report that I could mention, but I encourage all Reginans to take the time to peruse this document and learn more about what the City of Regina has accomplished in 2018. Our successes are your successes, and we rely on feedback from the public to ensure we remain on the right track. 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



(This page left blank intentionally)

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 and 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.



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, with the last held October 26, 2016. The City of Regina uses a ward system for electing Regina City Council. The Mayor is elected at large and one Councillor is elected in each of the City's 10 wards. Council's primary responsibility is to provide policy direction for the operation of the City.

City Council also sets 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 Council members for the 2016-2020 term are shown in the picture below.

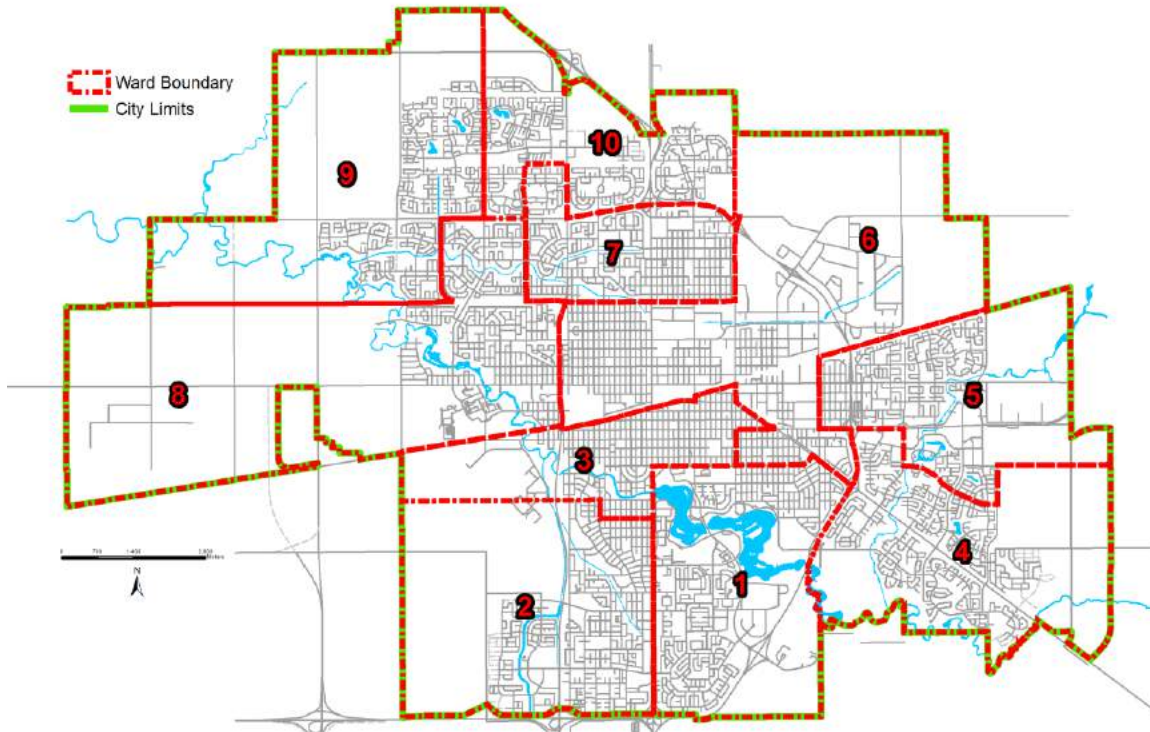


City Council members for the 2016-2020 term are:

L-R: Councillor Joel Murray, Councillor Lori Bresciani, Councillor Bob Hawkins, Councillor Barbara Young, Councillor Jerry Flegel, Mayor Michael Fougere, Councillor Andrew Stevens, Councillor Sharron Bryce, Councillor Mike O'Donnell, Councillor Jason Mancinelli, Councillor John Findura

Map of Electoral Wards

The map below represents the boundaries under which the current City Council was elected. In early 2019, the City of Regina established a process to review ward boundaries in preparation for the election in the fall of 2020. This review will be complete within the year.



Major Highlights of 2018

Funding for Regina Railyard Renewal

Lead Department: Land and Real Estate Management

What was achieved: In November 2018, the Government of Canada, Province of Saskatchewan and City of Regina jointly committed more than \$33.6 million to fund numerous improvements on Dewdney Avenue and move Phase 2 of the Regina Revitalization Initiative forward.

Why it's important: The City of Regina is leading the largest urban revitalization project in the city's history. Ultimately Dewdney Avenue will be renewed to become a complete street that prioritizes pedestrian needs while supporting new businesses. This investment will support site improvements including site cleanup, installing utility infrastructure and developing public spaces. Future work will include a new pedestrian bridge that links the Warehouse District to downtown.

What's next: Phase 1 of the initiative was the construction and opening of Mosaic Stadium which formally opened in the summer of 2017. Phase 2 of the project is the transformation of the 17.5 acres of former railyard into a vibrant place that connects neighborhoods and supports the revitalization of Regina's City Centre. Phase 3 of the initiative is the long-term redevelopment of the Taylor Field Neighborhood. The governments of Canada and Saskatchewan and the City of Regina are each contributing up to roughly \$11 million to this project through the New Building Canada Fund–Provincial-Territorial Infrastructure Component–National and Regional Projects. The Federation of Canadian Municipalities provided an additional \$175,000 in federal funding through the Green Municipal Fund. Benefits of this project include more diverse housing options, additional urban green space and new commercial opportunities.



Growing Regina Transit

Lead Departments: Transit Services / Facilities Management Services

What was achieved: The City of Regina has prioritized transit service and, through internal collaboration and working with other levels of government, made several improvements that resulted in increased ridership and service revenue as well as improved accessibility for residents.

- **Reduced fares:** Fares were reduced for monthly passes, 20-ride passes, annual passes for seniors, and several new passes were also introduced; a 31-day senior pass, semi-annual adult and youth passes, and two new affordable options for low-income users. The cheaper fares enabled Regina Transit to achieve a 3% increase in ridership in 2017 and 2018. Ridership is expected to grow another 3% in 2019.
- **Transit Trainer Program:** This program was implemented in 2018 and is designed to empower people experiencing disabilities to teach others who experience disabilities how to ride conventional transit buses. Regina is the only transit system in Canada using this approach. Four trainers were hired through a partnership with the City and Creative Options Regina. The program will help Regina Paratransit users to access conventional transit which gives residents who experience disabilities more flexibility in their choice of public transit.
- **New route and improved travel:** Through the Federal Government's Public Transit Infrastructure Fund, upgrades were made in 2018 to ensure the transit system is sustainable and cost efficient. The new Arcola Express route was launched which was designed to get people from Regina's southeast end to the downtown more quickly, including three new buses. In 2018, funding also went to purchase internal bus stop displays. Other improvements to the transit system include the implementation of the first priority bus lane and traffic signal which supports the Arcola Express route and improvements to five existing routes.

Why it's important: Public transportation is an essential service that enables all residents the opportunity to travel easily and affordably throughout Regina. An efficient and profitable transit service encourages alternate modes of travel that can help alleviate traffic congestion and ensure safe movement throughout the city. These results contribute to Regina's mission of "building a strong community by providing reliable, sustainable services."

What's next: Construction continues on a new Transit Fleet Maintenance Facility - a \$30.1M project funded jointly by the Government of Canada, Government of Saskatchewan and the City of Regina. The current facility is nearly 70 years old and was originally built to repair street cars so not all types and lengths of City's buses can be repaired in it. The new 60,000-square-foot facility will include both 40-foot and 60-foot full service and repair bays for the maintenance of the City's bus fleet. The facility will improve operational efficiencies by shifting maintenance from its current location along Albert Street to the Transit Operations Centre. This will save more than 3,000 hours a year spent transporting buses back and forth between locations. Construction and occupancy of the new facility is targeted to be complete in 2020.



Buffalo Pound Water Treatment Plant Investment

Lead Department: Water Works

What was achieved: In October 2018, the Canadian and Saskatchewan governments announced that they, along with the Buffalo Pound Water Treatment Corporation (owned by both the City of Regina and City of Moose Jaw), will invest \$32.1 million to provide southern Saskatchewan with reliable access to high-quality drinking water.

Why it's important: The investment will go towards replacing electrical systems, improving power supply and upgrading raw water pumps to avoid electrical failures.

What's next: The work, once completed, will ensure a reliable and sustainable source of back-up power that will minimize service interruptions and prevent drinking water advisories for approximately 260,000 residents.

Record Breaking Leaf & Yard Waste Collection

Lead Department: Solid Waste

What was achieved: Regina residents are able to deposit their leaf and yard waste at four depots that run in the spring and the fall. Thanks to the efforts of Regina residents, in 2018, over 800 tonnes of leaf and yard waste was collected at the depots this year- a 99% increase from 2017.

Why it's important: Leaf and yard waste, which includes leaves, branches, pumpkins and plants, can be recycled and turned into nutrient rich compost used by gardeners, farmers and landscapers to enrich the earth. This effort contributes to the extension of landfill life and provide a valuable resource for gardens and parks.



What's next: Due to increased demand, the City will be expanding the current yard waste depot service in 2019 to a single site that will operate throughout the growing season (April to November) and will provide a free drop-off service for residents.

Water Master Plan Approval

Lead Department: Water Works

What was achieved: In October 2018, City Council approved the Water Master Plan which outlines the goals of the water service and the investment drivers for the utility service.

Why it's important: The City of Regina uses Master Plans to help describe citywide outcomes for a service or group of services in the long term (25 years). Master Plans are linked to our Official Community Plan (OCP) but contain more detail on investment, development and renewal plans for assets to maintain the target level of service. They are approved by City Council and inform decisions made by Administration and Council during business plan and budget processes. The development process for the plan included significant stakeholder consultation including with the Water Security Agency and the Regina Homebuilders' Association. Long term planning for asset dependent services like water is an essential ingredient to providing residents with secure, safe water at a price they can afford.

What's next: Future water planning and infrastructure renewal will be based on the Water Master Plan.

Infill Servicing Agreement Fees and Intensification Levy

Lead Department: Planning & Development

What was achieved: In 2018, City Council approved a new set of fees so that developers and property owners adding or converting buildings within established neighborhoods contribute to the cost of any additional servicing that is required.

Why it's important: The City of Regina uses Servicing Agreement Fees (SAFs) and Development Levies (DLs) to fund major infrastructure investments required for new growth and development. These fees are collected from the developer of new property as part of the cost of growth. They are generally passed on as part of the purchase price to property owners. Historically, the City has charged these fees when new greenfield land has been developed. However, intensification of land use within the City's developed area can also trigger a need for infrastructure upgrades such as roads and water.

Examples of the type of land use changes that would be affected by this policy are:

- Developing a vacant site.
- Converting a building from one use to another with a higher intensity (e.g. converting a warehouse to condos).
- Increasing the number of residential units by adding a secondary suite or replacing a single-dwelling unit with a duplex.
- Increasing the gross floor area of a commercial or industrial building.

The new policies will ensure that the burden of infrastructure upgrades is shared across all types of development that result in increased requirements.

What's next: The new fees will take effect in 2019.

Residential Roads Alternative Treatment

Lead Department: Roadways & Transportation

What was achieved: Through a change in approach to renewing roads in poor condition, the City has developed a plan that can reduce the time it will take to address all 137 kilometres of poor roads from 36 years to less than 15 years. Rather than completely rebuilding poor roads, the City is taking an alternative approach to surface treatment that will extend the life of residential roads and improve the driving experience for motorists.

Why it's important: Since 2014, the City has been investing 1% of any mill rate increase into the renewal of residential roads. Since that time, the City has undertaken 300 projects to treat residential roads covering 87 kilometres (13% of the residential roads network). Despite this significant effort, residents were not satisfied with the progress of the program. Full rebuilds would be done only in circumstances where the condition of the road can't support heavy equipment or there is significant underground water/sewer work required. The plan was approved by City Council in late 2018.

What's next: In 2019, the City will pilot the approach and work with affected residents to understand the impact. Moving forward, this contemporary and innovative asset management approach should provide residents with much improved (and still affordable) levels of service in their neighbourhoods.

Implementation of Reduced Service Agreement Fee Rates

Lead Department: Development Services

What was achieved: The City reduced the Servicing Agreement Fees (SAF) and Development Levies (DL) for Industrial zoned lands since this type of land typically puts lower demand on City services than residential or commercial developments. The rates were reduced to 1/3 of the previous cost. This policy change is expected to support new industrial development within the City's boundaries.

Why it's important: Growth provides many benefits including support for local businesses, the population threshold necessary to support arts and culture, promotes community vibrancy and supports services such as efficient public transit. Growth also requires a significant investment in services and infrastructure. The City uses SAFs and DLs to fund major infrastructure investments required for new growth and development.

The City heard from stakeholders that the SAF/DLs were cost prohibitive with respect to Industrial development. Industrial lands contribute to the municipal tax base and support well-paying jobs which can spur population growth, residential development and overall economic growth.

What's next: Policy changes were approved by City Council in late 2017 and implemented starting in 2018.

The Environment in Which We Work

Community Profile

Regina is Saskatchewan's capital city. It has a population of 234,177 and serves a larger metropolitan area of 257,337. Since 2006, the city's population increased by approximately 20%, largely influenced by the strong performance of Saskatchewan's energy sector. The OCP projects the population will grow to 300,000 in the next 20 years.

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 the Co-op Refinery Complex, the world's first cooperatively-owned refinery; EVRAZ, a vertically integrated steel, mining and vanadium business; and Viterra, a leading grain and oilseeds marketer and handler. 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. These factors led to one of Canada's strongest economies from 2005 to 2015, reflected in strong growth in gross domestic product (GDP), low unemployment and rising personal income levels.

The intense pace of Regina's growth has leveled off. 2015 and 2016 saw virtually no growth in GDP, however, 2017 saw a return to growth. The Conference Board of Canada projects moderate growth in manufacturing, construction, and the services sector will offset weakness in primary and utilities sector, supporting real GDP growth of 2.2% in Regina in 2019.

Unfortunately, the flat growth of the previous years has reduced government revenues. Tax and resource royalty revenues for the Provincial Government have declined and this impacted Provincial revenue sharing with municipalities in Saskatchewan.

Organization Profile

The City delivers its services in a variety of ways, led by approximately 2,500 permanent employees, as well as casual and part-time workers who account for the equivalent of another 360 full-time positions. Many services are also delivered in partnership with community organizations such as sport, culture and recreation programs, and by private businesses such as Paratransit and the Wastewater Treatment Plant.

City services include:

- Public safety and security
 - Policing
 - Fire & Protective Services
 - Construction permitting and inspection
 - Bylaw enforcement
- Quality of life
 - Urban planning and development
 - Parks and open spaces
 - Recreation services (including a wide range of indoor and outdoor public facilities)
 - Grants to community service organizations

- Public health and well-being
 - Water treatment and distribution
 - Drainage and flood management
 - Wastewater collection and treatment
 - Waste removal
 - Recycling
- Movement of goods and people
 - Roads and bridges (including winter road maintenance)
 - Transit
 - Traffic control

The City is able to provide these services thanks to 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.

The City's organization structure is designed to support corporate planning and coordinated service delivery across all service areas (Figure 1). In 2018, a management review was undertaken and the organizational structure has been amended. These changes will be reflected in the 2019 Annual Report.

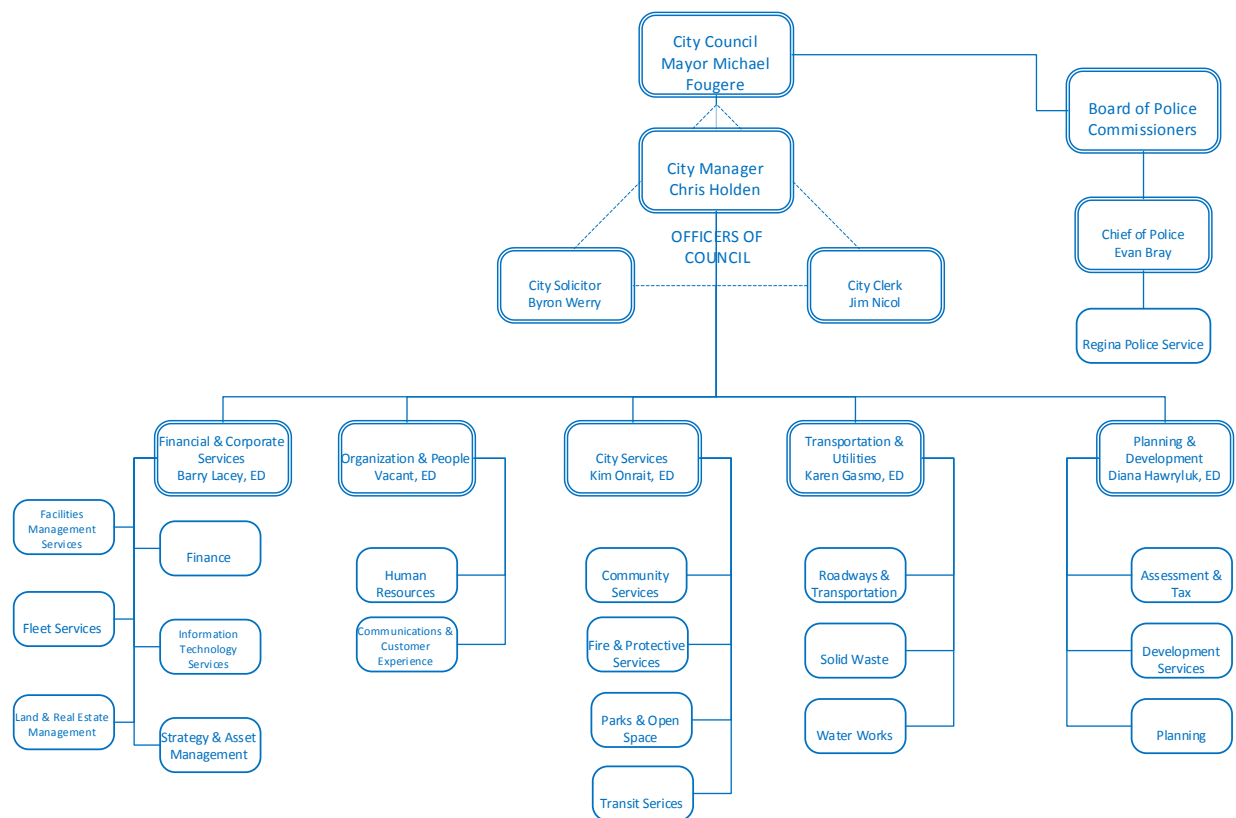


Figure 1: City of Regina's organizational structure (2018)

Operating Strategically

In 2018, the City of Regina launched a new corporate strategic plan, *Making Choices Today to Secure Tomorrow: Advancing the OCP*. A key focus of the organization is to improve 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 City Council and residents so that they understand these long-term obligations as part of the full cost of the services they receive.

Asset Renewal and Financial Viability

One of the Community Priorities of the OCP is to ensure Regina's long-term financial viability. Historical patterns of deferring the renewal of assets and infrastructure created a backlog of necessary infrastructure renewal. This includes the renewal of residential streets, recreation facilities and other buildings in which the City conducts its business.

The City is continuing to work to develop asset management plans for all asset categories and has done a good job in recent years of increasing its investment and commitment to infrastructure renewal. As the financial constraint of the recent economic downturn continues, the City must avoid returning to previous deferral choices that burden future generations with the cost of renewing assets that are being used today.

In 2018, S & P Global, a credit rating agency, upgraded the City's credit rating to AA+ with a positive outlook, which demonstrates our commitment to maintaining financial discipline and continued management of debt even in difficult times.

Understanding How and What We Deliver

The City of Regina delivers more than 60 services. As the City focuses on improving our ability to provide residents with reliable, sustainable services that are affordable, tools and systems need to be explored to ensure consistency and cost-effectiveness. The City's plan for the coming years is to analyze each service, document levels of service and costs, ensure that standard operating procedures are consistent with those levels of service and are effectively delivered by employees, and to identify where service costs should be recovered directly from users to limit the pressure on property tax revenues.

Tied to the documentation and costing of services is a priority to engage residents in dialogue about how to make our services more sustainable and build trust in the City's ability to do so. Residents need to be assured that our levels of service and standard operating procedures represent the most effective and efficient choices that can be made. This will encourage a sense of value for the fees and charges, and property taxes they pay. The City continues to participate in a national benchmarking system on service efficiency and effectiveness, and is planning on introducing several other ongoing performance improvement activities. These include customer service monitoring, monitoring of the implementation of levels of service and employee performance enhancement.

The City will utilize existing, new, or upgraded Master Plans to further align services and policies to advance the OCP. Delivery of the OCP will move Regina toward a more vibrant, inclusive, attractive community. However, in order to effectively deliver on the long-term wants and needs of the community, choices need to be made today.

Citizen Engagement

The City has always made citizen engagement on specific issues a priority. We work with stakeholders, community organizations and partners to develop and implement policy initiatives and seek input on service and policy changes. The City will continue to engage residents and seek input on major policy changes.

On the other hand, we have not always ensured that residents understand the broader role of the City, what services it delivers, what they cost and how they are paid for. Recently, the City has adopted a more consistent approach to public engagement. As we work to advance major issues such as asset management and long-term financial viability, it will be essential to engage residents in a broader discussion of service priorities and affordability. The City must focus its efforts on ensuring these discussions with residents occur together, so the cost implications of service changes are understood and, conversely, the service implications of low cost are also understood.

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. The City is dependent on the skills and commitment of its employees to meet residents' expectations. It needs to provide a safe, rewarding workplace to ensure that residents receive the services they expect.

The City is working to create a culture without silos, where employees are working together as one team to deliver reliable services to the community. The Strategic Plan will see employees' performance enhanced – that they are committed to customer service, familiar with and capable of delivering standard operating procedures and levels of service, 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 as a whole.

Key Risks Facing the City of Regina

There are a number of risks that, if realized, could affect the City's ability to sustain levels of service. While the following issues have been discussed in the context of strategic drivers, it is also worthwhile to note them as risks with potentially significant impacts.

Asset condition

The effort to maintain low user fees and property taxes in the past has created a backlog of needed asset renewal. This gap has the potential to create risks to the quality or consistency of our services. Furthermore, changes in climate, asset usage and population may require that current assets be replaced with something different. For example, hockey participation is declining, while soccer participation is growing. These shifts need to inform service choices which impact asset management planning.

By early 2019, the City will have developed asset management plans for several key asset classes. In addition, many services are developing master plans with a view to service requirements in the future. To date, the City has completed a Culture Plan, a Facilities Master Plan, a Transportation Master Plan, and a Water Master Plan. Master Plans for Recreation and Wastewater are in development. Within the next few years, Solid Waste, Fire, Open Space and Transit Master Plans will be added. These plans will help the City understand where the asset risks are and where the priority investments need to be.

Succession Planning

Almost one-fifth of the City's workforce is eligible to retire in the next five years. Not only will the City need to recruit replacement workers, but it will also lose significant experience and service knowledge. The planned work to document levels of service and standard operating procedures will help mitigate this issue.

Slower Economic Growth

The City secures resources to deliver services to residents in a variety of ways. As with all municipalities of this size, the main sources of revenue are property taxes and user fees for various municipal services and government grants. While property taxes are structured so that they are at a reduced risk of decline through periods of low economic growth, other sources of revenue are not. Activities such as utilization of the City's recreation facilities are discretionary family expenditures and participation levels are impacted by changes in personal income. As has recently been experienced, grants from other levels of government are also at a higher risk of decline. In addition, other levels of government, in dealing with the challenges of a changing economy, may transfer some areas of service delivery and asset management to the municipal level. This results in difficult decisions for the City that are often required to be made more quickly than desired. The City has defined plans to manage and build for the future. Major changes in revenue and responsibility with little advance notice can impose a high level of risk on the City's ability to follow through on the delivery of its plans.

In periods of slower economic growth, other levels of government may also choose to increase funds available for new infrastructure to stimulate the economy. While the City is investing heavily in much needed infrastructure renewal, resulting in the decline of reserve balances, it is moderately positioned to take advantage of some of these opportunities to leverage additional funding for needed infrastructure renewal should they arise.

(This page left blank intentionally)



City of Regina Performance 2018



(This page left blank intentionally)

Measuring Our Performance

Regina's planning and performance measurements are built as an integrated whole, beginning with the Vision, Mission and Values of the organization, through the OCP and the Strategic Plan and through to the delivery of day to day services to residents. The Planning and Performance Measurement Framework is depicted in Figure 2.



Figure 2: City of Regina Planning and Performance Framework

Official Community Plan Results

The OCP: *Design Regina* 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.

Several subordinate plans, many of which are complete or in development, exist to support the implementation of the OCP. Those plans are not typically referenced in this reporting but they remain the primary mechanisms through which the OCP will be realized. They include such documents as the Open Space Management Strategy, the Urban Forest Management Strategy and the Water and Wastewater Master Plans, which will continue to guide the City and will respond to the goals and policies of the OCP. Future updates to those documents will be based on the OCP, as will development of new strategies and plans.

Official Community Plan Targets

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

Target 1: Intensification

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

Progress: The intensification rate for 2018 was 4%. The rate of growth through intensification has been on a downward trend since the OCP was approved in 2014. In 2014, 2015, 2016 and 2017 the intensification rates were approximately 26%, 12%, 11%, and 5% respectively. The cumulative intensification rate since the adoption of the OCP (2014-18) is approximately 13%. The City anticipates that the intensification rate will vary from year-to-year has been the case in the past. The longer the rate stays below the 30% target the more difficult it will be to achieve the target.

As an important step in supporting intensification, the City has been analyzing regulatory, environmental, social and economic barriers to private sector redevelopment of various types of underutilized sites throughout Regina through the Underutilized Land Study and Improvement Strategy.

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

Figure 3: Trend information on the percentage of new population directed to existing urban areas (intensification)

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

Progress: In 2018, the number of additional residents added to the City Centre area declined to 73 residents since the approval of the OCP. Growth of the City Centre has been slow since the OCP was approved and for the first time, decreased slightly in 2018 due to more demolitions than construction. The growth of City Centre population is expected to increase in the later years of the OCP as plans for the Railyard Renewal Project and Taylor Field Neighbourhood are finalized and implemented.

Note: During the five-year period from 2011-2016, 31% of population growth took place in the intensification area. Census data can only be used every five years (census years). It does not show how population has changed since the OCP was approved. We will have a clearer picture of intensification growth and the City Centre population after the 2021 census.

Year	# of new residents in City Centre since 2014
2014 to 2016	68
2017	16
2018	-11
Cumulative Growth	73

Figure 4: Number of new residents in the City Centre area since the adoption of the OCP.

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 only; 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, and following 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 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 and Government House. The data has been restated to reflect this bigger picture.

In 2018, Regina had 210,537 trees in public spaces, or 0.90 trees per person. This is a small decrease from 2017 when there were 0.93 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.

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

Figure 5: Trend information on the number of public trees per person

Target 4: Office Development

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

Progress: The distribution of medium and major office space is reviewed annually. In 2018, 80% of medium and major office space was located in the Downtown/Central City Office area. Office policies are currently under review as part of the 5-year review of the OCP.

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

Figure 6: Trend information on the percentage of medium and major office floor area is located in the Downtown/Central City.

*2017 data was not calculated because 2017 Office Policy review was deferred to the 5-Year OCP Review.

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 <http://www.designregina.ca/official-community-plan-3/OCPimplementation/>.

In 2018, OCP amendments were made to Part B – Secondary Plans to adopt a new Southeast Neighbourhood Plan and amend the Westerra Neighbourhood Plan. No amendments were made to Part A – Citywide Plan; however, the 5-year review process for the OCP, which is currently underway, will identify if any changes to the plan are required in 2019.

Community Priorities: Implementing the Official Community Plan

To advance the OCP in 2018, the City of Regina undertook a number of actions and decisions in response to the community priorities listed below. A detailed list related to implementation of the OCP since its approval in 2014 is provided at <http://www.designregina.ca/official-community-plan-3/OCPimplementation/>.

1. **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.

2018 Highlights

- Transit responded to growth demands by leveraging federal funding to add the Arcola Express Route.
- The City reviewed area plans for New Neighbourhoods ensuring they are planned to be 'complete neighbourhoods.' The City reviewed and approved a concept plan for a neighbourhood within Coopertown. There were also amendments approved to The Towns Concept Plan, the Westerra Neighbourhood Plan and Phase 1 Concept Plan.

2. **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.

2018 Highlights

- Taylor Field deconstruction was completed, and site was levelled and fenced.
- The draft Recreation Facilities Master Plan was developed after extensive public and stakeholder consultation and will be presented in early 2019. The plan will guide the City's role in the delivery of recreation services, including programs and facilities, over the next 20 years.
- The City continued work on developing a policy to support major sport and cultural event attractions.
- The Cultural Plan drove decisions on the restoration of Regina's Glockenspiel and participation in Reconciliation Regina and special projects that included development of policies for street painting.

3. **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.

2018 Highlights

- In 2018, a total of 30 affordable ownership units and 50 affordable rental units were approved for funding under the Housing Incentives Policy.

4. **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.

2018 Highlights

- City Council approved funding of \$8.6 million over two years for Transit Capital projects. This is the City's portion of the 50% shared funding agreement with the federal and provincial government through the Public Transit Infrastructure Funding program. Projects completed in 2018 include the addition of a new Arcola Express route.

- A route review was completed to ensure Transit usage is maximized and the City is appropriately served. Transit service has been extended into new residential developments.
- A Transit Travel Training program was implemented. This program is designed around having persons experiencing a disability teach other inexperienced individuals experiencing disabilities on how to ride conventional transit. This provides people of all abilities with more options to move around the city and also allows for a reduction in the number of people requiring Paratransit service.
- Transit provided charter service to large events happening at Mosaic Stadium. Each event comprised 350 service hours moving between 6,500 to 7,000 customers each way.
- Research and engagement were completed for the development of a licensing scheme for the introduction of Transportation Network Companies to the City.

5. **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.

2018 Highlights

- The City increased public communication and education on proper waste disposal and recycling practices.
- City Council approved the permanent move to bi-weekly garbage collection from November to March.
- Implementation of a permanent Leaf & Yard site for the growing season was approved to start in 2019.
- City Council approved the development and implementation of a curbside organic waste collection service by 2023.

6. **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.

2018 Highlights

- Reserve Review and Recommendations: This work aligned the City's reserves to long-range planning, ensured reasonability regarding the number, balances, and limits of reserves, and developed criteria for creation, close and maintenance of reserves. This ties directly to Section B: Financial Policies, as sound reserve management is critical to achieving long-term financial viability of the City.
- The City continued to refine the development and use of its Long-Range Financial Model, including an annual practice to update the model. The tool is intended to help align short term actions with long-term financial strategies essential for ongoing financial stability while providing a consistent level of services.
- A report was taken to City Council that looked at adopting a Curbside Collection Services Funding Policy. The report provided options to finance curbside waste collection, including the option of establishing a fee for service. This practice would allow residents to manage their cost by managing their waste production, incentivizing waste diversion. Such a fee, if approved, would be consistent with the Financial Policy in the OCP.

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

2018 Highlights

- Railyard Renewal Project: In November 2018, the Government of Canada, Province of Saskatchewan and City of Regina jointly committed more than \$33.6 million to fund numerous improvements on Dewdney

Avenue and move phase 2 of the Regina Revitalization Initiative forward. Ultimately Dewdney Avenue will be renewed to become a complete street that prioritizes pedestrian needs while supporting new businesses. This investment will support site improvements including site cleanup, installing utility infrastructure and developing public spaces. Future work will include a new pedestrian bridge that links the Warehouse District to downtown.

- The governments of Canada and Saskatchewan and the City of Regina are each contributing up to roughly \$11 million to this project through the New Building Canada Fund–Provincial-Territorial Infrastructure Component–National and Regional Projects. The Federation of Canadian Municipalities provided an additional \$175,000 in federal funding through the Green Municipal Fund. Benefits of this project include more diverse housing options, additional urban green space and new commercial opportunities.

8. **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.

2018 Highlights

- Collaborative work continued with the following groups: White Butte Regional Planning Committee (includes White City, Village of Edenwold, and the RM of Sherwood), Moose Jaw Regina Industrial Corridor and the Rural Municipality of Sherwood MOU Committees.
- Advanced projects with the RM of Sherwood: RM Zoning Bylaw, complementary agreement to avoid unfair competition, and civic addressing service to the RM, discussions around the growth intentions map.
- The City finalized the liquid waste disposal agreement with Sakimay First Nation.
- A municipal servicing agreement between the City and the Global Transportation Hub Authority was signed on December 4, 2018 pertaining to capital contributions and operating services.

Strategic Plan Results

In many ways, the City will deliver on the policies of the OCP simply by delivering reliable services to the residents of Regina. We will continue to work to effectively and efficiently deliver the services residents expect. However, the vision and policy goals of the OCP require more than just continuing to do what we have always done.

The City's four-year Strategic Plan, *Making Choices Today to Secure Tomorrow*, represents the second in a series of strategic plans that will, over the next 25 years or so, ensure we make the required changes to truly transform the city from what it is today to the city envisioned in *Design Regina*. The plan lays out the critical steps so that the City will be well-positioned to deliver on the OCP in the future.

Making Choices Today to Secure Tomorrow establishes a number of 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 City Council and residents so that they understand these long-term obligations as part of the full cost of the services they receive.

2018 was the first year of implementation of the Strategic Plan, so in many ways it was a year of laying the groundwork for future effort in various areas of the strategic plan. Results are reported below in accordance with the themes of the strategic plan identified earlier in this report.

Progress on Asset Renewal and Financial Viability

Strong models for long-range financial planning and asset management will support the City to make decisions about programs and assets that reflect future service needs and to prepare for the required allocation of resources. A new City department, Sustainable Infrastructure, will be fully implemented in 2019 and will advance asset management. The City is also using as a measure the degree to which the organization operates in accordance with its financial forecasts. This is an important consideration as accurate forecasting allows the organization to adapt to changing financial circumstances in a timely way. In 2018, the organization operated 1.3% above our Q3 financial forecast. The target was +/- 2.8% and the City met the target by a considerable margin. As the City's fiscal situation becomes more and more challenging to manage, careful planning and strict forecasting is becoming increasingly important.

The organization has a similar target for 2019 and will continue to work towards delivering budgeted plans as intended and to manage financial resources tightly on an ongoing basis.

Progress on Understanding How and What We Deliver

The City's plan for the coming years is to analyze each service, document levels of service and costs, ensure that standard operating procedures are consistent with those levels of service, are effectively delivered by employees, and to identify where service costs should be recovered directly from users to limit the pressure on property tax revenue. In addition, the Strategic Plan includes projects that will update, finalize or establish Master Plans for the majority of City service areas. 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, the primary tool for understanding the financial sustainability of our services.

In 2018, the City met targets for process improvements delivered and Service Review recommendations implemented. In addition, work was completed on a Level of Service framework and a plan was developed to improve standard operating procedures.

Progress on Citizen Engagement

As the City works to advance major issues such as asset management and long-term financial viability, it will be essential to engage residents in a broader discussion of service priorities and affordability. The City must focus its efforts on ensuring these discussions with residents occur together, so the cost implications of service changes are understood and, conversely, the service implications of low cost are also understood. To that end, the City has spent much of 2018 building a new Regina.ca website, which will launch in 2019 and improve the City's ability to communicate and engage with residents.

The City has continued to survey its residents annually to understand their perceptions of specific issues and to inform planning for future communications and engagement efforts. In 2018, baseline results were established for specific strategic issues that merit ongoing assessment. These issues include:

- The level to which residents trust the information the City of Regina provides.
- The level to which residents are satisfied with their customer interactions with the City.
- The level to which residents think the City is good at offering meaningful opportunities to participate and provide input on programs, services, and plans.
- The level to which residents indicate they understand the City's service levels and costs.
- The level to which residents indicate they are generally happy with the level of communications from the City.

Progress on Employee Engagement and Empowerment

The Strategic Plan intends that employees' performance is enhanced – that employees 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 as a whole. To track the progress on these issues, the City conducts a bi-annual employee survey.

In 2018, the City saw significant improvement and exceeded targets in the following areas:

- The level to which employees agree that their supervisors know the City's priorities.
- The level to which employees indicate that they are satisfied with internal communications at the City.
- The level to which employees agree that they are able to influence outcomes at the City.
- The level to which employees agree that they are proud to work at the City of Regina.

Opportunity for greater improvement was shown in the following two areas:

- The level to which employees agree that the City fosters a collaborative environment.
- The level to which employees agree that the City fosters a One City - One Team environment.

The results suggest that the City's efforts to build employee capacity and commitment are getting traction. Without this commitment, we will be challenged to deliver on other elements of the strategic plan and to achieve our broader goal of providing reliable, sustainable services to residents.

Operational Results

MBN Canada Benchmarking

In 2014, the City made a decision 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 or not 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. Note that the results published in 2018 were for 2017. This is due to the fact that many of the measures are reliant on audited financial information; thus the performance information is one year behind the annual report.

The 2017 results show that Regina's performance on external customer facing services is both effective and efficient. There are some outliers, such as Transit and Waste Management, which both operate efficiently but are not delivering the customer results of other municipalities. In the case of the Transit Service, Regina Transit performance is comparable to other municipalities of same size. Similar to those municipalities, Regina Transit is trying to balance the cost of the service improvements required to increase ridership with the burden on tax payers in general. This balance is significantly more difficult with a small population. In the case of the Waste Management Service, waste diversion and reduction initiatives in Regina are in their infancy compared to other communities which have had programs for over two decades. The amount of solid waste diverted reflects current diversion programming available to residents. Most other municipalities offer some sort of curbside organic service for yard and/or kitchen waste. This waste stream makes up a significant – approximately 50% – of the residential waste stream. Diversion initiatives for this waste stream, which are currently in planning, will improve the diversion rate.

Regina's performance on internal program support services is less robust. While they generally deliver the expected performance, they do so at a cost that is greater than the average. Generally this is a consequence of the lack of investment in technology to streamline systems and processes. There are several initiatives across the City where such initiatives are either underway or in planning, but the results have not yet been demonstrated. Despite some areas where Regina's costs are higher than average, MBN Canada data demonstrates that the City is one of the most efficiently operating municipalities in the system (Figure 7).

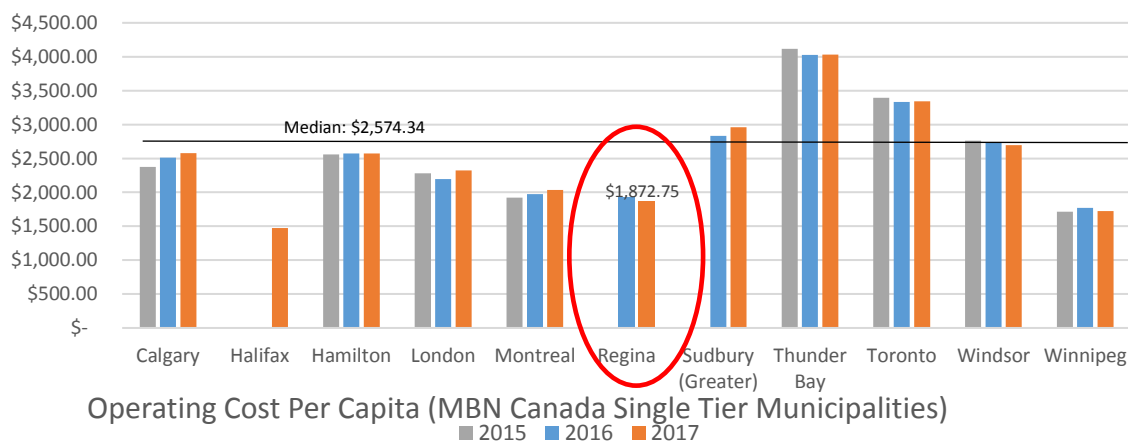


Figure 7: Municipal Operating Expenses per capita 2017

Operational Highlights

A detailed department by department overview of operational highlights from 2018 is available in Appendix 1.

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 by providing policing services to the residents of Regina and, in partnership with the RCMP, to some of the surrounding region. The RPS currently has 401 sworn officers and 186 civilian personnel combining to form a total employee complement of 587.

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 Police Act of Saskatchewan* stipulates that the municipality:

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

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

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

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

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 a 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%; City of Moose Jaw: 26%) 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 appointed by the Cities 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 (i.e. the City of Regina and the City of Moose Jaw). In addition to the purchase of water, the Cities are 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>

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

Economic Development Regina

Guided by the City of Regina's OCP, 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#annual-report>

Contact: John Lee
200-1965 Broad St.
Regina, SK S4P 1Y1
Ph: 306-565-6381

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 Council, and includes a representative from Council.

2017 Annual Report: <https://indd.adobe.com/view/927511a2-666f-48e4-a639-892ead5b597a>

Contact: Judith Veresuk
140 – 2401 Saskatchewan Drive
Regina, SK S4P 4H8
Ph: 306-359-7541

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 recently renamed 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 Progress 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 Council. The City of Regina owns the lands and assets of Evraz Place that REAL operates on the behalf of the 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 Council and includes the Mayor, one other member of 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 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 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



Financial Statement: Discussion and Analysis

(This page left blank intentionally)

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, 2018. 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 2018" 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 2018 are as follows:

- The 2018 Consolidated Financial Statements report net financial assets of \$24.6 million, an increase of \$53.5 million from \$(28.9) million at the end of 2017. The net financial asset position is due to the purchase of short term investments and a decrease in landfill liability of \$19.6 million as the City purchased land which increased the capacity of the landfill.
- The 2018 Consolidated Financial Statements also show an annual surplus of \$137.5 million compared to \$161.5 million in 2018.
- The City's accumulated surplus increased from \$2.1 billion at the end of 2017 to \$2.3 billion at December 31, 2018. 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 \$2.2 billion at the end of 2018.
- Revenues decreased by \$3.9 million and expenses increased by \$20.2 million from 2017. The decrease in revenues is due to reduced both federal and provincial government funding and realized loss on the portfolio investment. The increase in expense is due to the contracted and general service expenses increased as well as amortization expense and transfer payments expense.
- The City's reserves decreased by \$15.4 million to \$217.8 million. The General utility reserve increased by \$8.7 million, the General fund reserve decreased \$4 million, the Solid waste reserve decreased by \$2.1 million and the Winter road maintenance reserve decreased by \$5.6 million. The Land development reserve is in a deficit of \$9.2 million and the Asset revitalization reserve decreased by \$18.9 million leaving less funding for future periods. 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)

Demographic and Economic Information

	2018	2017	2016	2015	2014
Population*	234,177	230,725	215,106	223,000	217,490
Building permits					
Number	2,590	3,138	3,373	3,504	3,229
Values (\$000)	409,141	592,043	605,248	675,795	628,109
Urban dwelling starts	1,139	2,008	1,452	3,093	1,954
Inflation rate for Regina (%)	2.4%	1.7%	1.1%	1.9%	2.4%
GDP growth for Regina (%)	1.0%	1.9%	(0.2)%	1.6%	3.3%
Unemployment rate (%)					
Regina	5.8%	5.2%	5.0%	4.1%	4.2%
Saskatchewan	5.7%	6.3%	6.3%	5.5%	3.8%
Canada	5.7%	6.3%	7.0%	6.9%	6.9%
Average selling prices of homes (\$)	309,763	318,372	312,060	311,235	313,903

*2016-2018 population figures are based on the 2016 census. 2014 and 2015 population figures were estimated based on the 2011 census population and estimated growth trends.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

REVENUES

The City of Regina had consolidated revenue of \$736.5 million in 2018 as shown below:

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

	2018 Budget	2018 Actual	Budget Variance Favourable (Unfavourable)	2017 Actual	Year over Year Increase (Decrease)
Taxation	258,046	260,358	2,312	252,165	8,193
Fees and charges	271,900	271,349	(551)	241,665	29,684
Government transfers	61,364	88,016	26,652	134,965	(46,949)
Electrical distribution	31,010	27,893	(3,117)	26,534	1,359
Licenses, fines and levies	13,646	13,970	324	14,542	(572)
Gas distribution	2,478	3,190	712	5,975	(2,785)
Interest and penalties	8,759	5,211	(3,548)	2,810	2,401
Interest on long term investments	-	7,769	7,769	10,351	(2,582)
Loss on long term investments	5	(8,128)	(8,133)	(4,145)	(3,983)
Servicing agreement fees	1,257	9,758	8,501	13,847	(4,089)
Land sales	3,503	3,769	266	5,408	(1,639)
Other	10,432	8,863	(1,569)	8,271	592
Contribution of tangible capital assets	-	43,148	43,148	26,050	17,098
Other capital contributions	-	1,368	1,368	2,003	(635)
	662,400	736,534	74,134	740,441	(3,907)

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

Taxation revenue for 2018 was \$8.2 million higher when compared to 2017 primarily due to a 4.3% increase in the mill rate and new properties coming onto the assessment roll during the year.

Fees and charges were \$29.7 million higher than previous year primarily due to an increase in claim revenue, land development revenues, asphalt sales, and water sales with an increased water rate in 2018.

Government transfers were \$46.9 million lower than 2017 because P3 Canada funding for the Waste Water Treatment Plant of \$42.5 million was only granted in 2017.

Electrical distribution revenues reflect a trend of increasing rates for electricity and volatile rates for natural gas. Electrical consumption has been relative steady over the past ten years. Electrical distribution revenues increased by \$1.4 million when compared to 2017.

Servicing agreement fees for 2018 were \$4.1 million lower than 2017. 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. Parks, roads and dedicated lands are initially recorded as deferred revenue pursuant to the revenue recognition principles. They are recorded as revenue when allocated to eligible projects. Utility servicing agreement fees are recorded as revenue upon receipt or signing of new servicing agreements in accordance with revenue recognition principles. Servicing agreement fees collected in a given year are recorded as revenue or deferred revenue based on these principles.

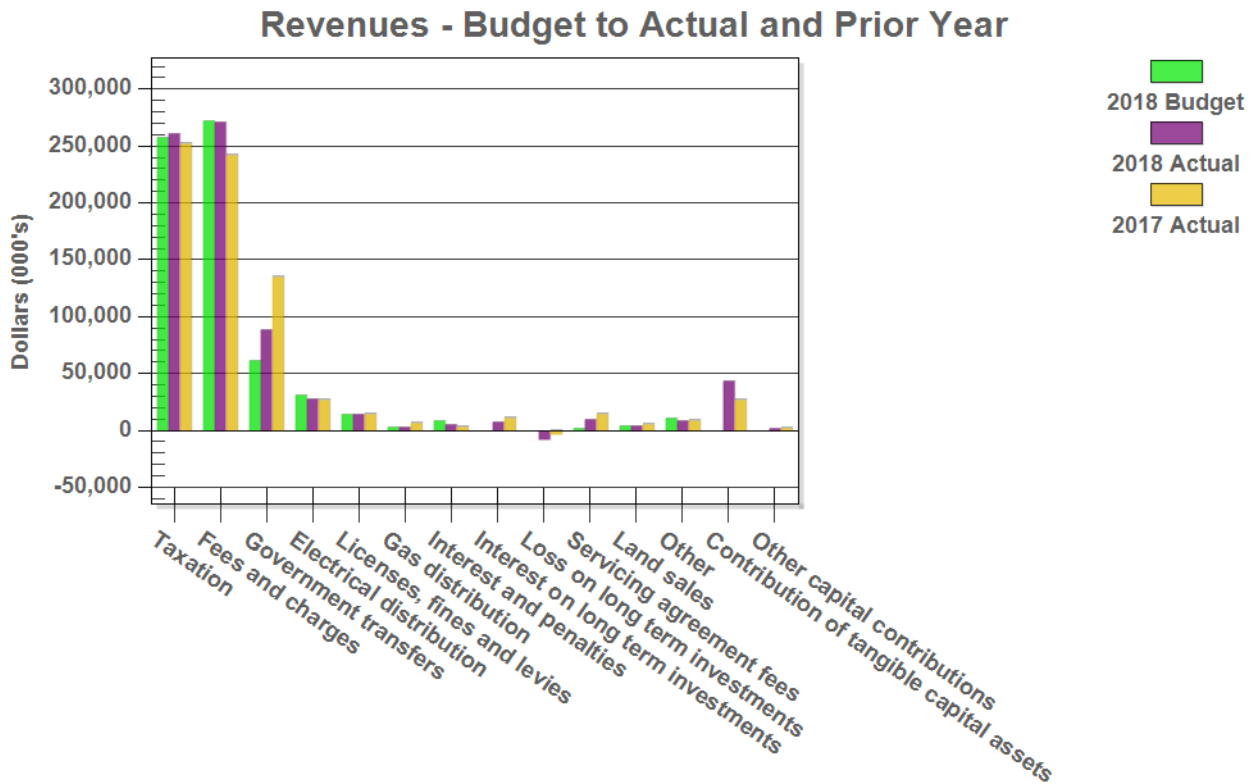
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Contribution to tangible capital assets for 2018 were \$43 million above budget since this item is not budgeted for. It is \$17.1 million more than 2017. 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.

Other capital contribution were \$1.4 million in 2018 compared to \$2 million in 2017.

Table 2: Revenues - Budget to Actual and Prior Year

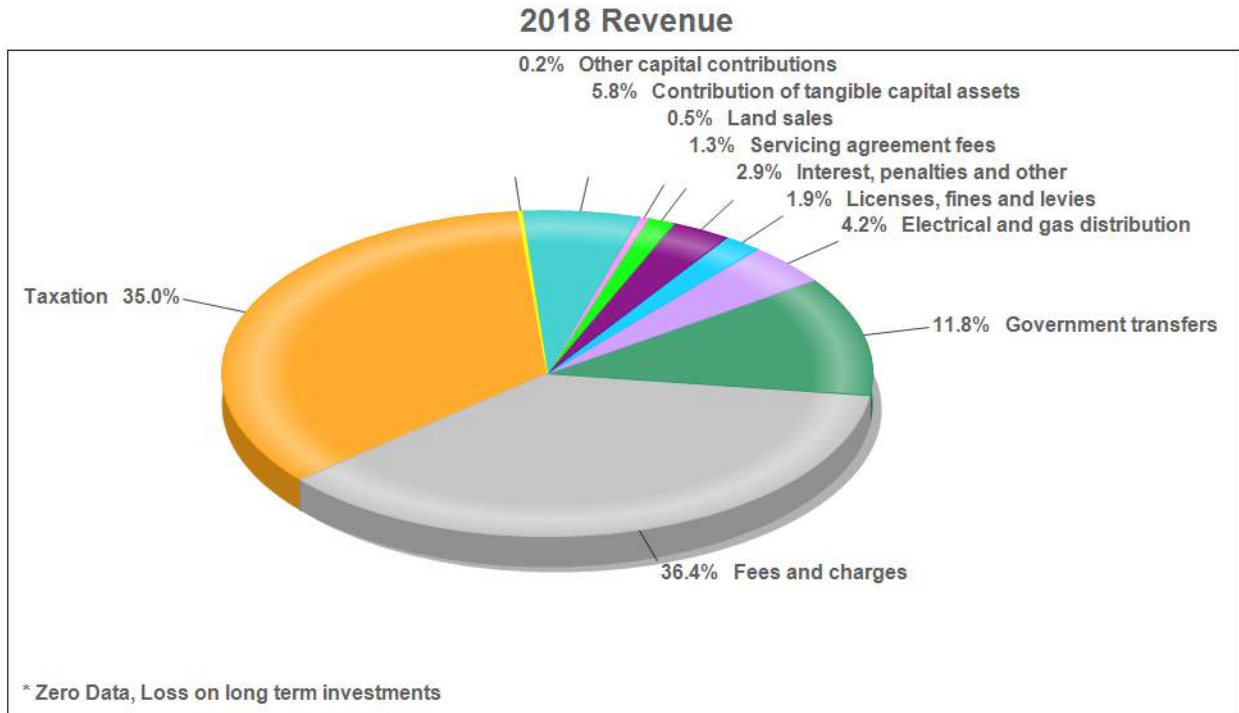


FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Of the total revenue earned in the year, more than 72.2% (2017 - 67%) is attributed to taxation and fees.

Table 3: 2018 Revenue by Type



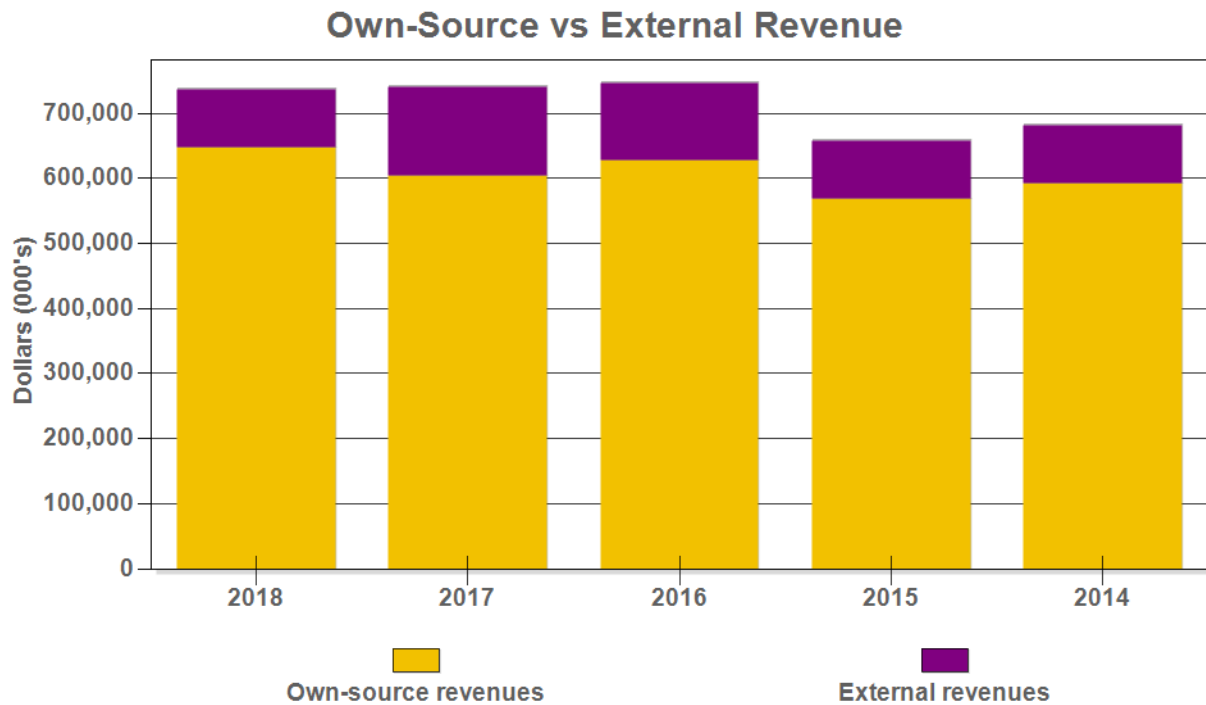
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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 Waste Water 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, government transfers, fees and charges, electrical distribution and contribution of tangible capital assets (Table 5).

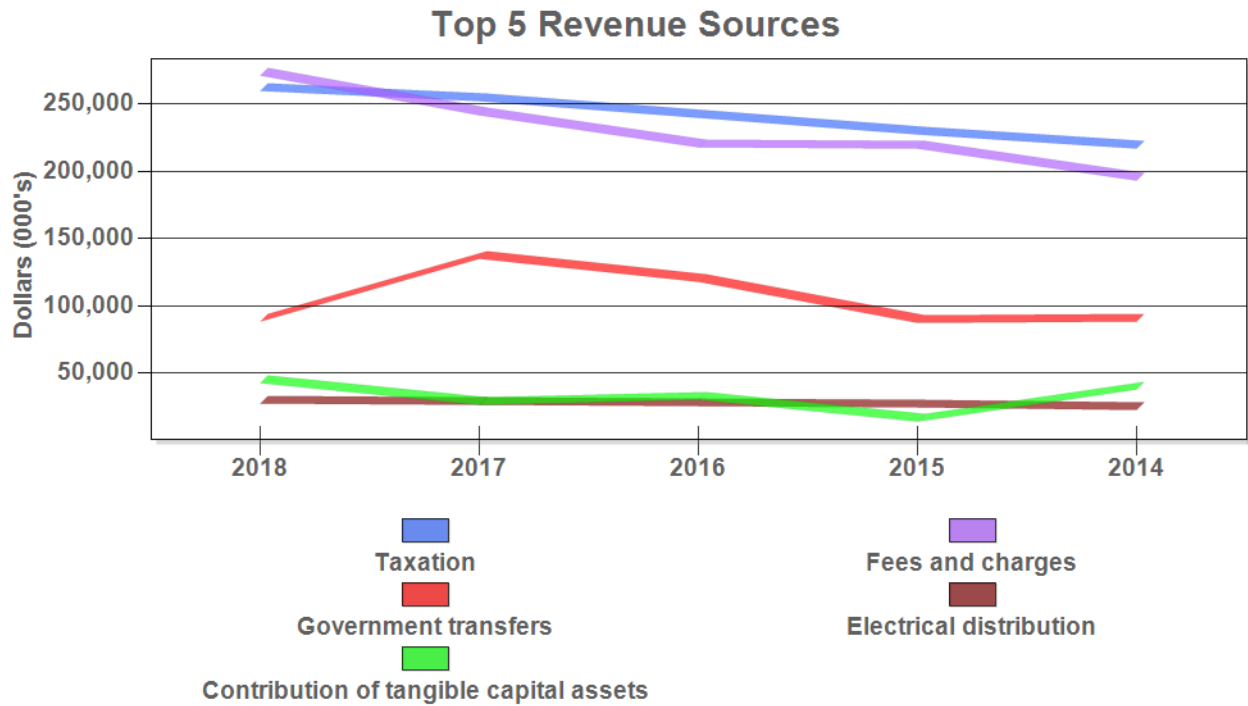
Table 5: Revenue Summary (Five Years)

	2018	2017	2016	2015	2014
Taxation	260,358	252,165	240,148	227,973	216,711
Fees and charges	271,349	241,665	217,716	217,052	193,182
Government transfers	88,016	134,965	118,219	87,661	88,684
Electrical distribution	27,893	26,534	25,267	24,417	23,124
Licenses, fines and levies	13,970	14,542	13,846	14,211	13,394
Gas distribution	3,190	5,975	6,138	7,076	7,587
Interest and penalties	5,211	2,810	2,103	1,833	1,661
Interest on long term investments	7,769	10,351	12,913	18,940	15,024
Loss on long term investments	(8,128)	(4,145)	4,326	8,311	3,488
Servicing agreement fees	9,758	13,847	17,483	20,339	10,979
Land sales	3,769	5,408	533	3,877	7,735
Other	8,863	8,271	6,884	11,174	7,119
Contribution of tangible capital assets	43,148	26,050	30,638	14,114	37,745
Restructuring	-	-	-	-	54,086
Other capital contributions	1,368	2,003	49,565	-	-
	736,534	740,441	745,779	656,978	680,519

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
2018	28,545,124
2017	27,932,498
2016	20,613,040
2015	19,700,181
2014	19,182,276

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
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
2014*	8.9371	0.9216	9.8587	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				
	2018	2017	2016	2015	2014
Residential	0.91152	0.91152	0.87880	0.87880	0.87880
Condominiums	0.91152	0.91152	0.87880	0.87880	0.87880
Multi-family residential	0.91152	0.91152	0.87880	0.87880	0.87880
Commercial and Industrial	1.21040	1.21040	1.32901	1.32901	1.32901
Golf courses	0.78654	0.78654	0.86359	0.86359	0.86359
Agriculture	1.21040	1.21040	1.32901	1.32901	1.32901

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 10: Tax Levies and Collection

	2018	2017	2016	2015	2014
Municipal tax levy	238,268	231,346	219,414	208,274	197,821
Global Transportation Hub Authority	2,435	1,916	1,742	1,591	-
School boards tax levy	143,640	140,355	127,017	122,026	119,687
Library tax levy	22,090	21,391	20,734	19,699	18,890
Total tax levy	406,433	395,008	368,907	351,590	336,398
Tax levy per capita - Municipal*	1,017	1,003	1,020	934	910
Tax levy per capita - School boards*	613	608	590	547	550
Tax levy per capita - Library*	94	93	96	88	87
Total tax levy per capita* (\$)	1,724	1,704	1,706	1,569	1,547
Tax levy per household - Municipal**	2,496	2,424	2,354	2,281	2,208
Tax levy per household - School boards**	1,505	1,470	1,363	1,337	1,336
Tax levy per household - Library**	231	224	222	216	211
Total tax levy per household** (\$)	4,232	4,118	3,939	3,834	3,755
Tax arrears, end of year (prior to allowance for doubtful accounts)	13,833	11,594	9,658	8,078	4,740
Arrears as a % of total tax levy	3.40%	2.62%	2.31%	1.41%	1.41%
Tax levy as a % of General operating revenue	32.35%	31.24%	29.42%	31.70%	29.07%
Total taxes collected	388,756	361,920	341,921	331,412	309,372

*2016-2018 population figures are based on the 2016 census. 2014 and 2015 population figures were estimated based on the 2011 census population and estimated growth trends.

** Household figure as obtained from Stats Canada 2016 census. 2014 and 2015 population figures were based off the 2011 census.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 11: Major Property Taxpayers in Regina in 2018

Registered Owner	Total Taxable Assessment	% of Total Taxable Assessment
1. Harvard Developments Inc.	340,368	1.19%
2. Consumers' Co-operative Refineries Ltd.	297,565	1.04%
3. HDL Investments Inc.	222,856	0.78%
4. Boardwalk REIT Properties Holdings Ltd.	183,003	0.64%
5. Cornwall Centre Inc	166,712	0.58%
6. SBLP Southland Mall Inc.Cornwall Centre Inc	135,226	0.47%
7. Regina Airport Authority	106,763	0.37%
8. 101143561 Saskatchewan Ltd.	105,675	0.37%
9. Loblaw Properties West Inc.	94,592	0.33%
10. Cornerstone Holdings Ltd.	87,996	0.31%
11. City Centre Equities Inc.	88,270	0.31%
12. Artis Victoria Square Ltd.	77,471	0.27%
13. Westdale Construction Co. Ltd.	72,770	0.25%
14. SGC Holdings Inc.	69,509	0.24%
15. Enbridge Pipelines Inc.	51,597	0.18%
Total	2,100,373	7.33%
Total 2018 taxable assessment	28,545,124	100.00%

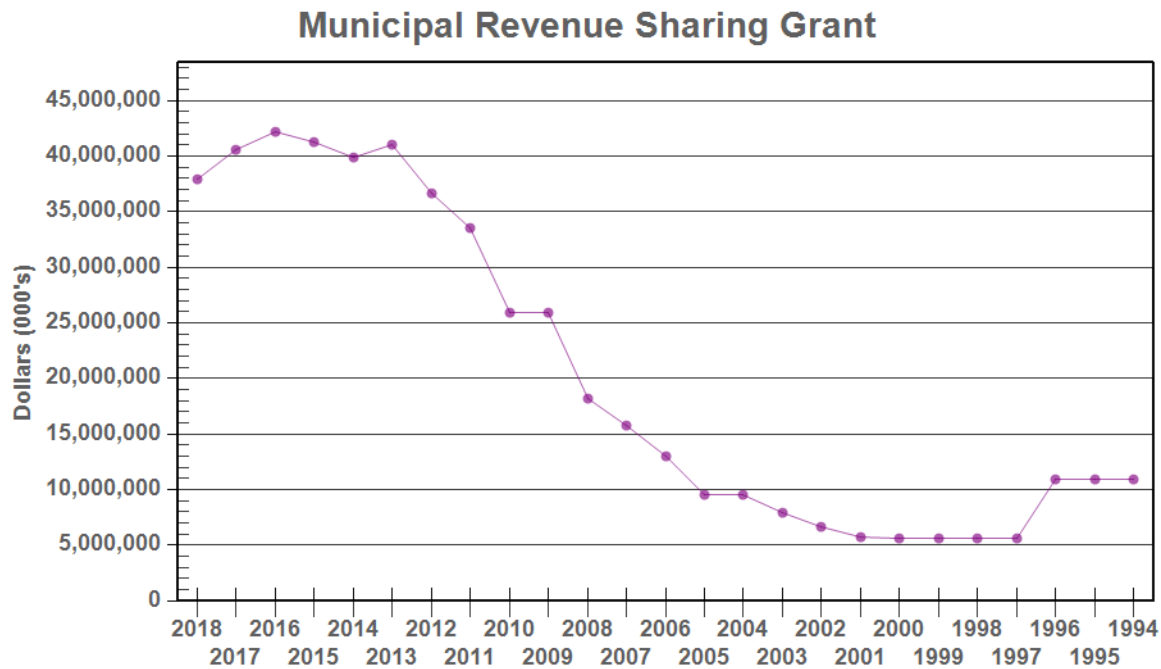
The list of major taxpayers does not include properties where grant or payments in lieu of property tax are paid.

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 1994.

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 \$599.1 million in 2018. The increase in expense was due to an increase in amortization expense for a full year of amortization on the Stadium and Wastewater Treatment Plant. The increase was also due to Interest on Debenture debt for funding these projects.

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

	2018 Budget	2018 Actual	Variance Favourable (Unfavourable)	2017 Actual	Increase (Decrease)
Parks, recreation and community services	155,187	152,056	3,131	146,667	5,389
Police	91,199	89,224	1,975	84,605	4,619
Legislative and administrative services	77,879	76,706	1,173	71,812	4,894
Water, wastewater and drainage	107,764	95,830	11,934	82,036	13,794
Roads and traffic	79,669	67,574	12,095	58,998	8,576
Fire	50,039	46,727	3,312	45,651	1,076
Transit	43,976	44,185	(209)	43,895	290
Waste collection and disposal	24,063	4,390	19,673	23,734	(19,344)
Grants	6,473	4,646	1,827	4,548	98
Planning and development	20,916	17,713	3,203	16,948	765
	657,165	599,051	58,114	578,894	20,157

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

Water, wastewater and drainage expenses were \$13.8 million higher than 2017 due to an increase in project expenditures and amortization for both the City and Buffalo Pound Water Treatment Corporation.

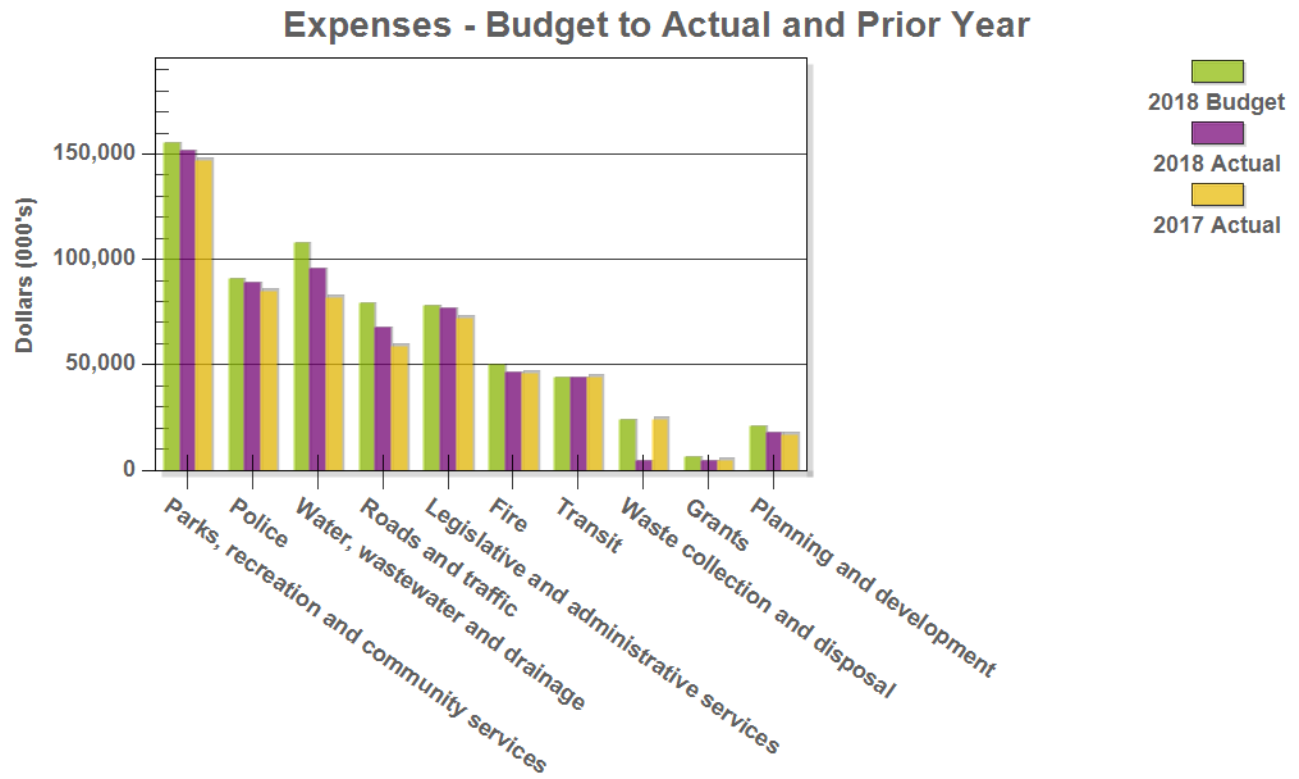
Roads and traffic expense were \$8.6 million higher than 2017 due to delay in the 2017 construction year which pushed construction projects into 2018.

Waste collection and disposal expense decreased \$19.3 million due to a decrease in the landfill liability.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 14: Expenses – Budget to Actual and Prior Year



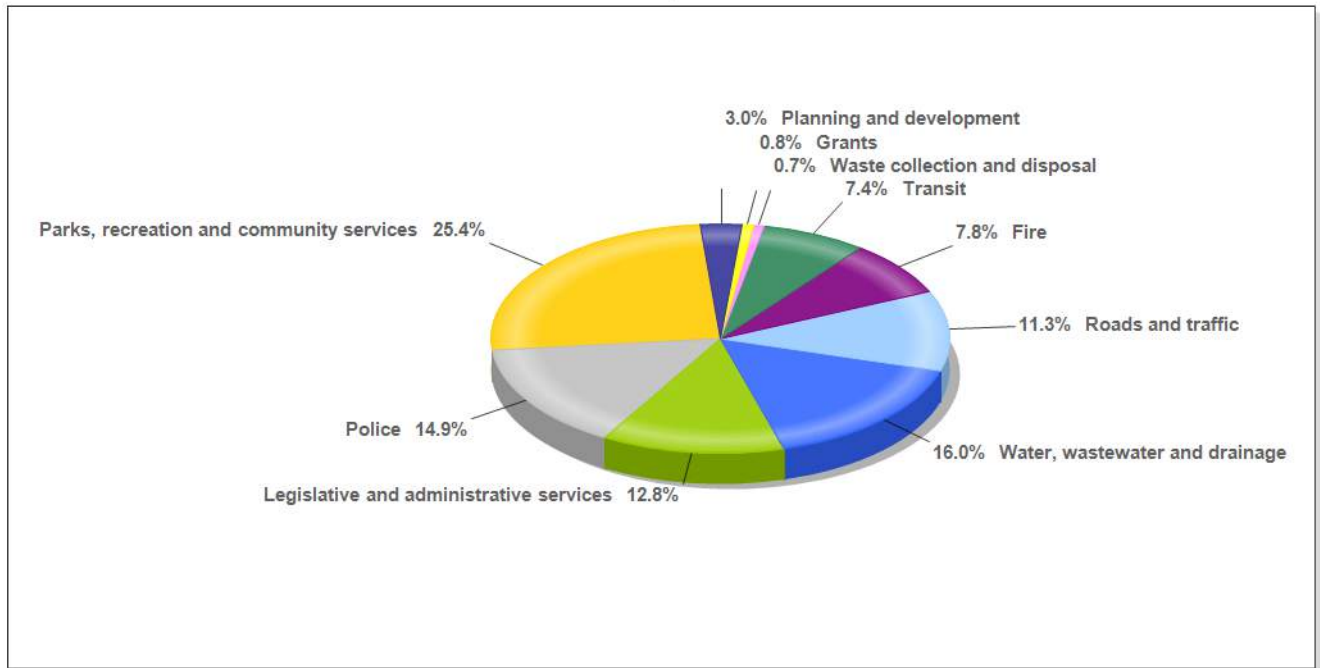
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Of the total expenditures incurred, almost 66.6% is attributed to four areas: Parks, recreation and community services; Police; Legislative and administrative services and water, wastewater and drainage.

Table 15: 2018 Expense by Type

2018 Expenses



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

An analysis of the significant trends in expenses indicate that the City of Regina's expenses have increased by \$65.2 million over the last five years (Table 16). However, the revenue only increased by \$56 million in the past five years, mainly due to capital expenditures increasing significantly for major capital projects, such as Mosaic Stadium. Table 17 provides a graphic representation on the historical expenses by department.

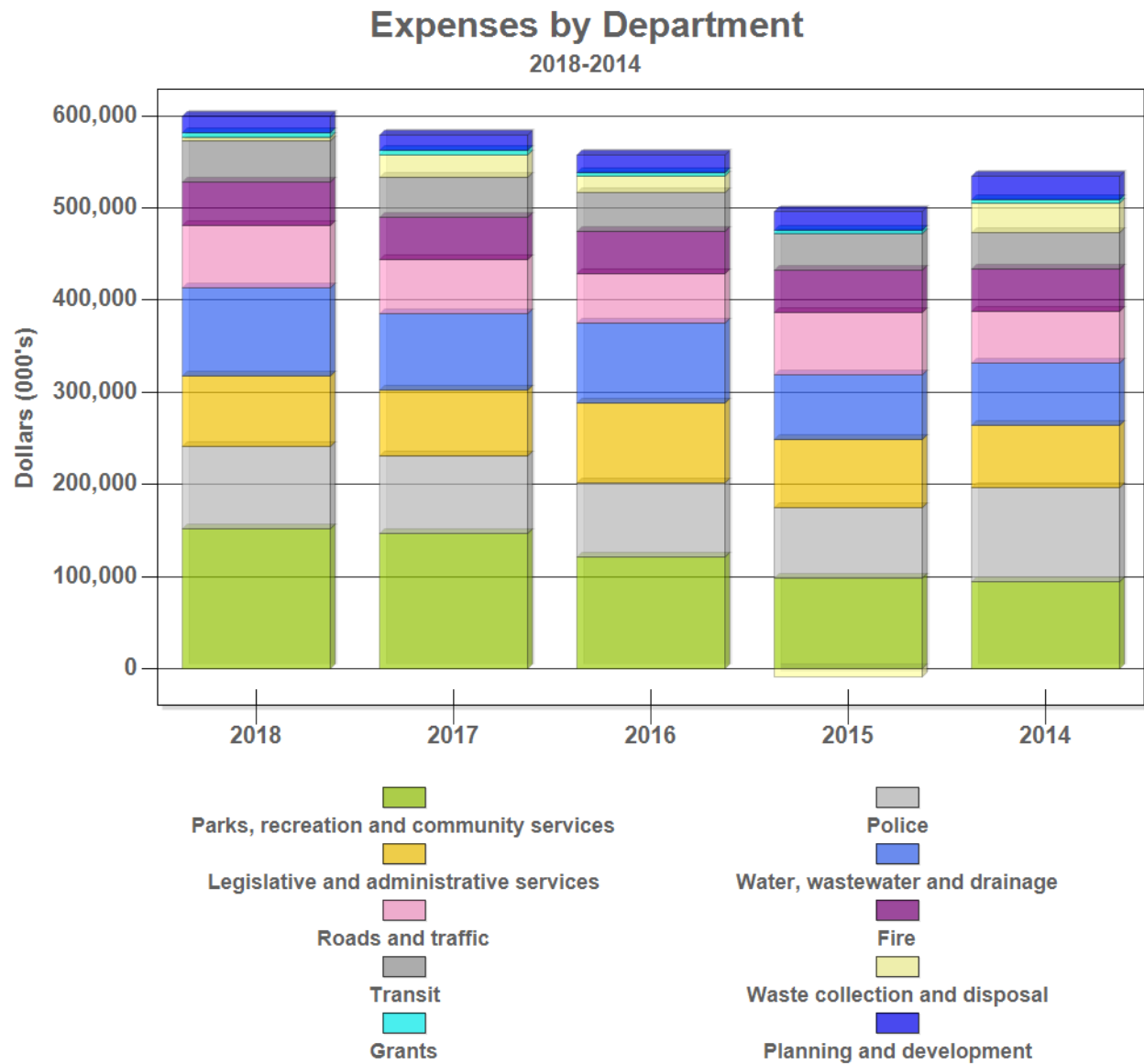
Table 16: Expense Summary (Five Years)

	2018	2017	2016	2015	2014
Parks, recreation and community services	152,056	146,667	121,148	98,529	95,132
Police	89,224	84,605	80,095	76,480	101,740
Legislative and administrative services	76,706	71,812	86,738	73,296	67,742
Water, wastewater and drainage	95,830	82,036	87,518	70,690	66,986
Roads and traffic	67,574	58,998	53,095	68,030	56,642
Fire	46,727	45,651	46,319	46,041	45,912
Transit	44,185	43,895	42,032	39,285	38,482
Waste collection and disposal	4,390	23,734	17,648	(8,128)	32,159
Grants	4,646	4,548	4,051	3,559	3,856
Planning and development	17,713	16,948	18,766	19,739	25,192
Total	599,051	578,894	557,410	487,521	533,843

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 77% 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 2018, wages and benefits made up 46% of the costs and material, supplies and contracted services were 31%. 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 it's related entities in the last five years, including casual staff, is as follows:

2018 - 5,238*
 2017 - 5,471*
 2016 - 5,224*
 2015 - 4,896*
 2014 - 3,840**

* 2015-2018 This represents the number of employees paid during the year by the City of Regina and it's 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.

** 2014 This represents the number of employees paid during the year by the City of Regina and it's related entities, which include: Buffalo Pound, Regina Downtown Business Improvement District, Regina's Warehouse Business Improvement District.

Table 18: Expense by Object

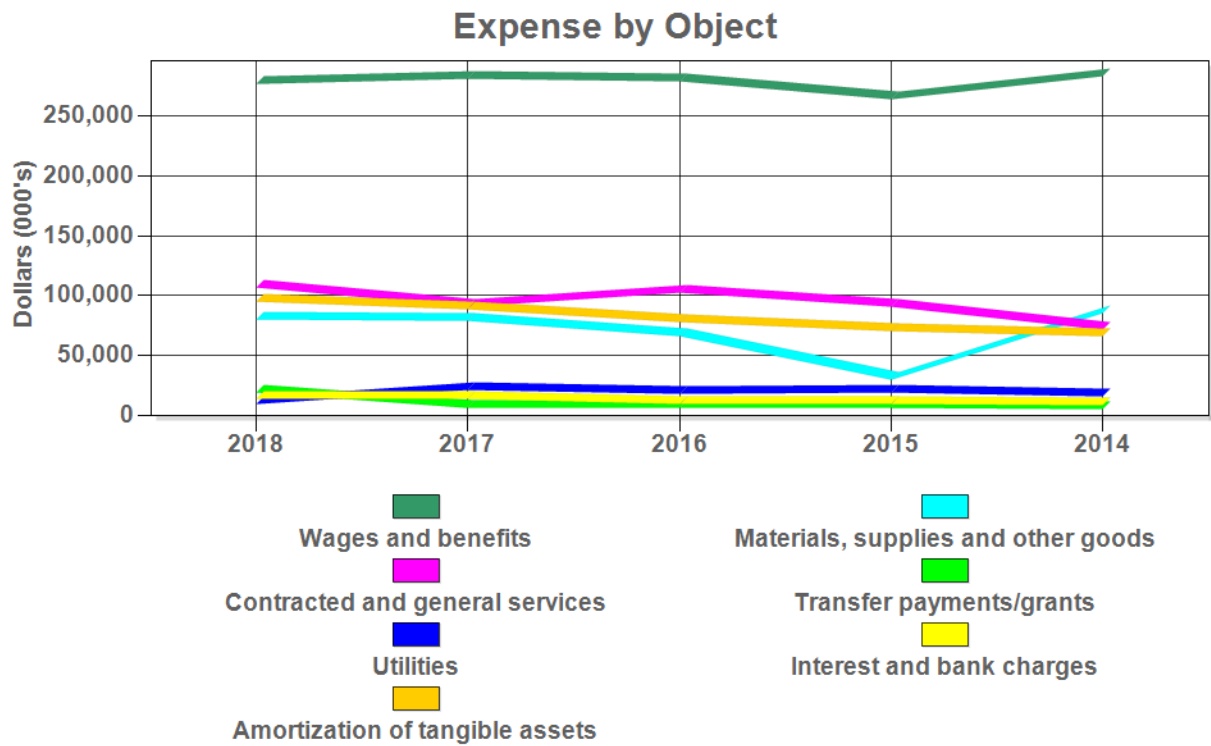
	2018	2017	2016	2015	2014
Wages and benefits	276,772	281,686	279,101	263,796	282,881
Materials, supplies and other goods	79,478	78,734	66,326	29,834	84,794
Contracted and general services	107,025	90,354	101,843	90,106	71,357
Transfer payments/grants	18,311	5,582	5,840	5,775	4,720
Utilities	9,347	20,799	17,407	18,324	15,380
Interest and bank charges	13,418	13,811	9,118	9,342	8,395
Amortization of tangible assets	94,700	87,928	77,775	70,344	66,316
Total	599,051	578,894	557,410	487,521	533,843

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 19 and 20 illustrate total expenses by object.

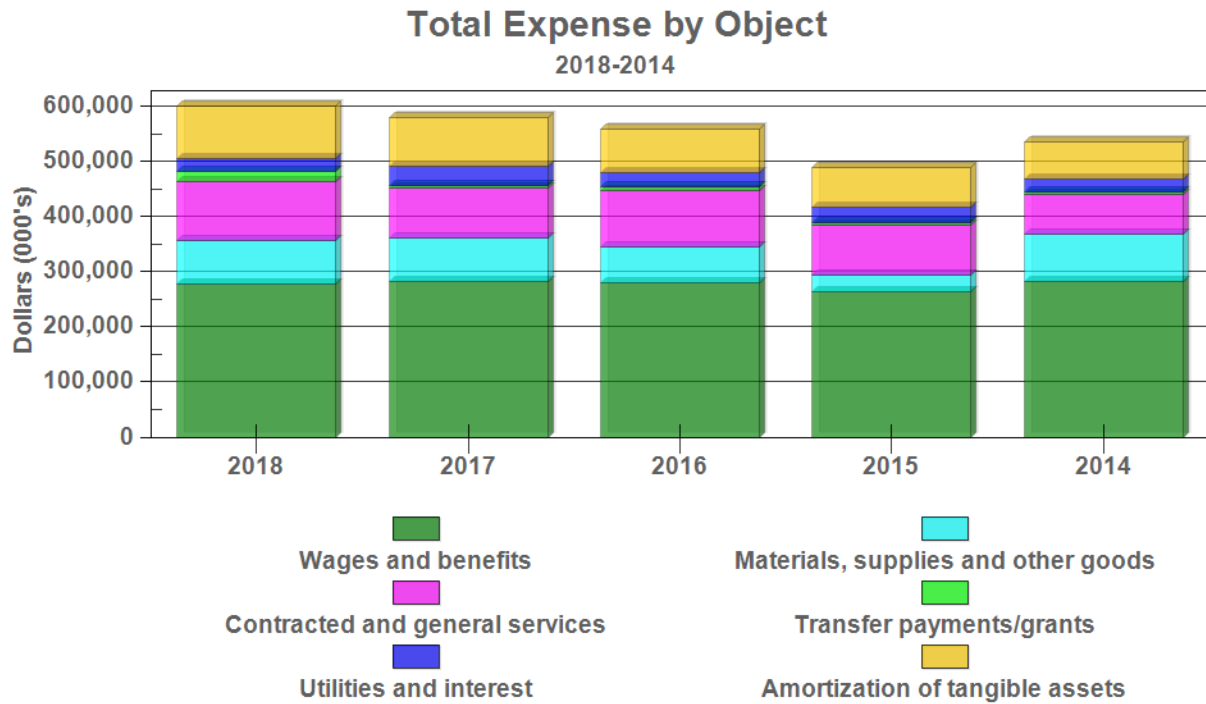
Table 19: Expense by Object



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 Fund

	Budget 2018	Actual 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Revenue						
Government transfers						
Federal	12,578	14,992	54,109	30,053	2,974	9,090
Provincial	11,299	8,507	17,304	22,950	26,820	29,626
Fees and charges	8,996	10,949	-	-	-	-
Servicing agreement fees	-	5,861	7,000	(4,919)	13,798	1,697
Contribution of tangible capital assets	-	38,730	-	-	-	-
Other capital contributions	-	1,368	2,003	49,565	-	-
Other revenues	-	502	1,660	37,369	16,252	1,513
	32,873	80,909	82,076	135,018	59,844	41,926
Expenses	106,952	106,952	105,015	107,701	87,578	64,939
Surplus (Deficit)	(74,079)	(26,043)	(22,939)	27,317	(27,734)	(23,013)

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 2018, the carry forward amount available in the General Capital and Utility Capital funds was \$207.8 million (2017 - \$176.4 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

	2018	2017	2016	2015	2014
Financial assets					
Cash	77,924	137,099	30,678	28,124	28,239
Short-term investments	100,460	20,510	472	271	269
Accounts receivable	73,591	87,225	91,854	42,877	42,940
Taxes receivable	9,563	6,252	5,668	4,884	4,406
Long-term investments	276,092	276,151	339,843	432,679	522,690
Land inventory	30,083	20,391	8,899	329	329
	567,713	547,628	477,414	509,164	598,873
Financial liabilities					
Accounts payable and accrued liabilities	67,026	72,967	69,223	147,331	127,406
Taxes payable to school boards	8,000	7,006	6,998	5,990	6,010
Deferred revenue	74,275	77,208	77,173	44,702	44,234
Capital lease obligations	735	1,135	1,108	1,105	1,280
Long-term debt	317,692	319,635	293,512	271,651	228,087
Employee benefit obligations	66,095	69,679	75,672	78,948	82,221
Landfill closure and post-closure	9,278	28,862	24,650	29,124	57,630
	543,101	576,492	548,336	578,851	546,868
Net financial (debt) assets	24,612	(28,864)	(70,922)	(69,687)	52,005
Non-financial assets					
Tangible capital assets	2,232,502	2,146,267	2,025,785	1,835,703	1,549,388
Materials and supplies	8,072	7,552	7,971	7,802	7,516
Prepaid expense	2,656	5,404	5,978	6,625	2,077
ACCUMULATED SURPLUS	2,267,842	2,130,359	1,968,812	1,780,443	1,610,986
ANNUAL SURPLUS	137,483	161,547	188,369	169,457	146,676

Cash decreased primarily due to a large balance in cash in 2017 with the sale of long-term investments to pay anticipated Waste Water Treatment Plant milestone payment and consolidation of Buffalo Pound Water Treatment Plant.

Short-term investments increased significantly in 2018 due to a prudent decision by Administration to invest funds in short-term investments because, due to market fluctuations, the return on investment overall was more attractive than investments long-term.

Land inventory increased due to the City developing its own land for resale.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 23: City of Regina Long-Term Debt

	2018	2017	2016	2015	2014
Total debt outstanding, beginning of year	319,635	293,512	271,651	228,087	77,200
Debt issued during year	-	33,300	28,015	49,603	200,400
Debt repayments during year	(1,943)	(7,177)	(6,154)	(6,039)	(49,513)
Total debt outstanding, December 31	317,692	319,635	293,512	271,651	228,087
General municipal debt outstanding, end of year	195,612	200,981	206,236	211,484	216,617
Water & Sewer Utility debt outstanding, end of year	7,845	8,752	9,658	10,564	11,470
Wastewater Treatment Plant debt outstanding, end of year	75,186	76,440	77,618	49,603	-
Buffalo Pound Loan Payable	32,447	33,300	-	-	-
REAL	6,602	162	-	-	-
Total debt outstanding	317,692	319,635	293,512	271,651	228,087
Authorized debt limit, December 31	450,000	450,000	450,000	450,000	450,000
Debt per capita (\$)*	1,357	1,385	1,364	1,218	1,049
Debt per household (\$)**	3,328	3,348	3,149	2,975	2,546
Debt per community assessed value	1.11%	1.14%	1.42%	1.38%	1.19%
Debt as a multiple of revenue	43.1%	43.2%	39.4%	41.3%	33.5%

*2016-2018 population figure figured was obtained from the 2016 census. 2014 and 2015 population figures were based off the 2011 census.

** Household figure as obtained from Stats Canada 2016 census. 2014 and 2015 population figures were based off the 2011 census.

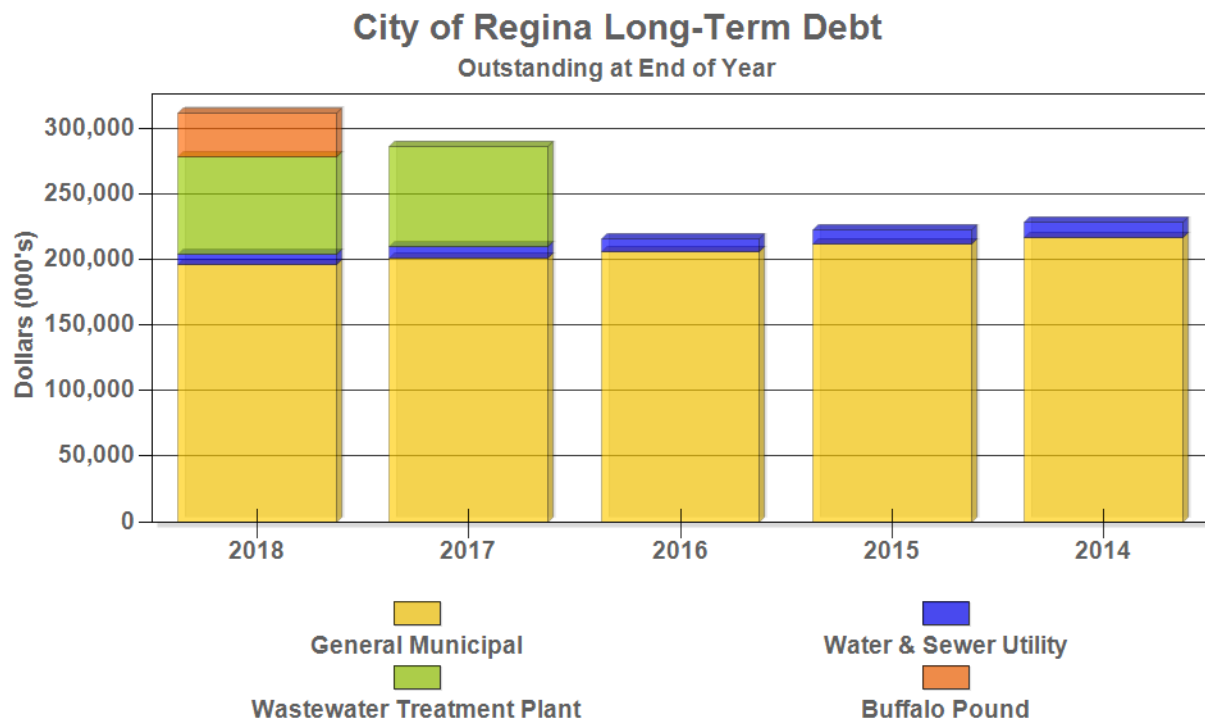
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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, 2018 was \$317.7 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

	2018	2017	2016	2015	2014
General municipal debt					
Principal	5,368	5,214	5,066	4,924	3,652
Interest	8,188	8,410	8,622	8,811	7,392
	13,556	13,624	13,688	13,735	11,044
Water and Sewer Utility					
Principal	906	906	906	906	44,606
Interest	414	456	496	531	1,684
	1,320	1,362	1,402	1,437	46,290
3rd Party					
Principal	2,106	1,178	1,107	-	-
Interest	5,922	4,840	4,911	-	-
	8,028	6,018	6,018	-	-
Total	22,904	21,004	21,108	15,172	57,334
Debt service costs as a % of total expenses	3.8%	3.6%	2.7%	3.1%	10.7%

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Employee Benefit Obligations

Employee benefit obligations include liabilities for pensions, sick and severance, vacation and overtime. The increase in employee benefit obligations from 2014 to 2018 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 deficit of benefit obligation over plan assets by \$39.0 million at December 31, 2018 (2017 - \$47.4 million deficit).

	2018	2017	2016	2015	2014
City of Regina employer contributions	16,062	15,138	14,671	14,548	13,907

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.

	2018	2017	2016	2015	2014
Tangible Capital Assets - Net Book Value	2,232,502	2,146,267	2,025,785	1,835,703	1,549,388

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

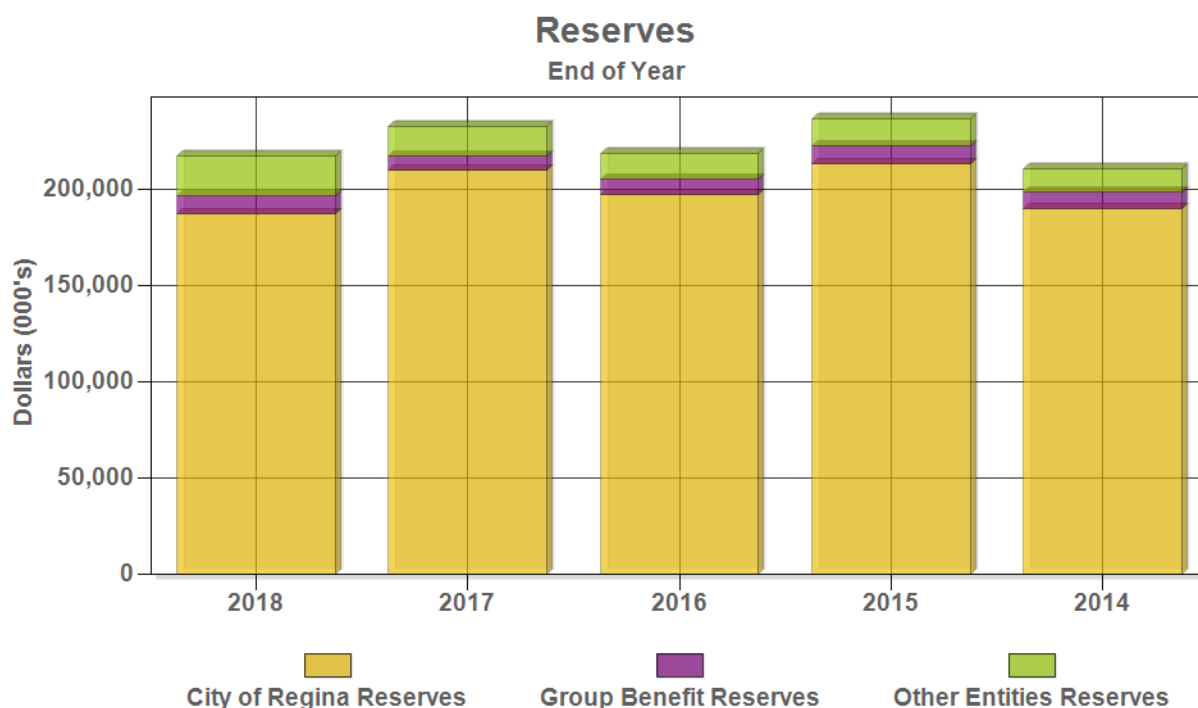
For the Year Ended December 31

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

	2018	2017	2016	2015	2014
Reserves					
City of Regina Reserves	187,738	209,923	197,616	213,733	190,131
Group Benefits Reserves	8,722	7,759	7,732	9,010	8,827
Other Entities Reserves	21,355	15,498	13,416	13,977	11,714
	217,815	233,180	218,764	236,720	210,672



General utility reserve increased by \$8.7 million primarily due to \$1.3 million in Federal Funding received, \$5.5 million in capital funding returned to the reserve and the remainder from the operating surplus and expensed capital projects resulting in \$52.4 million planned capital spending in 2019 budget.

Solid waste reserve decreased by \$2.1 million due primarily to a lower transfer to reserve; \$17.5 million planned spending for 2019 budget.

General fund reserve decreased by \$4.0 million mainly due to funding the purchase of Saskatchewan Transportation Company building in 2018.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Asset revitalization reserve decreased by \$18.9 million with the allocation of \$22.3 million from this reserve to pay for the purchase of Saskatchewan Transportation Company building and street infrastructure renewal projects in 2018.

Winter road maintenance reserve decreased by 5.6 million due to the transfers between the reserves approved by council in 2018.

Land development reserve is in a deficit of \$9.2 million which is much lower than deficit \$17.1 million in 2017 due to the City receiving revenues from Land and Real Estate operation in 2018.

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

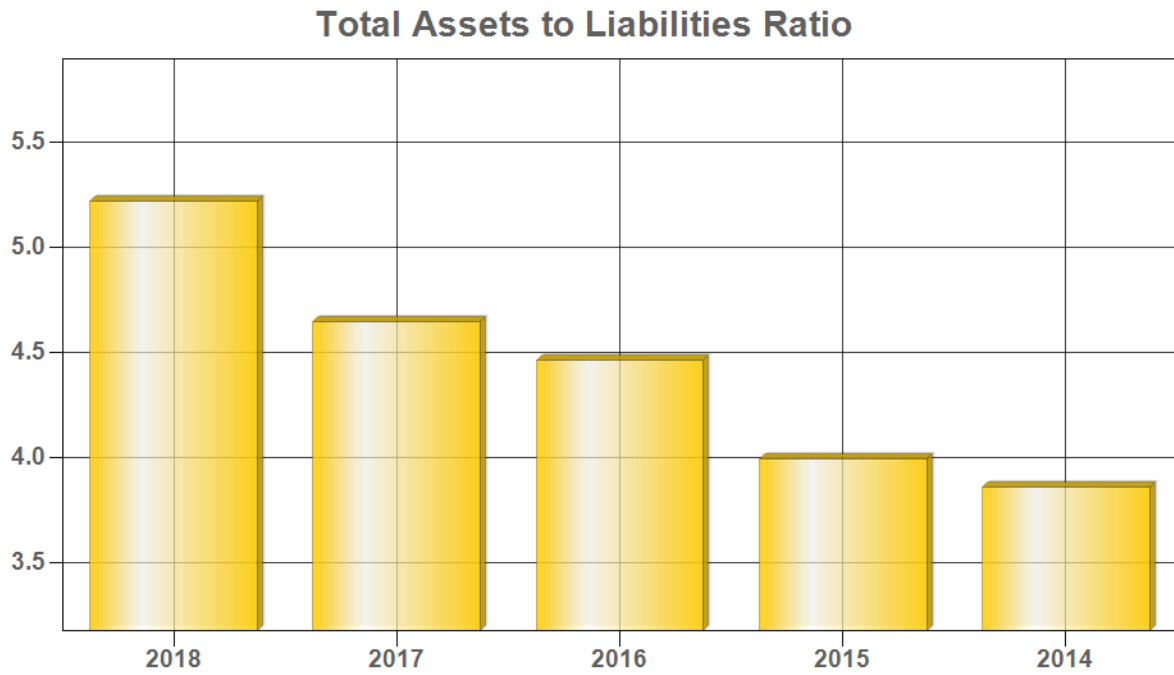
Sustainability is the degree to which a government can maintain its existing programs and meet existing creditor requirements without increasing the relative debt or tax burden on the economy.

The total assets to liabilities ratio has increased from 3.95 to 5.18 from 2014 to 2018 (Table 27). The City's financial assets to liabilities ratio has decreased from 1.10 to 1.04 from 2014 to 2018 (Table 28). A number of large infrastructure renewal projects currently underway have resulted in an increase in overall debt levels but this is consistent with the approved plan.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

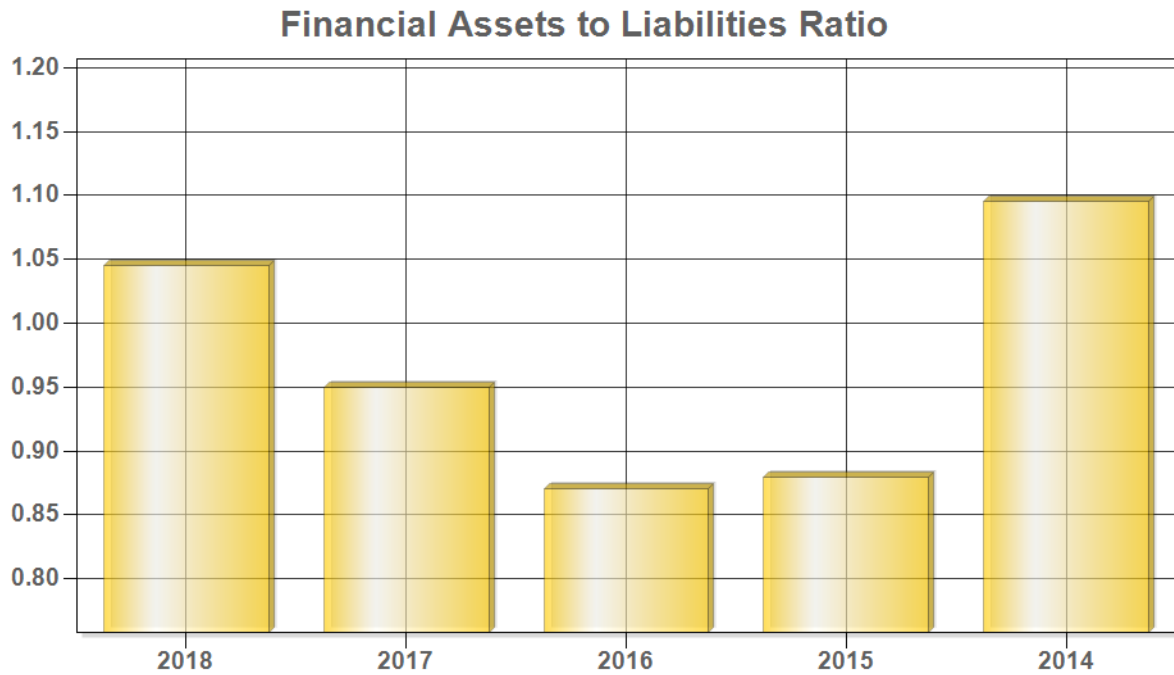
Table 27: Total Assets to Liabilities Ratio



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Table 28: Financial Assets to Liabilities Ratio



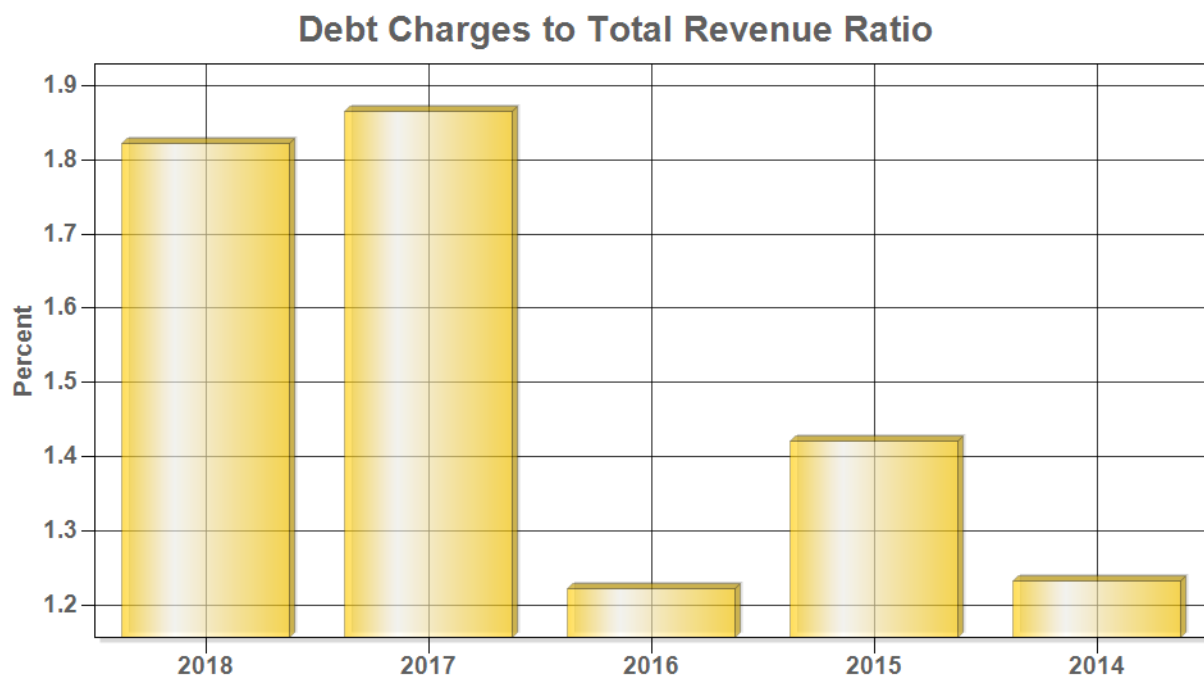
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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



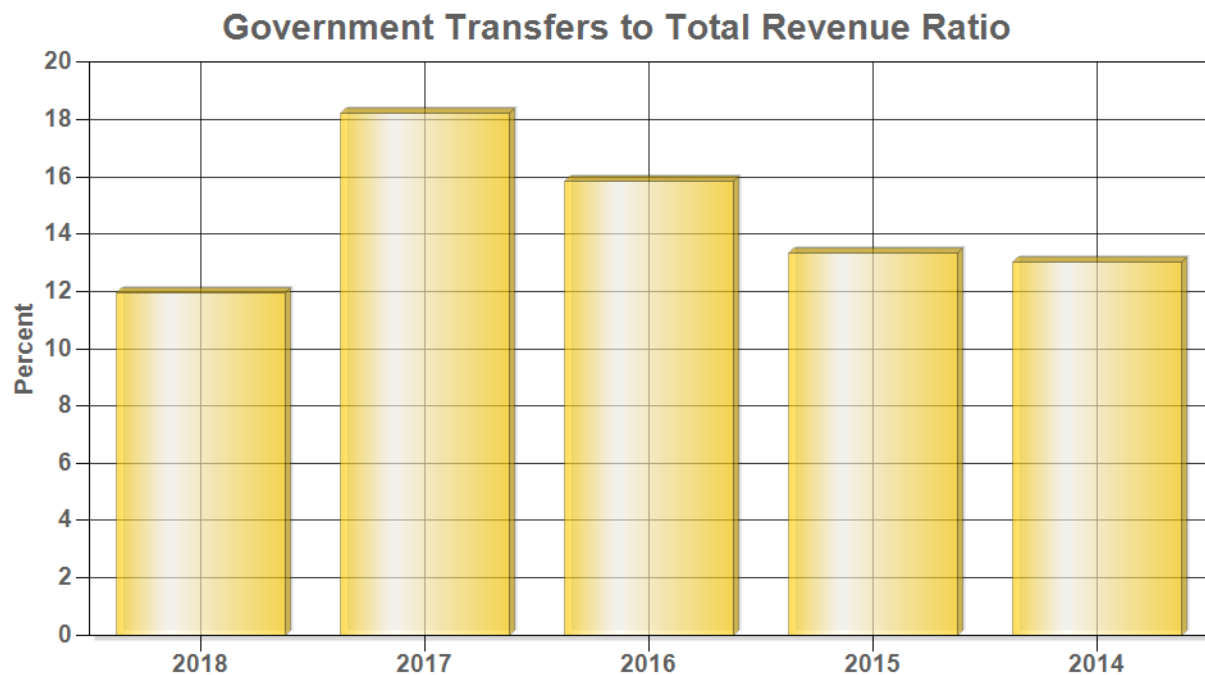
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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 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 2018 was AA+ (Positive). Regina has received this rating since its first one was issued in 1989. 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

Cost of Construction and Sources of Funding \$

Cost

Land	3,300
Site Preparation	24,900
Stadium Construction	239,820
Food & Beverage Equipment	5,233
Broadcast Cabling, Communications Infrastructure & Equipment	925
Ribbon Boards, Scoreboards, Broadcast Control Room & Distributed Displays / Mounts	4,022
Total Cost	278,200

Funded By

City of Regina - Contribution In Kind - Land	3,300
City of Regina - Withdrawal from the General Fund Reserve	2,500
Debt	167,400
Provincial Grant	80,000
Saskatchewan Roughrider Football Club	25,000
Total Funding	278,200

In January 2013, Regina City Council approved a capital commitment of \$278.2 million for the construction of the new Mosaic Stadium (CR13-6). This commitment included the value of the construction contract, site preparation costs and stadium fit out. The construction project was substantially completed on time and on budget on August 31, 2016. After two successful test events, the stadium opened for business July 1, 2017.

In addition to the costs listed above, an additional 0.89 acres of land adjacent to the stadium was purchased by the City of Regina from Canadian Pacific Railway at a cost of \$734,000 (CR13-9). This land was purchased, in part, to provide a utility easement corridor as well as supplemental surface parking and maintenance space. This purchase was funded by a withdrawal from the General fund reserve.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Mosaic Stadium	Additional Food & Beverage Equipment	Tenant Improvements	Information Technology Infrastructure	Broadcast Equipment
Cost of Contributed Assets and Sources of Funding				
Cost				
Food & Beverage Equipment	13,069	-	-	-
Saskatchewan Roughrider Offices, Locker Room and Operational Spaces	-	15,257	-	-
Broadcast Cabling, Communications Infrastructure & Equipment	-	-	7,676	-
Ribbon Boards, Scoreboards, Broadcast Control Room & Distributed Displays / Mounts	-	-	-	3,780
Total Cost	13,069	15,257	7,676	3,780
Funded By				
Regina Exhibition Association Limited	13,069	-	-	-
Saskatchewan Roughrider Football Club	-	15,257	7,676	3,780
Total Funding	13,069	15,257	7,676	3,780

In addition to the assets constructed and procured by the City of Regina, the key stakeholders in the stadium also contributed significant assets that enhanced the stadium's ability to deliver a high-quality customer experience.

The Regina Exhibition Association Limited (REAL) contributed to the supply and installation of the beer distribution system and the completion and fit out of the concession and kitchen spaces. This enabled REAL to ensure patrons were offered a variety of food options and to provide premium food services to suite holders.

The Saskatchewan Roughrider Football Club Inc. (SRFC) paid to outfit their locker room, football operations areas, retail stores and business office spaces resulting in a space that players, coaches and staff are proud to call home. In addition, the SRFC worked with SaskTel to install needed information technology infrastructure, the Maxtron scoreboard and LED lights contributing to a first-class experience for stadium patrons.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Mosaic Stadium		
Operating Results	2017	2018
Revenues		
Property Tax	4,216	5,272
Grant Revenue	1,613	2,144
Tenant Revenue	2,182	2,508
Facility Fees	3,636	3,637
Community Use	98	76
Other Rent	-	600
Interest	575	307
Total Revenues:	12,320	14,544
Expenditures		
Contracted Property Management	6,291	4,740
Utilities	328	1,031
Consulting Services	-	5
Property Tax	42	270
Other	8	64
Total Expenditures:	6,669	6,110
Surplus (Deficit) Before Debt Repayment	5,651	8,434
Debt Repayment - Principal & Interest	11,808	11,437
Net Surplus (Deficit) for the year	(6,157)	(3,003)

The stadium opened for operations July 1, 2017. Consequently, 2018 represents the first full year of operating revenues and expenses.

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. This amount will be adjusted annually 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.

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. The 2017 expenditure includes one-time expenses incurred in support of the test events held at the stadium prior to its opening.

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 million (CM14-1). The term of this loan is 31.5 years with an interest rate of 3.9% per year. The current balance outstanding is \$91.2 million.

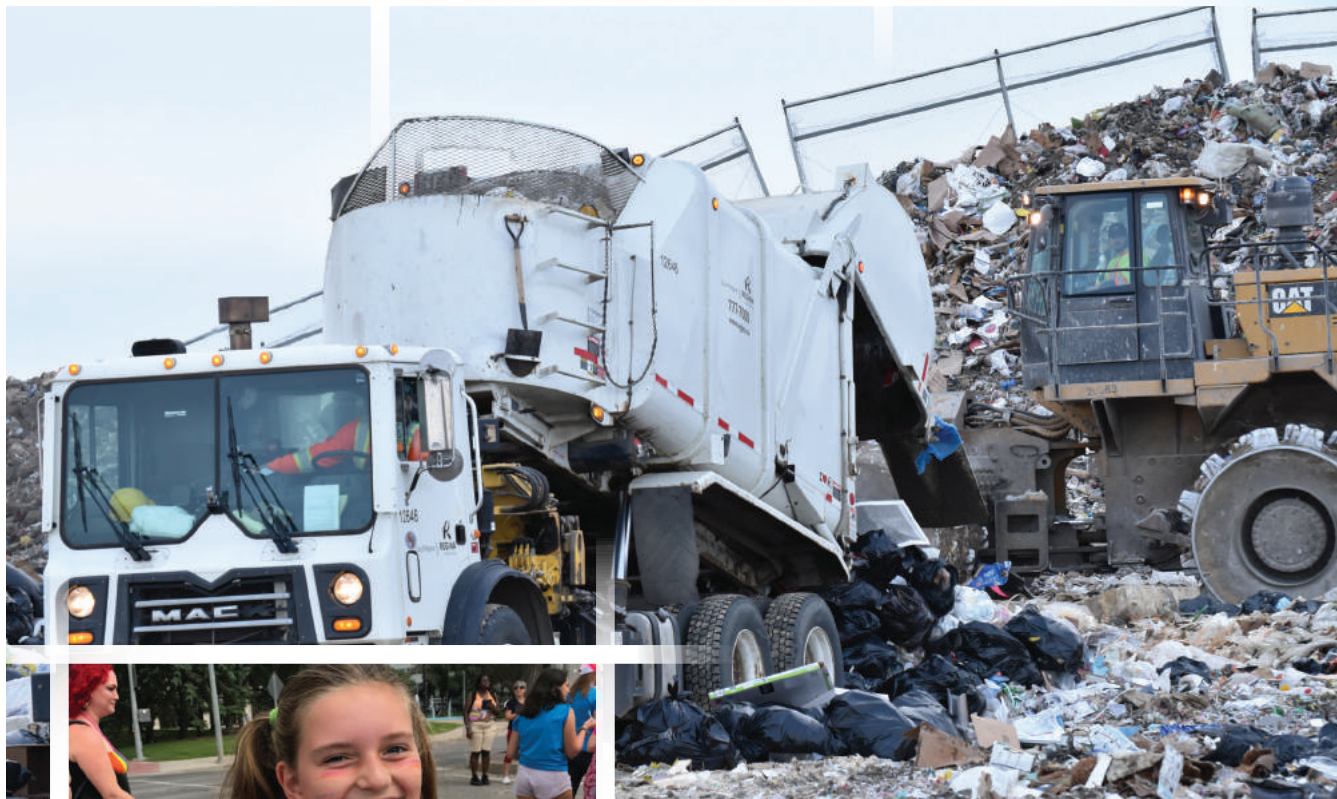
The Canadian Imperial Bank of Commerce provided a loan of \$100.4 million (CR14-45), of which \$67.4 million was used to fund the construction of the stadium and \$33 million was set aside for interim cash flow purposes. The term of this loan is 30 years with an interest rate of 4.1% per year. The current outstanding balance is \$91.9 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 pay 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 annually.

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 of approximately \$30 million. While this estimate is based on the best information available to date, it is an estimate only. Active and diligent management of the stadium's operations will be required to ensure long term financial sustainability.

(This page left blank intentionally)



Consolidated Financial Statements

(This page left blank intentionally)

MANAGEMENT'S REPORT

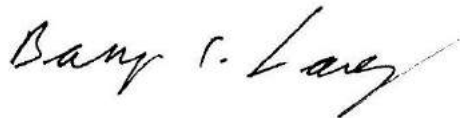
RESPONSIBILITY FOR FINANCIAL REPORTING

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, CP, CA, CMA
Executive Director,
Financial Strategy & Sustainability



Chris Holden
City Manager

May 27, 2019

(This page left blank intentionally)

Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of the City of Regina (the "City") which comprise the consolidated statement of financial position as at December 31, 2018 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 financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2018 and the results of its operations, changes in its net financial assets, and its cash flows for the years then ended in accordance 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 Financial Statement 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 Financial Statement 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 Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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.

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
May 27, 2019

MNP LLP

Chartered Professional Accountants

MNP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

(in thousands of dollars)

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 77,924	\$ 137,099
Short-term investments (Note 3)	100,460	20,510
Accounts receivable (Note 4)	73,591	87,225
Taxes receivable	9,563	6,252
Long-term investments (Note 5)	276,092	276,151
Land inventory (Note 6)	30,083	20,391
	567,713	547,628
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	67,026	72,967
Taxes payable to school boards	8,000	7,006
Deferred revenue (Note 7)	74,275	77,208
Capital lease obligations (Note 8)	735	1,135
Long-term debt (Note 9)	317,692	319,635
Employee benefit obligations (Note 10)	66,095	69,679
Landfill closure and post-closure (Note 11)	9,278	28,862
	543,101	576,492
NET FINANCIAL ASSETS (DEBT)	24,612	(28,864)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12) (Schedule 3)	2,232,502	2,146,267
Materials and supplies	8,072	7,552
Prepaid	2,656	5,404
ACCUMULATED SURPLUS (Note 13)	\$ 2,267,842	\$ 2,130,359

*Commitments and contingent liabilities (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
	2018	2018	2017
REVENUE			
Taxation (Note 15)	\$ 258,046	\$ 260,358	\$ 252,165
Fees and charges	271,900	271,349	241,665
Government transfers (Note 16)	61,364	88,016	134,965
Electrical distribution	31,010	27,893	26,534
Licenses, fines and levies	13,646	13,970	14,542
Gas distribution	2,478	3,190	5,975
Interest and penalties	8,759	5,211	2,810
Interest on long term investments	-	7,769	10,351
Loss on long term investments	5	(8,128)	(4,145)
Servicing agreement fees	1,257	9,758	13,847
Land sales	3,503	3,769	5,408
Other	10,432	8,863	8,271
Contribution of tangible capital assets (Note 12)	-	43,148	26,050
Other capital contributions	-	1,368	2,003
	662,400	736,534	740,441
EXPENSES			
Parks, recreation and community services	155,187	152,056	146,667
Police	91,199	89,224	84,605
Legislative and administrative services	77,879	76,706	71,812
Water, wastewater and drainage	107,764	95,830	82,036
Roads and traffic	79,669	67,574	58,998
Fire	50,039	46,727	45,651
Transit	43,976	44,185	43,895
Waste collection and disposal	24,063	4,390	23,734
Grants	6,473	4,646	4,548
Planning and development	20,916	17,713	16,948
	657,165	599,051	578,894
ANNUAL SURPLUS	5,235	137,483	161,547
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	2,130,359	1,968,812
ACCUMULATED SURPLUS, END OF YEAR	\$ 5,235	\$ 2,267,842	\$ 2,130,359

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
	2018	2018	2017
Annual surplus	\$ 5,235	\$ 137,483	\$ 161,547
Acquisition of tangible capital assets	-	(191,554)	(221,544)
Amortization of tangible capital assets	-	94,700	87,928
Proceeds on disposal of tangible capital assets	-	1,317	1,040
Loss on disposal of tangible capital assets	-	9,302	12,094
	-	(86,235)	(120,482)
Net change in materials and supplies	-	(520)	419
Net change in prepaid	-	2,748	574
	-	2,228	993
Increase in net financial assets	5,235	53,476	42,058
NET FINANCIAL DEBT, BEGINNING OF YEAR	(28,864)	(28,864)	(70,922)
NET FINANCIAL ASSETS, END OF YEAR	\$ (23,629)	\$ 24,612	\$ (28,864)

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31

(in thousands of dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Annual surplus	\$ 137,483	\$ 161,547
Non-cash items		
Amortization of tangible capital assets	94,700	87,928
Loss on disposal of tangible capital assets	9,302	12,094
Contribution of tangible capital assets	(43,148)	(26,050)
Loss on portfolio investments	8,128	4,145
Net change in non-cash working capital balances		
Decrease in accounts receivable	13,634	4,629
Increase in taxes receivable	(3,311)	(584)
(Decrease) increase in accounts payable and accrued liabilities	(5,941)	3,744
Increase in taxes payable to school boards	994	8
(Decrease) increase in deferred revenue	(2,933)	35
Decrease in employee benefit obligations	(3,584)	(5,993)
(Decrease) increase in landfill closure and post-closure liability	(19,584)	4,212
Increase in land inventory	(9,692)	(11,492)
(Decrease) increase in materials and supplies	(520)	419
Decrease in prepaid	2,748	574
	178,276	235,216
CASH FLOWS USED IN CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	(148,255)	(194,951)
Proceeds on disposal of tangible capital assets	1,317	1,040
	(146,938)	(193,911)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of short-term investments	(79,950)	(20,038)
(Purchase) sale of long-term investments	(8,069)	59,547
	(88,019)	39,509
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Debt issued	9,414	33,300
Repayment of long-term debt	(11,357)	(7,177)
Repayment of capital lease obligations	(551)	(516)
	(2,494)	25,607
(DECREASE) INCREASE IN CASH	(59,175)	106,421
CASH, BEGINNING OF YEAR	137,099	30,678
CASH, END OF YEAR	\$ 77,924	\$ 137,099

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 21.59% (2017 - 21.75%) 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 16). 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Employee benefit plans (Continued)

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.

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	10 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

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 (Continued)

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.

j. Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on February 27, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Effective January 1, 2018, the City adopted the recommendations relating to the following sections, as set out in the CPA Canada Accounting Handbook:

PS 2200, Related Party Disclosures

PS 3210, Assets

PS 3320, Contingent Assets

PS 3380, Contractual Rights

PS 3420, Inter-entity Transactions

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

Standards and amendments effective for financial statements on or after April 1, 2018:

PS 3430, Restructuring Transactions

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

PS 1201, Financial Statement Presentation

PS 2601, Financial Currency Translation

PS 3041, Portfolio Investments

PS 3450, Financial Instruments

The extent of the impact on adoption of these standards is not known at this time.

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 1.91% (2017 - 1.51%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

4. ACCOUNTS RECEIVABLE

	2018	2017
Trade and other receivable	56,086	65,890
Water and sewer receivable	17,447	16,574
Government transfers receivable	58	4,761
	73,591	87,225

The allowance included in accounts receivable for 2018 is \$2,320 (2017 - \$2,246).

5. LONG-TERM INVESTMENTS

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

	Carrying Value		Fair Value	
	2018	2017	2018	2017
Pooled bond fund	276,092	276,151	271,657	267,992

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 average yield earned from investments was 2.91% (2017 - 3.03%).

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.

	2018	2017
Land held for re-sale	30,083	19,763
Long-term inventory	-	628
	30,083	20,391

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

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

	December 31, 2017	Externally restricted inflows	Revenue earned	December 31, 2018
Servicing agreement fees	54,754	7,601	(5,613)	56,742
Property taxes	773	1,054	(928)	899
Paved alleys	2,187	253	(203)	2,237
Gravel alleys	828	-	(203)	625
Cemetery internments	674	27	-	701
REAL	2,783	-	(1,515)	1,268
Other	15,209	-	(3,406)	11,803
	77,208	8,935	(11,868)	74,275

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:

2019	392
2020	209
2021	117
2022	13
2023	4
	735

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 \$203,458 (2017 - \$209,733) 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 Waste Water 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 \$75,185 (2017 - \$76,440) 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.

	2018	2017
City of Regina unsecured debentures and loan		
Operating fund	195,612	200,981
Utility fund	7,846	8,752
WWTP debt - long-term	75,185	76,440
BPWTC term loan	32,447	33,300
REAL debt - long term	6,602	162
Total debt	317,692	319,635
Authorized debt limit	450,000	450,000
Interest rates	3.46-5.00%	0.95-6.46%
Interest costs for year	14,524	13,771

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, 2018, 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.

The long-term debt is repayable as follows:

2019	27,972
2020	7,908
2021	8,198
2022	8,478
2023-2044	265,136
	317,692

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 2018	Total 2017
Defined benefit pension plans		
Regina Police Superannuation and Benefits Plan	18,985	20,233
RPPP Supplemental Pension Plan	3,428	3,437
Target Retirement Income Plan	(7,723)	(6,284)
	14,690	17,386
Other benefit plans		
Termination payments	23,377	23,679
Continuation of group life, medical and dental benefits	8,222	9,098
	31,599	32,777
Other plans and arrangements		
Vacation	15,134	14,770
Overtime	4,231	4,307
Group life, medical and dental plans	441	439
	19,806	19,516
	66,095	69,679

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 2018	Total 2017
Fair value of plan assets, beginning of year	37,338	319,770	-	357,108	330,581
Employees' contributions	5,522	-	-	5,522	5,340
Employer contributions	5,454	3,859	-	9,313	8,955
Actual return on plan assets	(1,864)	2,443	-	579	30,574
Less benefits paid	(481)	(18,851)	-	(19,332)	(18,342)
Fair value of plan assets, end of year	45,969	307,221	-	353,190	357,108
Accrued benefit obligation, beginning of year	32,930	350,915	3,437	387,282	347,983
Current period benefit cost	9,689	-	-	9,689	8,865
Interest on accrued benefit obligation	2,365	20,489	200	23,054	23,258
Actuarial loss	-	-	-	-	25,701
Less benefits paid	(481)	(18,851)	(209)	(19,541)	(18,525)
Accrued benefit obligation, end of year	44,503	352,553	3,428	400,484	387,282
Funded status, plan surplus (deficit)	1,466	(45,332)	(3,428)	(47,294)	(30,174)
Unamortized net actuarial loss (gain)	6,257	26,347	-	32,604	12,788
Accrued benefit asset (liability)	7,723	(18,985)	(3,428)	(14,690)	(17,386)

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 2018	Total 2017
Current period benefit cost	9,689	-	-	9,689	8,865
Amortization of actuarial (gain) loss	166	869	58	1,093	(406)
Employee contributions	(5,522)	-	-	(5,522)	(5,340)
Interest expense	2,365	20,489	200	23,054	23,258
Expected return (deficit) on plan assets	(2,683)	(18,737)	-	(21,420)	(18,499)
Change in valuation allowance	(2,942)	-	-	(2,942)	1,986
Benefit expense	1,073	2,621	258	3,952	9,864

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, 2017	Dec 31, 2017	Dec 31, 2017
Discount rate (%)	6.3	6.0	6
Inflation rate (%)	2.25	2.25	2.25
Long term return rate on plan assets (%)	6.3	6.0	n/a
Rate of compensation increase (%)	2.75	2.75	2.75
Expected average remaining service years	12.4	11.6	11.6
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 \$5,176 (2017 - \$4,905). 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 2018	Total 2017
Accrued benefit obligation, beginning of year	22,608	832	9,098	32,538	34,362
Current period benefit cost	1,732	56	1,083	2,871	2,992
Interest on accrued benefit obligation	653	23	245	921	777
Actuarial gain	(622)	(10)	(1,132)	(1,764)	(2,434)
Less benefits paid	(1,998)	(109)	(1,072)	(3,179)	(2,957)
Unamortized net actuarial loss	-	212	-	212	37
Accrued benefit liability - unfunded	22,373	1,004	8,222	31,599	32,777
Current period benefit cost	1,732	56	-	1,788	1,913
Amortization of actuarial loss (gain)	217	(37)	-	180	373
Interest expense	653	23	-	676	517
Benefit expense	2,602	42	-	2,644	2,803

	AON	AON	Mercer
Date of most recent valuation	Dec 31, 2017	Dec 31, 2017	Dec 31, 2017
Discount rate (%)	3.1	2.8	2.0-3.4
Rate of compensation increase (%)	2.75-4.65	2.75-3.65	2.2
Expected average remaining service years	10-13	10-13	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 2018	Total 2017
Benefit expense	15,536	703	16,239	15,319
(Deficit) surplus of plan assets over benefit obligation per plan financial statements	(38,997)	32,087	(6,910)	77,712
Contribution rate as a percentage of salary:				
Members	7.8 - 13.1%	0.46%		
Employers	8.8 - 14.6%	0.46%		
City employee contributions	14,389	649	15,038	14,185
Date of most recent actuarial valuation	Dec 31, 2016	Dec 31, 2016		

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, 2014 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, 2014 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.

	2018	2017
Casual employee members' contribution rate	3.00%	3.00%
Elected official members' contribution rate	6.95%	6.95%
Members' contributions	343	333
Benefit expense	343	333

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.

	2018	2017
Estimated closure and post-closure costs over 40 years after capacity is reached	52,625	57,135
Discount rate	4.02%	3.40%
Expected year capacity will be reached	2043	2030
Capacity (m3):		
Used to date	11,361,615	11,580,162
Remaining	10,714,364	2,913,963
Total	22,075,979	14,494,125
Percent utilized	51.47%	79.90%
Landfill liability	9,278	28,862

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.

During the year the City purchased land which increased the capacity of the landfill. A drone survey was completed in 2018 which provided better information than previously available; this improved information along with a change in interest rate contributed to a significant decrease in the liability.

The labour & material payment bond protects the owner from a general contractor not paying their subcontractors or material suppliers. The bonding company would pay any unpaid subcontractors or material suppliers up to the value of the bond.

Builder's Lien Holdback - A provincial act requires that the City withhold payment each progress certificate for 45 days. Similar to the Labour & Material Payment Bond, the intent is to protect subcontractors and material suppliers who do not get paid by the general contractor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

11. LANDFILL CLOSURE AND POST-CLOSURE (CONTINUED)

Deficiency Holdback - The City contract provides the right for the owner to withhold payment for deficient work. Typically the holdback is not released until the deficiency is corrected and in some case's will not be released if the contractor decides to not complete the work.

Insurance - The City contract requires the general contractor to have insurance jointly in the name of the City for each project. The City has fairly significant general requirements for all contracts and include special insurance requirements for unique projects such as environmental insurance for environment selective projects.

12. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2018	2017
General		
Land	140,459	126,378
Land improvements	88,196	71,597
Buildings and building improvements	436,904	441,658
Vehicles and equipment	175,163	175,088
Office and information technology	15,900	19,428
Infrastructure		
Plants and facilities	365,282	368,800
Roads	403,416	373,504
Underground and other networks	516,297	483,922
Bridges and other structures	36,841	32,072
	2,178,458	2,092,447
Assets under construction	54,044	53,820
	2,232,502	2,146,267

During the year write downs of assets were \$nil (2017 - \$nil). In addition, tangible capital assets contributed to the City totalled \$43,148 (2017 - \$26,050), which were capitalized and recorded as revenue at their fair value at the time of receipt. The breakdown of contributed assets is as follows:

	2018	2017
Land	15,167	6,594
Land improvement	3,580	4,868
Roads	19,406	9,937
Underground networks	4,418	4,347
Vehicles and equipment	577	304
	43,148	26,050

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.

	2018	2017
Unappropriated surplus:		
Regina Downtown Business Improvement District	150	157
Economic Development Regina Inc.	71	15
Regina Public Library Board	2,450	1,817
Regina's Warehouse Business Improvement District	68	75
The Regina Exhibition Association Limited	(2,765)	(7,179)
Buffalo Pound Water Treatment Corporation	775	758
Tangible capital assets	2,232,502	2,146,267
Appropriated surplus:		
General capital projects	132,411	102,528
Utility capital projects	75,397	73,586
Buffalo Pound capital projects	32,447	33,300
Reserves (Note 14)	217,815	233,180
Infrastructure to be funded from future servicing agreement fees:		
Water, wastewater and drainage	(28,083)	(34,834)
Obligations to be funded from future revenues:		
Long-term debt (Note 9)	(317,692)	(319,635)
Employee benefit obligations (Note 10)	(66,095)	(69,679)
Landfill closure and post-closure (Note 11)	(9,278)	(28,862)
Capital lease obligations (Note 8)	(735)	(1,135)
Bank indebtedness	(1,596)	-
Accumulated surplus	2,267,842	2,130,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

14. RESERVES

	2018	2017
City of Regina reserves:		
General utility reserve	102,834	94,143
Facility reserve	-	260
General fund reserve	23,499	27,464
Solid waste reserve	39,314	41,382
Regina revitalization initiative - stadium reserve	(1,362)	6,441
Land development reserve	(9,224)	(17,143)
Asset revitalization reserve	1,099	19,988
Equipment replacement reserve	11,157	10,137
Social development reserve	8,958	7,638
Operational commitments reserve	642	642
Planning & sustainability reserve	1,532	3,826
Winter road maintenance reserve	3,100	8,690
Regina Police Service general reserve	630	403
Asphalt reserve	1,345	2,078
Grants reserve	369	284
Golf course reserve	100	2
Technology reserve	798	792
Employer provided parking reserve	2,269	1,712
Cemetery reserve	384	446
Pest management reserve	-	520
Regina Police Service radio equipment reserve	294	218
	187,738	209,923
Group Benefits reserves:		
Group life insurance reserve	5,176	4,905
Dental benefits reserve	2,180	1,945
Medical - City of Regina reserve	1,068	633
Police services premium reduction reserve	263	214
Police long-term disability reserve	35	62
	8,722	7,759
Other Entities reserves:		
Regina Public Library reserves	11,916	10,589
Buffalo Pound Water Treatment Corporation/Administration Board	8,503	4,017
Regina Downtown Business Improvement District reserve	435	285
Regina's Warehouse Business Improvement District infrastructure reserve	174	280
Economic Development Regina	327	327
	21,355	15,498
	217,815	233,180

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

15. TAXATION

	Budget (Note 1j)	Actual	Actual
	2018	2018	2017
Total taxation revenue levied	-	406,433	394,436
Taxes levied on behalf of others:			
Regina School Division No. 4	-	(99,455)	(97,013)
Global Transportation Hub Authority	-	(2,435)	(1,916)
Regina Roman Catholic Separate School Division No. 81	-	(44,185)	(43,342)
Taxation revenue	258,046	260,358	252,165
City of Regina			
Municipal levies	219,436	220,562	205,704
Grants in lieu	13,378	14,851	20,413
Supplementary taxes	1,600	1,730	1,684
Other	355	(266)	2,216
	234,769	236,877	230,017
Regina Public Library			
Taxation levies	20,479	20,742	19,440
Grants in lieu	1,429	1,348	1,379
	21,908	22,090	20,819
Regina Downtown Business Improvement District levies	1,089	1,131	1,081
Regina's Warehouse Business Improvement District levies	280	260	248
	258,046	260,358	252,165

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, 2018, the following amounts are reflected in the Consolidated Statement of Financial Position for these provisions:

	2018	2017
Allowance for doubtful outstanding taxes netted against taxes receivable	5,998	4,892
Provision for assessment appeals included in accounts payable	6,729	5,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

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

	Budget (Note 1j)	Actual	Actual
	2018	2018	2017
Operating transfers			
Federal	126	721	169
Provincial	47,969	51,069	52,888
	48,095	51,790	53,057
Capital transfers			
Federal	12,578	18,635	13,162
Provincial	691	17,591	68,746
	13,269	36,226	81,908
	61,364	88,016	134,965

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, 2018 in thousands of dollars. There are no known contractual obligations or contingencies as at December 31, 2018. These amounts represent 100% of the financial position and activities:

	2018	2017
Financial assets	59,093	53,005
Financial liabilities	46,654	46,711
Net financial assets	12,439	6,294
Inventory	-	159
Tangible capital assets	52,969	39,034
Accumulated surplus	65,408	45,487
Statement of Operations		
Revenue	34,990	55,524
Expenses	14,969	12,503
Annual surplus	20,021	43,021
Accumulated surplus, beginning of year	45,487	2,466
Accumulated surplus, end of year	65,508	45,487

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:

	2018	2017
Statement of Financial Position		
Financial assets	44,081	39,967
Financial liabilities	34,500	34,532
Non-financial assets	39,271	29,003
Net assets	48,852	34,438
Statement of Operations		
Revenue	2,943	2,018
Expenses	10,974	9,057
Annual deficit	(8,031)	(7,039)

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:

	2018	2017
Tangible Capital Assets	36,450	35,515

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:

	2018	2017
Tangible Capital Assets	9,896	9,642

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:

	2018	2017
Perpetual Care Trust	2,665	2,654
Williamson Driver Award	5	5
	2,670	2,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

19. CONTRACTUAL RIGHTS

1) Saskatchewan Roughrider Football Club Inc. Lease Agreement

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

2) BPWTC - New Building Canada Fund

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

20. CONTRACTUAL OBLIGATIONS

1) Wastewater Treatment Plant

As at December 31, 2018, the expected commitment related to the Wastewater Treatment Plant is \$249,335. 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
2019	13,256
2020	10,244
2021	9,965
2022	13,102
2023 through 2044	202,768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

2) māmawêyatitân centre Development Agreement

The agreement is 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% and based on that have authorized a maximum contribution of \$11,300. As at December 31, 2018 the total contributed was \$10,509 (2017 - \$10,132).

3) Taylor Field Neighbourhood

This project relates to the development of the area where the former Mosaic Stadium was located. The stadium was decommissioned in 2017.

4) Railyard Renewal

This project relates to the development of the old CP Railyard.

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.

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. City Services

City Services includes Service Regina, Regina Revitalization Initiative, Wastewater Treatment Plant Upgrade, Project Support Office, Community Services, Parks & Open Space and Transit services provide external customer services to public residents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

21. SEGMENTED INFORMATION (CONTINUED)

b. Transportation and Utilities

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

c. Planning and Development

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

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.

e. Corporate Services

Corporate Services provides support to both internal and external customers, enabling City Operations to maximize effectiveness and potential. Corporate Services includes Finance, Information Technology Services, Human Resources, Fleet Services, Strategy Management and Facilities Management Services.

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. COMPARATIVE FIGURES

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

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION**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	237,507	-	-	-	237,507
Fees and charges	81,253	139,606	10,949	1,341	233,149
Government transfers	51,675	-	23,499	6,634	81,808
Electrical distribution	27,893	-	-	-	27,893
Licenses, fines and levies	13,970	-	-	-	13,970
Gas distribution	3,190	-	-	-	3,190
Interest and penalties	4,336	212	-	-	4,548
Interest on long term investments	7,769	-	-	-	7,769
Loss on long term investments	(8,128)	-	-	-	(8,128)
Servicing agreement fees	1,033	-	5,861	2,864	9,758
Land sales	3,769	-	-	-	3,769
Other	5,043	256	502	441	6,242
Contribution of tangible capital assets	-	-	38,730	4,418	43,148
Other capital contributions	-	-	1,368	-	1,368
	429,310	140,074	80,909	15,698	665,991
EXPENSES					
Parks, recreation and community services	59,744	-	10,611	-	70,355
Police	85,442	-	584	-	86,026
Legislative and administrative services	52,507	-	11,072	-	63,579
Water, wastewater and drainage	-	64,995	1	22,979	87,975
Roads and traffic	22,794	-	18,461	-	41,255
Fire	45,285	-	54	-	45,339
Transit	38,190	-	550	-	38,740
Waste collection and disposal	2,173	-	893	-	3,066
Grants	6,367	-	-	-	6,367
Planning and development	17,670	-	42	-	17,712
Amortization	-	-	64,684	19,765	84,449
	330,172	64,995	106,952	42,744	544,863
Annual surplus	99,138	75,079	(26,043)	(27,046)	121,128

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION

Schedule 1

RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation adjustments	Consolidated 2018
1,131	-	-	22,090	260	-	(630)	260,358
3	3,269	15,321	1,210	-	39,399	(21,002)	271,349
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)	8,863
-	-	9,906	-	-	-	(9,906)	43,148
-	-	-	-	-	-	-	1,368
1,241	3,269	25,892	24,584	260	49,141	(33,844)	736,534
1,078	3,185	-	19,991	361	43,734	(9,128)	129,576
-	-	-	-	-	-	-	86,026
-	-	-	-	-	-	(65)	63,514
-	-	9,432	-	-	-	(22,931)	74,476
-	-	-	-	-	-	-	41,255
-	-	-	-	-	-	-	45,339
-	-	-	-	-	-	-	38,740
-	-	-	-	-	-	-	3,066
-	-	-	-	-	-	(1,720)	4,647
-	-	-	-	-	-	-	17,712
72	24	1,590	2,571	13	5,981	-	94,700
1,150	3,209	11,022	22,562	374	49,715	(33,844)	599,051
91	60	14,870	2,022	(114)	(574)	-	137,483

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

For the year ended December 31

(in thousands of dollars)

	City Services	Transportation & Utilities	Planning & Development	Regina Police Services	Corporate Services	Total City of Regina
REVENUES						
Taxation	5,272	-	230,933	-	1,302	237,507
Fees and charges	30,886	39,168	4,236	1,290	157,569	233,149
Government transfers	5,008	14,413	6,055	8,165	48,167	81,808
Electrical distribution	-	-	-	-	27,893	27,893
Licenses, fines and levies	4,386	-	5,379	-	4,205	13,970
Gas distribution	-	-	-	-	3,190	3,190
Interest and penalties	-	-	2,485	-	2,063	4,548
Interest on long term investments	400	-	-	-	7,369	7,769
Loss on long term investments	-	-	-	-	(8,128)	(8,128)
Servicing agreement fees	440	648	5,806	-	2,864	9,758
Land sales	-	-	3,769	-	-	3,769
Other	2,882	1,132	194	1,833	201	6,242
Contribution of tangible capital assets	4,158	23,824	-	-	15,166	43,148
Other capital contributions	1,045	-	-	-	323	1,368
	54,477	79,185	258,857	11,288	262,184	665,991
EXPENSES						
Wages and benefits	77,619	39,204	15,758	74,384	43,127	250,092
Material, supplies, and other goods	25,099	3,329	1,523	5,914	12,450	48,315
Contracted and general services	16,786	39,745	8,536	5,200	41,337	111,604
Utilities	365	3,775	-	485	21,302	25,927
Transfer payments/grants	4,313	20	1,845	42	4,839	11,059
Interest and bank charges	7,513	-	-	-	5,905	13,418
Amortization of tangible assets	20,653	47,408	-	3,197	13,191	84,449
	152,348	133,481	27,662	89,222	142,151	544,864
Excess of revenues over expenditures (expenses over revenues)	\$ (97,871)	\$ (54,296)	\$ 231,195	\$ (77,934)	\$ 120,033	\$ 121,127

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

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)	271,349
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)	8,863
-	-	9,906	-	-	-	(9,906)	43,148
-	-	-	-	-	-	-	1,368
1,241	3,269	25,892	24,584	260	49,141	(33,844)	736,534
552	1,431	2,896	-	86	21,715	-	276,772
142	96	1,593	19,991	33	16,587	(7,279)	79,478
376	1,657	3,252	-	242	1,697	(11,803)	107,025
-	-	1,691	-	-	3,735	(13,042)	18,311
8	-	-	-	-	-	(1,720)	9,347
-	-	-	-	-	-	-	13,418
72	24	1,590	2,571	13	5,981	-	94,700
1,150	3,208	11,022	22,562	374	49,715	(33,844)	599,051
\$ 91 \$	61 \$	14,870 \$	2,022 \$	(114) \$	(574) \$	- \$	137,483

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT**Schedule 2**

For the year ended December 31

(in thousands of dollars)

	City Services	Transportation and Utilities	Planning and Development	Regina Police Service	Corporate Services	Total City of Regina
REVENUE						
Taxation	4,216	-	219,419	-	6,908	230,543
Fees and charges	30,867	23,746	5,787	1,185	142,177	203,762
Government transfers	8,311	66,808	-	7,046	47,984	130,149
Electrical distribution	-	-	-	-	26,534	26,534
Licenses, fines and levies	5,140	-	5,414	-	3,988	14,542
Gas distribution	-	-	-	-	5,975	5,975
Interest and penalties	-	-	2,093	-	616	2,709
Interest on portfolio investments	670	-	-	-	9,681	10,351
Realized loss on portfolio investments	-	-	-	-	(4,145)	(4,145)
Servicing agreement fees	3,089	-	7,395	-	3,363	13,847
Land sales	-	-	5,408	-	-	5,408
Other	2,618	3,868	118	1,834	1,654	10,092
Contribution of tangible capital assets	5,267	14,284	-	-	6,594	26,145
Other capital contributions	-	-	-	-	2,003	2,003
	60,178	108,706	245,634	10,065	253,332	677,915
EXPENSES						
Wages and benefits	76,113	37,858	16,551	71,293	40,729	242,544
Materials, supplies, and other goods	29,855	6,146	2,001	4,930	18,099	61,031
Contracted and general services	8,835	30,273	14,718	5,324	45,976	105,126
Utilities	400	7,599	-	376	17,662	26,037
Transfer payments/grants	4,086	15	893	83	11,584	16,661
Interest	8,037	-	-	-	5,734	13,771
Amortization	18,507	44,444	-	2,727	12,630	78,308
	145,833	126,335	34,163	84,733	152,414	543,478
Annual surplus	(85,655)	(17,629)	211,471	(74,668)	100,918	134,437

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation adjustments	Consolidated 2017
1,081	-	-	21,391	248	-	(1,098)	252,165
-	2,833	12,141	771	-	40,724	(18,566)	241,665
72	-	-	1,031	-	14,681	(10,968)	134,965
-	-	-	-	-	-	-	26,534
-	-	-	-	-	-	-	14,542
-	-	-	-	-	-	-	5,975
-	-	101	-	-	-	-	2,810
-	-	-	-	-	-	-	10,351
-	-	-	-	-	-	-	(4,145)
-	-	-	-	-	-	-	13,847
-	-	-	-	-	-	-	5,408
72	-	22	-	-	2,600	(4,515)	8,271
-	-	12,682	-	-	-	(12,777)	26,050
-	-	-	-	-	-	-	2,003
1,225	2,833	24,946	23,193	248	58,005	(47,924)	740,441
548	1,487	2,753	12,672	1	21,681	-	281,686
244	80	1,667	5,885	21	17,058	(7,252)	78,734
393	1,337	1,668	-	205	972	(19,347)	90,354
-	-	1,570	-	-	3,438	(10,246)	20,799
-	-	-	-	-	-	(11,079)	5,582
-	-	-	26	14	-	-	13,811
71	19	1,458	2,448	14	5,610	-	87,928
1,256	2,923	9,116	21,031	255	48,759	(47,924)	578,894
(31)	(90)	15,830	2,162	(7)	9,246	-	161,547

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

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	126,378	150,631	528,691	314,402	37,571
Add:					
Additions during the year	21,240	8,609	6,408	22,984	2,952
Transfers from assets under construction	-	12,378	2,049	3,820	271
Less:					
Disposals during the year	7,159	1	158	13,396	4,134
Balance, end of year	140,459	171,617	536,990	327,810	36,660
Accumulated amortization					
Balance, beginning of year	-	79,034	87,033	139,314	18,143
Add:					
Amortization	-	4,388	13,211	25,625	6,765
Less:					
Accumulated amortization on disposals	-	1	158	12,292	4,148
Balance, end of year	-	83,421	100,086	152,647	20,760
Net Book Value	140,459	88,196	436,904	175,163	15,900

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 3

Infrastructure						
Plants and facilities	Roads	Underground and other networks	Bridges and other structures	Assets under construction	2018	2017
473,920	752,670	686,235	44,689	53,820	3,169,007	2,989,677
3,658	54,717	24,317	6,172	40,486	191,543	234,321
3,963	105	17,690	-	-	40,276	71,358
779	10,139	60	940	40,262	77,028	126,349
480,762	797,353	728,182	49,921	54,044	3,323,798	3,169,007
105,120	379,166	202,313	12,617	-	1,022,740	963,892
10,402	23,980	9,608	721	-	94,700	87,928
42	9,209	36	258	-	26,144	29,080
115,480	393,937	211,885	13,080	-	1,091,296	1,022,740
365,282	403,416	516,297	36,841	54,044	2,232,502	2,146,267

(This page left blank intentionally)



General Trust Fund



(This page left blank intentionally)

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, 2018, 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, 2018, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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
May 27, 2019

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 2018	Total 2017
FINANCIAL ASSETS				
Cash	19	-	19	88
Long-term investments (Note 5)	2,726	5	2,731	2,652
Total Assets	2,745	5	2,750	2,740
FINANCIAL LIABILITIES AND FUND BALANCES				
Due to the City of Regina	80	-	80	81
Fund balance	2,665	5	2,670	2,659
Total Liabilities and Fund Balances	2,745	5	2,750	2,740

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 2018	Total 2017
REVENUE				
Contributions	11	-	11	10
Investment income	80	-	80	81
Total Revenue	91	-	91	91
EXPENDITURES				
Cemetery maintenance	80	-	80	81
Total Expenditures	80	-	80	81
Excess of revenue over expenditures	11	-	11	10
Fund balance, beginning of year	2,654	5	2,659	2,649
Fund balance, end of year	2,665	5	2,670	2,659

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. ADOPTED ACCOUNTING POLICIES

Effective January 1, 2018, the Trust adopted the recommendations relating to the following sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3420 Inter-Entity Transactions
- PS 3210 Assets
- PS 3380 Contractual Rights
- PS 3390 Contractual Obligations

Pursuant to the recommendations, the changes were applied prospectively and prior periods have not been restated. There was no material impact on the financial statements of adopting the new sections.

3. 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.

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

As at December 31

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Any gains or losses are recognized on disposition of the investments.

(c) Investment revenue is recorded on the accrual basis.

4. 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.

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.

5. 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.

	2018	2017
Investment cost	2,731	2,652
Market value	2,667	2,631

6. 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, 2018, as they would not provide additional information.



Appendices

(This page left blank intentionally)

Appendix 1 – Detailed Operational Highlights

The selection of highlights that follows, categorized by City department, includes substantive enhancements or changes to operational practices that will improve overall efficiency and delivery of City services.

Assessment & Taxation

- The Community Non-Profit Tax Exemption Policy was approved in December 2018. The policy provides guidance to ensuring all requests are treated fairly and equitably. This policy will take effect in 2020.
- The City's tax notice template was revised to inform property owners on how tax dollars are calculated, collected, and distributed among the different taxing authorities. The notice was designed with a focus on highlighting where property tax dollars go.
- The City of Regina conducts a property valuation reassessment every four years. Work has begun to prepare for the next assessment in 2021, beginning with the validation of property sales data and a review of income data to determine valuations.
- Phase III of the Assessment & Taxation online portal was implemented in the fall of 2018. eProperty was expanded to include assessment detail reports and to allow owners to authorize tax agents online. eServices was expanded to allow authorized agents the ability to pay and run assessment reports. This project increased ease for customers accessing our services online.

Office of the City Clerk

- A Committee Structure Review was completed to ensure that processes are in place to engage with residents and to assist Council in making efficient and effective decisions.
- An agenda management solution was rolled out to replace an existing program that manages the Council and Committee meeting agenda preparation process. This allows the City to continue meeting current levels of service and improve efficiencies.

Office of the City Manager

- A review of the organization's senior leadership structure was conducted with the objective of fostering a collaborative customer-focused organization that can deliver on the goals laid out in the OCP. This review resulted in department changes and a decrease in the 2019 budget.
- Work continues with Reconciliation Regina to ensure the City's continued leadership role in responding to the Calls for Truth and Reconciliation within the municipality's jurisdiction in order to create a healthy, vibrant and inclusive community. Reconciliation Regina was incorporated in 2018 and is a partnership with over 70 community champions, including local organizations, community leaders, educators, Elders/Knowledge Keepers, newcomers, cultural and arts groups, governments, youth, businesses, faith groups and individuals. Some key accomplishments include adopting a Vision, Mission, Values and Goals Statement, hosting several Community Champion meetings, creating and implementing a Steering Committee (Organizing Circle) and two Subcommittees (Governance and Communications) and holding a Healing Circle.

Communications & Customer Experience

- Public engagement support was provided for the 2019 Budget development, Fire Bylaw, biweekly garbage collection and snow routes.
- Service Regina completed a formal Business Continuity Plan to ensure that time-critical business functions can continue in a time of crisis.

- Work continued on the redesign of Regina.ca, which will launch in 2019. This is one of the leading sources of information for residents who will have a significantly improved user experience, particularly for those accessing Regina.ca on mobile devices.

Community Services

- The draft Recreation Facilities Master Plan was developed after extensive public and stakeholder consultation and will be presented in early 2019. The plan will guide the City's role in the delivery of recreation services, including programs and facilities, over the next 20 years. The plan is expected to be released in early 2019.
- A new online registration and facility booking system was introduced this year, providing more convenience for customers.
- The Cultural Plan drove decisions on notable initiatives that included the restoration of Regina's Glockenspiel, the Department's participation in Reconciliation Regina, a review of the Civic Naming Policy, and special projects requiring development of policies for street painting and tax exemptions.
- The City hosted four major events in 2018: Rogers Hometown Hockey Festival; Mastercard Memorial Cup; Tim Horton's Brier; and LPGA Canadian Pacific Women's Open.
- Community Investments:
 - In 2018, the Community Investment Grants Program supported the core operating and programming of 24 cultural, sport and recreation and social development organizations, and allocated approximately 211 separate grants ranging in amount from \$500 to \$305,000 for first time and recurring events, core operating programs and services in the community.
 - In 2018, 80% of applications received grant funding and 72% of all funds requested were approved.

Development Services

- Work progressed on updating the Zoning Bylaw to strengthen its alignment with the OCP and facilitate long-term growth of the City.
- A comprehensive review of the Development Standards Manual continued in order to incorporate best practices and ensure alignment with the OCP.
- The Planning and Building Software Project, which will result in updated technology and processes for issuing and tracking development and building permits, was advanced and is scheduled for implementation in mid-2019.
- A Fee and Operational Review is in progress to ensure that full cost recovery is being achieved for building and planning fee-for-service activities.
- The move of Building Permits to the main floor of City Hall and the introduction of a more informative tax notice assisted in achieving our goals of improved customer service.

Facilities Management Services

- Detailed designs were completed in 2018 on the three major projects for facility infrastructure renewal: Transit Fleet Maintenance Facility, Waste Management Centre and Parks and Facilities Yard Development.
 - The Transit Fleet Maintenance Facility project was approved for funding under the New Building Canada Fund, resulting in an approximate one-third funding split between federal, provincial and municipal governments.
 - Parks and Facilities Yard Development will replace existing facilities that have met or exceeded their life expectancy and are at risk of failure. It will provide operational efficiencies to meet current and future program needs and will add flexibility to consolidate vehicle and equipment storage on one site.
 - The Waste Management Centre will be a new office and shop facility located next to the Landfill, consolidating the City's Solid Waste Department and services at one location.

- Renovations to the main floor of City Hall were completed in 2018, which addressed replacement of critical building infrastructure and improved the delivery of customer service and building security.

Finance

- Finance, in collaboration with Information Technology Services, completed the implementation of Hyperion, which provides a new technology platform that will allow for more efficient planning, budgeting and forecasting.
- A large portion of the Contracting and Procurement Project was also completed, which includes new software and better alignment to new trade agreements and evolving industry practices.

Fire & Protective Services

- After extensive research and consultation of almost 300 stakeholders, Fire & Protective Services proposed many regulatory changes to the Fire Bylaw to improve the safety of City residents and first responders. The Fire Bylaw No. 2005-18 was updated to respond to safety concerns for residents and ensure compliance with the Province's Fire Safety Act and The National Fire Code 2015.
- An Emergency Management Plan for the organization was refreshed and implemented to ensure the City is well-prepared to respond to large-scale emergencies. Members of the emergency operation team received extensive training and orientation on their functions and roles within an activated emergency operations centre.

Fleet Services

- Service level agreements were refined with other City departments to ensure reliable services to residents in areas that depend on the civic, transit and fire fleet for service delivery. This benefits the citizens of Regina by ensuring that the work happening throughout Regina is being serviced by efficient pieces of equipment. Fleet Services has also implemented new asset management software in 2018, which will help ensure that the City's equipment stays in good working order.

Human Resources

- Work continued toward ensuring a safe, supportive environment that respects and values people. Initiatives focused on developing a strong and diverse workforce to deliver better customer service and address challenges. This was accomplished through various plans, such as the Diversity and Inclusion Plan and Mental Health Strategy, and programs, such as Work Ready. The Work Ready program was rolled out in 2018 and is intended to reduce the number of workplace injuries.
- A People Strategy is in development.
- A review of the employee benefit programs and recruitment technology was initiated to support the outcomes of the People Strategy.

Information Technology Services

- Many Information Technology Services initiatives involve supporting other parts of the organization in the implementation of IT solutions related to major projects within departments. Such projects include the redesign of the City's external website (Regina.ca), implementation of an integrated solution for planning and building permits that also streamlines processes, and enhancing the online application to register for recreation programs.

Land & Real Estate Management

- Continued work toward completion of Neighbourhood and Concept Plans for the Regina Railyard Renewal Project, which will enhance the vibrancy of the City.

- Development of South East Lands (The Towns) neighbourhood also continued.

Legal

- The City Solicitor is the lead on the corporate Contracting and Procurement Project, which supports efficiencies in the City's procurement processes and aligns them to new trade agreements.
- Work continues on implementation of law office management software to provide electronic file management, which will result in efficiencies and improvements to the operation and delivery of legal services.
- The Office of the City Solicitor led the appointment of an Integrity Commissioner to provide advice and education, and to investigate, adjudicate and report on violations of The Code of Ethics Bylaw, 2017.

Parks & Open Space

- Scoping was completed for a Parks Master Plan to assist in the planning, maintenance and future use of open spaces.
- Parks & Open Space updated irrigation infrastructure to address assets at the end of their life cycle.

Planning

- The Underutilized Land Study was initiated to understand barriers to development and explore options to support the renewal and revitalization of neighbourhoods.
- A review of the OCP commenced to evaluate progress on the goals and policies outlined in the document. The results of the analysis and any recommended updates will come forward in 2019.
- The Ring Road Rail Feasibility Study was initiated to explore options to improve safety and the flow of traffic on the Ring Road Railway crossing.
- An Infill Servicing Agreement Fees & Intensification Levy was developed to increase the certainty related to infill to ensure that growth is paying for growth, which is a principle described in the OCP.

Roadways & Transportation

- A Snow Routes Pilot Project resulted in a more effective and efficient snow storm response. Crews were able to complete plowing 20% faster, produce more consistent snow ridges and impact road widths and travel lanes less when compared to traditional routes.
- The use of liquid salt was implemented to reduce the amount of sand used by 20%, resulting in cost savings overall.
- New sidewalk repair products, intended to reduce concrete maintenance costs, were tested in high traffic areas such as the downtown.
- The Division implemented new processes to better coordinate and facilitate the City's construction projects with the goal to minimize disruption and delays to the public and implement work process improvements for maintenance activities.
- Roadways & Transportation completed the fifth year of the Residential Road Renewal Program delivering 56 projects and covering 17.1 km of residential roadways. Additionally, 8 km (13 projects) were completed on the major road network.
- The department also replaced four bridges, two pedestrian bridges and realigned Eastgate Drive.

Solid Waste

- A bi-weekly Solid Waste Collection pilot project resulted in over \$240,000 of ongoing savings.
- Solid Waste received Council approval to move forward on a number of waste initiatives including: a permanent move to bi-weekly garbage collection in the winter months (November to March); providing residents with an

option for additional garbage collection service; a permanent leaf and yard depot site starting in 2019; and the development of a curbside organic service pilot program.

Strategy & Asset Management

- Strategy & Asset Management led the creation of the 2018-2021 Corporate Strategic Plan entitled “*Making Choices Today to Secure Tomorrow*,” which describes Administration’s four-year progression toward achieving what is laid out in the OCP.

Transit

- Transit responded to growth demands by leveraging federal funding to add the Arcola Express Route.
- Transit also provided Charter service to large events happening at Mosaic Stadium. Each event comprised 350 service hours moving between 6,500 to 7,000 customers each way to each event.
- A route review was also completed to ensure Transit route usage is maximized and the City is appropriately served.

Water Works

- The Division implemented new processes to better coordinate and facilitate the City’s construction projects with the goal to minimize disruption and delays to the public and implement work process improvements for maintenance activities.
- The Water Works Department completed a number of projects targeted at reducing the risk of wastewater overflows and sewer backups, such as completion of the Arcola Avenue detention pond project, the 5th Avenue North Relief Sewer project and the construction of a new forcemain to allow more wastewater to be pumped to the Wastewater Treatment Plant.
- A large watermain relining program was undertaken to renew approximately 6.5 km of watermains while minimizing the disturbance to surface infrastructure.

Appendix 2 - 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.



City of Regina



REGINA
Infinite Horizons