

2022 Annual Report

for the fiscal year ended December 31, 2022

City of Regina, Saskatchewan



© 2022, 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, 2021. 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, 2021

Christopher P. Morrill

Executive Director/CEO

Path of Reconciliation

Our journey began by acknowledging we are on the traditional lands of the Treaty 4 Territory, a Treaty signed with 35 First Nations across Southern Saskatchewan and parts of Alberta and Manitoba, and the original lands of the Cree, Salteaux, Dakota, Nakota, Lakota, and the homeland of the Métis.

The City of Regina owes its strength and vibrancy to these lands and the diverse Indigenous Peoples whose ancestors' footsteps have marked this territory as well as those from around the world who continue to be welcomed here and call Regina home.

To recognize the land is an expression of respect and gratitude to those whose territory we reside on, and a way of honouring the Indigenous people who have lived here for thousands of years. It is important that we understand our history that has brought us to reside on the land, and to seek to understand our place within history.



Table of Contents

Overview

Regina at a glance.....	6	Awards and Recognition.....	23
Citizen Satisfaction & Budget Engagement	7	Service Partners.....	24
Message from the Mayor	8		
Corporate Governance.....	9		
Message from the City Manager	10		
Administration	11		
Strategic Priorities and Results	12		
Financial Highlights.....	19		
Balancing our Budget.....	21		

Financial Information

Financial Statement: Discussion and Analysis	26	Schedule 1 – Consolidated Statement of Operations by Fund and Organization	100
Consolidated Financial Statements	60	Schedule 2 - Consolidated Statement of Operations by Segment	102
Management’s Report	61	Schedule 3 – Consolidated Statement of Tangible Capital Assets	106
Independent Auditor’s Report.....	62	GENERAL TRUST FUND.....	108
Consolidated Statement of Financial Position	65	Independent Auditor’s Report.....	109
Consolidated Statement of Operations and Accumulated Surplus	66	Statement of Financial Position	111
Consolidated Statement of Change in Net Financial Assets	67	Statement of Revenue, Expenditures and Change in Fund Balance	112
Consolidated Statement of Cash Flows	68	Notes to Financial Statements	113
Notes to the Consolidated Financial Statements	69	Appendices	
		Appendix 1 - Glossary of Terms	115

Regina at a glance



Established as a city in 1903

Capital of Saskatchewan



The City of Regina maintains more than **100** parks and approximately **246,500** trees in public spaces, which is more than one tree per person.

182.4 km²
land area

\$319,900
2022 benchmark composite housing price

Canadian benchmark price is \$730,600.
Canadian Real Estate Association, December 2022.

Household income per capita
(2022, Conference Board of Canada)

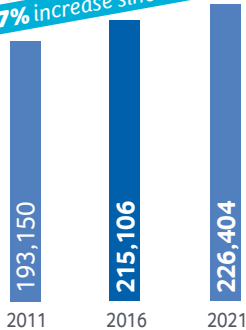
57.8K

1,226 km
of roads

City of Regina Population

(Statistics Canada)

17% increase since 2011



Regina Census Metropolitan Area (CMA)
268,804 residents
(2022 Statistics Canada)

Total visible minority population – **57,340**, a 41% increase since 2016
Immigrants – **45,210**, a 22% increase since 2016
Indigenous identity – **23,290**, a 12% increase since 2016
Median Age – **37.6**
2021 Census, City of Regina

577 m above sea level

The Greater Regina Area population is expected to reach over **300,000** by 2030.

Economic Development
Regina and Praxis
Consulting

1.38 million visitors to Regina in 2021
\$306 million into Regina economy
One in every **11** jobs in Saskatchewan are in the tourism sector

140,000
Total employment

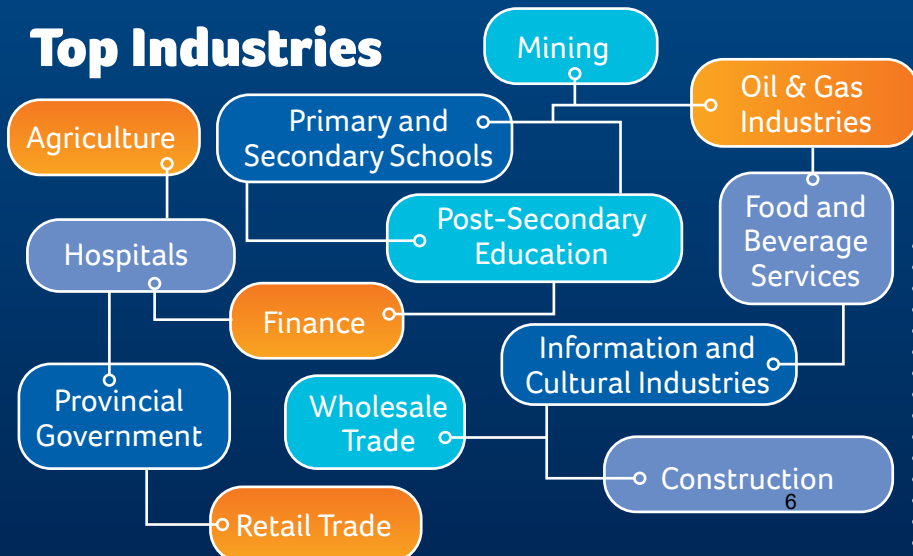
4.8%
Unemployment rate

Economy
Regina CMA
(As of Dec. 31, 2022, Conference Board of Canada)

5%
increase in real GDP

Consumer Price Index annual inflation of **6.6%**

Top Industries



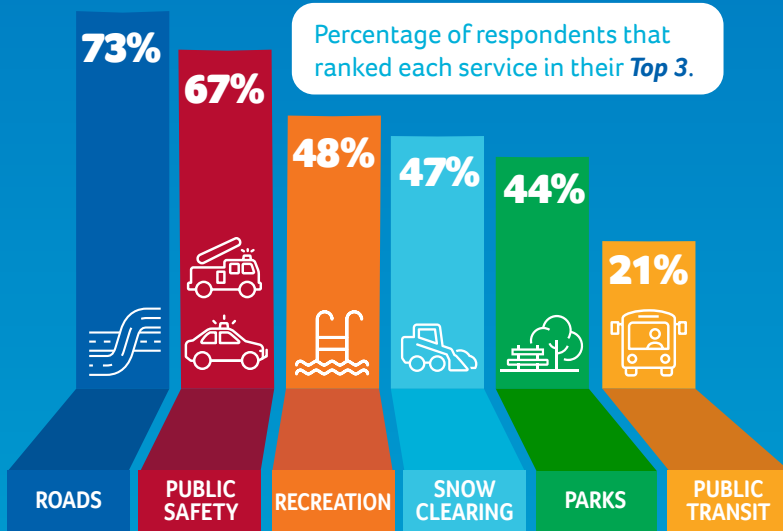
3 post-secondary institutions

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

Budget Engagement

In July 2021, the City of Regina asked residents for feedback in planning the 2022 Budget. Here is what we heard from the 1,339 residents that participated.

Top Spending Priorities



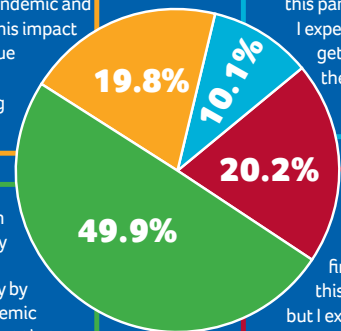
COVID Impacts My household has...

Been negatively impacted financially by this pandemic and I expect this impact to continue over the upcoming year.

NOT been negatively impacted financially by this pandemic, but I expect things to get worse over the upcoming year.

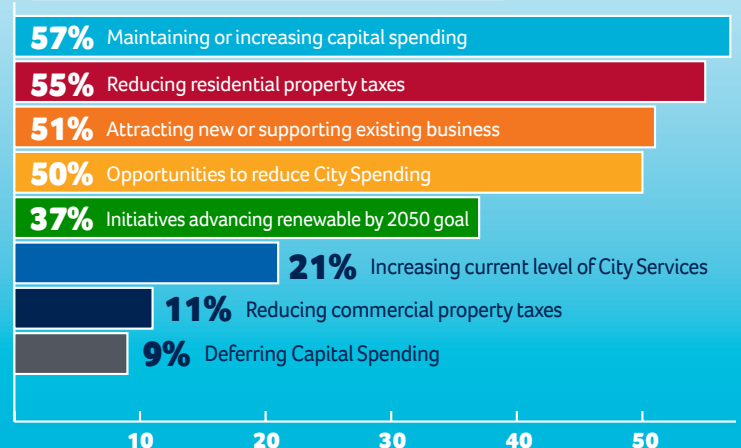
NOT been negatively impacted financially by this pandemic and I expect that to continue.

Been negatively impacted financially by this pandemic, but I expect things to improve in the upcoming year.



In finalizing the budget, I would like the City's decision-making to be based on the following considerations:

Percentage of respondents that ranked each consideration in their **Top 3**.



Message from the Mayor



June 7, 2023

Dear Regina residents,

On behalf of City Council, I am pleased to present the 2022 City of Regina Annual Report.

Following a year of continued recovery, 2022 marked a year of investing in Regina's future and laying the foundation for growth.

Regina continues to firmly establish its role as a centre of excellence for agribusiness and agriculture technology in Canada. Last year, we saw up to \$6 billion in private investment announced from Viterra, Federated Co-operatives Limited, AGT Foods, and Cargill, who broke ground on its canola processing facility which is set to open in 2024. These major investments will create thousands of construction jobs and hundreds of permanent jobs within our local economy.

Investing in infrastructure is critical for our city's long-term success and forecasted growth – set to reach 300,000 residents by 2030. To encourage and accommodate residential and commercial growth, we made significant investments in water and sewer infrastructure – allocating \$90 million over the next five years.

Recognizing the need to replace major facilities as they near the end of their lifespan, City Council established a volunteer-led Catalyst Committee in 2022 to determine how best to align five proposed recreation projects. The recommended facilities presented by the committee – a multi-purpose event centre, library, aquatic centre, and a trail system joining various districts – will help attract people and business to Regina and our city centre, stimulating economic development and tourism and improving quality of life for residents. Wascana Pool construction was also completed and is scheduled to open in 2023.

The City of Regina is committed to providing the highest value of programs and services for taxpayer dollars. We began implementing recommendations received through the 2021 Efficiency Review and can report significant cost savings and reductions achieved throughout the organization. Over \$6.4 million in savings were realized in 2022, with continued implementation over the next several years.

Enhancing well-being and building a safer community for our residents is an ongoing priority for the City. Last year, we established the Community & Social Impact Regina corporation to create, facilitate, and monitor coordinated community and social strategies to support the well-being, health, and safety of Regina residents. In addition, we invested \$7.75 million and actively worked with all levels of government, private business, and community-based organizations to address the issue of houselessness and support the needs of our city's most vulnerable.

As a resident of Regina, your ideas, concerns, and feedback are valued and crucial. I encourage you to read more about the City's performance in the pages of this document and to participate in the public engagement activities the City of Regina makes available throughout the year. We continue to evolve and improve with a deep appreciation for the valued residents who choose to call Regina home.

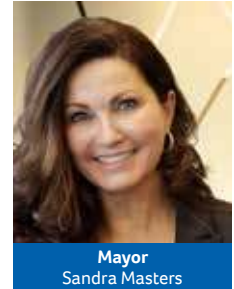
Thank you,

A handwritten signature in black ink, appearing to read 'Sandra Masters'.

Mayor Sandra Masters

Corporate Governance & Accountability

Regina’s City Council (2020–24) is made up of a mayor and 10 councillors, each elected for a four-year term. City Council is responsible for providing policy direction for the City, setting long-range strategic priorities and approving the civic operating, capital and utility budgets. Council direction supports the continued delivery of municipal services and City-specific plans, programs and initiatives to drive community growth, economic development and quality of life.



Mayor
Sandra Masters



Ward 1
Cheryl Stadnichuk



Ward 2
Bob Hawkins



Ward 3
Andrew Stevens



Ward 4
Lori Bresciani



Ward 5
John Findura



Ward 6
Daniel LeBlanc



Ward 7
Terina Nelson



Ward 8
Shanon Zachidniak



Ward 9
Jason Mancinelli



Ward 10
Landon Mohl

Boards, Committees & Commissions

Regina’s decision-making structure is handled through a committee system as outlined in the committee bylaw and in accordance with the procedure bylaw, which provides information on proper protocol and how the proceedings in each meeting are carried out. Committees review and consider matters brought forth by the public and City Administration, and provide recommendations to City Council.

Executive Committee consists of all City Councillors and makes recommendations to Council relating to items emanating from the offices of the City Clerk, City Manager or City Solicitor unless those items are specifically related to the mandate of another main committee. The Regina Planning Commission advises and assists City Council with respect to all matters pertaining to community planning and development.

City Council also establishes advisory committees to receive input and advice from the citizens of Regina. These committees are made up of members of the public and Councillors. Appointments to committees are made by City Council. Citizens are encouraged to participate in local government by applying to the committee of their choice each year in September and by attending Executive Committee and City Council meetings as a delegate to have their say on policy and city activities.

- ▶ Executive Committee
- ▶ Accessibility Advisory Committee
- ▶ Board of Police Commissioners
- ▶ Board of Revision
- ▶ City Centre Core Development Advisory Committee
- ▶ Development Appeals Board
- ▶ Regina Airport Authority
- ▶ Regina Appeal Board
- ▶ Regina Downtown Business Improvement District Board
- ▶ Regina Planning Commission
- ▶ Regina Public Library Board
- ▶ Regina Warehouse Business Improvement District Board

Message from the City Manager



June 7, 2023

Mayor Sandra Masters and Members of City Council,

I am pleased to submit the City of Regina's 2022 Annual Report, pursuant to Section 155 of *The Cities Act*.

Last year, our City began to emerge from the most significant challenges of the COVID pandemic. I'm pleased to report that City Administration's commitment to its strategic priorities, to sound financial management, and to identifying operational efficiencies allowed us to successfully navigate a steady transition toward a post-pandemic "new normal," while achieving many of City Council's goals.

The City of Regina recognizes our relationship to the land while growing our community and improving our quality of life. In 2022, an extraordinary example of this vital balance was the development, and Council's unanimous approval of, the Energy & Sustainability Framework. The Framework establishes our path forward to become a net-zero city by 2050.

Reconciliation and building trust with First Nations and Metis communities is essential to community growth. The development of the Indigenous Procurement Policy through 2022, leading to its approval earlier this year, is one step along our path to reconciliation. As we worked to deepen our understanding of reconciliation, the City acknowledged the profound, multi-generational impacts of our colonial history by supporting and participating in the first Miyo-Wic'iwitowin Day event on National Truth and Reconciliation Day.

The implementation of the Indigenous Procurement Policy and the continued development of the Sustainable Procurement Protocol in 2022 reaffirmed the City's important leadership role within Regina's vibrant business community. Our efforts to sharpen our city's economic competitive edge in 2021 and 2022 led to significant, private sector agri-business investments in our community. Our Transformation Office played an instrumental role as we implemented and realized efficiencies including: \$400,000 in annual operating savings, \$2.14 million in cost avoidance, and \$506,000 in revenues from salvaged assets within the City's light-duty vehicle inventory. Our responsible financial management enabled us to maintain a AAA credit rating for the 5th year in a row.

The City of Regina continued to support its most vulnerable residents last year. New household affordability programs now provide financial assistance to reduce water utility costs and defer property taxes. Our investments in a temporary winter emergency shelter, warming bus, and low-barrier transitional housing ensured all of Regina's residents had overnight shelter from the cold, while strengthening our relationships with community-based organizations who care directly for those experiencing homelessness.

I'd like to thank my predecessor, Interim City Manager, Jim Nicol, for his hard work and leadership in 2022. As I stepped into my new role last year, it was clear there were many positives to build on moving forward. I look forward to continuing my work with Council and Administration to increase efficiencies, and to transform our service and culture. I know we have challenges ahead of us as we work to achieve our vision to be a vibrant, inclusive and thriving city. However, excellent work will continue, and I know our team has the tenacity and skills to achieve our goals.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Niki Anderson'.

Niki Anderson
City Manager

City of Regina Administration

Regina’s municipal operations are guided by our community’s vision to be a vibrant, inclusive and thriving city. This vision is driven by approximately 2,800 employees who are responsible for managing and sustaining City infrastructure, facilities and programs that support the overall growth and vitality of our community and quality of life for residents. Many services such as sport, culture and recreation programs are also delivered in partnership with community organizations, and some services, such as Paratransit and water treatment, are delivered by private businesses.

The Role of the City Manager

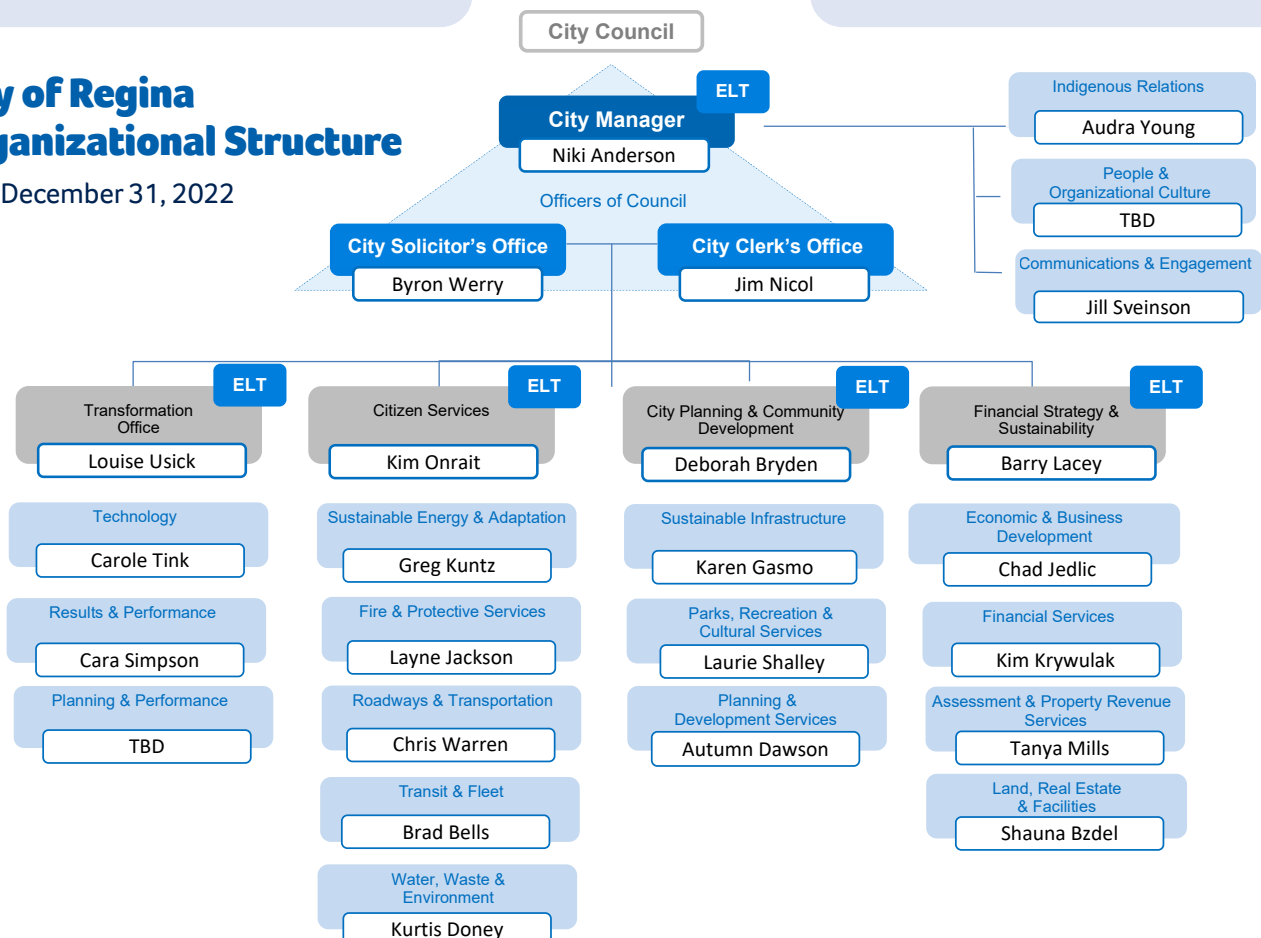
The City Manager leads the Executive Leadership Team and works closely with Council. The City Manager implements the decisions of Council, provides advice and manages City Administration, while being accountable for ensuring all City operations and projects comply with the strategic priorities and direction set by Council.

Executive Leadership Team

The Executive Leadership Team (ELT) oversees all City operations and plays a major role in developing and implementing public policy by advising on best practice, research and balancing community priorities and legislated requirements to ensure Council’s decision-making is well-informed.

City of Regina Organizational Structure

as of December 31, 2022



2022 Strategic Priorities Results

In 2021 and 2022, Administration and City Council worked together to develop the City’s 2022–25 Strategic Priorities. The Strategic Priorities guide operational business planning and are the foundation of the City’s budget. The overarching theme connecting the Strategic Priorities reinforces an Indigenous worldview that our relationship with the land is foundational, and our respect and care for this relationship informs and influences decision-making.

 <p>Economic Prosperity</p> <p>Goal We advance economic growth opportunities for Regina and area</p> <p>Strategies</p> <ul style="list-style-type: none"> Promote initiatives from Regina’s 2030 Economic Growth Plan Promote Regina as a leading destination for visitors, talent, businesses and investment Build infrastructure for long-term economic growth 	 <p>Environmental Sustainability</p> <p>Goal We achieve net zero emissions and become 100% renewable by 2050</p> <p>Strategies</p> <ul style="list-style-type: none"> Lead by example with municipal operations Work with partners and the community to implement the Energy & Sustainability Framework 	 <p>Community Safety & Well-being</p> <p>Goal We create a healthier and more inclusive community</p> <p>Strategies</p> <ul style="list-style-type: none"> Work with partners and the community to improve safety and well-being of all residents Advance diversity, equity, inclusion and accessibility Advance affordable and social housing 	 <p>Vibrant Community</p> <p>Goal We make Regina a great place to work, live and visit</p> <p>Strategies</p> <ul style="list-style-type: none"> Plan for the future of Regina and its community priorities Prioritize a vibrant city centre Build recreational and cultural infrastructure Provide and encourage year-round programs and services Improve our transportation network 	 <p>Operational Excellence</p> <p>Goal We transform to a service and performance culture that builds resident trust</p> <p>Strategies</p> <ul style="list-style-type: none"> Continuously improve service delivery Make decisions based on data and strategic alignment Achieve long-term financial sustainability Strengthen our workplace culture Create a culturally competent organization Achieve Mission Zero
---	---	--	--	---

The following pages include examples of program and service delivery and efficiency improvements that advanced the City’s Strategic Priorities in 2022.



Economic Prosperity

A Sustainable Procurement Protocol and an Indigenous Procurement Policy were developed in 2022. Their 2023 implementation will increase awareness of and participation in City contracts contributing to a stronger, more diverse, and resilient business sector:



- The Indigenous Procurement Policy advances the City's actions related to the Truth & Reconciliation Commission: Call to Action #92 to ensure that Indigenous peoples have equitable access to jobs, training, and education opportunities in the corporate sector, and that Indigenous communities gain long-term sustainable benefits from economic development projects.



- The Sustainable Procurement Protocol supports the goals of the Energy & Sustainability Framework and will help increase community participation by awarding community benefit points to suppliers that employ environmental practices or policies.



To attract both commercial and residential growth, a \$90 million investment in water and sewer infrastructure will be made by the City over the next five years. Key investments include an expansion to the North Regina Water and Wastewater Network, upgrades to the Wastewater Treatment Plant and an additional water pumping station and water reservoir.



Advancements to the City's economic competitiveness strategy in 2021 and 2022 facilitated economic growth through major investments by Viterra, Red Leaf Pulp, and Federated Co-operative Limited – AGT Foods in project planning, as well as construction by Cargill of a canola crush plant at the Global Transportation Hub. In 2022, the City expanded its municipal boundary to accommodate and support major industrial development.

In August 2022, City Council created a new Catalyst Committee to explore alignment between five proposed recreation and cultural facilities to maximize economic and community benefits. These projects include an indoor aquatic centre, a multi-purpose event centre, a multi-purpose outdoor baseball event centre, a synthetic outdoor field for soccer and other field sports, and modernization of the central branch of the Regina Public Library.

The Catalyst Committee, comprised of 16 members from Council and representatives across the community including private industry and social agencies, will prepare a report in early 2023 with their recommendations.



Environmental Sustainability



The City of Regina's Energy & Sustainability Framework was unanimously approved by Council in March 2022. The City's goal is to achieve net zero carbon emissions and sourcing net zero energy from renewable sources by 2050.

The primary focus is on climate change mitigation through a three-pronged approach:

- Reduce energy consumption
- Improve energy usage/efficiency
- Switch to renewable or low carbon energy sources

The Energy & Sustainability Framework outlines the guiding principles, community and municipal-wide action plans, timelines and targets necessary to achieve this goal.

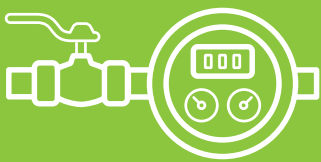


Approved in 2022 and to be launched in fall 2023, a city-wide curbside food and yard waste service aims to reduce 24,000 tonnes of garbage a year, eliminate an average of 10,820 tonnes of greenhouse gas emissions annually and extend the life of the landfill for an additional two and a half years. The new service is part of the City's long-term solid waste management plan, Waste Plan Regina .

Food and yard waste makes up over 50 per cent of single-family residential curbside waste.



The new Transit on Demand service will reduce single vehicle trips in the City of Regina. The on-demand service can be offered with a single conventional bus versus multiple buses on fixed routes, thus reducing vehicle emissions, increasing customer satisfaction and more efficiently using Transit resources. Successfully piloted in 2022, this service will provide 3,300 additional annual service hours in the northwest in 2023.



The City of Regina began upgrading water meters throughout Regina in 2022 as part of the Automated Meter Infrastructure (AMI) project. Most of the City's current water meters were reaching the end of their lifecycle, presenting the opportunity to create a more efficient infrastructure enhancing the service for Regina utility customers. The upgraded water meters will provide enhanced information on water use for both residents and the City, as well as ensure continued accuracy of water bills. With more than 76,000 water meters to be upgraded, the project will take three years to complete.



Community Safety and Well-being



The Community Safety & Well-being Plan outlines a multi-year strategy to improve safety and well-being in our community by addressing multiple pressure points and social issues that present barriers for Regina residents. To fulfill a strategic direction of the plan, City Council created a Municipal Corporation, Community and Social Impact Regina (CSIR) with an interim Board of Directors. CSIR exists apart from the City of Regina, thus having more autonomy and flexibility to be adaptive and responsive to community needs, driving collective impact and systems change.



An Affordable Fun Policy was adopted to further decrease the barriers to participation for low-income residents. The new policy increases a discounted rate for Leisure Passes, expands the qualification criteria of Group Affordable Access for non-profit organizations that support the objectives of the Community Safety and Well-being Plan, and introduces a discounted rate on single admissions.

The Community Well-being Policy was passed by City Council as a framework to inform and guide Council decisions. A Community Well Being Impact Assessment Toolkit was created to inform Administration and Council's policy and decision-making processes.



Council approved the development of three affordability programs to support low-income seniors and low-income people with disabilities implemented in January 2023. The programs are designed to address affordability by providing benefits directly to the recipients:

- High-Efficiency Water Retrofits Program – reduces water usage by installing high-efficiency toilets, faucets, showerheads and faucet aerators.
- Water Utility Rebate Program – reduces utility charges through a daily rebate of \$0.66 or \$1.32 (depending on household income).
- Low-Income Municipal Property Tax Deferral Program – reduces property costs by annually allowing customers to defer a portion of their municipal property taxes.



Implementation of the Adapted Recreation Plan provides and encourages accessible year-round recreation programs and services and supports building accessible recreation infrastructure. This includes investments toward improving participation, communications and engagement related to accessible recreation, and capital investments of \$500,000 per year for five years to implement the results of the Rick Hanson Foundation accessibility audits.



The City's Sidewalk Snow Removal Bylaw came into effect January 1, 2022, to increase accessibility and mobility for residents during the winter months. Property owners must clear sidewalks within 48 hours following a snow event. Areas primarily located downtown must be cleared within 24 hours. To help with icy sidewalks, the City provides a sand/salt mix for residents at 19 locations across our community.



The National Day for Truth and Reconciliation was held on Friday September 30, 2022. The City participated in "Miyo-wîcîwitowin Day," held at Mosaic Stadium on September 29. Miyo-wîcîwitowin means "reconciliation" in Cree. The event brought thousands of students to the stadium to honour residential school survivors and educate them on the importance of truth and reconciliation.



Homelessness is an issue in Regina and in communities across the country. This complex problem requires solutions that are best addressed by multiple levels of government working together. City programs and initiatives directed toward ending homelessness, social development, and well-being include:

- In 2021, the City received funding from the federal government's Rapid Housing Initiative (RHI) capital funding stream to deliver a minimum of 29 new affordable housing units. The RHI project will be operated by Regina Treaty/Status Indian Services (RTSIS) and Silver Sage Housing Corporation. The City of Regina's \$1 million annual Permanent Supportive Housing Operating Grant will fund 24/7 support services for residents who have experienced chronic homelessness. The project is made possible by \$7.75 million in capital funding from Canada Mortgage and Housing Corporation, as well as a contribution from the provincial government. Occupancy is anticipated in the fall of 2023.
- Emergency Sheltering Initiatives respond to emergent shelter needs for individuals experiencing homelessness, including the temporary warming shelter in the Warehouse District, Low Barrier Supportive Housing Project in North Central, and the Regina Transit overnight warming bus.
- The Regina Downtown Community Support Program expanded operations from not only downtown but into the Warehouse District in 2022 to provide outreach and wellness checks for people experiencing homelessness, mental health crisis, and substance use related distress.



Vibrant Community



The Wascana Pool Renewal project, which neared completion in 2022, will deliver an exciting, inclusive, vibrant facility and a unique outdoor summer experience to Regina residents and visitors of all ages. The grand opening will be in summer 2023.



Planning continued on the Dewdney Avenue corridor rehabilitation project, transforming the current state into a desirable landscaped roadway with new multi-modal amenities. This will meet future needs of the neighbourhood and help support a vibrant community. Construction will occur in 2023 and 2024.



Developed in 2022 and launched in January 2023, the City's revitalization and intensification incentive programs support redevelopment, reinvestment and revitalization in defined established built-up areas of Regina.

- The Intensification Incentive Program supports new construction on vacant sites or additions to existing buildings.
- The Revitalization Incentive Program supports property and business owners with costs associated with exterior building improvements, building or fire code compliance improvements and the demolition and replacement of existing building with a new building of the same land use.



The Winter City Strategy's goal is to create a common vision and shared understanding of how residents and visitors can embrace winter. The launch of the Frost Festival by the Regina Exhibition Association Limited, the Provincial Capital Commission and the Business Improvement Districts was key to implementing the strategy. The host organizations worked with the City, partners and sponsors to deliver a true collaborative and successful event, drawing over 68,000 people in 2022.



The revised Heritage Conservation Policy seeks to improve preservation of Regina's heritage assets through stronger relationships and communication with property owners, building capacity and expertise to inform decisions, and expanding direct investments in conservation efforts.



The new Indoor Aquatics Facility (IAF) feasibility study was completed in mid-2022. The IAF feasibility study analyzed several project factors to determine the needs, impacts and considerations of a new IAF for the community. This study and its recommendation were an input to the Catalyst Committee, which formed in 2022 to develop a report to provide recommendations for coordination of several potential significant civic infrastructure projects.



A Community Association Clean-Up Pilot Project was completed in 2022. The pilot provided funding and in-kind supports to 12 Community Associations (based on areas with the highest socio-economic need) to assist with volunteer neighborhood clean-ups. With additional investments from the City, and assistance from the Solid Waste Operations Debris Team, a modified version of the Volunteer Clean Up Program will be expanded to the remaining 15 Community Associations.



Operational Excellence

The establishment of the Transformation Office in 2022 is key to implementing the savings and innovation opportunities identified from the Efficiency Review completed in 2021. As of the end of December 31, 2022, there have been \$6.4 million in savings and cost avoidance resulting from the Efficiency Review. Highlights from this work include:



- Through a review of the City’s light-duty vehicle inventory, fifteen vehicles were reallocated within the City, and 26 vehicles salvaged. This realized annual operating savings of \$400,000, cost avoidance of \$2.14 million, and \$506,000 in revenues.



- Implementation of industry best practices in City procurement has resulted in a one-time cost avoidance of \$2.7 million in 2022 and annual cost savings of \$120,000.



- Significant efficiency work, including moving to a 7-day work week for several services and reduction of vehicles and equipment, has been completed in the City’s Parks area. These improvements led to a cost savings of \$49,000, a cost avoidance of \$87,000 and a revenue injection of \$67,000 in 2022. Additional efficiencies in forestry include:

In addition to the results of the Efficiency Review, examples of service improvements and efficiencies in City programs and services include:



- Upgrades to City facilities to increase energy efficiency, including lighting improvements and solar panel installations, have reduced energy consumption. In 2022, over \$300,000 in costs were avoided. Additional investments in future years will increase this total.



- The ability to have staff work remotely during the replacement of ceiling tiles and sprinklers on each floor of City Hall allowed the City to save \$88,000 from 2022 to 2023.



- Relocating storage for vehicles and equipment avoided a minimum of \$500,000 in ventilation improvements to the City Operations Building C.



- Requiring the golf course management vendor to provide their own janitorial services provided a cost savings of \$102,000. Additionally, requiring five per cent of all driving range sales and cart rentals increased annual revenue by \$59,000.



- Targeted efforts to reduce spending while innovating the City’s telecommunications services have resulted in significant cost avoidance of over \$800,000 for the City’s telephone charges in 2022. These efforts include centralizing the telecommunications budget, negotiating a more cost-effective mobile phone agreement, and implementing a robust, Internet Protocol (IP)-based and cost-effective replacement for traditional telephony solutions.



- Fire & Protective Services responded to over 7,500 emergent calls for service in 2022. The department continues to capitalize on technology to reduce response times, including the use of traffic signal pre-emption and electronic mapping to display call details, route information, and construction zones in the City.

- “10,000 pruned trees” goal per year exceeded for the first time with 11,524 trees pruned
- Reduced the cost per tree by \$7.50/tree from 2021 to 2022
- Reduced 2022 tree watering costs by 43.6% since the Watering app was implemented
- 44% increase in number of forestry jobs completed

Financial Position

As at December 31, 2022 (in thousands of dollars)

	Actual 2022	Actual 2021
Financial Assets		
Cash	\$160,147	\$169,267
Accounts Receivable	81,813	56,632
Taxes Receivable	13,276	12,123
Investments	408,090	421,574
Land Inventory	23,481	25,257
	686,807	684,853
Financial Liabilities		
Bank indebtedness	4,883	1,725
Accounts payable and accrued liabilities	83,722	64,233
Taxes payable to school boards	8,977	1,323
Deferred revenue	116,672	119,702
Capital lease obligations	1,219	1,197
Long-term debt	322,242	331,657
Employee benefit obligations	74,013	72,068
Asset retirement obligations	53,367	50,441
	665,095	642,346
Net Financial Assets	21,712	42,507
Non-Financial Assets	2,549,755	2,484,114
Accumulated Surplus	\$2,571,467	\$2,526,621
Reserves		
General utility reserve	105,422	110,391
RPS community policing initiative reserve	617	-
General fund reserve	24,559	36,421
Covid-19 recovery reserve	-	2,902
Solid waste reserve	38,978	38,839
Regina revitalization initiative - stadium reserve	(1,815)	(3,734)
Land development reserve	1,359	1,989
Asset revitalization reserve	10,631	14,640
Fleet replacement reserve	22,099	20,012
Social development reserve	6,364	4,954
Operational commitments reserve	649	424
Planning & sustainability reserve	(7,380)	(4,012)
Winter road maintenance reserve	-	1,812
Regina Police Service general reserve	3,074	3,206
Employer provided parking reserve	3,695	3,422
Other City of Regina reserves	3,095	3,637
Group benefits reserves:		
Group life insurance reserve	7,889	7,693
Dental benefits reserve	2,667	2,685
Medical - City of Regina reserve	703	1,010
Police services premium red' reserve	487	422
Other group benefit reserves	291	239
Other entities reserves:	22,265	16,486
	\$245,649	\$263,437

Financial Assets:

Financial Assets increased by \$2.0 million due to an increase in accounts receivables of \$25 million offset by a \$22.6 million reduction in cash and investments.

Financial Liabilities:

Financial Liabilities increased by \$22.8 million (3.5%) mainly due to an increase of \$19.5 million in accounts payable in the City of Regina and consolidated entities, a \$7.7 million increase in taxes payable to school boards due to a change in the timing of the payments.

Non-Financial Assets:

Non-financial assets increased by \$65.6 million (2.6%) as a result of continued investments in tangible capital assets to strengthen service delivery.

Reserves:

Most City reserves are self-sustaining whereby both the operating and capital costs are funded from the reserves, such as the Utility Fund Reserve. Other reserves are established for future capital replacement like the Fleet Replacement Reserve. Unallocated funding within the General Fund Reserve and the Asset Revitalization Reserve provides Council with the most flexibility. Reserves (committed and uncommitted funds) decreased by \$17.8 million due to a decrease in the General Fund Reserve. The decrease in the general fund reserve was due to an operating deficit of \$1.6 million as well as payments to the Humane Society due to a City commitment.

Consolidated Financials

Consolidated Statement of Operations and Accumulated Surplus Revenue

As at December 31, 2022 (in thousands of dollars)

Revenue	Actual 2022	Actual 2021
Taxation	\$307,087	\$292,063
Fees and charges	250,493	240,783
Government Transfers	110,279	102,684
Electrical distribution	31,328	30,492
Licenses, fines and levies	16,798	18,037
Gas distribution	9,362	6,139
Interest and penalties	7,406	7,885
Interest on short term investments	10,112	1,046
Gain on long term investments	659	-
Servicing agreement fees	3,657	9,069
Land sales	19,638	15,173
Property rentals	4,018	2,108
Other	5,739	4,018
Contribution of tangible capital assets	180	17,739
Other capital contributions	-	958
	776,756	748,677
Expenses		
Parks, recreation and community services	151,343	135,646
Police	116,464	98,012
Legislative and administrative services	103,113	89,474
Water, wastewater and drainage	106,282	103,992
Roads and traffic	91,877	81,660
Fire	52,088	50,405
Transit	48,192	42,874
Waste collection and disposal	29,631	31,710
Grants	18,972	12,205
Planning and development	13,948	16,612
	731,910	662,589
Annual Surplus	44,846	86,088
Accumulated Surplus, Beginning of Year	2,526,621	2,452,654
Adjustment on the adoption of ARO	-	(12,121)
Accumulated Surplus, End of Year	\$2,571,467	\$2,526,621

Revenues:

Revenues increased by \$28.1 million (3.8%). The increase is mainly related to the following:

- \$15 million more in taxation revenue related to growth and tax rate increases
- \$9.6 million increase in interest and gains on investments with funds starting to be invested under the new Council approved Investment Policy guided by the prudent investor principle, and higher interests during the latter part of 2022.
- \$8 million increase in government transfers due to new Building Canada Fund grant received by Buffalo Pound

Expenses:

Expenses increased \$69.3 million (10.5%).

- Parks, Recreation & Cultural Services saw increased costs of \$15.7 million associated with meeting demand as the number of events and activities increased during the year due to the recovery from COVID-19.
- \$13.6 million increase in Legislative & Administration Services due to an increase in the City's bad debt, signing of collective bargaining agreements and removal of asbestos in ceiling tiles.
- Roads & Transportation expenses grew with the investment in infrastructure and construction.
- Police increased due to a pension plan adjustment.

Annual Surplus:

Annual surplus is the amount of revenue greater than expenses. The decrease in consolidated surplus for 2022 was \$42.5 million.

Accumulated Surplus:

Accumulated surplus includes both cash and non-cash items (such as tangible capital assets) that are not available to spend. The Accumulated surplus shows a growth of \$44.9 million. This is related to a \$65.5 million increase in our tangible capital assets such as land, buildings, roads, and equipment that the City continues to invest in, partially offset by a decrease in the net financial assets of \$20.8 million.

Reconciling Our Budget

On an annual basis, the City prepares a balanced budget, which incorporates the expected revenues and expenditures to provide the residents of our community with services, programs and infrastructure that are efficient, reliable and affordable and that support a vibrant and inclusive community. The budget, presented to City Council for approval, as per Section 128 of *The Cities Act*, details the planned operating and capital activities, as well as the property tax mill rate increase for the upcoming year.

The budget process has two components: the operating budget, which includes operations and routine maintenance, and the capital budget, which includes capital planning. These components are presented in a manner that considers the cash inflows required to support the cost to provide the services, or cash outflows. This is known as the “cash basis” and provides a clear determination of the property tax required for the year. The budget prepared in this manner provide a key source of information that is used to assess, monitor, and report on the overall financial performance of the City of Regina. Reporting done throughout the year helps decision makers stay on top of actions and initiatives approved in the budget to discuss variances from the plan.

The City’s financial statements use “accrual accounting” to comply with financial reporting requirements established by the Public Sector Accounting Board. Accrual accounting requires financial transactions to be recorded and reported when they occur, regardless of when cash is collected or paid. The financial statements are also prepared on a consolidated basis and include all organizations and enterprises which are controlled by the City, as described in Note 1 of the statements.

Given that the budget and financial statements are prepared using different methodologies that use different approaches to recording transactions, the following table adjusts the 2021 Council-approved budget to the “Total Adjusted Budget” used in the financial statements following Public Sector Accounting Standards. Specifically, the table on the following page summarizes how the balanced budget for the operating and capital budget and the budgets for the consolidated entities are adjusted to conform with accrual accounting principles. The adjustments include the elimination of contributions to and withdrawals from our various reserves, internal cost recoveries, re-classifications between revenue and expenses, as well as recognition of tangible capital assets and the associated amortization (i.e. the reduction of an asset’s value over the time it is used).



City of Regina Council Approved Budget

	Operating	Capital	Consolidat- ed Entities	Adjustments	Total Adjusted Budget
Revenue					
Taxation	280,946	-	25,300	(696)	305,550
Fees and charges	243,981	-	54,400	(30,726)	267,655
Government Transfers	47,696	25,457	10,600	(957)	82,796
Electrical distribution	30,400	-	-	-	30,400
Licenses, fines and levies	12,295	-	-	-	12,295
Gas distribution	5,400	-	-	-	5,400
Interest and penalties	9,470	-	603	-	10,073
Interest on portfolio investments	-	-	-	-	-
Gain on long term investments	-	-	-	-	-
Internal transfers (reserves)	34,051	170,658	-	(204,709)	-
Servicing agreement fees	-	59,647	-	-	59,647
Land sales	-	-	-	-	-
Property rentals	-	-	-	-	-
Other revenues	5,336	-	469	(157)	5,648
Contribution of tangible capital assets	-	-	-	-	-
Other capital contributions	-	-	-	-	-
Total Revenue	669,575	255,762	91,372	(237,245)	779,464
Expenses					
Parks, recreation and community services	55,298	9,745	70,126	(15,254)	119,915
Police	103,695	5,139	-	(3,407)	105,427
Legislative and administrative services	163,900	62,609	-	(78,521)	147,988
Water, wastewater and drainage	157,362	119,423	12,381	(122,276)	166,890
Roads and traffic	44,987	40,020	-	(17,398)	67,609
Fire	45,533	905	-	(2,007)	44,431
Transit	39,886	10,101	-	227	50,214
Waste collection and disposal	34,835	7,695	-	(6,295)	36,235
Grants	14,765	-	-	(1,759)	13,006
Planning and development	9,314	125	-	-	9,439
Total Expenses	669,575	255,762	82,507	(246,690)	761,154
Annual Surplus					18,310

Awards and Recognition



AAA credit rating S&P Global

In 2022, the City of Regina again received the highest possible credit rating awarded by S&P Global, demonstrating the City's strong financial management practices, long-term financial planning capabilities and stewardship of public funds.



Tree Cities of the World designation

Food and Agriculture Organization of the United Nations and Arbor Day Foundation

Regina was recognized as a "Tree City of the World" for the third year in a row in 2022. Regina is one of 138 cities globally, as well as 18 cities in Canada, to be accepted into the Tree Cities of the World program. This international program recognizes cities that meet the five core standards for care and planning of urban trees and forests. Regina has more than 500,000 City and privately owned hand-planted trees that help with flooding, natural cooling, and remove the CO2 equivalent of 3,330 mid-sized vehicles from the atmosphere each year. Our urban forest supports our goal of becoming a 100 per cent renewable city by 2050.



Certificate of Excellence in Assessment Administration

International Association of Assessing Officers

The City of Regina is one of only three municipalities in Canada to achieve this certification. This recognition is given to those assessment jurisdictions that are using the identified best-practices throughout their service delivery.



International Accreditation

Commission of Fire Accreditation International

Regina Fire and Protective Services is one of only nine fire departments in Canada to achieve International Accreditation. Re-accreditation was achieved in 2022 and is valid until the end of 2027. Accreditation recognizes the department's commitment to continuous improvement and alignment with industry best practices. Additionally, re-accreditation acknowledges the fire department's dedication to meeting industry standards and making improvements to services, including response times and improved data integrity.



Age Friendly

Age-Friendly Saskatchewan

The City of Regina was recognized as an Age-Friendly City in 2022. This recognition acknowledges the progress to make Regina more inclusive, accessible and age-friendly. Communities that have been a part of the Age-Friendly Saskatchewan initiative and have achieved the following milestones, set out by the World Health Organization, can be recognized:

- Establish an Age-Friendly Committee.
- Secure the support of your municipal government.
- Assess the community, determining where age-friendly initiatives are needed.
- Develop, publicize, implement, and evaluate an action plan.

Since its inception, Regina's Age-Friendly Committee has worked to improve the age-friendliness of City programming and planning and is committed to continuous improvement through ongoing community engagement.



Canadian Award for Financial Reporting

The Government Finance Officers Association of the United States and Canada

Through commitment to analyzing Public Sector Accounting Standards and timely, concise, financial reporting, the City has gained recognition for excellence in governmental accounting and financial reporting for the fiscal year ending December 31, 2021. This award is valid for one year and represents a significant accomplishment for the City.

Service Partners

The City of Regina has multiple service partners who report annually to City Council and are included in the City's consolidated financial statements.

Buffalo Pound Water Treatment Plant

The Buffalo Pound Water Treatment Plant is 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 per cent; City of Moose Jaw: 26 per cent) and a Board of Directors governs the Corporation on behalf of the two Cities. The Plant provides water to approximately 260,000 customers primarily in Regina and Moose Jaw and currently has a rated production capacity of 205 million litres per day. The Plant is currently undergoing a significant rehabilitation project to renew the Plant to extend its life to the year 2050, modernizing the water treatment processes used and expanding the capacity to meeting regional growth.

Community and Social Impact Regina

Community & Social Impact Regina (CSIR) will create, facilitate and monitor coordinated community and social impact strategies to support the well-being, health, safety, and social inclusion of residents in Regina and region.

Economic Development Regina

Guided by the City of Regina's Official Community Plan and its 2020-2030 Economic Growth Plan, Economic Development Regina's (EDR) is a not-for-profit municipal corporation that provides leadership for economic growth to the City of Regina and the community.

Regina Police Service

Regina Police Service (RPS) enhances the safety of our city and provides policing services to the residents of Regina and, in partnership with the RCMP, to some of the surrounding region. The RPS currently has 430 sworn officers and 203 civilian personnel combining to form a total employee complement of 633.

Regina Public Library

Regina Public Library (RPL) is an urban library system committed to meeting the ever-evolving needs of Regina's residents. Since its inception in 1908, RPL continues to play an integral role in the social and economic vibrancy of the city. An integrated cultural institution with a commitment to literacy in all forms, RPL provides community members with opportunities to learn and empower themselves for personal success. RPL's services are available to all city residents, including collections from over 300 Saskatchewan public libraries through the Saskatchewan Information Library Services Consortium. RPL is governed by an independent board under *The Public Libraries Act, 1996*.

Regina's Warehouse Business Improvement District

Regina's Warehouse Business Improvement District (RWBID) is an organizing and financing mechanism established to promote and enhance the area's unique buildings and other historical assets, enhance business conditions and improve the quality of life for those that live in and visit the area. The Warehouse District encompasses 80 blocks from the west side of Albert Street to the east side of Winnipeg Street and north from the CP rail yard to the south side of 4th Avenue.

The 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.

Service Partners

The Regina Exhibition Association Limited

The Regina Exhibition Association Limited (REAL) is a not-for-profit corporation that operates and maintains recreational and entertainment facilities on more than 100 acres of campus grounds. The REAL District includes Mosaic Stadium, the Brandt Centre, the AffinityPlex, the Cooperators Centre, the Viterra International Trade Centre, the Avana Centre and the Queensbury Convention Centre. It hosts signature events such as Canada's Farm Show, FROST @REAL and the Queen City Exhibition and is home to Canadian Western Agribition, the Saskatchewan Roughriders and the Regina Pats. REAL is also responsible for Tourism Regina with a mandate to encourage the retention, development, attraction and growth of tourism products and services as well as to market and promote the City and region for tourism.

2022



Financial Statement: Discussion and Analysis



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

INTRODUCTION

The discussion and analysis of the City of Regina's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should review the "Regina at a Glance" and "2022 Strategic Priorities Results" 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 (RDBID)
- Regina's Warehouse Business Improvement District (RWBID)
- Economic Development Regina Inc. (EDR)
- Regina Public Library Board (RPL)
- Buffalo Pound Water Treatment Corporation (BPWTC)
- Regina Exhibition Association Limited (REAL)
- Community Social Impact Regina (CSIR)

Key financial highlights for 2022 are as follows:

- The 2022 Consolidated Financial Statements report net financial assets of \$21.7 million, a decrease of \$20.8 million from \$42.5 million at the end of 2021.
- The 2022 Consolidated Financial Statements show an annual surplus of \$44.8 million compared to \$86.1 million in 2021.
- The City's accumulated surplus increased from \$2.5 billion at the end of 2021 to \$2.6 billion at December 31, 2022. The accumulated surplus shows positive growth in our financial position, primarily related to an \$65.5 million net increase in Tangible Capital Assets which is due to continued investment in our Tangible Capital Assets to provide future service capacity.
- Revenues increased by \$28.1 million (3.8%) and expenses increased by \$69.3 million (10.5%) from 2021. The increase in revenues is primarily due to increases in taxation, fees and charges and interest on investments. The increase in expenses is mainly due to increase in parks, recreation and community services, police, legislative and administration and roads and traffic.
- The City's reserves increased by \$7.5 million to \$245.7 million. The largest change was an increase in the land development reserve reflecting an adjustment to the reserve to recognize the recovery of land development costs through the sale of developed land.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

REVENUES

The Consolidated Statement of Operations show how and where the City recognizes its revenues. The City of Regina had consolidated revenue of \$776.8 million in 2022 as shown below:

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

Dollars (000's)

	2022 Budget	2022 Actual	Budget Variance Favourable (Unfavourable)	2021 Actual	Year over Year Increase (Decrease)
Taxation	305,550	307,087	1,537	292,063	15,024
Fees and charges	267,655	250,493	(17,162)	240,783	9,710
Government transfers	82,796	110,279	27,483	102,684	7,595
Electrical distribution	30,400	31,328	928	30,492	836
Licenses, fines and levies	12,295	16,798	4,503	18,037	(1,239)
Gas distribution	5,400	9,362	3,962	6,139	3,223
Interest and penalties	10,073	7,406	(2,667)	7,885	(479)
Interest on investments	-	10,112	10,112	1,046	9,066
Gain on long term investments	-	659	659	-	659
Servicing agreement fees	59,647	3,657	(55,990)	9,069	(5,412)
Land sales	-	19,638	19,638	15,173	4,465
Property rentals	-	4,018	4,018	2,108	1,910
Other	5,648	5,739	91	4,501	1,238
Contribution of tangible capital assets	-	180	180	17,739	(17,559)
Other capital contributions	-	-	-	958	(958)
	779,464	776,756	(2,708)	748,677	28,079

The schedule above includes both operating and capital revenues, and controlled subsidiaries. The five-year trend is reported on Table 5.

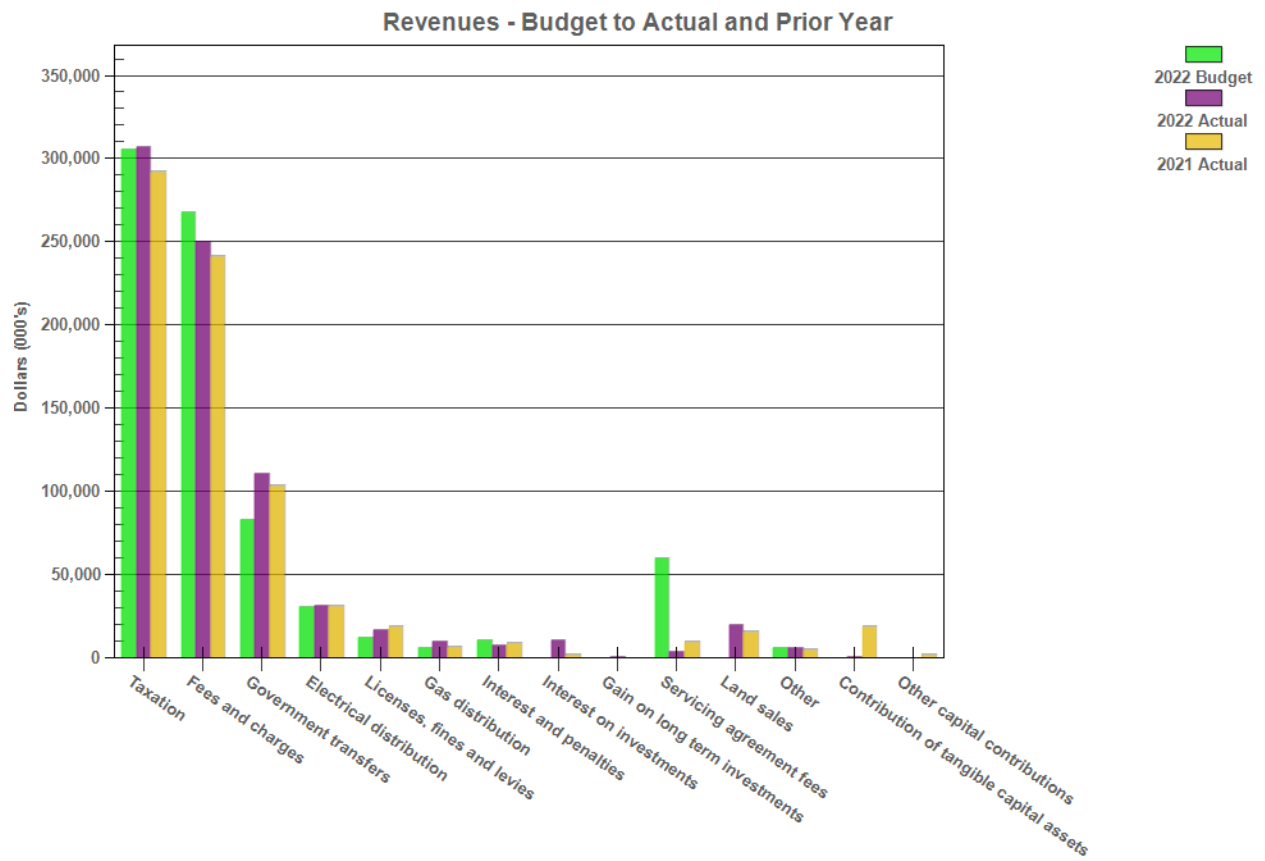
Taxation revenue was \$15.0 million (5%) higher in 2022 when compared to 2021 primarily due to a 3.4% increase in the mill rate and new properties coming onto the assessment roll during the year.

Gas distribution increased \$3.2 million (53%) in 2022 due to an increase in gas prices.

Interest on investments increased \$9.1 million (867%) compared to 2021 due to hiring an increase in interest rates during the latter part of 2022.

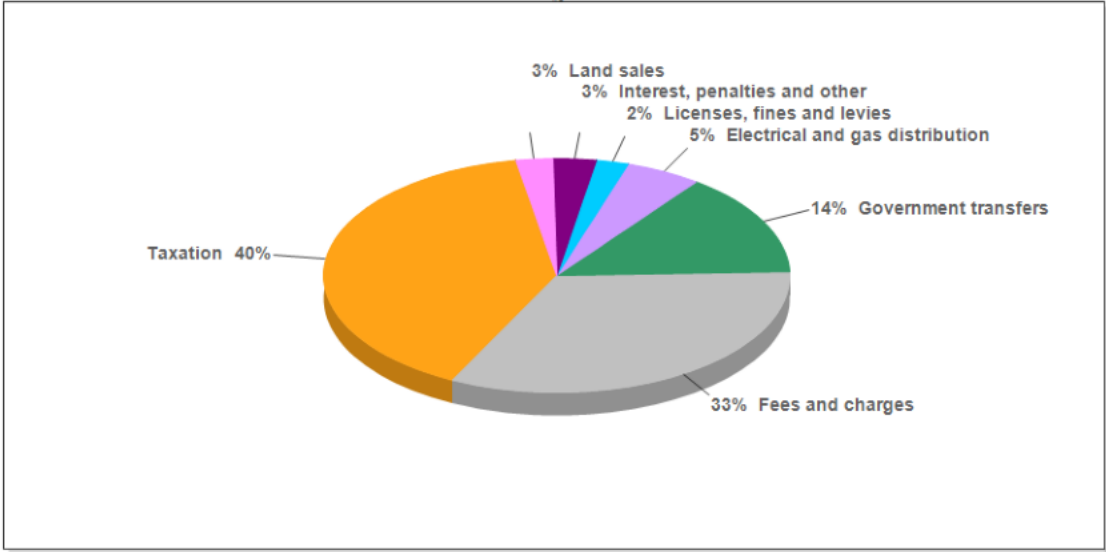
Contribution of tangible capital assets decreased by \$17.6 million (99%) from 2021 as the City had minimal assets transferred to the City compared to prior year. This revenue includes tangible capital assets, such as land, roads, and underground networks that the City receives at no cost or below fair market value as per development agreements. However, the City will be expected to maintain and rehabilitate these assets from this point forward. The City's tangible capital assets support all of the services we provide.

Table 2: Revenues - Budget to Actual and Prior Year



Of the total revenue earned in the year, 73.0% (2021 - 71.2%) is attributed to taxation and fees. This amount varies slightly each year but has consistently been approximately 71.0% for the past five years.

Table 3: 2022 Revenue by Type



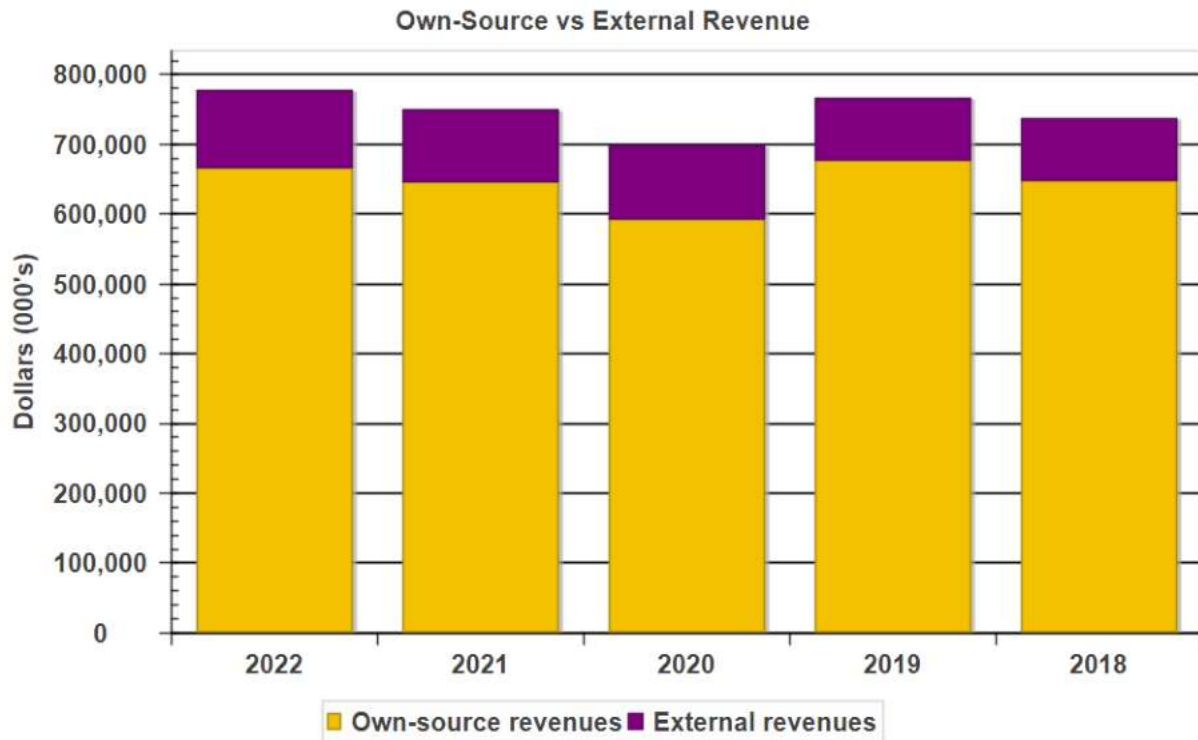
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

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

Table 4: Own-Source vs External Revenue



With the exception of 2020 due to COVID-19, own-source revenues, which include taxation, have been consistent over the past five years, while government transfers have remained relatively unchanged. This means the City relies heavily on its own source of funding to cover the cost of providing services.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 5 provides a summary of the total revenue collected over the last five years. The top five revenue sources include taxation, fees and charges, government transfers, electrical distribution and licenses, fine and levies.

Table 5: Revenue Summary

	2022	2021	2020	2019	2018
Taxation	307,087	292,063	284,740	273,380	260,358
Fees and charges	250,493	240,783	212,527	264,895	261,127
Government transfers	110,279	102,684	103,719	87,732	88,016
Electrical distribution	31,328	30,492	29,502	28,312	27,893
Licenses, fines and levies	16,798	18,037	14,684	21,420	13,970
Gas distribution	9,362	6,139	6,216	5,630	3,190
Interest and penalties	7,406	7,885	9,133	9,553	5,211
Interest on investments	10,112	1,046	893	4,309	7,769
Gain on long term investments	659	-	-	11,311	(8,128)
Servicing agreement fees	3,657	9,069	8,080	4,523	9,758
Land sales	19,638	15,173	15,257	10,552	16,014
Property rentals	4,018	2,108	2,063	-	6,707
Other	5,739	4,501	5,404	8,279	6,707
Contribution of tangible capital assets	180	17,739	4,061	35,417	43,148
Other capital contributions	-	958	644	601	1,500
	776,756	748,677	696,923	765,914	743,240

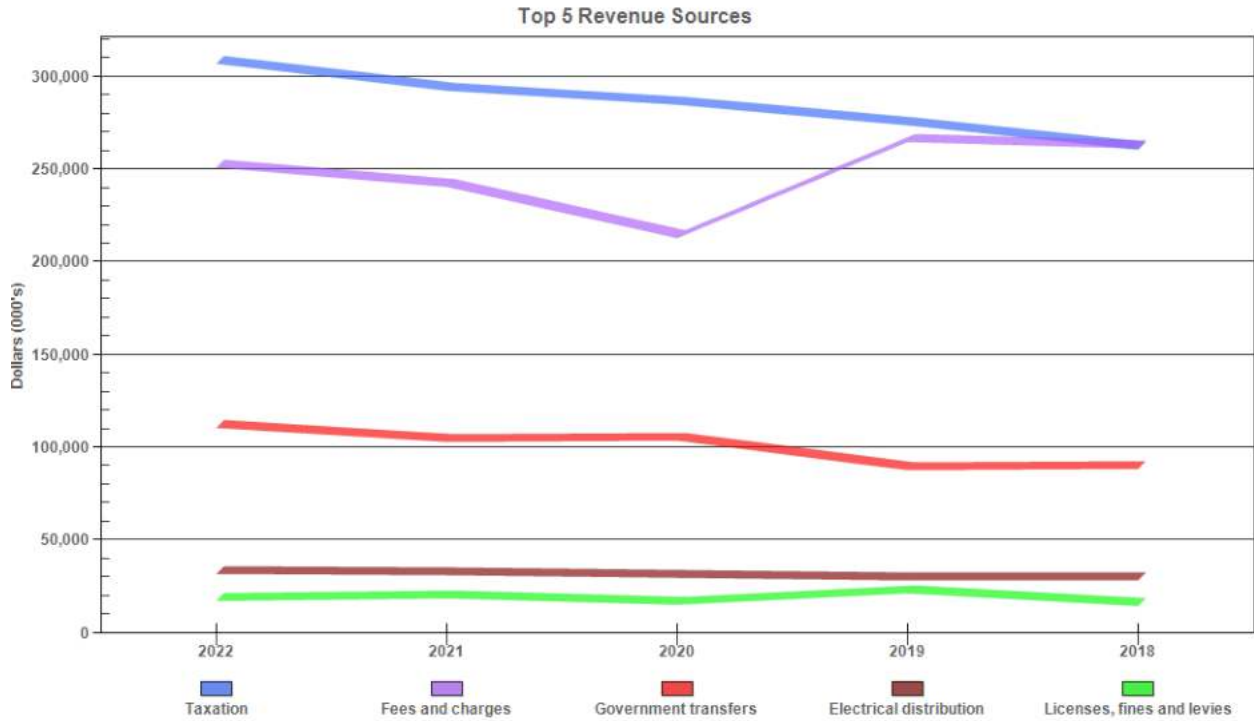
Certain revenues, particularly own-source revenues follow a predictable pattern of growth; these include revenues such as taxation, licenses, fines and levies, and electrical distribution. Other revenues follow a less predictable pattern of growth such as: government transfers are dependent on the level of funding provided by government; and contributed assets which follow development levels and economic factors.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 6: Top Five Revenue Sources



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

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

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

Taxable Property Assessment (in thousands of dollars)	
Year	Total
2022	27,077,405
2021	26,769,165
2020	29,391,967
2019	29,049,338
2018	28,545,124

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 8: Mill Rates And Levies

Year	Mill Rates			Business Improvement Levies		
	Municipal	Library	Total	Regina Downtown	Regina's Warehouse Business Improvement	District
2022*	9.7726	0.8719	10.6445	0.7595		0.7367
2021	9.4513	0.8510	10.3023	0.7233		0.5457
2020	8.3716	0.7497	9.1213	0.5997		0.5040
2019	8.1081	0.7329	8.8410	0.5997		0.5040
2018*	7.7716	0.7199	8.4915	0.5822		0.4893

* 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				
	2022	2021	2020	2019	2018
Residential	0.91034	0.91034	0.91152	0.91152	0.91152
Condominiums	0.91034	0.91034	0.91152	0.91152	0.91152
Multi-family residential	0.91034	0.91034	0.91152	0.91152	0.91152
Commercial and industrial	1.24950	1.24950	1.21040	1.21040	1.21040
Golf courses	0.81197	0.81197	0.78654	0.78654	0.78654
Agriculture	1.24950	1.24950	1.21040	1.21040	1.21040
Railway/Pipelines	1.24950	1.24950	1.21040	1.21040	1.21040
Resources	1.24950	1.24950	1.21040	1.21040	1.21040

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 10: Tax Levies and Collection

	2022	2021	2020	2019	2018
Municipal tax levy	281,742	267,773	261,142	250,561	238,268
Global Transportation Hub Authority	3,235	2,873	2,765	2,736	2,435
School boards tax levy	150,205	146,215	149,602	148,848	143,640
Library tax levy	25,345	24,290	23,598	22,819	22,090
Total tax levy	460,527	441,151	437,107	424,964	406,433
Tax levy per capita - Municipal*	1,127	1,139	992	1,017	1,003
Tax levy per capita - School boards*	601	622	568	613	608
Tax levy per capita - Library*	101	103	90	94	93
Total tax levy per capita* (\$)	1,829	1,864	-	1,724	1,704
Tax levy per household - Municipal**	2,842	2,736	2,625	2,424	2,354
Tax levy per household - School boards**	1,515	1,567	1,559	1,470	1,363
Tax levy per household - Library**	256	247	239	224	222
Total tax levy per household** (\$)	4,613	4,550	4,423	4,118	3,939
Tax arrears, end of year (prior to allowance for doubtful accounts)	29,459	23,138	25,253	18,327	13,833
Arrears as a % of total tax levy	6.40%	5.78%	4.31%	2.62%	2.31%
Tax levy as a % of General operating revenue	36.27%	35.77%	37.47%	32.71%	32.06%
Total taxes collected	431,068	411,854	405,321	388,756	361,920

*2018-2020 population figures are based on the 2016 census. 2021-2022 population figure is based on 2021 census.

** Household figure as obtained from Stats Canada 2016 and 2021 census.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 11: Major Property Taxpayers in Regina in 2022

Registered Owner	Total Taxable Assessment	% of Total Taxable Assessment
1. Harvard Developments Inc.	5,741	0.02%
2. Consumers' Co-operative Refineries Ltd.	5,255	0.02%
3. HDL Investments Inc.	3,751	0.01%
4. Cornwall Centre Inc.	2,718	0.01%
5. Nobel Reit GP Inc./Commandite FPI Nobel Inc.	2,591	0.01%
6. SBLP Southland Mall Inc.	2,220	0.01%
7. Boardwalk REIT Properties Holdings Ltd.	2,185	0.01%
8. Cornerstone Holdings Ltd.	2,025	0.01%
9. Loblaw Properties West Inc.	1,700	0.01%
10. Regina Airport Authority	1,559	0.01%
11. SGC Holdings Inc.	1,461	0.01%
12. City Centre Equities Inc.	1,372	0.01%
13. Westdale Construction Co. Ltd.	1,349	-%
14. Mountwater Capital Corp.	1,336	-%
15. Sherwood Co-operative Association Ltd.	1,218	-%
Total	36,481	0.14%
Total 2022 taxable assessment	27,077,405	100.00%

The list of major taxpayers does not include properties where grant or payments in lieu of property tax are paid. This list has remained relatively stable over the last number of years. The major property taxpayers shows that the levy base is a very diverse, strong and stable group.

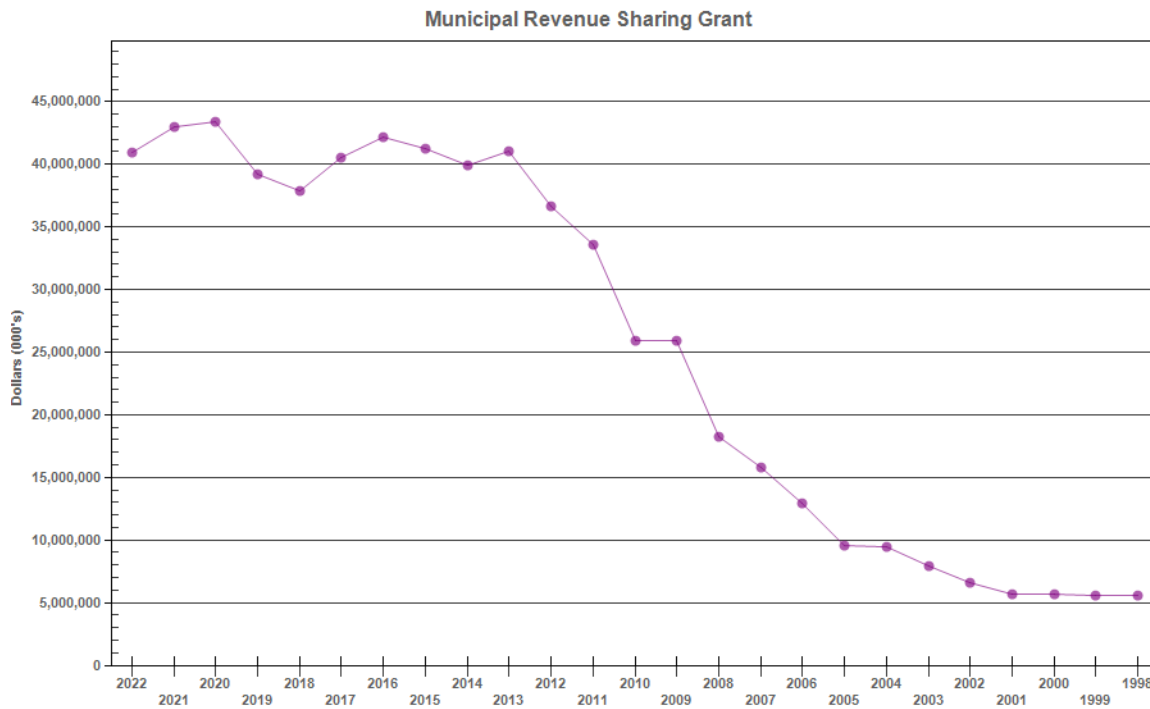
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

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 1998.

Table 12: Municipal Operating Grants Trends



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

EXPENSES

The total operating expenses are reported in the Consolidated Statement of Operations. Consolidated expenses totaled \$731.9 million in 2022. The increase in expenses was due to the increase in parks, recreation and community services; police; legislative and administrative services and roads and traffic. The spending in all categories are consistent with Council-approved priorities.

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

	2022 Budget	2022 Actual	Variance Favourable (Unfavourable)	2021 Actual	Increase (Decrease)
Parks, recreation and community services consolidated	119,915	151,343	(31,428)	135,645	15,698
Police	105,427	116,464	(11,037)	98,012	18,452
Legislative and administrative services	147,988	103,113	44,875	89,473	13,640
Water, wastewater and drainage	166,890	106,282	60,608	103,992	2,290
Roads and traffic	67,609	91,877	(24,268)	81,660	10,217
Fire	44,431	52,088	(7,657)	50,406	1,682
Transit	50,214	48,192	2,022	42,874	5,318
Waste collection and disposal	36,235	29,631	6,604	31,710	(2,079)
Grants	13,006	18,972	(5,966)	12,205	6,767
Planning and development	9,439	13,948	(4,509)	16,612	(2,664)
	761,154	731,910	29,244	662,589	69,321

The schedule above includes both operating and capital expense, and controlled subsidiaries. The five-year trends are reported on Table 16 by expense type and on Table 18 by expense by object.

Parks, recreation and community services increased \$15.7 million (12%) from 2021 due to controlled subsidiaries operating closer to pre-pandemic levels in 2022 when compared to 2021.

Police increased \$18 million (19%) due to an adjustment to the target retirement income plan.

Legislative and administrative expenses increased \$13.7 million (15%) mainly related to an increase in bad debt expense and non capital repairs completed at City Hall.

Roads and traffic expenses increased \$10.2 million (13%) from 2021 due to an increase in winter road maintenance during the year.

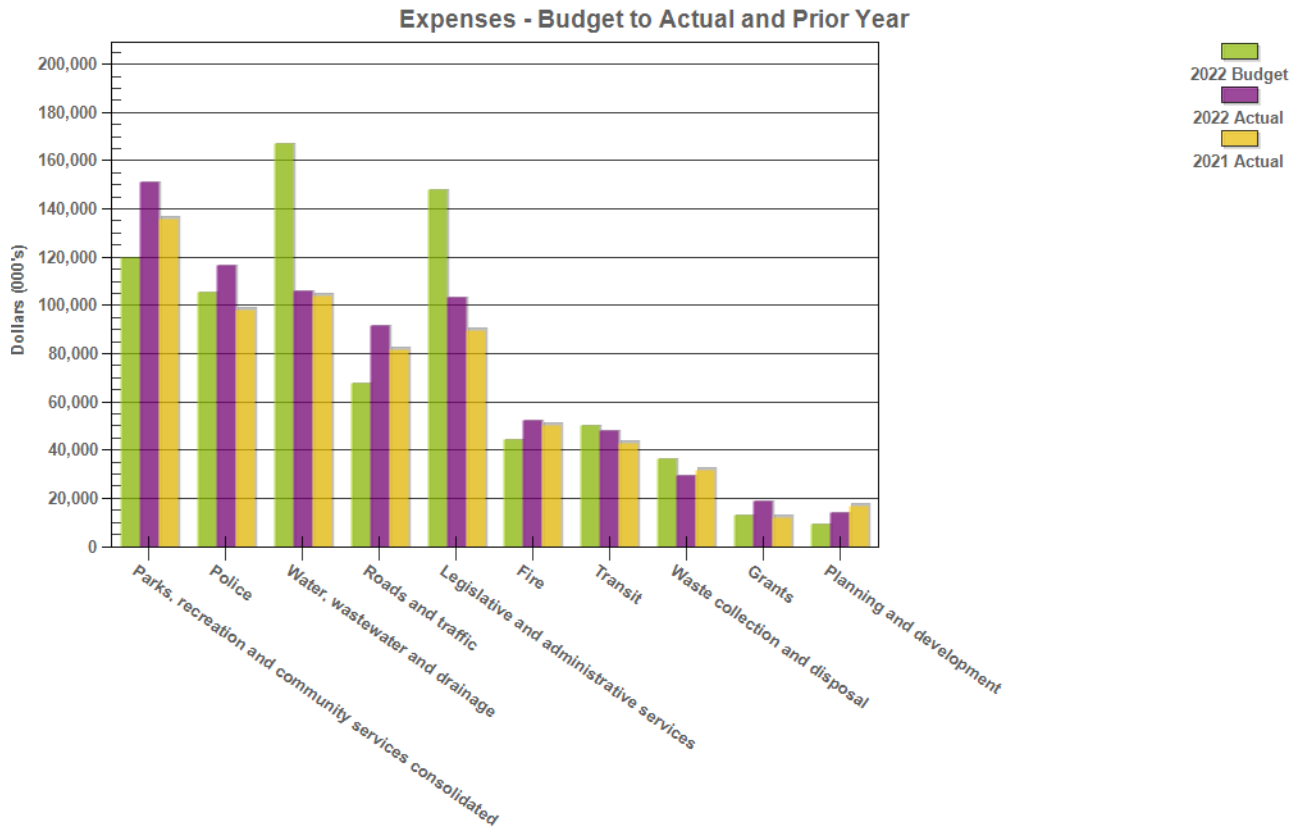
Grants increased by \$6.8 million (55%) from 2021 due to increased community investment grants one in particular was the Globe Theatre Society.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 14: Expenses – Budget to Actual and Prior Year



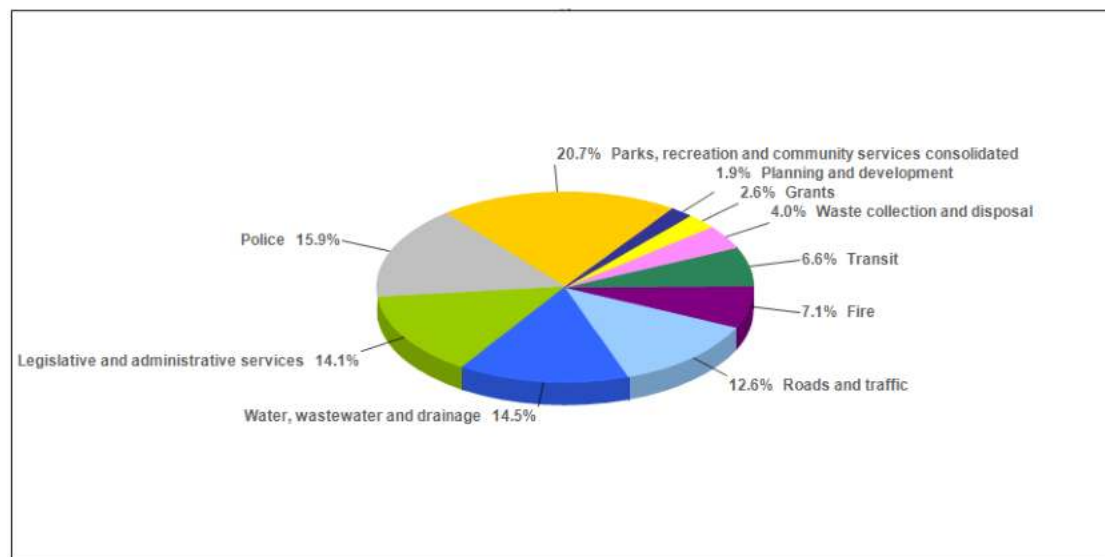
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Of the total expenditures incurred, almost 65.2% is attributed to four areas: parks, recreation and community services; police; legislative and administrative services and water, wastewater and drainage.

Table 15: 2021 Expenses by Type



An analysis of the significant trends in expenses indicate that the City of Regina's expenses have increased by \$132.9 million over the last five years (Table 16). Table 17 provides a graphic representation on the historical expenses by department.

Table 16: Expense Summary

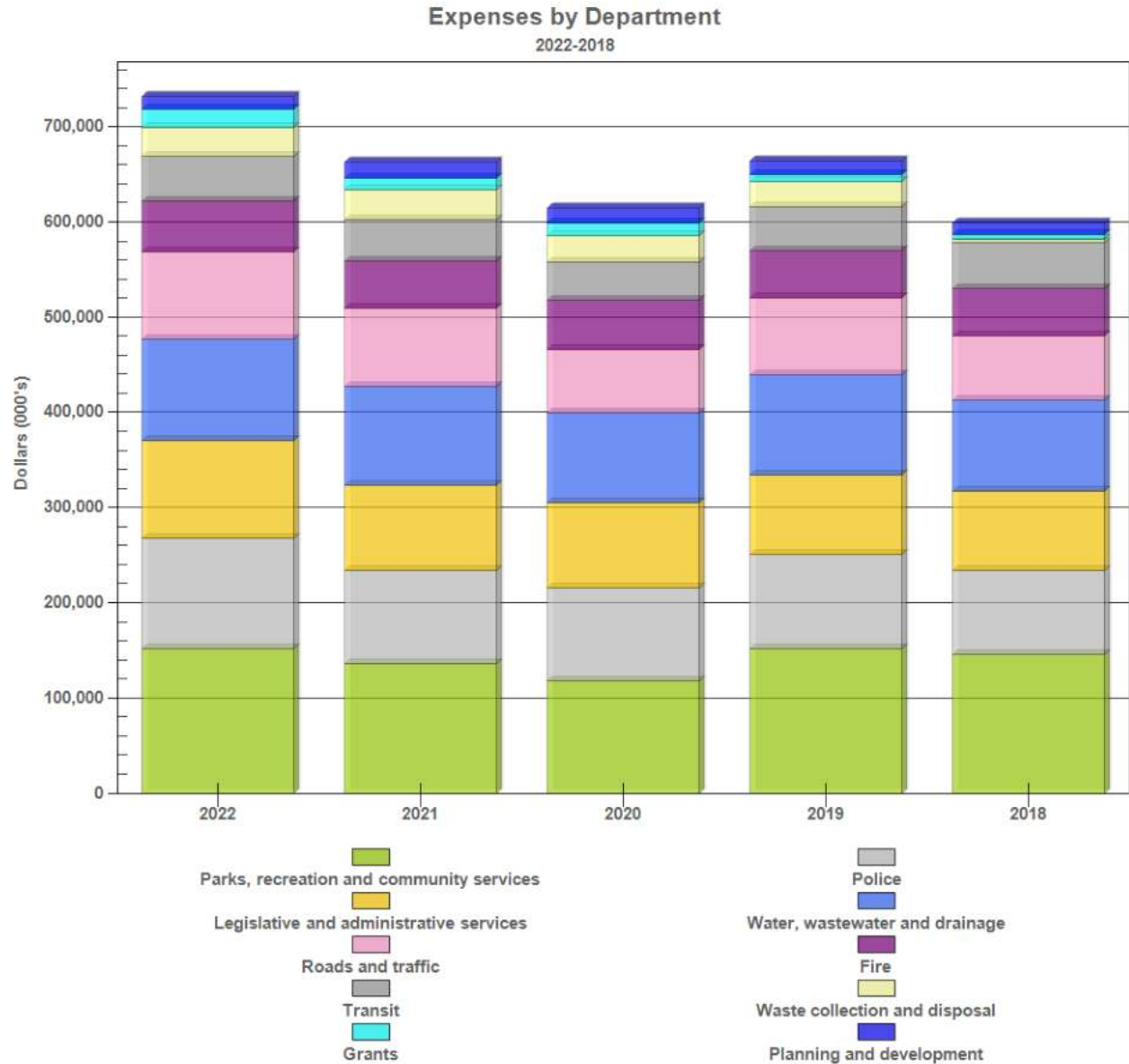
	2022	2021	2020	2019	2018
Parks, recreation and community services	151,343	135,645	117,695	151,623	145,436
Police	116,464	98,012	98,326	98,527	88,614
Legislative and administrative services	103,113	89,473	89,374	83,585	83,313
Water, wastewater and drainage	106,282	103,992	94,332	105,784	95,420
Roads and traffic	91,877	81,660	66,394	80,304	67,527
Fire	52,088	50,406	51,143	50,392	48,997
Transit	48,192	42,874	40,490	45,193	48,722
Waste collection and disposal	29,631	31,710	28,235	26,787	4,036
Grants	18,972	12,205	12,974	7,358	4,639
Planning and development	13,948	16,612	15,231	14,278	12,347
Total	731,910	662,589	614,194	663,831	599,051

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 17: Expenses by Department



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Approximately 44.5% of the total expenses incurred by the City of Regina are attributed to wages and benefits. Wages and benefits have increased by a nominal and predictable 12.1% from 2018 to 2022 which is reasonable due to collective bargaining agreements and staff advancing through annual union step increases. Included in these costs are changes to post employment obligations such as pension plans, sick and vacation payouts.

Several categories of expenses (contracted services, materials and supplies, and amortization) are impacted by capital projects which span several years. These in turn are impacted by major projects as well as the availability of government funding. While a majority of project expenditures are capitalized not all meet the criteria, thus, an increase in capital projects causes an increase in certain related operating expenses both at the time of construction and into the future.

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

2022 - 5,213
 2021 - 5,027
 2020 - 4,846
 2019 - 5,242
 2018 - 5,238

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

Table 18: Expense by Object

	2022	2021	2020	2019	2018
Wages and benefits	325,407	305,911	299,764	300,417	290,180
Materials, supplies and other goods	87,619	85,253	57,276	116,930	85,182
Contracted and general services	150,633	115,784	109,492	105,949	87,913
Transfer payments/grants	19,109	12,225	13,075	9,372	9,346
Utilities	22,735	20,178	19,228	17,036	18,311
Interest and bank charges	11,985	11,984	12,324	13,058	13,418
Amortization of tangible assets	112,090	109,018	103,035	101,069	94,701
Accretion	2,332	2,235	-	-	-
Total	731,910	662,588	614,194	663,831	599,051

As the economy opens up there is increased activity and therefore expenses under material, supplies and other goods are increasing as the services are increasing to pre-pandemic levels.

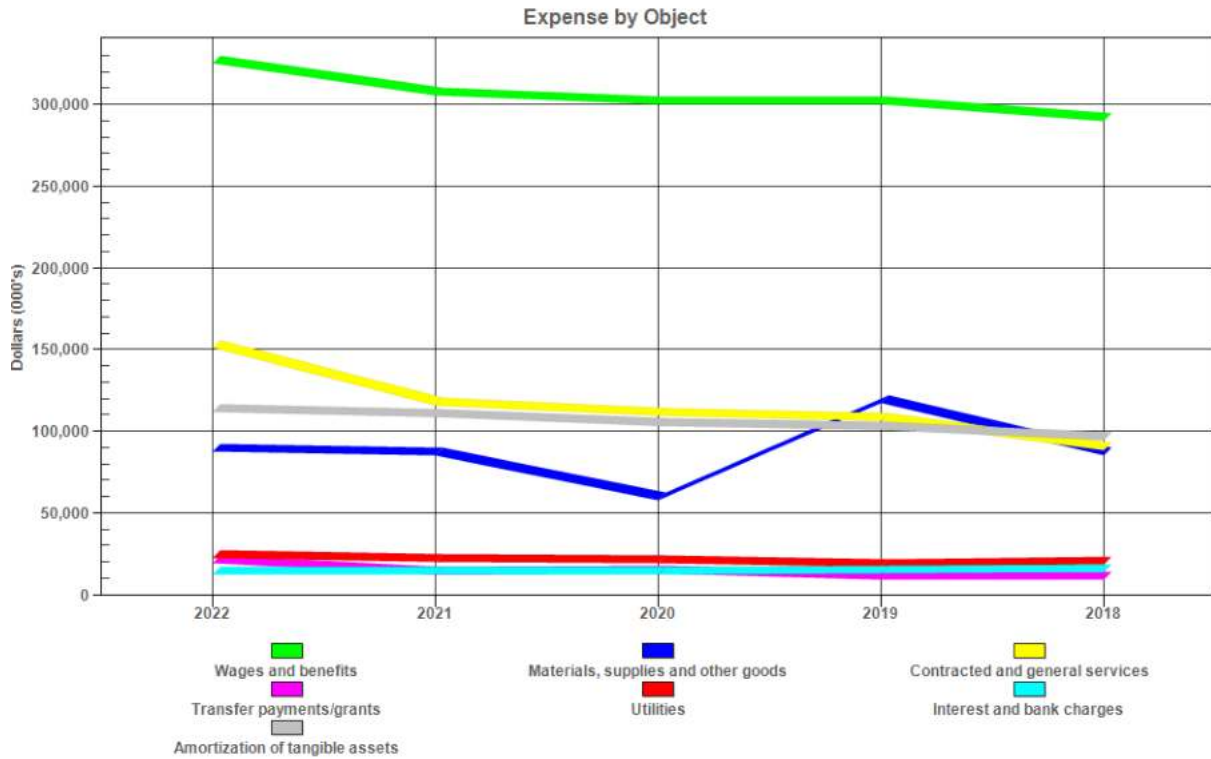
Table 19 and 20 illustrate total expenses by object.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 19: Expense by Object

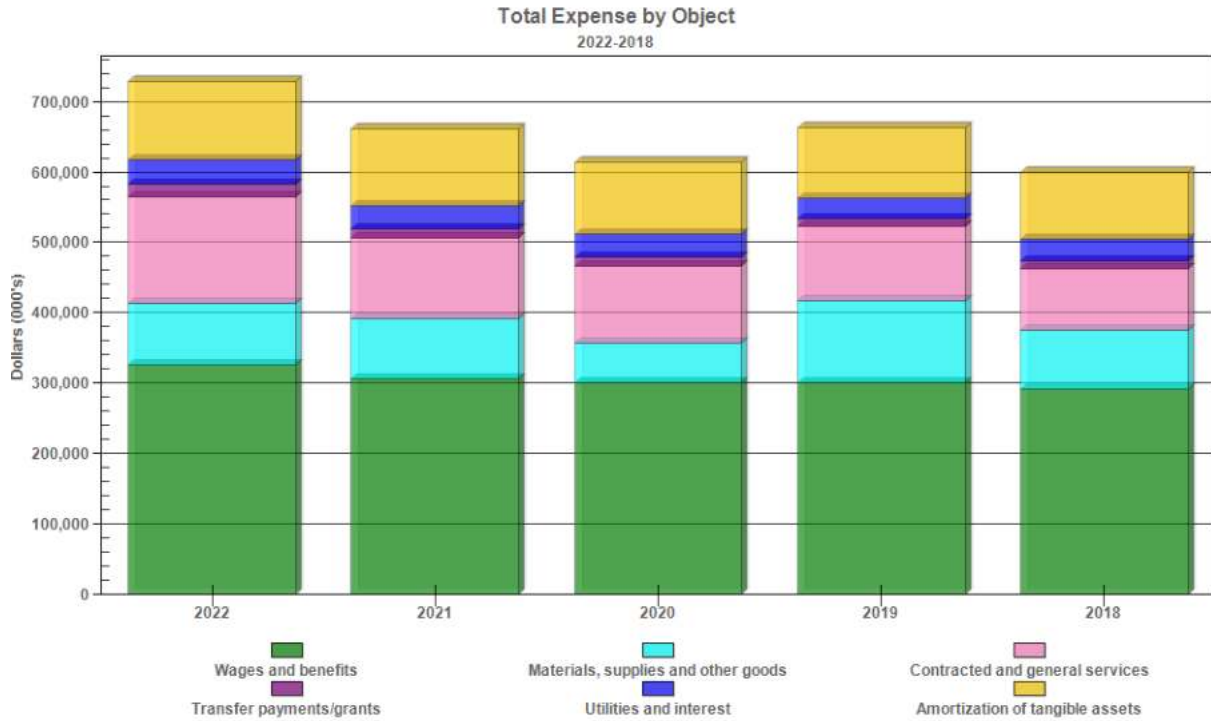


FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 20: Total Expense by Object



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 21: General Capital Funds

	Budget 2022	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Actual 2018
Revenue						
Government transfers						
Federal	25,457	13,664	17,268	12,698	23,047	14,992
Provincial	9,642	16,271	19,699	2,408	7,210	8,507
Fees and charges	-	7,014	7,955	423	7,265	10,949
Servicing agreement fees	59,647	1,518	5,875	4,669	2,109	5,861
Contribution of tangible capital assets	-	180	13,871	3,993	17,915	38,730
Other capital contributions	-	-	957	644	601	1,368
Other revenues	-	461	1,024	1,371	835	502
	94,746	39,108	66,649	26,206	58,982	80,909
Expenses	255,762	126,126	108,546	87,576	104,763	106,952
Surplus (Deficit)	(161,016)	(87,018)	(41,873)	(61,370)	(45,781)	(26,043)

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 2022, the carry forward amount available in the General Capital and Utility Capital funds was \$64.0 million (2021 - \$86.6 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 (Table 22). This statement presents information to describe the City's financial position at the end of the year. This information allows users to evaluate the City's ability to finance its activities and to meet its liabilities and contractual obligations, as well as its ability to provide future services. The City needs to understand the total economic resources they have available to deliver services. These resources can be financial (eg. cash, accounts receivable) and non-financial (eg. tangible capital assets).

The City also has liabilities for service delivery to be settled in the future that will consume the financial resources. This is measured by the City's net financial asset position. This measure is considered tandem with the accumulated surplus to determine the City's ability to delivery services in the future. A significant portion of accumulated surplus includes the investment made in tangible capital assets which, for the City, represents service delivery capacity.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 22: Statement of Financial Position

	2022	2021	2020	2019	2018
Financial assets					
Cash	160,147	169,267	96,587	88,476	77,924
Accounts receivable	81,813	56,632	43,450	49,280	72,789
Taxes receivable	13,276	12,123	14,964	11,753	10,370
Investments	408,090	421,574	461,127	400,829	376,552
Land inventory	23,481	25,257	20,592	27,192	30,083
	686,807	684,853	636,720	577,530	567,718
Financial liabilities					
Bank indebtedness	4,883	1,725	-	-	-
Accounts payable and accrued liabilities	83,722	64,233	47,213	64,836	66,860
Taxes payable to school boards	8,977	1,323	11,570	6,449	8,000
Deferred revenue	116,672	119,702	121,984	89,496	74,446
Capital lease obligations	1,219	1,197	1,223	1,463	735
Long-term debt	322,242	331,657	292,989	302,619	317,692
Employee benefit obligations	74,013	72,068	74,483	67,949	66,095
Asset retirement obligations	53,367	50,441	12,574	9,859	9,278
	665,095	642,346	562,036	542,671	543,106
Net financial (debt) assets	21,712	42,507	74,684	34,859	24,612
Non-financial assets					
Tangible capital assets	2,534,606	2,469,116	2,364,486	2,322,717	2,232,502
Materials and supplies	11,299	10,875	10,075	8,975	8,072
Prepaid expense	3,850	4,123	3,410	3,374	2,656
ACCUMULATED SURPLUS	2,571,467	2,526,621	2,452,655	2,369,925	2,267,842
ANNUAL SURPLUS	44,845	86,088	82,729	102,083	137,483

Cash decreased by \$9.1 million (5.4%) as compared to 2021 due to grants received in prior years being spent.

Investments decreased by \$13.5 million (3%), in 2021 the City was holding GIC's and in 2022 the City restructured their investments based on the new Investment Policy. With the purchase of new investments the City kept cash in the bank account to be available for capital program costs.

Accounts receivables increased by \$25.2 million (44.5%) from 2021 which is related to Buffalo Pound Water Treatment Corporation and revenue accruals for various municipal payments.

Accounts payable increased by \$19.5 million (30.3%) from 2021 mainly attributed to Buffalo Pound Water Treatment plant upgrade.

Taxes payable to school boards increased by \$7.7 million (578.5%). This variance is due to a timing difference. In 2020 Board payments were changed from the normal payment schedule to "based on collections" due to Covid-19. In 2022 payments are back to the regular schedule.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 23: City of Regina Long-Term Debt

	2022	2021	2020	2019	2018
Total debt outstanding, beginning of year	331,657	292,989	302,619	317,692	319,635
Debt issued during year	-	39,000	9,630	12,000	-
Debt repayments during year	(9,415)	(332)	(19,260)	(27,073)	(1,943)
Total debt outstanding, December 31	322,242	331,657	292,989	302,619	317,692
General municipal debt outstanding, end of year	171,924	178,506	184,871	191,023	195,613
Water & Sewer Utility debt outstanding, end of year	-	-	-	-	7,845
Wastewater Treatment Plant debt outstanding, end of year	69,302	70,913	72,427	73,849	75,185
Buffalo Pound Loan Payable	71,493	74,103	30,649	31,563	32,447
REAL	9,523	8,135	5,042	6,183	6,602
Total debt outstanding	322,242	331,657	292,989	302,619	317,692
Authorized debt limit, December 31	450,000	450,000	450,000	450,000	450,000
Debt per capita (\$)*	1,371	1,411	1,247	1,250	1,357
Debt per household (\$)**	3,376	3,474	3,069	3,170	3,328
Debt per community assessed value	1.19%	1.24%	1.00%	1.04%	1.11%
Debt as a multiple of revenue	41.5%	44.3%	42.0%	39.5%	42.7%

*2018-2020 population figure figured was obtained from the 2016 census. 2021-2022 population figure was obtained from 2021 census.

** Household figure as obtained from Stats Canada 2016 and 2021 census.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

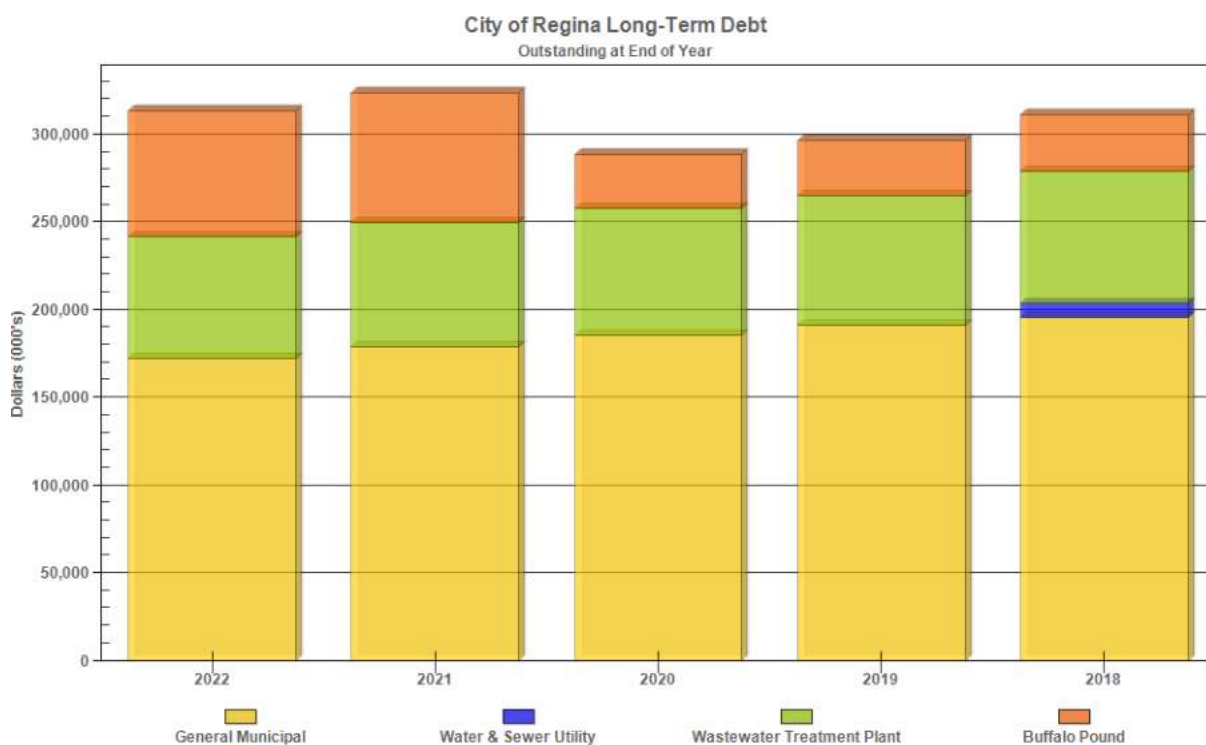
(in thousands of dollars)

Long-Term Debt

The affordability of debt is influenced by many factors including the City's revenue, current debt obligations and other financial obligations. The City's Debt Management Policy outlines specific measures to evaluate the affordability of debt. The policy sets limits on the amount of debt the City can borrow, within the current debt limit set by the Saskatchewan Municipal Board.

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, 2022 was \$322.2 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

(in thousands of dollars)

The cost of servicing the debt over the past five years is presented in the Table 25. The debt service ratio of 5% of consolidated revenues is set within the Debt Management Policy. The limit was exceeded in 2019 with a one-time balloon payment.

Table 25: City of Regina Debt Service Cost

City of Regina Debt Service Costs

	2022	2021	2020	2019	2018
General municipal debt					
Principal	4,607	4,426	4,252	16,589	5,368
Interest	6,846	7,027	7,201	7,681	8,188
	11,453	11,453	11,453	24,270	13,556
Water and Sewer Utility					
Principal	-	-	-	7,846	906
Interest	-	-	-	196	414
	-	-	-	8,042	1,320
3rd Party					
Principal	3,028	2,844	2,671	2,509	2,106
Interest	4,504	4,596	4,682	4,763	5,922
	7,532	7,440	7,353	7,272	8,028
Total	18,985	18,893	18,806	39,584	22,904
Debt service costs as a % of total expenses	2.6%	2.9%	3.1%	6.0%	3.8%

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Employee Benefit Obligations

Employee benefit obligations include liabilities for pensions, sick and severance, vacation and overtime. The increase in employee benefit obligations from 2018 to 2022 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 11 d) of the Consolidated Financial Statements, an actuarial extrapolation completed of the plan for accounting purposes indicates a surplus of benefit obligation over plan assets of \$234.1 million at December 31, 2022 (2021 - \$201.9 million surplus).

	2022	2021	2020	2019	2018
City of Regina employer contributions	16,362	15,992	15,974	15,540	16,062

Tangible Capital Assets

Tangible capital assets support all of the services provided by the City and its consolidated entities. These 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. The value of the tangible capital assets grow as the City receives contributed assets from developers and invests in new or replacement assets to continue to provide services.

	2022	2021	2020	2019	2018
Tangible Capital Assets - Net Book Value	2,534,606	2,469,116	2,364,486	2,322,717	2,232,502

The City continues to invest in infrastructure as noted in the table above showing an increase in the net book value of assets of \$65.5 (2.7%) from prior year. The acquisition of tangible capital assets is authorized largely through the Council-approved capital budget. On March 14, 2021, Council adopted the 2022 annual Capital plan and the 2022-2026 Capital plan.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Accumulated Surplus

The accumulated surplus represents the net assets of the City, and the yearly change in the accumulated surplus is equal to the annual excess of revenues over expenses for the year.

Accumulated surplus is comprised of all the accumulated surpluses and deficits of the funds, reserves and controlled entities that are included in the statements, along with the City's unfunded liabilities such as vacation, retirement allowances and landfill liabilities. Accumulated surplus primarily consists of the City's investments in tangible capital assets (2022 - 99%; 2021 - 98%). Investments in tangible capital assets is an important aspect of service delivery and is not intended or readily accessible for user in funding ongoing operations.

	2022	2021	2020	2019	2018
Accumulated surplus	2,571,467	2,526,621	2,452,655	2,369,925	2,267,842

The City's accumulated surplus, through its investment in tangible capital assets, has grown by \$44.8 million (1.8%) in 2022, indicating a strong foundation upon which services will continue to be delivered in the future.

Reserves

The City allocates funds to reserves to meet specific future operating and capital requirements. They are a key component to the City's long-term financial strategy, supporting long-term financial viability. Two of 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.

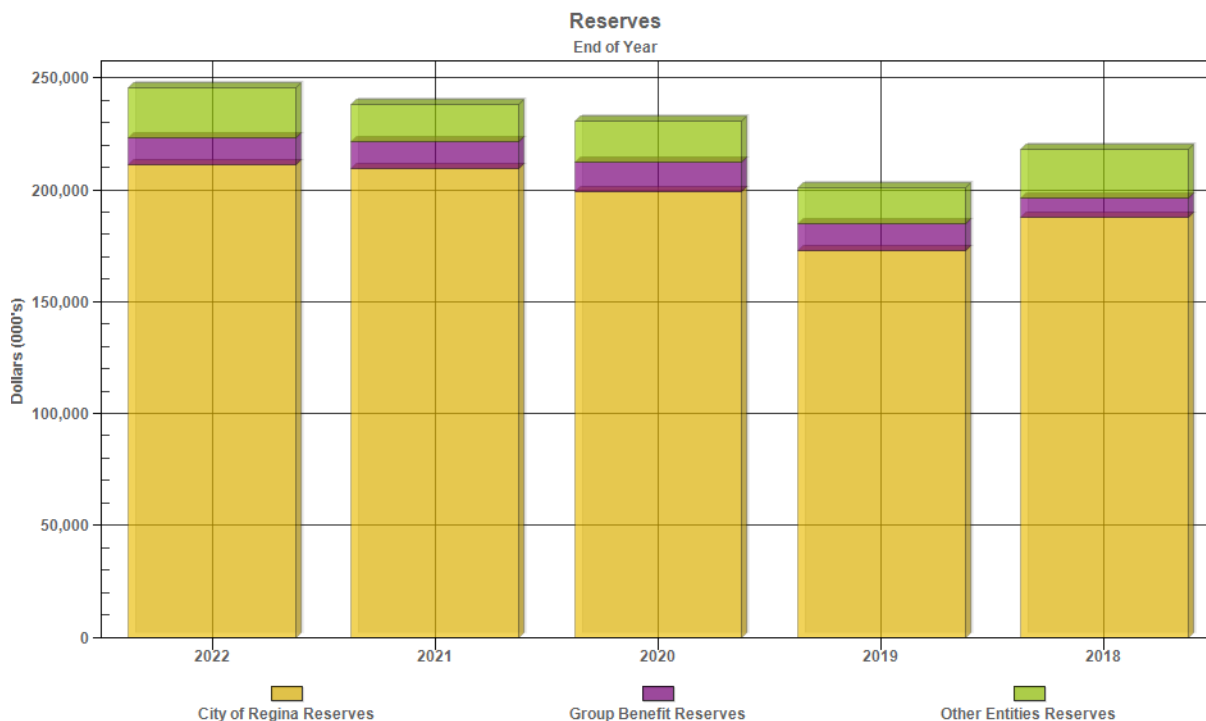
Table 26: Reserves
Dollars (000's)

	2022	2021	2020	2019	2018
Reserves					
City of Regina Reserves	211,347	209,645	199,442	172,666	187,738
Group Benefits Reserves	12,037	12,049	12,744	11,978	8,722
Other Entities Reserves	22,265	16,486	18,358	16,533	21,355
	245,649	238,180	230,544	201,177	217,815

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)



Over the past five years the City's reserves have fluctuated as reserves are used for their intended purposes as defined in the *Regina Administration Bylaw, 2003-69*. Two comprehensive reviews have been completed in this time period (2018 and 2021) that have established a strong foundation for establishing and reporting the reserves to ensure sound fiscal management. Overall, the steady reserve level is an indication of how the City continues to ensure appropriate reserve balances to support planned projects.

The number and level of reserves maintained by a municipality depend on several factors including service levels, internal financial policies, risk tolerances, age of infrastructure, long-term financial plans, and economic conditions. The City's reserves align to the bylaw and internal policies. An annual reserve report is presented to City Council to detail the balances and use of each reserve and recommend any adjustments to continue to align to the best practices.

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.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

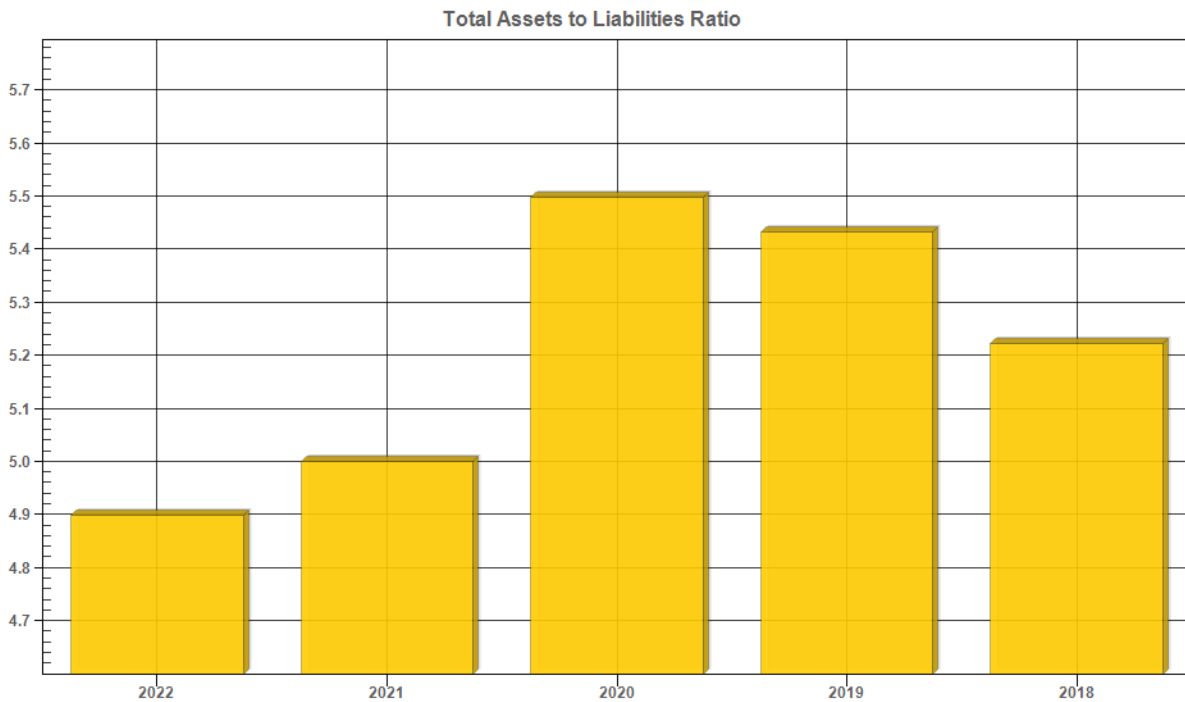
(in thousands of dollars)

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 was 4.9 in 2022 (Table 27). The decrease in 2021 and 2022 is due to the adoption of a new public sector accounting standard, asset retirement obligations which required the City to set up a liability for legal obligations associated with the retirement of tangible capital assets. The City's financial assets to liabilities ratio has decreased from 1.05 to 1.03 from 2018 to 2022 (Table 28). There was an increase in accounts receivable of \$25 million causing a correlating increase in the ratio of financial assets to liabilities which supports the ability of the City to finance its commitments.

Table 27: Total Assets to Liabilities Ratio

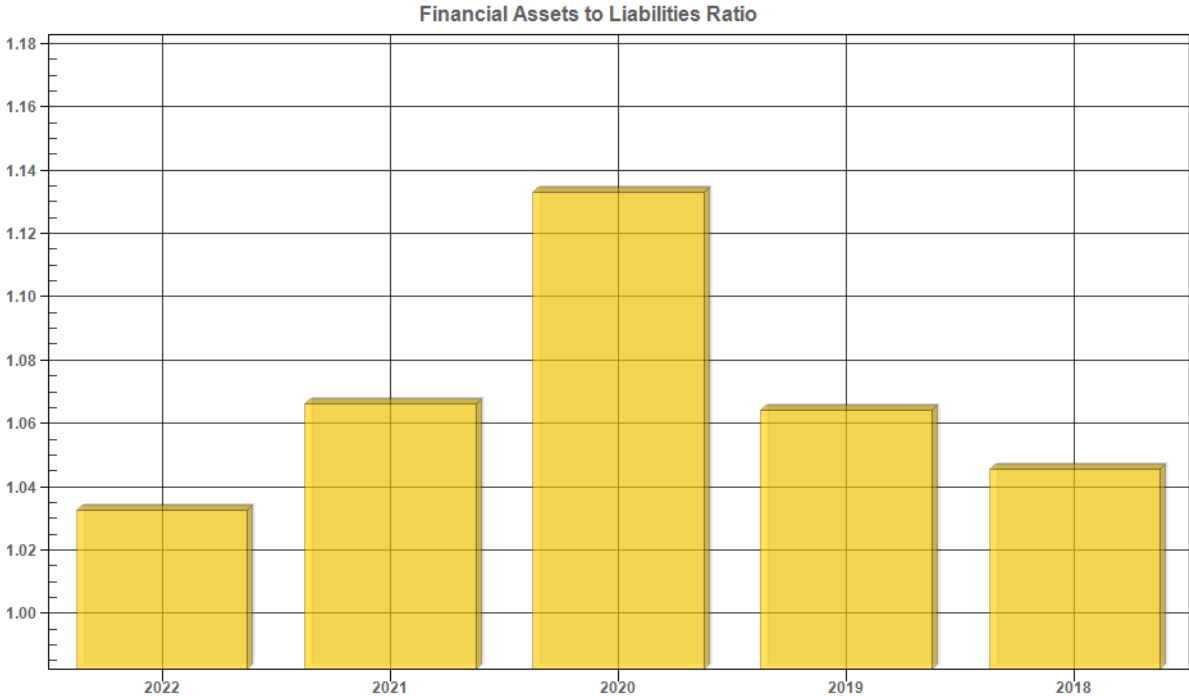


FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Table 28: Financial Assets to Liabilities Ratio



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

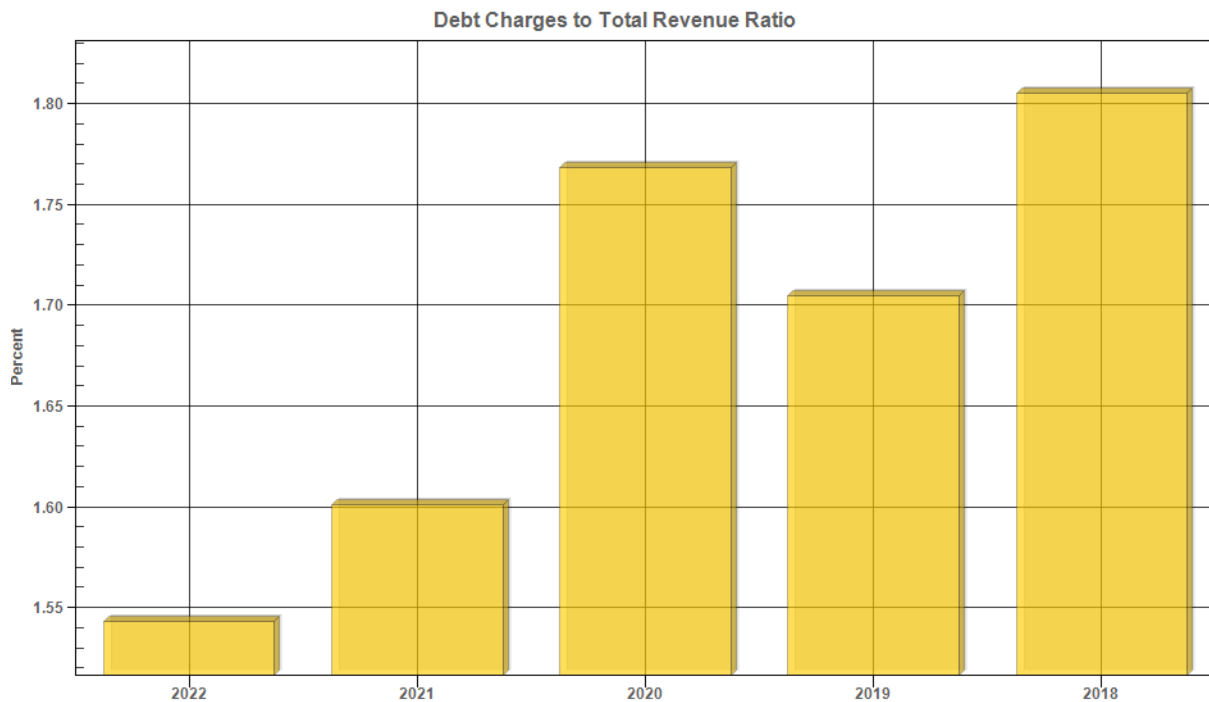
For the Year Ended December 31

(in thousands of dollars)

Flexibility

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

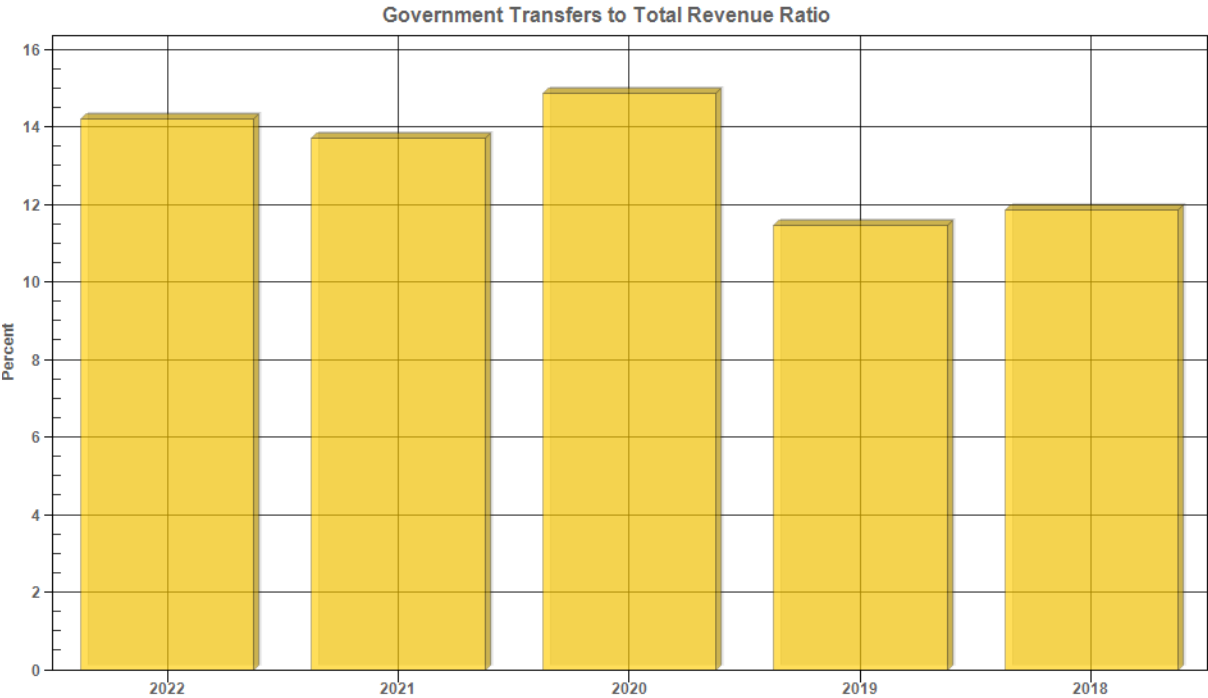
For the Year Ended December 31

(in thousands of dollars)

Vulnerability

This is the degree to which a government is dependent on, and therefore vulnerable to, sources of funding outside of its control. The risk of relying on external funding sources is that the City does not directly control or influence either the amount or timing of such revenues. Vulnerability is measured by calculating the ratio of revenues from senior governments to the City's own-source revenues. The ratio of government transfers to total revenue is higher in 2020 due to COVID-19 funding from the federal and provincial governments.

Table 30: Government Transfers to Total Revenue Ratio



CREDIT RATING

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

S & P Global undertakes a detailed analysis of the borrower's financial condition, using a robust set of criteria, and updates it annually. The City of Regina's credit rating by S & P Global for 2022 remains AAA, the highest rating possible. According to the credit agency, this consistently strong performance reflects the City's ongoing commitment to sound fiscal management.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

(in thousands of dollars)

Mosaic Stadium		
Operating Results	2022	2021
Revenues		
Property Tax	10,308	9,022
Grant Revenue	2,114	2,129
Tenant Revenue	2,689	2,608
Facility Fees	3,320	2,346
Community Use	92	50
Other Rent	300	300
Other General Revenue	759	759
Insurance Claims Revenue	178	-
Transfer From the General Fund Reserve re: Grey Cup	1,000	-
Total Revenues:	20,761	17,214
Expenditures		
Contracted Property Management	5,195	4,089
Grey Cup	1,000	-
Utilities	896	803
Consulting Services	2	3
Property Tax	249	263
Other	56	33
Total Expenditures:	7,399	5,191
Surplus Before Debt Repayment	13,361	12,023
Debt Repayment - Principal & Interest	11,441	11,446
Net Surplus for the year	1,920	578

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 \$2.55 million per year for the use of Sask Sport's leased space and the allocation of a minimum of 600 hours per year for Sask Sport affiliated organizations to access the field of play. A portion of this revenue is recorded as tenant revenue and the balance is recorded as grant revenue.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31

Mosaic Stadium Operating Results

Grant & Tenant Revenue (Continued)

The SRFC lease generates revenue of a minimum of \$1.5 million per year. In 2018 and each subsequent year, this amount is adjusted to ensure that the revenue received by the City is not unduly eroded due to inflation. As a result, in 2022 the SRFC rent is \$1.7 million. In addition, the SRFC pays \$500,000 per year to the City for the ability to market the naming rights and sponsorship rights in respect of the stadium.

Facility Fees – In addition to the rent paid to the City, the SRFC also collects and remits to the City a facility fee of \$12 per ticket sold for SRFC games. Due to the COVID-19 pandemic, no SRFC games were held in 2020.

Other General Revenue – Regina City Council (CR13-6) committed to incorporating the general revenue used to fund the operating maintenance budget for the old stadium as a funding source to support the new stadium. The operating maintenance budget for the former stadium was \$759,000.

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

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

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

Debt Repayment – External financing in support of the stadium was obtained from two sources. The Province of Saskatchewan provided a loan of \$100.0 million (CM14-1). The term of this loan is 31.5 years with an interest rate of 3.99 percent per annum. The current balance outstanding is \$82.7 million.

The Canadian Imperial Bank of Commerce provided a loan of \$100.4 million (CR14-45), of which \$67.4 million was used to fund the construction of the stadium and \$33.0 million was set aside for interim cash flow purposes. The term of this loan is 30 years with an interest rate of 4.102 percent per annum. The current outstanding balance is \$83.0 million.

Long Term Financial Outlook

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

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

2022



Consolidated Financial Statements



MANAGEMENT'S REPORT

RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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



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



Niki Anderson
City Manager

June 21, 2023

To Mayor Masters and Members of City Council of City of Regina:

Opinion

We have audited the consolidated financial statements of City of Regina (the "City"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2022, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Emphasis of Matter - Comparative Information

We draw your attention to Note 3 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2021 has been restated. Our opinion is not modified in respect to this matter.

As part of our audit of the consolidated financial statements for the year ended December 31, 2022, we also audited the adjustments that were applied to restate the certain comparative information for the year ended December 31, 2021. In our opinion, such adjustments are appropriate and have been properly applied.

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Regina, Saskatchewan

June 21, 2023

MNP LLP

Chartered Professional Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

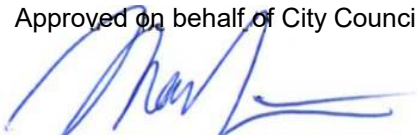
(in thousands of dollars)

	2022	2021 (restated - Note 3)
FINANCIAL ASSETS		
Cash	\$ 160,147	\$ 169,267
Accounts receivable (Note 4)	81,813	56,632
Taxes receivable (Note 5)	13,276	12,123
Investments (Note 6)	408,090	421,574
Land inventory (Note 7)	23,481	25,257
	686,807	684,853
FINANCIAL LIABILITIES		
Bank indebtedness (Note 10)	4,883	1,725
Accounts payable and accrued liabilities	83,722	64,233
Taxes payable to school boards	8,977	1,323
Deferred revenue (Note 8)	116,672	119,702
Capital lease obligations (Note 9)	1,219	1,197
Long-term debt (Note 10)	322,242	331,657
Employee benefit obligations (Note 11)	74,013	72,068
Asset retirement obligations (Note 12)	53,367	50,441
	665,095	642,346
NET FINANCIAL ASSETS	21,712	42,507
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13) (Schedule 3)	2,534,606	2,469,116
Materials and supplies	11,299	10,875
Prepaid	3,850	4,123
ACCUMULATED SURPLUS (Note 14)	\$ 2,571,467	\$ 2,526,621

Contractual obligations (Note 21)

See accompanying notes to consolidated financial statements.

Approved on behalf of City Council:



Mayor Sandra Masters

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31

(in thousands of dollars)

	Budget 2022 (Note 1j)	Actual 2022	Actual 2021 (restated - Note 3)
REVENUE			
Taxation (Note 16)	\$ 305,550	\$ 307,087	\$ 292,063
Fees and charges	267,655	250,493	240,783
Government transfers (Note 17)	82,796	110,279	102,684
Electrical distribution	30,400	31,328	30,492
Licenses, fines and levies	12,295	16,798	18,037
Gas distribution	5,400	9,362	6,139
Interest and penalties	10,073	7,406	7,885
Interest on investments	-	10,112	1,046
Gain on investments	-	659	-
Servicing agreement fees	59,647	3,657	9,069
Land sales	-	19,638	15,173
Property rentals	-	4,018	2,108
Other	5,648	5,739	4,501
Contribution of tangible capital assets (Note 13)	-	180	17,739
Other capital contributions	-	-	958
	779,464	776,756	748,677
EXPENSES			
Parks, recreation and community services	119,915	151,343	135,645
Police	105,427	116,464	98,012
Legislative and administrative services	147,988	103,113	89,474
Water, wastewater and drainage	166,890	106,282	103,992
Roads and traffic	67,609	91,877	81,660
Fire	44,431	52,088	50,405
Transit	50,214	48,192	42,874
Waste collection and disposal	36,235	29,631	31,710
Grants	13,006	18,972	12,205
Planning and development	9,439	13,948	16,612
	761,154	731,910	662,589
ANNUAL SURPLUS	18,310	44,846	86,088
ACCUMULATED SURPLUS, BEGINNING OF YEAR AS PREVIOUSLY REPORTED	-	2,526,621	2,452,654
Modified retroactive adjustment (Note 3)	-	-	(12,121)
ACCUMULATED SURPLUS, BEGINNING OF YEAR AS RESTATED	-	2,526,621	2,440,533
ACCUMULATED SURPLUS, END OF YEAR	\$ 18,310	\$ 2,571,467	\$ 2,526,621

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 2022 (Note 1j)	Actual 2022	Actual 2021 (restated - Note 3)
Annual surplus	\$ 18,310	\$ 44,846	\$ 86,088
Acquisition of tangible capital assets	-	(183,753)	(176,386)
Contribution of tangible capital assets	-	(180)	(17,739)
Amortization of tangible capital assets	-	112,090	109,018
Proceeds on disposal of tangible capital assets	-	2,120	1,024
Loss on disposal of tangible capital assets	-	4,233	947
Adjustment on adoption of ARO	-	-	(21,494)
	-	(65,490)	(104,630)
Net change in materials and supplies	-	(424)	(800)
Net change in prepaid	-	273	(713)
	-	(151)	(1,513)
Decrease in net financial assets	18,310	(20,795)	(20,055)
NET FINANCIAL ASSETS, BEGINNING OF YEAR AS PREVIOUSLY REPORTED	42,507	42,507	74,683
Modified retroactive adjustment (Note 3)	-	-	(12,121)
NET FINANCIAL ASSETS, BEGINNING OF YEAR AS RESTATED	-	42,507	62,562
NET FINANCIAL ASSETS, END OF YEAR	\$ 60,817	\$ 21,712	\$ 42,507

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31

(in thousands of dollars)

	2022	2021 (restated - Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Annual surplus	\$ 44,846	\$ 86,088
Non-cash items		
Amortization of tangible capital assets	112,090	109,018
Loss on disposal of tangible capital assets	4,233	947
Contribution of tangible capital assets	(180)	(17,739)
Net change in non-cash working capital balances		
Increase in accounts receivable	(25,181)	(13,182)
(Increase) decrease in taxes receivable	(1,153)	2,841
Increase in bank indebtedness	3,158	1,725
Increase in accounts payable and accrued liabilities	19,489	17,020
Increase (decrease) in taxes payable to school boards	7,654	(10,247)
Decrease in deferred revenue	(3,030)	(2,282)
Increase (decrease) in capital lease obligations	22	(26)
Decrease (increase) in employee benefit obligations	1,945	(2,415)
Increase in asset retirement obligations	2,926	4,252
Increase in land inventory	1,776	(4,665)
Increase in materials and supplies	(424)	(800)
Decrease (increase) in prepaid	273	(713)
	168,444	169,822
CASH FLOWS USED IN CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	(183,753)	(176,386)
Proceeds on disposal of tangible capital assets	2,120	1,024
	(181,633)	(175,362)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(153,816)	-
Proceeds on sale of investments	167,300	39,552
	13,484	39,552
CASH FLOWS USED IN FINANCING ACTIVITIES:		
(Repayment) advance of long-term debt	(9,415)	38,668
(DECREASE) INCREASE IN CASH	(9,120)	72,680
CASH, BEGINNING OF YEAR	169,267	96,587
CASH, END OF YEAR	\$ 160,147	\$ 169,267

See accompanying notes to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting entity

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

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

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

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

The Regina Public Library Board has a 21.63% (2021 - 22.07%) interest in the Saskatchewan Information and Library Services Consortium Inc. (SILS) and a 5.79% interest in mamaweyatitan centre, which has been proportionately consolidated.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Reporting entity (Continued)

The Community & Social Impact Regina Inc. (CSIR) was incorporated on September 13, 2022 as a controlled corporation pursuant to the Cities Act and *The Non-Profit Corporations Act, 1995 (Saskatchewan)*, with the City of Regina as its sole voting member.

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.

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

c. Expense recognition

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Use of estimates

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

In addition, the City's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

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.

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Tangible capital assets

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

General	
Land improvements	10 to 100 years
Buildings and building improvements	15 to 121 years
Vehicles and equipment	
Fire trucks and buses	5 to 20 years
Police vehicles	4 to 10 years
Other vehicles	2 to 25 years
Equipment	4 to 50 years
Office and information technology	
Hardware	2 to 15 years
Software	2 to 10 years
Other	7 to 25 years
Infrastructure	
Plants and facilities	5 to 100 years
Roads	1 to 40 years
Underground networks	25 to 119 years
Bridges and other structures	20 to 85 years

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on December 15, 2021.

k. Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the City to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2022. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the City reviews the carrying amount of the liability. The City recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

l. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. 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).

n. 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.

o. Loan guarantees

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

2. NEW STANDARDS AND AMENDMENTS TO STANDARDS

Standards and amendments effective for financial statements on or after April 1, 2023:

a. PS 1201 Financial statement presentation

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

b. PS 2601 Financial currency translation

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

c. PS 3041 Portfolio Investments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

2. NEW STANDARDS AND AMENDMENTS TO STANDARDS (Continued)

d. PS 3450 Financial instruments

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

e. PS 3400 Revenue

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

f. PS 3160 Public private partnerships

Public private partnerships (PS 3160) establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The City will assess the impact of this standard on the City's current treatment of public private partnerships.

The City continues to assess the impact of these standards on the consolidated financial statements.

3. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2021, the City adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement, and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings by public sector entities. Previously, the City recorded the provision for site rehabilitation in accordance with PS 3270 Solid Waste Landfill Closure and Post-Closure Liability, which requires the recognition of a liability for closure and post-closure care as the site capacity is used and is equal to the proportion of the estimated total expenditure required for closure and post-closure care. Under the new standard, a liability for an asset retirement obligation is recognized as the best estimate of the amount required to retire a tangible capital asset when certain criteria are met as described in Note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

3. CHANGE IN ACCOUNTING POLICY (Continued)

Pursuant to the recommendations of PS 3280, the change was applied retroactively using the modified retrospective method and prior periods have been restated to reflect the liability for asset retirement obligations as of January 1, 2021. In accordance with the provisions of this new standard, the City reflected the following adjustments for the year ended December 31, 2021:

	Balance as previously reported December 31, 2021	Adjustment	Balance as restated at December 31, 2021
Tangible capital assets	2,447,965	21,151	2,469,116
Landfill liability	(14,678)	14,678	-
Asset retirement obligations	-	(50,441)	(50,441)
Accumulated surplus, opening	(2,452,654)	12,121	(2,440,533)
Impact on expenses for accretion and amortization	660,098	2,491	662,589

4. ACCOUNTS RECEIVABLE

	2022	2021
Trade and other receivable	64,173	40,185
Water and sewer receivable	22,135	20,375
Allowance for doubtful accounts	(4,495)	(3,928)
	81,813	56,632

5. TAXES RECEIVABLE

	2022	2021
Taxes receivable	29,658	24,789
Allowance for doubtful accounts	(16,382)	(12,666)
	13,276	12,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

6. INVESTMENTS

Long term investments include investments in a pooled bond fund.

	COST		MARKET VALUE	
	2022	2021	2022	2021
Investments	408,090	421,575	411,780	422,083

The investments are managed by an external investment manager in holdings of which may include equities, government and corporate bonds, commercial mortgages and Canadian Real Estate. The average yield earned from investments was 2.40% (2021 - 0.59%).

7. 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.

	2022	2021
Land inventory	23,481	25,257

8. DEFERRED REVENUE

	December 31, 2021	Externally restricted inflows	Revenue earned	December 31, 2022
Municipal Economic Enhancement Program	11,863	-	(11,863)	-
The Community Canada Building Fund	30,989	7,798	(224)	38,563
Servicing agreement fees	46,991	4,787	(6,348)	45,430
Property taxes	1,357	1,585	(1,357)	1,585
Paved alleys	1,867	-	(658)	1,209
Gravel alleys	1,029	-	(543)	486
Cemetery internments	839	192	(141)	890
REAL	2,803	1,640	-	4,443
Other	33,827	-	(9,761)	24,066
	131,565	16,002	(30,895)	116,672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

9. 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:

2023	563
2024	339
2025	267
2026	49
2027	1
	1,219

10. LONG-TERM DEBT

Debenture debt

The City's long-term debt consists of \$171,924 (2021 - \$178,506) of unsecured debentures issued in the form of fully registered certificates held by The Canadian Depository for Securities Ltd. (CDS), on behalf of beneficial owners as direct and indirect participants of CDS. The debentures are issued for 10 or 30-year terms with principal payable either annually or semi-annually and interest payable semi-annually.

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

The long-term debt represents the deferred capital payments portion of the Wastewater Treatment Plant based on the terms of the P3 agreement. The City amortizes the accumulated cost of the completed project over its useful life, expenses the annual interest cost and settles the long-term liability over the term of the P3 project agreement. The City has \$69,302 (2021 - \$70,913) 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. BPWTC also entered into a term loan of \$60,000 payable to TD bank based on a 20-year mortgage style amortization with an interest rate fixed at 3.09% through an interest rate swap. The City has guaranteed its proportionate share of the term loan.

	2022	2021
City of Regina unsecured debentures and loan		
Operating fund	171,924	178,506
WWTP debt - long-term	69,302	70,913
BPWTC term loan	71,493	74,103
REAL debt - long term	9,523	8,135
Total debt	322,242	331,657

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

10. LONG-TERM DEBT (CONTINUED)

	2022	2021
Authorized debt limit	450,000	450,000
Interest rates	1.90-5.60%	1.95-5.60%
Interest costs for year	11,985	13,438

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. REAL has an authorized line of credit with HSBC Bank Canada for \$6,789 at a rate of prime - 0.25%, at December 31, 2022 there is an amount of \$4,883 (2021 - \$1,725) outstanding on the line of credit. The City has access to an unsecured line of credit of up to \$10,000 to cover any bank overdrafts arising from day to day cash transactions.

The long-term debt is repayable as follows:

2023	12,804
2024	13,162
2025	14,050
2026	12,545
2027-2045	269,681
	322,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

11. EMPLOYEE BENEFIT OBLIGATIONS

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

	Total 2022	Total 2021
Defined benefit pension plans		
Regina Police Superannuation and Benefits Plan	19,116	20,153
RPPP Supplemental Pension Plan	3,113	3,042
Target Retirement Income Plan	(5,071)	(14,676)
	17,158	8,519
Other benefit plans		
Termination payments	23,445	28,322
Continuation of group life, medical and dental benefits	9,720	11,417
	33,165	39,739
Other plans and arrangements		
Vacation	17,906	18,257
Overtime	5,254	5,046
Group life, medical and dental plans	530	507
	23,690	23,810
	74,013	72,068

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)

11. 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 2022	Total 2021
Fair value of plan assets, beginning of year	113,529	373,616	-	487,145	442,092
Employees' contributions	6,187	-	-	6,187	6,044
Employer contributions	6,167	4,353	-	10,520	10,227
Actual return on plan assets	(9,559)	(44,058)	-	(53,617)	49,175
Less benefits paid	(1,382)	(19,948)	-	(21,330)	(20,393)
Fair value of plan assets, end of year	114,942	313,963	-	428,905	487,145
Accrued benefit obligation, beginning of year	85,822	408,185	4,044	498,051	469,168
Current period benefit cost	11,463	-	-	11,463	11,123
Interest on accrued benefit obligation	5,679	19,711	194	25,584	25,336
Actuarial loss	(97)	9,264	293	9,460	13,052
Less benefits paid	(1,382)	(19,948)	(246)	(21,576)	(20,628)
Accrued benefit obligation, end of year	101,485	417,212	4,285	522,982	498,051
Funded status, plan surplus (deficit)	13,457	(103,249)	(4,285)	(94,077)	(10,906)
Valuation allowance	(13,457)	-	-	(13,457)	-
Unamortized net actuarial loss (gain)	5,071	84,133	1,172	90,376	2,387
Accrued benefit asset (liability)	5,071	(19,116)	(3,113)	(17,158)	(8,519)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

	Target Retirement Income Plan	Police Pension Plan	RPPP Supplemental Pension Plan	Total 2022	Total 2021
Current period benefit cost	11,463	-	-	11,463	11,123
Amortization of actuarial (gain) loss	(1,202)	1,713	123	634	1,812
Employee contributions	(6,187)	-	-	(6,187)	(6,044)
Interest expense	5,679	19,711	194	25,584	25,336
Expected return on plan assets	(7,438)	(18,108)	-	(25,546)	(24,236)
Change in valuation allowance	(1,219)	-	-	(1,219)	2,867
Benefit expense	1,096	3,316	317	4,729	10,858

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, 2021	Dec 31, 2021	Dec 31, 2021
Discount rate (%)	6.1	4.85	4.85
Inflation rate (%)	2.25	2.25	2.25
Long term return rate on plan assets (%)	6.1	4.85	n/a
Rate of compensation increase (%)	2.75	2.75	2.75
Expected average remaining service years	11.19	8.7	8.7
Contribution rate as a percentage of salary:			
Members prior to July 1, 2014	n/a	11.33%-12.83%	n/a
Members post July 1, 2014	6.80%-10.70%	0.00%	n/a
City prior to July 1, 2014	n/a	11.83%-13.33%	variable
City post July 1, 2014	8.5%	6.19%	variable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

11. 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 Manulife 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 \$7,889 (2021 - \$7,693). This amount has been included in Group Benefits reserves (Note 15).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

11. 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 2022	Total 2021
Accrued benefit obligation, beginning of year	27,395	791	11,417	39,603	40,563
Current period benefit cost	2,097	49	777	2,923	3,223
Interest on accrued benefit obligation	621	15	269	905	649
Actuarial gain	(5,009)	(172)	(1,521)	(6,702)	386
Less benefits paid	(2,525)	(97)	(1,222)	(3,844)	(3,188)
Change in assumptions	-	-	-	-	(2,030)
Unamortized net actuarial loss	-	280	-	280	136
Accrued benefit liability - unfunded	22,579	866	9,720	33,165	39,739
Current period benefit cost	2,097	49	-	2,146	2,390
Amortization of actuarial loss (gain)	460	(28)	-	432	631
Interest expense	621	15	-	636	459
Benefit expense	3,178	36	-	3,214	3,480

	AON	AON	Mercer
Date of most recent valuation	Dec 31, 2020	Dec 31, 2022	Dec 31, 2022
Discount rate (%)	2.2	4.1	4.5
Rate of compensation increase (%)	3.75-4.65	2.5	2.25
Expected average remaining service years	8-14	10	n/a

c. Other plans and arrangements

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

11. 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 2022	Total 2021
Benefit expense	-	-	-	18,299
Surplus of plan assets over benefit obligation per plan financial statements	65,531	26,833	92,364	234,141
Contribution rate as a percentage of salary:				
Members	8.8 - 13.1%	0.46%		
Employers	11.9 - 17.7%	0.46%		
Employee contributions	-	-	-	16,482
Date of most recent actuarial valuation	Dec 31, 2021	Dec 31, 2021		

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, 2021 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, 2021 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.

	2022	2021
Casual employee members' contribution rate	3.00%	3.00%
Elected official members' contribution rate	6.95%	6.95%
Members' contributions	339	362
Benefit expense	338	362

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

12. ASSET RETIREMENT OBLIGATIONS

The City's asset retirement obligations, recognized under PS 3280 – Asset Retirement Obligations, is comprised of the following:

a. Landfill obligation

The City owns and operates a number of landfill sites. The Municipal Refuse Management Regulations, 1986 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. The costs were based upon the presently known obligations, obtained through a 2022 assessment, that will exist at the estimated year of closure (2050) of the sites and for 40 years post this date. The landfill had an estimated useful life of 80 years when purchased in 2011. Post-closure care is estimated to be required for 40 years from the date of site closure. These costs were discounted to December 31, 2022.

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.

The 30 year discount rate of 2.69% was applied upon the modified retrospective adoption of asset retirement obligations standard as of January 1, 2021. The landfill asset retirement obligation has been remeasured in 2022 using the 30 year December 31, 2022 rate of 4.64%.

b. Asbestos obligation

The City owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition or renovation of the building. The Occupational Health and Safety Regulations, 1996 outlines the legal obligation to remove it. Following the adoption of PS3280 – Asset retirement obligations, the City recognized an obligation relating to the removal of the asbestos in these buildings as estimated at January 1, 2021. The costs were based upon the presently known obligations obtained through assessments. The majority of buildings will be remediated at intervals over the next 30 years. These costs were discounted to December 31, 2022.

c. Storage tank obligation

The City owns and operates several storage tanks which represents a risk of ground contamination due to leaks and corrosion. The Hazardous Substances and Waste Dangerous Goods Regulations outlines the legal obligation to remove the tanks and clean up the surrounding soil. Following the adoption of PS3280 – Asset retirement obligations, the City recognized an obligation relating to the removal of the tanks and the surrounding soil remediation as estimated at January 1, 2021. The costs were based upon the presently known obligations obtained through assessments. The storage tanks will be remediated at intervals over the next 30 years. These costs were discounted to December 31, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

12. ASSET RETIREMENT OBLIGATIONS (Continued)

The transition and recognition of asset retirement obligations involved an accompanying increase to the tangible capital assets and the restatement of prior year numbers (see Note 3). In subsequent periods, the asset retirement obligations are adjusted for accretion. The accretion rate used for 2022 is 6.64% for landfill and 4.69% for buildings and storage tanks. The Regina Public Library used an accretion rate of 2%.

Changes to asset retirement obligations in the year are as follows:

	2021		2022		Ending Balance
	Opening Balance (Restated)	Liability Incurred (settled)	Revisions in Estimate	Accretion Expense	
City of Regina					
Buildings (Asbestos)	8,622	(137)	-	398	8,883
Vehicles & Equipment (Storage Tanks)	3,200	-	-	150	3,350
Landfill	37,598	-	731	1,764	40,093
	49,420	(137)	731	2,312	52,326
Regina Public Library					
Buildings (Asbestos)	1,021	-	-	20	1,041
Asset Retirement Obligations, Ending	50,441	(137)	731	2,332	53,367

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

13. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2022	2021 (restated - Note 3)
General		
Land	157,697	159,652
Land improvements	110,002	110,350
Buildings and building improvements	457,349	470,766
Vehicles and equipment	180,224	182,348
Office and information technology	11,514	16,437
Infrastructure		
Plants and facilities	388,798	377,832
Roads	446,222	433,474
Underground and other networks	587,713	562,485
Bridges and other structures	54,451	44,552
	2,393,970	2,357,896
Assets under construction	140,636	111,220
	2,534,606	2,469,116

Tangible capital assets contributed to the City totaled \$180 (2021 - \$17,739), which were capitalized and recorded as revenue at their fair value at the time of receipt. The breakdown of contributed assets is as follows:

	2022	2021
Land	-	7,750
Land improvements	180	344
Underground and other networks	-	3,386
Vehicles and equipment	-	12
Roads	-	5,765
Plant & Facilities	-	482
	180	17,739

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

14. 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.

	2022	2021 (restated - Note 3)
Unappropriated surplus:		
Regina Downtown Business Improvement District	8	169
Economic Development Regina Inc.	198	197
Regina Public Library Board	357	3,980
Regina's Warehouse Business Improvement District	(260)	(117)
The Regina Exhibition Association Limited	(15,826)	(11,313)
Buffalo Pound Water Treatment Corporation	(5,480)	(3,148)
Land inventory	23,481	25,257
Tangible capital assets	2,534,606	2,469,116
Buffalo Pound Water Treatment Corporation portion of tangible capital asset financing	-	(3,971)
Appropriated surplus:		
General capital projects	63,996	86,606
Utility capital projects	136,637	110,957
Buffalo Pound capital funding projects	78,370	77,847
Reserves (Note 15)	245,649	263,437
Infrastructure to be funded from future servicing agreement fees:		
Water, wastewater and drainage	(39,428)	(37,033)
Obligations to be funded from future revenues:		
Long-term debt (Note 10)	(322,242)	(331,657)
Employee benefit obligations (Note 11)	(74,013)	(72,068)
Asset retirement obligations (Note 12)	(53,367)	(50,441)
Capital lease obligations (Note 9)	(1,219)	(1,197)
Accumulated surplus	2,571,467	2,526,621

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

15. RESERVES

	2022	2021
City of Regina reserves:		
General utility reserve	105,422	110,391
RPS Community Policing Initiative Reserve	617	-
General fund reserve	24,559	36,421
Covid-19 recovery reserve	-	2,902
Solid waste reserve	38,978	38,839
Regina revitalization initiative - stadium reserve	(1,815)	(3,734)
Land development reserve	1,359	1,989
Asset revitalization reserve	10,631	14,640
Fleet replacement reserve	22,099	20,012
Social development reserve	6,364	4,954
Elections & property reassessment reserve	649	424
Planning & sustainability stabilization reserve	(7,380)	(4,012)
Winter road maintenance reserve	-	1,812
Regina Police Service general reserve	3,074	3,206
Asphalt reserve	888	767
Community investment grants reserve	736	791
Golf course reserve	2,165	1,699
Technology reserve	183	236
mâdawêyatitân centre reserve	490	392
Employer provided parking reserve	3,695	3,422
Cemetery reserve	(854)	(391)
Intensification Infrastructure Reserve	(665)	-
Regina Police Service radio equipment reserve	152	142
	211,347	234,902
Group Benefits reserves:		
Group life insurance reserve	7,889	7,693
Dental benefits reserve	2,667	2,685
Medical - City of Regina reserve	703	1,010
Police services premium reduction reserve	487	422
Police long-term disability reserve	291	239
	12,037	12,049
Other Entities reserves:		
Regina Public Library reserves	21,797	15,934
Buffalo Pound Water Treatment Corporation/Administration Board	-	84
Regina Downtown Business Improvement District reserve	294	294
Regina's Warehouse Business Improvement District infrastructure reserve	174	174
	22,265	16,486
	245,649	263,437

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

16. TAXATION

	Budget (Note 1j)	Actual	Actual
	2022	2022	2021
Total taxation revenue levied	305,550	460,527	441,151
Taxes levied on behalf of others:			
Regina School Division No. 4	-	(104,197)	(101,149)
Global Transportation Hub Authority	-	(3,235)	(2,873)
Regina Roman Catholic Separate School Division No. 81	-	(46,008)	(45,066)
Taxation revenue	305,550	307,087	292,063
City of Regina			
Municipal levies	261,687	263,756	250,348
Grants in lieu	16,628	16,104	15,399
Supplementary taxes	800	654	1,062
Other	(374)	(345)	(292)
	278,741	280,169	266,517
Regina Public Library			
Taxation levies	23,766	23,817	22,813
Grants in lieu	1,534	1,528	1,477
	25,300	25,345	24,290
Regina Downtown Business Improvement District levies	1,180	1,229	1,002
Regina's Warehouse Business Improvement District levies	329	344	254
	305,550	307,087	292,063

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, 2022, the following amounts are reflected in the Consolidated Statement of Financial Position for these provisions:

	2022	2021
Allowance for doubtful outstanding taxes netted against taxes receivable	16,382	12,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

17. GOVERNMENT TRANSFERS

	Budget (Note 1j)	Actual	Actual
	2022	2022	2021
Operating transfers			
Federal	1,373	25,630	9,208
Provincial	67,666	54,714	56,509
	69,039	80,344	65,717
Capital transfers			
Federal	15,324	13,664	17,268
Provincial	25	16,271	19,699
	15,349	29,935	36,967
	84,388	110,279	102,684

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 16).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

18. 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, 2022 in thousands of dollars. There are no known contractual obligations or contingencies as at December 31, 2022. These amounts represent 100% of the financial position and activities:

	2022	2021
Financial assets	77,697	97,925
Financial liabilities	114,501	106,184
Net financial assets	(36,804)	(8,259)
Inventory	151	128
Prepaid	-	19
Tangible capital assets	153,247	106,211
Accumulated surplus	116,594	98,099
Statement of Operations		
Revenue	53,865	26,800
Expenses	19,388	16,693
Annual surplus	34,477	10,107
Accumulated surplus, beginning of year	98,099	87,992
Accumulated surplus, end of year	132,576	98,099

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:

	2022	2021
Statement of Financial Position		
Financial assets	66,711	71,718
Financial liabilities	84,731	78,576
Non-financial assets	113,514	78,691
Net assets	95,494	71,833
Statement of Operations		
Revenue	26,056	5,979
Expenses	14,229	12,282
Annual surplus (deficit)	11,827	(6,303)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

18. 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 māmawêyatitân 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 māmawêyatitân centre is as follows:

	2022	2021
Tangible Capital Assets	33,778	34,247

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:

	2022	2021
Tangible Capital Assets	9,170	9,531

19. FUNDS HELD IN TRUST

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

	2022	2021
Perpetual Care Trust	2,707	2,699
Williamson Driver Award	5	5
	2,712	2,704

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

20. 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 with the Government of Canada and Province of Saskatchewan in March 2021 as part of Investing in Canada Infrastructure Program. Under this agreement, BPWTC has a contractual right to receive contribution for eligible expenditure up to a maximum of \$74,269 from the Province of Saskatchewan and \$89,132 from the Government of Canada up until March 31, 2026. Contributions in the amount of \$10,239 (excluding year-end accrual and National and Regional Project Claim of \$18,671 and \$266) have been received as of December 31, 2022.

21. CONTRACTUAL OBLIGATIONS

1) Wastewater Treatment Plant

As at December 31, 2021, the expected commitment related to the Wastewater Treatment Plant is \$202,768. 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
2023	9,808
2024	10,601
2025	9,744
2026	9,864
2027 - 2044	162,751

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

2) māmawêyatitân centre Development Agreement

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

3) Taylor Field Neighbourhood

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

4) Railyard Renewal

This project is the redevelopment of the Railyard site in the City Centre, including the implementation of the Yards Neighbourhood Plan, as at December 31, 2022 \$1,063 has been spent.

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 \$12,610 of which \$3,855 was paid by the City in 2022; financing costs for the financing of the City's share; and an amount equal to 10% of the value of all licenses sold or renewed through RHS.

6) Globe Theatre

On September 21, 2020, the City entered into an agreement with the Globe Theatre Society (Globe Theatre) to provide up to \$6,600 to support the revitalization of the Globe Theatre's Prince Edward Building, of which \$3,518 has been paid to date.

7) Lawsuits

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

8) BPWTC

BPWTC has entered into several agreements that contain contractual obligations of \$219,796 as of December 31, 2022.

9) Viterra Canda Inc.

The City entered into a Memorandum of Understanding with Viterra Canada Inc. ancillary to the Option to Purchase Agreement dated April 12, 2021 that outlined incentives provided to Viterra including: transfer of up to \$12,600 for the Land Development Reserve to fund the costs of providing water and wastewater infrastructure, paying development charges, and acquiring land for rail, water and wastewater infrastructure; transfer \$6,000 from the Asset Revitalization Reserve to fund the costs of investments in rail line development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

22. SEGMENTED INFORMATION

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

a. Citizen Services

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

b. Citizen Experience, Innovation & Performance

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

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

c. City Planning & Community Development

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

d. Regina Police Service

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

e. Financial Strategy & Sustainability

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

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31

(in thousands of dollars)

22. SEGMENTED INFORMATION (CONTINUED)

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).

23. COMPARATIVE FIGURES

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

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION

2022 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	280,865	-	-	-	280,865
Fees and charges	63,463	156,334	7,006	188	226,991
Government transfers	57,672	-	29,935	-	87,607
Electrical distribution	31,328	-	-	-	31,328
Licenses, fines and levies	16,790	-	8	-	16,798
Gas distribution	9,362	-	-	-	9,362
Interest and penalties	5,267	262	-	-	5,529
Interest on investments	10,112	-	-	-	10,112
Gain on long term investments	659	-	-	-	659
Servicing agreement fees	1,072	715	1,518	352	3,657
Land sales	19,638	-	-	-	19,638
Property rentals	4,018	-	-	-	4,018
Other	4,037	186	461	-	4,684
Contribution of tangible capital assets	-	-	180	-	180
	504,283	157,497	39,108	540	701,428
EXPENSES					
Parks, recreation and community services	62,252	-	12,715	-	74,967
Police	111,776	-	1,147	-	112,923
Legislative and administrative services	75,162	-	10,317	-	85,479
Water, wastewater and drainage	51	76,400	-	5,970	82,421
Roads and traffic	43,647	-	17,202	-	60,849
Fire	49,487	-	1,237	-	50,724
Transit	41,928	-	150	-	42,078
Waste collection and disposal	24,401	-	758	-	25,159
Grants	16,252	-	5,437	-	21,689
Planning and development	13,822	-	126	-	13,948
Amortization	-	-	77,037	23,433	100,470
Accretion	2,312	-	-	-	2,312
	441,090	76,400	126,126	29,403	673,019
Annual surplus	63,193	81,097	(87,018)	(28,863)	28,409

CONSOLIDATED STATEMENT OF OPERATIONS BY FUND AND ORGANIZATION

Schedule 1

RDBID	EDR	BPWTC	RPL	RWBID	REAL	CSIR	Consolidation adjustments	Consolidated 2022
1,229	-	-	25,345	344	-	-	(696)	307,087
-	2,834	16,524	1,016	-	33,854	-	(30,726)	250,493
366	-	21,591	668	47	958	-	(958)	110,279
-	-	-	-	-	-	-	-	31,328
-	-	-	-	-	-	-	-	16,798
-	-	-	-	-	-	-	-	9,362
-	-	1,265	612	-	-	-	-	7,406
-	-	-	-	-	-	-	-	10,112
-	-	-	-	-	-	-	-	659
-	-	-	-	-	-	-	-	3,657
-	-	-	-	-	-	-	-	19,638
-	-	-	-	-	-	-	-	4,018
732	-	480	-	-	-	-	(157)	5,739
-	-	-	-	-	-	-	-	180
2,327	2,834	39,860	27,641	391	34,812	-	(32,537)	776,756
2,023	2,908	-	22,917	496	39,770	-	(15,858)	127,223
-	-	-	-	-	-	-	-	112,923
-	-	-	-	-	-	-	-	85,479
-	-	11,676	-	-	-	-	(13,962)	80,135
-	-	-	-	-	-	-	-	60,849
-	-	-	-	-	-	-	-	50,724
-	-	-	-	-	-	-	-	42,078
-	-	-	-	-	-	-	-	25,159
-	-	-	-	-	-	-	(2,717)	18,972
-	-	-	-	-	-	-	-	13,948
82	30	2,709	2,743	25	6,031	-	-	112,090
-	-	-	20	-	-	-	-	2,332
2,105	2,938	14,385	25,680	521	45,801	-	(32,537)	731,912
222	(104)	25,475	1,961	(130)	(10,989)	-	-	44,844

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

2022 Schedule 2

For the year ended December 31

(in thousands of dollars)

	Citizen Services	Citizen Experience, Innovation & Performance	City Planning & Community Development	Regina Police Service	Financial Strategy & Sustainability	Total City of Regina
REVENUES						
Taxation	-	-	10,309	-	270,556	280,865
Fees and charges	41,113	204	21,993	1,753	161,928	226,991
Government transfers	18,165	-	17,650	9,834	41,958	87,607
Electrical distribution	-	-	-	-	31,328	31,328
Licenses, fines and levies	4,972	-	-	-	11,826	16,798
Gas distribution	-	-	-	-	9,362	9,362
Interest and penalties	-	-	-	-	5,529	5,529
Interest on investments	-	-	95	-	10,017	10,112
Gain on long term investments	-	-	-	-	659	659
Servicing agreement fees	676	-	2,629	-	352	3,657
Land sales	-	-	658	-	18,980	19,638
Property rentals	-	-	2,188	-	1,830	4,018
Other	575	76	1,238	1,971	824	4,684
Contribution of tangible capital assets	-	-	180	-	-	180
	65,501	280	56,940	13,558	565,149	701,428
EXPENSES						
Wages and benefits	106,132	19,607	44,083	95,555	23,738	289,115
Material, supplies, and other goods	45,715	2,744	13,024	6,696	2,836	71,015
Contracted and general services	50,931	5,715	46,874	9,879	32,329	145,728
Utilities	6,891	3	5,406	654	18,119	31,073
Transfer payments/grants	3	-	11,522	147	10,139	21,811
Interest and bank charges	-	-	6,835	-	4,660	11,495
Amortization of tangible assets	75,740	5,122	16,067	3,541	-	100,470
Accretion	1,794	-	117	-	401	2,312
	287,206	33,191	143,928	116,472	92,222	673,019
Excess of revenues over expenditures (expenses over revenues)	\$ (221,705)	\$ (32,911)	\$ (86,988)	\$ (102,914)	\$ 472,927	\$ 28,409

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

RDBID	EDR	BPWTC	RPL	RWBID	REAL	CSIR	Consolidation Adjustment	Consolidated 2022
1,229	-	-	25,345	344	-	-	(696)	307,087
-	2,834	16,524	1,016	-	33,854	-	(30,726)	250,493
366	-	21,591	668	47	958	-	(958)	110,279
-	-	-	-	-	-	-	-	31,328
-	-	-	-	-	-	-	-	16,798
-	-	-	-	-	-	-	-	9,362
-	-	1,265	612	-	-	-	-	7,406
-	-	-	-	-	-	-	-	10,112
-	-	-	-	-	-	-	-	659
-	-	-	-	-	-	-	-	3,657
-	-	-	-	-	-	-	-	19,638
-	-	-	-	-	-	-	-	4,018
732	-	480	-	-	-	-	(157)	5,739
-	-	-	-	-	-	-	-	180
2,327	2,834	39,860	27,641	391	34,812	-	(32,537)	776,756
1,064	1,498	3,408	14,493	182	18,010	-	(2,363)	325,407
229	1,410	1,331	8,424	41	14,888	-	(9,717)	87,621
715	-	5,184	-	273	2,422	-	(3,689)	150,633
-	-	1,753	-	-	3,960	-	(14,051)	22,735
15	-	-	-	-	-	-	(2,717)	19,109
-	-	-	-	-	490	-	-	11,985
82	30	2,709	2,743	25	6,031	-	-	112,090
-	-	-	20	-	-	-	-	2,332
2,105	2,938	14,385	25,680	521	45,801	-	(32,537)	731,912
\$ 222	\$ (104)	\$ 25,475	\$ 1,961	\$ (130)	\$ (10,989)	\$ -	\$ -	44,844

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

2021 Schedule 2

For the year ended December 31

(in thousands of dollars)

	Citizen Services	Citizen Experience, Innovation & Performance	City Planning & Community Development	Regina Police Service	Financial Strategy & Sustainability	Total City of Regina
REVENUES						
Taxation	\$ -	\$ -	9,022	\$ -	258,045	\$ 267,067
Fees and charges	43,218	206	19,721	1,250	155,176	219,571
Government transfers	30,458	-	13,578	8,500	42,828	95,364
Electrical distribution	-	-	-	-	30,492	30,492
Licenses, fines and levies	6,019	-	868	-	11,150	18,037
Gas distribution	-	-	-	-	6,139	6,139
Interest and penalties	-	-	-	-	7,480	7,480
Interest on investments	-	-	71	-	975	1,046
Servicing agreement fees	1,153	-	7,017	-	899	9,069
Land sales	-	-	15,173	-	-	15,173
Property rentals	-	-	2,107	-	-	2,107
Other	652	32	1,733	1,278	582	4,277
Contribution of tangible capital assets	9,633	-	356	-	7,750	17,739
Other capital contributions	-	-	958	-	-	958
	91,133	238	70,604	11,028	521,516	694,519
EXPENSES						
Wages and benefits	106,975	19,396	44,045	81,908	22,696	275,020
Material, supplies, and other goods	33,442	1,849	10,829	5,329	16,892	68,341
Contracted and general services	52,408	6,171	36,000	6,615	11,116	112,310
Utilities	5,963	2	4,365	520	18,666	29,516
Transfer payments/grants	3	2	8,644	61	5,555	14,265
Interest and bank charges	-	-	7,020	-	4,788	11,808
Amortization of tangible assets	73,891	5,047	15,446	3,591	-	97,975
Accretion	1,713	-	114	-	386	2,213
	274,395	32,467	126,463	98,024	80,099	611,448
Excess of revenues over expenditures (expenses over revenues)	\$ (183,262)	\$ (32,229)	\$ (55,859)	\$ (86,996)	\$ 441,417	\$ 83,071

CONSOLIDATED STATEMENT OF OPERATIONS BY SEGMENT

Schedule 2

	RDBID	EDR	BPWTC	RPL	RWBID	REAL	Consolidation Adjustment	Consolidated 2021
\$	1,002 \$	- \$	- \$	24,290 \$	254 \$	- \$	(550) \$	292,063
	-	3,610	16,306	965	-	28,267	(27,935)	240,784
	138	-	3,302	412	56	3,412	-	102,684
	-	-	-	-	-	-	-	30,492
	-	-	-	-	-	-	-	18,037
	-	-	-	-	-	-	-	6,139
	-	-	207	198	-	-	-	7,885
	-	-	-	-	-	-	-	1,046
	-	-	-	-	-	-	-	9,069
	-	-	-	-	-	-	-	15,173
	-	-	-	-	-	-	-	2,107
	308	-	17	-	6	-	(107)	4,501
	-	-	-	-	-	-	-	17,739
	-	-	-	-	-	-	-	958
	1,448	3,610	19,832	25,865	316	31,679	(28,592)	748,677
	779	1,590	3,154	13,602	180	13,797	(2,212)	305,910
	237	1,992	1,356	7,305	31	12,943	(6,952)	85,252
	317	-	4,154	-	90	2,193	(3,280)	115,784
	-	-	1,518	-	-	3,245	(14,100)	20,179
	8	-	-	-	-	-	(2,048)	12,225
	-	-	-	-	-	176	-	11,984
	67	27	2,179	2,710	23	6,037	-	109,020
	-	-	-	20	-	-	-	2,235
	1,408	3,609	12,361	23,637	324	38,391	(28,592)	662,589
\$	40 \$	1 \$	7,471 \$	2,228 \$	(8) \$	(6,712) \$	- \$	86,088

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

2022 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	159,652	212,101	594,466	378,730	44,028
Asset retirement obligation prior year adjustment	-	-	-	-	-
Balance, adjusted for ARO	159,652	212,101	594,466	378,730	44,028
Add:					
Additions during the year	2,011	4,142	1,430	25,755	3,641
Transfers from assets under construction	-	1,336	59	2,341	25
Less:					
Disposals during the year	3,966	101	108	14,697	3,634
Balance, end of year	157,697	217,478	595,847	392,129	44,060
Accumulated amortization					
Balance, beginning of year	-	101,751	123,698	196,384	27,592
ARO prior year adjustment	-	-	-	-	-
Balance, adjusted for ARO	-	-	-	-	-
Add:					
Amortization	-	5,826	14,907	29,391	8,515
Less:					
Accumulated amortization on disposals	-	101	107	13,870	3,561
Balance, end of year	-	107,476	138,498	211,905	32,546
Net Book Value	157,697	110,002	457,349	180,224	11,514

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 3

Infrastructure						
Plants and facilities	Roads	Underground and other networks	Bridges and other structures	Assets under construction	2022	2021
526,992	871,450	808,055	59,974	111,221	3,766,669	3,578,880
-	-	-	-	-	-	25,018
526,992	871,450	808,055	59,974	111,221	3,766,669	3,603,898
746	41,573	20,159	1,612	82,864	183,933	194,125
22,884	-	16,990	9,810	-	53,445	39,649
-	10,232	53	1,658	53,449	87,898	71,003
550,622	902,791	845,151	69,738	140,636	3,916,149	3,766,669
149,160	437,976	245,570	15,422	-	1,297,553	1,214,394
-	-	-	-	-	-	3,524
-	-	-	-	-	-	1,217,918
12,664	27,921	11,891	975	-	112,090	109,018
-	9,328	23	1,110	-	28,100	29,383
161,824	456,569	257,438	15,287	-	1,381,543	1,297,553
388,798	446,222	587,713	54,451	140,636	2,534,606	2,469,116

2022



General Trust Fund



To Mayor Masters and Members of City Council of the 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, 2022, 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, 2022, 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

June 21, 2023

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 2022	Total 2021
FINANCIAL ASSETS				
Cash	76	-	76	129
Long-term investments (Note 4)	2,703	5	2,708	2,638
Accounts receivable	-	-	-	8
Total Assets	2,779	5	2,784	2,775
FINANCIAL LIABILITIES AND FUND BALANCES				
Due to the City of Regina	72	-	72	71
Fund balance	2,707	5	2,712	2,704
Total Liabilities and Fund Balances	2,779	5	2,784	2,775

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 2022	Total 2021
REVENUE				
Contributions	9	-	9	16
Investment income	72	-	72	72
Total Revenue	81	-	81	88
EXPENDITURES				
Cemetery maintenance	73	-	73	72
Total Expenditures	73	-	73	72
Excess of revenue over expenditures	8	-	8	16
Fund balance, beginning of year	2,699	5	2,704	2,688
Fund balance, end of year	2,707	5	2,712	2,704

See accompanying notes.

General Trust Fund

NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

As at December 31

1. PURPOSE OF FUND

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- (a) The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- (b) Investments are recorded at cost less write-downs to reflect other than temporary declines in values. Any gains or losses are recognized on disposition of the investments.
- (c) Investment revenue is recorded on the accrual basis.

General Trust Fund

NOTES TO FINANCIAL STATEMENTS

(in thousands of dollars)

As at December 31

3. FINANCIAL INSTRUMENTS

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.

4. LONG-TERM INVESTMENTS

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

	2022	2021
Investment cost	2,708	2,638
Market value	2,299	2,602

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

The statement of cash flows and the statement of change in net financial assets have not been prepared for the year ended December 31, 2022, as they would not provide additional information.

2022



Appendices



Appendix 1 - Glossary of Terms

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.

