

Casual Employees'
Superannuation and Elected
Officials' Money Purchase
Pension Plan



Annual Report &
Audited Financial Statements

December 31, 2012

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Message from the Chairperson



I am pleased to present the Annual Report for The Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan for the year ended December 31, 2012.

In this report you will find the following:

- membership information;
- the composition of the Administrative Board and its role as Trustees of the Plan;
- how the Board conducts its business and fulfils its responsibilities to the members of the Plan;
- how the assets of the fund are invested and the investment results for 2012;
- historical investment returns; and
- the annual financial statements for 2012, audited by KPMG.

Public sector employers in Saskatchewan currently find themselves faced with increasing demands of growing communities while at the same time looking for ways to attract and retain qualified employees in a tight labour market. In general employers have taken a more active role in pensions than they may have in the past since retirement benefits are a key aspect of employee benefit packages. The Administrative Board understands that the decisions they make will have lasting effects and recognize that the quality of leadership of a pension plan is directly related to the quality of the decisions made by the Board. Based on this premise the Board developed the Trustee Selection Policy to guide the selection of future trustees of the Casual Employees' Superannuation and Elected Officials Money Purchase Pension.

The Trustee Selection Policy was invaluable this past year as we bid farewell to half of the members who made up the Administrative Board. We were pleased to welcome Brent Rostad to the Board in August 2012 after Ken Wiens retired from his position with the City of Regina. As well, Brent Sjoberg announced his intention to step down from his position on the Board at the end of 2012 and Curtis Smith was appointed in his place beginning in 2013. In December 2012 all four Administrative Board members in place for 2013 completed the Trustee Development Program through Humber College. This course concentrates on understanding registered pension plans and funding basics as well as the interrelated concepts of organizational governance and pension governance.

I would like to take this opportunity to thank the members of the Administrative Board for their contribution. Along with the talented and dedicated staff of the Pensions & Disability Administration Department, we are committed to securing the retirement future of our members through prudent investment and responsible decision-making.



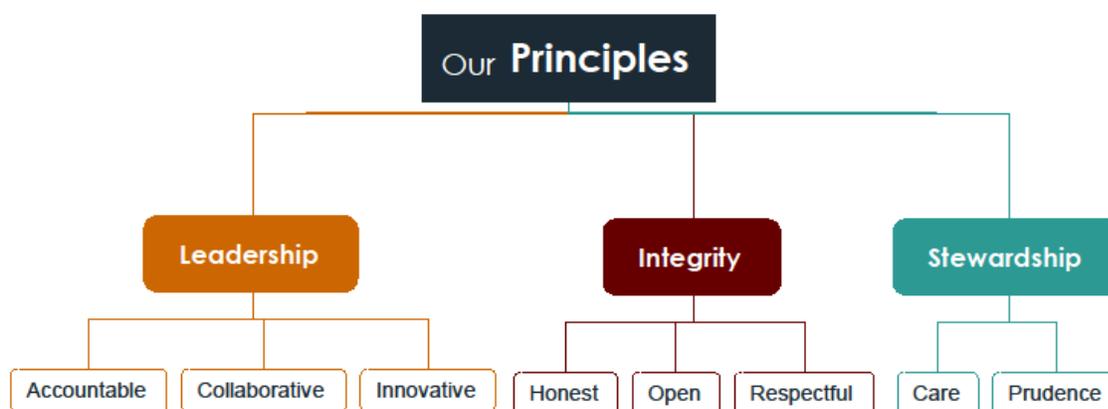
Councillor Wade Murray
Chairperson, Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan

Executive Summary

Total members belonging to the Plan were 902 at December 31, 2012. This includes 666 active members who are still working and contributing to the Plan, and 236 inactive members who are no longer contributing to the Plan but are entitled to receive benefits upon retirement. The number of inactive members rose 26% over the year, from 188 at December 31, 2011.

In 2012 we bid farewell to half of the members who made up the Administrative Board of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan. We were pleased to welcome Brent Rostad to the Board in August 2012 after Ken Wiens moved on from his position with the City of Regina. As well, Brent Sjoberg announced his intention to step down from his position on the Board at the end of 2012 and Curtis Smith was appointed in his place beginning in 2013.

To build confidence and trust, the Board has identified three primary principles that underlie what they do. From the core formed by the duty to the beneficiaries the Board conducts their business based on three primary principles; Leadership, Integrity and Stewardship.



Over the past year, the net assets available for benefits experienced an increase from a balance of \$7.7 million at the end of 2011, to a balance of \$8.5 million at the end of 2012. Contributions for the year were \$554,000, while total payments from the Plan were \$386,000. Total payments included \$354,000 in pension refunds, which can be transferred to another registered plan or taken as cash depending upon the member's status, and \$32,000 in administration and investment expenses. The net investment gain for the year was \$632,000.

Total invested assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan at December 31, 2012 were \$8.5 million.

The assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan are invested with Greystone Managed Investments in their Balanced Pooled Fund and administered by BMO Group Retirement Services. At December 31, 2012, the asset mix of the portfolio was as follows:

Asset Class	Allocation
Canadian Equities	35.0%
U.S. Equities	12.5%
EAFE Equities	12.5%
Short Term Investments	3.0%
Bonds	37.0%
Total	100%

On a total basis the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan outperformed the investment return of the custom benchmark by 0.5% with a one-year return of 8.1%.

About the Plan

As a defined contribution pension plan, the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan provides eligible members with a retirement savings based on the accumulated total of member and employer contributions, plus the earnings associated with those contributions. The Plan was established December 25, 1985 under Schedule "A" and Schedule "B" of Bylaw No. 8589.

The member's contributions and those paid by the City on behalf of the member are credited to an account established at the time the employee becomes a member of the Plan. These amounts, together with interest credited at regular intervals, comprise the member's individual account.

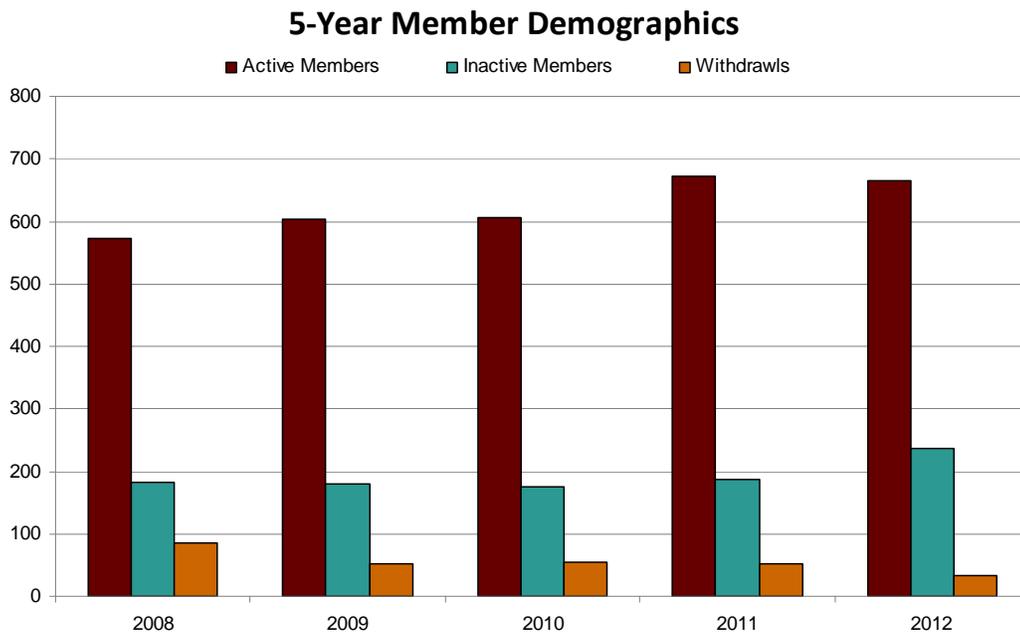
Upon termination a member may transfer the individual account balance to a locked-in retirement account, another registered pension plan, a registered retirement savings plan (RRSP), or an insurance company to purchase a deferred annuity.

Death benefits are payable to the member's designated beneficiary and if there is no designated beneficiary, to the estate. The designated beneficiary will receive a cash payment of the individual account balance or may elect that the amount be used to purchase an immediate or deferred annuity.

The Plan includes City of Regina casual employees who are members of Canadian Union of Public Employees, Local No. 21 and Elected Officials of the City of Regina.

CUPE Local No. 21 employees contribute 3% of pensionable earnings to the Plan, and the City contributes an equal amount. City of Regina Elected Officials contribute 6.95% of pensionable earnings to the Plan, and the City contributes an equal amount.

Plan membership includes 666 active members who are still working and contributing to the Plan, and 236 inactive members who are no longer contributing to the Plan. During 2012, the Plan enrolled 84 new members and paid termination or retirement benefits to 32 members. The following chart shows the change in membership over the past five years:



Pension Plan Governance

The Plan is governed by a Board of Trustees made up of four voting members; three persons to be appointed by the City Manager, and one member of City Council appointed by the Finance and Administration Committee of the City of Regina.

The Administrative Board members at December 31, 2012 were:

Councillor Wade Murray, Chairperson

Councillor Murray was appointed by the Finance and Administration Committee in 2006. He has owned several small businesses in Regina with the latest venture in the renovation and sprayfoam industry, Ultimate Insulation Inc. Councillor Murray serves on a number of boards and committees and is currently sitting for his fourth term on Regina City Council, representing the residents of Ward 6.

Brent Rostad

Mr. Rostad was appointed by the City Manager in 2012. He has worked for the City of Regina for 14 years and has had the opportunity to work in a number of areas including the Wastewater Plant, Sewage & Draining and Landfill. Mr. Rostad currently holds the position of Manager, Water Operations.

Brent Sjoberg, Vice-chairperson

Mr. Sjoberg was appointed by the City Manager in 2008. He has been employed with the City of Regina for 6 years and currently holds the position of Deputy City Manager, Corporate Services. Mr. Sjoberg is a Certified Management Accountant (CMA), and has a Masters in Business Administration from the University of Regina. He is an active member in the Regina community, and has been a Board Member and Committee Chairperson on several local boards including the Regina Civic Employees' Superannuation & Benefit Plan, the Regina Regional Economic Development Authority, and Regina Pioneer Village Ltd.

Marco Deiana

Mr. Deiana was appointed by the City Manager in 2010. He has been employed by the City of Regina for 13 years and currently holds the position of Manager, Healthy Workplace & Total Reward.



Left to Right: Steve Frankiewitz, Marco Deiana, Councillor Wade Murray, Brent Rostad, and Curtis Smith.

Not Pictured: Tim Anderson

Pension Plan Governance

A Pension Advisory Committee, as specified under *The Pension Benefits Act, 1992* (Saskatchewan), appointed by the Executive of the Canadian Union of Public Employees Local No. 21, is also invited to attend all regular and special meetings of the Board.

The Board met 4 times during 2012. Following is the Board Meeting attendance for each Member:

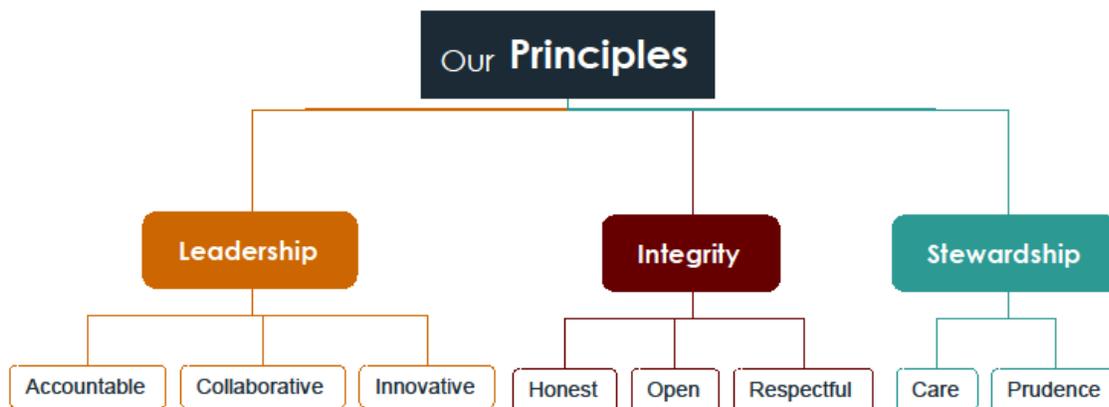
Trustee	Meetings Attended	Trustee	Meetings Attended
Councillor Wade Murray	4	Marco Deiana	4
Brent Rostad*	2	Tim Anderson (Advisory)	1
Brent Sjoberg	2	Steve Frankiewitz (Advisory)	3

*Appointed mid-year

A pension plan represents the combined retirement assets of its membership. The value of the benefit earned is often the largest financial asset belonging to any given member and forms the basis of their livelihood in retirement. As a result, plan beneficiaries and the law demand that those charged with administering a pension plan conduct their affairs to the highest standards.

In law, the standard by which those charged with administering a pension plan are measured is that of the fiduciary. By its very nature the fiduciary duty is owed solely to the beneficiaries and paramount to earning their confidence and trust. Confidence and trust are earned over time and lost in an instant. They are earned through adherence to legislation and sound business decisions. More importantly, confidence and trust are earned each day through how an organization conducts its business.

To build confidence and trust, the Board has identified three primary principles that underlie what they do. From the core formed by the duty to the beneficiaries the Board conducts their business based on three primary principles; Leadership, Integrity and Stewardship.



Leadership

We are passionate about people and driven to inspire and motivate ourselves and others. As Leaders we are:

- **Accountable** – Leaders hold themselves and others accountable for actions, results, successes and failures.
- **Collaborative** – Leaders recognize the value of working together, towards common goals, and understand that the whole is greater than the sum of its parts.
- **Innovative** – Leaders encourage creativity and understand that innovation requires being different.

Integrity

We understand that trust is earned through actions and consistently act with candour and in good faith. We are:

- **Honest** – We are truthful, accurate and straight forward in all of our dealings.
- **Open** – We conduct ourselves in an open and transparent fashion.
- **Respectful** – We treat everyone with respect and dignity.

Stewardship

We are the custodians of one of the largest assets our members have. As stewards we are:

- **Careful** – We fully employ the knowledge and skills that we individually and collectively possess to diligently balance risk and opportunity.
- **Prudent** – We are judicious and cautious (in practical affairs).

Administrative Board Responsibilities

1. Compliance With Legislation

The Board ensures that the Plan is administered in compliance with all appropriate legislation and benefits are paid appropriately to members. The Plan must comply with legislation under *The Pension Benefits Act, 1992* (Saskatchewan), *The Pension Benefits Regulations, 1993* (Saskatchewan), and the *Income Tax Act*.

2. Pensions & Disability Administration Department

The Pensions & Disability Administration Department reports to the Board on all aspects of Plan administration. The Board reviews the performance of the department on an ongoing basis and ensures that reports provided to the Board are appropriate and adequate to meet their fiduciary duties.

3. Annual Financial Statements

The Board ensures that an annual audit is conducted of the Plan, the annual financial statements for the Plan are prepared, and the results are filed with the regulatory authorities. The current auditors for the Plan are KPMG LLP and the statements audited by them are included in this report.

4. Custody of Plan Assets

The Board must ensure all monies due to the Plan are kept separate and apart from other funds of the City of Regina. This is accomplished by hiring a custodian to ensure the money is kept separate from the City's funds and is only used for pension purposes. In addition to holding the Plan's securities, the custodian is required to verify that any transfer requested by those involved with the Plan complies with the Plan's rules and governing legislation. The current custodian is CIBC Mellon Trust Company. Record keeping services are provided by BMO Group Retirement Services.

5. Fund Management

The Board is responsible for making investments in accordance with the investment requirements contained in *The Pension Benefits Act, 1992* (Saskatchewan) and other relevant legislation. On a quarterly basis the Board reviews the investment activities of the Plan, ensures compliance with the Statement of Investment Policies & Procedures, and reviews the Plan's investment results.

6. Performance Measurement

The Board ensures the investment manager is managing the Plan assets in an appropriate manner and in compliance with the Statement of Investment Policies & Procedures approved by the Board. As part of this duty, the Board requires the administration to report quarterly on the performance and whether the manager is in compliance with the Statement of Investment Policies & Procedures.

7. Policy Documents

To support the objectives of the Plan, the Board has developed and implemented the following policies:

- Procedural Rules
- Statement of Investment Policies & Procedures
- Trustee Education Policy
- Trustee Selection Policy

Education & Training

The Administrative Board of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan recognizes the importance of education to the successful fulfillment of the fiduciary duty to the members of the Plan. To that end, the Board has developed the Trustee Education Policy based on the following principles:

- (a) Board members are required to make policy decisions to facilitate the administration of the Plan;
- (b) Board members have an obligation to participate in Board meetings in a meaningful way; and
- (c) a unique body of knowledge is required to carry out the roles and responsibilities of the Board.

The Trustee Education Policy requires that, in addition to basic education obtained within the first three years of becoming a Trustee, Trustees must attend a minimum of 10 hours of educational opportunities on an annual basis.

The following Administrative Board members attended conferences and seminars for educational opportunities that were paid by the Plan:

Trustee	Conference/Seminar	Date	Location	Hours
Councillor Wade Murray	24 th Annual Police, Fire & Municipal Employee Pension & Benefits Seminar	Jan 15-17	Las Vegas, NV	20
	Trustee Development Program	Dec 4-6	Regina, SK	30
	Total Expenses*	\$3,984	Total Hours	50
Brent Rostad	Trustee Development Program	Dec 4-6	Regina, SK	30
	Total Expenses	\$1,695	Total Hours	30
Brent Sjoberg	Total Expenses	-	Total Hours	0
Marco Deiana	Trustee Development Program	Dec 4-6	Regina, SK	30
	Total Expenses	\$1,695	Total Hours	30

** The costs above show total costs per member. In the event a Trustee sits on more than one Administrative Board, education and training expenses are shared with the other Plans.*

Financial Highlights

Year End Financial Position

Net assets available for benefits were \$8.5 million. Net assets consist of investments at fair value of \$8.5 million, and contributions receivable of \$28,000.

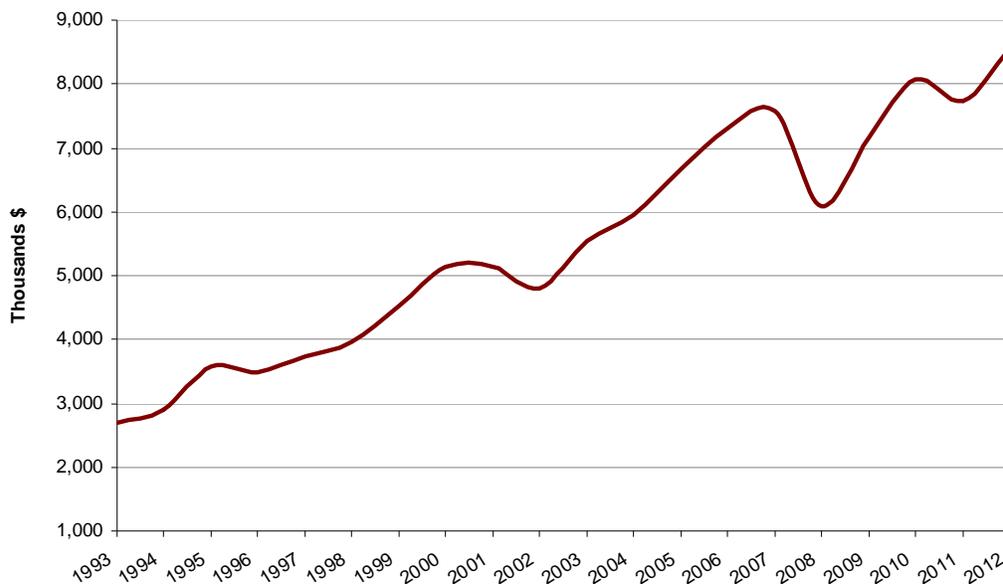
There are four main factors that contribute to the size of the asset base of the Plan. These factors are the investment income earned over the year, the contributions made to the individual accounts of members, the Plan's administration and investment expenses, and the benefit payments made to members. Investment income, contribution revenues, and benefit payments & expenses over the last ten years are shown below:

For The Year Ending	Investment Income / (Loss) (\$ Thousands)	Revenue From Contributions (\$ Thousands)	Benefit Payments & Expenses (\$ Thousands)
2012	632	554	(386)
2011	(339)	546	(533)
2010	826	520	(447)
2009	922	528	(361)
2008	(1,364)	494	(631)
2007	358	464	(548)
2006	845	424	(637)
2005	682	386	(339)
2004	497	360	(452)
2003	723	338	(311)

In addition to the benefit payments and expenses shown in the chart above, the employer covers the costs associated with the administrative functions of the Administrative Board and the Pensions & Disability Administration Department. The employer also funds 75% of the administrative services for record keeping charges billed by BMO Group Retirement Services and CIBC Mellon for the pension Plan custodian fees.

Over the past twenty years, the assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan have grown significantly as shown below:

Casual Asset Growth



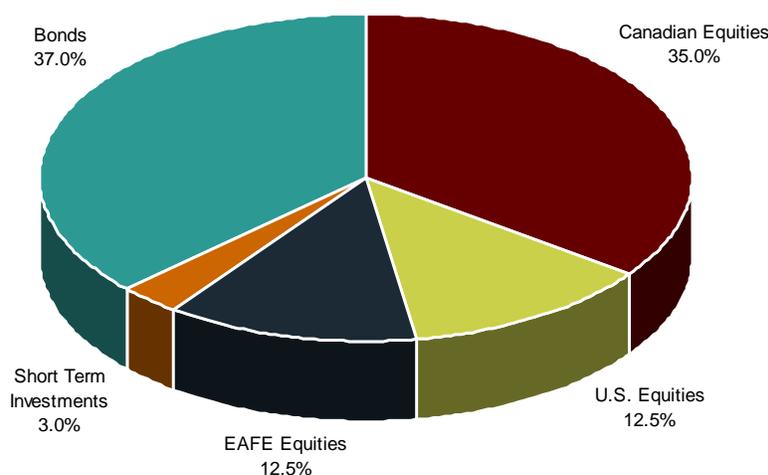
Investment of the Fund

The Administrative Board of the Casual Plan oversees the investments of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan in accordance with the Statement of Investment Policies & Procedures. The primary objective of the investment policy is to maximize the returns of the Plan members without incurring undue risk.

The Statement of Investment Policies & Procedures is reviewed annually and updated when necessary to ensure that it continues to meet legal standards and the investment requirements of the membership.

The assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan are invested with Greystone Managed Investments in their Balanced Pooled Fund and administered by BMO Group Retirement Services. The Plan invests in a "balanced fund" in order to gain exposure to several asset classes in an efficient way for the level of assets currently in the Plan. By spreading the investments out among different types of assets and different geographical areas, overall risk to the Plan is reduced and the returns of the Plan become less volatile.

Asset Class Allocation



The performance of the Plan is measured against a custom benchmark consisting of the indices that best represent each asset class, weighted to the respective target weight of those asset classes.

Asset Class	Total Fund Benchmark	%
Canadian Equities	S&P/TSX 300 Index	35.0
U.S. Equities	S&P 500 Index (CAD)	12.5
EAFE Equities	MSCI World Index Ex Canada	12.5
Universe Bonds	DEX Universe Bond Index	37.0
Short Term Investments	DEX 91-Day T-Bill Index	3.0

Greystone does not manage currency in the Balanced Fund, preferring to take a longer term approach that currencies will fluctuate in the short term, but will achieve some equilibrium over the longer term.

Total invested assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan at December 31, 2012 were \$8.5 million.

Market Overview

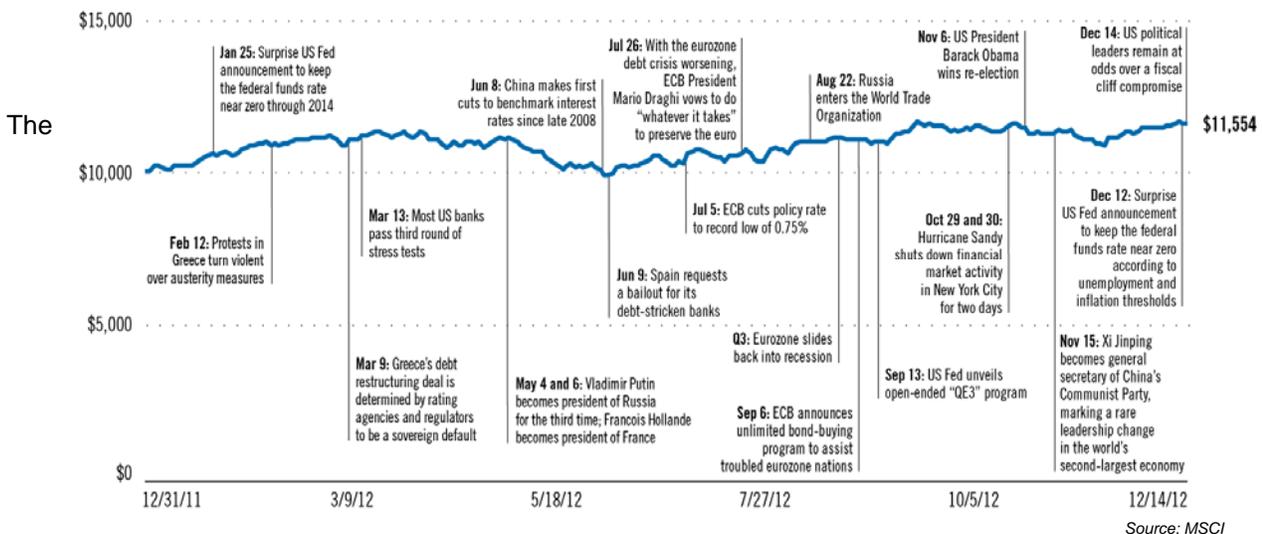
During a year of major political and policy change, the global economic recovery that began in 2009 persisted unevenly through 2012 as developed countries worked through a longer-term debt reduction cycle. In the first half of the year, the financial world focused on the need for capital by European banks as well as a slowdown in China's economy resulting in bouts of market volatility as investors vacillated between "risk assets" and perceived "safe-haven" assets in response to the latest political developments. In the second half, investors' continued to focus on fits of progress in the eurozone, but added elections in the United States and the country's looming "fiscal cliff" of scheduled tax increases and spending cuts. In particular, Europe's debt crisis began to hurt economies globally—especially those of key exporters to Europe such as the United States and China—as the debt crisis curbed demand for goods and services. The 17-nation eurozone fell back into a recession for the second time in four years as leaders imposed budget cuts, with Spain and Cyprus joining the list of countries seeking external aid.

Despite the economic challenges, global financial assets were generally supported by government stimulus and central bank policy actions implemented throughout the year, especially the Federal Reserve's Quantitative Easing bond buying program (QE3), the European Central Bank's Outright Monetary Transaction program (OMT), Bank of England & Bank of Japan's expansion of their asset purchase programs and China's reserve reduction policy. While investors were grappling with several other headwinds as 2012 concluded, such as increasing tensions in the Middle East and generally reduced prospects for corporate earnings growth in 2013, the impending United States fiscal cliff seemed to be the biggest uncertainty on investors' minds.

Global Equity Markets Performance

Despite the lack of clarity during many points in 2012 many asset classes performed strongly for the year. Paced by a rapid rise in technology and other cyclical stocks, global equities got off to a strong start in 2012. That initial upward surge was soon followed by an erratic slump that lasted into early June when global stocks collectively recorded their lowest levels for the year. Investor optimism returned and several broad stock market gauges rose to 2012 and multi-year highs by mid-September, before steadily retreating through mid-November on weak global trade and manufacturing equities. Commodities soared in the early part of 2012 as many investors seemed to believe that the Federal Reserve would underpin stock prices with a new round of bond buying. After the Federal Reserve and other central banks launched interventions, stocks that had been flirting with record highs retreated as investor attention switched to the United States elections and subsequent worries about political gridlock. Flare-ups in Europe's debt crisis also had investors wary in the final months of 2012. At year-end, surveys showed businesses generally to be at their most pessimistic about the year ahead since the global economy pulled out of its recession in 2009. In this environment, many stock market indexes trended quite closely with one another for the year.

**Growth of a US\$10,000 Investment in the MSCI All Country World Index
December 31, 2011–December 14, 2012**



MSCI Index	Total Return
All Country	16.80%
World Index	16.54%
EAFE	17.90%
Germany	32.10%
Belgium	40.75%
Denmark	31.89%
Austria	27.02%
Switzerland	21.47%
AC Asia Index	16.03%
USA	16.13%
Emerging Markets	18.63%
Frontier Markets	9.25%

By company size, global small-capitalization stocks generally outperformed their larger peers as “risk-on” trades prevailed, according to MSCI gauges. In terms of investment style, MSCI global indexes also showed that large-cap growth stocks as a whole outpaced their value oriented peers, while the inverse was true in the small and mid-cap tiers. Meanwhile, the commodities complex often tracked global stock indexes in terms of direction but ultimately bowed to fundamental supply/demand factors that caused raw materials prices to disconnect from equities. With traders and analysts pricing in their expectations for reduced demand growth for energy and other commodities throughout much of 2012, the Dow Jones-UBS Commodity Index of 20 key raw materials futures prices posted a 1.06% loss for the year.

Yield Hunt in Global Fixed Income

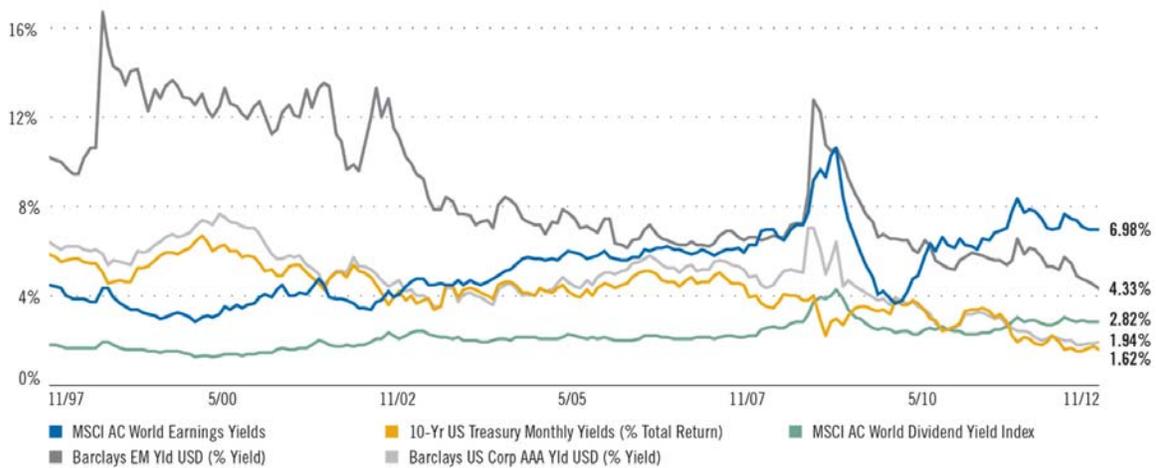
Similar to global equities, concerns about China’s potential for a hard landing, softness in United States growth, contagion from Greece spreading to Italy and Spain, and the eurozone potentially breaking apart amid sovereign debt defaults drove broad bond market sentiment in 2012. However, fixed income investors worked through bouts of market-price volatility and seemed to gain greater confidence as the global economy made notable progress since 2011, while panic surrounding issues in eurozone hot spots appeared to be overstated.

Though most bond types made gains in 2012, it was an especially favourable year overall for more economically sensitive fixed income sectors. With interest rates in key developed markets at historically low levels, many global fixed income investors sought assets with higher yields and those that reflected better economic growth prospects and increasingly sound government budgets, as well as the potential for currency appreciation, particularly among several countries in Asia, eastern Europe and Latin America. Developed-government fixed income securities, as measured by the J.P. Morgan (JPM) Global Government Bond Index, returned 1.29% for the year. Even as corporate earnings growth decelerated from 2011 levels over the course of 2012, corporate debt securities, whether in the investment-grade, high-yield, or even leveraged bank loan sectors, looked fairly attractive to many bond buyers. The Barclays Global Aggregate Corporate Index closed the year with a return of 11.21% based on corporate credit fundamentals and the generally higher yield of these asset classes when compared to developed-market government bonds. Meanwhile, the performance split between United States investment-grade and riskier high-yield corporate debt securities was reflected in the 9.82% total return for the Barclays U.S. Corporate Index versus 15.81% for the Barclays U.S. Corporate High-Yield Index.

Market Overview

Barclays U.S. Treasury Index returned 1.99% for the year. In contrast, U.S. dollar-denominated emerging-market debt, as measured by the JPM Emerging Markets Bond Index Global Diversified, returned 17.44% owing largely to outsized gains across parts of peripheral Europe, Latin America and Asia. The fixed income marketplace also remained supportive of United States municipal bonds' based on generally improving fundamentals. Despite the headlines that some of the more poorly managed individual cities and local municipalities garnered during 2012, the reality was that the vast majority of states, cities and municipalities were fairly successful in dealing with budget issues. For the year, the Barclays Municipal Bond Index returned 6.78%.

**MSCI AC World Index Earnings Yields and Dividend Yields, 10-Year US Treasury Yields, Barclays EM Yield USD Index and U.S. Corp. AAA Yield USD Index
15-Year Period Ended November 30, 2012**



Investment Results

On a total basis, the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan outperformed the investment return of the custom benchmark by 0.5% with a return of 8.1%.

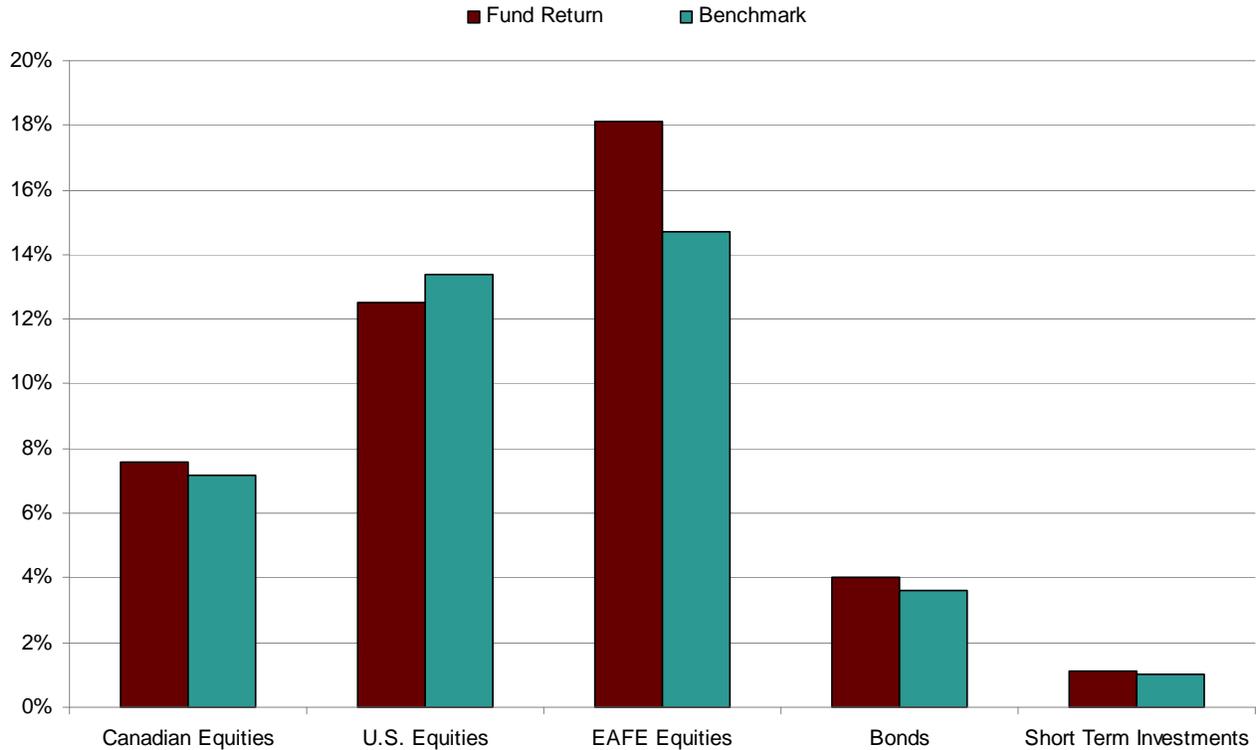
One year investment returns are interesting to watch, and form a piece of the ongoing administration of the Plan; however, pension investing is a long term proposition. Over the last five years the Greystone Balanced Fund has provided positive annualized investment returns over the two, three, four, and five-year periods, but has underperformed the balanced benchmark across all periods. Over the last ten years, the Plan has achieved an annualized return of 6.1%.

Investment Returns	Annualized Rate Of Return (%)				
	1 yr	2 yr	3 yr	4 yr	5 yr
Total Fund	8.1	1.8	4.9	7.4	1.7
Total Fund Benchmark	7.6	3.8	5.9	8.5	3.0
Excess Return (%)	0.5	-2.0	-1.0	-1.1	-1.3

The following table shows the gross rate of return achieved by the various asset classes over the one, three, four, and five year periods ended December 31, 2012. The applicable benchmark performance for each asset class is also noted.

Asset Class	Annualized Rate Of Return (%)			
	1 yr	3 yr	4 yr	5 yr
Balanced Fund:				
Canadian Equities	7.6	2.4	8.2	-2.8
Benchmark: S&P/TSX 300 Index	7.2	4.8	11.7	0.8
U.S. Equities	12.5	8.8	7.1	1.0
Benchmark: S&P 500 Index	13.4	9.0	8.8	1.9
EAFE Equities	18.1	1.8	8.1	-3.2
Benchmark: MSCI EAFE (CAD)	14.7	1.8	4.2	-3.5
Bonds	4.0	7.1	7.4	6.9
Benchmark: DEX Universe Bond Index	3.6	6.6	6.3	6.3
Short Term Investments	1.1	0.9	0.8	1.4
Benchmark: DEX 91-Day T-Bill Index	1.0	0.8	0.8	1.3
Total Fund:	8.1	4.9	7.4	1.7

2012 Asset Class Returns

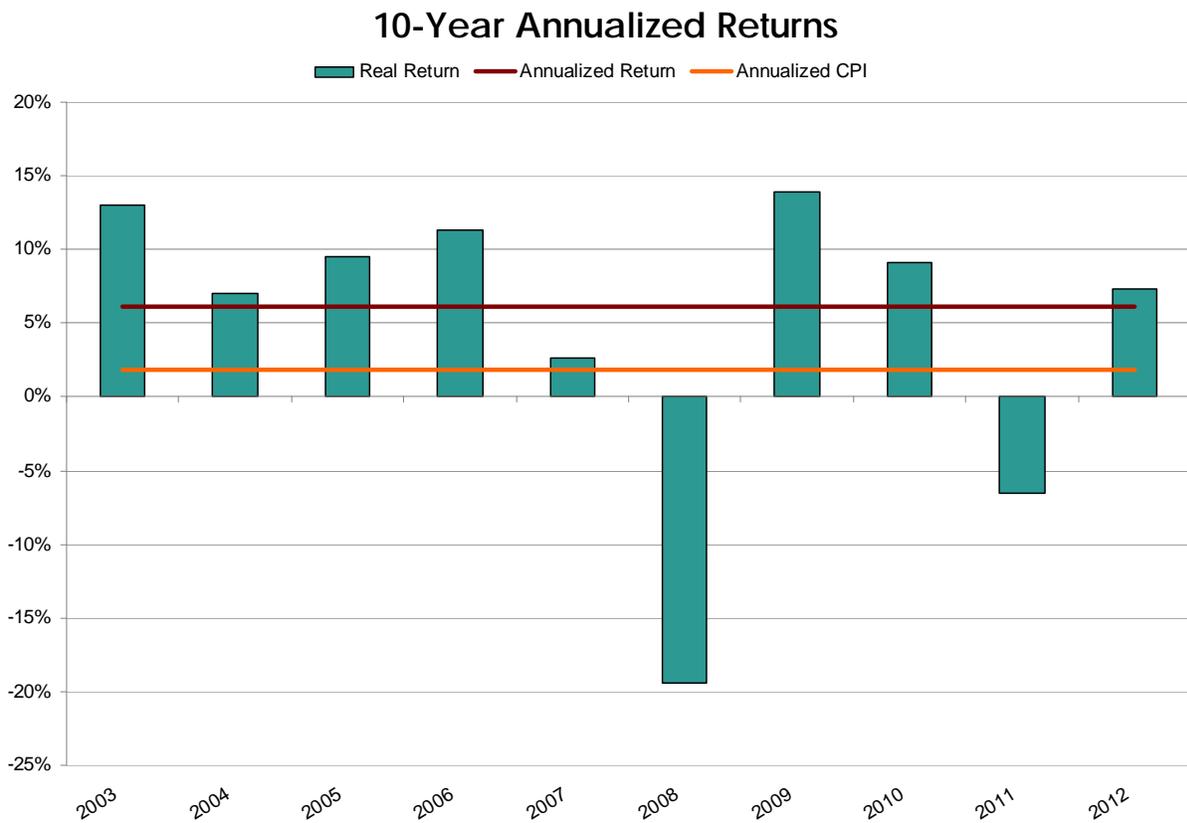


Historical Total Returns

The annual investment returns of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan for the last ten years are as follows:

Year	Annual Rate Of Return		
	Nominal Return	CPI	Real Return
2012	8.10%	0.80%	7.30%
2011	-4.20%	2.30%	-6.50%
2010	11.50%	2.40%	9.10%
2009	15.20%	1.30%	13.90%
2008	-18.20%	1.20%	-19.40%
2007	5.00%	2.40%	2.60%
2006	13.00%	1.70%	11.30%
2005	11.60%	2.10%	9.50%
2004	9.10%	2.10%	7.00%
2003	15.10%	2.10%	13.00%

- (1) Nominal Return is the actual rate of return earned in the year.
- (2) The CPI (Consumer Price Index) is published monthly by Statistics Canada. The rate of change provides a measure of inflation.
- (3) Real Return is the return earned after accounting for the effect of inflation.
- (4) Annualized Return is the return earned after the effect of inflation is removed, over a specific time period.



Pension Plan Expenses

Description	2012 (\$ Thousands)	2011 (\$ Thousands)
Administrative Expenses Paid by the City of Regina	\$92	\$91
Administrative Expenses Paid by the Plan:		
Custodial Services:		
CIBC Mellon	2	2
Investment Manager Fees:		
Greystone Managed Investments	20	23
Administrative Services:		
BMO Group Retirement Services	10	11
Total for the Plan:	124	127



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INDEPENDENT AUDITORS' REPORT

To the Administrative Board of the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan:

We have audited the accompanying financial statements of the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan, which comprise the statement of financial position as at December 31, 2012 and the statement of changes in net assets available for benefits for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan as at December 31, 2012, and the changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.

Other Matter

The financial statements of the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan as at and for the year ended December 31, 2011 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 7, 2012.

KPMG LLP
Chartered Accountants

Regina, Canada
May 6, 2013

Audited Financial Statements

STATEMENT OF FINANCIAL POSITION (dollars in thousands)

As at December 31

	December 31 2012	December 31 2011
ASSETS		
Investments – Note 4	\$8,519	\$7,721
Contributions Receivable – Note 6		
Members	14	13
Employers	14	13
	8,547	7,747
LIABILITIES		
Accounts Payable	6	6
Net Assets Available for Benefits	\$8,541	\$7,741

See accompanying notes

APPROVED BY:



_____ Board Member



_____ Board Member

Audited Financial Statements

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

(dollars in thousands)

For the Year Ended December 31

	2012	2011
INCREASE IN NET ASSETS		
Investment Income	\$240	\$209
Increase in Fair Value of Investments	392	-
Contributions		
Member Contributions	277	273
Employer Contributions	277	273
	1,186	755
DECREASE IN NET ASSETS		
Decrease in Fair Value of Investments	-	548
Pension Refunds	354	497
Administration Expenses – Note 7	32	36
	386	1,081
Net Increase (Decrease) for the Year	800	(326)
Net Assets Available for Benefits, Beginning of Year	7,741	8,067
Net Assets Available for Benefits, End of Year	\$8,541	\$7,741

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2012

1. Description of Plan

The Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan (the "Plan") is a defined contribution plan. All casual employees who acquire and maintain seniority under the provisions of the Collective Agreement between the City of Regina and the Canadian Union of Public Employees, Local No. 21, are required to join the Plan as contributing members. Elected Officials of the City of Regina may also join the Plan.

(a) Contributions

Casual Employee Members contribute of 3% of salary. Elected Officials contribute 6.95% of salary. The employer matches the members' contributions to the Plan.

(b) Benefits

Benefits are received upon retirement, termination, or death by lump sum transfers to an individual's locked in retirement account with another financial institution. Cash payments may be made for non-vested or small benefit amounts.

2. Basis of Preparation

(a) Statement of compliance

The financial statements for the year ended December 31, 2012, have been prepared in accordance with Canadian accounting standards for pension plans as outlined in Part IV of the Canadian Institute of Chartered Accountants (CICA) Handbook section 4600, Pension Plans. For matters not addressed in section 4600, International Financial Reporting Standards (IFRS) guidance has been implemented. These financial statements were authorized and issued by the Plan's Administrative Board on May 6, 2013.

(b) Basis of measurement

The financial statements have been prepared using the historical cost basis except for financial instruments which have been measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Plan's functional currency and are rounded to the nearest thousand unless otherwise noted.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2012

3. Summary of Significant Accounting Policies

The following policies are considered to be significant:

(a) Basis of Presentation of Financial Statements

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the Sponsor and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

(b) Investments

Investments, in pooled funds, are recorded at fair value on a trade date basis. Fair value is determined based on the net asset value provided by the pooled fund administrator using closing bid prices of the underlying investments.

(c) Investment Income and Transaction Costs

Investment income consists of distributions earned from investments in pooled funds and is recorded on the accrual basis. Realized and unrealized gains and losses are recorded in the change in fair value of investments. Transaction costs are recognized in the statement of net assets available for benefits in the period incurred.

(d) Foreign Exchange

All investments denominated in foreign currency year end balances are converted into Canadian dollars at the exchange rate prevailing at year end. Gains and losses due to translation are included in the change in fair value of investments for the period. Revenue and expenses are translated at the exchange rate on the date of the transaction.

(e) Use of estimates

The preparation of the financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of investments. Actual results could differ from these estimates and changes in estimates are recorded in the accounting period in which they are determined.

(f) Fair Value

Contributions receivable and accounts payable are all short-term in nature and as such their carrying value approximates fair value.

Audited Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2012

3. Summary of Significant Accounting Policies (continued)

(g) Future Accounting Policy Changes

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2012, and have not been applied in preparing these financial statements. In particular, the following new and amended standards which becomes effective for annual periods beginning on or after January 1, 2013:

- IFRS 9 Financial Instruments
- IFRS 13 Fair Value Measurement

The extent of the impact on adoption of these standards is not known at this time, but is not expected to be material.

4. Investments

The investment objectives of the Plan are to earn a rate of return that exceeds the rate of return earned on a benchmark portfolio. Due to the long-term horizon of the Plan's benefits, the Plan takes a long-term investment perspective. The Plan has the following investments:

Asset Class	December 31, 2012 Carrying Value	December 31, 2011 Carrying Value
Cash	\$1	\$21
Greystone Balanced Fund	8,518	7,700
Total	\$8,519	\$7,721

The Plan invests in the Greystone Balanced Fund ("the pooled fund"), an open ended investment which invests in Canadian fixed income securities and equity securities issued by companies in Canada, the United States and Non-North America. The pooled fund has no fixed interest rate and its return is based on the success of the fund manager.

Fair Value of Investments

Fair value is best evidenced by an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available, representing regularly occurring transactions. The determination of fair value requires judgement and is based on market information where available and appropriate. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The Plan's cash are measured at fair value using quoted market prices, which is considered level 1, the highest level of reliability of fair value. The Greystone Balanced Fund is considered level 2. During the year, no investments were transferred between levels.

Audited Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2012

5. Capital and Investment Risk Management

The Plan receives new capital from member and employer contributions. The Plan also benefits from income and market value increases on its invested capital. The Plan's capital is invested in a number of asset classes including short-term investments, bonds and equities through its pooled fund investment. The Board has delegated the operational investment decisions to an investment management firm with an investment mandate in compliance with the Plan's Statement of Investment Policy & Procedures.

Risk Management relates to the understanding and active management of risks associated with all areas of the business and associated operating environment. Investments are primarily exposed to foreign currency, interest rate volatility, market and credit risk. The Plan has set formal policies and procedures that establish an asset mix among equity, fixed income and real estate investments; requires diversification of investments within categories; and sets limits on the size of exposure to individual investments. These objectives are carried out through the Greystone Balanced Fund which has an investment mandate that complies with the Plan's Statement of Investment Policies & Procedures.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan invests in the Greystone Balanced Fund that retains sufficient cash and cash equivalents to maintain adequate liquidity for the purpose of funding redemptions. The majority of the pooled fund's investments are traded in active markets and can be readily realized.

6. Related Party Transactions

Certain costs to administer the Plan are borne by the City of Regina and are therefore not reflected in the Plan financial statements. The costs typically paid for by the City of Regina include staff costs, office and administration expenses, audit fees, and board and staff education costs. However, investment management, a portion of custodial fees, and some administrative services are paid by the Plan. Costs relating to the Plan that were paid by the City of Regina were \$92 (2011 - \$91).

7. Administration Expenses

	2012 Total	2011 Total
Administration Expenses		
Administration Expenses paid by the Plan		
Investment Manager Fees	\$20	\$23
Administrative Services	10	11
Custodial Fees	2	2
Total	\$32	\$36