

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



Annual Report &
Audited Financial Statements

December 31, 2014

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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, 2014.

In this report you will find the following:

- membership information;
- the composition of the Administrative Board and its role as trustee 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 2014;
- historical investment returns; and
- the annual financial statements for 2014, audited by KPMG.

During 2014, the Plan assets grew by over 7% from 9.8 million to \$10.5 million. This growth reflects a year of relatively positive news in the financial markets. It also reflects an increase in the number of members in the Plan – up by about 3% from 2013.

Overall, the Plan's investment fund achieved a 10.98% return, outperforming the total fund benchmark by 0.40%. After careful consideration the Board decided to terminate its investment in the Balanced Fund offered by Greystone Managed Investments Inc. In its place the Board implemented a Managed Investment Portfolio which will provide greater investment diversification to plan members at a lower cost. The Board remains focused on long term results, achieved through prudent investment and solid governance.

On an annual basis, the Board reviews information on web usage and quarterly statement information provided to members to ensure that members have access to the information they need.

A new departmental structure was implemented in 2014 which will assist Pensions & Disability Administration in serving Plan members in an efficient and effective manner.

I would like to take this opportunity to thank the members of the Administrative Board for their contribution and the staff of Pensions & Disability Administration for their work throughout the year. Together, we are committed to providing the leadership, integrity and stewardship to support members as they save for retirement.

A handwritten signature in black ink, appearing to read 'Wade Murray', written in a cursive style.

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

Executive Summary

Total members belonging to the Plan were 978 at December 31, 2014. This includes 724 active members who are still working and contributing to the Plan, and 254 inactive members who are no longer contributing to the Plan but are entitled to receive benefits upon retirement.

Over the past year, the net assets available for benefits experienced an increase from a balance of \$9.8 million at the end of 2013, to a balance of \$10.6 million at the end of 2014. Overall the Plan has seen an increase in net assets available for benefits of 31% over the last five-year period. The net investment gain for the year was \$700,000.

Contributions for the year were \$616,000, representing an increase of 2% over 2013. Total payments from the Plan were \$1,008,000 including \$940,000 in pension refunds, which can be transferred to another registered plan or taken as cash depending upon the member's status, and \$68,000 in administration and investment expenses. 2014 saw an increase in pension refunds of 45% over 2013.

In 2014 the Board terminated its investment in the Balanced Fund offered by Greystone Managed Investments and implemented a Managed Investment Portfolio which provides greater investment diversification to plan members at a lower cost. The assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan are now invested with the managers indicated below and administered by BMO Group Retirement Services. Total invested assets were \$10.5 million at December 31, 2014 and the asset mix for the portfolio was as follows:

Asset Class	Manager	Allocation
Canadian Equities	QV Investors Inc.	19.2%
Global Equities	Franklin Templeton Institutional	40.4%
Long Term Bonds	TD Asset Management	20.4%
Core Plus Bonds	TD Asset Management	20.0%
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 0.40% with a one-year return of 10.98%. Over the last ten years, the Plan has achieved an annualized return of 6.40%.

About the Plan

As a defined contribution pension plan, the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan provides eligible members with 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.

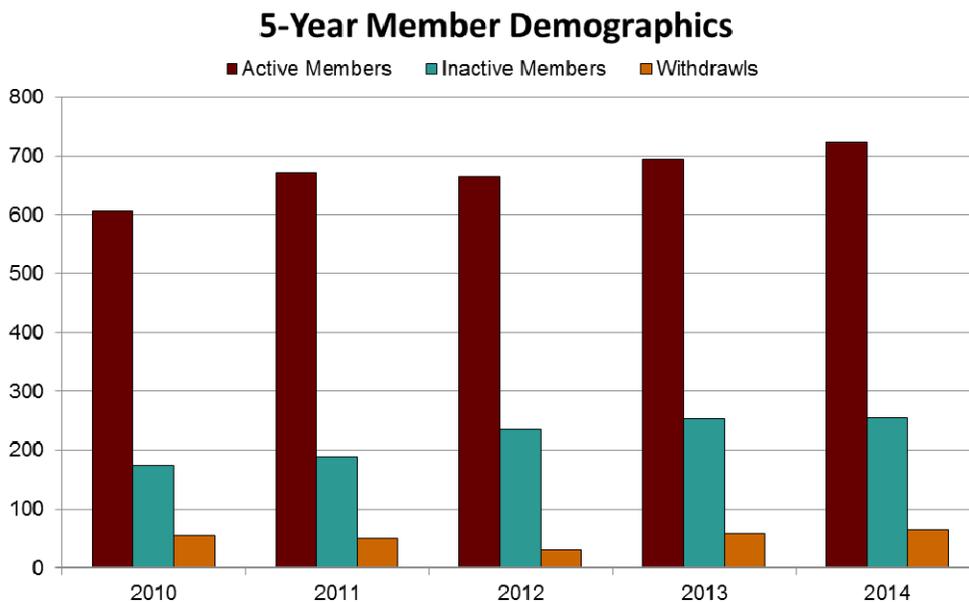
Upon termination a member may transfer the individual account balance to a locked-in retirement account, another registered pension plan, a registered retirement savings plan (RRSP), or an insurance company to purchase a deferred annuity.

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 724 active members who are still working and contributing to the Plan, and 254 inactive members who are no longer contributing to the Plan. During 2014, the Plan enrolled 94 new members and paid termination, death, or retirement benefits to 65 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, 2014 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.

Curtis Smith, Vice-chairperson

Mr. Smith was appointed by the City Manager in 2012. He has been employed by the City of Regina for seven years and currently holds the position of Manager, Policy and Risk Management. He also is the Acting Manager, Corporate Accounting. Mr. Smith is a Chartered

Accountant (CA) and Certified Internal Auditor (CIA), and has a Bachelor degree in Business Administration from the University of Regina.

Marco Deiana

Mr. Deiana was appointed by the City Manager in 2010. He has been employed by the City of Regina for 16 years and currently holds the position of Manager, Workplace Health & Safety.

Brent Rostad

Mr. Rostad was appointed by the City Manager in 2012. He has worked for the City of Regina for 17 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.



Left to Right: Marco Deiana, Darren Grychowski, Councillor Wade Murray, and Brent Rostad

Not Pictured: Curtis Smith and Heather Bryant

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 2014. Following is the Board Meeting attendance for each Member:

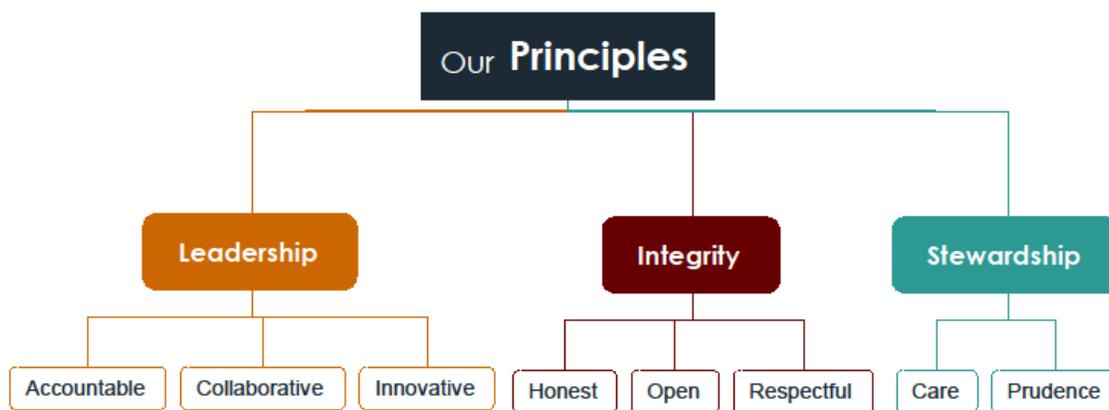
Trustee	Meetings Attended	Trustee	Meetings Attended
Councillor Wade Murray	3	Clint Driedger*	1
Curtis Smith	4	Darren Grychowski*	1
Marco Deiana	3	Heather Bryant*	1
Brent Rostad	4		

*Appointed in October 2014

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, toward 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

Pensions & Disability Administration 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	CPBI Regional Conference Total Expenses	Apr 9-10 \$472	Regina, SK Total Hours	20 20
Marco Deiana	CPBI Regional Conference Total Expenses	Apr 9-10 \$472	Regina, SK Total Hours	20 20
Brent Rostad	CPBI Regional Conference Total Expenses	Apr 9-10 \$472	Regina, SK Total Hours	20 20
Curtis Smith	Total Expenses	\$0	Total Hours	0

The expenses 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 Plan(s).

Financial Highlights

Year End Financial Position

As at December 31, 2014 the Plan had net assets available for benefits of \$10.6 million. Net assets consist of investments at fair value of \$10.5 million and contributions receivable of \$48,000, less accounts payable of \$3,000.

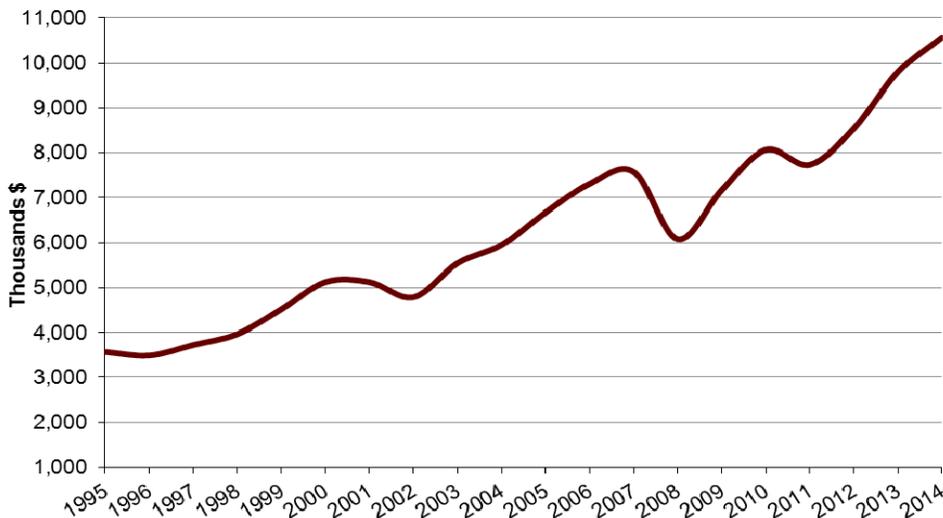
There are four main factors that contribute to the size of the asset base of the Plan. These factors are the investment income earned over the year, the contributions made to the individual accounts of members, the Plan's administration and investment expenses, and the benefit payments made to members. 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)
2014	1,164	617	(940)
2013	1,336	604	(682)
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)

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 Employees' Superannuation & Elected Officials' Money Purchase Pension Plan oversees the investments of the Plan in accordance with the Statement of Investment Policies & Procedures. The Statement of Investment Policies & Procedures addresses such issues as investment objectives, risk tolerance, asset allocation, permissible asset classes, investment diversification, liquidity requirements, expected rates of return and other issues relevant to the investment process, thereby establishing a framework within which all the investment managers must operate. 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.

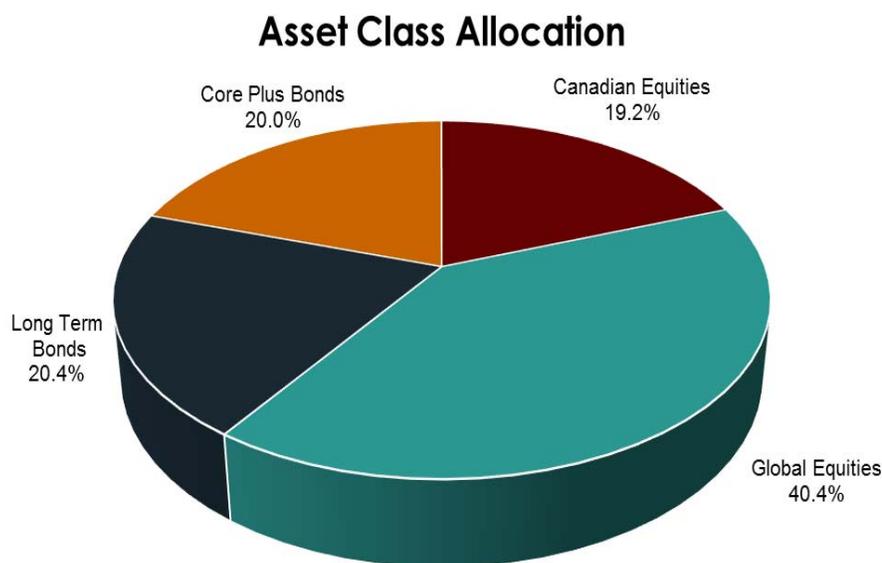
The Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan measures investment performance against a custom benchmark consisting of the indices that best represent each asset class:

Asset Class	Total Fund Benchmark	%
Canadian Equities	S&P/TSX 300 Index	20
Global Equities	MSCI World Index	40
Long Term Bonds	FTSE TMX Canada Long Term Overall Bond Index	20
Core Plus Bonds	FTSE TMX Canada Universe Bond Index	20

The Plan does not manage currency within the portfolios, 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 Plan (including accrued income) at December 31, 2014 were \$10.5 million.

The Plan's assets are invested across several asset classes and with multiple investment managers to reduce the overall risk to the Plan. By spreading the investments out among different types of assets, different geographical areas and different investment styles, the overall risk to the Plan is reduced and the returns of the Plan become less volatile.



Investment of the Fund

The table below provides the current asset allocation policy of the Casual Plan:

Asset Class	Total Fund Benchmark	Actual % Allocation	Min %	Target % Allocation	Max %
Equities:					
Canadian Equities	S&P/TSX 300 Index	19.2	15	20	25
Global Equities	MSCI World Index	40.4	35	40	45
	Total Equities:	59.6		60	
Fixed Income:					
Long Term Bonds	FTSE TMX Canada Long Term Overall Bond Index	20.4	15	20	25
Core Plus Bonds	FTSE TMX Canada Universe Bond Index	20.0	15	20	25
	Total Fixed Income:	40.4		40	
Total Fund:		100.0		100	

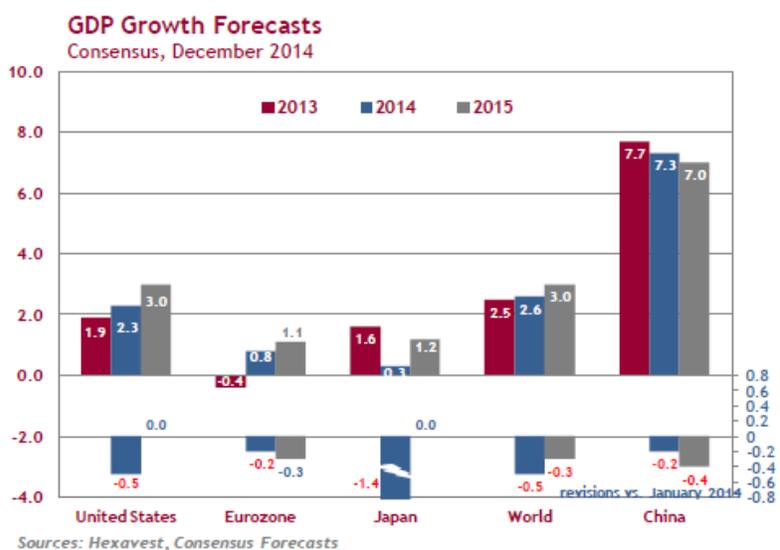
As the performance of individual managers and markets move the assets in the fund away from the normal strategic positions, the assets are rebalanced to bring the fund back within the parameters of the current strategic asset allocation policy set by the Administrative Board. Such rebalancing is achieved through directed cash flow or by actively transferring funds among managers when specified trigger points are reached. The actual management and asset allocation structure of the Casual Plan as at December 31, 2014 is shown below:

Asset Class	Manager	Start Date	Amount (\$ Thousands)	% Of Holdings
Equities:				
Canadian Equities	QV Investors Inc.	2014	2,030	19.2
Global Equities	Franklin Templeton Institutional	2014	4,246	40.4
	Total Equities:		6,276	59.6
Fixed Income:				
Long Term Bonds	TD Asset Management	2014	2,146	20.4
Core Plus Bonds	TD Asset Management	2014	2,100	20.0
	Total Fixed Income:		4,246	40.4
Cash:	n/a	n/a	3	-
Total Fund:			10,525	100.0

Market Overview

Global equities had narrow gains in the first quarter as worries over the impact of the Federal Reserve's tapering of quantitative easing saw equities begin the year on a weak footing. Stock markets recovered as the quarter progressed but gains were held back by the crisis in Ukraine. Canadian GDP grew at a modest annualized rate of 1.2% in the first quarter helped by consumer spending. Canadian employment data was strong while inflation remained at the low end of the Bank of Canada's targets. Commodities were notably strong as oil, natural gas, and gold stocks rose. Oil and gas producers benefited from increased demand and diminished supply caused by frigid winter conditions. The S&P/TSX Composite Index gained 6% over the quarter. The gain was broadly based as nine of the Index's ten sectors gained, led by Utilities, Healthcare and Materials. Consumer Discretionary was the only sector to decline over the quarter. U.S. macroeconomic data was mixed as housing data was disappointing yet consumer confidence reached a six-year high.

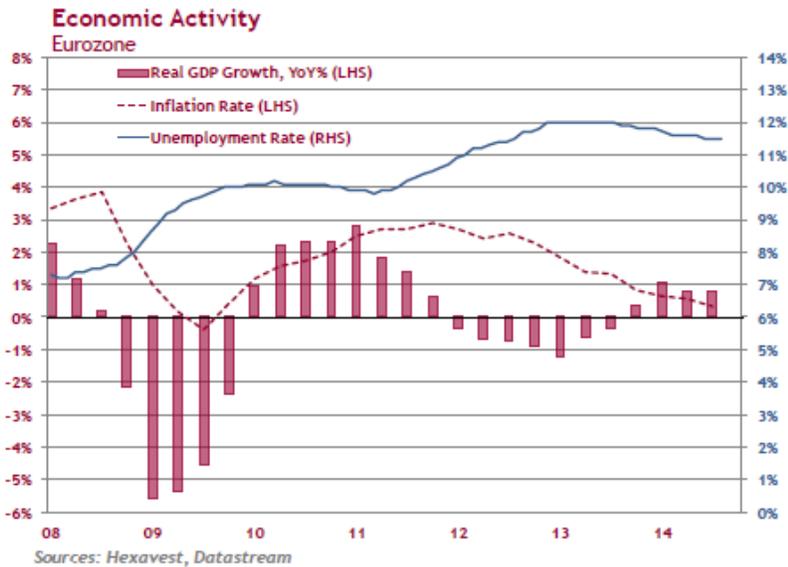
Fourth quarter 2013 GDP data was revised down to an annualized rate of 2.6% from an estimated 3.2%, while there was a slight up-tick in the unemployment rate. Utilities and Healthcare led the increase in the S&P 500 while Consumer Discretionary and Telecom detracted the most. Eurozone equities were supported by encouraging macroeconomic data and although inflation continued to be below target the European Central Bank (ECB) kept monetary policy unchanged. A change of government in Italy was greeted favourably by the market while UK shares fell as earnings were generally disappointing. In general emerging markets underperformed developed market peers.



Weaker macroeconomic data from China and the political tensions between Ukraine and Russia weighed on emerging markets, adding to ongoing concerns over the impact of reduced Global liquidity. Overall, international stock markets were flat for the quarter as the MSCI EAFE Index was unchanged. FTSE TMX Canada Universe Bond Index yields declined 22 basis points, with the average yield on the Index finishing the quarter at 2.53%. Short-, mid-, and long-term yields all declined over the quarter.

Global equities gained in the second quarter, supported by ongoing accommodative monetary policy from central banks. Geopolitical tensions were in focus amid an escalation of conflict in Iraq, which pushed oil prices higher. Canadian GDP surpassed expectations and grew at an annualized rate of 3.1%. Household consumption increased, yet decreases in government and business consumption weighed on growth. Canadian employment data was mixed during the quarter, and inflation in Canada remained contained. The S&P/TSX Composite Index gained 6.4% over the quarter. Gains were widespread as nine of the Index's ten sectors rose, led by Energy, Industrials, and Materials. Energy stocks were strong, with investor sentiment toward the sector improving as oil and natural gas prices were up year over year and the discount for Canadian oil versus U.S. and Global oil narrowed. In the U.S., the S&P 500 Index rose 5.2%, supported in part by increased consumer consumption and improved manufacturing activity. Gains were broadly based as all of the Index's ten sectors gained, led by Energy (which posted a double-digit return), Utilities, and Information Technology. GDP growth for the first quarter disappointed but data releases pointed towards a more encouraging picture for the second quarter. Eurozone equities were supported by the ECB's announcement of measures to stimulate growth and fend off the risk of deflation. The measures included a cut to interest rates and the introduction of a negative deposit rate. UK equities edged higher though markets were unsettled by suggestions that an interest rate rise could happen sooner than expected by the Bank of England.

Market Overview

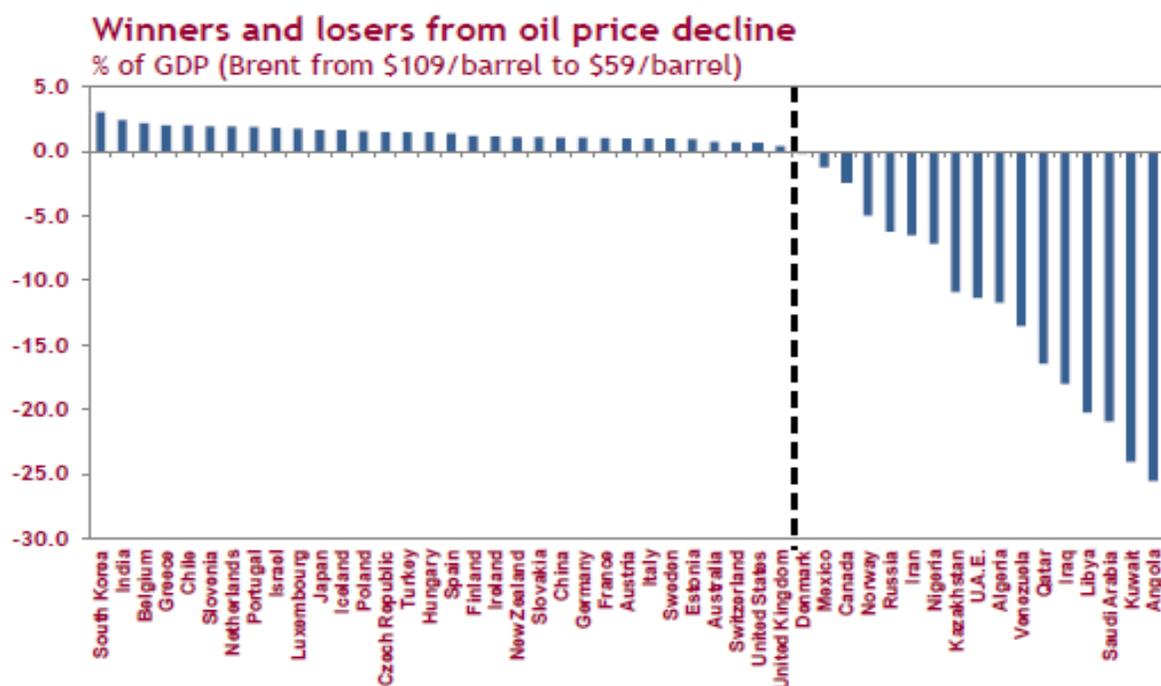


In Japan, macroeconomic data was mixed following the increase in the consumption tax. Emerging markets outperformed developed market peers in the second quarter. Emerging Asia was the strongest region led by gains in India. There was optimism about the country's growth and reform prospects following the election victory of Prime Minister Narendra Modi. The FTSE TMX Canada Universe Bond Index rose 1.99% over the quarter. Both government and corporate bonds generated positive returns, with corporates modestly outperforming Government of Canada bonds.

Global equities delivered negative returns as geopolitical tensions rose in the third quarter. Unrest in the Middle East weighed on investor sentiment, as did the volatile situation in Ukraine. At the same time, data from Europe and China pointed to faltering economic growth. Canadian GDP rose at an annualized rate of 2.8% in the third quarter, exceeding expectations. Economic growth was broadly based as almost all sectors increased. Canadian employment data was mixed during the quarter, rising in July and declining in August. Canadian equities declined modestly over the quarter as the Energy and Materials sectors weakened. The S&P/TSX Composite Index posted a quarterly loss of 0.6%. Quarterly losses were concentrated in three of the Index's ten sectors – Materials, Energy, and Telecom. Gold was down notably in September as the U.S. dollar rallied, and oil stocks struggled, leading to a significant decline in the global benchmark price for oil. The S&P 500 posted a positive return with macroeconomic data remaining supportive of the upwards revision of second quarter GDP growth. Merger and acquisition activity continued to lift equities in the U.S. Eurozone equities were negatively affected by weaker economic data. Worries over the impact of sanctions imposed on Russia by the West, and the health of one of Portugal's banks weighed on investor sentiment. Japan registered positive returns, as corporate earnings were generally strong and exporters benefited from the weaker yen. Emerging markets lagged developed markets in the third quarter. Brazilian equities were weak with sentiment driven by the forthcoming presidential election. Both government and corporate bonds generated positive returns, with Government of Canada bonds outperforming corporate bonds.

Global equities delivered positive returns in a volatile fourth quarter. Canadian GDP rose at an annualized rate of 2.4%, aided by an increase in household consumption and exports. Canadian employment data was strong, but the unemployment rate increased slightly. Canadian inflation declined as energy prices continued to fall. The S&P/TSX Composite Index posted a quarterly loss of 1.47% as three of its ten sectors declined – Energy, Materials, and Industrials. Both the Consumer Staples and Consumer Discretionary sectors performed well over the quarter, spurred by tailwinds from improving employment data and lower gas prices. The Federal Reserve ended its quantitative easing program but other central banks continued to ease monetary policy in the fourth quarter while oil prices fell further, particularly after OPEC elected not to cut output. The S&P 500 performed well despite some concerns over interest rate rises. Equities were supported by hopes that the lower oil price would help sustain the consumer-led recovery. Eurozone equity returns were virtually flat in the fourth quarter. Macroeconomic news remained downbeat with disappointing news from Germany's industrial sector early in the quarter. The weak data fuelled hopes that the ECB would soon start buying sovereign bonds. Japanese equities gained after further monetary policy easing from the central bank sent the yen lower. Prime Minister Abe called snap elections, which were won by his party, and delayed another consumption tax increase. Emerging markets posted negative returns in the fourth quarter. Russia was particularly weak amid deteriorating economic data, the falling oil price, and pressure on the rouble.

Market Overview



Sources: Hexavest, NBF Economics and Strategy

Persistent policy accommodation from the world's major central banks, as well as sustained weakness in oil prices, was the principal driver of returns for fixed income markets. The FTSE TMX Canada Universe Bond Index rose 2.70% over the quarter. Long-term bonds posted the best returns, rising 5.25% while mid-term bonds returned 2.69% and short-term bonds returned 0.92%. Both government and corporate bonds generated positive returns, with Government of Canada bonds outperforming corporate bonds. Overall, yield declined 20 basis points, with the average yield on the FTSE TMX Canada Index finishing the quarter at 2.23%. Short-, mid-, and long-term yields all declined over the quarter.

Main Indices December 31, 2014	1 Year Return	
	CAD	Local
MSCI ACWI	13.55%	9.32%
MSCI World	14.39%	9.81%
MSCI EAFE	3.67%	5.92%
MSCI Europe	2.28%	4.66%
MSCI Pacific	6.07%	7.89%
MSCI Emerging	6.63%	5.17%
S&P 500	23.93%	13.69%
S&P/TSX	10.55%	10.55%

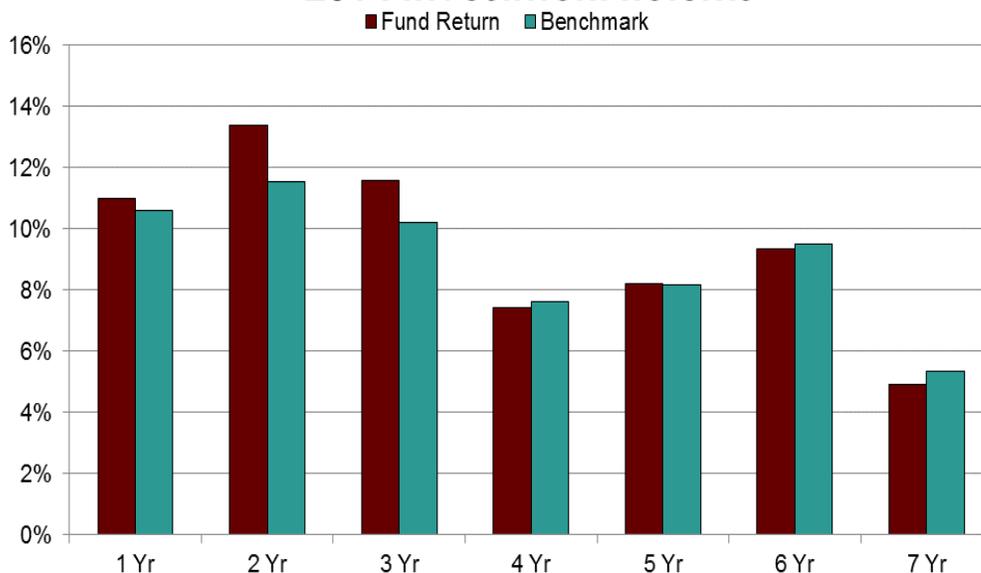
Investment Results

On a total basis, the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan outperformed the investment return of the custom benchmark by 0.4% in 2014 with a return of 10.98%.

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 seven years the Casual Plan has provided positive annualized investment returns over all periods, outperforming the benchmark in four periods, but underperforming the benchmark in three periods. The Plan has posted strong double digit returns over the one to three-year periods. Over the last ten years, the Plan has achieved an annualized return of 6.4%.

Investment Returns	Annualized Rate Of Return (%)						
	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr
Total Fund	10.98	13.36	11.58	7.41	8.21	9.35	4.91
Total Fund Benchmark	10.58	11.53	10.21	7.61	8.15	9.52	5.34
Excess Return (%)	0.40	1.83	1.37	-0.20	0.06	-0.17	-0.43

2014 Investment Returns



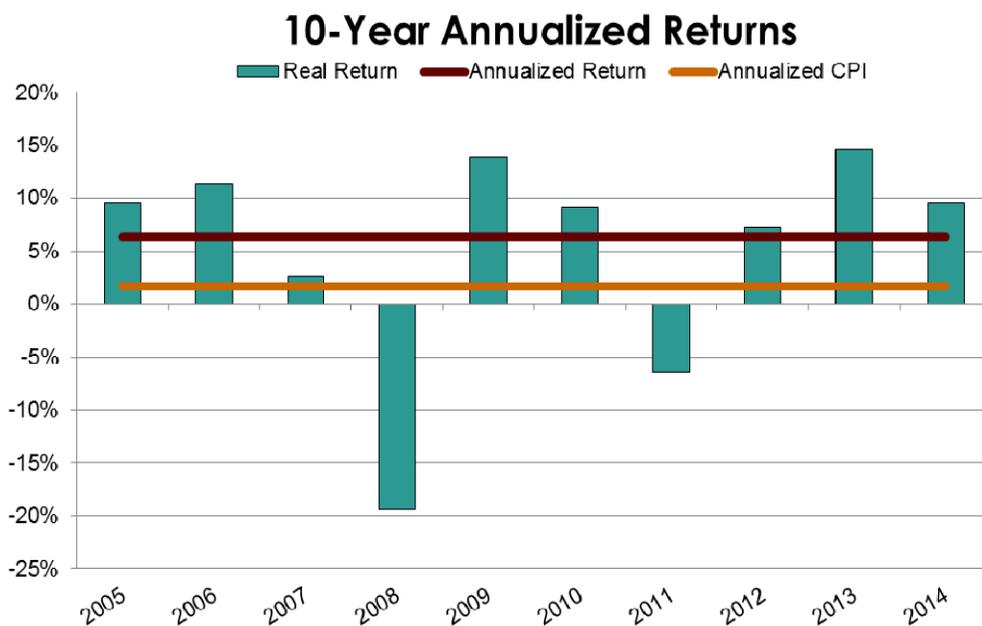
Investment Results

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
2014	10.98%	1.50%	9.48%
2013	15.80%	1.20%	14.60%
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%

- (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	2014 (\$ Thousands)	2013 (\$ Thousands)
Administrative Expenses Paid by the City of Regina	118	103
Administrative Expenses Paid by the Plan:		
Custodial Services:		
CIBC Mellon	2	2
Investment Manager Fees:		
Greystone Managed Investments	53	21
Administrative Services:		
BMO Group Retirement Services	13	12
Total for the Plan:	186	138



KPMG LLP
Chartered Accountants
McCallum Hill Centre, Tower II
1881 Scarth Street, 20th Floor
Regina Saskatchewan S4P 4K9
Canada

Telephone (306) 791-1200
Fax (306) 757-4703
Internet www.kpmg.ca

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, 2014 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 involved 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 evaluation 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 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, 2014, and the changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.

KPMG LLP

Chartered Accountants

May 19, 2015
Regina, Canada

Audited Financial Statements

STATEMENT OF FINANCIAL POSITION (dollars in thousands)

As at December 31

	2014	2013
ASSETS		
Investments – Note 4	\$ 10,525	\$ 9,749
Contributions Receivable		
Members	24	28
Employers	24	28
	<u>\$ 10,573</u>	<u>\$ 9,805</u>
LIABILITIES		
Accounts Payable	3	6
Net Assets Available for Benefits	<u>\$ 10,570</u>	<u>\$ 9,799</u>

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

	2014	2013
INCREASE IN NET ASSETS		
Investment Income	\$ 1,866	\$ 281
Increase in Fair Value of Investments	-	1,055
Contributions		
Member Contributions	308	302
Employer Contributions	308	302
	2,482	1,940
DECREASE IN NET ASSETS		
Pension Refunds	940	647
Decrease in Fair Value of Investments	703	-
Administration Expenses – Note 7	68	35
	1,711	682
Net Increase for the Year	771	1,258
Net Assets Available for Benefits, Beginning of Year	9,799	8,541
Net Assets Available for Benefits, End of Year	\$ 10,570	\$ 9,799

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2014

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, 2014, have been prepared in accordance with Canadian accounting standards for pension plans as outlined in Part IV of the Chartered Professional Accountants Canada (CPA Canada) 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 19, 2015.

(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, 2014

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, 2014

3. Summary of Significant Accounting Policies (continued)

(g) Future Accounting Policy Changes

The relevant new guidance issued by the International Accounting Standards Board not yet adopted by the Plan includes:

- IFRS 9, Financial Instruments. The new standard will replace IAS 39, Financial Instruments: Recognition and Measurement, and includes guidance and derecognition of financial assets and financial liabilities, impairment and hedge accounting. The new standard will come into effect January 1, 2018, with early application permitted.

Management does not expect any significant impact to the Plan's financial statements upon adopting the new standard.

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:

	2014	2013
Cash	\$ 3	\$ -
Pooled funds:		
Fixed Income	4,246	-
Canadian Equities	2,030	-
Global Equities	4,246	-
Greystone Balanced Fund	-	9,749
Total Investments	\$ 10,525	\$ 9,749

Investment concentration in any one investee or related group of investees is limited to no more than 10% of the total book value of the Plan's assets or no more than 30% of the votes that may be cast to elect the directors of the investee.

The Plan's assets may be invested through in-house investment activities or through external investment managers including without limitation, mutual funds, pooled funds, segregated funds, unit trusts, limited partnerships, and similar vehicles.

The Plan may invest in equity securities, and equity substitutes that are convertible into equity securities, which are listed and traded on recognized exchanges, and unlisted equity securities, such as private placement equity, where the investment manager determines the security will become eligible for trading on a recognized exchange within a reasonable and defined timeframe, not to exceed six months, and the issuing company is publicly listed on a recognized exchange.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2014

4. Investments (continued)

The Plan may invest in bonds, notes and other debit instruments of Canadian and foreign issuers, mortgage-backed securities guaranteed under the National Housing Act, term deposits and guaranteed investment certificates, and private placements of bonds that are rated by a recognized rating agency.

The Plan may invest in cash and short term investments which consist of cash on hand, Canadian and US money market securities, such as treasury bills issued by the federal and provincial governments and their agencies, obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances, commercial paper, term deposits and contracts with life insurance companies.

Pooled Funds

The Plan owns units in Canadian and Global pooled equity funds as well as Canadian fixed income pooled funds. These pooled funds have no fixed distribution rate. Fund returns are based on the success of the fund managers.

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.

Level 1 – where quoted prices are readily available from an active market.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (for example, as prices) or indirectly (for example, derived from prices).

Level 3 – inputs for the investment that are not based on observable market data.

Audited Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2014

4. Investments (continued)

2014					
Asset Class	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	
Equity Pooled Funds	\$ -	\$ 6,276	\$ -	\$ 6,276	
Fixed Income Pooled Funds	-	4,246	-	4,246	
Cash	\$ 3	-	-	3	
Total Investments	\$ 3	\$ 10,522	\$ -	\$ 10,525	

2013					
Asset Class	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	
Greystone Balanced Fund	\$ -	\$ 9,749	\$ -	\$ 9,749	
Total Investments	\$ -	\$ 9,749	\$ -	\$ 9,749	

5. Capital Management

The Plan defines its capital as consisting of net assets available for benefits, which consists primarily of investments. Investments are managed to fund future obligations to its members.

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 bonds and equities through pooled fund investments. The Board has delegated the operational investment decisions to a number of different investment management firms through a number of different investment mandates as defined in the Plan's Statement of Investment Policies and Procedures.

Audited Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2014

6. Investment Risk Management

Investment risk management relates to the understanding and active management of risks associated with invested assets. Investments are primarily exposed to interest rate volatility, market and credit risk. They may also be subject to liquidity risk. The Plan has set formal policies and procedures that establish an asset mix among equity and fixed income investments; requires diversification of investments within categories; and sets limits on the size of exposure to individual investments. The Board of Trustees approves the Statement of Investment Policies and Procedures which is reviewed annually.

Market Risk

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. The Plan's policy is to invest in a diversified portfolio of investments, based on criteria established in the Statement of Investment Policies and Procedures.

Credit Risk

Credit risk refers to the potential for counterparties to default on their contractual obligation to the Plan. Credit risk is mitigated by entering into contracts with the counterparties that are considered high quality. Quality is determined via the following credit rating agencies: DBRS, Standard and Poor's and Moody's Investor Service.

The maximum credit risk to which it is exposed at December 31, 2014 is limited to the carrying value of the financial assets summarized as follows:

Asset Class		2014		2013
Contributions Receivable	\$	48	\$	57
Cash		3		0
Total	\$	51	\$	57

Interest Rate Risk

Interest rate risk refers to the effect on the market value of the Plan's investments due to fluctuation of interest rates. The risk arises from the potential variation in the timing and amount of cash flows related to the Plan's assets and liabilities. Asset values are affected by equity markets and short-term changes in interest rates. The Plan's investment policy has guidelines on duration and distribution which are designed to mitigate the risk of interest rate volatility.

At December 31, 2014 a 1% increase/decrease in interest rates would result in a \$450 (2013 – \$nil) change in the value of the Plan's fixed income portfolio.

Audited Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2014

6. Investment Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan maintains an adequate amount of liquid assets with varying maturities in order to ensure that the Plan can meet all of its financial obligations as they fall due. Liquidity risk is managed by limiting the Plan's exposure to illiquid assets and through positive net cash inflows from contributions.

7. Administration Expenses

Administration Expenses	2014	2013
Administration Expenses paid by the Plan		
Investment Manager Fees	\$ 53	\$ 21
Administrative Services	13	12
Custodial Fees	2	2
Total	\$ 68	\$ 35