

Regina Civic Employees' Long Term Disability Plan



Annual Report &
Audited Financial Statements

December 31, 2010

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Message from the Chairperson



I am pleased to present the Annual Report for the Regina Civic Employees' Long Term Disability Plan for the year ending December 31, 2010.

In this report you will find the following:

- Membership information, including eligibility requirements.
- A description of the benefits available to members in the event of disability as well as a description of the rehabilitation program.
- The composition of the Administrative Board and its role as trustees of the fund.
- 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 returns for 2010.
- The annual financial statements for 2010, audited by Deloitte and Touche LLP.

Over the past year, the net assets available for benefits experienced an increase from a balance of \$25.3 million at the end of 2009, to a balance of \$28.2 million at the end of 2010. Contributions for the year were \$4.0 million, while disability payments were \$2.2 million, and administrative expenses were \$546,000. Investment income for the year was 6.74 percent or just over \$1.6 million.

In 2010, a valuation of the Plan as at December 31, 2009 was completed. Through this process the Board reviewed the demographics of the Plan members, the trends in claims, and evaluated the actuarial present value of existing and future potential claims. The valuation revealed assets of \$25.3 million and liabilities of \$13.7 million, resulting in a Plan surplus \$11.6 million. A Plan amendment was made effective August 1, 2010 reducing the contribution rate for employers and plan members from 1.04% to 0.92% of basic earnings. This is the lowest contribution rates have been since October 31, 2003.

In 2010, the Administrative Board continued to work with the City of Regina Administration to develop a process to move the Board to a more autonomous structure. The Board approved the hiring of a Financial Reporting & Policy Advisor to transfer the accounting functions for the Plan in-house.

The Board has continued to pursue the lawsuit against the Regina Qu'Appelle Health Region relating to membership in the Plan and is working diligently to reach a settlement agreement.

In 2010 the Board engaged Mercer (Canada) Ltd. to issue a Request for Information for a provider of adjudication and administrative services for the LTD Plan. The process of evaluating service providers will continue in 2011.

I would like to take this opportunity to thank the members of the Administrative Board for their continued commitment and contribution to this Board. I would also like to thank the staff of the Pensions and Disability Administration Department for their support over the year.

A handwritten signature in cursive script that reads "L. Glasser".

Lorna Glasser
Chairperson, Regina Civic Employees' Long Term Disability Plan

Message from the Director

Trends in disability management are increasingly focused on early diagnosis of type and degree of disability. This involves assessments that identify an appropriate treatment regime, a return to work plan, and includes appropriate workplace accommodations. The focus, in other words, is on early intervention and the provision of support to the individual at the earliest possible point in order to minimize, where possible, the disruption to the individual's life.

The Pensions and Disability Department facilitates this process in several ways. In the initial stages of a disability, while the individual is in the 120 day waiting period, the Rehabilitation Officer, in conjunction with the adjudicators at Great West Life, look for alternatives that will assist in obtaining a diagnosis as soon as can be accomplished. During 2010 seven individuals were provided with financial support to facilitate a diagnosis, in five cases out of province and in two cases within the province but outside of the Regina Qu'Appelle Health Region. The individual's travel costs and accommodations are paid for by the Plan in order to assist them in receiving an early diagnosis. In most cases the need is identified because the specific specialist is either not available inside of our own Region or is so booked that the waiting list extends beyond the 120 days. In both cases without a diagnosis the individual cannot be adjudicated for disability payments but for the support in obtaining diagnostics elsewhere.



The next stage of focus in disability management is to obtain an assessment to identify the degree of disablement, the treatment necessary, and finally, a return to work plan. Again the focus is on understanding the needs of the individual in the early stages in order to plan for minimum disruption of the employees' life, treatments, workplace accommodations and return to work plans. Assessments cover the full range of disabilities.

The majority of assessments that were sponsored by the Plan this year were done in order to clearly identify the individual's abilities or confirm restrictions once an estimated return to work date was determined. These include the following:

1. Functional Capacity Evaluation is an assessment for individuals who have suffered injuries or illnesses that could affect their employment opportunities.
2. Independent Medical Evaluation are examinations performed by a healthcare professional who has no other involvement in the examinee's care, to establish current clinical status and to clarify legally significant case issues.
3. Secondary or Tertiary Programs may be required if an individual's recovery does not proceed as expected. These types of programs provide multiple services by an interdisciplinary team of health care providers.
4. Vestibular Assessments are used to assist individuals with balance or vertigo issues, migraines and/or motion intolerance.
5. Driver's Assessments are offered when an individual is prohibited from performing their job duties because their license has been suspended due to a medical condition.
6. Ergonomic Assessments include workstation evaluations for individuals with musculoskeletal injuries or illnesses to ensure a safe return to work and minimize ongoing issues.

Other programs offered through the Plan are the Cardiac Care Program which assists members who have suffered from heart related illnesses and disabilities. In addition, Fieldhouse passes are offered to those who are deemed permanently restricted from ever returning to work. This promotes healthy living and gives the employee an opportunity to increase their daily living activities.

Partnerships with the employer and with other outside support agencies are another step that will be added in 2011. Several agencies have been identified such as the MS Society, Cancer Society and Sask Abilities Council.

A handwritten signature in black ink that reads "Janet Folk". The signature is written in a cursive, flowing style.

Janet Folk
Director, Pensions & Disability Administration Department

Primary Purpose

The primary purpose of the Regina Civic Employees' Long Term Disability Plan, established January 1, 1992, is to provide long-term disability benefits to the employees who meet eligibility requirements. As a member of the Plan, employees contributed 1.04% of basic earnings, between January 1, 2010 and July 31, 2010, and the employer contributed an equal amount. An amendment was made to the Plan effective August 1, 2010 reducing the contribution rate for employers and plan members to 0.92% of basic earnings. The Plan offers high quality claims administration services and continues to review and implement emerging alternatives in disability management that are of mutual benefit to plan members and the Plan.

Following is a list of employers participating in the Plan:

- City of Regina
- Regina Qu'Appelle Health Region (Regina General Hospital and Public Health Divisions)
- Regina Board of Education (Non-teaching Staff)
- Regina Public Library
- Buffalo Pound Water Administration Board

All benefit payments, administrative expenses, and investment expenses are paid directly out of the Fund.

Benefit Provisions

Disability benefits are payable to a member who suffers any physical or mental condition which, based on medical evidence, is so severe that he/she is prevented from performing the duties of their own occupation during the 120 calendar day qualifying period and the first twelve (12) months immediately following the qualifying period. Thereafter, benefits may continue, if the condition continues to limit the member from engaging in any gainful occupation or employment for remuneration or profit, for which he/she is reasonably well qualified by education, training or experience.

Benefits are payable subject to the provision of medical evidence supporting disability, and the approval of the Plan adjudicator. A member may not receive disability benefits while in receipt of sick leave benefits or ongoing vacation leave payments.

The total disability payment is based on 65% of current salary rate at the date of disability or the date the disability payments become effective, whichever is greater. After having received total disability benefits for a period of twelve (12) months, partial disability payments may be payable if the medical evidence indicates that the member is not totally disabled from employment but a permanent medical impairment does exist.

Disability benefits will be reduced by payments received from the Workers' Compensation Board, the Canada Pension Plan (disability benefit), the Canada Employment and Immigration Commission, the Saskatchewan Government Insurance Personal Injury Protection Plan, and salary or wage loss awarded as the result of action against any third party of the same disability except for benefits received from a member's private disability plan.

Where a person with a disability is considered to be a suitable candidate for rehabilitation, such rehabilitation may be pursued in order to assist the person to become actively employed. Wage top-up benefits may be provided if a member is engaged in rehabilitative employment that does not afford a salary rate of 90% or more of the previous salary. If the member is engaged in rehabilitative employment and again ceases work as a result of disability, the member is not obliged to serve a further one hundred and twenty (120) calendar day waiting period.

If a member qualifies for disability benefits, they will be required to maintain membership in the pension plan by making the necessary contributions during the period of disability. The required pension contributions shall be on the basis of seventy-five percent (75%) of normal contributions. The member may waive these provisions if they are in receipt of partial disability benefits, which are fifty percent (50%), or less than the total disability benefit.

In 2010, one amendment to the Regina Civic Employees' Long Term Disability Plan was approved by City Council & the Pension & Benefits Committee:

1. Bylaw No. 9566 was amended effective August 1, 2010 reducing the contribution rate for employers and plan members from 1.04% to 0.92% of basic earnings.

Plan Administration

The staff of the Pensions and Disability Administration Department is pleased to provide assistance to members regarding their individual benefit entitlements.



*Standing (left to right): Lana Miller, Audrey Abram, Glenda Schlosser, Kristy Howse, Kerry Trofimuk, Ashleigh Runge & Vivian Lund.
Seated (left to right): Brent Magnus, Tracey Halvorson, Colyn Lowenberger & Janet Folk*

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To access additional information regarding the Plan, please visit our website located at www.regina.ca/page823

PENSION PLAN GOVERNANCE

A Board of twelve members, comprised of six employer representatives and six employee representatives administers the Plan. The employee representatives are elected by the Pension and Benefits Committee, which is a committee comprised of employee members from each union and association with membership in the Plan. The employer representatives are comprised of two representatives appointed by the City Manager, and four others appointed by City Council, one of which must be from the Regina Qu'Appelle Health Region.

The Board is required to meet at least quarterly and quorum is eight members. Under the terms of Schedule A of City Council Bylaw No. 9566, an affirmative vote of at least eight members is required for passing of any motion relating to (a) management of the fund, (b) an amendment to an existing policy, and (c) adoption of a new policy relating to the fund.

The Administrative Board members at December 31, 2010 were:

Lorna Glasser, Chairperson

Ms. Glasser became a member of the Regina Civic Pension Plan Employee Committee in 2003. She was appointed to the Administrative Board in 2006 as an Employee Trustee to assume the seat designated for the Regina Qu'Appelle Health Region. Ms. Glasser worked as a laboratory technologist for RQHR for 29 years. During that time she assumed a variety of leadership roles in her professional association, her union, and her community

Bob Linner, Vice-Chairperson

Mr. Linner was appointed to the Board in 1987 as an Employer Trustee while holding the position of City Manager for the City of Regina. Mr. Linner retired from the City in May of 2006 but continues in his role as Trustee. Mr. Linner holds a Bachelor of Arts Honors equivalent in Urban Geography and Economics from the University of Saskatchewan and is a frequently invited speaker on urban issues and leadership.

Kirby Benning

Mr. Benning was appointed to the Board in 2007 as an Employee Trustee. He is currently a Firefighter with the Regina Fire Department. Mr. Benning is also the Chairperson of the Pension & Benefits Committee.

Debra Burnett

Ms. Burnett was appointed to the Board in 1998 as an Employer Trustee. She is currently employed as the Deputy Director, Division Services and Secretary-Treasurer of the Regina Public School Board. She has been employed by the School Board for over 26 years.

Don Ehrmantraut

Mr. Ehrmantraut was appointed to the Board in 2007 and is an Employer Trustee. He has been employed for 27 years by the Regina Qu'Appelle Health Region where he held progressively responsible positions in a variety of areas. Mr. Ehrmantraut currently holds the position of Director, Clinical Support Services. He also currently acts as a Board Panel Moderator for CMA Canada (Saskatchewan).

John Gangl

Mr. Gangl was appointed to the Board in 2008 as an Employee Trustee. He currently holds the position of Supervisor of Sewage Collection for the City of Regina and is also the Vice-Chairperson of the Pension & Benefits Committee.

Jo-ann Hincks

Ms. Hincks was appointed to the Board in 2009 as an Employee Trustee. She has been employed with the Regina Public School Board commencing September 3, 1974 and entered the Civic Pension Plan on that date. Ms. Hincks has been a payroll officer with the Public School Board since October 1976 and has also been an Employee Representative on the Pension & Benefits Committee continuously since 1975.

John McCormick

Mr. McCormick was appointed to the Board in 2007 as an Employee Trustee. He retired from his position in the Transit Department in 2009 after working for the City of Regina for 31 years.

Councillor Wade Murray

Councillor Murray was appointed to the Board in 2006 as an Employer Trustee. He has owned several small businesses in Regina and is also a financial representative with Primerica. Councillor Murray serves on the Board of Police Commissioners and is currently sitting for this third term on Regina City Council, representing the residents of Ward 6.

Marguerite Porter

Ms. Porter was appointed to the Board in 2003 as an Employee Trustee. She has been employed with the Regina Public Library for 22 years and is currently serving as Manager of a Branch Library.

Leslie Shaw

Mr. Shaw was appointed to the Board in 2000 as an Employer Trustee. Mr. Shaw previously served on the Board from 1982-1999 while serving as the City Solicitor for the City of Regina.

Brian Smith

Mr. Smith was appointed to the Board in 2009 as an Employer Trustee. Mr. Smith has been employed by the Government of Saskatchewan for the past 24 years and is currently serving in the role of Assistant Deputy Minister, Saskatchewan Finance, in the Public Employee Benefits Agency. Mr. Smith is an Honorary Life Member of the Canadian Pension and Benefits Institute, a Fellow of the Life Management Institute, and currently sits as Chair on a number of Pension & Disability Plan Boards.

Mike Gelsinger (Non-voting employee alternate)

Mr. Gelsinger was appointed to the Board as an Employee Trustee in 1988. Mr. Gelsinger is currently a Captain with the Regina Fire Department.

Marvin Meickel (Non-voting employee alternate)

Mr. Meickel was appointed to the Board in 2009 as an Employee Trustee. Mr. Meickel has worked for the City of Regina for 34 years and currently holds the position of Senior Bylaw Standards Officer.



*Standing (left to right):
Don Ehrmantraut, Marguerite Porter, Debra Burnett, Brian Smith, and Kirby Benning*

*Seated (left to right):
Jo-ann Hincks, Lorna Glasser (Chairperson), Bob Linner (Vice-Chairperson), and Leslie Shaw*

Not Pictured: John Gangl, John McCormick, Councillor Wade Murray, Mike Gelsinger, and Marvin Meickel

The Administrative Board is responsible for the administration of the Plan as outlined in Schedule A of Bylaw No. 9566. Under this Bylaw, the Board members are appointed as the Plan's fiduciaries. This means they are in a position of trust and are obligated to act in the best interests of the Plan members. The members of the Board must not allow personal interests to interfere with the interests of those they serve. Further, they must take the same care, and apply the same diligence and skill that would be expected of a normally prudent person who was looking after the property of someone else. The members must also adhere to the Board's Code of Conflict Policy.

The Board met 13 times during 2010. Following is the Board Meeting attendance for each Member.

TRUSTEE	MEETINGS ATTENDED	TRUSTEE	MEETINGS ATTENDED
Lorna Glasser	13	John McCormick	8
Bob Linner	11	Councillor Wade Murray	8
Kirby Benning	9	Margurite Porter	11
Debra Burnett	9	Leslie Shaw	13
Don Ehrmantraut	9	Brian Smith	8
John Gangl	12	Mike Gelsing	11
Jo-ann Hincks	12	Marvin Meickel	3

ADMINISTRATIVE BOARD RESPONSIBILITIES

1. Compliance With Plan Provisions

The Board must ensure that benefits are paid appropriately to members and the Plan is administered in compliance with the Plan. All claim payments, and all administrative and investment expenses, are paid directly out of the Fund.

2. Pensions and Disability Administration Department

The Pensions and Disability Administration Department reports to the Administrative 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

Management is required to prepare annual financial statements. The Board ensures that an annual audit is conducted. The current auditor for the Plan is Deloitte and Touche LLP and the statements audited by them are included in this report.

4. Plan Funding and Valuations

The Board must ensure the Plan is able to meet the future obligations as they occur and ensure the long-term solvency of the Plan. In order to accomplish this, the Bylaw requires that a valuation of the Plan be completed every three years. The purpose of the valuation is to provide an actuarial estimate of the present value of the Plan's liabilities and assets plus determine whether the assets are adequate to meet the obligations or a contribution increase is required. The Plan's current actuary is Mercer.

5. Custody of Plan Assets

The Board must ensure all monies due to the Fund are kept separate and apart from other funds of the employers. This is accomplished by hiring a fund custodian to ensure the money is kept separate from the employer's funds and is only used for the purposes outlined in Schedule A of Bylaw No. 9566. 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 Northern Trust, Institutional and Investor Services.

6. Fund Management

The Administrative Board is responsible for making investments in accordance with the investment requirements of its Statement of Investment Policies and Procedures. The activities the Board performs to fulfill this responsibility include regular reviewing of investment activities, ensuring compliance with the Statement of Investment Policies and Procedures, monitoring investment results and meeting with the Plan's fund managers.

7. Performance Measurement

The Board ensures the various investment managers are managing the fund assets in an appropriate manner and in compliance with the Investment Policy approved by the Board. As part of this duty, the Board hires a Performance Management Service who report quarterly on the performance of the fund, the performance of the individual managers and whether the managers are in compliance with the Statement of Investment Policies and Procedures. Northern Trust provides performance management services.

8. Policy Documents

To support the objectives of the Plan the Board has developed and implemented the following policies. Each policy is reviewed annually and whenever a major change is required.

- Code of Conduct
- Funding Policy
- Statement of Investment Policies & Procedures
- Procedural Rules
- Trustee Education Policy

ADMINISTRATIVE BOARD ACTIVITIES

2010 ACCOMPLISHMENTS

The Civic LTD Administrative Board accomplishments in 2010 include:

1. Pension Governance

The Administrative Board continued to work with the City of Regina Administration to develop a process to move the Board to a more autonomous structure and approved the hiring of a Financial Reporting & Policy Advisor for the Pension and Disability Administration Department.

2. Actuarial Valuation as at December 31, 2009

The Board conducted a valuation as at December 31, 2009 and filed it with the regulatory authorities. The valuation revealed a going concern surplus and recommended a corresponding decrease in contribution rates which were effective August 1, 2010. The next actuarial valuation will be required as at December 31, 2012.

3. Review of Custody and Performance Services

A review of the Plan's current custodian, Northern Trust, was completed in 2010. It was determined that performance measurement continues to meet the expectations of the Administration. With this in mind, and the effort required to initiate a Request for Proposal, no further action was recommended. Northern Trust will be monitored as part of the overall monitoring of investment services and reviewed annually going forward.

4. Adjudication and Administrative Services

In 2010 the Board engaged Mercer (Canada) Ltd. to issue a Request for Information for a provider of adjudication and administrative services for the LTD Plan. The process of evaluating service providers will continue in 2011.

2011 PLANS

Plans for the Civic LTD Pension Administrative Board in 2011 include:

1. Pension Governance

As part of the Board's intention to move to an autonomous structure, the Administration will implement a new accounting and general ledger system and review options for moving payroll services in-house.

A new Code of Conduct policy is also being developed which outlines the principles and guidelines for business conduct and ethical behavior. The Code of Conduct shall apply to:

- The Civic LTD Administrative Board;
- Management & Staff of the Pensions & Disability Administration Department; and
- Service Providers engaged by the Civic LTD Administrative Board.

2. Risk Management

In 2010, the Administration will work to develop a risk management program related to all aspects of Plan management.

3. Adjudication and Administrative Services

The Board, with the help of Mercer (Canada) Ltd., will continue to evaluate adjudication and administrative service providers for the LTD Plan.

4. Communication

The Administration will focus on the creation of a new Pensions & Disability website independent of the City of Regina's website. This will allow more customization to accommodate all of the Plans administered by the department and will provide significantly more Plan information to members than is currently available.

Education & Training

The Administrative Board of the Regina Civic Employees' Long Term Disability 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.
- (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:

- (a) New Trustees must attend a minimum of 20 hours of educational opportunities on an annual basis; and
- (b) Senior Trustees must attend a minimum of 30 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 Fund:

TRUSTEE	CONFERENCE/SEMINAR	DATE	LOCATION	HOURS
Lorna Glasser	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	Pension & Benefits Legal Update	Mar 18	Regina, SK	2
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	CPBI National Forum 2010	Jun 21-23	Halifax, NS	30
	Luncheon with Pamela Wallin	Oct 22	Saskatoon, SK	2
	State Street Vision Forum	Nov 3	Regina, SK	4
	Total Expenses*	\$1,871	Total Hours	45
Bob Linner	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	The New Formal-Benefit Trends for 2010	Feb 9	Regina, SK	2
	Older & Wiser? The Future of Pension Policy	Mar 8	Saskatoon, SK	8
	TD Asset Management – Sharing of Knowledge Learning Series Luncheon Seminar	Apr 21	Regina, SK	2
	2010 Hewitt Pension Risk Management Conference	Jun 1	Toronto, ON	3
	State Street Third Annual Fixed Income Forum	Jun 8	Regina, SK	2
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	CPBI National Forum 2010	Jun 22-23	Halifax, NS	12
	Keith Ambachtscheer Luncheon - CPBI	Sep 21	Regina, SK	2.5
	Greystone Education Session	Oct 15	Regina, SK	1.5
	State Street Vision Forum	Nov 3	Regina, SK	4
		Total Expenses*	\$3,112	Total Hours

TRUSTEE	CONFERENCE/SEMINAR	DATE	LOCATION	HOURS
Kirby Benning	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	Status of Pension Reform	Jan 14	Regina, SK	1.5
	2010 Hewitt Pension Risk Management Conference	Jun 2	Regina, SK	3
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	CPBI Western Regional Conference	Oct 21-23	Banff, AB	20
	Total Expenses*	\$2,767	Total Hours	31.5
Debra Burnett	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	Older & Wiser? The Future of Pension Policy	Mar 8	Saskatoon, SK	8
	State Street Third Annual Fixed Income Forum	Jun 8	Regina, SK	2
	Foundation for Trustees	Jul 26-27	Halifax, NS	30
	Keith Ambachtscheer Luncheon - CPBI	Sep 21	Regina, SK	2.5
	Greystone Education Session	Oct 15	Regina, SK	1.5
	43 rd Annual Canadian Employee Benefits Conference	Nov 21-24	San Diego, CA	40
	Total Expenses*	\$6,877	Total Hours	89
Don Ehrmantraut	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	Greystone Education Session	Oct 15	Regina, SK	1.5
	43 rd Annual Canadian Employee Benefits Conference	Nov 21-24	San Diego, CA	40
	Total Expenses*	\$2,309	Total Hours	46.5
John Gangl	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	Status of Pension Reform	Jan 14	Regina, SK	1.5
	Pension & Benefits Legal Update	Mar 18	Regina, SK	2
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	Keith Ambachtscheer Luncheon - CPBI	Sep 21	Regina, SK	2.5
	43 rd Annual Canadian Employee Benefits Conference	Nov 21-24	San Diego, CA	40
	Total Expenses*	\$1,559	Total Hours	53
Jo-ann Hincks	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	Older & Wiser? The Future of Pension Policy	Mar 8	Saskatoon, SK	8
	CPBI 2010 Spring Seminar & Annual Meeting	Apr 20-22	Saskatoon, SK	25
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	Foundation for Trustees	Jul 26-27	Halifax, NS	30
	Keith Ambachtscheer Luncheon - CPBI	Sep 21	Regina, SK	2.5
	Total Expenses*	\$3,449	Total Hours	72.5
John McCormick	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	43 rd Annual Canadian Employee Benefits Conference	Nov 21-24	San Diego, CA	40
	Total Expenses*	\$3,633	Total Hours	45

TRUSTEE	CONFERENCE/SEMINAR	DATE	LOCATION	HOURS
Councillor Wade Murray	Alternative Investment Seminar	Jun 16	Regina, SK	2
	Foundation for Trustees	Jul 26-27	Halifax, NS	30
	Total Expenses*	\$3,015	Total Hours	32
Marguerite Porter	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	Greystone Education Session	Oct 15	Regina, SK	1.5
	CPBI Western Regional Conference	Oct 21-23	Banff, AB	20
	Total Expenses*	\$2,761	Total Hours	26.5
Leslie Shaw	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	Status of Pension Reform	Jan 14	Regina, SK	1.5
	Older & Wiser? The Future of Pension Policy	Mar 8	Saskatoon, SK	8
	Pension & Benefits Legal Update	Mar 18	Regina, SK	2
	CPBI 2010 Spring Seminar & Annual Meeting	Apr 20-22	Saskatoon, SK	25
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	Keith Ambachtscheer Luncheon - CPBI	Sep 21	Regina, SK	2.5
	CPBI Western Regional Conference	Oct 21-23	Banff, AB	20
	Total Expenses*	\$3,124	Total Hours	66
Brian Smith	Older & Wiser? The Future of Pension Policy	Mar 8	Saskatoon, SK	8
	2010 Pension Conference: Today's Challenges	May 26	Toronto, ON	8
	Keith Ambachtscheer Luncheon - CPBI	Sep 21	Regina, SK	2.5
	CPBI Ontario Regional Conference	Oct 5-6	Niagara on the Lake, ON	12
	Total Expenses*	\$0**	Total Hours	30.5
Mike Gelsinger	Joint Pension Employer Letter	Jan 11	Regina, SK	3
	SUN/HSAS Update	Jan 14-15	Regina, SK	2
	CPBI 2010 Spring Seminar & Annual Meeting	Apr 20-22	Saskatoon, SK	25
	Alternative Investment Seminar	Jun 16	Regina, SK	2
	Keith Ambachtscheer Luncheon - CPBI	Sep 21	Regina, SK	2.5
	Greystone Education Session	Oct 15	Regina, SK	1.5
	43 rd Annual Canadian Employee Benefits Conference	Nov 21-24	San Diego, CA	40
	Total Expenses*	\$4,693	Total Hours	76
Marvin Meickel	Total Expenses*	\$0	Total Hours	0

* In the event a Trustee sits on more than one Administrative Board, training and education expenses are shared with the other plan(s).

** Some Trustees are able to attend training and education events as a result of professional standards, employment requirements or personal interests at no cost to the Plan.

Claims Administration

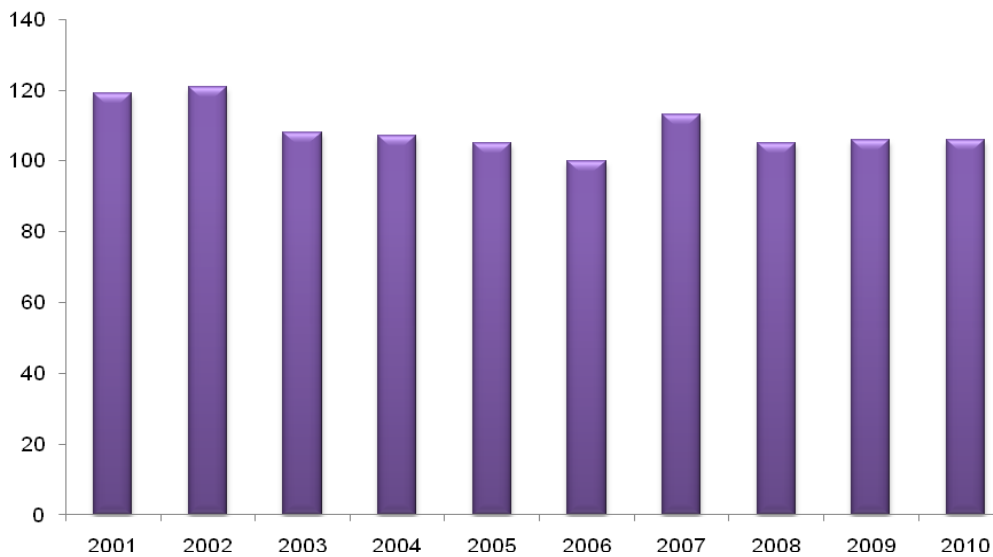
The Administrative Board of the Civic LTD Plan has outsourced its claims administration to Great-West Life Assurance Company.

There continues to be factors that contribute to the claims experience of the Long Term Disability Plan and to the future costs of the Plan. Seeking out the best possible opportunities to mitigate the loss for employees, will in turn reduce the overall cost of the claims to the Plan and lessen the disruption in the employee's ability to continue to participate in a full active work life. For those unable to return to work, the Plan offers opportunities to seek out assessments and/or treatment in order to provide recommendations on additional treatment that may assist the employee in continuing to participate in the activities of daily living as long as possible.

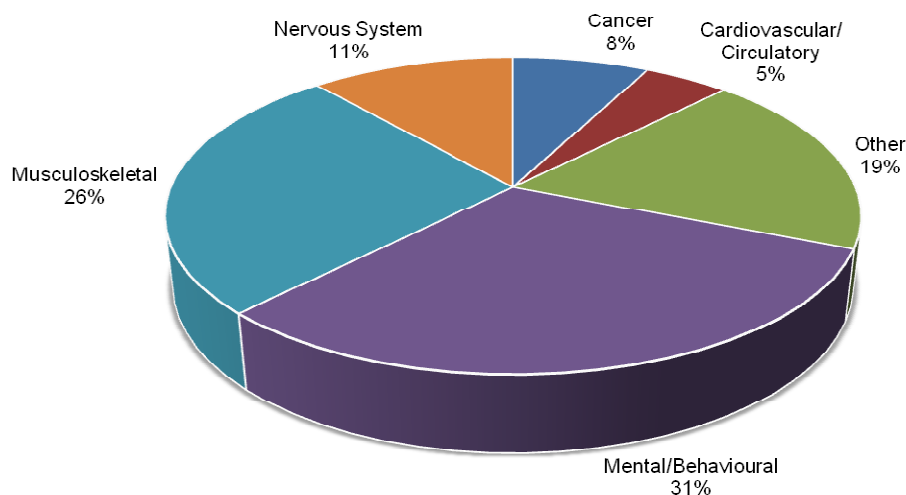
Active Claims

The numbers of claimants in receipt of benefits at year end has remained consistent in the last ten years with the highest being 121 claims in 2002 and the lowest being 100 claims in 2006. As of December 31, 2010 there were 106 employees in receipt of long term disability benefits and five claims in the adjudication process.

Active Claimants at Year-end



Disability Type

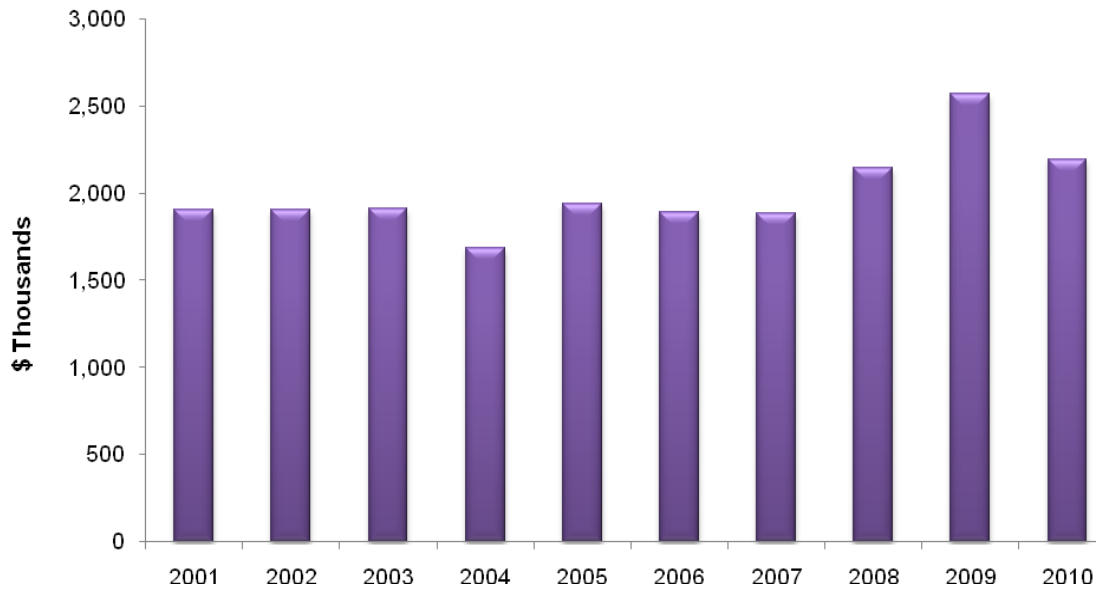


The criteria for the acceptance of stress related claims by WCB continues to be very stringent resulting in an increase in stress related illnesses such as depression and other mood disorders being applied for under the Long Term Disability Plan.

Benefit Payments

A total of \$2.2 million was paid in disability benefits in 2010, a decrease of \$376 thousand from 2009. We experienced an increase in the average monthly disability benefit before offsets to \$2,373.00 from \$1,874.00. This 27% increase in the average benefit can be attributed to a court ordered decision to retroactively provide a partial impairment rating to a previous claimant as well as reconciliation of past cost of living adjustments.

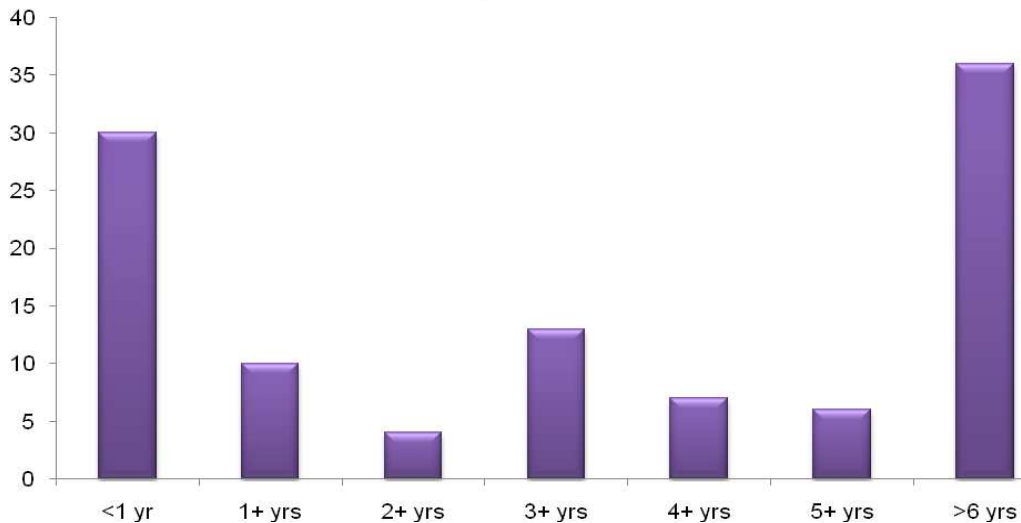
Annual Benefit Payments



Claim Duration

The duration of disablement has stayed relatively consistent at 5.6 years which was similar to 5.3 years from 2009.

Number of Employees by Claim Duration

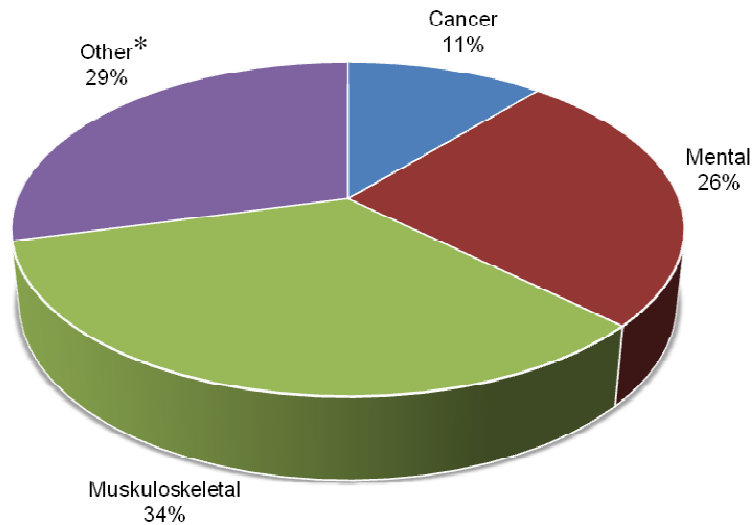


Annual Change in Claims

Active Claims as of December 31, 2009	108
New Claims Approved	62
Claims Transferred in from SAHO	3
Claims Resolved	<u>(62)</u>
Active Claims as of December 31, 2010	111*

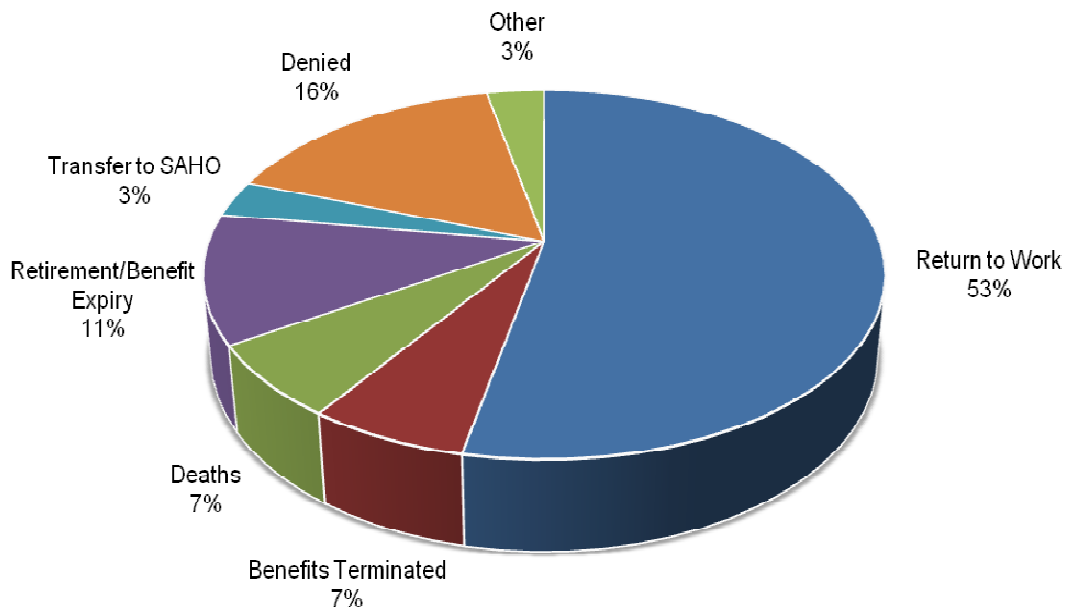
*5 disability claims were in adjudication at December 31, 2010

There were 62 new long term disability claims approved in 2010. The following is a break-down of new claims by disability type:



*Other includes Cardiovascular/Circulatory, Nervous System, Endocrine Systems, Vision Problems, Addictions, and Pregnancy Related Disabilities.

There were 62 long term disability claims resolved in 2010. Following is a break-down of claims resolved:



Early Intervention

Successful outcomes are predicated on early intervention. In some cases the diagnosis of an illness is part of the delay. Early access to diagnostics and surgeries, if required and requested, can shorten the total period of disability the employee may suffer. If an accommodation cannot be identified or duties are not available at the time the employee has recovered enough to participate in a return to work program, the length of the claim will be longer and adjudication of the "any occupation" phase of the disability becomes more difficult, therefore resulting in higher costs to the Plan and the possibility of denial until medical documentation is provided proving total disability.

Claimants are often unable to participate in therapy programs, conditioning or rehabilitation programs prior to their surgery date or until all tests have been completed. As a result they are frequently much less conditioned after surgery and require longer rehabilitation times to recover enough to participate in full duties and shift lengths.

In 2010 the Plan assisted seven employees with expedited appointments for treatment and/or surgery. The Plan also assisted employees with funding of counselling services, prescription reimbursement and assessments, and other treatments that would normally be covered through Employer funded programs. We have seen an increased number of employees exhausting Employer paid benefits and funding.

Return to Work Programs

Workplace disability programs are legislated to provide accommodation for an increasing number and variety of claims. There continues to be an increase in the number of employees requiring permanent accommodation or lengthier rehabilitation programs. It continues to be more difficult to provide accommodation in meaningful productive work for all employees requiring an accommodation, either permanent or temporary. The Employers continue to look for innovative ways to provide assistance to their employees, such as cross jurisdictional placement, split shifts and work from home programs. In 2010, 37 employees participated in some type of return to work program.

Financial Highlights

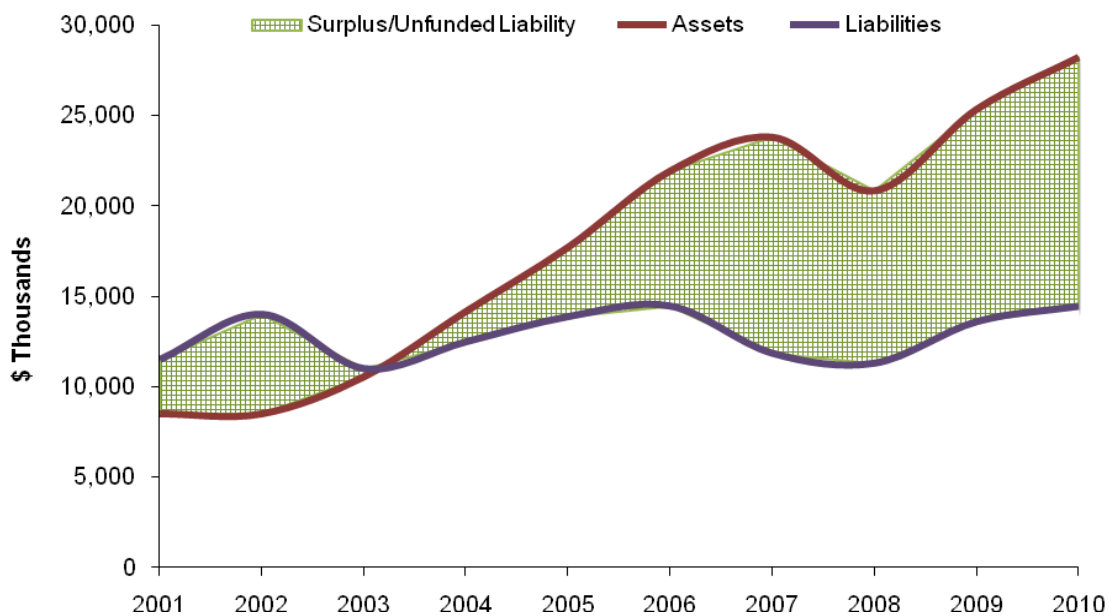
Year End Financial Position

Net assets available for benefits were \$28,204,000. Net assets consists of cash in the amount of \$885,000, investments at fair value of \$27,782,000 and accrued income, accounts receivable, and prepaid expenses of \$228,000, less accounts payable of \$691,000.

Accrued Pension Benefits were \$14,444,000 at December 31, 2010.

The surplus of the Plan, as of December 31, 2010, was \$13,760,000.

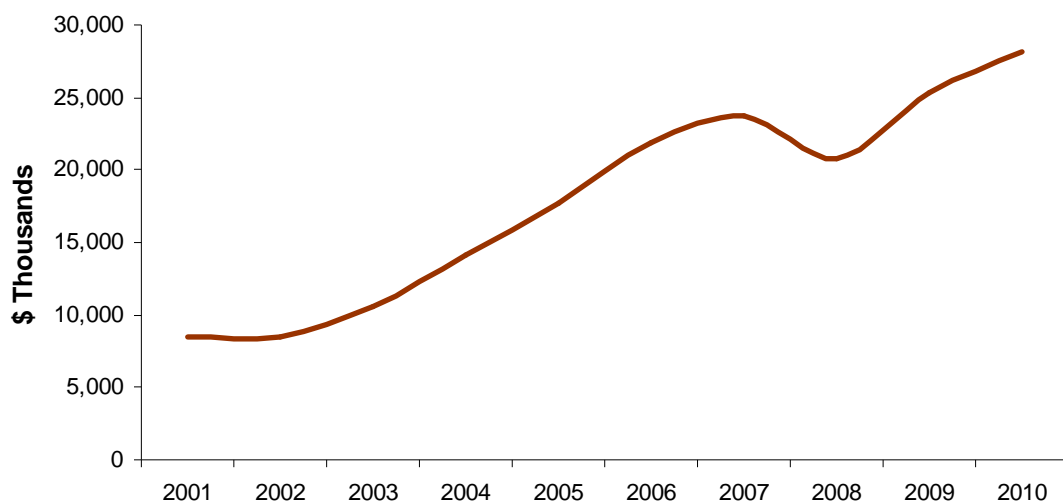
Assets & Liabilities 1991 - 2010



Growth of the Plan

Over the past ten years, the assets of the Civic LTD Plan have grown significantly as shown below:

LTD Asset Growth



There are four main factors that affect the size of the asset base of the fund. These factors are the investment income earned over the year, the contributions made to the fund by the employers and employees, the benefit payments for long term disability claims by employees, and administrative expenses. Benefit payments and expenses are comprised of the cost of claims paid on behalf of the Plan, the administration costs that are charged by Great West Life for their adjudication services, and administration costs incurred by the Administrative Board as well as the Pensions and Disability Administration Department.

Investment income, revenue from contributions, and benefit payments & administrative 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)
2010	1,652	3,958	-2,736
2009	3,493	4,078	-3,072
2008	-4,021	3,778	-2,714
2007	2,894	3,498	-2,354
2006	1,980	3,532	-2,215
2005	1,311	3,788	-2,230
2004	1,311	4,258	-1,957
2003	-353	2,886	-2,150
2002	-38	2,510	-2,162
2001	775	2,422	-2,098

Investment of the Fund

The Civic LTD Administrative Board oversees the investments of the Civic Long Term Disability Plan in accordance with the Statement of Investment Policies and Procedures. The Statement of Investment Policies and 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 objectives of the investment policy are to:

- meet the disability obligations as they occur and to ensure the long-term solvency of the Plan;
- achieve a real rate of return in excess of 3.8% over a rolling four-year period; and
- earn the stated performance objective for each asset class over a rolling four-year period.

The investment policy is reviewed annually and updated when necessary to ensure that it continues to meet legal standards and the investment requirements of the membership.

The Regina Civic Employees' Long Term Disability Plan measures investment performance against two primary criteria:

1. 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
Global Equities	MSCI World Index ex Canada
Canadian Short Term Bonds	DEX Short Term Bond Index
Canadian Universe Bonds	DEX Universe Bond Index
Real Return Bonds	DEX Real Return Bond index
Commercial Mortgages	DEX 5 Year Conv. Res. Mortgage Index

The benchmarks for equity and fixed income were selected because all are publicly-traded and readily investible indices.

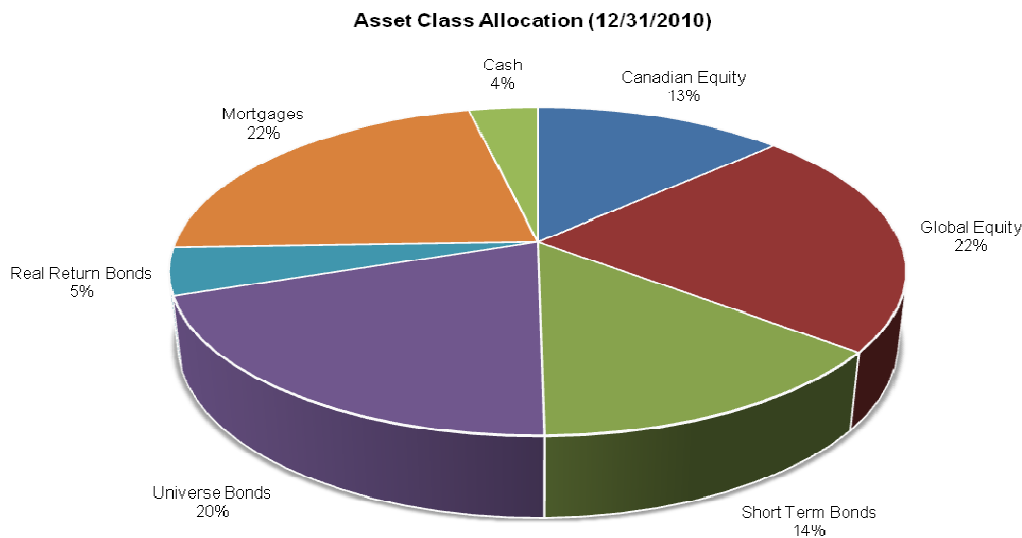
2. Inflation adjusted return of greater than 3.8% (greater than the Consumer Price Index (CPI) by 3.8%).

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.

Asset Mix

Total invested assets of the Civic LTD Plan at December 31, 2010 were \$28.7 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.



The assets of the Civic LTD Plan are separated into two portfolios – the Return Seeking Portfolio and the Liability Matching Portfolio. Assets held in the return seeking portfolio are intended to earn a market return as outlined in the Statement of Investment Policies and Procedures. Assets held in the Liability Matching Portfolio are meant to fluctuate in correlation with the value of the liabilities of the Plan.

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

ASSET CLASS	TOTAL FUND BENCHMARK	ACTUAL % ALLOCATION	MIN %	TARGET % ALLOCATION	MAX %
Return Seeking Portfolio:					
Equity Pool:					
Canadian Equities	S&P/TSX 300 Index	26.25	15	20	25
Global Equities	MSCI World Index ex Canada	45.38	35	40	45
Total Equity Pool:		71.63		60	
Fixed Income Pool:					
Universe Bonds	DEX Universe Bond Index	28.37	25	40	40
Total Fixed Income Pool:		28.37		40	
Total Return Seeking Portfolio:		100.00		100	

ASSET CLASS	TOTAL FUND BENCHMARK	ACTUAL % ALLOCATION	MIN %	TARGET % ALLOCATION	MAX %
Liability Matching Portfolio:					
Fixed Income Pool:					
Real Return Bonds	DEX Real Return Bond Index	9.36	8	12	16
Short Term Bonds	DEX Short Term Bond Index	39.82	38	43	48
Commercial Mortgages	DEX 5 Year Conv. Res. Mortgage Index	43.65	40	45	50
Total Fixed Income Pool:		92.83		100	
Cash:	n/a	7.17	n/a	n/a	n/a

Liability Matching Seeking Portfolio:	100.00	100
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**Effective December 11, 2009 the Statement of Investment Policies and Procedures indicates a 10% allocation in Real Return Bonds under the Return Seeking Portfolio. Since there is no excess market return to be generated from Real Return Bonds, this 10% was re-allocated to Universe Bonds. The entire Real Return Bond portfolio is now reflected in the Liability Matching Portfolio.*

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 Civic LTD Plan as at December 31, 2010 is shown below:

ASSET CLASS	MANAGER	START DATE	AMOUNT (000's)	% OF HOLDINGS
Return Seeking Portfolio:				
Equity Pool:				
Canadian Equities	Greystone Managed Investments	2002	3,767	13.06
Global Equities	Franklin Templeton Investments Corp.	1998	6,511	22.57
Total Equity Pool:			10,278	35.63
Fixed Income Pool:				
Universe Bonds	TD Asset Management	2004	4,071	14.12
Total Fixed Income Pool:			4,071	14.12
Total Return Seeking Portfolio			14,349	49.75
Liability Matching Portfolio:				
Fixed Income Pool:				
Real Return Bonds	Internal	n/a	1,336	4.71
Short Term Bonds	TD Asset Management	2010	5,770	20.01
Commercial Mortgages	Addenda Capital	2010	6,327	21.93
Total Fixed Income Pool:			13,433	46.65
Cash:	n/a	n/a	885	3.60
Total Liability Matching Portfolio:			14,318	50.25
Total Fund:			28,667	100.00

2010 Investment Overview

2010 proved to be another good year for investors, as most markets continued the recovery begun in 2009; however the recovery was anything but smooth. The first half of the year saw equity markets start strong, slip, recover and slide back as the sovereign debt crisis in Europe unfolded. At the end of June the S&P/TSX was down 2.6%, the S&P 500 was down 5.4% (CAD) and the Morgan Stanley World Index (ex Canada) was down 8.6% (CAD). By year end, those same indices were up 17.6%, 9.1% and 6.0% respectively. At the same time, Canadian fixed income markets continued to climb through most of the year.

In comparison to 2009, the Canadian dollar was much more stable in 2010. Against the U.S. dollar, the Canadian dollar traded between \$0.93 and \$1.00, finishing the year at parity. The dollar's performance against other major currencies was somewhat mixed. Against the euro and the British pound the dollar finished the year up 7.8% and 12.3% respectively. Versus the Yen and Swiss franc, the dollar was down 8.6% and 5.3%. The movement of the Canadian dollar tended to detract value as holdings in currencies that the dollar performed well against tended to be larger than those that the dollar did not.

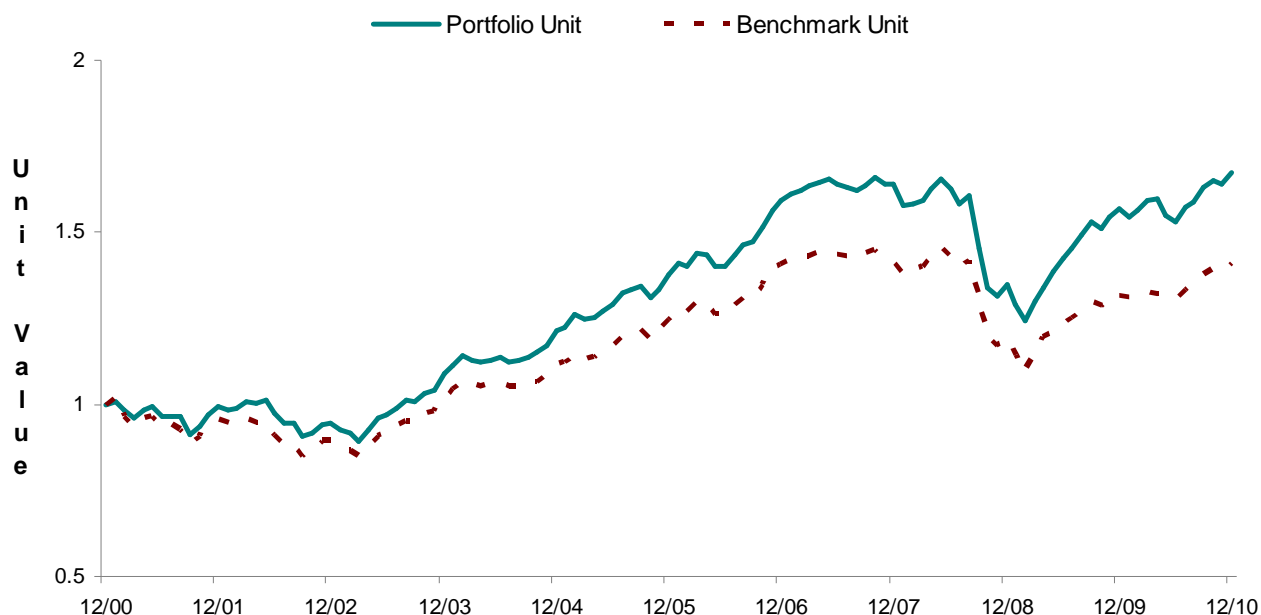
In general, global economies experienced modest growth in 2010 led by the strength of emerging economies. Continued government intervention, particularly from the U.S., has resulted in economies across the globe picking up. As 2010 progressed, differing approaches to dealing with the accumulated deficits that had developed began to emerge. The U.S. continued its loose monetary policy and government tax spending in order to spur growth going forward. Others, such as the countries at the centre of the euro debt crisis and the UK, introduced so called austerity measures in an attempt to reign in spending, preferring to risk stalling their economies now rather than facing insurmountable deficits in the future. China faced a completely different problem in 2010, how to manage the pace of internal growth.

Investment Results

On a total fund basis the Regina Civic Employees' Long Term Disability Plan trailed the investment return of the custom benchmark by -0.68% with a return of 6.74%. Adjusted to inflation, the Plan's investment return for 2010 was 4.39% beating the policy target by 0.59%.

Although the time horizon of a long term disability plan is shorter than a pension plan, it is not so short that the focus can be on any one year period. Over the last five years the investment return has averaged 3.99%, exceeding the benchmark by 1.55% and CPI by 2.21%, falling short of the long term inflation adjusted target by -1.59%.

INVESTMENT RETURNS	ANNUALIZED RATE OF RETURN (%)				
	1 YR	2 YR	3 YR	4 YR	5 YR
Total Fund	6.74	11.29	0.61	1.25	3.99
Total Fund Benchmark	7.42	8.94	-0.19	0.08	2.44
Excess Return (%)	-0.68	2.35	0.80	1.17	1.55
Average CPI	2.35	1.84	1.61	1.80	1.78
Inflation Adjusted Return	4.39	9.45	-1.00	-0.55	2.21
Excess Return (> CPI+ 3.8%)	0.59	5.65	-4.80	-4.35	-1.59

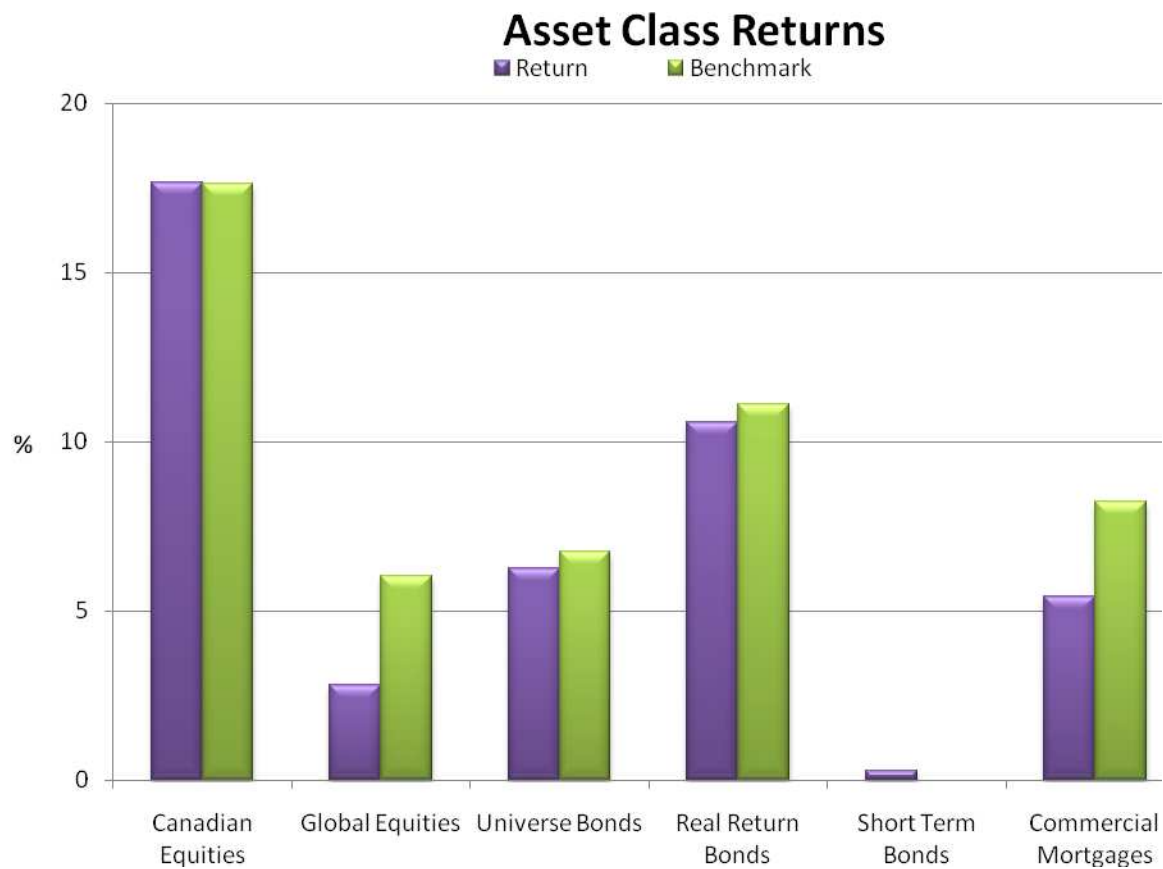


The following table shows the gross rate of return achieved by the various asset classes over the one through five year periods ended December 31, 2010. The applicable benchmark performance for each asset class is also noted.

ASSET CLASS	ANNUALIZED RATE OF RETURN (%)				
	1 YR	2 YR	3 YR	4 YR	5 YR
Equity Pool:					
Canadian Equities	17.65	22.63	-1.30	2.09	5.75
Benchmark: S&P/TSX 300 Index	17.61	26.03	2.09	3.98	6.51
Global Equities	2.80	9.10	-5.60	-5.79	0.15
Benchmark: MSCI World Index ex Canada	6.04	8.08	-4.36	-5.21	-0.59
Total Equity Pool:	9.60	15.58	-3.46	-1.87	2.98
Fixed Income Pool:					
Universe Bonds	6.25	5.79	5.83	5.27	5.03
Benchmark: DEX Universe Bond Index	6.74	6.08	6.19	5.56	5.25
Real Return Bonds	10.57	11.78	7.95	6.29	4.07
Benchmark: DEX Real Return Bond Index	11.09	12.78	8.50	6.73	4.73
Short Term Bonds	0.29	n/a	n/a	n/a	n/a
Benchmark: DEX Short Term Bond Index	n/a	n/a	n/a	n/a	n/a

ASSET CLASS	ANNUALIZED RATE OF RETURN (%)				
	1 YR	2 YR	3 YR	4 YR	5 YR
Fixed Income Pool:					
Commercial Mortgages	5.44	n/a	n/a	n/a	n/a
Benchmark: DEX 5 Year Conv. Res. Mortgage Index	8.23	n/a	n/a	n/a	n/a
Total Fixed Income Pool:	6.70	6.51	6.14	5.43	4.94
Cash:	0.54	0.27	0.72	1.27	1.09
Total Fund:	6.74	11.29	0.61	1.25	3.99

* Returns for Short Term Bonds & Mortgages are inception to date. Plan only began investing in both partway through 2010.

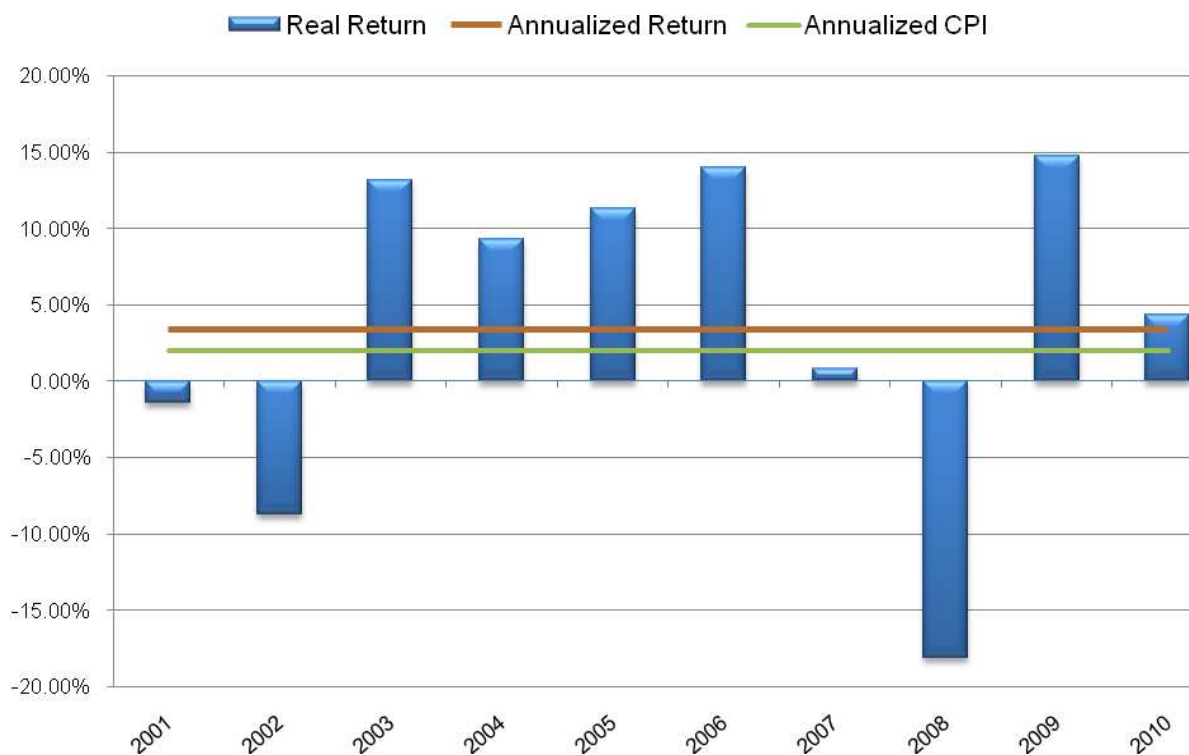


Historical Total Return

While investment performance is measured and reviewed quarterly, it is important to maintain a longer-term perspective due to the nature of the liabilities of the Plan. This applies when reviewing the 2010 performance in relation to a longer investment horizon and considering the effects of inflation over time. The annual investment return of the Civic LTD Plan for the last ten years are as follows:

ANNUAL RATE OF RETURN			
YEAR	RETURN	NOMINAL	
		CPI	REAL RETURN
2010	6.74%	2.35%	4.39%
2009	16.03%	1.30%	14.73%
2008	-16.90%	1.20%	-18.10%
2007	3.20%	2.40%	0.80%
2006	15.70%	1.70%	14.00%
2005	13.40%	2.10%	11.30%
2004	11.40%	2.10%	9.30%
2003	15.30%	2.10%	13.20%
2002	-4.90%	3.80%	-8.70%
2001	-0.70%	0.70%	-1.40%

- (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.



Plan Expenses

	2010 (\$ thousands)
Actuarial Services	
Mercer (Canada) Ltd.	114
Audit Services	
Deloitte & Touche LLP	10
Custodial and Performance Management Fees	
Northern Trust Corporation	32
Investment Manager Fees	
Addenda Capital Inc.	19
Greystone Managed Investments	15
TD Asset Management	2
Franklin Templeton Investments Corp.	56
	92
Legal Services	
McDougall Gauley	16
Other Administrative Expenses	
Pensions & Disability - Salaries & Benefits	130
Great West Life	102
Other Administrative Expenses	50
	282
Total	546

Independent Auditor's Report

To the Administrative Board of the Regina Civic Employees' Long Term Disability Plan:

We have audited the accompanying financial statements of the Regina Civic Employees' Long Term Disability Plan, which comprise the statement of financial position as at December 31, 2010, and the statements of changes in net assets available for benefits and changes in accrued disability benefits for the year then ended, and 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 generally accepted accounting principles, 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 the auditor's 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, the auditor considers 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 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 Regina Civic Employees' Long Term Disability Plan as at December 31, 2010, and the changes in net assets available for benefits and changes in accrued disability benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

May 11, 2011
Regina, Saskatchewan

STATEMENT OF FINANCIAL POSITION
(dollars in thousands)

As at December 31, 2010

	2010	2009
ASSETS		
Investments – Note 4	28,667	25,714
Accrued Income Receivable	3	3
Accounts Receivable	50	188
Prepaid Expenses	175	174
	28,895	26,079
LIABILITIES		
Accounts Payable	691	749
Net Assets Available for Benefits	28,204	25,330
ACCRUED DISABILITY BENEFITS AND DEFICIT		
Accrued Disability Benefits – Note 6	14,444	13,595
Surplus	13,760	11,735
Accrued Disability Benefits and Deficit	28,204	25,330

See accompanying notes

APPROVED BY:



Board Member



Board Member

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(dollars in thousands)

For the year ended December 31, 2010

	2010	2009
INCREASE IN NET ASSETS		
Investment Income – Note 7	1,652	3,493
Contributions		
Employee Contributions	1,979	2,039
Employer Contributions	1,979	2,039
	5,610	7,571
DECREASE IN NET ASSETS		
Disability Payments	2,190	2,565
Administration Expenses – Note 10	546	507
	2,736	3,072
Net Increase for the Year	2,874	4,499
Net Assets Available for Benefits, Beginning of Year	25,330	20,831
Net Assets Available for Benefits, End of Year	28,204	25,330

See accompanying notes

STATEMENT OF CHANGES IN ACCRUED DISABILITY BENEFITS
(dollars in thousands)

For the year ended December 31, 2010

	2010	2009
INCREASE IN ACCRUED DISABILITY BENEFITS		
Accrual of Disability Benefits	4,421	3,262
Interest Accrued on Benefits	503	568
Change in Assumptions – Note 6	1,026	1,280
	5,950	5,110
DECREASE IN ACCRUED DISABILITY BENEFITS		
Benefit Payments	2,157	2,565
Experience Gain in Year	2,944	251
	5,101	2,816
Net Increase for the Year	849	2,294
Accrued Disability Benefits, Beginning of Year	13,595	11,301
Accrued Disability Benefits, End of Year	14,444	13,595

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

1. Description of Plan

The Regina Civic Employees' Long Term Disability Plan (the "Plan") is a multi-employer disability plan covering eligible employees of the City of Regina and the following participating Boards: Regina Qu'Appelle Health Region, Regina Public Library Board, non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan, and the Buffalo Pound Water Administration Board. The following description is a summary only. For more complete information, reference should be made to the Plan text.

(a) Contributions

Members' contributions are 1.04% of salary. The employer matches the members' contributions to the Plan.

(b) Benefits

Disability benefits are based on 65% of the member's salary. Benefits will be paid either throughout the duration of the disability, until the member elects voluntary early retirement, reaches age 65 or upon death, whichever occurs first.

(c) Income Taxes

The Plan is a self insured disability income plan and as such is not subject to income taxes under The Income Tax Act. Disability benefits paid from the Plan are subject to deductions that are withheld and remitted to the Canada Revenue Agency.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. 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.

Employers of members are responsible for the accuracy and completeness of members' contributions remitted and of employee payroll information on which benefit payments are determined. Accordingly, these financial statements presume the accuracy and completeness of the members' contributions and payroll information received from employers of the members.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

2. Summary of Significant Accounting Policies (continued)

(b) Investments

Investments in equities are recorded at fair value which is determined using year-end market prices obtained from recognized security dealers. Investments in bonds are recorded at fair value which is determined using mid market prices from a recognized security dealer. Transactions in bonds and equities are recorded as of the trade date.

Pooled funds are recorded at fair value based on the net asset value per unit determined by the investment manager with reference to the underlying investments' year-end market prices. Short-term investments are recorded at cost, which together with accrued interest income, approximates fair value.

Investments denominated in foreign currency are translated at the exchange rate in effect at year-end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in fair value of investments.

Commissions and other transaction costs are recognized in the statement of changes in net assets available for benefits in the period incurred.

(c) Investment Income

Interest income is recorded on the accrual basis. Dividend income from equity securities is recognized as entitlement arises. Realized gains and losses from the sale of investments are calculated using a weighted average cost basis and are reflected in earnings as incurred. Included in investment income is the change in unrealized fair value of investments held at year end.

(d) Foreign Exchange

Foreign investment purchases, sales and income are recorded in Canadian dollars at exchange rates in effect at the transaction date. Foreign denominated investments and accrued income are translated at year end exchange rates. The unrealized gains and losses arising from the transaction are included in the statement of changes in net assets available for benefits as part of the change in unrealized fair value of investments.

(e) Contributions

Contributions are accounted for on the accrual basis.

(f) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and use assumptions that affect the reported amounts of asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates subject to estimates and assumptions include the valuation of investments and the determination of the accrued disability benefits.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

3. Fair Values of Financial Instruments

The following table summarizes the inputs used as of December 31, 2010 in valuing the Plan's investments and cash carried at fair values.

Asset Class	2010			Total
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equities	-	10,278	-	10,278
Fixed Income	-	11,734	-	11,734
Short Term Investments	-	5,770	-	5,770
Cash	885	-	-	885
Total Investments	885	27,782	-	28,667
	2009			
Equities	-	15,447	-	15,446
Fixed Income	-	10,057	-	10,058
Short Term Investments	-	-	-	-
Cash	-	210	-	210
Total Investments	-	25,714	-	25,714

- Short-term deposits are recorded at cost, which together with accrued interest income, approximates fair value.
- Bonds and debentures, real return bonds and public equities are valued at year-end quoted market prices, where available.
- For public equities the quoted market prices are based on exchange prices while bonds and real return bonds are based on quotes from industry standard sources.

Fair value measurements of investment assets are based on inputs from one or more levels of a fair value hierarchy as follows:

- Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level 1 primarily includes publicly listed equity investments.
- Level 2: Fair value is based upon valuation methods that make use of inputs, other than quoted prices within Level 1, that are observable by market participants either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level 2 primarily includes debt securities not traded on a public market and public equities not traded in an active market.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

3. Fair Value of Financial Instruments (continued)

Level 3: Fair value is based upon valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.

For the Plan's financial assets and liabilities other than its investments and accrued disability benefits liability, the carrying value approximates fair value given the short-term nature of these items. The accrued disability benefits obligation is long-term in nature and there is no market for settling these disability benefits obligations.

4. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to optimize the risk/return relationship of the Plan and to generate sufficient cash flows to meet disability benefits payments. Due to the medium term nature of the Plan's liabilities and the sizable surplus in the Plan, the Plan's assets are segregated into two portfolios: one that seeks to match the movements of the liabilities; and one that seeks to generate returns. The combined portfolios are allocated as per the following table:

Asset Class	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Fixed Income	17,504	11,205	10,058	9,829
Canadian Equities	3,767	2,990	7,968	7,267
Global Equities	6,511	7,313	7,478	8,423
Cash	885	885	210	210
Total Investments	28,667	28,165	25,714	25,729

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.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

4. Investments (continued)

Liability Portfolio		2010		
		Min Weight (%)	Benchmark Weight (%)	Max Weight (%)
Asset Class				
Fixed Income	Short Term Bonds	38.0	43.0	48.0
	Real Return Bonds	8.0	12.0	16.0
	Commercial Mortgages	40.0	45.0	50.0
Total Portfolio		100.0		

Return Seeking Portfolio		2010		
		Min Weight (%)	Benchmark Weight (%)	Max Weight (%)
Asset Class				
Equities	Canadian Equities	15.0	20.0	25.0
	Global Equities	35.0	40.0	45.0
Fixed Income	Universe Bonds	25.0	30.0	40.0
	Real Return Bonds	-	10.0	15.0
Cash		-	-	10.0
Total Portfolio		100.0		

In general and subject to the restrictions noted below, the Plan may invest in any of the following asset classes and investment instruments. 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.

Cash and Short Term Investments

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.

Equities

Asset Class	2010			Target (%)	2009	
	Target (%)	Actual (\$)	Actual (%)		Actual (\$)	Actual (%)
Canadian Equities	33.3	3,767	36.7	50.0	7,968	51.6
Global Equities	66.7	6,511	63.3	50.0	7,478	48.4
Total	100.0	10,278	100.0	100.0	15,446	100.0

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

4. Investments (continued)

The Plan may invest in any of the following: common and convertible preferred stock listed on a recognized exchange, securities convertible or exchangeable into common or convertible preferred stock, rights, warrants and special warrants for common or convertible preferred stock, instalment receipts, private placements equities, American and global depository receipts, publicly traded investment trusts and or index replicating vehicles.

The Plan holds equity investments in Canada, the United States and international markets through a combination of segregated accounts and pooled funds. Equities are valued at year-end quoted market prices. Pooled funds are valued using the year-end net asset value provided by the investment manager.

Fixed Income

Bond Type	2010			2009		
	Fair Value (\$)	Portfolio Weight (%)	Weighted Average Term to Maturity	Fair Value (\$)	Portfolio Weight (%)	Weighted Average Term to Maturity
Federal	3,334	19.0	8.5	3,628	36.1	12.4
Federal Agency	1,387	8.0	3.6	1,736	17.3	3.9
Provincial	1,514	8.6	10.2	2,134	21.2	13.5
Municipal	61	0.3	9.6	135	1.3	8.5
Corporate	4,881	27.9	3.8	2,424	24.1	7.8
Private	6,327	36.2	3.2	-	-	-
Portfolio	17,504	100.0	7.52	10,057	100.0	10.0

The Plan invests in Canadian bonds and mortgages via a pooled fund. The pooled fund holds some cash and cash equivalents at all times. The Plan's proportional allocation of the fixed income pool includes cash and cash equivalents of \$254 (2009- \$14).

Canadian bonds consist of government and corporate bonds and debentures. The Statement of Investment Policies and Procedures permits investment in all bonds, debentures, notes, non-convertible preferred stock, real return bonds and other debt instruments of Canadian issuers whether denominated and payable in Canadian dollars or a foreign currency including mortgage-backed securities, guaranteed under the National Housing Act (Canada), asset backed securities, term deposits and guaranteed investment certificates. It also permits investment in private placement of bonds that are rated by a recognized rating agency.

The Statement of Investment Policies and Procedures requires bonds to meet minimum standards. Only bonds of issuers rated BBB or higher are held in the portfolio. Currently, there are two bond portfolios; the TD Asset Management Long Bond Pooled Fund Trust, which invests in bonds and debentures rated BBB or higher in a manner that replicates the characteristics of the DEX Long Bond Index; the TD Short Term Bond Fund which invests in Canadian Bonds with a term to maturity of less than five years; and a portfolio of Government of Canada Real Return Bonds.

Bonds are valued using the current trading prices as of year-end.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

5. Investment Risk

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.

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. The asset level and mix of the Liability Portfolio is set once annually to fit the actuarial liabilities. The Return Seeking Portfolio is managed separately and rebalanced within set limits resulting in an asset mix that is fluid around the Plan's liabilities. At December 31, 2010 the combined portfolio weights were:

			2010
Asset Class		Index	Weight (%)
Equities	Canadian	S&P/TSX Composite Index	11.0
	Global	MSCI World Index ex Canada	21.0
Fixed Income	Short Bonds	DEX Short Term Bond Index	20.0
	Universe Bonds	DEX Universe Bond Index	21.0
	Commercial Mortgages	DEX 5 yr Residential Mortgage Index	22.0
	Real Return Bonds	DEX Real Return Bond Index	5.0
Total Portfolio			100.0

The impact on the net assets of the Fund due to a 10% change in the respective benchmark stock index using a three year historical measure of the sensitivity of the returns relative to the returns of the benchmark stock index, as of December 31, 2010 would result in an increase/decrease of 9.2% in the value of the portfolio.

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.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

5. Investment Risk (continued)

Asset Class	2010	2009
	Fair Value	Fair Value
Bonds	11,735	10,058
Short Term Investments	5,769	-
Cash and Equivalents	885	210
Total Portfolio	18,389	10,268

Bond Rating	2010		2009	
	Fair Value (\$)	Portion of Bonds (%)	Fair Value (\$)	Portion of Bonds (%)
AAA	5,652	30.7	5,801	56.5
AA	2,868	15.6	2,070	20.2
A	1,687	9.2	1,679	16.4
BBB	959	5.2	508	4.9
Not Rated	7,223	39.3	210	2.0
Total Portfolio	18,389	100.0	10,268	100.0

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. Due to the indexing of benefit entitlements and the relatively long duration of pension benefits, the Plan's liabilities are influenced by inflation and long-term rates of return. Alternatively, asset values are affected more by equity markets and short-term changes in interest rates. The fixed income portfolio has guidelines on duration and distribution which are designed to mitigate the risk of interest rate volatility.

Duration	2010		2009	
	Total Exposure (\$)	Portion of Fixed Income (%)	Total Exposure (\$)	Portion of Fixed Income (%)
< 1 year	2,741	14.9	210	2.0
1 – 5 years	10,968	59.7	4,619	45.0
5 – 10 years	2,296	12.5	1,875	18.3
10 – 20 years	1,480	8.0	1,356	13.2
> 20 years	904	4.9	2,208	21.5
Total Portfolio	18,389	100.0	10,268	100.0

At December 31, 2010 a 1% increase/decrease in interest rates would result in a 6.4% (2009 – 5.6%) change in the value of the Plan's fixed income portfolio or \$1,172 (2009 - \$561).

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

5. Investment Risk (continued)

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies can result in a positive or negative effect on the fair value of the investments. The Plan manages foreign currency risk by limiting investment in foreign securities. The Board has adopted a non-hedge policy benchmark.

Asset Class		2010	2009
		Fair Value (CAD)	Fair Value (CAD)
Equities	Canadian	3,767	7,968
	Global	6,511	7,478
Fixed Income	Canadian	17,504	10,058
Cash and Short Term		885	210
Total Portfolio		28,667	25,714

The assets of the Plan can be further broken down as follows, to reflect the portfolio effect of a 10% increase in selected currencies relative to Canadian dollars:

Currency	2010			
	Total Exposure (\$)	Portfolio Portion of Assets (%)	Effect	
			(%)	(\$)
CAD	22,245	77.6	n/a	n/a
USD	2,123	7.4	(0.6)	(157)
EUR	1,838	6.4	(0.4)	(111)
GBP	824	2.9	(0.6)	(184)
YEN	556	1.9	(0.4)	(109)
CHF	255	0.9	0.2	55
OTHER	826	2.9	n/a	n/a
Total Portfolio	28,667	100.0	n/a	n/a

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

5. Investment Risk (continued)

		2009		
CAD	18,236	70.9	n/a	n/a
USD	2,083	8.1	13.0	3,430
EUR	2,663	10.4	9.0	2,220
GBP	1,108	4.3	14.0	3,510
YEN	432	1.7	20.0	5,130
CHF	-	-	-	-
OTHER	1,193	4.6	n/a	n/a
Total Portfolio	25,715	100.0	n/a	n/a

As 7.4% of the Plan's assets are held in US dollars this is the most significant foreign currency risk that the Plan faces. Based on the current non-hedged policy, a 10% change in the US exchange rate will result in a 0.6% change in the value of the portfolio. As of December 31, 2010 a 10% increase in the value of the US dollar, relative to the Canadian Dollar, would have resulted in a \$157 loss in the value of the investments (2009 – \$3,430 gain).

Liquidity Risk

Liquidity risk arises from the difficulty of selling an asset when needed. Liquidity risk is managed by limiting the Plan's exposure to illiquid assets.

6. Accrued Disability Benefits

Mercer (Canada) Ltd. is the appointed actuary of the Plan. The actuarial value of accrued disability benefits as of December 31, 2010 has been determined by extrapolating the figures from December 31, 2009, the date of the last actuarial valuation. The obligation calculations have taken into consideration a pooling arrangement for high cost claims effective January 1, 2008, which will cover claims in excess of \$5 per month.

The assumptions used in the valuation were developed by reference to expected long term market conditions. Significant long term assumptions used in the valuation were:

Assumption	2010 Rate	2009 Rate
Inflation Rate	2.2%	2.2%
Discount Rate	3.3%	3.7%
Retirement Age	65	65
Rehabilitation Earnings Increase Rate	2.2%	2.2%
Group Long Term Disability Valuation Table (Year)	1987	1987

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

7. Investment Income

Investment Income	2010 Total	2009 Total
Cash and Short Term Investments	7	4
Bond Interest	465	384
Dividend Income	250	339
Realized Gains on Sale of Investments	414	6
Change in Unrealized Fair Value of Investments	516	2,760
Total	1,652	3,493

8. Related Party Transactions

Related Party Transactions	2010 Total	2009 Total
Accounts Receivable include the following amounts due from:		
Regina Qu'Appelle Health Region	-	107
Regina Public School Board	39	42
Regina Public Library	11	-
	50	149
Accounts Payable include the following amounts due to:		
City of Regina	434	331
Regina Civic Employees' Superannuation and Benefit Plan	-	47
	434	378
Expenditures include the following amounts paid to:		
City of Regina	7	14

9. Contingencies

In January 2003, the Administrative Board of the Regina Civic Employees' Long Term Disability Plan and the City of Regina filed a statement of claim for breach of contract against the Regina Qu'Appelle Regional Health Authority, the Saskatchewan Association of Health Organizations, the Health Sciences Association of Saskatchewan and the Saskatchewan Union of Nurses with respect to employees' membership in the Plan. The outcome of this matter and its impact on the Plan are not determinable at this time.

NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2010

10. Administrative Expenses

Administrative Expenses	2010 Total	2009 Total
Actuarial Services	114	46
Audit Services	10	11
Custodial and Portfolio Measurement Fees	32	26
Investment Manager Fees	92	94
Legal Services	16	28
Other Administrative Expenses	282	302
Total	546	507