The Regina Police Pension Plan

Annual Report & Audited Financial Statements

December 31, 2010

Table of Contents

Message from the Chairperson

I am pleased to present the Annual Report for The Regina Police Pension Plan for the year ending December 31, 2010.

In this report you will find the following:

- Membership information, including eligibility requirements, numbers of active and retired members, and changes in membership that occurred in 2010;
- A brief description of the benefits available to members of the pension plan;
- The composition of the Administrative Board and its role as trustees and administrator of the Plan;
- How the Board conducts its business and fulfils its responsibilities to the members of the Plan;
- How the plan's assets are invested and the returns for 2010;
- Historical investment returns; and
- The annual financial statements for 2010, audited by Deloitte & Touche LLP.

Over the past year, the net assets available for benefits experienced an increase from a balance of $211.1 million at the end of 2009, to a balance of $228.1 million at the end of 2010. Contributions for the year were $10.5 million , while total payments from the fund were $16.4 million. Total payments included $14.7 million in pension payments, $553,000 in refunds and transfers, and $1.2 million in administration and investment expenses. Total invested assets of the plan were $229 million. Investment income for the year was 11.12 percent or $23.0 million.

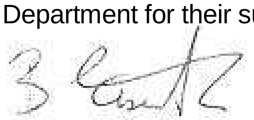
The last valuation of the Plan was completed as at December 31, 2009. The result of this valuation was the financial position of the Plan on a going concern basis grew from an unfunded liability of $12.8 million at the previous valuation in 2007 to an unfunded liability of $23.8 million. On a termination basis, the Plan has a solvency ratio of 80%. The next valuation of the Plan as required by legislation will be as at December 31, 2012; however, the Administrative Board conducts annual reviews and will continue to monitor the funding status of the Plan.

In 2010 a working committee was formed to deal with issues relating to funding requirements and the future of the Plan. A process for review of the Plan and its future was agreed to in December 2010 and will continue in 2011. The Board will continue to support the working committee and provided advice, comments, and information from the Plan's actuary as requested throughout 2011. An active, timely and comprehensive communication plan will be carried out by the Board to provide complete awareness of the status, activities and implications. This is a most significant period of time for the Plan and its members that requires active diligence and attention.

The Board worked towards implementing the investment strategy approved through the Asset Liability study completed in 2009 by hiring two investment managers and making an initial investment in private equity.

Over the past year the Board developed and adopted a comprehensive Risk Management Framework which outlines the Board's Risk Philosophy, significant risks to the Plan, guidelines for risk assessment, and a framework for categorizing and managing risk.

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.



Bernie Eiswirth
Chairperson, The Regina Police Pension Plan

Message from the Director

Listen to the news these past few years and you will hear something about the Canadian pension system and proposals for reform that will ensure its sustainability. The Canadian system like systems elsewhere around the world are based on three tiers of coverage: government sponsored programs such as the Canada Pension Plan and Old Age Security, workplace pensions, and personal savings. Pensions have been in the news for many months now, some of the stories are frightening; however, the stories that involve businesses going bankrupt with workers losing some or all of their hard earned pensions don't represent the reform movement. So what does pension reform mean? There are a number of recommendations that are being considered by both the Federal and Provincial governments which are intended to enhance the ability of Canadians to save for their retirement years and it is too early to judge how successful governments will be at implementing reforms and whether it will involve significant or only small changes.

A few changes have been made already and were effective in 2010. At the Federal level, changes have been made to *The Income Tax Act* that will allow pension plans to hold a larger amount of surplus to protect against market events such as what occurred in 2008. The Act used to limit the amount of surplus that could be held to 10% of liabilities. The new limit is 25%. *The Pension Benefits Standards Act*, which governs federally regulated pensions, has been changed in a number of areas, most of which do not impact Saskatchewan regulated plans. However, the new investment rules will affect Saskatchewan plans since they follow the federal standards. The changes remove certain limits on the amount of holdings that a plan can have in real property and Canadian Resource property. The limit that prohibits pension plans to holding no more than 30% of any one investment will still apply to these two assets. In Saskatchewan, regulations have been adopted to allow plans to seek relief from making solvency deficiency payments for a three year moratorium period. This change is in response to the downturn in the markets in 2008 that had such a negative impact on the solvency of plans.

Other reforms still under consideration may involve changes to the Canada Pension Plan, either by increasing the current benefit level or adding another optional component to it. These changes are likely to be specifically targeted at those who do not have access to workplace pensions and the self employed. Other changes to the federal and provincial pension legislation may result in more flexibility in pension plan design for the future.

So, how does all of this affect you as an individual? If you are close to or at retirement age, the impact of reform will be very little. Any changes to the Canada Pension Plan must be fully funded before they can take effect so they will benefit the younger generation of workers rather than the baby boomers. Changes to workplace pension plans often take many years for full implementation and therefore will likely be geared to the wants and needs of those who will replace the baby boomers in the workforce. Closer to home Pension Administrative Boards, including the Police Pension Administrative Board are paying much greater attention to governance policies and to risk management processes. Overall the directions being taken will serve to strengthen all aspects of the pension system and ensure its continuing strength.

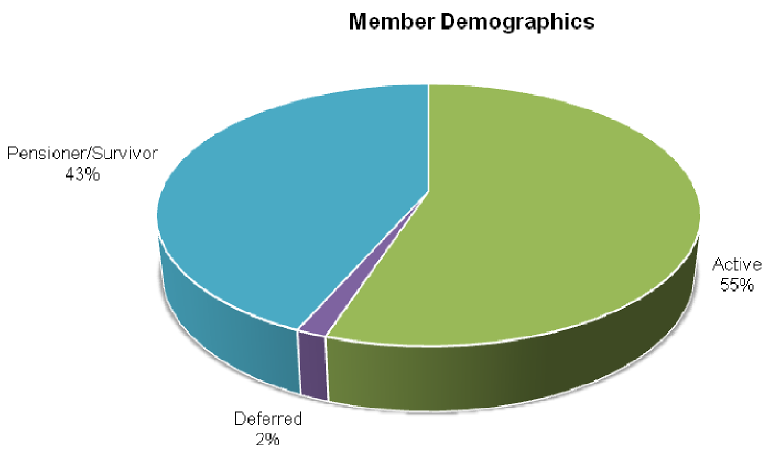
Janet Folk

Janet Folk
Director, Pensions & Disability Administration Department

Primary Purpose

The primary purpose of The Regina Police Pension Plan is to provide periodic lifetime retirement pensions to employees who fulfill the eligibility and enrollment requirements.

The Pension Plan is a defined benefit plan established effective December 2, 1957. During 2010, as a member of the Plan, employees contributed 11.33% of earnings up to the Yearly Maximum Pensionable Earnings (YMPE) and 12.83% on earnings above the YMPE. The employer contributed 11.83% on earnings up to the YMPE and 13.33% on earnings above the YMPE.



The Plan membership includes 532 active, 420 retired and 15 deferred members who were employees of the Regina Police Service. During 2010, the plan enrolled 42 new members, established 10 new retirement pensions, and 13 members terminated from the Plan.

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

Benefit Provisions

Members of the pension plan have access to a range of benefits including:

- Normal retirement at age 60 and at age 65 for Civilian members hired after December 31, 1990.
- Unreduced early retirement after 25 years of service or at age 55 regardless of service.
- A lifetime monthly pension based on the average of the highest three consecutive years' earnings multiplied by pension accrual factors of 1.26% up to the YMPE and 2.0% for earnings above the YMPE.
- A temporary benefit of 0.74% of the final average earnings up to the YMPE payable to age 65 for members who retire on an unreduced basis.
- Guaranteed annual indexation of pensions at a rate of one-half of the CPI for Canada, to a maximum of 3.0%.
- Vesting and locking-in after two years of continuous employment.
- Termination benefits and portability options.
- Pre and post retirement death benefits.
- Continued accumulation of service while on disability.

In 2010, two amendments to The Regina Police Pension Plan were approved by the Board of Police Commissioners:

1. Amendment **2010-1**: at the request of members, the Regina Board of Police Commissioners and the Regina Police Association agreed to change the mandatory retirement age from the Plan for sworn members of the Regina Police Service from age 60 to age 65. To that end, The Regina Police Pension Plan was amended to provide for the continuation of contributions and the accrual of benefits to Plan members up to age 65 for Police Employees.

2. Amendment **2010-2**: was required as a result of changes made to *The Pension Benefits Act, 1992* (Saskatchewan). The Plan was amended to allow the surviving spouse of a member or former member who passed away prior to being eligible for an unreduced pension, to receive a pension the value of which is equal to the commuted value of the pension of the deceased member or former member. Previously this benefit was only applicable to service after January 1, 1994; the amendment extends this provision to all years of service. The Plan was also amended to update the criteria for unlocking small benefits.

Both amendments must also be approved by the Superintendent of Pensions for Saskatchewan and the Canada Revenue Agency. Approval from these two regulatory bodies is expected to be received in 2011.

Plan Administration

The staff of the Pensions and Disability Administration Department is pleased to provide assistance to members regarding their individual benefit entitlements. In addition, the department produces newsletters in order to keep members informed of their benefits. In 2010 the department produced four newsletters in April, June, August, and December.

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/page882

PENSION PLAN GOVERNANCE

A Board of six members, comprised of three employee representatives and three employer representatives administers the Plan. The Regina Police Association appoints two of the three employee representatives and the Senior Officers' Association appoints the other representative. The Board of Police Commissioners appoints the employer representatives.

The Board is required to meet quarterly and an affirmative vote of at least four members is required to pass any motion relating to the administration of the Plan.

The Administrative Board members at December 31, 2010 were:

Bernie Eiswirth, Chairperson
Mr. Eiswirth was appointed to the Board in 1995 as an Employee Trustee by the Regina Police Association and has acted in the role of Chairperson or Vice-Chairperson for the past ten years. Mr. Eiswirth retired from the Regina Police Service in January of 2001 and has held the position of Executive Officer of the Saskatchewan Federation of Police Officers for the past ten years.

Councillor Wade Murray, Vice-Chairperson
Councillor Murray was appointed to the Board in 2006 as an Employer Trustee by The Board of Police Commissioners. 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 his third term on Regina City Council, representing the residents of Ward 6.

Mayor Pat Fiacco
Mayor Fiacco was appointed to the Board in 2000 as an Employer Trustee by the Board of Police Commissioners. He is Regina's 33rd Mayor and is currently sitting for his fourth term. Mayor Fiacco also currently serves as the Chairperson of The Board of Police Commissioners.

Sergeant Darrin McKechnie
Sergeant McKechnie was appointed to the Board in 2008 as an Employee Trustee and has served in both an acting and observer role throughout the years. Sergeant McKechnie is a Sergeant with the Regina Police Service and currently holds the position of Treasurer on the Regina Police Association Executive.

Inspector Marlo Pritchard
Inspector Pritchard was appointed to the Board in 2008 as an Employee Trustee by the Regina Police Senior Officers Association. He is currently an Inspector with the Regina Police Service and the Executive Officer to the Chief.

Leslie Shaw
Mr. Shaw was appointed to the Board in 1999 as an Employer Trustee by The Board of Police Commissioners following his retirement from the role of City Solicitor for the City of Regina.

Sergeant Evan Bray (Observer)
Sergeant Bray was appointed to the Board in 2010 as an Employee Trustee. He has been a member of the Regina Police Service for 16 years and is a Patrol Sergeant in Regina's North Central area. Sergeant Bray has been involved with the Regina Police Association for 14 years. He is currently the President of both the Regina Police Association and the Saskatchewan Federation of Police Officers. Sergeant Bray also sits as the Saskatchewan Director on the Canadian Police Association.

Inspector Darren Wilcox (Observer)
Inspector Wilcox was appointed to the Board in 2004 as an Employee Trustee. He currently sits as an observer on behalf of the Regina Police Senior Officers Association. Inspector Wilcox is currently an Inspector with the Regina Police Service in charge of the Central District, Community Services.

Left to Right: Sergeant Evan Bray, Bernie Eiswirth (Chairperson), Inspector Darren Wilcox, Councilor Wade Murray (Vice-Chairperson), Sergeant Darrin McKechnie, Mayor Pat Fiacco, and Leslie Shaw.

The Administrative Board is responsible for the administration of the Plan as legislated by *The Pension Benefits Act, 1992* (Saskatchewan) and in accordance with the terms of the Plan provisions. Under this legislation, 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 pension plan members and their survivors. 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 Board met 10 times during 2010. Following is the Board Meeting attendance for each Member.

TRUSTEE	MEETINGS ATTENDED	TRUSTEE	MEETINGS ATTENDED
Bernie Eiswirth	10	Inspector Marlo Pritchard	9
Councillor Wade Murray	4	Leslie Shaw	9
Mayor Pat Fiacco	2	Sergeant Evan Bray	6
Sergeant Darrin McKechnie	7	Inspector Darren Wilcox	10

ADMINISTRATIVE BOARD RESPONSIBILITIES

1. Compliance With Legislation
   The Board ensures that the Plan is administered in compliance with all appropriate legislation and that 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), the *Income Tax Act* & the *Excise Tax Act*.

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 the annual financial statements of the Plan. The Board ensures that an annual audit is conducted and the results filed with the regulatory authorities. The current auditors for the Plan are Deloitte & Touche LLP and the statements audited by them are included in this report. In addition, Annual Returns must be filed with the Superintendent of Pensions and Canada Revenue Agency.

4. Pension Plan Funding and Valuations
   The Board must ensure the Plan is able to meet the pension obligations as they occur and ensure the long-term solvency of the plan. A valuation of the Plan is required at least every three years and must be filed with Canada Revenue Agency and the Superintendent of Pensions. 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 is considered solvent when the present value of the assets exceeds the actuarial estimate of the Plan liabilities. The Plan's current actuary is Aon Consulting Inc.

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 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 Northern Trust, Institutional and Investor Services.

6. Fund Management
   The Administrative Board is responsible for making investments in accordance with the investment requirements contained in *The Pension Benefits Act, 1992* (Saskatchewan) and other relevant legislation. 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. Risk Management
   The Board defines risk and outlines appropriate risk management practices. The Board must work with the Administration to identify the principal risks to the Plan and set an overall risk budget. The Board provides direction with regards to risk objectives and approach to risk management through its policies, and provides guiding principles for risk tolerance.

8. Performance Measurement
   The Board ensures the various investment managers are managing the fund 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 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 & Procedures. Northern Trust provides performance management services.

9. 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
   - Risk Management Framework
   - Trustee Education Policy

ADMINISTRATIVE BOARD ACTIVITIES

2010 ACCOMPLISHMENTS

The Police Pension 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 Pension Accountant for the Pension and Disability Administration Department.

   The Annual Report for the Plan was redrafted to include a section outlining the *Canadian Association of Pension Supervisory Authorities (CAPSA) Pension Plan Governance Guidelines* and the activities of the Board related to fulfilling its governing responsibilities.

2. Actuarial Valuation as at December 31, 2009
   The Board conducted an interim valuation as at December 31, 2009 and filed it with the regulatory authorities. The valuation revealed a going concern deficiency but no increase in contribution rates was recommended at this time. The Board elected to apply for a three-year moratorium on solvency deficiency payments under *The Pension Benefits Regulations, 1993* (Saskatchewan). The moratorium is for the three year period from January 1, 2010 to December 31, 2012. A full actuarial valuation will be required as at December 31, 2012.

3. Risk Management
   The Board developed and adopted a Risk Management Framework which outlines:
   - the Board's Risk Philosophy;
   - significant risks to the Plan;
   - the Board's objectives and approach regarding risk;
   - a framework for categorizing and managing risk;
   - guiding principles;
   - roles & responsibilities relating to risk management;
   - guidelines for assessing risks; and
   - a model for assessing risks.

4. 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.

5. Working Committee
   In 2010 the Board Chair and the Police Administration each met separately with the Superintendent of Pensions for Saskatchewan and arranged subsequent meetings to share the information obtained and to develop a working committee to deal with the issues relating to funding requirements and the future of the Plan. A working committee was formed with the goal of arriving at a common resolution for the future of the Plan. A process for review of the Plan and its future was agreed to and will continue in 2011.The Board continues to support the Plan review process and provided advice, comments, and information from the Plan's actuary as requested throughout 2010.

   The Board continues to monitor the process and provide expert advice to support the sponsors.

6. Investment Strategy
   In 2010 the Board worked towards implementing the investment strategy approved through the Asset Liability study completed in 2009. The Board attended an education session about private equity put on by Hewitt Associates, hired NorthLeaf Capital Partners & Hamilton Lane Advisors Inc. as investment managers, and made an initial investment in private equity. Further investment in private equity, up to the amount allocated in the Statement of Investment Policies & Procedures, will continue in 2011.

2011 Plans

Plans for the Police 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 pensioner payroll services in-house.

   The Administration is working diligently to enhance compliance reporting and governance documentation to supplement current regulatory and governance documentation. Work on a comprehensive governance manual was started in 2010 and will continue in 2011.

   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 Police Pension Administrative Board;
   - Management & Staff of the Pensions & Disability Administration Department; and
   - Service Providers engaged by the Police Pension Administrative Board.

2. Pension Plan Review
   The Board continues to support the working committee Plan review and will facilitate the monitoring and review of the Plan as it relates to options for a sustainable pension plan and Plan Governance. The Board will focus on communications with Plan members regarding the status of the Plan and any Plan changes.

3. Risk Management
   In 2010 the Board developed and adopted a Risk Management Framework which defines risk and outlines appropriate risk management practices. In 2011 the Administration will work to develop and implement operational procedures for Risk Management.

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.

GOVERNANCE REVIEW

The Police Pension Administrative Board follows the *Canadian Association of Pension Supervisory Authorities (CAPSA) Pension Plan Governance Guidelines* which were developed to assist pension plan administrators in fulfilling their governance responsibilities by achieving and maintaining good governance practices.

PRINCIPLE	BOARD ACTION
#1: Fiduciary responsibility The plan administrator has fiduciary and other responsibilities to plan members and beneficiaries. The plan administrator may also have fiduciary and other responsibilities to other stakeholders.	• The Board continues to monitor and provide expert advice to support the working committee which has been reviewing the design of the Plan in order to ensure its continued sustainability. • In 2010 the Police Board members attended an education session focused on the role of the trustee and the fiduciary duty of a pension trustee. The session featured Mr. Dave Wild, Superintendent of Pensions and Chair of the Saskatchewan Financial Services Commission, who was in attendance to discuss the role of the trustee in pension governance as outlined in *The Pension Benefits Act, 1992* (Saskatchewan).
#2: Governance Objectives The plan administrator should establish governance objectives for the oversight, management, and administration of the plan.	• Work on a comprehensive governance manual was started in 2010 and will continue in 2011.
#3: Roles and Responsibilities The plan administrator should clearly describe and document the roles, responsibilities, and accountability of all participants in the pension plan governance process.	• Each policy adopted by the Board outlines the responsibilities of the Board and the items delegated to the Administration. • Section 12 of Schedule "A" of The Regina Police Pension Plan outlines the roles and responsibilities of the Board.
#4: Performance Measures The plan administrator should provide for the establishment of performance measures and for monitoring the performance of participants who have decision-making authority in the governance process.	• In 2010 the Board implemented a process to benchmark Plan expenses such as administrative costs and investment manager fees against other Canadian pension plans.

PRINCIPLE	BOARD ACTION
#5: Knowledge and Skills The plan administrator, directly or with delegates, has a duty to apply the knowledge and skills needed to meet governance responsibilities.	• The Board developed a structured education program through the adoption of a Trustee Education Policy that defines education requirements for all Trustees. • Trustees are required to submit a written report on educational opportunities attended to ensure that knowledge and information acquired is shared amongst the Board members. • The Administration maintains a record of each trustee's accomplishments which are reported to the Board on an annual basis and included in the Annual Report.
#6: Access to information The plan administrator and, as necessary, any delegates should have access to relevant, timely and accurate information.	• The Board is conducting actuarial valuations of the Plan annually in order to have the most up to date information possible and to diligently monitor the Plan's funding status. • The Board conducted an Asset/Liability Study in 2009 in order to evaluate the asset mix policies and investment objectives and provide alternatives to the asset mix taking into consideration the Plan's liabilities, obligations, inflation and risk tolerance.
#7: Risk Management The plan administrator should provide for the establishment of an internal control framework, commensurate with the plan's circumstance, which addresses the pension plan's risks.	• In 2010 the Board developed and adopted a Risk Management Framework which defines risk and outlines appropriate risk management practices. • In 2011 the Administration will work to develop and implement operational procedures for Risk Management.
#8: Oversight and compliance The plan administrator should provide for the establishment of appropriate mechanisms to oversee and ensure compliance with the legislative requirements and pension plan documents and administrative policies.	• On an annual basis the Board completes an audit of the Plan, prepares the Financial Statements and Annual Report, and files information returns with regulators. • The Board's Risk Management policy requires that service providers be reviewed annually with a complete in-depth review every fifth year. • The Board completes a performance review of the Director of the Pensions & Disability Administration Department twice a year. • The Administration performs quarterly monitoring of investment performance and compliance with the Statement of Investment Policies & Procedures.

PRINCIPLE	BOARD ACTION
#9: Transparency and accountability The plan administrator should provide for the communication of the governance processes to plan members, beneficiaries and other stakeholders to facilitate transparency and accountability.	• The Annual Report of the Plan has been reformatted to provide additional information to members including the number of Board meetings attended and the educational opportunities attended by each trustee. • The Administrative Board communicates with Plan members on a regular basis through quarterly newsletters. • In 2011 the Administration will pursue the creation of a new website independent of the City of Regina to provide more information to members on a timelier basis.
#10: Code of conduct and conflict of interest The plan administrator should provide for the establishment of a code of conduct and a policy to address conflicts of interest.	• In 2011 the Board will develop and adopt a more comprehensive Code of Conduct policy which shall apply to the Administrative Board, all staff of the Pensions & Disability Administration Department, and all Service Providers engaged by the Administrative Board.
#11: Governance review The plan administrator should conduct a regular review of its plan governance.	• The Administrative Board is currently working with the City of Regina Administration to develop a process to move the Board to a more autonomous structure.

Education & Training

The Administrative Board of The Regina Police 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.
(c) A unique body of knowledge is required to carry out the roles and responsibilities of the Board.

The Trustee Education Policy requires that <u>in addition to basic education obtained within the first three years</u> 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
Bernie Eiswirth	16th Essential Skills for Pension Committee Members	Nov 8-9	Vancouver, BC	20
	43rd Annual Canadian Employee Benefits Conference	Nov 21-24	San Diego, CA	40
	Police Pension Plan Working Committee	Dec 8	Regina, SK	2
			Total Hours	**62**
Councillor Wade Murray	Alternative Investment Seminar	Jun 16	Regina, SK	2
	Foundation for Trustees	Jul 26-27	Halifax, NS	30
			Total Hours	**32**
Mayor Pat Fiacco			**Total Hours**	**0**
Sergeant Darrin McKechnie	16th Essential Skills for Pension Committee Members	Nov 8-9	Vancouver, BC	20
			Total Hours	**20**
Inspector Marlo Pritchard	Keith Ambachtscheer Luncheon - CPBI	Sep 21	Regina, SK	2.5
	Greystone Education Session	Oct 15	Regina, SK	1.5
	Advanced Trustee Management Standards	Nov 17-20	San Diego, CA	40
	43rd Annual Canadian Employee Benefits Conference	Nov 21-25	San Diego, CA	40
			Total Hours	**84**
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 Hours	**66**
Sergeant Evan Bray			**Total Hours**	**0**
Inspector Darren Wilcox	Pension Fund Asset Management	Mar 3	Regina, SK	**2**
			Total Hours	**2**

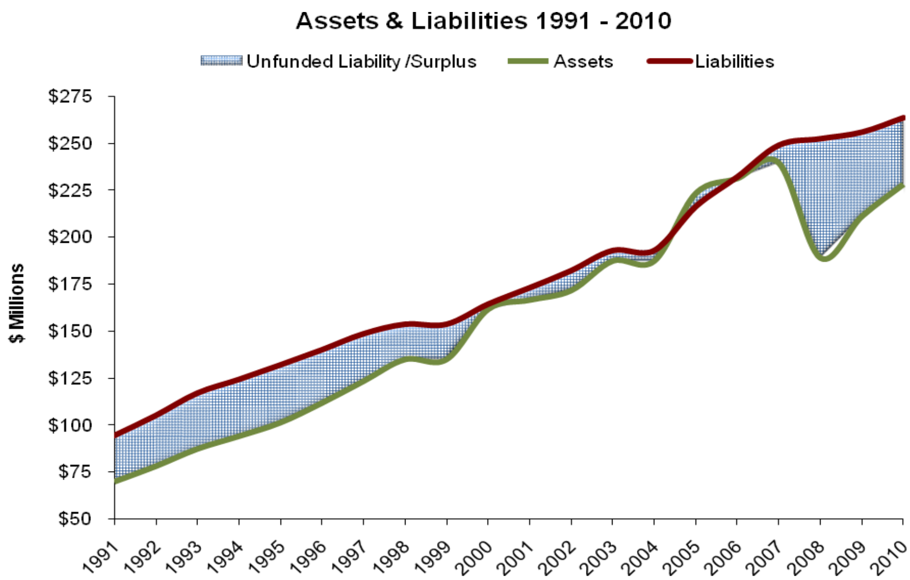
Financial Highlights

Year End Financial Position

Net assets available for benefits were $228.1 million. Net assets consist of cash in the amount of $3.2 million, investments at market value of $225.8 million and accrued income receivable of $219,000, less accounts payable of $1.1 million.

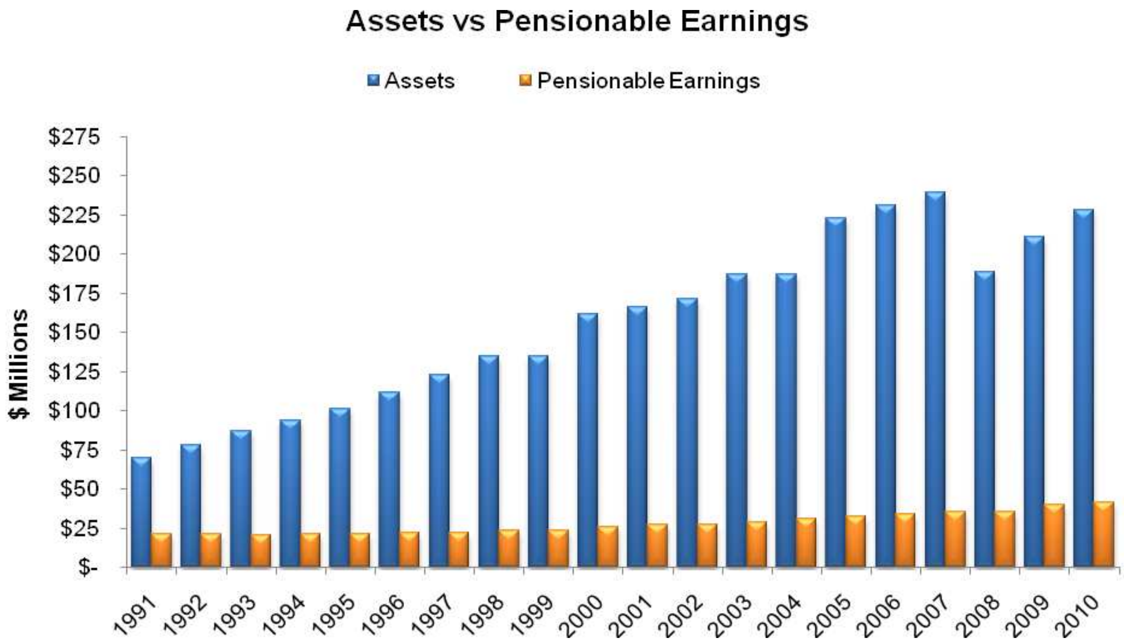
Accrued Pension Benefits were $264.9 million at December 31, 2010.

The unfunded liability of the plan, as of December 31, 2010, was $36.8 million.

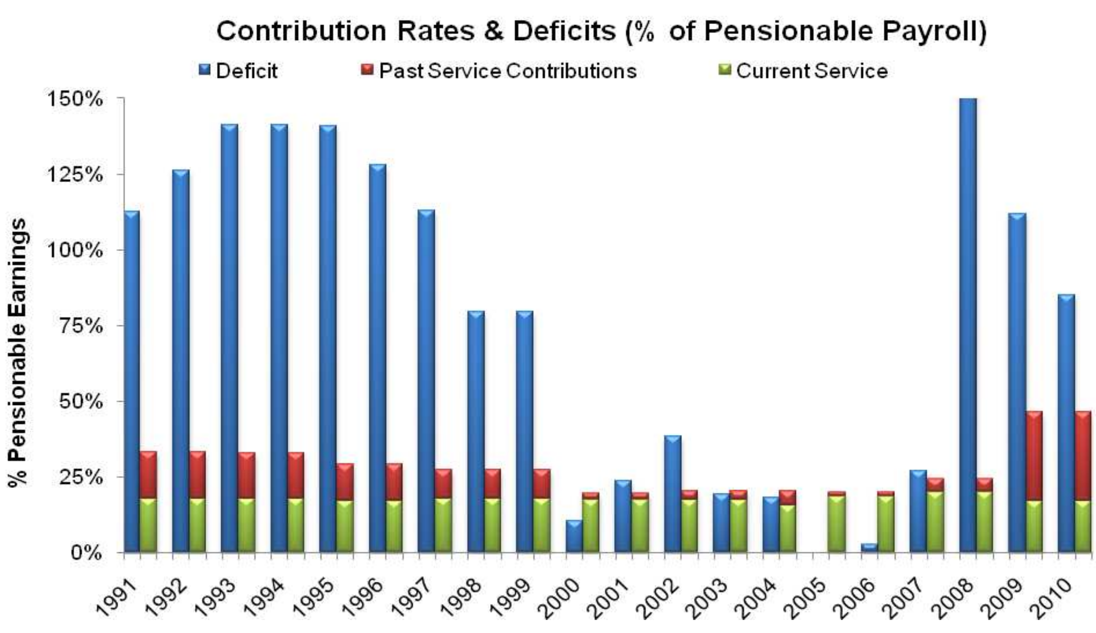


There are four main factors that contribute to the size of the asset base of the Plan. These factors are the investment income earned over the year, the contributions made to the Plan by the employer and employees, the Plan's Administration and Investment expenses, and the benefit payments made to pensioners.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

FOR THE YEAR ENDING	INVESTMENT INCOME / (LOSS) ($ MILLIONS)	REVENUE FROM CONTRIBUTIONS ($ MILLIONS)	BENEFIT PAYMENTS & EXPENSES ($ MILLIONS)
2010	23.0	10.5	(16.4)
2009	31.2	9.9	(15.6)
2008	(45.3)	9.5	(14.7)
2007	5.7	8.6	(14.0)
2006	28.0	8.4	(13.1)
2005	30.0	8.0	(12.3)
2004	21.5	7.7	(11.7)
2003	22.8	6.1	(11.0)
2002	(6.0)	5.7	(10.0)
2001	3.5	5.9	(10.8)



As a plan matures and the dollar value of the assets and liabilities increases, fluctuations in the difference between assets and liabilities become harder to recover from. Since liabilities grow at a fairly steady rate, that difference tends to result from changes in the value of the assets. The above chart shows the relationship between assets and pensionable earnings. As plan assets grow in relation to pensionable earnings, fluctuations in the value of assets also grow. In 1991 The Regina Police Pension Plan's assets were 3.2 times pensionable earnings. A 10% reduction in the value of the assets would have resulted in a new unfunded liability equal to approximately 1/3 of pensionable earnings. In 2007, the Plan's assets were 6.7 times pensionable earnings. A 10% reduction in the Plan's assets would have resulted in a new unfunded liability equal to more than 2/3 of pensionable earnings. Within 20 years the multiple would be expected to reach 10 times pensionable earnings, with the impact of a 10% market loss being greater than pensionable earnings.



The impact of a maturing plan is that deficits become a greater and greater percentage of pensionable earnings. In 1991, a 10% loss on the assets would have resulted in a contribution rate increase of 3.4%. The same change in 2007 would have resulted in a contribution rate increase of 7.2%. The chart on the previous page shows actual plan deficits versus required contribution rates for The Regina Police Pension Plan. Since contribution rates do not change until there is a valuation, new rates do not necessarily occur in the same year that a new deficit occurs. For example, the losses incurred in 2008 are not reflected in contribution rates until the 2009 valuation. Notice that the past service contributions grow in proportion to current service cost as the Plan matures.

Growth of the Plan

Over the past twenty years, the assets of The Regina Police Pension Plan have grown significantly as shown below:

Investment of the Fund

The Police Pension Administrative Board oversees the investments of The Regina Police Pension 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 pension obligations as they occur and to ensure the long-term solvency of the Plan;
- achieve a real rate of return in excess of 4.35% 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 Police Pension 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
U.S. Equities	S&P 500 Index (CAD)
Global Equities	MSCI World Index Ex Canada
Private Equities	MSCI World Index (CAD) + 3%
Canadian Long Bonds	DEX Long Bond Index
Real Return Bonds	DEX Real Return Bond Index
Real Estate	IPD Canadian Property Index

   Equity and fixed income indices are publicly-traded and readily investible. With respect to real estate, an industry-recognized benchmark is used. Private equity is measured against the MSCI World Index +3% to reflect the global nature of the private equity program and the expected long term return over public markets.

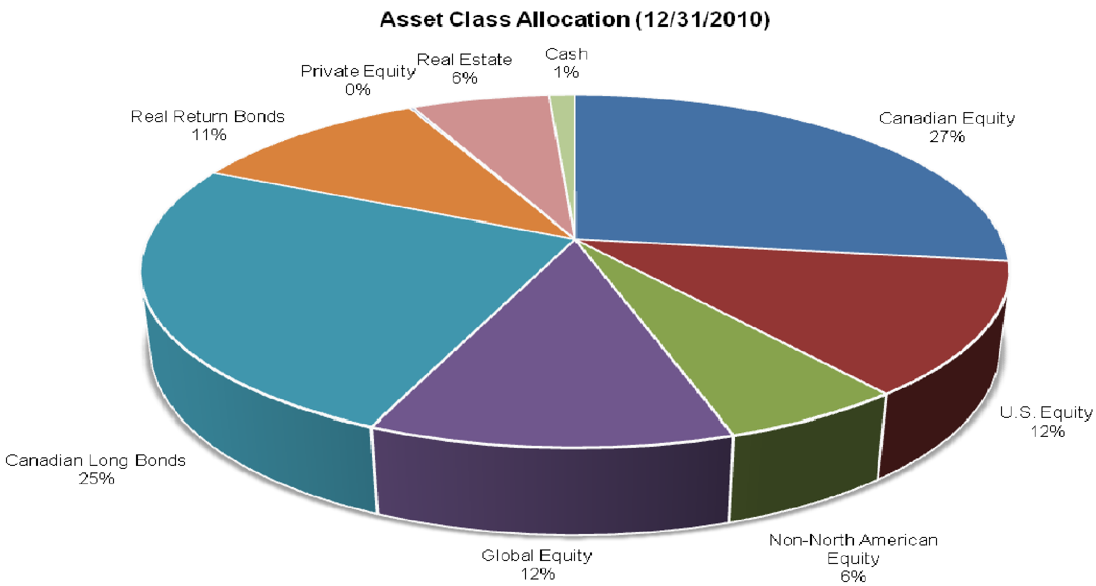
2. Inflation adjusted return of greater than 4.35% (greater than the Consumer Price Index (CPI) by 4.35%).

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 time. In 2010 this approach detracted value from the Plan as the Canadian dollar rose versus the major currencies in the portfolio. Over the three year period ending December 31, 2010, maintaining a non-hedged policy has reduced returns by 0.11% on an annualized basis.

Asset Mix

Total invested assets of The Regina Police Pension Plan at December 31, 2010 were $229 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 table below provides the current asset allocation policy of The Regina Police Pension Plan. The actual allocation at December 31, 2010 was 56.49% to the Equity Pool, 36.10% to the Fixed Income Pool, 6.11% to Real Estate, and 0.16% to Private Equity. The remaining 1.14% was held in Cash.

ASSET CLASS	TOTAL FUND	ACTUAL % ALLOCATION	MIN %	TARGET % ALLOCATION	MAX %
Equity Pool:					
Canadian Equities	S&P/TSX 300 Index	26.99	20	25	35
U.S. Equities	S&P 500 Index (CAD)	12.28	9	12	15
Non-North American Equities	MSCI EAFE (CAD)	5.78	3	6	9
Global Equities	MSCI World Ex Canada	11.44	9	12	15
	Total Equity Pool:	**56.49**		**55**	
Fixed Income Pool:					
Mortgages	DEX 5 Year Conv. Res. Mortgage Index	-	-	5	7
Canadian Long Bonds	DEX Long Bond Index	25.33	15	25	35
Real Return Bonds	DEX Real Return Bond Index	10.77	5	10	15
	Total Fixed Income Pool:	**36.10**		**40**	

ASSET CLASS	TOTAL FUND	ACTUAL % ALLOCATION	MIN %	TARGET % ALLOCATION	MAX %
Real Estate:					
Real Estate	IPD Canadian Property Index	6.11	3	5	7
	Total Real Estate:	6.11		5	
Private Equities:					
Private Equities	MSCI World Index (CAD) + 3%	0.16	0	0	5
	Total Private Equities:	0.16		0	
Cash:	n/a	1.14	n/a	n/a	n/a
Total Fund:		100		100	

**Target Allocation is based on the Interim Asset Mix effective January 1, 2010*

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 Regina Police Pension Plan as at December 31, 2010 is shown below:

ASSET CLASS	MANAGER	START DATE	AMOUNT (000's)	% OF HOLDINGS
Equity Pool:				
Canadian Equities	Greystone Managed Investments	1998	31,092	13.59
	Scheer Rowlett & Associates	2008	30,375	13.26
U.S. Equities	TD Asset Management	1998	28,142	12.28
Non-North American Equities	Pictet Asset Management	2008	12,809	5.60
Global Equities	Franklin Templeton Investments Corp.	1992	26,211	11.45
	Total Equity Pool:		**128,629**	**56.18**
Fixed Income Pool:				
Canadian Long Bonds	TD Asset Management	1998	58,061	25.36
Real Return Bonds	Internal	n/a	24,628	10.75
	Total Fixed Income Pool:		**82,689**	**36.11**
Real Estate:				
Real Estate	Greystone Managed Investments	1998	14,001	6.11
	Total Real Estate:		**14,001**	**6.11**
Private Equities:				
Private Equities	NorthLeaf Capital Partners	2010	187	0.08
	Total Private Equity:		**187**	**0.08**
Cash:	n/a	n/a	**3,486**	**1.52**
Total Fund:			**228,992**	**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.

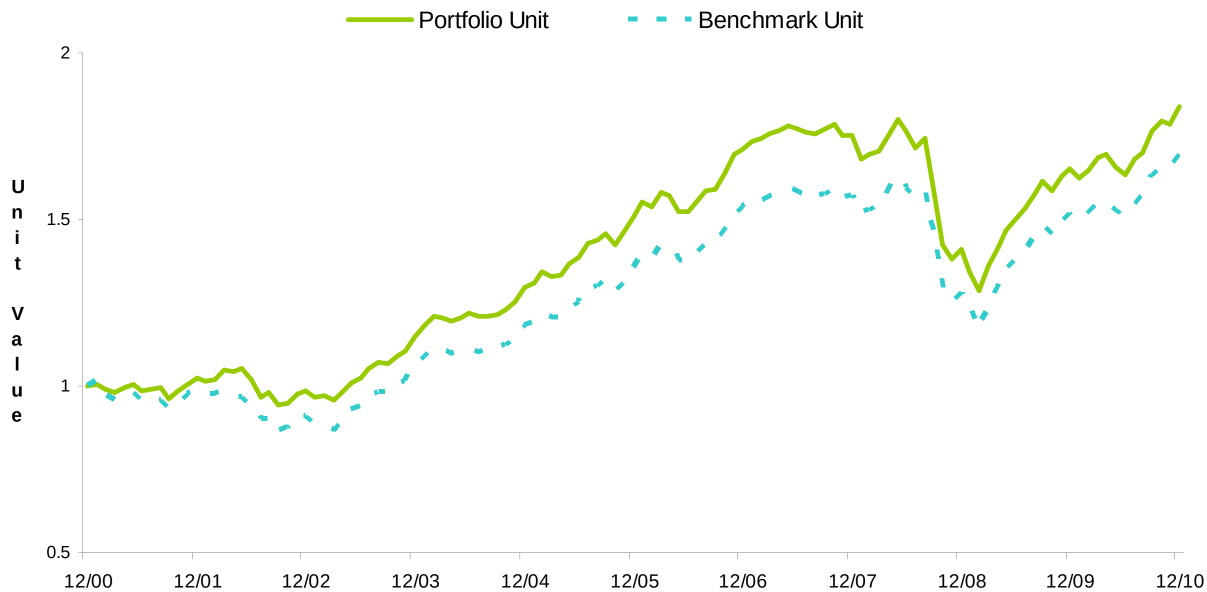
In general, global economies experienced modest growth in 2010 led by the strength of emerging economies. Continued government intervention, particularly from the U.S., has resulted in economies across the globe picking up. As 2010 progressed, differing approaches to dealing with the accumulated deficits 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

2010 was a transitional year for the portfolios of the Plan as work to implement the recommendations from 2009's Asset/Liability study continued. Through most of 2010 the transition to holding a larger percentage of the portfolio in assets that better reflect the Plan's liabilities continued as did development of a private equity program. By year end, both were fully developed and the Plan made its first private equity investment. The benchmark used to measure investment performance is set annually therefore there will be some variance from the benchmark during the transition period. On a total fund basis the Police Pension Plan trailed the investment return of the custom benchmark by -0.63% with a return of 11.12%. Adjusted to inflation the Plan's investments exceeded the Consumer Price Index by 8.77%, beating the 4.35% adjusted return required by the Investment Policy.

The last two years have provided very good returns on an absolute basis. However, the drag of 2008 on the portfolio has not yet been overcome. The Plan's three year annualized return before expenses is 1.57% and the five year return is 3.99%. Over longer time horizons the Plan has outperformed both its benchmark and the assumed rate of return. Over the last 10 years the investments have returned 6.26%, ahead of the benchmark by .80% but shy of the gross return required to maintain Plan funding levels. Over the last fifteen years the Plan has exceeded both the benchmark and the actuarial assumptions on an annualized basis.

INVESTMENT RETURNS	ANNUALIZED RATE OF RETURN (%)				
	1 YR	2 YR	3 YR	4 YR	5 YR
Total Fund	11.12	14.11	1.57	1.77	3.99
Total Fund Benchmark	11.75	14.98	2.58	2.46	4.57
Excess Return (%)	-0.63	-0.87	-1.01	-0.69	-0.58
Average CPI	2.35	1.84	1.61	1.80	1.78
Inflation Adjusted Return	8.77	12.27	-0.04	-0.03	2.21
Excess Return (> CPI+ 4.35%)	4.42	7.92	-4.39	-4.38	-2.14

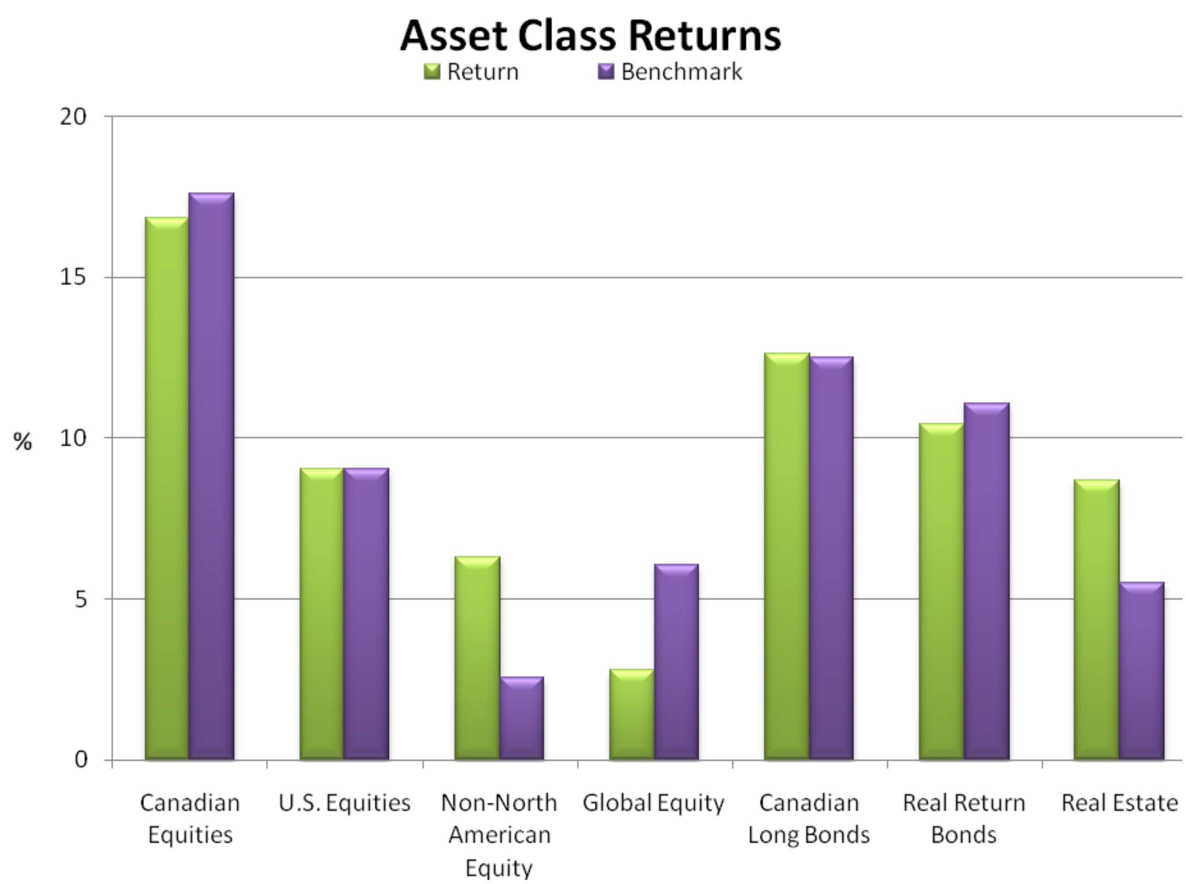


The following table shows the gross rate of return achieved by the various asset classes over the one through five year periods ended December 31, 2010. The applicable benchmark performance for each asset class is also noted.

ASSET CLASS	ANNUALIZED RATE OF RETURN (%)				
	1 YR	2 YR	3 YR	4 YR	5 YR
Equity Pool:					
Canadian Equities	16.86	24.67	0.34	2.24	5.16
Benchmark: S&P/TSX 300 Index	17.61	26.03	2.09	3.98	6.51
U.S. Equities	9.04	8.84	-2.13	-5.37	-2.34
Benchmark: S&P 500 Index	9.06	9.60	-1.73	-4.38	-0.69
Non-North American Equities	6.28	13.47	n/a	n/a	n/a
Benchmark: MSCI EAFE (CAD)	2.56	7.41	n/a	n/a	n/a
Global Equities	2.80	9.67	-6.03	-4.81	1.20
Benchmark: MSCI World Ex Canada	6.04	9.22	-5.29	-5.30	0.33
Total Equity Pool:	**11.27**	**17.51**	**-1.75**	**-1.15**	**2.37**

ASSET CLASS	ANNUALIZED RATE OF RETURN (%)				
	1 YR	2 YR	3 YR	4 YR	5 YR
Fixed Income Pool:					
Canadian Long Bonds	12.61	8.74	6.39	5.64	5.32
Benchmark: DEX Long Bond Index	12.52	8.95	6.81	5.96	5.58
Real Return Bonds	10.43	11.71	7.81	6.25	4.37
Benchmark: DEX Real Return Bond Index	11.09	12.78	8.50	6.73	4.73
Total Fixed Income Pool:	**11.65**	**9.84**	**7.41**	**6.35**	**5.44**
Real Estate:					
Real Estate	8.69	2.48	5.98	9.75	13.41
Benchmark: IPD Canadian Property Index	5.49	1.16	3.54	6.56	7.57
Total Real Estate:	**8.69**	**2.48**	**5.98**	**9.75**	**13.41**
Cash:					
Cash	0.54	0.34	0.85	1.57	1.78
Benchmark: 91 Day Canadian T-Bill (CAD)	0.54	0.58	1.49	2.21	2.56
Total Cash:	**0.54**	**0.34**	**0.85**	**1.57**	**1.78**
Total Fund:	**11.12**	**14.11**	**1.57**	**1.77**	**3.99**

** Plan only began investing in Private Equity late in 2010; insufficient data is available to provide return for this year.*

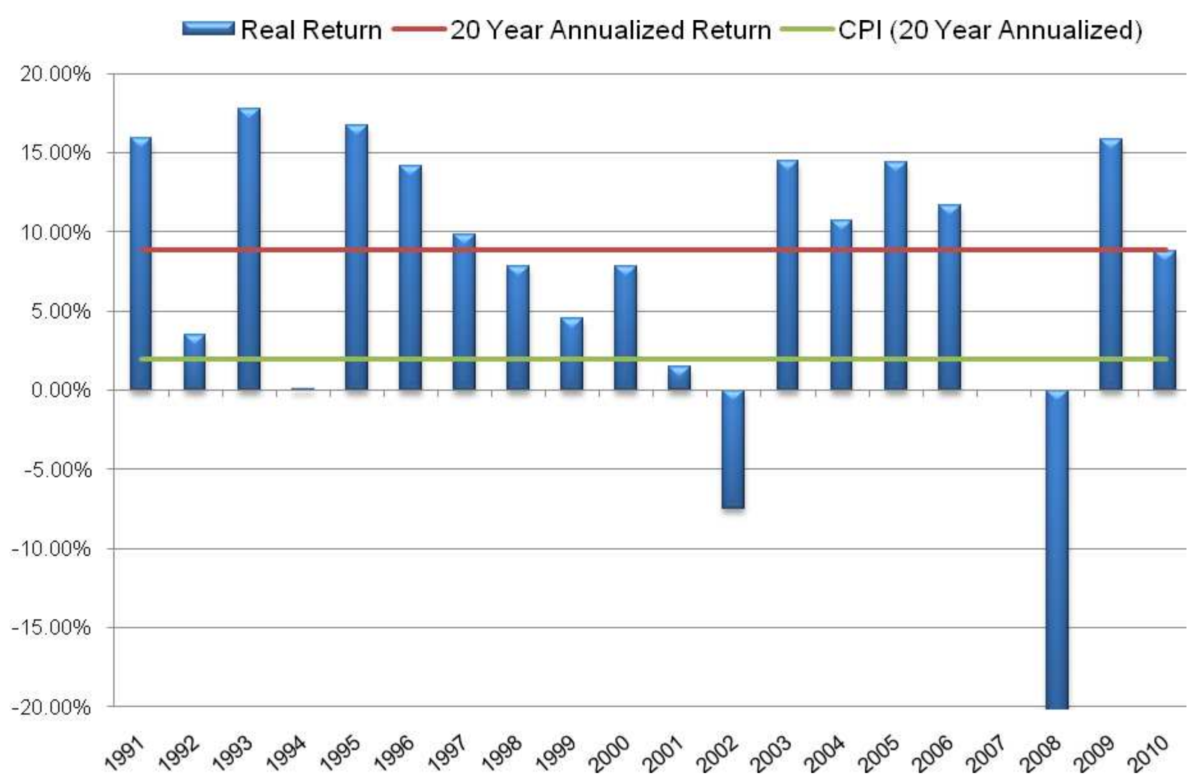


Historical Total Returns

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 returns of The Regina Police Pension Plan for the last twenty years are as follows:

ANNUAL RATE OF RETURN							
YEAR	NOMINAL RETURN	CPI	REAL RETURN	YEAR	NOMINAL RETURN	CPI	REAL RETURN
2010	11.12%	2.35%	8.77%	2000	11.00%	3.20%	7.80%
2009	17.17%	1.30%	15.87%	1999	7.10%	2.60%	4.50%
2008	-19.50%	1.20%	-20.70%	1998	8.80%	1.00%	7.80%
2007	2.40%	2.40%	0.00%	1997	10.50%	0.70%	9.80%
2006	13.40%	1.70%	11.70%	1996	16.40%	2.20%	14.20%
2005	16.50%	2.10%	14.40%	1995	18.40%	1.70%	16.70%
2004	12.80%	2.10%	10.70%	1994	0.30%	0.20%	0.10%
2003	16.60%	2.10%	14.50%	1993	19.50%	1.70%	17.80%
2002	-3.70%	3.80%	-7.50%	1992	5.60%	2.10%	3.50%
2001	2.20%	0.70%	1.50%	1991	19.70%	3.80%	15.90%

(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

	2010 ($ thousands)
Actuarial Services	
Aon Consulting	**89**
Audit Services	
Deloitte & Touche LLP	**10**
Custodial and Performance Management Fees	
Northern Trust Corporation	**114**
Investment Manager Fees	
Addenda Capital Inc.	20
Greystone Managed Investments	203
TD Asset Management	19
Franklin Templeton Investments Corp.	208
Pictet Asset Management	81
Sheer Rowlett and Associates	87
	618
Legal Services	
McDougall Gauley	2
Davies Ward	23
	25
Other Administrative Expenses	
Pensions & Disability - Salaries & Benefits	162
Hewitt Associates	46
Government of Saskatchewan	3
Other Administrative Expenses	93
	304
Total	**1,160**

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Regina SK S4P 3Z8
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Independent Auditor's Report

To the Administrative Board of the Regina Police Pension Plan:

We have audited the accompanying financial statements of the Regina Police Pension Plan, which comprise the statement of net assets available for benefits and accrued pension benefits and deficit as at December 31, 2010, and the statements of changes in net assets available for benefits and changes in accrued pension 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 net assets available for benefits and accrued pension benefits and deficit of the Regina Police Pension Plan as at December 31, 2010, and the changes in net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants

April 28, 2011
Regina, Saskatchewan

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND ACCRUED PENSION BENEFITS AND DEFICIT

(dollars in thousands)

As at December 31, 2010

	2010	2009
ASSETS		
Investments – Note 4	**228,992**	211,438
Accrued Income Receivable	**219**	264
	229,211	211,702
LIABILITIES		
Accounts Payable	**1,070**	602
Net Assets Available for Benefits	228,141	211,100
ACCRUED PENSION BENEFITS AND DEFICIT		
Accrued Pension Benefits – Note 6	**264,936**	268,646
Deficit	**(36,795)**	(57,546)
Accrued Pension Benefits and Deficit	228,141	211,100

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	**23,026**	31,230
Contributions		
Employee Contributions	**5,149**	4,861
Employer Contributions	**5,312**	5,022
	33,487	41,113
DECREASE IN NET ASSETS		
Benefit Payments	**14,733**	14,023
Pension Refunds	**553**	350
Administration Expenses – Note 10	**1,160**	1,190
	16,446	15,563
Net Increase for the Year	**17,041**	25,550
Net Assets Available for Benefits, Beginning of Year	**211,100**	185,550
Net Assets Available for Benefits, End of Year	**228,141**	211,100

See accompanying notes

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

For the Year Ended December 31, 2010

	2010	2009
INCREASE IN ACCRUED PENSION BENEFITS		
Interest Accrued on Benefits	**17,231**	16,599
Accrual of Pension Benefits	**8,178**	7,720
Experience Losses	**2,968**	-
	28,377	24,319
DECREASE IN ACCRUED PENSION BENEFITS		
Change in Actuarial Assumptions	**16,801**	-
Benefit Payments	**14,733**	14,023
Pension Refunds	**553**	350
	32,087	14,373
Net (Decrease) Increase for the Year	**(3,710)**	9,946
Accrued Pension Benefits, Beginning of Year	**268,646**	258,700
Accrued Pension Benefits, End of Year	**264,936**	268,646

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

1. Description of Plan

The Regina Police Pension Plan (the "Plan") is a contributory defined benefit pension plan covering all eligible employees of the Regina Board of Police Commissioners (the "Commission"). The following description is a summary only. For more complete information, reference should be made to the Plan text.

(a) Funding Policy

Members contributions are 11.33% on earnings up to the year's maximum pensionable earnings ("YMPE") and 12.83% on earnings over the YMPE. Employer contributions are 11.83% on a member's earnings up to the YMPE and 13.33% on earnings over the YMPE.

A portion of the members' and employer's regular contributions, estimated at $1,894 in 2010 ($1,824 in 2009) is being applied to meet the Plan's obligation under *The Pension Benefits Act, 1992* (Saskatchewan) to liquidate the unfunded liability on a solvency basis as disclosed in the 2007 actuarial valuation of the Plan.

(b) Benefits

Retirement pensions are based on the number of years of service multiplied by 1.26% to 2% of the best three years average salary.

Termination and survivor benefits are also available under the Plan.

The Plan also provides for payment of lump sum benefits when a member dies or ceases to be employed by the Commission, subject to lock-in provisions.

(c) Income Taxes

The Plan is a registered pension plan as defined in the *Income Tax Act* and is not subject to income taxes. Retirement allowances paid from the Plan are subject to deductions that are withheld by the City of Regina 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.

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 from recognized security dealers. Investments in private equity are recorded at fair value based on the values supplied by the investment manager. 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. Real estate is recorded at fair value as estimated by independent real estate appraisers.

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.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

2. Summary of Significant Accounting Policies (continued)

(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 such estimates and assumptions include the valuation of investments and the determination of the accrued pension benefits.

(g) Future Accounting Policy Changes

In April 2010, the Canadian Accounting Standards Board (AcSB) released Part IV of the Canadian Institute of Chartered Accountants (CICA) Handbook, which consists of Pension Plans, Section 4600. First time adoption of this standard is mandatory for fiscal years beginning on or after January 1, 2011. The Plan is currently assessing the impact of these changes on the financial statements and related notes.

3. Fair Values of Financial Instruments

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

	2010			
Asset Class	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Equities	74,015	54,614	187	**128,816**
Fixed Income	-	82,689	-	**82,689**
Real Estate	-	-	14,001	**14,001**
Cash & Short-Term	3,486	-	-	**3,486**
Total Investments	**77,501**	**137,303**	**14,188**	**228,992**
		2009		
Equities	77,814	51,806	-	**129,620**
Fixed Income	-	54,677	12,394	**67,071**
Real Estate	-	-	13,266	**13,266**
Cash & Short-Term	1,074	369	38	**1,481**
Total Investments	**78,888**	**106,852**	**25,698**	**211,438**

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

3. Fair Value of Financial Instruments (continued)

(a) Short-term investments are recorded at cost, which together with accrued interest income, approximates fair value.

(b) Bonds and debentures, real return bonds and public equities are valued at year-end quoted market prices, where available.

(c) 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 such as brokers and trade reporting services.

(d) For private equity investments where quoted market prices are not available, various methods are used by the external managers to determine fair value including the use of: discounted cash flows, earnings multiples, prevailing market rates for instruments with similar characteristics, or other pricing models as appropriate.

(e) Real estate is valued based on appraisals completed semi-annually by independent qualified real estate appraisers.

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.

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. Level 3 primarily includes real estate valued based on independent appraisals.

During the year ended December 31, 2010, the reconciliation of investments measured at fair value using unobservable inputs (level 3) is presented as follows:

Reconciliation	**2010**	**2009**
Beginning Balance, January 1	25,698	27,543
Purchases	2,925	22,177
Return of Capital	(14,425)	(24,018)
Change in unrealized gains/(losses)	(10)	(4)
Ending Balance, December 31	**14,188**	**25,698**

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

3. Fair Value of Financial Instruments (continued)

For the Plan's financial assets and liabilities other than its investments and accrued pension benefits liability, consisting of accrued income receivable and accounts payable, the carrying value approximates fair value given the short-term nature of these items. The accrued pension benefits is long term in nature and there is no market for settling these pension benefit 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 pension benefits payments. Due to the long-term horizon of the Plan's benefits, the Plan takes a long-term investment perspective.

	2010		2009	
Asset Class	**Fair Value**	**Cost**	**Fair Value**	**Cost**
Short Term Investments	295	295	300	300
Fixed Income	82,689	69,175	67,071	57,647
Canadian Equities	61,223	47,415	65,820	56,134
U.S. Equities	28,403	27,741	26,173	27,334
Non-North American Equities	12,792	12,469	n/a	n/a
Global Equities	26,211	26,821	37,627	38,092
Private Equities	187	192	-	-
Real Estate	14,001	12,971	13,266	12,232
Cash	3,191	3,191	1,181	1,181
Total Investments	**228,992**	**200,270**	**211,438**	**192,920**

The investments held by the Plan are subject to *The Pension Benefits Act, 1992* (Saskatchewan) and its regulations. 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. Prior to the beginning of the year, an expected return is established based on an average of industry forecasts for return and volatility; however, during the year, investment management performance is evaluated based on established benchmarks described in Note 5.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

4. Investments (continued)

		2010		
Asset Class		**Weight (%)**	**Expected Return (%)**	**Standard Deviation**
Equities	Canadian Equities	15.0	7.9	15.5
	U.S. Equities	6.0	7.9	13.5
	Global Equities	24.0	8.0	13.2
	Private Equities	10.0	11.0	20.0
Fixed Income	Long Bonds	30.0	4.5	6.5
	Real Return Bonds	10.0	3.6	7.8
Alternatives	Real Estate	5.0	6.4	5.8
Cash		0.0	2.0	0.5
Total Portfolio		**100.0**	**6.7**	**8.2**

**Weight is based on the Long Term Asset Mix for the Plan*

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 as described in the regulations of the *Pension Benefits Standards Act, 1993*.

Cash and Short Term Investments

The Plan may invest in cash and short term investments which consist of cash on hand, Canadian and U.S. 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.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

4. Investments (continued)

Equities

	2010				
Asset Class	**Target (%)**	**Actual (%)**	**Actual ($)**	**Segregated (%)**	**Pooled (%)**
Canadian Equities	45.5	47.5	61,223	47.5	-
U.S. Equities	21.8	22.2	28,403	-	22.2
Non-North American Equities	10.9	9.9	12,792	9.9	-
Global Equities	21.8	20.3	26,211	-	20.3
Private Equities	0	0.1	187	-	0.1
Total	**100.0**	**100.0**	**128,816**	**57.4**	**42.6**
			2009		
Canadian Equities	27.3	50.8	65,820	50.8	-
U.S. Equities	21.8	20.2	26,173	-	20.2
Non-North American Equities	10.9	9.4	12,230	9.4	-
Global Equities	21.8	19.6	25,397	-	19.6
Private Equities	18.2	-	-	-	
Total	**100.0**	**100.0**	**129,620**	**60.2**	**39.8**

Equities consist of both publicly traded shares and private equity investments. Privately held equity investments are made through limited partnership vehicles. Global equities refer to investments outside of Canada. 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 separately managed accounts and pooled funds. The dividend yield on those accounts was 1.169% at the end of 2010 (2009 – 1.91%). The Plan reinvests those earnings and does not rely upon them to fund benefit payments.

During 2010, the Plan developed a strategy to move into private equity investments through limited partnership arrangements, and entered into agreements with Northleaf Capital Partners and Hamilton Lane for allocations of between $5 million and $10 million to each firm as private equity investments. At December 31, 2010, the fair value of private equities placed with Northleaf was $187, with no funds invested by Hamilton Lane. The Plan's investment strategy limits private equity investments to a maximum of 10% of the Plan's assets.

Private equity managers use various methods to determine market value including the use of: discounted cash flows, earnings multiples, prevailing market rates for instruments with similar characteristics, or other pricing models as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

4. Investments (continued)

Fixed Income

	2010			2009		
Bond Type	**Fair Value ($)**	**Portfolio Weight (%)**	**Weighted Average Term to Maturity**	**Fair Value ($)**	**Portfolio Weight (%)**	**Weighted Average Term to Maturity**
Federal	41,918	50.7	18.1	32,556	48.5	16.8
Federal Agency	1,179	1.4	14.1	1,770	2.6	10.8
Provincial	26,389	31.9	22.7	13,058	19.5	21.3
Municipal	714	0.9	23.9	307	0.5	18.5
Corporate	12,489	15.1	21.8	19,380	28.8	18.6
Portfolio	**82,689**	**100.0**	**20.0**	**67,071**	**100.0**	**19.2**

The Plan invests in Canadian bonds via a pooled fund and a portfolio of Real Return Bonds managed in-house. 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 $81 (2009 – $51) excluded from the above chart.

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; and
- a portfolio of Government of Canada Real Return Bonds.

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

Real Estate

In prior years, the Plan invested directly in Canadian commercial property. During 2010, these real estate investments were transferred into the Greystone Real Estate pooled fund. At December 31, 2010 the Plan's real estate investment was valued at $14,001 (2009 - $13,266), based on the net asset value of the pooled fund units as determined by the investment manager.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

4. Investments (continued)

Real estate is valued based on an appraisal performed semi-annually by independent real estate appraisers.

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. Investments held by the Plan are subject to *The Pension Benefits Act,* 1992 (Saskatchewan) and *The Pension Benefits Standards Regulations, 1993.* As required under that legislation, 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.

			2010
Asset Class		**Index**	**Weight (%)**
Equities	Canadian Equities	S&P/TSX 300 Index	15.0
	U.S. Equities	S&P 500 Index (CAD)	6.0
	Global Equities	MSCI World Index Ex Canada	24.0
	Private Equities	MSCI World Index (CAD) + 3%	10.0
Fixed Income	Long Bonds	DEX Long Bond Index	30.0
	Real Return Bonds	DEX Real Return Bond Index	10.0
Alternatives	Real Estate	IPD Canadian Property 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 8.3% in the value of the portfolio.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

5. Investment Risk (continued)

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 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.

Asset Class	2010 Fair Value	2009 Fair Value
Bonds	82,689	67,071
Short Term Investments	295	300
Cash	3,191	1,181
Total Portfolio	**86,175**	**68,552**

	2010		2009	
Bond Rating	Fair Value ($)	Portion of Bonds (%)	Fair Value ($)	Portion of Bonds (%)
AAA	45,901	53.3	31,006	45.3
AA	15,439	17.9	6,093	8.9
A	21,349	24.8	6,747	9.8
BBB	-	-	542	0.8
Not Rated	3,486	4.0	24,164	35.2
Total Portfolio	**86,175**	**100.0**	**68,552**	**100.0**

The Plan participates in a securities lending program which lends certain plan securities to third parties for a fee. For securities loaned, the Plan receives a fee and the borrower provides readily marketable securities of higher value as collateral. The securities held as collateral mitigate the credit risk associated with the program. At December 31, 2010 the Plan had securities with a fair value of $39,397 (2009 – $31,400) loaned out with collateral of $41,434 (2009 – $32,500).

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.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

5. Investment Risk (continued)

	2010		2009	
Duration	Total Exposure ($)	Portion of Fixed Income (%)	Total Exposure ($)	Portion of Fixed Income (%)
< 1 year	3,486	4.1	2,627	3.8
1 – 5 years	-	-	14,093	20.6
5 – 10 years	412	0.5	1,290	1.9
10 – 20 years	36,224	42.0	22,225	32.4
> 20 years	46,053	53.4	28,317	41.3
Total Portfolio	**86,175**	**100.0**	**68,552**	**100.0**

At December 31, 2010 a 1% increase/decrease in interest rates would result in a 12% change in the value of the Plan's fixed income portfolio or $10,298 (2009 - $6,100).

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.

		2010	2009
Asset Class		Fair Value (CAD)	Fair Value (CAD)
Equities	Canadian	61,223	65,820
	Foreign	67,593	63,800
Fixed Income	Canadian	82,689	67,071
Alternatives	Real Estate	14,001	13,266
Cash and Short Term	Canadian	1,176	300
	Foreign	2,310	1,181
Total Portfolio		**228,992**	211,438

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

5. Investment Risk (continued)

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:

	2010			
	Portfolio		Effect	
Currency	Total Exposure ($)	Portion of Assets (%)	(%)	($)
CAD	161,667	70.6	n/a	n/a
USD	37,620	16.4	(1.5)	(3,445)
EUR	11,733	5.1	0.2	436
GBP	4,925	2.2	(0.6)	(1,427)
YEN	4,762	2.1	(0.6)	(1,420)
CHF	2,690	1.2	-	(19)
OTHER	5,595	2.4	n/a	n/a
Total Portfolio	**228,992**	**100.0**	**n/a**	**n/a**
		2009		
CAD	146,556	69.7	n/a	n/a
USD	33,190	15.8	13.3	28,130
EUR	14,954	7.1	8.5	18,030
GBP	5,071	2.4	13.7	28,820
YEN	3,518	1.7	20.0	42,130
CHF	-	-	-	-
OTHER	6,968	3.3	n/a	n/a
Total Portfolio	**210,257**	**100.0**	**n/a**	**n/a**

As 16.4% 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 1.5% 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 $3,445 loss in the value of the Plan's investments (2009 - $28,130 gain).

<u>Liquidity Risk</u>

Liquidity risk arises from the difficulty of selling an asset when needed. The Plan is exposed to liquidity risk primarily through investment in illiquid assets such as a real estate and private equities that can not be sold readily. Liquidity risk is managed by limiting the Plan's exposure to illiquid assets through positive net cash inflows from member contributions in most months.

<u>Real Estate Risk</u>

Risk in the real estate portfolio is mitigated through diversification across geography and property type. Risk is further minimized by regularly scheduled appraisals of all properties and by limited use of leverage both at the individual property and portfolio level.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

6. Accrued Pension Benefits

The present value of accrued pension benefits is determined using the projected accrued benefit actuarial cost method prorated on service and reflects management's best estimates of future investment performance, salary escalation, age at retirement and future pension indexing up to the rate of inflation. Aon Consulting Inc. is the appointed actuary for the Plan. The actuarial value of accrued pension benefits has been determined as of December 31, 2010 by extrapolating the figures from December 31, 2009, the date of the last actuarial valuation.

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

Assumption	2010 Rate (%)	2009 Rate (%)
Inflation Rate	2.5	2.5
Discount Rate	6.9	6.5
Rate of Salary Increase	3.8 - 4.4	3.5

Effective August 29, 2006, the termination clause of the Plan was amended. It now states that in the event of termination of the Plan, the Administrative Board shall use the assets to provide benefits to those entitled in an equitable manner that will be determined by the Administrative Board on the advice from the Plan actuary and consistent with applicable legislation.

7. Investment Income

Investment Income	2010 Total	2009 Total
Miscellaneous	1	4
Cash and Short Term Investments	31	38
Bond Interest	3,775	2,841
Real Estate Income	1,174	4,787
Dividend Income	2,975	3,567
Foreign Exchange	4	(16)
Realized Gains on Sale of Investments	4,863	(5,661)
Change in Unrealized Fair Value of Investments	10,203	25,670
Total	**23,026**	**31,230**

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2010

8. Related Party Transactions

Related Party Transactions	2010 Total	2009 Total
Accounts Payable include the following amounts due to:		
Regina Civic Employees' Superannuation and Benefit Plan	6	44
City of Regina	878	337
	884	**381**
Expenditures include the following amounts paid to:		
City of Regina	**21**	**34**

9. Statutory Actuarial Valuations

Statutory actuarial valuations are prepared periodically to determine the funding requirements of the Plan. The valuations are performed on both a going-concern basis and on a solvency (plan termination) basis. The actuarial methods and assumptions used to determine the Plan's obligations and the amounts disclosed in the Plan's financial statements are the same as disclosed in the statutory going concern actuarial valuation. However, the statutory solvency basis is not the same and the amounts disclosed are different.

The most recent statutory actuarial valuation that has been filed with regulatory authorities was prepared as at December 31, 2009 by Aon Consulting Inc. and disclosed a going-concern unfunded liability of $23,828. On a solvency basis, the actuarial valuation as at December 31, 2009 disclosed that the Plan had a deficiency of $40,441.

Since the plan has a going-concern unfunded liability and a solvency deficiency, contributions are required in addition to the current service costs to fund these deficiencies. Based on the December 31, 2009 actuarial valuation, going concern unfunded liability special payments required to fund the going concern unfunded liabilities in accordance with the actuaries' recommendations are:

Monthly payments of $242 to December 31, 2017;
Monthly payments of $205 to April 30, 2020; and
Monthly payments of $113 to December 31, 2024.

Solvency deficiency special payments required to fund the solvency deficiency in accordance with the actuaries' recommendations are monthly payments of $742 to December 31, 2014. Effective September 11, 2009, an amendment was made to *The Pension Benefits Regulations, 1993* permitting a three year moratorium on solvency deficiency payments arising from valuations performed for 2008, 2009 and 2010. The Administrative Board of the Regina Police Pension Plan filed an election for relief from solvency deficiency payments with the Saskatchewan Superintendent of Pensions, consequently, no solvency deficiency payments will be made relating to the 2009 valuation for the period 2010 through 2012.

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	89	45
Audit Services	10	11
Custodial and Portfolio Measurement Fees	114	154
Investment Manager Fees	618	649
Legal Services	25	1
Other Administrative Expenses	304	330
Total	**1,160**	**1,190**

11. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.