



July 26, 2024

S. Brown
Chair, Board of Governors
University of Saskatchewan
E240 Administration Building
105 Administration Place
Saskatoon, SK S7N 5A2

(via Email)

Dear S. Brown:

**Re: University of Saskatchewan and Federated Colleges Non-Academic Pension Plan
Financial Statements**

We enclose the financial statements of the University of Saskatchewan and Federated Colleges Non-Academic Pension Plan for the year ended December 31, 2023 and our report on these financial statements.

We issue audited financial statements and other final documents electronically using the Office's secure file-share program. Please whitelist the email account saskauditor@auditor.sk.ca to ensure it is not blocked or sent to junk.

Yours truly,

Tara Clemett, CPA, CA, CISA
Provincial Auditor

Enclosure

cc: (via Email)

P. Stoicheff, President and Vice-Chancellor, University of Saskatchewan
The Honourable C. Young, Minister of Advanced Education
L. Michaud, Deputy Minister, Ministry of Advanced Education
K. Martell, Chair, Audit and Finance Committee, University of Saskatchewan
D. Boehm, Assistant Deputy Minister, Corporate and Student Services, Ministry of Advanced Education
G. Fowler, Vice President Administration and Chief Operating Officer, University of Saskatchewan
D. Henne, Chief Financial Officer, University of Saskatchewan
T. Batters, Controller and Director, Financial Operations, University of Saskatchewan
K. Killick, Interim Human Resources Director, University of Saskatchewan
S. Baptiste, Manager, Financial Reporting, University of Saskatchewan

**University of Saskatchewan and Federated
Colleges Non-Academic Pension Plan**

For the Year Ended December 31, 2023



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the University of Saskatchewan and Federated Colleges Non-Academic Pension Plan, which comprise the statement of financial position as at December 31, 2023, and the statement of changes in net assets available for benefits, and statement of changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University of Saskatchewan and Federated Colleges Non-Academic Pension Plan as at December 31, 2023, and the changes in net assets available for benefits and changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the University of Saskatchewan and Federated Colleges Non-Academic Pension Plan's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University of Saskatchewan and Federated Colleges Non-Academic Pension Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University of Saskatchewan and Federated Colleges Non-Academic Pension Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University of Saskatchewan and Federated Colleges Non-Academic Pension Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Regina, Saskatchewan
July 24, 2024


Tara Clemett, CPA, CA, CISA
Provincial Auditor
Office of the Provincial Auditor

**UNIVERSITY OF SASKATCHEWAN AND FEDERATED COLLEGES
NON-ACADEMIC PENSION PLAN**

**STATEMENT OF FINANCIAL POSITION
As at December 31**

	Statement 1	
	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Investments (Notes 3 & 4):		
Pooled funds		
Equities	\$ 190,152,413	\$ 191,864,858
Bonds and money market	104,936,187	94,432,218
Infrastructure	37,929,556	-
Real estate	47,431,063	49,447,222
	<u>380,449,219</u>	<u>335,744,298</u>
Receivables:		
Investment redemption receivables (Note 7)	<u>50,713</u>	<u>35,000,000</u>
	50,713	35,000,000
Cash	50,106	71,792
Total assets	<u>380,550,038</u>	<u>370,816,090</u>
<u>Liabilities</u>		
Accounts payable	947,802	935,782
Other payables	3,200	3,200
Total liabilities	<u>951,002</u>	<u>938,982</u>
Net assets available for benefits (Statement 2)	379,599,036	369,877,108
Pension obligations (Statement 3)	<u>357,926,600</u>	<u>349,358,200</u>
Surplus	<u>\$ 21,672,436</u>	<u>\$ 20,518,908</u>

(See accompanying notes)

**UNIVERSITY OF SASKATCHEWAN AND FEDERATED COLLEGES
NON-ACADEMIC PENSION PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the year ended December 31**

	Statement 2	
	<u>2023</u>	<u>2022</u>
<u>Increase in Assets</u>		
Investment income:		
Interest	\$ 738	\$ -
Dividends - equities	54,969	4,556
Distributions - pooled funds	7,129,059	5,137,931
	<u>7,184,766</u>	<u>5,142,487</u>
Current period change in fair values of investments - increase/(decrease)	30,788,268	(48,325,013)
Employer contributions	-	255,200
Total increase/(decrease) in assets	<u>37,973,034</u>	<u>(42,927,326)</u>
<u>Decrease in Assets</u>		
Plan expenses (Note 8)	2,872,301	2,717,550
Pension benefits paid	22,430,527	22,219,151
Refunds and transfers:		
Retirement benefits	88,359	94,266
Termination benefits	1,198,899	1,235,604
Death benefits	1,661,020	530,845
	<u>2,948,278</u>	<u>1,860,715</u>
Total decrease in assets	<u>28,251,106</u>	<u>26,797,416</u>
Net change in net assets available for benefits	9,721,928	(69,724,742)
Net assets available for benefits at beginning of year	<u>369,877,108</u>	<u>439,601,850</u>
Net assets available for benefits at end of year (to Statement 1)	<u>\$ 379,599,036</u>	<u>\$ 369,877,108</u>

(See accompanying notes)

**UNIVERSITY OF SASKATCHEWAN AND FEDERATED COLLEGES
NON-ACADEMIC PENSION PLAN**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the year ended December 31**

Statement 3

	<u>2023</u> (Note 9)	<u>2022</u> (Note 9)
Pension obligations, beginning of year	\$ 349,358,200	\$ 396,458,200
Increase in pension obligations:		
Interest on pension obligations	23,057,600	22,003,400
Change in assumptions	<u>14,266,900</u>	<u>-</u>
	37,324,500	22,003,400
Decrease in pension obligations:		
Benefits paid with interest	26,202,900	24,739,100
Experience gain	2,553,200	2,814,900
Change in assumptions	<u>-</u>	<u>41,549,400</u>
	28,756,100	69,103,400
Pension obligations, end of year (to Statement 1)	<u>\$ 357,926,600</u>	<u>\$ 349,358,200</u>

(See accompanying notes)

**UNIVERSITY OF SASKATCHEWAN AND FEDERATED COLLEGES
NON-ACADEMIC PENSION PLAN**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023**

1. Description of the Plan

The following description of the University of Saskatchewan and Federated Colleges Non-Academic Pension Plan (Plan) is a summary only. For more complete information, reference should be made to the Plan Agreement.

a) General

The Plan is a defined benefit pension plan registered under *The Pension Benefits Act, 1992 (Saskatchewan)* and the *Income Tax Act (Canada)*. The Plan is closed to new members and has no active contributing members.

b) Administration

University administration (Administration) maintains oversight for the Plan. Administration provides recommendations to the Board of Governors on matters of Plan amendments and investment policy, as well as maintains liaison with all those concerned with the operations of the Plan, including the Board of Governors, the trustee, the investment advisors, the actuary and the members of the Plan.

c) Retirement Benefits

The normal retirement date of a member is the first day of the month immediately following their 65th birthday. The annual amount of pension is determined as 2% of the member's best four years average pensionable salary multiplied by the member's service. Effective August 31, 2019 pensionable service for all members in the Plan was frozen.

The above is a normal form of pension which provides for monthly payments for life with a minimum of 120 monthly payments being guaranteed.

d) Disability Retirement Benefits

The annual amount of pension is determined by applying the regular retirement benefit formula. Section 4.01(2) of the Plan document provides that during a period of disability, prior to August 31, 2019, the member will be deemed to have received earnings at the member's full normal rate of pay.

e) Termination Benefits

Upon termination of employment before retirement eligibility, a vested member may elect:

- i) to receive a deferred retirement benefit; or
- ii) a locked-in transfer equal to the greater of:

- a) the commuted value of the member's accrued pension; or
- b) two times the member's required contributions with interest.
- iii) to receive a partial cash refund of 50% of their accumulated contributions with interest to December 31, 1993, in which case the member's deferred retirement benefit or transfer amount will be reduced accordingly.

f) **Death Benefits**

The beneficiary of an employee who dies before retirement will be entitled to receive the greater of a refund of two times the required contributions made by the member with interest or the commuted value of the retirement benefit accrued by the employee to the date of death.

For an employee who is deceased after retirement, the surviving beneficiary will be entitled to receive the benefit outlined by the form of pension elected by the member at the member's retirement date.

g) **Plan Improvements**

Section 4.02 of the Plan document makes provision for the use of any actuarial surplus to be applied firstly to the declaration of bonus pensions to existing pensioners, with any remaining surplus to be used to improve the benefits of members in the Plan.

h) **Funding**

The University shall contribute amounts to the Plan from time to time as may be recommended by the actuary.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans. These standards include reference to guidance found in International Financial Reporting Standards with respect to the fair value measurement for investment assets and liabilities. For accounting policies that do not relate to its investments or pension obligations, the financial statements comply with Canadian accounting standards for private enterprises, to the extent that these standards do not conflict with the standards for pension plans.

The following policies are considered significant:

a) **Basis of Presentation**

These financial statements are prepared using the accrual basis of accounting and on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan

members. They are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the plan or the benefit security of individual plan members.

b) Investments

Investments are classified as held for trading and are stated at fair value. Pooled funds are determined with reference to year end prices from recognized security dealers. Short-term investments are valued at cost, which approximates fair value. Investment transactions are recorded on the trade date.

c) Foreign Currency Translation

The Plan's financial statements are presented in Canadian dollars. Transactions conducted in foreign currency are translated into Canadian dollars using the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect exchange rates at year end.

d) Use of Estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Changes in estimates are recorded in the period when identified. Significant estimates and assumptions are used primarily in the determination of investments and pension obligations.

e) Pension obligations

Pension obligations represent the present value of the obligation for pension benefits under the Plan. The pension obligation is determined pursuant to an actuarial valuation or extrapolation. Any change in the liability pursuant to the valuation or extrapolation is recognized as an increase or decrease in that year's Statement of Changes in Pension Obligations.

3. Capital Management and Investment Performance

The Plan receives capital from employee and employer contributions. The Plan also benefits from income and market value increases on its invested capital. The objective of the Plan is to meet future pension obligations and to generate sufficient cash flow to meet pension payments, while complying with *The Pension Benefits Act, 1992* and Canada Revenue Agency regulations.

In accordance with regulatory requirements, Administration, and the Board of Governors have established a Statement of Investment Policies and Procedures (SIPP) which sets out the investment principles, guidelines and monitoring procedures. The SIPP sets out benchmarks and asset allocation ranges that are intended to best secure the obligations for the pension benefits and result in a reasonable risk-adjusted

return on investment. Individual investment decisions are delegated to investment managers subject to the constraints of the SIPP and individual manager mandates. As required, Administration reviews the SIPP at least annually. With the assistance of an investment consultant, Administration regularly monitors the asset mix of each manager to ensure compliance with the SIPP.

The current benchmark and ranges are as follows:

Asset class	Index	Min	Target	Max
Equities				
Canadian	S&P/TSX Capped Comp.Total Return Index	7.5%	10%	12.5%
Global - ACWI	MSCI ACWI Net Total Return Index (Cdn. \$)	15%	20%	25%
Global – Low Vol	MSCI World Net Total Return Index (Cdn. \$)	15%	20%	25%
Infrastructure	Canadian Consumer Price Index + 5%	5%	10%	15%
Real Estate	MSCI/REALPAC Canada Property Fund Index	5%	10%	15%
Fixed Income				
Bonds	FTSE Canada Long Bond Index	25%	30%	35%
Short-term	FTSE Canada 91-Day T-Bills	0%	0%	10%
		100%		

The primary long-term investment performance objective is to out-perform the benchmark portfolio. The following is a summary of the Plan's investment performance:

As of December 31, 2023	1 year	4 year
Plan Return	10.6%	6.2%
Benchmark	12.6%	6.2%

The annual returns are gross of investment management fees and plan expenses.

4. Investments

Equities

The Plan's investment policy restricts individual holdings to a maximum of 12% of the market value of the equity portfolio and to a maximum of 10% of the common stock in any corporation. The Plan currently holds no segregated equity investments. Instead, the Plan holds 100% of its equity investments through pooled equity funds.

Pooled Funds

The Plan holds units in pooled funds which have no fixed interest rate and its returns are based on the success of the manager. An investment in a pooled fund should not

exceed 10% of the market value of the pooled fund. The Plan's pooled funds are comprised of the following:

	2023	2022
BlackRock Global Infrastructure Equity Fund	\$ -	\$ 4,867,058
CC & L Canadian Equity Fund	35,279,116	36,691,551
Harding Loevner Global Equity Fund	79,101,185	72,002,240
IFM Global Infrastructure Fund	37,929,556	-
PH & N Long Core Plus Bond Fund	104,936,187	94,432,218
TD Emerald Global Equity Fund	75,772,112	78,304,009
TD Greystone Real Estate Fund	47,431,063	49,447,222
	<u>\$ 380,449,219</u>	<u>\$ 335,744,298</u>

Fair Value

The Plan has classified its required fair valued financial instrument holdings using a hierarchy that reflects the significance of the inputs used in determining their measurements.

Under the classification structure, financial instruments recorded at unadjusted quoted prices in active markets for identical assets and liabilities are classified as Level 1. Instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly are classified as Level 2. Instruments valued using inputs that are not based on observable market data are classified as Level 3.

The Plan's investments at year end are classified as follows:

		2023			
	Level 1	Level 2	Level 3	Total	
Pooled Funds					
Fixed Income	\$ -	\$ 104,936,187	\$ -	\$ 104,936,187	
Equities	-	190,152,413	-	190,152,413	
Real Estate	-	-	47,431,063	47,431,063	
Infrastructure	-	-	37,929,556	37,929,556	
Total	\$ -	\$ 295,088,600	\$ 85,360,619	\$ 380,449,219	
		2022			
	Level 1	Level 2	Level 3	Total	
Pooled Funds					
Fixed Income	\$ -	\$ 94,432,218	\$ -	\$ 94,432,218	
Equities	-	191,864,858	-	191,864,858	
Real Estate	-	-	49,447,222	49,447,222	
Total	\$ -	\$ 286,297,076	\$ 49,447,222	\$ 335,744,298	

There were no items transferred between levels in 2023 or 2022.

The below table presents the activity of the Level 3 investments:

Level 3 Investments	2023	2022
Opening Balance	\$ 49,447,222	\$ 40,694,177
Purchases	35,778,938	5,500,000
Sales	(1,234,458)	-
Transfers in/(out)	-	-
Gains/(losses)*	1,368,917	3,253,045
Closing Balance	\$ 85,360,619	\$ 49,447,222

* Gains/(losses) are included in Current period change in fair values of investments, per Statement 2

5. Financial Risk Management

The nature of the Plan's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved by the Board of Governors based on the recommendation of Administration. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity of fixed income and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. Administration reviews regular compliance reports from its investment managers as to their compliance with the investment policy.

Credit risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from certain investments. The maximum credit risk to which it is exposed at December 31, 2023 is limited to the carrying value of the financial assets summarized as follows:

	2023	2022
Accounts receivable	\$ 50,713	\$ 35,000,000
Investments ¹	104,936,187	94,432,218

¹ includes fixed income pooled funds.

Credit risk within investments is primarily related to fixed income pooled funds and is managed through the investment policy. The following shows the percentage of bond holdings by credit rating:

Credit Rating	2023	2022
AAA	11.2%	13.2%
AA	31.6%	27.9%
A	21.0%	22.6%
BBB	24.5%	19.8%
BB	3.4%	4.2%
B	0.8%	1.1%
CCC	0.1%	0.3%
Mortgages & Other	7.4%	10.9%
Total	100.0%	100.0%

In the PH&N Long Core Plus Bond fund maximum standards are instituted with respect to any one issuer, sector concentration and credit quality.

Within bond investments, there are no holdings from one issuer, other than the federal or provincial governments, over 10% of the market value of the combined bond and short-term investment portfolios.

Market risk

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest rate risk

The Plan is primarily exposed to changes in interest rates in its bond investments. Duration is a measure used to estimate the extent market values of fixed income instruments change with changes in interest rates. Using this measure, it is estimated that a 1% change in interest rates would change net assets available for benefits by \$15,761,415, representing 15.02% of the \$104,936,187 fair value of fixed income assets, and 4.2% of total net assets available for benefits.

Foreign exchange

The Plan is subject to changes in currency exchange rates for its global investments. U.S. dollar and EAFE (Europe, Australasia and Far East) are the predominant currencies impacting the foreign exchange risk of the Plan. At December 31, 2023, the Plan's exposure to global investments was 50.7% (2022 – 46.2%).

At December 31, 2023, a 10% change in the Canadian dollar versus U.S. dollar and EAFE currencies would result in approximately a \$19,280,285 change in the net assets available for benefits.

Equity Prices

The Plan is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. At December 31, 2023 equities comprise 50.0% (2022 – 57.1%) of the fair value of the

Plan's total investments. Individual stock holdings are diversified by geography, industry type and corporate entity. No one investee represents greater than 10% of the fair value of the Plan.

The following table indicates the approximate change that could be anticipated to the net assets available for benefits based on changes in the Plan's benchmark indices at December 31, 2023:

	10% increase	10% decrease
S&P/TSX Composite Index	\$ 3,527,912	\$ (3,527,912)
MSCI ACWI Index	15,487,330	(15,487,330)

Liquidity risk

Liquidity risk is the risk that the Plan is unable to meet its financial obligations as they fall due. Cash resources are managed on a daily basis based on anticipated cash flows.

6. Fair Value of Financial Instruments

Accounts payable and receivables are non-interest bearing and are due or payable within the next year. Due to their immediate or short-term maturity, the fair value of these financial instruments approximates carrying value.

Fair values of investments are disclosed in note 4.

7. Investment Redemption Receivables

Investment redemption receivables at December 31, 2022 consisted of proceeds from a partial redemption of the passively managed Blackrock Global Infrastructure Equity Fund. The \$35 million redemption was made prior to the end of 2022, but the proceeds had not settled as of December 31, 2022. The cash settled on January 3, 2023.

8. Plan Expenses

	2023		2022
	Budget	Actual	Actual
Investment management fees	\$2,266,911	\$2,296,628	\$2,063,424
Actuarial fees	126,103	127,024	118,965
Trustee fees	129,970	90,977	140,377
Investment consulting fees	85,042	74,680	70,242
Administration expenses	330,048	282,992	324,542
Total	\$2,938,074	\$2,872,301	\$2,717,550

9. Pension Obligations

The present value of pension obligations was determined using the projected benefit method prorated on service and management's best estimate assumptions, approved by Administration. An actuarial valuation of the Plan was performed by Aon as at December 31, 2023 and December 31, 2022. The next actuarial valuation is expected to be performed at December 31, 2024. Significant long-term actuarial assumptions used in the valuation were:

	2023	2022
Discount rate	6.20%	6.60%
Inflation rate	2.25%	2.25%
Salary escalation rate	2.75% per annum	2.75% per annum
Mortality table	CPM 2014 Private (unadjusted) with mortality improvements in accordance with Improvement Scale MI- 2017	CPM 2014 Private (unadjusted) with mortality improvements in accordance with Improvement Scale MI- 2017

The actual rates may vary significantly from the long-term assumptions used. The following illustrates the effect of a 1% change to the rates used in the actuarial valuation:

Assumption	Change Made	Change in Pension Obligations	Percentage Change in Pension Obligations
Discount rate	Plus 1%	\$ (33,782,600)	(9.4%)
	Minus 1%	40,878,500	11.4%
Inflation	Plus 1%	\$ (30,519,900)	(8.5%)
	Minus 1%	36,348,600	10.2%
Salary increase and <i>Income Tax Act</i>	Plus 1%	\$ 3,921,900	1.1%
	Minus 1%	(3,553,600)	(1.0%)
Maximum Pension Increase			

The net experience during the year was attributable to several factors as outlined below:

	2023	2022
Members retiring and terminating different than expected	\$ (1,260,200)	\$ (1,696,700)
Pensionable earnings increases greater/(less) than expected	(565,700)	(1,645,600)
Pensioner mortality different than expected	(542,700)	563,400
Miscellaneous	(184,600)	(36,000)
Experience (gain)/loss	\$ (2,553,200)	\$ (2,814,900)

Offsetting the plan experience, the change in discount rate assumption resulted in an increase to the pension obligation at December 31, 2023 of \$14,266,900 (2022 – decrease of \$(41,549,400)).

The assets, including any potential surplus in the Plan, are for the benefit of the members and their beneficiaries. There is no provision that allows the withdrawal of the surplus by the University.

The pension obligations disclosed in these statements differ from that used to determine funding requirements. An actuarial valuation for funding purposes was performed as at December 31, 2022 by Aon and was filed with regulatory authorities. The next valuation to be filed with regulatory authorities will be required effective December 31, 2025.

The pension liability is long-term in nature and there is no market for settling these pension obligations. Therefore, determination of the fair value of the pension liability is not practical.

10. Related Parties

The Plan is related to the University of Saskatchewan and other pension plans sponsored by the University of Saskatchewan.

The Plan pays for plan expenses, including certain administration fees and miscellaneous expenses, which the University of Saskatchewan incurs and charges the Plan. The expenses charged by the University of Saskatchewan in 2023 were \$282,992 (2022 - \$324,542). At December 31, 2023, the Plan owed the University \$282,992 (2022 - \$324,542).

Account balances resulting from the above transactions are included in the Statement of Financial Position and the Statement of Changes in Net Assets Available for Benefits and are settled on normal trade terms. Other transactions are disclosed separately in these financial statements.