

**SASKATCHEWAN TEACHERS'
RETIREMENT PLAN**

FINANCIAL STATEMENTS

June 30, 2021

Independent Auditor's Report

To the Saskatchewan Teachers' Federation Executive

Opinion

We have audited the financial statements of Saskatchewan Teachers' Retirement Plan (the "Plan"), which comprise the statement of financial position as at June 30, 2021, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at June 30, 2021, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans ("ASPP").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 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 the financial statements in accordance with ASPP, 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 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 Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 GAAS 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 GAAS, 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 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 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 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 that we identify during our audit.

Original signed by Deloitte LLP

Chartered Professional Accountants
September 23, 2021
Saskatoon, Saskatchewan

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
STATEMENT OF FINANCIAL POSITION
as at June 30, 2021

(\$Thousands)	2021	2020
ASSETS		
Investments (Note 3 and Note 9)	\$ 7,091,577	\$ 6,228,412
Cash	39,104	46,750
Member contributions receivable	9,692	8,120
Province of Saskatchewan contributions receivable	18,593	16,964
Other contributions receivable	526	224
Accrued interest and dividends (Note 3)	25,309	23,431
Due from Saskatchewan Teachers' Federation (Note 11)	276	-
Due from Saskatchewan Teachers' Federation – Other Plans (Note 11)	-	9
Prepaid expenses	83	94
Property and equipment (Note 5)	3,689	3,605
Intangible assets (Note 6)	242	233
	<u>7,189,091</u>	<u>6,327,842</u>
DUE FROM SASKATCHEWAN TEACHERS' FEDERATION		
– GENERAL FUND (Note 11)	776	298
	<u>7,189,867</u>	<u>6,328,140</u>
LIABILITIES		
Accounts payable and accrued expenses	7,376	8,188
Accrued liabilities to members	15,638	12,742
Due to Saskatchewan Teachers' Federation (Note 11)	-	160
Due to Saskatchewan Teachers' Federation – Other Plans (Note 11)	18	-
	<u>23,032</u>	<u>21,090</u>
COMMITMENTS (Note 12)		
CONTINGENCIES (Note 13)		
NET ASSETS AVAILABLE FOR BENEFITS	7,166,835	6,307,050
PENSION OBLIGATIONS (Note 7)	6,477,000	6,186,023
SURPLUS	\$ 689,835	\$ 121,027

The accompanying notes are an integral part of these financial statements.

**APPROVED ON BEHALF OF THE STF
EXECUTIVE AND BOARD OF DIRECTORS**

Patrick Maze STF Executive President

Shayne Meggs Chairperson of Board

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
STATEMENT OF CHANGES IN PENSION OBLIGATIONS
year ended June 30, 2021

(\$Thousands)	2021	2020
PENSION OBLIGATIONS, BEGINNING OF YEAR	\$ 6,186,023	\$ 5,808,251
Increases:		
Benefits transferred into the Plan	1,982	849
Benefits accrued	193,821	186,779
Net interest accrued on benefits	299,511	286,369
Provision for adverse deviation	46,915	52,844
Changes in actuarial assumptions (Note 7)	-	89,027
Decreases:		
Plan experience	(19,149)	(74,940)
Benefits paid and transfers from the plan	(231,748)	(163,156)
Changes in actuarial assumptions (Note 7)	(355)	-
PENSION OBLIGATIONS, END OF YEAR	\$ <u>6,477,000</u>	\$ <u>6,186,023</u>

The accompanying notes are an integral part of these financial statements.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
year ended June 30, 2021

(\$Thousands)	2021	2020
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	\$ 6,307,050	\$ 5,935,033
INCREASES		
Contributions		
Member – required	116,183	111,310
Member – past service	1,420	1,193
Member – special	11	54
Member – voluntary	489	513
Province of Saskatchewan – current service	89,509	85,809
Province of Saskatchewan – past service	1,128	928
Other sponsors – current service	276	275
Transfers from other plans	1,982	849
	<u>210,998</u>	<u>200,931</u>
Other		
Rental revenue (Note 8)	311	307
Direct cost service revenue (Note 11)	66	65
	<u>377</u>	<u>372</u>
Net investment income (Note 4)		
Interest	31,037	44,657
Dividends	172,614	105,680
Change in fair value of investments	712,709	217,667
Investment management expenses and custodial fees	(27,740)	(25,728)
	<u>888,620</u>	<u>342,276</u>
	<u>1,099,995</u>	<u>543,579</u>
DECREASES		
Benefit payments		
Retirement benefits	(154,290)	(139,393)
Survivor benefits	(4,888)	(4,910)
Locked-in transfers	(52,091)	(11,568)
Refund of contributions	(11,531)	(3,133)
Transfers to other plans	(8,948)	(4,152)
	<u>(231,748)</u>	<u>(163,156)</u>
Administration (Schedule 1)	<u>(8,462)</u>	<u>(8,406)</u>
	<u>(240,210)</u>	<u>(171,562)</u>
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	859,785	372,017
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 7,166,835	\$ 6,307,050

The accompanying notes are an integral part of these financial statements.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

1. DESCRIPTION OF PLAN

The following brief description of Saskatchewan Teachers' Retirement Plan (the "Plan") is a summary only. Members should refer to the *Plan Text* for more complete information.

General

The Plan was established by provincial legislation to provide retirement benefits to all teachers new to teaching in the Saskatchewan provincial PreK-12 system since July 1, 1980. Benefits are determined by a pre-defined formula based on service and salary. The Plan is registered with the Pensions Division, Financial and Consumer Affairs Authority of Saskatchewan and Canada Revenue Agency as number 0689075.

Administration

Pursuant to Section 7(5) of *The Teachers' Federation Act, 2006*, the Saskatchewan Teachers' Federation ("STF") is the trustee for the assets of the Plan. The STF Executive appoints a board of directors to assist the STF Executive in fulfilling its fiduciary and oversight responsibilities.

Funding

Plan benefits are funded by contributions from members, negotiated contributions from the province of Saskatchewan and associated investment earnings. The determination of the value of benefits and required contributions is made on the basis of an actuarial valuation, which is filed at least triennially.

For the year, active members were required to contribute 9.50% of earnings below the maximum salary set by the year's maximum pensionable earnings ("YMPE") and 11.70% of earnings greater than this maximum. The province of Saskatchewan was required to contribute 7.25% of member's earnings subject to YMPE and 9.25% of the remainder of the member's earnings.

Retirement Benefits

Once eligible, the pension benefit available is based on the member's years of contributory service, the average of the highest five years of salary to June 30, 2015 and the career average salary thereafter. The Plan also provides a bridge benefit prior to age 65 for service up to June 30, 2015.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

1. DESCRIPTION OF PLAN (continued)

Retirement Benefits (continued)

A member is eligible for a reduced retirement benefit from age 55 with at least one year of eligibility service. An unreduced pension is available provided the member has:

- Attained age 65 with 1 year of eligibility service.
- Attained age 60 with 20 years of eligibility service.
- Attained age 55 and the total of the member's age and eligibility service equals at least 85.
- Completed 30 years of eligibility service.

Surviving Spousal Benefits

Surviving spousal benefits are available on the death of a member and may take the form of a spousal pension or a lump sum payment.

Withdrawals from the Plan

Upon application, and subject to the lock-in provisions, termination refunds and transfers are available when a member ceases teaching in Saskatchewan and is not eligible for retirement.

While the Plan has a solvency deficiency rate of 70.9% (75.3% in previous valuation), the Plan is legislatively required to holdback 29.1% (24.7% in previous valuation) of a member's pension benefit payout from the Plan. This holdback does not apply to the following payments:

- refund of member contributions, with interest;
- payout of the 50% excess contributions;
- lump sum death benefits;
- if the payment meets the small benefit rule; and
- reciprocal transfer out payments made under the interprovincial teachers' reciprocal transfer agreement.

On November 20, 2020, *The Pension Benefits Regulations, 1993 (Saskatchewan)* were amended to exempt the Plan from having to apply a transfer deficiency holdback on future commuted value transfers.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

1. DESCRIPTION OF PLAN (continued)

Purchases and Transfer of Service

Members may purchase several types of board approved leaves or reinstate service that has been refunded prior to initiating a retirement benefit. All purchases must meet the provisions of the *Plan Text*. Members may also transfer service where an agreement of reciprocity exists with another registered pension plan in Canada.

Indexing of Pension Benefits

Post-Retirement

Retired members and survivors may receive an annual cost of living adjustment (“COLA”) to their monthly pension benefits each January. The portion of their benefits earned to June 30, 2015 receives a guaranteed COLA of the lesser of three percent or 80 percent of inflation. Pension benefits earned after June 30, 2015 receive conditional COLA ranging from zero to 100 percent of inflation to a maximum of five percent per year.

Pre-Retirement

Eligible active members may receive a conditional upgrade or an increase to all or a portion of their lifetime pension benefit before retirement on June 30 of any year. The conditional upgrade may range from zero to 100 percent of inflation, to a maximum of five percent per year.

Income Taxes

The Plan is a registered pension trust, as defined in the *Income Tax Act*, and is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans in Part IV of the CPA Handbook. The Plan follows Accounting Standards for Private Enterprises (“ASPE”) for accounts that do not relate to its investment portfolio or pension obligations to the extent that these standards do not conflict with the requirements of the accounting standards for pension plans.

Basis of Presentation

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 from the Federation. The financial statements are prepared to assist Plan members and others in reviewing the activities of the Plan but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates and Accounting Judgments

The preparation of the financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and assumptions, based on the information available as at the date of the financial statements, which affect the reported values of assets and liabilities and related revenues and expenses. Such estimates and assumptions affect primarily the fair value of investment assets and the value of the pension obligations.

Employee Future Benefits

All of the Plan's employees are participants in the Saskatchewan Teachers' Federation Employees' Pension Plan, which has contributory defined benefit and defined contribution components. The Federation is the sponsor of Saskatchewan Teachers' Federation Employees' Pension Plan.

The STF follows Part II Handbook Section 3462, *Employee Future Benefits* and Part III Handbook Section 3463, *Employee Future Benefits by Not-for-Profit Organizations* ("Section 3463"), for the measurement of the pension obligation and employee future benefit expense. The Plan's portion of the pension obligation re-measurements have been recorded in the salaries and benefits expenses of the Schedule of Administration Expenses with an accompanying amount owing to (from) the Saskatchewan Teachers' Federation.

Investments

Investments are stated at their fair values in the Statement of Financial Position. If the financial instrument has a quoted price in an active market, the quoted price is the fair value of the financial instrument. If the market for a financial instrument is not active, fair value is established by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is used.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

The Plan uses foreign currency forward contracts to manage its exposure to foreign currency risk. Derivatives are initially recognized at fair value at the date that the derivative contract is entered into and subsequently measured at fair value with changes in fair value recognized immediately in the Statement of Changes in Net Assets Available for Benefits.

A valuation technique incorporates all factors that market participants would consider in setting a price. Fair value is estimated on the basis of the results of a valuation technique that makes maximum use of market inputs and relies as little as possible on entity-specific inputs. Real estate and infrastructure funds are stated at estimated fair value based on independent appraisals.

Investments are classified and disclosed in one of the following categories reflecting the significance of inputs used in making the fair value measurement:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If different levels of inputs are used to measure the fair value of an investment, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Purchases and sales of financial instruments are recorded on their trade dates.

All transaction costs in respect of purchases and sales of investments are recorded as part of investment management expenses in the Statement of Changes in Net Assets Available for Benefits.

Change in Fair Value of Investments

The change in fair value of investments represents both the unrealized increases and decreases in the investment portfolio from the beginning to the end of the year and the realized gains or losses on the sale of investments during the year.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost. Furniture equipment and computer hardware are depreciated on a straight-line basis. The Plan's portion of the building is depreciated on a declining balance basis which results in a higher allocation in the initial years after purchase of the building.

Intangible Assets

Intangible assets are recorded at cost and amortized on a straight-line basis over its estimated useful life.

Revenue Recognition

Member, Province of Saskatchewan and other sponsors contributions are recognized as revenue in the period to which they relate for services that have been performed, once collection is reasonably assured. Transfers to the Plan are recorded in the period when the transfer is finalized. Purchases of prior service are recorded in the period when the purchase is approved by the Canada Revenue Agency.

Any contributions relating to the current year and not yet collected at the end of the year are accrued as revenue for the current year.

Interest on bonds and short-term investments and deposits is recognized as revenue as it is earned, based on the terms of the investments and deposits. Dividend income from pooled fixed income investments and pooled equities is recognized as revenue when received and dividend income from segregated securities is recognized as revenue as of the date of record. Gains and losses that arise from the sale of investments or that arise from changes in market values of investments are recognized as income in the period that the gains and losses occurred.

Rent revenue is recognized as it is earned, based on the terms of the lease agreement, once collection is reasonably assured.

Benefits

Payments of pensions, refunds and transfers out of the Plan are recorded in the period in which they are payable.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension Obligations

The value of accrued pension benefits payable in the future to members and changes during the year are based on an actuarial valuation prepared by an independent firm of actuaries. This valuation for funding purposes is made at least once every three years, and then extrapolated to year-end. It uses the projected benefit method pro-rated on service and best estimate assumptions, as at the valuation date, of various economic and demographic future events.

3. INVESTMENTS

(\$Thousands)	2021		2020	
	Market Value	Accrued Interest and Dividends	Market Value	Accrued Interest and Dividends
Fixed income	\$ 2,733,419	\$ 5,713	\$ 2,428,493	\$ 7,862
Equities				
Canadian	14,059	-	24,430	-
Foreign	3,008,172	2,754	2,560,016	2,131
Short-term investments and deposits	259,457	87	198,263	280
Real assets				
Real estate	576,541	-	582,697	-
Infrastructure	482,753	16,755	397,633	13,158
Derivatives	17,176	-	36,880	-
	<u>\$ 7,091,577</u>	<u>\$ 25,309</u>	<u>\$ 6,228,412</u>	<u>\$ 23,431</u>

The Northern Trust Company acts as custodian of the Plan's investments. There are multiple investment managers appointed by the STF Executive to manage the assets of the Plan. The STF manages small direct investments in money market, short-term and real estate investments on behalf of the STRP.

Fixed Income

Fixed income includes fixed and floating rate debt instruments and pooled investment funds. Debt instruments are issued by the federal and provincial governments of Canada and corporations with terms of eighteen months to 30 years (2020 – nine months to 58 years) and bearing interest rates ranging from 0.25% to 7.18% (2020 – 0.75% to 8.57%).

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

3. INVESTMENTS (continued)

Fixed Income (continued)

Fair value (excluding pooled funds) is based on the closing prices at June 30. The pooled investments do not have a quoted price in an active market. Fair value is based on the closing bid price for long positions.

Equities

Equities (excluding pooled investment funds) represent securities issued by entities that are traded on a recognized stock exchange. Pooled and Private Placement investment funds represent funds in various pooled investments. As at June 30, 2021, \$14,059,000 related to securities traded on recognized Canadian stock exchanges and \$607,956,000 related to securities traded on recognized U.S. stock exchanges and \$296,876,000 related to securities traded on recognized non-North American stock exchanges (2020 – \$24,430,000; \$271,302,000; and \$185,139,000, respectively). The rest of the Canadian and foreign equities are made up of these pooled investment funds.

Fair value (excluding pooled investment funds) is based on quoted market values, specifically the latest bid price. The pooled investment funds do not have a quoted price in an active market. Fair value in this case is based on net asset values, obtained from the investment manager of the funds, which are determined with reference to the fair value of the underlying listed investments of each fund.

Short-Term Investments and Deposits

Short-term investments and deposits represent demand deposits, treasury bills, short-term notes, bankers acceptances, term deposits, money market funds and guaranteed investment certificates having a term of less than or equal to one year. Fair value is based on a valuation technique, being the present value of the principal and interest receivable discounted at appropriate market interest rates. Due to the short-term nature of the items, gains and losses are insignificant.

Real Estate and Infrastructure Assets

Real estate represents investment in pooled funds and a commercial building in Saskatoon. These assets are included at the unit value of the fund based on the estimated fair value as at June 30, based on appraisals performed on an annual basis by professionally qualified independent real estate appraisers.

The infrastructure represents investments pooled funds. These assets are included at estimated fair value as at June 30, based on quarterly appraisals from an independent valuation company.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

4. NET INVESTMENT INCOME

(\$Thousands)	<u>2021</u>	<u>2020</u>
Interest		
Fixed income	\$ 30,219	\$ 41,339
Short-term investments and deposits	459	2,908
Other	359	410
	<u>31,037</u>	<u>44,657</u>
Dividends		
Pooled fixed income	21,122	14,341
Canadian equities	547	4,572
Foreign equities	128,209	53,393
Real estate assets	1,720	281
Infrastructure assets	21,016	33,093
	<u>172,614</u>	<u>105,680</u>
Change in fair value of investments	<u>712,709</u>	<u>217,667</u>
	<u>916,360</u>	<u>368,004</u>
Investment management expenses and custodial fees		
Investment management expenses	(26,859)	(23,256)
Custodial fees	(407)	(342)
Transaction costs	(474)	(2,130)
	<u>(27,740)</u>	<u>(25,728)</u>
	<u>\$ 888,620</u>	<u>\$ 342,276</u>

5. PROPERTY AND EQUIPMENT

(\$Thousands)	<u>Rates</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Building	4%	\$ 5,965	\$ 2,319	\$ 3,646
Furniture and equipment	5,10 & 15 yrs.	128	97	31
Computer hardware	4 yrs.	61	49	12
2021 Totals		<u>\$ 6,154</u>	<u>\$ 2,465</u>	<u>\$ 3,689</u>
2020 Totals		<u>\$ 5,941</u>	<u>\$ 2,336</u>	<u>\$ 3,605</u>

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

6. INTANGIBLE ASSETS

(\$Thousands)

	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Computer software	5 years	\$ 5,231	\$ 4,989	\$ 242
2021 Totals		\$ 5,231	\$ 4,989	\$ 242
2020 Totals		\$ 5,032	\$ 4,799	\$ 233

7. PENSION OBLIGATIONS

The last actuarial funding valuation of the Plan was prepared by Eckler, a firm of actuaries, effective as at July 1, 2020 and was filed with the regulators in March 2021. The valuation established both the present value of the pension benefits earned in respect of all service rendered by members prior to the valuation date and the minimum funding requirements for the Plan at July 1, 2020. The next actuarial funding valuation of the Plan will be completed as at July 1, 2021.

The pension obligations are based on current Plan provisions and not discretionary benefits that are not provisions of the current Plan.

For the purposes of these financial statements, the projected benefit method pro-rated on services and management's best estimate assumptions were used. The results for the reporting period July 1, 2020 to June 30, 2021 were based on an extrapolation of the valuation results from the most recently filed valuation report prepared for the Plan by Eckler.

The actuarial value of the net assets available for benefits has been determined using a methodology that reflects long-term market trends. This methodology reduces the impact of short-term market volatility and produces more stable asset values. The methodology smooths market fluctuations by spreading the full recognition of investment gains (actual versus the expected investment return on assets, net of expenses) arising during a given year over a four-year period.

The assumptions used in determining the present value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term actuarial assumptions used in the valuation were:

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

7. PENSION OBLIGATIONS (continued)

	<u>2021</u>	<u>2020</u>
Discount rate	5.85%	5.85%
Salary escalation rate	2.50% plus steps	2.50% plus steps
Inflation rate	2.00%	2.00%
Mortality	90% of the rates of the 2014 Public Sector Canadian Pensioners Mortality Table (CPM2014Publ)	90% of the rates of the 2014 Public Sector Canadian Pensioners Mortality Table (CPM2014Publ)
Termination rate	Age related table	Age related table
Retirement Age	Active and inactive teachers, including current disabled teachers, eligible to retire with an unreduced pension have a 30% probability of retiring during the year. Teachers who have attained age 65 or 35 years of service retire immediately. Current deferred pensioners retire at age 65. Future deferred pensioners retire at age 55. Future disabled teachers retire at the earlier age of 65 or 35 years of service.	Active and inactive teachers, including current disabled teachers, eligible to retire with an unreduced pension have a 30% probability of retiring during the year. Teachers who have attained age 65 or 35 years of service retire immediately. Current deferred pensioners retire at age 65. Future deferred pensioners retire at age 55. Future disabled teachers retire at the earlier age of 65 or 35 years of service.

Actuarial gains and losses represent the change in pension obligations due to the difference between actual economic and demographic experience and expected experience, as well as the impact resulting from any changes in the actuarial assumptions. The actuarial gains and losses are legislatively required to be measured every three years, the last being as of July 1, 2020 with the gains and losses recorded in the 2021 fiscal year.

As a result of the July 1, 2020 valuation, there were experience gains of \$104,423,000 recorded in 2021 resulting from favourable increases in investment, cost of living adjustment, disability and interest credited on member accounts. There were experience losses of \$32,044,000 recorded in 2021 resulting from data changes, unfavourable YMPE and IT maximum, mortality, terminations and pre-retirement deaths, and retirement experience.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

7. PENSION OBLIGATIONS (continued)

There were actuarial gains of \$37,790,000 recorded in 2021, which resulted from the impact of the 2020-2023 collective agreement salary increases plus the explicit margin gain of \$17,365,000.

There were actuarial losses of \$37,435,000, recorded in 2021, which resulted from changes in assumptions regarding change in commuted value basis plus cost of living reserve increase.

There were negative actuarial adjustments of \$47,929,000 relating to a change in actuarial systems and programing and open group valuation.

The next actuarial gains and losses are expected to be recorded in 2022.

8. RENTAL REVENUE

The Saskatchewan Teachers' Retirement Plan entered into an agreement to lease building space to the STF, a related party, for a term of 10 years from August 1, 2002 to July 31, 2012. The leasing costs remained in effect for the period August 1, 2012, to June 30, 2017. The current lease has been extended to June 30, 2022 with aggregate minimum annual rental payments, including GST, of \$120,857 (2020 – \$126,074).

The Saskatchewan Teachers' Retirement Plan also entered into an agreement to lease building space to the STF, a related party, at 2311 Arlington Avenue for a period of 10 years, commencing July 1, 2018 and ending June 30, 2028. The current annual rental payments, including GST are \$205,375 (2020 – \$196,781).

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

The following tables present the financial instruments recorded at fair value in the Statement of Financial Position, classified using the fair value hierarchy:

(\$Thousands)				2021
	Level 1	Level 2	Level 3	Total
Investments				
Fixed income	\$ -	\$ 2,733,419	\$ -	\$ 2,733,419
Equities				
Canadian	14,059	-	-	14,059
Foreign	904,833	2,103,339	-	3,008,172
Short-term investments and deposits	-	259,457	-	259,457
Real assets				
Real estate	-	-	576,541	576,541
Infrastructure	-	-	482,753	482,753
Derivatives	-	17,176	-	17,176
Total	<u>\$ 918,892</u>	<u>\$ 5,113,391</u>	<u>\$ 1,059,294</u>	<u>\$ 7,091,577</u>

(\$Thousands)				2020
	Level 1	Level 2	Level 3	Total
Investments				
Fixed income	\$ -	\$ 2,428,493	\$ -	\$ 2,428,493
Equities				
Canadian	24,430	-	-	24,430
Foreign	456,441	2,103,575	-	2,560,016
Short-term investments and deposits	-	198,263	-	198,263
Real assets				
Real estate	-	-	582,697	582,697
Infrastructure	-	-	397,633	397,633
Derivatives	-	36,880	-	36,880
Total	<u>\$ 480,871</u>	<u>\$ 4,767,211</u>	<u>\$ 980,330</u>	<u>\$ 6,228,412</u>

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy (continued)

The following table reconciles the fair value of financial instruments classified in Level 3 from the beginning balance to the ending balance:

(\$ Thousands)	Real assets	
	2021	2020
Fair value, beginning of year	\$ 980,330	\$ 856,428
Purchases	100,922	112,684
Disposals	(26,789)	(2,239)
Unrealized gains included in net investment income	4,831	13,457
Fair value, end of year	\$ 1,059,294	\$ 980,330

There were no transfers of investments between Level 1 and Level 2 during 2021 (2020 – \$nil). There were no transfers into or out of Level 3 during the year (2020 – \$nil).

10. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Risk Management

The Plan is a provincially regulated pension plan whereby legislation requires compliance with the Investment Policy Guideline of the Office of the Superintendent of Pensions. The Plan has a written *Investment Objectives and Policy Statement* (“IOPS”) and an *Investment Management Guidelines Statement* (“IMGS”).

The purpose of the IOPS is to provide an organized approach to the management of the pension assets under the jurisdiction of the STF, for the appropriate investment of the assets of the pension fund, for the formulation of investment objectives and a standard for evaluating investment results. The underlying principles of the IOPS are to ensure that the investment portfolio of the Plan is a diversified portfolio of investments in order to optimize concentration of liquidity, credit and market risks. The STF Executive approves the IOPS based on a recommendation from the Investment Committee and delegates governance responsibilities for management of the assets of the Plan funds through the approval of the terms of reference. The IOPS is formally reviewed at least annually, and changes are made to it, if and when appropriate. The STF Executive approves amendments to the IOPS as recommended by the Investment Committee.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

10. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Risk Management (continued)

The Investment Committee establishes the IMGS to address the unique investment objectives and constraints for the Plan, as well as outlining relevant legislation and governance. The IMGS is reviewed at least annually, and changes are made to it, if and when appropriate. The IMGS is shared with the STF Executive for information.

The Investment Services Unit is responsible for investing the Plan's assets in accordance with the IMGS; meeting with governing bodies and committees to provide information regarding performance and investment strategy; and providing quarterly compliance reports.

The IOPS and IMGS establishes the investment policy of the Plan, including setting limits on the Plan's exposure to liquidity, credit risk and market risks (such as interest rate risk, foreign currency risk, equity price risk and real asset risk). The degree of risk and risk tolerance set out in the IOPS and IMGS takes into account the obligation structure of the Plan, the anticipated demand for funds, and the maturity profiles required from the investment portfolio in light of these demands.

Types of Risks

The Plan is exposed to the following risks as a result of holding financial instruments: market risk, credit risk and liquidity risk. The following is a description of these risks and how the Plan manages its exposure to these risks.

Market Risk

Market risk is the risk of loss that may arise from change in market factors such as interest rates, foreign exchange rates, equity prices and real asset prices. The Plan is exposed to this market risk in its investing activities.

The investment managers manage market risk in accordance with the Plan's IOPS and IMGS. The investment managers report quarterly, to the Investment Services Unit, on their performance which includes compliance with the policy and regulatory requirements. All exceptions noted are to be reported to the Investment Committee.

The Investment Committee is responsible for monitoring significant variances and making recommendations to the STF Executive to ensure corrective measures are implemented.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

10. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Risk Management (continued)

Market Risk (continued)

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, value of investments and net assets available for benefits. This risk arises from differences in the timing, and amount of cash flows related to the Plan's assets and liabilities.

The investment portfolio of the Plan is directly exposed to interest rate risk in respect of its fixed income investments and short-term investments and deposits. Fixed rate instruments subject the Plan to a fair value risk while the floating rate instruments subject the Plan to a cash flow risk.

To manage the interest rate risk, the Investment Committee has adopted an approach whereby investments are strategically distributed, on a long-term basis, among several classes of assets to reduce exposure to investment volatility.

At June 30, 2021, if interest rates at that date had been 1% lower (or 1% higher), with all other variables held constant, as a result of an increase (or decrease) in the fair value of these fixed rate instruments, the net assets of the Plan for the year ended June 30, 2021 would have increased by \$288,208,000 (or decreased by \$239,437,000) (2020 – increased by \$240,465,000 or decreased by \$205,713,000).

b) Foreign currency risk

Foreign currency exposure arises from the Plan's holdings of non-Canadian investments, which as at June 30, 2021, consist of investments denominated in U.S. dollars and a variety of other international currencies. Total foreign currencies make up 42.4% or \$3,008,172,000 (2020 – 41.1% or \$2,560,016,000) of the total portfolio.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

10. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Types of Risks (continued)

Market Risk (continued)

b) Foreign currency risk (continued)

At June 30, 2021, if foreign exchange rates at that date had been 1% lower (or 1% higher), with all other variables held constant, the net assets of the Plan would have increased by \$39,009,686 (or decreased by \$39,009,686) (2020 – increased by \$6,566,000 or decreased by \$6,566,000).

The Plan manages foreign currency risk by entering into certain foreign exchange contracts through J.P. Morgan. These contracts have maturities of less than one year and are intended to manage some of the risk associated with holding investments denominated in foreign currencies. Fair value of these contracts are determined by J.P. Morgan by calculating the settlement amount using the exchange rate at year end compared to the contract amount.

As at June 30, 2021, the Plan had derivative contracts in place with notional amounts as follows:

(\$ Thousands)	2021	2020
Open contracts to purchase foreign currency	\$ 578,815	\$ 1,272,116
Open contracts to sell foreign currency	1,595,940	2,125,700

c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of an equity investment will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual equity instrument or factors affecting similar equity instruments traded in the market.

The investment portfolio is directly exposed to equity price risk in respect of its equities which total \$3,022,231,000 at June 30, 2021 (2020 – \$2,584,446,000).

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

10. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Types of Risks (continued)

Market Risk (continued)

c) Equity price risk (continued)

The IMGS limits the total direct investment in a single equity investment in each of the Plan's Canadian and Global equity portfolios to 10% of the total market value of each equity portfolio. Investments in individual equities shall not exceed 10% of the outstanding shares of the issuing corporation and at least 20 different equity holdings shall exist in each portfolio, either directly or through index replication instruments. No more than 15% of either equity portfolio shall be invested in stocks that fall outside the composite index. As at June 30, 2021, the Plan's maximum exposure to a single equity investment was \$33,865,000 (2020 – \$21,870,000).

At June 30, 2021, if equity prices at that date had been 10% higher (or 10% lower), with all other variables held constant, as a result of an increase (or decrease) in the fair value of the Plan's equities, the net assets of the Plan for the year ended June 30, 2021 would have increased by \$302,223,000 (or decreased by \$302,223,000) (2020 – increased by \$258,445,000 or decreased by \$258,445,000).

This risk is managed by strategically diversifying investments, on a long-term basis, among several classes of assets. The portfolios include the following concentrations:

	<u>Percentage</u>	<u>Market Value</u> ((\$Thousands)
Canadian stocks		
Consumer staples	0.3%	8,723
Industrials	0.2%	5,336
	<u>0.5%</u>	<u>14,059</u>
Non-Canadian investments		
U.S. stocks	20.1%	607,956
Europe, Australia, Japan and Far East stocks	9.8%	296,877
Pooled equity funds	69.6%	2,103,339
	<u>99.5%</u>	<u>3,008,172</u>
	<u>100.0%</u>	<u>\$ 3,022,231</u>

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

10. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Types of Risks (continued)

Market Risk (continued)

c) Equity price risk (continued)

For the purposes of the disclosures above, the Plan's investments in securities traded on a recognized stock exchange have been considered to represent equity price risk. Since the fair value of the investments in securities traded on global stock exchanges is priced in currencies other than Canadian dollars, these investments are subject to foreign currency risk.

d) Real asset risk

Risk in real estate and infrastructure is managed through diversification across types, investment managers, and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location, sector and industries. Some of the holdings are held in currencies other than Canadian dollars and are subject to foreign currency risk.

Credit Risk

The business of the Plan necessitates the management of credit risk. Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations of the Plan, as and when they fall due.

The Plan limits credit risk by dealing with investees that are considered to be of high quality.

Credit risk concentration exists where a significant portion of the portfolio is invested in securities that have similar characteristics or obey similar variations relating to economic or political conditions.

This risk is managed by strategically diversifying investments, on a long-term basis, among several classes of assets.

The Plan is directly exposed to credit risk in respect of its fixed income funds, short-term investments and deposits, receivables and cash.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

10. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Types of Risks (continued)

Credit Risk (continued)

As at June 30, 2021, the Plan's maximum exposure to credit risk was \$3,086,376,000 (2020 – \$2,719,429,000) being the total of the carrying values of these assets.

The IMGS requires that all short-term investments have a minimum rate of R1 or equivalent rating as rated by a recognized bond rating agency at time of purchase.

Consistent with the Plan's IMGS, the investments of the Plan currently include deposits with major Canadian chartered banks, pooled funds with various investment managers, bonds issued by the federal, provincial and municipal governments of Canada and corporations. The IMGS limits the Plan to holding not more than 5% of the market value of fixed income securities in any one non-government entity. Private placement bonds shall not exceed 5% of the fixed income portfolio market value.

Foreign currency exposure is limited to 10% of the market value of the fixed income portfolio.

This risk is managed by strategically diversifying investments, on a long-term basis, among several classes of assets. The portfolios include the following concentrations:

	<u>Percentage</u>	<u>Market Value</u> (\$ Thousands)
Fixed Income		
Pooled funds	37.3%	\$ 1,114,963
Government of Canada	16.0%	481,089
Provincial governments	38.0%	1,137,020
Corporations	0.0%	347
	<u>91.3%</u>	<u>2,733,419</u>
Short-term investments and deposits	8.7%	259,457
	<u>100.0%</u>	<u>\$ 2,992,876</u>

Liquidity Risk

The business of the Plan necessitates the management of liquidity risk. Liquidity risk is the risk of being unable to meet financial commitments, under all circumstances, without having to raise funds at unreasonable prices or sell assets on a forced basis.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

10. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Types of Risks (continued)

Liquidity Risk (continued)

The IMGS sets out requirements for the Plan to maintain an adequate amount of liquid assets with varying maturities in order to ensure that the Plan can meet all of its financial obligations as they fall due.

As at June 30, 2021, the Plan has current liabilities of \$23,032,000 (2020 – \$21,090,000) relating to accounts payable and accrued expenses and due to Saskatchewan Teachers' Federation within the next 12 months. In addition it has an ongoing obligation to pay benefits to members of the Plan in respect of pensions payable, which the actuarial present value totaled \$6,477,000,000 for the year ended June 30, 2021 (2020 – \$6,186,023,000) and included in the

At June 30, 2021, the Plan held cash and short-term investments and deposits, as well as fixed income instruments and equities, which are readily available to settle such obligations.

On March 11, 2020 the World Health Organization characterized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which resulted in a series of public health and emergency measures be put in place to combat the spread of the virus. The public health and emergency measures continue to result in an economic slowdown, restrictions on public gatherings and activities. Current impacts have been limited.

11. RELATED PARTY TRANSACTIONS

Administration

The STF is responsible for all matters relating to the administration of the Plan.

During the year, the Plan incurred \$6,167,000 (2020 – \$5,453,000) in administration costs from the STF.

Fixed asset overhead recovery represented a recovery of costs by the STF related to certain capital assets that were paid for by the STF and used by Saskatchewan Teachers' Retirement Plan. During the year \$nil was paid (2020 – \$nil) to the STF. The amortized amount for the year is \$15,000 (2020 – \$47,000) and is recorded in Schedule 1 of the Statement of Changes in Net Assets Available for Benefits.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

11. RELATED PARTY TRANSACTIONS (continued)

Administration (continued)

At June 30, 2021, the actuarial extrapolation of the Saskatchewan Teachers' Federation Employees' Pension Plan resulted in a defined benefit asset receivable from the STF in the amount of \$776,000 (2020– \$298,000). This number represents the Plan's share of the pension expense and employee future benefits re-measurements and other items net of the going concern surplus amounts owing to the STF since July 1, 2016.

The plan received \$66,000 (2020 – \$65,000) from Saskatchewan Teachers' Federation Employees' Pension Plan in direct service cost revenue during the year.

The Plan reimburses the STF for the operating costs relating to its percentage ownership of the building. In 2021, the amount paid to the STF was \$430,000 (2020 – \$452,000). The Plan then recovers these costs for the leased areas from the STF, the Saskatchewan Teachers' Federation – Members' Health Plan, the Saskatchewan Teachers' Federation – Portaplan and the Saskatchewan Teachers' Federation – Teachers' Long-Term Disability Plan.

During the year, the Plan recovered the following operating costs:

(\$Thousands)	<u>2021</u>	<u>2020</u>
Saskatchewan Teachers' Federation	\$ 161	\$ 207
Saskatchewan Teachers' Federation - Members' Health Plan	36	28
Saskatchewan Teachers' Federation - Portaplan	15	10
Saskatchewan Teachers' Federation - Teachers' Long-Term Disability Plan	<u>81</u>	<u>96</u>
	<u>293</u>	<u>341</u>

The STF carries out property management services on behalf of the Saskatchewan Teachers' Retirement Plan.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

11. RELATED PARTY TRANSACTIONS (continued)

Administration (continued)

During the year, the Plan incurred the following costs:

(\$Thousands)	<u>Operating Costs</u>	<u>Base Rent – Common</u>	<u>Parking Fees</u>	<u>2021 Total</u>	<u>2020 Total</u>
Saskatchewan Teachers' Federation	\$ 137	\$ 18	\$ 3	\$ 158	\$ 126

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At the end of the year, the amounts owing (from) to related parties are as follows:

(\$Thousands)	<u>2021</u>	<u>2020</u>
Saskatchewan Teachers' Federation	\$ (276)	\$ 160
Saskatchewan Teachers' Federation – Other Plans	<u>18</u>	<u>(9)</u>

At June 30, 2021, the amount due from the Saskatchewan Teachers' Federation – General Fund, and not expected to be settled within the next 12 months is \$776,000 (2020 – \$298,000).

12. COMMITMENTS

Capital Commitments

At June 30, 2021, the plan has outstanding commitments for building improvements of \$499,000 (2020 – \$82,000).

Financial Commitments

The Plan has commitments to real estate funds for \$151,000,000 CAD (2020 – \$nil) and \$40,000,000 USD (2020 – \$91,000,000 USD). As of June 30, 2021, \$5,903,000 CAD (2020 – \$nil) and \$14,190,000 USD (2020 – \$7,171,052 USD) of the commitments have been funded.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
year ended June 30, 2021

12. COMMITMENTS

Financial Commitments (continued)

The Plan has commitments to infrastructure funds for \$363,000,000 USD (2020 – \$75,000,000 USD). As of June 30, 2021, \$6,760,000 USD (2020 – \$nil) of the commitments have been funded.

The Plan has a commitment to an alternative credit fund for \$50,000,000 USD (2020 – \$50,000,000 USD). As of June 30, 2021, \$15,348,000 USD (2020 – \$10,000,000 USD) has been funded.

The Plan has commitments for private equity funds for \$301,840,000 USD (2020 – \$110,840,000 USD). As of June 30, 2021, \$68,904,000 USD (2020 – \$35,724,360 USD) of the commitments have been funded.

13. CONTINGENCIES

There is a claim against the Plan at the date of these financial statements. While it is not possible to determine the ultimate outcome of such actions at this time, and there exists inherent uncertainties in predicting such outcomes, it is the Plans belief that the ultimate resolution of such claim is not reasonably likely to have a material adverse effect on its financial position or results of operations. The results of any proceedings will be recognized in the period in which they are known.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year presentation.

SASKATCHEWAN TEACHERS' RETIREMENT PLAN
SCHEDULE OF ADMINISTRATION EXPENSES
year ended June 30, 2021

(\$Thousands)	2021	2020
Actuarial	\$ 129	\$ 162
Administration expense – Saskatchewan Teachers' Federation (Note 11)	6,167	5,453
Administration expense – facilities (Note 11)	158	126
Audit	39	29
Communications	42	73
Depreciation and amortization	355	435
Equipment maintenance	192	253
Governance	8	35
Legal fees and consulting	217	267
Office operating expenses (Note 11)	276	302
Salaries and benefits (Note 11)	853	1,241
Staff development	13	28
Organizational Administration	13	2
	<u>\$ 8,462</u>	<u>\$ 8,406</u>