



July 16, 2026

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

(via Email)

Dear K. Martell:

**Re: Pension Plan for the Eligible Employees at the University of Saskatchewan
Financial Statements**

We enclose the financial statements of the Pension Plan for the Eligible Employees at the University of Saskatchewan for the year ended December 31, 2025 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)

V. Bruni-Bossio, President and Vice-Chancellor, University of Saskatchewan
The Honourable K. Cheveldayoff, Minister of Advanced Education
C. Repski, Deputy Minister, Ministry of Advanced Education
C. Stevenson, Chair, Audit and Finance Committee, University of Saskatchewan
L. Veitch, 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
K. Killick, Human Resources Director, University of Saskatchewan
S. Baptiste, Manager, Financial Reporting, University of Saskatchewan

University of Saskatchewan Eligible Employees Pension Plan

For the Year Ended December 31, 2025



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the Pension Plan for the Eligible Employees at the University of Saskatchewan, which comprise the statement of financial position as at December 31, 2025, and the statement of changes in net assets available for benefits 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 Pension Plan for the Eligible Employees at the University of Saskatchewan as at December 31, 2025, and the changes in its net assets available for benefits 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 Pension Plan for the Eligible Employees at the University of Saskatchewan 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 Pension Plan for the Eligible Employees at the University of Saskatchewan'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 Pension Plan for the Eligible Employees at the University of Saskatchewan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Pension Plan for the Eligible Employees at the University of Saskatchewan'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 Pension Plan for the Eligible Employees at the University of Saskatchewan'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 Pension Plan for the Eligible Employees at the University of Saskatchewan'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 Pension Plan for the Eligible Employees at the University of Saskatchewan 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 13, 2026

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

**PENSION PLAN FOR THE ELIGIBLE EMPLOYEES AT THE
UNIVERSITY OF SASKATCHEWAN**

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

Statement 1

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Segregated fund investments (Notes 3 & 4)	\$ 223,096,000	\$ 193,251,000
Accounts receivable:		
Employee contributions	257,000	254,000
Employer contributions	<u>257,000</u>	<u>254,000</u>
	514,000	508,000
 Total assets	 <u>223,610,000</u>	 <u>193,759,000</u>
 <u>Liabilities</u>		
Accounts payable	1,239,000	823,000
 Total liabilities	 <u>1,239,000</u>	 <u>823,000</u>
 Net assets available for benefits (Statement 2)	 \$ <u><u>222,371,000</u></u>	 \$ <u><u>192,936,000</u></u>

(See accompanying notes)

**PENSION PLAN FOR THE ELIGIBLE EMPLOYEES AT THE
UNIVERSITY OF SASKATCHEWAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For The Year Ended December 31**

Statement 2

	<u>2025</u>	<u>2024</u>
<u>Increase in Assets</u>		
Current period change in fair values of investments	\$ 28,278,000	\$ 32,253,000
Contributions:		
Employee	6,220,000	5,988,000
Employer	6,220,000	5,988,000
Other transfers and contributions	264,000	500,000
	<u>12,704,000</u>	<u>12,476,000</u>
Total increase in assets	<u>40,982,000</u>	<u>44,729,000</u>
<u>Decrease in Assets</u>		
Plan expenses (Note 7)	931,000	872,000
Refunds and transfers:		
Termination benefits	3,272,000	4,183,000
Retirement benefits	7,344,000	7,490,000
	<u>10,616,000</u>	<u>11,673,000</u>
Total decrease in assets	<u>11,547,000</u>	<u>12,545,000</u>
Net change in net assets available for benefits	29,435,000	32,184,000
Net assets available for benefits at beginning of year	<u>192,936,000</u>	<u>160,752,000</u>
Net assets available for benefits at end of year (Statement 1)	<u>\$ 222,371,000</u>	<u>\$ 192,936,000</u>

(See accompanying notes)

**PENSION PLAN FOR THE ELIGIBLE EMPLOYEES AT THE
UNIVERSITY OF SASKATCHEWAN**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025**

1. Description of the Plan

The following description of the Pension Plan for the Eligible Employees at the University of Saskatchewan (Plan) is a summary only. For more complete information, reference should be made to the Plan Document.

a) General

The Plan is a defined contribution pension plan open to certain eligible employees at the University of Saskatchewan who are employed full time or part time, provided that the employee is not an active participant in any other formal plan in effect at the University. The plan is registered under *The Pension Benefits Act, 1992* (Registration #0364174).

The Research Pension Plan Committee (Committee), composed equally of appointees of the Board of Governors and representatives selected directly or indirectly by the Members, provides oversight for the Plan as delegated by the Board of Governors. The Committee provides recommendations to the Board of Governors on Plan amendments, investment policy, and other administrative matters.

b) Investments

The Plan receives and holds, in trust, the University's and members' contributions as well as the related investments and investment income derived from these contributions. The investment income credited to member accounts is the full market rate of return earned after deducting the expenses of the Plan.

The Plan's assets are invested in segregated funds approved by the Board of Governors. Members have the ability to select an investment strategy that is suitable for their own retirement investment needs. Members bear the investment risk and reap the rewards of investment performance, as plan benefits are limited to the market value of accumulated balance of each member's accounts.

c) Retirement Benefits

The normal retirement date in respect of professional employees is the June 30th coincident with or next following the attainment of age 67. The normal retirement date in respect of all other employees is the month end following the attainment of age 65. The annual amount of pension, which can be provided to the member, will be determined by the amount standing to the member's credit in the Member Account and the Employer Account.

d) Termination Benefits

If a member ceases employment with the University prior to retirement, the member will receive the option to transfer their account balance to a Locked-In Retirement Account, transfer their account balance to an eligible registered pension plan of a new employer, purchase a life annuity from an insurance company, or leave their contributions in the Plan to be transferred at a later date. This applies to all contributions made after December 31, 1993.

On contributions made prior to December 31, 1993, the member will receive the option to take a 50% cash refund or transfer to a Registered Retirement Savings Plan, and transfer the remaining 50% to a Locked-In Retirement Account or an eligible registered pension plan of a new employer.

e) Death Benefits

If a member without a spouse dies before retirement, the Plan pays the accumulated balance of the member's account to the date of death to the designated beneficiary or member's estate. If a member with a spouse dies before retirement, the spouse can buy an immediate or deferred annuity, transfer the balance to a Registered Retirement Savings Plan, transfer the balance to a Locked-In Retirement Account or a Prescribed Registered Retirement Income Fund, or receive a lump sum payment equal to the accumulated balance of the member's account.

f) Funding

Active members and the employer are each required to contribute the following, subject to the *Income Tax Act (Canada)* limits:

- i) for academic equivalent employees: 8.50% of the member's pensionable earnings.
- ii) for administrative equivalent employees: a contribution rate of 7.0% of the member's pensionable earnings.
- iii) for non-professional employees: a contribution rate of 7.0% of the member's pensionable earnings.
- iv) for employees of the Canadian Light Source who are members of the Unifor Local 609: 8.00% of the member's pensionable earnings.
- v) for employees with less than full-time continuous employment who are eligible to join the plan: a contribution rate of 7.0% of the member's pensionable earnings.

g) Income Taxes

The Plan is a registered pension plan as defined in the *Income Tax Act (Canada)* 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. 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) Segregated fund investments

Units in the segregated funds are recorded in the accounts at their net asset value per unit. Net asset value per unit is the fair value of the investments in the segregated fund's portfolio divided by the total number of outstanding units in that fund. Any increase/decrease in the value of the segregated funds is accounted for in the Statement of Changes in Net Assets Available for Benefits as a current period change in fair values of investments.

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 assist its members in the building of an adequate retirement income, while complying with *The Pension Benefits Act, 1992* and Canada Revenue Agency regulations.

In accordance with regulatory requirements, the Research Pension Plan Committee 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. As members have differing risk preferences, the SIPP gives members several investment options to allow members to customize a portfolio to meet their investment needs. Individual investment decisions are delegated to investment managers subject to the constraints of the SIPP and individual manager mandates. As required, the Committee reviews the SIPP at least annually. With the assistance of an investment consultant, the Committee regularly monitors each manager to ensure compliance with the SIPP.

The primary long-term investment performance objective is to out-perform the benchmark portfolio. The following is a summary of the investment performance of the Plan's assets as at December 31, 2025:

Fund	1 year	4 year
Money Market Fund & GDIA		
Return	2.9%	3.5%
Benchmark	2.8%	3.6%
Bond Fund		
Return	2.6%	0.2%
Benchmark	2.6%	0.2%
Canadian Equity Fund		
Return	18.4%	10.2%
Benchmark	31.7%	13.9%
U.S. Equity Fund		
Return	12.3%	13.4%
Benchmark	12.4%	13.4%
Emerging Market Equity Fund		
Return	27.6%	7.8%
Benchmark	27.3%	8.1%
International Equity Fund		
Return	20.2%	7.7%
Benchmark	26.2%	10.2%

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

In addition to the funds noted above, the Plan offers a suite of Target Date Funds to members. Target Date Funds consider a member's proximity to retirement and automatically de-risk the member's investment mix over time, according to the pre-determined asset mix glidepath. The Plan offers twelve individual Target Date Funds, in 5-year increments. All funds are made up of the same segregated equity and bond funds, noted above, but with different proportions. The proportions/glidepath are monitored by the Committee and may be amended periodically through consultation with the Plan's investment consultant, Aon.

4. Segregated Fund

The investments of the Plan are comprised of various pooled funds held in a segregated fund, established by the Sun Life Assurance Company of Canada (Sun Life), in accordance with the *Insurance Companies Act (Canada)*. The pooled funds are owned by Sun Life. These funds are maintained separately from Sun Life's general funds and may not be applied against liabilities that arise from any other business of Sun Life. The pooled funds have no fixed interest rate, and its returns are based on the performance of the fund. The segregated fund holds units in the following funds:

	2025	2024
Sun Life Money Market and GDIA	\$ 4,543,000	\$ 3,318,000
BlackRock Canada Universe Bond Index	32,286,000	26,969,000
Beutel Goodman Canadian Equity	13,273,000	21,004,000

Galibier Canadian Equity	10,571,000	16,863,000
Foyston Gordon Payne Canadian Equity	2,671,000	4,218,000
BlackRock U.S. Equity Index	108,217,000	66,815,000
BlackRock MSCI Emerging Markets Equity	7,493,000	-
Mawer International Equity	44,042,000	54,064,000
	<u>\$ 223,096,000</u>	<u>\$ 193,251,000</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.

There were no items transferred between levels in 2025 or 2024.

The Plan's segregated fund investments are classified as Level 2.

5. Financial Risk Management

The nature of the Plan's operations results in a Statement of Changes in Net Assets Available for Benefits 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 the Committee. 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. The Committee 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 investments of the Plan are comprised of various pooled funds held in a segregated fund, established by Sun Life. The Plan limits credit risk by dealing with issuers that are considered to be high quality. The Plan's credit risk arises primarily from two distinct sources: contributions receivable and certain investments. The maximum

credit risk to which it is exposed at December 31, 2025 is limited to the carrying value of the financial assets summarized as follows:

	2025	2024
Accounts receivable	\$ 514,000	\$ 508,000
Investments ¹	36,829,000	30,287,000

¹ Bond & money market pooled funds held on behalf of the Plan in a segregated fund.

Employee and employer contributions receivable are received within 30 days of year-end.

Credit risk within investments is primarily related to bond and money market pooled funds. It is managed through the investment policy that limits fixed income investments to those of high credit quality (minimum rating for bonds is BBB, and for money market instruments is R-1 Low) along with limits to the maximum notional amount of exposure with respect to any one issuer. The following shows the percentage of bond holdings, in the bond pooled fund, by credit rating:

Credit Rating – Canada Universe Bond Index	2025	2024
AAA	44.4%	42.2%
AA	18.0%	30.8%
A	25.9%	15.2%
BBB	11.7%	11.8%
Total	100.0%	100.0%

Within the bond pooled fund, there are no holdings from one issuer, other than the Government of Canada or government guaranteed agencies, over 10% of the market value of the combined bond and short-term investment portfolios. No holding of one corporate issuer rated less than A exceeds 5% of the market value of the bond portfolio.

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 exposed to changes in interest rates in its bond pooled fund. 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 \$2,228,000, representing 6.9% of the fair value of fixed income assets, and 1.0% of total net assets available for benefit.

The money market pooled fund has minimal sensitivity to interest rates since the securities are usually held until maturity and are short-term in nature.

Foreign exchange

The Plan is subject to changes in the U.S./Canadian dollar exchange rate through its U.S. equity pooled fund. Also, the Plan is exposed to EAFE (Europe, Australasia and Far East) currencies through its investment in an international equity pooled fund. At December 31, 2025, the Plan's exposure to U.S. equities was 48.5% (2024 – 34.6%) and its exposure to non-North American and emerging markets equities was 23.1% (2024 – 28.0%).

At December 31, 2025, a 10% change in the Canadian dollar versus U.S. dollar exchange rate would result in approximately a \$10,822,000 change in the net assets available for benefits. A 10% change in the Canadian dollar versus the EAFE currencies would result in approximately a \$5,154,000 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, 2025 equities comprise 83.5% (2024 – 84.3%) of the carrying value of the Plan's total investments. Individual stock holdings are diversified by geography, industry type and corporate entity. No single investee represents greater than 10% of the fair value of the pooled fund.

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, 2025:

	10% increase	10% decrease
S&P/TSX Composite Index	\$ 2,652,000	\$ (2,652,000)
S&P 500 Index	10,822,000	(10,822,000)
MSCI ACWI ex USA Index	4,404,000	(4,404,000)
MSCI Emerging Markets Index	749,000	(749,000)

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

For the following financial instruments, the fair value approximates their carrying value due to the immediate or short-term nature of these instruments:

- a) accounts receivables, and
- b) accounts payable

The fair value of investments is disclosed in Note 4.

7. Plan Expenses

	2025		2024
	Budget	Actual	Actual
Investment management fees	\$ 453,000	\$ 452,000	\$ 437,000
Trustee fees	280,000	281,000	285,000
Consulting fees	62,000	59,000	47,000
Administration expenses	138,000	139,000	103,000
Total	\$ 933,000	\$ 931,000	\$ 872,000

8. Related Parties

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

The University of Saskatchewan pays for certain administration and consulting expenses. A portion of these expenses, which the University of Saskatchewan incurs, is charged back to the Plan. The expenses charged by the University of Saskatchewan in 2025 were \$139,000 (2024 - \$103,000). At December 31, 2025, the plan owed the University \$139,000 (2024 - \$103,000).

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 and notes thereto.