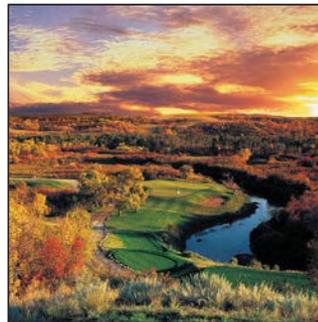


SaskPower Supplementary Superannuation Plan



Annual Report for 2022

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Letters of Transmittal



His Honour the Honourable Russ Mirasty, S.O.M., M.S.M.,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I have the honour to transmit herewith the Annual Report of the
SaskPower Supplementary Superannuation Plan for the year ending
December 31, 2022.

A handwritten signature in cursive script that reads "Donna Harpauer".

Donna Harpauer
Minister of Finance

The Honourable Donna Harpauer
Minister of Finance

Madam:

On behalf of the Public Employees Benefits Agency, I have the honour to
transmit herewith the Annual Report of the SaskPower Supplementary
Superannuation Plan for the year ending December 31, 2022.

A handwritten signature in cursive script that reads "J Phillips".

Jeremy Phillips
Assistant Deputy Minister
Public Employees Benefits Agency
Ministry of Finance

Saskatchewan Power Corporation

SaskPower Supplementary Superannuation Plan

Introduction

The Saskatchewan Power Corporation (SaskPower; the Corporation) established the SaskPower Supplementary Superannuation Plan (the Plan) on January 1, 1988, for the purpose of providing superannuation benefits under this Plan to SaskPower employees enrolled in the Plan (the Participants).

The Plan is not registered as a pension plan under the *Income Tax Act* (Canada). The Corporation has not established a trust nor does it hold property for the specific purpose of providing benefits to the Participants. Benefits are funded out of current operations of the Corporation.

SaskPower was the administrator of the Plan from January 1, 1988, to March 14, 2000.

On March 14, 2000, an Order in Council designated the Public Employees Benefits Agency (PEBA) as the administrator of the Plan.

Enrolment

To enroll in the Plan, eligible SaskPower employees (Management Band 5, Level 2 and up) must annually agree, in writing, to forego their entitlement to 13 banked days off in return for Plan benefits.

As of December 31, 2022, the Plan had 310 (2021 – 307) active Participants and 97 (2021 – 94) retired or terminated Participants who received benefits from the Plan.

Banked Days Earned

On an annual basis, the notional account of each Participant is credited with a sum equal to 15 days of a Participant's salary. The crediting of each sum is deemed to occur on January 1 of each year. In addition, the Plan may, from time to time, credit each Participant's notional account with such additional amounts as it deems appropriate.

The notional account of each Participant represents a contribution receivable from SaskPower. Notwithstanding the above, in no event shall any amount credited under the Plan be in lieu of compensation payable during the year or a previous year.

Interest

On December 31 of each year, the Plan credits each active participant's notional account with an additional amount equal to the greater of:

- i. The average rate of interest paid during the year on one-year Guaranteed Investment Certificates (GICs) Series V80691339 as reported by the Bank of Canada. For this purpose, the rate of interest paid on one year GICs on the first business day of each month shall be used to determine the average rate of interest paid on GICs; or
- ii. The annual investment return on the Public Employees Pension Plan balanced fund for the year ended December 31.

The rate used to calculate the interest credited to the Plan during 2022 was 1.5 per cent (2021 – 9.3 per cent).

Benefits

A Participant's benefit entitlement date is normally January 31 of the year following the year in which the Participant terminates active service with the Corporation.

Upon termination of active service, Participants elect how superannuation benefits are to be paid. In the event of termination of service with the Corporation, the Corporation on behalf of the Plan, may pay a Participant's superannuation benefits in a lump sum. In no circumstances shall superannuation benefits under this Plan be paid over a period exceeding five years.

Management's Report

To the Members of the Legislative Assembly of Saskatchewan

As administrators of the SaskPower Supplementary Superannuation Plan, we are responsible for the preparation and presentation of the following financial statements in accordance with Canadian public sector accounting standards.

The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

We believe the SaskPower Supplementary Superannuation Plan has a system of internal control adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with Canadian public sector accounting standards.

Enclosed are the financial statements of the Saskatchewan Power Supplementary Superannuation Plan for the year ended December 31, 2022, and the Provincial Auditor's report on these financial statements.

Regina, Saskatchewan
April 17, 2023



Jeremy Phillips
Assistant Deputy Minister
Public Employees Benefits Agency
Ministry of Finance

**Saskatchewan Power Corporation
Supplementary Superannuation Plan**

**Financial Statements
Year Ended December 31, 2022**

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the Saskatchewan Power Corporation Supplementary Superannuation Plan, which comprise the statement of financial position as at December 31, 2022, and the statement of operations and changes in net financial assets 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 Saskatchewan Power Corporation Supplementary Superannuation Plan as at December 31, 2022, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

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 Saskatchewan Power Corporation Supplementary Superannuation 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the *SaskPower Supplementary Superannuation Plan Annual Report for 2022*, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 public sector accounting standards for Treasury Board's approval, 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 Saskatchewan Power Corporation Supplementary Superannuation 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 Saskatchewan Power Corporation Supplementary Superannuation Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Saskatchewan Power Corporation Supplementary Superannuation 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 Saskatchewan Power Corporation Supplementary Superannuation 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 Saskatchewan Power Corporation Supplementary Superannuation 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 Saskatchewan Power Corporation Supplementary Superannuation 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
April 17, 2023



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

**Saskatchewan Power Corporation Supplementary Superannuation Plan
Statement of Financial Position**

Statement 1

(in thousands)

As at	December 31 2022	December 31 2021
Financial Assets		
SaskPower Contribution Receivable	<u>\$ 36,015</u>	<u>\$ 38,610</u>
Total Financial Assets	<u>36,015</u>	<u>38,610</u>
Net Financial Assets and Accumulated Surplus (Statement 2)	<u>\$ 36,015</u>	<u>\$ 38,610</u>

(See accompanying notes to the financial statements)

**Saskatchewan Power Corporation Supplementary Superannuation Plan
Statement of Operations and Changes in Net Financial Assets**

Statement 2

Year Ended December 31

(in thousands)

	<u>2022</u>	<u>2021</u>
Revenues		
Banked Days Earned	\$ 2,366	\$ 2,543
Interest Earned	547	3,280
Other Contributions	<u>66</u>	<u>111</u>
Total Revenues	<u>2,979</u>	<u>5,934</u>
Expenses		
Superannuation Benefits	<u>5,574</u>	<u>4,524</u>
Total Expenses	<u>5,574</u>	<u>4,524</u>
Operating (Deficit)/Surplus	(2,595)	1,410
Net Financial Assets and Accumulated Surplus, Beginning of Year	<u>38,610</u>	<u>37,200</u>
Net Financial Assets and Accumulated Surplus, End of Year (Statement 1)	<u>\$36,015</u>	<u>\$38,610</u>

(See accompanying notes to the financial statements)

Saskatchewan Power Corporation Supplementary Superannuation Plan Notes to the Financial Statements

December 31, 2022

1. Description of the Plan

The Saskatchewan Power Corporation (SaskPower; the Corporation) established the SaskPower Supplementary Superannuation Plan (the Plan) on January 1, 1988 for the purpose of providing superannuation benefits under this Plan to SaskPower employees enrolled in the Plan (the Participants).

The Plan is not registered as a pension plan under the *Income Tax Act* (Canada). The Corporation has not established a trust nor does it hold property for the specific purpose of providing benefits to the Participants. Benefits are funded out of current operations of the Corporation.

On March 14, 2000, an Order in Council designated the Public Employees Benefits Agency (PEBA) as the administrator of the Plan. PEBA continues to be the administrator of this Plan under Order in Council 59-2022.

The following description is a summary only. For more complete information, reference should be made to the Plan document.

Enrolment

To enroll in the Plan, eligible SaskPower employees (Management Band 5, Level 2 and up) must annually agree to forego their entitlement to 13 banked days off in return for Plan benefits.

As of December 31, 2022, the Plan had 310 (2021 – 307) active Participants and 97 (2021 – 94) retired or terminated Participants who received benefits from the Plan.

Banked Days Earned

On an annual basis, the Plan credits the notional account of each active Participant with a sum equal to 15 days of a Participant's salary. The crediting of each sum is deemed to occur on January 1 of each year. Notwithstanding the above, in no event shall any amount credited under the Plan be in lieu of compensation payable by SaskPower during the year or a previous year.

The notional account of each Participant represents a contribution receivable from SaskPower.

Interest Earned

On December 31 of each year, the Plan credits each active Participant's notional account with an additional amount equal to the greater of:

- i. The average rate of interest paid during the year on one-year Guaranteed Investment Certificates (GICs) Series V80691339 as reported by the Bank of Canada. For this purpose, the rate of interest paid on one-year GICs on the first business day of each month shall be used to determine the average rate of interest paid on GICs; or
- ii. The annual investment return on the Public Employees Pension Plan Balanced Fund for the year ended December 31.

The rate used to calculate the interest credited to the Plan during 2022 was 1.5 per cent (2021 – 9.3 per cent).

Other Contributions

The Corporation may credit each Participant account with such additional amounts as it deems appropriate.

Benefits

A Participant's benefit entitlement date is normally January 31 of the year following the year in which the Participant terminates active service with the Corporation.

Upon termination of active service, Participants elect how superannuation benefits are to be paid. In the event of termination of service with the Corporation, the Corporation, on behalf of the Plan, may pay a Participant's superannuation benefits in a lump sum. In no circumstances shall superannuation benefits under this Plan be paid over a period exceeding five years.

2. Basis of Preparation and Significant Accounting Policies

The financial statements are prepared in accordance with Canadian public sector accounting standards. These statements do not present a Statement of Re-measurement Gains and Losses as the Plan does not have these types of gains and losses or a Statement of Cash Flows as the information is readily available in the other statements and the notes thereto.

The following accounting policies are considered significant:

a) Basis of measurement

The financial statements have been prepared on the historical cost basis.

b) Financial instruments

The SaskPower contribution receivable, a financial instrument, has been recorded at fair value.

3. Related Parties

SaskPower and PEBA are related to the Plan by virtue of common control by the Government of Saskatchewan. The Plan is also related to key management personnel and/or their close family members.

The Plan has received use of office space and administrative services from SaskPower at no charge. Additionally, PEBA provides administrative services to the Plan for an administration fee which is paid by SaskPower.

4. Fair Value

The fair value of the SaskPower contribution receivable is its carrying value. As benefits are funded out of current operations of SaskPower, the Plan's financial risks relate primarily to credit risk. The maximum credit risk to which it is exposed at December 31, 2022, is limited to the carrying value of its contribution receivable from SaskPower.