

**SGEU Long Term Disability Plan**  
**Financial Statements**  
*December 31, 2021*

## **Management's Responsibility**

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To the Members of SGEU Long Term Disability Plan:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for pension plans (as applicable to LTD plans). This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Provincial Council is composed entirely of Members who are neither management nor employees of the Plan. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Plan's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and may meet periodically and separately with, both the Council and management to discuss their audit findings.

April 20, 2022



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Richard Schramm, Director of Finance

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To the Members of SGEU Long Term Disability Plan:

## Opinion

We have audited the financial statements of SGEU Long Term Disability Plan (the "Plan"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in net assets and cash flows 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 Plan as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for pension plans (as applicable to LTD 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 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 Canadian accounting standards for pension plans (as applicable to LTD 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 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 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 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.

Regina, Saskatchewan

April 20, 2022

*MNP LLP*

Chartered Professional Accountants

## SGEU Long Term Disability Plan Statement of Financial Position

*As at December 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current</b>		
Cash (Note 3)	2,162,343	227,063
Accounts receivable (Note 4)	158,039	205,851
Premiums receivable	569,837	603,182
Due from SGEU (Note 5)	920,874	1,319,020
	<b>3,811,093</b>	2,355,116
<b>Investments (Note 6)</b>	<b>62,745,689</b>	55,119,747
	<b>66,556,782</b>	57,474,863
<b>Liabilities</b>		
<b>Current</b>		
Line of credit (Note 3)	2,598,298	2,035,950
Accounts payable and accruals	2,076,824	948,703
	<b>4,675,122</b>	2,984,653
<b>Provision for claims payable (Note 7)</b>	<b>57,857,000</b>	52,688,000
	<b>62,532,122</b>	55,672,653
<b>Net assets</b>	<b>4,024,660</b>	1,802,210
	<b>66,556,782</b>	57,474,863

Approved on behalf of the Board



**Teresa Sauer, President**



**Diane Ralph, First Vice President**

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

**SGEU Long Term Disability Plan**  
**Statement of Operations and Changes in Net Assets**  
*For the year ended December 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Premium revenue</b>	<b>13,301,600</b>	13,007,321
<b>Expenses</b>		
Administration	<b>1,490,679</b>	1,499,427
Appeal fees	<b>159,370</b>	216,783
Disability benefits	<b>11,343,710</b>	11,418,244
Change in provision for claims payable <i>(Note 7)</i>	<b>5,169,000</b>	3,830,000
Adjudication fees	<b>937,590</b>	920,655
	<b>19,100,349</b>	17,885,109
<b>Deficiency of premium revenue over expenses</b>	<b>(5,798,749)</b>	(4,877,788)
<b>Other income</b>		
Investment income	<b>1,608,841</b>	1,580,386
Unrealized gain on investments	<b>6,412,358</b>	2,302,884
	<b>8,021,199</b>	3,883,270
<b>Excess (deficiency) of revenues over expenses</b>	<b>2,222,450</b>	(994,518)
<b>Net assets, beginning of year</b>	<b>1,802,210</b>	2,796,728
<b>Net assets, end of year</b>	<b>4,024,660</b>	1,802,210

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

## SGEU Long Term Disability Plan Statement of Cash Flows

*For the year ended December 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses	2,222,450	(994,518)
Line of credit interest	62,353	109,012
Investment income	(1,608,841)	(1,580,386)
Change in market value of investments	(6,412,358)	(2,302,884)
Provision for claims payable	5,169,000	3,830,000
Custodian and management fees	392,059	359,250
Interest income	3,197	5,550
	(172,140)	(573,976)
Changes in working capital accounts		
Accounts receivable	47,812	(157,784)
Premiums receivable	33,345	(155,132)
Accounts payable and accruals	1,128,118	745,745
	1,037,135	(141,147)
<b>Financing activities</b>		
Net payments to SGEU	398,146	(692,536)
Advances from line of credit (Note 3)	500,000	1,000,000
	898,146	307,464
<b>Increase in cash resources</b>	<b>1,935,281</b>	<b>166,317</b>
<b>Cash resources, beginning of year</b>	<b>227,062</b>	<b>60,745</b>
<b>Cash resources, end of year</b>	<b>2,162,343</b>	<b>227,062</b>

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

# SGEU Long Term Disability Plan

## Notes to the Financial Statements

For the year ended December 31, 2021

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### 1. Incorporation and operations

The Saskatchewan Government and General Employees' Union (SGEU) is a democratic union, through which members strive for healthy productive work environments and they provide quality public services and presentation for all interest groups.

The Saskatchewan Government and General Employees' Union Long-Term Disability Fund (the Fund) is a Fund used to account for the premiums, claims, investment and administrative transactions of the Long-Term Disability Plan (the Plan).

The Plan is intended to provide income protection for participating union members who are totally disabled, unable to work, and who are not covered by Workers' Compensation or automobile insurance. Plan participants consist of the members of the participating bargaining units of the plan. Bargaining units of SGEU can become participants of the plan through a vote to join decided by a majority.

The Saskatchewan Government and General Employees' Union Supervisory Committee (the Committee) is responsible for holding in trust and investing the monies of the Plan. The Committee is comprised of 24 elected representatives named by the SGEU participating bargaining units. The Committee is a standing committee of the Saskatchewan Government General Employees' Provincial Council.

Members of the participating bargaining units of the Plan, pay premiums into the plan at the rate of 1.5% of gross salary.

#### Impact of COVID-19 on operations

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. While the extent of the impact is unknown, there has been minimal impact to the Plan as members continue to pay into the plan and the plan continues to pay benefits where appropriate.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for pension plans and include the following significant accounting policies:

#### **Investments**

Investments in portfolio investments recorded at fair value with quoted market prices in active markets.

#### **Provision for claims payable**

The provision for claims payable represents the present value of future payments arising from claims made prior to year-end. The provision includes an estimated amount for claims incurred but not yet reported at year-end. The provision for claims payable is determined pursuant to an actuarial valuation. Any resulting change in this liability is recognized as a revenue or expense in the statement of operations and net assets.

#### **Premium revenue**

Premiums are recognized as revenue monthly and in the period which the premium is applicable to and is recorded when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **Disability benefits expense**

Disability benefits expense is recognized in the year the claim occurred.

#### **Income taxes**

The Plan is exempt from taxes under the provision 149 (1)(l) of the Income Tax Act.



**2. Significant accounting policies** *(Continued from previous page)*

***Investment income and change in market value***

Investment income is recognized as revenue on an accrual basis, as earned. The change in market value of investments is recorded based upon the fair value of the investments in the prior year as compared to the fair value of the investments in the current year, adjusted for any investment purchases and disposals during the year.

***Measurement uncertainty***

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The provision for claims payable is based on a number of assumptions about future events including: recovery and mortality rates, interest rates and expected benefits from other sources. The actual experience may vary significantly from the assumptions used.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the year in which they become known.

***Financial instruments***

The Plan recognizes its financial instruments when the Plan becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Plan may irrevocably elect to subsequently measure any financial instrument at fair value. The Plan has elected to account for cash and investments at fair value. The Plan subsequently measures all financial assets and liabilities at amortized cost except cash and investments which are at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net income/loss. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

***Financial asset impairment:***

The Plan assesses impairment of all its financial assets measured at cost or amortized cost. The Plan groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors and no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Plan determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Plan reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year earnings.

The Plan reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in net income/loss in the year the reversal occurs.

## SGEU Long Term Disability Plan Notes to the Financial Statements

*For the year ended December 31, 2021*

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### 3. Cash / Line of Credit

Cash consists of amounts on deposit with the bank.

At December 31, 2021, the Plan had a line of credit with Royal Bank Dominion Securities with a maximum limit equal to the value of the investments, of which \$2,598,298 was drawn (2020 - \$2,035,950). The line of credit bears interest at prime and is due on demand. Accrued interest of \$62,353 was added to the line of credit (2020 - \$109,012). The line of credit is secured by a general security agreement. Collateral pledged as security are the Plan's investments.

As at December 31, 2021, the Plan had a line of credit with Affinity Credit Union with an approved limit of \$250,000 of which \$nil has been drawn (2020 - \$nil).

### 4. Accounts receivable

	2021	2020
Accounts receivable	203,337	231,610
Allowance for doubtful accounts	(45,298)	(25,759)
	<b>158,039</b>	<b>205,851</b>

### 5. Related party transactions

The SGEU Long-Term disability plan is related to the Saskatchewan Government and General Employees' Union by virtue of common control. The members of the SGEU LTD Plan are also members SGEU. At December 31, 2021, the Plan has recorded an amount receivable from SGEU general fund of \$920,874 (2020 - \$1,319,020). This amount is based on the exchange amounts.

### 6. Investments

The investment objectives of the Plan are to generate an optimal real rate of return while at the same time emphasizing the preservation of capital and avoiding excessive volatility.

The Plan's investments are comprised of the following:

	2021	2020
Cash	1,755,670	1,411,961
Fixed income (interest rate of 1.75% - 5.85%; maturing between Sept 2023 - Dec 2051)	17,640,590	14,389,397
Preferred shares	-	248,745
Common shares	32,011,212	25,054,552
Foreign securities	4,322,463	3,442,770
Mutual funds	7,015,754	10,572,322
	<b>62,745,689</b>	<b>55,119,747</b>

**SGEU Long Term Disability Plan**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2021*

**7. Provision for claims payable**

An actuarial valuation was performed by Towers Watson as at December 31, 2021 to determine the liability for the future cost of existing claims. The valuation also includes a provision for claims incurred but not yet reported.

The actuarial valuation of claims as at December 31, 2021 and the principal components of the change in the actuarial valuation during the year were as follows:

	<b>2021</b>	2020
Provision for claims payable, beginning of year	<b>52,688,000</b>	48,858,000
Interest on accrued benefits	<b>1,564,000</b>	1,816,000
Change in assumptions	<b>2,987,000</b>	2,864,000
Benefits accrued - new claims	<b>10,460,000</b>	11,384,000
Benefits paid	<b>(9,842,000)</b>	(12,234,000)
	<b>57,857,000</b>	52,688,000

The amount of benefits payable under the Long-term Disability Plan may be increased on January 1 each year. The increase in benefits is indexed.

The liability for claims is based on a number of assumptions about future events including: recovery and mortality rates, interest rates and expected benefits from other sources. The actual experience may vary significantly from the assumptions used.

The actuary is appointed by SGEU's Council. The actuary is responsible for ensuring that the assumptions and methods used in management's valuation of Provision for Claims Payable are in accordance with accepted actuarial practice, applicable legislation and associated regulations or directives. The actuary is also required to provide an opinion regarding the appropriateness of the Plan's Provision for Claims Payable as at December 31, 2021. Examination of supporting data for accuracy and completeness, a review of the valuation process used and an analysis of the Plan's assets are important elements of the work required to form this opinion. In carrying out their work, the actuary considers the work of the external auditors in verifying data used for valuation purposes.

The valuation is based on the following assumptions:

<b><u>Assumptions</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Termination rate of claims	2011 Canadian Institute of Actuaries Group LTD Termination Table, adjusted for experience.	2011 Canadian Institute of Actuaries Group LTD Termination Table, adjusted for experience.
Expected return on assets and discount rate	3.75%	3.25%
Inflation rate	4.00% in 2022; 3.00% in 2023 and 2.00% per year thereafter - based on the consumer price index	2.00% - based on the consumer price index
Cost of living adjustments to gross benefits	1.45% in 2022; 2.00% in 2023; 1.50% in 2024 and 1.00% per year thereafter	1.00%
Percentage of claimants expected to be accepted for extension of benefits to age 65	40%	40%
Incurred but not yet reported claims	6/12ths of the estimated current year claims cost	6/12ths of the estimated current year claims cost

# SGEU Long Term Disability Plan

## Notes to the Financial Statements

For the year ended December 31, 2021

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### 8. Financial instruments

The Plan, as part of its operations, carries a number of financial instruments. It is management's opinion that the Plan is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### **Credit concentration**

Accounts receivable from one employer represents 54% (2020 - three employers for 69%) of total accounts receivable as at December 31, 2021. The Plan believes that there is minimal risk associated with the collection of these amounts.

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Plan is exposed to interest rate cash flow risk with respect to its long term investments which are subject to varying interest rates.

The Plan is also exposed to interest rate cash flow risk with the line of credit, which has a variable interest rate on outstanding balances.

#### **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan enters into transactions to earn a return on investment denominated in foreign currency for which the related revenues and expense balances are subject to exchange rate fluctuations. As at December 31, 2021, the following items are denominated in foreign currency:

	<b>2021</b>	<b>2020</b>
	<b>CAD\$</b>	<b>CAD\$</b>
Investments - foreign securities	<b>4,322,463</b>	3,442,770

#### **Liquidity risk**

Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with financial liabilities. The Plan's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

#### **Market risk**

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. SGEU manages market risk through the statement of investment policies and managing performance with the investment manager.

### 9. Comparative figures

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

**SGEU Long Term Disability Plan**

Year End: December 31, 2021

Adjusting Journal Entries

Date: 01/01/2021 To 31/12/2021

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
BK1	31/12/2021	Accrued benefit	1800			1,323,036.04		
BK1	31/12/2021	Trial Balance Payable / Receivable Split with S	6015		1,323,036.04			
To move account 1800 from LTD to SGEU								
BK2	31/12/2021	Future obligation- LTD	2750			6,636,000.00		
BK2	31/12/2021	LTD equity	3700			3,121,538.25		
BK2	31/12/2021	Trial Balance Payable / Receivable Split with S	6015		9,757,538.25			
To reconcile opening net assets								
BK3	31/12/2021	Future obligation- LTD	2750			5,169,000.00		
BK3	31/12/2021	LTD- Change in Future Obligation	0A07-041-998		5,169,000.00			
To adjust provision for claimes payable per 2021 actuary report								
					<b>16,249,574.29</b>	<b>16,249,574.29</b>		
<b>Net Income (Loss)</b>			<b>2,222,448.06</b>					

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Preparer PP 13/02/2022	Detailed MD 14/02/2022	Supervisory JB 10/03/2022
Peer	Tax	Admin RV 18/04/2022

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# SGEU Long Term Disability Plan

Year End: December 31, 2021

## Trial Balance

Account	Prelim	Adj's	Reclass	Rep	Rep 12/20	Amount	Chg %Chg
1000 Cash in Bank - LTD	2,162,342.96	0.00	0.00	2,162,342.96	227,063.14	1,935,279.82	852
<b>A Cash</b>	<b>2,162,342.96</b>	<b>0.00</b>	<b>0.00</b>	<b>2,162,342.96</b>	<b>227,063.14</b>	<b>1,935,279.82</b>	<b>852</b>
4812 GAIN/LOSS ON INVESTMENTS	-6,020,299.00	0.00	-392,058.81	-6,412,357.81	-2,302,884.26	-4,109,473.55	178
4870 LTD Deposit income	-3,196.79	0.00	0.00	-3,196.79	-5,538.87	2,342.08	-42
4875 LTD Investment income	-1,997,702.58	0.00	392,058.81	-1,605,643.77	-1,574,847.53	-30,796.24	2
<b>70 Other income (expense)</b>	<b>-8,021,198.37</b>	<b>0.00</b>	<b>0.00</b>	<b>-8,021,198.37</b>	<b>-3,883,270.66</b>	<b>-4,137,927.71</b>	<b>107</b>
1060 Accounts Receivable - LTD	203,337.03	0.00	0.00	203,337.03	231,609.56	-28,272.53	-12
1065 Allowance for doubtful accounts- LTD	-45,297.68	0.00	0.00	-45,297.68	-25,759.48	-19,538.20	76
1112 Premiums Receivable	569,837.47	0.00	0.00	569,837.47	603,182.32	-33,344.85	-6
<b>C Trade and Other Receivables</b>	<b>727,876.82</b>	<b>0.00</b>	<b>0.00</b>	<b>727,876.82</b>	<b>809,032.40</b>	<b>-81,155.58</b>	<b>-10</b>
1700 Investments- LTD	62,745,689.49	0.00	0.00	62,745,689.49	55,119,746.72	7,625,942.77	14
<b>N Investments</b>	<b>62,745,689.49</b>	<b>0.00</b>	<b>0.00</b>	<b>62,745,689.49</b>	<b>55,119,746.72</b>	<b>7,625,942.77</b>	<b>14</b>
4475 LTD premiums- SGEU bank deposit	-3,501,619.45	0.00	0.00	-3,501,619.45	-3,262,162.51	-239,456.94	7
4476 LTD Premiums- LTD bank deposit	-9,799,980.06	0.00	0.00	-9,799,980.06	-9,745,158.15	-54,821.91	1
<b>21 Other Revenue Section #1</b>	<b>-13,301,599.51</b>	<b>0.00</b>	<b>0.00</b>	<b>-13,301,599.51</b>	<b>-13,007,320.66</b>	<b>-294,278.85</b>	<b>2</b>
1250 Due From LTD	0.00	0.00	920,874.08	920,874.08	1,319,019.97	-398,145.89	-30
1800 Accrued benefit	1,323,036.04	-1,323,036.04	0.00	0.00	0.00	0.00	0
2170 DUE TO LTD	497,098.92	0.00	-497,098.92	0.00	0.00	0.00	0
6015 Trial Balance Payable / Receivable Split with SGEU	-10,656,799.13	11,080,574.29	-423,775.16	0.00	0.00	0.00	0
<b>JJ Related Party Balances &amp; Transactions</b>	<b>-8,836,664.17</b>	<b>9,757,538.25</b>	<b>0.00</b>	<b>920,874.08</b>	<b>1,319,019.97</b>	<b>-398,145.89</b>	<b>-30</b>
4471 LTD Sick leave rebate	116,808.31	0.00	0.00	116,808.31	96,196.16	20,612.15	21
4472 LTD premiums refunded to member	50,494.10	0.00	0.00	50,494.10	41,459.40	9,034.70	22
4473 LTD Premiums refunded beyond age 64	15,099.09	0.00	0.00	15,099.09	11,616.02	3,483.07	30
0A07-023-575 LTD ASO - FEES	937,590.42	0.00	0.00	937,590.42	920,654.84	16,935.58	2
0A07-041-575 LTD MEMBERS BENEFITS	11,161,308.95	0.00	0.00	11,161,308.95	11,268,972.68	-107,663.73	-1
0A07-041-587 LTD bank charges	3,293.08	0.00	0.00	3,293.08	3,142.16	150.92	5
0A07-041-605 LTD MEMBERS BENEFITS- SICK LEAVE ON	48,177.71	0.00	0.00	48,177.71	41,224.52	6,953.19	17
0A07-041-998 LTD- Change in Future Obligation	0.00	5,169,000.00	0.00	5,169,000.00	3,830,000.00	1,339,000.00	35
0A07-061-405 LTD TABLE OFFICERS - T&S MBR	321.48	0.00	0.00	321.48	119.88	201.60	168
0A07-061-410 LTD TABLE OFFICERS - STIPEND	341.85	0.00	0.00	341.85	96.14	245.71	256
0A07-061-415 LTD TABLE OFFICERS - PAYLOSS	548.76	0.00	0.00	548.76	2,043.72	-1,494.96	-73
0A07-064-835 LTD LEGAL - LEGAL	16,884.69	0.00	0.00	16,884.69	21,087.48	-4,202.79	-20
0A07-064-911 LTD LEGAL - COVID	0.00	0.00	0.00	0.00	7,368.44	-7,368.44	-100
0A07-065-405 LTD SUPERVISORY - T&S MEMBER	8,509.28	0.00	0.00	8,509.28	9,560.08	-1,050.80	-11
0A07-065-410 LTD SUPERVISORY - STIPEND	2,473.06	0.00	0.00	2,473.06	2,235.35	237.71	11
0A07-065-415 LTD SUPERVISORY - PAYLOSS	7,601.46	0.00	0.00	7,601.46	10,906.77	-3,305.31	-30
0A07-191-100 LTD STAFF - T&S STAFF	2,342.69	0.00	0.00	2,342.69	3,605.69	-1,263.00	-35
0A07-191-205 LTD STAFF - AA	104,726.73	0.00	0.00	104,726.73	110,673.99	-5,947.26	-5
0A07-191-220 LTD STAFF - ACCOUNTING	60,000.00	0.00	0.00	60,000.00	60,000.00	0.00	0
0A07-191-230 LTD STAFF - OUT OF SCOPE	116,673.64	0.00	0.00	116,673.64	114,926.76	1,746.88	2
0A07-191-236 LTD STAFF - LTD ADVOCATE	216,757.91	0.00	0.00	216,757.91	240,535.87	-23,777.96	-10
0A07-191-237 LTD STAFF - LTD REHAB ADVISORS	228,808.54	0.00	0.00	228,808.54	233,856.21	-5,047.67	-2
0A07-191-240 LTD STAFF - CONTROL OT-HOLIDAY PAY-TI	1,729.00	0.00	0.00	1,729.00	1,340.04	388.96	29
0A07-191-300 LTD STAFF - EI EMPLOYER	10,085.66	0.00	0.00	10,085.66	9,857.66	228.00	2
0A07-191-305 LTD STAFF - CPP EMPLOYER	26,577.52	0.00	0.00	26,577.52	26,353.88	223.64	1
0A07-191-315 LTD STAFF -GRP INS EMPLR	476.85	0.00	0.00	476.85	478.06	-1.21	0
0A07-191-320 LTD STAFF -PENSION EMPLR	64,942.56	0.00	0.00	64,942.56	64,034.64	907.92	1
0A07-191-345 LTD STAFF - DENTAL/DRUG/OPTICAL PLAN	22,509.14	0.00	0.00	22,509.14	22,454.43	54.71	0
0A07-191-364 LTD STAFF - SICK LEAVE & LTD ENHANCEN	66,716.09	0.00	0.00	66,716.09	23,734.19	42,981.90	181
0A07-191-376 LTD STAFF- JOINT EDUC LEAVE	9,865.80	0.00	0.00	9,865.80	9,684.17	181.63	2

27/04/2022

10:38 AM

Preparer	Detailed	Supervisory
BV 11/02/2022	MD 14/02/2022	JB 10/03/2022
Peer	Tax	Admin

TB

# SGEU Long Term Disability Plan

Year End: December 31, 2021

Trial Balance

Account	Prelim	Adj's	Reclass	Rep	Rep 12/20	Amount	Chg %Chg
0A07-191-540 LTD STAFF - CELL PHONES	5,096.32	0.00	0.00	5,096.32	5,265.25	-168.93	-3
0A07-191-575 LTD STAFF - FEES	624.30	0.00	0.00	624.30	0.00	624.30	0
0A07-191-635 LTD STAFF - REGISTRATION FEES	535.61	0.00	0.00	535.61	581.44	-45.83	-8
0A07-191-645 LTD STAFF - UNIONWARE MAINT FEE	20,000.00	0.00	0.00	20,000.00	20,000.00	0.00	0
0A07-236-405 LTD MEETINGS - T&S MEMBER	0.00	0.00	0.00	0.00	28,264.55	-28,264.55	-100
0A07-236-415 LTD MEETINGS - PAYLOSS	6,250.40	0.00	0.00	6,250.40	1,678.75	4,571.65	272
0A07-236-635 LTD MEETINGS - REGISTRATION	0.00	0.00	0.00	0.00	932.27	-932.27	-100
0A07-237-405 LTD FINANCE COMMITTEE - MEMBER T&S	1,961.88	0.00	0.00	1,961.88	88.38	1,873.50	2120
0A07-237-410 LTD FINANCE COMMITTEE - STIPEND	502.09	0.00	0.00	502.09	80.12	421.97	527
0A07-237-415 LTD FINANCE COMMITTEE - PAYLOSS	1,420.47	0.00	0.00	1,420.47	813.19	607.28	75
0A07-239-415 LTD PLAN TEXT AND RESOLUTIONS COMM	484.38	0.00	0.00	484.38	671.02	-186.64	-28
0A07-240-405 LTD POLICY COMMITTEE - MEMBER T&S	0.00	0.00	0.00	0.00	393.16	-393.16	-100
0A07-240-410 LTD POLICY COMMITTEE - STIPEND	0.00	0.00	0.00	0.00	32.04	-32.04	-100
0A07-240-415 LTD POLICY COMMITTEE - PAYLOSS	194.36	0.00	0.00	194.36	3,604.31	-3,409.95	-95
0A07-247-405 LTD REHABILITATION - T&S MEMBR	85,851.33	0.00	0.00	85,851.33	67,182.56	18,668.77	28
0A07-248-405 LTD OTHER - T&S MEMBER	157.50	0.00	0.00	157.50	0.00	157.50	0
0A07-248-525 LTD OTHER - OFFICE OPERATIONS	111.16	0.00	0.00	111.16	0.00	111.16	0
0A07-248-575 LTD OTHER - FEES	62,352.62	0.00	0.00	62,352.62	109,012.47	-46,659.85	-43
0A07-274-405 LTD APPEALS - T&S MEMBER	84.22	0.00	0.00	84.22	3,947.67	-3,863.45	-98
0A07-274-415 LTD APPEALS - PAYLOSS	0.00	0.00	0.00	0.00	82.29	-82.29	-100
0A07-318-545 LTD AUDIT - AUDIT	32,000.00	0.00	0.00	32,000.00	40,000.00	-8,000.00	-20
0A07-340-575 LTD-INVESTMENTS - FEES	392,058.81	0.00	0.00	392,058.81	359,259.98	32,798.83	9
0A07-454-575 LTD ACTUARY FEES	20,000.00	0.00	0.00	20,000.00	55,000.00	-35,000.00	-64
<b>40 Expenses</b>	<b>13,931,349.82</b>	<b>5,169,000.00</b>	<b>0.00</b>	<b>19,100,349.82</b>	<b>17,885,108.68</b>	<b>1,215,241.14</b>	<b>7</b>
2720 Investment Line of Credit - LTD	-2,598,301.20	0.00	0.00	-2,598,301.20	-2,035,948.58	-562,352.62	28
<b>AA Bank Indebtedness (Member Deposits)</b>	<b>-2,598,301.20</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,598,301.20</b>	<b>-2,035,948.58</b>	<b>-562,352.62</b>	<b>28</b>
2172 LTD- Accrued Vacation/Toil	-23,818.22	0.00	0.00	-23,818.22	-22,096.90	-1,721.32	8
2330 STAFF LTD PAYABLE	0.00	0.00	0.00	0.00	-2,380.55	2,380.55	-100
2710 Accounts Payable- LTD Provider	-1,971,813.91	0.00	0.00	-1,971,813.91	-798,505.07	-1,173,308.84	147
2730 Accrued Payables - LTD	-81,191.71	0.00	0.00	-81,191.71	-125,720.88	44,529.17	-35
<b>BB Trade and Other Payables</b>	<b>-2,076,823.84</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,076,823.84</b>	<b>-948,703.40</b>	<b>-1,128,120.44</b>	<b>119</b>
2750 Future obligation- LTD	-46,052,000.00	-11,805,000.00	0.00	-57,857,000.00	-52,688,000.00	-5,169,000.00	10
<b>KK Deferred Revenue</b>	<b>-46,052,000.00</b>	<b>-11,805,000.00</b>	<b>0.00</b>	<b>-57,857,000.00</b>	<b>-52,688,000.00</b>	<b>-5,169,000.00</b>	<b>10</b>
3700 LTD equity	1,319,328.00	-3,121,538.25	0.00	-1,802,210.25	-2,796,727.61	994,517.36	-36
<b>WW Retained Earnings and Equity</b>	<b>1,319,328.00</b>	<b>-3,121,538.25</b>	<b>0.00</b>	<b>-1,802,210.25</b>	<b>-2,796,727.61</b>	<b>994,517.36</b>	<b>-36</b>
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
<b>Net Income (Loss)</b>	<b>7,391,448.06</b>			<b>2,222,448.06</b>	<b>-994,517.36</b>	<b>3,216,965.42</b>	<b>-323</b>

27/04/2022  
10:38 AM

Preparer	Detailed	Supervisory
BV 11/02/2022	MD 14/02/2022	JB 10/03/2022
Peer	Tax	Admin

TB-1

**MNP LLP**  
**Audit Program - Summary of Differences**

Client: SGEU Long Term Disability Plan  
 Client #: 191604  
 Year End: 31/12/2021

**Adjusted Differences**

*Designed to pull all journal entries recorded in the CaseWare file which are classified as "Normal Adjusting" entries*

Journal entry #	Ref	Type and Cause of Difference	Adjustment to Earnings/Comprehensive Income Item						Adjustment to Balance Sheet Items								Client Prepared JE (Yes/No)	
			Identified (A)	Possible (B)	Likely Aggregate	Income Tax Effect	Net Income after tax	OCI	Opening Equity	Current Assets	Other Assets	Current Liabilities	LT Liabilities	Other Equity	Closing Equity	Out of Balance		
BK1		To move account 1800 from LTD to SGEU	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
BK2		To reconcile opening net assets	0.00	0.00	0.00	0.00	0.00	0.00	-3,121,538.25	0.00	0.00	0.00	3,121,538.25	0.00	-3,121,538.25	0.00	0.00	
BK3		To adjust provision for claimes payable per 2021 acturary report	5,169,000.00	0.00	5,169,000.00	0.00	5,169,000.00	0.00	0.00	0.00	0.00	0.00	-5,169,000.00	0.00	5,169,000.00	0.00	0.00	
<b>Client adjustments DR (CR)</b>			<b>5,169,000</b>	<b>0</b>	<b>5,169,000</b>	<b>0</b>	<b>5,169,000</b>	<b>0</b>	<b>-3,121,538</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,047,462</b>	<b>0</b>	<b>2,047,462</b>	<b>0</b>	<b>0</b>	



**MNP LLP**  
**Audit Program - Summary of Differences**

Client: SGEU Long Term Disability Plan  
 Client #: 191604  
 Year End: 31/12/2021

**Unadjusted Differences**

*Designed to pull all journal entries (with balances over De Minimis) recorded in the CaseWare file which are classified as "Unrecorded - factual", "Unrecorded - projected", "Unrecorded - judgmental"*

Journal entry #	Ref	Type and Cause of Difference	Adjustment to Earnings/Comprehensive Income Item						Adjustments to Balance Sheet Item							
			Factual/ Judgmental/ Possible (A)	Projected (B)	Likely Aggregate	Income Tax Effect	Net Income after tax	OCI	Opening Equity	Current Assets	Other Assets	Current Liabilities	LT Liabilities	Other Equity	Closing Equity	Out of Balance
SUD1		To adjust investment market value to actual using year-end foreign exchange rate	-42,151.75	0.00	-42,151.75	0.00	-42,151.75	0.00	0.00	0.00	42,151.75	0.00	0.00	0.00	-42,151.75	0.00
<b>Closing equity differences</b>			<b>-42,152</b>	<b>0</b>	<b>-42,152</b>	<b>0</b>	<b>-42,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-42,152</b>	<b>0</b>
Uncorrected opening differences		Aggregate of uncorrected opening differences carried forward from the prior year engagement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Current period differences DR (CR)</b>			<b>-42,152</b>	<b>0</b>	<b>-42,152</b>	<b>0</b>	<b>-42,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-42,152</b>	
Materiality			520,000	520,000	520,000	520,000	520,000	520,000	520,000	520,000	520,000	520,000	520,000	520,000	520,000	
<b>Excess (shortfall)</b>			<b>477,848</b>	<b>520,000</b>	<b>477,848</b>	<b>520,000</b>	<b>477,848</b>	<b>520,000</b>	<b>520,000</b>	<b>520,000</b>	<b>477,848</b>	<b>520,000</b>	<b>520,000</b>	<b>520,000</b>	<b>477,848</b>	

