



UNIVERSITY OF  
SASKATCHEWAN

2014/15

# Annual Financial Report



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## Greg Smith

### Chair, Board of Governors

On behalf of the board of governors, I would like to acknowledge the significant effort made by the entire university community in managing our financial resources in a fiscally responsible manner.

The senior leadership and the board continue to focus on achieving long-term financial sustainability for the University of Saskatchewan. As a result, a general culture of fiscal restraint and prudence has become more evident on campus.

We continue to respond to the challenge of ensuring efficient operations in light of fiscal realities. There are a number of projects underway that will help the university community effectively steward institutional resources.

The university is a strong proponent of the Province of Saskatchewan's vision for growth. We expect to be able to more fully align our resources behind strategic areas of focus, which will increase our record of success and achievement.

Much work remains, however I am confident the university's record of prudent financial management will continue to improve our standing among Canada's very best research intensive universities.



## Gordon Barnhart

### Interim President

The University of Saskatchewan has a proud history and it is my goal to help it move forward and take its place among Canada's most distinguished universities. Financial sustainability is a necessary part of a strong and vibrant university. Financial strength is foundational to the University of Saskatchewan's ability to achieve its learning and discovery mission.

The University of Saskatchewan is one of fifteen medical-doctoral universities in Canada. It has a unique breadth of discipline coverage within the Canadian context. The university is taking advantage of that breadth by establishing itself as a world research leader in six areas vital both to Canada and to Saskatchewan: Aboriginal peoples; agriculture; energy and mineral resources; one health; synchrotron sciences; and water security. By leveraging the essential funding provided by the provincial government, the university continues to support its learning and discovery mission as well as the economic growth of the province.

This annual financial report indicates that the University of Saskatchewan continues to manage its finances prudently and effectively. As we look to the future we are confident that the reputation and accomplishments of our university will continue to grow and that we will continue to be an economic and social driver in Saskatchewan, Canada and beyond.



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# Management Discussion and Analysis

## 2014/15

## Fiscal 2014/15 Overview

The University of Saskatchewan ended fiscal 2014/15 in a stable financial position with an excess of revenues over expenditures in the statement of operations, an improved and healthy statement of financial position, strong cash flow, declining debt and improved internal controls.

These results were primarily due to better than expected investment returns, timing of capital expenditures, continued donor support and an excess of revenues over expenditures in college operating funds (principally in the College of Medicine due to the timing of expenditures related to program restructuring).

The university recorded a \$118.0 million increase in net assets across all fund categories including:

- \$39.0 million in the Operating Fund,
- \$0.7 million in the Ancillary Fund,
- \$30.0 million in the Restricted Capital Fund,
- \$3.9 million in the Restricted Research Fund,
- \$4.6 million in the Restricted Student Financial Aid Fund, and
- \$39.8 million in the Restricted Endowment Fund.

It is important to note that although the university observed higher revenue than expense, in the underlying operating budget, expense growth continues to outpace revenue growth. Strategic initiatives to address this imbalance are underway focusing on curbing expense growth and diversifying and bolstering revenues. Despite this, the university remains in a position of financial strength, with a healthy balance sheet, due to prudent management actions.

## Significant Financial Risks

### Funding

While the University of Saskatchewan is one of the best publicly funded universities in Canada, a decline in the level of ongoing support received could have a significant impact on the ability of the university to achieve its academic mission. Annual cost escalations in the post-secondary education sector generally are between three and four per cent. In 2014/15 the Province provided a 2% increase in the base operating grant of the university and a 1% increase for 2015/16. Due to the sound financial position of the university and the fiscal challenges facing the Province in the spring of 2015, \$20.0 million was withheld by the Province. As a consequence of this reduction in the annual grant, the university has forecasted an operating budget deficit for 2015/16 in the amount of \$(19.6) million which will be addressed as a commitment against accumulated fund balances. It is expected that the Province will fully restore the annual grant to the university in 2016/17. The university will continue to exercise sound financial management practices to ensure the highest level of financial stewardship over its resources. Opportunities will be explored to diversify revenue streams and monetize endowment lands, and every effort shall be made to control the growth of expenditures.

### Condition of Facilities

The university maintains 7 million square feet of buildings and facilities with a current replacement value in excess of \$5.0 billion with over \$500 million in deferred maintenance. The ability of the university to achieve its academic objectives is closely tied to the condition of the buildings and facilities. In order to renew and maintain the existing facilities an annual investment of 0.8 to 1.0 per cent of the current replacement value is required. Funding for preventative maintenance and renewal has historically been provided by the Province, but with a focus on new development over the last decade these funds have not kept pace with requirements. The university is exploring a long-term capital funding strategy that will help address capital renewal through capital borrowing in combination with matching funds of an equivalent amount from donors, internal sources, federal, municipal and provincial governments. The university will invest in renewing its facilities over the next ten years and reducing the identified deferred maintenance backlog.

### Pension Deficits

The university has three defined benefit pension plans. Based on the last actuarial valuation reports filed with the Saskatchewan Superintendent of Pensions, the university is required to make additional special payments in the amount of \$6.1 million for 2015/16 representing an unfunded liability of \$59.7 million for two of the three plans. The most recently filed valuation report for the third plan revealed a surplus of \$10.9 million. The next actuarial valuation

is required to be filed in 2016/17, however valuations may be filed more frequently as the university continues to monitor pension funds to promote both equitable cost sharing and optimal fund management.

The risk philosophy adopted by the university through robust investment principles of diversification, de-risking and liability matching strategies, effectively manages the financial and investment risks associated with its pension plans.

## College of Medicine Accreditation

A comprehensive renewal process for the College of Medicine has been underway since 2012, with the goal of addressing recurring accreditation concerns and solving long-standing structural, research and teaching issues. The Province of Saskatchewan has provided targeted funding, over a number of years, to construct a new health sciences building and to address other issues identified in the accreditation reviews. During 2015/16 five accreditation reviews will be undertaken: physical therapy, postgraduate medical education, undergraduate medical education, continuing medical education, and emergency medicine. A fully accredited medical school will require successful reviews of all five programs. The university has developed a comprehensive strategy to ensure the future success of the College of Medicine in achieving its mandate to serve the people of Saskatchewan by producing outstanding clinical practitioners, generating new knowledge and facilitating improved patient outcomes.

## Looking Ahead

In support of the mission, the university continues to place significant effort toward improving financial sustainability. This is critical to the university's future success, given the funding landscape for post-secondary education in Canada, and the projected gap between revenue and expenditure growth for 2015/16 and 2016/17. The university will continue to work with the Government and other key stakeholders to fulfill our academic mission and to support the people of Saskatchewan.

Between 2012 and 2015, the University of Saskatchewan achieved permanent operating budget adjustments of approximately \$37.0 million (eight per cent of the 2013/14 operating budget). This was accomplished through a combination of both cost reductions and revenue diversification. Continuing with this rate of change, however, would not be sustainable for the university in the long-term. As part of the second and third integrated plans, the University of Saskatchewan committed to strengthening its financial position and the stewardship of resources through comprehensive multi-year budgeting, enhancing transparency, and implementing a more effective resource allocation model. The university is implementing responsibility centre management to support these commitments. The move to responsibility centre management will place the accountability and operational oversight for allocation of resources at the same level of the organization where revenues and costs are generated. It is expected that additional revenue opportunities and cost efficiencies will be identified and realized as a result of this change. Implementation of the new resource allocation model will be supported by improvements to financial governance and controls, comprehensive five-year rolling budget frameworks, and the full engagement of deans in deployment and stewardship of financial resources. Implementation begins in 2015/16 and will continue through 2016/17.

Continued efforts will be made to find operational efficiencies and reduce the gap between revenues and levels of expenditures. The university will pursue revenue diversification as well as cost containment strategies. To contain costs, improvements will be made to administrative service design and delivery provided to faculty, researchers and students. The third integrated plan also placed a significant priority on capital renewal, and as such, the university has committed to a long-term funding strategy to address these renewal requirements.

A financial reserves policy will be implemented in 2015/16 to enhance financial sustainability through the effective and timely deployment of resources. The policy will ensure financial reserves held across the university are appropriate, transparent, and well managed. At 11 per cent of total expenses, operating reserves at the University of Saskatchewan are consistent with the median U15 reserve balance of 10 per cent. Given the university's program offerings, age of capital infrastructure, and intensive research focus, this level of reserves is appropriate. The policy was approved by the Board of Governors in May 2015. The policy will enable the university to effectively manage financial risks and opportunities (i.e. annual variability in operating funding), and is part of the ongoing commitment to align resources behind our academic priorities.

Taken together, the strategies described above will enable the university to manage projected deficits expected in 2015/16 and 2016/17, while continuing to strengthen and support the teaching and research mission of the University of Saskatchewan.

# Financial Results<sup>1</sup>

## Statement of Operations

### Revenues

University revenues were \$1.0 billion in fiscal year 2014/15.

### Government Grants and Contracts

Government grants and contracts account for \$573.7 million or 56% of total university revenues. These revenues decreased by \$18.3 million over the previous year. This decrease is attributable to a \$19.2 million decline in capital project funding from the Province, as a result of project completion.

Funding from the Province of Saskatchewan comprises 47% of the total revenues of the university and is utilized for instruction and teaching, scholarships, research, infrastructure maintenance and renewal, as well as costs of capital construction.

The base operating grant provided to the university of \$330 million includes a 2% increase for the 2014/15 fiscal year. The projected economic increase in expenses for the university is approximately 4%.

Federal and other government grants comprise 9% of the total revenues of the university and primarily support research activities.

The provinces of British Columbia, Alberta, and Manitoba participate in supporting the operational activities of the Western College of Veterinary Medicine through an interprovincial agreement with the Province of Saskatchewan. The current agreement is in effect until the end of fiscal year 2016/17 with an annual 2% fee escalation factor. Although this escalation factor is below the projected economic increase in expenses of approximately 4%, the College has been able to balance their budget through the use of reserves and by making changes to staffing levels.

### Non-government Grants

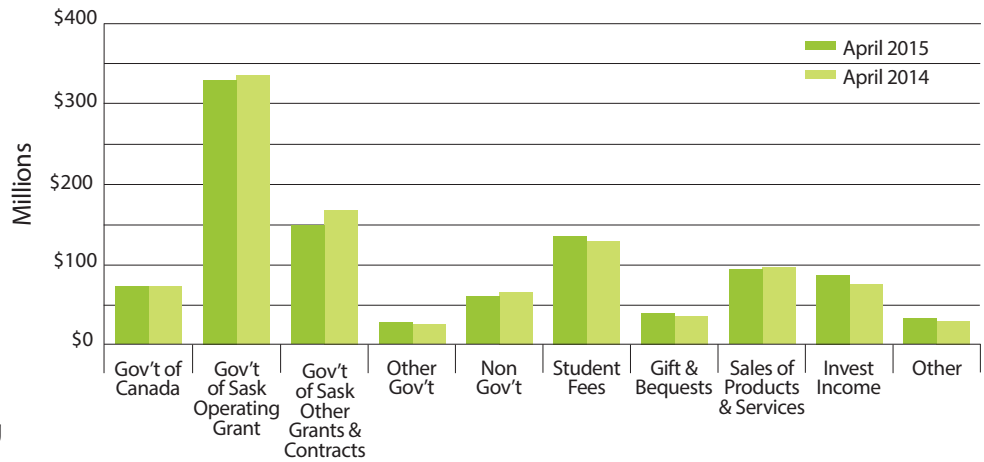
Non-government grants account for \$61.3 million or 6% of total university revenues. These revenues decreased by \$1.9 million over the previous year. This decrease is attributable to a decrease in the grants received for research activities which is a normal level of fluctuation due to the timing of new research projects coming on stream.

### Student Tuition and Fees

Student tuition and fees account for \$132.2 million or 13% of total university revenues. These revenues increased by \$4.8 million over the previous year. This increase is attributable to an average tuition rate increase of 4.5%. Enrolment figures remained relatively constant to the previous year at 18,653 FTE. The University of Saskatchewan will continue to follow the established principle-based approach in determining appropriate tuition rates for our colleges and schools.

### Total Revenue by Source

For the year ended April 30, 2015 - Total \$1,018.6 M (2014 \$1,018.6 M)



<sup>1</sup> Management Discussion and Analysis should be read in conjunction with the University of Saskatchewan annual audited financial statements and accompanying notes. This discussion document and the annual audited financial statements are approved by the university's Board of Governors upon recommendation of the Audit Committee of the Board. The university's financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations, following the restricted fund method of financial reporting.



**Investment Income**

Investment income accounts for \$93.3 million or 9% of total university revenues. These revenues increased by \$10.1 million over the previous year. This increase is attributable to the transfer of \$100 million from cash reserves into the investment pools during the current year and a better than expected performance across all asset classes. Overall investment returns for the year were 10.8%, which significantly exceeded the expectation of 5.1%.

**Gifts and Bequests**

Gifts and bequests account for \$34.0 million or 3% of total university revenues. These revenues increased by \$4.7 million over the previous year. This increase is attributable to increased support for research activities.

**Sales of Services and Products**

Sales of services and products account for \$97.5 million or 10% of total university revenues. These revenues decreased by \$1.0 million over the previous year principally due to shrinking book and computer sales. The university engages in a variety of activities that provide products and services to students, faculty, staff and external customers of the university, including bookstore, residences, food services, parking, non-credit instruction, veterinary services, dental services, medical services, farming operations, utilities, et al. Enhanced sales processes are expected to improve these results in the coming years.

**Expenses**

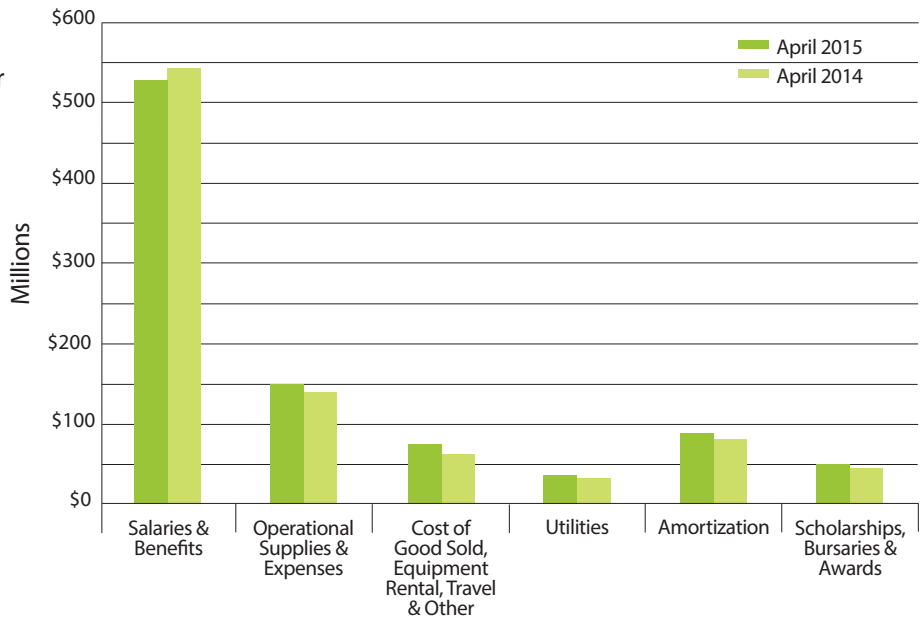
University expenses have increased by \$27.9 million (3.2%) over the prior year to a total of \$896.7 million. Increases in all categories of expenses have been partially offset by a decrease of \$8.2 million in salaries and benefits.

**Salaries and Benefits**

Salaries and benefits account for \$535.9 million or 60% of total university expenses. These costs decreased by \$8.2 million over the previous year. This decrease is a result of the actions taken by the university to address its fiscal challenges by reducing the size of the workforce. Continuing actions are being taken to actively pursue administrative efficiencies in order to curb the growth of the administrative workforce into the future.

**Total Expenditures**

For the year ended April 30, 2015 - Total \$896.7 M (2014 \$868.8 M)



**Operational Supplies and Expenses**

Operational supplies and expenses account for \$145.8 million or 16% of total university expenses. These costs increased by \$9.0 million (6.6%) over the previous year. This increase is primarily attributable to an increase in externally contracted services of \$6.3 million. Most of these costs relate to physician services provided through the College of Medicine. The remainder of the increase is widely dispersed across expenditure categories and is not related to any specific activity.

**Cost of Goods Sold, Maintenance, Rental and Renovations, Travel, Interest and Other Expenses**

Cost of goods sold, maintenance, rental, and renovations, travel, interest and other expenses account for \$67.8 million or 8% of total university expenses. These costs increased by \$15.7 million (30.1%) over the previous year. This increase is attributable to increased costs of interest on debt servicing of \$19.0 million of which \$18.7 million relates to the change in the value of interest rate swaps that were held throughout the year. The value of swap agreements

fluctuate as the market interest rate differs from the price negotiated in the swap agreement. During the year the market interest rate fell below the negotiated price in the swap agreement, which resulted in increased costs to the university. The previous year reported a \$10.0 million recovery related to interest rate swaps while the current year reported an \$8.7 million cost. Costs decreased by \$2.5 million for maintenance, rental, and renovations due to a one-time lease cost recognized in the previous year. All other costs in this category were held constant with levels experienced in the previous year.

**Utilities**

Utilities account for \$28.3 million or 3% of total university expenses. These costs increased by \$4.8 million (20.4%) over the previous year. This increase is attributable to the \$5.4 million change in value of natural gas commodity swaps that were held throughout the year. The value of swap agreements fluctuate as the market price for natural gas differs from the price negotiated in the swap agreement. During the year the market price for natural gas fell below the negotiated price in the swap agreement, which resulted in increased costs to the university. The previous year reported a \$1.5 million recovery related to swaps while the current year reported a \$3.9 million cost. Cost decreased by \$0.6 million for purchased utilities.

**Amortization**

Amortization accounts for \$76.0 million or 8% of total university expenses. These costs increased by \$2.9 million (4.0%) over the previous year. Since the cost of an asset is allocated over its useful life, this increase is attributable to the impact of new assets that were brought into use during the year.

**Scholarships, Bursaries and Awards**

Scholarships, bursaries and awards account for \$42.9 million or 5% of total university expenses. These costs increased by \$3.8 million (9.7%) over the previous year. Included in this amount is \$6.9 million support provided to postdoctoral fellowships. The level of support provided to students through these awards has remained relatively constant year over year at 32% of total tuition revenue. Significant effort is being undertaken to improve the overall management of student financial aid programs to ensure more money makes it into the hands of those students who need it the most.

**Statement of Financial Position**

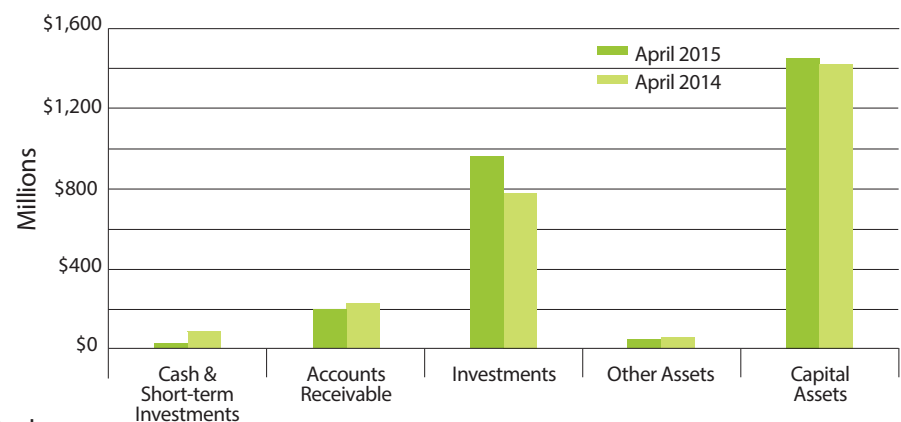
**Assets**

As at April 30, 2015 - Total \$2,636.2 M (2014 \$2,512.4 M)

**Assets**

**Cash and Short-term Investments**

At April 30, 2015 cash and short-term investments were \$17.6 million or 1% of total assets of the university. During the year this balance decreased by \$56.3 million or 76% due to a transfer of \$100 million from cash reserves to the investment pools to maximize earnings and to more effectively utilize cash balances. Returns on fixed income outpaced the interest earned through deposit accounts which resulted in the transfer. The university continues to actively manage investments to optimize returns while maintaining an appropriate risk profile and liquidity.



**Accounts Receivable**

At April 30, 2015 accounts receivable were \$197.9 million or 7% of total assets of the university. During the year this balance decreased by \$18 million or 10%. This decrease relates to grants and contracts receivable for research and capital activities. The magnitude of the accounts receivable balance results from the fund accounting methodology followed by the university whereby revenues are recognized when confirmation of awards have been received, not when funds have been received.

At April 30, 2015 investment balances were \$956.4 million or 36% of total assets of the university. During the year this balance increased by \$182.6 million or 24%. This increase reflects the transfer of cash reserves to the investments pools in the amount of \$100 million. The remaining increase is primarily attributable to the reinvestment of earnings, net of costs. The university continues to diversify its investment strategy in order to optimize returns; during 2014/15 managed futures were added to the portfolio which contributed to strong investment returns. Overall investment returns for the year were 10.8%; fixed income returns of 3.4% and long-term pool returns of 12.75%, compared to expected returns of 2.4% and 5.8%, respectively.

### Other Assets Including Inventories, Prepaid Expenses and Employee Future Benefits

At April 30, 2015 other assets were \$24.5 million or 1% of total assets of the university. During the year this balance decreased by \$3.2 million or 12%. This decrease reflects the transition from a self-insured long-term disability plan to an insured arrangement with an external party. As a consequence of this change, the asset related to employee future benefits was eliminated. Inventories, prepaid expenses and other assets are consistent with the prior year.

### Capital Assets

At April 30, 2015 capital assets were \$1.4 billion or 55% of the total assets of the university. During the year this balance increased by \$18.9 million or 1%. This increase reflects the net cost of additions to the capital assets during the year of \$89.9 million which was partially offset by the increase in accumulated amortization of \$71.0 million. Significant construction and improvements during the year are:

Health Sciences Centre	Heating Plant boiler replacement
Graduate Student Residence	Canadian Feed Research Centre
Western College of Veterinary Medicine improvements	Saskatchewan Centre for Innovation in Cyclotron Science
Canadian Light Source beamlines	Gordon Oakes Redbear Student Centre

## Liabilities

### Accounts Payable, Deferred Revenue, Accrued Decommissioning Costs and Other Liabilities

At April 30, 2015 accounts payable, deferred revenue, accrued decommissioning costs and other liabilities were \$138.5 million or 39% of total liabilities of the university. During the year this balance increased by \$5.8 million or 4%. This increase reflects an increase in the accrual for decommissioning costs associated with the Canadian Light Source of \$2.3 million to \$11.4 million. Expected cash flows required to decommission the facility are \$16.4 million in 2035. This increase is also attributable to a \$6.6 million increase in deferred revenue resulting from restricted contributions and donations received in the operating fund which have not yet been spent.

### Debt

At April 30, 2015 debt was \$152.4 million or 43% of total liabilities of the university. During the year this balance decreased by \$10.6 million or 6%. This decrease relates to the principal repayment of long-term debt. All existing debt relates to capital construction projects and debt service costs are provided through revenues generated by the operations of the facilities (eg. parking fees, residence fees), or through capital grants. During the current year the university amended the 365 day term lending facilities with the bank to replace them with five year term arrangements. As a result, \$105.2 million previously reported as short-term liabilities have been reclassified as long-term debt. The university is actively monitoring the debt market as a potential instrument to address near and medium term capital renewal requirements. As debt cost is at an all time low, this option is an attractive mechanism to ensure the longer term functionality of our buildings and systems.

### Liabilities

As at April 30, 2015 - Total \$352.5 M (2014 \$346.5 M)



## Risk Management Liabilities

At April 30, 2015 risk management liabilities were \$32.7 million or 9% of total liabilities of the university. During the year this balance increased by \$12.6 million or 63%. This increase relates to a \$3.9 million increase in the liability of natural gas commodity swaps and an \$8.7 million increase in the liability of interest rate swaps. The university enters into natural gas commodity swap agreements to manage the risk of fluctuating natural gas prices by fixing the purchase price into the future. Interest rate risk on long-term debt is managed through the use of interest rate swaps by converting the interest charged on variable rate loans to fixed interest rates.

## Employee Future Benefits

At April 30, 2015 employee future benefit liabilities were \$28.8 million or 8% of the total liabilities of the university. During the year this balance decreased by \$1.8 million or 6%. This decrease reflects the improved position of the university's defined benefit pension plans and other obligations due to employees upon retirement. The total liability recognized for defined benefit pension plan deficit positions is \$13.8 million. The university provided special going-concern payments of \$6.5 million to the defined benefit pension plans in 2014/15. The university will provide special going-concern payments of \$6.0 million to the defined benefit pension plans in 2015/16.

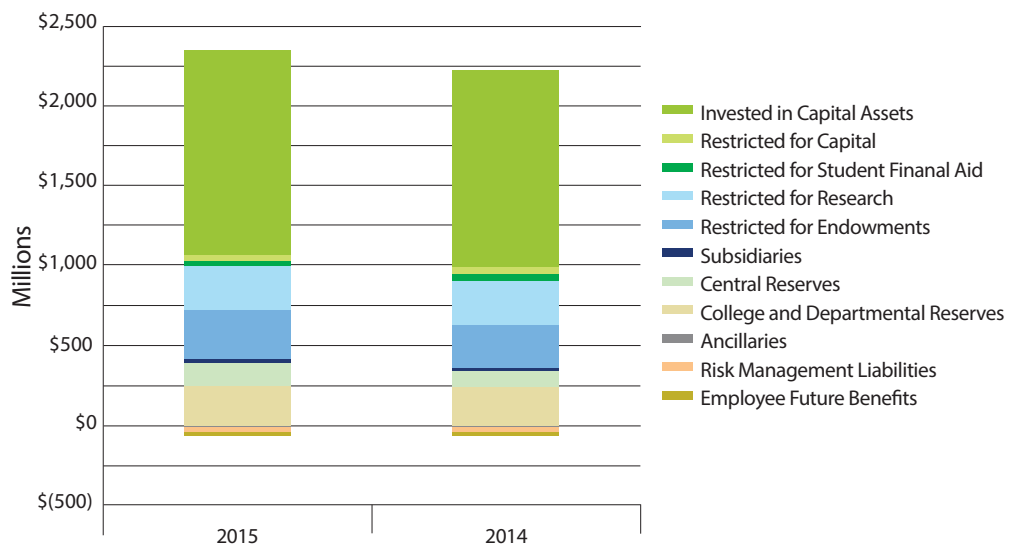
## Net Assets

Net assets are a significant indicator of the financial health of an organization. They represent the net resources of the organization after all obligations have been met.

At April 30, 2015 the net assets of the university were \$2.3 billion. During the year this balance increased by \$118.0 million or 5%. Continued growth in net assets, year over year, illustrates the strong financial position of the university.

### Net Assets

As at April 30, 2015 - Total \$2,283.8 M (2014 \$2,165.8 M)



## Endowment Net Assets

Endowment Funds account for donations received where the donor's intent is that the principal will never be spent. A portion of the investment income earned on the endowment is directed to activities identified by the donor. In accordance with the university spending policy, 4% of the endowment fund balance was made available to support current year activities.

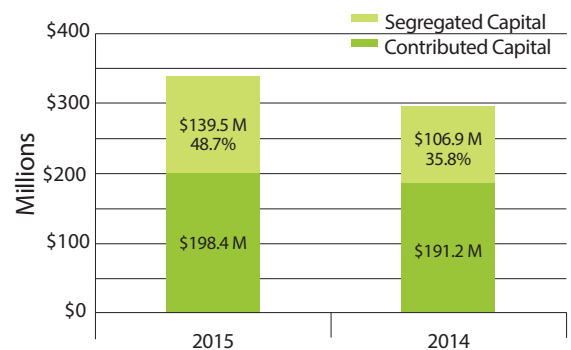
At April 30, 2015 endowment fund net assets were \$337.9 million or 15% of the total net assets of the university. During the year this balance increased by \$39.8 million or 13%.

This increase is due to investment returns of \$7.1 million, donations of \$24.5 million and reallocation of university resources in the amount of \$8.2 million.

Due to the financial health of the university endowments, annual spending allocations have been increased from 4% to 4.25% for 2015/16. The university will continue to monitor these funds and review the spending allocation to optimize the current and long term support to research and student financial aid. It should be noted the university endowment funds lag the U15 comparators and will become an area of focus in the coming years. That being said, the university has significant value in endowed lands and a program to monetize these lands is underway with the Vision 2057 strategy.

### Endowment Fund Balance

As at April 30, 2015 - Total \$337.9 M (2014 \$298.1 M)



### Student Financial Aid Net Assets

Student Financial Aid Funds account for activities related to providing scholarships and financial aid to students. Terms of reference established by donors may require that donations received, and accumulated interest, be spent over an extended period of time rather than in the year the donation is received.

At April 30, 2015 student financial aid fund net assets were \$51.5 million or 2% of the total net assets of the university. During the year this balance increased by \$4.6 million or 10%.

This increase is due to current year contributions of \$29.0 million exceeding expenditures of \$24.4 million.

### Capital Net Assets

Capital Funds account for activities related to the acquisition of capital assets, major renovations and improvements to capital assets.

At April 30, 2015 capital fund net assets were \$1,302.0 million or 57% of the total net assets of the university. During the year this balance increased by \$30.0 million or 2%.

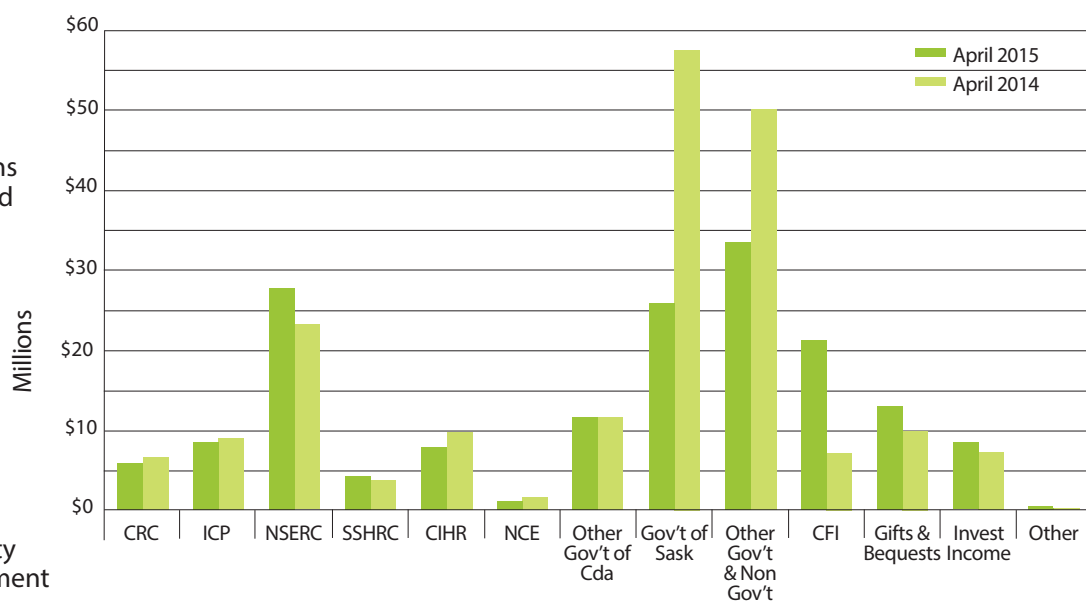
This increase is due to current year contributions of \$123.6 million exceeding non-capitalized expenditures of \$93.6 million.

### Research Revenue by Source

For the year ended April 30, 2015 - Total \$169.1 M (2014 \$195.6 M)

### Research Net Assets

Research Funds account for activities related to the support of research. Terms of reference established by donors may require that donations received, and accumulated interest, be spent over an extended period of time rather than in the year the donation is received. The university recognizes revenue for government contributions annually, after appropriations have been made, while grants not subject to appropriations are recognized in their entirety when the research agreement has been signed. This may result in some volatility in the recognition of research revenue year to year with respect to large, multi-year projects.



At April 30, 2015 research fund net assets were \$284.0 million or 12% of the total net assets of the university. During the year this balance increased by \$3.9 million or 1%.

This increase is due to current year contributions of \$169.1 million exceeding expenditures of \$165.2 million.

### General Fund Net Assets

General Funds account for unrestricted activities of the university. This includes ancillary activities that provide goods and services to the university community such as the bookstore, food services, residences, parking, real estate development, etc. Also included are operating activities associated with teaching and learning, administration, plant maintenance, clinical activities, future employee benefits, non-credit instruction, fee for service activities, and the consolidation of subsidiaries.

At April 30, 2015 general fund net assets were \$308.3 million or 13% of the total net assets of the university. During the year this balance increased by \$39.7 million or 15%.

This increase is due to unexpected investment returns of \$27.9 million in excess of the operating budget for the year, \$11.2 million revenues in excess of operating expenditures, \$5.8 million increase in net asset position of subsidiaries, (\$3.9) million change in the value of natural gas and interest rate swaps, (\$2.1) million change in the value of employee future benefits, \$0.7 million return on real estate activities and \$0.1 million return on the external sale of utilities.

In accordance with the new Financial Reserves Policy, the university will be reviewing all general fund balances over the course of the next fiscal year, and in order to promote enhanced accountability and transparency will be disclosing reserve balances separately from designated fund balances going forward. In order to effectively manage financial operating risks, the university has established an appropriate range of reserves to be 1.5% to 6% of total university expenditures.

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## Consolidated Financial Statements **2014/15**

## Statement of Administrative Responsibility for Financial Reporting

The administration of the university is responsible for the preparation of the consolidated financial statements and has prepared them in accordance with Canadian generally accepted accounting principles. The administration believes that the consolidated financial statements fairly present the financial position of the university as of April 30, 2015 and the results of its operations and the changes in its fund balances for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal controls designed to provide reasonable assurance that university assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements. The integrity of the internal controls is reviewed on an ongoing basis by Audit Services.

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit Committee, which is a committee of the Board of Governors. The external and internal auditors have access to the Audit Committee, with or without the presence of the administration.

The consolidated financial statements for the year ended April 30, 2015 have been reported on by the Provincial Auditor of the Province of Saskatchewan, the external auditor appointed under The University of Saskatchewan Act, 1995. The Auditor's Report outlines the scope of her examination and provides her opinion on fairness of presentation of the information in the financial statements.

The University of Saskatchewan is audited on an annual basis by the Provincial Auditor of Saskatchewan with results reported to the Board of Governors and the Legislative Assembly of Saskatchewan. The objective of the audit is to provide an opinion on the rules and procedures used by the university to safeguard public resources, to provide an opinion on the university's compliance with authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing, and to provide an opinion on the reliability of the university's consolidated financial statements. The audit report on the consolidated financial statements appears on the following page.

The current year's audit by the Provincial Auditor identified a few control deficiencies and made the following recommendations that:

- The Board of Governors of the University of Saskatchewan require, in its procurement policies, adequate documentation of the university's decision to single source and appropriate approval of the decision to single source
- The Board of Governors of the University of Saskatchewan take steps to ensure that staff understand relevant procurement policies



Gordon Barnhart  
Interim President



Greg Fowler  
Vice-President (Finance and Resources)





## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying consolidated financial statements of the University of Saskatchewan, which comprise the consolidated statement of financial position as at April 30, 2015, and the consolidated statements of operations and changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Saskatchewan as at April 30, 2015, and the consolidated results of its operations and changes in fund balances and consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Judy Ferguson, FCPA, FCA  
Provincial Auditor

Regina, Saskatchewan  
July 27, 2015

**UNIVERSITY OF SASKATCHEWAN**  
Consolidated Statement of Financial Position  
As at April 30 (\$ thousands)

Statement 1

	General	Restricted	Endowment	Total 2015	Total 2014
<b>Current Assets</b>					
Cash and short-term investments (Note 5)	\$ (146,702)	\$ 161,578	\$ 2,769	\$ 17,645	\$ 73,918
Accounts receivable (Note 6)	24,537	142,944	-	167,481	171,096
Inventories (Note 7)	13,410	-	-	13,410	13,292
Prepaid expenses	8,373	106	-	8,479	7,768
	(100,382)	304,628	2,769	207,015	266,074
<b>Long-Term Assets</b>					
Long-term accounts receivable (Note 8)	85	30,292	-	30,377	44,839
Long-term investments (Note 9)	559,371	62,546	334,455	956,372	773,804
Other assets	825	1,133	682	2,640	3,229
Capital assets (Note 10)	-	1,439,828	-	1,439,828	1,420,948
Employee future benefits (Note 16)	-	-	-	-	3,458
	560,281	1,533,799	335,137	2,429,217	2,246,278
	<b>\$ 459,899</b>	<b>\$ 1,838,427</b>	<b>\$ 337,906</b>	<b>\$ 2,636,232</b>	<b>\$ 2,512,352</b>
<b>Current Liabilities</b>					
Accounts payable and accrued liabilities (Note 11)	\$ 77,822	\$ 11,911	\$ -	\$ 89,733	\$ 92,842
Deferred revenue (Note 12)	36,319	13	-	36,332	29,687
Loans (Note 13)	-	-	-	-	109,552
Risk management liabilities (Note 14)	7,530	25,219	-	32,749	20,096
Current portion - long-term debt (Note 15)	22	16,648	-	16,670	6,213
Current portion - employee future benefits (Note 16)	1,470	-	-	1,470	1,009
Current portion - capital lease obligation (Note 17)	39	-	-	39	66
	123,202	53,791	-	176,993	259,465
<b>Long-Term Liabilities</b>					
Long-term debt (Note 15)	25	135,649	-	135,674	47,187
Employee future benefits (Note 16)	27,324	-	-	27,324	29,600
Capital lease obligation (Note 17)	36	-	-	36	48
Accrued decommissioning costs (Note 18)	-	11,377	-	11,377	9,171
Other long-term liabilities	1,062	-	-	1,062	1,051
	28,447	147,026	-	175,473	87,057
<b>Fund Balances</b>					
Externally restricted funds (Note 20)	-	334,880	158,805	493,685	454,061
Externally restricted permanent endowments (Note 20)	-	-	131,362	131,362	127,836
Internally restricted funds (Note 21)	312,144	51,795	47,739	411,678	361,476
Invested in capital assets	-	1,250,935	-	1,250,935	1,232,386
Unrestricted funds	(3,894)	-	-	(3,894)	(9,929)
	308,250	1,637,610	337,906	2,283,766	2,165,830
Commitments and Contingencies (Note 22)					
See accompanying notes and schedules to consolidated financial statements	<b>\$ 459,899</b>	<b>\$ 1,838,427</b>	<b>\$ 337,906</b>	<b>\$ 2,636,232</b>	<b>\$ 2,512,352</b>

**UNIVERSITY OF SASKATCHEWAN**

 Consolidated Statement of Operations and Changes in Fund Balances  
 For the Year Ended April 30, 2015 (\$ thousands)

Statement 2

	General	Restricted	Endowment	Total 2015	Restated Total 2014 (Note 2)
<b>Revenues</b>					
Grants and contracts					
Government of Canada	\$ 2,250	\$ 67,233	\$ -	\$ 69,483	\$ 69,301
Government of Saskatchewan	416,439	65,295	-	481,734	500,888
Other governments	20,726	1,828	-	22,554	21,870
Non-government	8,750	52,564	-	61,314	63,293
Student fees	132,237	-	-	132,237	127,411
Gifts, grants and bequests	5,819	21,086	7,118	34,023	29,288
Sales of services and products	97,437	132	-	97,569	98,595
Income from investments	52,404	16,475	24,464	93,343	83,283
Real estate income	5,619	240	-	5,859	5,386
Royalties	14,856	12	-	14,868	13,320
Miscellaneous income	5,327	311	13	5,651	5,947
	761,864	225,176	31,595	1,018,635	1,018,582
<b>Expenses</b>					
Salaries	399,780	69,543	-	469,323	479,283
Employee benefits (Note 23)	60,108	6,428	-	66,536	64,827
Operational supplies and expenses	113,856	31,972	1	145,829	136,775
Travel	12,493	6,196	-	18,689	19,268
Cost of goods sold	17,161	5	-	17,166	17,974
Maintenance, rental and renovations	13,943	1,553	-	15,496	17,981
Utilities	28,250	25	-	28,275	23,525
Amortization	-	75,996	-	75,996	73,081
Scholarships, bursaries and awards	4,232	38,692	-	42,924	39,105
Interest (Note 24)	40	15,051	-	15,091	(3,922)
Bad debt expense	716	26	-	742	368
Decommissioning costs (Note 18)	-	644	-	644	499
	650,579	246,131	1	896,711	868,764
Excess of revenues over expenses	111,285	(20,955)	31,594	121,924	149,818
Interfund transfers (Note 28)	(67,675)	59,433	8,242	-	-
Net increase in fund balances for year	43,610	38,478	39,836	121,924	149,818
Fund balances, beginning of year	268,628	1,599,132	298,070	2,165,830	2,006,687
Employee future benefits remeasurements and other items (Note 2 and Note 16)	(3,988)	-	-	(3,988)	9,325
<b>Fund balances, end of year</b>	<b>\$ 308,250</b>	<b>\$ 1,637,610</b>	<b>\$ 337,906</b>	<b>\$ 2,283,766</b>	<b>\$ 2,165,830</b>

See accompanying notes and schedules to consolidated financial statements

**UNIVERSITY OF SASKATCHEWAN**  
 Consolidated Statement of Cash Flows  
 For the Year Ended April 30, 2015 (\$ thousands)

Statement 3

	General	Restricted	Endowment	Total 2015	Total 2014
<b>Cash flows from operating activities</b>					
Cash received from Government of Canada	\$ 3,469	\$ 62,709	\$ -	\$ 66,178	\$ 70,960
Cash received from Government of Saskatchewan	418,230	72,013	-	490,243	489,815
Cash received from other governments	20,728	2,342	-	23,070	28,006
Cash received from non-government	9,592	67,169	-	76,761	60,220
Cash received from student fees	131,546	-	-	131,546	127,191
Cash received from gifts, grants and bequests	5,429	20,818	-	26,247	17,195
Cash received from sales of services and products	96,216	132	-	96,348	99,097
Cash received from royalties and licensing	14,764	12	-	14,776	15,461
Cash received from miscellaneous income	5,510	266	-	5,776	5,949
Cash paid for salaries and benefits	(470,642)	(75,961)	-	(546,603)	(527,280)
Cash paid for non-salary expenditures	(186,805)	(85,669)	(1)	(272,475)	(265,292)
<b>Cash generated from operating activities</b>	<b>48,037</b>	<b>63,831</b>	<b>(1)</b>	<b>111,867</b>	<b>121,322</b>
<b>Cash flow from financing and investment activities</b>					
Cash received from income from investments	30,313	1,085	25,989	57,387	34,043
Distribution of income from investments	2,599	8,814	(11,413)	-	-
Contributions of cash for endowments	-	-	4,069	4,069	3,571
Cash received from real estate income	10,519	240	-	10,759	6,311
Cash received from debt financing	12	-	-	12	-
Debt financing repayments	(73)	(10,586)	-	(10,659)	(10,461)
Purchase of capital assets	-	(92,389)	-	(92,389)	(84,924)
Purchase of investments	(105,391)	(2,693)	(29,235)	(137,319)	(29,440)
<b>Cash used for financing and investment activities</b>	<b>(62,021)</b>	<b>(95,529)</b>	<b>(10,590)</b>	<b>(168,140)</b>	<b>(80,900)</b>
Net increase (decrease) in cash	(13,984)	(31,698)	(10,591)	(56,273)	40,422
Interfund transfers	(67,675)	59,433	8,242	-	-
Cash (bank indebtedness), beginning of year	(65,043)	133,843	5,118	73,918	33,496
<b>Cash (bank indebtedness), end of year</b>	<b>\$ (146,702)</b>	<b>\$ 161,578</b>	<b>\$ 2,769</b>	<b>\$ 17,645</b>	<b>\$ 73,918</b>

See accompanying notes and schedules to consolidated financial statements

# UNIVERSITY OF SASKATCHEWAN

Notes to the Consolidated Financial Statements  
For the Year Ended April 30, 2015 (\$ thousands)

## 1. Authority and Purpose

"The University of Saskatchewan" (university) is a corporation operating under the authority of *The University of Saskatchewan Act, 1995*, Chapter U-6.1 of the statutes of Saskatchewan. The primary role of the university is to provide post-secondary instruction and research in the humanities, sciences, social sciences, and other areas of human, intellectual, cultural, social and physical development. The university is a registered charity and is therefore exempt from the payment of income tax, pursuant in section 149 of the *Income Tax Act (Canada)*.

## 2. Adoption of Accounting Standards for Employee Future Benefits

May 1, 2014, the university adopted the new accounting standards for Employee Future Benefits in accordance with Part III Section 3463 of the CPA Canada Handbook applied on a retroactive basis. Section 3463.01 provides that a not-for-profit organization applies Section 3462 except as otherwise provided in Section 3463.

Prior to the adoption of Section 3463, remeasurements and other items related to actuarial gains and losses were recognized in the Consolidated Statement of Operations and Changes in Fund Balances. Section 3463 requires that remeasurements and other items be recognized directly in fund balances as a separately identified line item.

The accounting impact of this change is reflected in the table below:

April 30, 2014	Balance as reported in 2014 audited statements	Transition adjustments	Balance as adjusted
<b>Consolidated Statement of Operations and Changes in Fund Balances</b>			
Expenses			
Employee benefits	\$ 55,502	\$ 9,325	\$ 64,827
Excess of revenues over expenses	159,143	(9,325)	149,818
Net increase in fund balances for year	159,143	(9,325)	149,818
Employee future benefits remeasurements and other items (Note 16)	-	9,325	9,325

## 3. Summary of Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The following accounting policies and reporting practices are considered significant:

### a) Basis of consolidation

The consolidated financial statements include the accounts of the following entities:

- Agrivita Canada Inc., a not-for-profit corporation incorporated under the *Canada Corporations Act* and continued under the *Canada Not-for-profit Corporations Act* whose sole member is the University of Saskatchewan. The company promotes, targets, and funds research, training, and service initiatives in various disciplines for purposes related to agricultural health and safety for industry and farm workers, rural residents and families, and the impact of agricultural activities on the general public.
- Canadian Light Source Inc. (CLSI), a not-for-profit corporation incorporated under *The Non-profit Corporations Act, 1995* whose sole member is the University of Saskatchewan. The company's mandate is to advance Canadian scientific and industrial capabilities in synchrotron science and technical applications. The company is responsible for the operation and conduct of all activities related to the university's synchrotron light facility, its operation and performance.

### 3. Summary of Significant Accounting Policies and Reporting Practices (continued)

- Prairie Swine Centre Inc., a not-for-profit corporation incorporated under *The Non-profit Corporations Act, 1995* whose membership is restricted to the members of the Board of Governors of the University of Saskatchewan. The company is engaged in research, education and technology transfer related to pork production in Canada.
- 621602 Saskatchewan Ltd., a wholly owned subsidiary of the university incorporated under *The Business Corporations Act*, participates in real estate investment activities.
- 7541457 Canada Inc., a wholly owned subsidiary of the university incorporated under the *Canada Corporations Act* for the commercialization of technology developed by researchers in the University of Saskatchewan Toxicology Centre.
- The Journal of History Company Ltd., a wholly owned subsidiary of the university incorporated under *The Business Corporations Act*, prints and publishes *The Canadian Journal of History*. Effective September 17, 2014 the corporate entity of The Journal of History Company Ltd. was dissolved.
- The Sylvia Fedoruk Canadian Centre for Nuclear Innovation (the Fedoruk Centre), a not-for-profit corporation incorporated under the *Canada Not-for-profit Corporations Act* whose sole member is the University of Saskatchewan. The mandate of the company is to place Saskatchewan among global leaders in nuclear research, development and training through investment in partnerships with academia and industry, for maximum societal and economic benefit.

#### b) Fund accounting

The university follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The university has classified accounts with similar characteristics into major funds as follows:

- i) The General Fund is unrestricted and accounts for the university's program delivery, service and administrative activities. This fund is further classified as Operating and Ancillary.  
  
The Operating Fund accounts for the university's functions of instruction (including academic support services), administrative services, plant maintenance and other operating activities.  
  
The Ancillary Fund provides goods and services to the university community which is supplementary to the functions of instruction, research and service and is expected to operate on at least a break-even basis.
- ii) The Restricted Fund carries restrictions on the use of resources for particular defined purposes. This fund is further classified as Capital, Research and Student Financial Aid.  
  
The Capital Fund accounts for the acquisition of capital assets, major renovations and improvements to capital assets.  
  
The Research Fund accounts for activities in support of research.  
  
The Student Financial Aid accounts for activities in support of students.
- iii) The Endowment Fund accounts for resources received with the stipulation that the original contribution not be spent. The fund also consists of a portion of the investment income earned on these funds that is required by donors and the Board of Governors to be added to the fund to offset the eroding effect of inflation. The amount recapitalized each year will vary from year to year with variability in annual investment returns, but over time it is intended that the recapitalized amount will offset the cumulative effect of inflation.

#### c) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted grants subject to an external annual appropriation process will be recognized in accordance with the funder's appropriation period.

### 3. Summary of Significant Accounting Policies and Reporting Practices (continued)

Contracts are recorded as revenue as the service or contract activity is performed, provided that at the time of performance ultimate collection is reasonably assured. If payment is not received at the time the service or contract activity is performed, accounts receivable will be recorded.

Student fees are recognized as revenue in the year courses and seminars are held. Sales of services and products are recognized at time of sale or when the service has been provided.

Unrestricted contributions are recorded as revenue in the period received or receivable, if collection is reasonably assured. Gifts-in-kind are recorded at their fair value on the date of receipt or at nominal value when fair value cannot be reasonably determined. Pledges from fund raising and other donations are not recorded until the year of receipt of cash or other assets due to the uncertainty surrounding collection.

Contributions for endowment purposes are recognized as revenue in the Endowment Fund.

Investment returns are recorded as revenue when reasonable assurance exists regarding measurement and collectability. Unrestricted investment income is recognized as revenue of the General Fund. Investment income earned on Endowment Fund resources is recorded in the appropriate Fund according to the restrictions mandated.

Real estate, royalty and miscellaneous income, as follows, are recorded when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured:

- Unrestricted income is recorded in the General Fund.
- Restricted income is recognized as revenue of the appropriate restricted fund.

#### d) Contributed services and materials

These financial statements do not report the value of contributed volunteer hours as the fair value of such is not practically determinable. Gifts-in-kind are recorded where a formal valuation is available.

#### e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Examples of significant estimates include: the allowance for doubtful accounts, the estimated useful lives of assets, the accruals for salaries and benefits, and certain actuarial and economic assumptions used in determining defined benefit pension costs, accrued pension benefits obligations, plan assets, real estate values, decommissioning costs and provision for claims payable.

#### f) Capital assets

Purchased and constructed capital assets are recorded at cost. Capital assets which are constructed by the university are recorded as Construction in Progress until the capital asset is put into use. The university reports donated capital assets at fair market value upon receipt. With the exception of library collections, collections are not capitalized or amortized. All additions to collections are expensed in the year acquired. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Amortization expense is reported in the Capital Fund. Capital assets, other than land, are amortized using the straight-line method over their estimated useful lives as shown below. Amortization is not provided on projects in progress until the assets are in use. Asset retirement obligations and associated asset retirement costs are discussed in i) Decommissioning obligation, below.

Buildings	40 years
CLSI facility retirement costs	30 years
Site improvements	20 years
Computers	3 years
Equipment and furnishings	3 to 10 years
Library materials	10 years

### 3. Summary of Significant Accounting Policies and Reporting Practices (continued)

#### g) Inventories

Inventories are valued at the lower of cost and net realizable value, which is determined by the average cost method, with the exception of livestock, poultry and other farm products which are stated at the market value. Market is defined as market quotations for livestock and replacement cost for other farm products.

#### h) Employee future benefits

When future salary levels or cost escalation affect the amount of the benefit, the cost of defined benefit pensions earned by employees is actuarially determined using the projected benefit method prorated on services and management's best estimate of expected investment performance, salary escalation and retirement ages of employees. The accumulated benefit method is used when future salary levels and cost escalation do not affect the amount of the employee future benefits. The university accrues this obligation using the immediate recognition approach, based on an actuarial valuation report prepared for funding purposes. The net amount of the accrued benefit obligation and the fair value of plan assets is recognized in the statement of financial position, with actuarial gains and losses recognized directly in fund balances as a separately identified line item. Current service and finance costs are expensed during the year.

The university accrues its obligations for non-pension employee future benefits for eligible employees using the immediate recognition method – see Note 16. These benefits include post-retirement life insurance or spending accounts, retirement recognition benefit and benefit continuation for disabled employees.

The cost of non-pension post-retirement and post-employment benefits relating to other employee future benefits is actuarially determined using the projected benefit method prorated on service and management's best estimates for the discount rate for liabilities, the expected rate of return on assets, retirement ages and expected future cost trends. The net amount of the accrued benefit obligation and the fair value of plan assets is recognized in the balance sheet, with actuarial gains and losses recognized directly in fund balances as a separately identified line item. Current service and finance costs are expensed during the year.

#### i) Decommissioning obligation

CLSI recognizes obligations for future decommissioning site restoration costs in the period during which they occur. The associated facility retirement costs are capitalized as a part of the carrying amount of the asset and amortized over its useful life. The liability and related asset are adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

#### j) Financial instruments

The university's financial instruments are measured as follows:

<b>Assets/Liabilities</b>	<b>Measurement</b>
Cash	Fair value
Accounts receivable	Amortized cost
Investments, short-term and long-term	Fair value
Accounts payable and accrued liabilities	Amortized cost
Employee benefit liabilities	Amortized cost
Loans	Amortized cost
Natural gas and interest rate swaps	Fair value
Long-term debt, including current portion	Amortized cost

Fair value amounts represent the amount of consideration that would be agreed on between knowledgeable, willing parties who are under no compulsion to act. Published market quotations if they exist are the best evidence of fair value. Estimated fair value is calculated based on market conditions at a specific point in time and may not be reflective of future fair values.

Amortized cost represents the initial value at which a financial asset or financial liability is recognized minus principle repayments, plus or minus the cumulative amortization of any difference between the initial amount and the maturity amount, and minus any reduction (directly or through an allowance account) for impairment.



### 3. Summary of Significant Accounting Policies and Reporting Practices (continued)

#### k) Derivative financial instruments

The university uses derivative financial instruments, principally interest rate swap agreements on specific loans and natural gas commodity swap agreements, in its management of exposure to fluctuations in interest rates and natural gas rates. Derivative financial instruments are adjusted to fair value on a monthly basis with the change in fair value recorded in the statement of operations. See Note 14 below.

### 4. Disclosure of Other Significant Relationships

Prairie Diagnostic Services is a not-for-profit corporation incorporated under *The Non-profit Corporations Act, 1995* owned by the Government of Saskatchewan and the University of Saskatchewan. The laboratory operating in Saskatoon provides veterinary diagnostic services and animal health care and supports the training of undergraduate and graduate veterinarians at the Western College of Veterinary Medicine.

The Saskatchewan Food Industry Development Centre Inc. is a not-for-profit organization incorporated under *The Non-profit Corporations Act, 1995* owned by the Government of Saskatchewan, the Saskatchewan Food Processors Association and the University of Saskatchewan. It is a federally inspected food manufacturing facility that aids in the development of value-added processing in Saskatchewan.

The University of Saskatchewan is the host institution for PREVENT (Pan-Provincial Vaccine Enterprise Inc.), a not-for-profit organization incorporated under *The Non-profit Corporations Act, 1995* formed to promote the commercialization of Canada's vaccine industry. PREVENT's founding institutions are the University of Saskatchewan, the B.C. Centre for Disease Control (BCCDC) and the Canadian Centre for Vaccinology. Current members are the University of Saskatchewan, the University of British Columbia and Dalhousie University.

All transactions with the above organizations are accounted for at cost in the university's financial statements.

### 5. Cash and short-term investments

	April 30	
	2015	2014
Cash	\$ 16,513	\$ 72,936
Short-term investments	1,132	982
	<b>\$ 17,645</b>	<b>\$ 73,918</b>

Short-term notes, treasury bills and term deposits maturing within one year are stated at cost, which together with accrued interest income approximates fair value.

## 6. Accounts Receivable

	April 30	
	2015	2014
General	\$ 13,519	\$ 14,109
Investment income	1,551	1,072
Grants and contracts related to general funds	2,776	2,536
Grants and contracts related to student financial aid	2,124	2,106
Grants and contracts related to research	103,066	108,691
Grants and contracts related to capital	34,969	31,940
Other restricted	2,624	2,886
Other unrestricted	3,478	4,305
Student fees	5,496	5,316
Student loans	170	106
Allowance for doubtful accounts	(2,292)	(1,971)
	<b>\$ 167,481</b>	<b>\$ 171,096</b>

## 7. Inventories

	April 30			April 30
	2015			2014
	Beginning of year	Net change	End of year	End of year
College of Agriculture and Bioresources	\$ 1,793	\$ 359	\$ 2,152	\$ 1,793
College of Dentistry	231	52	283	231
Western College of Veterinary Medicine	808	354	1,162	808
<b>Other Units</b>				
Consumer Services	4,286	(908)	3,378	4,286
Facilities Management Division	1,703	309	2,012	1,703
Vaccine and Infectious Disease Organization (VIDO)	175	(46)	129	175
Other	439	(9)	430	439
<b>Subsidiaries</b>				
CLSI	3,480	43	3,523	3,480
Prairie Swine Centre Inc.	377	(36)	341	377
	<b>\$ 13,292</b>	<b>\$ 118</b>	<b>\$ 13,410</b>	<b>\$ 13,292</b>

## 8. Long-term Accounts Receivable

Long-term accounts receivable reflect the fair value of non-government grants receivable in subsequent years, as follows:

	April 30	
	2015	2014
2016	\$ -	\$ 20,246
2017	22,209	18,284
2018	5,986	4,604
2019	872	495
2020	460	360
2021	350	350
2022	350	350
2023	150	150
	<b>\$ 30,377</b>	<b>\$ 44,839</b>

## 9. Long-term Investments

The long-term investment portfolio includes endowment assets as well as the portion of non-endowment assets that will not be required for spending in the next fiscal year. The objective of the university's long-term investment policy is two-fold: 1) to ensure the safety and availability of assets for near term operating purposes; 2) to maximize earnings for endowment and non-endowment assets not required for near term operating purposes, at an acceptable risk level.

The majority of these assets are held within two investment funds (fixed income (FI) or long-term (LT)). Also certain specific donor agreements require the university to invest their assets outside of these funds. In the table below these are classified as "Other". Asset allocations are as follows:

	April 30, 2015			
	FI	LT	Other	Total
Government and corporate bonds	\$ 213,649	\$ -	\$ 1,255	\$ 214,904
Government and corporate bonds pooled funds	-	195,107	-	195,107
Canadian equities	-	95,452	1,143	96,595
Canadian equities pooled funds	-	109,692	-	109,692
Foreign equities	-	143,194	835	144,029
Foreign equities pooled funds	-	152,711	-	152,711
Real estate pooled funds	-	33,385	-	33,385
Cash and short-term investments	4,410	5,539	-	9,949
	<b>\$ 218,059</b>	<b>\$ 735,080</b>	<b>\$ 3,233</b>	<b>\$ 956,372</b>

## 9. Long-term Investments (continued)

	April 30, 2014			
	FI	LT	Other	Total
Government and corporate bonds	\$ 136,119	\$ -	\$ 2,076	\$ 138,195
Government and corporate bonds pooled funds	-	188,063	-	188,063
Canadian equities	-	94,539	7,700	102,239
Canadian equities pooled funds	-	33,720	-	33,720
Foreign equities	-	133,131	-	133,131
Foreign equities pooled funds	-	135,883	-	135,883
Real estate pooled funds	-	37,416	-	37,416
Cash and short-term investments	1,264	3,893	-	5,157
	<b>\$ 137,383</b>	<b>\$ 626,645</b>	<b>\$ 9,776</b>	<b>\$ 773,804</b>

The university's FI and LT funds are managed by third party investment managers through the use of segregated or unitized pooled-fund investments.

The fair value of investments recorded in the consolidated financial statements is determined as follows:

- i) Bonds and equities are valued at closing market price as a practical expedient for fair value measurement.
- ii) Pooled fund investments with underlying investments in asset classes such as equities, bonds and cash, are valued using the April 30 net value per unit as supplied by the university's fund managers; this represents the university's proportionate share of underlying net assets of the pooled funds, determined using closing market prices.
- iii) If a market for a financial instrument is not active or if a closing marking price is not available as at April 30, estimated fair values are calculated using a valuations technique such as recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.
- iv) Real estate is managed through pooled funds and fair value is determined based on latest valuations provided by external managers (usually March 31) and adjusted for subsequent cash receipts and distributions from the fund through to April 30.

### Uncalled commitments

The university invests in a closed-end real estate fund with LaSalle Investment Management. The legal terms and conditions of this fund require that investors initially make an unfunded commitment and then remit funds over time (cumulatively up to a maximum of the total committed amount) in response to a series of capital calls issued to the investors by the manager. As at April 30, 2015, the university had uncalled commitments of approximately \$15.6 million. The capital committed is called by the manager over a pre-defined investment period, but is generally between three to four years from the date the fund closes.

## 10. Capital Assets

	April 30 2015			April 30 2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 1,545,209	\$ 441,935	\$ 1,103,274	\$ 1,128,003
CLSI facility retirement costs	9,528	1,582	7,946	6,327
Site improvements	136,156	53,141	83,015	69,239
Computers	120,908	109,051	11,857	9,742
Equipment and furnishings	379,620	287,122	92,498	91,134
Land	6,784	-	6,784	6,573
Construction in progress	122,415	-	122,415	94,555
Library materials	147,129	135,252	11,877	15,113
	<b>2,467,749</b>	<b>1,028,083</b>	<b>1,439,666</b>	<b>1,420,686</b>
<b>Assets acquired under capital lease obligation</b>				
Equipment and furnishings	778	616	162	262
	<b>\$ 2,468,527</b>	<b>\$ 1,028,699</b>	<b>\$ 1,439,828</b>	<b>\$ 1,420,948</b>

## 11. Accounts Payable and Accrued Liabilities

	April 30	
	2015	2014
Non-governmental accounts payable and accrued liabilities	\$ 75,440	\$ 79,161
Governmental remittances		
Sales taxes	657	350
Payroll related taxes	13,636	13,331
	<b>\$ 89,733</b>	<b>\$ 92,842</b>

## 12. Deferred Revenue

	April 30	
	2015	2014
Student fees	\$ 5,321	\$ 5,771
Unearned revenue - Ancillary operations	7,226	2,009
Unearned revenue - Clinical services	-	305
Deferred contributions	23,785	21,602
	<b>\$ 36,332</b>	<b>\$ 29,687</b>

Student fees relate to fees received prior to April 30<sup>th</sup> for courses and programs offered after that date.

Unearned revenue – Ancillary operations relates to fees received prior to April 30<sup>th</sup> for student residences, parking, food services, hospitality services and the bookstore, for services after that date. It also includes unearned revenue associated with College Quarter Hotel.

Unearned revenue – Clinical services relates to unspent externally restricted funding received prior to April 30<sup>th</sup> for services provided subsequent to the date.

Deferred contributions represent unspent externally restricted funding for programs and projects, relating to the university's primary role of post-secondary instruction, that do not directly pertain to one of the defined restricted funds.

### 13. Loans

During the current fiscal year the university amended the facility held with the Royal Bank, replacing the 365 day term arrangement with 5 year repayment schedules. As a result, in 2014-2015 Royal Bank Banker's Acceptance loans are classified as long-term debt - see Note 15.

	April 30	
	2015	2014
Stadium Parkade	\$ -	\$ 10,626
Annual Sustaining Capital Borrowing	-	24,944
College Quarter Undergraduate Residence	-	43,094
College Quarter Graduate Residence	-	30,888
	<b>\$ -</b>	<b>\$ 109,552</b>

The interest rate risk for each Banker's Acceptance Loan is managed through an interest rate swap agreement (for interest rate swaps see Note 14).

The university maintains a \$15 million revolving demand facility with the Royal Bank of Canada to manage general operating requirements. Borrowings are at RBC Prime minus 0.5%. As of April 30, 2015, there was no borrowing outstanding under the facility.

### 14. Risk Management Liabilities

	April 30	
	2015	2014
Natural gas commodity swap agreements (a)	\$ 7,530	\$ 3,589
Interest rate swap agreements (b)	25,219	16,507
	<b>\$ 32,749</b>	<b>\$ 20,096</b>

To manage the risk of fluctuating natural gas prices the university has entered into the following natural gas commodity swap agreements:

a) Natural gas commodity swap agreements	April 30	
	2015	2014
Royal Bank of Canada - November 15, 2010 agreement (i)	\$ 3,777	\$ 2,187
Royal Bank of Canada - December 16, 2010 agreement (ii)	2,466	1,342
Royal Bank of Canada - January 17, 2012 agreement (iii)	381	60
Bank of Montreal - July 29, 2014 agreement (iv)	716	-
Royal Bank of Canada - November 3, 2014 agreement (v)	168	-
Bank of Montreal - April 23, 2015 agreement (vi)	11	-
Royal Bank of Canada - April 23, 2015 agreement (vi)	11	-
	<b>\$ 7,530</b>	<b>\$ 3,589</b>

- i. A natural gas commodity swap agreement entered into November 15, 2010 which fixes the natural gas rates on a notional quantity of 1,200 Gigajoules (GJ) of natural gas per day between November 1, 2012 and October 31, 2015 and 650 GJ of natural gas per day between November 1, 2015 and October 31, 2020 at rates from \$4.90/GJ to \$6.54/GJ.
- ii. A natural gas commodity swap agreement entered into December 16, 2010 which fixes the natural gas rates on a notional quantity of 650 GJ of natural gas per day between November 1, 2015 and October 31, 2019 at rates from \$5.23/GJ to \$6.27/GJ.

#### 14. Risk Management Liabilities (continued)

- iii. A natural gas commodity agreement entered into January 17, 2012 which fixes the natural gas rates on a notional quantity of 725 GJ of natural gas per day between November 1, 2015 and October 31, 2016 at a rate of \$4.25/GJ.
- iv. A natural gas commodity agreement entered into July 29, 2014 which fixes the natural gas rates on a notional quantity of 750 GJ of natural gas per day between November 1, 2014 and October 31, 2015 and 675 GJ of natural gas per day between November 1, 2015 and October 31, 2016 and 725 GJ of natural gas per day between November 1, 2016 and October 2018 at rates from \$3.59/GJ to \$3.92/GJ.
- v. A natural gas commodity agreement entered into November 3, 2014 which fixes the natural gas rates on a notional quantity of 675 GJ of natural gas per day between November 1, 2016 and October 31, 2017 at a rate of \$3.72/GJ.
- vi. A natural gas commodity agreement entered into April 23, 2015 which fixes the natural gas on a notional quantity of 350 GJ with Bank of Montreal and 350 GJ with Royal Bank of Canada for a total of 700 GJ of natural gas per day between November 1, 2018 and October 31, 2019 at a rate of \$3.39/GJ.

The total expense (recovery) for the university's natural gas commodity swap agreements included in utilities is \$3,941 (2014 - \$(1,462)).

To manage the interest rate exposure associated with loans (see Note 13) the university has entered into the following interest rate swap agreements with the Royal Bank of Canada (RBC) and Bank of Montreal (BMO):

	<b>April 30</b>	
	<b>2015</b>	<b>2014</b>
<b>b) Interest rate swap agreements</b>		
Stadium Parkade (see Note 13) (vii)	\$ 2,948	\$ 2,531
Annual Sustaining Capital Borrowing (see Note 13) (viii)	2,373	2,109
College Quarter Undergraduate Residence (see Note 13) (ix)	10,806	7,254
College Quarter Graduate Residence (see Note 13) (x)	8,163	4,862
Academic Health Sciences (see Note 15) (xi)	929	(249)
	<b>\$ 25,219</b>	<b>\$ 16,507</b>

The fair value for the interest rate swaps are determined by mark-to-market valuations provided by RBC and BMO:

- vii. Interest is at 5.79%; agreement terminates September 2029.
- viii. Interest rates vary from 2.77% to 5.30%; agreements terminate in January 2020 and November 2026.
- ix. Interest rate of 4.63% and 4.57%; agreements terminate in October 2036 and September 2037.
- x. Interest rate of 4.37%; agreement terminates in January 2043.
- xi. Interest rate of 1.93%; agreement terminates in December 2022.

The total expense (recovery) in fair value for the university's interest rate swap agreements (included in Note 24 Interest Expense (Recovery)) is \$8,712 (2014 - \$(10,007)).

## 15. Long-term Debt

	April 30	
	2015	2014
Canada Mortgage and Housing Corp. (CMHC) (a)	\$ 1,109	\$ 1,270
Government of Saskatchewan (b)	32	62
Farm Credit Canada (c)	47	68
Academic Health Sciences (d)	46,000	52,000
Stadium Parkade (e)	10,192	-
Annual Sustaining Capital Borrowing (f)	22,538	-
College Quarter Undergraduate Residence (g)	42,055	-
College Quarter Graduate Residence (h)	30,371	-
	152,344	53,400
Less: current portion	(16,670)	(6,213)
	<b>\$ 135,674</b>	<b>\$ 47,187</b>

- a. Canada Mortgage and Housing Corp. (CMHC) – 6.88% debentures due May 1 and September 1, 2020. These loans are repayable in equal semi-annual installments of \$123 blended principal and interest and recovered in their entirety from revenues of the Ancillary Fund. The balance owing is classified as current as the debentures were paid in full May 2015.
- b. Loan payable to the Government of Saskatchewan – General Revenue Fund – 5.13%, due December 1, 2015. These loans are repayable in equal semi-annual installments of \$17 blended principal and interest.
- c. Loan payable to Farm Credit Canada with interest at FCC personal property variable rate less 0.75%, payable in blended monthly principal repayments of \$2, secured by a general security agreement, due July 2016.
- d. BMO Banker's Acceptance Loan (re: Academic Health Sciences) – Canadian Banker's Acceptance Canadian Deposit Offering Rate (CDOR) + spread of 0.35%, revolving monthly at progressively smaller amounts based on a 10-year amortization until December 2022; repayable in full December 2022.
- e. Royal Bank Banker's Acceptance Loan - CDOR + spread of 0.29%, revolves monthly at progressively smaller amounts based on 25 year amortization until September 2029; repayable in full October 2019.
- f. Royal Bank Banker's Acceptance Loan - CDOR + spread of 0.29%, revolving monthly at progressively smaller amounts based on 15 year amortization, with end dates between January 2020 to November 2026; repayable in full between September and October 2019. Debt outstanding reflects the obligation incurred as a result of annual borrowing (since 2004/05) to fund on-going capital requirements, net of principal payments to date.
- g. Royal Bank Banker's Acceptance Loan - CDOR + spread of 0.29%, revolving monthly at progressively smaller amounts based on 25 year amortization until October 2036 and September 2037; repayable in full September 2019.
- h. Royal Bank Banker's Acceptance Loan - CDOR + spread of 0.29%, revolving monthly at progressively smaller amount based on 30 year amortization until January 2043; repayable in full October 2019.

Principal payments due each of the next five years are as follows (in thousands of dollars):

2016	\$ 16,670
2017	15,606
2018	15,572
2019	15,567
2020	15,499
	<b>\$ 78,914</b>



## 16. Employee Future Benefits

The university sponsors both defined benefit and defined contribution pension plans. The university and employees contribute in equal amounts to the defined contribution plans. The defined benefit plans are funded by employee contributions as a percentage of salary and by the university to support the actuarial based pension benefits. The defined pension benefits are based on years of pensionable service and an average of the highest 4 years of employees' pensionable earnings. The most recently filed actuarial valuation of the pension plans for funding purposes was as of December 31, 2012 for two plans and December 31, 2013 for one of the plans.

The total expense for the university's defined contribution plans for the year is \$19,970 (2014 - \$19,570).

During the year the university wound down the self-insured long-term disability plan that provided benefits for academic, administrative, research and other designated employees who had not attained the normal retirement age. The university entered into an insurance agreement with Sun Life Financial Canada for the provision of long-term disability benefits for current and future claimants.

Other post-retirement benefits include post-retirement life insurance or spending accounts, retirement recognition benefit and benefit continuation for disabled employees.

The post-retirement life insurance or spending account liability accrues the university's obligation to pay life insurance premiums between the date of early retirement and the normal retirement date or provide a health spending account for the first two years after retirement for eligible early retirees.

The retirement recognition benefit recognizes the actuarially determined valuation for vacation pay or pay-in-lieu earned by eligible long-service employees.

The benefit continuation for disabled employees' liability accrues the university's obligation to provide health care and dental coverage to eligible long-term disability claimants.

The pension contribution for disabled employees' liability accrues the university's obligation for pension contributions on behalf of eligible long-term claimants.

The measurement date of plan assets and the actuarial valuation of the accrued benefit obligations for the defined benefit pension plans and the long-term disability plan is December 31, 2014 (extrapolated to April 30, 2015). The measurement date of the actuarial valuations for the accrued benefit obligations for the other post-retirement benefits is April 30, 2015.

Information about the university's benefit plan is as follows:

	2015		2014		2015			2014
	Long-Term Disability Plan		Defined Pension Plans	Other Post Retirement Benefits	Total		Total	
<b>Plan assets</b>								
Fair value at beginning of year	\$ -	\$ 21,144	\$ 485,811	\$ -	\$ 485,811	\$ -	\$ 437,370	
Actual return on plan assets	-	3,758	52,200	-	52,200	-	67,266	
Employer contributions	-	-	12,978	1,470	14,448	-	11,335	
Employee contributions	-	-	6,405	-	6,405	-	6,679	
Benefits paid	-	(2,975)	(37,448)	(1,470)	(38,918)	-	(36,839)	
<b>Fair value at end of year</b>	<b>\$ -</b>	<b>\$ 21,927</b>	<b>\$ 519,946</b>	<b>\$ -</b>	<b>\$ 519,946</b>	<b>\$ -</b>	<b>\$ 485,811</b>	

## 16. Employee Future Benefits (continued)

	2015		2014		2015			2014
	Long-Term Disability Plan		Defined Pension Plans	Other Post Retirement Benefits	Total		Total	
<b>Accrued benefit obligations</b>								
Accrued benefit obligation at beginning of year	\$ -	\$ 18,743	\$ 496,892	\$ 15,887	\$ 512,779		\$ 472,804	
Current service cost	-	4,431	12,801	1,145	13,946		14,445	
Interest cost	-	705	30,680	578	31,258		29,408	
Benefits paid	-	(2,975)	(37,448)	(1,470)	(38,918)		(36,839)	
Actuarial (gains) losses	-	1,947	15,221	(352)	14,869		28,579	
Plan amendments	-	(4,382)	-	(784)	(784)		4,382	
<b>Accrued benefit obligation at end of year</b>	<b>\$ -</b>	<b>\$ 18,469</b>	<b>\$ 518,146</b>	<b>\$ 15,004</b>	<b>\$ 533,150</b>		<b>\$ 512,779</b>	

### Accrued benefit asset (liability)

Fair value - plan assets at end of year	\$ -	\$ 21,927	\$ 519,946	\$ -	\$ 519,946		\$ 485,811
Accrued benefit obligation, end of year	-	18,469	518,146	15,004	533,150		512,779
Valuation allowance	-	-	(15,590)	-	(15,590)		(3,641)
<b>Accrued benefit asset (liability), net of valuation allowance</b>	<b>\$ -</b>	<b>\$ 3,458</b>	<b>\$ (13,790)</b>	<b>\$ (15,004)</b>	<b>\$ (28,794)</b>		<b>\$ (30,609)</b>
Current portion	\$ -	\$ -	\$ -	\$ (1,470)	\$ (1,470)		\$ (1,009)
Long-term portion	-	3,458	(13,790)	(13,534)	(27,324)		(29,600)
	<b>\$ -</b>	<b>\$ 3,458</b>	<b>\$ (13,790)</b>	<b>\$ (15,004)</b>	<b>\$ (28,794)</b>		<b>\$ (30,609)</b>

	2015		2014		2015			2014
	Long-Term Disability Plan		Defined Pension Plans	Other Post Retirement Benefits	Total		Total	
<b>Benefit plan (income) expense</b>								
Current service cost, net of employee contributions	\$ -	\$ 4,431	\$ 6,396	\$ 1,145	\$ 7,541		\$ 7,781	
Interest on benefit obligation	-	705	30,680	578	31,258		29,412	
Interest on asset (liability) obligation	-	-	(30,154)	-	(30,154)		(27,552)	
	<b>\$ -</b>	<b>\$ 5,136</b>	<b>\$ 6,922</b>	<b>\$ 1,723</b>	<b>\$ 8,645</b>		<b>\$ 9,641</b>	

## 16. Employee Future Benefits (continued)

	2015		2014		2015			2014
	Long-Term Disability Plan		Defined Pension Plans	Other Post Retirement Benefits	Total		Total	
<b>Remeasurements and other items</b>								
Actual return on plan assets	\$ -	\$ (3,758)	\$ (52,200)	\$ -	\$ (52,200)	\$ -	\$ 28,559	
Actuarial (gain) loss on accrued benefit obligation	-	1,947	15,221	(352)	14,869	-	(67,266)	
Interest on asset (liability) obligation	-	-	30,154	-	30,154	-	27,552	
Recognition of plan amendment	-	-	-	(784)	(784)	-	-	
Increase (decrease) in valuation allowance	-	-	11,949	-	11,949	-	3,641	
	<b>\$ -</b>	<b>\$ (1,811)</b>	<b>\$ 5,124</b>	<b>\$ (1,136)</b>	<b>\$ 3,988</b>	<b>\$ -</b>	<b>\$ (7,514)</b>	

### Actuarial assumptions (weighted average as of April 30)

	2015		2014		
	Defined Pension Plans	Other Post Retirement Benefits	Long-Term Disability Plan	Defined Pension Plan	Other Post Retirement Benefits
Discount rate	6.0%	3.2%	4.2%	6.3%	3.5%
Compensation increase	3.0%	-	-	3.0%	-
Health care cost trend rate	-	5.0%	-	-	5.0%
Inflation	2.5%	2.5%	2.5%	2.5%	2.5%

### Percentage of fair value of total plan assets held at measurement date by category

	2015		2014		
	Defined Pension Plans	Other Post Retirement Benefits	Long-Term Disability Plan	Defined Pension Plan	Other Post Retirement Benefits
Fixed income	34.8%	-	77.7%	33.0%	-
Equities	63.9%	-	22.3%	65.8%	-
Other	1.3%	-	-	1.2%	-
<b>Total</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

## 17. Capital Lease Obligation

The university has entered into leases with Element Fleet Management and CNH Capital Canada Ltd. for 12 vehicles that are used to support maintenance and operating activities. The lease contracts cover various periods of time, with expiry dates between 2015 and 2018.

These agreements are recognized in the financial statements of the university as an asset acquired under the capital lease as a capital lease obligation. The minimum future lease payments are as follows:

Year Ending April 30	2015	2014
2015	\$ -	\$ 72
2016	71	21
2017	21	5
2018	23	23
2019	-	-
Total minimum lease payments	115	121
Less: amount representing interest at 3% per annum	(40)	(7)
Present value of net minimum capital lease payments	75	114
Less: current portion of capital lease obligation	(39)	(66)
<b>Long-term portion of capital lease obligation</b>	<b>\$ 36</b>	<b>\$ 48</b>

## 18. Decommissioning Costs

The university is required to decommission the CLSI facility when operations cease in accordance with a Particle Accelerator Operating License issued by the Canadian Nuclear Safety Commission (CNSC). The licensing agreement requires a letter of guarantee, in favour of CNSC, equivalent to estimated decommissioning costs. As at April 30, 2015 the university provided a guarantee of \$7,510 through a non-revolving demand facility with the Royal Bank of Canada. This amount is amended every 5 years with the next amendment effective June 1, 2015.

The university, through CLSI, accrues the liability for future decommissioning site restoration costs. The university expects the facility to operate for a 30 year period from commencement of operations and anticipates the future cash flows required to decommission the facility to be \$16,482.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk free interest rate of 1.97% (2014 – 2.96%). The change in cost estimate resulted in a \$1,935 increase to both the accrued decommissioning costs and the deferred decommissioning costs. The current year decommissioning costs of \$644 (2014 - \$499) include amortization of deferred decommissioning costs of \$317 (2014 - \$251) and costs associated with a financial guarantee to the CNSC of \$56 (2014 - \$56). A reconciliation of the accrued decommissioning costs is as follows:

	April 30	
	2015	2014
Accrued decommissioning costs, beginning of year	\$ 9,171	\$ 7,681
Accretion expense	271	192
Adjustment due to change in discount rate	1,935	1,298
<b>Accrued decommissioning costs, end of year</b>	<b>\$ 11,377</b>	<b>\$ 9,171</b>

## 19. Capital Disclosures

The university's objectives when managing its capital are to strengthen its financial position and promote responsible stewardship through the effective management of liquidity and capital structure. To effectively achieve our objectives, the university continues to expand and improve its rigorous planning and budgeting processes and internal control procedures. These strategies ensure the university has appropriate liquidity to meet its operational activities and the growth strategies outlined in the university's Third Integrated Plan.

## 19. Capital Disclosures (continued)

The university funds its resource requirements through external funding, internally generated funds, loans and debt. All sources of financing are analyzed by management and approved by the university's Board of Governors. The university receives a significant portion of its revenue from the Government of Saskatchewan and is required by *The University of Saskatchewan Act, 1995* to receive prior approval from the Minister of Advanced Education for any borrowing, purchase or sale of land or buildings or any liability or expenditure that may impair the financial status of the university.

## 20. Externally Restricted Fund Balances

Externally restricted net assets represent unexpended fund balances carried forward for subsequent year's expenditures where stipulations have been imposed by an agreement with an external party specifying the purpose for which resources are to be used.

	April 30	
	2015	2014
<b>Restricted Fund</b>		
Capital Fund	\$ 51,099	\$ 39,670
Student Financial Aid Fund	42,077	39,903
Research Fund	241,704	248,189
	334,880	327,762
<b>Endowment Fund</b>		
Endowed contributions - term	33,997	30,432
Capitalized endowment earnings	124,808	95,867
	158,805	126,299
	493,685	454,061
<b>Endowment Fund</b>		
Endowed contributions - permanent	131,362	127,836
<b>Total externally restricted fund balances</b>	<b>\$ 625,047</b>	<b>\$ 581,897</b>

## 21. Internally Restricted Fund Balances

Internally restricted net assets represent amounts set aside by the university's Board of Governors for specific purposes. These amounts are not available for other purposes without the approval of the Board. At April 30, net assets have been set aside for the following purposes:

	April 30	
	2015	2014
<b>General Fund *</b>	<b>\$ 312,144</b>	<b>\$ 278,557</b>
<b>Restricted Fund</b>		
Student Financial Aid Fund	9,451	6,978
Research Fund	42,344	32,006
	51,795	38,984
<b>Endowment Fund</b>		
Endowed contributions	33,022	32,994
Capitalized endowment earnings	14,717	10,941
	47,739	43,935
<b>Total internal restricted fund balances</b>	<b>\$ 411,678</b>	<b>\$ 361,476</b>

\* Includes faculty and department carry-forwards and specific purpose reserves

## 22. Commitments and Contingencies

### a) Capital projects

With commitments relating to the Health Sciences and Gordon Oakes Redbear Student Centre projects, the estimated cost of contractual commitments to complete major capital projects as at April 30, 2015 is approximately \$32,237 (2014 - \$24,836).

### b) Lease commitments

The university has operating lease commitments for equipment and capital assets. The minimum future commitments under these contractual arrangements for the next five years are as follows:

2016	\$	1,659
2017		1,650
2018		1,632
2019		1,620
2020		1,616

### c) Loan guarantee

The university has provided a loan guarantee of up to \$22,000 related to the external financing obtained by the University of Saskatchewan Students' Union (USSU) for expansion and renovation of the Place Riel Student Centre. In accordance with Section 93 of *The University of Saskatchewan Act, 1995* the university received approval from the Minister of Advanced Education to provide the loan guarantee. This completed capital project was approved by the university's Board of Governors.

The USSU holds five-year credit facilities with TD Canada Trust and the First Nations Bank of Canada utilizing floating rate financing totaling \$18,300 which expires May 2015. At April 30, 2015, draws on the facility totaled \$17,204 (2014 - \$17,469). The floating interest rate is managed through interest rate swap agreements with notional amounts of \$11,275 terminating in June 2040 and \$5,929 terminating in January 2041. The fair value of the interest rate swaps as determined by TD Canada Trust at April 30, 2015 was \$5,292 (2014 - \$3,457).

The USSU's loan repayments are being funded by a student infrastructure fee. In the event of default by the USSU, the university can directly collect this fee from students.

### d) Utility purchases

To manage the price of natural gas, the university has entered into long-term contracts that expire at varying dates until October 2020, in accordance with the university's Derivatives Policy Guidelines, as follows:

Year	Gas Year	Target Range % Booked per Derivatives Policy	Approximate Consumption Needs Booked * %	Weighted Average Price/GJ
0	Nov 14 / Oct 15	75-100	100	5.51
1	Nov 15 / Oct 16	75-100	100	4.60
2	Nov 16 / Oct 17	50-100	100	4.65
3	Nov 17 / Oct 18	50-75	75	5.18
4	Nov 18 / Oct 19	50-75	74	5.27
5	Nov 19 / Oct 20	25-50	24	6.54
6	Nov 20 / Oct 21	0-50	0	0.00
7	Nov 21 / Oct 22	0-50	0	0.00
8	Nov 22 / Oct 23	0-50	0	0.00
9	Nov 23 / Oct 24	0-25	0	0.00
10	Nov 24 / Oct 25	0-25	0	0.00

\* Note – percentage booked is approximate – consumption needs require confirmation, particularly in years further out.

## 22. Commitments and Contingencies (continued)

### e) Outstanding legal claims

The nature of the university's activities are such that there may be litigation ending or in progress at any time. With respect to claims at April 30, 2015, the university believes it has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, the settlements of such claims are not expected to have a significant effect on the university's financial position, with the exception of the items noted below.

On June 26, 2007 a statement of claim was issued against the university alleging responsibility for environmental contamination of adjoining land. The university has filed a statement of defense, denying all claims. The outcome is not determinable at this time. No provision for this claim has been made in the accounts.

On August 14, 2012, a statement of claim was issued against the university alleging breach of contract for property management services to a student residence complex in College Quarter. The outcome is not determinable at this time. No provision for this claim has been made in the accounts.

Should ultimate resolutions differ from management's assessments and assumptions, a significant adjustment to the university's financial position or results of operations could occur.

### f) Canadian Universities Reciprocal Insurance Exchange

The university is a member (of a group of 61 members) of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance reciprocal established to share the insurable property, liability and errors and omissions risk of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through the members' premiums. As at December 31, 2014, CURIE had an accumulated surplus of \$74,231 (2013 - \$71,331) of which the university's pro-rata share is approximately 3.95% (2013 - 4.41%).

### g) Other

The university has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the university may be required to take appropriate remediation procedure to remove the asbestos. As the university has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligation for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

## 23. Employee Benefits

	April 30	
	2015	2014
Pension expense - defined benefit (Note 16)	\$ 6,922	\$ 8,215
Pension expense - defined contribution (Note 16)	19,970	19,570
Employee future benefits (Note 16)	1,723	6,562
All other employee benefits	37,921	30,480
	<b>\$ 66,536</b>	<b>\$ 64,827</b>

## 24. Interest Expense (Recovery)

	April 30	
	2015	2014
Interest expense	\$ 6,379	\$ 6,085
Increase (decrease) in fair value of interest rate swap agreements (Note 14 b)	8,712	(10,007)
	<b>\$ 15,091</b>	<b>\$ (3,922)</b>

## 25. Gifts-in-kind and Donation Pledges

Gifts-in-kind consist of the following:

	April 30	
	2015	2014
Works of art	\$ 447	\$ 177
Equipment and furnishings	53	9
Investments	4,253	5,320
Library holdings	57	63
Research project contributions	2,380	2,175
Other	371	792
	<b>\$ 7,561</b>	<b>\$ 8,536</b>

Donations pledged but not received as at April 30, 2015 totaled \$38,644 (2014 - \$51,493). These pledges are expected to be honoured during the subsequent five-year period and will be recorded as revenue when received.

## 26. Collections

### a) Collections of artifacts, archival material and rare books

The university has acquired collections of artifacts, archival materials and rare books. These items have been accumulated largely as adjuncts to the university's research and teaching missions. Acquisitions are donated as well as purchased. The university rarely disposes of items from these collections.

The significant collections include the personal artifacts, papers, and library of the late John G. Diefenbaker, the official records of the university, papers of faculty and alumnae, originals and replicas of ancient and medieval artifacts, as well as old and rare material with a focus on western Canada.

### b) Art collection

The Kenderdine Art Gallery administers the permanent art collection of the university. The collection includes works of art that provide a historic or artistic context for objects that are already in the collection as well as works that are of historic interest to the university or the Province of Saskatchewan. Proceeds from the sale of objects are used for the purchase of new acquisitions or direct care of the collection.

## 27. Operating Budget Allocations

The Operating Budget is a component of the Operating Fund (Schedule 1). The Operating Budget is the annual funding allocation provided to colleges and units to carry out their primary function of instruction (including academic support) as aligned with their respective integrated plans. It also includes the allocation for central costs such as utilities, scholarships, and central administrative costs.

The Operating Budget does not include other operational activity included in the Operating Fund (Schedule 1), such as restricted revenue targeted for clinical services, non-credit instruction and activities, fee-for-service activity, the costs of employee future benefits and the consolidation of the university's subsidiary companies.

A comparison of the university's Operating Budget Allocations, as approved by the university's Board of Governors, to actual expenses (net of other recoveries and revenues) is as follows:



## 27. Operating Budget Allocations (continued)

	2015 <sup>(a)</sup>		2014 <sup>(a)</sup>	
	Budget <sup>(b)</sup>	Expenses <sup>(c)</sup>	Budget <sup>(b)</sup>	Expenses <sup>(c)</sup>
Agriculture and Bioresources	\$ 14,873	\$ 14,439	\$ 14,645	\$ 14,448
Arts and Science	65,307	62,021	64,609	64,879
Edwards School of Business	14,954	14,428	14,688	14,363
Dentistry	5,868	5,644	5,367	5,685
Education	9,327	9,591	10,103	10,449
Engineering	18,551	17,216	17,201	16,540
Centre for Continuing and Distance Education	5,948	5,676	5,648	5,251
Graduate Studies and Research	2,780	4,885	3,902	3,490
Kinesiology, including Huskie Athletics	5,308	5,723	5,377	5,457
Law	6,991	6,652	6,480	6,003
Medicine	57,183	46,291	55,143	44,426
Medicine Accreditation, including Library components	20,087	22,801	19,743	17,199
Nursing	19,215	18,904	18,157	17,085
Pharmacy and Nutrition	6,413	5,990	5,692	5,758
Veterinary Medicine	28,420	30,996	27,678	27,084
Academic Support Units <sup>(d)</sup>	7,921	7,611	7,565	7,580
Schools	6,026	5,478	5,273	4,538
Library	12,034	11,632	11,838	11,724
<b>Non-instructional units:</b>				
Information and Communications Technology	11,711	12,060	10,429	9,964
Student and Enrolment Services	11,429	11,462	11,651	11,359
Facilities Management	23,281	23,068	21,895	24,923
Consumer Services	26	26	371	221
Protective Services	2,497	2,351	2,432	2,465
Advancement and Community Engagement	8,756	8,860	9,118	8,939
Administrative and Research Support Units <sup>(e)</sup>	30,749	27,833	30,262	26,592
Institutional Utilities	17,759	15,697	17,172	15,091
Institutional Scholarships/Bursaries	9,629	9,629	9,629	9,629
Institutional Research and Scholarly	22,361	17,474	20,242	15,128
Institutional Student Support	363	426	614	688
Institutional Network, Software and System Renewal	7,287	6,449	7,476	7,902
Institutional Administration <sup>(f)</sup>	34,777	33,609	20,946	21,103
Institutional Benefits <sup>(g)</sup>	9,128	9,341	9,757	10,202
<b>Total</b>	<b>\$ 496,959</b>	<b>\$ 474,263</b>	<b>\$ 471,103</b>	<b>\$ 446,165</b>

## 27. Operating Budget Allocations (continued)

Notes:

- Budget allocations and expenses reflect the results of any organizational restructuring during the year.
- For some colleges/units, the budget allocation amount above varies from the "Allocation of Operating Revenue" amount reflected in Schedule 3. This difference is caused by classification adjustments.
- Expenses include spending of opening fund balances.
- Academic support units include the University Learning Centre, the Gwenna Moss Centre for Teaching Effectiveness, Media Access and Production, Northern Ecosystems Toxicology Initiative, and the Council of Health Science Deans.
- Administrative and research support units include the Offices of the President, Provost and Vice-President Academic, Vice-President Finance and Resources, Vice-President Research, and the University Secretary as well as Human Resources, Financial Services, Audit Services, Corporate Administration, Institutional Planning and Assessment and various research centres.
- Includes centrally paid amounts such as space, rental and insurance costs, and additional pension related payments.
- Includes accountable professional allowances and other benefits provided to employees under terms of collective agreements.

## 28. Interfund Transfers

Fund accounting is a common practice in not-for-profit organizations whereby resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. Interfund transfers are used when resources residing within one fund are utilized to fund activities or assets that should, by their nature, be recorded in another fund.

	<b>Operating</b>	<b>Ancillary</b>	<b>Student Financial Aid</b>	<b>Research</b>	<b>Capital</b>	<b>Endowment</b>
Salary and benefits	\$ (1,723)	\$ 6	\$ (74)	\$ 1,791	\$ -	\$ -
Loan and interest payments	1,093	(6,787)	-	-	5,694	-
Capital acquisition and related funding	(35,801)	(4,652)	-	(35,288)	75,741	-
Donations	8	-	(7)	(1)	-	-
Scholarships, bursaries and prizes	(17,224)	(1)	17,225	-	-	-
Fund transfers for Endowment	(239)	-	-	-	-	239
Funding for Research	(11,747)	-	(342)	12,089	-	-
Administrative support for Research	17,071	-	-	(17,071)	-	-
Funding for General operating expenses	2,256	(2,286)	-	30	-	-
Contingency transfers	(2,374)	(848)	-	1,955	1,267	-
Recapitalized spending to Endowment Funds	(4,427)	-	(2,829)	(647)	(100)	8,003
<b>April 30, 2015</b>	<b>\$ (53,107)</b>	<b>\$ (14,568)</b>	<b>\$ 13,973</b>	<b>\$ (37,142)</b>	<b>\$ 82,602</b>	<b>\$ 8,242</b>
<b>April 30, 2014</b>	<b>\$ (16,275)</b>	<b>\$ (11,739)</b>	<b>\$ 14,261</b>	<b>\$ (49,156)</b>	<b>\$ 57,140</b>	<b>\$ 5,769</b>

## 29. Related Party Transactions

The university receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its members to the Board of Governors appointed by the Government. Revenue received from the Government of Saskatchewan is disclosed separately in the Statement of Operations. A portion of the revenue from the Government of Saskatchewan includes supplemental funding for facilities, including funding allocated to principal and interest repayments for sustaining capital.

To the extent that the Government of Saskatchewan exercises significant influence over the operations of the university, all Saskatchewan Crown agencies such as corporations, boards and commissions are considered related parties to the university. Routine expenses with these related parties are recorded at the standard or agreed rates charged by these organizations.

Transactions during the year and the amounts outstanding at year-end are as follows:

	<b>April 30</b>	
	<b>2015</b>	<b>2014</b>
Sales of services and products – physicians' billings	\$ 11,539	\$ 12,374
Expenses		
Utilities	15,293	14,356
Various	36,447	35,680
Accounts receivable	50,553	55,390
Long-term investments	77	73
Accounts payable and accrued liabilities	2,743	3,243
Deferred revenue	4,551	5,001
Long-term debt	32	63

## 30. Financial Instruments

The university's financial instruments recorded in the consolidated financial statements consist of cash, investments, accounts receivable, accounts payable and accrued liabilities, loans, capital lease obligations, other contractual liabilities and long-term debt.

### a) Risk management and financial instruments

#### i. Market risk

The university is exposed to market risk – the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. Investments are placed in accordance with the university investment policy specifying the quality of investments so that diversification limits risk of exposure in any one type of investment instrument.

#### ii. Foreign currency risk

The university has foreign currency risk from its foreign currency denominated cash and investment accounts and exposure to foreign currency dominated revenues or expenses. Investments are placed in accordance with policies addressing investment in foreign currency to reduce the level of risk by diversifying the portfolio of investment classes.

#### iii. Interest rate risk

Interest rate swap agreements are utilized on the Banker's Acceptance Loans to reduce interest rate risk arising from fluctuations in interest rates and to manage the floating interest rates of these loans – see Note 15, above. The university is subject to interest rate risk as a result of market fluctuations in interest rates and the degrees of volatility of these rates.

## 30. Financial Instruments (continued)

### a) Risk management and financial instruments (continued)

#### iv. Credit risk

The university has normal credit risk from counterparties. Since government agencies compose a significant portion of the receivable arising from the university's diverse client base, possibility of default is believed to be low. Credit risk from tuition is managed through restricted enrolment activities for students with uncollected balances and maintaining standard collection procedures.

Credit risk within investments is primarily related to bonds and money market instruments. It is managed through the investment policy that limits debt instruments to those of high credit quality (minimum rating for bonds is BBB, and for money market instruments is R-1Low) along with limits to the maximum notional amount of exposure with respect to any one issuer.

Within bond investments, there are no holdings from one issuer, other than the Government of Canada or government guaranteed agencies, over 10% of an investment manager's bond portfolio. No holding of one corporate issuer rated less than A exceeds 5% of the market value of the bond portfolio.

#### v. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The university minimizes its liquidity risk through careful management of Investment Pools to maintain sufficient liquidity for operating purposes.

### b) Fair value of financial instruments

The carrying values of all financial instruments approximate fair value with the exception of long-term debt, which as at April 30, 2015, has a carrying value of \$152,343 (2014 - \$53,400) and a fair value of \$152,250 (2014 - \$53,333).

During the current fiscal year the university amended the facility held with the Royal Bank, replacing the 365 day term arrangement with 5 year repayment schedules. As a result, in 2014-2015 Royal Banker's Acceptance loans are classified as long-term debt - see Note 13 and Note 15.

## 31. Comparative Figures

Certain comparative figures have been reclassified in order to conform to the financial statement presentation adopted for the current year.

## UNIVERSITY OF SASKATCHEWAN

**Schedule 1** - Consolidated Statement of Operations and Changes in Fund Balances - General Funds  
For the Year Ended April 30, 2015 (\$ thousands)

	<b>Operating</b>	<b>Ancillary</b>	<b>Total</b>
<b>Revenues</b>			
Grants and contracts			
Government of Canada	\$ 2,250	\$ -	\$ 2,250
Government of Saskatchewan	416,439	-	416,439
Other governments	20,726	-	20,726
Non-government	8,750	-	8,750
Student fees	132,237	-	132,237
Gifts, grants and bequests	5,819	-	5,819
Sales of services and products	45,588	51,849	97,437
Income from investments	52,357	47	52,404
Real estate income	1,265	4,354	5,619
Royalties	14,855	1	14,856
Miscellaneous income	5,216	111	5,327
	<b>705,502</b>	<b>56,362</b>	<b>761,864</b>
<b>Expenses</b>			
Salaries	389,310	10,470	399,780
Employee benefits (Note 23)	58,512	1,596	60,108
Operational supplies and expenses	108,466	5,390	113,856
Travel	12,448	45	12,493
Cost of goods sold	6,052	11,109	17,161
Maintenance, rental and renovations	12,057	1,886	13,943
Utilities	17,779	10,471	28,250
Scholarships, bursaries and awards	4,232	-	4,232
Interest (Note 24)	40	-	40
Bad debt expense	642	74	716
	<b>609,538</b>	<b>41,041</b>	<b>650,579</b>
Excess of revenues over expenses	95,964	15,321	111,285
Interfund transfers (Note 28)	(53,107)	(14,568)	(67,675)
Net increase in fund balances for year	42,857	753	43,610
Fund balances, beginning of year	295,203	(26,575)	268,628
Employee future benefits remeasurements and other items (Note 2 and Note 16)	(3,988)	-	(3,988)
<b>Fund balances, end of year</b>	<b>\$ 334,072</b>	<b>\$ (25,822)</b>	<b>\$ 308,250</b>

See accompanying notes to consolidated financial statements

# UNIVERSITY OF SASKATCHEWAN

## Schedule 2 - Consolidated Statement of Operations and Changes in Fund Balances - Restricted Funds For the Year Ended April 30, 2015 (\$ thousands)

	Student Financial Aid	Research	Capital	Total
<b>Revenues</b>				
Grants and contracts				
Government of Canada	\$ 17	\$ 67,216	\$ -	\$ 67,233
Government of Saskatchewan	2,380	26,322	36,593	65,295
Other governments	53	1,775	-	1,828
Non-government	131	52,283	150	52,564
Gifts, grants and bequests	4,305	13,210	3,571	21,086
Sales of services and products	(5)	19	118	132
Income from investments	7,906	8,101	468	16,475
Real estate income	118	122	-	240
Royalties	12	-	-	12
Miscellaneous income	168	54	89	311
	15,085	169,102	40,989	225,176
<b>Expenses</b>				
Salaries	1,620	67,923	-	69,543
Employee benefits (Note 23)	98	6,330	-	6,428
Operational supplies and expenses	286	29,803	1,883	31,972
Travel	159	6,036	1	6,196
Cost of goods sold	-	5	-	5
Maintenance, rental and renovations	-	1,516	37	1,553
Utilities	-	25	-	25
Amortization	-	-	75,996	75,996
Scholarships, bursaries and awards	22,228	16,464	-	38,692
Interest (Note 24)	-	-	15,051	15,051
Bad debt expense	21	5	-	26
Decommissioning costs (Note 18)	-	-	644	644
	24,412	128,107	93,612	246,131
Excess (deficiency) of revenues over expenses	(9,327)	40,995	(52,623)	(20,955)
Interfund transfers (Note 28)	13,974	(37,142)	82,601	59,433
Net increase in fund balances for year	4,647	3,853	29,978	38,478
Fund balances, beginning of year	46,881	280,195	1,272,056	1,599,132
<b>Fund balances, end of year</b>	<b>\$ 51,528</b>	<b>\$ 284,048</b>	<b>\$ 1,302,034</b>	<b>\$ 1,637,610</b>

See accompanying notes to consolidated financial statements

# UNIVERSITY OF SASKATCHEWAN

**Schedule 3** - Consolidated Statement of Operations and Changes in Fund Balances by Academic and Instructional Unit  
For the Year Ended April 30, 2015 (\$ thousands)

	Agriculture and Bioresources	Arts and Science	Edwards School of Business	Dentistry	Education	Engineering	CCDE*	Graduate Studies and Research
<b>Revenues</b>								
University operating budget	\$ 14,873	\$ 64,979	\$ 14,954	\$ 5,868	\$ 9,327	\$ 18,551	\$ 5,948	\$ 2,780
Grants and contracts								
Government of Canada	5,309	11,981	161	-	988	4,434	-	314
Government of Saskatchewan	10,569	5,013	-	146	812	1,318	-	900
Other governments	187	212	-	-	-	-	-	-
Non-government	14,885	4,245	55	5	996	3,232	-	81
Student fees	77	219	1,962	45	113	20	4,999	198
Gifts, grants and bequests	7,618	2,441	2,053	444	142	1,818	-	53
Sales of services and products	3,775	713	70	2,437	791	897	1,405	-
Income from investments	8,156	4,694	2,625	96	473	4,065	14	835
Real estate income	286	-	-	-	-	-	-	-
Royalties	2,222	3	-	-	-	-	4	-
Miscellaneous income	716	223	6	4	45	82	14	15
	68,673	94,723	21,886	9,045	13,687	34,417	12,384	5,176
<b>Expenses</b>								
Salaries	31,965	64,574	12,680	5,537	10,167	20,631	8,126	1,351
Employee benefits (Note 23)	4,178	7,800	1,562	749	1,211	2,460	1,054	203
Operational supplies and expenses	11,083	5,471	2,563	1,039	1,730	2,281	908	83
Travel	1,206	2,809	569	52	477	790	582	104
Cost of goods sold	163	1	-	721	-	22	-	-
Maintenance, rental and renovations	999	487	77	90	166	89	10	-
Utilities	374	83	23	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-
Scholarships, bursaries and awards	3,670	9,595	982	19	626	2,785	9	2,074
Interest (Note 24)	-	-	-	-	-	-	-	-
Bad debt expense	11	-	-	61	-	-	-	-
Decommissioning costs (Note 18)	-	-	-	-	-	-	-	-
	53,649	90,820	18,456	8,268	14,377	29,058	10,689	3,815
Excess (deficiency) of revenues over expenses	15,024	3,903	3,430	777	(690)	5,359	1,695	1,361
Interfund transfers (Note 28)	(6,448)	715	68	(173)	930	(916)	(1,002)	2,417
<b>Net increase (decrease) in fund balances for year</b>	<b>\$ 8,576</b>	<b>\$ 4,618</b>	<b>\$ 3,498</b>	<b>\$ 604</b>	<b>\$ 240</b>	<b>\$ 4,443</b>	<b>\$ 693</b>	<b>\$ 3,778</b>

\* Centre for Continuing and Distance Education  
See accompanying notes to consolidated financial statements

# UNIVERSITY OF SASKATCHEWAN

## Schedule 3 - Consolidated Statement of Operations and Changes in Fund Balances by Academic and Instructional Unit For the Year Ended April 30, 2015 (\$ thousands)

	Kinesiology	Law	Library	Medicine	Nursing	Pharmacy and Nutrition	Western College of Veterinary Medicine	Other Units	Total
<b>Revenues</b>									
University operating budget	\$ 5,308	\$ 6,991	\$ 16,001	\$ 73,303	\$ 19,215	\$ 6,413	\$ 28,420	\$ (292,931)	\$ -
Grants and contracts									
Government of Canada	616	131	-	9,027	588	881	3,747	31,306	69,483
Government of Saskatchewan	115	72	219	79,588	421	1,479	1,493	379,589	481,734
Other governments	-	-	-	13	7	-	962	21,173	22,554
Non-government	647	291	4	8,900	77	2,375	2,336	23,185	61,314
Student fees	4,191	233	-	777	276	171	55	118,901	132,237
Gifts, grants and bequests	1,257	764	454	2,071	71	527	1,675	12,635	34,023
Sales of services and products	1,955	75	26	15,525	6	69	9,150	60,675	97,569
Income from investments	509	2,556	704	4,411	297	1,041	4,305	58,562	93,343
Real estate income	88	-	-	190	-	-	-	5,295	5,859
Royalties	-	13	-	-	-	-	-	12,626	14,868
Miscellaneous income	278	26	64	588	71	67	92	3,360	5,651
	14,964	11,152	17,472	194,393	21,029	13,023	52,235	434,376	1,018,635
<b>Expenses</b>									
Salaries	8,614	5,946	9,833	110,549	14,332	7,491	26,141	131,386	469,323
Employee benefits (Note 23)	978	699	1,568	11,204	1,781	927	3,470	26,692	66,536
Operational supplies and expenses	2,894	683	4,376	40,388	1,707	1,530	8,890	60,203	145,829
Travel	1,253	316	195	3,924	343	306	847	4,916	18,689
Cost of goods sold	3	-	-	1	-	-	950	15,305	17,166
Maintenance, rental and renovations	196	6	17	954	255	10	1,070	11,070	15,496
Utilities	-	-	-	44	-	-	72	27,679	28,275
Amortization	-	-	-	-	-	-	-	75,996	75,996
Scholarships, bursaries and awards	1,399	910	3	4,812	370	877	3,303	11,490	42,924
Interest (Note 24)	-	-	-	-	-	-	-	15,091	15,091
Bad debt expense	-	-	-	18	-	-	25	627	742
Decommissioning costs (Note 18)	-	-	-	-	-	-	-	644	644
	15,337	8,560	15,992	171,894	18,788	11,141	44,768	381,099	896,711
Excess (deficiency) of revenues over expenses	(373)	2,592	1,480	22,499	2,241	1,882	7,467	53,277	121,924
Interfund transfers (Note 28)	520	233	(2,788)	(3,949)	(1,462)	433	(4,681)	16,103	-
<b>Net increase (decrease) in fund balances for year</b>	<b>\$ 147</b>	<b>\$ 2,825</b>	<b>\$ (1,308)</b>	<b>\$ 18,550</b>	<b>\$ 779</b>	<b>\$ 2,315</b>	<b>\$ 2,786</b>	<b>\$ 69,380</b>	<b>\$ 121,924</b>

See accompanying notes to consolidated financial statements



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Officers of the University  
**2014/15**

# Officers of the University

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## Board of Governors

Members Ex Officio

**Gordon Barnhart** (Interim President)

**Blaine Favel** (Chancellor)

Members Appointed by Government

**Lee Ahenakew** (Vice-Chair)

**David Dubé**

**Kathryn Ford**

**Grant Isaac**

**Greg Smith** (Chair)

Members Elected By Senate

**Joy Crawford**

**Grit McCreath**

Faculty Member

**Linda Ferguson**

Student Member

**Max FineDay**

## Senior Administrative Group

President

**Gordon Barnhart** (Interim President)

Provost and Vice-President (Academic)

**Ernie Barber** (Acting)

Vice-President (University Advancement)

**Heather Magotiaux** (to April 15, 2015)

Vice-President (Finance and Resources)

**Greg Fowler**

Vice-President (Research)

**Karen Chad**

University Secretary

**Elizabeth Williamson**

Vice-Provost, Faculty Relations

**Jim Germida**

Vice-Provost, Teaching and Learning

**Patricia McDougall**

Vice-Provost College of Medicine  
Organizational Restructuring (Term)

**Martin Phillipson**

Chief Information Officer and Associate  
Vice-President (Information and  
Communications Technology)

**Mark Roman**

Associate Vice-President  
(Financial Services)

**Jeff Dumba**

Associate Vice-President  
(Facilities Management)  
and University Architect

**Colin Tennent**

Associate Vice-President (Research)

**Jim Basinger**

Associate Vice-President (Research – Health)

**Beth Horsburgh**

Associate Vice-President (Human Resources)

**Cheryl Carver** (Acting)

Associate Vice-President (Communications)

**Ivan Muzychka**

## Deans and Directors of Colleges and Academic Units

Agriculture and Bioresources

**Mary Buhr**

Arts and Science

**Peter Stoicheff**

Dentistry

**Ken Sutherland** (Acting, to June 30, 2014)

**Gerry Uswak**

Education

**Robert Regnier** (Acting, to June 30, 2014)

**Michelle Prytula**

Engineering

**George Kipouros**

Graduate Studies and Research

**Adam Baxter-Jones** (Acting)

Johnson-Shoyama Graduate School  
of Public Policy

**Michael Atkinson**

Kinesiology

**Carol Rodgers**

Law

**Sanjeev Anand** (to October 16, 2014)

**Beth Billson**

Medicine

**Colum Smith** (to May 31, 2014)

**Preston Smith**

N. Murray Edwards School of Business

**Daphne Taras**

Nursing

**Lorna Butler**

Pharmacy and Nutrition

**David Hill** (to July 31, 2014)

**Kishor Wasan**

School of Environment and Sustainability

**Toddi Steelman**

School of Public Health

**Martin Phillipson** (Acting, to June 30, 2014)

**Nazeem Muhajarine** (Acting)

University Library

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