2016/17

Annual Financial Report

University of Saskatchewan

Table of Contents

Financial Services / Administration Building / 105 Administration Place / Saskatoon, SK S7N 5A2 Canada
Ph: 306-966-6625 / Fax: 306-966-8351 / terry.summers@usask.ca / usask.ca/fsd

Lee Ahenakew

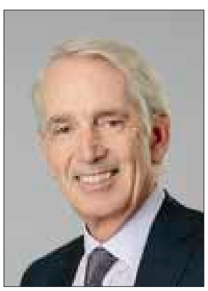
Chair, Board of Governors

An organization with the size, and with the scope of responsibility, of the University of Saskatchewan requires a great deal of oversight and financial management. The Board of Governors takes pride in this role, and we work together to ensure the resources entrusted to us by the government and by the people of Saskatchewan are used effectively and efficiently for the benefit of all our students and stakeholders. As part of our due diligence and so we may continue to be an outstanding institution, the leadership team is constantly seeking new solutions; during these difficult financial times for the province, the importance of that process is magnified.

Although we do our best to work within our means, this is becoming more challenging. Dwindling reserves threatening to fall below levels of best practice are another area of concern as we look to the future.

We will continue to work with the province, our largest funding partner, and we will need to work together to support the teaching and discovery mission that is so important both in Saskatchewan and beyond our borders. We will continue to focus on financial sustainability, pursue more diverse revenue sources, and to find the best new ways to support the integral important work that is done by our researchers, students, faculty and staff on our main campus in Saskatoon and across this great province.

We take the opportunity in this report to look back at the financial reality of the past year, while we look to the coming year and the opportunity each academic year brings.



Peter Stoicheff

President and vice-chancellor

The University of Saskatchewan is one of the top research-intensive, medical-doctoral universities in Canada. Our home in Saskatchewan gives us a unique perspective that comes from the prairie-inspired values of determination, collaboration and innovation. The combination of our facilities and the world-class experts we have attracted here is unmatched. The problems we are working to solve are some of the most pressing at home and around the world—water security, food security, climate change, and treatments and cures for prevalent diseases, to name only a few examples.

Discovery at this level both supports and requires a high quality of education for students from Saskatchewan and from around the globe. Bringing together different perspectives and sharing that knowledge with the next generation of leaders is imperative to the work that we do. The economic benefits we bring to the province are well understood but our value goes beyond dollars and cents; we train the doctors and health-care professionals who provide care to Saskatchewan families; we influence social and cultural evolution; we provide solutions for industries of key importance, including mining and energy, agriculture and health care.

Funding for the U of S is an investment that pays off well into the future. We look forward to continue working with the provincial government and with other partners to ensure we can maintain the level of teaching and discovery that is the hallmark of a top research-intensive university.

Management Discussion and Analysis
2016/17

Fiscal 2016/17 Overview

Strong financial stewardship and comprehensive measures taken to address funding shortfalls combined with stronger than projected investment returns permitted the university to effectively direct resources to make progress on its mission. Financial reserves were utilized to achieve planned outcomes during the year in light of a significant reduction in the provincial operating grant. Reserves levels at the end of the fiscal year are in compliance with university policy.

Financial Risks and Strategy

Funding

The declines in ongoing funding support have meant new opportunities are being explored and implemented to diversify revenue streams and control growth of expenditures. Annual cost escalations, coupled with a declining provincial government grant, equate to a significant financial challenge. Without adequate funding support, the university's ability to meet its mission is constrained. All efforts will be made to ensure the university's business model and operations are sustainable.

Infrastructure (Facilities and Systems)

The estimated backlog of deferred maintenance on our campus is $560 million, with approximately $330 million identified as critical renewal. A reliability centered maintenance program and a capitalization funding strategy have been established to support a critical need for renewal of university facilities over a number of years; pending permission from the provincial government the university will proceed with the next phase of its capitalization strategy which includes borrowing by way of issuance of a private placement bond. As determined by the university's prioritization approach, bond proceeds will be used exclusively to fund mission critical "core campus" buildings that, in their current condition, are limiting teaching, learning and research outcomes.

College of Medicine

The province relies on the College of Medicine for high-quality medical care, medical research and the education of medical professionals. While the university weathered setbacks in direct funding reductions through use of internal reserves, the success of the College of Medicine will not be fully achieved until sufficient provincial government funding is provided to address the structural deficit. This is critical to the college's success in the new accreditation cycle now underway. Ongoing relationships with government and the health region are essential in the long term to ensure that accreditation issues (adequacy of funding, undergraduate medical education, physician engagement and improving educational outcomes) are addressed and current momentum and progress continues.

The plan over the next five years is necessary and can only be accomplished with continued collaboration of the Ministries of Health and Advanced Education, the health region and the university. The transformational changes to the College of Medicine come with increased requirements for investment. The investment in the long-term financial sustainability of the College of Medicine must be resolved in fiscal 2018-19.

Innovation

The university will continue to support students in accordance with the institution's strategic signature research areas: Aboriginal Peoples, agriculture, energy and mineral resources, one health, synchrotron sciences and water security.

The desire to increase participation in and completion of high-quality advanced education for First Nations, Inuit and Métis people is a key goal of the university. The need to close the education and employment gap is evident, and it is clear there are financial and non-financial investments required to advance on this imperative for current and future university students.

Internationalization initiatives focus on four categories: increasing global engagement; bringing the world to Saskatchewan; growing global research partnerships; and inspired international leadership.

An increased investment in Aboriginal and internationalization initiatives will strengthen the university's capability and capacity to enhance enrolment targets.

Looking Ahead

The university's operating budget reflects a deficit in 2017/18, an unusual practice relative to our financial history. This deficit budget is the direct result of the 5.6% reduction in funding received from the provincial government's budget released in March 2017. This deficit budget requires the university to make strategic, deliberate decisions in the months ahead that will align with our vision and our service to the province. The university has historically managed its budgets effectively, and is positioned to address temporary shortfalls; however, if funding deficits persist the university will no longer maintain the same quantity and quality of services.

Through responsibility centre management (RCM), the university will continue to adjust operations to align available resources with academic priorities, and will require utilization of current reserve balances during the transition to a more sustainable financial model. College and school leaders will be supported in finding a new balance between their program offerings and available resources. Strategies will be explored to enhance revenue streams including growing enrolment and tuition revenue, increasing research activity, developing a robust donor environment and pursuing land development opportunities. To further support the most strategic allocation of resources, the university adopted a policy in 2016/17 that clarifies the Board of Governors' authority over all funds of the university and the delegation of that authority within the university.

Finally, in 2018/19, the implementation and ongoing monitoring of a comprehensive financial plan and budget (reflecting all funds and activities of the university) will provide information that enables more informed decisions related to the financial health of the university and ensures financial sustainability.

The long-term financial strategy and the actions being taken to return the operating fund to a positive financial position include continued work to strategically reduce expenses and increase revenues. The university remains committed to working with key stakeholders to advance the aspirations of the people of the province and beyond through interdisciplinary and collaborative approaches to discovering, teaching, sharing, integrating, preserving and applying knowledge, including the creative arts, to build a rich cultural community.

Financial Results[1]

Overall, revenues were up $137.5 million or 15% over the prior year, expenses were up by $2.6 million or .3%, and fund balances increased by $95.9 million. While positive results were achieved overall, restricted fund activities contributed to the favourable results while operational activities reported a $67.7 million reduction in operating fund balances for the year.

Revenues

A delay in the timing of the 2016 provincial budget resulted in additional provincial government revenue being recognized in the current fiscal year in accordance with university revenue recognition policies. Better-than-expected investment returns contributed to an increase in the total revenues for the year.

Expenses

In the prior fiscal year, a voluntary exit plan for physicians in the College of Medicine was implemented at a cost of $42.8 million. Excluding the impact of this one-time cost in the prior year, total costs for the university rose by 5.0% during 2016/17.

[1] Management's 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.

Fund Balances

Of the $101.3 million general fund balance, $44.1 million is restricted for specific purposes ($37.9 million by donors) and $57.2 million relates to financial reserves that are unrestricted (6% of total expenditures). University policy requires reserve balances to be maintained in the range of 1.5% to 6.0% of total expenditures.

Assets

Total assets increased by $54.7 million or 2% over the prior year as a result of market growth in investment balances, grants receivable for capital purposes and strategic investments in capital assets.

Cash and Short-term Investments

At April 30, 2017 cash and short-term investments were $(2.8) million or (.1%) of total assets of the university. During the year this balance decreased by $31.1 million or 110% and is attributable to the increase in non-cash working capital.

Accounts Receivable

At April 30, 2017 accounts receivable were $220.4 million or 8% of total assets of the university. During the year this balance increased by $33.8 million or 18%. This increase relates to grants and contracts receivable for capital activities. The provincial budget occurred in June 2016 rather than March 2016, as is usual, which resulted in two years of funding being recognized within the current fiscal year. In addition, $3.7 million relates to a capital grant receivable under the Post-Secondary Institutes Strategic Investment Fund related to the construction of the Collaborative Science Research Building.

Investments

At April 30, 2017 investment balances were $928.0 million or 35% of total assets of the university. During the year this balance increased by $31.9 million or 3%. This increase reflects the market growth of investments during the year. Overall investment returns for the year were 10.0%; fixed income returns of 2.7% and long-term pool returns of 10.9%, compared to expected returns of 1.7% and 5.5% respectively. These results are within normal volatility ranges for the investment portfolio and are consistent with benchmark returns.

Other Assets Including Inventories and Prepaid Expenses

At April 30, 2017 other assets were $27.4 million or 1% of total assets of the university. During the year this balance increased by $1.8 million or 7%. Prepaid library and software subscriptions account for the increase.

Capital Assets

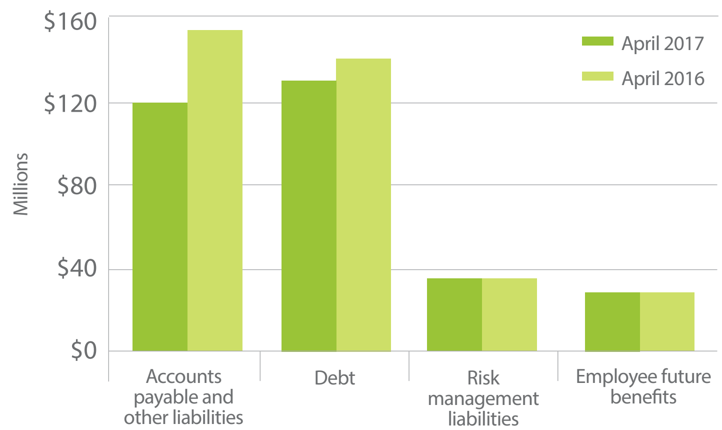
At April 30, 2017 capital assets were $1.5 billion or 56% of the total assets of the university. During the year this balance increased by $18.2 million or 1%. This increase reflects the cost of additions to the capital assets during the year of $95.3 million which was partially offset by current year amortization of $77.1 million; this activity is net of current year disposals. Significant construction and improvements during the year are:

- Health Sciences Building $47.4 million
- Centre for Innovations in Cyclotron Science $24.3 million
- Canadian Light Source beamlines $20.6 million
- Feed Technology Facility $7.4 million
- Childcare Facility $3.8 million
- Facility for Applied Avian Research $1.9 million

Liabilities

Total liabilities decreased by $41.2 million or 12% over the prior year, with current liabilities declining by $28.8 million and long-term liabilities declining by $12.4 million as a result of payments made to physicians who elected a voluntary exit plan in 2016, and the payment of debt obligations in the current year.

Liabilities
As at April 30, 2017 - Total $317.4 M (2016 - $358.6 M)



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

At April 30, 2017 accounts payable, deferred revenue, accrued decommissioning costs and other liabilities were $135.3 million or 43% of total liabilities of the university. During the year this balance decreased by $18.7 million or 12%. This decrease relates to payments made on a liability recorded in the prior year to reflect a $41.6 million liability for the voluntary exit plan that was exercised for physicians in the College of Medicine (total cost of the program was $42.8 million with $1.2 million disbursed in fiscal year 2015/16).

Debt

At April 30, 2017 debt was $129.7 million or 41% of total liabilities of the university. During the year this balance decreased by $11.0 million or 8%. 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 (e.g., parking fees, residence fees) or through capital grants. The university is actively monitoring the debt market as a potential instrument to address near and medium-term capital renewal requirements.

Risk Management Liabilities

At April 30, 2017 risk management liabilities were $31.6 million or 10% of total liabilities of the university. During the year this balance decreased by $3.9 million or 11%. This decrease relates to a $2.3 million decrease in the liability of natural gas commodity swaps and an $3.2 million decrease in the liability of interest rate swaps, offset by an increase in the liability for foreign currency hedges of $1.6 million.

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. No new swaps have been purchased in the current fiscal year.

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. No new interest rate swaps have been purchased since 2012/13.

During 2016/17 the university entered into a foreign currency hedge agreement in order to manage the foreign exchange rate exposure associated with global investments.

Employee Future Benefits

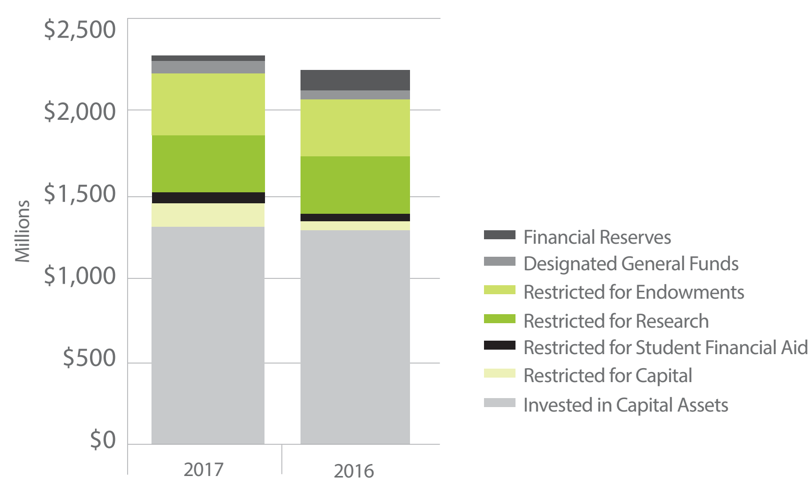
At April 30, 2017 employee future benefit liabilities were $20.7 million or 7% of the total liabilities of the university. During the year this balance decreased by $7.6 million or 27%. This decrease reflects the improved position of the university's defined benefit pension plans and other obligations due to employees upon retirement. The total liability recognized for defined benefit pension plan deficit positions is $7.6 million. The university provided special going-concern payments of $5.9 million to the defined benefit pension plans in 2016/17.

Fund Balances

Fund balances 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, 2017 the fund balances of the university were $2.3 billion (including investments in capital assets of $1.3 billion). During the year this balance increased by $95.9 million or 4%. A key driver in this increase is the impact of market interest rates on the valuation of interest rate swap agreements, pension liabilities and investment returns.

Fund Balances

As at April 30, 2017 - Total $2,333.4 M (2016 - $2,237.5 M)

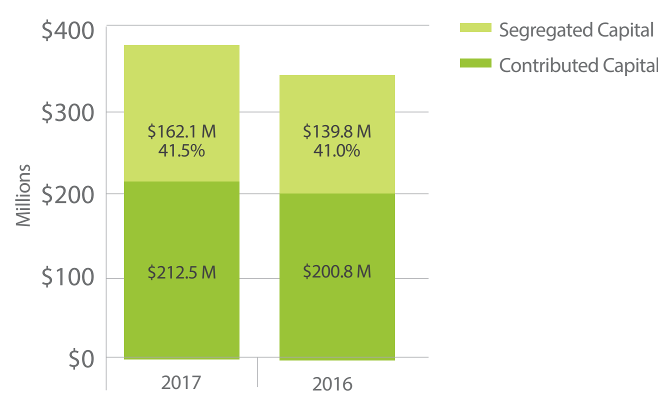


Endowment Fund Balance

At April 30, 2017 endowment fund balance was $374.6 million or 16% of the total fund balance of the university. During the year this balance increased by $34.0 million or 10%. This increase is due to investment returns of $20.2 million, donations of $11.7 million, and reallocation of university resources in the amount of $2.1 million (including the recapitalization of spending allocations).

Endowment Fund Balance

As at April 30, 2017 - Total $374.6 M (2016 - $340.6 M)



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, 4.25% of the endowment fund balance was made available to support current year activities.

A review of the spending policy was conducted in the current year to ensure that stable annual funding is provided by endowments and that the purchasing power of the endowments is protected. Accordingly, the annual spending allocations have been reduced from 4.25% to 4.0% for 2017/18. 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.

Student Financial Fund Balance

At April 30, 2017 student financial aid fund balance was $57.8 million or 2% of the total fund balance of the university. During the year this balance increased by $9.0 million or 18%. This increase is due to current year contributions of $36.3 million exceeding expenditures of $27.3 million.

Student financial aid funds account for activities related to providing scholarships and bursaries 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, hence the accumulated fund balance. The university actively manages these funds to ensure appropriate aid is passed on to the students as prescribed by the donors' request.

Capital Fund Balance

At April 30, 2017 capital fund balance was $1.4 billion or 62% of the total fund balance of the university. During the year this balance increased by $112.8 million or 8%. This increase is due to current year contributions of $199.3 million exceeding non-capitalized expenditures of $86.5 million.

Capital funds account for activities related to the acquisition of capital assets, major renovations and improvements to capital assets. As a result of the current-year review of financial reserve balances, $58 million was transferred in the current year from the General Fund for specific identified capital purposes. Significant items are:

- Collaborative Science Research Building $20.0 million
- Health Sciences Building $22.0 million
- College Quarter development $6.6 million

Research Fund Balance

At April 30, 2017 research fund balance was $349.5 million or 15% of the total fund balance of the university. During the year this balance increased by $7.9 million or 2%. This increase is due to current year contributions of $185.6 million exceeding expenditures of $177.7 million.

Research funds account for activities related to the support of research. Terms of reference established by funding agencies and donors may require that monies received be spent over an extended period of time rather than in the year the revenue is recognized. 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 generally results in revenue being recognized in advance of the expenditures being incurred, which results in accumulated fund balances.

General Fund Balance

At April 30, 2017 general fund balance was $101.3 million or 4% of the total fund balance of the university. During the year this balance decreased by $67.7 million or 40%. This decrease is due to planned spending initiatives plus unplanned, but anticipated, revenue and expense variances including: (1) investment income variance in the operating budget of $26.0 million, (2) a grant reduction by the Province of Saskatchewan in the amount of $(5.9) million, (3) an internal restriction of funds to be used for capital projects in the amount of $(57.8) million, and (4) costs of implementing the strategic plan for the College of Medicine in the amount of $(29.8) million.

General funds account for unrestricted activities of the university. This includes 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. Also included are ancillary activities that provide goods and services to the university community such as the bookstore, food services, residences, parking, real estate development, etc.

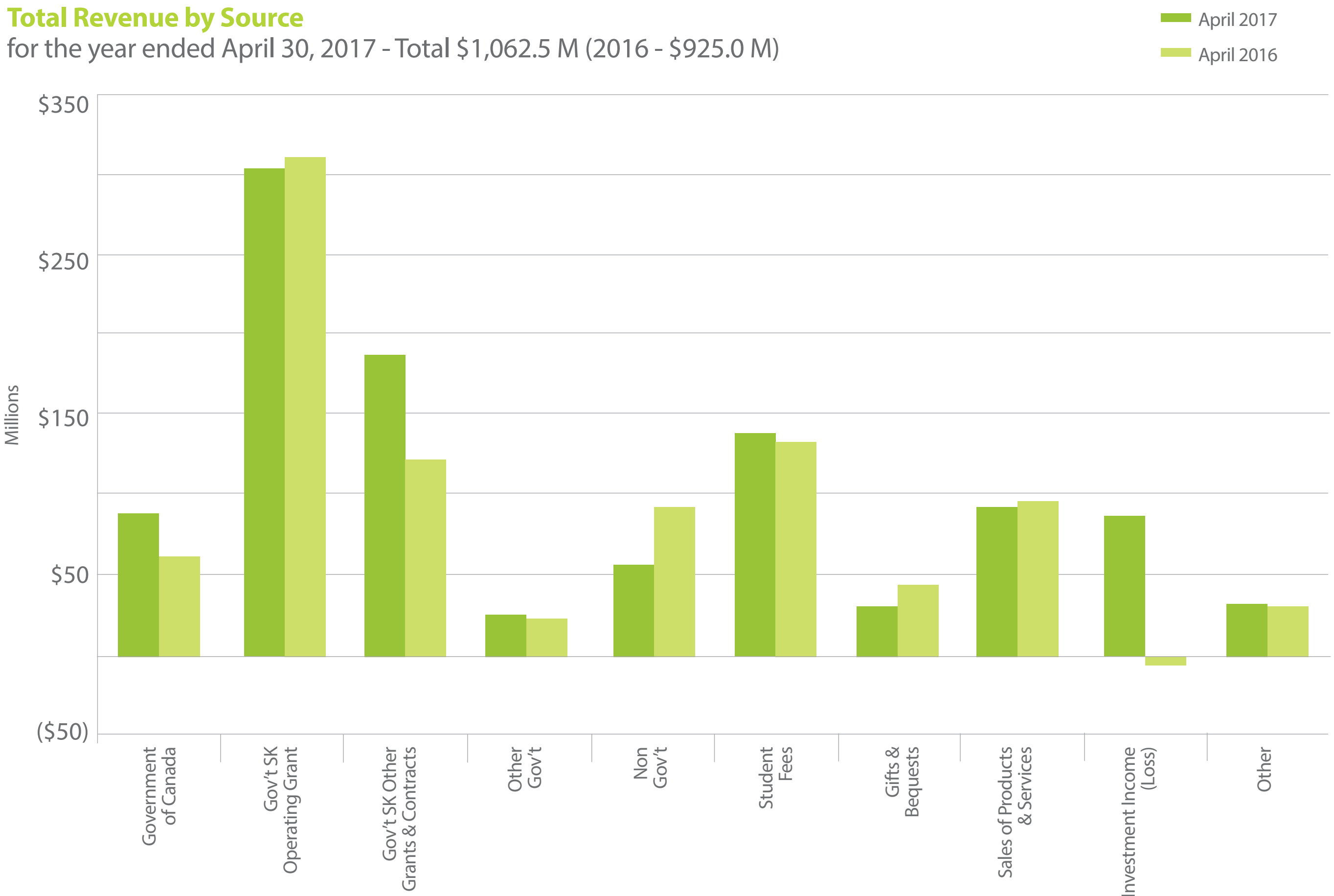
In accordance with the current Financial Reserves Policy that became effective May 1, 2015, the university continues to review all general fund balances and has classified funds for designated projects separately from financial reserves. As at April 30, 2017, of the $101.3 million general fund balance, $44.1 million relates to designated projects and $57.2 million relates to financial reserves. Designated projects include funds received from donors, and restricted in use, in the amount of $37.9 million.

Revenues

University revenues have increased by $137.5 million (15%) over the prior year to a total of $1,062.5 million. This increase is comprised of a $53.2 million increase in grants and contracts, an increase in student fees of $4.9 million, a $95.3 million increase in investment returns, a decrease in gifts, grants and bequests in the amount of $13.5 million, a decrease in sales of services and products of $4.9 million, and an increase in real estate income, royalties and miscellaneous income in the amount of $2.5 million.

Total Revenue by Source

for the year ended April 30, 2017 - Total $1,062.5 M (2016 - $925.0 M)



Grants and Contracts

Grants and contracts account for $673.0 million or 63% of total university revenues. These revenues increased by $53.2 million over the previous year. Federal government grants increased by $26.8 million over the prior year while non-government grants decreased by $36.5 million, largely attributable to higher support for agricultural research in the prior year. Support from other governments increased by $3.3 million and funding from the Province of Saskatchewan increased by $59.6 million.

Increases in funding from the federal government relate to research activities in the Global Institute for Food Security, the Global Institute for Water Security, the Saskatchewan Centre for Patient-Oriented Research, and an international maternal health project with the Department of Community Health and Epidemiology.

During 2016/17, the Province of Saskatchewan continued to face significant fiscal challenges as a consequence of volatility in the resource sector, largely driven by the drop in the commodity price of oil, among other factors. Accordingly, adjustments were made to the funding provided to the university:

- the base operating grant of $306.9 million includes a 1% decrease for the 2016/17 fiscal year;
- $1.2 million claw back of Worker's Compensation Board rebate;
- the one-time funding reduction in 2015/16 of $20 million was restored;
- $1.8 million in matching funding for a research chair was deferred;
- $20.0 million in funding to the College of Medicine was withdrawn; and
- capital funding for preventative maintenance and renewal was reduced by $0.7 million.

These actions had the net effect of reducing operating funding from the province by 2.3%. A spring 2016 provincial election delayed the annual budget announcement until June, which resulted in the annual grants to the university being recognized as revenue in 2016-17 rather than 2015-16. The impact on the financial statements is that provincial grant revenue for 2016/17 is $59.6 million higher than the prior year.

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, with an annual 2% fee escalation factor, expired at the end of fiscal year 2016/17; negotiations are underway for a new agreement.

Student Fees

Student tuition and fees account for $140.5 million or 13% of total university revenues. These revenues increased by $4.9 million over the previous year. This increase is attributable to an average tuition rate increase of 2.5%. Enrolment figures remained relatively constant to the previous year with a total headcount of 24,571 students (up slightly from 23,691 students in 2015/2016). The University of Saskatchewan will continue to follow its established principle-based approach in determining appropriate tuition rates for our colleges and schools.

Income (Loss) From Investments

Investment income accounts for $89.6 million or 8% of total university revenues. These revenues increased by $95.3 million over the previous year when investment returns reflected a loss of $(5.7) million. Overall investment returns for the current year were 10.0%, which were significantly higher than the expected return of 4.5%.

Gifts, Grants and Bequests

Gifts, grants and bequests account for $32.1 million or 3% of total university revenues. These revenues decreased by $13.5 million over the previous year. This decrease is attributable to identified support for research activities from donors returning to a more expected level than what was experienced in the prior year (2016: $15 million gift to the Global Institute for Food Security).

Sales of Services and Products

Sales of services and products account for $93.7 million or 9% of total university revenues. These revenues decreased by $4.9 million over the previous year due to the reduction of fee-for-service medical services being conducted through the College of Medicine in accordance with its strategic plan. 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.

Real Estate Income, Royalties, and Miscellaneous Income

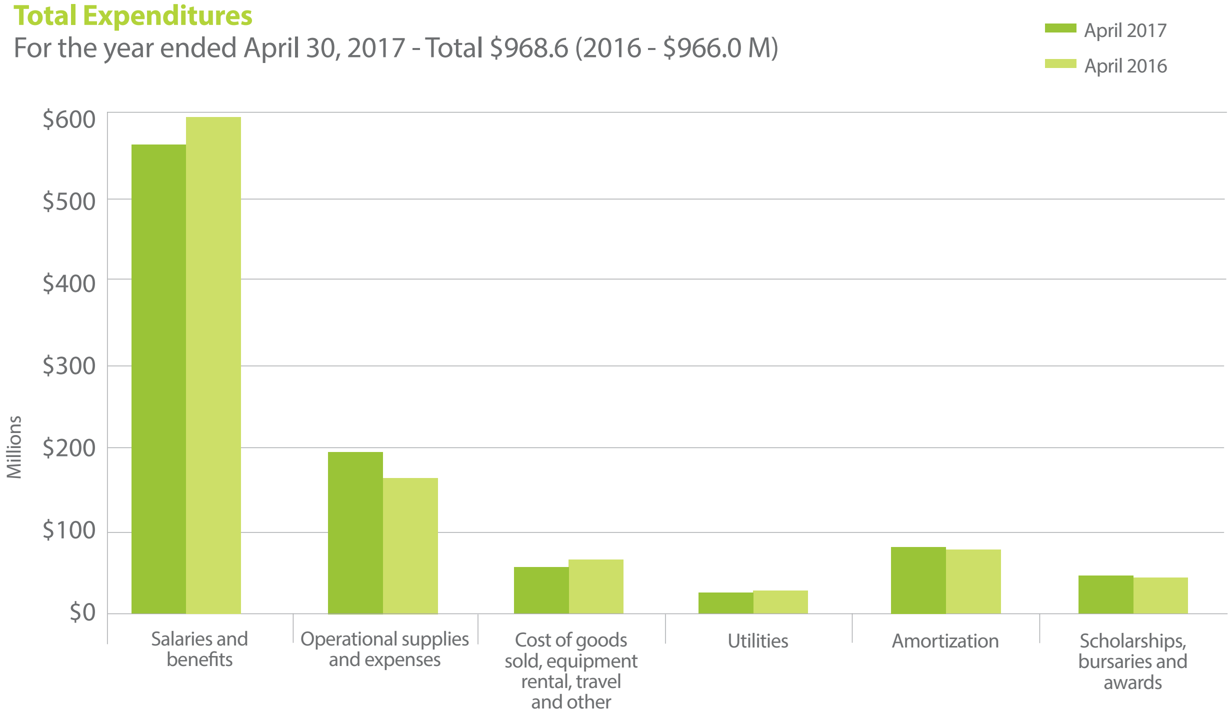
Real estate income, royalties and miscellaneous income account for $33.6 million or 3% of total university revenues. These revenues increased by $2.5 million over the previous year. Of this increase, $1.7 million relates to additional royalties resulting from research discoveries.

Expenses

University expenses have increased by $2.6 million (.3%) over the prior year to a total of $968.6 million. Extraordinary salary costs were recognized in the prior year, in the amount of $42.8 million, related to a voluntary exit plan for medical faculty. Excluding this extraordinary item expenses increased by 5% over the prior year.

Total Expenditures

For the year ended April 30, 2017 - Total $968.6 (2016 - $966.0 M)



Salaries and Employee Benefits

Salaries and employee benefits account for $560.9 million or 58% of total university expenses. These costs decreased by $32.8 million over the previous year. Of this amount, $42.8 million relates to a voluntary exit plan that was exercised during the prior year for physicians in the College of Medicine. Excluding this extraordinary item, salary and benefit costs increased by 1.8% over the prior year.

Operational Supplies and Expenses

Operational supplies and expenses account for $196.1 million or 20% of total university expenses. These costs increased by $34.5 million or 21.3% over the previous year. This increase is primarily attributable to an increase in externally contracted services of $29.8 million. Most of these costs relate to physician services provided through the College of Medicine that were previously provided by salaried employees. An additional $4.1 million increase was recorded in costs related to other contracted services and the remainder of the increase is widely dispersed across expenditure categories and is not related to any specific activity.

Travel, Cost of Goods Sold, Maintenance Rental and Renovations, Interest, Bad Debt and Decommissioning Cost Expenses

Travel, costs of goods sold, maintenance, rental, renovations, interest, bad debt and other decommissioning cost expenses account for $60.7 million or 6% of total university expenses. These costs decreased by $2.7 million or 4% over the previous year. This decrease is attributable to the change in the value of interest rate swaps that were held throughout the year in the amount of $(5.3) million. 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 $2.1 million cost related to interest rate swaps while the current year reported a $3.2 million revenue. Bad debt expense increased by $4 million or 6% over the previous year as a result of a loan impairment recorded by the Canadian Light Source Inc., a subsidiary of the university. The remainder of the decrease is widely dispersed across expenditure categories and is not related to any specific activity.

Utilities

Utilities account for $24.2 million or 2% of total university expenses. These costs decreased by $2.4 million or 9% over the previous year. This decrease is attributable to the $(3.0) 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 $0.7 million cost related to swaps while the current year reported $2.3 million revenue. Cost increased by $0.6 million for purchased utilities.

Amortization

Amortization accounts for $79.7 million or 8% of total university expenses. These costs increased by $3.5 million or 4.6% 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 $47.0 million or 5% of total university expenses. These costs increased by $2.6 million or 5.9% over the previous year. The level of support provided to students through these awards has remained relatively constant year over year at 33% of total tuition revenue.

Consolidated Financial Statements
2016/17

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, 2017 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, 2017 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 audit report on the consolidated financial statements appears on the following page.

The current year's audit by the Provincial Auditor did not identify any significant control or compliance with authorities deficiencies.

Peter Stoicheff
President

Greg Fowler
Vice-President Finance and Resources

PROVINCIAL AUDITOR
of Saskatchewan

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, 2017, 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, 2017, 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

Regina, Saskatchewan
July 24, 2017

Judy Ferguson, FCPA, FCA
Provincial Auditor

1500 Chateau Tower - 1920 Broad Street Regina, Saskatchewan S4P 3V2
t 306.787.6398 f 306.787.6383 e info@auditor.sk.ca
www.auditor.sk.ca

UNIVERSITY OF SASKATCHEWAN

Statement 1

Consolidated Statement of Financial Position
As at April 30 ($ thousands)

	General	Restricted	Endowment	Total 2017	Total 2016
Current Assets					
Cash and short-term investments (Note 4)	$ (300,988)	$ 293,986	$ 4,178	$ (2,824)	$ 28,323
Accounts receivable (Note 5)	26,380	164,079	31	190,490	145,010
Inventories (Note 6)	13,092	-	-	13,092	13,764
Prepaid expenses	11,430	84	-	11,514	9,109
	(250,086)	458,149	4,209	212,272	196,206
Long-Term Assets					
Long-term accounts receivable (Note 7)	35	29,907	-	29,942	41,565
Long-term investments (Note 8)	492,183	65,432	370,410	928,025	896,126
Other assets	848	1,259	682	2,789	2,704
Capital assets (Note 9)	-	1,477,774	-	1,477,774	1,459,548
	493,066	1,574,372	371,092	2,438,530	2,399,943
	$ 242,980	**$ 2,032,521**	**$ 375,301**	**$ 2,650,802**	**$ 2,596,149**
Current Liabilities					
Accounts payable and accrued liabilities (Note 10)	$ 66,860	$ 11,557	$ -	$ 78,417	$ 104,432
Deferred revenue (Note 11)	31,498	757	-	32,255	31,340
Loans (Note 12)	128	-	-	128	140
Risk management liabilities (Note 13)	6,702	24,187	707	31,596	35,520
Current portion - long-term debt (Note 14)	2	11,069	-	11,071	10,858
Current portion - employee future benefits (Note 15)	1,548	-	-	1,548	1,571
Current portion - capital lease obligation (Note 16)	23	-	-	23	14
	106,761	47,570	707	155,038	183,875
Long-Term Liabilities					
Long-term debt (Note 14)	-	118,648	-	118,648	129,719
Long-term accrued liabilities	15,137	-	-	15,137	8,053
Employee future benefits (Note 15)	19,163	-	-	19,163	26,706
Capital lease obligation (Note 16)	-	-	-	-	23
Accrued decommissioning costs (Note 17)	-	8,892	-	8,892	9,737
Other long-term liabilities	536	-	-	536	528
	34,836	127,540	-	162,376	174,766
Fund Balances					
Externally restricted funds (Note 20)	-	421,455	181,975	603,430	498,677
Externally restricted permanent endowments (Note 20)	-	-	143,385	143,385	137,945
Internally restricted funds (Note 21)	105,936	120,869	49,234	276,039	349,637
Invested in capital assets	-	1,315,087	-	1,315,087	1,281,932
Unrestricted funds (deficiency)	(4,553)	-	-	(4,553)	(30,683)
	101,383	1,857,411	374,594	2,333,388	2,237,508
Commitments and Contingencies (Note 22)	**$ 242,980**	**$ 2,032,521**	**$ 375,301**	**$ 2,650,802**	**$ 2,596,149**

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

Statement 2

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

	General	Restricted	Endowment	Total 2017	Total 2016
Revenues					
Grants and contracts					
Government of Canada	$ 2,420	$ 88,227	$ -	$ 90,647	$ 63,799
Government of Saskatchewan	395,255	102,133	-	497,388	437,790
Other governments	21,596	5,261	-	26,857	23,619
Non-government	6,598	51,518	-	58,116	94,553
Student fees	140,457	-	-	140,457	135,573
Gifts, grants and bequests	5,366	14,999	11,696	32,061	45,619
Sales of services and products	93,597	89	-	93,686	98,661
Income (loss) from investments	52,209	17,211	20,213	89,633	(5,775)
Real estate income	6,019	152	2	6,173	6,214
Royalties	19,368	2	-	19,370	17,666
Miscellaneous income	7,342	705	2	8,049	7,295
	750,227	280,297	31,913	1,062,437	925,014
Expenses					
Salaries	414,035	78,625	-	492,660	527,638
Employee benefits (Note 23)	60,884	7,298	-	68,182	66,094
Operational supplies and expenses	158,751	37,286	-	196,037	161,629
Travel	12,992	6,744	-	19,736	19,155
Cost of goods sold	15,801	7	-	15,808	17,124
Maintenance, rental and renovations	15,004	2,314	-	17,318	17,356
Utilities	23,536	696	-	24,232	26,621
Amortization	-	79,668	-	79,668	76,190
Scholarships, bursaries and awards	4,987	42,041	-	47,028	44,425
Interest (Note 24)	13	2,319	-	2,332	8,103
Bad debt expense	4,980	-	-	4,980	989
Decommissioning costs (Note 17)	-	606	-	606	714
	710,983	257,604	-	968,587	966,038
Excess (deficiency) of revenues over expenses	39,244	22,693	31,913	93,850	(41,024)
Interfund transfers (Note 28)	(108,995)	106,908	2,087	-	-
Net increase (decrease) in fund balances for year	(69,751)	129,601	34,000	93,850	(41,024)
Fund balances, beginning of year	169,104	1,727,810	340,594	2,237,508	2,283,766
Employee future benefits remeasurements and other items	2,030	-	-	2,030	(5,234)
Fund balances, end of year	**$ 101,383**	**$ 1,857,411**	**$ 374,594**	**$ 2,333,388**	**$ 2,237,508**

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

Statement 3

Consolidated Statement of Cash Flows
For the Year Ended April 30 ($ thousands)

	General	Restricted	Endowment	Total 2017	Total 2016
Operating Activities					
Excess (Deficiency) of revenues over expenses	$ 39,244	$ 22,693	$ 31,913	$ 93,850	$ (41,024)
Add (deduct) non-cash items:					
Amortization of capital assets	-	79,668	-	79,668	76,190
Amortization of decommissioning costs	-	531	-	531	643
Change in unrealized fair value of investments	(25,879)	(8,833)	(10,957)	(45,669)	47,226
Change in fair value of risk management liability	(1,491)	(3,140)	707	(3,924)	2,771
Loss on disposal of capital assets	-	12	-	12	59
Employee future benefits expense	343	-	-	343	(104)
Contributions for endowments and asset purchases	(1,057)	(1,705)	(527)	(3,289)	(9,103)
Decrease (increase) in non-cash working capital (Note 18)	(27,265)	(45,017)	(31)	(72,313)	41,517
Decrease (increase) in grants and contracts related to research and other project receivables	(5)	11,629	-	11,624	(11,188)
Employee future benefits contributions	(5,536)	-	-	(5,536)	(5,669)
	(21,646)	55,838	21,105	55,297	101,318
Investing Activities					
Sale (Purchase) of investments	35,240	3,284	(32,955)	5,569	17,752
(Increase) decrease in other assets	(65)	(20)	-	(85)	(64)
Purchase of capital assets	-	(99,281)	-	(99,281)	(100,499)
Change in other long-term liabilities	7,092	-	-	7,092	(534)
	42,267	(96,017)	(32,955)	(86,705)	(83,345)
Financing Activities					
Contributions of cash for endowments	-	-	11,145	11,145	4,370
Cash received from loans	(12)	-	-	(12)	140
Repayment of long-term debt	(37)	(10,835)	-	(10,872)	(11,805)
	(49)	(10,835)	11,145	261	(7,295)
Net increase (decrease) in cash	20,572	(51,014)	(705)	(31,147)	10,678
Interfund transfers	(108,995)	106,908	2,087	-	-
Cash (bank indebtedness), beginning of year	(212,565)	238,092	2,796	28,323	17,645
Cash (bank indebtedness), end of year	**$ (300,988)**	**$ 293,986**	**$ 4,178**	**$ (2,824)**	**$ 28,323**

See accompanying notes and schedules to consolidated financial statements

THE UNIVERSITY OF SASKATCHEWAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended April 30, 2017
($ 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. 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. This entity's year end for consolidation purposes is April 30, 2017.
- Canadian Light Source Inc. (CLSI), a not-for-profit corporation incorporated under *The Nonprofit 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. This entity's year end for consolidation purposes is March 31, 2017.
- Prairie Swine Centre Inc. (PSCI), a not-for-profit corporation incorporated under *The Nonprofit 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. This entity's year end for consolidation purposes is June 30, 2016.
- 621602 Saskatchewan Ltd., a wholly owned subsidiary of the university incorporated under *The Business Corporations Act*, participates in real estate investment activities. This entity's year end for consolidation purposes is April 30, 2016.
- 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. This entity's year end for consolidation purposes is March 31, 2017.

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.

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

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.

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.

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

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
Fedoruk Centre facility retirement costs	40 years
Site improvements	20 years
Computers	3 years
Equipment and furnishings	3 to 10 years
Library materials	10 years

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 15. 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.

2. **Summary of Significant Accounting Policies and Reporting Practices (continued)**

   i) **Decommissioning obligation**
   CLSI and the Fedoruk Centre recognize 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:

Assets/Liabilities	Measurement
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
Risk management liabilities (natural gas swaps, interest rate swaps and foreign exchange hedges)	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.

   k) **Derivative financial instruments**
   The university uses derivative financial instruments, principally interest rate swap agreements on specific loans, natural gas commodity swap agreements, and foreign currency hedging agreements on specific foreign investments, in its management of exposure to fluctuations in interest rates, natural gas rates, and foreign exchange 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 13 below.

3. **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.

3. Disclosure of Other Significant Relationships (continued)

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.

4. Cash and Short-term Investments

	April 30	
	2017	**2016**
Cash	$ (3,739)	$ 27,289
Short-term investments	915	1,034
	$ (2,824)	**$ 28,323**

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

5. Accounts Receivable

	April 30	
	2017	**2016**
General	$ 16,615	$ 15,626
Investment income	952	1,262
Grants and contracts related to general funds	4,091	6,340
Grants and contracts related to student financial aid	1,318	38
Grants and contracts related to research	126,504	112,805
Grants and contracts related to capital	30,649	86
Other restricted	5,445	3,132
Other unrestricted	4,353	4,024
Student fees	3,043	4,212
Student loans	204	206
Allowance for doubtful accounts	(2,684)	(2,721)
	$ 190,490	**$ 145,010**

6. Inventories

	April 30			
	2017			2016
	Beginning of Year	Net Change	End of Year	End of Year
College of Agriculture and Bioresources	$ 2,288	$ (651)	$ 1,637	$ 2,288
College of Dentistry	261	6	267	261
Western College of Veterinary Medicine	1,156	63	1,219	1,156
Other Units				
Consumer Services	3,171	(151)	3,020	3,171
Facilities Management Division	2,202	247	2,449	2,202
Vaccine and Infectious Disease Organization (VIDO)	283	(54)	229	283
Other	442	(34)	408	442
Subsidiaries				
CLSI	3,559	(112)	3,447	3,559
Prairie Swine Centre Inc.	402	14	416	402
	$ 13,764	**$ (672)**	**$ 13,092**	**$ 13,764**

7. Long-Term Accounts Receivable

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

	April 30	
	2017	2016
2018	$ -	$ 18,318
2019	14,722	10,425
2020	10,821	8,315
2021	3,483	3,606
2022	552	751
2023	364	150
	$ 29,942	**$ 41,565**

8. 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)). However, certain specific donor agreements require the university to invest their assets outside of these funds. Some of these investments need to meet a certain investment mix and follow a long-term diversified strategy (LTDS), while others have varying conditions. Asset allocations are as follows:

	April 30, 2017				
	FI	**LT**	**LTDS**	**Other**	**Total**
Government and corporate bonds	$ 72,958	$ -	$ -	$ 4,188	$ 77,146
Government and corporate bonds pooled funds	-	204,393	156	-	204,549
Canadian equities	-	101,171	-	682	101,853
Canadian equities pooled funds	-	107,973	157	-	108,130
Foreign equities	-	177,827	-	856	178,683
Foreign equities pooled funds	-	168,741	399	975	170,115
Real estate pooled funds	-	81,797	-	-	81,797
Cash, short-term investments and other assets	1,311	4,256	76	109	5,752
	$ 74,269	**$ 846,158**	**$ 788**	**$ 6,810**	**$ 928,025**

	April 30, 2016				
	FI	**LT**	**LTDS**	**Other**	**Total**
Government and corporate bonds	$ 154,546	$ -	$ -	$ 4,236	$ 158,782
Government and corporate bonds pooled funds	-	193,732	142	-	193,874
Canadian equities	-	98,154	-	568	98,722
Canadian equities pooled funds	-	108,928	149	-	109,077
Foreign equities	-	140,288	-	658	140,946
Foreign equities pooled funds	-	147,402	346	-	147,748
Real estate pooled funds	-	38,207	-	-	38,207
Cash, short-term investments and other assets	4,404	4,235	75	56	8,770
	$ 158,950	**$ 730,946**	**$ 712**	**$ 5,518**	**$ 896,126**

8. Long-Term Investments (continued)

The university's FI, LT and LTDS 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 market 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 real estate funds with LaSalle Investment Management, Bentall Kennedy and CBRE Global Investors. The legal terms and conditions of these funds 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. At April 30, 2017, the University had uncalled commitments of approximately $7.7 million (2016 -$10.3 million) with LaSalle Investment Management, and nil with CBRE Global Investors (2016 - $37 million). The capital committed is called by the manager over a pre-defined investment period which varies by fund.

9. Capital Assets

	April 30			
	2017			2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 1,686,984	$ 517,587	$ 1,169,397	$ 1,093,564
CLSI facility retirement costs	6,124	2,315	3,809	5,663
Fedoruk Centre facility retirement costs	487	8	479	-
Site improvements	162,050	68,215	93,835	90,304
Computers	136,114	122,689	13,425	13,916
Equipment and furnishings	422,427	326,088	96,339	94,019
Land	6,794	-	6,794	6,784
Construction in progress	81,103	-	81,103	143,458
Library materials	153,755	141,191	12,564	11,773
	2,655,838	1,178,093	1,477,745	1,459,481
Assets acquired under capital lease obligation				
Computers	47	47	-	-
Equipment and furnishings	744	715	29	67
	$ 2,656,629	**$ 1,178,855**	**$ 1,477,774**	**$ 1,459,548**

10. Accounts Payable and Accrued Liabilities

	April 30	
	2017	2016
Non-governmental accounts payable and accrued liabilities	$ 69,696	$ 70,307
College of Medicine voluntary severance package	8,230	33,537
Government remittances		
Sales taxes	455	324
Payroll related taxes	36	264
	$ 78,417	**$ 104,432**

11. Deferred Revenue

	April 30	
	2017	2016
Student fees	$ 4,670	$ 5,350
Unearned revenue-ancillary operations	6,875	7,048
Deferred contributions	20,710	18,942
	$ 32,255	**$ 31,340**

Student fees relate to fees received prior to April 30 for courses and programs offered after that date.

Unearned revenue-Ancillary operations relates to fees received prior to April 30 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.

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.

12. Loans

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, 2017, there was no borrowing outstanding under the facility (2016 – nil).

Additionally, in 2016 PSCI entered into a term loan agreement with the Leroy Credit Union. The loan bears interest at prime plus 1.50%, payable in blended monthly principle payments; due September 2024. At April 30, 2017 $128 (2016 - $140) was drawn and outstanding on the term loan.

13. Risk Management Liabilities

	April 30	
	2017	2016
Natural gas commodity swap agreements (a)	$ 5,904	$ 8,193
Interest rate swap agreements (b)	24,078	27,327
Foreign currency hedge agreements (c)	1,614	-
	$ 31,596	**$ 35,520**

13. Risk Management Liabilities (continued)

a) Natural gas commodity swap agreements

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

		April 30	
		2017	**2016**
Royal Bank of Canada - November 15, 2010 agreement	(i)	$ 2,923	$ 3,607
Royal Bank of Canada - December 16, 2010 agreement	(ii)	1,961	2,729
Royal Bank of Canada - January 17, 2012 agreement	(iii)	-	363
Bank of Montreal - July 29, 2014 agreement	(iv)	433	909
Royal Bank of Canada - November 3, 2014 agreement	(v)	113	311
Bank of Montreal - April 23, 2015 agreement	(vi)	116	72
Royal Bank of Canada - April 23, 2015 agreement	(vi)	117	72
Canadian Imperial Bank of Canada - August 10, 2015 agreement	(vii)	241	130
		$ 5,904	**$ 8,193**

i) A natural gas commodity swap agreement entered into November 15, 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, 2020 at rates from $5.35/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.

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 31, 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.

vii) A natural gas commodity agreement entered into August 10, 2015 which fixes the natural gas on a notional quantity of 700 GJ of natural gas per day between November 1, 2019 and October 31, 2020 at a rate of $3.45/GJ.

The total expense (recovery) for the university's natural gas commodity swap agreements included in utilities is $(2,288) (2016 - $663).

13. Risk Management Liabilities (continued)

b) Interest Rate Swap Agreements

To manage the interest rate exposure associated with long-term loans (see Note 14) the university has entered into the following interest rate swap agreements with the Royal Bank of Canada (RBC) and Bank of Montreal (BMO):

		April 30 2017		April 30 2016	
Stadium Parkade	(viii)	$	2,525	$	2,923
Annual sustaining capital borrowing	(ix)		1,502		2,072
College Quarter undergraduate residence	(x)		10,800		11,919
College Quarter graduate residence	(xi)		8,565		9,380
Academic Health Sciences	(xii)		686		1,033
		$	**24,078**	**$**	**27,327**

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

viii) Interest is at 5.79%; agreement terminates September 2029.

ix) Interest rates vary from 2.77% to 5.30%; agreements terminate between January 2020 and November 2026.

x) Interest rate of 4.63% and 4.57%; agreements terminate in October 2036 and September 2037.

xi) Interest rate of 4.37%; agreement terminates in January 2043.

xii) 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 $(3,250) (2016 - $2,108).

c) Foreign currency hedge agreements

To manage the foreign exchange rate exposure associated with investments in the CBRE Global Investors -Pan European Core Fund (see Note 8) during the year the university entered into the following foreign currency hedge agreement with RBC Investor Services Trust (RBC):

	April 30 2017				April 30 2016			
	Notional value		Fair value		Notional value		Fair Value	
RBC Foreign Currency Hedge Agreement	**$**	**39,539**	**$**	**1,614**	**$**	**-**	**$**	**-**

The fair value for the foreign currency hedge agreement is determined by mark-to-market valuations provided by RBC. At April 30, 2017 this agreement had a notional value of $39,539 (2016 - Nil), and its fair value approximated an unrealized loss of $(1,614) (2016 - Nil).The unrealized loss at April 30, 2017 has been reflected in investment income in the Statement of Operations and Changes in Fund Balances, as well as in risk management liabilities presented on the Statement of Financial Positon.

14. Long-term Debt

	April 30 2017		April 30 2016	
Farm Credit Canada (a)	$	2	$	25
Academic Health Sciences (b)		34,000		40,000
Stadium Parkade (c)		9,243		9,732
Annual Sustaining Capital Borrowing (d)		17,393		20,025
College Quarter Undergraduate Residence (e)		39,819		40,965
College Quarter Graduate Residence (f)		29,262		29,830
		129,719		140,577
Less: Current Portion		(11,071)		(10,858)
	$	**118,648**	**$**	**129,719**

a) 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; the loan was due July 2016.

b) 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.

c) 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.

d) 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.

e) 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.

f) Royal Bank Banker's Acceptance Loan – CDOR + spread of 0.29%, revolving monthly at progressively smaller amounts based on 30 year amortization until January 2043; repayable in full October 2019.

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

2018	$	11,071
2019		11,316
2020		11,506
2021		11,137
2022		10,821
	$	**55,851**

15. 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 for each pension plan for funding purposes was as of December 31, 2014 for one plan, and as of December 31, 2015 for two of the plans (there are no required actuarial valuation filings as of December 31, 2016).

The total expense for the university's defined contribution plans for the year is $22,500 (2016 - $21,277).

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 is December 31, 2016 (extrapolated to April 30, 2017). The measurement date of the actuarial valuations for the accrued benefit obligations for the other post retirement benefits is April 30, 2017.

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

	2017			2016		
	Defined Pension Plans	**Other Post Retirement Benefits**	**Total**	**Defined Pension Plans**	**Other Post Retirement Benefits**	**Total**
Plan assets						
Fair value at beginning of year	$ 535,845	$ -	$ 535,845	$ 519,946	$ -	$ 519,946
Actual return on plan assets	37,333	-	37,333	33,165	-	33,165
Employer contributions	12,499	1,548	14,047	12,527	1,571	14,098
Employee contributions	6,395	-	6,395	6,611	-	6,611
Benefits paid	(33,443)	(1,548)	(34,991)	(36,404)	(1,571)	(37,975)
Fair value at end of year	**$ 558,629**	**$ -**	**$ 558,629**	**$ 535,845**	**$ -**	**$ 535,845**
Accrued benefit obligations						
Accrued benefit obligation at beginning of year	$ 532,531	$ 14,419	$ 546,950	$ 518,146	$ 15,004	$ 533,150
Current service cost	13,443	1,313	14,756	13,250	1,506	14,756
Interest cost	30,800	462	31,262	30,661	483	31,144
Benefits paid	(33,443)	(1,548)	(34,991)	(36,404)	(1,571)	(37,975)
Actuarial (gains) losses	4,702	(1,577)	3,125	6,878	(452)	6,426
Plan amendments	-	-	-	-	(551)	(551)
Accrued benefit obligation at end of year	**$ 548,033**	**$ 13,069**	**$ 561,102**	**$ 532,531**	**$ 14,419**	**$ 546,950**

(chart continued on following page)

15. Employee Future Benefits (continued)

	2017			2016		
	Defined Pension Plans	Other Post Retirement Benefits	Total	Defined Pension Plans	Other Post Retirement Benefits	Total
Accrued benefit asset (liability)						
Fair value - plan assets at end of year	$ 558,629	$ -	$ 558,629	$ 535,845	$ -	$ 535,845
Accrued benefit obligation, end of year	548,033	13,069	561,102	532,531	14,419	546,950
Valuation allowance	(18,238)	-	(18,238)	(17,172)	-	(17,172)
Accrued benefit asset (liability), net of valuation allowance	**$ (7,642)**	**$ (13,069)**	**$ (20,711)**	**$ (13,858)**	**$ (14,419)**	**$ (28,277)**
Current portion	$ -	$ (1,548)	$ (1,548)	$ -	$ (1,571)	$ (1,571)
Long-term portion	(7,642)	(11,521)	(19,163)	(13,858)	(12,848)	(26,706)
	$ (7,642)	**$ (13,069)**	**$ (20,711)**	**$ (13,858)**	**$ (14,419)**	**$ (28,277)**
Benefit plan (income) expense:						
Current service cost, net of employee contributions	$ 7,048	$ 1,313	$ 8,361	$ 6,639	$ 1,506	$ 8,145
Interest on benefit obligation	30,800	462	31,262	30,661	483	31,144
Interest on asset (liability) obligation	(31,077)	-	(31,077)	(30,964)	-	(30,964)
	$ 6,771	**$ 1,775**	**$ 8,546**	**$ 6,336**	**$ 1,989**	**$ 8,325**
Remeasurements and other items:						
Actual return on plan assets	$ (37,333)	$ -	$ (37,333)	$ (33,165)	$ (452)	$ (33,617)
Actuarial (gain) loss on accrued benefit obligation	4,702	(1,577)	3,125	6,878	-	6,878
Interest on asset (liability) obligation	31,077	-	31,077	30,964	-	30,964
Recognition of plan amendment	-	-	-	-	(551)	(551)
Increase (decrease) in valuation allowance	1,066	-	1,066	1,582	-	1,582
	$ **(488)**	$ **(1,577)**	$ **(2,065)**	**$ 6,259**	**$ (1,003)**	**$ 5,256**

15. Employee Future Benefits (continued)

Actuarial assumptions (weighted average as of April 30)

	2017		2016	
	Defined Pension Plans	Other Post Retirement Benefits	Defined Pension Plans	Other Post Retirement Benefits
Discount rate	5.8%	2.9%	5.8%	3.2%
Compensation increase	2.7%	-	3.1%	-
Health care cost trend rate	-	5.0%	-	5.0%
Inflation	2.2%	2.2%	2.2%	2.2%

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

	2017		2016	
	Defined Pension Plans	Other Post Retirement Benefits	Defined Pension Plans	Other Post Retirement Benefits
Fixed income	36.6%	-	37.8%	-
Equities	62.8%	-	61.2%	-
Other	0.6%	-	1.0%	-
Total	100.0%	-	100.0%	-

16. Capital Lease Obligation

The university has a lease with CNH Capital Canada Ltd. for a vehicle used to support maintenance and operating activities. This lease has a buy-out option due September 1, 2017.

This agreement is 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	**2017**	**2016**
2017	$ -	$ 21
2018	23	23
Total minimum lease payments	23	44
Less: amount representing interest at 3% per annum	-	(7)
Present value of net minimum capital lease payments	23	37
Less: current portion of capital lease obligation	(23)	(14)
Long-term portion of capital lease obligation	**$ -**	**$ 23**

17. Decommissioning Costs

a) CLSI

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, 2017 the university provided a guarantee of $9,944 through a non-revolving demand facility with the Royal Bank of Canada. This amount is amended every 5 years and increased to $10,242 effective May 1, 2017.

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 $12,311.

The present value of the liability for decommissioning costs has been calculated using a credit adjusted risk free interest rate of 2.3% (2016 - 2.0%) and an inflation rate estimate of 1.6% (2016 - 2.2%). The change in cost estimate resulted in a $1,540 decrease to both the accrued decommissioning costs and the deferred decommissioning costs. The current year decommissioning costs of $585 (2016 - $714) include amortization of deferred decommissioning costs of $315 (2016 - $418) and costs associated with a financial guarantee to the CNSC of $75 (2016 - $72). A reconciliation of the accrued decommissioning costs is as follows:

	April 30	
	2017	**2016**
Accrued decommissioning costs, beginning of year	$ 9,737	$ 11,377
Accretion expense	195	224
Adjustment due to change in discount rate	(1,540)	(1,864)
Accrued decommissioning costs, end of year	**$ 8,392**	**$ 9,737**

b) The Fedoruk Centre

As a component of its Class II Nuclear Facilities and Prescribed Equipment License from the CNSC, the Fedoruk Centre completed its acknowledgement of liability with respect to the safe termination of licensed activities under the Class II license in the current year. As of March 31, the Fedoruk Centre expects the facility to operate for a 40 year period, which commenced during the current fiscal year, and the future cash flows required to decommission the facility are expected to be $900.

The present value of the liability for decommissioning costs has been calculated using a credit adjusted risk free interest rate of 2.65% and an inflation rate estimate of 1.6%. The current year decommissioning costs of $21 include amortization of deferred decommissioning costs of $8. A reconciliation of the accrued decommissioning costs as at April 30, 2017 is as follows:

	April 30	
	2017	**2016**
Estimate of decommissioning costs	$ 487	$ -
Accretion expense	13	-
Accrued decommissioning costs, end of year	**$ 500**	**$ -**

18. Decrease (Increase) in Non-cash Working Capital

		April 30			
	General	Restricted	Endowment	Total 2017	Total 2016
Accounts receivable	$ 2,380	$ (47,829)	$ (31)	$ (45,480)	$ 22,472
Inventories	672	-	-	672	(354)
Prepaid Expenses	(2,363)	(42)	-	(2,405)	(631)
Accounts payable and accrued liabilities	(28,185)	2,170	-	(26,015)	25,021
Deferred revenue	231	684	-	915	(4,991)
	$ (27,265)	**$ (45,017)**	**$ (31)**	**$ (72,313)**	**$ 41,517**

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.

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	
	2017	2016
Restricted Fund		
Capital Fund	$ 75,827	$ 6,235
Student Financial Aid Fund	45,292	39,800
Research Fund	300,336	296,200
	421,455	342,235
Endowment Fund		
Endowed contributions - term	41,739	35,635
Capitalized endowment earnings	140,236	120,807
	181,975	156,442
	603,430	498,677
Endowment Fund		
Endowed contributions - permanent	143,385	137,945
Total externally restricted fund balances	**$ 746,815**	**$ 636,622**

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	
	2017	**2016**
General Fund *	$ 105,936	$ 199,787
Restricted Fund		
Capital Fund	59,217	49,248
Student Financial Aid Fund	12,473	9,039
Research Fund	49,179	45,356
	120,869	103,643
Endowment Fund		
Endowed contributions	27,407	27,204
Capitalized endowment earnings	21,827	19,003
	49,234	46,207
Total internal restricted fund balances	**$ 276,039**	**$ 349,637**

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

22. Commitments and Contingencies

a) Capital projects

With significant commitments relating to the Collaborative Science Research Building and the College Quarter Ice Facility projects, the estimated cost of contractual commitments to complete capital projects as at April 30, 2017 is approximately $109,922 (2016 - $15,469).

b) Lease commitments

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

2018	$ 3,394
2019	2,593
2020	1,865
2021	1,630
2022	702

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 2018. At April 30, 2017, draws on the facility totaled $16,629 (2016 - $16,924). The floating interest rate is managed through interest rate swap agreements with notional amounts of $10,906 terminating in June 2040 and $5,723 terminating in January 2041. The fair value of the interest rate swaps as determined by TD Canada Trust at April 30, 2017 was $5,653 (2016 - $5,974).

22. Commitments and Contingencies (continued)

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 16 / Oct 17	50 - 75	100	4.65
1	Nov 17 / Oct 18	50 - 75	75	5.18
2	Nov 18 / Oct 19	25 - 50	74	5.27
3	Nov 19 / Oct 20	25 - 50	50	4.94

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

In total, the commitment for natural gas purchases at April 30, 2017 is $12,416 (2016 - $16,971).

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, 2017, 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 on December 4, 2007 denying all claims. The plaintiff has not further advanced the claim since that time. 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, 2016 CURIE had an accumulated surplus of $84,908 (2015 - $69,679) of which the university's pro-rata share is approximately 4.03% (2015 - 3.99%).

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			
	2017		2016	
Pension expense - defined benefit (Note 15)	$	6,771	$	6,336
Pension expense - defined contribution (Note 15)		22,500		21,277
Employee future benefits (Note 15)		1,775		1,989
All other employee benefits		37,136		36,492
	$	**68,182**	**$**	**66,094**

24. Interest Expense (Recovery)

	April 30			
	2017		2016	
Interest expense	$	5,582	$	5,995
Increase (decrease) in fair value of interest rate swap agreements (Note 13 b)		(3,250)		2,108
	$	**2,332**	**$**	**8,103**

25. Gifts-in-kind and Donation Pledges

Gifts-in-kind consist of the following:

	April 30			
	2017		2016	
Works of art	$	275	$	172
Equipment and furnishings		58		29
Investments		3,301		4,655
Library holdings		1		-
Research project contributions		2,878		5,539
Other		326		193
	$	**6,839**	**$**	**10,588**

Donations pledged but not received as at April 30, 2017 totaled $33,768 (2016 - $22,495). 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 an 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. In the very rare event that an object from the collection is deaccessioned and sold, proceeds from the sale will be used solely for the purchase of new acquisitions.

27. Operating Budget Allocation

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:

	2017		2016	
Colleges/Units [c]	**Budget [a]**	**Net Expenses [b]**	**Budget [a]**	**Net Expenses [b]**
Agriculture & Bioresources	$ 17,282	$ 17,391	$ 16,226	$ 16,617
Arts & Science	76,207	74,273	72,377	68,597
Edwards School of Business	14,993	15,174	15,695	15,740
Dentistry	5,902	6,275	5,903	5,889
Education	10,638	10,521	10,799	11,093
Engineering	19,685	19,371	19,898	21,945
Graduate and Postdoctoral Studies	2,921	2,921	2,833	3,243
Kinesiology	4,754	4,836	5,738	5,870
Law	7,312	7,353	7,282	6,836
Medicine	57,470	82,736	76,125	132,247
Nursing	20,040	18,889	19,616	22,293
Pharmacy & Nutrition	7,524	7,529	7,062	7,056
Veterinary Medicine	29,781	29,777	29,038	34,668
Schools	7,097	6,938	6,600	7,935
Library	14,253	14,131	14,198	14,577
Student and instructional support units [d]	17,859	18,537	21,117	21,349
Non-instructional units:				
Information and Communication Technology	15,517	16,704	15,036	14,604
Facilities Management	24,336	25,613	24,365	24,832
University Relations	7,884	8,805	8,858	9,694
Administrative and Research support units [e]	45,580	45,780	34,130	35,671
Institutional Utilities	19,308	16,319	16,766	15,821
Institutional Scholarships/Bursaries	10,216	10,216	9,731	9,731

27. Operating Budget Allocation (continued)

	2017		2016	
Colleges/Units [c]	**Budget** [a]	**Net Expenses** [b]	**Budget** [a]	**Net Expenses** [b]
Non-instructional units (continued):				
Institutional Research & Scholarly	$ 23,512	$ 14,470	$ 25,980	$ 35,054
Institutional Student Support	472	701	465	537
Institutional Network, Software & System Renewal	8,175	6,655	7,692	9,026
Institutional Administration [f]	23,828	61,274	26,017	38,849
Institutional Benefits [g]	8,448	8,163	9,501	8,014
Total	**$ 500,994**	**$ 551,352**	**$ 509,048**	**$ 597,788**

Notes:

a) 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.

b) Expenses include spending of opening fund balances.

c) Budget allocations and expenses reflect the results of any organizational restructuring during the year.

d) Student and Instructional Support units include Student and Enrolment Services, the University Learning Centre, the Gwenna Moss Centre for Teaching Effectiveness, Media Access and Production, the Distance Education Unit, and NETI.

e) Administrative and Research Support units include the Offices of the President, Provost and Vice-Provosts, 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.

f) Includes centrally paid amounts such as space, rental and insurance costs, and additional pension related payments.

g) 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.

28. Interfund Transfers (continued)

	Operating	Ancillary	Student Financial Aid	Research	Capital	Endowment
Salary and benefits	$ (1,505)	$ 6	$ 80	$ 1,423	$ (4)	$ -
Loan and interest payments	1,354	(6,992)	-	-	5,638	-
Capital acquisition and related funding	(67,186)	(9,898)	(10)	(40,828)	117,922	-
Scholarships, bursaries and awards	(16,744)	(1,790)	18,675	-	-	(141)
Fund transfers for Endowment	(6)	-	(45)	(69)	-	120
Funding for Research	(23,429)	-	(269)	26,341	-	(2,643)
Administrative support for research	19,928	-	-	(19,928)	-	-
Funding for General operating expenses	844	(775)	-	31	(100)	-
Contingency transfers	(3)	3	-	-	-	-
Recapitalized spending to Endowment Funds	(2,802)	-	(975)	(974)	-	4,751
April 30, 2017	**$ (89,549)**	**$ (19,446)**	**$ 17,456**	**$ (34,004)**	**$ 123,456**	**$ 2,087**
April 30, 2016	**$ (106,061)**	**$ (14,079)**	**$ 13,315**	**$ (33,804)**	**$ 125,866**	**$ 14,763**

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:

	April 30 2017	April 30 2016
Sales of services and products - physicians' billings	$ 6,583	$ 11,756
Expenses		
Utilities	17,234	16,280
Various	52,071	36,383
Accounts receivable	44,011	49,199
Accounts payable and accrued liabilities	3,902	2,483
Deferred revenue	3,370	12,274

Canadian Light Source Incorporated (CLSI), a subsidiary of the university, is related to Canadian Isotope Innovations Corporation (CIIC), a medical isotope production company, through representation on its governing body. During the year, CLSI loaned funds to CIIC totaling $3,200 (2016 - $900) payable on demand and provided services of $300 (2016 - nil) to CIIC. Also during the year, CLSI determined all amounts owed from CIIC were not collectable and expensed bad debts of $4,400.

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. The university also manages market price risk associated with natural gas commodity purchases through the use of natural gas swap agreements—see Note 13, above.

ii) Foreign currency risk
The university has foreign currency risk from its foreign currency denominated cash and investment accounts and exposure to foreign currency denominated 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. The university also manages foreign currency risk associated with the university through the use of foreign currency hedge agreements—see Note 13 above.

iii) Interest rate risk
Interest rate swap agreements are utilized on the Royal Bank 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 13, 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.

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-1 Low) 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 sufficent 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 as at April 30, 2017.

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, 2017 ($ thousands)

	Operating	Ancillary	Total
Revenues			
Grants and contracts			
Government of Canada	$ 2,420	$ -	$ 2,420
Government of Saskatchewan	395,055	200	395,255
Other governments	21,596	-	21,596
Non-government	6,598	-	6,598
Student fees	140,457	-	140,457
Gifts, grants and bequests	5,366	-	5,366
Sales of services and products	40,226	53,371	93,597
Income from investments	52,185	24	52,209
Real estate income	1,310	4,709	6,019
Royalties	19,368	-	19,368
Miscellaneous income	7,223	119	7,342
	691,804	58,423	750,227
Expenses			
Salaries	402,978	11,057	414,035
Employee benefits (Note 23)	59,213	1,671	60,884
Operational supplies and expenses	153,714	5,037	158,751
Travel	12,922	70	12,992
Cost of goods sold	5,196	10,605	15,801
Maintenance, rental and renovations	12,832	2,172	15,004
Utilities	13,207	10,329	23,536
Scholarships, bursaries and awards	4,987	-	4,987
Interest (Note 24)	13	-	13
Bad debt expense	4,890	90	4,980
	669,952	41,031	710,983
Excess (deficiency) of revenues over expenses	21,852	17,392	39,244
Interfund transfers (Note 28)	(89,549)	(19,446)	(108,995)
Net increase (decrease) in fund balances for year	(67,697)	(2,054)	(69,751)
Fund balances, beginning of year	192,340	(23,236)	169,104
Employee future benefits remeasurements and other items	2,030	-	2,030
Fund balances, end of year	**$ 126,673**	**$ (25,290)**	**$ 101,383**

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, 2017 ($ thousands)

	Student Financial Aid	Research	Capital	Total
Revenues				
Grants and contracts				
Government of Canada	$ -	$ 88,227	$ -	$ 88,227
Government of Saskatchewan	3,482	29,722	68,929	102,133
Other governments	92	4,169	1,000	5,261
Non-government	102	51,235	181	51,518
Gifts, grants and bequests	6,091	4,013	4,895	14,999
Sales of services and products	42	28	19	89
Income from investments	8,830	8,166	215	17,211
Real estate income	72	80	-	152
Royalties	2	-	-	2
Miscellaneous income	120	28	557	705
	18,833	185,668	75,796	280,297
Expenses				
Salaries	1,474	76,985	166	78,625
Employee benefits (Note 23)	86	7,188	24	7,298
Operational supplies and expenses	367	33,277	3,642	37,286
Travel	177	6,567	-	6,744
Cost of goods sold	-	7	-	7
Maintenance, rental and renovations	-	2,204	110	2,314
Utilities	-	696	-	696
Amortization	-	-	79,668	79,668
Scholarships, bursaries and awards	25,260	16,781	-	42,041
Interest (Note 24)	-	-	2,319	2,319
Decommissioning costs (Note 17)	-	-	606	606
	27,364	143,705	86,535	257,604
Excess (deficiency) of revenues over expenses	(8,531)	41,963	(10,739)	22,693
Interfund transfers (Note 28)	17,457	(34,004)	123,455	106,908
Net increase (decrease) in fund balances for year	8,926	7,959	112,716	129,601
Fund balances, beginning of year	48,839	341,556	1,337,415	1,727,810
Fund balances, end of year	**$ 57,765**	**$ 349,515**	**$ 1,450,131**	**$ 1,857,411**

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, 2017 ($ thousands)

	Agriculture and Bioresources	Arts and Science	Edwards School of Business	Dentistry	Education	Engineering	Graduate Studies and Research	Kinesiology
Revenues								
University operating budget	$ 17,012	$ 75,721	$ 14,973	$ 5,902	$ 10,543	$ 19,685	$ 2,753	$ 4,659
Grants and contracts								
Government of Canada	5,938	13,001	162	-	671	3,951	437	464
Government of Saskatchewan	11,328	394	-	150	10	523	1,630	300
Other governments	489	512	-	-	(26)	7	-	2
Non-government	19,636	3,941	48	-	1,188	1,047	75	595
Student fees	386	788	2,092	100	338	45	400	2,685
Gifts, grants and bequests	6,881	1,456	1,355	440	200	1,689	58	459
Sales of services and products	5,930	1,132	127	2,836	798	1,001	40	662
Income from investments	7,756	4,193	2,419	105	485	4,313	650	40
Real estate income	308	-	-	-	-	-	-	74
Royalties	5,038	28	-	-	1	-	-	-
Miscellaneous income	925	679	26	20	187	158	171	103
	81,627	101,845	21,202	9,553	14,395	32,419	6,214	10,043
Expenses								
Salaries	36,473	72,121	13,429	6,047	11,145	22,507	2,166	7,212
Employee benefits (Note 23)	4,872	8,707	1,706	830	1,397	2,662	274	783
Operational supplies and expenses	14,911	6,147	2,507	2,005	2,190	2,440	110	1,075
Travel	1,379	3,287	627	62	641	679	87	129
Cost of goods sold	327	263	-	679	-	76	-	-
Maintenance, rental and renovations	1,254	255	108	91	46	180	-	78
Utilities	353	43	25	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-
Scholarships, bursaries and awards	3,664	8,797	1,096	55	624	2,447	6,694	393
Interest (Note 24)	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	42	2	-	-	-
Decommissioning costs (Note 17)	-	-	-	-	-	-	-	-
	63,233	99,620	19,498	9,811	16,045	30,991	9,331	9,670
Excess (deficiency) of revenues over expenses	18,394	2,225	1,704	(258)	(1,650)	1,428	(3,117)	373
Interfund transfers (Note 28)	(43)	(913)	(77)	(695)	989	(1,110)	4,136	4
Net increase (decrease) in fund balances for year	18,351	1,312	1,627	(953)	(661)	318	1,019	377
Fund balances, beginning of year	197,055	76,863	30,089	1,852	10,799	69,110	14,321	5,445
Employee future benefits remeasurements and other items	-	-	-	-	-	-	-	-
Fund balances, end of year	**$ 215,406**	**$ 78,175**	**$ 31,716**	**$ 899**	**$ 10,138**	**$ 69,428**	**$ 15,340**	**$ 5,822**

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, 2017 ($ thousands)

	Law	Library	Medicine	Nursing	Pharmacy and Nutrition	Western College of Veterinary Medicine	Other Units	Total
Revenues								
University operating budget	$ 7,042	$ 14,253	$ 57,382	$ 20,040	$ 6,881	$ 29,722	$ (286,568)	$ -
Grants and contracts								
Government of Canada	188	48	22,911	877	1,135	3,569	37,295	90,647
Government of Saskatchewan	-	-	81,487	236	1,174	934	399,222	497,388
Other governments	-	-	-	-	583	524	24,766	26,857
Non-government	413	-	8,579	403	1,459	1,869	18,863	58,116
Student fees	258	-	697	336	114	65	132,153	140,457
Gifts, grants and bequests	585	323	9,853	372	816	1,985	5,589	32,061
Sales of services and products	80	20	9,478	(366)	269	10,263	61,416	93,686
Income from investments	2,139	605	4,311	274	861	4,350	57,132	89,633
Real estate income	-	-	164	-	-	-	5,627	6,173
Royalties	16	-	-	-	-	-	14,287	19,370
Miscellaneous income	275	59	2,133	25	674	102	2,512	8,049
	10,996	15,308	196,995	22,197	13,966	53,383	472,294	1,062,437
Expenses								
Salaries	6,608	11,293	98,878	15,648	8,623	27,890	152,620	492,660
Employee benefits (Note 23)	778	1,786	10,726	1,979	1,085	3,877	26,720	68,182
Operational supplies and expenses	769	1,230	73,821	2,441	2,037	9,696	74,658	196,037
Travel	349	171	3,471	533	345	992	6,984	19,736
Cost of goods sold	-	-	-	-	25	1,145	13,293	15,808
Maintenance, rental and renovations	5	6	1,095	16	19	892	13,273	17,318
Utilities	-	-	-	-	-	74	23,737	24,232
Amortization	-	-	-	-	-	-	79,668	79,668
Scholarships, bursaries and awards	878	3	4,800	460	683	3,383	13,051	47,028
Interest (Note 24)	-	-	-	-	-	-	2,332	2,332
Bad debt expense	-	-	(7)	-	-	36	4,907	4,980
Decommissioning costs (Note 17)	-	-	-	-	-	-	606	606
	9,387	14,489	192,784	21,077	12,817	47,985	411,849	968,587
Excess (deficiency) of revenues over expenses	1,609	819	4,211	1,120	1,149	5,398	60,445	93,850
Interfund transfers (Note 28)	883	(660)	(6,774)	(1,875)	1,213	2,962	1,960	-
Net increase (decrease) in fund balances for year	2,492	159	(2,563)	(755)	2,362	8,360	62,405	93,850
Fund balances, beginning of year	26,678	14,267	95,853	9,857	16,593	66,865	1,601,861	2,237,508
Employee future benefits remeasurements and other items	-	-	-	-	-	-	2,030	2,030
Fund balances, end of year	**$ 29,170**	**$ 14,426**	**$ 93,290**	**$ 9,102**	**$ 18,955**	**$ 75,225**	**$ 1,666,296**	**$ 2,333,388**

See accompanying notes to consolidated financial statements

Officers of the University
2016/17

Officers of the University

The Board of Governors

Members Ex Officio
Peter Stoicheff (President)
Roy Romanow (Chancellor)

Members Appointed by Government
Lee Ahenakew (Chair)

Shelley Brown (appointed July, 2017)

Grant Devine (appointed July, 2017)

David Dubé (Vice-chair, term completed as of July, 2017)

Kathryn Ford (term completed as of July, 2017)

Grant Isaac

Ritu Malhotra (appointed July, 2017)

Greg Smith (term completed as of July, 2017)

Members Elected By Senate
Daphne Arnason
Joy Crawford

Faculty Member
Jay Kalra

Student Member
David D'eon

Senior Administrative Group

President and Vice-Chancellor
Peter Stoicheff

Provost and Vice-President (Academic)
Tony Vannelli

Vice-President (Finance and Resources)
Greg Fowler

Vice-President (Research)
Karen Chad

Vice-President (University Relations)
Debra Pozega Osburn

University Secretary
Beth Bilson

Vice-Provost, Faculty Relations
Jim Germida

Vice-Provost, Health
Preston Smith

Vice-Provost, Teaching and Learning
Patti McDougall

Assistant Vice-Provost, Health - Health Sciences Council (Interim)
Lois Berry

Associate Provost, Institutional Planning and Assessment
John Rigby

Associate Vice-President (Development) and Chief Development Officer
Danielle Dunbar

Associate Vice-President (People and Resources)
Cheryl Carver

Associate Vice-President (Research)
Kevin Schneider (Interim)

Associate Vice-President (Research – Health)
Darcy Marciniuk (Interim)

Associate Vice-President (Services)
Wade Epp

Associate Vice-President (Technology)
Shari Baraniuk

Senior Strategist, Government and Public Relations
Jamie Miley

Deans and Directors of Colleges and Academic Units

Agriculture and Bioresources
Mary Buhr

Arts and Science
Peta Bonham-Smith

Dentistry
Gerry Uswak
Doug Brothwell (as of September 1, 2017)

Education
Michelle Prytula

Edwards School of Business
Keith Willoughby

Engineering
Donald Bergstrom (Interim)
Suzanne Kresta (as of January 1, 2018)

Graduate and Postdoctoral Studies
Adam Baxter-Jones (Interim)
Trever Crowe (Interim, as of September 1, 2017)

Kinesiology
Chad London

Law
Martin Phillipson

Medicine
Preston Smith

Nursing
Beth Horsburgh (Interim)
HM Tzeng (as of September 1, 2017)

Pharmacy and Nutrition
Kishor Wasan

School of Environment and Sustainability
Toddi Steelman
Irena Creed (as of September 1, 2017)

School of Public Health
George Mutwiri (Interim)
Suresh Tikoo (Interim, as of July 1, 2017)
Steven Jones (as of September 1, 2017)

Johnson-Shoyama Graduate School of Public Policy
Kathleen McNutt

University Library
Charlene Sorenson (Interim)
Melissa Just (as of February 1, 2017)

Western College of Veterinary Medicine
Douglas Freeman

List current as of August 1, 2017

UNIVERSITY OF SASKATCHEWAN

usask.ca/reporting