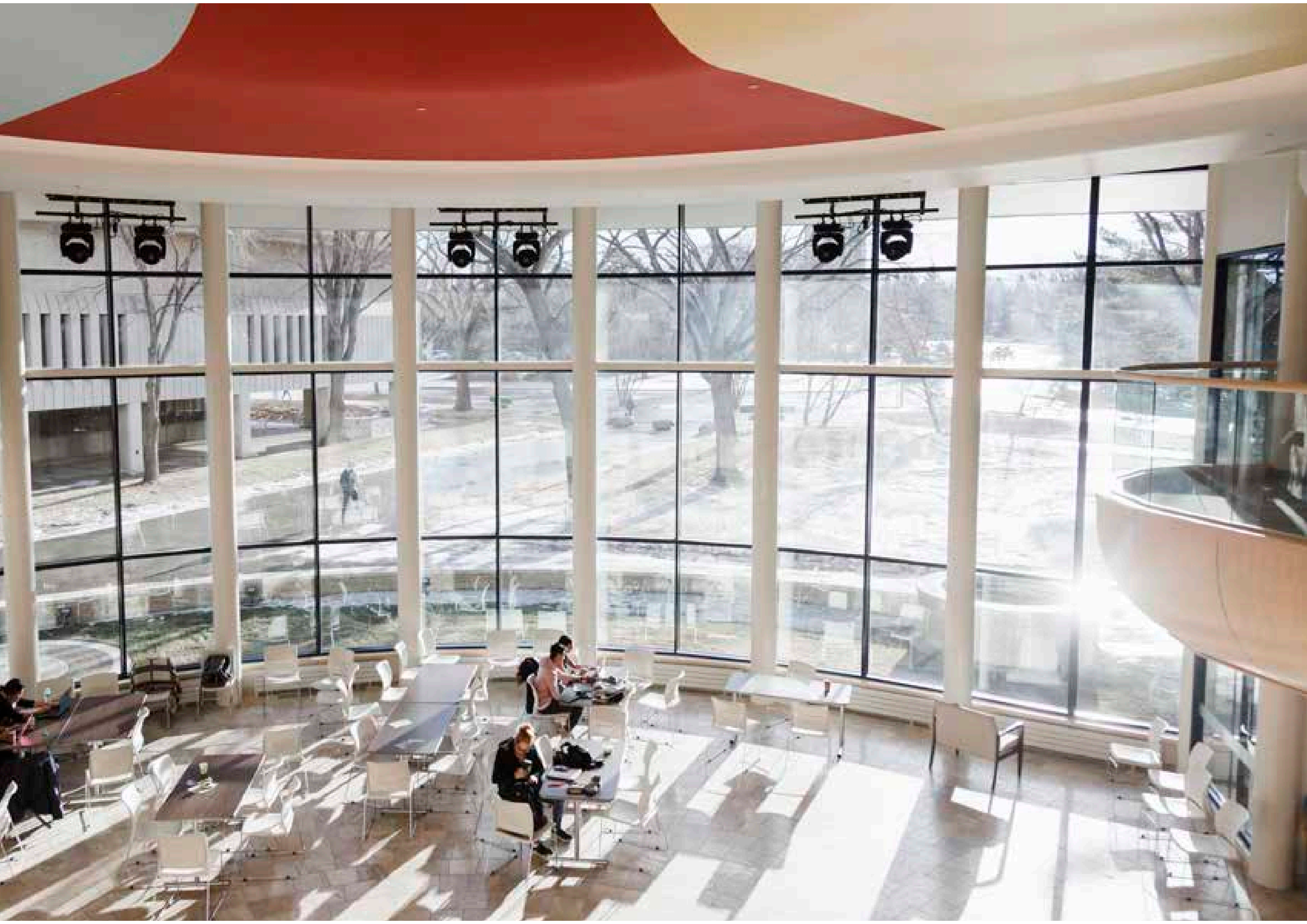
2018/19

Annual Financial Report



University of Saskatchewan

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Shelley Brown

Chair, Board of Governors

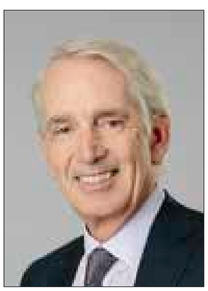
At the heart of our mandate is the idea that the University of Saskatchewan—through its teaching, learning and research mission—will improve the lives of people of the province and beyond. The Board of Governors works to support the university's leadership to this end. Our decisions ensure that the resources entrusted to us by the people of Saskatchewan advance our priorities and address society's most pressing challenges.

Despite difficult economic times in Saskatchewan, we were encouraged that the government demonstrated confidence in our institution. We understand that we are significant stakeholders in Saskatchewan's growth and success. As such, as the province continues to work through a deficit situation, we have stepped up to do our part during difficult economic times.

The work of our university, and indeed the Board of Governors, is best reflected in the pages of this annual financial report. Through the numbers, the university's important work comes into sharp focus, as do our priorities.

The university's priorities are diverse, but what they have in common is significant: they meet the needs of the people of the province, provide new and expanded supports, pathways, opportunities and programs for students, support an innovation agenda, and address emerging labour market demands. All of this is undertaken with a clear view to sound fiscal management, with increasing efficiency of operations, investments in our priorities, and the growth and diversification of our revenue streams.

We take seriously the responsibility of being entrusted with oversight of public resources and using those resources effectively in order to strengthen our province. By providing outstanding education to the future leaders of our province and developing world-class research, our institution will help to ensure a prosperous future for Saskatchewan.



Peter Stoicheff

President and vice-chancellor

What affects our world, affects our province. Challenges across the globe, from scarcity of food, water and energy, to insufficient access to health care, means universities are needed now more than ever. As we continue to deliver on being the university Saskatchewan needs, we also are becoming the university the world needs.

Guiding these aspirations is our University Plan 2025, which was recently launched. Grounded in the principles of Courageous Curiosity, Boundless Collaboration and Inspired Communities, our plan will guide our priorities and decisions over the next seven years. Our global ambition starts with our Saskatchewan roots where our work supports Saskatchewan families, industries and businesses.

And we do that with an eye always focused on the details of our financial operations and the bottom line. Over the last number of years, the amount of provincial funding we have received to carry out this work has been reduced. We have, as the people of Saskatchewan always have, found paths towards financial sustainability by reducing expenses, increasing revenues, leveraging our land holdings, and bolstering our fund development strategies.

We continue to make strategic investments to best position the university and the province for the future in key areas such as Indigenization, targeted enrolment growth, enhanced research, internationalization, program expansions and new program development. We have reduced expenditures in many areas, and revamped many academic programs to ensure they remain relevant and in demand by today's, and tomorrow's, students.

We will always balance our ambitions to be the university the world needs with the financial realities of the time. But we also know that investment in our university ensures that our province is better today than it was yesterday and stronger tomorrow than it is today.

Management Discussion and Analysis
2018/19

Fiscal 2018/19 Overview

As funding for Canadian post-secondary education continues to decline, universities must find other funding sources. And those sources must be directed to support clear priorities and show significant return on investment. With the current fiscal realities of Saskatchewan and the government continuing to work towards a balanced budget, we continue to manage funding reductions in excess of $100 million over the past several years. This was a serious situation that was felt and shared across all colleges and departments. Action is still required, but we are managing it and we are in a stable situation.

Financial Risks and Strategy

Funding

At the University of Saskatchewan, we continue to evolve our financial model to ensure long-term financial sustainability. As a world-class university, quality is at the core of everything we do. And as a world-class university, we compete with other universities across the world for students, faculty, researchers, and research funding, so we must ensure we continue to be properly funded. To that end, we continue to look at strategies to acquire alternate funding.

The University the World Needs

In 2018-19, we launched our strategic plan, an innovative document designed to shape the University of Saskatchewan for the next seven years. The new university plan to carry the institution through to 2025 is entitled *The University the World Needs*, and has been gifted Indigenous names nīkānītān manācihitowinihk (Cree) and ni manachīhitoonaan (Michif), which translate to "Let us lead with respect."

The plan's principles are:

- Courageous Curiosity: Empower a daring culture of innovation with the courage to confront humanity's greatest challenges and opportunities.
- Boundless Collaboration: Invigorate the impact of collaboration and partnership in everything we do.
- Inspired Communities: Inspire the world by achieving meaningful change with and for our communities.

Goals of the new seven-year plan range from increasing enrolment, peer-reviewed funding, and interdisciplinary and collaborative programs and partnerships, to improving academic rankings, enhancing alumni engagement, and being recognized as a leader in Indigenization locally, provincially, nationally and internationally.

Health Science Building

After more than 13 years of construction, the final phase of the Health Sciences Building project—renovation of the A-Wing and the C-Wing—will be drawing to a close. In July 2017, the renovation of the 1948 A-Wing and 1980s C-Wing became the last phase of this massive project. If work continues as expected, the spaces will be ready for move-in between the end of August and mid-September 2019. The spaces will serve as the administrative hub for the Colleges of Dentistry, Medicine, Nursing, Pharmacy and Nutrition, and selected centralized services such as ICT.

Enrolment and labour market demands

By expanding and building programs in areas of computer science, engineering, biomedical science and internships and co-ops, we can address critical demands of the provincial labour market and grow enrolment by 3,000 students for an overall enrolment of 28,000 by 2025.

Computer science: Demand for computer science graduates continues to grow rapidly here in Saskatchewan. The College of Arts and Science will adopt a suite of strategies designed to boost enrolment through industry-aligned computer science program offerings, such as artificial intelligence and machine learning, and both the attraction of new students and the retention of existing students, to meet this demand.

College of Engineering: The college's goal is to increase total enrolment significantly over the next five years, including adding new programs in energy engineering, bio-tech engineering (with biomedical sciences), and accredited software engineering (with computer science), meeting the growing demand for engineers in Saskatchewan. To ensure maximum employment outcomes, the college will establish an engineering employment centre and internships that align with accredited co-operative education programs and provide career services for engineering students, alumni and industry contacts.

Biomedical sciences: The College of Medicine, in partnership with the College of Arts and Science, is establishing a more innovative, experiential, student-centred, multi-disciplinary experience of undergraduate biomedical training, attracting more students from inside Saskatchewan and across Canada, increasing enrolment and skilled graduates. Funding this training approach provides students with improved opportunities for employment or pursuing further training in research, bio-tech engineering or in professional health programs, strengthening innovation and skills in the province's health sector.

Internships and co-ops: Students are seeking work-integrated learning opportunities, and are increasingly choosing universities based on these types of offerings. The funding will enable us to enhance and expand internships and co-op programming across many colleges, meeting student expectations (directly supporting our planned enrolment growth), ensuring they are career ready post-graduation, and better engaged with Saskatchewan businesses and industry.

Prince Albert campus

The university plans to open its new campus in Prince Albert in 2020. Located in the heart of Prince Albert, the two-story, 110,000–square foot building was built in 2003, sits on 2.39 acres of land and is LEED (Leadership in Energy and Environmental Design) Gold certified. This campus enhances the university's ability to offer high-quality post-secondary education to Indigenous and northern communities and will serve as an anchor for the university's emerging northern strategy. Over the next year, the university will renovate the space to include the services and facilities required in the building. The renovated space will include classrooms, offices, lab facilities and common gathering areas.

IDEAS: Innovation, Design, Engineering and Applied Sciences Building

Strongly linked to the critical expansion and growth of our engineering and applied sciences programs, we are forecasting the need for a renewal of our engineering/technology/applied science building. The renewed facility would facilitate innovative and interactive teaching and technology, and allow for enhanced collaboration with and between industry and research.

The creation of a new home for engineering and applied sciences would be partially funded through a combination of private philanthropic, corporate and public support. Our stakeholders, through a recent campaign capacity study, have indicated that this is a top priority for them, and that they would support it. Initial plans indicate the required capital investment at $300 million.

Ron and Jane Graham Sport Science and Health Centre

The new Ron and Jane Graham Sport Science and Health Centre is ready to serve athletes from the Huskies and from across the province, and opened up services to the greater Saskatoon community in spring 2019. The facility will be a hub for researchers, physiotherapists, dieticians, mental health professionals, sport psychologists and trainers to help athletes return to play sooner after injury, engineer new approaches to concussion treatment, and give Huskie student-athletes access to leading sport science technologies. Ron and Jane Graham are the long-time donors who funded the project with a $2.068-million gift.

Convocation on campus

Spring convocation was held in the new Merlis Belsher Place multisport complex on campus, after 50 years of the university's graduation ceremonies being held in downtown Saskatoon at TCU Place. With last fall's opening of Merlis Belsher Place—a state-of-the-art 120,000-square foot facility featuring two full-sized ice rinks and two basketball courts—the university has moved its annual spring and fall graduation ceremonies back to campus.

Since spring of 1968, USask convocation ceremonies had been held at TCU Place, a 104,000-square foot, 2,000-seat convention and arts centre in downtown Saskatoon. Merlis Belsher Place provides spectator seating for 2,700 in the main arena with additional capacity for up to a total of 3,700 including floor seating. It also offers plenty of staging area in the attached gymnasium facilities, making it well-suited and well-sized to host convocation.

Critical Success

The Global Institute for Water Security is at the forefront of water research nationally and internationally. It is ranked as the No.1 institute for water resources research in Canada and No.18 in the world, according to the Shanghai Academic Ranking of World Universities. Supported by $263.5 million in research grants and contracts, the institute is dedicated to protecting people from flood and drought and finding sustainable ways to manage the world's water resources.

Looking Ahead

The University of Saskatchewan has been a key player in the province's growth and diversification for more than a century, and in helping the province take its place on the national and world stage. The agricultural and resource sectors have been the traditional economic engines of the province, but the economy needs to be even more diversified and innovative to meet new and emerging opportunities, to include Indigenous peoples, and to reshape the growth of existing sectors.

The University of Saskatchewan is prepared to take on this challenge and create the opportunities needed to lead to a more diversified provincial economy, building on our deep knowledge of the province, our research and innovation, and on our global competencies. While Saskatchewan's economy is becoming more knowledge-intensive with 44 per cent of the available jobs in the province requiring the skills and knowledge that a university education provides, only 25 per cent of Saskatchewan's workforce has a university education, underscoring the critical importance we hold in the province. For many of today's high school students, the jobs they think that they want will not exist in 10 to 15 years. We want to work to ensure we have the programs and graduates that help grow and diversify the province's social fabric and future economy, and overcome the province's, and the world's, biggest challenges.

We are ready to be the university the world needs.

Financial Results[1]

Overall, revenues increased $108.7 million or 11% over the prior year, expenses were up by $20.9 million or 2%, and fund balances increased by $46.8 million. Operational activities reported a $13.7-million reduction in operating fund balances for the year while positive results in the Restricted fund activities produced favourable increases in balances.

Revenues

Increases in grant and contract revenue, positive investment returns and an increase in tuition and student fees contributed to an overall increase in the total revenues for the year, when compared to prior year.

Expenses

In the prior year voluntary exit plans for faculty and staff were implemented at a cost of $21.8 million. Excluding the impact of this one-time cost in comparatives, total expenses for the university rose by 4.4% from prior year.

Fund Balances

Of the $63.5-million general fund balance, $47.9 million is restricted for specific purposes, $45.6 million restricted by donors and $8.1 million in the operating fund (of which $6.9 million is unrestricted). Within the general fund balance the university also carries a $17.3-million deficit related to employee future benefits and a $20.8-million deficit in the ancillary fund. Unrestricted funds in the operating fund represent 0.6% of total expenditures; university policy states that the reserve balances are to be maintained in the range of 1.5% to 6.0% of total expenditures.

Assets

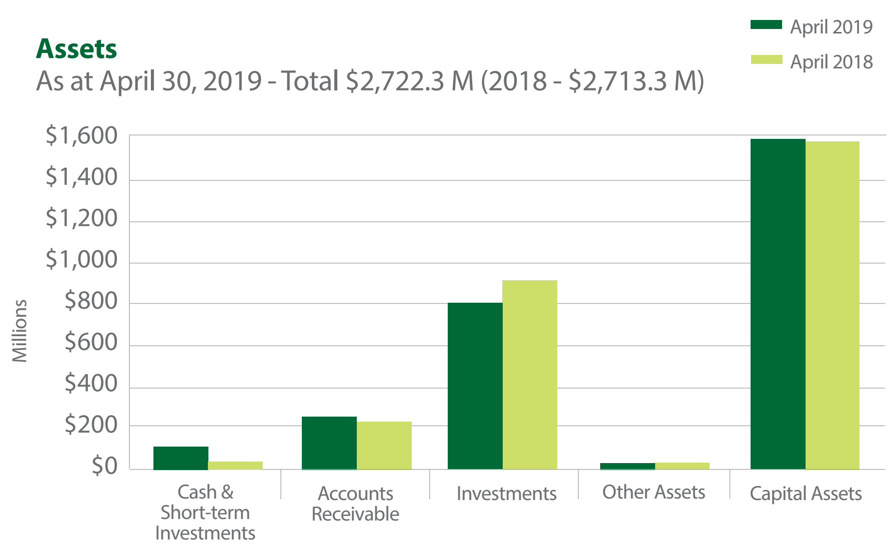
Total assets increased by $9.0 million, or 0.3% over the prior year reflecting growth in project-related receivables and continued strategic investment in capital assets offset by decreased investment balances with utilization.

Cash and Short-term Investments

At April 30, 2019 cash and short-term investments were $91.2 million or 3% of total assets of the university. Prior to year end the university drew down investments to fund upcoming operations, contributing to a year-over-year increased balance of $69.4 million.

Assets

As at April 30, 2019 - Total $2,722.3 M (2018 - $2,713.3 M)



Accounts Receivable

At April 30, 2019 accounts receivable were $233.5 million or 9% of total assets of the university. During the year, this balance increased by $20.7 million or 10%. The increase relates to grants and contracts related to research and capital activities. The magnitude of the accounts receivable balance results from the fund accounting methodology followed by the university whereby revenues are recognized when confirmation of awards have been received, not when funds have been received.

[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.

Investments

At April 30, 2019 investment balances were $792.7 million or 29% of total assets of the university. During the year, this balance decreased by $88.9 million or 10%. The decrease reflects the market situation of investments during the year and withdrawals necessary to cover cash requirements for operating expenditures. Overall investment returns for the year were 7.5%; fixed income returns of 3.9% and long-term pool returns of 8.5% and long-term diversified strategies pool of 7.8%, compared to expected returns of 4.3%, 8.5% and 8.5% 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, 2019, other assets were $29.6 million or 1% of total assets of the university. During the year, this balance increased by $0.6 million or 2%. The increase is due to the increase in inventory related to the Livestock and Forage Centre of Excellence.

Capital Assets

At April 30, 2019, capital assets were $1,575.3 million or 58% of the total assets of the university. During the year, this balance increased by $7.2 million or 0.5%. This increase reflects the cost of additions to the capital assets during the year of $92.2 million, partially offset by current-year amortization of $ 85.0 million; this activity is net of current year disposals. Significant construction and improvements during the year include:

- $11.1 million in additional construction in the Health Sciences Building A-Wing;
- $10.7 million in additional costs for the College Quarter Ice Facility;
- $5.5 million Western College of Veterinary Medicine's PET CT project;
- $5.4 million in site improvements for the College Quarter NE precinct.

Liabilities

Total liabilities decreased by $37.8 million or 10% over the prior year, primarily representing reduced accruals for incentivized exit programs and reduced current liabilities for construction projects, with $11.2 million reflecting activity for long-term debt. The overall reduction in total liabilities is inclusive of a $15.6 increase in liabilities for employee future benefits.

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

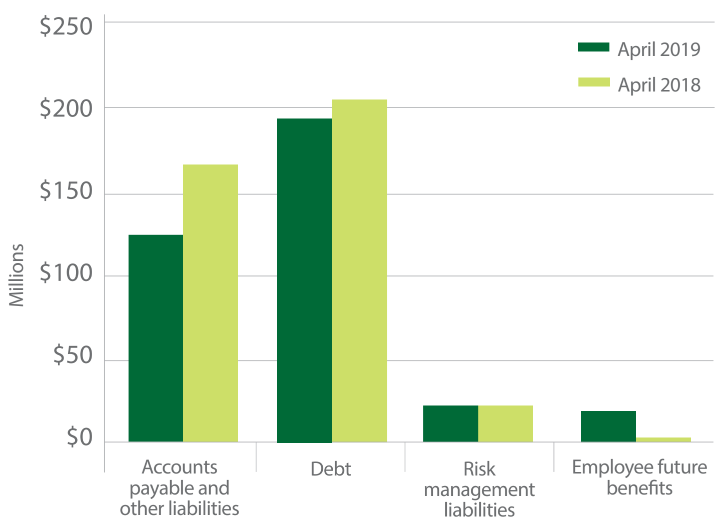
At April 30, 2019 accounts payable, deferred revenue, accrued decommissioning costs and other liabilities were $122.2 million or 35% of total liabilities of the university. During the year, this balance decreased by $42.2 million or 26%. This decrease relates to reduced liability for the incentivized exit programs offered to staff and faculty and decreased payables and accrued liabilities on significant construction projects, as well as the timing of payment for payroll remittances.

Debt

At April 30, 2019 debt was $191.9 million or 55% of total liabilities of the university. During the year, this balance decreased by $11.2 million or 6%. 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 decrease reflects regular principal repayments.

Liabilities

As at April 30, 2019 - Total $352.0 M (2018 - $389.8 M)



Risk Management Liabilities

At April 30, 2019 risk management liabilities were $20.4 million or 6% of total liabilities of the university, consistent with the prior year, however, the components of the category have fluctuated.

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. With natural gas prices at competitive lows, no new swaps have been purchased in the current fiscal year and liabilities for existing swaps have decreased $2.7 million as they are utilized and expire.

Interest rate risk on long-term debt is managed using 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. The increase in liability reflects an average prevailing interest rate of less than the average locked-in rate.

The university enters 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, 2019 employee future benefit liabilities were $17.5 million or 5% of the total liabilities of the university. The increase in the net liability position for employee future benefits, $15.6 million, results from significant losses in investment markets (and therefore, decreased values for plan assets). The university provided special going-concern payments of $3.2 million to the defined benefit pension plans in 2018/19.

Fund Balances

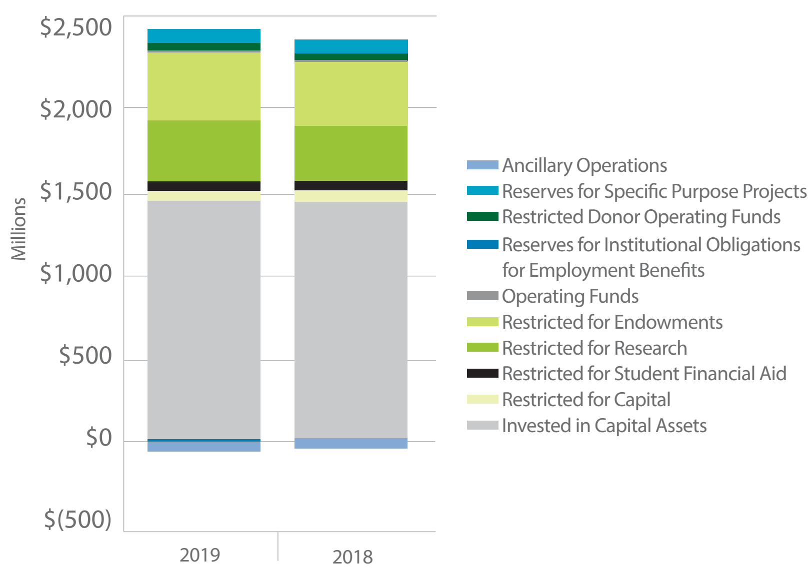
Fund Balances are a significant indicator of the financial health of an organization. They represent the net resources of the organization after all obligations have been met. At April 30, 2019 the fund balances of the university were $2,370.3 million (including investments in capital assets of $1,441.6 million). During the year, this balance increased by $46.8 million or 2%. Key drivers of this increase are restricted funding for research projects and positive investment returns.

Endowment Fund Balance

At April 30, 2019 endowment fund balance was $401.2 million or 17% of the total fund balance of the university. During the year, this balance increased by $23.1 million or 6%. This increase is due to donations of $7.2 million, positive investment earnings, including real estate income, of $14.6 million and a reallocation of university resources in the amount of $1.3 million (including the recapitalization of spending allocations).

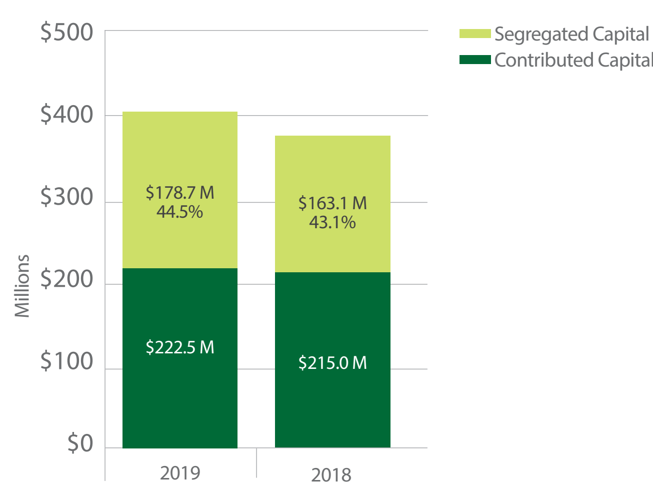
Fund Balances

As at April 30, 2019 - Total $2,370.3 M (2018 - $2,323.5 M)



Endowment Fund Balance

As at April 30, 2019 - Total $401.2 M (2018 - $378.1 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, 3.75% of the endowment fund balance was made available to support current-year activities.

A review of the spending policy was conducted in the prior year to ensure that stable annual funding is provided by endowments and that the purchasing power of the endowments are protected. Based on the current-year analysis, the annual spending allocations have been reduced from 4.0% to 3.75% for 2018/19. 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, 2019 student financial aid fund balance was $60.3 million or 3% of the total fund balance of the university. During the year, this balance increased by $2.4 million or 4%. This increase is due to current-year contributions of $31.0 million exceeding expenditures of $28.6 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, 2019 capital fund balance was $1,484.8 million or 63% of the total fund balance of the university. During the year, this balance decreased by $7.2 million or 0.5%. This decrease is due to non-capitalized expenditures of $98.2 million exceeding current-year contributions of $91.0 million.

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

Research Fund Balance

At April 30, 2019 research fund balance was $360.5 million or 15% of the total fund balance of the university. During the year, this balance increased by $38.4 million or 12%. This increase is due to current-year contributions of $243.6 million exceeding expenditures of $205.2 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, 2019 general fund balance was $63.5 million or 3% of the total fund balance of the university. During the year, this balance decreased by $9.9 million or 13.5%. This decrease is due to the current-year deficit of $18.9 million for remeasurement values for employee future benefits. These must be recorded directly to fund balances. Net positive ancillary activity of $3.8 million, together with a net $4.7-million surplus in donor funding for projects, offset this deficit.

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.

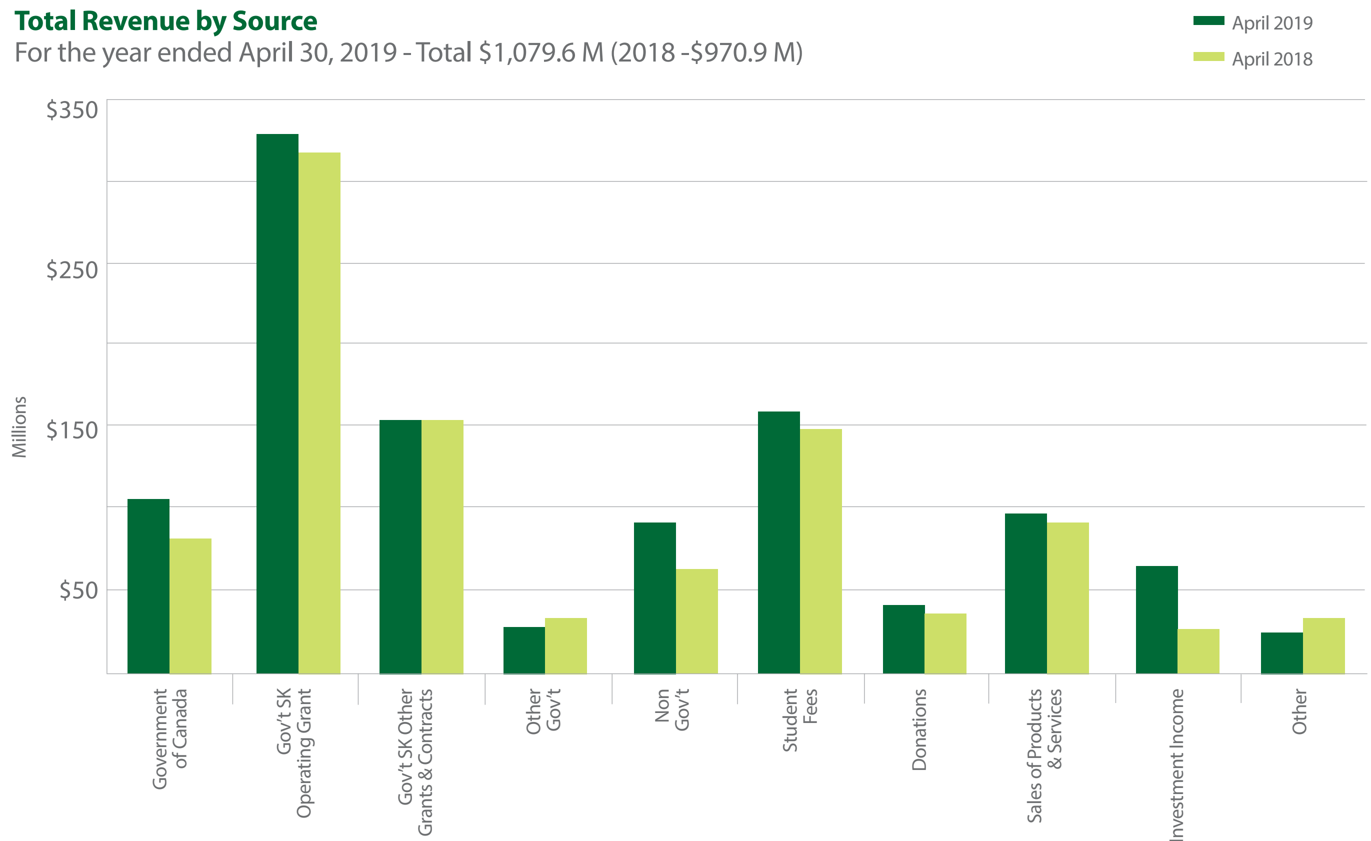
To add clarity within General Fund activity for financial statement readers, in the current year the university delineated the Operating Fund section of Schedule 1 General Fund into Operating, Obligations for Employment Benefits, Donor Funded Operating, and Specific Purpose. As at April 30, 2019, of the $63.5-million general fund balance, operating activities accounted for $8.1 million, funds received from donors had a cumulative fund balance of $45.6 million and specific purpose projects had an end of year fund balance of $47.9 million. These positive balances are offset by a deficit of $17.3 million for university obligations for employee benefits and a deficit of $20.8 million for cumulative operations in ancillary where in the past the university has self-funded capital infrastructure.

Revenues

University revenues have increased by $108.7 million or 11% over the prior year to a total of $1,079.6 million. This increase is comprised of a $57.7-million increase in grants and contracts, an increase in student fees of $11.1 million, a $38.2-million increase in investment returns, a $5.1-million increase in both donations and sales of services and products, and a $1.8-million increase in real estate income. These increases are offset by decreases in royalties and miscellaneous income in the amount of $10.3 million.

Total Revenue by Source

For the year ended April 30, 2019 - Total $1,079.6 M (2018 -$970.9 M)



Grants and contracts account for $700.5 million or 65% of total university revenues. These revenues increased by $57.7 million over the previous year. Federal government grants increased by $25.4 million over the prior year and non-government grants increased by $28.8 million as a result of CFI funding for operational and capital projects needs. Support from other governments decreased by $6.0 million while the funding from the Province of Saskatchewan increased by $9.5 million.

Two of the largest impacts increasing funding from the Federal Government are $7.4 million additional revenue from CFREF (the Canada First Research Excellence Fund) which funds collaborative food security and water security projects and $18.0 million (nil in the prior year) relating to the annual grant for the indirect costs involved in administering Tri-Agency awards. Funding letters are usually finalized and received prior to the year-end. The prior year's funding letter was finalized and received in May 2018 and, therefore, both current and prior year funding are recorded in the 2018/19 fiscal year.

During 2018/19 the Province of Saskatchewan provided the following funding adjustments to the university:

- the base operating grant of $300.0 million includes a 2% increase from the 2017/18 fiscal year;
- an additional $10.0 million was received, repaying the 2015-16 operating funding reduction, and
- $18.5 million of targeted funding was received, $18.3 million for the College of Medicine and $0.2 million for an initiative at the Western College of Veterinary Medicine.

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 includes a 2% fee escalation factor.

Student Fees

Student tuition and fees account for $158.0 million or 15% of total university revenues. These revenues increased by $11.1 million over the previous year. This increase is attributable to an average tuition rate increase of 4.8%. Additionally enrolment figures increased 3.25% from previous year to a total headcount of 25,703 students. The University of Saskatchewan will continue to follow its established principle-based approach in determining appropriate tuition rates for our colleges and schools.

Income From Investments

Investment income accounts for $63.3 million or 6% of total university revenues. These revenues increased by $38.3 million from the previous year. Overall investment returns for the current year were 7.5% compared to the 2.8% in the prior year.

Donations

Donations account for $39.7 million or 4% of total university revenues. These revenues increased by $5.1 million over the previous year. The increase is attributable to $2.4 million in identified support from donors being higher than what was experienced in the prior year and $3.4-million increase in gift-in-kind activity related to research projects.

Sales of Services and Products

Sales of services and products account for $95.2 million or 9% of total university revenues. These revenues increased by $5.1 million over the previous year resulting from increased demand for food and residence services, rate increases in parking and additional availability of ice rink services, with the opening of Merlis Belsher Place in October 2018. 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 and utilities.

Real Estate Income, Royalties and Miscellaneous Income

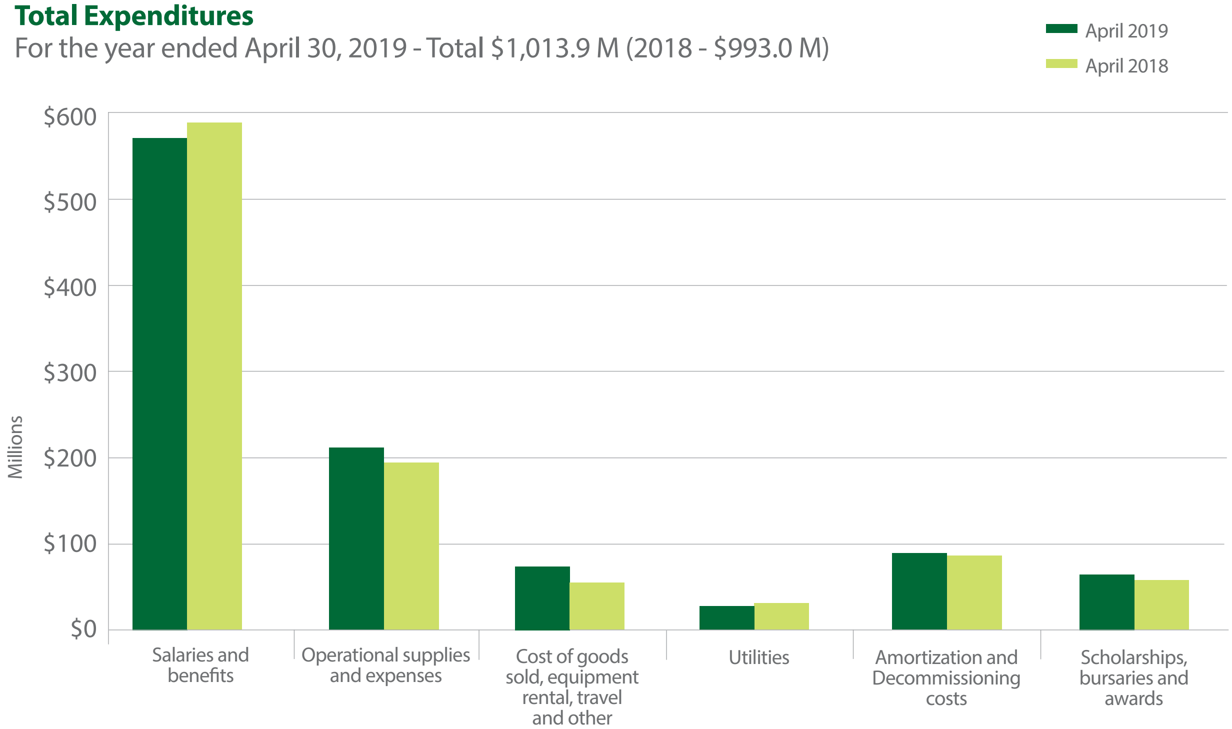
Real estate income, royalties and miscellaneous income account for $23.0 million or 2% of total university revenues. These revenues decreased by $8.5 million over the previous year. The decrease largely relates to the timing of royalty revenue on patents developed through VIDO-InterVac (the Vaccine and Infectious Disease Organization - International Vaccine Centre). The decrease was slightly offset by increased ice rink revenues, with the opening of Merlis Belsher Place in October 2018.

Expenses

University expenses have increased by $20.9 million or 2% over the prior year to a total of $1,013.9 million. If prior year one-time salary costs relating to voluntary exit plans for faculty and staff are factored out of comparatives, total expenses increased by $42.7 million or 4.4 % over the prior year.

Total Expenditures

For the year ended April 30, 2019 - Total $1,013.9 M (2018 - $993.0 M)



Salaries and Employee Benefits

Salaries and employee benefits account for $567.6 million or 56% of total university expenses. These costs decreased by $19.1 million over the previous year. Of this change, $21.8 million relates to the voluntary exit plans accrued in the prior year. Excluding this extraordinary item, salary and benefit costs increased by $2.7 million or 0.5% over the prior year.

Operational Supplies and Expenses

Operational supplies and expenses account for $206.5 million or 20% of total university expenses. These costs increased by $14.6 million or 8% compared to the previous year, primarily as a result of activities within major research projects.

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

Travel, costs of goods sold, maintenance, rental and renovations, interest and bad debt expenses account for $69.4 million or 7% of total university expenses. These costs increased by $19.1 million or 38% over the previous year. This increase is primarily attributable to the change in the value of interest rate swaps held throughout the year and coupon interest on the bond issued in 2018. 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 decreased below the negotiated price in the swap agreement, which resulted in a cost to the university of $2.6 million, compared to the previous year recovery of $9.6 million. The current year included $3 million in coupon interest. The remainder of the increase is widely dispersed across expenditure categories and is not related to any specific activity.

Utilities

Utilities account for $24.3 million or 2% of total university expenses. These costs decreased by $2.3 million or 9% over the previous year. The decrease is significantly attributable to agreements for natural gas commodity swaps that expired during the year or which will expire in the upcoming year (and therefore only had a partial year valuation at year end).

Amortization and Decommissioning Costs

Amortization accounts for the majority of the $85.6 million or 8% of total university expenses. These costs increased by $2.8 million or 3% 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 recent years.

Scholarships, Bursaries and Awards

Scholarships, bursaries and awards account for $60.5 million or 6% of total university expenses. These costs increased by $5.8 million or 11% over the previous year. The level of support provided to students through these awards has continued to increase from 37% of total tuition revenue in the previous year to 38% in the current year.

Comprehensive Budget

In 2016, the university began the Budget Framework Project (BFP) designed to improve budget-related processes, and identify related training and change management requirements. This framework will also identify and mitigate related risks and implement supporting technology to optimize the development and communication of university budgets and related activities.

Using interim processes designed under the BFP, the university developed its first comprehensive budget for the 2017-18 fiscal year. The same interim processes were used in the development of the 2018-19 comprehensive budget, which was approved by the Board of Governors in June of 2018. The development of a comprehensive budget is part of the university's continuous improvement process for strong financial stewardship. Overall, comprehensive 2018-19 financial results for the university were favourable as ending fund balances were $37.8 million higher than budgeted. A comparison of the 2018-19 comprehensive budget to actual results is as follows:

		Total for 2018-19	
	Budget	**Actual**	**Variance**
Revenues			
Grants and contracts	$ 637,971	$ 700,474	$ 62,503
Student fees	153,937	157,952	4,015
Donations	25,308	39,682	14,374
Income from investments	42,567	63,255	20,688
All other income	120,819	118,191	(2,628)
	980,602	1,079,554	98,952
Expenses			
Salaries & Benefits	572,316	567,617	(4,699)
Scholarships, bursaries and awards	46,732	60,514	13,782
Interest	1,817	10,579	8,762
Amortization	80,498	85,042	4,544
All other non-salary	270,332	290,194	19,862
	971,695	1,013,946	42,251
Net increase in fund balances for year	8,907	65,608	56,701
Fund balances, beginning of year	2,323,550	2,323,550	-
Employee future benefits remeasurements and other items	-	(18,913)	(18,913)
Fund balances, end of year	**$ 2,332,457**	**$ 2,370,245**	**$ 37,788**

Comprehensive revenues had a favourable variance of $99 million. A major contributing factor to the favourable variance was higher than anticipated grants and contracts within the research fund of $55.1 million that were not included in the initial budget. Additionally, in 2018-19, the university realized higher than anticipated tuition and investment income and successful fundraising efforts led to additional donation revenues. Lower than expected other income partially offset these favourable variances.

Comprehensive expenses had an unfavourable variance of $42.3 million. Overall expenditures in the research fund were $29.3 million higher than budgeted resulting from increased grants and contracts activity. Increases in student scholarships, bursaries and awards, interest expense (recovery), due to decreases in the valuation of interest rate swaps, and other non-salary expenditures were also significant factors in the unfavourable variance. A favourable variance in salaries and benefits expenses partially offset these variances.

Employee future benefits remeasurements of $(18.9) million were recognized directly in fund balances as a separately identified line item and resulted in an unfavourable variance.

Consolidated Financial Statements
2018/19

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, 2019 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 internal audit.

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, 2019 have been reported on by the Provincial Auditor of the Province of Saskatchewan, the external auditor appointed under The University of Saskatchewan Act, 1995. The Auditor's Report outlines the scope of her examination and provides her opinion on fairness of presentation of the information in the financial statements.

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

The current year's audit by the Provincial Auditor 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

Opinion

We have audited the consolidated financial statements of the University of Saskatchewan, which comprise the consolidated statement of financial position as at April 30, 2019, and the consolidated statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Saskatchewan as at April 30, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the University of Saskatchewan in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the University of Saskatchewan Annual Report 2018-19, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities in the group audit to express an opinion on the University's consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We are solely responsible for the auditor's opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

Judy Ferguson

Regina, Saskatchewan
July 31, 2019

Judy Ferguson, FCPA, FCA
Provincial Auditor
Office of the Provincial Auditor

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UNIVERSITY OF SASKATCHEWAN

Statement 1

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

	General	Restricted	Endowment	Total 2019	Total 2018
Current Assets					
Cash and short-term investments (Note 4)	$ (129,730)	$ 219,045	$ 1,872	$ 91,187	$ 21,821
Accounts receivable (Note 5)	27,415	184,694	20	212,129	191,143
Inventories (Note 6)	14,377	-	-	14,377	14,006
Prepaid expenses	12,277	134	-	12,411	11,504
Risk Management Assets (Note 13)	-	-	-	-	589
	(75,661)	403,873	1,892	330,104	239,063
Long-Term Assets					
Long-term accounts receivable (Note 7)	-	21,379	-	21,379	21,680
Long-term investments (Note 8)	260,862	133,097	398,744	792,703	881,632
Other assets	966	1,161	682	2,809	2,911
Capital assets (Note 9)	-	1,575,269	-	1,575,269	1,568,032
	261,828	1,730,906	399,426	2,392,160	2,474,255
	$ 186,167	**$ 2,134,779**	**$ 401,318**	**$ 2,722,264**	**$ 2,713,318**
Current Liabilities					
Accounts payable and accrued liabilities (Note 10)	$ 64,128	$ 11,189	$ -	$ 75,317	$ 111,437
Deferred revenue (Note 11)	34,029	-	-	34,029	35,672
Loans (Note 12)	101	-	-	101	114
Risk management liabilities (Note 13)	3,250	17,086	84	20,420	20,371
Current portion - long-term debt (Note 14)	-	11,506	-	11,506	11,316
Current portion - employee future benefits (Note 15)	1,300	-	-	1,300	1,344
Current portion - capital lease obligation (Note 16)	9	-	-	9	-
	102,817	39,781	84	142,682	180,254
Long-Term Liabilities					
Long-term debt (Note 14)	-	180,201	-	180,201	191,695
Long-term accrued liabilities	2,906	-	-	2,906	7,389
Employee future benefits (Note 15)	16,181	-	-	16,181	563
Capital lease obligation (Note 16)	44	-	-	44	-
Accrued decommissioning costs (Note 17)	-	9,291	-	9,291	9,153
Other long-term liabilities	714	-	-	714	714
	19,845	189,492	-	209,337	209,514
Fund Balances					
Externally restricted funds (Note 20)	-	416,493	205,812	622,305	558,889
Externally restricted permanent endowments (Note 20)	-	-	144,656	144,656	144,305
Internally restricted funds (Note 21)	77,451	47,437	50,766	175,654	236,875
Invested in capital assets	-	1,441,576	-	1,441,576	1,426,373
Unrestricted funds (deficiency) (Note 22)	(13,946)	-	-	(13,946)	(42,892)
	63,505	1,905,506	401,234	2,370,245	2,323,550
	$ 186,167	**$ 2,134,779**	**$ 401,318**	**$ 2,722,264**	**$ 2,713,318**

Commitments and Contingencies (Note 23)

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 2019	Total 2018
Revenues					
Grants and contracts					
Government of Canada	$ 3,538	$ 101,580	$ -	$ 105,118	$ 79,717
Government of Saskatchewan	414,956	65,159	-	480,115	470,588
Other governments	22,563	2,918	-	25,481	31,489
Non-government	7,028	82,732	-	89,760	60,972
Student fees	157,952	-	-	157,952	146,854
Donations	5,026	27,455	7,201	39,682	34,610
Sales of services and products	95,139	24	-	95,163	90,126
Income from investments	29,520	19,300	14,435	63,255	24,968
Real estate income	7,804	282	2	8,088	6,309
Royalties	8,233	15	194	8,442	18,696
Miscellaneous income	6,462	36	-	6,498	6,569
	758,221	299,501	21,832	1,079,554	970,898
Expenses					
Salaries (Note 31)	425,482	74,441	-	499,923	520,251
Employee benefits (Note 24)	60,129	7,566	-	67,695	66,447
Operational supplies and expenses	154,902	51,589	8	206,499	191,905
Travel	11,975	8,404	-	20,379	20,345
Cost of goods sold	16,809	1	-	16,810	15,017
Maintenance, rental and renovations	15,196	4,823	-	20,019	17,848
Utilities	22,509	1,765	-	24,274	26,602
Amortization	-	85,042	-	85,042	82,318
Scholarships, bursaries and awards	4,868	55,647	-	60,515	54,685
Interest (Note 25)	5	10,574	-	10,579	(4,326)
Bad debt expense	1,588	2	-	1,590	1,398
Decommissioning costs (Note 17)	-	621	-	621	534
	713,463	300,475	8	1,013,946	993,024
Excess (deficiency) of revenues over expenses	44,758	(974)	21,824	65,608	(22,126)
Interfund transfers (Note 28)	(35,775)	34,518	1,257	-	-
Net increase (decrease) in fund balances for year	8,983	33,544	23,081	65,608	(22,126)
Fund balances, beginning of year	73,435	1,871,962	378,153	2,323,550	2,333,388
Employee future benefits remeasurements and other items	(18,913)	-	-	(18,913)	12,288
Fund balances, end of year	**$ 63,505**	**$ 1,905,506**	**$ 401,234**	**$ 2,370,245**	**$ 2,323,550**

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 2019	Total 2018
Operating Activities					
Excess (Deficiency) of revenues over expenses	$ 44,758	$ (974)	$ 21,824	$ 65,608	$ (22,126)
Add (deduct) non-cash items:					
Amortization of capital assets	-	85,042	-	85,042	82,318
Amortization of decommissioning costs	-	541	-	541	438
Amortization of bond issuance cost	-	12	-	12	16
Change in unrealized fair value of investments	10,758	(6,611)	30,485	34,632	47,671
Change in fair value of risk management asset/liability	(2,357)	2,644	351	638	(11,814)
Loss on disposal of capital assets	-	101	-	101	(80)
Employee future benefits expense	361	-	-	361	572
Contributions for endowments and other asset purchases	(1,327)	(3,936)	(7,060)	(12,323)	(3,932)
Decrease (increase) in non-cash working capital (Note 18)	(19,927)	(40,897)	-	(60,824)	34,880
Decrease (increase) in grants and contracts related to research and other project receivables	10	291	-	301	8,262
Employee future benefits contributions	(2,903)	-	-	(2,903)	(6,178)
	29,373	36,213	45,600	111,186	130,027
Investing Activities					
Sale (Purchase) of investments	81,417	31,821	(54,473)	58,765	(2,230)
(Increase) decrease in other assets	(23)	125	-	102	(122)
Purchase of capital assets	-	(91,827)	-	(91,827)	(171,074)
Change in other long-term liabilities	(4,483)	-	-	(4,483)	(7,570)
	76,911	(59,881)	(54,473)	(37,443)	(180,996)
Financing Activities					
Contributions of cash for endowments	-	-	6,899	6,899	2,377
Proceeds from issuance of long-term debt	-	-	-	-	84,347
Proceeds from capital lease	54	-	-	54	-
Repayment of loans	(13)	-	-	(13)	(14)
Repayment of long-term debt	-	(11,316)	-	(11,316)	(11,096)
Repayment of capital lease obligation	(1)	-	-	(1)	-
	40	(11,316)	6,899	(4,377)	75,614
Net increase (decrease) in cash	106,324	(34,984)	(1,974)	69,366	24,645
Interfund transfers	(35,775)	34,518	1,257	-	-
Cash (bank indebtedness), beginning of year	(200,279)	219,511	2,589	21,821	(2,824)
Cash (bank indebtedness), end of year	**$ (129,730)**	**$ 219,045**	**$ 1,872**	**$ 91,187**	**$ 21,821**

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, 2019
($ 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 to 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 accounting standards 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, 2018.
   - Canadian Light Source Inc. (CLSI), a not-for-profit corporation incorporated under *The Non-profit Corporations Act, 1995* whose sole member is the University of Saskatchewan. The company's mandate is to advance Canadian scientific and industrial capabilities in synchrotron science and technical applications. The company is responsible for the operation and conduct of all activities related to the university's synchrotron light facility, its operation and performance. This entity's year end for consolidation purposes is March 31, 2019.
   - Prairie Swine Centre Inc. (PSCI), a not-for-profit corporation incorporated under *The Non-profit Corporations Act, 1995* whose membership is restricted to the members of the Board of Governors of the University of Saskatchewan. The company is engaged in research, education and technology transfer related to pork production in Canada. This entity's year end for consolidation purposes is June 30, 2018.
   - 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, 2018.
   - 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, 2019.

   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 accounts for the university's program delivery, service and administrative activities. This fund is classified as Operating and Ancillary, with the Operating Fund further delineated between Operating, Institutional Obligations for Employment Benefits, Donor Funded and Specific Purpose.

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

Operating funds account for the university's functions of instruction (including academic support services), administrative services, plant maintenance and other operating activities. These funds hold unrestricted resources and funds internally restricted by the university, such as faculty and department carryforwards.

Institutional Obligations for Employment Benefits funds account for university commitments defined by the collective agreements or employment contracts. These requirements include the accrued pension benefit liability or asset, earned but unpaid vacation, and funding required by collective agreements or employment contracts for employment related activities such as professional expense funds.

Donor Funded Operating funds record the revenue from donations provided for institutional or college use.

Specific Purpose funds account for activities that complement institutional operations. These projects involve athletics, non-credit instruction, continuing professional education programs, medical clinical services, fee-for-service activities, etc.

The Ancillary Fund provides goods and services to the university community, which are supplementary to the functions of instruction and research. These essential supports, which include student residences, bookstores, food services, parking, utilities and other business services, are expected to operate on a self-sustaining 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 Fund 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 fundraising 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 and Restricted Fund resources are recorded in the appropriate Fund according to the restrictions mandated.

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

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 accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

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

Buildings	40 years
CLSI facility retirement costs	25 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

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

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.

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 assets and 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 principal 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.

l) Future Changes in Accounting Policies

In March 2018, the Accounting Standards Board issued three new accounting standards in Part III (Accounting Standards for Not-for-Profit Organizations) of the Chartered Professional Accountants Canada Handbook:

- Section 4433 Tangible Capital Assets Held by Not-for-Profit Organizations
- Section 4434 Intangible Assets Held by Not-for-Profit Organizations
- Section 4441 Collections Held by Not-for-Profit Organizations

These changes are effective for fiscal years starting on or after January 1, 2019, which is the university's April 30, 2020 fiscal year. The university is still assessing the impact of these changes on its financial statements.

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 university has no economic interest in the corporation.

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	
	2019	**2018**
Cash	$ 90,363	$ 20,961
Short-term investments	824	860
	$ 91,187	**$ 21,821**

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	
	2019	**2018**
General	$ 17,283	$ 19,071
Investment income	687	1,026
Grants and contracts related to general funds	6,819	5,587
Grants and contracts related to student financial aid	1,359	1,262
Grants and contracts related to research	127,328	106,130
Grants and contracts related to capital	26,471	34,042
Other restricted	29,328	17,504
Other unrestricted	3,978	4,891
Student fees	1,777	4,181
Student loans	255	244
Allowance for doubtful accounts	(3,156)	(2,795)
	$ 212,129	**$ 191,143**

6. Inventories

	April 30			
	2019			2018
	Beginning of Year	Net Change	End of Year	End of Year
College of Agriculture and Bioresources	$ 1,252	$ 31	$ 1,283	$ 1,252
College of Dentistry	263	179	442	263
Western College of Veterinary Medicine	1,147	(591)	556	1,147
Consumer Services	2,989	(7)	2,982	2,989
Facilities	2,215	(110)	2,105	2,215
Vaccine and Infectious Disease Organization (VIDO)	222	(69)	153	222
Livestock and Forage Centre of Excellence (LFCE)	1,749	943	2,692	1,749
Other	425	(61)	364	425
Subsidiaries				
Canadian Light Source Inc.	3,310	17	3,327	3,310
Prairie Swine Centre Inc.	434	39	473	434
	$ 14,006	**$ 371**	**$ 14,377**	**$ 14,006**

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	
	2019	2018
2020	$ -	$ 13,444
2021	12,481	5,277
2022	5,869	1,491
2023	2,529	968
2024	500	500
	$ 21,379	**$ 21,680**

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, 2019				
	FI	LT	LTDS	Other	Total
Government and corporate bonds	$ 110,589	$ -	$ -	$ 2,881	$ 113,470
Government and corporate bonds pooled funds	-	152,830	526	-	153,356
Canadian equities	-	74,523	-	948	75,471
Canadian equities pooled funds	-	22,813	880	-	23,693
Foreign equities	-	3,709	-	1,203	4,912
Foreign equities pooled funds	-	317,058	346	1,260	318,664
Real estate pooled funds	-	88,041	-	-	88,041
Cash, short-term investments and other assets	5,179	9,858	5	54	15,096
	$ 115,768	**$ 668,832**	**$ 1,757**	**$ 6,346**	**$ 792,703**

	April 30, 2018				
	FI	LT	LTDS	Other	Total
Government and corporate bonds	$ 136,441	$ -	$ -	$ 3,402	$ 139,843
Government and corporate bonds pooled funds	-	175,214	259	-	175,473
Canadian equities	-	88,828	-	770	89,598
Canadian equities pooled funds	-	29,407	655	-	30,062
Foreign equities	-	135,007	-	997	136,004
Foreign equities pooled funds	-	206,788	252	1,205	208,245
Real estate pooled funds	-	93,692	-	-	93,692
Cash, short-term investments and other assets	4,574	3,890	136	115	8,715
	$ 141,015	**$ 732,826**	**$ 1,302**	**$ 6,489**	**$ 881,632**

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. Other income includes interest from student and general accounts receivables, short-term investments and income earned on segregated investments. Segregated investments include investments in individual bonds and equities that are not pooled with the remaining investment assets due to the terms of reference of the individual funds. Segregated investments also include the Student Managed Portfolio Trust managed by Edwards School of Business students and faculty.

8. Long-term Investments (continued)

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.

9. Capital Assets

	April 30			
	2019			2018
	Cost	**Accumulated Amortization**	**Net Book Value**	**Net Book Value**
Buildings	$ 1,836,279	$ 599,632	$ 1,236,647	$ 1,163,660
CLSI facility retirement costs	5,917	2,856	3,061	3,484
Fedoruk Centre facility retirement costs	673	46	627	609
Site improvements	205,645	85,458	120,187	104,188
Computers	147,588	135,303	12,285	13,832
Equipment and furnishings	463,135	368,698	94,437	96,295
Land	10,592	-	10,592	10,249
Construction in progress	84,528	-	84,528	162,406
Library materials	159,598	146,749	12,849	13,296
	2,913,955	1,338,742	1,575,213	1,568,019
Assets acquired under capital lease obligation				
Computers	47	47	-	-
Equipment and furnishings	798	742	56	13
	$ 2,914,800	**$ 1,339,531**	**$ 1,575,269**	**$ 1,568,032**

10. Accounts Payable and Accrued Liabilities

	April 30 2019	April 30 2018
Non-governmental accounts payable and accrued liabilities	$ 63,074	$ 88,667
Incentivized voluntary exit programs for faculty and staff	-	9,430
College of Medicine voluntary severance package	4,624	6,260
Government remittances		
Sales taxes	465	345
Payroll related taxes	7,154	6,735
	$ 75,317	**$ 111,437**

11. Deferred Revenue

	April 30 2019	April 30 2018
Student fees	$ 5,365	$ 5,862
Unearned revenue—ancillary operations	6,529	6,602
Deferred contributions	22,135	23,208
	$ 34,029	**$ 35,672**

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

Unearned revenue—ancillary operations relates to fees received prior to April 30th 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, 2019, there was no borrowing outstanding under the facility (2018 – $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, 2019 $101 (2018 - $114) was drawn and outstanding on the term loan.

13. Risk Management Assets and Liabilities

	Assets April 30		Liabilities April 30	
	2019	2018	2019	2018
Natural gas commodity swap agreements (a)	$ -	$ -	$ 3,192	$ 5,876
Interest rate swap agreements (b)	-	-	17,069	14,495
Foreign currency hedge agreements (c)	-	589	159	-
	$ -	**$ 589**	**$ 20,420**	**$ 20,371**

13. Risk Management Assets and 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	
		2019	2018
Royal Bank of Canada - November 15, 2010 agreement	(i)	$ 1,794	$ 2,851
Royal Bank of Canada - December 16, 2010 agreement	(ii)	620	1,690
Bank of Montreal - July 29, 2014 agreement	(iii)	-	385
Bank of Montreal - April 23, 2015 agreement	(iv)	148	236
Royal Bank of Canada - April 23, 2015 agreement	(iv)	149	237
Canadian Imperial Bank of Canada - August 10, 2015 agreement	(v)	481	477
		$ 3,192	**$ 5,876**

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, 2017 and October 31, 2020 at rates from $5.91/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, 2017 and October 31, 2019 at rates from $5.87/GJ to $6.27/GJ.

iii) A natural gas commodity agreement entered into July 29, 2014 which fixes the natural gas rates on a notional quantity of 725 GJ of natural gas per day between November 1, 2017 and October 31, 2018 at a rate of $3.92/GJ.

iv) 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.

v) 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 $(2,684) (2018 - $(28)).

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	
		2019	2018
Stadium parkade	(vi)	$ 1,663	$ 1,630
Annual sustaining capital borrowing	(vii)	536	588
College Quarter undergraduate residence	(viii)	8,093	6,921
College Quarter graduate residence	(ix)	6,754	5,593
Academic Health Sciences	(x)	23	(237)
		$ 17,069	**$ 14,495**

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

vi) Interest rate of 5.79%; agreement terminates September 2029.

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

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

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

x) 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 25 Interest Expense (Recovery)) is $2,574 (2018 - $(9,583)).

c) Foreign currency hedge agreements

To manage the foreign exchange rate exposure associated with investments in the CBRE Global Investors – Pan European Core Fund the university actively enters into 3-month rolling foreign currency hedge agreements with RBC Investor Services Trust (RBC-IST). The following foreign currency hedge agreement was in place with RBC-IST at April 30:

	April 30 2019		April 30 2018	
	Notional value	Fair value	Notional value	Fair value
RBC Foreign Currency Hedge Agreement	$ 45,134	$ (159)	$ 43,718	$ 589

The fair value for the foreign currency hedge agreement is determined by mark-to-market valuations provided by RBC-IST. At April 30, 2019, 29,801 Euro were hedged per the agreement (2018 – 28,112 Euro) with a base foreign currency rate of 1.509 (2018 – 1.576). At April 30, 2019 this agreement had a notional value of $45,134 (2018 – $43,718), and its fair value approximated an unrealized gain of $(159) (2018 – $589). The unrealized gain at April 30, 2019 has been reflected in investment income in the Statement of Operations and Changes in Fund Balances, as well as in Risk Management Assets or Liabilities presented on the Statement of Financial Position.

14. Long-term Debt

		April 30	
		2019	2018
Academic Health Sciences	(a)	$ 22,000	$ 28,000
Stadium Parkade	(b)	8,175	8,725
Annual Sustaining Capital Borrowing	(c)	11,761	14,640
College Quarter Undergraduate Residence	(d)	37,354	38,616
College Quarter Graduate Residence	(e)	28,042	28,667
Senior notes issued 2018	(f)	85,000	85,000
		192,332	203,648
Less: net unamortized debt issue costs		(625)	(637)
		191,707	203,011
Less: Current Portion		(11,506)	(11,316)
		$ 180,201	**$ 191,695**

a) 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.

b) 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, at which time the agreement will be renewed.

c) 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, at which time the agreement will be renewed. 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.

d) 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, at which time the agreement will be renewed.

e) 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, at which time the agreement will be renewed.

f) Unsecured debentures issued April 4, 2018, bearing interest at a rate of 3.472% payable in equal semi-annual payments, maturing in April 4, 2058; debt incurred to finance various capital projects. In accordance with Order-in-Council 37/2018, the university established an internally held and administered sinking fund within the Capital Fund that will be used exclusively for the purpose of the retirement of the securities upon maturity. The value of the fund at April 30, 2019 is $1,246 (2018 - $579). Included in interest expense is $16 (2018 - $16) for amortized debt issuance costs.

Principal and voluntary sinking fund payments due over the next five years are as follows:

2020	$ 12,147
2021	11,814
2022	11,536
2023	8,851
2024	5,210
	$ 49,558

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, 2017 for all three of the plans (the next required actuarial valuation filing for all three plans is December 31, 2020).

The total expense for the university's defined contribution plans for the year is $23,906 (2018 - $23,440).

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, 2018 (extrapolated to April 30, 2019). The measurement date of the actuarial valuations for the accrued benefit obligations for the other post-retirement benefits is April 30, 2019.

Information about the university's benefit plans are as follows:

	2019			2018		
	Defined Pension Plans	**Other Post Retirement Benefits**	**Total**	**Defined Pension Plans**	**Other Post Retirement Benefits**	**Total**
Plan assets						
Fair value at beginning of year	$ 594,488	$ -	$ 594,488	$ 558,629	$ -	$ 558,629
Actual return on plan assets	(13,462)	-	(13,462)	48,209	-	48,209
Employer contributions	10,475	1,300	11,775	12,893	1,344	14,237
Employee contributions	5,920	-	5,920	6,438	-	6,438
Benefits paid	(37,692)	(1,300)	(38,992)	(31,681)	(1,344)	(33,025)
Fair value at end of year	**$ 559,729**	**$ -**	**$ 559,729**	**$ 594,488**	**$ -**	**$ 594,488**
Accrued benefit obligations						
Accrued benefit obligation at beginning of year	$ 568,426	$ 12,071	$ 580,497	$ 548,033	$ 13,069	$ 561,102
Current service cost	14,437	685	15,122	13,354	1,342	14,696
Interest cost	31,406	419	31,825	31,309	379	31,688
Benefits paid	(37,692)	(1,300)	(38,992)	(31,681)	(1,344)	(33,025)
Actuarial (gains) losses	(18,119)	(1,003)	(19,122)	7,412	(1,323)	6,089
Gain on plan curtailments	-	-	-	-	(52)	(52)
Accrued benefit obligation at end of year	**$ 558,458**	**$ 10,872**	**$ 569,330**	**$ 568,427**	**$ 12,071**	**$ 580,498**

(chart continued on following page)

15. Employee Future Benefits (continued)

	2019			2018		
	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	$ 559,729	$ -	$ 559,729	$ 594,488	$ -	$ 594,488
Accrued benefit obligation, end of year	558,458	10,872	569,330	568,427	12,071	580,498
Valuation allowance	(7,880)	-	(7,880)	(15,897)	-	(15,897)
Accrued benefit asset (liability), net of valuation allowance	**$ (6,609)**	**$ (10,872)**	**$ (17,481)**	**$ 10,164**	**$ (12,071)**	**$ (1,907)**
Current portion	$ -	$ (1,300)	$ (1,300)	$ -	$ (1,344)	$ (1,344)
Long-term portion	(6,609)	(9,572)	(16,181)	10,164	(10,727)	(563)
	$ (6,609)	**$ (10,872)**	**$ (17,481)**	**$ 10,164**	**$ (12,071)**	**$ (1,907)**
Benefit plan (income) expense:						
Current service cost, net of employee contributions	$ 8,517	$ 685	$ 9,202	$ 6,916	$ 1,342	$ 8,258
Interest on benefit obligation	31,406	419	31,825	31,309	379	31,688
Interest on asset (liability) obligation	(32,751)	-	(32,751)	(32,037)	-	(32,037)
	$ 7,172	**$ 1,104**	**$ 8,276**	**$ 6,188**	**$ 1,721**	**$ 7,909**
Remeasurements and other items:						
Actual return on plan assets	$ 13,462	$ -	$ 13,462	$ (48,209)	$ -	$ (48,209)
Actuarial (gain) loss on accrued benefit obligation	(18,119)	(1,003)	(19,122)	7,412	(1,323)	6,089
Interest on asset (liability) obligation	32,751	-	32,751	32,037	-	32,037
Gain on plan curtailments	-	-	-	-	(52)	(52)
Increase (decrease) in valuation allowance	(8,017)	-	(8,017)	(2,341)	-	(2,341)
	$ 20,077	**$ (1,003)**	**$ 19,074**	**$ (11,101)**	**$ (1,375)**	**$ (12,476)**

15. Employee Future Benefits (continued)

Actuarial assumptions (weighted average as of April 30)

	2019		2018	
	Defined Pension Plans	Other Post Retirement Benefits	Defined Pension Plans	Other Post Retirement Benefits
Discount rate	5.8%	3.1%	5.6%	3.5%
Compensation increase	2.7%	-	2.7%	-
Health care cost trend rate	-	4.0%	-	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

	2019		2018	
	Defined Pension Plans	Other Post Retirement Benefits	Defined Pension Plans	Other Post Retirement Benefits
Fixed income	36.6%	-	38.5%	-
Equities	62.5%	-	60.5%	-
Other	0.9%	-	1.0%	-
Total	100.0%	-	100.0%	-

16. Capital Lease Obligation

Prairie Swine Centre Inc. has entered into a lease with National Feeders, payable in equal instalments of $1 including interest of 7.12% implicit in the lease, due May 2023, with the feeders having a net book value of $47, pledged as collateral.

	April 30	
	2019	2018
Capital lease	$ 53	$ -
Less: current portion	(9)	-
	$ 44	$ -

This agreement is recognized in the financial statements of the university as an asset acquired under capital lease obligations. Future minimum lease payments are as follows:

2019	$ 13
2020	13
2021	13
2022	13
2023	11
	63
Less: imputed interest	(10)
	53
Less: current portion	(9)
	$ 44

17. Decommissioning Costs

		April 30	
		2019	2018
CLSI	(a)	$ 8,567	$ 8,482
The Fedoruk Centre	(b)	724	671
		$ 9,291	**$ 9,153**

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, 2019 the university provided a guarantee of $10,549 through a non-revolving demand facility with the Royal Bank of Canada. This amount is amended every 5 years with the last amendment occurring on 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 25-year period from commencement of operations and anticipates the future cash flows required to decommission the facility to be $10,281.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk free interest rate of 1.8% (2018 – 2.3%) and an inflation rate estimate of 0.9% (2018 – 1.3%). The change in cost estimate resulted in a $106 decrease to both the accrued decommissioning costs and the deferred decommissioning costs. The current year decommissioning costs of $587 (2018 - $493) include amortization of deferred decommissioning costs of $316 (2018 - $224) and costs associated with a financial guarantee to the CNSC of $80 (2018 - $77). A reconciliation of the accrued decommissioning costs is as follows:

	April 30	
	2019	2018
Accrued decommissioning costs, beginning of year	$ 8,482	$ 8,392
Accretion expense	191	190
Adjustment due to changes in assumptions	(106)	(100)
Accrued decommissioning costs, end of year	**$ 8,567**	**$ 8,482**

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. The Fedoruk Centre expects the facility to operate for a 40-year period, which commenced during the previous fiscal year, and the future cash flows required to decommission the facility are expected to be $1,132.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk free interest rate of 2.13% (2018 – 2.7%) and an inflation rate estimate of 0.9% (2018 - 1.3%). The change in cost estimate resulted in a $35 increase to both the accrued decommissioning costs and deferred decommissioning costs. The current year decommissioning costs of $35 (2018 - $41) include amortization of deferred decommissioning costs of $16 (2018 - $15). A reconciliation of the accrued decommissioning costs is as follows:

	April 30	
	2019	2018
Accrued decommissioning costs, beginning of year	$ 671	$ 500
Adjustment due to prior year change in estimate of decommissioning costs	-	113
Accretion expense	18	16
Adjustment due to changes in assumptions	35	42
Accrued decommissioning costs, end of year	**$ 724**	**$ 671**

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

	April 30				
	General	Restricted	Endowment	Total 2019	Total 2018
Accounts receivable	$ 4,575	$ (25,561)	$ -	$ (20,986)	$ (653)
Inventories	(371)	-	-	(371)	(914)
Prepaid Expenses	(915)	8	-	(907)	10
Accounts payable and accrued liabilities	(21,573)	(15,344)	-	(36,917)	33,020
Deferred revenue	(1,643)	-	-	(1,643)	3,417
	$ (19,927)	**$ (40,897)**	**$ -**	**$ (60,824)**	**$ 34,880**

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 its strategic priorities.

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 or the Lieutenant Governor in Council 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	
	2019	2018
Restricted Fund		
Capital Fund	$ 37,530	$ 37,383
Student Financial Aid Fund	50,863	46,828
Research Fund	328,100	289,645
	416,493	373,856
Endowment Fund		
Endowed contributions - term	50,304	43,317
Capitalized endowment earnings	155,508	141,716
	205,812	185,033
	622,305	558,889
Endowment Fund		
Endowed contributions - permanent	144,656	144,305
Total externally restricted fund balances	**$ 766,961**	**$ 703,194**

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 2019	April 30 2018
General Fund		
Operating	$ 1,219	$ 23,267
Institutional Obligations for Employment Benefits	(17,285)	782
Donor Funded	45,651	40,796
Specific Purpose	47,866	51,482
	77,451	116,327
Restricted Fund		
Capital Fund - Other	4,435	27,629
Capital Fund - Sinking Fund	1,246	579
Capital Fund	5,681	28,208
Student Financial Aid Fund	9,395	11,080
Research Fund	32,361	32,445
	47,437	71,733
Endowment Fund		
Endowed contributions	27,452	27,433
Capitalized endowment earnings	23,314	21,382
	50,766	48,815
Total internal restricted fund balances	$ 175,654	$ 236,875

22. Unrestricted Funds (Deficiency)

	April 30 2019	April 30 2018
General Fund		
Operating Fund	$ 6,851	$ (18,280)
Ancillary Fund	(20,797)	(24,612)
Total unrestricted funds (deficiency)	$ (13,946)	$ (42,892)

23. Commitments and Contingencies

a) **Capital projects**
With significant commitments relating to the Health Sciences A-wing renovation, Ag Greenhouse Modernization, and the WCVM One Health Imaging and Pet-CT project, Murray Library Renovation project and SPO-Alumni and Donor database upgrade, the estimated cost of contractual commitments to complete capital projects as at April 30, 2019 is approximately $14,203 (2018 - $35,654).

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:

23. Commitments and Contingencies (continued)

2020	$	4,259
2021		3,068
2022		2,728
2023		1,410
2024		753

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 credit facilities with TD Canada Trust and the First Nations Bank of Canada utilizing floating rate financing that, at April 30, 2019, totaled $15,962 (2018 - $16,306) and expires May 2019. Subsequently, the USSU renegotiated another one-year term on the credit facilities. The floating interest rate is managed through interest rate swap agreements with notional amounts of $10,474 terminating in June 2040 and $5,488 terminating in January 2041. The fair value of the interest rate swaps as determined by TD Canada Trust at April 30, 2019 was $4,392 (2018 - $3,818).

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 18 / Oct 19	50 - 75	74	5.27
1	Nov 19 / Oct 20	50 - 75	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, 2019 is $4,371 (2018 - $8,208).

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, 2019, 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 64 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, 2018 CURIE had an accumulated surplus of $79,338 (2017 - $81,232) of which the university's pro-rata share is approximately 4.09% (2017 – 4.11%).

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.

24. Employee Benefits

	April 30	
	2019	**2018**
Pension expense - defined benefit (Note 15)	$ 7,172	$ 6,188
Pension expense - defined contribution (Note 15)	23,906	23,440
Employee future benefits (Note 15)	1,104	1,721
All other employee benefits	35,513	35,098
	$ 67,695	**$ 66,447**

25. Interest Expense (Recovery)

	April 30	
	2019	**2018**
Interest expense	$ 8,005	$ 5,257
Increase (decrease) in fair value of interest rate swap agreements (Note 13 b)	2,574	(9,583)
	$ 10,579	**$ (4,326)**

26. Gifts-in-kind and Donation Pledges

Gifts-in-kind consist of the following:

	April 30	
	2019	**2018**
Works of art	$ 189	$ 55
Equipment and furnishings	56	3
Investments	4,533	3,981
Library holdings	40	2
Research project contributions	8,762	4,001
Other	550	989
	$ 14,130	**$ 9,031**

Donations pledged but not received as at April 30, 2019 totaled $33,578 (2018 - $31,905). These pledges are expected to be honoured during the subsequent five-year period and will be recorded as revenue when received.

27. 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.

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.

	Operating	Ancillary	Student Financial Aid	Research	Endowment	Capital
Salary and benefits	$ (2,220)	$ (32)	$ 36	$ 2,244	$ -	$ (28)
Loan and interest payments	1,172	(6,988)	-	-	-	5,816
Capital acquisition and related funding	(23,547)	(7,691)	(157)	(17,653)	495	48,554
Scholarships, bursaries and awards	(15,530)	-	-	-	-	-
Fund transfers for Endowment	732	-	15,530	-	-	-
Funding for Research	(5,396)	-	(55)	-	(677)	-
Administrative support for research	21,295	-	(485)	5,881	-	-
Funding for General operating expenses	2,768	(2,768)	-	(21,295)	-	-
Contingency transfers	2,844	30	-	-	-	(2,875)
Recapitalized spending to Endowment Funds	(444)	-	(273)	(722)	1,439	-
April 30, 2019	**$ (18,326)**	**$ (17,449)**	**$ 14,596**	**$ (31,545)**	**$ 1,257**	**$ 51,467**
April 30, 2018	**$ (18,686)**	**$ (16,830)**	**$ 13,279**	**$ (54,178)**	**$ 4,446**	**$ 71,969**

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	
	2019	**2018**
Sales of services and products—physicians' billings	$ 3,685	$ 4,280
Expenses		
Utilities	18,242	18,024
Various	41,641	45,729
Accounts receivable	45,607	40,150
Accounts payable and accrued liabilities	3,507	4,222
Deferred revenue	7,819	7,822

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 provided services of $30 (2018 - $78) as well as provided funding to CIIC in the amount of $370, on a non-repayable basis. In addition to this funding, CLSI loaned funds to CIIC totaling $502 (2018 - $700), payable on demand. CLSI determined all amounts owed from CIIC were not collectable and expensed bad debts of $502 (2018 - $700).

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.

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.

30. Financial Instruments (continued)

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

b) Fair value of financial instruments
The carrying values of all financial instruments approximate fair value as at April 30, 2019.

31. Salaries

As a result of the university's incentivized voluntary exit plans offered to faculty and staff, salaries expense included one-time termination expenses totaling $Nil (2018 - $21,840). The purpose of the plans are to reduce salary costs in future periods.

32. Subsequent Events

On July 9 the university Board of Governors approved an amendment to close the University of Saskatchewan and Federated Colleges Non-Academic pension plan (the Non-Ac Plan) effective September 1. Existing active members and all new eligible entrants will enroll in the Colleges of Applied Arts & Technology (CAAT) DBplus pension plan, a multi-employer pension plan to which the university is not a sponsor. The university's obligation to the CAAT DBplus plan is limited to semi-monthly contributions. The university will continue with administration associated with the closed Non-Ac plan, and remains responsible for the plan's accrued benefit obligation.

The collective agreement with the Canadian Union of Public Employees, Local 1975 was ratified July 9. Retroactive pay, negotiated in the collective agreement, will not have a significant impact on the financial statements and therefore will be accounted for prospectively

33. 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, 2019 ($ thousands)

	Operating	Institutional Obligations for Employment Benefits	Donor Funded Operating	Specific Purpose	Ancillary	Total
Revenues						
Grants and contracts						
Government of Canada	$ 822	$ -	$ -	$ 2,716	$ -	$ 3,538
Government of Saskatchewan	334,094	-	23	80,739	100	414,956
Other governments	22,353	-	38	172	-	22,563
Non-government	627	-	50	6,351	-	7,028
Student fees	150,102	-	11	7,839	-	157,952
Donations	(2,750)	-	6,728	1,048	-	5,026
Sales of services and products	17,484	-	203	21,939	55,513	95,139
Income from investments	23,081	50	5,754	616	19	29,520
Real estate income	1,172	-	146	171	6,315	7,804
Royalties	36	-	6	8,191	-	8,233
Miscellaneous income	(1,306)	401	126	7,130	111	6,462
	545,715	451	13,085	136,912	62,058	758,221
Expenses						
Salaries (Note 31)	342,388	232	2,653	70,322	9,887	425,482
Employee benefits (Note 24)	47,255	3,085	294	7,913	1,582	60,129
Operational supplies and expenses	92,898	2,268	2,726	51,045	5,965	154,902
Travel	4,750	1,848	725	4,608	44	11,975
Cost of goods sold	5,269	-	(2)	1,594	9,948	16,809
Maintenance, rental and renovations	8,901	10	1,280	2,090	2,915	15,196
Utilities	11,874	-	-	261	10,374	22,509
Scholarships, bursaries and awards	3,596	68	439	765	-	4,868
Interest (Note 25)	5	-	-	-	-	5
Bad debt expense	1,461	-	-	48	79	1,588
	518,397	7,511	8,115	138,646	40,794	713,463
Excess (deficiency) of revenues over expenses	27,318	(7,060)	4,970	(1,734)	21,264	44,758
Interfund transfers (Note 28)	(26,823)	7,906	(278)	869	(17,449)	(35,775)
Net increase (decrease) in fund balances for year	495	846	4,692	(865)	3,815	8,983
Fund balances, beginning of year	7,575	782	40,959	48,731	(24,612)	73,435
Employee future benefits remeasurements and other items	-	(18,913)	-	-	-	(18,913)
Fund balances, end of year	**$ 8,070**	**$ (17,285)**	**$ 45,651**	**$ 47,866**	**$ (20,797)**	**$ 63,505**

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, 2019 ($ thousands)

	Student Financial Aid	Research	Capital	Total
Revenues				
Grants and contracts				
Government of Canada	$ -	$ 101,580	$ -	$ 101,580
Government of Saskatchewan	1,601	36,924	26,634	65,159
Other governments	100	2,818	-	2,918
Non-government	117	82,260	355	82,732
Donations	5,838	12,123	9,494	27,455
Sales of services and products	-	24	-	24
Income from investments	8,582	7,703	3,015	19,300
Real estate income	120	162	-	282
Royalties	13	2	-	15
Miscellaneous income	5	3	28	36
	16,376	243,599	39,526	299,501
Expenses				
Salaries (Note 31)	1,173	73,259	9	74,441
Employee benefits (Note 24)	56	7,510	-	7,566
Operational supplies and expenses	296	49,394	1,899	51,589
Travel	111	8,293	-	8,404
Cost of goods sold	-	1	-	1
Maintenance, rental and renovations	-	4,798	25	4,823
Utilities	-	1,765	-	1,765
Amortization	-	-	85,042	85,042
Scholarships, bursaries and awards	26,984	28,663	-	55,647
Interest (Note 25)	-	-	10,574	10,574
Bad debt expense	2	-	-	2
Decommissioning costs (Note 17)	-	-	621	621
	28,622	173,683	98,170	300,475
Excess (deficiency) of revenues over expenses	(12,246)	69,916	(58,644)	(974)
Interfund transfers (Note 28)	14,596	(31,545)	51,467	34,518
Net increase (decrease) in fund balances for year	2,350	38,371	(7,177)	33,544
Fund balances, beginning of year	57,908	322,090	1,491,964	1,871,962
Fund balances, end of year	**$ 60,258**	**$ 360,461**	**$ 1,484,787**	**$ 1,905,506**

See accompanying notes to consolidated financial statements

Officers of the University

The Board of Governors

Members Ex Officio
Peter Stoicheff (President)
Grit McCreath (Chancellor)

Members Appointed by Government
Lee Ahenakew

Shelley Brown (Chair)

Grant Devine

Grant Isaac

Ritu Malhotra

Members Elected By Senate
Allan Adam
Joy Crawford

Faculty Member
Jay Kalra

Student Member
Regan Ratt-Misponas

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 Basinger (Interim)

Vice-Provost, Health
Preston Smith

Vice-Provost, Teaching, Learning and Student Experience
Patti McDougall

Assistant Vice-Provost (Health - Health Sciences Council)
Steven Jones (Interim)

Associate Provost, Institutional Planning and Assessment
Dena McMartin

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

Associate Vice-President (People and Resources)
Cheryl Carver

Associate Vice-President (Research)
Irena Creed

Associate Vice-President (Research - Health)
Darcy Marciniuk

Associate Vice-President (Strategic Communications) and Chief Communications Officer
Gord Hunchak

Associate Vice-President (Services)
Wade Epp

Associate Vice-President (Technology)
Shari Baraniuk

Associate Vice-President (Alumni Relations)
Guy Larocque

Associate Vice-President (Government Relations)
Sara Daniels

Deans and Executive Directors of Colleges and Academic Units

Agriculture and Bioresources
Mary Buhr

Arts and Science
Peta Bonham-Smith

Dentistry
Doug Brothwell

Education
Michelle Prytula

Edwards School of Business
Keith Willoughby

Engineering
Suzanne Kresta

Graduate and Postdoctoral Studies
Trever Crowe (Interim)

Kinesiology
Chad London

Law
Martin Phillipson

Medicine
Preston Smith

Nursing
Lois Berry (Interim)

Pharmacy and Nutrition
Jane Alcorn

School of Environment and Sustainability
Karsten Liber (Interim)

School of Public Health
Doug Brothwell (Interim)

Johnson-Shoyama Graduate School of Public Policy
Doug Moen

University Library
Melissa Just

Western College of Veterinary Medicine
Douglas Freeman

List current as of Aug 2019

University of Saskatchewan

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