UNIVERSITY OF SASKATCHEWAN

Annual Financial Report

2022-23

BE WHAT THE WORLD NEEDS

Table of Contents

Messages 1

Year in Review 2

- Fiscal 2022-23 Overview 3
- Financial Risks and Strategy 3
- Looking Ahead 4

Financial Results 5

- Overview 5
- Assets 6
- Liabilities 8
- Fund Balance 9
- Revenues 11
- Expenses 13
- Comprehensive Budget 14

Consolidated Financial Statements 15

- Notes to the Consolidated Financial Statements 22

Officers of the University 48

Shelley Brown

CHAIR, BOARD OF GOVERNORS

Over the 2022-23 fiscal year, the University of Saskatchewan was able to return to normal operations, including resuming in-person learning and student services. The university community displayed tremendous resilience, good citizenship and sense of community over the course of the pandemic and the board is grateful for the work of university leadership, faculty, staff and students for weathering the pandemic together.

As a board, we continuously evaluate the university's strategic priorities and direction to ensure the institution is achieving its mandate in education and research while being responsible stewards of public investment. While the last few years have presented challenges for our institution, we are in a stable financial position and continue to provide quality education with a robust and growing research enterprise. Our standing as a top research-intensive university in Canada has only strengthened.

As we look to the future, I am confident the University of Saskatchewan has a significant role to play in growing Saskatchewan and Canada's position in the world.

Peter Stoicheff

PRESIDENT AND VICE-CHANCELLOR

The world is facing historic challenges such as Covid-19 and other emerging diseases, climate change, shifting geo-political landscapes, food and water security, energy supply and social cohesion. These challenges cannot be addressed in the absence of universities such as ours. Our graduates and faculty are the ones who, together with government and civil society, will contribute to finding solutions.

This past year the University of Saskatchewan achieved many great successes and further established its role as an innovation leader. Our campus has world-class strength in water and food security, one-health research, agricultural science, vaccine development, imaging science and many other crucial areas. This past year we were allocated more than 25 per cent of all federal Major Science Initiative funding to support many of them, an impressive accomplishment. We attracted more research funding than ever before in our history. We placed in the very highest levels of global rankings on progress toward the U.N. Sustainable Development Goals, and remain in the top 2% of all world-wide rankings.

After a process led by Indigenous Elders and Knowledge keepers, USask introduced the *deybwewin | taapwaywin | tapwewin: Indigenous Truth Policy* that recognizes the inherent right of Indigenous peoples to determine membership/citizenship verification with documentation through their governance, customs, traditions, and procedures. This policy is intended to protect the resources and spaces meant for Indigenous people, and places us again as leaders in Indigenization and Reconciliation in this country.

We also launched our comprehensive funding raising campaign to raise $500 million toward achieving our vision to Be What the World Needs. This campaign strategically links philanthropy and innovation to support an exciting future for USask.

I am proud of what our university community continues to achieve together through our innovative, collaborative and entrepreneurial spirit. I am inspired daily by the invocation to "be the university the world needs." It is the right call to action for our time; it shows that our mission is to be engaged and that we understand the importance of the great opportunity we have to make a positive difference in the world.

Year in Review
2022-23

Fiscal 2022-23 Overview

The 2022-23 fiscal year was a transition year for the University of Saskatchewan as we implemented a full return to in-person learning and services, after shifting quickly to a remote working and learning environment during the pandemic. We continue to be affected by interruptions in supply chains and moreover, extreme inflationary pressures have increased the costs of our capital projects and our day-to-day operations. However, our operating funding and enrolment levels are both stable, allowing us to carefully manage supply chain and inflationary challenges as we maintain the financial sustainability of the institution.

Financial Risks and Strategy

MULTI-YEAR FUNDING

In 2022-23, USask received the second of two installments of strategic funding from the Ministry of Advanced Education, per the terms of the *Saskatchewan Post-Secondary Multi-Year Operating Funding Memorandum of Understanding (MOU)*. This MOU is effective for the period from 2021-22 to 2024-25 and provides one-time strategic funding in the first two years of the agreement. This strategic funding is intended to be used for initiatives that enable financial sustainability for institutions, including recovery and transition from the COVID-19 pandemic, academic and administrative innovation, revenue generation and expense reduction, and efficiency through collaboration. USask has now fully allocated this funding to a variety of strategic initiatives that align with the province's Growth Plan, the Ministry of Advanced Education's expectations of the post-secondary sector, and with our own institutional priorities. The final two years for the agreement will provide stable funding and enable USask to plan accordingly.

LAND TRUST

USask has established a land trust as part of our long-term financial sustainability strategy to leverage our land holdings for the future of the institution, and to contribute to the prosperity and development of the Saskatoon community. This year, we announced the establishment of the land trust's first board of directors with a mix of internal and external members. The initial tasks for the new board will include negotiating the land trust lease agreement, formally incorporating USask Properties Investment Inc. (UPII) and completing a search for the organization's first Chief Executive Officer. Following that, the UPII will serve as a separate independent legal entity to manage the development of the university's nearly 1,000 acres of endowment lands.

BE WHAT THE WORLD NEEDS CAMPAIGN

In 2022-23, USask publicly launched our comprehensive fundraising campaign to Be What the World Needs with a goal to raise $500 million. This is the largest campaign in Saskatchewan's history and through it, we endeavor to tackle the world's most pressing challenges. The campaign priorities are directly tied to the commitments laid out in the University Plan 2025 and to our signature research areas. These include leading critical research, supporting Indigenous achievement, inspiring students to succeed, and designing visionary spaces. Through these priority areas, USask will seek to provide the future discoveries, ideas, solutions and people that will make an impact locally and globally.

ENROLMENT

For the 2022/23 year, we returned to primarily in-person program delivery. Our enrolment was stable year-over-year at both the undergraduate and graduate levels and we maintained an overall enrolment of just over 26,000 students. Overall, Indigenous student enrolment declined slightly but continued to grow at the graduate level. While travel restrictions and visa processing delays impacted our international students throughout the pandemic, in 2022/23 our international student enrolment grew at all levels of study to beyond our pre-pandemic enrolment. This speaks to the attractiveness of USask as a destination for international learners.

INTEGRATED SERVICES RENEWAL

USask requires modern technology capable of supporting a U15 research-intensive university and the work of our students, faculty, researchers, staff, and administrators. The institution's current technology ecosystem supporting our administrative services is outdated, not well integrated, and lacks modern capabilities. Through the Integrated Services Renewal Project, we are beginning a process to implement a multi-year initiative to modernize administrative services, and streamline and increase the effectiveness of these functions, all underpinned by the adoption of leading practices in Human Resources, Finance, Procurement and Student Services.

LOOKING AHEAD

As the pandemic wanes, people around the world are turning their attention both to the future, and to the activities and goals we may have paused over the last few years. As we look to the immediate future and the coming decades, the University of Saskatchewan no doubt has important work to do. Recently, the Government of Saskatchewan announced a major initiative to recruit, retain and train more health professionals. This includes funding to expand training programs for a variety of Health Human Resources, and USask is proud to be part of this initiative to build up our health care sector. We have implemented expanded nurse training seats and will be implementing expanded training for our clinical psychology PhD program and physical therapy program in the fall 2023.

We must be careful not to forget the lessons of the pandemic, key among those is that Canada needs to both expand its trade relationships, and improve domestic capacity in the sectors that support our public health, like biomanufacturing, and our energy security, like critical minerals. USask has expertise to inform this future and will continue to be a resource for communities, governments and industry to build a strong, sustainable future.

Financial Results[1]

OVERVIEW

During 2022-23, the university saw operations resume to near pre-pandemic levels, which is reflected in the financial results. Revenues and expenses grew over 2022-23 reflecting a return to on-campus activity. The most significant growth in revenue was in income from investments reflecting the recovery of some of the market value loss experienced in April 2022. With a more active campus, growth in salaries and benefits, operational supplies, and travel reflect a more vibrant campus life over the prior year.

2022-23 is the second year of the multi-year funding agreement with the Government of Saskatchewan Ministry of Advanced Education and was the final year of funding provided through the multi-year funding agreement in support of the enhancement of future financial sustainability.

Overall, revenues increased by **$69.4 million** or **6.6%** over the prior year, expenses were up by **$71.2 million** or **6.8%**, and fund balances increased by **$7.4 million**. Reflected in the decrease are net activities utilizing research funding **$(31.3) million** while operational activities contributed **$13.2 million**, ancillary activities contributed **$6.9 million**, student financial aid recorded **$2.1 million**, capital contributed **$3.5 million**, and endowment recorded **$13.0 million** to the increase in fund balances for the year.

REVENUES

Net increase in grant and contract revenue, increase in tuition and student fees, sales of services and products, royalties, miscellaneous income and a growth in investment returns contributed to an overall increase in the total revenues of **6.6%** for the year, when compared to prior year.

EXPENSES

Total expenses for the university increased by **6.8%** from prior year.

FUND BALANCES

Of the **$123.7 million** general fund balance, Schedule 1 to the financial statements reflects the breakdown of the fund balance into:

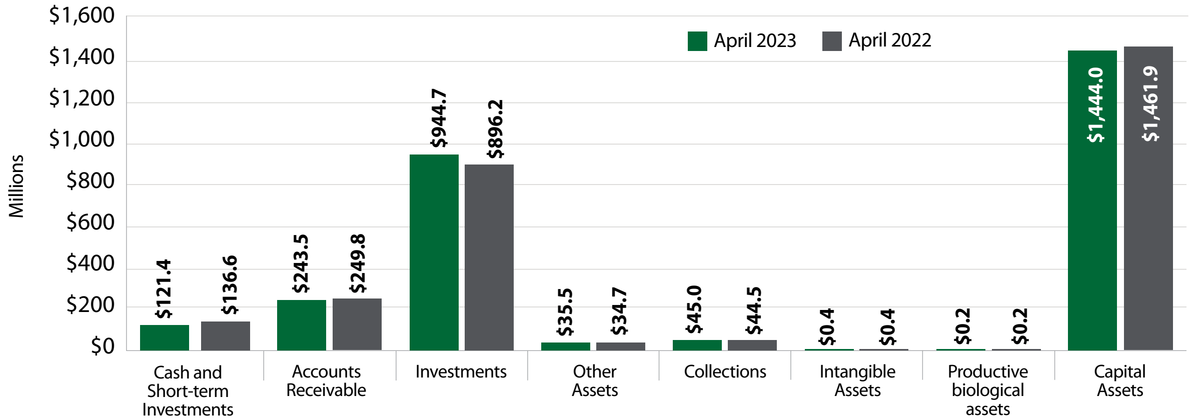
- **$49.1 million** is restricted for specific purposes,
- **$50.3 million** restricted by donors and
- **$63.2 million** occurs in the operating fund (of which **$28.5 million** is unrestricted as reflected in note 27),
- **$23.9 million** deficit related to employee future benefits and
- **$15.0 million** deficit in the ancillary fund.

1. Year in Review 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 and Finance 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.

ASSETS

Total assets increased by **$10.4 million**, or **0.4%** over the prior year reflecting increases in long-term investments, offset by decreases in cash and short-term investments, project-related receivables and capital assets.

As at April 30, 2023 – Total $2,834.7 M (April 30, 2022 – $2,824.3 M)



CASH AND SHORT-TERM INVESTMENTS

At April 30, 2023 cash and short-term investments were **$121.4 million** or **4.3%** of total assets of the university. During the year this balance decreased by **$15.2 million** or **11.1%** reflecting the investment of restricted and endowment funds.

ACCOUNTS RECEIVABLE

At April 30, 2023 accounts receivable (current and long-term) were **$243.5 million** or **8.6%** of total assets of the university. During the year this balance decreased by **$6.3 million** or **2.5%**. The decrease relates to grants and contracts for research 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.

INVESTMENTS

At April 30, 2023 investment balances were **$944.7 million** or **33.3%** of total assets of the university. During the year this balance increased by **$48.5 million** or **5.4%**. Overall investment returns for the year were **4.3%**. The return is comprised of fixed income pool returns of **3.6%**, long-term pool returns of **4.3%** and long-term diversified strategies pool returns of **4.6%**, compared to expected returns of **2.6%**, **5.4%** and **5.0%** respectively. During the year, the long-term pool, where most of the university's investments are held, did not meet annual return expectations due to market volatility. Total investment returns remain above multi-year objectives with sufficient cash flow to avoid any draw down on investments.

OTHER ASSETS INCLUDING INVENTORIES, AGRICULTURAL INVENTORIES, PREPAID EXPENSES AND RISK MANAGEMENT ASSETS

At April 30, 2023 other assets were **$35.5 million** or **1.3%** of total assets of the university. During the year this balance increased by **$0.8 million** or **2.3%**.

COLLECTIONS

At April 30, 2023 collections were **$45.0 million** or **1.6%** of total assets of the university. During the year this balance increased by **$0.5 million** or **1.1%**. The total cost of **$45.0 million** in collections is comprised of **$21.1 million** – University archives and Special collections, **$17.1 million** – Owned Art collections, **$1.2 million** – Museum of Antiquities, **$5.6 million** – Amati collections, and **$1** (nominal value) – Diefenbaker Canada Centre.

INTANGIBLE ASSETS

At April 30, 2023 intangible assets were **$0.4 million** or less than **0.1%** of total assets of the university. Intangible assets relate to the intellectual property developed at Canadian Light Source Inc. (CLSI) and represent the costs for production, process, and patents to protect the process.

PRODUCTIVE BIOLOGICAL ASSETS

At April 30, 2023 productive biological assets were **$0.2 million** or less than **0.1%** of total assets of the university. Productive biological assets relate to mature dairy cows and heifer calves held at the College of Agriculture and Bioresources.

CAPITAL ASSETS

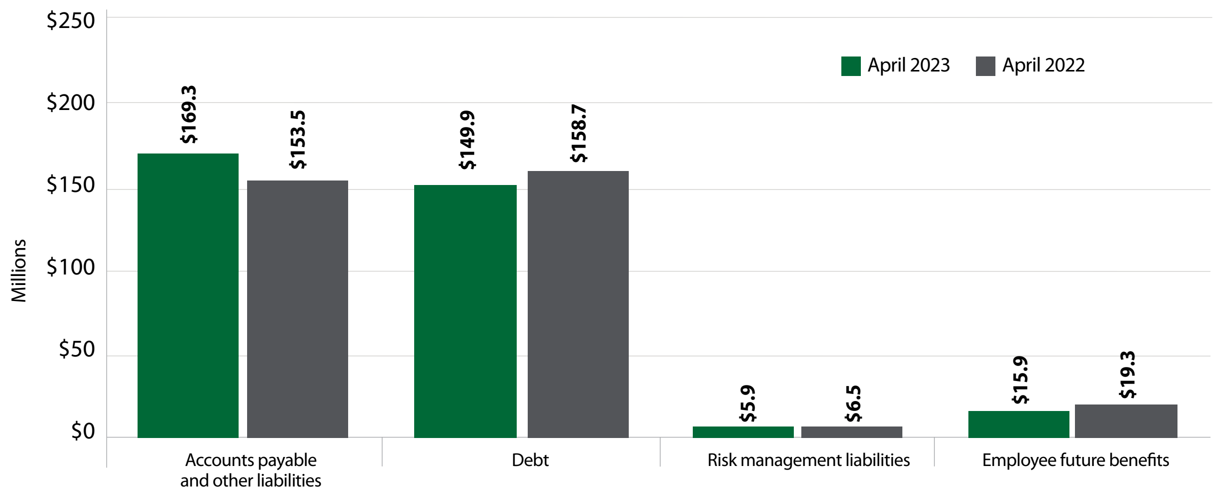
At April 30, 2023 capital assets were **$1,444.0 million** or **50.9%** of the total assets of the university. During the year, this balance decreased by **$17.9 million** or **1.2%.** This decrease reflects the cost of work-in-progress during the year of **$59.6 million**, offset by current year amortization of **$99.0 million**; this activity is net of current year disposals. Significant construction, improvements and equipment capitalized during the year include:

- **$21.6 million** for the Vaccine and Infectious Disease Organization's (VIDO) new manufacturing facility, the Vaccine Development Centre;
- **$9.3 million** upon capitalization of the Canadian Macromolecular Crystallography Facility (CMCF) beamline at CLSI;

LIABILITIES

Total liabilities increased by **$3.0 million** or **0.9%** over the prior year reflecting increases in accounts payable and accrued liabilities, deferred revenue, accrued decommissioning costs, offset by decreases in long-term liabilities and in liabilities for employee future benefits.

As at April 30, 2023 – Total $341.0 M (April 30, 2022 – $338.0 M)



ACCOUNTS PAYABLE AND ACCRUED LIABILITIES, DEFERRED REVENUE, ACCRUED DECOMMISSIONING COSTS, CAPITAL LEASE OBLIGATIONS, AND OTHER LIABILITIES

At April 30, 2023 accounts payable and accrued liabilities, deferred revenue, accrued decommissioning costs, current portion of capital lease obligations, and other liabilities were **$169.3 million** or **49.6%** of total liabilities of the university. During the year this balance increased by **$15.8 million** or **10.3%**. This increase reflects increasing decommissioning costs and a higher balance of deferred revenues.

DEBT

At April 30, 2023 debt (including loans, debt, and long-term capital lease obligations) was **$149.9 million** or **44.0%** of total liabilities of the university. During the year this balance decreased by **$8.8 million** or **5.5%**, reflecting regular principal repayments. Existing debt relates to capital construction projects and debt service costs are provided for through revenues generated by the operations of the facilities (e.g. parking fees, residence fees), or through capital grants.

RISK MANAGEMENT LIABILITIES

At April 30, 2023 risk management liabilities were **$5.9 million** or **1.7%** of total liabilities of the university. During the year this balance decreased by **$0.6 million** or **9.2%**.

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 decrease in liability reflects an average prevailing interest rate of more than the average locked-in rate.

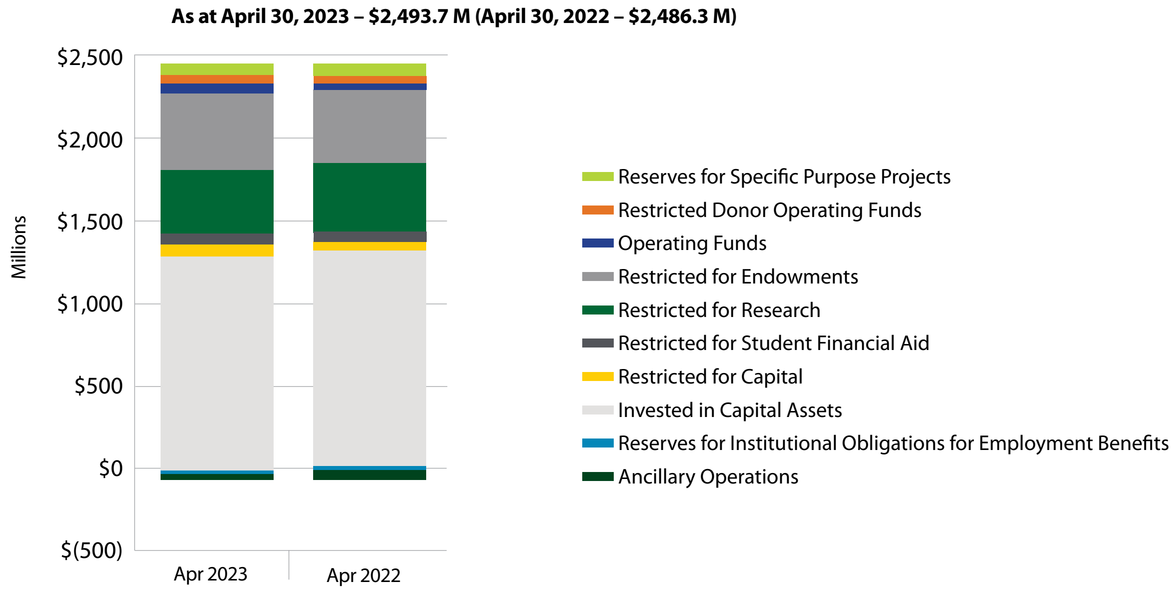
The university also enters into a foreign currency hedge agreement to manage the foreign exchange rate exposure associated with global investments.

EMPLOYEE FUTURE BENEFITS

At April 30, 2023 employee future benefit liabilities were **$15.9 million** or **4.7%** of the total liabilities of the university. The decrease in the net liability position for employee future benefits, **$3.4 million** or **17.6%**, results from a growth in investment markets (and therefore, increased values for pension plan assets).

FUND BALANCES

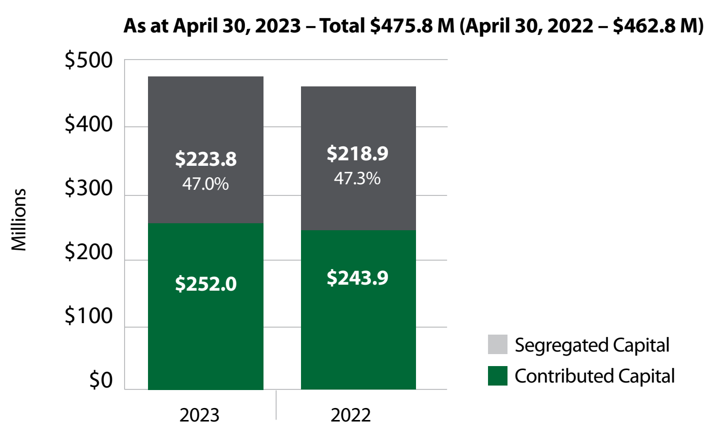
Fund Balances are a significant indicator of the financial health of an organization. They represent the net resources of the organization after all obligations have been met. At April 30, 2023 the fund balances of the university were **$2,493.7 million** (including investments in capital assets of **$1,358.3 million**, investments in collections of **$45.0 million**, and externally restricted balances of **$888.4 million**). During the year, this balance increased by **$7.4 million** or **0.3%**. Key driver of this increase is the positive **$5.4 million** employee future benefit remeasurement adjustment that is posted to equity per Canadian generally accepted accounting principles.



ENDOWMENT FUND BALANCE

At April 30, 2023 endowment fund balance was **$475.8 million** or **19.1%** of the total fund balance of the university. During the year, this balance increased by **$13.0 million** or **2.8%**. This majority of the increase is driven by a **$3.0 million** recapitalization of spendable income to endowment, **$7.9 million** in donations, and a **$2.1 million** increase from the current year investment returns.

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, the amount available to support current year activities was **3.8%** of the endowment fund balance, increased by inflation for an effective rate of **4.1%**. The university will continue to monitor these funds and review the spending allocation to optimize the current and long-term support for activities, such as research and student financial aid.



STUDENT FINANCIAL FUND BALANCE

At April 30, 2023 student financial aid fund balance was **$70.3 million** or **2.8%** of the total fund balance of the university. During the year, this balance increased by **$2.1 million** or **2.8%**. This increase is primarily due to the higher investment income returns.

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' requests.

CAPITAL FUND BALANCE

At April 30, 2023 capital fund balance was **$1,429.5 million** or **57.3%** of the total fund balance of the university. During the year, this balance increased by **$3.5 million** or **0.2%**. This increase is due to current year amortization **$99.0 million**, decommissioning costs **$1.0 million**, interest expense of **$2.3 million** and non-capitalized expenditures of **$0.3 million** exceeding current year revenue and interfund transfers totaling **$106.0 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, 2023 research fund balance was **$394.4 million** or **15.8%** of the total fund balance of the university. During the year, this balance decreased by **$31.4 million** or **7.4%**. This decrease is due to current year expenditures of **$208.1 million** exceeding revenue and interfund transfers totaling **$176.8 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, 2023 general fund balance was **$123.7 million** or **5.0%** of the total fund balance of the university. The **$123.7 million** general fund balance consisted of:

- operating activities **$63.2 million**,
- funds received from donors **$50.3 million**, and
- specific purpose projects **$49.1 million**.

Offset by a deficit of:

- **$23.9 million** for university obligations for employee benefits, and
- a deficit of **$15.0 million** for cumulative operations in ancillary that includes past self-funded capital infrastructure.

The operating fund, specific purpose, includes the university's collections held for education, research or public exhibition, which accounted for **$45.0 million** in the fund balance.

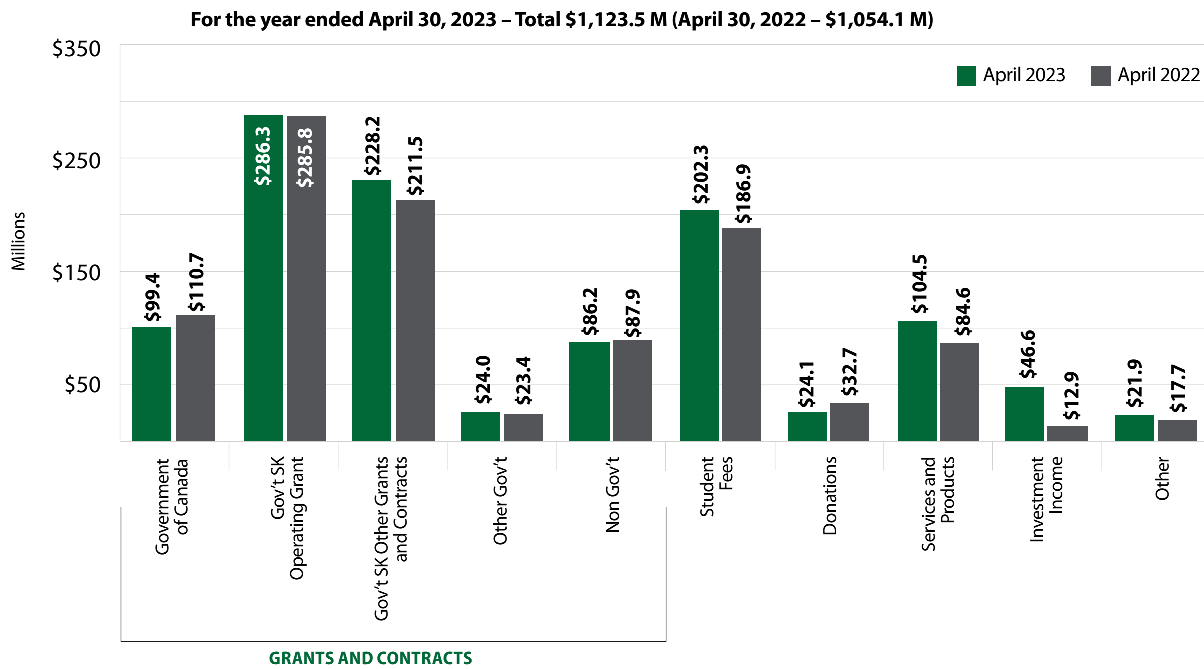
During the year the general fund balance increased by **$20.2 million** or **19.6%**. This increase reflects current year operating revenue and interfund transfers of **$525.5 million** exceeding operating expenditures of **$515.0 million** that includes multi-year strategic funding that will be utilized in the upcoming fiscal year and a current year gain of **$5.4 million** for remeasurement values for employee future benefits. Net positive activity also occurred in donor funding for projects, **$0.5 million**, in specific donor projects of **$0.4 million** and in net funding in ancillary activity of **$6.9 million**.

General Funds account for unrestricted activities of the university. This includes operating activities associated with teaching and learning, administration, plant maintenance, clinical activities, future employee benefits, non-credit instruction, fee for service activities, invested in collections, 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 and real estate development.

REVENUES

University revenues have increased by **$69.4 million** or **6.6%** over the prior year to a total of **$1,123.5 million**. This increase is comprised of a **$4.8 million** net increase in grants and contracts, a **$33.7 million** increase in investment returns, a **$19.9 million** increase in sales of services and products, a **$15.3 million** increase in tuition and student fees, a **$3.5 million** increase in royalties and miscellaneous income, and a **$0.8 million** increase in real estate income. These increases are offset by a **$8.6 million** decrease in donations.

Total Revenue by Source



GRANTS AND CONTRACTS

Grants and contracts account for **$724.1 million** or **64.5%** of total university revenues. These revenues increased by **$4.8 million** over the previous year. Funding from the Province of Saskatchewan increased by **$17.3 million** and support from other governments increased by **$0.5 million**. Federal government grants decreased by **$11.3 million** over the prior year and non-government grants decreased by **$1.7 million**.

The decrease in federal funding largely results from a **$7.0 million** decrease in Canada First Research Excellence Fund contributions for research projects at the Global Institute for Food Security and a **$5.6 million** decrease in the funding for the CLSI.

During 2022-23 the Province of Saskatchewan Ministry of Advanced Education invested **$321.5 million** in the university, including the following:

- **$2.1 million** received in targeted operating funding for the expansion of seats in the College of Nursing (**$1.8 million** announced in the prior year followed by **$4.3 million** committed for the 2023/24 academic year) and for seat expansion in both domestic and inter-provincial health training programs of Clinical Psychology and Physical Therapy, per the Province's Health Human Resources Action Plan, to ensure a stable healthcare workforce across the province (a total of **$3.4 million** will be received, with the majority falling into the 2023/24 academic year);
- **$6.5 million** planned decrease in supplemental funding for facilities;
- **$1.3 million** decrease in revenue as the final payment of the multi-year funding allocation was received in March 2023;
- **$17.0 million** in targeted capital funding including **$4.2 million** supporting infrastructure costs associated with expansion of programs approved as part of the Health Human Resources Action Plan; **$8.7 million** to begin addressing critical electrical and mechanical infrastructure upgrades, **$4.0 million** for the Dental Clinic Building renovation, and a **$2.0 million** increase in funding for projects focusing on preventative maintenance and renewal.

The provinces of British Columbia 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 Province of Alberta began phasing out of student placement in the 2021 fiscal year.

STUDENT FEES

Student tuition and fees account for **$202.3 million** or **18.0%** of total university revenues. These revenues increased by **$15.4 million** over the previous year. This increase is the result of consistent enrolment, with a total headcount of 26,165 students in fiscal 2023, coupled with 3.7% weighted average increase in tuition rates. 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 **$46.6 million** or **4.1%** of total university revenues. These revenues increased by **$33.7 million** from the previous year. Overall investment returns for the current year were **4.3%** compared to the **1.4%** in the prior year. Returns were below the budgeted **4.8%** as markets have experienced significant volatility through much of the year.

DONATIONS

Donations account for **$24.1 million** or **2.1%** of total university revenues. These revenues decreased by **$8.6 million** over the previous year.

SALES OF SERVICES AND PRODUCTS

Sales of services and products account for **$104.5 million** or **9.3%** of total university revenues. These revenues increased by **$19.9 million** from the prior year as campus operations have fully resumed during the fiscal year. 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

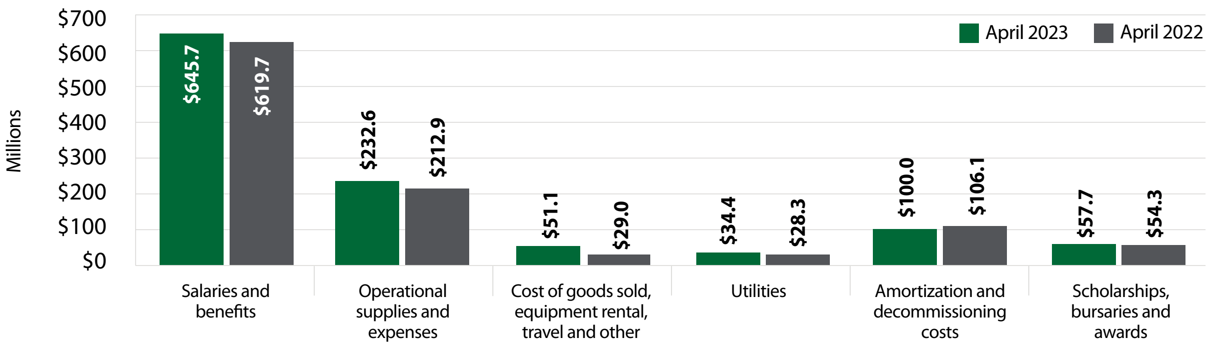
Real estate income, royalties, and miscellaneous income account for **$21.9 million** or **1.9%** of total university revenues. These revenues increased by **$4.2 million** over the previous year.

EXPENSES

University expenses have increased by **$71.2 million** or **6.8%** over the prior year to a total of **$1,121.5 million**.

Total Expenditures

For the year ended April 30, 2023 – Total $1,121.5 M (April 30, 2022 – $1,050.3 M)



SALARIES AND EMPLOYEE BENEFITS

Salaries and employee benefits account for **$645.7 million** or **57.6%** of total university expenses. These costs increased by **$26.0 million** or **4.2%** over the previous year with **$6.2 million** related to CUPE employee costs and **$3.6 million** associated with ASPA employee costs, both driven by increased campus activity. Employee benefits increased by **$10.6 million** with **$2.5 million** increase reflecting an adjustment for employee future benefits based on the actuarial reports and **$2.0 million** increase in Canada Pension Plan benefits due to the CPP rate increase from **5.7%** to **5.95%**.

OPERATIONAL SUPPLIES AND EXPENSES

Operational supplies and expenses account for **$232.6 million** or **20.7%** of total university expenses. These costs increased by **$19.7 million** or **9.3%** compared to the previous year.

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 **$51.1 million** or **4.6%** of total university expenses. These costs increased by **$22.1 million** or **76.2%** over the previous year. Expenses on travel increased by **$10.1 million** because of lifting of travel restrictions in place due to the COVID-19 pandemic. Interest expense increased by **$7.6 million** due to the change in value of interest rate swap agreements where interest rates declined compared to the value of the interest rates negotiated in the swap agreements resulting in the recognition of an increased cost. Maintenance, rental and renovations expense increased by **$2.1 million**. Costs of goods sold increased by **$2.0 million** as activities returned to the same level as before the COVID-19 pandemic.

UTILITIES

Utilities account for **$34.4 million** or **3.1%** of total university expenses. These costs increased by **$6.1 million** or **21.6%** over the previous year. The increase is significantly attributable to the increases in natural gas and electricity rates.

AMORTIZATION AND DECOMMISSIONING COSTS

Amortization and decommissioning costs account for **$100.0 million** or **8.9%** of total university expenses. These costs decreased by **$6.1 million** or **5.7%** over the previous year as a result of the decrease in buildings and equipment.

SCHOLARSHIPS, BURSARIES AND AWARDS

Scholarships, bursaries and awards account for **$57.7 million** or **5.1%** of total university expenses. These costs increased by **$3.4 million** or **6.3%** over the previous year.

COMPREHENSIVE BUDGET

In contrast to the 2020-21 and 2021-22 fiscal years, impacts of the pandemic were not a considerable factor in the development of the 2022-23 comprehensive budget. While the university continued to monitor the impact of the pandemic on student enrolment, ancillary services, investment markets, and general operations of the institution, key assumptions used in the development of the 2022-23 comprehensive budget were based on standardized operations.

Total comprehensive 2022-23 financial results for the university were unfavourable as ending fund balances were **$10.1 million** (or **0.9%** of comprehensive expenditures) lower than budgeted. A comparison of the 2022-23 comprehensive budget to actual results is as follows:

	Total for 2022-23		
	BUDGET	**ACTUAL**	**VARIANCE**
REVENUES			
Grants and contracts	$695,225	$724,061	$28,836
Student fees	199,856	202,277	2,421
Gifts, grants and bequests	39,102	24,136	(14,966)
Income (loss) from investments	47,543	46,585	(868)
All other income	110,341	126,483	16,142
	1,091,977	**1,123,542**	**31,565**
EXPENSES			
Salaries and Benefits	614,889	645,639	30,750
Scholarships, bursaries and awards	55,100	57,746	2,646
Interest	6,300	2,261	(4,039)
Amortization	107,556	98,988	(8,568)
All other non-salary	290,626	316,895	26,269
	1,074,471	**1,121,529**	**47,058**
Net increase (decrease) in fund balances for year	17,506	2,013	(15,493)
Fund balances, beginning of year	2,486,288	2,486,288	—
Employee future benefits remeasurements and other items	—	5,424	5,424
Fund balances, end of year	**$2,503,794**	**$2,493,725**	**$(10,069)**

Comprehensive revenues had a favourable variance of **$31.6 million**. Contributing factors to the variance were higher than anticipated comprehensive grants and contracts revenue of **$28.8 million** primarily driven by incremental activity within the capital (incremental capital grants from the Province of Saskatchewan) and operating funds (unanticipated grant increases). Additionally, tuition and student fees were **$2.4 million** higher than budgeted due to positive enrolment trends and increased fee revenue. Finally, all other income was **$16.1 million** higher than budgeted due to price and volume increases as well unanticipated royalty revenues. These favorable variances are partially offset by lower gifts and grants revenue of **$15.0 million** in the operating, research, and capital funds. Additionally, investment income returns were lower than anticipated by **$0.9 million**, which represents **1.8%** of budgeted income from investments.

Comprehensive expenses had an unfavourable variance of **$47.1 million**. Overall expenditures in the research fund were **$28.5 million** higher than budgeted related to increased grants and contracts activity. Additionally, overall expenditures in the operating fund were **$29.9 million** higher than budget largely associated with increased grants and contracts and all other income activity as well as increased transfers in support or research, capital, and endowment activities. On a net basis, expenditure activities in all other funds resulted in an overall favorable variance. A notable favorable variance was realized in amortization expense due to lower than expected capital project completion and extended life of assets.

Employee future benefits remeasurements of **$5.4 million** were recognized directly in fund balances as a separately identified line item and resulted in a favourable variance.

Consolidated Financial Statements
2022-23

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, 2023 and the results of its operations and the changes in its fund balances for the year then ended.

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

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

The consolidated financial statements for the year ended April 30, 2023 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 deficiencies in controls or compliance with authorities.

Peter Stoicheff
President

Devan Mescall
Chief Financial Officer

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, 2023, and the Consolidated Statement 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, 2023, 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 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 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 2022-23, 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 of Saskatchewan'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 of Saskatchewan or to cease operations, or has no realistic alternative but to do so.

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

1500–1920 Broad Street, Regina, SK S4P 3V2
t 306.787.6398 *f* 306.787.6383 *e* info@auditor.sk.ca
www.auditor.sk.ca

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 of Saskatchewan'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 of Saskatchewan'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 of Saskatchewan 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.

T. Clemett

Regina, Saskatchewan
July 27, 2023

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

1500–1920 Broad Street, Regina, SK S4P 3V2
t 306.787.6398 f 306.787.6383 e info@auditor.sk.ca
www.auditor.sk.ca

UNIVERSITY OF SASKATCHEWAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at April 30 ($ thousands)

STATEMENT 1

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2023	TOTAL 2022
CURRENT ASSETS					
Cash and short-term investments (Note 5)	$112,302	$8,349	$708	$121,359	$136,572
Accounts receivable (Note 6)	26,743	203,794	19	230,556	235,604
Inventories (Note 7)	12,018	—	—	12,018	11,910
Agricultural inventories (Note 8)	3,736	—	—	3,736	3,938
Prepaid expenses	15,758	139	—	15,897	13,947
Risk Management Assets (Note 18)	—	—	—	—	512
	170,557	212,282	727	383,566	402,483
LONG—TERM ASSETS					
Long-term accounts receivable (Note 9)	—	12,901	—	12,901	14,229
Long-term investments (Note 10)	66,624	404,142	473,979	944,745	896,226
Other assets	1,488	1,059	1,392	3,939	4,415
Collections (Note 11)	44,999	—	—	44,999	44,538
Intangible assets (Note 12)	375	—	—	375	413
Productive biological assets (Note 13)	181	—	—	181	186
Capital assets (Note 14)	—	1,444,041	—	1,444,041	1,461,849
	113,667	1,862,143	475,371	2,451,181	2,421,856
	$284,224	$2,074,425	$476,098	$2,834,747	$2,824,339
CURRENT LIABILITIES					
Accounts payable and accrued liabilities (Note 15)	$82,141	$9,954	$—	$92,095	$90,886
Deferred revenue (Note 16)	60,247	13	—	60,260	47,871
Loans (Note 17)	41	—	—	41	57
Risk management liabilities (Note 18)	201	5,427	285	5,913	6,481
Current portion - long-term debt (Note 19)	10	4,413	—	4,423	8,596
Current portion - employee future benefits (Note 20)	1,920	—	—	1,920	1,727
Current portion - capital lease obligation (Note 21)	221	—	—	221	240
	144,781	19,807	285	164,873	155,858
LONG—TERM LIABILITIES					
Long-term debt (Note 19)	—	145,300	—	145,300	149,697
Long-term accrued liabilities	778	—	—	778	1,105
Employee future benefits (Note 20)	14,045	—	—	14,045	17,596
Capital lease obligation (Note 21)	97	—	—	97	282
Accrued decommissioning costs (Note 22)	—	15,097	—	15,097	12,698
Other long-term liabilities	832	—	—	832	815
	15,752	160,397	—	176,149	182,193
FUND BALANCES					
Externally restricted funds (Note 25)	—	469,828	262,679	732,507	741,161
Externally restricted permanent endowments (Note 25)	—	—	155,936	155,936	150,806
Internally restricted funds (Note 26)	65,248	66,085	57,198	188,531	177,099
Invested in collections	44,999	—	—	44,999	44,538
Invested in capital assets	—	1,358,308	—	1,358,308	1,368,802
Unrestricted funds (deficiency) (Note 27)	13,444	—	—	13,444	3,882
	123,691	1,894,221	475,813	2,493,725	2,486,288
	$284,224	$2,074,425	$476,098	$2,834,747	$2,824,339

Commitments and Contingencies (Note 28)
See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the Year Ended April 30 ($ thousands)

STATEMENT 2

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2023	TOTAL 2022
REVENUES					
Grants and Contracts					
Government of Canada	$3,981	$95,405	$—	**$99,386**	**$110,662**
Government of Saskatchewan	439,576	74,959	—	**514,535**	**497,257**
Other governments	21,046	2,908	—	**23,954**	**23,427**
Non-government	7,183	79,003	—	**86,186**	**87,901**
Tuition and student fees	202,213	32	32	**202,277**	186,942
Donations	1,963	14,254	7,919	**24,136**	32,689
Sales of services and products	104,493	44	—	**104,537**	84,640
Income from investments	13,278	31,215	2,092	**46,585**	12,935
Real estate income	8,283	338	1	**8,622**	7,763
Royalties	7,113	251	—	**7,364**	4,990
Miscellaneous income	5,954	6	—	**5,960**	4,871
	815,083	**298,415**	**10,044**	**1,123,542**	**1,054,077**
EXPENSES					
Salaries	456,965	97,892	—	**554,857**	539,533
Employee benefits (Note 29)	79,317	11,465	—	**90,782**	80,190
Operational supplies and expenses	169,505	63,122	—	**232,627**	212,888
Travel	9,749	6,626	—	**16,375**	6,282
Cost of goods sold	11,270	—	—	**11,270**	9,310
Maintenance, rental and renovations	16,106	3,322	—	**19,428**	17,330
Utilities	31,579	2,821	—	**34,400**	28,313
Amortization	—	98,988	—	**98,988**	105,254
Scholarships, bursaries and awards	4,412	53,334	—	**57,746**	54,307
Interest (Note 30)	3	2,258	—	**2,261**	(5,374)
Bad debt expense	1,792	(45)	—	**1,747**	1,391
Decommissioning costs (Note 22)	—	1,048	—	**1,048**	813
	780,698	**340,831**	**—**	**1,121,529**	**1,050,237**
Excess (deficiency) of revenues over expenses	34,385	(42,416)	10,044	**2,013**	3,840
Interfund transfers (Note 32)	(19,663)	16,711	2,952	**—**	—
Net increase (decrease) in fund balances for year	14,722	(25,705)	12,996	**2,013**	3,840
Fund balances, beginning of year	103,545	1,919,926	462,817	**2,486,288**	2,490,450
Employee future benefits remeasurements and other items	5,424	—	—	**5,424**	(8,002)
Fund balances, end of year	**$123,691**	**$1,894,221**	**$475,813**	**$2,493,725**	**$2,486,288**

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended April 30 ($ thousands)

STATEMENT 3

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2023	TOTAL 2022
OPERATING ACTIVITIES					
Excess (Deficiency) of revenues over expenses	$34,385	$(42,416)	$10,044	**$2,013**	$3,840
Add (deduct) non-cash items:					
Amortization of capital assets	—	98,988	—	**98,988**	105,254
Amortization of decommissioning costs	—	969	—	**969**	730
Amortization of bond issuance cost	—	16	—	**16**	16
Amortization of deferred finance charges	27			**27**	29
Change in unrealized fair value of investments	(671)	(2,074)	(588)	**(3,333)**	29,141
Change in fair value of risk management asset/liability	375	(974)	543	**(56)**	(9,158)
Loss on disposal of productive biological assets	5	—	—	**5**	19
Loss on disposal of capital assets	—	274	—	**274**	384
Employee future benefits expense	(2,066)			**(2,066)**	572
Contributions for endowments and other asset purchases	(1,516)	(2,797)	(427)	**(4,740)**	(10,261)
Increase in collections	(116)	—	—	**(116)**	(69)
Decrease (increase) in non-cash working capital (Note 23)	19,660	(3,345)	(1)	**16,314**	9,300
Decrease in grants and contracts related to research and other project receivables		1,328	—	**1,328**	5,616
Employee future benefits contributions	(104)	—	—	**(104)**	(1,147)
	49,979	**49,969**	**9,571**	**109,519**	**134,266**
INVESTING ACTIVITIES					
Sale (purchase) of investments	5,699	(29,036)	(20,768)	**(44,105)**	(40,636)
Decrease in other assets	276	358	—	**634**	107
Purchase of capital assets	—	(79,291)	—	**(79,291)**	(64,918)
Purchase of collections	(345)			**(345)**	(169)
Change in other long-term liabilities	(310)	—	—	**(310)**	(96)
	5,320	**(107,969)**	**(20,768)**	**(123,417)**	**(105,712)**
FINANCING ACTIVITIES					
Contributions of cash for endowments	—	—	7,491	**7,491**	5,163
Proceeds from capital lease	—	—	—	**—**	659
Repayment of loan	(16)	—	—	**(16)**	(16)
Proceeds from (repayments of) long-term debt	10	(8,596)	—	**(8,586)**	(10,861)
Repayment of capital lease obligation	(204)	—	—	**(204)**	(258)
	(210)	**(8,596)**	**7,491**	**(1,315)**	**(5,313)**
Net increase (decrease) in cash	55,089	(66,596)	(3,706)	**(15,213)**	23,241
Interfund transfers	(19,663)	16,711	2,952	**—**	—
Cash, beginning of year	76,876	58,234	1,462	**136,572**	113,331
Cash, end of year	**$112,302**	**$8,349**	**$708**	**$121,359**	**$136,572**

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended April 30, 2023

($ 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. Adoption of Accounting Standards for Agriculture

May 1, 2022, the university adopted Section 3041, Agriculture of the CPA Canada Handbook – Accounting (Handbook). Section 3041 provides specific authoritative guidance on the accounting for biological assets and the harvested products of biological assets for private enterprises that undertake agricultural production. Previously, such biological assets were accounted for under Inventories.

Under Section 3041, biological assets are segregated into agricultural inventories and productive biological assets. In accordance with this guidance, the university assessed that it holds productive biological assets in the form of mature dairy cows and heifer calves at the College of Agriculture and Bioresources – see Note 3 h). The university assessed that it holds agricultural inventories in the form of research animals at Vaccine and Infectious Disease Organization (VIDO), poultry, crops, and breeder seed at the College of Agriculture and Bioresources, teaching animals at the Western College of Veterinary Medicine, and research animals at Livestock and Forage Centre of Excellence (LFCE) – see Note 3 j).

The university has applied this standard retrospectively. In accordance with the transitional provisions of Section 3041, the university has elected to measure mature dairy cows and heifer calves at the College of Agriculture and Bioresources at their net realizable value as of May 1, 2022. Adoption of Section 3041 had no impact on the year-end value of the university's productive biological assets and agricultural inventories at April 30, 2022, because the university measured its biological assets either at net realizable value or at market value prior to the adoption of this standard. Market value approximates the net realizable value due to minimal costs of disposal.

3. 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, 2023.
- **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, 2023.
- **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, 2022.

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

- **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, 2022.
- **The University of Saskatchewan Alumni Association (Association)**, a volunteer-driven, non-profit organization incorporated in 1937, works with the University of Saskatchewan to strengthen the bond between Alumni and the university. With implementation of a new governance model, in conjunction with amendments to the Articles of the Corporation in June 2019, the university controls the Association. This entity's year end for consolidation purposes is April 30, 2022.
- **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, 2023.

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.

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. The Operating Fund also houses the university's collections (see Note 11) held for education, research or public exhibition. 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.

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

c) Revenue recognition

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

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

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

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

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

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

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

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

d) Contributed services and materials

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

e) Use of estimates

The preparation of financial statements in conformity with Canadian 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) Collections

Collections are works of art, historical treasures or similar assets that are: held for public exhibition, education or research; protected, cared for and preserved; and subject to an organizational policy that requires any proceeds from their sale to be used to acquire other items to be added to the collection or for the direct care of the existing collection. Collections are recorded on the statement of financial position at cost, represented by fair market value, or nominal value where a reasonable estimate of fair market value is indeterminable. Collections are not subject to amortization due to the nature of collections, which requires the university to preserve these assets in perpetuity.

g) Intangible assets

Intellectual property was produced by CLSI. Intellectual property has a finite useful life and is carried at cost, less accumulated amortization and any accumulated impairment losses.

Amortization expense is reported in the Capital Fund. Intellectual property is amortized using the straight-line method over its estimated useful life of 20 years.

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

h. Productive biological assets

Effective May 1, 2022 the university retrospectively implemented Section 3041, Agriculture. In accordance with this standard, the university assessed that is holds productive biological assets in the form of mature dairy cows and heifer calves at the College of Agriculture and Bioresources. Productive biological assets are measured at cost less impairment losses, if any. The cost of mature cows and heifer calves is stated at market value, which is defined as market quotations. Mature dairy cows and heifer calves have indefinite useful life and are not subject to amortization as they are managed on a collective basis to indefinitely maintain a milk production quota for research purposes. Mature dairy cows and heifer calves are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

i) 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. 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 m) Decommissioning obligation.

CAPITAL ASSETS	USEFUL LIFE
Buildings (pre-May 1, 2019, componentized)	40 years
Buildings (post-May 1, 2019, componentized)	20 to 50 years
Beamlines and CLSI Facility	to FY2032 - see Note 22
Leasehold improvements	Lease term
CLSI facility retirement costs	25 years
Fedoruk Centre facility retirement costs	40 Years
Site improvements	20 years
Computers and software	3 years
Equipment and furnishings	3 to 8 years
Library materials	10 years

j) Agricultural inventories

Effective May 1, 2022 the university retrospectively implemented Section 3041, Agriculture. In accordance with this standard, the university assessed that it holds agricultural inventories in the form of research animals at Vaccine and Infectious Disease Organization (VIDO), poultry, crops, and breeder seed at the College of Agriculture and Bioresources, teaching animals at the Western College of Veterinary Medicine, and research animals at Livestock and Forage Centre of Excellence (LFCE). Agricultural inventories are measured using the net realizable value model, except for research animals at VIDO, poultry, crops, breeder seed at the College of Agriculture and Bioresources, and teaching animals at the Western College of Veterinary Medicine which are stated at the market value. Market is defined as market quotations for poultry and crops at the College of Agriculture and Bioresources and replacement cost for research animals at VIDO, breeder seed at the College of Agriculture and Bioresources, and teaching animals at the Western College of Veterinary Medicine. Due to minimal costs of disposal, market value approximates the net realizable value. The net realizable value for research animals at LFCE is determined at market value, which is based on market quotations, less costs of disposal.

k) Inventories

Inventories are valued at the lower of cost and net realizable value, which is determined by the average cost method.

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

l) 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's defined benefit pension plans obtain an actuarial valuation for funding purposes to comply with legislative requirements. The university has made an accounting policy choice to measure the defined benefit obligation as of April 30 using a roll-forward technique based on the most recently completed actuarial valuation 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 20. 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.

m) 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.

n) 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 (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.

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

o) Derivative financial instruments

The university uses derivative financial instruments, principally interest rate swap agreements on specific loans and foreign currency hedging agreements on specific foreign investments, in its management of exposure to fluctuations in interest 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 18.

4. Disclosure of Other Significant Relationships

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

5. Cash and Short-term Investments

	APRIL 30	
	2023	2022
Cash	$34,828	$135,095
Short-term investments	86,531	1,477
	$121,359	$136,572

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

6. Accounts Receivable

	APRIL 30	
	2023	2022
General	$14,653	$17,796
Investment income	1,598	736
Grants and contracts related to general funds	1,763	7,314
Grants and contracts related to student financial aid	1,294	1,294
Grants and contracts related to research	144,615	148,660
Grants and contracts related to capital	34,204	24,205
Other restricted	23,619	27,330
Other unrestricted	2,985	3,698
Student fees	9,625	7,405
Student loans	73	289
Allowance for doubtful accounts	(3,873)	(3,123)
	$230,556	$235,604

7. Inventories

	APRIL 30			
	2023			2022
	BEGINNING OF YEAR	NET CHANGE	END OF YEAR	END OF YEAR
College of Agriculture and Bioresources	$208	$(58)	$150	$208
College of Dentistry	783	103	886	783
Western College of Veterinary Medicine	616	23	639	616
Consumer Services	1,744	86	1,830	1,744
Facilities	2,356	30	2,386	2,356
Vaccine and Infectious Disease Organization (VIDO)	97	(35)	62	97
Livestock and Forage Centre of Excellence (LFCE)	1,006	(85)	921	1,006
Other	664	(41)	623	664
Subsidiaries:				
• Canadian Light Source Inc.	4,086	(7)	4,079	4,086
• Prairie Swine Centre Inc.	350	92	442	350
	$11,910	$108	$12,018	$11,910

8. Agricultural Inventories

	APRIL 30			
	2023			2022
	BEGINNING OF YEAR	NET CHANGE	END OF YEAR	END OF YEAR
College of Agriculture and Bioresources:				
• Poultry	$15	$6	$21	$15
• Breeder seed	674	(72)	602	674
• Crops	307	(215)	92	307
Facilities:				
• Teaching animals	79	43	122	79
Vaccine and Infectious Disease Organization (VIDO):				
• Research animals	7	4	11	7
Livestock and Forage Centre of Excellence (LFCE):				
• Seed	19	104	123	19
• Research animals	2,837	(72)	2,765	2,837
	$3,938	$(202)	$3,736	$3,938

College of Agriculture and Bioresources inventories include 5,260 birds and 4,313 dozen eggs categorized as Poultry (2022 - 5,424 birds and 1,580 dozen eggs); 2,698 bushels of breeder seeds (2022 - 2,686 bushels of breeder seeds); and 9,750 bushels of crops (2022 - 18,510 bushels of crops); WCVM teaching animals consist of 203 animals; VIDO has 15 research animals (2022 – 15 research animals), and LFCE inventories include 2,585 bushels of seed (2022 - 1,850 bushels of seed) and 1,248 research animals (2022 - 1,688 research animals).

9. Long-term Accounts Receivable

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

	APRIL 30	
	2023	**2022**
2024	$ —	$9,347
2025	8,053	3,486
2026	3,402	1,165
2027	1,196	231
2028	230	—
2029	20	—
	$12,901	**$14,229**

10. 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, 2023				
	FI	**LT**	**LTDS**	**OTHER**	**TOTAL**
Government and corporate bonds	$86,825	$—	$—	$1,513	$88,338
Government and corporate bonds pooled funds	—	175,630	1,628	594	177,852
Canadian equities	—	111,748	—	1,121	112,869
Canadian equities pooled funds	—	34,607	882	1,141	36,630
Foreign equities	—	3,322	—	2,708	6,030
Foreign equities pooled funds	22,964	415,354	3,302	3,736	445,356
Real estate pooled funds	—	72,196	—	—	72,196
Cash, short-term investments and other assets	769	4,622	12	71	5,474
	$110,558	**$817,479**	**$5,824**	**$10,884**	**$944,745**

	APRIL 30, 2022				
	FI	**LT**	**LTDS**	**OTHER**	**TOTAL**
Government and corporate bonds	$83,413	$—	$—	$1,662	$85,075
Government and corporate bonds pooled funds	—	168,987	1,700	—	170,687
Canadian equities	—	107,473	—	1,173	108,646
Canadian equities pooled funds	—	36,030	939	—	36,969
Foreign equities	—	3,020	—	2,485	5,505
Foreign equities pooled funds	21,121	380,994	3,140	1,642	406,897
Real estate pooled funds	—	75,555	—	—	75,555
Cash, short-term investments and other assets	2,145	4,733	9	5	6,892
	$106,679	**$776,792**	**$5,788**	**$6,967**	**$896,226**

10. Long-term Investments (continued)

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

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.

11. Collections

The university's mission includes "discovering, teaching, sharing, integrating, preserving, and applying knowledge, including the creative arts, to build a rich cultural community". University collections, noted below, are integral to our status as an "outstanding institution of research, learning, knowledge-keeping, reconciliation, and inclusion".

- **University Archives and Special Collections:** The collections mandate for University Archives and Special Collections is focused on the acquisition, preservation, and accessibility of permanently valuable records of the University of Saskatchewan; and of books, journals, manuscripts, archival collections, and printed ephemera of a rare, valuable or regional nature. The collections predominantly include materials relating to Saskatchewan, Western Canada, and the University of Saskatchewan. The continued accessibility of these rare and unique materials provides vital support for learning and research.
- **USask Art Galleries and Collection** is the visual art hub linking the university's art galleries and the university's permanent art collection, preserving vital historic and artistic objects of interest for the Province of Saskatchewan and the university. The more than 6,000 works of art, including significant holdings by Canadian (and Saskatchewan) artists and modernist works from North America and Europe, provide opportunity for deeper engagement with Indigenous peoples, students and community.
- **Museum of Antiquities:** The Museum of Antiquities is unique in Canada housing a collection of full-scale sculptural replicas of artworks from Greek, Roman, Egyptian, Near Eastern and medieval European cultures along with original coins, pottery and glass. The collections provide a rare opportunity for archaeological learning and research for people of all ages interested in the art and material culture of the ancient and medieval worlds.
- **The Diefenbaker Canada Centre:** The Diefenbaker Canada Centre's purpose is to help people make meaningful and personal connections with the ideas of citizenship, leadership, and Canada's role in the international community. Utilizing its significant core collection of personal artifacts bequeathed from the Right Honourable John G. Diefenbaker, the Diefenbaker Canada Centre designs and hosts exhibits and programing that are experiential, applicable and relevant to today's society.
- **The Amati collection** is comprised of four rare seventeenth century instruments crafted by the Amati family of Cremona, Italy. These instruments were collected by the late Stephen Kolbinson and entrusted as a provincial treasure to the university in 1959 on the condition that they would be preserved and played from time to time for the benefit and enjoyment of the people of the province.

Acquisitions are donated as well as purchased. University collections are measured at fair value except for the Diefenbaker Canada Centre. Because of the unique nature of this collection fair value has not been determined and the collection is being held at nominal value. In the very rare event that an object from a collection is deaccessioned and sold, proceeds from the sale will be used to support collection management and development. There were no disposals of items from these collections (2022 - $NIL).

There were no significant acquisitions for these collections during the period. The expenditures on collection items amounted to $130 (2022 - $118).

12. Intangible Assets

	April 30			
	2023			2022
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Intellectual property	**$639**	**$264**	**$375**	**$413**

13. Productive Biological Assets

	April 30			
	2023			2022
	QUANTITY	NET BOOK VALUE	QUANTITY	NET BOOK VALUE
College of Agriculture and Bioresources				
• Mature dairy cows	119	$131	120	$132
• Heifer calves	105	50	116	54
		$181		**$186**

Net gain (loss) recognized on sale or disposal of productive biological assets amounted to $(5) (2022 - $(19)).

14. Capital Assets

	April 30			
	2023			2022
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Buildings (pre–May 1, 2019)	$1,634,057	$681,497	$952,560	$989,688
Buildings (post–May 1, 2019)	74,115	4,984	69,131	43,823
Beamlines and CLSI Facility	241,359	125,171	116,188	119,754
Leasehold improvements	7,827	5,967	1,860	1,961
CLSI facility retirement costs	10,919	4,856	6,063	4,495
Fedoruk Centre facility retirement costs	656	123	533	672
Site improvements	230,223	125,242	104,981	111,598
Computers and software	194,712	174,745	19,967	17,717
Equipment and furnishings	557,935	468,017	89,918	98,274
Land	10,593	—	10,593	10,593
Construction in progress	59,552	—	59,552	50,577
Library materials	168,491	156,297	12,194	12,069
	3,190,439	**1,746,899**	**1,443,540**	**$1,461,221**
ASSETS ACQUIRED UNDER CAPITAL LEASE OBLIGATION				
Equipment and furnishings	1,016	515	501	628
	$3,191,455	**$ 1,747,414**	**$1,444,041**	**$1,461,849**

15. Accounts Payable and Accrued Liabilities

	APRIL 30	
	2023	2022
Non-governmental accounts payable and accrued liabilities	$78,857	$80,034
Incentivized voluntary exit programs for faculty and staff	3,801	2,643
College of Medicine voluntary severance package	128	135
Government remittances:		
• Sales taxes	594	382
• Payroll related taxes	8,715	7,692
	$92,095	$90,886

16. Deferred Revenue

	APRIL 30	
	2023	2022
Student fees	$15,366	$13,726
Unearned revenue-ancillary operations	6,378	6,181
Deferred revenue-pending designation	2,037	120
Deferred contributions	36,479	27,844
	$60,260	$47,871

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 revenue – pending designation are contributions received by the university where terms of reference, which determine purpose and any restrictions, are still pending.

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.

17. Loans

The university maintains a $50 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, 2023, there was no borrowing outstanding under the facility (2022 – $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 principal payments; due August 2024. At April 30, 2023, $41 (2022 - $57) was drawn and outstanding on the term loan. PSCI also has available an operating line of credit with a limit of $300, bearing interest at prime plus 1.50% and secured by an assignment of grants to PSCI. At April 30, 2023, there was no borrowing outstanding under the facility (2022 - $NIL).

18. Risk Management Assets and Liabilities

		ASSETS		LIABILITIES	
		APRIL 30			
		2023	2022	2023	2022
Interest rate swap agreements	(a)	$—	$—	$5,341	$6,481
Foreign currency hedge agreements	(b)	—	512	572	—
		$—	$512	$5,913	$6,481

a) Interest rate swap agreements

To manage the interest rate exposure associated with long-term loans (see Note 19) 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	
		2023	2022
Stadium parkade	(i)	$397	$623
Annual sustaining capital borrowing	(ii)	(38)	22
College quarter undergraduate residence	(iii)	2,680	3,208
College quarter graduate residence	(iv)	2,302	2,630
Academic Health Sciences	(v)	—-	(2)
		$5,341	$6,481

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

i) Interest rate of 5.79%; agreement terminates September 2029.
ii) Interest rates vary from 2.77% to 4.46%; agreements terminate between June 2023 and November 2026.
iii) Interest rate of 4.63% and 4.57%; agreements terminate in October 2036 and September 2037.
iv) Interest rate of 4.37%; agreement terminates in January 2043.
v) Interest rate of 1.93%; agreement terminated in December 2022.

The total expense (recovery) in fair value for the university's interest rate swap agreements (included in Note 30 Interest Expense (Recovery)) is $(1,140) (2022 - $(9,042)).

b) 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, 2023		APRIL 30, 2022	
	NOTIONAL VALUE	FAIR VALUE	NOTIONAL VALUE	FAIR VALUE
RBC Foreign Currency Hedge Agreement	$36,074	$—	$34,650	$512

The fair value for the foreign currency hedge agreement is determined by mark-to-market valuations provided by RBC-IST. At April 30, 2023, 24,026 Euro were hedged per the agreement (2022 – 25,591 Euro) with a base foreign currency rate of 1.5014 (2022 – 1.3540). At April 30, 2023 this agreement had a notional value of $36,074 (2022 – $34,650), and its fair value approximated an unrealized loss of $572 (2022 – unrealized gain $512). The unrealized loss at April 30, 2023 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.

19. Long-term Debt

		APRIL 30	
		2023	2022
Academic Health Sciences	(a)	$—	$4,000
Stadium Parkade	(b)	5,617	6,315
Annual Sustaining Capital Borrowing	(c)	2,791	4,398
College Quarter Undergraduate Residence	(d)	31,636	33,172
College Quarter Graduate Residence	(e)	25,228	25,983
Senior notes issued 2018	(f)	85,000	85,000
Canada Emergency Business Account (CEBA) – PSCI	(g)	10	—
		150,282	158,868
Less: net unamortized debt issue costs		(559)	(575)
		149,723	158,293
Less: Current Portion		(4,423)	(8,596)
		$145,300	$149,697

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; paid 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 2025, 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 September 2022 to November 2026; repayable in full between September 2022 and October 2025, 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 2025, 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 2025, 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, 2023 is $4,212 (2022 - $3,445). Included in interest expense is $16 (2022 - $16) for amortized debt issuance costs.

g) Canada Emergency Business Account (CEBA) loan administered by Prairie Centre Credit Union. The loan is non-interest bearing without fixed terms of repayment until December 31, 2023. The loan is secured by the Government of Canada through the CEBA program. The remaining balance is then converted to a 3-year term loan at an interest rate of 5% per annum. The forgivable portions of the $60 loan totaling $20 have been recognized as revenue.

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

2024	$4,988
2025	4,733
2026	4,505
2027	4,465
2028	3,966
	$22,657

The amount of interest capitalized at April 30, 2023 is $3,012 (2022 - $2,951).

20. Employee Future Benefits

The university sponsors both defined benefit and defined contribution pension 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. On July 9, 2019 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. As of that date, existing active members and all new eligible entrants are enrolled in the Colleges of Applied Arts & Technology (CAAT) DBplus pension plan, a multi-employer pension plan to which the university is not a sponsor. Moving forward, previously enrolled Non-Ac plan members' pensionable earnings will continue to accrue towards their highest 4-year average in the Non-Ac plan, however, all future service goes to the CAAT DBplus plan. The university's obligation to the CAAT DBplus plan is limited to semi-monthly contributions. Total annual expense for the CAAT DBplus plan and other defined contribution plans to which the university and employees contribute in equal amounts is $33,095 (2022 - $32,230).

The university continues with administration associated with the closed Non-Ac plan and remains responsible for the plan's accrued benefit obligation. The most recently filed actuarial valuation for all defined benefit plans for funding purposes was as of December 31, 2021 (the next required actuarial valuation filing is December 31, 2024).

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, 2021 (extrapolated to April 30, 2022). The measurement date of the actuarial valuations for the accrued benefit obligations for the other post-retirement benefits is April 30, 2022.

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

	2023			2022		
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL
PLAN ASSETS						
Fair value at beginning of year	$574,926	$—	$574,926	$620,203	$—	$620,203
Actual return on plan assets	19,340	—	19,340	(7,965)	—	(7,965)
Employer contributions	577	1,920	2,497	1,812	1,727	3,539
Employee contributions	351	—	351	435	—	435
Benefits paid	(38,129)	(1,920)	(40,049)	(39,559)	(1,727)	(41,286)
Fair value at end of year	**$557,065**	**$—**	**$557,065**	**$574,926**	**$—**	**$574,926**

20. Employee Future Benefits (continued)

	2023			2022		
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL
ACCRUED BENEFIT OBLIGATIONS						
Accrued benefit obligation at beginning of year	$581,519	$12,730	**$594,249**	$589,568	$13,198	**$602,766**
Current service cost	1,144	2,928	**4,072**	1,330	2,247	**3,577**
Interest cost	29,096	561	**29,657**	29,230	369	**29,599**
Benefits paid	(38,129)	(1,920)	**(40,049)**	(39,559)	(1,727)	**(41,286)**
Actuarial (gains) losses	(63,498)	660	**(62,838)**	950	(1,410)	**(460)**
Past service cost	—	—	—	—	53	**53**
Accrued benefit obligation at end of year	**$510,132**	**$14,959**	**$525,091**	**$581,519**	**$12,730**	**$ 594,249**
ACCRUED BENEFIT ASSET (LIABILITY)						
Fair value — plan assets at end of year	$557,065	$ —	$ 557,065	$574,926	$ —	$574,926
Accrued benefit obligation, end of year	510,132	14,959	525,091	581,519	12,730	594,249
Valuation allowance	(47,939)	—	(47,939)	—	—	—
Accrued benefit asset (liability), net of valuation allowance	**$(1,006)**	**$(14,959)**	**$(15,965)**	**$(6,593)**	**$ (12,730)**	**$(19,323)**
Current portion	$—	$(1,920)	($1,920)	$—	$(1,727)	$(1,727)
Long-term portion	(1,006)	(13,039)	(14,045)	(6,593)	(11,003)	(17,596)
	$(1,006)	**$(14,959)**	**$(15,965)**	**$(6,593)**	**$(12,730)**	**$(19,323)**
BENEFIT PLAN EXPENSE (INCOME):						
Current service cost, net of employee contributions	$793	$2,928	$3,721	$895	$2,247	$3,142
Interest on benefit obligation	29,096	561	29,657	29,230	369	29,599
Interest on asset (liability) obligation	(28,766)	—	(28,766)	(30,921)	—	(30,921)
	$1,123	**$3,489**	**$4,612**	**$(796)**	**$2,616**	**$1,820**
REMEASUREMENTS AND OTHER ITEMS:						
Experience (gain) loss on accrued benefit obligation	$(63,498)	$660	$(62,838)	$950	$(1,410)	$(460)
Interest on asset (liability) obligation	(19,340)	—	(19,340)	7,965	—	7,965
Past service cost	—	—	-	—	53	53
Assumed interest on assets at assumed discount rate	28,766	—	28,766	30,921	—	30,921
Increase (decrease) in valuation allowance	47,939	—	47,939	(30,358)	—	(30,358)
	$(6,133)	**$660**	**($5,473)**	**$9,478**	**$(1,357)**	**$8,121**

20. Employee Future Benefits (continued)

ACTUARIAL ASSUMPTIONS (WEIGHTED AVERAGE AS OF APRIL 30)

	2023		2022	
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS
Discount rate	6.3%	4.6%	5.2%	4.4%
Compensation increase	2.7%	0.0%	2.7%	0.0%
Health care cost trend rate	0.0%	4.0%	0.0%	4.0%
Inflation	2.3%	2.3%	2.3%	2.3%

PERCENTAGE OF FAIR VALUE OF TOTAL PLAN ASSETS HELD AT MEASUREMENT DATE BY CATEGORY

	2023		2022	
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS
Fixed income	32.0%	—	31.1%	—
Equities	46.6%	—	50.0%	—
Other	21.4%	—	18.9%	—
Total	100.0%	—	100.0%	—

21. Capital Lease Obligation

	APRIL 30	
	2023	2022
2022	$—	$11
2023	11	240
2024	210	169
2025	84	89
2026	13	13
Total minimum lease payments	318	522
Less: current portion of capital lease obligation	(221)	(240)
Long-term portion of capital lease obligation	$97	$282

Prairie Swine Centre Inc. has entered into a lease with National Leasing for feeders, payable in equal monthly installments of $1 including interest of 7.12% implicit in the lease, due May 2023, with the feeders having a net book value of $20 (2021 - $27), pledged as collateral. This agreement is recognized in the financial statements of the university as an asset acquired under capital lease obligations. The total minimum lease payments equal to $12 (2021 - $25). Lease payments include imputed interest of $NIL (2021 - $(2)).

The university has entered into a master lease with CSI Leasing Canada Ltd for copiers, payable in quarterly installments from $3 to $15, depending on the number of copiers as per the master lease agreement schedules, including implicit interest averaging 16%. The individual lease schedules expire between December 2022 and January 2026. This agreement is recognized in the financial statements of the university as an asset acquired under capital lease obligations. The total minimum lease payments equal to $271 (2022 - $499). Lease payments include imputed interest of $(31) (2022 - $(57)).

22. Decommissioning Costs

		APRIL 30	
		2023	2022
CLSI	(a)	$14,327	$11,830
The Fedoruk Centre	(b)	770	868
		$15,097	$12,698

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, 2023 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, 2018.

The university, through CLSI, accrues the liability for future decommissioning site restoration costs. The university expects to begin decommissioning the facility in fiscal 2033 and anticipates the future cash flows required for decommissioning activities to be $18,555.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk free interest rate of 2.9% (2022 – 2.4%) and an inflation rate estimate of 4.0% (2022 – 2.1%). The change in cost estimate resulted in a $2,210 increase to both the accrued decommissioning costs and the deferred decommissioning costs. The current year decommissioning costs of $1,008 (2022 - $779) include amortization of deferred decommissioning costs of $642 (2022 - $528) and costs associated with a financial guarantee to the CNSC of $79 (2022 - $83). A reconciliation of the accrued decommissioning costs is as follows:

	APRIL 30	
	2023	2022
Accrued decommissioning costs, beginning of year	$11,830	$10,863
Accretion expense	287	168
Adjustment due to changes in assumptions	2,210	799
Accrued decommissioning costs, end of year	$14,327	$11,830

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 fiscal year 2020. The Fedoruk Centre expects the facility to operate for a 40 year period, 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 3.5% (2022 – 2.3%) and an inflation rate estimate of 2.3% (2022 – 1.5%). The change in cost estimate resulted in a $118 decrease to both the accrued decommissioning costs and deferred decommissioning costs. The current year decommissioning costs of $40 (2022 - $34) include amortization of deferred decommissioning costs of $20 (2022 - $21). A reconciliation of the accrued decommissioning costs is as follows:

	APRIL 30	
	2023	2022
Accrued decommissioning costs, beginning of year	$868	$898
Accretion expense	20	13
Adjustment due to changes in assumptions	(118)	(43)
Accrued decommissioning costs, end of year	$770	$868

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

			APRIL 30		
	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2023	TOTAL 2022
Accounts receivable	$7,120	$(2,071)	$(1)	**$5,048**	**($7,399)**
Inventories	(108)	—	—	**(108)**	**(876)**
Agricultural Inventories	202	—	—	**202**	**330**
Prepaid Expenses	(1,952)	2	—	**(1,950)**	**(1,057)**
Accounts payable and accrued liabilities	2,005	(1,272)	—	**733**	**14,452**
Deferred revenue	12,393	(4)	—	**12,389**	**3,850**
	$19,660	**$(3,345)**	**$(1)**	**$ 16,314**	**$ 9,300**

24. 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.

25. 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	
	2023	2022
RESTRICTED FUND		
Capital Fund	$48,838	$40,104
Student Financial Aid Fund	63,065	58,636
Research Fund	357,925	386,041
	469,828	**484,781**
ENDOWMENT FUND		
Endowed contributions – term	68,885	65,948
Capitalized endowment earnings	193,794	190,432
	262,679	**256,380**
	732,507	**741,161**
ENDOWMENT FUND		
Endowed contributions – permanent	155,936	150,806
Total externally restricted fund balances	**$888,443**	**$891,967**

26. 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	
	2023	2022
GENERAL FUND		
Operating	$(10,313)	$(17,719)
Institutional Obligations for Employment Benefits	(23,929)	(25,823)
Donor Funded	50,345	50,513
Specific Purpose	49,145	48,154
	65,248	**55,125**
RESTRICTED FUND		
Capital Fund – Other	18,093	13,602
Capital Fund – Sinking Fund	4,212	3,445
Capital Fund	**22,305**	**17,047**
Student Financial Aid Fund	7,270	9,635
Research Fund	36,510	39,661
	66,085	**66,343**
ENDOWMENT FUND		
Endowed contributions	27,501	27,116
Capitalized endowment earnings	29,697	28,515
	57,198	**55,631**
Total internal restricted fund balances	**$188,531**	**$177,099**

As per CLSI Board of Governors approval and as agreed upon with CNSC, beginning in fiscal 2021 the university, through CLSI, allocates $1 million annually over the next five years to internally restricted capital fund to fund future decommissioning costs for CLSI facility. The remaining amount will be re-assessed in fiscal 2026 and will be allocated until the CLSI facility decommissioning date of fiscal 2029. At April 30, 2023, the balance of these funds is $3,513 (2022 - $2,395).

As provided for under the Fedoruk Centre's policy for funding cyclotron decommissioning liability, Fedoruk Centre allocates $25 annually to internally restricted capital fund to fund future decommissioning costs. At April 30, 2023, the balance of these funds is $175 (2022 - $150).

27. Unrestricted Funds (Deficiency)

	APRIL 30	
	2023	2022
GENERAL FUND		
Operating Fund	$28,470	$25,850
Ancillary Fund	(15,026)	(21,968)
Total unrestricted funds (deficiency)	**$13,444**	**$3,882**

28. Commitments and Contingencies

a) Capital projects

With significant commitments relating to projects such as the W.P Thompson Building Renewal, Murray Building Renewal, and the VIDO Animal Care Facility, the estimated cost of contractual commitments to complete capital projects as of April 30, 2023 is approximately $85,383 (2022 - $40,523).

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:

2024	**$4,099**
2025	**2,587**
2026	**2,074**
2027	**1,323**
2028	**648**

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, 2023 totaled $14,365 (2022 - $14,800) and expires May 2023. 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 $9,435 terminating in June 2040 and $4,930 terminating in January 2041. The fair value of the interest rate swaps as determined by TD Canada Trust at April 30, 2023 was $1,643 (2022 - $1,925).

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) 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, 2023, 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.

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.

e) 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, 2022 CURIE had an accumulated surplus of $97,444 (2021 - $105,790) of which the university's pro-rata share is approximately 4.16% (2021 – 4.13%).

f) 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.

29. Employee Benefits

	APRIL 30	
	2023	2022
Pension recovery – defined benefit (Note 20)	$1,123	$(796)
Pension expense – defined contribution (Note 20)	33,095	32,230
Employee future benefits (Note 20)	3,489	2,616
All other employee benefits	53,075	46,140
	$90,782	$80,190

30. Interest Expense (Recovery)

	APRIL 30	
	2023	2022
Interest expense	$3,401	$3,668
Increase (decrease) in fair value of interest rate swap agreements (Note 18a)	(1,140)	(9,042)
	$2,261	$(5,374)

31. Gifts-in-kind and Donation Pledges

Gifts-in-kind consist of the following:

	APRIL 30	
	2023	2022
Works of art	$116	$69
Equipment and furnishings	193	99
Investments	2,602	7,497
Library Holdings	2	14
Research project contributions	1,441	2,054
Other	501	598
	$4,855	$10,331

Donations pledged but not received as at April 30, 2023 totaled $33,604 (2022 - $34,597). These pledges are expected to be honoured during the subsequent five-year period and will be recorded as revenue when received.

32. 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	$(365)	$(91)	$25	$431	$—	$—
Loan and interest payments	721	(7,043)	—	—	—	6,322
Capital acquisition and related funding	(27,925)	(4,661)	(1)	(25,548)	—	58,135
Scholarships, bursaries and awards	(14,800)	—	14,800	—	—	—
Fund transfers for Endowment	(995)	—	(225)	—	1,220	—
Funding for Research	(4,441)	(3)	(815)	5,423	—	(164)
Funding for General operating expenses	43,708	(3,454)	(579)	(40,730)	—	1,055
Contingency transfers	19	(19)	—	—	—	—
Recapitalized spending to Endowment Funds	(314)	—	(281)	(1,137)	1,732	—
APRIL 30, 2023	**$(4,392)**	**$(15,271)**	**$12,924**	**$(61,561)**	**$2,952**	**$65,348**
APRIL 30, 2022	**$(2,994)**	**$(13,735)**	**$11,781**	**$(62,483)**	**$3,087**	**$64,344**

33. 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	
	2023	**2022**
Expenses		
• Utilities	$23,599	$20,344
• Various	30,945	26,664
Accounts receivable	59,295	47,424
Long-term investments	818	844
Accounts payable and accrued liabilities	7,529	4,645
Deferred revenue	10,260	5,909

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. On April 30, 2020, CLSI exchanged a loan receivable, accrued interest and amount receivable from CIIC for preferred shares with a face value of $6,321 and a fair market value of $NIL. The shares are redeemable by CIIC, retractable by CLSI after December 31, 2024, non-voting and dividend bearing at a rate equal to the lesser of the average prime rate plus 0.5% and 7.0% commencing January 1, 2024.

The university held $818 of long-term investments in Province of Saskatchewan bonds that belongs to Saskatchewan bonds through Baker Gilmore for the Kernen Foundation Endowment.

34. Financial Instruments

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

a) Risk management and financial instruments

i) Market risk

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

ii) Foreign currency risk

The university has foreign currency risk from its foreign currency denominated cash and investment accounts and exposure to foreign currency 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 18.

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 18. 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.

34. Financial Instruments (continued)

iv) Credit risk

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

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

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

v) Liquidity risk

Prudent liquidity risk management implies maintaining sufficent cash and cash equivalents. The university minimizes its liquidity risk through careful management of Investment Pools to maintain sufficient liquidity for operating purposes. A $50 million bank line of credit is also available should funds be required to meet current obligations on a short-term basis – see Note 17.

Liquidity continues to be monitored closely and risk mitigated with monthly cash flow projections.

b) Fair value of financial instruments

The carrying values of all financial instruments approximate fair value with the exception of long-term natural gas agreements which as at April 30, 2023 have a carrying value of $8,050 and a fair value of $6,802.

35. Comparative Figures

Certain comparative figures may have been reclassified in order to conform to the financial statement presentation adopted for the current year. Due to the implementation of Section 3041, Agriculture, management reclassified $3,939 to Agricultural inventories and $186 to Productive biological assets from Inventories in comparative figures from April 30, 2022.

UNIVERSITY OF SASKATCHEWAN

SCHEDULE 1 — CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES — GENERAL FUNDS

FOR THE YEAR ENDED APRIL 30, 2023 ($ THOUSANDS)

	OPERATING	INSTITUTIONAL OBLIGATIONS FOR EMPLOYMENT BENEFITS	DONOR FUNDED OPERATING	SPECIFIC PURPOSE	SUBTOTAL OPERATING	ANCILLARY	TOTAL
REVENUES							
Grants and contracts							
Government of Canada	$66	$—	$—	$3,915	$3,981	$—	$3,981
Government of Saskatchewan	295,440	—	—	144,036	439,476	100	439,576
Other governments	20,604	—	—	442	21,046	—	21,046
Non—government	956	—	—	6,227	7,183	—	7,183
Tuition and student fees	193,361	—	7	8,845	202,213	—	202,213
Donations	(3,502)	—	4,764	701	1,963	—	1,963
Sales of services and products	23,599	1	816	22,053	46,469	58,024	104,493
Income from investments	7,128	—	5,708	403	13,239	39	13,278
Real estate income	1,699	—	149	174	2,022	6,261	8,283
Royalties	1	—	6	7,106	7,113	—	7,113
Miscellaneous income	(10,702)	1,962	408	14,193	5,861	93	5,954
	528,650	**1,963**	**11,858**	**208,095**	**750,566**	**64,517**	**815,083**
EXPENSES							
Salaries	348,612	253	4,953	89,245	443,063	13,902	456,965
Employee benefits (Note 29)	58,999	6,297	785	11,685	77,766	1,551	79,317
Operational supplies and expenses	67,496	2,262	3,712	89,479	162,949	6,556	169,505
Travel	2,759	1,680	527	4,767	9,733	16	9,749
Cost of goods sold	3,245	—	10	326	3,581	7,689	11,270
Maintenance, rental and renovations	9,293	17	995	4,071	14,376	1,730	16,106
Utilities	20,192	—	358	206	20,756	10,823	31,579
Amortization	—	—	—	—	—	—	—
Scholarships, bursaries and awards	2,715	233	430	1,034	4,412	—	4,412
Interest (Note 30)	3	—	—	—	3	—	3
Bad debt expense	1,656	—	—	99	1,755	37	1,792
Decommissioning costs (Note 22)	—	—	—	—	—	—	—
	514,970	**10,742**	**11,770**	**200,912**	**738,394**	**42,304**	**780,698**
Excess (deficiency) of revenues over expenses	13,680	(8,779)	88	7,183	12,172	22,213	34,385
Interfund transfers (Note 32)	(3,194)	5,249	366	(6,813)	(4,392)	(15,271)	(19,663)
Net increase (decrease) in fund balances for year	**10,486**	**(3,530)**	**454**	**370**	**7,780**	**6,942**	**14,722**
Fund balances, beginning of year	52,669	(25,823)	49,891	48,776	125,513	(21,968)	103,545
Employee future benefits remeasurements and other items	—	5,424	—	—	5,424	—	5,424
Fund balances, end of year	**$63,155**	**$(23,929)**	**$50,345**	**$49,146**	**$138,717**	**$(15,026)**	**$123,691**

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, 2023 ($ THOUSANDS)

	STUDENT FINANCIAL AID	RESEARCH	CAPITAL	TOTAL
REVENUES				
Grants and contracts				
Government of Canada	$—	$95,405	$—	$95,405
Government of Saskatchewan	1,714	39,975	33,270	74,959
Other governments	59	2,592	257	2,908
Non-government	114	78,432	457	79,003
Tuition and student fees	32	—	—	32
Donations	6,798	5,303	2,153	14,254
Sales of services and products	—	44	—	44
Income from investments	10,174	16,409	4,632	31,215
Real estate income	132	206	—	338
Royalties	251	—	—	251
Miscellaneous income	(17)	23	—	6
	19,257	238,389	40,769	298,415
EXPENSES				
Salaries	1,218	96,699	(25)	97,892
Employee benefits (Note 29)	80	11,387	(2)	11,465
Operational supplies and expenses	327	62,449	346	63,122
Travel	128	6,498	—	6,626
Cost of goods sold	—	—	—	—
Maintenance, rental and renovations	4	3,312	6	3,322
Utilities	1	2,820	—	2,821
Amortization	—	—	98,988	98,988
Scholarships, bursaries and awards	28,404	24,930	—	53,334
Interest (Note 30)	—	—	2,258	2,258
Bad debt expense	(45)	—	—	(45)
Decommissioning costs (Note 22)	—	—	1,048	1,048
	30,117	208,095	102,619	340,831
Excess (deficiency) of revenues over expenses	(10,860)	30,294	(61,850)	(42,416)
Interfund transfers (Note 32)	12,924	(61,561)	65,348	16,711
Net increase (decrease) in fund balances for year	2,064	(31,267)	3,498	(25,705)
Fund balances, beginning of year	68,271	425,702	1,425,953	1,919,926
Fund balances, end of year	$70,335	$394,435	$1,429,451	$1,894,221

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 Elected By Senate
Joy Crawford (Vice-chair)
Louise Simard

Members Appointed by Government
Shelley Brown (Chair)
Grant Devine
Keith Martell
Ritu Malhotra
Marty Seymour

Faculty Member
Nadeem Jamali

Student Member
Abhineet Goswami

SENIOR ADMINISTRATIVE GROUP

President and Vice-Chancellor
Peter Stoicheff

Provost and Vice-President (Academic)
Airini

Vice-President (Finance and Resources)
Greg Fowler

Chief Financial Officer
Devan Mescall

Vice-President (Research)
Baljit Singh

Vice-President (University Relations)
Cheryl Hamelin

University Secretary and Chief Governance Officer
Julian Demkiw

Deputy Provost
Patti McDougall

Vice-Provost, Faculty Relations
Mary Buhr (Interim)

Vice-Provost, Teaching, Learning and Student Experience
Russell Isinger (Interim)

Vice-Provost, Indigenous Engagement
Angela Jaime (Interim)

Associate Provost, Health
Adam Baxter-Jones (Interim)

Associate Provost, Strategic Priorities
Vince Bruni Bossio (Interim)

Associate Vice-President, Research
Darcy Marciniuk

Associate Vice-President (Engagement)
Dawn Wallin

Associate Vice-President (Ethics and Infrastructure)
Terry Fonstad

Associate Vice-President
Strategic Communications and Chief Communications Officer
Heather Persson

Associate Vice-President (Services)
Wade Epp

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

Associate Vice-President
(People and Resources)
Wade Epp (Interim)

Associate Vice-President
(Government Relations)
Sara Daniels

General Counsel
David Stack

DEANS AND EXECUTIVE DIRECTORS OF COLLEGES AND ACADEMIC UNITS

Agriculture and Bioresources
Angela Bedard-Haughn

Arts and Science
Peta Bonham-Smith

Dentistry
Walter Siqueira

Education
Beth Bilson (Interim)

Edwards School of Business
Keith Willoughby

Engineering
Suzanne Kresta

Graduate and Postdoctoral Studies
Debby Burshtyn

Kinesiology
Joel Lanovaz (Interim)

Law
Martin Phillipson

Medicine
Preston Smith

Nursing
Solina Richter

Pharmacy and Nutrition
Jane Alcorn

School of Environment and Sustainability
Karsten Liber

School of Public Health
George Mutwiri (Interim)

Johnson-Shoyama Graduate School of Public Policy
Loleen Berdahl

University Library
Melissa Just

Western College of Veterinary Medicine
Gillian Muir

Current as of April 30, 2023

BE WHAT THE WORLD NEEDS

University of Saskatchewan

leadership.usask.ca/priorities/reporting.php