

Annual Financial Report

2023-24



BE WHAT THE WORLD NEEDS

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SHELLEY BROWN CHAIR, BOARD OF GOVERNORS



As chair of the Board of Governors, I am pleased to say that the University of Saskatchewan (USask) has emerged stronger than ever after three challenging years, with its financial picture looking stable and its academic mission delivering on the goal of serving the needs of the province, Canada, and the wider world.

Heading into 2024-25, the provincial government's latest budget provided an increase of 2.2 per cent to the university's operating budget in the final year of a multi-year Memorandum of Understanding (MOU) that promised four years of stable funding. This one-time increase to address inflationary pressures for the coming year bolsters USask's ability to deliver on its teaching and research mandate.

The board would welcome a renewed multi-year MOU to continue stable funding for all post-secondary educational institutions.

The board takes very seriously our duty of stewardship over public funding. Stability and predictability in operating grants mitigate against wide fluctuations in resources that we have seen in some jurisdictions, and enable the board to make strategic, well-informed decisions to guide university leaders on delivering on their mandate to educate new generations of bright minds, and foster research and innovation to contribute to a healthier and more prosperous future for Saskatchewan and Canada.

PETER STOICHEFF PRESIDENT AND VICE-CHANCELLOR



I am delighted to report that 2023-24 was another successful year for the University of Saskatchewan.

Enrolment continued to increase, nearing 27,000 students, our research revenues exceeded \$300 million for the second time in three years, and the most comprehensive, ongoing fundraising campaign in USask history—and the largest ever in Saskatchewan—raised \$418 million by fiscal year-end, or more than 80 per cent of the \$500-million goal.

On the global front, three senior USask leaders, our Provost and the deans of Education and Agriculture and Bioresources, spoke by invitation at the United Nations in New York and Rome. The current president of our students' union will be one of Canada's four Young Diplomats attending the G20 Summit in Brazil this summer. As well, two USask students received prestigious Rhodes Scholarships, of which just 11 are available to 97 universities across Canada.

The support for USask that make such achievements attainable came against a backdrop of many universities in other jurisdictions grappling with funding constraints and challenges that include academic autonomy curtailed by outcome-based budgets, frozen tuition, and external directives on board composition.

USask is fortunate to have had stable provincial funding through a four-year Memorandum of Understanding, which in its final year provided a one-time inflationary raise of 2.2 per cent for 2024-25.

This funding, along with support to add speech language pathology, occupational therapy, and

physician assisting programs to the College of Medicine, equips USask to train a broad range of health professionals to meet growing needs of our healthcare system.

A \$15 million provincial commitment over five years for USask's Global Institute for Food Security (GIFS) will assist the institute in continuing to ensure Saskatchewan's agriculture industry retains its global leader in farming technology, best practices, and sustainable production, and supporting a partnership in Bangladesh that is crucial to its 170 million citizens.

Our Institute of Space and Atmospheric Studies last year received one of the Canada Foundation for Innovation's (CFI) largest awards to lead 13 Canadian universities in a project to study atmospheric changes in the climate. CFI also funded water researchers to lead nine Canadian University partners in the Global Water Futures Project in developing strategies to ensure long-term sustainability of Canada's water resources.

In the 2024-25 federal budget USask received a commitment to provide operating funds for the Canadian Light Source for three years, and infrastructure funding for the Vaccine and Infectious Disease Organization (VIDO) to strengthen Canada's preparedness for emerging diseases, promises more years of financial stability. This funding, coupled with long-awaited increases in funding for Canada's major granting agencies, master's and doctoral scholarships, and post-doctoral fellows, confirms the future looks very positive.

I am proud that our university continues to deliver through collaboration, hard work, and flexibility to be what Saskatchewan, Canada, and the world needs.



**YEAR IN
REVIEW**
2023-24

FISCAL 2023-24 OVERVIEW

The University of Saskatchewan is one of Saskatchewan's largest employers and we graduate students prepared to contribute expertise to the economic, social, and cultural advancement of the province, the country and world. We are in a fortunate position compared to many other institutions in other jurisdictions in that we have stable funding through a multi-year funding agreement with our provincial government, and we have retained our autonomy over other sources of revenue. We are following a careful plan to ensure the university remains financially sustainable that includes a multi-year financial forecast based on key assumptions about major revenue and expense drivers, monitoring of financial risks, establishing reasonable mitigation plans and reserves to ensure the university is financially resilient and able to invest in strategic opportunities.

FINANCIAL RISKS AND STRATEGY

MULTI-YEAR FUNDING

Fiscal year 2023-24 was the third year of the four-year 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 provided one-time strategic funding in the first two years of the agreement. This strategic funding supported initiatives that enable financial sustainability for institutions, including recovery and transition the COVID-19 pandemic, academic and administrative innovation, revenue generation and expense reduction, and efficiency through collaboration. USask fully allocated this funding through the Horizons Project across 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. Guided by our University Plan 2025, these strategic investments support our research and innovation enterprise and enhance our academic programming to provide students with the knowledge and skills needed for social, cultural, and economic development in Saskatchewan and the world. These initiatives create opportunities for better alignment and connectivity centrally and across academic units, and impact how we operate administratively across campus.

HEALTH HUMAN RESOURCES

The University of Saskatchewan offers a broad range of education programs in the health professions. Our graduates are the foundation of Saskatchewan's health system and it is imperative that our students have access to diverse settings for clinical training. We work closely with the provincial government to ensure we are meeting the training needs of Saskatchewan's health care system and that the system in turn can support the clinical training requirements for our students. USask has recently expanded capacity in undergraduate medical education, nursing, clinical psychology and physical therapy. In 2023-24, the provincial government announced support to establish three new graduate-level programs in physician assisting, speech language pathology, and occupational therapy. These new programs will be housed in USask's College of Medicine. We are working continuously with government to ensure sufficient and sustainable funding for these programs is available now and into the future.

BE WHAT THE WORLD NEEDS CAMPAIGN

In 2023-24, we pressed forward on 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. With the support of our community—students, faculty, staff, alumni and friends here and around the world—we have achieved more than 80 per cent of our goal.

ENROLMENT

For the 2023-24 year, our overall enrolment grew by more than two per cent to 26,700 students. Overall, Indigenous student enrolment increased 1.6 per cent with growth at both the undergraduate and graduate levels. Our overall international student enrolment also increased by 7.8 per cent, with a greater increase at the graduate level of 11.5 per cent, and an increase at the undergraduate level of 4.5 per cent.

INTEGRATED SERVICES RENEWAL

Through the Integrated Services Renewal Project (ISR), we are undertaking a multi-year initiative to modernize and streamline administrative services delivered through our technology ecosystem, underpinned by the adoption of leading practices in Human Resources, Finance, Procurement and Student Services. As we chart the course ahead with ISR, we recognize this initiative transcends mere administrative transformation. It is an all-encompassing system that will improve student recruitment and retention, sector-wide collaboration, and innovation. USask is committed to working closely and collaboratively with government and sector partners throughout 2024 and beyond to address this sector-wide high-priority technology transformation project that will serve the best interests of the province and advanced education students.

LOOKING AHEAD

In January 2024 the federal government introduced caps on international student permit applications and distributed permit applications to each province to allocate amongst institutions. As an institution, we have taken a responsible approach to grow our international enrolment in a sustainable manner. We expect the federal policy, combined with the province's formula for allocating permit applications may impact international student enrolment for next two years. We will be watching this closely and advocating for a long-term solution that recognizes institutions who pursue sustainable and responsible international student enrolment management.

The upcoming 2024-25 fiscal year will be the final year of the multi-year funding agreement with the province. The Ministry of Advanced Education has indicated that it will pursue discussions with the post-secondary sector on a new multi-year agreement and we anticipate a new agreement to be in place for 2025-26.

This upcoming year is also the final year of our comprehensive campaign, and we look forward to celebrating this achievement with the USask community.

FINANCIAL RESULTS¹

OVERVIEW

During 2023-24, revenues and expenses grew over 2022-23. The growth in revenue has been primarily impacted by increase in grants, student fees, donations, investment income and sale of services. The most significant growth in revenue was grants and contracts from Canada Foundation for Innovation (non- government) due to receipt of funding in the current year for two consecutive years i.e. for current year and previous year together and funding accrued for multi-year research clusters. The investment income has also been significantly higher in the current year due to market fluctuations.

Overall, revenues increased by **\$189.3 million** or **16.8%** over the prior year, expenses were up by **\$47.2 million** or **4.2%**.

The fund balances increased by **\$140.5 million**. Reflected in the increase as compared to previous year are net activities, research funding contributed **\$49.2 million**, operational activities contributed **\$17.9 million**, ancillary activities contributed **\$13.9 million**, student financial aid recorded **\$3.2 million**, capital contributed **\$23.0 million**, and endowment recorded **\$33.3 million** to the increase in fund balances for the year.

FUND BALANCES

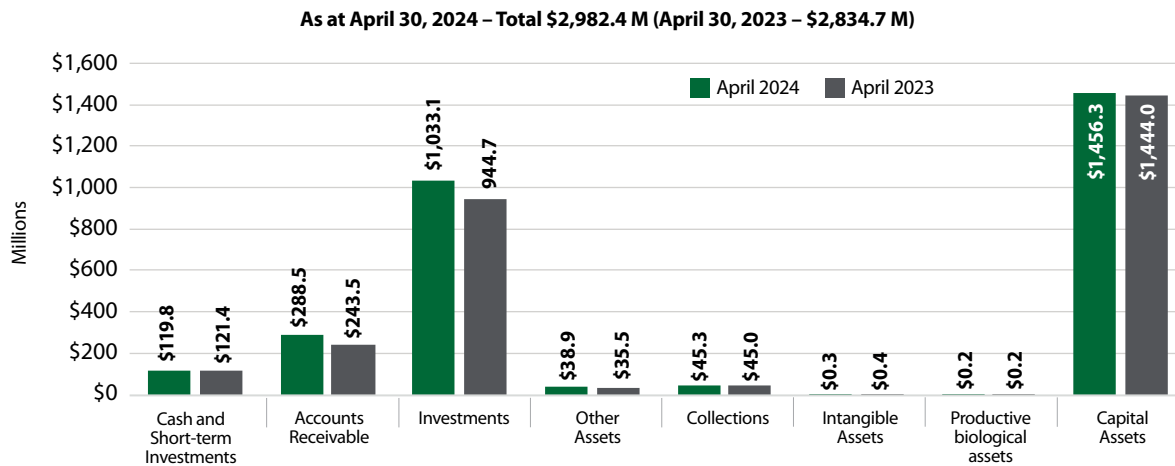
Of the **\$155.4 million** general fund balance, Schedule 1 to the financial statements reflects the breakdown of the fund balance into:

- **\$48.2 million** is restricted for specific purposes,
- **\$53.7 million** restricted by donors,
- **\$89.3 million** occurs in the operating fund (of which **\$51.6 million** is unrestricted as reflected in note 26),
- **\$34.7 million** deficit related to employee future benefits and
- **\$1.1 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 **\$147.7 million**, or **5.2%** over the previous year reflecting increases in long-term investments, accounts receivables, capital assets and prepaid expenses offset by decreases in cash and short-term investments.



CASH AND SHORT-TERM INVESTMENTS

At April 30, 2024 cash and short-term investments were **\$119.8 million** or **4.0%** of total assets of the university. During the year this balance decreased by **\$1.6 million** or **1.3%**.

ACCOUNTS RECEIVABLE

At April 30, 2024 accounts receivable (current and long-term) were **\$288.5 million** or **9.7%** of total assets of the university. During the year this balance increased by **\$45.0 million** or **18.5%**. The increase primarily 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, 2024 investment balances were **\$1,033.1 million** or **34.6%** of total assets of the university. During the year this balance increased by **\$88.4 million** or **9.4%**. Overall investment returns for the year were **8.6%**, compared to expected budgeted returns of **6.2%** respectively. The return is comprised of fixed income pool returns of **5.8%**, long-term pool returns of **9.0%** and long-term diversified strategies pool returns of **7.2%**. During the year, the long-term pool, where most of the university's investments are held, exceeded both the annual return expectations and the multi-year objective. 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 AND PREPAID EXPENSES

At April 30, 2024 other assets were **\$38.9 million** or **1.3%** of total assets of the university. During the year this balance increased by **\$3.4 million** or **9.6%**.

COLLECTIONS

At April 30, 2024 collections were **\$45.3 million** or **1.5%** of total assets of the university. During the year this balance increased by **\$0.3 million** or **0.7%**. The total cost of **\$45.3 million** in collections is comprised of **\$21.3 million** – University archives and Special collections, **\$17.2 million** – Owned Art collections, **\$1.2 million** – Museum of Antiquities, **\$5.6 million** – Amati collections, and **\$1** (nominal value) – Diefenbaker Canada Centre. Collections are not subject to amortization due to the nature of collection, which requires the university to preserve these assets in perpetuity.

INTANGIBLE ASSETS

At April 30, 2024 intangible assets were **\$0.3 million** (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, 2024 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.

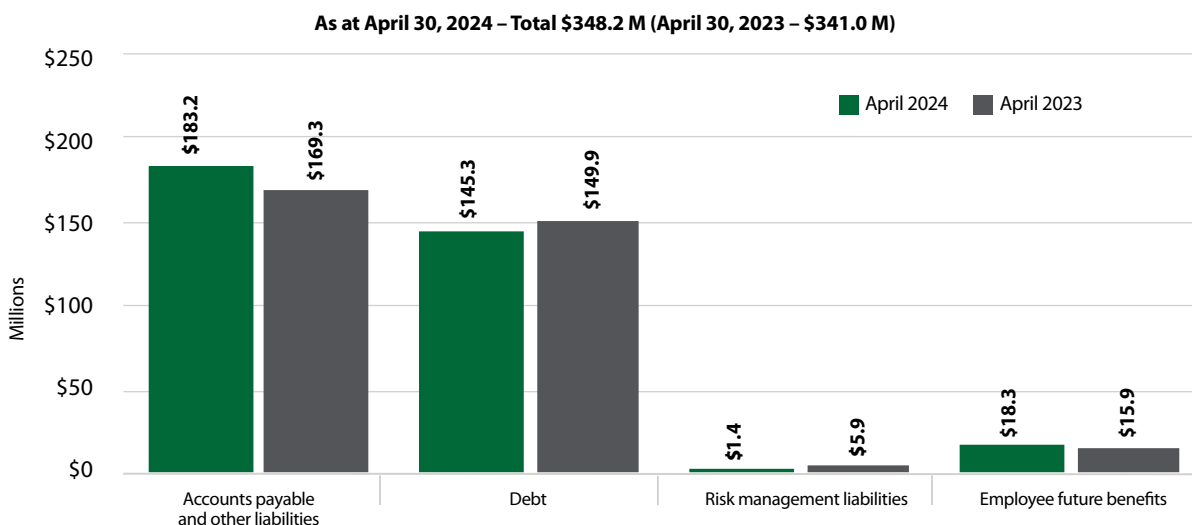
CAPITAL ASSETS

At April 30, 2024 capital assets were **\$1,456.3 million** or **48.8%** of the total assets of the university. During the year, this balance increased by **\$12.3 million** or **0.9%**. This increase reflects increase in building **\$11.0 million**, computers and software **\$13.6 million**, equipment and furnishings **\$21.9 million**, Land **\$7.2 million** and the cost of work-in-progress during the year of **\$47.0 million**, offset by current year amortization of **\$97.4 million**; this activity is net of current year disposals. Significant construction, improvements and equipment capitalized during the year include:

- **\$4.6 million** for Aberdeen Research Facility,
- **\$7.2 million** for land donated for use by College of Agricultural and Bioresources.

LIABILITIES

Total liabilities increased by **\$7.2 million** or **2.1%** over the previous year reflecting increases in accounts payable and accrued liabilities, deferred revenue, accrued decommissioning costs, liabilities for employee future benefits offset by decreases in long-term liabilities and risk management liabilities.



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

At April 30, 2024 accounts payable and accrued liabilities, deferred revenue, accrued decommissioning costs, current portion of capital lease obligations, and other liabilities were **\$183.2 million** or **52.6%** of total liabilities of the university. During the year, this balance increased by **\$13.9 million** or **8.2%**. This increase reflects increasing payables and year end liabilities.

DEBT

At April 30, 2024 debt (including loans and debt) was **\$145.3 million** or **41.7%** of total liabilities of the university. During the year this balance decreased by **\$4.6 million** or **3.1%**, 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, 2024 risk management liabilities were **\$1.4 million** or **0.4%** of total liabilities of the university. During the year this balance decreased by **\$4.5 million** or **76.3%**.

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.

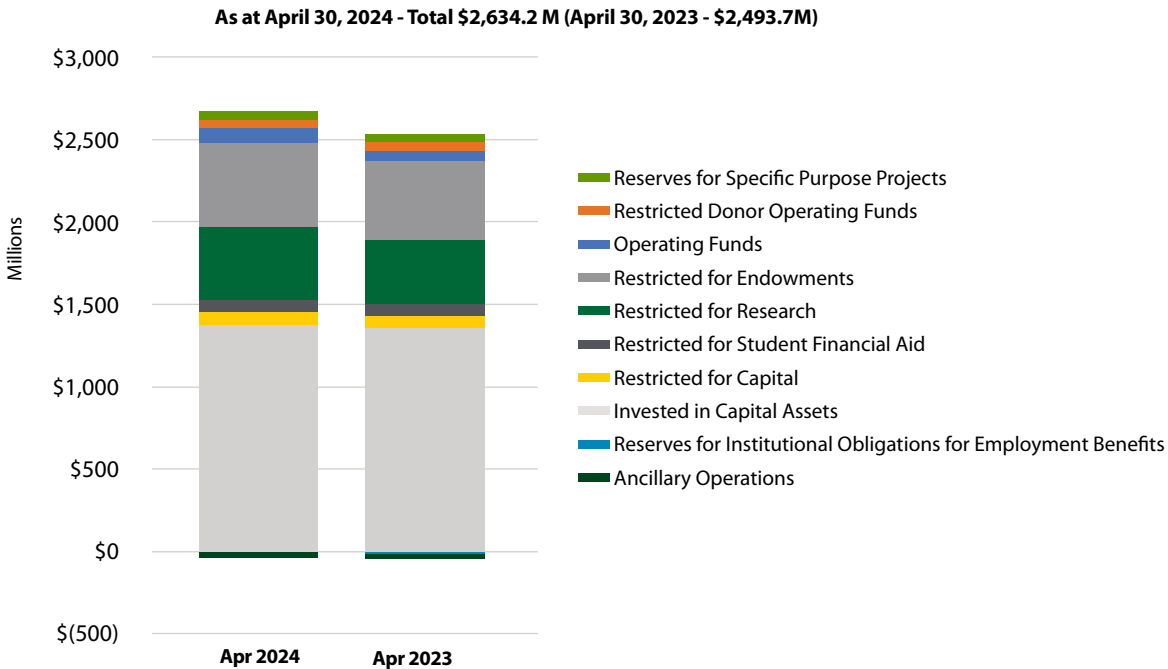
The liability is recorded at the market valuation.

EMPLOYEE FUTURE BENEFITS

At April 30, 2024 employee future benefit liabilities were **\$18.3 million** or **5.3%** of the total liabilities of the university. The increase in the net liability position for employee future benefits, **\$2.4 million** or **15.1%**, results from a deficit in investment markets (and therefore, decreased 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, 2024 the fund balances of the university were **\$2,634.2 million** (including investments in capital assets of **\$1,378.7 million**, investments in collections of **\$45.3 million**, and externally restricted balances of **\$983.4 million**). During the year, this balance increased by **\$140.5 million** or **5.6%**. The key driver of this increase is funding for externally restricted balances.



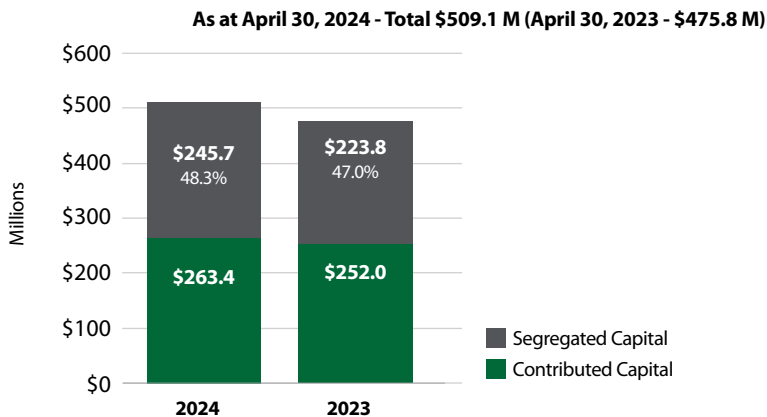
GENERAL FUND BALANCE

At April 30, 2024 general fund balance was **\$155.4 million** or **5.9%** of the total fund balance of the university. The **\$155.4 million** general fund balance consisted of: operating activities **\$89.3 million**, funds received from donors **\$53.7 million** and specific purpose projects **\$48.2 million** offset by a deficit of **\$34.7 million** for university obligations for employee benefits and a deficit of **\$1.1 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 **\$45.3 million** in the fund balance.

During the year the general fund balance increased by **\$31.8 million** or **25.8%**. This increase reflects current year operating revenue and interfund transfers of **\$566.9 million** exceeding operating expenditures of **\$540.7 million**; Employment benefits expenses of **\$12.9 million** exceeding revenue and interfund transfer of **\$5.8 million** and current year loss of **(\$3.6 million)** for remeasurement values for employee future benefits; and specific purpose expenses of **\$222.3 million** exceeding the revenue and interfund transfers of **\$221.4 million**. Net positive activity also occurred in donor funding for projects, **\$3.4 million**, and in net funding in ancillary activity of **\$13.9 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.

ENDOWMENT FUND BALANCE



At April 30, 2024 endowment fund balance was **\$509.1 million** or **19.3%** of the total fund balance of the university. During the year, this balance increased by **\$33.3 million** or **7.0%**. This majority of the increase is driven by a **\$1.7 million** recapitalization of spendable income to endowment, **\$11.3 million** in donations, and a **\$20.2 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 **4.4%**. 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.

RESEARCH FUND BALANCE

At April 30, 2024 research fund balance was **\$443.6 million** or **16.8%** of the total fund balance of the university. During the year, this balance increased by **\$49.2 million** or **12.5%**. This increase is due to current year revenues and interfund transfers of **\$250.7 million** exceeding expenditure totaling **\$201.5 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.

STUDENT FINANCIAL FUND BALANCE

At April 30, 2024 student financial aid fund balance was **\$73.6 million** or **2.8%** of the total fund balance of the university. During the year, this balance increased by **\$3.3 million** or **4.7%**. 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

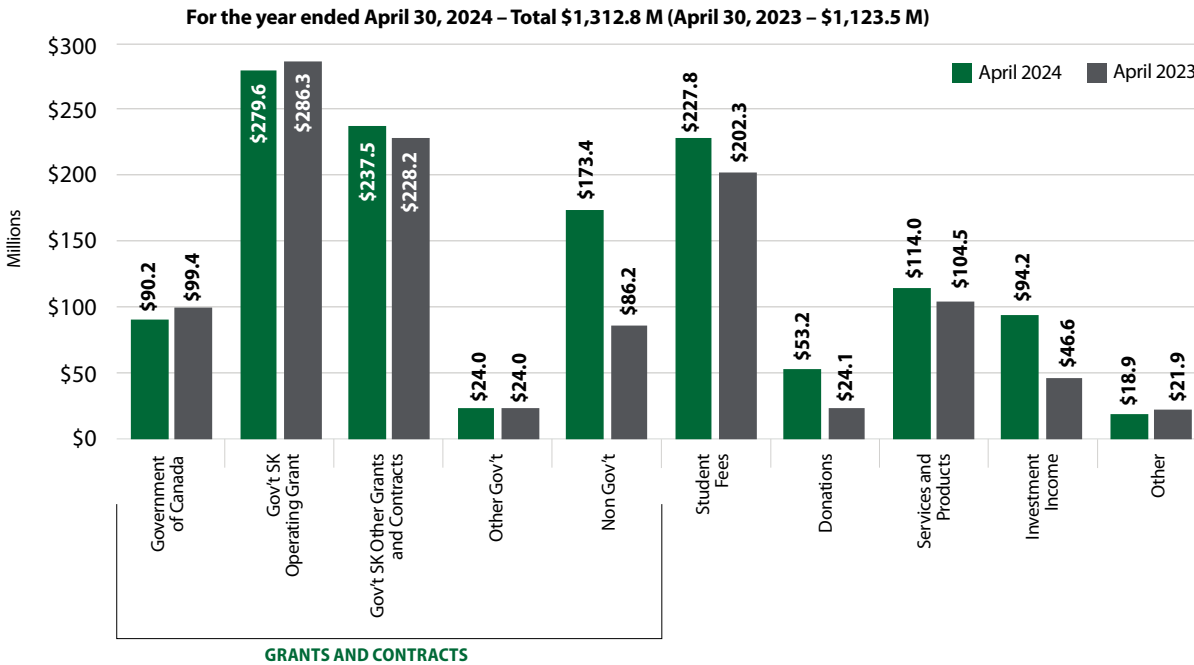
At April 30, 2024 capital fund balance was **\$1,452.4 million** or **55.1%** of the total fund balance of the university. During the year, this balance increased by **\$22.9 million** or **1.6%**. This increase is due to current year current year revenue and interfund transfers totaling **\$121.8 million** exceeding amortization **\$97.4 million**, decommissioning costs **\$1.2 million**, interest recovery of **(\$0.9) million** and non-capitalized expenditures of **\$1.1 million**.

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

REVENUES

University revenues have increased by **\$189.3 million** or **16.8%** over the previous year to a total of **\$1,312.8 million**. This increase is comprised of a **\$80.6 million** net increase in grants and contracts, a **\$47.6 million** increase in investment returns, a **\$29.1 million** increase in donations, a **\$25.5 million** increase in tuition and student fees, a **\$9.5 million** increase in sales of services and products. These increases are offset by a **(\$3.0) million** decrease in royalties and miscellaneous income.

Total Revenue by Source



GRANTS AND CONTRACTS

Grants and contracts account for **\$804.7 million** or **61.3%** of total university revenues. These revenues increased by **\$80.6 million** over the previous year. Funding from the Province of Saskatchewan increased by **\$2.6 million** and non-government support increased by **\$87.2 million**. Federal government grants decreased by **\$9.2 million** over the previous year.

During the 2023-24 fiscal year, the university recorded an investment of **\$314.3 million** from the Province of Saskatchewan Ministry of Advanced Education (**\$279.6 million** operating grant; **\$34.7 million** other grants). This current year revenue was **\$7.2 million** lower than prior year primarily due to the one-time multi-year funding of **\$14.2 million** recorded in 2022-23 offset by incremental health care program funding in the current year. The **\$314.3 million** in the current fiscal year is comprised of the following:

- Stable operating grant of **\$271.3 million**, including **\$0.6 million** in increased funding for seat expansion within the Western College of Veterinary Medicine (under the interprovincial agreement with the Province of British Columbia and Province of Manitoba);
- **\$4.0 million** in targeted operating funding for the expansion of seats in the College of Nursing;
- **\$4.3 million** in support of the province's Health Human Resources Action Plan. This funding supports seat expansion for Clinical Psychology and Physical Therapy in addition to an initial investment in health training programs for Nurse Practitioners, Physician Assist, Medical Education, Occupational Therapy and Speech Language Pathology;
- **\$0.3 million** in focused funding for undergraduate seats within the College of Medicine;
- **\$33.1 million** in targeted funding for capital and facilities; and
- **\$1.3 million** supporting student scholarships.

As projects cycle through, other Province of Saskatchewan Ministries reflecting significant variances within the **\$2.6 million** increase included:

- **\$13.2 million** increase in funding from Ministry of Agriculture;
- **\$16.3 million** increase in funding from Ministry of Health;
- **\$20.3 million** decrease in funding from Innovation of Saskatchewan.

The increase in non-governments funding of **\$87.2 million** includes:

- An increase in funding from Canada Foundation for Innovation of **\$64.6 million**. During the year, Major Science Initiatives funding for the Canadian Light Source Inc. and the Vaccine and Infections Disease Organization were renewed, as well as funding awarded for Global Water Futures Observatories, resulting in two years of funding recorded during the fiscal year. Of the **\$96.3 million** recorded in the current fiscal year, **\$37.5 million** was for prior years.
- **\$9.1 million** in accrued funding from Pulse Canada for multi-year research projects within the Pulse Science Cluster;
- **\$4.5 million** in accrued funding from the Canadian Cattle Association for multi-year projects researching bovine health within a research network.

The decrease in federal funding largely results from a **\$13.0 million** decrease in contributions for research projects for the Global Water Futures. That decrease was offset by an increase of **\$7.2 million** from renewed funding agreements for the Canadian Light Source Inc. from the Natural Sciences and Engineering Research Council of Canada (NSERC) and the Canadian Institutes of Health Research (CIHR), which included retroactive funding for the prior year.

STUDENT FEES

Student tuition and fees account for **\$227.8 million** or **17.4%** of total university revenues. These revenues increased by **\$25.5 million** over the previous year. This increase is the result of 2% enrolment growth with a total headcount of 26,694 students in fiscal 2024, coupled with 4.0% weighted average increase in tuition rates. The University of Saskatchewan will continue to follow its established principle-based approach in determining appropriate tuition rates.

DONATIONS

Donations account for **\$53.2 million** or **4.1%** of total university revenues. These revenues increased by **\$29.1 million** over the previous year. The increase is reflected because of campaign the “Be What the World Needs” which aims to raise \$500 million towards leading critical research, indigenous achievement, student success and designing of visionary spaces.

SALES OF SERVICES AND PRODUCTS

Sales of services and products account for **\$114.0 million** or **8.7%** of total university revenues. These revenues increased by **\$9.5 million** from the prior year because of prices increases to offset inflation, together with an increase in occupancy rate during activity in the current 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.

INCOME FROM INVESTMENTS

Investment income accounts for **\$94.2 million** or **7.2%** of total university revenues. These revenues increased by **\$47.6 million** from the previous year. Overall investment returns for the current year were **8.4%** compared to the **4.3%** in the prior year. Returns were higher than the budgeted **6.2%** as markets have experienced significant gains through much of the year.

REAL ESTATE INCOME, ROYALTIES, AND MISCELLANEOUS INCOME

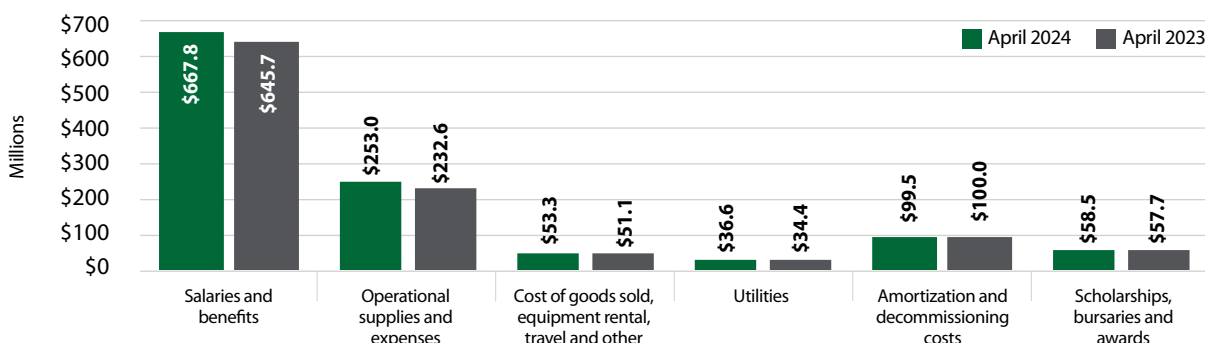
Real estate income, royalties, and miscellaneous income account for **\$18.9 million** or **1.4%** of total university revenues. These revenues decreased by **\$3.0 million** in the current year, primarily reflecting one-time payment received in the prior year.

EXPENSES

University expenses have increased by **\$47.2 million** or **4.2%** over the prior year to a total of **\$1,168.7 million**.

Total Expenditures

For the year ended April 30, 2024 – Total \$1,168.7 M (April 30, 2023 – \$1,121.5 M)



SALARIES AND EMPLOYEE BENEFITS

Salaries and employee benefits account for **\$667.8 million** or **57.1%** of total university expenses. These costs increased by **\$22.1 million** or **3.4%** over the previous year with **\$15.8 million** related to ASPA employee costs associated with the collective agreement ratified during the year and **\$3.1 million** associated with exempt employee costs, driven by increased campus activity. Employee benefits increased by **\$7.6 million** with a **\$5.2 million** increase in long-term disability premiums and salary continuance and **\$1.1 million** for extended health care.

OPERATIONAL SUPPLIES AND EXPENSES

Operational supplies and expenses account for **\$253.0 million** or **21.6%** of total university expenses. These costs increased by **\$20.4 million** or **8.8%** 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 **\$53.3 million** or **4.6%** of total university expenses. These costs increased by **\$2.2 million** or **4.3%** over the previous year. Expenses on travel increased by **\$2.7 million**, interest expense decreased by **\$3.2 million**, costs of goods sold increased by **\$2.1 million** due to general inflation and increased activities at the campus.

UTILITIES

Utilities account for **\$36.6 million** or **3.1%** of total university expenses. These costs increased by **\$2.2 million** or **6.4%** over the previous year. The increase is significantly attributable to the increases in usage, prices, and federal fuel charge rates.

AMORTIZATION AND DECOMMISSIONING COSTS

Amortization and decommissioning costs account for **\$99.5 million** or **8.5%** of total university expenses. These costs decreased by **\$0.5 million** or **0.5%** over the previous year as a result of increase in the useful life of the CLSI facilities and beamlines.

SCHOLARSHIPS, BURSARIES AND AWARDS

Scholarships, bursaries and awards account for **\$58.5 million** or **5.0%** of total university expenses. These costs increased by **\$0.8 million** or **1.4%** over the previous year.

COMPREHENSIVE BUDGET

Total comprehensive 2023-24 financial results for the university varied from budget by **10.3%** of comprehensive expenditures. A comparison of the 2023-24 comprehensive budget to actual results is as follows:

	Total for 2023-24		
	BUDGET	ACTUAL	VARIANCE
REVENUES			
Grants and contracts	\$713,453	\$804,689	\$91,236
Student fees	219,281	227,772	8,491
Gifts, grants and bequests	33,467	53,174	19,707
Income (loss) from investments	59,098	94,181	35,083
All other income	118,462	133,071	14,609
	1,143,761	1,312,887	169,126
EXPENSES			
Salaries and Benefits	646,636	667,830	21,194
Scholarships, bursaries and awards	55,380	58,468	3,088
Interest	6,070	(885)	(6,955)
Amortization	97,282	97,431	149
All other non-salary	318,383	345,932	27,549
	1,123,751	1,168,776	45,025
Net increase (decrease) in fund balances for year	20,010	144,111	124,101
Fund balances, beginning of year	2,493,725	2,493,725	—
Employee future benefits remeasurements and other items	—	(3,631)	(3,631)
Fund balances, end of year	\$2,513,735	\$2,634,205	\$120,470

Comprehensive revenues had a favorable variance of **\$169.1 million**. Contributing factors to the variance were:

- Higher than anticipated comprehensive grants and contracts revenue of **\$91.2 million** largely driven by incremental activity within the research fund primarily due to the timing of Canada Foundation for Innovation (CFI) grant confirmation (several years of grant awards were recorded as revenue in the fiscal year) but also an increase in overall non-government grant activity compared to prior years. All other factors aside, this indicates an expected reduction in research grants and contracts revenue in the next fiscal year. Higher grants and contracts revenue was also realized in capital (incremental capital grants from the Province of Saskatchewan) and operating funds (unanticipated grant activity).
- Income from investments was **\$35.1 million** higher than budget largely due to investment returns exceeding the budgeted weighted average rate of return by **2.2%**.
- Growth in gifts, grants, and bequests revenue (**\$19.7 million** higher than budget) under the Be What the World Needs comprehensive campaign.
- All other income was **\$14.6 million** higher than budgeted, primarily in the general fund, due to price and volume increases and variances in other sources of income.
- Tuition and student fees were **\$8.5 million** higher than budgeted due to positive enrolment trends and increased fee revenue.

Comprehensive expenses had an unfavorable variance of **\$45.0 million**. Overall expenditures in the general fund and research fund were **\$41.8 million** higher than budget, respectively. These variances were largely associated with increased activity which, in part, is reflective of the increase in grants and contracts, student fees, and other income. On a net basis, expenditure activities in all other funds resulted in an overall favorable variance and are reflective of **\$7.0 million** favorable variance in interest expense associated with a gain on interest rate SWAPS and the sale of assets.

Employee future benefits remeasurements of **\$3.6 million** were recognized directly in fund balances as a separately identified line item and resulted in an unfavorable variance.

Consolidated Financial Statements
2023-24

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, 2024 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 and Finance Committee, which is a committee of the Board of Governors. The external and internal auditors have access to the Audit and Finance Committee, with or without the presence of the administration.

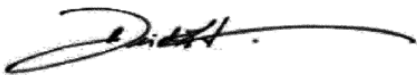
The consolidated financial statements for the year ended April 30, 2024 have been reported on by the Provincial Auditor of the Province of Saskatchewan, the external auditor appointed under The University of Saskatchewan Act, 1995. The Auditor's Report outlines the scope of her examination and provides 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



Deidre Henne
Chief Financial Officer



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, 2024, and the Consolidated Statement of Operations and Changes in Fund Balances and Consolidated Statement of Cash Flow 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, 2024, and the consolidated results of its operations, changes in fund balances, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the University of Saskatchewan Annual Report 2023-24, 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.



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.

Regina, Saskatchewan
July 24, 2024

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

UNIVERSITY OF SASKATCHEWAN

STATEMENT 1 — CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30 (\$ THOUSANDS)

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2024	TOTAL 2023
CURRENT ASSETS					
Cash and short-term investments (Note 4)	\$117,946	\$548	\$1,284	\$119,778	\$121,359
Accounts receivable (Note 5)	36,899	219,207	18	256,124	230,556
Inventories (Note 6)	12,456	—	—	12,456	12,018
Agricultural inventories (Note 7)	4,243	—	—	4,243	3,736
Prepaid expenses	18,455	208	—	18,663	15,897
	189,999	219,963	1,302	411,264	383,566
LONG-TERM ASSETS					
Long-term accounts receivable (Note 8)	90	32,336	—	32,426	12,901
Long-term investments (Note 9)	88,581	438,064	506,479	1,033,124	944,745
Other assets	1,297	895	1,392	3,584	3,939
Collections (Note 10)	45,274	—	—	45,274	44,999
Intangible assets (Note 11)	334	—	—	334	375
Productive biological assets (Note 12)	184	—	—	184	181
Capital assets (Note 13)	—	1,456,253	—	1,456,253	1,444,041
	135,760	1,927,548	507,871	2,571,179	2,451,181
	\$325,759	\$2,147,511	\$509,173	\$2,982,443	\$2,834,747
CURRENT LIABILITIES					
Accounts payable and accrued liabilities (Note 14)	\$89,350	\$15,828	\$—	\$105,178	\$92,095
Deferred revenue (Note 15)	60,536	30	—	60,566	60,260
Loans (Note 16)	25	—	—	25	41
Risk management liabilities (Note 17)	—	1,438	—	1,438	5,913
Current portion - long-term debt (Note 18)	—	4,158	—	4,158	4,423
Current portion - employee future benefits (Note 19)	2,183	—	—	2,183	1,920
Current portion - capital lease obligation (Note 20)	131	—	—	131	221
	152,225	21,454	—	173,679	164,873
LONG-TERM LIABILITIES					
Long-term debt (Note 18)	—	141,159	—	141,159	145,300
Long-term accrued liabilities	354	—	—	354	778
Employee future benefits (Note 19)	16,128	—	—	16,128	14,045
Capital lease obligation (Note 20)	1	—	—	1	97
Accrued decommissioning costs (Note 21)	824	15,244	—	16,068	15,097
Other long-term liabilities	848	—	—	848	832
	18,155	156,403	—	174,558	176,149
FUND BALANCES					
Externally restricted funds (Note 24)	—	534,301	282,780	817,081	732,507
Externally restricted permanent endowments (Note 24)	—	—	166,301	166,301	155,936
Internally restricted funds (Note 25)	59,730	56,640	60,092	176,462	188,531
Invested in collections	45,274	—	—	45,274	44,999
Invested in capital assets	—	1,378,713	—	1,378,713	1,358,308
Unrestricted funds (Note 26)	50,375	—	—	50,375	13,444
	155,379	1,969,654	509,173	2,634,206	2,493,725
	\$325,759	\$2,147,511	\$509,173	\$2,982,443	\$2,834,747

Commitments and Contingencies (Note 27)
See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

STATEMENT 2 — CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED APRIL 30 (\$ THOUSANDS)

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2024	TOTAL 2023
REVENUES					
Grants and Contracts					
Government of Canada	\$6,010	\$84,212	\$—	\$90,222	\$99,386
Government of Saskatchewan	447,854	69,245	—	517,099	514,535
Other governments	22,413	1,574	—	23,987	23,954
Non-government	6,912	166,469	—	173,381	86,186
Tuition and student fees	227,708	31	33	227,772	202,277
Donations	15,842	26,078	11,254	53,174	24,136
Sales of services and products	114,018	59	—	114,077	104,537
Income from investments	24,773	49,212	20,196	94,181	46,585
Real estate income	8,348	373	2	8,723	8,622
Royalties	4,099	188	134	4,421	7,364
Miscellaneous income	5,860	(10)	—	5,850	5,960
	883,837	397,431	31,619	1,312,887	1,123,542
EXPENSES					
Salaries	479,047	90,367	—	569,414	554,857
Employee benefits (Note 28)	87,203	11,213	—	98,416	90,782
Operational supplies and expenses	190,410	62,600	—	253,010	232,627
Travel	11,120	7,935	—	19,055	16,375
Cost of goods sold	13,440	—	—	13,440	11,270
Maintenance, rental and renovations	15,810	3,637	—	19,447	19,428
Utilities	32,861	3,722	—	36,583	34,400
Amortization	—	97,431	—	97,431	98,988
Scholarships, bursaries and awards	5,258	53,210	—	58,468	57,746
Interest (Note 29)	3	(888)	—	(885)	2,261
Bad debt expense	2,309	(3)	—	2,306	1,747
Decommissioning costs (Note 21)	876	1,214	—	2,090	1,048
	838,337	330,438	—	1,168,775	1,121,529
Excess (deficiency) of revenues over expenses	45,500	66,993	31,619	144,112	2,013
Interfund transfers (Note 31)	(10,181)	8,440	1,741	—	—
Net increase (decrease) in fund balances for year	35,319	75,433	33,360	144,112	2,013
Fund balances, beginning of year	123,691	1,894,221	475,813	2,493,725	2,486,288
Employee future benefits remeasurements and other items	(3,631)	—	—	(3,631)	5,424
FUND BALANCES, END OF YEAR	\$155,379	\$1,969,654	\$509,173	\$2,634,206	\$2,493,725

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

STATEMENT 3 — CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30 (\$ THOUSANDS)

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2024	TOTAL 2023
OPERATING ACTIVITIES					
Excess (Deficiency) of revenues over expenses	\$45,500	\$66,993	\$31,619	\$144,112	\$2,013
Add (deduct) non-cash items:					
Amortization of capital assets	—	97,431	—	97,431	98,988
Amortization of intangible assets	41	(41)	—	—	—
Amortization of decommissioning costs	824	1,136	—	1,960	969
Amortization of bond issuance cost	—	16	—	16	16
Amortization of deferred finance charges	18	—	—	18	27
Change in unrealized fair value of investments	(6,179)	(18,509)	(6,914)	(31,602)	(3,333)
Change in fair value of risk management asset/liability	(201)	(3,989)	(285)	(4,475)	(56)
Loss on disposal of productive biological assets	(3)	—	—	(3)	5
Loss on disposal of capital assets	—	5,259	—	5,259	274
Employee future benefits expense	(1,285)	—	—	(1,285)	(2,066)
Contributions for endowments and other asset purchases	(9,369)	(8,065)	(5,702)	(23,136)	(4,740)
Increase in collections	(169)	—	—	(169)	(116)
Decrease (increase) in non-cash working capital (Note 22)	(6,300)	(9,591)	1	(15,890)	16,314
Decrease (increase) in grants and contracts related to research and other project receivables	(90)	(19,435)	—	(19,525)	1,328
Employee future benefits contributions	—	—	—	—	(104)
	22,787	111,205	18,719	152,711	109,519
INVESTING ACTIVITIES					
Purchase of investments	(6,584)	(14,574)	(25,436)	(46,594)	(44,105)
Decrease in other assets	347	172	—	519	634
Purchase of capital assets	—	(108,631)	—	(108,631)	(79,291)
Purchase of collections	(106)	—	—	(106)	(345)
Change in other long-term liabilities	(408)	—	—	(408)	(310)
	(6,751)	(123,033)	(25,436)	(155,220)	(123,417)
FINANCING ACTIVITIES					
Contributions of cash for endowments	—	—	5,552	5,552	7,491
Repayment of loan	(16)	—	—	(16)	(16)
Repayment of long-term debt	(10)	(4,413)	—	(4,423)	(8,586)
Repayment of capital lease obligation	(185)	—	—	(185)	(204)
	(211)	(4,413)	5,552	928	(1,315)
Net increase (decrease) in cash	15,825	(16,241)	(1,165)	(1,581)	(15,213)
Interfund transfers (Note 31)	(10,181)	8,440	1,741	—	—
Cash, beginning of year	112,302	8,349	708	121,359	136,572
CASH, END OF YEAR	\$117,946	\$548	\$1,284	\$119,778	\$121,359

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended April 30, 2024

(\$ Thousands)

1. Authority and Purpose

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

2. Summary of Significant Accounting Policies and Reporting Practices

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

a) Basis of presentation

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

- **Agrivita Canada Inc.**, a not-for-profit corporation incorporated under the *Canada Business 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, 2024.
- **Canadian Light Source Inc. (CLSI)**, a not-for-profit corporation incorporated under the *Non-profit Corporations Act, 2022* 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, 2024.
- **Prairie Swine Centre Inc. (PSCI)**, a not-for-profit corporation incorporated under the *Non-profit Corporations Act, 2022* 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, 2023.
- **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, 2023.
- **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, 2023.
- **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, 2024.

Created April 10, 2023 in Saskatchewan under the Business Corporations Act, UPII (USask Properties Investment Inc.) is a for-profit corporation wholly owned by the University. UPII was established to provide governance, oversight and enter into operational arrangements in relation to the USask Properties Trust (the "Trust") as the corporate trustee of the Trust. Once the Trust is operational, UPII will solely function as trustee of the Trust to maximize economic value of specific university land holdings which are not required to meet the academic and research priorities of the university. Future investment in UPII will be recorded using the equity method as permitted by accounting standards for not-for-profit organizations.

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

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 10) 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.

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.

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

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.

h) Productive biological assets

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.

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

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 FY2034 (see Note 21)
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

The university 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.

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

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

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

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.

During the year, approval was received for a decommissioning plan related to a former landfill site owned by the university and subject to the requirements of a 'Permit to Operate'. This was a new requirement of the regulatory authority. The associated site retirement costs are capitalized as a part of the carrying amount of the asset and amortized immediately to expense as the site has no remaining 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.

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 17.

3. Disclosure of Other Significant Relationships

Prairie Diagnostic Services is a not-for-profit corporation incorporated under the *Non-profit Corporations Act, 2022* owned by the Government of Saskatchewan and the University of Saskatchewan. The laboratory operating in Saskatoon provides veterinary diagnostic services and animal health care and supports the training of undergraduate and graduate veterinarians at the Western College of Veterinary Medicine. The university has no economic interest in the corporation.

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

4. Cash and Short-term Investments

	APRIL 30	
	2024	2023
Cash	\$34,264	\$34,828
Short-term investments	85,514	86,531
	\$119,778	\$121,359

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.

5. Accounts Receivable

	APRIL 30	
	2024	2023
General	\$17,338	\$14,653
Investment income	2,259	1,598
Grants and contracts related to general funds	5,197	1,763
Grants and contracts related to student financial aid	1,413	1,294
Grants and contracts related to research	166,442	144,615
Grants and contracts related to capital	33,339	34,204
Other restricted	17,972	23,619
Other unrestricted	3,223	2,985
Student fees	14,114	9,625
Student loans	47	73
Allowance for doubtful accounts	(5,220)	(3,873)
	\$256,124	\$230,556

6. Inventories

	APRIL 30			2023 END OF YEAR
	BEGINNING OF YEAR	2024 NET CHANGE	2024 END OF YEAR	
College of Agriculture and Bioresources	\$150	\$170	\$320	\$150
College of Dentistry	886	(202)	684	886
Western College of Veterinary Medicine	639	(31)	608	639
Consumer Services	1,830	72	1,902	1,830
Facilities	2,386	(26)	2,360	2,386
Vaccine and Infectious Disease Organization (VIDO)	62	—	62	62
Livestock and Forage Centre of Excellence (LFCE)	921	106	1,027	921
Other	623	(68)	555	623
Subsidiaries:				
• Canadian Light Source Inc.	4,079	363	4,442	4,079
• Prairie Swine Centre Inc.	442	54	496	442
	\$12,018	\$438	\$12,456	\$12,018

7. Agricultural Inventories

	BEGINNING OF YEAR	APRIL 30		2023 END OF YEAR
		2024 NET CHANGE	END OF YEAR	
College of Agriculture and Bioresources:				
• Poultry	\$21	\$14	\$35	\$21
• Breeder seed	602	35	637	602
• Crops	92	(61)	31	92
Western College of Veterinary Medicine:				
• Teaching animals	122	6	128	122
Vaccine and Infectious Disease Organization (VIDO):				
• Research animals	11	(21)	9	11
Livestock and Forage Centre of Excellence (LFCE):				
• Seed	123	(35)	88	123
• Research animals	2,765	550	3,315	2,765
	\$3,736	\$507	\$4,243	\$3,736

College of Agriculture and Bioresources inventories include 8,534 birds and 4,770 dozen eggs categorized as poultry (2023 - 5,260 birds and 4,313 dozen eggs); 2,114 bushels of breeder seeds (2023 - 2,698 bushels of breeder seeds); and 5,000 bushels of crops (2023 - 9,750 bushels of crops); WCVM teaching animals consist of 186 animals (2023 - 203 animals); VIDO has 20 research animals (2023 - 15 research animals), and LFCE inventories include 81 bushels of seed (2023 - 2,585 bushels of seed) and 1,385 research animals (2023 - 1,248 research animals).

8. Long-term Accounts Receivable

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

	APRIL 30	
	2024	2023
2025	\$—	\$8,053
2026	15,808	3,402
2027	10,662	1,196
2028	5,591	230
2029	365	20
	\$32,426	\$12,901

9. Long-term Investments

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

The majority of these assets are held within two investment funds (fixed income (FI) or long-term (LT)). 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, 2024				
	FI	LT	LTDS	OTHER	TOTAL
Government and corporate bonds	\$89,228	\$—	\$—	\$1,599	\$90,827
Government and corporate bonds pooled funds	—	177,250	1,629	766	179,645
Canadian equities	—	123,688	—	1,312	125,000
Canadian equities pooled funds	—	37,843	869	1,542	40,254
Foreign equities	—	2,651	—	3,245	5,896
Foreign equities pooled funds	27,403	486,375	3,357	4,742	521,877
Real estate pooled funds	—	63,458	—	—	63,458
Cash, short-term investments and other assets	540	5,582	10	35	6,167
	\$117,171	\$896,847	\$5,865	\$13,241	\$1,033,124

	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

9. 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. 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.

10. 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:** 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 Honorable John G. Diefenbaker, the Diefenbaker Canada Centre designs and hosts exhibits and programming that are experiential, applicable and relevant to today's society.
- **The Amati Collection:** 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 (2023 - \$NIL). There were no significant acquisitions for these collections during the period.

The expenditures on collection items amounted to \$171 (2023 - \$130).

11. Intangible Assets

	COST	2024 ACCUMULATED AMORTIZATION	APRIL 30	
			NET BOOK VALUE	2023 NET BOOK VALUE
Intellectual property	\$639	\$305	\$334	\$375

12. Productive Biological Assets

	QUANTITY	2024 NET BOOK VALUE	APRIL 30	
			QUANTITY	2023 NET BOOK VALUE
College of Agriculture and Bioresources				
• Mature dairy cows	123	\$136	119	\$131
• Heifer calves	110	48	105	50
		\$181		\$181

Net gain (loss) recognized on sale or disposal of productive biological assets amounted to \$(3) (2023-\$5).

13. Capital Assets

	COST	2024 ACCUMULATED AMORTIZATION	APRIL 30	
			NET BOOK VALUE	2023 NET BOOK VALUE
Buildings (pre-May 1, 2019)	\$1,630,249	\$715,782	\$914,467	\$952,560
Buildings (post-May 1, 2019)	88,950	7,837	81,113	69,131
Beamlines and CLSI Facility	241,359	135,547	105,812	116,188
Leasehold improvements	8,102	6,144	1,958	1,860
CLSI facility retirement costs	9,714	5,529	4,185	6,063
Fedoruk Centre facility retirement costs	1,564	139	1,425	533
Landfill remediation costs	876	876	—	—
Site improvements	234,902	134,981	99,921	104,981
Computers and software	208,305	186,273	22,032	19,967
Equipment and furnishings	579,890	491,131	88,759	89,918
Land	17,778	—	17,778	10,593
Construction in progress	106,567	—	106,567	59,552
Library materials	170,489	158,627	11,862	12,194
	3,298,745	1,842,866	1,455,879	1,443,540

ASSETS ACQUIRED UNDER CAPITAL LEASE OBLIGATION

Equipment and furnishings	1,016	642	374	501
	\$3,299,761	\$1,843,508	\$1,456,253	\$1,444,041

14. Accounts Payable and Accrued Liabilities

	2024	APRIL 30 2023
Non-governmental accounts payable and accrued liabilities	\$96,225	\$78,857
Incentivized voluntary exit programs for faculty and staff	—	3,801
College of Medicine voluntary severance package	125	128
Government remittances:		
• Sales taxes	448	594
• Payroll related taxes	8,380	8,715
	\$105,178	\$92,095

15. Deferred Revenue

	2024	APRIL 30 2023
Student fees	\$14,205	\$15,366
Unearned revenue-ancillary operations	6,432	6,378
Deferred revenue-pending designation	1,054	2,037
Deferred contributions	38,875	36,479
	\$60,566	\$60,260

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 30 for student residences, parking, food services, hospitality services and the bookstore for services after that date. It also includes unearned revenue associated with College Quarter Hotel.

Deferred revenue—pending designation are contributions received by the university where terms of reference, which determine purpose and specific 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 fund.

16. Loans

The university maintains a \$50 million revolving demand facility with the Royal Bank of Canada to manage general operating requirements. Borrowings are at Royal Bank of Canada (RBC) Prime minus 0.5%. As of April 30, 2024, there was no borrowing outstanding under the facility (2023 - \$NIL).

Additionally, in 2016 PSCI entered into a term loan agreement with the Leroy Credit Union. The loan bears interest at prime plus 1.5%, payable in blended monthly principal payments; due August 2024. At April 30, 2024, \$25 (2023 - \$41) 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 1.5% and secured by an assignment of grants to PSCI. At April 30, 2024, there was no borrowing outstanding under the facility (2023 - \$NIL).

17. Risk Management Assets and Liabilities

		ASSETS		LIABILITIES	
		APRIL 30			
		2024	2023	2024	2023
Interest rate swap agreements	(a)	\$—	\$—	\$1,438	\$5,341
Foreign currency hedge agreements	(b)	—	—	—	572
		\$—	\$—	\$1,438	\$5,913

a) Interest rate swap agreements

To manage the interest rate exposure associated with long-term loans (see Note 18) 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	
		2024	2023
Stadium parkade	(i)	\$184	\$397
Annual sustaining capital borrowing	(ii)	(28)	(38)
College quarter undergraduate residence	(iii)	845	2,680
College quarter graduate residence	(iv)	437	2,302
		\$1,438	\$5,341

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 August 2029.
- ii) Interest rates vary from 2.77% to 3.90%; agreements terminate between June 2024 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.

The total expense (recovery) in fair value for the university's interest rate swap agreements (included in Note 29 Interest Expense (Recovery)) is \$(3,903) (2023 - \$(1,140)).

b) Foreign currency hedge agreements

As of November 2023, the inclusion of foreign currency hedging within the investment portfolio was discontinued. At April 30, 2023 the university had hedged 24,026 Euro with a base foreign currency rate of 1.5014. The fair value for the foreign currency hedge agreement at that time, determined by mark-to-market valuations provided by RBC-IS, was nil and the notional value was \$36,074. University of Saskatchewan has discontinued foreign currency hedging during the current fiscal year.

18. Long-term Debt

		2024	APRIL 30 2023
Stadium Parkade	(a)	\$4,877	\$5,617
Annual Sustaining Capital Borrowing	(b)	1,522	2,791
College Quarter Undergraduate Residence	(c)	30,022	31,636
College Quarter Graduate Residence	(d)	24,438	25,228
Senior notes issued 2018	(e)	85,000	85,000
Canada Emergency Business Account (CEBA) – PSCI	(f)	—	10
		145,859	150,282
Less: net unamortized debt issue costs		(542)	(559)
		145,317	149,723
Less: Current Portion		(4,158)	(4,423)
		\$141,159	\$145,300

- a) **Royal Bank Banker's Acceptance Loan** – Canadian Banker's Acceptance Canadian Deposit Offering Rate (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.
- b) **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 June 2024 to November 2026; repayable in full between June 2024 and September 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.
- c) **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.
- d) **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 September 2025, at which time the agreement will be renewed.
- e) **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, 2024 is \$5,317 (2023 - \$4,212). Included in interest expense is \$16 (2023 - \$16) for amortized debt issuance costs.
- f) **Canada Emergency Business Account (CEBA)** loan administered by Prairie Centre Credit Union. The loan was a non-interest bearing without fixed terms of repayment until January 18, 2024. The loan was secured by the Government of Canada through the CEBA program. The forgivable portions of the \$60 loan was \$20 and was recognized as revenue already. The first \$30 of the loan was repaid in 2021 and the remaining \$10 was repaid in the current year.

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

2025	\$4,733
2026	4,505
2027	4,465
2028	4,432
2029	4,636
	\$22,771

The amount of interest capitalized at April 30, 2024 is \$3,016 (2023 - \$3,012).

19. Employee Future Benefits

The university sponsors both defined benefit and defined contribution pension plans. The university and employees contribute in equal amounts to the defined contribution plans and, effective September 1, 2019 to the Colleges of Applied Arts & Technology (CAAT) DBplus pension plan. Total annual expense for these plans is \$34,031 (2023 - \$33,095).

The defined benefit plans are funded by employee contributions as a percentage of salary and by the university to support the actuarial-based pension benefits. The defined pension benefits are based on years of pensionable service and an average of the highest 4 years of employees' pensionable earnings.

The most recently filed actuarial valuations for the defined pension plans (Retirees, Non-Academic and Academic) for funding purposes was as of December 31, 2023 (the next required actuarial valuation filing is December 31, 2026).

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, 2023 (extrapolated to April 30, 2024). The measurement date of the actuarial valuations for the accrued benefit obligations for the other post-retirement benefits is April 30, 2024.

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

	2024			2023		
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL
PLAN ASSETS						
Fair value at beginning of year	\$557,065	\$—	\$557,065	\$574,926	\$—	\$574,926
Actual return on plan assets	27,577	—	27,577	19,340	—	19,340
Employer contributions	530	2,183	2,713	577	1,920	2,497
Employee contributions	324	—	324	351	—	351
Benefits paid	(39,155)	(2,183)	(41,338)	(38,129)	(1,920)	(40,049)
Fair value at end of year	\$546,341	\$—	\$546,341	\$557,065	\$—	\$557,065
ACCRUED BENEFIT OBLIGATIONS						
Accrued benefit obligation at beginning of year	\$510,131	\$14,959	\$525,090	\$581,519	\$12,730	\$594,249
Current service cost	813	3,425	4,238	1,144	2,928	4,072
Interest cost	30,921	689	31,610	29,096	561	29,657
Benefits paid	(39,155)	(2,183)	(41,338)	(38,129)	(1,920)	(40,049)
Actuarial (gains) losses	15,999	631	16,630	(63,498)	660	(62,838)
Accrued benefit obligation at end of year	\$518,709	\$17,521	\$536,230	\$510,132	\$14,959	\$525,091

19. Employee Future Benefits (continued)

	2024			2023		
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL
ACCRUED BENEFIT ASSET (LIABILITY)						
Fair value — plan assets at end of year	\$546,341	\$ —	\$546,341	\$557,065	\$ —	\$557,065
Accrued benefit obligation, end of year	518,709	17,521	536,230	510,132	14,959	525,091
Valuation allowance	(28,422)	—	(28,422)	(47,939)	—	(47,939)
Accrued benefit asset (liability), net of valuation allowance	(\$790)	(17,521)	(\$18,311)	(\$1,006)	(\$14,959)	(\$15,965)
Current portion	—	(\$2,183)	(\$2,183)	\$—	(\$1,920)	(\$1,920)
Long-term portion	(790)	(15,338)	(16,128)	(1,006)	(13,039)	(14,045)
	(\$790)	(\$17,521)	(\$18,311)	(\$1,006)	(\$14,959)	(\$15,965)

BENEFIT PLAN EXPENSE (INCOME):

Current service cost, net of employee contributions	\$489	\$3,425	\$3,914	\$793	\$2,928	\$3,721
Interest on benefit obligation	30,921	689	31,610	29,096	561	29,657
Interest on asset (liability) obligation	(33,877)		(33,877)	(28,766)	—	(28,766)
	(\$2,467)	\$4,114	\$1,647	\$1,123	\$3,489	\$4,612

REMEASUREMENTS AND OTHER ITEMS:

Experience (gain) loss on accrued benefit obligation	\$15,999	\$631	\$16,630	(\$63,498)	\$660	(\$62,838)
Interest on asset (liability) obligation	(27,577)		(27,577)	(19,340)	—	(19,340)
Assumed interest on assets at assumed discount rate	33,877		33,877	28,766	—	28,766
Increase (decrease) in valuation allowance	(19,517)		(19,517)	47,939	—	47,939
	\$2,782	\$631	\$3,413	(\$6,133)	\$660	(\$5,473)

ACTUARIAL ASSUMPTIONS (WEIGHTED AVERAGE AS OF APRIL 30)

	2024		2023	
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS
Discount rate	5.9%	5.1%	6.3%	4.6%
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%

19. Employee Future Benefits (continued)

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

	2024		2023	
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS
Fixed income	36.3%	—	32.0%	—
Equities	44.0%	—	46.6%	—
Other	19.7%	—	21.4%	—
Total	100.0%	—	100.0%	—

20. Capital Lease Obligation

	APRIL 30	
	2024	2023
2023	\$—	\$11
2024	—	210
2025	131	84
2026	1	13
Total minimum lease payments	132	318
Less: current portion of capital lease obligation	(131)	(221)
Long-term portion of capital lease obligation	\$1	\$97

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 \$13 (2022 - \$20), 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 \$NIL (2022 - \$12). Lease payments include imputed interest of \$NIL (2022 - \$NIL).

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 all expire by January 2026. This agreement is recognized in the financial statements of the university as an asset acquired under capital lease obligations. Lease payments include imputed interest of (\$11) (2023 - (\$31)).

21. Decommissioning Costs

		2024	APRIL 30	2023
CLSI	(a)	\$13,540		\$14,327
The Fedoruk Centre	(b)	1,704		770
Landfill remediation	(c)	824		—
		\$16,068		\$15,097

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, 2024 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 approved on June 1, 2022.

The university, through CLSI, accrues the liability for future decommissioning site restoration costs. The university expects to begin decommissioning the facility in fiscal 2034 and anticipates the future cash flows required for decommissioning activities to be \$18,989.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk free interest rate of 3.4% (2023 - 2.9%) and an inflation rate estimate of 3.3% (2023 - 4.0%). The change in cost estimate resulted in a \$1,205 decrease to both the accrued decommissioning costs and the deferred decommissioning costs. The current year decommissioning costs of \$1,171 (2023 - \$1,008) include amortization of deferred decommissioning costs of \$677 (2023 - \$642) and costs associated with a financial guarantee to the CNSC of \$79 (2023 - \$79). A reconciliation of the accrued decommissioning costs is as follows::

	2024	APRIL 30	2023
Accrued decommissioning costs, beginning of year	\$14,327		\$11,830
Accretion expense	418		287
Adjustment due to changes in assumptions	(1,205)		2,210
Accrued decommissioning costs, end of year	\$13,540		\$14,327

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 \$2,341.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk-free interest rate of 3.83% (2023 - 3.5%) and an inflation rate estimate of 3.2% (2023 - 2.3%). The change in cost estimate resulted in a \$907 increase to both the accrued decommissioning costs and deferred decommissioning costs. The current year decommissioning costs of \$43 (2023 - \$40) include amortization of deferred decommissioning costs of \$16 (2023 - \$20). A reconciliation of the accrued decommissioning costs is as follows:

	2024	APRIL 30	2023
Accrued decommissioning costs, beginning of year	\$770		\$868
Accretion expense	27		20
Adjustment due to changes in assumptions	907		(118)
Accrued decommissioning costs, end of year	\$1,704		\$770

21. Decommissioning Costs (continued)

c) Landfill Remediation

The university holds property once used as a landfill under an operating permit with the Ministry of the Environment. A decommissioning plan, requested by the Ministry, was approved in June 2023 for this property, which is no longer in use as a landfill. The plan calls for reclamation work and reclamation monitoring for a ten-year period beginning in 2024. Future cash flows required for reclamation activities are expected to be \$911.

The present value of the liability for decommissioning costs has been calculated using a credit adjusted risk free interest rate of 4.2% and an inflation rate estimate of 3.8%. The current year decommissioning costs of \$876 include amortization of deferred decommissioning costs of \$nil. A reconciliation of the accrued decommissioning costs as at April 30, 2024 is as follows:

	APRIL 30 2024
Estimate of decommissioning costs	\$876
Decommissioning execution cost for the year	(52)
Accretion expense	—
Accrued decommissioning costs, end of year	\$824

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

	GENERAL	RESTRICTED	APRIL 30 ENDOWMENT	TOTAL 2024	TOTAL 2023
Accounts receivable	(\$10,156)	(\$15,413)	(\$1)	(\$25,568)	\$5,048
Inventories	(438)	—	—	(438)	(108)
Agricultural Inventories	(507)	—	—	(507)	202
Prepaid Expenses	(2,697)	(69)	—	(2,766)	(1,950)
Accounts payable and accrued liabilities	7,209	5,874	—	13,083	733
Deferred revenue	289	17	—	306	12,389
	(\$6,300)	(\$9,591)	(\$1)	(\$15,890)	\$16,314

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.

24. 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.

	2024	APRIL 30 2023
RESTRICTED FUND		
Capital Fund	\$62,000	\$48,838
Student Financial Aid Fund	68,267	63,065
Research Fund	404,034	357,925
	534,301	469,828
ENDOWMENT FUND		
Endowed contributions – term	69,280	68,885
Capitalized endowment earnings	213,500	193,794
	282,780	262,679
	817,081	732,507
ENDOWMENT FUND		
Endowed contributions – permanent	166,301	155,936
Total externally restricted fund balances	\$983,382	\$888,443

25. 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:

	2024	APRIL 30 2023
GENERAL FUND		
Operating	\$(7,128)	\$(10,313)
Institutional Obligations for Employment Benefits	(34,671)	(23,929)
Donor Funded	53,725	50,345
Specific Purpose	47,804	49,145
	59,730	65,248
RESTRICTED FUND		
Capital Fund – Other	6,364	18,093
Capital Fund – Sinking Fund	5,317	4,212
Capital Fund	11,681	22,305
Student Financial Aid Fund	5,331	7,270
Research Fund	39,628	36,510
	56,640	66,085
ENDOWMENT FUND		
Endowed contributions	27,761	27,501
Capitalized endowment earnings	32,331	29,697
	60,092	57,198
Total internal restricted fund balances	\$176,462	\$188,531

25. Internally Restricted Fund Balances (continued)

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 2034. At April 30, 2024, the balance of these funds is \$5,906 (2023 - \$3,513)

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, 2024, the balance of these funds is \$215 (2023 - \$175).

26. Unrestricted Funds (Deficiency)

	2024	APRIL 30 2023
GENERAL FUND		
Operating Fund	\$51,560	\$28,470
Ancillary Fund	(1,185)	(15,026)
Total unrestricted funds (deficiency)	\$50,375	\$13,444

27. Commitments and Contingencies

a) Capital projects

With significant commitments relating to projects such as the VIDO Animal Care Facility, W.P Thompson Building Renewal, and the Murray Building Renewal, the estimated cost of contractual commitments to complete capital projects as of April 30, 2024 is approximately \$72,053 (2023 - \$85,383).

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 5 years are as follows:

2025	\$2,899
2026	2,469
2027	1,680
2028	986
2029	740

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, 2024 totaled \$13,895 (2023 - \$14,365) and expires May 2024. 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 \$9,127 terminating in June 2040 and \$4,768 terminating in January 2041. The fair value of the interest rate swaps as determined by TD Canada Trust at April 30, 2024 was \$610 (2023 - \$1,643).

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.

27. Commitments and Contingencies(continued)

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, 2024, 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 79 members) of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance reciprocal established to share the insurable property, liability and errors and omissions, and cyber 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, 2023 CURIE had an accumulated surplus of \$107,548 (2022 - \$97,444) of which the university's pro-rata share is approximately 4.14% (2022 - 4.16%).

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.

28. Employee Benefits

	2024	APRIL 30 2023
Pension recovery – defined benefit (Note 19)	(\$2,467)	\$1,123
Pension expense – defined contribution (Note 19)	34,031	33,095
Employee future benefits (Note 19)	4,114	3,489
All other employee benefits	62,738	53,075
	\$98,416	\$90,782

29. Interest Expense (Recovery)

	2024	APRIL 30 2023
Interest expense	\$3,018	\$3,401
Increase (decrease) in fair value of interest rate swap agreements (Note 17a)	(3,903)	(1,140)
	(\$885)	\$2,261

30. Gifts-in-kind and Donation Pledges

Gifts-in-kind consist of the following:

	2024	APRIL 30 2023
Works of art	\$86	\$116
Equipment and furnishings	169	193
Investments	15,717	2,602
Library Holdings	—	2
Research project contributions	3,637	1,441
Other	5,525	501
	\$25,134	\$4,855

Donations pledged but not received as at April 30, 2024 totaled \$41,107 (2023 - \$33,604). These pledges are expected to be honored during the subsequent five-year period and will be recorded as revenue when received.

31. 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	(\$896)	(\$135)	\$ —	\$1,031	\$ —	\$ —
Loan and interest payments	982	(6,841)	—	—	—	5,859
Capital acquisition and related funding	(34,233)	(628)	(1)	(26,603)	111	61,354
Scholarships, bursaries and awards	(13,383)	—	13,431	—	(48)	—
Fund transfers for Endowment	(48)	—	(2)	(211)	261	—
Funding for Research	(2,161)	—	(539)	2,829	—	(129)
Funding for General operating expenses	50,569	(3,001)	73	(49,565)	—	1,924
Contingency transfers	(7)	7	—	—	—	—
Recapitalized spending to Endowment Funds	(406)	—	(449)	(555)	1,417	(7)
APRIL 30, 2024	\$417	(\$10,598)	\$12,513	(\$73,074)	\$1,741	\$69,001
APRIL 30, 2023	(\$4,392)	(\$15,271)	\$12,924	(\$61,561)	\$2,952	\$65,348

32. 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	
	2024	2023
Expenses		
• Utilities	\$26,245	\$23,599
• Various	36,319	30,945
Accounts receivable	69,294	59,295
Long-term investments	740	818
Accounts payable and accrued liabilities	14,289	7,529
Deferred revenue	8,781	10,260

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 \$740 of long-term investments in Province of Saskatchewan bonds that belongs to Saskatchewan bonds through Baker Gilmore for the Kernan Foundation Endowment.

33. 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. .
- 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 17. The university is subject to interest rate risk as a result of market fluctuations in interest rates and the degrees of volatility of these rates.
- iv) **Credit risk:** The university has normal credit risk from counterparties. Since government agencies compose a significant portion of the receivable arising from the university's diverse client base, possibility of default is believed to be low. Credit risk from tuition is managed through restricted enrolment activities for students with uncollected balances and maintaining standard collection procedures.

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

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

- v) **Liquidity risk:** Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The university minimizes its liquidity risk through careful management of Investment Pools to maintain sufficient liquidity for operating purposes. 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 16.

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, 2024 have a carrying value of \$5,621 and a fair value of \$4,407.

UNIVERSITY OF SASKATCHEWAN

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

FOR THE YEAR ENDED APRIL 30, 2024 (\$ THOUSANDS)

	OPERATING	INSTITUTIONAL OBLIGATIONS FOR EMPLOYMENT BENEFITS	DONOR FUNDED OPERATING	SPECIFIC PURPOSE	SUBTOTAL OPERATING	ANCILLARY	TOTAL
REVENUES							
Grants and contracts							
Government of Canada	\$964	\$—	\$—	\$5,046	\$6,010	\$—	\$6,010
Government of Saskatchewan	287,955	—	—	159,799	447,754	100	447,854
Other governments	21,326	—	—	1,087	22,413	—	22,413
Non—government	1,234	—	3	5,675	6,912	—	6,912
Tuition and student fees	217,055	—	3	10,650	227,708	—	227,708
Donations	322	—	14,860	660	15,842	—	15,842
Sales of services and products	24,146	—	842	23,982	48,970	65,048	114,018
Income from investments	16,098	—	8,399	207	24,704	69	24,773
Real estate income	1,601	—	335	230	2,166	6,182	8,348
Royalties	—	—	1	4,098	4,099	—	4,099
Miscellaneous income	2,686	1	98	2,970	5,755	105	5,860
	573,387	1	24,541	214,404	812,333	71,504	883,837
EXPENSES							
Salaries	364,155	1,872	6,141	96,128	468,296	10,751	479,047
Employee benefits (Note 28)	64,053	6,566	1,017	13,722	85,358	1,845	87,203
Operational supplies and expenses	74,204	2,550	4,311	102,477	183,542	6,868	190,410
Travel	3,785	1,797	659	4,847	11,088	32	11,120
Cost of goods sold	4,777	—	(19)	180	4,938	8,502	13,440
Maintenance, rental and renovations	8,386	15	1,348	3,515	13,264	2,546	15,810
Utilities	15,805	—	312	254	16,371	16,490	32,861
Amortization	—	—	—	—	—	—	—
Scholarships, bursaries and awards	3,273	129	673	1,183	5,258	—	5,258
Interest (Note 29)	3	—	—	—	3	—	3
Bad debt expense	2,275	—	—	3	2,278	31	2,309
Decommissioning costs (Note 21)	—	—	876	—	876	—	876
	540,716	12,929	15,318	222,309	791,272	47,065	838,337
Excess (deficiency) of revenues over expenses	32,671	(12,928)	9,223	(7,905)	21,061	24,439	45,500
Interfund transfers (Note 31)	(6,534)	5,817	(5,843)	6,977	417	(10,598)	(10,181)
NET INCREASE (DECREASE) IN FUND BALANCES FOR YEAR	26,137	(7,111)	3,380	(928)	21,478	13,841	35,319
Fund balances, beginning of year	63,155	(23,929)	50,345	49,146	138,717	(15,026)	123,691
Employee future benefits remeasurements and other items	—	(3,631)	—	—	(3,631)	—	(3,631)
FUND BALANCES, END OF YEAR	\$89,292	(\$34,671)	\$53,725	\$48,218	\$156,564	(\$1,185)	\$155,379

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, 2024 (\$ THOUSANDS)

	STUDENT FINANCIAL AID	RESEARCH	CAPITAL	TOTAL
REVENUES				
Grants and contracts				
Government of Canada	\$—	\$84,212	\$—	\$84,212
Government of Saskatchewan	1,510	34,611	33,124	69,245
Other governments	121	1,453	—	1,574
Non-government	219	166,176	74	166,469
Tuition and student fees	31	—	—	31
Donations	4,586	11,600	9,892	26,078
Sales of services and products	—	34	25	59
Income from investments	14,041	25,506	9,665	49,212
Real estate income	151	222	—	373
Royalties	188	—	—	188
Miscellaneous income	2	(12)	—	(10)
	20,849	323,802	52,780	397,431
EXPENSES				
Salaries	1,006	89,358	3	90,367
Employee benefits (Note 28)	68	11,145	—	11,213
Operational supplies and expenses	214	61,534	852	62,600
Travel	138	7,797	—	7,935
Cost of goods sold	—	—	—	—
Maintenance, rental and renovations	—	3,411	226	3,637
Utilities	1	3,721	—	3,722
Amortization	—	—	97,431	97,431
Scholarships, bursaries and awards	28,675	24,535	—	53,210
Interest (Note 29)	—	—	(888)	(888)
Bad debt expense	(3)	—	—	(3)
Decommissioning costs (Note 21)	—	—	1,214	1,214
	30,099	201,501	98,838	330,438
Excess (deficiency) of revenues over expenses	(9,250)	122,301	(46,058)	66,993
Interfund transfers (Note 31)	12,513	(73,074)	69,001	8,440
NET INCREASE (DECREASE) IN FUND BALANCES FOR YEAR	3,263	49,227	22,943	75,433
Fund balances, beginning of year	70,335	394,435	1,429,451	1,894,221
FUND BALANCES, END OF YEAR	\$73,598	\$443,662	\$1,452,394	\$1,969,654

See accompanying notes to consolidated financial statements

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