Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Lieutenant Governor-in-Council
To the Legislative Assembly of Manitoba
To the Board of Governors of the University of Manitoba

Opinion

We have audited the financial statements of the University of Manitoba (the University), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in fund balances, remeasurement gains and losses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2019, and its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Financial Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit 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 that we identify during our audit.

Original document signed by
Norm Ricard

Winnipeg, Manitoba
June 25, 2019

Norm Ricard, CPA, CA
Auditor General

FINANCIAL STATEMENTS

UNIVERSITY OF MANITOBA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019
(in thousands of dollars)

	2019	2018
Assets		
Current Assets		
Cash and Cash Equivalents *(Note 4)*	$ 337,089	$ 330,370
Accounts Receivable *(Note 5)*	82,772	86,354
Inventories	3,612	3,336
Prepaid Expenses	4,873	2,638
Current Portion of Loan Receivable *(Note 6)*		3,244
	428,346	**425,942**
Long Term Assets		
Loan Receivable *(Note 6)*		78,730
Investments *(Note 7)*	991,944	929,251
Capital Assets, Net of Accumulated Amortization *(Note 9)*	1,220,150	1,145,096
	2,212,094	**2,153,077**
	$ 2,640,440	**$ 2,579,019**
Liabilities		
Current Liabilities		
Accounts Payable	$ 66,104	$ 70,494
Unearned Revenue *(Note 10)*	28,724	24,520
Vacation and Sick Leave Liability	16,589	16,323
Current Portion of Long Term Debt *(Note 11)*	7,031	9,917
	118,448	**121,254**
Long Term Liabilities		
Long Term Debt *(Note 11)*	173,063	258,824
Other Long Term Liabilities *(Note 12)*	8,680	7,380
Employee Future Benefits *(Note 13)*	86,579	83,992
Pension Liability *(Note 16)*	18,721	20,427
	287,043	**370,623**
Fund Balances		
Unrestricted *(Note 21)*	(62,359)	(64,544)
Internally Restricted *(Note 24)*	278,714	242,096
Externally Restricted *(Note 25)*	371,829	361,519
Invested in Capital Assets *(Note 25)*	1,141,950	1,076,789
Externally Restricted Endowed *(Note 25)*	504,815	471,282
	2,234,949	**2,087,142**
	$ 2,640,440	**$ 2,579,019**

Contractual Obligations and Contingencies *(Note 27)*

Original signed by
Jeff Lieberman – Chair

Original signed by
Rafi Mohammed – Vice-Chair

(The accompanying Notes form an integral part of the Financial Statements)

UNIVERSITY OF MANITOBA
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2019
(in thousands of dollars)

	General Funds *(Note 2D)*	Restricted Funds *(Note 2E)*	Endowment Fund *(Note 2F)*	2019 Total Funds	2018 Total Funds
Revenue					
Tuition and Related Fees	$ 184,996	$	$	$ 184,996	$ 170,139
Donations	2,315	23,417	17,534	43,266	30,442
Non-Government Grants	8,056	49,514		57,570	84,265
Net Investment Income *(Note 17)*	9,601	46,858		56,459	61,223
Miscellaneous Income	9,543	7,643		17,186	14,853
Government Grants:					
Manitoba Education and Training	352,602	7,120		359,722	363,523
Other Province of Manitoba	28,300	41,453		69,753	63,447
Government of Canada	11,111	81,066		92,177	108,121
City of Winnipeg	58			58	181
Sales of Goods and Services	35,801	332		36,133	35,152
Ancillary Services	38,934			38,934	38,416
Net Gain on Long Term Debt *(Note 11)*		80,311		80,311	118,682
	681,317	**337,714**	**17,534**	**1,036,565**	**1,088,444**
Expense					
Salaries	373,212	36,416		409,628	398,571
Staff Benefits and Pay Levy	64,919	6,482		71,401	73,800
Materials, Supplies and Services	58,938	55,141		114,079	111,347
Amortization of Capital Assets		56,780		56,780	55,595
Student Assistance	15,060	51,618		66,678	60,806
Professional and Other Services	17,966	28,295		46,261	46,562
Travel and Conferences	13,004	14,112		27,116	25,242
Utilities, Municipal Taxes and Insurance	20,402	89		20,491	19,814
Interest		9,470		9,470	13,611
Maintenance and Repairs	6,954	393		7,347	9,444
Net Loss on Loan Receivable Allowance *(Note 6)*		80,311		80,311	118,682
	570,455	**339,107**		**909,562**	**933,474**
Net Revenue from Operating Activities	110,862	(1,393)	17,534	127,003	154,970
Inter-Fund Transfers *(Note 23)*	(83,194)	81,541	1,653		
Net Increase to Fund Balances from Operating Activities	27,668	80,148	19,187	127,003	154,970
Fund Balances from Operating Activities Beginning of Year	97,950	1,516,604	335,787	1,950,341	1,795,371
Fund Balances from Operating Activities End of Year	125,618	1,596,752	354,974	2,077,344	1,950,341
Accumulated Remeasurement Gains End of Year	960	4,618	152,027	157,605	136,801
Fund Balances End of Year	**$ 126,578**	**$ 1,601,370**	**$ 507,001**	**$ 2,234,949**	**$ 2,087,142**

(The accompanying Notes form an integral part of the Financial Statements)

UNIVERSITY OF MANITOBA
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED MARCH 31, 2019
(in thousands of dollars)

	General Funds	Restricted Funds	Endowment Fund	2019 Total Funds	2018 Total Funds
Accumulated Remeasurement Gains (Losses)					
Beginning of Year	**$ 87**	**$ (902)**	**$ 137,616**	**$ 136,801**	**$ 147,724**
Unrealized Gains (Losses) Attributed to:					
Derivatives		(267)		(267)	1,441
Foreign Exchange	(87)	(1,709)		(1,796)	(2,987)
Portfolio Investments		6,440	5,370	11,810	8,714
Designated Fair Value Investments		28,623	9,041	37,664	13,892
Amounts Reclassified to the Statement of Operations and Changes in Fund Balances:					
Foreign Exchange	960	1,461		2,421	3,695
Portfolio Investments		(27,575)		(27,575)	(26,921)
Designated Fair Value Investments		(1,453)		(1,453)	(8,757)
Net Remeasurement Gains (Losses) for the Year	873	5,520	14,411	20,804	(10,923)
Accumulated Remeasurement Gains					
End of Year	**$ 960**	**$ 4,618**	**$ 152,027**	**$ 157,605**	**$ 136,801**

(The accompanying Notes form an integral part of the Financial Statements)

UNIVERSITY OF MANITOBA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019
(in thousands of dollars)

	General Funds	Restricted Funds	Endowment Fund	2019 Total Funds	2018 Total Funds
Operating Activities					
Net Revenue from Operating Activities	$ 110,862	$ (1,393)	$ 17,534	$ 127,003	$ 154,970
Amortization of Capital Assets		56,780		56,780	55,595
	110,862	55,387	17,534	183,783	210,565
Net Change in Non-Cash Working Capital Items	(11,391)	12,542		1,151	5,115
Net Change in Other Long Term Liabilities	1,033	267		1,300	(1,551)
Net Change in Pension Obligation	(1,706)			(1,706)	(3,916)
Net Change in Employee Future Benefits	201	2,386		2,587	2,939
Gain on Long Term Debt		(79,784)		(79,784)	(118,682)
Loss on Loan Receivable Allowance		79,784		79,784	118,682
Net Cash generated through Operating Activities	98,999	70,582	17,534	187,115	213,152
Investing Activities					
Principal Repayment on Loan Receivable		2,190		2,190	2,118
Net Decrease (Increase) in Long Term Investments	(4,127)	(18,575)	(19,187)	(41,889)	(105,263)
Net Cash generated through (used in) Investing Activities	(4,127)	(16,385)	(19,187)	(39,699)	(103,145)
Capital Activities					
Purchase of Capital Assets		(131,834)		(131,834)	(90,761)
Net Cash used in Capital Activities		(131,834)		(131,834)	(90,761)
Financing Activities					
Principal Repayment on Long Term Debt		(8,863)		(8,863)	(8,455)
Net Cash generated through (used in) Financing Activities		(8,863)		(8,863)	(8,455)
Net Increase (Decrease) in Cash	94,872	(86,500)	(1,653)	6,719	10,791
Inter-Fund Transfers	(83,194)	81,541	1,653		
Cash and Cash Equivalents Beginning of Year	50,204	280,166		330,370	319,579
Cash and Cash Equivalents End of Year	**$ 61,882**	**$ 275,207**	**$**	**$ 337,089**	**$ 330,370**
Supplementary cash flow information:					
Interest Received *(Note 17)*	$ 8,817	$ 4,301	$	$ 13,118	$ 9,917
Interest Paid *(Note 19)*	$	$ 9,470	$	$ 9,470	$ 9,807

(The accompanying Notes form an integral part of the Financial Statements)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(in thousands of dollars)

1. AUTHORITY AND PURPOSE

The University of Manitoba was established in 1877. It is governed by a Board of Governors acting under the authority of *The University of Manitoba Act*, R.S.M. 1987, c. U60. The University of Manitoba is a registered charity and is exempt from income taxes under Section 149 of *The Income Tax Act*.

The University of Manitoba, as the largest and most comprehensive institution of higher learning in Manitoba, plays a distinctive role within the Province. In addition to offering an undergraduate liberal education in arts, science and education, the University of Manitoba provides programs in a broad range of professional studies, applied sciences and the fine and performing arts and is responsible for the vast majority of graduate education and research in Manitoba. The University of Manitoba reaches out to a variety of constituencies in order to enhance the health, cultural, social and economic life of Manitobans and to provide lifelong learning opportunities for them. Through community service, the University makes its expertise available to all Manitobans.

2. SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants Canada, including the standards for government not-for-profit organizations. The University has adopted the restricted fund method of accounting for contributions.

The University controls UM Properties GP Inc. (Note 18), UM Properties Holding Inc. (Note 18) and Partners for Health and Development in Africa (PHDA) (Note 19), but does not consolidate the accounts for the purposes of these financial statements.

Government business enterprises, owned or controlled by the University but not dependent on the University for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that business entity accounting principles are not adjusted to conform to those of the University. Thus, the University's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received to the extent the investment does not decline below one dollar. Subsequent earnings are recorded only when any accumulated losses have been recovered. UM Properties Limited Partnership (Note 18) is controlled by the University and is accounted for by the modified equity method.

The University has a 7.14% (2018, 7.69%) interest in TRIUMF (Note 18), a joint venture which operates a national laboratory for particle and nuclear physics. The University uses the modified equity method of accounting to record its interest in TRIUMF.

B. FUND ACCOUNTING

The University classifies resources used for various purposes into separate Funds which correspond to its major activities and objectives. The Statement of Financial Position combines the assets and liabilities of all Funds. The University maintains its Funds under three fund categories: General, Restricted, and Endowment Funds. The General Funds include the Funds for General Operating, Specific Provisions, and Expenses Funded from Future Revenues Funds. The Restricted Funds include the Capital Asset, Research and Special, Staff Benefits, and Trust Funds. The Endowment Fund includes endowed funds of the University.

C. ACCOUNTING ESTIMATES

Accounting estimates are included in financial statements to approximate the effect of past revenue or expense transactions or events, or to approximate the present status of an asset or liability. Examples include loan allowances, accruals for salaries and benefits, the estimated useful life of an asset and certain actuarial assumptions used in determining employee future benefits. It is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates.

D. GENERAL FUNDS

General Operating Fund:

The General Operating Fund includes the academic, administrative, operational and ancillary costs that are funded by tuition and related fees, government grants, investment income, miscellaneous income, sales of goods and services to external parties and ancillary income. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.

All funds received or accrued by the University for general operating purposes and for equipment and renovation expenses not meeting the University's capitalization criteria are included in the General Operating Fund. The net cost of operating units is determined by including internal cost allocations for certain centrally administered services, such as the telephone system in the units' expenses, and by deducting these expenses as internal cost recoveries from the total expenses incurred by the unit administering these services.

The University BookStore, Parking, Student Residences, Pharmacy/Post Office, and SmartPark are classified as Ancillary Services and are budgeted on a break-even basis. Any surpluses or deficits are transferred to/from the Specific Provisions Fund. Overhead costs have been allocated to all ancillary operations. Amortization of ancillary capital assets and interest expense is recorded in the Capital Asset Fund.

Specific Provisions Fund:

The Specific Provisions Fund records appropriations made from (to) the General Operating, Capital Asset, Research and Special Funds.

These appropriations are made to provide future funding for the replacement, improvement or emergency maintenance of capital assets, unit carryover, a fiscal stabilization provision to offset potential spending in excess of future budgets and other matters. Such appropriations are shown as inter-fund transfers on the Statement of Operations and Changes in Fund Balances and in Note 23.

Expenses Funded From Future Revenues Fund:

The Expenses Funded from Future Revenues Fund records the amount of non-vesting sick leave benefits and unpaid vacation pay for staff which will be funded from future revenues. It also records the actuarially determined expense for employee future benefits and change in pension liability.

E. RESTRICTED FUNDS

Capital Asset Fund:

The Capital Asset Fund consists of restricted contributions resulting from capital asset co-funding arrangements with external parties, contributed capital assets and government grants restricted for the purpose of acquiring capital assets and retiring capital advances. Funding agreements, using promissory notes as a vehicle, entered into with the provincial government for the construction or acquisition of capital assets, which will be repaid from future funding provided by the provincial government through Manitoba Education and Training (MET), are recorded as capital grants. These capital grants, under the restricted fund method of accounting, are reflected as revenue in the Statement of Operations and Changes in Fund Balances. The interest expense and the related future funding from MET over the terms of the promissory notes, to offset the interest expense and principal payments, are both excluded from the Statement of Operations and Changes in Fund Balances. Expenses include interest on debt relating to the acquisition or construction of capital assets, amortization and gains or losses on disposal of capital assets, which includes write-downs resulting from obsolescence.

Research and Special Fund:

The Research and Special Fund consists of contributions specifically restricted for research or other special activities. Contributions are provided from both federal and provincial granting agencies and other public and private sources. These funds are spent in accordance with the conditions stipulated in the related governing contracts and agreements.

Staff Benefits Fund:

The Staff Benefits Fund is divided into Fund Accounts for the Pension Reserve, and for each of the Self-Insured Plans, which are the Long Term Disability Income Plan and the Dental Plan.

Trust Fund:

The Trust Fund records gifts and bequests received which may be used in their entirety along with net investment income earned on these funds, according to donor restrictions. The majority of these funds are used for scholarships, bursaries, awards, loans, and other scholarly activities.

F. ENDOWMENT FUND

The Endowment Fund records gifts and bequests received with the stipulation that these funds be invested in perpetuity and investment income earned be utilized for designated purposes. The Fund balance also reflects the change in fair value of Endowment Fund investments, which is recorded in the Statement of Remeasurement Gains and Losses.

G. REVENUE RECOGNITION

Restricted contributions are recognized as revenue of the appropriate Fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions, including sales of goods and services and ancillary revenues, are recognized as revenue of the General Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment purposes are recognized as revenue in the Endowment Fund in the year received. Investment income earned on endowments is recorded in the appropriate Trust Fund depending on the restrictions imposed by the original donor.

Investment income, including realized gains or losses, is recorded in the Statement of Operations and Changes in Fund Balances in the appropriate Fund depending on the restrictions imposed. Unrestricted investment income is recorded as unrestricted income in the General Operating Fund.

The change in fair value (unrealized gains or losses) of investments is recorded in the Statement of Remeasurement Gains and Losses until the investments are sold.

H. CONTRIBUTED MATERIALS AND SERVICES

Gifts-in-kind are recorded in the financial statements to the extent that they are eligible for an official donation receipt, since this results in the capture of the information in the University's financial records.

Because of the difficulty involved in tracking and recording contributed services, the market value of these services is not recognized in the financial statements. Contributed services include activities such as membership on the University's Board of Governors and its various committees, lecturing services and volunteer services at fundraising and sporting events, all of which are performed by staff, students and the community at no charge to the University. These services, although not recognized in the financial statements, are critical to the successful functioning of the University.

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of highly liquid investments that are used to meet short term operating needs. They are readily convertible to cash and mature within one year from acquisition. Any cash or other investments maturing within one year that are held by portfolio managers are classified as long term investments and are recorded at fair value or designated to fair value. Portfolio managers maintain a cash balance within investment portfolios as part of their overall long term mandate, as well as to facilitate trades and the rebalancing of funds.

J. PLEDGES RECEIVABLE

The University does not record pledges receivable in its financial statements. Revenue from gifts, bequests and donations is recognized on a cash basis because of the uncertainty surrounding collection and in some instances because of the difficulty in determining the valuation of pledges receivable. The University recognizes gifts and donations to be received through the University of Manitoba Foundation U.S.A. Inc. only when the Board of Directors of the Foundation have formalized the transfer with a resolution, collectability is reasonably assured, and the valuation of these gifts and donations can be reasonably determined.

K. INVENTORIES

Inventories have been valued at the lower of cost and net realizable value.

L. CAPITAL ASSETS

Purchased 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. Contributed capital assets are recorded at market value at the date of contribution. Intangibles such as patents and copyrights are recorded at a nominal amount of one dollar in the year the patent or copyright is obtained.

Amortization is calculated on a straight-line basis over the assets' estimated useful life as follows:

Buildings and Major Renovations	15-50 years
Computer Hardware and Electronics	5-10 years
Furniture and Equipment	10 years
Library Books	10 years
Parking Lots	20 years
Vehicles	5 years

Equipment acquired under a capital lease is amortized over the useful life of the asset. Works of art, treasures, rare books and manuscripts are not amortized.

M. COLLECTIONS

The University holds a number of collections which include works of art, rare books and manuscripts, museum specimens and other archival material. The associated library, faculty or school assumes responsibility for safeguarding and preserving the collection. The University seldom, if ever, disposes of its collections or of individual pieces in its collections. The University policy is to use proceeds generated from deaccessioned works of art to augment the University art collection.

The University's policy with regard to its collections is to initially record them at fair value and to fund maintenance expenses from the General Operating Fund. The cost of maintenance is not tracked and is therefore not determinable.

N. PENSION COSTS

The University sponsors two pension plans for its employees and retirees: The University of Manitoba Pension Plan (1993) and The University of Manitoba GFT Pension Plan (1986). The 1986 Plan is a defined contribution plan and as a result the pension costs are based on contributions required by the plan.

The Pension Costs for the 1993 Plan are determined actuarially using the projected unit credit actuarial cost method, pro-rated on service and management's best estimate expectations of the discount rate for liabilities, the expected return on assets, salary escalation, retirement ages of employees and member mortality. Actuarial gains and losses are amortized over the expected average remaining service life of the active employees, commencing in the year following the year the respective annual actuarial gains or losses arise.

The funded position of the 1993 plan is disclosed in Note 16.

O. FINANCIAL INSTRUMENTS

The financial instruments of the University consist of cash and cash equivalents, accounts receivable, loan receivable, investments, accounts payable, vacation and sick leave liability, loans, other long term liabilities, and long term debt. All financial instruments are recognized at cost or amortized cost, or fair value.

Cash and cash equivalents are recognized at cost. Accounts receivable, loan receivable, fixed income investments and preferred shares held in the General Funds, accounts payable, loans, vacation and sick leave liability, other long term liabilities (excluding derivative financial instruments), and long term debt are recognized at amortized cost.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured at cost or amortized cost.

Financial instruments recognized at fair value include Canadian equities, U.S. equities and derivatives. Bonds and other fixed income securities and pooled funds have been designated to fair value other than corporate bonds and preferred shares which are recognized at cost, and the investment in TRIUMF which is recognized at modified equity. The values of private investments, which include infrastructure assets, are determined based on the latest valuations provided by the external investment manager of the fund (typically December 31), adjusted for subsequent cash receipts and distributions from the fund, and cash disbursements to the fund through March 31. Pooled funds are valued by the fund managers.

Unrealized gains and losses from the change in fair value of these financial instruments are reflected in the Statement of Remeasurement Gains and Losses until disposition.

Transaction costs are expensed for financial instruments measured at fair value.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations and Changes in Fund Balances. Future recoveries of impaired assets are recorded in the Statement of Operations and Changes in Fund Balances when received. Interest is not recorded on financial assets that are deemed to be impaired. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

Financial instruments are classified using a fair value hierarchy that reflects the significance of inputs to valuation techniques used to measure fair value. The fair value hierarchy used has the following levels:

Level 1 – Inputs that reflect unadjusted publicly quoted prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date.

Level 2 – Inputs other than publicly quoted prices that are either directly or indirectly observable for the asset or liability.

Level 3 – Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

P. OTHER EMPLOYEE FUTURE BENEFITS

The University accrues its obligations for other employee future benefit plans relating to health, dental, sick leave, long term disability, and group life insurance. The cost of non-vesting sick leave benefits has been determined using management's best estimates. The cost of the long term disability plan for employees and the cost of non-pension and post-retirement benefits for retired employees are actuarially determined using the projected benefit method pro-rated on service, management's best estimates for the discount rate for liabilities, the expected rate of return on assets, retirement ages and expected future cost trends. For current active employees, the cost of other employee future benefit plans relating to health, dental, and group life insurance is the premiums charged under the plans to the University.

The University also accrues its obligations relating to post-retirement adjustments to pensions for specifically entitled employees who retired prior to 1993. The cost of such post-retirement pension adjustments is actuarially determined using the accrued benefit method and management's best estimate for the discount rate for liabilities and the expected rate of return on assets. Any increase in such adjustments is recognized in the year that it occurs.

Actuarial gains and losses on post-retirement adjustments are amortized on a straight-line basis over the life expectancy of the group, commencing in the year following the year the respective annual actuarial gains or losses arise.

Actuarial gains and losses of other benefit plans are amortized on a straight-line basis over the expected average remaining service life of the active employees, commencing in the year following the year the respective annual actuarial gains or losses arise.

Q. FOREIGN CURRENCY TRANSLATION

Monetary assets, liabilities and investments at fair value, denominated in foreign currencies, are translated at the year-end exchange rate. The unrealized foreign currency translation gains or losses of these financial instruments are reflected in the Statement of Remeasurement Gains and Losses. Revenues and expenses are translated at exchange rates on the transaction dates. Realized gains or losses arising from these translations are included in the Statement of Operations and Changes in Fund Balances.

R. DERIVATIVE FINANCIAL INSTRUMENTS

From time to time, the University uses derivative financial instruments, including interest rate swap agreements, in its management of exposures to fluctuations in interest rates. An interest rate swap is a derivative financial contract between two parties who agree to exchange fixed rate interest payments for floating rate payments on a predetermined notional amount and term. Derivatives are recorded at fair value and in determining the fair value, the credit risk of both counterparties is considered.

3. CHANGES IN ACCOUNTING POLICY

Effective April 1, 2018 the University adopted Restructuring Transactions (PS 3430). There was no impact to the University's financial statements.

4. CASH AND CASH EQUIVALENTS

	2019	2018
Cash	$ 103,527	$ 47,882
Guaranteed Investment Certificates	233,562	282,488
	$ 337,089	**$ 330,370**

5. ACCOUNTS RECEIVABLE

	2019	2018
Business, Industry and Foundations	$ 32,778	$ 43,175
Federal Government	17,182	8,224
Provincial Government	12,376	14,549
Investment Income and Interest	7,606	7,765
External Sales and Cost Recoveries	7,065	3,892
Students	3,612	2,958
Advances	2,064	5,744
Miscellaneous	89	47
	$ 82,772	**$ 86,354**

6. LOAN RECEIVABLE

The University has a loan agreement with Triple B Stadium Inc. (Triple B) related to the construction of Investors Group Field at the Fort Garry campus. The loan agreement is divided into a first phase and a second phase for a combined amount not to exceed $160 million. The first phase is not to exceed $75 million and the second phase is not to exceed $85 million. The interest rate on the first phase of the loan is 4.65%, and the first phase of the loan receivable is due and payable in full on June 1, 2038. The interest rate on the second phase is 4.65% until June 1, 2053, and is due and payable in full on November 24, 2058.

Any amounts received by Triple B in the form of insurance proceeds entitled to be retained by Triple B by reason of the destruction of all or part of the stadium, where such insurance proceeds are not being applied to restore, reconstruct and repair the stadium in accordance with the ground lease, shall be paid to the University and be applied to the repayment of the loan, firstly to the accrued interest and secondly to principal outstanding, for both phases of the loan, on a pro-rata basis.

Payment terms of the first phase and second phase of the loan receivable are as follows:

FIRST PHASE:

Triple B is required to make payments to the University equivalent to the aggregate of:

- Any amounts received by Triple B in respect of the stadium development from the City of Winnipeg pursuant to *The Community Revitalization Tax Increment Financing Act*; and
- Any amounts received by Triple B from any party which were designated by the party for application to the loan.

Payments are applied firstly to accrued interest and secondly to the principal outstanding. Unpaid interest is added to the principal of the first phase of the loan and compounded annually.

SECOND PHASE:

Interest will be calculated annually, and unpaid interest until December 15, 2017 shall be added to the first phase of the loan. Any unpaid interest after December 15, 2017 shall be added to the second phase of the loan and compounded annually. Payments in respect of principal shall be made in amounts determined by Triple B, on or before December 15, 2017.

Annual payments of principal and interest over the remainder of the second phase loan term are to be paid on or before December 15 of each calendar year.

INVESTORS GROUP FIELD LOAN:

	2019	2018
First Phase interest and principal outstanding	$ 118,682	$ 118,682
Second Phase principal outstanding	79,784	81,974
	198,466	200,656
Allowance	(198,466)	(118,682)
		81,974
Less Current Portion		(3,244)
	$	**$ 78,730**

The First and Second Phase loans have an equal long term debt loan payable to the Province of Manitoba (Note 11).

The University has concluded there will be insufficient amounts available to repay the First and Second Phase loan receivable, including accrued interest. As a result, the University has established an allowance.

Since the long term debt can only be repaid when the University receives these payments from Triple B, the University has established an allowance for the loan payable in an equal amount (Note 11).

These allowances, net of recoveries, have been recorded in the Statement of Operations and Changes in Fund Balances as both revenue and expense.

7. INVESTMENTS

	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments Held at Fair Value:								
Cash and Money Market Funds	$ 6,253	$	$	$ 6,253	$ 10,301	$	$	$ 10,301
Canadian Equities	210,810			210,810	192,110			192,110
US Equities	221,739			221,739	218,922			218,922
	438,802			438,802	421,333			421,333
Investments Designated to Fair Value:								
Cash and Money Market Funds		3,596		3,596		2,921		2,921
Bonds and Other Fixed Income Securities		73,968		73,968		69,792		69,792
Pooled Bond Fund		16,117		16,117		13,984		13,984
Pooled Canadian Equities		20,137		20,137		18,842		18,842
Pooled US Equities		7,420		7,420		6,675		6,675
Pooled International Equities		115,695		115,695		115,956		115,956
Pooled Real Estate Fund		127,956		127,956		119,940		119,940
Pooled Mortgage Fund		9,406		9,406		8,267		8,267
Private Infrastructure Fund			21,330	21,330				
		374,295	21,330	395,625		356,377		356,377
Investments Held at Amortized Cost:								
Corporate Bonds				103,042				103,042
Preferred Shares				51,211				46,211
				154,253				149,253
Investments Held at Modified Equity:								
TRIUMF				3,264				2,288
	$438,802	**$374,295**	**$ 21,330**	**$991,944**	**$ 421,333**	**$356,377**	**$**	**$929,251**

The University's investment in real estate consists of units of a pooled real estate investment in the Great-West Life Assurance Company Canadian Real Estate Investment Fund No. 1.

The fair value of investments held at amortized cost is $147,688 (2018, $146,469). As at March 31, 2019 and March 31, 2018 there were no transfers of investments between Levels 1, 2 or 3.

The changes in fair value of Level 3 investments designated to fair value are as follows:

	2019
Balance, Beginning of Year	$
Purchases	21,002
Distributions Reinvested	207
Unrealized Gains	121
Balance, End of Year	**$ 21,330**

8. RISK EXPOSURE AND MANAGEMENT

The University uses a disciplined, fundamental approach in its investment selection and management, which consists of an intensive and ongoing research process of investment opportunities across a broad range of investment vehicles of various types of issuers (government, corporate or financial). As a result, the University is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The University, through the work of its investment committees and Treasury Office, has an investment policy statement in place governing asset mix, permitted investments, diversification, and minimum credit quality. The most important risks relate to market risk: other price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. These risks and the related risk management practices employed by the University are detailed below.

OTHER PRICE RISK

Other price risk represents the potential loss that can be caused by a change in the fair value of a financial instrument. The University's investments are subject to normal market fluctuations and the risks inherent in investment in the capital markets. Investments held to meet short term obligations focus on credit quality and liquidity to minimize the effect of other price risk on fair value. The majority of investments which are held for the long term to support the Endowment Fund are equities, bonds, segregated funds and pooled funds, and are subject to other price risk given their nature and the long term holding periods. Other price risk is managed through diversification provided by the Endowment Fund's asset allocation strategy, which emphasizes the importance of managing other price risk by maintaining appropriate levels of risk required to achieve consistent long term returns that meet the investment objectives of the Endowment Fund.

INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The University is subjected to this risk when it invests in interest-bearing financial instruments, or when it borrows funds using derivative financial instruments. Both investments and financial derivatives are exposed to the risk that their fair value will fluctuate due to changes in the prevailing levels of market interest rates.

The tables below summarize the University's exposure to interest rate risk related to financial instruments categorized by maturity dates.

INTEREST RATE EXPOSURE AS AT MARCH 31, 2019

	Less than 90 days	90 days to 1 year	1 year to 5 years	5 years to 10 years	Greater than 10 years	Total
Cash Equivalents and Investments	26.9%	26.7%	17.4%	26.7%	2.3%	100.0%
Financial Derivatives			100.0%			100.0%

INTEREST RATE EXPOSURE AS AT MARCH 31, 2018

	Less than 90 days	90 days to 1 year	1 year to 5 years	5 years to 10 years	Greater than 10 years	Total
Cash Equivalents and Investments	37.2%	22.7%	7.7%	31.0%	1.4%	100.0%
Financial Derivatives		32.5%	17.1%	50.4%		100.0%

	March 31, 2019		March 31, 2018	
	Interest bearing instruments	Non-interest bearing instruments	Interest bearing instruments	Non-interest bearing instruments
Cash Equivalents and Investments	$ 437,825	$ 787,681	$ 480,795	$ 730,944
Financial Derivatives	$ 3,767	$	$ 3,500	$

As at March 31, 2019, a 0.5% fluctuation in interest rates, with all other variables held constant, would have an estimated impact as follows:

	2019	2018
Fair Value of Fixed Income Instruments	$ 4,748	$ 5,018
Interest Rate Swaps	$ 762	$ 775
Net Investment Income	$ 2,718	$ 2,579

FOREIGN CURRENCY RISK

The University has cash and cash equivalents, receivables and payables denominated in foreign currencies and holds investments in foreign currency equity markets in both the Trust and Endowment Funds, and the Staff Benefits Fund. The income from these investments is used to meet financial liabilities denominated in Canadian dollars. The University does not actively manage foreign exchange risk.

The University's exposure in cash and investments to foreign currencies is shown below:

	2019		2018	
	$	%	$	%
Canadian Dollar	$ 934,579	70.3%	$ 893,008	70.9%
U.S. Dollar	282,499	21.3%	255,363	20.3%
Euro	32,389	2.4%	34,546	2.7%
Japanese Yen	29,159	2.2%	28,698	2.3%
Swiss Franc	19,537	1.5%	14,077	1.1%
British Pound Sterling	16,460	1.2%	18,901	1.5%
Other	14,410	1.1%	15,028	1.2%
	$ 1,329,033	**100.0%**	**$ 1,259,621**	**100.0%**

As at March 31, 2019, an appreciation of 10% in the Canadian dollar versus foreign currencies exchange rates would decrease investments and net remeasurement gains by approximately $39,445 (2018, $36,661), while a depreciation of 10% would increase investments and net remeasurement gains by approximately $39,445 (2018, $36,661).

CREDIT RISK

Credit risk represents the potential loss that the University would incur if its counterparties failed to perform in accordance with the terms of their obligations. The University invests in financial assets that have an investment grade as rated primarily by DBRS. Should DBRS not rate an issuer, the University may use Standard & Poor's, followed by the Moody's equivalent. Ratings for securities which subject the University to credit risk are noted below:

	2019		2018	
	$	%	$	%
R-1High	$ 148,310	33.9%	$ 197,604	41.1%
R-1Mid	26,982	6.2%	28,112	5.8%
AAA	49,980	11.4%	37,425	7.8%
AA	122,739	28.0%	123,042	25.6%
A	22,782	5.2%	28,712	6.0%
BBB	6,810	1.6%	5,702	1.2%
CC	146		146	
Not Rated	60,076	13.7%	60,052	12.5%
	$ 437,825	**100.0%**	**$ 480,795**	**100.0%**

The University manages credit risk related to fixed income investments by focusing on high credit quality. Cash and cash equivalents are held in Canadian chartered banks and Manitoba credit unions. Trust, Endowment and Capital Asset Fund investments are held in diverse portfolios of investments with counterparties considered to be of high quality.

The University also has credit risk related to accounts receivable and loan receivable. A significant portion of the University's accounts receivable is related to Restricted Funds and is from the federal and provincial governments, not-for-profit organizations, corporations, the U.S. government, and other universities. The University also has accounts receivable from students and staff. The credit risk on these receivables is minimal. The remaining accounts receivable are due from a diverse group of customers and are subject to normal credit risks. The credit risk related to the loan receivable is offset by a loan payable to the Province of Manitoba with matching terms of repayment.

LIQUIDITY RISK

The University aims to retain sufficient cash and cash equivalents to maintain liquidity and meet short term obligations. Most of the University's investments are considered readily realizable and liquid, thus liquidity risk is considered minimal. Investments that are not as liquid, such as the investment in the pooled real estate fund, are considered to be held for long term periods in conjunction with the investment objectives, risk tolerance and time horizon of the Endowment Fund.

9. CAPITAL ASSETS, NET OF ACCUMULATED AMORTIZATION

	2019		2018	
	Cost	**Accumulated Amortization**	**Cost**	**Accumulated Amortization**
Assets Under Capital Lease	$ 2,501	$ 2,501	$ 2,532	$ 2,532
Buildings and Major Renovations	1,356,220	362,648	1,257,048	335,892
Computer Hardware, Software and Electronics	104,504	96,904	101,856	95,421
Construction in Progress	42,972		41,222	
Furniture and Equipment	303,981	235,146	295,346	224,569
Land	29,777		29,777	
Library Books	221,734	161,737	228,904	170,596
Parking Lots	10,359	5,956	10,138	5,447
Rare Books and Manuscripts	7,531		7,414	
Vehicles	9,495	8,010	9,102	7,638
Works of Art	3,978		3,852	
	2,093,052	872,902	1,987,191	842,095
Less Accumulated Amortization	872,902		842,095	
Net Book Value	**$ 1,220,150**		**$ 1,145,096**	

10. UNEARNED REVENUE

	2019	2018
Unearned Revenue	$ 17,739	$ 16,306
Deferred Contributions:		
Balance, Beginning of Year	8,214	5,548
Contributions Received	6,002	5,000
Less Amounts Recognized as Revenue	(3,231)	(2,334)
Balance, End of Year	10,985	8,214
	$ 28,724	**$ 24,520**

Deferred contributions represent unspent externally restricted contributions received for operating purposes from Manitoba Health.

11. LONG TERM DEBT

		2019		2018
Stadium Long Term Debt:				
Province of Manitoba Loan, First Phase, 4.65% due June 1, 2038	$	118,682	$	118,682
Province of Manitoba Loan, Second Phase, 4.65% until June 1, 2053, due November 24, 2058		79,784		81,974
		198,466		200,656
Allowance		(198,466)		(118,682)
				81,974
Other Long Term Debt:				
Province of Manitoba:				
Promissory Note, 5.23% blended monthly payments $413 due March 1, 2035		53,675		55,767
Promissory Note, 5.55% blended monthly payments $428 due April 1, 2036		56,632		58,568
Promissory Note, 3.75% blended monthly payments $129 due September 30, 2039		22,040		22,742
Promissory Note, 5.35% blended monthly payments $173 due February 1, 2040		26,115		26,776
Term loans (with floating interest rates based on Bankers' Acceptance rates plus stamping fees):				
Multi-Tenant Facility, due February 28, 2023		6,930		7,192
Multi-Tenant Facility, due November 30, 2022		5,192		5,492
Arthur V. Mauro Student Residence, due October 1, 2023		9,510		10,230
		180,094		186,767
		180,094		268,741
Less Current Portion:				
Province of Manitoba, Stadium				(3,244)
Province of Manitoba		(5,676)		(5,391)
Term Loans		(1,355)		(1,282)
		(7,031)		**(9,917)**
	$	**173,063**	**$**	**258,824**

The effective interest rate on each of the term loans is the fixed interest rate based on an interest rate swap agreement plus a stamping fee (Note 12).

Interest expense on long term debt was $9,470 (2018, $13,611).

The University entered into a loan agreement with the Province of Manitoba related to the construction of Investors Group Field. Any amounts received by the University in the form of insurance proceeds received and entitled to be retained by the University by reason of the destruction of all or part of the stadium, where such insurance proceeds are not being applied to restore, reconstruct and repair the stadium in accordance with the ground lease are also to be applied to the repayment of the loan, firstly to the accrued interest and secondly to the principal outstanding, for both phases of the loan, on a pro-rata basis.

Additional terms of repayment of the loan are as follows:

LOAN, FIRST PHASE:

The amount of the annual payment of principal and interest on the loan is equivalent to the aggregate of:

- Any amounts paid by Triple B Stadium Inc. (Triple B) to the University in respect of the Triple B loan receivable;

- Any amounts received by the University in respect of the stadium development from The City of Winnipeg pursuant to *The Community Revitalization Tax Increment Financing Act*; and
- Any amounts received by the University from any party which were designated by the party for application to the loan.

Payments are applied firstly to accrued interest and secondly to the principal outstanding. Unpaid interest is added to the principal of the First Phase of the loan and compounded annually. Any accrued interest and principal outstanding on the First Phase of the loan as at June 1, 2038 is due and payable in full, subject to receipt of the accrued interest and principal outstanding from Triple B, unless the parties agree otherwise in writing.

LOAN, SECOND PHASE:

Interest will be calculated annually and unpaid interest until December 31, 2017 shall be added to the first phase of the loan. Any unpaid interest after December 31, 2017 shall be added to the second phase of the loan and compounded annually. Payments in respect of principal shall be made in amounts as received from Triple B, on or before December 31, 2017.

Annual payments of principal and interest over the remainder of the second phase loan term are to be paid on or before December 31 of each calendar year. Payments are applied firstly to accrued interest after December 31, 2017 and secondly to principal outstanding.

Any accrued interest and principal outstanding on the second phase of the loan as at November 24, 2058 is due and payable in full, subject to receipt of accrued interest and principal outstanding from Triple B, unless the parties agree otherwise in writing.

Principal and interest outstanding at March 31 are:

	2019	**2018**
Loan, First Phase	$ 75,000	$ 75,000
Loan, First Phase Accrued Interest	21,104	21,104
Loan, Second Phase Accrued Interest	22,578	22,578
	118,682	118,682
Loan, Second Phase	78,853	81,043
Loan, Second Phase Accrued Interest	931	931
	198,466	200,656
Allowance	(198,466)	(118,682)
	$	**$ 81,974**

Principal repayments on long term debt payable over the next five years are as follows:

	Province of Manitoba	**Term Loans**	**Total**
2020	$ 5,676	$ 1,355	$ 7,031
2021	5,976	1,429	7,405
2022	6,293	1,507	7,800
2023	6,627	1,592	8,219
2024	6,980	1,679	8,659
Thereafter	126,910	14,070	140,980
	$ 158,462	**$ 21,632**	**$ 180,094**

12. OTHER LONG TERM LIABILITIES

	2019	2018
Fair Value of Financial Derivatives:		
Student Residence	$ 1,732	$ 1,765
Multi-Tenant Facility 150 Innovation Drive	696	599
Multi-Tenant Facility 900 One Research Road	1,339	1,136
	3,767	3,500
Retirement Allowance	4,913	3,880
Other Long Term Liabilities	**$ 8,680**	**$ 7,380**
Fair Value of Financial Derivatives Beginning of Year	$ 3,500	$ 4,941
Unrealized (Gain) Loss Reported in the Statement of Remeasurement Gains and Losses	267	(1,441)
Fair Value of Financial Derivatives End of Year	$ 3,767	$ 3,500

Financial Derivatives are classified as Level 3.

DERIVATIVE FINANCIAL LIABILITIES

The University has entered into separate interest rate swap agreements for three term loans. Each loan has a stamping fee and a floating interest rate based on Bankers' Acceptance rates. The floating interest rate has been swapped to a fixed rate as follows:

- The interest rate swap agreement for the loan for the construction of the Arthur V. Mauro Student Residence has a fixed interest rate of 5.62% that is committed until September 1, 2028. The notional principal underlying this swap agreement was $9,510 as at March 31, 2019 (2018, $10,230).
- The interest rate swap agreement for the loan for the development of the multi-tenant facility at 150 Innovation Drive has a fixed interest rate of 4.07% that is committed until February 13, 2032. The notional principal underlying this swap agreement was $5,192 as at March 31, 2019 (2018, $5,492).
- The interest rate swap agreement for the loan for the addition to the multi-tenant facility at 900 – One Research Road has a fixed interest rate of 4.4% that is committed until August 5, 2035. The notional principal underlying this swap agreement was $6,930 as at March 31, 2019 (2018, $7,192).

Under the terms of the agreements, the respective monthly interest and principal repayments required are similar to a conventional amortizing loan over a 25 year period.

RETIREMENT ALLOWANCE

The University entered into a letter of understanding with the University of Manitoba Faculty Association (UMFA) to provide a retirement allowance to eligible UMFA members in exchange for their voluntary and irrevocable agreement to retire. The allowance is dependent upon the UMFA member's age and the number of advance years of notice given to the University prior to retirement. To be eligible, the member must be at least fifty-five years of age and have at least fifteen years of service at the University on a date that they have chosen as their retirement date. UMFA members must retire within three years of their enrolment. The University's policy is to record the estimated liability once members enroll. As at March 31, 2019, the estimated liability is $7,801 (2018, $5,913) with $2,888 (2018, $2,033) being a current liability included in accounts payable and $4,913 (2018, $3,880) representing a long term liability.

13. EMPLOYEE FUTURE BENEFITS

The University provides certain health, dental and group life benefits for its retired employees who have met the eligibility criteria and long term disability benefits for current employees. Post-retirement pension benefits are also provided for specifically entitled retirees.

Health, dental and group life benefits are provided to employees who retired prior to July 1, 2004 on a non-contributory basis. The group life benefits are indexed post-retirement. For eligible employees retiring on or after July 1, 2004, no group life benefit is available, and retired employees share in the cost of the health and dental benefits.

The long term disability income benefit is provided on a contributory basis.

Post-retirement pension benefits are provided to specifically entitled employees who retired prior to 1993. The adjustments for a year are determined as the lesser of the amounts that can be provided by a weighted average percentage salary increase at the University, or the excess interest approach provided under the University of Manitoba Pension Plan (1993). One hundred percent of the adjustments are paid by the University.

The University measures the fair value of assets and the accrued benefit obligations for the non-pension and post-retirement pension adjustments as of March 31. A firm of consulting actuaries prepared an actuarial valuation for the post-retirement adjustments plan and the non-pension benefit plans as at March 31, 2019. The actuarial gains and losses are amortized over nine years commencing in the year following the year the respective annual actuarial gains or losses arise.

The Accrued Benefit Obligations for the non-pension benefit plans and the post-retirement adjustments are reported in the University's Statement of Financial Position under Long Term Liabilities.

Information about the University's non-pension benefit plans and post-retirement adjustments as at March 31 is as follows:

	Non-Pension Benefit Plans		Post-Retirement Adjustments		Total	Total
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Accrued Benefit Obligations	$ 73,076	$ 75,552	$ 1,655	$ 1,845	$ 74,731	$ 77,397
Unamortized Actuarial Gains	11,795	6,483	53	112	11,848	6,595
Employee Future Benefits Liability	**$ 84,871**	**$ 82,035**	**$ 1,708**	**$ 1,957**	**$ 86,579**	**$ 83,992**
Benefit Cost	$ 4,320	$ 4,440	$ 46	$ 52	$ 4,366	$ 4,492
Plan Assets	62,661	58,642	507	639	63,168	59,281
Employer Contribution	5,503	5,457	163	173	5,666	5,630
Employee Contributions	3,555	3,466			3,555	3,466
Benefits Paid	8,102	8,158	326	346	8,428	8,504
Reconciliation of Unamortized Gains (Losses)						
Expected Average Remaining Service Life	9.00	9.00	7.00	7.00		
Net Unamortized Gain (Loss), Beginning of Year	$ 6,483	$ 5,864	$ 112	$ 134	$ 6,595	$ 5,998
New Net Gain (Loss) for Current Year	6,032	1,270	(43)	(5)	5,989	1,265
Amortization for Current Year	(720)	(651)	(16)	(17)	(736)	(668)
Net Unamortized Gain (Loss), End of Year	$ 11,795	$ 6,483	$ 53	$ 112	$ 11,848	$ 6,595

Plan Assets Consist of:	Non-Pension Benefit Plans		Post-Retirement Adjustments	
	2019	**2018**	**2019**	**2018**
Money Market Funds and Cash	$ 3,245	$ 2,580	$ 26	$ 28
Equities	30,334	30,259	245	330
Fixed Income	14,551	12,608	118	137
Pooled Real Estate	6,039	5,747	49	63
Mortgage Fund	8,492	7,448	69	81
Total	**$ 62,661**	**$ 58,642**	**$ 507**	**$ 639**

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	Non-Pension Benefit Plans		Post-Retirement Adjustments	
	2019	2018	2019	2018
Significant Long Term Actuarial Assumptions:				
Discount Rate for Benefit Obligation	5.4%	5.4%	5.4%	5.4%
Benefit Cost for Year Ended March 31:				
Discount Rate for Benefit Expenditure	5.4%	5.5%	5.4%	5.5%
Expected Rate of Return on Assets	5.4%	5.5%	5.4%	5.5%
Health Care Cost Trend Rates at March 31:				
Initial Rate	7.5%	7.5%		
Ultimate Rate	4.5%	5.0%		
Year Ultimate Rate Reached	2034	2027		
Dental Care Cost Trend Rates at March 31:	4.5%	5.0% to 2018, 4.5% thereafter		

14. INTER-FUND ADVANCES AND LOANS

As at March 31, 2019, the Restricted Funds owed the General Funds $12,637 (2018, $4,106).

15. CONTRIBUTED CAPITAL ASSETS

Contributions recognized in the Capital Asset Fund include contributed building, capital equipment, library books and artwork of $444 (2018, $353).

16. PENSION PLANS

The University is the sponsor of two pension plans, The University of Manitoba GFT Pension Plan (1986), and The University of Manitoba Pension Plan (1993).

The University has separate Pension Committees to act as Plan Administrator for each of the 1993 and 1986 Plans.

Each of the 1993 Pension Committee and 1986 Pension Committee has the following responsibilities for their respective plans:

- Monitor the operation of the plan;
- Take responsibility for the plan's administration;
- Ensure that the plan is in compliance with all applicable legislation; and
- Act in an advisory capacity to the University Board of Governors, making recommendations as required.

Both pension plans issue their own financial statements, none of which form part of the University's financial statements.

The University's pension liability for the 1993 Plan is the net of pension obligations less plan assets and adjusted for any unamortized actuarial gains or losses. For the 1986 Plan, the University has no pension liability as pension obligations equal plan assets.

1993 PLAN

The University of Manitoba Pension Plan (1993) is a money purchase plan with a defined benefit minimum. The following is a summary of the Plan:

Staff members of the University, other than those eligible for membership in The University of Manitoba GFT Pension Plan (1986), are eligible for membership in The University of Manitoba Pension Plan (1993). The Plan members contributed at the rate of 9.0% of salary less an adjustment for the Canada Pension Plan during the year. The University matches these contributions. If an actuarial valuation reveals a deficiency in the fund, *The Pension Benefits Act* of the Province of Manitoba requires that the University make additional contributions to fund the deficiency.

The Plan provides for full and immediate vesting on termination of employment, subject to the provisions of *The Pension Benefits Act* of the Province of Manitoba.

At retirement, the Plan provides that the Member's Contribution Account and University Contribution Account are applied to establish retirement income known as a plan annuity. This annuity is determined using a pension factor established by the Actuary and is paid from the Plan. The Plan provides that if the defined benefit pension based on a formula involving the member's years of service and highest average earnings exceeds the plan annuity, the difference (known as a supplementary pension) is paid from the Plan.

The Plan provides for retirement benefits paid from the Plan to be increased using an excess interest approach, provided such increase can be afforded by the Plan as confirmed by the Actuary.

At the December 31, 2017 valuation of the Plan, there were 4,792 active member accounts with an average salary weighted age of 52.2 for academic staff and 47.0 for support staff, and 1,783 annuitants and other recipients.

The actuarial method used to value the liabilities is the projected unit credit method, pro-rated on services. An actuarial valuation for accounting purposes was prepared by a firm of consulting actuaries as at December 31, 2017 and extrapolated to December 31, 2018.

The University uses a December 31 measurement date for reporting plan assets and obligations. Pension liability is calculated as follows:

	2018	2017
Accrued Benefit Obligations		
Actuarial present value of accrued pension benefits, beginning of year	$ 1,241,632	$ 1,199,887
Interest accrued on defined benefits	21,921	23,815
Interest accrued on member accounts	(6,308)	68,097
Benefits accrued	58,809	58,014
Benefits paid	(98,637)	(96,661)
Actuarial gains (losses)	13,476	(8,332)
Plan amendment		377
Change in actuarial assumptions	(12,373)	(3,565)
Actuarial present value of accrued pension benefits, end of year	1,218,520	1,241,632
Plan Assets		
Fair value, beginning of year	1,232,390	1,156,502
Actual return on plan assets	(10,161)	108,807
Employer contributions calendar year	29,726	34,693
Employee contributions	26,635	26,288
Transfer from other plans	1,146	2,761
Benefits paid	(98,637)	(96,661)
Fair value, end of year	1,181,099	1,232,390

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Plan deficit	37,421	9,242
Contributions during fiscal year in excess of calendar year	(6,919)	(8,996)
Adjusted plan deficit	30,502	246
Unamortized net actuarial gains (losses)	(11,781)	20,181
Pension Liability	**$ 18,721**	**$ 20,427**
Net Benefit Plan Expense		
Current service cost, net of employee contributions	$ 31,028	$ 31,366
Interest costs at discount rate	63,807	62,966
Expected return on plan assets	(66,650)	(62,645)
Prior period cost		(2,024)
Amortization of net actuarial losses	(2,242)	1,116
Net benefit plan expense	$ 25,943	$ 30,779
Reconciliation of Unamortized Gains (Losses)		
Expected average remaining service life	9.00	9.00
Net unamortized gain (loss), beginning of year	$ 20,181	$ (10,048)
New net gain (loss) for current year	(29,720)	29,113
Amortization for current year	(2,242)	1,116
Net unamortized gain (loss), end of year	$ (11,781)	$ 20,181
Plan Assets Measured at Fair Value Consist of:		
Cash and Other	$ 26,092	$ 28,784
Bonds and Debentures	167,143	145,843
Canadian Equities	211,831	257,194
Mortgages	174,780	167,969
Real Estate	131,855	125,100
Foreign Equities	469,398	507,500
	$ 1,181,099	$ 1,232,390
Significant Long-Term Actuarial Assumptions		
Discount rate	5.50%	5.50%
Expected rate of return on assets	5.50%	5.50%
Rate of general salary increase	0.75% 2019, 1% 2020, 1.5% 2021, 2.5% thereafter	0% 2018, 0.75% 2019, 1% 2020, 1.5% 2021, 2.5% thereafter
Interest assumption for converting member accumulations to annuities	4.00%	3.75%
Mortality	Canadian Pensioners' Mortality 2014 Public Sector Table, with age-related adjustments. Projected generationally from 2014 using Scale CPM-B.	Canadian Pensioners' Mortality 2014 Public Sector Table, with age-related adjustments. Projected generationally from 2014 using Scale CPM-B.

Pension Plan Assets are valued at market values. The expected rate of return on plan assets net of expenses is 5.5% (2017, 5.5%). The actual return on pension fund assets was -0.9% (2017, 9.5%).

In 2009, the Manitoba Pension Commission advised that the University was required to begin to make additional payments with respect to current service costs in excess of matching contributions of active members and the University. The additional annual current service cost payments required are based on a percentage (changes annually) of employee contributions. This total payment for fiscal 2019 was $1,739 (2018, $4,601).

The unamortized net actuarial gains (losses) shown above, which were determined on the basis of the 2017 actuarial valuation and the 2018 extrapolation for accounting purposes, are being amortized over a period of nine years (expected average remaining service life) starting in the year following the year the respective annual actuarial gains or losses arise.

In 2009, as permitted under the University Pension Plans Exemption Regulation, the University filed an election for an exemption to the solvency deficiency funding requirements under *The Pension Benefits Act* for the 1993 Plan. However, the Plan will continue to be subject to the going concern funding provisions of *The Pension Benefits Act*.

1986 PLAN

For the 1986 Plan, which is a money purchase plan for active members, the University recorded contributions of $2,294 (2018, $2,089) and this is included in the Statement of Operations and Changes in Fund Balances as an expense.

17. NET INVESTMENT INCOME

	General Funds	Restricted Funds	Total 2019	Total 2018
Non Portfolio Investments:				
Interest	$ 4,515	$ 2,213	$ 6,728	$ 8,594
Net Gains	784		784	413
	5,299	2,213	7,512	9,007
Portfolio Investments:				
Interest	4,302	2,088	6,390	5,126
Partnership Distributions		207	207	
Dividends		13,322	13,322	11,412
Net Gains on Sale of Investments		29,028	29,028	35,678
	4,302	44,645	48,947	52,216
	$ 9,601	**$ 46,858**	**$ 56,459**	**$ 61,223**

18. INTEREST IN RELATED ENTITIES

UM PROPERTIES LIMITED PARTNERSHIP

In 2008, the University purchased approximately 120 acres of land from the Southwood Golf and Country Club (Southwood lands). The University is pursuing the development of the Southwood lands through UM Properties Limited Partnership (the Partnership) which was created in 2016-17.

The Partnership is responsible for the planning and development of the infrastructure and roadways of the Southwood lands and will negotiate with builders/developers for the construction of residential and commercial buildings located on the Southwood lands. It is the intent of the University to transfer an interest in the lands to the Partnership by selling its fee simple interest, or by entering into a long term lease.

The Partnership has a sole general partner and sole limited partner. UM Properties GP Inc. is the general partner and a wholly owned subsidiary of the University. UM Properties Trust (the Trust) is a legal trust and is the limited partner.

UM Properties Holdings Inc. (the Corporate Trustee) is a wholly owned subsidiary of the University, and is the sole trustee of the Trust. Income will flow from the Partnership to the Trust. The Corporate Trustee is responsible to allocate the taxable income of the Trust in any given year. The University and the J.W. Dafoe Foundation are the beneficiaries of the Trust.

The Trust is taxable on any taxable income that is not allocated to the beneficiaries.

There was minimal financial activity in 2018-19.

THE UNIVERSITY OF MANITOBA FOUNDATION U.S.A. INC.

The University has an economic interest in the University of Manitoba Foundation U.S.A. Inc. (the Foundation) which is an Illinois not-for-profit corporation incorporated in December 1989. The Foundation's purpose is exclusively charitable, literary, scientific and educational and its activities include the promotion, encouragement, aid and advancement of higher education, research and training in the Province of Manitoba, in Canada and elsewhere. The Foundation is exempt from U.S.A. Federal Income Tax under Subsection 501(c)(3) of the Internal Revenue Code.

The Board of Directors of the Foundation is an independent board whose members direct and guide the Foundation's actions. Members of the Board include, among others, certain senior staff of the University. The University of Manitoba, however, is one of many entities eligible to receive aid from the Foundation. The University must make application to the Foundation's Board of Directors to request funds, which may or may not be granted. The University's economic interest therefore is beneficial, as gifts and donations which are solicited by the Foundation may be transferred to the University from time to time. The gifts received in fiscal 2019 were $3,507 (2018, $2,067).

TRIUMF

The University has a 7.14% (2018, 7.69%) interest in TRIUMF, a joint venture which operates a national laboratory for particle and nuclear physics. The University uses the modified equity method of accounting to record its interest in TRIUMF.

Available financial information in respect of TRIUMF is disclosed below:

	March 31, 2019	U of M's Proportionate Share	March 31, 2018	U of M's Proportionate Share
Statement of Financial Position:				
Assets	$ 54,737	$ 3,908	$ 50,147	$ 3,856
Liabilities	9,019	644	9,095	699
Net Assets	**$ 45,718**	**$ 3,264**	**$ 41,052**	**$ 3,157**
Statement of Operations:				
Revenue	$ 87,080	$ 6,218	$ 95,213	$ 7,322
Expenses	82,414	5,884	81,630	6,277
Surplus for the Year	**$ 4,666**	**$ 334**	**$ 13,583**	**$ 1,045**
Statement of Cash Flows:				
Cash Provided by (Used in):				
Operating Activities	$ 4,179	$ 298	$ 862	$ 66
Investing Activities	(5,786)	(413)	(11,584)	(891)
Increase (Decrease) in Cash	**$ (1,607)**	**$ (115)**	**$ (10,722)**	**$ (825)**

TRIUMF's financial statements have been prepared in accordance with section 11B of the TRIUMF joint venture agreement. TRIUMF has adopted Canadian Public Sector Accounting Standards (PSAS), including accounting standards that apply to government not-for-profit organizations, except that all property, plant and equipment purchased or constructed for use at TRIUMF and related decommissioning costs (if any) are expensed in the period in which the costs are incurred.

TRIUMF follows the restricted fund method of accounting for contributions.

19. OTHER RELATED PARTY TRANSACTIONS

The University has significant influence in Triple B Stadium Inc. (Triple B). Triple B is a for-profit corporation established to develop, own and operate a stadium as a venue for professional and university football and community athletics. The members of Triple B are the City of Winnipeg, the University of Manitoba and the Winnipeg Football Club. Activities of Triple B are managed by the directors comprised of the University, City of Winnipeg, Province of Manitoba and the Winnipeg Football Club. The University has an economic interest in Triple B related to the use of the stadium for university football games and events at nil charge. Triple B leases land from the University for $1 dollar per year.

As at March 31, 2019 and for the year then ended, the related party transactions pertaining to Investors Group Field, with Triple B and the Province of Manitoba were as follows:

		2019		**2018**
Loan Receivable, including accrued interest	$		$	81,974
Loan Payable, including accrued interest	$		$	81,974
Revenue and Expenses:				
Investment Income	$		$	3,803
Gain on Long Term Debt	$	80,311	$	118,682
Interest Expense	$		$	3,803
Loss on Loan Receivable Allowance	$	80,311	$	118,682

Investment income from Triple B and related interest expense have not been included in the Statement of Cash Flow supplementary information as the interest was neither received nor paid during the year.

The University controls Partners for Health and Development in Africa (PHDA), a non-profit, non-governmental organization registered in Kenya. PHDA has a March 31 year end. Its main purpose is to promote health and economic development in Kenya and Africa, including promotion of health and economic services in HIV/AIDS and population and reproductive health. PHDA uses International Public Sector Accounting Standards.

The University funds the operations of PHDA by the transfer of research grants. PHDA is not permitted under local government restrictions to transfer any assets back to the University. Available financial information in respect of PHDA is disclosed below. The financial statements for the year ended March 31, 2019 are not available. PHDA operates in Kenyan Schillings and the amounts below have been converted to Canadian dollars.

		March 31, 2018		**March 31, 2017**
Statement of Financial Position:				
Assets	$	708	$	510
Liabilities		287		379
Net Assets	**$**	**421**	**$**	**131**
Statement of Operations:				
Revenue	$	4,711	$	5,140
Expenses		4,420		5,454
Surplus (Loss) for the Year	**$**	**291**	**$**	**(314)**
Statement of Cash Flows:				
Cash Provided by (Used in):				
Operating Activities	$	343	$	(172)
Investing Activities		(6)		(9)
Increase (Decrease) in Cash	**$**	**337**	**$**	**(181)**

The University is related to all Province of Manitoba departments, agencies and Crown corporations in terms of common ownership and control. The University enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

20. EXPENSE BY FUNCTION

	General Funds	Restricted Funds	2019 Total Funds	2018 Total Funds
Academic	$ 355,384	$ 125,761	$ 481,145	$ 467,923
Amortization		56,780	56,780	55,595
Student Assistance	15,060	51,618	66,678	60,806
Plant Maintenance	45,769	10	45,779	47,143
Administration and General	29,935	12,661	42,596	47,745
Ancillary Services	25,323		25,323	25,111
Computing and Communications	27,779		27,779	26,179
Other Academic and Research Support	22,555	2,488	25,043	28,411
Student Services	21,299		21,299	18,947
Interest		9,470	9,470	13,611
Libraries	17,836	8	17,844	16,726
External Relations	12,480		12,480	11,303
Actuarially Determined Employee Future Benefits	2,587		2,587	2,939
Change in Pension Liability	(1,706)		(1,706)	(3,916)
Staff Benefits Contra	(3,846)		(3,846)	(3,731)
Net Loss on Loan Receivable Allowance		80,311	80,311	118,682
Total	**$ 570,455**	**$ 339,107**	**$ 909,562**	**$ 933,474**

21. STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES – GENERAL FUNDS

	General Operating Fund	Specific Provisions Fund	Expenses Funded From Future Revenues Fund	2019 Total General Funds	2018 Total General Funds
Revenue					
Tuition and Related Fees	$ 184,996	$	$	$ 184,996	$ 170,139
Donations	2,315			2,315	2,676
Non-Government Grants	8,056			8,056	5,116
Net Investment Income *(Note 17)*	9,601			9,601	7,047
Miscellaneous Income	9,543			9,543	8,111
Government Grants:					
Manitoba Education and Training	352,602			352,602	356,822
Other Province of Manitoba	28,300			28,300	25,976
Government of Canada	11,111			11,111	9,804
City of Winnipeg	58			58	151
Sales of Goods and Services	35,801			35,801	34,724
Ancillary Services	38,934			38,934	38,416
	681,317			**681,317**	**658,982**
Expenses					
Salaries	373,212			373,212	359,896
Staff Benefits and Pay Levy	64,919			64,919	66,783
Materials, Supplies and Services	58,938			58,938	54,881
Student Assistance	15,060			15,060	15,351
Professional and Other Services	17,966			17,966	16,673
Travel and Conferences	13,004			13,004	12,084
Utilities, Municipal Taxes and Insurance	20,402			20,402	19,746
Maintenance and Repairs	6,954			6,954	9,026
	570,455			**570,455**	**554,440**
Net Revenue from Operating Activities	110,862			110,862	104,542
Inter-Fund Transfers *(Note 23)*	(110,853)	26,356	1,303	(83,194)	(72,812)
Net Increase to Fund Balances from Operating Activities	9	26,356	1,303	27,668	31,730
Fund Balances from Operating Activities Beginning of Year	2,386	162,581	(67,017)	97,950	66,220
Fund Balances from Operating Activities End of Year	2,395	188,937	(65,714)	125,618	97,950
Accumulated Remeasurement Gains (Losses) End of Year	960			960	87
Fund Balances End of Year	**$ 3,355**	**$ 188,937**	**$ (65,714)**	**$ 126,578**	**$ 98,037**
Unrestricted Funds	$ 3,355	$	$ (65,714)	$ (62,359)	$ (64,544)
Internally Restricted Funds *(Note 24)*		188,937		188,937	162,581
	$ 3,355	**$ 188,937**	**$ (65,714)**	**$ 126,578**	**$ 98,037**

22. STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES – RESTRICTED FUNDS

	Capital Asset Fund	Research and Special Fund	Staff Benefits Fund	Trust Fund	2019 Total Restricted Funds	2018 Total Restricted Funds
Revenue						
Donations	$ 10,196	$ 67	$	$ 13,154	$ 23,417	$ 17,299
Non-Government Grants	216	49,298			49,514	79,149
Net Investment Income *(Note 17)*	1,357	403	826	44,272	46,858	54,176
Miscellaneous Income	2,944	977	3,722		7,643	6,742
Government Grants:						
Manitoba Education and Training	7,120				7,120	6,701
Other Province of Manitoba	14,577	26,876			41,453	37,471
Government of Canada	15,068	65,998			81,066	98,317
City of Winnipeg						30
Sales of Goods and Services	20	312			332	428
Net Gain on Long Term Debt *(Note 11)*	80,311				80,311	118,682
	131,809	**143,931**	**4,548**	**57,426**	**337,714**	**418,995**
Expenses						
Salaries		36,416			36,416	38,675
Staff Benefits and Pay Levy		6,482			6,482	7,017
Materials, Supplies and Services		48,213	6,537	391	55,141	56,466
Amortization of Capital Assets	56,780				56,780	55,595
Student Assistance		23,603		28,015	51,618	45,455
Professional and Other Services		24,114	116	4,065	28,295	29,889
Travel and Conferences		14,112			14,112	13,158
Utilities, Municipal Taxes and Insurance		89			89	68
Interest	9,470				9,470	13,611
Maintenance and Repairs		393			393	418
Net Loss on Loan Receivable Allowance *(Note 6)*	80,311				80,311	118,682
	146,561	**153,422**	**6,653**	**32,471**	**339,107**	**379,034**
Net Revenue (Loss) from Operating Activities	(14,752)	(9,491)	(2,105)	24,955	(1,393)	39,961
Inter-Fund Transfers *(Note 23)*	83,862	(735)	1,460	(3,046)	81,541	72,231
Net Increase (Decrease) to Fund Balances from Operating Activities	69,110	(10,226)	(645)	21,909	80,148	112,192
Fund Balances from Operating Activities Beginning of Year	1,104,674	163,731	(728)	248,927	1,516,604	1,404,412
Fund Balances from Operating Activities End of Year	1,173,784	153,505	(1,373)	270,836	1,596,752	1,516,604
Accumulated Remeasurement Gains (Losses) End of Year	1,744	446	14,168	(11,740)	4,618	(902)
Fund Balances End of Year	**$ 1,175,528**	**$153,951**	**$ 12,795**	**$259,096**	**$1,601,370**	**$1,515,702**
Internally Restricted Funds *(Note 24)*	$ 33,578	$ 12,479	$ 3,316	$ 38,218	$ 87,591	$ 77,394
Externally Restricted Funds *(Note 25)*		141,472	9,479	220,878	371,829	361,519
Invested in Capital Assets *(Note 25)*	1,141,950				1,141,950	1,076,789
	$ 1,175,528	**$153,951**	**$ 12,795**	**$259,096**	**$1,601,370**	**$1,515,702**

23. INTER-FUND TRANSFERS

	General Operating Fund	Specific Provisions Fund	Expenses Funded From Future Revenues Fund	Total General Funds	Total Restricted Funds	Endowment Fund
Funding of Capital Asset Additions:						
Current Year Acquisitions	$ (22,497)	$	$	$ (22,497)	$ 22,497	$
Centrally Funded Projects	(23,129)			(23,129)	23,129	
Faculty and Unit Funded Projects	(18,196)	126		(18,070)	18,070	
Total Funding of Capital Asset Additions	**(63,822)**	**126**		**(63,696)**	**63,696**	
Debt Funding:						
Ancillary Services	(4,534)			(4,534)	4,534	
Faculties	(1,542)			(1,542)	1,542	
Unit Capital Development Assessment	(5,576)			(5,576)	5,576	
Student Contributions for Technology	(4,319)			(4,319)	4,319	
Other	(669)			(669)	669	
Total Debt Funding	**(16,640)**			**(16,640)**	**16,640**	
Scholarships, Bursaries and Prizes:						
Faculty and Unit Funded	(1,733)			(1,733)	1,702	31
Centrally Funded	(8,188)			(8,188)	7,671	517
Total Scholarships, Bursaries and Prizes	**(9,921)**			**(9,921)**	**9,373**	**548**
Transfers to Provisions for Specific Projects:						
Faculty and Unit Funded	(9,832)	11,332		1,500	(1,500)	
Centrally Funded	(16,398)	16,398				
Total Transfers to Provisions for Specific Projects	**(26,230)**	**27,730**		**1,500**	**(1,500)**	
Benefit Premiums Net of Employer Contributions for Staff Benefits	(3,846)			(3,846)	3,846	
Student Contribution to University Development Fund	(1,777)			(1,777)	958	819
Overhead Recoveries	5,651			5,651	(5,651)	
Funding of General Operating Expenses	20,038	(7,391)		12,647	(12,647)	
Net Change in Unit Carryover	(5,954)	5,954				
Funding of Research Projects	(9,517)			(9,517)	9,517	
Employee Future Benefits	2,587		(201)	2,386	(2,386)	
Pension Liability	(1,706)		1,706			
Vacation and Sick Leave Liability	202		(202)			
Other Net Transfers	82	(63)		19	(305)	286
March 31, 2019	**$(110,853)**	**$ 26,356**	**$ 1,303**	**$ (83,194)**	**$ 81,541**	**$ 1,653**
March 31, 2018	$(104,540)	$ 28,812	$ 2,916	$ (72,812)	$ 72,231	$ 581

24. INTERNALLY RESTRICTED FUND BALANCES

Internally restricted fund balances represent amounts set aside by the University for specific purposes. Within the Specific Provisions Fund is $123,514 (2018, $110,401) that is set aside at the request of faculties and units while $65,423 (2018, $52,180) has been set aside at the discretion of senior administration. Included in the $123,514 is faculty and unit carryover of $93,403 (2018, $87,448). Although the entire provision balance of $188,937 (2018, $162,581) is deemed internally restricted, senior administration is not able to repurpose the $123,514 (2018, $110,401) as it is bound by certain restrictions including collective agreements.

	2019	2018
General Funds		
Specific Provisions	$ 188,937	$ 162,581
Restricted Funds		
Capital Asset	33,578	29,896
Research and Special	12,479	8,715
Staff Benefits	3,316	3,059
Trust	38,218	35,724
	87,591	77,394
Endowed	2,186	2,121
Total Internally Restricted Fund Balances	**$ 278,714**	**$ 242,096**

25. EXTERNALLY RESTRICTED FUND BALANCES

Externally restricted fund balances represent unexpended fund balances to be used in future years. External parties have imposed specific restrictions on how the funds can be used and the terms cannot be altered without explicit permission from these funders. Endowed fund balances represent donations received that must be held in perpetuity. The endowed contributions generate an investment return which is made available for spending in the Trust Fund. Invested in Capital Assets represents capital assets and the net assets held for capital purchases or debt repayment.

	2019	2018
Endowed	**$ 504,815**	**$ 471,282**
Invested in Capital Assets	**1,141,950**	**1,076,789**
Externally Restricted		
Research and Special	141,472	155,710
Staff Benefits	9,479	7,790
Trust	220,878	198,019
	371,829	**361,519**
	$ 2,018,594	**$ 1,909,590**

The 2018 figures for internally restricted fund balances were restated to decrease internally restricted trust by $32,017, and to increase internally restricted capital by $29,896 and internally endowed by $2,121.

The 2018 figures for externally restricted fund balances were restated to increase externally restricted trust by $32,017, and to decrease invested in capital assets by $29,896 and endowed by $2,121. There was no impact to the total fund balance, which remained at $2,087,142.