2021-22

Annual Financial Report

BE WHAT THE WORLD NEEDS

UNIVERSITY OF SASKATCHEWAN

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Shelley Brown

CHAIR, BOARD OF GOVERNORS

For more than two years, the world around us has been shifting constantly, with new variants of the virus that causes COVID-19 continuing to emerge and causing us to reassess and change our plans. It has been a difficult year in many respects, as the pandemic has continued, delaying our return to campus plans and testing the resilience of all of us. As a Board, we have worked closely with the University of Saskatchewan's senior leadership and taken great care to make the right decisions for the institution. I am proud that throughout the pandemic, the university has continued to provide high-quality education to students and has continued to invest in research and innovation with local and global impact.

The Board of Governors is entrusted to steward public funding—for operations, for research and for student support—in a manner that builds and maintains public trust and ultimately ensures the University of Saskatchewan continues to provide education and innovation to grow our province and improves quality of life for Saskatchewan and Canada.

In 2021-22, the Government of Saskatchewan implemented a multi-year funding arrangement for post-secondary institutions. This decision has given our institution a much-needed measure of predictability in very uncertain times and is helping us to make strategic, data-informed decisions about the future of the university. The Board of Governors remains committed to the sustainability of the institution and a bright future for Saskatchewan.

Peter Stoicheff

PRESIDENT AND VICE-CHANCELLOR

In our 115-year history, the University of Saskatchewan has not seen such rapid change as that undertaken by all of us over the last two years. Our successful transition to online learning at the start of the pandemic and return to campus this academic year, could not have happened so successfully without a cohesive university community.

As challenging as this year has been, the University of Saskatchewan continues to make progress on our goal to be the university the worlds needs us to be. Our researchers and health-care specialists have been supporting the province throughout the pandemic by serving in front-line health-care roles, providing expert analysis and engaging in COVID-related research. Researchers in our Global Institute for Water Security wastewater analysis team continue to monitor community COVID rates that give parts of the province crucial early-warning information. The Canadian Light Source synchrotron's call for COVID-related proposals attracted scientists researching antiviral drugs and the Vaccine and Infectious Disease Organization's vaccine candidate is in Phase 2 human trials. Faculty, staff, alumni and students have contributed to the province through vital volunteer initiatives too, directly supporting those in need with food drives and by providing personal protective equipment, mental health supports, therapy dogs and more.

Beyond the pandemic, we had many positive developments in the 2021-22 year. Our student enrolments reached its highest point in our history, made possible by the outstanding faculty and staff working every day to achieve our academic mission. We were gifted an Indigenous Strategy last summer by Indigenous Elders and leaders—the first of its kind in Canada. We signed an agreement with Métis Nation Saskatchewan on Indigenous membership and we renewed our agreement with Wanuskewin. We signed a joint commitment with the City of Saskatoon to accelerate the transition to a green community and continued our important work with the city on our Research Junction initiatives.

This year we created and approved our first university-wide Equity, Diversity and Inclusion Policy and our first Sustainability Strategy. For the last three years, USask has ranked in the Top 100 overall in The Times Higher Education (THE) Impact rankings for sustainability—which ranks more than 1,400 universities around the world—and most recently ranked in the Top 60. This is an extraordinary achievement and speaks to our commitment to the United Nations' Sustainable Development Goals and to how our university succeeds at addressing one of the most important challenges the world faces today.

Looking to the future, USask is positioned through our teaching and research to help the world address critical food and water security issues, safeguard the health of Canadians and the global population and contribute to the growth of Saskatchewan and Canada—all noteworthy signposts on our path to be the university the world needs.

Management Discussion and Analysis
2021-22

Fiscal 2021-22 Overview

The ongoing COVID-19 pandemic continued to add a layer of complexity to the University of Saskatchewan's (USask) financial situation and decision-making processes this fiscal year and, like other sectors, the post-secondary sector continues to be affected by interruptions in supply chains and rising costs of energy and materials. We maintained and implemented public-health measures to ensure the health and safety of our campus community, including indoor masking and a mandatory vaccination policy that was in effect from September 2021 to February 2022. Our campuses remained largely remote for the first part of 2021-22, with a partial return to campus implemented in Fall 2021. Our plans for a full return to campus in Winter 2022 were delayed with the quick spread of the Omicron variant and many classes continue to be offered remotely.

Financial Risks and Strategy

MULTI-YEAR FUNDING

As a public institution, USask is focused on delivering on our teaching, learning and research mission while living within our means. We continuously strive for financial sustainability across all facets of the institution's operations, while also enhancing the quality of our programming to ensure students gain the knowledge and skills they need to contribute to Saskatchewan's social, cultural and economic growth and ensuring our research and innovation enterprise is advancing Saskatchewan and Canada's global position.

In the 2021-22 fiscal year, the Government of Saskatchewan implemented a multi-year funding model for post-secondary institutions through the *Saskatchewan Post-Secondary Multi-Year Operating Funding Memorandum of Understanding* (MOU). This MOU is effective for the period from 2021-22 to 2024-25 and provides one-time strategic funding in the first two years of the agreement. This strategic funding is intended to enable financial sustainability for institutions by supporting initiatives that address the recovery and transition from the COVID-19 pandemic, academic and administrative innovation, revenue generation and expense reduction and efficiency through collaboration. USask has initiated a strategic initiatives project to ensure this strategic funding is allocated in a way that aligns with the province's Growth Plan, the Ministry of Advanced Education's expectations of the post-secondary sector and with our own institutional priorities.

The implementation of a multi-year funding model supports our institution's financial sustainability strategy by providing USask with a predictable level of funding over the medium term and enables more robust planning around our teaching, research and service mission. This model gives the institution the opportunity to focus and strengthen the contribution made to the province and to accelerate the institution's recovery from the impact of the global pandemic. Ultimately, this strategic funding gives USask the opportunity to consider our path forward and make informed and responsible management decisions.

LAND TRUST

The University of Saskatchewan is continually evaluating opportunities for alternative revenue generation. To that end, we have engaged in a process to establish a land trust as a way to optimize the use of the institution's considerable land holdings and to generate revenues through real estate and land development. The goal is to develop land in a way that creates long-term wealth to support our mission and vision and serves as a catalyst for economic development, employment, culture and recreation in our region.

USask envisions the development contributing to the growing prosperity of the city and the province. The lands provide a unique opportunity for successful infill development. With the potential to house 50,000 residents and a range of uses, the communities envisioned will be unique as they strive to embody environmental sustainability, financial sustainability and social responsibility in attractive, innovative ways. Acting as a catalyst, the lands will provide residents of Saskatoon new opportunities and a diversity of choices to live, work and socialize in the context of a unique connection to the historical USask campus.

USask worked closely with the Government of Saskatchewan on our proposed land-trust model and received endorsement of the model in spring, 2022. We are now in the process of establishing an independent board that will oversee the land development activities of the trust.

VACCINE AND INFECTIOUS DISEASE ORGANIZATION

The Vaccine and Infectious Disease Organization (VIDO) at the University of Saskatchewan has developed a vaccine candidate for the virus that causes COVID-19 that is now in phase 2 human trials. All levels of government, the private sector and donors have contributed significant funding that is helping VIDO continue to lead the country in this critical area of research, including a new vaccine manufacturing facility that is nearly complete and advancing down the path to become Canada's Centre for Pandemic Research. VIDO's success also speaks to the importance of curiosity-driven research, which paved the way for it to be the first university lab in Canada to isolate the virus, design an animal model for it and develop its vaccine candidate. Without prior decades of fundamental research, their current vaccine work would not have been possible.

ENROLMENT

For the 2021-22 year, programs were delivered through a mix of remote and in-person learning. We continued to see modest enrolment growth at both the undergraduate and graduate levels and our overall enrolment reached the highest point ever at over 26,000 students. Overall, Indigenous student enrolment declined slightly but continued to grow at the graduate level. While travel restrictions and visa processing delays have impacted our international students throughout the pandemic, our international student enrolment has seen promising recovery this past year and we saw modest growth at all levels of study. This is partially due to many pandemic measures being lifted in Canada and around the world. As we are moving out of public health restrictions and gradually returning to more normal operations, we are seeking to balance the increased accessibility enabled by remote learning with the desire and need for in-person instruction and interaction.

Looking Ahead

As a community, we are glad to be gradually returning to campus, but two years of remote delivery have demonstrated that we have the technology to serve learners in distant communities. The continuation of remote delivery will be one way in which we can address the inequities the pandemic has revealed.

As part of our Post-Pandemic Shift Project, we engaged with external stakeholders who have told us that the need for more interdisciplinary education, experiential learning credentials and the human skills of communication and leadership have intensified through the pandemic—and they look to us to understand those needs and respond to them.

As we move out of the pandemic in the coming months, we have set our sights on how to be an excellent, innovative university for a post-pandemic world. Our response to the pandemic demonstrates the value of this university to the province and far beyond it. We will continue to contribute to economic recovery; to internationalization; to talent attraction; to leading on sustainability and climate change; and on equity, diversity and inclusion. All of this requires an institution nimble enough to effectively respond to the needs of our economy and with the expertise and ambition to address some of the world's most pressing challenges. Together they will serve the sustainability of our institution well.

Financial Results[1]

OVERVIEW

The COVID-19 pandemic continued to impact the university's operations in 2021-22 and is reflected in the financial results. Sales of services and products, salaries and operational supplies and expenses all saw increases with a partial return to on-campus activity in the winter term. Grants and contracts were lower due to the progress on capital projects and fewer pandemic research support programs. Income from investment in 2020-21 reflected significant market recovery from the start of the pandemic, while the 2021-22 returns reflect the results of volatile global markets and a significant drop in market value in April 2022.

The university continues toward resuming on-campus operations in the fall of 2022. In addition to the return to campus, the investment of multi-year strategic funding from the Government of Saskatchewan Ministry of Advanced Education is expected to be reflected in the enhancement of future financial sustainability.

Overall, revenues decreased **$73.4 million** or **6.5%** over the prior year, expenses were up by **$44.6 million** or **4.4%** and fund balances decreased by **$4.2 million**. Reflected in the decrease are net activities utilizing research funding **$(5.4) million** and capital **$(9.6) million** while operational activities contributed **$3.6 million** and ancillary activities recorded **$4.3 million** to the increase in fund balances for the year.

Revenues

Net decrease in grant and contract revenue and a reduction of investment returns contributed to an overall decrease in the total revenues of **6.5%** for the year, when compared to prior year.

Expenses

Total expenses for the university increased by **4.4%** from prior year.

Fund Balances

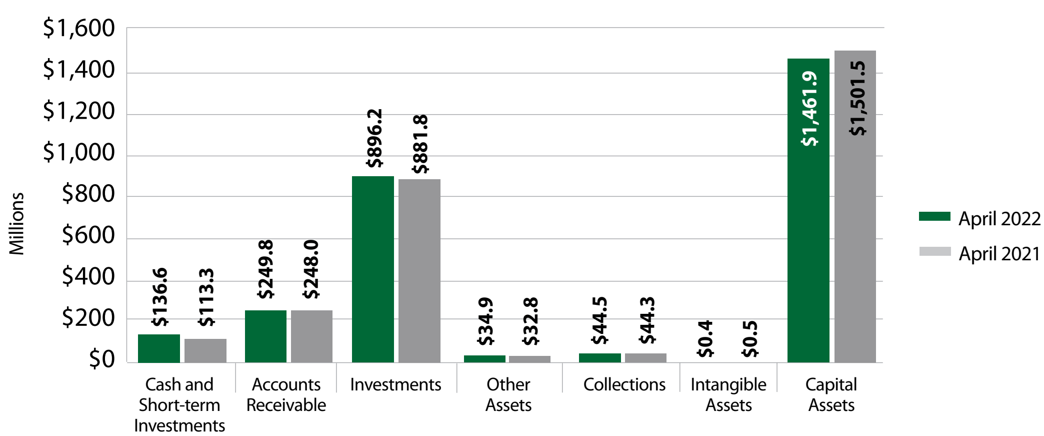
Of the **$103.5 million** general fund balance, Schedule 1 to the financial statements reflects the breakdown of the fund balance into:

- **$48.1million** restricted for specific purposes,
- **$50.5 million** restricted by donors,
- **$52.7 million** in the operating fund (of which $25.9 million is unrestricted as reflected in note 24),
- **$25.8 million** deficit related to employee future benefits, and
- **$22.0 million** deficit in the ancillary fund.

ASSETS

Total assets increased by **$2.1 million**, or **0.1%** over the prior year reflecting increases in project-related receivables, cash and long-term investments, offset by decrease in capital assets.

As at April 30, 2022 – Total $2,824.3 M (April 30, 2021 – $2,822.2 M)



[1] Management's Discussion and Analysis should be read in conjunction with the University of Saskatchewan annual audited financial statements and accompanying notes. This discussion document and the annual audited financial statements are approved by the university's Board of Governors upon recommendation of the Audit 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.

Cash and Short-term Investments

At April 30, 2022 cash and short-term investments were **$136.6 million** or **5.0%** of total assets of the university. During the year this balance increased by **$23.3 million** or **21.0%** reflecting the receipt of cash in advance of expenditures (including the unspent portion of the **$15.5 million** in multi-year strategic funding from the Province of Saskatchewan Ministry of Advanced Education).

Accounts Receivable

At April 30, 2022 accounts receivable (current and long-term) were **$249.8 million** or **9.0%** of total assets of the university. During the year this balance rose by **$1.8 million** or **1.0%**. The increase 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, 2022 investment balances were **$896.2 million** or **32.0%** of total assets of the university. During the year this balance increased by **$14.4 million** or **2.0%**. Volatility of the market was experienced through much of the year, including April's drop in the market. Overall investment returns for the year were **1.4%**. The return is comprised of fixed income pool losses of **4.6%**, long-term pool returns of **2.4%** and long-term diversified strategies pool losses of **0.2%**, compared to expected returns of **1.0%**, **5.5%** and **5.6%** respectively. Investments performed ahead of benchmarks and remain above multi-year objectives with sufficient cash flow to avoid any draw down on investments.

Other Assets

At April 30, 2022 other assets (including inventories, prepaid expenses, risk management assets and other assets) were **$34.9 million** or **1.0%** of total assets of the university. During the year this balance increased by **$2.1 million** or **6.0%**.

Collections

At April 30, 2022 collections were **$44.5 million** or **2.0%** of total assets of the university. During the year this balance increased by **$0.2 million** or **0.5%**. The total cost of **$44.5 million** in collections is comprised of **$21.1 million** – University archives and Special collections, **$16.9 million** – Owned Art collections, **$0.9 million** – Museum of Antiquities, **$5.6 million** – Amati collections and **$1** (nominal value) – Diefenbaker Canada Centre.

Intangible assets

At April 30, 2022 intangible assets were **$0.4 million** or **0.01%** 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.

Capital Assets

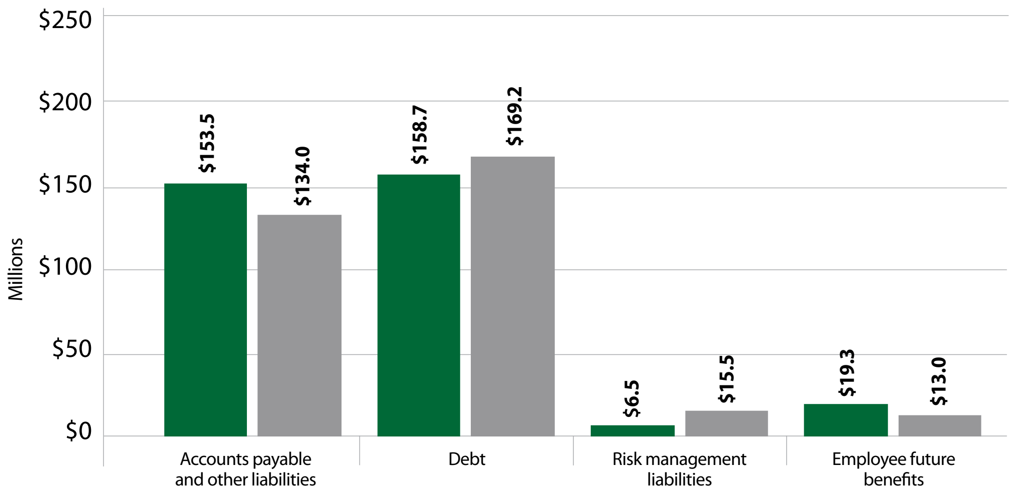
At April 30, 2022 capital assets were **$1,461.9 million** or **52.0%** of the total assets of the university. During the year, this balance decreased by **$39.6 million** or **3.0%**. This decrease reflects the cost of work-in-progress during the year of **$50.6 million**, offset by current year amortization of **$103.5 million**; this activity is net of current year disposals. Significant construction, improvements and equipment capitalized during the year include:

- **$4.8 million** for the Roads Renewal Project across campus;
- **$6.0 million** for projects upgrading and renewing Learning Management Systems, Teaching and Learning Technologies, Multi-Media and other information technology infrastructure; and
- **$1.7 million** for the Thorvaldson Building renewal project.

LIABILITIES

Total liabilities increased by **$6.3 million** or **2.0%** over the prior year. The over-all increase in total liabilities is inclusive of a **$6.3 million** increase in liabilities for employee future benefits.

As at April 30, 2022 – Total $338.0 M (April 30, 2021 – $331.7 M)



Accounts Payable and Other Liabilities

At April 30, 2022 accounts payable and accrued liabilities, deferred revenue, accrued decommissioning costs and other liabilities were **$153.5 million** or **45.0%** of total liabilities of the university. During the year this balance increased by **$19.5 million** or **15.0%**. This increase reflects increasing employee-related liabilities such as vacation pay accruals and the newly established faculty rejuvenation program. The timing of cash flow for payments also has a direct interconnection with the increase or decrease of cash balances.

Debt

At April 30, 2022 debt was **$158.7 million** or **47.0%** of total liabilities of the university. During the year this balance decreased by **$10.5 million** or **6.0%**, 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, 2022 risk management liabilities were **$6.5 million** or **2.0%** of total liabilities of the university. During the year this balance decreased by **$9.0 million** or **58.0%**.

Interest rate risk on long-term debt is managed using interest rate swaps by converting the interest charged on variable rate loans to fixed interest rates. No new interest rate swaps have been purchased since 2012-13. The decrease in liability reflects an average prevailing interest rate of more than the average locked-in rate.

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

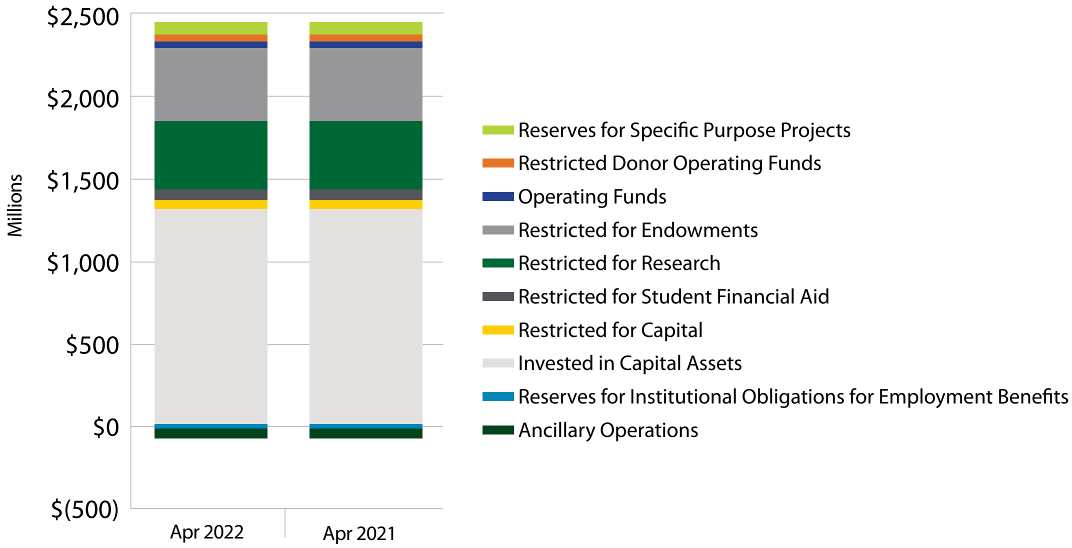
Employee Future Benefits

At April 30, 2022 employee future benefit liabilities were **$19.3 million** or **6.0%** of the total liabilities of the university. The increase in the net liability position for employee future benefits, **$6.3 million**, results from a decline in investment markets (and therefore, decreased values for pension plan assets). The university provided special going-concern payments of **$1.2 million** to the defined benefit pension plans in 2021-22.

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, 2022 the fund balances of the university were **$2,486.3 million** (including investments in capital assets of **$1,368.8 million**, investments in collections of **$44.5 million** and externally restricted balances of **$892.0 million**). During the year, this balance decreased by **$4.2 million** or **0.2%**. Key driver of this decrease is the negative **$8.0 million** employee future benefit remeasurement adjustment that must be posted to equity per Canadian generally accepted accounting principles.

As at April 30, 2022 – $2,486.3 M (April 30, 2021 – $2,490.5 M)

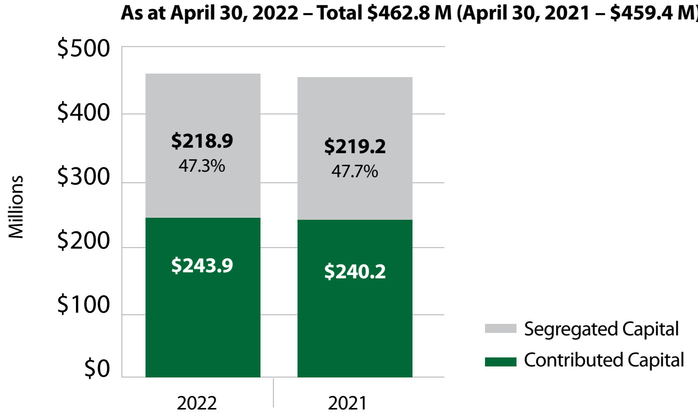


Endowment Fund Balance

At April 30, 2022 endowment fund balance was **$462.8 million** or **19.0%** of the total fund balance of the university. During the year, this balance increased by **$3.4 million** or **1.0%**. This majority of the increase is driven by the recapitalization of spendable income to endowment, **$3.1 million** as well as donations of **$7.1 million**. This increase was offset by a drawdown of **$6.8 million**, reflecting the endowment spending allocation higher than 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 **3.9%**. 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.

As at April 30, 2022 – Total $462.8 M (April 30, 2021 – $459.4 M)



Student Financial Fund Balance

The student financial aid fund balance is a component of the restricted fund balance and broken out in Schedule 2 to the financial statements. At April 30, 2022 student financial aid fund balance was **$68.2 million** or **3.0%** of the total fund balance of the university. During the year, this balance decreased by **$0.5 million** or **1.0%**. This decrease is primarily due to the lower 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' request.

Capital Fund Balance

The capital fund balance is a component of the restricted fund balance and broken out in Schedule 2 to the financial statements. At April 30, 2022 capital fund balance was **$1,426.0 million** or **57.0%** of the total fund balance of the university. During the year, this balance decreased by **$9.6 million** or **1.0%**. This decrease is due to current year amortization **$105.3 million**, decommissioning costs **$0.8 million** and non-capitalized expenditures of **$1.4 million** exceeding current year contributions of **$92.5 million** and net recovery of interest **$5.4 million**.

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

Research Fund Balance

The research fund balance is a component of the restricted fund balance and broken out in Schedule 2 to the financial statements. At April 30, 2022 research fund balance was **$425.8 million** or **17.0%** of the total fund balance of the university. During the year, this balance decreased by **$5.4 million** or **1.0%**. This decrease is due to current year expenditures of **$185.3 million** exceeding revenues of **$179.9 million** (net of transfers).

Research Funds account for activities related to the support of research. Terms of reference established by funding agencies and donors may require that monies received be spent over an extended period of time rather than in the year the revenue is recognized. The university recognizes revenue for government contributions annually, after appropriations have been made, while grants not subject to appropriations are recognized in their entirety when the research agreement has been signed. This generally results in revenue being recognized in advance of the expenditures being incurred which results in accumulated fund balances.

General Fund Balance

At April 30, 2022 general fund balance was **$103.5 million** or **4.0%** of the total fund balance of the university. The **$103.5 million** general fund balance is broken down in Schedule 2 to the financial statements and consisted of: operating activities **$52.7 million**, funds received from donors **$50.5 million** and specific purpose projects **$48.1 millio**n offset by a deficit of **$25.8 million** for university obligations for employee benefits and a deficit of **$22.0 million** for cumulative operations in ancillary where in the past the university has self-funded capital infrastructure. The operating fund, specific purpose, includes the university's collections held for education, research or public exhibition, which accounted for **$44.5 million** in the fund balance.

During the year the general fund balance increased by **$7.9 million** or **8.0%**. This increase is largely due to the current year operating contributions of **$555.9 million** exceeding operating expenditures of **$542.5 million** reflecting multi-year strategic funding that will be utilized in subsequent years and a current year loss of **$8.0 million** for remeasurement values for employee future benefits. Net positive activity also occurred in donor funding for projects, **$1.8 million** and in net funding in ancillary activity of **$4.4 million**, offset by net deficit in specific purpose projects of **$4.9 million**.

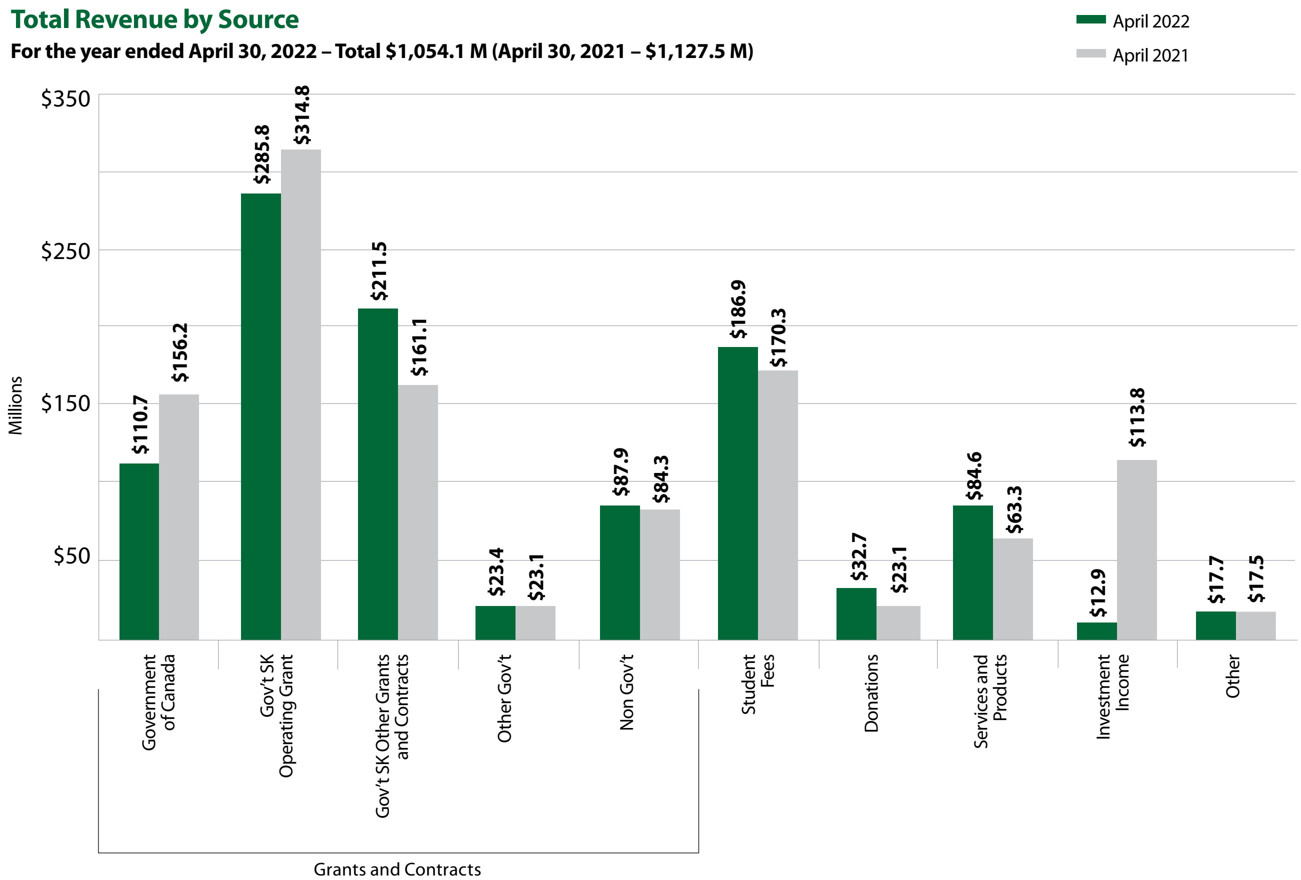
General Funds account for unrestricted activities of the university. This includes operating activities associated with teaching and learning, administration, plant maintenance, clinical activities, future employee benefits, non-credit instruction, fee for service activities, invested in collections and the consolidation of subsidiaries. Also included are ancillary activities that provide goods and services to the university community such as the bookstore, food services, residences, parking and real estate development.

REVENUES

University revenues have decreased by **$73.4 million** or **6.5%** over the prior year to a total of **$1,054.1 million**. This decrease is comprised of a **$20.2 million** net decrease in grants and contracts, a **$100.9 million** decrease in investment returns and a **$0.8 million** decrease in licensing and royalties and other income. These decreases are offset by a **$21.3 million** increase in sales of services and products, a **$16.6 million** increase in student fees, a **$9.6 million** increase in donations and a **$1.0 million** increase in real estate income.

Total Revenue by Source

For the year ended April 30, 2022 – Total $1,054.1 M (April 30, 2021 – $1,127.5 M)



Grants and Contracts

Grants and contracts account for **$719.3 million** or **68.0%** of total university revenues. These revenues decreased by **$20.2 million** over the previous year. Federal government grants decreased by **$45.5 million** over the prior year. Funding from the Province of Saskatchewan increased by **$21.4 million**, non-government grants increased by **$3.6 million** and support from other governments increased by **$0.3 million**.

$28.5 million of the decrease in funding from the Federal Government is natural project progression in funding from Prairies Economic Development Canada (formerly Western Economic Diversification Canada) received by VIDO in the prior year, **$8.0 million** for COVID-19 vaccine prototype testing in animals and humans project and establishment of a non-profit, good manufacturing practice facility. The second largest decrease in federal funding relates to the **$7.1 million** one-time funding from Canada Research Continuity Emergency Fund, support received over the course of 2021 to address the adverse impacts of the COVID-19 pandemic on Canada's academic research community.

During 2021-22 the Province of Saskatchewan Ministry of Advanced Education invested **$309.7 million** in the university from April 1, 2021 to March 31, 2022, with the following funding adjustments:

- beginning with the 2021-22 government fiscal year, the College of Medicine now receives targeted funding of directly from the Ministry of Health rather than the Ministry of Advanced Education – an adjustment of **$47.3 million**;
- **$15.5 million** in multi-year strategic funding, supporting long-term financial sustainability in the post-secondary sector (note: The Government of Saskatchewan issued the Saskatchewan Post-Secondary Multi-Year Operating Funding Memorandum of Understanding (MOU) for the 2021-22 to 2024-25 funding years. Per the MOU, the university's base operating grant will be held flat but a total of **$31.0 million** one-time multi-year strategic funding was provided with **$15.5 million** occurring in the 2021-22 government fiscal year and **$15.5 million** with the 2022-23 government fiscal year);
- **$2.8 million** of targeted funding – **$1.8 million** for the expansion of seats in Nursing and **$1.0 million** for Dental Clinic renovation planning and design, and
- a decrease in **$4.1 million** in supplemental funding for facilities.

The provinces of British Columbia and Manitoba participate in supporting the operational activities of the Western College of Veterinary Medicine through an interprovincial agreement with the Province of Saskatchewan. The Province of Alberta began phasing out of student placement in the previous fiscal year.

Student Fees

Student tuition and fees account for **$186.9 million** or **18.0%** of total university revenues. These revenues increased by **$16.6 million** over the previous year. This increase is the result of consistent enrolment, with a total headcount of 26,158 students in fiscal 2022, coupled with **3.9%** weighted average increase in tuition rates. The University of Saskatchewan will continue to follow its established principle-based approach in determining appropriate tuition rates for our colleges and schools.

Donations

Donations account for **$32.7 million** or **3.0%** of total university revenues. These revenues increased by **$9.6 million** over the previous year.

Sales of Services and Products

Sales of services and products account for **$84.6 million** or **8.0%** of total university revenues. These revenues increased by **$21.3 million** from the prior year as students returned and operations resumed with the carefully planned post-pandemic reopening of campus. 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 **$12.9 million** or **1.0%** of total university revenues. These revenues decreased by **$100.9 million** from the previous year. Overall investment returns for the current year were **1.4%** compared to the **13.6%** in the prior year. Returns were below the budgeted **4.8%** as markets have experienced significant volatility through much of the year, with April experiencing the most significant market downturn in the fiscal year.

Other Income

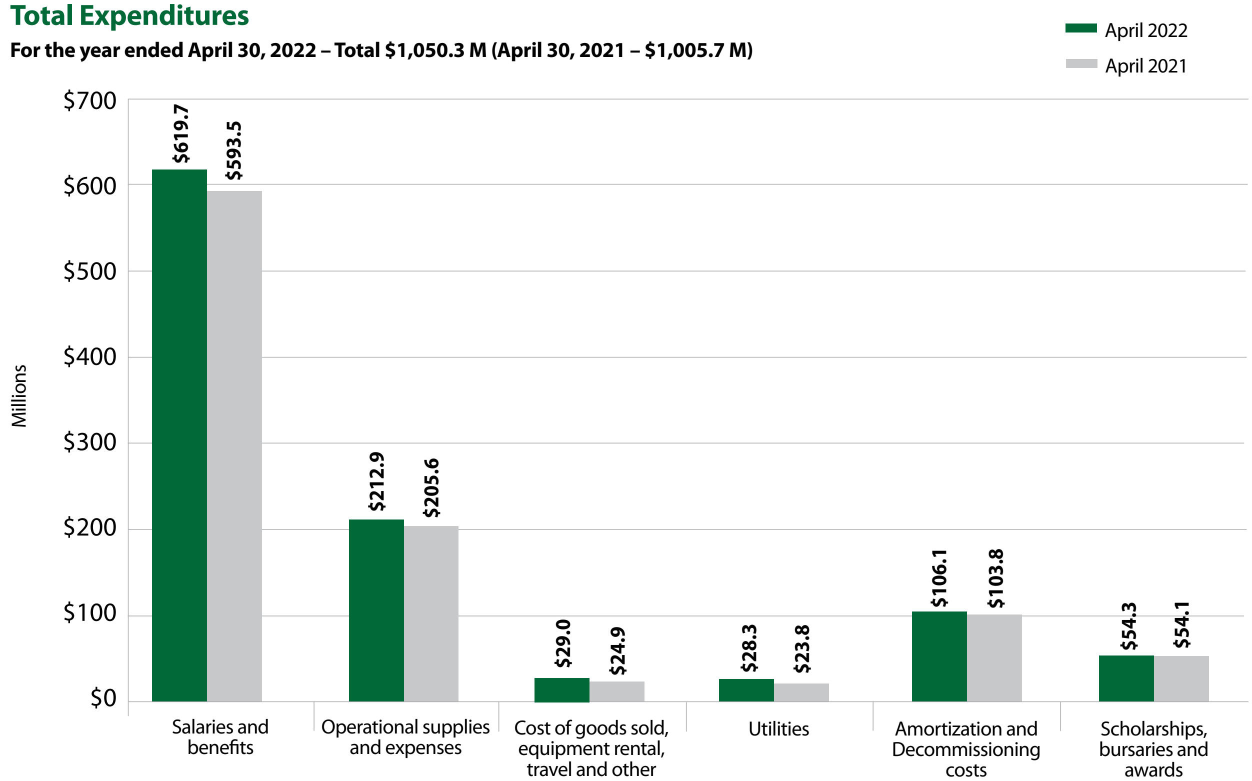
Other income includes real estate income, royalties and miscellaneous income account for **$17.7 million** or **2.0%** of total university revenues. These revenues increased by **$0.1 million** over the previous year.

EXPENSES

University expenses have increased by **$44.6 million** or **4.4%** over the prior year to a total of **$1,050.3 million.**

Total Expenditures

For the year ended April 30, 2022 – Total $1,050.3 M (April 30, 2021 – $1,005.7 M)



Salaries and Benefits

Salaries and employee benefits account for **$619.7 million** or **59.0%** of total university expenses. These costs increased by **$26.2 million** or **4.0%** over the previous year with **$6.2 million** related to CUPE employee costs and **$4.7 million** associated with Research Professional, Administrative and Support Staff, both driven by the university re-opening its campus activities and projects resuming. An additional **$5.0 million** increase reflects academic salary increases per the collective agreement, together with a faculty rejuvenation program implemented in the current year. As well, costs associated with the Resident Doctors of Saskatchewan program increased **$3.4 million** reflecting salary increases per collective agreement and additional resident salaries supporting COVID-19 vaccination sites and extra call for work during the pandemic.

Operational Supplies and Expenses

Operational supplies and expenses account for **$212.9 million** or **20.0%** of total university expenses. These costs increased by **$7.3 million** or **3.6%** compared to the previous year.

Cost of Goods Sold, Equipment Rental, Travel and Other

Cost of goods sold, equipment rental, travel and other account for **$29.0 million** or **3.0%** of total university expenses. These costs increased by **$4.1 million** or **14.0%** over the previous year. Expenses on travel increased by **$3.9 million** as a result of easing of travel restrictions in place due to the COVID-19 pandemic. Cost of goods sold increased by **$2.2 million** as activities resumed with campus re-opening. These increases were offset by a **$2.6 million** decrease in interest expenses driven by the capitalization of bond interest payments in the current year as the university restarted various bond funded construction projects.

Utilities

Utilities account for **$28.3 million** or **3.0%** of total university expenses. These costs increased by **$4.5 million** or **18.9%** over the previous year. The increase is significantly attributable to the increase in consumption due to campus re-opening and increases in natural gas, water and sewer rates.

Amortization and Decommissioning Costs

Amortization and decommissioning costs account for **$106.1 million** or **10.0%** of total university expenses. These costs increased by **$2.3 million** or **2.2%** over the previous year as a result of the increase in the capital leases.

Scholarships, Bursaries and Awards

Scholarships, bursaries and awards account for **$54.3 million** or **5.0%** of total university expenses. These costs increased by **$0.2 million** or **0.4%** over the previous year.

Comprehensive Budget

While not as uncertain as the prior year, ongoing impacts of the pandemic remained a considerable factor in the development of the 2021-22 comprehensive budget. The university, like other post-secondary institutions across Canada, continued to monitor the impact of the pandemic on student enrolment, ancillary services, investment markets and general operations of the institution. Key assumptions considered these factors in the development of the 2021-22 comprehensive budget and unanticipated impacts of the pandemic were less substantial in the 2022 fiscal year. However, on an overall basis, unfavourable trends emerged in the comparison of the budget to actual outcomes.

Total comprehensive 2021-22 financial results for the university were unfavourable as ending fund balances were **$12.4 million** (or **1%** of comprehensive expenditures) lower than budgeted. A comparison of the 2021-22 comprehensive budget to actual results is as follows:

	Total for 2021-22		
	BUDGET	**ACTUAL**	**VARIANCE**
REVENUES			
Grants and contracts	$676,409	$719,247	$42,838
Student fees	183,567	186,942	3,375
Gifts, grants and bequests	39,155	32,689	(6,466)
Income (loss) from investments	43,643	12,935	(30,708)
All other income	101,675	102,264	589
	1,044,449	**1,054,077**	**9,628**
EXPENSES			
Salaries and Benefits	592,462	619,723	27,261
Scholarships, bursaries and awards	53,568	54,307	739
Interest	6,647	(5,374)	(12,021)
Amortization	112,012	105,254	(6,758)
All other non-salary	271,505	276,327	4,822
	1,036,194	**1,050,237**	**14,043**
Net increase (decrease) in fund balances for year	8,255	3,840	(4,415)
Fund balances, beginning of year	2,490,450	2,490,450	—
Employee future benefits remeasurements and other items	—	(8,002)	(8,002)
Fund balances, end of year	**$2,498,705**	**$2,486,288**	**$(12,417)**

Comprehensive revenues had a favourable variance of **$9.6 million**. Major contributing factors to the variance were higher than anticipated comprehensive grants and contracts revenue of **$42.8 million** primarily driven by incremental activity within the research fund (largely associated with pandemic related research). Additionally, tuition and student fees were **$3.4 million** higher than budgeted due to positive enrolment trends. These favourable variances are partially offset by lower than anticipated investment income returns of **$30.7 million** due to losses realized in the fourth quarter and gifts and grants revenue of **$6.5 million** due to fundraising challenges in the current economic environment.

Comprehensive expenses had an unfavourable variance of **$14.0 million**. Overall expenditures in the research fund were **$21.9 million** higher than budgeted related to increased grants and contracts activity. On a net basis, expenditure activities in all other funds resulted in an overall favourable variance in expenditures due to reduced spending during the pandemic. Notable favourable variances were realized in amortization expense due to lower that expected capital project completion and interest expense (recovery) due to increases in the valuation of interest rate swaps.

Employee future benefits remeasurements of **$8.0 million** were recognized directly in fund balances as a separately identified line item and resulted in an unfavourable variance.

Consolidated Financial Statements
2021-22

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, 2022 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, 2022 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 and Vice-Chancellor

Greg Fowler
Vice-President Finance and Resources

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the University of Saskatchewan, which comprise the Consolidated Statement of Financial Position as at April 30, 2022, and the Consolidated Statement of Operations and Changes in Fund Balances, and Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Saskatchewan as at April 30, 2022, and the consolidated results of its operations and changes in fund balances and consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the University of Saskatchewan in accordance with the ethical requirements that are relevant to our audit of the 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 2021-22, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities in the group audit to express an opinion on the University's consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We are solely responsible for the auditor's opinion.

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

T. Clemett

Regina, Saskatchewan
July 27, 2022

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

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UNIVERSITY OF SASKATCHEWAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at April 30 ($ thousands)

STATEMENT 1

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2022	TOTAL 2021
CURRENT ASSETS					
Cash and short-term investments (Note 4)	$76,876	$58,234	$1,462	**$136,572**	$113,331
Accounts receivable (Note 5)	33,863	201,723	18	**235,604**	228,205
Inventories (Note 6)	16,034	—	—	**16,034**	15,507
Prepaid expenses	13,806	141	—	**13,947**	12,890
Risk Management Assets (Note 15)	174	80	258	**512**	396
	140,753	**260,178**	**1,738**	**402,669**	**370,329**
LONG—TERM ASSETS					
Long-term accounts receivable (Note 7)	—	14,229	—	**14,229**	19,845
Long-term investments (Note 8)	65,476	371,063	459,687	**896,226**	881,762
Other assets	1,701	1,322	1,392	**4,415**	3,983
Collections (Note 9)	44,538	—	—	**44,538**	44,300
Intangible assets (Note 10)	413	—	—	**413**	458
Capital assets (Note 11)	—	1,461,849	—	**1,461,849**	1,501,452
	112,128	**1,848,463**	**461,079**	**2,421,670**	**2,451,800**
	$252,881	**$2,108,641**	**$462,817**	**$2,824,339**	**$2,822,129**
CURRENT LIABILITIES					
Accounts payable and accrued liabilities (Note 12)	$79,660	$11,226	—	**$90,886**	$76,193
Deferred revenue (Note 13)	47,854	17	—	**47,871**	44,021
Loans (Note 14)	57	—	—	**57**	73
Risk management liabilities (Note 15)	—	6,481	—	**6,481**	15,523
Current portion — long-term debt (Note 16)	—	8,596	—	**8,596**	10,821
Current portion — employee future benefits (Note 17)	1,727	—	—	**1,727**	1,655
Current portion — capital lease obligation (Note 18)	240	—	—	**240**	11
	129,538	**26,320**	**—**	**155,858**	**148,297**
LONG—TERM LIABILITIES					
Long-term debt (Note 16)	—	149,697	—	**149,697**	158,316
Long-term accrued liabilities	1,105	—	—	**1,105**	1,232
Employee future benefits (Note 17)	17,596	—	—	**17,596**	11,266
Capital lease obligation (Note 18)	282	—	—	**282**	23
Accrued decommissioning costs (Note 19)	—	12,698	—	**12,698**	11,761
Other long-term liabilities	815	—	—	**815**	784
	19,798	**162,395**	**—**	**182,193**	**183,382**
FUND BALANCES					
Externally restricted funds (Note 22)	—	484,781	256,380	**741,161**	731,451
Externally restricted permanent endowments (Note 22)	—	—	150,806	**150,806**	150,712
Internally restricted funds (Note 23)	55,125	66,343	55,631	**177,099**	188,896
Invested in collections	44,538	—	—	**44,538**	44,275
Invested in capital assets	—	1,368,802	—	**1,368,802**	1,389,479
Unrestricted funds (deficiency) (Note 24)	3,882	—	—	**3,882**	(14,363)
	103,545	**1,919,926**	**462,817**	**2,486,288**	**2,490,450**
	$252,881	**$2,108,641**	**$462,817**	**$2,824,339**	**$2,822,129**

Commitments and Contingencies (Note 25)
See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the Year Ended April 30 ($ thousands)

STATEMENT 2

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2022	TOTAL 2021
REVENUES					
Grants and Contracts					
Government of Canada	$3,011	$107,651	$—	$110,662	$156,149
Government of Saskatchewan	435,149	62,108	—	497,257	475,910
Other governments	19,399	4,028	—	23,427	23,105
Non-government	8,823	79,078	—	87,901	84,312
Student fees	186,880	31	31	186,942	170,302
Donations	7,010	18,634	7,045	32,689	23,126
Sales of services and products	84,488	152	—	84,640	63,283
Income from investments	5,917	13,794	(6,776)	12,935	113,763
Real estate income	7,429	332	2	7,763	6,821
Royalties	4,836	154	—	4,990	5,249
Miscellaneous income	4,870	1	—	4,871	5,501
	767,812	285,963	302	1,054,077	1,127,521
EXPENSES					
Salaries	447,689	91,844	—	539,533	514,939
Employee benefits (Note 26)	70,079	10,111	—	80,190	78,544
Operational supplies and expenses	158,509	54,379	—	212,888	205,598
Travel	4,738	1,544	—	6,282	2,429
Cost of goods sold	9,308	2	—	9,310	7,130
Maintenance, rental and renovations	13,722	3,608	—	17,330	17,027
Utilities	25,607	2,706	—	28,313	23,843
Amortization	—	105,254	—	105,254	102,960
Scholarships, bursaries and awards	4,022	50,285	—	54,307	54,149
Interest (Note 27)	5	(5,379)	—	(5,374)	(2,664)
Bad debt expense	1,384	7	—	1,391	1,075
Decommissioning costs (Note 19)	—	813	—	813	762
	735,063	315,174	—	1,050,237	1,005,792
Excess (deficiency) of revenues over expenses	32,749	(29,211)	302	3,840	121,729
Interfund transfers (Note 29)	(16,729)	13,642	3,087	—	—
Net increase (decrease) in fund balances for year	16,020	(15,569)	3,389	3,840	121,729
Fund balances, beginning of year	95,527	1,935,495	459,428	2,490,450	2,350,035
Employee future benefits remeasurements and other items	(8,002)	—	—	(8,002)	18,686
Fund balances, end of year	$103,545	$1,919,926	$462,817	$2,486,288	$2,490,450

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended April 30 ($ thousands)

STATEMENT 3

	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2022	TOTAL 2021
OPERATING ACTIVITIES					
Excess (Deficiency) of revenues over expenses	$32,749	$(29,211)	$302	$3,840	$121,729
Add (deduct) non-cash items:					
Amortization of capital assets	—	105,254	—	105,254	102,960
Amortization of decommissioning costs	—	730	—	730	703
Amortization of bond issuance cost	—	16	—	16	16
Amortization of deferred finance charges	29	—	—	29	—
Change in unrealized fair value of investments	5,893	31,429	(8,181)	29,141	(87,476)
Change in fair value of risk management asset/liability	(41)	(9,070)	(47)	(9,158)	(10,676)
Loss on disposal of capital assets	—	384	—	384	64
Employee future benefits expense	572	—	—	572	2,487
Contributions for endowments and other asset purchases	(2,900)	(5,931)	(1,430)	(10,261)	(7,675)
Increase in collections	(69)	—	—	(69)	(105)
Decrease (increase) in non-cash working capital (Note 20)	5,469	3,849	1	9,319	(4,429)
Decrease (increase) in grants and contracts related to research and other project receivables	—	5,616	—	5,616	2,983
Employee future benefits contributions	(1,147)	—	—	(1,147)	1,520
	40,555	103,066	(9,355)	134,266	122,101
INVESTING ACTIVITIES					
Sale (Purchase) of investments	(6,159)	(35,450)	973	(40,636)	(30,824)
Increase in other assets	117	(10)	—	107	(396)
Purchase of intangible assets	—	—	—	—	—
Purchase of capital assets	—	(64,918)	—	(64,918)	(58,851)
Purchase of collections	(169)	—	—	(169)	—
Change in other long-term liabilities	(96)	—	—	(96)	(247)
	(6,307)	(100,378)	973	(105,712)	(90,318)
FINANCING ACTIVITIES					
Contributions of cash for endowments	—	—	5,163	5,163	2,761
Proceeds from issuance of long-term debt	—	—	—	—	40
Proceeds from capital lease	659	—	—	659	—
Repayment of loan	(16)	—	—	(16)	(14)
Repayment of long-term debt	(40)	(10,821)	—	(10,861)	(11,137)
Repayment of capital lease obligation	(258)	—	—	(258)	(10)
	345	(10,821)	5,163	(5,313)	(8,360)
Net increase (decrease) in cash	34,593	(8,133)	(3,219)	23,241	23,423
Interfund transfers	(16,729)	13,642	3,087	—	—
Cash, beginning of year	59,012	52,725	1,594	113,331	89,908
Cash, end of year	$76,876	$58,234	$1,462	$136,572	$113,331

See accompanying notes and schedules to consolidated financial statements

UNIVERSITY OF SASKATCHEWAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended April 30, 2022

($ Thousands)

1. Authority and Purpose

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

2. Summary of Significant Accounting Policies and Reporting Practices

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

a) Basis of consolidation

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

- **Agrivita Canada Inc.**, a not-for-profit corporation incorporated under the *Canada Corporations Act* and continued under the *Canada Not-for-profit Corporations Act* whose sole member is the University of Saskatchewan. The company promotes, targets and funds research, training and service initiatives in various disciplines for purposes related to agricultural health and safety for industry and farm workers, rural residents and families and the impact of agricultural activities on the general public. This entity's year end for consolidation purposes is April 30, 2022.
- **Canadian Light Source Inc. (CLSI)**, a not-for-profit corporation incorporated under *The Non-profit Corporations Act, 1995* whose sole member is the University of Saskatchewan. The company's mandate is to advance Canadian scientific and industrial capabilities in synchrotron science and technical applications. The company is responsible for the operation and conduct of all activities related to the university's synchrotron light facility, its operation and performance. This entity's year end for consolidation purposes is March 31, 2022.
- **Prairie Swine Centre Inc. (PSCI)**, a not-for-profit corporation incorporated under *The Non-profit Corporations Act, 1995* whose membership is restricted to the members of the Board of Governors of the University of Saskatchewan. The company is engaged in research, education and technology transfer related to pork production in Canada. This entity's year end for consolidation purposes is June 30, 2021.
- **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, 2021.
- **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, 2021.
- **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, 2022.

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 9) 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.

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

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

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) 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 k) Decommissioning obligation.

CAPITAL ASSETS	USEFUL LIFE
Buildings (pre-May 1, 2019, componentized)	40 years
Buildings (post-May 1, 2019, componentized)	20 to 50 years
Beamlines and CLSI Facility	to FY2029 – see Note 19
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

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

i) Inventories

Inventories are valued at the lower of cost and net realizable value, which is determined by the average cost method, with the exception of livestock, poultry and other farm products which are stated at the market value. Market is defined as market quotations for livestock and replacement cost for other farm products.

j) Employee future benefits

When future salary levels or cost escalation affect the amount of the benefit, the cost of defined benefit pensions earned by employees is actuarially determined using the projected benefit method prorated on services and management's best estimate of expected investment performance, salary escalation and retirement ages of employees. The accumulated benefit method is used when future salary levels and cost escalation do not affect the amount of the employee future benefits. The university accrues this obligation using the immediate recognition approach, based on an actuarial valuation report prepared for funding purposes. The net amount of the accrued benefit obligation and the fair value of plan assets is recognized in the statement of financial position, with actuarial gains and losses recognized directly in fund balances as a separately identified line item. Current service and finance costs are expensed during the year.

The university accrues its obligations for non-pension employee future benefits for eligible employees using the immediate recognition method – see Note 17. 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.

k) 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.

l) 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.

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

m) 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 15.

n) Future accounting changes

In December 2019, the Accounting Standards Board (AcSB) issued amendments to Section 3400, Revenue, in Part II (Accounting Standards for Private Enterprises (ASPE)) of the Chartered Professional Accountants Canada Handbook – Accounting (Handbook). Section 3400 is applicable to annual financial statements for fiscal years beginning on or after January 1, 2022. Early adoption of Section 3400 is permitted. Amendments clarify and provide further guidance on certain complex revenue arrangements, including contract revenue. Management has early adopted this standard as of May 1, 2021 and concluded that there is no impact on the consolidated financial statements.

In December 2018, the AcSB issued amendments to Section 3856, Financial Instruments, in Part II of the Handbook. Section 3856 is applicable to annual financial statements for fiscal years beginning on or after January 1, 2021. Amendments provide new guidance on accounting for financial instruments in a related party transaction by private enterprises and not-for-profit organizations and update the disclosure requirements about risks. Management has adopted this standard as of May 1, 2021 and concluded that there is no impact on the consolidated financial statements.

In June 2019, the AcSB issued amendments to Section 3051, Investments, in Part II of the Handbook. Section 3051 is applicable to annual financial statements for fiscal years beginning on or after January 1, 2021. Amendments concern sections dealing with cost when obtaining significant influence or interest. Management has adopted this standard as of May 1, 2021 and concluded that there is no impact on the consolidated financial statements.

On November 1, 2019, the AcSB released Section 3041, Agriculture, in Part II of the Handbook. Section 3041 is applicable to annual financial statements for fiscal years beginning on or after January 1, 2022. Management is currently assessing the impact of this new standard on the consolidated financial statements.

In November 2020, the AcSB issued amendments to Section 3462, Employee Future Benefits, in Part II of the Handbook. Section 3462 is applicable to annual financial statements for fiscal years beginning on or after January 1, 2022. The AcSB issued these amendments to clarify the measurement of a defined benefit obligation for plans with a legislative, regulatory, or contractual requirement to prepare a funding valuation. Amendments remove the accommodation to allow for the use of a funding valuation for defined benefit plans without a funding valuation requirement. Management is currently assessing the impact of this new standard on the consolidated financial statements.

In November 2020, the AcSB issued amendments to Section 3463, Reporting Employee Future Benefits by Not-for-Profit Organization, in Part III (Accounting Standards for Not-for-Profit Organizations) of the Handbook. Section 3463 is applicable to annual financial statements for fiscal years beginning on or after January 1, 2022. The AcSB amended transitional provisions to provide guidance on how to report the amendments to Section 3462, Employee Future Benefits. Management will adopt this standard in conjunction with Section 3462.

3. Disclosure of Other Significant Relationships

Prairie Diagnostic Services is a not-for-profit corporation incorporated under *The Non-profit Corporations Act, 1995* owned by the Government of Saskatchewan and the University of Saskatchewan. The laboratory operating in Saskatoon provides veterinary diagnostic services and animal health care and supports the training of undergraduate and graduate veterinarians at the Western College of Veterinary Medicine. The university has no economic interest in the corporation.

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

4. Cash and Short-term Investments

	APRIL 30 2022	2021
Cash	$135,095	$112,237
Short-term investments	1,477	1,094
	$136,572	$113,331

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

5. Accounts Receivable

	APRIL 30 2022	2021
General	$17,796	$11,620
Investment income	736	926
Grants and contracts related to general funds	7,314	9,566
Grants and contracts related to student financial aid	1,294	1,294
Grants and contracts related to research	148,660	148,385
Grants and contracts related to capital	24,205	26,053
Other restricted	27,330	23,605
Other unrestricted	3,698	3,035
Student fees	7,405	6,048
Student loans	289	363
Allowance for doubtful accounts	(3,123)	(2,690)
	$235,604	$228,205

6. Inventories

	APRIL 30 2022			2021
	BEGINNING OF YEAR	NET CHANGE	END OF YEAR	END OF YEAR
College of Agriculture and Bioresources	$1,430	$(40)	$1,390	$1,430
College of Dentistry	984	(201)	783	984
Western College of Veterinary Medicine	635	60	695	635
Consumer Services	1,563	181	1,744	1,563
Facilities	2,491	(135)	2,356	2,491
Vaccine and Infectious Disease Organization (VIDO)	68	36	104	68
Livestock and Forage Centre of Excellence (LFCE)	3,539	323	3,862	3,539
Other	481	183	664	481
Subsidiaries				
• Canadian Light Source Inc.	3,911	175	4,086	3,911
• Prairie Swine Centre Inc.	405	(55)	350	405
	$15,507	$527	$16,034	$15,507

7. Long-term Accounts Receivable

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

	APRIL 30	
	2022	2021
2023	$—	$12,174
2024	9,347	5,685
2025	3,486	1,588
2026	1,165	398
2027	231	—
	$14,229	$19,845

8. Long-term Investments

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

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

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

	APRIL 30, 2021				
	FI	LT	LTDS	OTHER	TOTAL
Government and corporate bonds	$123,082	$—	$—	$2,095	$125,177
Government and corporate bonds pooled funds	—	161,667	1,706	—	163,373
Canadian equities	—	95,398	—	975	96,373
Canadian equities pooled funds	—	32,623	2,902	—	35,525
Foreign equities	—	4,211	—	1,776	5,987
Foreign equities pooled funds	—	373,761	1,120	1,682	376,563
Real estate pooled funds	—	74,968	—	—	74,968
Cash, short-term investments and other assets	535	2,700	8	553	3,796
	$123,617	$745,328	$5,736	$7,081	$881,762

8. Long-term Investments (Continued)

The university's FI, LT and LTDS funds are managed by third party investment managers through the use of segregated or unitized pooled-fund investments. Other income includes interest from student and general accounts receivables, short-term investments and income earned on segregated investments. Segregated investments include investments in individual bonds and equities that are not pooled with the remaining investment assets due to the terms of reference of the individual funds. Segregated investments also include the Student Managed Portfolio Trust managed by Edwards School of Business students and faculty.

The fair value of investments recorded in the consolidated financial statements is determined as follows:

i) Bonds and equities are valued at closing market price as a practical expedient for fair value measurement.

ii) Pooled fund investments with underlying investments in asset classes such as equities, bonds and cash, are valued using the April 30 net value per unit as supplied by the university's fund managers; this represents the university's proportionate share of underlying net assets of the pooled funds, determined using closing market prices.

iii) If a market for a financial instrument is not active or if a closing market price is not available as at April 30, estimated fair values are calculated using a valuations technique such as recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

iv) Real estate is managed through pooled funds and fair value is determined based on latest valuations provided by external managers (usually March 31) and adjusted for subsequent cash receipts and distributions from the fund through to April 30.

9. Collections

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

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

Acquisitions are donated as well as purchased. University collections are measured at fair value except for the Diefenbaker Canada Centre. Because of the unique nature of this collection fair value has not been determined and the collection is being held at nominal value. In the very rare event that an object from a collection is deaccessioned and sold, proceeds from the sale will be used to support collection management and development. There were no disposals of items from these collections (2021 – $NIL).

There were no significant acquisitions for these collections during the period. The expenditures on collection items amounted to $118 (2021 – $114).

10. Intangible Assets

	APRIL 30			
	2022			2021
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Intellectual property	$639	$226	$413	$458

11. Capital Assets

	APRIL 30			
	2022			2021
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Buildings (pre–May 1, 2019)	$1,637,567	$647,879	**$989,688**	$1,028,020
Buildings (post–May 1, 2019)	46,659	2,836	**43,823**	38,817
Beamlines and CLSI Facility	232,054	112,300	**119,754**	137,646
Leasehold improvements	7,772	5,811	**1,961**	2,532
CLSI facility retirement costs	8,709	4,214	**4,495**	4,225
Fedoruk Centre facility retirement costs	775	103	**672**	736
Site improvements	226,875	115,277	**111,598**	114,724
Computers and software	180,813	163,096	**17,717**	15,139
Equipment and furnishings	545,288	447,014	**98,274**	101,587
Land	10,593	—	**10,593**	10,593
Construction in progress	50,577	—	**50,577**	35,506
Library materials	166,180	154,111	**12,069**	11,881
	$3,113,862	**$1,652,641**	**$1,461,221**	**$1,501,406**
ASSETS ACQUIRED UNDER CAPITAL LEASE OBLIGATION				
Equipment and furnishings	1,016	388	628	46
	$3,114,878	**$1,653,029**	**$1,461,849**	**$1,501,452**

12. Accounts Payable and Accrued Liabilities

	APRIL 30	
	2022	2021
Non-governmental accounts payable and accrued liabilities	$80,034	$67,946
Incentivized voluntary exit programs for faculty and staff	2,643	—
College of Medicine voluntary severance package	135	228
Government remittances		
Sales taxes	382	368
Payroll related taxes	7,692	7,651
	$90,886	**$76,193**

13. Deferred Revenue

	APRIL 30 2022	2021
Student fees	$13,846	$11,988
Unearned revenue-ancillary operations	6,181	5,900
Deferred contributions	27,844	26,133
	$47,871	$44,021

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

Unearned revenue – ancillary operations relates to fees received prior to April 30th for student residences, parking, food services, hospitality services and the bookstore for services after that date. It also includes unearned revenue associated with College Quarter Hotel.

Deferred contributions represent unspent externally restricted funding for programs and projects, relating to the university's primary role of post-secondary instruction, that do not directly pertain to one of the defined restricted funds.

14. Loans

The university maintains a $50 million revolving demand facility with the Royal Bank of Canada to manage general operating requirements. Borrowings are at RBC Prime minus 0.5%. As of April 30, 2022, there was no borrowing outstanding under the facility (2021 – $NIL).

Additionally, in 2016 PSCI entered into a term loan agreement with the Leroy Credit Union. The loan bears interest at prime plus 1.50%, payable in blended monthly principal payments; due August 2024. At April 30, 2022, $57 (2021 – $73) was drawn and outstanding on the term loan. PSCI also has available an operating line of credit with a limit of $300, bearing interest at prime plus 1.50% and secured by an assignment of grants to PSCI. At April 30, 2022, there was no borrowing outstanding under the facility (2021 – $NIL).

15. Risk Management Assets and Liabilities

		ASSETS		LIABILITIES	
		APRIL30			
		2022	2021	2022	2021
Interest rate swap agreements	(a)	$—	$—	$6,481	$15,523
Foreign currency hedge agreements	(b)	512	396	—	—
		$512	$396	$6,481	$15,523

a) Interest rate swap agreements

To manage the interest rate exposure associated with long-term loans (see Note 16) 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 2022	2021
Stadium parkade	(i)	$623	$1,330
Annual sustaining capital borrowing	(ii)	22	317
College quarter undergraduate residence	(iii)	3,208	7,454
College quarter graduate residence	(iv)	2,630	6,306
Academic Health Sciences	(v)	(2)	116
		$6,481	$15,523

15. Risk Management Assets and Liabilities (Continued)

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

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

ii) Interest rates vary from 2.77% to 5.30%; agreements terminate between July 2021 and November 2026.

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

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

v) Interest rate of 1.93%; agreement terminates in December 2022.

The total expense (recovery) in fair value for the university's interest rate swap agreements (included in Note 27 Interest Expense (Recovery)) is $9,042 (2021 – $(9,651)).

b) Foreign currency hedge agreements

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

	APRIL 30, 2022		APRIL 30, 2021	
	NOTIONAL VALUE	FAIR VALUE	NOTIONAL VALUE	FAIR VALUE
RBC Foreign Currency Hedge Agreement	$34,650	$512	$33,588	$396

The fair value for the foreign currency hedge agreement is determined by mark-to-market valuations provided by RBC-IST. At April 30, 2022, 25,591 Euro were hedged per the agreement (2021 – 22,648 Euro) with a base foreign currency rate of 1.354 (2021– 1.483). At April 30, 2022 this agreement had a notional value of $34,650 (2021 – $33,588) and its fair value approximated an unrealized gain of $512 (2021 – $396). The unrealized gain at April 30, 2022 has been reflected in investment income in the Statement of Operations and Changes in Fund Balances, as well as in Risk Management Assets or Liabilities presented on the Statement of Financial Position.

16. Long-term Debt

		APRIL 30	
		2022	2021
Academic Health Sciences	(a)	$4,000	$10,000
Stadium Parkade	(b)	6,315	6,972
Annual Sustaining Capital Borrowing	(c)	4,398	6,380
College Quarter Undergraduate Residence	(d)	33,172	34,635
College Quarter Graduate Residence	(e)	25,983	26,702
Senior notes issued 2018	(f)	85,000	85,000
Canada Emergency Business Account (CEBA) – PSCI	(g)	—	40
		158,868	169,729
Less: net unamortized debt issue costs		(575)	(592)
		158,293	169,137
Less: Current Portion		(8,596)	(10,821)
		$149,697	$158,316

a) BMO Banker's Acceptance Loan (re: Academic Health Sciences) – Canadian Banker's Acceptance Canadian Deposit Offering Rate (CDOR) + spread of 0.35%, revolving monthly at progressively smaller amounts based on a 10-year amortization until December 2022; repayable in full December 2022.

b) Royal Bank Banker's Acceptance Loan – CDOR + spread of 0.29%, revolves monthly at progressively smaller amounts based on 25 year amortization until September 2029; repayable in full October 2025, at which time the agreement will be renewed.

c) Royal Bank Banker's Acceptance Loan – CDOR + spread of 0.29%, revolving monthly at progressively smaller amounts based on 15 year amortization, with end dates between June 2022 to November 2026; repayable in full between June 2022 and October 2025, at which time the agreement will be renewed. Debt outstanding reflects the obligation incurred as a result of annual borrowing (since 2004-05) to fund on-going capital requirements, net of principal payments to date.

d) Royal Bank Banker's Acceptance Loan – CDOR + spread of 0.29%, revolving monthly at progressively smaller amounts based on 25 year amortization until October 2036 and September 2037; repayable in full September 2025, at which time the agreement will be renewed.

e) Royal Bank Banker's Acceptance Loan – CDOR + spread of 0.29%, revolving monthly at progressively smaller amounts based on 30 year amortization until January 2043; repayable in full October 2025, at which time the agreement will be renewed.

f) Unsecured debentures issued April 4, 2018, bearing interest at a rate of 3.472% payable in equal semi-annual payments, maturing in April 4, 2058; debt incurred to finance various capital projects. In accordance with Order-in-Council 37/2018, the university established an internally held and administered sinking fund within the Capital Fund that will be used exclusively for the purpose of the retirement of the securities upon maturity. The value of the fund at April 30, 2022 is $3,445 (2021 – $2,817). Included in interest expense is $16 (2021 – $16) for amortized debt issuance costs.

g) Canada Emergency Business Account (CEBA) loan administered by Leroy Credit Union for PSCI. The loan is non-interest bearing without fixed terms of repayment until December 31, 2022. The loan is secured by the Government of Canada through the CEBA program. The remaining balance is then converted to a 3-year term loan at an interest rate of 5% per annum. If the loan is repaid prior to December 31, 2022 then 25% of the loan will be forgivable.

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

2023	$9,171
2024	4,988
2025	4,733
2026	4,505
2027	4,465
	$27,862

The amount of interest capitalized at April 30, 2022 is $2,951 (2021 – $NIL).

17. Employee Future Benefits

The university sponsors both defined benefit and defined contribution pension plans. The defined benefit plans are funded by employee contributions as a percentage of salary and by the university to support the actuarial-based pension benefits. The defined pension benefits are based on years of pensionable service and an average of the highest 4 years of employees' pensionable earnings. On July 9, 2019 the university Board of Governors approved an amendment to close the University of Saskatchewan and Federated Colleges Non-Academic pension plan (the Non-Ac Plan) effective September 1. As of that date, existing active members and all new eligible entrants are enrolled in the Colleges of Applied Arts & Technology (CAAT) DBplus pension plan, a multi-employer pension plan of which the university is not a sponsor. Moving forward, previously enrolled Non-Ac plan members' pensionable earnings will continue to accrue towards their highest 4-year average in the Non-Ac plan, however, all future service goes to the CAAT DBplus plan. The university's obligation to the CAAT DBplus plan is limited to semi-monthly contributions. Total annual expense for the CAAT DBplus plan and other defined contribution plans to which the university and employees contribute in equal amounts is $32,230 (2021 – $30,591).

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

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

The post-retirement life insurance or spending account liability accrues the university's obligation to pay life insurance premiums between the date of early retirement and the normal retirement date or provide a health spending account for the first two years after retirement for eligible early retirees.

The retirement recognition benefit recognizes the actuarially determined valuation for vacation pay or pay-in-lieu earned by eligible long-service employees.

The benefit continuation for disabled employees' liability accrues the university's obligation to provide health care and dental coverage to eligible long-term disability claimants.

The pension contribution for disabled employees' liability accrues the university's obligation for pension contributions on behalf of eligible long-term claimants.

The measurement date of plan assets and the actuarial valuation of the accrued benefit obligations for the defined benefit pension plans is December 31, 2021 (extrapolated to April 30, 2022). The measurement date of the actuarial valuations for the accrued benefit obligations for the other post-retirement benefits is April 30, 2022.

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

	2022			2021		
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL
PLAN ASSETS						
Fair value at beginning of year	$620,203	$—	**$620,203**	$564,066	$—	$564,066
Actual return on plan assets	(7,965)	—	**(7,965)**	94,132	—	94,132
Employer contributions	1,812	1,727	**3,539**	2,072	1,655	3,727
Employee contributions	435	—	**435**	492	—	492
Benefits paid	(39,559)	(1,727)	**(41,286)**	(40,559)	(1,655)	(42,214)
Fair value at end of year	**$574,926**	**$—**	**$574,926**	**$620,203**	**$—**	**$620,203**

17. Employee Future Benefits (continued)

	2022			2021		
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	TOTAL
ACCRUED BENEFIT OBLIGATIONS						
Accrued benefit obligation at beginning of year	$589,568	$13,198	**$602,766**	$577,825	$13,710	$591,535
Current service cost	1,330	2,247	**3,577**	1,520	2,152	3,672
Interest cost	29,230	369	**29,599**	30,210	378	30,588
Benefits paid	(39,559)	(1,727)	**(41,286)**	(40,559)	(1,655)	(42,214)
Actuarial (gains) losses	950	(1,410)	**(460)**	20,572	2	20,574
Past service cost	—	53	**53**	—	(1,389)	(1,389)
Accrued benefit obligation at end of year	**$581,519**	**$12,730**	**$ 594,249**	**$589,568**	**$13,198**	**$602,766**
ACCRUED BENEFIT ASSET (LIABILITY)						
Fair value — plan assets at end of year	$574,926	$ —	$574,926	$620,203	$—	$620,203
Accrued benefit obligation, end of year	581,519	12,730	594,249	589,568	13,198	602,766
Valuation allowance	—	—	—	(30,358)	—	(30,358)
Accrued benefit asset (liability), net of valuation allowance	**$(6,593)**	**$ (12,730)**	**$(19,323)**	**$277**	**$(13,198)**	**$(12,921)**
Current portion	$—	$(1,727)	$(1,727)	$—	$(1,655)	$(1,655)
Long-term portion	(6,593)	(11,003)	(17,596)	277	(11,543)	(11,266)
	$(6,593)	**$(12,730)**	**$(19,323)**	**$277**	**$(13,198)**	**$(12,921)**
BENEFIT PLAN EXPENSE (INCOME):						
Current service cost, net of employee contributions	$895	$2,247	$3,142	$1,028	$2,152	$3,180
Interest on benefit obligation	29,230	369	29,599	30,210	378	30,588
Interest on asset (liability) obligation	(30,921)	—	(30,921)	(29,384)	—	(29,384)
	$(796)	**$2,616**	**$1,820**	**$1,854**	**$2,530**	**$4,384**
REMEASUREMENTS AND OTHER ITEMS:						
Experience (gain) loss on accrued benefit obligation	$950	$(1,410)	$(460)	$20,573	$2	$20,575
Interest on asset (liability) obligation	7,965	—	7,965	(94,132)	—	(94,132)
Past service cost	—	53	53	—	(1,389)	(1,389)
Assumed interest on assets at assumed discount rate	30,921	—	30,921	29,384	—	29,384
Increase (decrease) in valuation allowance	(30,358)	—	(30,358)	26,257	—	26,257
	$9,478	**$(1,357)**	**$8,121**	**$(17,918)**	**$(1,387)**	**$(19,305)**

17. Employee Future Benefits (continued)

ACTUARIAL ASSUMPTIONS (WEIGHTED AVERAGE AS OF APRIL 30)

	2022		2021	
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS
Discount rate	5.2%	4.4%	5.1%	2.8%
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%	2.2%	2.2%

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

	2022		2021	
	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS	DEFINED PENSION PLANS	OTHER POST RETIREMENT BENEFITS
Fixed income	31.1%	—	32.7%	—
Equities	50.0%	—	56.8%	—
Other	18.9%	—	10.5%	—
Total	100.0%	—	100.0%	—

18. Capital Lease Obligation

	APRIL 30	
	2022	2021
2021	$—	$11
2022	11	11
2023	240	12
2024	169	—
2025	89	—
2026	13	—
Total minimum lease payments	522	34
Less: current portion of capital lease obligation	(240)	(11)
Long-term portion of capital lease obligation	$282	$23

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 $27 (2020 – $34), 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 $25 (2020 – $38). Lease payments include imputed interest of $(2) (2020 – $(4)).

The university has entered into a master lease with CSI Leasing Canada Ltd for copiers, payable in quarterly installments from $3 to $15, depending on the number of copiers as per the master lease agreement schedules, including implicit interest averaging 16%. The individual lease schedules expire between December 2022 and January 2026. This agreement is recognized in the financial statements of the university as an asset acquired under capital lease obligations. The total minimum lease payments equal to $499 (2021 – $NIL). Lease payments include imputed interest of $(57) (2021 – $NIL).

19. Decommissioning Costs

		APRIL 30	
		2022	2021
CLSI	(a)	$11,830	$10,863
The Fedoruk Centre	(b)	868	898
		$12,698	$11,761

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, 2022 the university provided a guarantee of $10,549 through a non-revolving demand facility with the Royal Bank of Canada. This amount is amended every 5 years with the last amendment occurring on May 1, 2017.

The university, through CLSI, accrues the liability for future decommissioning site restoration costs. The university expects to begin decommissioning the facility in fiscal 2030 and anticipates the future cash flows required for decommissioning activities to be $13,986.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk free interest rate of 2.4% (2021 – 1.6%) and an inflation rate estimate of 2.1% (2021 – 1.1%). The change in cost estimate resulted in a $799 increase to both the accrued decommissioning costs and the deferred decommissioning costs. The current year decommissioning costs of $779 (2021 – $728) include amortization of deferred decommissioning costs of $528 (2021 – $524) and costs associated with a financial guarantee to the CNSC of $83 (2021 – $59). A reconciliation of the accrued decommissioning costs is as follows:

	APRIL 30	
	2022	2021
Accrued decommissioning costs, beginning of year	$10,863	$10,682
Accretion expense	168	145
Adjustment due to changes in assumptions	799	36
Accrued decommissioning costs, end of year	$11,830	$10,863

b) The Fedoruk Centre

As a component of its Class II Nuclear Facilities and Prescribed Equipment License from the CNSC, the Fedoruk Centre completed its acknowledgement of liability with respect to the safe termination of licensed activities under the Class II license in the fiscal year 2020. The Fedoruk Centre expects the facility to operate for a 40 year period and the future cash flows required to decommission the facility are expected to be $1,132.

The present value of the liability for decommissioning costs has been calculated using a credit-adjusted risk free interest rate of 2.3% (2021 – 1.47%) and an inflation rate estimate of 1.5% (2021 – 0.8%). The change in cost estimate resulted in a $43 decrease to both the accrued decommissioning costs and deferred decommissioning costs. The current year decommissioning costs of $34 (2021 – $34) include amortization of deferred decommissioning costs of $21 (2021 – $19). A reconciliation of the accrued decommissioning costs is as follows:

	APRIL 30	
	2022	2021
Accrued decommissioning costs, beginning of year	$898	$811
Accretion expense	13	15
Adjustment due to changes in assumptions	(43)	72
Accrued decommissioning costs, end of year	$868	$898

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

		APRIL 30			
	GENERAL	RESTRICTED	ENDOWMENT	TOTAL 2022	TOTAL 2021
Accounts receivable	$(5,291)	$(2,109)	$1	$(7,399)	$(19,207)
Inventories	(527)	—	—	(527)	(1,385)
Prepaid Expenses	(1,027)	(30)	—	(1,057)	52
Accounts payable and accrued liabilities	8,481	5,971	—	14,452	8,436
Deferred revenue	3,833	17	—	3,850	7,675
	$5,469	$3,849	$1	$9,319	$(4,429)

21. 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.

22. Externally Restricted Fund Balances

Externally restricted net assets represent unexpended fund balances carried forward for subsequent year's expenditures where stipulations have been imposed by an agreement with an external party specifying the purpose for which resources are to be used.

	APRIL 30	
	2022	2021
RESTRICTED FUND		
Capital Fund	$40,104	$34,653
Student Financial Aid Fund	58,636	56,522
Research Fund	386,041	387,917
	484,781	479,092
ENDOWMENT FUND		
Endowed contributions – term	65,948	61,965
Capitalized endowment earnings	190,432	190,394
	256,380	252,359
	741,161	731,451
ENDOWMENT FUND		
Endowed contributions – permanent	150,806	150,712
Total externally restricted fund balances	$891,967	$882,163

23. Internally Restricted Fund Balances

Internally restricted net assets represent amounts set aside by the university's Board of Governors for specific purposes. These amounts are not available for other purposes without the approval of the Board. At April 30, net assets have been set aside for the following purposes:

	APRIL 30	
	2022	2021
GENERAL FUND		
Operating	$(17,719)	$(16,789)
Institutional Obligations for Employment Benefits	(25,823)	(19,066)
Donor Funded	50,513	48,710
Specific Purpose	48,154	52,760
	55,125	**65,615**
RESTRICTED FUND		
Capital Fund – Other	13,602	8,632
Capital Fund – Sinking Fund	3,445	2,817
Capital Fund	**17,047**	**11,449**
Student Financial Aid Fund	9,635	12,144
Research Fund	39,661	43,331
	66,343	**66,924**
ENDOWMENT FUND		
Endowed contributions	27,116	27,572
Capitalized endowment earnings	28,515	28,785
	55,631	**56,357**
Total internal restricted fund balances	**$177,099**	**$188,896**

As per CLSI Board of Governors approval and as agreed upon with CNSC, beginning in fiscal 2021 the university, through CLSI, allocates $1 million annually over the next five years to internally restricted capital fund to fund future decommissioning costs for CLSI facility. The remaining amount will be re-assessed in fiscal 2026 and will be allocated until the CLSI facility decommissioning date of fiscal 2029. At April 30, 2022, the balance of these funds is $2,395 (2021 – $1,366).

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, 2022, the balance of these funds is $150 (2021 – $125).

24. Unrestricted Funds (Deficiency)

	APRIL 30	
	2022	**2021**
GENERAL FUND		
Operating Fund	$25,850	$11,993
Ancillary Fund	(21,968)	(26,356)
Total unrestricted funds (deficiency)	**$3,882**	**$(14,363)**

25. Commitments and Contingencies

a) Capital projects

With significant commitments relating to projects such as the W.P. Thompson Building Renewal, Arts Building Renewal and the VIDO Vaccine Manufacturing Facility, the estimated cost of contractual commitments to complete capital projects as of April 30, 2022 is approximately $40,523 (2021 – $17,743).

b) Lease commitments

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

2023	$3,491
2024	2,769
2025	2,053
2026	1,779
2027	1,235

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, 2022 totaled $14,800 (2021 – $15,213) and expires May 2022. 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 $9,719 terminating in June 2040 and $5,081 terminating in January 2041. The fair value of the interest rate swaps as determined by TD Canada Trust at April 30, 2022 was $1,925 (2021 – $4,067).

The USSU's loan repayments are being funded by a student infrastructure fee. In the event of default by the USSU, the university can directly collect this fee from students.

d) Outstanding legal claims

The nature of the university's activities are such that there may be litigation ending or in progress at any time. With respect to claims at April 30, 2022, the university believes it has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, the settlements of such claims are not expected to have a significant effect on the university's financial position, with the exception of the items noted below.

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.

25. Commitments and Contingencies (continued)

e) Canadian Universities Reciprocal Insurance Exchange

The university is a member (of a group of 64 members) of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance reciprocal established to share the insurable property, liability and errors and omissions risk of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through the members' premiums. As at December 31, 2021 CURIE had an accumulated surplus of $105,790 (2020 – $99,449) of which the university's pro-rata share is approximately 4.16% (2020 – 4.13%).

f) Other

The university has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the University may be required to take appropriate remediation procedure to remove the asbestos. As the University has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligation for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

26. Employee Benefits

	APRIL 30	
	2022	2021
Pension recovery – defined benefit (Note 17)	$(796)	$1,854
Pension expense – defined contribution (Note 17)	32,230	30,591
Employee future benefits (Note 17)	2,616	2,530
All other employee benefits	46,140	43,569
	$80,190	$78,544

27. Interest Expense

	APRIL 30	
	2022	2021
Interest expense	$3,668	$6,987
Increase (decrease) in fair value of interest rate swap agreements (Note 15a)	(9,042)	(9,651)
	$(5,374)	$(2,664)

28. Gifts-in-kind and Donation Pledges

Gifts-in-kind consist of the following:

	APRIL 30	
	2022	2021
Works of art	$69	$278
Equipment and furnishings	99	24
Investments	7,497	6,437
Library Holdings	14	7
Research project contributions	2,054	4,931
Other	598	166
	$10,331	$11,843

As a result of COVID-19 pandemic and its economic impact, the university performed a re-assessment of its pledged donations and no changes were required to be made. Donations pledged but not received as at April 30, 2022 totaled $34,597 (2021 – $33,591). These pledges are expected to be honoured during the subsequent five-year period and will be recorded as revenue when received.

29. 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	$237	$(114)	$—	$(53)	$—	$(70)
Loan and interest payments	131	(6,767)	—	—	—	6,636
Capital acquisition and related funding	(28,522)	(3,968)	(5)	(24,524)	—	57,019
Scholarships, bursaries and awards	(14,311)	—	14,311	—	—	—
Fund transfers for Endowment	(122)	—	(896)	(424)	1,442	—
Funding for Research	38,353	—	(950)	(37,332)	—	(71)
Funding for General operating expenses	2,093	(2,879)	(10)	(34)	—	830
Contingency transfers	7	(7)	—	—	—	—
Recapitalized spending to Endowment Funds	(860)	—	(669)	(116)	1,645	—
APRIL 30, 2022	**$(2,994)**	**$(13,735)**	**$11,781**	**$(62,483)**	**$3,087**	**$64,344**
APRIL 30, 2021	**$11,204**	**$(12,615)**	**$16,242**	**$(65,396)**	**$2,413**	**$48,152**

30. 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	
	2022	**2021**
Expenses		
Utilities	$20,344	$18,653
Various	26,664	26,057
Accounts receivable	47,424	47,656
Long-term investments	844	65
Accounts payable and accrued liabilities	4,645	4,631
Deferred revenue	5,909	6,963

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 $844 of long-term investments in Province of Saskatchewan bonds that belongs to Saskatchewan bonds through Baker Gilmore for the Kernen Foundation Endowment.

31. Financial Instruments

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

a) Risk management and financial instruments

i) Market risk

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

ii) Foreign currency risk

The university has foreign currency risk from its foreign currency denominated cash and investment accounts and exposure to foreign currency denominated revenues or expenses. Investments are placed in accordance with policies addressing investment in foreign currency to reduce the level of risk by diversifying the portfolio of investment classes. The university also manages foreign currency risk associated with the university through the use of foreign currency hedge agreements – see Note 15.

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 15. 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.

31. Financial Instruments (Continued)

iv) Credit risk

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

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

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

v) Liquidity risk

Prudent liquidity risk management implies maintaining 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 14.

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, 2022 have a carrying value of $6,340 and a fair value of $9,492.

32. COVID-19

Since the outbreak of the COVID-19 pandemic in March 2020, the university implemented and maintained public-health measures to ensure the health and safety of our community. Campus activity, which functioned largely remotely last year, remained so for the first part of the current fiscal year. Although a partial return to campus was implemented in Fall 2021 the university's plans for a full return to campus in Winter 2022 were delayed with the spread of the Omicron variant and many classes continued to be taught remotely.

Provincial and Federal governments responded to the economic impact of the pandemic with programs and supports. In fiscal 2022, the Government of Saskatchewan implemented a multi-year funding model for post-secondary institutions through the Saskatchewan Post-Secondary Multi-Year Operating Funding Memorandum of Understanding (MOU). In addition to supporting recovery from the impact of COVID-19, this funding focuses on strategic priorities and initiative that will be critical in defining the university's future. In total, $1,675 was allocated in fiscal 2022 on several projects that align with the priority areas of COVID-19 recovery and transition, academic and administration innovation.

Prairie Swine Centre Inc. (PSCI), a subsidiary of the university, recognized as revenue $327 of Canada Emergency Wage Subsidy with respect to qualifying wages. PSCI has $25 repayable to Revenue Canada because of amounts that were over-claimed in error. In addition, PSCI also recognized as revenue $10 with respect to the forgivable portion of the Canada Emergency Business Account loan received, which is not expected to be repaid.

33. Subsequent Events

The license to operate the CLSI facility has been renewed by the CNSC for another 10 years on May 21, 2022. The CNSC approved the current financial guarantee amount of $10,549.

34. Comparative Figures

Certain comparative figures may have been reclassified in order to conform to the financial statement presentation adopted for the current year.

UNIVERSITY OF SASKATCHEWAN

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

For the Year Ended April 30, 2022 ($ thousands)

	OPERATING	INSTITUTIONAL OBLIGATIONS FOR EMPLOYMENT BENEFITS	DONOR FUNDED OPERATING	SPECIFIC PURPOSE	SUBTOTAL OPERATING	ANCILLARY	TOTAL
REVENUES							
Grants and contracts							
Government of Canada	$190	$—	$—	$2,821	$3,011	$—	$3,011
Government of Saskatchewan	343,445	—	—	91,604	435,049	100	435,149
Other governments	19,112	—	—	287	19,399	—	19,399
Non-government	1,949	—	62	6,812	8,823	—	8,823
Student fees	179,645	—	16	7,219	186,880	—	186,880
Donations	1,802	—	4,465	743	7,010	—	7,010
Sales of services and products	19,096	—	177	19,561	38,834	45,654	84,488
Income from investments	1,500	4	4,410	40	5,954	(37)	5,917
Real estate income	2,005	—	135	82	2,222	5,207	7,429
Royalties	13	—	6	4,817	4,836	—	4,836
Miscellaneous income	(12,373)	2,615	406	14,124	4,772	98	4,870
	556,384	**2,619**	**9,677**	**148,110**	**716,790**	**51,022**	**767,812**
EXPENSES							
Salaries	363,801	1,614	3,960	71,139	440,514	7,175	447,689
Employee benefits (Note 26)	56,389	3,152	562	8,807	68,910	1,169	70,079
Operational supplies and expenses	91,550	1,902	2,566	57,183	153,201	5,308	158,509
Travel	1,149	298	139	3,148	4,734	4	4,738
Cost of goods sold	3,373	—	23	276	3,672	5,636	9,308
Maintenance, rental and renovations	8,762	5	280	2,901	11,948	1,774	13,722
Utilities	13,412	—	50	353	13,815	11,792	25,607
Amortization	—	—	—	—	—	—	—
Scholarships, bursaries and awards	2,723	168	293	838	4,022	—	4,022
Interest (Note 27)	5	—	—	—	5	—	5
Bad debt expense	1,303	—	7	32	1,342	42	1,384
Decommissioning costs (Note 19)	—	—	—	—	—	—	—
	542,467	**7,139**	**7,880**	**144,677**	**702,163**	**32,900**	**735,063**
Excess (deficiency) of revenues over expenses	13,917	(4,520)	1,797	3,433	14,627	18,122	32,749
Interfund transfers (Note 29)	(469)	5,765	7	(8,297)	(2,994)	(13,735)	(16,729)
Net increase (decrease) in fund balances for year	13,448	1,245	1,804	(4,864)	11,633	4,387	16,020
Fund balances, beginning of year	39,220	(19,066)	48,709	53,019	121,882	(26,355)	95,527
Employee future benefits remeasurements and other items	—	(8,002)	—	—	(8,002)	—	(8,002)
Fund balances, end of year	**$52,668**	**$(25,823)**	**$50,513**	**$48,155**	**$125,513**	**$(21,968)**	**$103,545**

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, 2022 ($ thousands)

	STUDENT FINANCIAL AID	RESEARCH	CAPITAL	TOTAL
REVENUES				
Grants and contracts				
Government of Canada	$—	$107,651	$—	$107,651
Government of Saskatchewan	1,545	36,611	23,952	62,108
Other governments	100	3,928	—	4,028
Non-government	148	77,305	1,625	79,078
Student Fees	31	—	—	31
Donations	5,944	7,680	5,010	18,634
Sales of services and products	—	152	—	152
Income from investments	7,526	8,778	(2,510)	13,794
Real estate income	112	220	—	332
Royalties	151	3	—	154
Miscellaneous income	—	1	—	1
	15,557	242,329	28,077	285,963
EXPENSES				
Salaries	890	90,746	208	91,844
Employee benefits (Note 26)	54	10,037	20	10,111
Operational supplies and expenses	212	53,044	1,123	54,379
Travel	21	1,523	—	1,544
Cost of goods sold	—	2	—	2
Maintenance, rental and renovations	3	3,595	10	3,608
Utilities	1	2,705	—	2,706
Amortization	—	—	105,254	105,254
Scholarships, bursaries and awards	26,547	23,738	—	50,285
Interest (Note 27)	—	—	(5,379)	(5,379)
Bad debt expense	5	2	—	7
Decommissioning costs (Note 19)	—	—	813	813
	27,733	185,392	102,049	315,174
Excess (deficiency) of revenues over expenses	(12,176)	56,937	(73,972)	(29,211)
Interfund transfers (Note 29)	11,781	(62,483)	64,344	13,642
Net increase (decrease) in fund balances for year	(395)	(5,546)	(9,628)	(15,569)
Fund balances, beginning of year	68,666	431,248	1,435,581	1,935,495
Fund balances, end of year	$68,271	$425,702	$1,425,953	$1,919,926

See accompanying notes to consolidated financial statements

Officers of the University

The Board of Governors

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Grit McCreath (Chancellor)

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

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

Faculty Member
Dr. Jay Kalra

Student Member
Tasnim Jaisee

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Peter Stoicheff

Provost and Vice-President (Academic)
Airini

Vice-President (Finance and Resources)
Greg Fowler

Vice-President (Research)
Baljit Singh

Vice-President (University Relations)
Danielle Dunbar (Interim)

University Secretary and Chief Governance Officer
Chelsea Willness

Deputy Provost
Patti McDougall

Vice-Provost, Faculty Relations
Ken Wilson

Vice-Provost, Health
Adam Baxter-Jones

Vice-Provost, Teaching, Learning and Student Experience
Jay Wilson (Interim)

Vice-Provost, Indigenous Engagement
Angela Jaime (Interim)

Associate Provost, Health
Adam Baxter-Jones (Interim)

Associate Provost, Strategic Priorities
Vince Bruni Bossio (Interim)

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

Associate Vice-President (Research–Health)
Darcy Marciniuk

Associate Vice-President Strategic Communications
Kris Foster (Interim)

Chief Communications Officer
Heather Persson (Interim)

Associate Vice-President (Services)
Wade Epp

Associate Vice-President (Information and Communications Technology) and Chief Information Officer
Shari Baraniuk

Associate Vice-President (People and Resources)
Cheryl Carver

Associate Vice-President (Government Relations)
Sara Daniels

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Agriculture and Bioresources
Angela Bedard-Haughn

Arts and Science
Peta Bonham-Smith

Dentistry
Doug Brothwell

Education
Beth Bilson (Interim)

Edwards School of Business
Keith Willoughby

Engineering
Suzanne Kresta

Graduate and Postdoctoral Studies
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Kinesiology
Chad London

Law
Martin Phillipson

Medicine
Preston Smith

Nursing
Solina Richter

Pharmacy and Nutrition
Jane Alcorn

School of Environment and Sustainability
Karsten Liber

School of Public Health
George Mutwiri (Interim)

Johnson-Shoyama Graduate School of Public Policy
Loleen Berdahl

University Library
Melissa Just

Western College of Veterinary Medicine
Gillian Muir

Current as of April 30, 2022

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