

UNIVERSITY OF REGINA  
**ANNUAL REPORT**  
2018-19



# Table of Contents

<b>Message from the Board of Governors</b> .....	2
<b>Message from the President</b> .....	3
<b>Introduction</b> .....	4
Strategic Plan .....	4
Research Profile and Accomplishments .....	4
Performance Measurement Framework .....	7
Enterprise Risk Management .....	9
<b>Audited Financial Statements and Notes</b> .....	11

*About the cover photos:*

2018 Congress of the Humanities and Social Sciences -- May 26 to June 1 -- was the largest conference ever hosted by the University of Regina. *Gathering Diversities* was the conference theme; these pictures from various activities during the conference assist in demonstrating the University's commitment to student success, research impact, and commitment to our communities.

## Message from the Board of Governors



I am pleased to submit herewith the University of Regina's annual report and audited financial statements for the fiscal year ending April 30, 2019. This report includes an overview of the University's progress toward the objectives outlined in its 2015-2020 Strategic Plan, and the audited financial statements are in the form required by the Treasury Board.

Respectfully submitted,

A handwritten signature in black ink that reads "Cathy Warner". The signature is written in a cursive, flowing style.

Cathy Warner  
Chair, Board of Governors

## Message from the President



The biggest event in the University of Regina's history – the 2018 Congress of the Humanities and Social Sciences – took place from May 26 - June 1, 2018. During that time, more than 5,000 scholars from around the globe representing more than 70 academic associations descended on our University to share research that has a powerful impact on our world. The Congress 2018 theme – “Gathering Diversities” or *mâmwawinitôtân nanâtohk-ayisiyiniwak* in the Cree language – reflected the University of Regina's dynamic growth as an institution that welcomes people and promotes research from within Saskatchewan, across Canada, and around the world.

“Gathering Diversities” was not simply a fitting theme for Congress, however. It was also a fitting theme for the entire 2018-19 year at the University of Regina – a year in which the institution's diversity was a guiding factor in its continuing development.

The diversity and strength of the University's research enterprise was never on better display than in this past year. World-leading Post-Traumatic Stress Injury research, led by the Canadian Institute for Public Safety Research and Treatment, got underway in earnest through a partnership with the Government of Canada. In addition, the University welcomed three new Canada Research Chairs – scholars whose work in the areas of truth and reconciliation education, women's mental health, and Indigenous social justice – will have an impact on Canadians for decades to come.

Our student population became more diverse than at any time in our history, with 15.9 per cent of students coming from other countries and another 13.3 per cent self-declaring as Indigenous for the Fall 2018 term. We also began planning to better serve these and other students through the continuing development of our Central Testing Facility, which among other things will help accommodate students with disabilities and their diverse needs.

Diversity was also a hallmark of the University's capital program during the year. In late summer, the newly renovated College West residences were re-opened as modern, accessible accommodations that include space specifically for 2LGBTQI+ students. And the College Building was reopened in early fall, welcoming graduate students in the Johnson Shoyama Graduate School of Public Policy as well as Centre for Continuing Education students ranging from 18 months to more than 90 years of age.

Overall, the past year was one in which diversity was both a defining point and a strength of our University. People from across campus worked together to achieve the institution's 24<sup>th</sup> consecutive balanced budget, broaden our impact on the communities we serve, and provide the best possible learning environment for the next generation of leaders in our province and world.

It was an honour to be part of this in 2018-19, and I look forward to building on this work with my colleagues in 2019-20 and beyond.

A handwritten signature in black ink that reads "Vianne Timmons". The signature is written in a cursive, flowing style.

Dr. Vianne Timmons  
President and Vice-Chancellor



## Introduction

This annual report highlights the activities and accomplishments of the University of Regina for the year from May 1, 2018 to April 30, 2019. As the *Message from the President* describes, the University celebrated many notable achievements during 2018-19. Not least of these were record enrolments, 15,568 in fall 2018 and 15,074 in winter 2019.

Readers can learn more about the University at <https://www.uregina.ca/profile/>.

## Strategic Plan

On November 4, 2014, the University's Board of Governors approved the University's 2015-2020 strategic plan, *peyak aski kikawinaw: Together We Are Stronger*. Accompanying the Strategic Plan is a Performance Measurement Framework that measures the University's success in achieving its long-term goals as defined by the Strategic Plan, while also enhancing the University's accountability in reporting to government, its stakeholders, its partners and the communities it serves.



*peyak aski kikawinaw* sets out the University's three strategic priorities:

- Student Success;
- Research Impact; and,
- Commitment to our Communities.

The plan also presents two over-arching themes interwoven throughout all of the University's activities:

- Indigenization; and,
- Sustainability.

Readers can access more details about the strategic plan at <https://www.uregina.ca/strategic-plan/>.

## Research Profile and Accomplishments

The University of Regina's Strategic Plan identifies **Research Impact** as one of its three strategic priorities. We strive to create "an intellectually active and innovative research community with the supports and infrastructure to expand the boundaries of knowledge and to have a meaningful impact at home and beyond."

The University is home to more than 400 active researchers, including faculty members, graduate and undergraduate students, post-doctoral fellows, and eight Canada Research Chairs. Eighteen research centres and institutes are housed at the University as well as the award-winning University of Regina

Press. Based upon research impact, a critical mass of highly qualified personnel, distinctiveness, and commitment to partners in the community and the Province of Saskatchewan for high impact research, we have identified six thematic areas of research priority: Anxiety, Stress & Pain; Digital Future; Integrated Human Health; Living Heritage; Social Justice & Community Safety; and Water, Environment & Clean Energy.

The newest thematic area, Living Heritage, was recognized in 2018-19. Every day University of Regina researchers focus their efforts on understanding and preserving the dynamic and evolving elements of cultural heritage – oral histories, food heritage, music, dance, ceremony, the natural world, and aesthetic and spiritual beliefs. Through this work, researchers across our campus create partnerships and produce scholarship that positively impacts our communities and our world.

More about research at the University of Regina can be found at <https://www.uregina.ca/research/>.

### **2018-19 Research Highlights**

The University of Regina hosted the 2018 Congress of Humanities and Social Science. It was the largest conference held in the history of the City of Regina, welcoming over 5,000 scholars, students, and delegates from across the country. The program featured a diverse lineup of scholarly workshops, panels, lectures, and cultural events. The majority of these events were open to the public to participate or observe.

In January, the University of Regina signed a contribution agreement with Public Safety Canada valued at \$15 million over five years including \$5 million to establish and operate a Knowledge Exchange Hub and \$10 million to develop an internet-based cognitive behavioural therapy pilot in support of post-traumatic stress injuries (PTSI) among public safety personnel (PSP). The Knowledge Exchange Hub will be operated from the University's Canadian Institute for Public Safety Research and Treatment and will serve as the national hub for synthesis, translation and exchange of knowledge arising from research on PTSI among PSP.

The University has been awarded a \$384,000 Equity, Diversity and Inclusion Institutional Capacity-Building Grant as one of 15 institutions selected to receive funding from among 94 applicants. The grant from the Natural Sciences and Engineering Research Council of Canada will support the University's work to implement *Mainstreaming Equity, Diversity, and Inclusion: A Strategy for the University of Regina*. Mainstreaming is a strategic approach that directs attention to all inequalities and creates multi-level accountabilities along with extensive engagement and consultation.

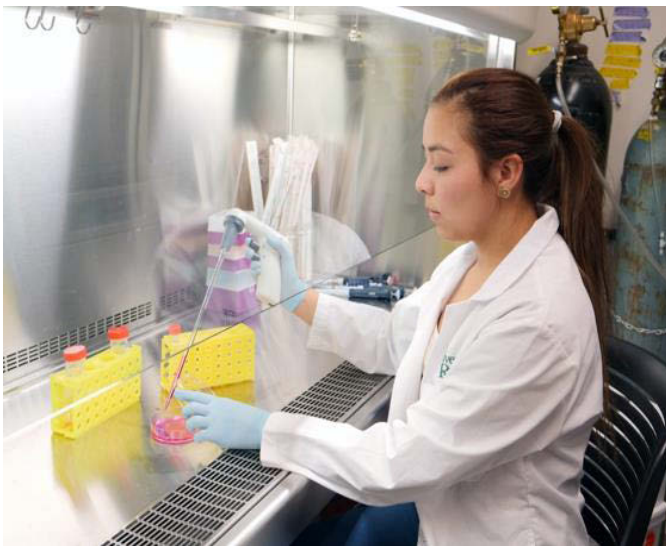
A commitment to undergraduate research enriches the student experience, advances our research enterprise, and supports faculty members' pursuits in the production of knowledge. A review of our undergraduate research environment was conducted in 2018-19 to identify how we can make the University of Regina an institution of choice for these emerging scholars. A pilot project to support a cohort of undergraduate researchers during the summer of 2019 was prepared during the year.

As part of its commitment to research impact, the University hosted a symposium on research and innovation impact for university researchers and the wider community in February 2019.

A unique partnership between the University of Regina, the Government of Saskatchewan, and Statistics Canada has resulted in the opening of the Regina Research Data Centre (RDC). The Regina RDC, located in a secure facility at the University of Regina, allows researchers with approved research projects to access confidential data sources on issues such as population, household services, and health.

In 2013, the Provincial Auditor issued the findings of an audit focusing on the University's processes to identify and participate in research initiatives. The report included 26 recommendations to the University. The final three recommendations from the 2013 Provincial Auditor's Report on Research were completely implemented in 2018-19.

More detail on the impact of the University's research activities and achievements can be viewed at [www.uregina.ca/research/research-expertise/research-impact2/index.html](http://www.uregina.ca/research/research-expertise/research-impact2/index.html).



*Graduate student Alejandra Castilla Bolanos' research is changing the way neuroscientists look at Alzheimer's disease. Bolanos has discovered that some types of the protein linked to killing brain cells can neutralize the effects of the harmful types – promising results in the search for a treatment. Bolanos won the University's 2019 Three Minute Thesis (3MT) People's Choice Award for "Forget What You Know about Alzheimer's Disease," her dynamic and engaging presentation on the complexities of her research into Alzheimer's disease. She represented the University of Regina at the 3MT Western Regional competition in British Columbia.*

## Performance Measurement Framework

The performance measurement framework is the tool by which the University of Regina measures and reports on progress in achieving the goals of its strategic plan. The three strategic priorities identified in *peyak aski kikawinaw: Together We Are Stronger* form the cornerstones of the framework. The two overarching themes of the plan – Indigenization and sustainability – thread throughout the framework as these inform the priorities and activities undertaken to achieve our ambitious targets.

### Background and Process

The University annually identifies and defines a number of performance measures for each strategic priority. The three tables that follow display the outcomes or results for those measures selected for 2018-19 and compares them with targets that were established by the Board of Governors at the beginning of the year. Many of the targets have been met or exceeded.

### Student Success

Supporting student success is a priority in the strategic plan. In order to meet our institutional objective to provide high-quality education to our students, the University of Regina strives to provide the necessary supports required to meet the diverse needs of our student population.

The performance measures identified in this framework are intended to address the full life cycle of students, from initial enrolment, through their academic experience while at the University, and finally to completion of their program.

Student Success			
Performance Measure	Definition	2018-19 Targets	2018-19 Outcomes
<b>Student Enrolment</b>	Total number of students who are active in degree programs or degree-eligible credit courses offered by the University of Regina and its federated colleges in the fall term	15,400 students	15,568 students
<b>Student Retention</b>	Student retention from 1 <sup>st</sup> year (first-time, full-time degree seeking undergraduates with a high school basis of admission) to 2 <sup>nd</sup> year	84.0%	83.2%
<b>Undergraduate Degree Completion</b>	Percentage of undergraduate students who complete their degree within 7 years of first registration	59.0%	60.5%
<b>Student Financial Support</b>	The total funds provided to students from all University of Regina sources in the form of scholarships, bursaries, and prizes as reported in the University's Financial Statements.	\$26.0 million	\$22.9 million



**Research Impact**

Recognizing the importance of producing knowledge and research outcomes that have broad impact, the University of Regina has identified research impact as a strategic priority.

Research impact is measured with a number of metrics, including success in external research grant competitions, levels of collaboration with scholars across Canada and around the world, and accepted indices of citation impact. Total research revenue is also a key performance measure.

<b>Research Impact</b>			
<b>Performance Measure</b>	<b>Definition</b>	<b>2018-19 Targets</b>	<b>2018-19 Outcomes</b>
<b>Research Grants</b>	Total number of active externally-funded research projects administrated by the University through the financial system. Active means either revenue or expenses during the fiscal year.	550	546
<b>Research Revenue</b>	Total research funding received for all active externally-funded research projects administered by the University during the fiscal year	\$20.0 million	\$25.7 million
<b>Average of Relative Citations*</b>	The number of citations received by papers authored by University of Regina faculty, normalized by the average number of citations received by all papers in the world in the same subfield	1.50	1.30
<b>International Research Collaborations*</b>	The percentage of total publications co-authored by University of Regina faculty with researchers outside of Canada	58.0%	56.6%

\*The Average of Relative Citations and International Research Collaborations measures are five-year averages with a two year lag.

**Commitment to our Communities**

The University of Regina values the strong connections we have built with all of our communities – local, provincial, Indigenous, national, and international. The University is committed to collaborative community service and strives to create meaningful and effective engagement opportunities within the institution and with people and organizations external to the academy. As a strategic priority, engagement with our communities focuses on our people, including students, faculty, and staff, and on institutional sustainability. We are also committed to addressing the needs of people and entities within our broader community through all of our activities.

Commitment to Community			
Performance Measure	Definition	2018-19 Targets	2018-19 Outcomes
<b>Indigenous Undergraduates</b>	Number of self-declared Indigenous undergraduate students as of fall term census count date	1,850 students	1,953 students
<b>Courses through the Regional Colleges</b>	The number of credit hours delivered from the University of Regina through Saskatchewan's regional colleges during the academic year	3,800 credit hours	4,377 credit hours
<b>Community Outreach</b>	Number of external groups using University facilities to hold public events during the University's fiscal year (as measured by the number of external event/space bookings through Kinesiology and Health Studies, Media, Art and Performance, and Hospitality Services)	230 groups	556 groups
<b>Significant Environmental Sustainability Initiatives/Events</b>	Significant initiatives, events or achievements that contribute to building environmental sustainability	4 items	4 items
<b>Energy Consumption</b>	Significant initiatives, events or achievements that contribute to building environmental sustainability	1.24 GJ/m <sup>2</sup>	*1.25 GJ/m <sup>2</sup>

\*Energy Consumption outcome at or below the target constitutes achievement of the target.

## Enterprise Risk Management

Enterprise Risk Management (ERM) at the University of Regina is a process intended to create and protect value by explicitly addressing uncertainty. Our ERM process provides a systematic approach to identify, assess, and manage significant risks that could impede the University's ability to meet its strategic, operational, and financial objectives. The goals of ERM are:

1. **Proactive risk and opportunity management** - by fostering a risk-aware culture among all members of the University community, the University can create an environment where risks and opportunities are identified and managed in a timely and effective manner.
2. **Risk-informed decision making** - by emphasizing the importance of risk management and open communication, the University can ensure that all decision makers consider the risks and opportunities inherent in each choice that they make.
3. **Supporting organization-wide risk management** - by assessing risks and opportunities through both a top-down and bottom-up approach, the University can come to understand how risks from different areas are interrelated, and recognize any potential need for intervention.
4. **Consistent risk management** - by building shared understanding and common risk language, the University can ensure a consistent approach to risk management that is within the University's accepted levels of risk.

The University of Regina's Board of Governors, together with University leadership, are ultimately responsible for risk management at the University of Regina. Annually, through a consultative process including academic and administrative units, the University identifies the most significant risks and develops risk mitigation plans to address each of these risks.

These were identified as the most significant risk priorities for 2018-2019:

1. IT Security and Privacy
2. Budget / Inadequate Funding
3. Student, Faculty and Staff Mental Health
4. IT Innovation
5. Labour Relations / Contract Negotiations
6. Facilities / Deferred Maintenance
7. Campus Violence
8. Research Growth Management
9. Fundraising / Revenue Generation
10. Student Recruitment and Retention

Risk management and risk mitigation are continuous processes at the University of Regina and are closely monitored by the University Leadership Team, University Executive Team, and the Audit and Risk Management Committee of the Board of Governors.

### **Internal Audit Office**

The Internal Audit Office established by the Board of Governors through its Audit and Risk Management Committee assists the University in accomplishing its objectives and meeting its fiduciary and administrative responsibilities by bringing a systematic, disciplined, and risk-based approach to evaluate and improve the effectiveness of University governance, risk management, and the system of internal controls and administrative processes.

During 2018-2019 fiscal year, four projects were completed by the University Internal Auditor, including assurance and consulting engagements. Also, the Internal Audit Office participated in the reviews of new or existing policies, processes and procedures and performed other tasks that did not fall under either assurance or consulting services. In March 2019, the Board of Governors approved the risk-based Annual Internal Audit Plan for 2019-2020 consisting of three projects and some flexible time to accommodate requests for internal audit services. The Internal Auditor will continue to work with faculties, academic and administrative units (including the office of Enterprise Risk Management) towards mitigating risks and improving internal controls, enhancing the efficiency and effectiveness of the University's functions, and ensuring compliance with the University's policies and procedures.

# Audited Financial Statements and Notes

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- Statement of management responsibility ..... 12**
- Independent Auditor’s Report ..... 13**
- Statement of Financial Position ..... 15**
- Statement of Operations and Changes in Fund Balances ..... 16**
- Statement of Cash Flows ..... 17**
- Statement of Operations and Changes in Fund Balances – General Fund ..... 18**
- Statement of Operations and Changes in Fund Balances – Restricted Fund..... 19**
- Notes to the Financial Statements ..... 20**
  - Description of Organization..... 20
  - 1. Summary of Significant Accounting Policies..... 20
  - 2. Cash ..... 26
  - 3. Accounts Receivable..... 26
  - 4. Investments..... 27
  - 5. Capital Assets..... 27
  - 6. Collections ..... 28
  - 7. Accounts Payable and Other Accrued Liabilities..... 29
  - 8. Current and Long-Term Debt ..... 29
  - 9. Risk Management Asset and Liability ..... 30
  - 10. Due to/from Other Funds ..... 31
  - 11. Employee Future Benefits..... 32
  - 12. Asset Retirement Obligation ..... 35
  - 13. Internally Restricted Fund Balances..... 35
  - 14. Financial Instruments..... 36
  - 15. Capital Disclosures ..... 38
  - 16. Operating Leases..... 39
  - 17. Investment Income and Unrealized Gain (Loss)..... 40
  - 18. Employee Benefits ..... 40
  - 19. Interest and Unrealized Loss..... 40
  - 20. Expenses by Function..... 41
  - 21. Interfund Transfers..... 41
  - 22. Related Party Transactions ..... 42
  - 23. Commitments and Contingencies ..... 46
  - 24. Upcoming changes in accounting policies ..... 47
  - 25. Presentation ..... 48

## Statement of management responsibility

The University is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian accounting standards for not-for-profit organizations, as published by the Chartered Professional Accountants Canada (CPA Canada). The University believes the financial statements present fairly the University's financial position as at April 30, 2019 and the results of its operations for the year then ended.

The University's Board of Governors is responsible for overseeing the business affairs of the University and also has the responsibility for approving the financial statements. The Board has delegated certain of the responsibilities to its Audit and Risk Management Committee, including the responsibility for reviewing the annual financial statements and meeting with management and the Provincial Auditor of Saskatchewan on matters relating to the financial process. The Provincial Auditor has full access to the Audit and Risk Management Committee with or without the presence of management.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the financial statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly guarded against unauthorized use and that reliable records are maintained. The Provincial Auditor of Saskatchewan reports to the Board as to the adequacy of these controls.

The financial statements for the year ended April 30, 2019 have been reported on by the Provincial Auditor of Saskatchewan, the auditor appointed under *The University of Regina Act*. The Auditor's Report on the following page outlines the scope of her examination and provides her opinion on the fairness of presentation of the information in the financial statements.



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Vianne Timmons  
President and Vice-Chancellor



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David B. Button  
Vice-President (Administration)

Regina, Saskatchewan  
July 10, 2019





## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

### Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University of Regina as at April 30, 2019, and the results of its operations and changes in fund balances and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the University of Regina 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 Regina Annual Report 2018-19, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing



standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Regina, Saskatchewan  
July 10, 2019

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

# Statement of Financial Position

As at April 30, 2019

## Statement 1

	April 30, 2019 (000's)	April 30, 2018 (000's)
<b><i>Current Assets</i></b>		
Cash (Note 2)	\$ 26,723	\$ 17,676
Accounts receivable (Note 3)	25,823	26,332
Inventories	1,936	2,095
Prepaid expenses	3,808	3,777
Short-term investments (Note 4)	50,025	59,282
	<u>108,315</u>	<u>109,162</u>
<b><i>Long-Term Assets</i></b>		
Long-term investments (Note 4)	119,724	106,996
Long-term receivables	4,000	1
Accrued pension benefit asset (Note 11)	6,229	7,337
Capital assets (Note 5)		
Tangible assets	371,460	363,652
Intangible assets	1,221	1,232
	<u>502,634</u>	<u>479,218</u>
	<u>\$ 610,949</u>	<u>\$ 588,380</u>
<b><i>Current Liabilities</i></b>		
Accounts payable and other accrued liabilities (Note 7)	\$ 45,321	\$ 40,164
Deferred income	2,346	2,121
Deferred contributions	663	1,215
Current portion of long-term debt (Note 8)	91,747	97,401
Risk management liability (Note 9)	13,786	12,015
	<u>153,863</u>	<u>152,916</u>
<b><i>Long-Term Liabilities</i></b>		
Long-term debt (Note 8)	79,073	79,161
Accrual for employee future benefits (Note 11)	25,666	21,833
Asset retirement obligation (Note 12)	255	246
Long-term deferred revenue	3,178	-
	<u>108,172</u>	<u>101,240</u>
See also Note 23 - Commitments & Contingencies, and Note 16 - Operating leases		
<b><i>Fund Balances</i></b>		
Maintained permanently as endowments	51,914	47,020
Externally restricted funds	74,987	67,633
Invested in capital assets	212,070	201,339
Internally restricted funds (Note 13)	50,639	49,794
Unrestricted funds	(40,696)	(31,562)
	<u>348,914</u>	<u>334,224</u>
	<u>\$ 610,949</u>	<u>\$ 588,380</u>

Approved by the Board of Governors

  
Chair, Board of Governors

  
Chair, Audit & Risk Management Committee

The accompanying notes are an integral part of these financial statements.

# Statement of Operations and Changes in Fund Balances

For the Year Ended April 30, 2019

Statement 2

	General (000's)	Restricted (000's)	Endowment (000's)	Total 2019 (000's)	Total 2018 (000's)
<b>Revenues</b>					
Grants and contracts					
Government of Canada	\$ 1,501	\$ 17,213	\$ -	\$ 18,714	\$ 12,909
Government of Saskatchewan (Note 22)	111,385	16,869	-	128,254	130,745
Other	830	3,642	-	4,472	4,091
Student fees	92,924	-	-	92,924	85,906
Contributions, gifts, donations and bequests	2,253	16,158	500	18,911	12,630
Sales of services and products	34,348	1,693	-	36,041	35,653
Investment income and unrealized gain (Note 17)	928	7,863	2,125	10,916	14,239
Miscellaneous income	2,496	197	-	2,693	2,707
	<u>246,665</u>	<u>63,635</u>	<u>2,625</u>	<u>312,925</u>	<u>298,880</u>
<b>Expenses (Note 20)</b>					
Salaries	148,558	5,525	-	154,083	146,370
Employee benefits (Note 18)	24,482	551	-	25,033	24,317
Operational supplies and expenses	16,244	5,395	-	21,639	18,603
Travel	4,237	1,718	-	5,955	6,203
Cost of goods sold	3,388	491	-	3,879	4,159
Equipment, rental, maintenance & renovations	13,466	5,548	-	19,014	17,762
Utilities	7,031	35	-	7,066	7,245
Amortization of capital assets	755	17,907	-	18,662	18,056
Loss from disposal or impairment of capital assets	-	3,258	-	3,258	90
Scholarships, bursaries, prizes, grants	11,816	11,990	-	23,806	25,339
Interest and unrealized loss (Note 19)	3,753	5,449	-	9,202	6,307
Bad debt expense	1,033	9	-	1,042	1,952
	<u>234,763</u>	<u>57,876</u>	<u>-</u>	<u>292,639</u>	<u>276,403</u>
Excess (deficiency) of revenues over expenses	11,902	5,759	2,625	20,286	22,477
Interfund transfers (Note 21)	(19,166)	16,897	2,269	-	-
Employee future benefit remeasurements (Note 11)	(5,596)	-	-	(5,596)	1,969
Net increase (decrease) in fund balances for year	(12,860)	22,656	4,894	14,690	24,446
Fund balances, beginning of year	(1,783)	288,987	47,020	334,224	309,778
Fund balances, end of year	<u>\$ (14,643)</u>	<u>\$ 311,643</u>	<u>\$ 51,914</u>	<u>\$ 348,914</u>	<u>\$ 334,224</u>

The accompanying notes are an integral part of these financial statements.

# Statement of Cash Flows

For the Year Ended April 30, 2019

Statement 3

	General (000's)	Restricted (000's)	Endowment (000's)	Total 2019 (000's)	Total 2018 (000's)
<b>Operating Activities</b>					
Excess (deficiency) of revenues over expenses	\$ 11,902	\$ 5,759	\$ 2,625	\$ 20,286	\$ 22,477
Add back items not affecting cash:					
Amortization of capital assets	755	17,907	-	18,662	18,056
Change in asset retirement obligation	-	9	-	9	8
Change in unrealized gain/loss on investments	-	(3,628)	(862)	(4,490)	(123)
Change in unrealized gain/loss on risk management liability	(273)	2,044	-	1,771	(8,096)
Change in unrealized foreign exchange gain/loss	-	(396)	(385)	(781)	833
Loss from disposal or impairment of capital assets	-	3,258	-	3,258	90
Donated capitalized assets	-	(3,010)	-	(3,010)	(153)
Less contributions for endowment and asset purchases	-	(1,356)	(500)	(1,856)	(1,342)
Decrease (increase) in non-cash working capital	16,969	(10,999)	1	5,971	9,087
Change in long-term receivables	-	(4,000)	-	(4,000)	-
Change in long-term deferred revenue	3,178	-	-	3,178	-
Change in accrued pension benefit asset/liability	3,571	-	-	3,571	(3,096)
Change in non-pension accrual for employee future benefits	1,371	-	-	1,371	1,515
Employee future benefit remeasurements	(5,596)	-	-	(5,596)	1,969
Cash generated by operating activities	31,877	5,588	879	38,344	41,225
<b>Investing Activities</b>					
Purchases of investments	(7)	(27,783)	(6,312)	(34,102)	(99,336)
Sales of investments	514	32,724	2,664	35,902	79,612
Purchases of capital assets:					
Buildings	-	(16,913)	-	(16,913)	(75,463)
Site improvements	-	(2,846)	-	(2,846)	(850)
Furnishings and equipment	(3,407)	(2,787)	-	(6,194)	(5,199)
Software	(124)	(117)	-	(241)	(143)
Library resources	(239)	-	-	(239)	(248)
Leasehold improvements	(51)	(223)	-	(274)	-
Cash (used in) generated by investing activities	(3,314)	(17,945)	(3,648)	(24,907)	(101,627)
<b>Financing Activities</b>					
Issuance of long-term debt	-	-	-	-	78,402
Repayment of long-term debt	-	(5,743)	-	(5,743)	(5,521)
Repayment of long-term loan receivable	4	-	-	4	4
Issuance of internal loans	(382)	382	-	-	-
Issuance of short-term indemnity deposit	-	-	-	-	7
Repayment of Short-term indemnity deposit	(507)	-	-	(507)	-
Contributions of cash for endowments	-	-	500	500	754
Contributions of cash for purchase of assets	-	1,356	-	1,356	588
Cash (used in) generated by financing activities	(885)	(4,005)	500	(4,390)	74,234
Net change in cash	27,678	(16,362)	(2,269)	9,047	13,832
Interfund adjustments	(16,100)	13,831	2,269	-	-
Cash, beginning of year	24,739	(7,063)	-	17,676	3,844
Cash, end of year	\$ 36,317	\$ (9,594)	\$ -	\$ 26,723	\$ 17,676

The accompanying notes are an integral part of these financial statements.



# Statement of Operations and Changes in Fund Balances – General Fund

For the Year Ended April 30, 2019

Statement 4

	Operating (000's)	Vacation Pay and Pension (000's)	Ancillary (000's)	Special Projects (000's)	Total 2019 (000's)	Total 2018 (000's)
<b>Revenues</b>						
Grants and contracts						
Government of Canada	\$ 308	\$ -	\$ -	\$ 1,193	\$ 1,501	\$ 1,071
Government of Saskatchewan (Note 22)	111,311	-	-	74	111,385	109,859
Other	431	-	-	399	830	747
Student fees	92,731	-	-	193	92,924	85,906
Contributions, gifts, donations and bequests	671	-	-	1,582	2,253	1,486
Sales of services and products	13,950	-	17,158	3,240	34,348	34,380
Investment income and unrealized gain (Note 17)	928	-	-	-	928	559
Miscellaneous income	2,188	-	304	4	2,496	2,514
	<u>222,518</u>	<u>-</u>	<u>17,462</u>	<u>6,685</u>	<u>246,665</u>	<u>236,522</u>
<b>Expenses</b>						
Salaries	141,945	-	3,974	2,639	148,558	141,846
Employee benefits (Note 18)	24,432	(864)	657	257	24,482	23,874
Operational supplies and expenses	11,885	-	2,112	2,247	16,244	15,005
Travel	3,435	-	36	766	4,237	4,701
Cost of goods sold	825	-	2,563	-	3,388	3,692
Equipment, rental, maintenance & renovations	11,501	-	1,089	876	13,466	14,069
Utilities	6,945	-	67	19	7,031	7,184
Amortization of capital assets	-	-	755	-	755	635
Loss from disposal or impairment of capital assets	-	-	-	-	-	32
Scholarships, bursaries, prizes, grants	10,946	-	43	827	11,816	11,159
Interest and unrealized loss (Note 19)	86	-	3,667	-	3,753	4,541
Bad debt expense	1,032	-	1	-	1,033	1,952
	<u>213,032</u>	<u>(864)</u>	<u>14,964</u>	<u>7,631</u>	<u>234,763</u>	<u>228,690</u>
Excess (deficiency) of revenues over expenses	9,486	864	2,498	(946)	11,902	7,832
Interfund transfers (Note 21)	(9,501)	-	(6,885)	(2,780)	(19,166)	(17,247)
Employee future benefit remeasurements (Note 11)	(41)	(5,555)	-	-	(5,596)	1,969
Net decrease in fund balances for year	(56)	(4,691)	(4,387)	(3,726)	(12,860)	(7,446)
Fund balances, beginning of year	1,965	(18,186)	(15,341)	29,779	(1,783)	5,663
Fund balances, end of year	\$ 1,909	\$ (22,877)	\$ (19,728)	\$ 26,053	\$ (14,643)	\$ (1,783)

The accompanying notes are an integral part of these financial statements.

# Statement of Operations and Changes in Fund Balances – Restricted Fund

## For the Year Ended April 30, 2019 Statement 5

	Capital Asset (000's)	Research (000's)	Trust (000's)	Total 2019 (000's)	Total 2018 (000's)
<b>Revenues</b>					
Grants and contracts					
Government of Canada	\$ 108	\$ 16,459	\$ 646	\$ 17,213	\$ 11,838
Government of Saskatchewan (Note 22)	13,323	3,110	436	16,869	20,886
Other	-	3,581	61	3,642	3,344
Contributions, gifts, donations and bequests	7,860	1,805	6,493	16,158	10,390
Sales of services and products	954	693	46	1,693	1,273
Investment income and unrealized gain (Note 17)	2,695	-	5,168	7,863	12,568
Miscellaneous income	-	47	150	197	193
	24,940	25,695	13,000	63,635	60,492
<b>Expenses</b>					
Salaries	57	5,074	394	5,525	4,524
Employee benefits (Note 18)	12	511	28	551	443
Operational supplies and expenses	246	4,706	443	5,395	3,598
Travel	17	1,684	17	1,718	1,502
Cost of goods sold	-	491	-	491	467
Equipment, rental, maintenance & renovations	3,875	582	1,091	5,548	3,693
Utilities	10	25	-	35	61
Amortization of capital assets	17,907	-	-	17,907	17,421
Loss from disposal or impairment of capital assets	3,258	-	-	3,258	58
Scholarships, bursaries, prizes, grants	-	4,435	7,555	11,990	14,180
Interest and unrealized loss (Note 19)	5,449	-	-	5,449	1,766
Bad debt expense	-	9	-	9	-
	30,831	17,517	9,528	57,876	47,713
(Deficiency) excess of revenues over expenses	(5,891)	8,178	3,472	5,759	12,779
Interfund transfers (Note 21)	20,412	(3,526)	11	16,897	17,348
Net increase in fund balances for year	14,521	4,652	3,483	22,656	30,127
Fund balances, beginning of year	222,721	31,396	34,870	288,987	258,860
Fund balances, end of year	\$ 237,242	\$ 36,048	\$ 38,353	\$ 311,643	\$ 288,987

The accompanying notes are an integral part of these financial statements.

## Notes to the Financial Statements

### Description of Organization

The University of Regina (University) became an autonomous institution on July 1, 1974 by an Act of the Saskatchewan Legislature. Its authority is *The University of Regina Act*, Chapter U-5, of the Province of Saskatchewan. The University is a registered charitable organization under the *Income Tax Act*.

The purpose of the University is the preservation, transmission, interpretation and enhancement of the cultural, scientific and artistic heritage of the human race, and the acquisition and expansion of new knowledge and understanding.

### 1. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants Canada Handbook – Accounting Standards for Not-for-Profit Organizations. The University's significant accounting policies are as follows:

#### Fund accounting

The University recognizes contributions in accordance with the restricted fund method. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The Statement of Operations and Changes in Fund Balances shows the total revenues and expenses of the University, after elimination of interfund transactions with ancillaries and internal cost recoveries. The University has classified accounts with similar characteristics into major funds as follows:

#### The General Fund

The General Fund accounts for the University's program delivery, service and administrative activities. This fund reports unrestricted resources. The General Fund is further classified as Operating, Vacation Pay and Pension Accrual, Ancillary, and Special Projects.

- General – Operating Fund contains the academic, administrative and operational costs that are funded by tuition and related fees, government grants, investment and miscellaneous income, and sales of goods and services to external parties. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.
- General – Vacation Pay and Pension Accrual Fund records the amount of unpaid vacation pay for academic and non-academic staff. It also records the accrued pension benefit asset or liability and the pension expense, other than the amount of the pension expense equal to employer contributions, which is recorded in the fund from which it is paid.
- General – Ancillary Fund is composed of Ancillary Enterprises that provide goods and services to the University community. They are composed of the Bookstore, Residence Services, Printing Services, Parking Services, Food Services, automated teller machines and confectionery store.

Ancillary Enterprises operate on a fee-for-service basis and must be self-funding. Charges to other University funds are eliminated for financial statement purposes by removing them from Ancillary revenues and expenses.

- General – Special Projects Fund consists of a number of individual funds used to track operating projects' costs and recoveries. These projects involve consulting, training, and other time-limited projects. It also holds other money temporarily internally restricted by the University, such as faculty and department carryforwards.

#### The Restricted Fund

The Restricted fund reports only restricted resources that are to be used for specific purposes. The Restricted Fund is further classified as Capital Asset, Research, and Trust.

- Restricted – Capital Asset Fund holds all capital assets along with the long-term debt on those assets. It records restricted grant revenue and holds investments of excess money not yet spent on capital projects, capital upgrades, repairs or maintenance
- Restricted – Research Fund consists of grant and contract income and expenses specifically identified for research or related activities as restricted by granting agencies, research institutes and other public and private organizations, and any amounts internally restricted for research spending.
- Restricted – Trust Fund consists of externally restricted resources that may be used in their entirety within the restrictions established by the provider of the funds. The bulk of these funds are restricted for the provision of scholarships or annual lectures. The Fund also includes amounts internally restricted to be used for future parking facilities.

#### The Endowment Fund

The Endowment Fund reports resources contributed for endowment. Restrictions placed on the money by the original provider preclude the original donation from being spent.

#### Revenue recognition

##### a) Student fees

Student fees are recognized as revenue in the year the related classes are held.

##### b) Grants

Operating grants from the provincial government are unrestricted in purpose, and their use corresponds with the government's April to March fiscal year. The University records this revenue in the General Fund proportionately over its fiscal year, as long as amounts can be reasonably estimated and ultimate collection reasonably assured. If amounts received relate to periods after the fiscal year-end, it is considered a restricted contribution recorded in an unrestricted fund, and is therefore recorded as a deferred contribution.

Restricted grants are recorded as revenue in the appropriate restricted fund when received or receivable, as long as amounts can be reasonably estimated and ultimate collection reasonably assured.

## c) Contracts

Revenue from contracts is recorded as the service or contract activity is performed. Contract payments received prior to the service or activity being performed are recorded as revenue in an applicable restricted fund, or as deferred revenue in the General Fund if no applicable restricted fund exists. Although rare, where money is received in advance and where the terms of a restricted contract indicates unspent funds must be returned, any return of this money is netted against contract revenue in the applicable restricted fund.

## d) Gifts, donations, bequests and pledges

Gifts and donations are recorded as revenue in the appropriate fund in the fiscal period in which they are received; however, restricted contributions that do not correspond to any restricted fund are recognized as revenue in the same period(s) as the related expenses. Gifts-in-Kind, including works of art, equipment, investments and library holdings, are recorded at fair market value on the date of their donation.

Pledges and bequests are recorded as contributions in the period when pledged or bequeathed if the amounts to be received can be reasonably estimated and if ultimate collection is reasonably assured. The University has \$4,500 (2018 - \$0) of pledges receivable. Pledges and bequests of \$10,079 (2018 - \$9,017) are not included in the financial statements because their ultimate collection cannot be reasonably assured.

The value of donated services is not recognized in these statements.

## e) Sales of services and products

External sales of services and products are recorded as revenue at the point of sale or provision of services.

## f) Investment income and unrealized gains

Investment income and unrealized gains comprises interest from cash and receivables, interest from fixed income investments, reinvested distributions from index pooled funds, realized gains and losses on the sale of investments, unrealized appreciation and depreciation in the fair value of index pooled funds, and unrealized gains from risk management liability. Revenue is recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments on a time proportion basis.

## g) Miscellaneous income

Miscellaneous income comprises items such as library fines, late payment fees, certain application fees, and other revenue belonging to no other category, and is recorded in the period received or receivable.

**Tangible and intangible capital assets**

Purchased capital assets are recorded at cost, which includes any directly attributable costs of preparing the asset for its intended use. Donated assets are reported at fair market value when received by the University. Capitalized assets are amortized on a straight-line basis over their estimated useful lives as follows:



<b>Asset Type</b>	<b>Useful Life</b>
Buildings - temporary	20 years
Buildings - permanent	40 years
Building upgrades	5 to 30 years
Site improvements	10 to 40 years
Furnishings and equipment	3 to 30 years
Library resources	10 years
Leasehold improvements	life of lease
Intangible Assets (software)	3 to 8 years

Amortization of Ancillary-owned capital assets is recorded in the General - Ancillary Fund. All other amortization is recorded in the Restricted - Capital Asset Fund.

When a tangible or intangible capital asset no longer has any long-term service potential to the University, the excess of its net carrying amount over any residual value would be recognized as an expense. Such a write-down would not be reversed if the service potential subsequently improved.

The University has not recorded any intangible assets related to patents, research and development licenses, or internally developed software and websites. The University is unable to measure or determine with any certainty an amount of future economic benefit that might flow to the University from these items, and is unable to reliably measure the cost of creating or obtaining such items.

### **Collections**

Collections are not capitalized or amortized. All additions to collections are expensed in the year purchased or donated.

### **Inventories**

Inventories are valued at the lower of cost and net realizable value which is principally determined by the first in, first out method. The University estimates the inventory cost of one area which produces and sells its own inventory.

### **Employee future benefits**

- a) The University uses the immediate recognition approach to account for its defined benefit plans. Under this approach, the University determines the accrued pension benefit asset or accrual for employee future benefits based on April 30 extrapolations of December 31 actuarial valuation reports prepared for funding purposes.
- b) The accrued benefit obligations for pensions and other employee future benefits are actuarially determined using the projected benefit method prorated on services and management's best estimates of expected long-term rate of return on plan assets, retirement age, mortality, discount rates to reflect the time value of money, future salary and benefit levels, inflation and other actuarial assumptions.

- c) For the purposes of calculating the return on plan assets, the market value of assets at April 30 is extrapolated from the December 31 market value based on the long-term rate of return on assets as at April 30.
- d) Past service costs arising from pension plan amendments are included in employee future benefit remeasurements and are recognized as a change in fund balance in the year the amendment is made.
- e) Actuarial gains and losses are included in employee future benefit remeasurements and are recognized as a change in fund balance in the year such gains or losses are determined. Such gains and losses can arise in a given year from (a) the difference between the actual return on plan assets in that year and the expected return on plan assets for that year, (b) the difference between the actual accrued benefit obligations at the end of the year and the expected accrued benefit obligations at the end of the year and (c) changes in actuarial assumptions.
- f) The cost of the defined contribution plans is expensed as earned by the employees.
- g) The University accounts for the cost of all employee future benefits, severance payouts, early retirement top-ups, dental premiums, disability insurance, retirement bonuses and other compensated absences on an accrual basis.

### **Financial instruments**

#### a) Measurement of financial instruments

The University initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Financial assets subsequently measured at amortized cost include cash, accounts receivable, long-term loan receivable and fixed income investments.

Financial assets subsequently measured at fair value include interest rate and commodity swap derivatives in a gain position, and shares quoted in an active market. Also, indexed pooled funds and partnership units have been designated by the University to be subsequently measured at fair value.

Financial liabilities subsequently measured at amortized cost include bank overdrafts, accounts payable, accrued liabilities, mortgages, long-term debentures, and an indemnity deposit payable.

Financial liabilities subsequently measured at fair value include interest rate and commodity swap derivatives in a loss position. The University has also designated its banker's acceptance debt to be subsequently measured at fair value.

The fair values of investments in index pooled funds and partnership units are determined by reference to reporting provided by the fund managers. Changes in fair value are recognized in the statements of operations and changes in fund balances in the period incurred.

The fair values of derivative instruments are measured using quotes from the derivatives dealer.

b) Impairment

Financial assets subsequently measured at cost or amortized cost are assessed for impairment at each reporting period. When significant adverse changes are determined to exist, being changes in the expected timing or amount of future cash flows, an impairment is recorded as a reduction, either directly or through an allowance account, to the carrying amount of the asset. Previously recognized impairments are reversed to the extent of improvements in value. The amount of impairment or impairment reversal is recognized in the statements of operations and changes in fund balances in the period incurred.

c) Transaction costs

Transaction costs and investment management fees related to financial instruments subsequently measured at fair value are immediately recognized in net income. Transaction costs directly attributable to the acquisition and disposal of financial instruments subsequently measured at amortized cost are capitalized and are included in the acquisition costs or reduce the acquired debt.

**Management estimates and measurement uncertainty**

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Items involving management estimates include the following:

- a) Asset retirement obligation (ARO) uses estimates of future costs, inflation and discount rates. Different estimates would affect the value of the ARO, the amount of capitalized assets, annual accretion expense and asset amortization expense related to the capitalized future site restoration costs. Management does not believe that changes in assumptions used would materially affect the amount of ARO or assets related to the ARO;
- b) Approximately one quarter of the reported inventory is produced by the University. The amount recorded in the financial statements for this inventory is considered an estimate due to the difficulty in measuring the exact cost of production and in determining a net realizable value for many of the items.
- c) Accrued pension benefit asset and Accrual for employee future benefits involve estimates of salary escalation, inflation, discount rates, investment rates of return, and mortality rates. Different estimates could materially affect these assets and obligations, and benefits expense for the year;
- d) Allowance for doubtful accounts is estimated as amounts owing for longer than 365 days plus or minus specific vendors as assessed by management. Different estimates would affect the amount of Accounts receivable and Bad debt expense for the year. Management does not believe that changes in assumptions used would have a material effect on the financial statements;

- e) An estimate for disposals or withdrawals of library holdings for superseded, poor condition, irrelevant, lost or stolen books is calculated at 0.70% of the net capitalized value of library holdings at the end of the preceding year;
- f) Useful lives of assets which affects annual amortization expense. Changes in the estimates of useful lives, especially for buildings, could materially affect the amount of amortization expense; and
- g) The residual value of impaired assets is an estimate.

## 2. Cash

At April 30, 2019, the University held cash totalling \$26,659 (2018 - \$17,610) in three bank accounts and internally held petty cash of \$64 (2018 - \$66). The University has a \$10 million revolving line of credit at the Toronto Dominion Bank. There was no balance drawn on the line of credit at either year end.

Effective June 29, 2018, the University has signed a letter of credit for \$328 with the City of Regina as the beneficiary. This letter guarantees payment to the City for work the City will need to do around the University's College Avenue Campus once a construction project is complete at that location. At April 30, 2019, the entire value of the letter of credit was still in effect.

## 3. Accounts Receivable

Accounts receivable are composed of the following:

	2019	2018
Government of Saskatchewan grants	\$ 9,650	\$ 8,588
Trade accounts receivable		
Other related parties	2,306	1,910
Students and employees	4,825	5,365
Federal government –for research grants	8,497	7,208
Various companies	2,972	5,251
Canada Revenue Agency – GST rebates and Input Tax Credits	573	1,034
Total trade accounts receivable	19,173	20,768
Loans receivable (current portion)	1	4
Pledges receivable (current portion)	500	-
Allowance for doubtful accounts	(3,501)	(3,028)
Net receivables	\$ 25,823	\$ 26,332

During the year, the University had recoveries of previous receivable write-offs totalling \$45 (2018 - \$70).

#### 4. Investments

	2019	2018
<b>Short-Term Investments</b>		
Fixed income	\$ 16,688	\$ 26,695
Pooled fixed income - domestic	33,337	32,587
	<u>\$ 50,025</u>	<u>\$ 59,282</u>
Held in:		
Operating Fund	\$ -	\$ 507
Capital Asset Fund	50,025	58,775
	<u>\$ 50,025</u>	<u>\$ 59,282</u>

	2019	2018
<b>Long-Term Investments</b>		
Fixed Income	\$ 24	\$ 230
Pooled fixed income - domestic	20,641	19,939
Pooled fixed income - foreign	3,709	3,610
Pooled equity - domestic	28,850	25,744
Pooled equity - foreign	49,222	44,693
Pooled real estate partnership units	17,278	12,780
	<u>\$ 119,724</u>	<u>\$ 106,996</u>
Held in:		
Capital Asset Fund	\$ 12,767	\$ 11,786
Trust Fund	55,043	48,191
Endowment Fund	51,914	47,019
	<u>\$ 119,724</u>	<u>\$ 106,996</u>

#### 5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2019	Net Book Value 2018
a) Tangible assets				
Land	\$ 2,861	\$ -	\$ 2,861	\$ 1
Buildings	487,714	158,091	329,623	326,984
Site Improvements	38,272	20,678	17,594	15,998
Furnishings & Equipment	89,927	72,309	17,618	16,610
Library Resources	46,942	44,601	2,341	2,777
Leasehold Improvements	2,664	1,241	1,423	1,282
	<u>\$ 668,380</u>	<u>\$ 296,920</u>	<u>\$ 371,460</u>	<u>\$ 363,652</u>
b) Intangible assets - Software	5,051	3,830	1,221	1,232
	<u>\$ 5,051</u>	<u>\$ 3,830</u>	<u>\$ 1,221</u>	<u>\$ 1,232</u>



At year-end, the above capital assets include \$9,434 (2018 - \$89,720) in building upgrades, site improvements and equipment that was in progress. These in-progress assets are capitalized, but have not started amortizing.

The original land that was transferred to the University when it became a separate legal institution is reported on the statement of financial position at a nominal value of \$1. Land donated to the University by the City of Regina in May 2018 is recorded at the fair market value of \$2,860. This University-owned land is situated within Wascana Centre, and as such, is governed by *The Provincial Capital Commission Act* of the Province of Saskatchewan with respect to the University's ability to construct, improve, landscape, acquire or dispose of land. The University may not dispose of its land without the approval of the Provincial Capital Commission.

During the year, the University capitalized \$3,010 (2018 - \$153) of contributed assets, including \$2,860 of land noted above.

During the year, the University disposed of the following amounts of assets:

- Buildings (or parts of) with an original cost of \$7,725 (2018 - \$1,413);
- Site Improvements with an original cost of \$0 (2018 - \$2,417);
- Furnishings and Equipment with an original cost of \$3,208 (2018 - \$2,105);
- Software with an original cost of \$66 (2018 - \$637);
- Library Resources with an original cost of \$329 (2018 - \$330), in accordance with the policy described in note 1.

During the year, the University recorded an impairment loss of \$1,958 related to an asset with no future service potential.

## 6. Collections

### Art collection

The MacKenzie Art Gallery manages part of the University's art collection as described in Note 22 to these financial statements. The University also owns various works of art including paintings, banners, sculptures, and drawings. Additions to and disposals of this collection are generally few. The University has accepted a large, multi-piece donation of artwork from the Jacqui Shumiatcher collection. It is being received in lots over a number of years.

During the current year, the University accepted donations of art work totaling \$1,381 (2018 - \$507), of which \$987 is part of the Shumiatcher donation (2018 - \$208).

### Other collections

The University maintains a number of other collections used mainly in its research and teaching missions. Additions are donated as well as purchased. The university rarely disposes of items from these collections.

The most significant of these collections are: rare books, official records of the University, and donated private papers held by the Library; maps, air photos, atlases, globes and documents on cartography and land use held by the Geography department; and printed music for various music ensembles and solo instruments held by the Faculty of Media, Art, and Performance.

## 7. Accounts Payable and Other Accrued Liabilities

	2019	2018
Trade payables and accrued liabilities	\$ 32,120	\$ 27,582
Indemnity deposit (Note 22)	-	507
Accrued interest payable	1,285	1,276
Vacation pay & current employee future benefits accrual	8,656	8,535
PST payable	44	71
GST payable	133	119
Payroll and withholding taxes	3,083	2,074
	<u>\$ 45,321</u>	<u>\$ 40,164</u>

## 8. Current and Long-Term Debt

The details of the bankers' acceptances and debentures are as follows. No financial liabilities were in default or in a breach of any term or covenant during the period.

	Maturity	Interest Rate at April 30, 2019	2019	2018
Bankers' Acceptances supporting buildings or infrastructure, principal outstanding, at market (all current)				
FNUniv Parking Lot	May 1, 2019	2.2325%	\$ 152	\$ 185
Residences	May 1, 2019	2.2325%	24,320	25,925
Multi-purpose	May 31, 2019	2.2325%	5,977	6,859
Residence - Kišik	May 1, 2019	2.0375%	52,964	54,581
Bankers' Acceptances supporting capital projects, principal outstanding, at market (all current)				
2003-04	n/a	n/a	-	98
2004-05	May 31, 2019	2.2325%	111	271
2005-06	May 21, 2019	2.2275%	327	478
2006-07	May 31, 2019	2.2325%	395	541
2007-08	May 31, 2019	2.2325%	540	678
2008-09	May 28, 2019	2.2250%	662	794
2009-10	May 13, 2019	2.7275%	858	981
2010-11	May 14, 2019	2.4275%	946	1,066
2011-12	May 8, 2019	2.4275%	1,038	1,154
2012-13	May 27, 2019	2.4250%	3,369	3,709

	Maturity	Interest Rate at April 30, 2019	Annual Payments	2019	2018
Debtenture, secured by building					
College West Residence (asset carried at \$34,349 (2018 - \$29,765))	Dec 31, 2024	7.250%	\$ 155	\$ 744	\$ 840
Other					
Senior Unsecured Series A Debtentures, Principal payable at maturity	Dec 12, 2057	3.349%	\$ 2,646	79,000	79,000
Unamortized bond financing fees	Dec 12, 2057	\$ 15 per year		(583)	(598)
Total outstanding debt instruments				170,820	176,562
Less: Long-Term Portion				(79,073)	(79,161)
Current Portion				\$ 91,747	\$ 97,401

The principal and interest repayments for the next five years are:

	Principal	Interest
2019/20	\$ 5,870	\$ 6,764
2020/21	6,043	6,472
2021/22	6,081	6,171
2022/23	6,210	5,867
2023/24	6,223	5,555

## 9. Risk Management Asset and Liability

The University has a risk management liability of \$13,786 (2018 - \$12,015) created partly by natural gas commodity swaps with a negative fair value of \$612 (2018 - \$885) and partly by interest rate swaps with negative fair value of \$13,174 (2018 - \$11,130).

At year-end, the University had four (2018 – six) natural gas commodity swap agreements used to manage the risk of fluctuating natural gas prices. Changes in the fair value of these commodity swap derivatives are recorded in the General Fund as Investment income and unrealized gain if positive or as Interest and unrealized loss if negative.

During 2019, there were six active agreements which were signed between April 6, 2015 and October 5, 2017. Their notional quantities range from 109,500 to 292,400 GigaJoules (GJ), to be purchased between November 2017 and October 2022 at fixed rates ranging from \$2.20/GJ to \$3.29/GJ. These six agreements changed in fair value by \$273 during the fiscal year ending April 30, 2019.

The eight agreements active during 2018 were signed between October 24, 2014 and October 5, 2017. Their notional quantities range from 109,500 to 292,400 GigaJoules (GJ), to be purchased between November 2016 and October 2022 at fixed rates ranging from \$2.20/GJ to \$3.65/GJ. These eight agreements changed in fair value by \$(659) during the fiscal year ending April 30, 2018.

The University has also entered into 13 interest rate swap agreements to manage the risk of fluctuating interest rates. Changes in the fair value of these interest rate swap derivatives are recorded in the Restricted Fund as Investment income and unrealized gain if positive or as Interest and unrealized loss if negative. On the credit risk premium renewal date for each swap agreement, the counterparty would review any changes to the credit rating for the Government of Saskatchewan and determine if this would require a change to the credit risk premium.

These interest rate swaps are as follows:

Interest Rate Swap Agreement, overlying Bankers' Acceptances	Effective Interest Rate Fixed at:	Interest rate effective until:	Current credit risk premium effective until:	2019		2018	
				Notional Amount (Note 8)	Fair Value	Notional Amount (Note 8)	Fair Value
FNUniv Parking Lot	5.780%	Apr 2023	Sep 2019	\$ 152	\$ 12	\$ 184	\$ 15
Residences	6.107%	Oct 2029	Sep 2018	24,320	5,144	25,925	5,070
Multi-purpose	5.260%	Dec 2024	Jan 2020	5,977	547	6,859	604
Kišik Res/Daycare	3.580%	Sep 2040	Jan 2029	52,964	7,106	54,581	5,136
2003-04	5.240%	Jan 2019	Jan 2019	-	-	98	1
2004-05	4.900%	Dec 2019	Jan 2020	111	1	271	6
2005-06	5.130%	Apr 2021	Apr 2020	327	10	478	20
2006-07	4.600%	Oct 2021	May 2020	395	13	541	20
2007-08	4.640%	Oct 2022	May 2020	539	25	678	32
2008-09	4.540%	Sep 2023	Sep 2019	662	36	794	42
2009-10	4.526%	Mar 2025	Feb 2020	858	49	981	47
2010-11	4.080%	Jan 2026	Jan 2020	946	57	1,066	50
2011-12	2.940%	Feb 2027	Jan 2020	1,038	24	1,154	2
2012-13	3.430%	Sep 2027	Sep 2019	3,369	150	3,709	85
				<u>\$ 91,658</u>	<u>\$ 13,174</u>	<u>\$ 97,319</u>	<u>\$ 11,130</u>

## 10. Due to/from Other Funds

Purpose and Funds Involved	Interest Rate	Annual Repayment Terms	2019	2018
Restricted - Trust holds the assets to pay the pensions under the Supplementary Executive Retirement Plan recorded in General - Vacation and Pension Accrual	n/a	As pensions are paid, this amount will be reduced	\$ 4,061	\$ 3,679
Restricted - Trust is holding and investing Restricted - Capital Asset fund money	1.83%	none	\$ 13,650	\$ 10,000

## 11. Employee Future Benefits

The University is responsible for the administration of two pension plans, an executive retirement plan, and a retiring allowance plan. It also provides other employee future benefits, as determined by employment agreements.

**The Pension Plan for the Academic and Administrative Employees of the University of Regina** (Academic & Admin Plan) is a defined benefit (DB) best earning average pension plan, combined with a defined contribution (DC) component. The DB component was closed to new members effective January 1, 2000. Actuarial valuations are completed at least every 3 years as prescribed by statute. The most recent actuarial valuation for funding purposes was completed with the effective date of December 31, 2016. There were no significant changes in the contractual elements of the plans during the year.

**The University of Regina Non-Academic Pension Plan** (Non-Academic Plan) is a DB final average pension plan. Actuarial valuations are completed at least every 3 years as prescribed by statute. The most recent actuarial valuation for funding purposes was completed with the effective date of December 31, 2017. There were no significant changes in the contractual elements of the plans during the year.

The University funds the above pension plans based on the amounts recommended by the actuary with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. There is no provision that allows for the withdrawal of surplus by the University.

**The University of Regina Supplementary Executive Retirement Plan** (SERP) was originally created as a DB best earning average retirement plan, combined with a DC component. Effective January 1, 2008, the DB component was closed to new members. New members are automatically enrolled in the DC component. The DB component currently has no active members and only 2 pensioners. Out-of-scope members whose earnings are in excess of the maximum contributory earnings as defined under the Pension Plan for Academic and Administrative Employees of the University of Regina are eligible to participate in the SERP. The University is responsible for making benefit payments under the terms of the SERP as they become due and is not required to fund the obligation in advance. Included in the non-pension employee future benefit obligation below is a liability of \$4,061 (2018 - \$3,679) relating to the unfunded SERP. The University has set aside cash in the Restricted - Trust Fund equal to the actuary's calculation of the SERP obligation (see Note 10). This cash is still available to the University's creditors, and therefore is not used to compute the accrual for employee future benefits.

**The University's Retiring Allowance Plan** includes members of the Faculty bargaining unit, the Administrative, Professional and Technical (APT) bargaining unit and out-of-scope employees. A tenured academic staff member eligible for early retirement with at least fifteen years of service who retires and does not receive any other special arrangement is eligible for a lump-sum retiring allowance based on the number of years of continuous service, to a maximum of fifty percent of the member's actual salary. An APT member with at least ten years of continuous service who retires and does not receive any other special arrangement is granted a bonus based on number of years of continuous service. Out-of-scope employees with a minimum of fifteen years of continuous service who retire prior to age 65 are entitled to a lump-sum benefit based on the number of years of continuous service, to a maximum of fifty percent of salary at retirement.

Other non-pension employee future benefits include severance payments if any, retirement cost liabilities such as group insurance and dental benefits promised under prior early retirement packages, voluntary incentive plan for retirement, maternity, paternity or parental leave benefits, as well as short-term and long-term disability benefits to be paid after April 30. The status of all Employee Future Benefits is as follows:

	2019		2018	
	Academic & Admin	Non- Academic	Academic & Admin	Non- Academic
<b>Pension Plans:</b>				
<b>Change in plan assets:</b>				
Fair value of plan assets, beginning of year	\$ 260,805	\$ 97,829	\$ 246,846	\$ 90,705
Employer contributions	885	2,203	979	2,263
Employee contributions	885	2,019	979	2,051
Benefit payments	(14,213)	(5,590)	(12,212)	(5,730)
Actual return on plan assets	(6,115)	(1,280)	24,213	8,540
Fair value of plan assets, end of year	\$ 242,247	\$ 95,181	\$ 260,805	\$ 97,829
<b>Change in benefit obligation:</b>				
Benefit obligation, beginning of year	\$ (217,331)	\$ (98,201)	\$ (216,634)	\$ (95,453)
Current service cost	(1,935)	(1,411)	(2,066)	(1,253)
Employee contributions	(885)	(2,019)	(979)	(2,051)
Interest on benefit obligations	(12,593)	(5,633)	(12,617)	(5,465)
Benefit payments	14,213	5,590	12,212	5,730
Experience gain (loss)	8,258	3,658	2,753	291
Benefit obligation, end of year	\$ (210,273)	\$ (98,016)	\$ (217,331)	\$ (98,201)
<b>Funded status:</b>				
Plan net assets (net benefit obligation)	\$ 31,974	\$ (2,835)	\$ 43,474	\$ (372)
Valuation Allowance	(25,745)	-	(36,137)	-
Accrued benefit asset (liability)	\$ 6,229	\$ (2,835)	\$ 7,337	\$ (372)
<b>Pension expense:</b>				
Current service cost	\$ 1,935	\$ 1,411	\$ 2,066	\$ 1,253
Interest on benefit obligations	12,593	5,633	12,617	5,465
Less: Expected return on plan assets	(15,148)	(5,634)	(14,382)	(5,220)
Defined benefit pension expense	\$ (620)	\$ 1,410	\$ 301	\$ 1,498
Defined contribution pension expense	\$ 6,853	\$ -	\$ 6,806	\$ -
<b>Remeasurements and other items:</b>				
Experience (gain) loss	\$ (8,258)	\$ (3,658)	\$ (2,753)	\$ (291)
Expected return on plan assets	15,148	5,634	14,382	5,220
Less: Actual return on plan assets	6,115	1,280	(24,213)	(8,540)
Change in Valuation Allowance	(10,392)	-	14,542	-
Recorded directly in fund balance	\$ 2,613	\$ 3,256	\$ 1,958	\$ (3,611)

**Non-Pension Employee Future Benefits:**

	2019	2018
<b>Change in benefit obligations:</b>		
Benefit obligation, beginning of year	\$ (22,174)	\$ (20,472)
Current service cost	(4,217)	(3,469)
Interest on benefit obligations	(770)	(739)
Benefit payments	3,289	2,190
Remeasurements and other items - Experience gain	273	316
<b>Benefit obligation, end of year</b>	<b>\$ (23,599)</b>	<b>\$ (22,174)</b>

**Recorded in Statement of Financial Position:**

Included in Accounts payable and other accrued liabilities	\$ (768)	\$ (713)
Accrual for employee future benefits	(22,831)	(21,461)
<b>Total obligation</b>	<b>\$ (23,599)</b>	<b>\$ (22,174)</b>

**Non-pension employee future benefit expense:**

Current service cost	\$ 4,217	\$ 3,469
Interest on benefit obligations	770	739
<b>Total non-pension employee future benefit expense</b>	<b>\$ 4,987</b>	<b>\$ 4,208</b>

<b>Remeasurements and Other items recorded directly in fund balance</b>	<b>\$ (273)</b>	<b>\$ (316)</b>
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Assumptions as at April 30:	2019		2018	
	Pension	Non-Pension	Pension	Non-Pension
Discount rate	6.20% to 6.30%	3.10% to 3.20%	5.80% to 5.95%	3.30% to 3.40%
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increase SERP	-	2.75%	-	2.75%
Salary increase (inflation and productivity)				
Non-Pension	-	2.75%	-	2.75%
Non-Academic Plan	1.50% in 2018 1.50% in 2019 2.75% in 2020 3.00% in 2021 then 2.75%	-	2.75%	-
Academic & Admin Plan	2.75%	2.75%	2.75%	2.75%
Salary increase (merit and promotion)				
Non-Academic Plan	0.50%	-	0.50%	-
Academic & Admin Plan and Retiring Allowance Plan	3.00% first 10 years grading down to 0.75% after 20 years	3.00% first 10 years grading down to 0.75% after 20 years	3.00% first 10 years grading down to 0.75% after 20 years	3.00% first 10 years grading down to 0.75% after 20 years

## 12. Asset Retirement Obligation

The University owns and manages several underground fuel storage tanks, which are included in the site improvements category of capital assets. Based on legislation in effect, the University will be required to undertake certain removal and site restoration activities when these tanks are retired. During the year, \$0 (2018 - \$0) of the recorded asset retirement obligation was drawn down to pay for tank removal and site remediation costs. The obligation is measured at management's best estimate of the costs that will be incurred for the eventual removal of the tanks and restoration of the sites. This estimate used future value methodology with inflation of 2.0%, and present value methodology with a discount rate of 3.5% over the average remaining life of the tanks, estimated at 35 years. These estimated costs were capitalized into the carrying amount of the tanks and are being amortized over the same period as the tanks. In subsequent periods, the liability will be adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. Accretion expense for the period of \$9 (2018 - \$8) is recorded in the Restricted – Capital Asset Fund.

## 13. Internally Restricted Fund Balances

Fund involved, reason for internal restriction:

	2019	2018
Restricted – Capital Asset: Certain capital projects are funded internally by various faculties, departments or centrally, and some fund balances are created by income on invested cash not yet spent on capital projects.	\$ 7,264	\$ 10,012
Restricted – Research: Certain research is sponsored by various faculties and departments within the University.	9,867	7,933
Restricted – Trust: Amounts transferred from General – Ancillary Fund to be used for future parking facilities.	1,401	863
Restricted – Trust: Money held in Trust for future market value fluctuations.	1,986	1,207
Restricted – Trust: Money held in Trust to repay bond debt in 2057.	4,068	-
General - Special Projects: Faculty and department carryforwards, other specific reserves, and money to be used for specific projects.	26,053	29,779
	<u>\$ 50,639</u>	<u>\$ 49,794</u>



## 14. Financial Instruments

The financial instruments of the University and the nature of the risks to which they may be subject are as follows:

Financial Instruments	Risks				
	Credit	Liquidity	Currency	Interest rate	Other price
Cash	x		x	x	
Accounts receivable	x		x		
Investments - fixed income	x			x	
Investments - pooled fixed income - domestic	x			x	
Investments - pooled fixed income - foreign	x		x	x	
Investments - pooled equity - domestic	x				x
Investments - pooled equity - foreign	x		x		x
Investments - pooled real estate partnership units	x				x
Long-term receivables	x				
Accounts payable and accrued liabilities		x	x		
Long-term debt		x		x	
Risk management commodity swap derivatives	x	x			x
Interest rate swap derivatives, variable to fixed	x	x			x

The following analysis provides information about the University's risk exposures and concentrations.

### Credit risk

Credit risk is the risk that a party owing money to the University will fail to discharge that responsibility.

The carrying amount of financial assets on the Statement of Financial Position represents the University's maximum credit risk exposure.

The University limits its credit exposure related to the swaps by dealing with counter-parties believed to have a good credit standing. The notional amounts of the swaps are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding swap contracts in a favourable position.

The credit risk from receivables from students and employees is minimal as the University has various methods of recourse for collection such as withholding transcripts, certificates or degrees and payroll deduction. The receivable balance from international students is not concentrated in any one particular geographical location.

The credit risk from research receivables from the federal government is minimal. As long as employees carry out the required research and reporting, the University continues to receive the grants as awarded by the federal government.

With respect to the credit risk related to investments, the University's investment policy requires that short-term operational funds not needed for immediate use may only be invested in fixed income based investments with little or no possibility of capital loss. This policy also requires the University to invest all long-term funds in accordance with the Statement of Investment Policies & Goals for the Endowment and Trust Fund (SIP&G), approved by the Board of Governors. Taking into consideration the investment and risk philosophy of the University, the SIP&G sets benchmark asset mixes along with maximum quantity restrictions around single equity or bond holdings. The SIP&G details specific investment funds whose quality mixes allow them to be appropriate investment vehicles for the University. The SIP&G also lays out minimum quality requirements for bonds and debentures as being 'B' or equivalent, and short-term investments at 'R-1', as rated by a recognized bond rating agency at the time of purchase. Oversight of the Trust and Endowment investments to ensure compliance with the SIP&G is provided by the Trust & Endowment Committee (TEC), which is a subcommittee of the Board of Governors' Finance & Facilities Committee.

**Liquidity risk**

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The University's objective when managing its liquid resources is to maintain sufficient resources to allow it to satisfy its financial obligations, be those operating, capital asset additions, research and special project spending, or debt repayment, and to maintain a solid capital base from which scholarships and bursaries can be paid.

In December 2017, the University obtained a \$79 million bond debenture repayable in December 2057. The University is annually setting aside cash in its Trust Fund so that adequate cash will be available in 2057 to make the full payment. See also Note 13.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk, which are described in more detail below.

**Currency risk**

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the University is the Canadian dollar. The University infrequently transacts in U.S. dollars due to certain revenues and operating costs being denominated in U.S. dollars, as well as sourcing certain purchases and capital asset acquisitions internationally. The University also invests a portion of its investment portfolio in index pooled funds which invest in foreign equities.

The University mitigates its currency risk by maintaining short time periods between committing to and executing a foreign transaction.

**Interest rate risk**

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in interest rates.

The University mitigates its interest rate risk on its floating-rate debt obligations by entering into fixed interest rate swap agreements. An interest rate swap is a derivative financial contractual agreement between two counter-parties who generally exchange fixed and floating rate interest cash flows based on a notional amount derived from the value of underlying assets or liabilities. The University has entered into interest rate swap agreements with the Canadian Imperial Bank of Commerce and the Bank of Montreal in order to manage the interest rate exposure associated with certain debt obligations. The contracts have the effect of exchanging the floating interest rate cash flows from the underlying short-term debt instruments with fixed interest rate cash flows based on a notional amount. See Note 9.

### **Other price risk**

Other price risk is the risk that the fair value of a financial instrument or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

As described previously in the credit risk section, investments are placed in accordance with the Board-approved investment policy which provides guidelines to the University's investment managers regarding the quality and quantity of investments in the asset mix of the portfolio. This helps reduce the impact of market value fluctuations.

The interest rate swap agreements bring other price risk because their market values fluctuate due to changes in market interest rates, even while the dollar amount of interest actually paid remains fixed.

The University has entered into a number of natural gas commodity swap agreements with the Canadian Imperial Bank of Commerce and Bank of Montreal in order to manage the risk of fluctuating natural gas prices. These swaps effectively fix the price of natural gas for an agreed-upon volume at agreed-upon rates over an agreed-upon time period. See Note 9. However, this exposes the University to other price risk, as the value of the derivative is based on the value of the commodity in the market. If the commodity price is lower than the swap-fixed price, the University is in a loss position. If the commodity price is higher than the swap-fixed price, the University would be in a gain position.

### **Changes in risk**

There have been no changes in the University's risk exposures from the prior year.

## **15. Capital Disclosures**

The University manages its operating capital through an operating budget which is approved by the Board of Governors. This budget is allocated to academic and support units on an annual basis to allow each area to meet its strategic priorities and those of the University. Each area must administer its budget responsibly and ensure there is accountability for the resources that are transferred to it. Budget overspending in one year becomes a first charge against a unit's budget for the following year to ensure the capital is recovered. Regular reporting to the Board on revenue projects also takes place.

Restricted and special purpose funds are monitored to ensure spending is in accordance with the various terms and not spent beyond the resources that have been provided. Individual funds are established and

carefully monitored for proper spending. In the event of an over expenditure or ineligible expenditure, the responsible department funds the costs from other resources. In the case of the Restricted - Capital Asset Fund, with the approval of the Province of Saskatchewan, the University is permitted to enter into long-term debt agreements to assist with the financing of capital assets. The interest and principal repayments on debt for the next five years is disclosed in Note 8.

In order to maintain a solid capital base from which scholarships and bursaries can be paid, the University's Trust and Endowment Committee oversees the investment performance and the spending formula. The committee regularly reviews a Statement of Investment Policies and Goals, and recommends changes in investment policies and spending formula as they see fit. See additional discussion in Note 14.

## 16. Operating Leases

During the year, the University leased out one building, the Daycare Building. The following table discloses information about this property.

	2019	2018
Capital cost	\$ 2,178	\$ 2,178
Accumulated amortization	513	418
Amortization expense	95	87
Income from Operating Leases	90	90

During the year, the University also leased out 26,951 square feet of space (2018 – 26,951) and recorded \$723 in lease revenue from these leases (2018 – \$716).

During the year, the University entered into a long-term 90 year land-lease agreement with Conexus. The University received \$3,250 from Conexus upfront during 2019 as payment in full for the life of the lease. The University has recorded \$36 lease revenue in the current year, and will record \$36 lease revenue each year for the next 89 years. The remainder of the upfront payment is being recorded as deferred revenue. The capital cost of the leased land is \$1,903.

The University has implemented a print optimization program whereby it leases its fleet of multi-function print/scan/fax devices (MFD's). The master lease agreement is for a 5-year period beginning June 1, 2015. The expiry or earlier termination of this Master Agreement shall not affect any Lease Agreement then in effect, which shall continue in full force and effect in accordance with its terms. The Lease Agreement (Schedule of Goods) commences on the Acceptance Date. The number of leased devices increases as each department is converted to the new program. The University also contracts with a separate company to manage the program and the devices. That contract is in effect from June 1, 2015 until May 31, 2020, unless otherwise terminated. With respect to this contract, the University has no fixed fee payable to the management company, who is instead paid based on machine usage.

The University also leases space from several Government of Saskatchewan related parties. These lease payments are included in the payment disclosure in Note 22 to these financial statements.

The following table discloses the committed lease payments for the next 5 years, and, for the number of MFD devices on hand at April 30, the future minimum annual commitments for device rental for the next 5 years:

	Space Rental	MFD Rental
2019/20	\$ 1,206	\$ 249
2020/21	908	155
2021/22	708	57
2022/23	140	20
2023/24	-	6

### 17. Investment Income and Unrealized Gain (Loss)

	General	Restricted	Endowment	Total 2019	Total 2018
Interest income from loans and receivables	\$ 49	\$ -	\$ -	\$ 49	\$ 45
Interest/dividend income from financial instruments	528	3,741	879	5,148	5,108
Realized gain on sale of financial instruments	-	-	-	-	935
Unrealized foreign exchange gain (loss) on financial instruments	-	396	384	780	(833)
Change in fair value of financial instruments due to other than exchange rates	351	3,726	862	4,939	8,984
Total	\$ 928	\$ 7,863	\$ 2,125	\$ 10,916	\$ 14,239

### 18. Employee Benefits

	2019	2018
Pension Expense – Defined Benefit (Note 11)	\$ 790	\$ 1,799
Pension Expense – Defined Contribution (Note 11)	6,853	6,806
Non-Pension Employee Future Benefits (Note 11)	4,987	4,208
All other employee benefits	12,403	11,504
	\$ 25,033	\$ 24,317

### 19. Interest and Unrealized Loss

	General	Restricted	Endowment	Total 2019	Total 2018
Interest expense from financial liabilities	\$ 3,675	\$ 3,292	\$ -	\$ 6,967	\$ 5,536
Amortization of bond financing costs	-	15	-	15	6
Decrease in fair value of risk management swap contracts (see Note 9)	78	2,142	-	2,220	765
Total	\$ 3,753	\$ 5,449	\$ -	\$ 9,202	\$ 6,307

## 20. Expenses by Function

The University charges certain benefits in the General – Operating fund and General – Vacation Pay and Pension Accrual fund to a central account in the Administration and General grouping of accounts. For this note, these amounts are allocated to the other operating functions based on the amount of salaries in each function.

The breakdown of expenses by function is as follows:

	2019	2018
Credit Instruction	\$ 110,417	\$ 106,936
Non-Credit Instruction	6,703	6,592
Library	8,568	8,184
External Relations	5,100	4,634
Computing	9,085	8,761
Administration and General	30,323	29,592
Facilities	25,876	26,464
Student Services	16,096	15,962
Ancillary	14,964	14,507
Special Projects	7,631	7,058
Capital	30,831	22,805
Research	17,517	13,253
Trust & Endowment	9,528	11,655
Total Expenses	<u>\$ 292,639</u>	<u>\$ 276,403</u>

## 21. Interfund Transfers

Each year, the University transfers amounts between its funds for various purposes. These include funding capital asset purchases, and reassigning fund balances to support certain activities.

	General		Restricted		Endowment	
	2019	2018	2019	2018	2019	2018
Asset purchases recorded in Restricted						
– Capital Asset Fund	\$ (3,505)	\$ (3,473)	\$ 3,505	\$ 3,473	\$ -	\$ -
Support for capital projects	(9,582)	(12,743)	9,582	12,743	-	-
Project management fees	377	374	(377)	(374)	-	-
Support for Operating projects	220	308	(220)	(308)	-	-
Ancillary revenue to parking trust (net)	(450)	(450)	450	450	-	-
Administrative support from research	3,698	3,642	(3,698)	(3,642)	-	-
Support for special projects	178	246	(178)	(201)	-	(45)
Support for Research	(2,369)	(1,735)	2,369	1,735	-	-

**Notes to the Financial Statements**

For the Year Ended April 30, 2019

(in thousands of dollars)

	General		Restricted		Endowment	
	2019	2018	2019	2018	2019	2018
Residence debt payments from Ancillary	(3,200)	(3,247)	3,200	3,247	-	-
Support for Residence	-	180	-	(180)	-	-
Trust Funds transferred to Endowment	-	-	(2,199)	(165)	2,199	165
Interest on various fund balances	203	419	(203)	(419)	-	-
Other miscellaneous transfers	7	(37)	(7)	166	-	(129)
Support for Graduate Scholarships	(456)	(453)	423	328	33	125
Support for Undergraduate Scholarships	(787)	(278)	750	495	37	(217)
Funding for Bond Repayments	(3,500)	-	3,500	-	-	-
	<u>\$ (19,166)</u>	<u>\$ (17,247)</u>	<u>\$ 16,897</u>	<u>\$ 17,348</u>	<u>\$ 2,269</u>	<u>\$ (101)</u>

**22. Related Party Transactions**

The University of Regina has a number of related parties. Each related party, along with a description of the relationship and transactions and balances with those related parties, is described in this note.

**Government of Saskatchewan**

The University receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its Board of Governors members appointed by the Government of Saskatchewan. To the extent that the Government 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.

Included in Grants and contracts – Government of Saskatchewan are operating and other grants and contracts received or receivable from the Ministry of Advanced Education as indicated below (receivable - \$9,650 (2018 - \$8,588)). 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.

	2019	2018
General – Operating	\$ 111,303	\$ 109,516
General – Special Projects	33	129
General Fund total	<u>\$ 111,336</u>	<u>\$ 109,645</u>
Restricted – Capital	\$ 13,080	\$ 17,207
Restricted Fund total	<u>\$ 13,080</u>	<u>\$ 17,207</u>

The University currently leases land to the Saskatchewan Opportunities Corporation (SOCO). The lease is for 99 years at one dollar per year, expiring on June 30, 2097. The land shall be used for and devoted to research and technology development activities. Regina Research Park is situated on this land.

The University also leases 112 acres of land, known as the Wascana East Lands, from the Saskatchewan Government. The lease is for 99 years at one dollar per year, expiring on July 31, 2104. The lease agreement indicates that it is the desire and intention of the parties to transfer this land to the University at some point during the lease term, at which point the lease will terminate. This transfer shall be in consideration for the University of Regina providing to the Government of Saskatchewan, through SOCO, the partially developed and serviced lands for the use and construction of the Regina Research Park.

Routine operating transactions with Government of Saskatchewan related parties are recorded at the standard or agreed rates charged by those organizations and are settled on normal trade terms.

The larger of these payments are as follows:

	2019	2018
Saskatchewan Power Corporation	\$ 4,466	\$ 4,278
Saskatchewan Energy	47	99
Saskatchewan Telecommunications	320	409
University of Saskatchewan	184	362
Saskatchewan Workers Compensation	316	258
Saskatchewan Polytechnic	4,307	4,284
Saskatchewan Opportunities Corporation/Innovation Place	2,138	1,880
Conexus Arts Centre	133	143
Saskatchewan Ministry of Finance	76	147
Saskatchewan Research Council	10	96

At year-end, the University had accounts payable to the above organizations totaling \$547 (2018 - \$525). The University had accounts receivable from Government of Saskatchewan related parties totaling \$1,118 (2018 - \$631).

### Canadian Universities Reciprocal Insurance Exchange

The University of Regina is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums that are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses.

As of December 31, 2018, CURIE had an accumulated surplus of \$79,338 (Dec 2017 - \$81,232). The University's participation rate in CURIE for the year ending December 31, 2018 averaged 1.525% (Dec 2017 - 1.513%). The University received \$0 in distributions during the fiscal year (2018 - \$0).



**MacKenzie Art Gallery Inc.**

The Gallery is custodian of a collection of artwork that is the property of the University. The University provides funding to the Gallery, which can be reduced if the government grant to the University is reduced. The Gallery's Board contains two members appointed by the University. The University holds certain money in trust for the Gallery. Income earned on this money is, from time to time, paid to the Gallery to be used to purchase additional works of art to add to the Collection and for the cleaning and restoration of works comprised in the Collection. The University also provides other operating services to the Gallery such as audiovisual, printing, and payroll services. The Gallery reimburses the University for these services.

During the year, the University applied grant money of \$200 (2018 - \$300) against the Gallery's receivable and paid \$65 (2018 - \$35) to the Gallery. The Gallery paid the University \$118 (2018 - \$1,140) for services rendered.

At April 30, 2019, the University had an account receivable from the Gallery totaling \$38 (2018 - \$4).

Amounts payable to the Gallery were minimal at each year-end.

The Gallery had given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest totals \$0 (2018 - \$1,049). This amount is not included in the University's financial statements.

**Provincial Capital Commission (Wascana Centre Authority)**

On April 1, 1962, the Wascana Centre Authority (WCA) was constituted a body corporate under *The Wascana Centre Act*. The Government of Saskatchewan, the City of Regina and the University were named as participating parties. This Act was repealed, effective June 12, 2017, at which time *The Provincial Capital Commission Act* was proclaimed and WCA was continued as the Provincial Capital Commission (PCC).

Under *The Wascana Centre Act* and continued under *The Provincial Capital Commission Act*, the University has a statutory funding requirement.

The University paid \$961 (2018 - \$1,007) to WCA/PCC during the year. During the year, \$257 (2018 - \$257) of the grant received from the Ministry of Advanced Education was targeted to help fund the above payments.

**Federated Colleges**

Three colleges located on the main campus – Champion College, Luther College and the First Nations University of Canada (FNUniv) are federated with the University but are financially and administratively independent. Students interested in registering in a federated college must meet the general entrance requirements of the University of Regina. Courses offered by the University and the colleges are open to all students. The University's Board of Governors sets the tuition rates that must be paid by all students. Degrees are granted by the University when students have completed all requirements. The University has agreements with the three colleges that determine how student fees are shared.

The University also provides other operating services to the colleges such as telephone, audio visual, library book purchasing, printing, research grant administration and payroll services. The colleges reimburse the University for cash outflows resulting from these services.

The University had the following receipts, payments, receivables and payables:

	Operating		Fee Share		Infrastructure	
	2019	2018	2019	2018	2019	2018
Receipts from (payments to):						
Campion College	\$ 1,085	\$ 896	\$ (1,626)	\$ (1,609)	\$ 684	\$ 662
Luther College	1,760	1,818	(1,637)	(1,500)	678	656
FNUniv	105	65	(2,670)	(2,475)	-	-
	<u>\$ 2,950</u>	<u>\$ 2,779</u>	<u>\$ (5,933)</u>	<u>\$ (5,584)</u>	<u>\$ 1,362</u>	<u>\$ 1,318</u>
	Operating		Fee Share		Infrastructure	
	2019	2018	2019	2018	2019	2018
Receivable from (payable to):						
Campion College	\$ 95	\$ 192	\$ 110	\$ 72	\$ -	\$ -
Luther College	158	176	59	112	-	-
FNUniv	27	(16)	392	336	-	-
	<u>\$ 280</u>	<u>\$ 352</u>	<u>\$ 561</u>	<u>\$ 520</u>	<u>\$ -</u>	<u>\$ -</u>

The University holds a number of trust funds on behalf of FNUniv. The University also has other small agreements with the colleges. As a result of these, the University made payments or had payables to the colleges during the year as follows:

	2019	2018
Payments to Luther College	\$ 139	\$ 52
Payments to FNUniv	659	810
Payable to FNUniv	22	27
Payments to Campion College	1	1

FNUniv has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest, totals \$2,098 (2018 - \$1,956). This amount is not included in the University's financial statements. The University does not charge FNUniv for this service.

During the year, the University returned an indemnity deposit payable of \$507 to FNUniv, as the indemnity agreement, related to a 2014 Advisory Services Agreement, expired April 1, 2019.

### Petroleum Technology Research Centre

The Petroleum Technology Research Centre (PTRC) is a federally incorporated not-for-profit petroleum research and development corporation. The PTRC is a collaborative initiative of the University of Regina, Saskatchewan Research Council (SRC), Natural Resources Canada (NRCan) and the Government of Saskatchewan.

During the year, the University received \$1,245 (2018 - \$1,266) from the PTRC to repay salary and benefits of the PTRC employees, who are paid through U of R acting as a payroll service, and to fund research projects. The University also employs professors who carry out PTRC related research. These

professors will remain employees of the University of Regina. At April 30, 2019, the University had an account receivable from PTRC of \$219 (2018 - \$107).

### **University of Regina Alumni Association**

The University of Regina Alumni Association (URAA) is a provincially incorporated not-for-profit whose primary purpose is to support the alumni of the University of Regina through sale of goods, creation of events and provision of a regular alumni magazine. Although the URAA Board is elected by University alumni, the University does have involvement in URAA's Board and committee processes. The University provides mailing lists and services to URAA, and is reimbursed for those services at normal market rates as set out in a joint agreement.

URAA has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest totaled \$128 (2018 - \$119). This amount is not included in the University's financial statements. The University does not charge URAA for this service.

### **University of Regina Board of Governors**

During the year, the University paid honorariums and expenses of \$38 (2018 - \$37) to or on behalf of Board members. During the year, the University paid \$18 (2018 - \$29) to vendors who are owned or partially owned by or under the direction of University Board members. These vendors provided services at normal market rates and are not otherwise related to the University. The Board members remained free from conflict as they did not participate in the University's decision to use those vendors. At April 30, 2019, the University had accounts payable of \$0 (2018 - \$4) to these vendors.

### **TRIUMF**

Effective March 31, 2018, the University of Regina joined twelve other universities as a full member of TRIUMF, Canada's national laboratory for particle and nuclear physics, located on the University of British Columbia campus. TRIUMF is an unincorporated registered charity. The facilities and its operations are funded by federal government grants and the University has made no direct financial contribution to date. The University does not have ongoing access to TRIUMF's net assets, nor expects to receive any financial return from its membership. See also Note 23. There were no transactions between the University and TRIUMF during the year.

## **23. Commitments and Contingencies**

At April 30, 2019, the University has commitments related to six (2018 – two) capital projects. The estimated cost of contractual commitments to complete these capital projects as at April 30, 2019 is \$2,542 (2018 - \$860). The University has also entered into a number of contracts that have no value statement in them, but are "cost plus" arrangements. Although no value is stated in the contracts, the University anticipates spending \$6,139 (2018 - \$8,108) in the next fiscal year or two under these contracts.

The members of TRIUMF and the Canadian Nuclear Safety Commission (CNSC) approved a decommissioning plan that requires all members to be severally responsible for their share of unfunded decommissioning costs as well as provide financial covenants to the CNSC for the amount of these costs. While there are no current intentions of decommissioning the facilities, TRIUMF has complied with federal legislation by putting in place a decommissioning plan, including a funding plan. This plan

currently does not require any payments from the members. The timing and amount of a future requirement to provide funding is unknown at this time. Its share of the decommissioning costs is estimated to be \$3,513.

The University is currently involved in a number of instances of litigation. The results of these instances are not determinable. For all but three, any loss would be covered by insurance. For the three instances of a contractual nature, an estimate of the contingent loss cannot be reasonably made.

## 24. Upcoming changes in accounting policies

In March 2018, the Accounting Standards Board (AcSB) issued three new accounting standards in Part III (Accounting Standards for Not-for-Profit Organizations) of the Chartered Professional Accountants Canada Handbook. These changes are effective for fiscal years starting on or after January 1, 2019, which impacts the University's April 30, 2020 fiscal year.

The three new policies are similar to the current policies except in a few areas as follows:

1. Section 4433 *Tangible Capital Assets Held by Not-for-Profit Organizations* replaces Section 4431 of the same name, while Section 4434 *Intangible Assets Held by Not-for-Profit Organizations* replaces Section 4432 of the same name.
  - a. The new policies will require the University to record contributed tangible capital assets at their fair value at the date of contribution plus all costs directly attributable to their acquisition and installation. Previously there was no guidance on how to determine the cost of a contributed tangible capital asset. The University has been recording contributed tangible capital assets at their fair value, and believes changes resulting from this will be insignificant.
  - b. The new policies will require not-for-profit organizations to follow amortization guidance included in Section 3061 – *Property, Plant and Equipment* of Part II Accounting Standards for Private Enterprises. Amortization will now be based on the greater of cost less salvage value and cost less residual value, rather than just on cost less residual value. This will have minimal impact because the University's salvage value and residual value are generally both estimated to be zero.
  - c. The new amortization guidance will require the University to componentize larger assets, such as buildings, into significant separable component parts that may have differing useful lives. This will be applied prospectively. The University is still assessing the impact this might have on the amortization expense of future new buildings.
  - d. The University will need to consider partial impairments of tangible and intangible assets, not only full impairments per the current standards, and will be required to follow guidance included in Section 3063 – *Impairment of Long-Lived Assets* in Part II with respect to disclosure of impairment losses. This will be applied prospectively. The University believes changes resulting from this will be insignificant.
2. Section 4441 *Collections Held by Not-for-Profit Organizations* replaces Section 4440 of the same name.
  - a. This new section will require the university to record collections on the statement of financial position by capitalizing them either at cost or nominal value. All collections will be accounted for using the same method. In the current standards, the University did not

capitalize collections, but provided note disclosure only. The new standard requires retrospective application, and includes some transitional provisions to help simplify the adoption. The University is still assessing the impact of this change on its financial statements.

## **25. Presentation**

Certain numbers have been reclassified to conform to current year's presentation.

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## **Contact information**

For more information on the University of Regina, visit [www.uregina.ca](http://www.uregina.ca).

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of Regina