BRANDON UNIVERSITY

ANNUAL FINANCIAL REPORT

For the year ended March 31, 2020

BRANDON UNIVERSITY

Responsibility for Financial Statements

The Office of the Vice-President (Administration & Finance) of Brandon University is responsible for the preparation and presentation of the financial statements and accompanying notes. The financial statements are prepared in conformity with the accounting policies noted in the financial statements, and are reviewed and approved by the Board of Governors. The statements are examined by the Auditor General of Manitoba, whose opinion is included herein.

To fulfil its responsibility, the University maintains internal control systems to provide reasonable assurance that relevant and reliable financial information is produced.

Original signed by Kerry Auriat
Treasurer, Board of Governors

Kerry Auriat
Treasurer, Board of Governors

Original signed by Scott Lamont
Vice-President (Administration & Finance)

Scott J. B. Lamont, FCPA, FCGA, MBA
Vice-President (Administration & Finance)

September 26, 2020

Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Brandon University (the University), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations and accumulated surplus, the consolidated statement of changes in net financial assets, the consolidated statement of remeasurement gains & losses, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as at March 31, 2020, and the consolidated results of its operations, consolidated changes in its net financial assets, its consolidated statement of remeasurement gains & losses, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

Original document signed by:

Winnipeg, Manitoba
September 26, 2020

Tyson Shtykalo, CPA, CA
Auditor General

Brandon University Consolidated Financial Statements

Consolidated Statement of Financial Position
as at March 31, 2020

	2020	2019
Financial Assets (excluding portfolio investments restricted for endowments)		
Cash & cash equivalents (Note 4)	$ 2,252,814	$ 3,556,526
Accounts receivable (Note 5)	1,312,131	1,113,989
Inventories for resale (Note 6)	105,547	73,425
Other assets (Note 7)	71,609	71,484
Portfolio investments (Note 8)	3,600,659	4,481,532
	7,342,760	9,296,956
Liabilities		
Accounts payable & accrued liabilities (Note 9)	4,995,532	4,191,535
Unearned revenue	200,485	206,369
Employee future benefits (Note 10)	11,902,539	12,107,494
Deferred revenues (Note 13)	8,324,747	8,251,419
Long-term debt (Note 14)	13,854,917	14,359,022
	39,278,220	39,115,839
Net financial debt excluding portfolio investments restricted for endowments	(31,935,460)	(29,818,883)
Portfolio investments restricted for endowments (Note 8)	62,451,744	70,294,421
Net Financial Assets	30,516,284	40,475,538
Non-financial Assets		
Tangible capital assets (Notes 2(F) and 11)	56,898,543	57,815,573
Prepaid expenses	330,437	288,133
	57,228,980	58,103,706
Net Assets	**$ 87,745,264**	**$ 98,579,244**
Net assets comprised of (Note 15):		
Accumulated surplus	83,801,804	83,627,412
Accumulated remeasurement gains	3,943,460	14,951,832
	$ 87,745,264	**$ 98,579,244**

Approved by the Brandon University
Board of Governors on September 26, 2020

Original signed by Kerry Auriat, Treasurer

Treasurer

Original signed by Scott Lamont, Vice-President

Vice-President (Administration & Finance)

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

Brandon University Consolidated Financial Statements

Consolidated Statement of Operations & Accumulated Surplus
for the year ended March 31, 2020

	Budget (Note 2M)	2020	2019
Revenues			
Tuition fees & other student fees	$ 14,315,329	$ 14,269,945	$ 12,558,610
Grants			
Manitoba Economic Development & Training	40,429,414	41,116,302	41,197,879
Province of Manitoba - Other	550,120	57,571	330,450
Government of Canada	2,328,551	1,995,002	2,101,048
Sales of goods & services	5,244,594	5,878,911	6,940,306
Donations	600,000	1,059,524	824,798
Miscellaneous	1,187,570	937,150	1,406,967
Investment income other than capitalized endowment income	2,190,000	2,488,366	2,286,456
	66,845,578	67,802,771	67,646,514
Expenses (Note 16)			
Learning	33,748,480	33,767,181	29,576,849
Academic & student support	12,763,997	13,610,657	12,934,758
Facility operations & maintenance	7,488,766	8,888,562	8,762,625
Ancillary operations	4,615,497	4,564,700	4,133,276
Institutional support	6,735,529	7,556,458	6,487,571
Research	3,173,177	2,681,973	2,749,505
	68,525,446	71,069,531	64,644,584
Annual operating surplus/(loss)	**(1,679,868)**	**(3,266,760)**	**3,001,930**
Endowment contributions & transfers	750,000	1,292,868	832,002
Capitalized endowment income	550,000	2,148,284	581,305
Annual surplus	(379,868)	174,392	4,415,237
Accumulated surplus, beginning of year	**83,627,412**	**83,627,412**	**79,212,175**
Accumulated surplus, end of year	**$ 83,247,544**	**$ 83,801,804**	**$ 83,627,412**

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

Brandon University Consolidated Financial Statements

Consolidated Statement of Changes in Net Financial Assets
for the year ended March 31, 2020

	Budget (Note 2M)	2020	2019
Annual Surplus	**$ (379,868)**	**$ 174,392**	**$ 4,415,237**
Acquisition of tangible capital assets	(2,256,765)	(2,055,903)	(1,810,146)
Amortization of tangible capital assets	2,959,091	2,969,643	3,268,408
Tangible capital asset disposals (net)		3,290	4,480
Change in prepaids		(42,304)	(31,079)
Change in accumulated remeasurement gains		(11,008,372)	(22,227)
Increase in net financial assets	322,458	(9,959,254)	5,824,673
Net financial assets, beginning of year	**40,475,533**	**40,475,538**	**34,650,865**
Net financial assets, end of year	**$ 40,797,991**	**$ 30,516,284**	**$ 40,475,538**

Consolidated Statement of Remeasurement Gains & Losses
for the year ended March 31, 2020

	2020	2019
Accumulated remeasurement gains, beginning of year	$ 14,951,832	$ 14,974,055
Unrealized losses attributed to:		
Portfolio investments - restricted to endowments	(11,008,372)	(22,223)
Accumulated remeasurement gains, end of year	**$ 3,943,460**	**$ 14,951,832**

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

Brandon University Consolidated Financial Statements

Consolidated Statement of Cash Flows
for the year ended March 31, 2020

	2020	2019
Cash Provided By (Used In) Operating Activities		
Net excess/(shortfall) of revenues over expenses before interest	$ (3,769,843)	$ 2,847,418
Interest and other investment income received	4,636,650	2,286,456
Interest paid	(692,415)	(718,637)
Annual surplus	174,392	4,415,237
Items not affecting cash flow		
Change in remeasurement losses	(11,008,372)	(22,227)
Amortization of capital assets	2,969,643	3,268,408
Loss on disposal of capital assets	3,290	4,476
Net change in non-cash operating working capital		
Accounts receivable	(198,142)	(172,792)
Accounts payable and accrued liabilities	803,997	367,032
Deferred revenues	73,328	86,587
Employee future benefits	(204,955)	(3,549,757)
Other non-cash working capital	(80,435)	(35,439)
	(7,467,254)	4,361,525
Cash Used In Capital Activities		
Capital asset additions	(2,055,903)	(1,810,146)
Cash Used In Investing Activities		
Sale/(Purchase) of portfolio investments	880,873	(1,905,312)
Cash Provided By (Used In) Financing Activities		
Endowment fund contributions	7,842,677	(1,712,313)
Long-term debt repayments	(504,105)	(494,823)
	7,338,572	(2,207,136)
Decrease in cash and cash equivalents	(1,303,712)	(1,561,069)
Cash and cash equivalents, beginning of year	3,556,526	5,117,595
Cash and cash equivalents, end of year	**$ 2,252,814**	**$ 3,556,526**

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

Brandon University

Notes to the Consolidated Financial Statements
for the year ended March 31, 2020

1. Authority and Purpose

Brandon University operates under the authority of the Brandon University Act of the Province of Manitoba. Brandon University offers undergraduate programs in arts, science, education, music, and health studies; and offers graduate programs in education, music, health studies, environmental & life sciences and rural development. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies and Reporting Practices

A. General

Brandon University's consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). The significant accounting policies of the University are as follows:

B. Consolidated Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the Brandon University Foundation, an organization controlled by Brandon University. Inter-organizational transactions and balances have been eliminated on consolidation.

i) The Brandon University Foundation is a registered charity operating under the authority of the Brandon University Foundation Incorporation Act. The Foundation is dedicated to promoting the advancement of higher education at Brandon University. The fund raising and fund management activities have been consolidated under an agreement between the Brandon University Foundation, Brandon University and the Brandon University Alumni Association which defines the responsibilities of each party. The parties to the agreement recognize and agree the University has exclusive and ultimate control over the assets and the eventual disposition of all funds collected on its behalf. The financial statements of the Foundation are audited on an annual basis for the year ending December 31. The Foundation information is stated to the University's March 31 year-end for the consolidation in these statements.

C. Revenue Recognition

Government transfers without terms as to use are recognized as revenue in the period received or receivable. Unrestricted non-government contributions and grants are recorded as revenue in the year received or receivable.

Government transfers with stipulations as to use, and externally restricted contributions and grants, are recorded as deferred revenues if the terms for the use, or the terms along with the University's actions and communications as to use, create a liability. These transfers, contributions and grants are recognized as revenue in the year the stipulation or restriction on the contribution has been met.

Tuition and other student fees and sales of goods and services are recognized as revenue in the period in which the goods are provided or the services rendered, or substantially rendered, and collection is reasonably assured.

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability and is recognized as investment income when the terms of the grant or donation are met. Realized investment income of endowments is recognized in the Statement of Operations as capitalized investment income.

D. Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, cash balances with Canadian banks and highly liquid temporary money market instruments convertible to cash within three months or less.

E. Portfolio Investments

Portfolio investments include both short-term and long-term investments.

Short-term investments are recorded at amortized cost and are unspent operating, capital and restricted funds invested to generate income used to fund general operations of the University. These investments are acquired principally for the purpose of selling in the near term and are part of a portfolio of identified instruments managed together and for which there is evidence of a recent pattern of short-term profit taking. All interest income is recognized in the period in which it arises.

Long-term investments are fixed income financial instruments, with maturity dates exceeding one year that are part of a portfolio of identified investments that are managed together. They are recorded at amortized cost and are unspent operating, capital and restricted funds invested to generate income used to fund general operations of the University.

F. Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond one year and are not intended for sale in the ordinary course of business.

i) Tangible capital assets purchased by the University are recorded at cost. Donated assets are recorded at the fair market value on the date received. On the disposition of a capital asset, both the cost and any accumulated amortization are removed from the accounts. Tangible capital assets are amortized on a straight line basis over the estimated useful lives of the assets. Amortization rates are as follows:

Buildings	50 years
Furniture & equipment	10 years
Library collections	10 years
Leasehold improvements	5 years
Computer equipment	5 years
Vehicles	5 years

Assets under construction or development are not amortized until the asset is available for use.

ii) Collections of works of art, gemstones and rare books have been donated to the University. These collections are not recorded as assets in the financial statements.

G. Inventories

Inventories for resale include paper products, merchandise and food. These inventories are measured at the lower of cost and net realizable value using a valuation allowance.

H. Endowment Funds

Endowment funds consist of restricted contributions to the Foundation, subject to externally initiated stipulations. The investment income from these funds must be used in accordance with the purposes specified by the donors.

I. Employee Future Benefits

i) Pension Plan

The University contributes to the Brandon University Retirement Plan which is a trustee-administered pension plan for University employees. The pension expense is determined actuarially using the projected unit credit actuarial cost method pro-rated on service and management's best estimates of investment performance, salary escalation, retirement ages of employees and member mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of active employees (EARSL), commencing in the year following the year the respective annual actuarial gains or losses arise.

The accounts of the Brandon University Retirement Plan are not consolidated in the financial statements of the University. The financial statements of the Plan are audited on an annual basis for the year ending December 31. The University's pension liability is the net of pension obligations less Plan assets and adjusted for any unamortized actuarial gains or losses.

ii) Other Post-Employment Benefits and Compensated Absences

The University provides severance and retiring allowance benefits based on length of service and final earnings, payable on retirement. Accounting standards require the recognition of a liability and an expense for such post-employment benefits in the period in which the employee renders service in return for the benefits. The recognition date for rendered service begins on the hiring date, or the date when credited service begins, and runs until the date when full eligibility is attained. The cost of these post-employment benefits earned by employees is determined by an actuary using the projected benefit method pro-rated on service and management's best estimates for the discount rate, the rate of salary escalation and the retirement ages of employees. The discount rate used to determine the accrued benefit obligation was the same rate as used to value the University pension plan. There are no assets supporting the plan benefits. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life (EARSL), commencing in the year following the year the respective annual actuarial gains or losses arise.

The University provides for compensated absences to certain employee groups for sick leave benefits that accumulate but do not vest. The cost of this benefit is estimated using the discounted cash flows of the average of the cost of the excess sick leave taken over the annual entitlement earned, as a series of payments over the average remaining service life of employees (EARSL). The discount rate used was the same rate used to estimate the University pension liability.

Certain other employees are entitled to 180 days of sick leave that are non-vesting, non-accumulating and are event driven. The benefit expense and liability are recorded when the event occurs.

J. Use of Estimates

Preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the allowance for doubtful accounts, determination of useful lives of tangible capital assets for amortization and of the liabilities for pension, severance and retiring allowances, and other compensated absences. Where the actual results differ from the estimates, the impact will be recorded in future periods when the difference becomes known.

K. Financial Instruments

The financial instruments of the University are classified at cost, fair value, or amortized cost.

Financial Statement Component	Measurement
Cash & cash equivalents	Cost
Portfolio investments	Amortized cost or fair value
Accounts receivable	Amortized cost
Accounts payable & accrued liabilities	Amortized cost
Long-term debt	Amortized cost

The amortized cost category uses the effective interest rate method.

L. Expenses by Function

The University uses the following categories as functions in the Statement of Operations:

Learning: expenses related to academic functions, direct and indirect, for activities supporting teaching and the learning environment. These include the faculties, English for Academic Purposes, Conservatory and education programs.

Academic and student support: expenses related to functions supporting the academic and student functions of the University. These include the Library, Student Services, Athletics and Campus Recreation.

Facility operations and maintenance: expenses related to centralized management and maintenance of grounds, equipment and buildings. This category also includes the amortization expenses of the University and debt servicing with the exception of that for Ancillary Services properties.

Ancillary operations: expenses related to the University's business operations providing sales of goods and services to external individuals and organizations. These include student residences, food services, parking, the bookstore, rental properties and the Healthy Living Centre.

Institutional support: expenses related to functions supporting institution wide administrative services including those of the Brandon University Foundation. This includes Executive Offices, Advancement & External Relations, Marketing & Communications, IT Services, Financial & Registration Services and Human Resources.

Research: all research expenses whether externally or internally funded.

M. Budget Figures

Budget figures have been provided for comparative purposes and have been derived from the Brandon University-wide budget approved by the Board of Governors of the University. The budget is included in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Debt.

N. Internally Restricted Funds and Reserves

The University sets aside certain accumulated surpluses to be used for future operating and capital activities. Additions to and from these funds and reserves are recorded as adjustment to the respective funds.

3. Accounting Changes Under the Public Sector Accounting Standards without the 4200 Series

Previously, Brandon University's financial statements were presented in accordance with Public Sector Accounting Standards (PSAS) for not-for-profit organizations (GNFPOs) including the 4200 series of standards. Effective April 1, 2019 the Provincial Government requires the University to transition to the Public Sector Accounting without the 4200 series. Commencing the 2019/20 fiscal year, the University is reporting using these standards. Accounting policies set out in the Summary of Significant Accounting Policies have been applied to these financial statements for the year ended March 31, 2020 and the comparative information for the year ended March 31, 2019.

The adoption of Public Sector Accounting Standards without the 4200 series has resulted in adjustments to previously reported liabilities, non-financial assets, net assets and annual surplus of the University. The impacts on the balances for the year ended March 31, 2019, as previously reported, are below. An explanation of how this transition affected the University's financial position, operations, changes in net assets and cash flows is included.

In the past the Brandon University Foundation has not been consolidated into the financial statements of the University. As previously allowed by PS4250.14, the University reported the assets, liabilities and transactions of the Foundation in note disclosure as set out by PS4250.22. PS2500 now requires controlled entities to be consolidated into the financial statements. As a result, the net assets of the University increased by $63,024,753 and the net income increases by $41,111.

The University has entered into promissory notes with the Provincial Government for the construction of capital assets and deferred maintenance projects. These promissory notes are repaid with funding of capital grants provided by the provincial Government through the Economic Development & Training Division. Previously, these grants, under the deferral method of accounting were reflected as deferred capital contributions and unamortized deferred capital contributions in the Statement of Financial Position. PS3230 requires the amount borrowed be reported as a liability. As a result, the long-term debt of the University has been increased by $13,277,391 and the investment in capital assets has been decreased by the same amount. Funding received to repay these promissory notes is recorded as grant revenues from Economic Development & Training.

PS3100, restricted assets and revenues, states contributions from non-government entities can only be deferred if inflows received, with stipulations placed on use, are not spent in the period. PS3410, government transfers, states government transfers with stipulations are deferred when the stipulation gives rise to a liability. Under both these conditions, the deferred amount is transferred to revenue when the liability is satisfied. A review of previously restricted funds resulted in some funds reclassified to no longer being deferred ($658,087) and some to being internally restricted ($269,362). $6,895,576 of deferred revenues of the Foundation are also now included. Accordingly, the deferred revenues were adjusted by $5,968,127.

Under the deferral method of accounting, externally restricted contributions for the acquisition of capital assets having limited lives were recorded as deferred capital contributions in the period in which they were received or receivable, and when expended, were transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions were recognized as earned revenue in the periods in which the related amortization expenses of the funded capital asset were recorded. Under public sector account standards, amounts received for capital grants will be recognized as revenue when the stipulations attached to the revenue are satisfied. As a result, funds previously held as unamortized deferred capital contributions, $46,255,146, would have been recorded as revenue in the year they were used for the specific capital project and would have increased the amount invested in capital assets in those years.

At the same time as the University adopted PSAS without the 4200 series, the past policy for capitalization of tangible capital assets was reviewed. Effective April 1, 2019 the University changed its accounting policy related to the threshold for capitalization of tangible capital assets. Previously, the threshold was $1,000. The threshold has now been changed to $2,500. This change in accounting policy has been made retroactively and comparative information for the 2018/19 fiscal year has been restated accordingly. As a result, the tangible capital assets and the investment in capital assets were decreased by $4,197,670 less amortization of $3,617,941 for a net decrease of $579,729. For the comparative 2018/19 year, supplies & consumable expenses in the respective functions have been increased by $175,916 and the amortization expense in the Facility operations & maintenance function has been decreased by $10,982 resulting in a net decrease to the annual surplus of $164,934.

Transitional adjustments:

Statement of Financial Position as at March 31, 2019

	March 31, 2019 Previously Reported	**Transitional Adjustments**	**March 31, 2019 Restated PSAS**
Cash & cash equivalents	$ 3,533,395	$ 23,131	$ 3,556,526
Accounts receivable	1,582,696	(468,703)	1,113,993
Other assets		71,484	71,484
	5,116,091	(374,088)	4,742,003
Long-term debt	$ 1,081,631	$ 13,277,391	$ 14,359,022
Deferred revenues	2,283,292	5,968,127	8,251,419
Unamortized deferred capital contributions	46,255,147	(46,255,147)	-
	49,620,070	(27,009,629)	22,610,441
Portfolio investments restricted for endowments		70,294,421	70,294,421
Tangible capital assets	59,753,608	(1,938,035)	57,815,573
	$ 15,249,629	$ 94,991,927	$ 110,241,556
Net Assets	$ 3,587,317	$ 94,991,927	$ 98,579,244

Statement of Operations for the Year Ended March 31, 2019

	March 31, 2019 Previously Reported	Transitional Adjustments	March 31, 2019 Restated PSAS
Revenues			
Tuition & other student fees	$ 12,265,055	$ 293,555	$ 12,558,610
Grants - Economic Development & Training	40,214,416	983,463	41,197,879
Grants - Province of Manitoba	321,268	9,182	330,450
Grants - Government of Canada	1,942,755	158,293	2,101,048
Sales of goods & services	7,214,504	(274,198)	6,940,306
Brandon University Foundation/Donations	2,770,046	(1,945,248)	824,798
Miscellaneous	1,144,367	262,600	1,406,967
Investment income	255,875	2,030,581	2,286,456
Amortization of deferred capital contributions	2,188,639	(2,188,639)	-
	$ 68,316,925	$ (670,411)	$ 67,646,514
Expenses			
Learning	$ 29,810,630	$ (233,781)	$ 29,576,849
Academic & student support	12,967,351	(32,593)	12,934,758
Facility operations & maintenance	7,807,588	955,037	8,762,625
Ancillary operations	4,113,214	20,062	4,133,276
Institutional support	6,672,844	(185,273)	6,487,571
Research	2,773,771	(24,266)	2,749,505
	$ 64,145,398	$ 499,186	64,644,584
Annual Surplus	$ 4,171,527	$ (1,169,597)	$ 3,001,930

Statement of Cash flows for the Year Ended March 31, 2019

The Statement of Cash Flows has been updated to reflect the above changes.

4. Cash & Cash Equivalents

	2020	2019
Cash	$ 1,552,272	$ 3,014,514
Cash equivalents	700,542	542,012
	$ 2,252,814	$ 3,556,526

5. Accounts Receivable

	2020	2019
Student receivables	$ 519,636	$ 223,439
Province of Manitoba	395,449	334,812
Miscellaneous	474,046	632,738
Less: allowance for doubtful accounts	(77,000)	(77,000)
	$ 1,312,131	$ 1,113,989

6. Inventories

Inventories are measured at the lower of cost and net realizable value. The year end carrying values and the amounts recognized as expense during the year were as follows:

	2020 Cost of Sales	2019 Cost of Sales	2020 Carrying Values	2019 Carrying Values
Athletics	$ 14,367	$ 87,818	$ 21,535	$ 14,885
Food Services	666,200	659,812	48,193	39,775
Print Shop	39,050	34,225	35,819	18,765
	$ 719,617	$ 781,855	$ 105,547	$ 73,425

7. Other Assets

Other assets consist of the following:

	2020	2019
Cash value of life insurance policies	$ 71,609	$ 68,806
Annuity contracts		2,678
	$ 71,609	$ 71,484

8. Portfolio Investments

Non-endowed guaranteed investment certificates

	2020	2019
Maturity		
Less than 1 year	$ 1,494,000	$ 800,000
1 - 5 years	2,106,659	3,681,532
	$ 3,600,659	$ 4,481,532

Restricted endowment investments

	2020	2019
Restricted endowment investments carried at cost:		
Cash & short term notes	$ 4,530,677	$ 1,242,579
Restricted endowment investments carried at fair value:		
Bonds	18,847,523	19,903,218
Equities	39,073,544	49,148,624
	$ 62,451,744	$ 70,294,421

The annual cash flow from bonds ranges from $5,070 to $94,239 each. As of March 31, 2020, the cost of the endowed portfolio investments was $55,013,784 (2019 - $55,342,585).

9. Accounts Payable and Accrued Liabilities

	2020	2019
Accounts payable	$ 3,917,468	3,134,408
Accrued vacation pay	1,045,604	1,024,800
Accrued property taxes	32,460	32,327
	$ 4,995,532	$ 4,191,535

10. Employee Future Benefits

	2020	2019
Pension plan liability	$ 10,153,000	$ 10,432,000
Post-employment benefits	1,333,000	1,321,000
Compensated absences	416,539	354,494
	$ 11,902,539	$ 12,107,494

i) Pension Plan

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established April 1, 1974 for the benefit of the employees of Brandon University. The assets of the Plan are held in trust in the name of ten Trustees - eight elected by and from the Plan membership and two appointed by the Board of Governors. The Trustees oversee the administration of the Plan and set forth the investment guidelines. Their obligations and responsibilities are defined in a trust agreement with Brandon University. An asset manager invests the Plan assets according to the terms of an agreement with the trustees and as required by law. The Plan is registered with the Pension Commission of Manitoba and meets the requirements of the Pension Benefits Act of Manitoba and the Income Tax Act (Canada). Unless otherwise stated, all Brandon University employees are eligible to become members of the Plan on their date of employment. Full-time and certain part-time employees are required to join the Plan. Membership is optional for other part-time and certain specified employees. The Plan receives its funds from the contributions of members, the required and special contributions of Brandon University and the income from investments.

An actuarial valuation of the plan, as required by The Pension Benefits Act of Manitoba, was conducted by Eckler Ltd., a firm of consulting actuaries, as at December 31, 2018. The next actuarial valuation is required as at December 31, 2019 and will be completed in 2020.

The defined benefit obligation has been calculated pursuant to CPA Canada Handbook section PS3250, using the projected unit credit actuarial method, prorated on service, and assumptions developed using management's best estimates of investment performance, salary escalation, retirement ages of employees and member mortality.

The University uses a December 31 measurement date for reporting plan assets and obligations.

Net assets available for benefits are comprised of:

	(in thousands of dollars) December 31 2019	December 31 2018
Accounts receivable and other	$ 934	$ 874
Bonds and debentures	75,999	72,352
Canadian equities	52,664	41,330
Foreign equities	74,487	61,844
Total net assets	$ 204,084	$ 176,400

The fair value of plan assets and the actuarial present value of benefits, as of December 31, were as follows:

	(in thousands of dollars) December 31 2019	December 31 2018
Reconciliation of Plan Assets		
Fair value, beginning of year	$ 176,274	$ 185,434
Employer contributions	3,256	3,289
Employee contributions	2,521	2,314
Transfers from other plans	612	53
Benefit payments	(9,859)	(9,677)
Actual return on plan assets (net of expenses)	31,057	(5,139)
	$ 203,861	$ 176,274

	(in thousands of dollars) December 31 2019	December 31 2018
Accrued Benefit Obligation		
Accrued benefit obligation, beginning of year	$ 182,345	$ 177,602
Employer service cost	5,605	5,241
Interest cost	10,019	9,735
Benefit payments	(9,859)	(9,677)
Transfers from other plans	612	53
Actuarial (gains)/losses	5,120	(609)
Accrued benefit obligation, end of year	$ 193,842	$ 182,345

	(in thousands of dollars) December 31 2019	December 31 2018
Unamortized Actuarial (Gains)/Losses		
Net unamortized actuarial gains, beginning of year	$ (5,395)	$ (22,751)
Net actuarial (gain)/loss	(16,250)	14,710
Amortization of actuarial loss	606	2,646
Net unamortized actuarial gains, end of year	$ (21,039)	$ (5,395)

The accrued pension liability and the net pension plan expense, as at March 31, are as follows:

	(in thousands of dollars) March 31 2020	March 31 2019
Accrued Pension Liability		
Accrued pension liability, beginning of year	$ (10,432)	$ (13,915)
Employer contributions	3,089	3,319
Net pension plan expense	(2,810)	164
Accrued pension liability, end of year	$ (10,153)	$ (10,432)

	(in thousands of dollars) March 31 2020	March 31 2019
Net Benefit Plan Expense		
Current service cost, net of employee contributions	$ 3,084	$ 2,927
Interest accrued on benefits	10,019	9,735
Expected return on plan assets	(9,687)	(10,180)
Amortization of actuarial gain	(606)	(2,646)
Net pension plan expense	$ 2,810	$ (164)

Significant Long-term Actuarial Assumptions Used in Measurement of the Pension Expense

	2020	**2019**
Discount rate	5.55 %	5.55 %
Rate of salary increase	3.00 %	3.00 %
Mortality rate	CPM2014 Public Sector Table projected with Scale CPM-B	

Significant Long-term Actuarial Assumptions Used in Measurement of the End of Year Obligations

	2020	**2019**
Discount rate	5.30 %	5.55 %
Rate of salary increase	3.00 %	3.00 %
Mortality rate	CPM2014 Public Sector Table projected with Scale CPM-B	

The unamortized net actuarial gains will be amortized over the expected average remaining service life (EARSL) which is 2020 - 9.0 years (2019 - 8.9 years).

Solvency Deficiency Exemption

The Brandon University Retirement Plan is subject to the Manitoba Pension Benefits Act and Regulations. The University Pension Plans Exemption Regulation 141/2007 allowed the University to make an election to be exempt from solvency and transfer deficiency payments. "2(1) an employer in relation to a university plan may, by filing an election with the plan administrator, elect to be exempt from the solvency and transfer deficiency provisions." On January 19, 2009 the University filed such an election.

Funding of Going-Concern Deficiencies

With the exemption, the Plan will continue to be subject to the going-concern funding provisions of the Act. The University will be required to fund the matching contributions, as well as the actuarial cost of the defined benefits in excess of the matching costs. The funding deficit of $139,000 is required to be funded over a maximum of 15 years. The existing funding deficit will be funded over 8 years. Special payments estimated at $26,000 will be made in 2020 (2019 - $21,000). The next going-concern valuation will be performed as at December 31, 2020 and will be completed in 2021.

ii) Post-employment Benefits

Brandon University provides certain severance and retiring allowance benefits payable upon retirement. An actuarial valuation, using the accrued benefit method, to determine the value of severance pay and retiring allowance benefits is carried out every four years. The most recent actuarial valuation was as at March 31, 2017 with the next valuation due as at March 31, 2021.

Information about the University's employee future benefits is as follows:

	2020	**2019**
Accrued Benefit Obligation		
Accrued benefit obligation, beginning of year	$ 1,127,000	$ 1,152,000
Employer service cost	55,000	53,000
Interest cost	63,000	63,000
Benefit payments	(85,000)	(141,000)
Actuarial losses	26,000	-
Accrued benefit obligation, end of year	$ 1,186,000	$ 1,127,000

	2020	**2019**
Accrued Benefit Liability		
Accrued benefit liability, beginning of year	$ 1,321,000	$ 1,370,000
Employer contributions	(85,000)	(141,000)
Benefit expense	97,000	92,000
Accrued benefit liability, end of year	$ 1,333,000	$ 1,321,000

	2020	**2019**
Benefit Plan Expense		
Employer service cost	$ 55,000	$ 53,000
Interest cost	63,000	63,000
Amortization of net actuarial loss	(21,000)	(24,000)
Benefit plan expense	$ 97,000	$ 92,000

The significant actuarial assumptions adopted in measuring the University's accrued benefit liability and benefit costs are as follows:

	2020	**2019**
Discount rate (accrued benefit obligation)	5.30%	5.55%
Rate of compensation increase (weighted average)	1.82%	3.58%

The unamortized net actuarial gains of $147,000 (2019 - $194,000) will be amortized over the expected average remaining service life (EARSL) which is 9.1 years (2019 - 9.1 years).

iii) Compensated Absences

The University provides certain employee groups with a sick leave entitlement that accumulates but does not vest. These plans accumulate at a rate of 1/2 day for each pay period to a maximum of 12 days per year. Each plan has a total accumulation allowed. Accumulated sick days may be used in future years. Sick leave, when paid, is paid at the salary in effect at the time of usage. The sick leave benefit is a consideration of the expectation of future benefit utilization. The expected cost of the liability is estimated using the discounted cash flows of the average cost of the excess sick leave taken over the annual entitlement earned, as a series of payments, over EARSL which is 10 years.

	2020	2019
Accrued benefit liability	$ 339,120	$ 316,487
Net benefit cost	$ 22,633	$ 3,267
Discount rate	5.55%	5.55%

The University provides certain other employees with their maximum sick leave entitlement of 180 days upon start of employment. This sick leave neither vests nor accumulates. The expected cost of the liability is recognized in the period in which the event occurs and is based on the salary that will be paid for the sick leave.

	2020	2019
Accrued benefit liability and benefit cost	$ 77,419	$ 38,008

11. Tangible Capital Assets

Cost

	Balance as a March 31, 2020	Additions	Disposals	Balance as at March 31, 2019
Land	$ 2,197,486	$	$	$ 2,197,486
Buildings	96,255,916	539,677		95,716,239
Vehicles	48,281			48,281
Furniture & equipment	21,111,453	699,478	(655,989)	21,067,964
Library collections	13,591,981	396,192		13,195,789
Leasehold improvements	736,703			736,703
Assets under construction/development	1,956,363	420,556		1,535,807
	$135,898,183	$ 2,055,903	$ (655,989)	$134,498,269

Accumulated Amortization

	Balance as at March 31, 2020	Disposals	Amortization	Balance as at March 31, 2019
Buildings	$ 50,830,366	$	$ 1,747,911	$ 49,082,455
Vehicles	47,522			47,522
Furniture & equipment	15,611,937	(652,699)	819,126	15,445,510
Library collections	11,773,112		402,606	11,370,506
Leasehold improvements	736,703			736,703
	$ 78,999,640	$ (652,699)	$ 2,969,643	$ 76,682,696

Net Book Value

	2020	2019
Land	$ 2,197,486	$ 2,197,486
Buildings	45,425,550	46,633,784
Vehicles	759	759
Furniture & equipment	5,499,516	5,622,454
Library collections	1,818,869	1,825,283
Leasehold improvements	-	-
Assets under construction/development	1,956,363	1,535,807
	$ 56,898,543	$ 57,815,573

The University holds collections of works of art, gemstones and rare books which have been donated. These collections are not included in the tangible capital assets as future benefits associated with these assets cannot reasonably be made. They are irreplaceable, not for sale, and their use is restricted to exhibition, research and academic purposes. An estimate of the value of the University collection is $ 1,358,307 (2019 - $1,358,307).

12. Financial Risk Management

Financial instruments are exposed to risk through the normal course of operations. These risks are managed through the University's collection procedures, investment guidelines and other internal policies, guidelines and procedures.

i) Market Risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of these three types of risk: interest rate risk, foreign currency risk and other price risk.

Interest rate risk is the risk fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The University is exposed to this risk through its interest bearing investments. The University's short-term investments are guaranteed investment certificates and bonds. Interest rates range from 0.75% to 2.89%. $894,000 matures in July 2020, $3,300,000 matures in September, 2020 and $400,000 matures in October, 2020. The University's long-term investments are guaranteed investment certificates, bonds, and equity investments. Interest rates range 0.75% to 3.05% with maturity dates from May, 2020 to September, 2023.

Foreign currency risk is the risk the value of non-Canadian investments measured in Canadian dollars will fluctuate due to changes in foreign exchange rates The University's exposure to foreign exchange risk is minimal in that foreign equities in restricted for endowment investments only comprise 25% of the total bench mark portfolio.

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk.

ii) Liquidity Risk

Liquidity risk is the risk the University will encounter difficulty in having available sufficient funds to meet its commitments.

The cash flow of operating funds is prepared on a just in time basis. The short-term and long-term investments of the University are invested so maturity dates coincide with cash requirements. As well, the University has access to a short-term line of credit with CIBC which is designed to ensure sufficient funds are available as required.

iii) Credit Risk

Credit risk arises from the possibility a loss may occur from the failure of another party to perform according to the terms of a contract. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at March 31 was:

	Carrying Amount	
	2020	**2019**
Cash & cash equivalents	$ 2,252,814	$ 3,556,526
Portfolio investments	66,052,403	74,775,953
Accounts receivable	1,312,131	1,113,989
Totals	$ 69,617,348	$ 79,446,468

The cash equivalents and non-endowed portfolio investments of the University are purchases made with excess cash intended to be for short periods of time and are held in high quality instruments with a guaranteed credit rating of R1 or backed by an extremely strong borrower. Risk is limited for portfolio investments restricted for endowments by only acquiring high quality bonds and debentures, the majority being "A" rated or better.

The credit risk from accounts receivable is relatively low as the majority of receivables are from students and the balance from government agencies. Credit risk from student receivables is managed through registration cancellations and by maintaining standard collection procedures. There have been no substantive changes in the University's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

13. Deferred Revenues

Deferred revenues represent restricted funds received for research and special project purposes. Changes in the deferred revenues are as follows:

	2020 Deferred Revenues	**2019 Deferred Revenues**
Balance, beginning of year	$ 8,251,419	$ 2,671,671
Impact of policy changes on opening balances (Note 3)		5,495,830
Restated balance, beginning of year	8,251,419	8,167,501
Contributions received and receivable		
Economic Development & Training	1,039,541	958,215
Province of Manitoba	242,381	139,566
Government of Canada	2,335,868	1,993,415
Donations	747,541	925,622
Investment income	2,257,842	2,194,871
Miscellaneous	699,714	423,307
	7,322,887	6,634,996
Recognized as revenue	(6,791,860)	(6,143,008)
Transfers to endowment & trust funds	(457,699)	(408,070)
Balance, end of year	$ 8,324,747	$ 8,251,419

Balance consists of:		
Endowment & trust funds	$ 6,577,758	$ 6,895,576
Research	1,251,614	854,891
Special purpose accounts	495,375	500,952
Deferred revenues	$ 8,324,747	$ 8,251,419

14. Long-term Debt

The long-term debt of the University includes building mortgages and promissory notes with the Province of Manitoba. The buildings form part of the security for the full amount of the monies secured by the mortgage. Grants are received from the Province of Manitoba, Economic Development & Training Division to offset the principal payments and interest expense of the promissory notes.

	Maturity Date	Interest Rate	2020	2019
Mortgages Payable				
McMaster Hall, Canada Mortgage and Housing Corporation	2021	8.25 %	$ 241,597	$ 348,385
215 & 223 18th Street, Province of Manitoba	2054	4.50 %	470,704	476,357
1718 Princess Avenue, Province of Manitoba	2045	4.00 %	247,256	256,889
			$ 959,557	$ 1,081,631
Promissory Notes - Province of Manitoba, Economic Development & Training Division				
Advance 1 - Physical Plant Building	2048	5.65 %	$ 2,804,040	$ 2,901,290
Advance 2 - Deferred Maintenance	2048	5.65 %	612,708	633,958
Advance 3 - Deferred Maintenance	2049	5.45 %	1,067,175	1,081,150
Advance 5 - Deferred Maintenance	2050	4.85 %	942,617	973,354
Advance 7 - Knowledge Infrastructure Program	2051	5.00 %	431,475	445,394
Advance 9 - Deferred Maintenance	2054	4.50 %	1,214,219	1,249,844
Advance 11 - Healthy Living Centre	2054	4.50 %	4,524,563	4,657,313
Advance 12 - Deferred Maintenance	2055	3.35 %	666,001	685,075
Advance 14 - Deferred Maintenance	2056	3.75 %	632,562	650,013
			$ 12,895,360	$ 13,277,391
Total Long-term Debt			$ 13,854,917	$ 14,359,022

Interest expense for the year on debt is $ 692,415 (2019 - $718,637) and is included in the Statement of Operations.

Principal and interest payments in the next five years and thereafter are as follows:

	Principal	Interest
2021	514,137	662,663
2022	525,271	633,680
2023	400,608	606,545
2024	401,825	588,574
2025	403,107	567,772
Thereafter	11,609,969	7,706,606
	$ 13,854,917	$ 10,765,840

15. Net Assets

Net assets are comprised of the following:

	2020	2019
Accumulated deficit from operations	$(12,159,782)	$ (9,338,168)
Internally restricted funds	1,517,257	1,569,186
Invested in tangible capital assets	43,043,626	43,456,546
Endowments	51,400,703	47,939,852
Accumulated remeasurement gains	3,943,460	14,951,828
	$ 87,745,264	$ 98,579,244

The accumulated surplus is comprised of the following:

i) Accumulated surplus from operations representing balances from general operations, Ancillary Services, unrestricted research and special purpose activities, unrestricted consolidated entities, plus the amount required to cover the liabilities associated with employee future benefits.

ii) Investment in tangible capital assets represents funds spent on capital acquisitions less accumulated amortization and the outstanding debt on these acquisitions.

iii) Endowments consist of donations and capitalized investment income with external restrictions that are to be held in perpetuity and can only be used in accordance with the purposes specified by the donor.

iv) Accumulated remeasurement gains are a result of the re-evaluation of portfolio investments, restricted for endowments, based on market values.

v) Internally restricted funds and reserves represents amounts set aside by the University for the following specific purposes:

Capital Activities	**2019**	**2020**
Ancillary Services	$ 716,351	$ 812,541
Cello Repair	14,000	10,500
Kiln Replacement	24,000	24,000
Womens' Volleyball	15,000	
Healthy Living Centre	(27,750)	
Telephone replacement	335,994	431,159
Vehicle replacement	25,000	24,388
	$ 1,102,595	$ 1,302,588

Operating Activities	**2020**	**2019**
BU Graduate Diploma Education Program	$ 40,165	$ 42,754
Community Based Education	64,013	66,146
Opaskawayak Cree Nation	(569)	15,990
PENT	311,053	144,471
	$ 414,662	$ 269,361
Total	$ 1,517,257	$ 1,571,949

16. Expenses By Object

The following is a summary of the expenses by object:

	2020	2019
Salaries - academic	$ 26,605,146	$ 25,655,542
Salaries - support	16,671,043	15,875,516
Benefits	7,029,593	3,515,559
Travel	1,683,991	1,658,491
Supplies & consumable expenses	10,616,105	9,172,241
Cost of goods sold	719,617	781,855
Scholarships & bursaries	3,040,283	2,935,253
Interest on long-term debt	692,415	718,637
Utilities	1,038,407	1,050,804
Amortization	2,969,643	3,268,408
Loss on disposal of tangible capital assets	3,288	12,278
Total	$ 71,069,531	$ 64,644,584

17. Brandon Centennial Auditorium Corporation Inc.

Under an arrangement between the University, the Province of Manitoba and the City of Brandon, the University built an Auditorium on its property for the benefit of the citizens of Western Manitoba. The expenditures for the building and furnishings were financed from contributions by the Governments of Canada and Manitoba, the City of Brandon and citizens through fundraising campaigns.

The Auditorium has been leased to the Brandon Centennial Auditorium Corporation Inc. for a nominal consideration of $1 under a 99 year lease which expires 2064 A.D. The University is reimbursed for services supplied to the auditorium as required by the agreement.

18. Knowles-Douglas Student Union Centre

The Knowles-Douglas Student Union Centre has been leased to the Knowles- Douglas Student Union Centre Inc. for the nominal consideration of $1 per year under a 50 year lease which expires 2035 A.D. The University supplies certain services to the Centre as required by the lease.

19. Contractual Obligations

An agreement between the University and the Brandon University Students' Union Inc. provides for the equal sharing of profits of the University's bookstore operations. The Students' Union share of profits amounted to $0 for the year ended March 31, 2020 (2019 - $606).

20. Related Party Transactions

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

21. Subsequent Event – COVID-19 Pandemic

The recent events of the COVID-19 pandemic have had an economic impact on Canada and globally. Brandon University will also be impacted by the pandemic. This includes, but is not limited to, a significant decline in the market value of investments, revenue reductions due to the cancellation of spring/summer session classes and early termination of students' residence contracts. As well, future economic conditions may impact the operations of the University, such as a student's ability to afford to attend, pay their account in full, or on time; how classes will be taught in the Fall and Winter terms and what effect physical distancing requirements will have. It is unknown how travel restrictions will affect the ability of international or out of Province students to attend. A 5% reduction in student enrolment may result in as much as a $830,000 loss in revenue.

Brandon University's ability to meet the Retirement Plan obligations is partially dependent on the earnings of the Plan investments. Investment returns contribute to financing the obligations of the Retirement Plan. However, returns are "smoothed" over a four-year period, which minimizes the shock of a single bad (or good) year. Brandon University is the residual funder of the Retirement Plan so any funding shortfall in the Plan affects the University operating budget. The Plan is a defined benefit plan, which means pensions should not be affected by periodic market fluctuations. At this time, the full potential impact of COVID-19 on the Plan is not known.

Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration and the related financial impact cannot be reasonably estimated.

22. Comparative Figures

Comparative figures for the year ended March 31, 2019 have been reclassified where necessary to conform with the presentation adopted for the year ended March 31, 2020.