STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The University is responsible for the preparation of the consolidated financial statements and has prepared them in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants Canada. The University believes the consolidated financial statements present fairly the University's financial position as at March 31, 2020 and the results of its operations for the year ending March 31, 2020.

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

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University has developed and maintains a system of internal controls designed to provide reasonable assurance that University assets are safeguarded from loss and that accounting records are a reliable basis for the preparation of financial statements. The integrity of internal controls is reviewed on an ongoing basis by the Audit and Risk Management Committee and Audit Services.

The consolidated financial statements for the year ended March 31, 2020 have been reported on by the Auditor General of Manitoba, the auditor appointed under *The University of Manitoba Act*. The Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the consolidated financial statements.

Original signed by

David T. Barnard, Ph.D.
President and Vice-Chancellor

Winnipeg, Manitoba
June 23, 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 the University of Manitoba

Opinion

We have audited the consolidated financial statements of the University of Manitoba (the University), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of operations, the consolidated statement of remeasurement gains and losses, the consolidated statement of change in net financial assets, 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, its consolidated remeasurement gains and losses, consolidated change in its net financial assets, 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.

Other Information

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

Auditor General
MANITOBA

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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.

Auditor General
MANITOBA

- 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 Group 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
Tyson Shtykalo

Winnipeg, Manitoba
June 23, 2020

Tyson Shtykalo, CPA, CA
Deputy Auditor General

UNIVERSITY OF MANITOBA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020
(in thousands of dollars)

	2020	2019
Financial Assets		
Cash and Cash Equivalents *(Note 4)*	$ 196,827	$ 134,741
Accounts Receivable *(Note 5)*	69,946	82,399
Inventories Held for Sale	3,661	3,572
Portfolio Investments – Non-Endowed *(Note 7)*	651,326	688,281
	921,760	**908,993**
Liabilities		
Accounts Payable *(Note 8)*	105,164	88,181
Employee Future Benefits *(Note 9)*	89,233	105,300
Deferred Revenue *(Note 10)*	307,214	340,227
Debt *(Note 11)*	335,748	346,550
Derivatives *(Note 12)*	4,619	3,767
	841,978	**884,025**
Net Financial Assets Excluding Portfolio Investments – Endowed	**79,782**	**24,968**
Portfolio Investments – Endowed *(Note 7)*	471,167	506,997
Net Financial Assets	**550,949**	**531,965**
Non-Financial Assets		
Tangible Capital Assets *(Note 13)*	1,167,382	1,148,703
Prepaid Expenses	10,935	9,076
Inventories Held for Use	83	61
	1,178,400	**1,157,840**
Accumulated Surplus	**$ 1,729,349**	**$ 1,689,805**
Accumulated Surplus is comprised of:		
Accumulated Surplus	$ 1,630,276	$ 1,532,200
Accumulated Remeasurement Gains	99,073	157,605
	$ 1,729,349	**$ 1,689,805**

Contractual Obligations and Contingencies *(Note 21)*

Original signed by

Jeff Lieberman – Chair

Original signed by

Laurel Hyde – Vice-Chair

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

UNIVERSITY OF MANITOBA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2020
(in thousands of dollars)

	Budget *(Note 3M)*	2020	2019
Revenue			
Provincial Grants *(Note 19)*	$ 413,726	$ 423,333	$ 430,747
Tuition and Related Fees	192,493	195,743	184,996
Federal and Other Government Grants *(Note 19)*	85,878	107,597	108,277
Non-Government Grants	58,540	65,741	58,512
Investment Income	37,702	44,974	37,724
Ancillary Services	39,206	38,852	38,934
Sales of Goods and Services	32,686	36,474	36,133
Non-Endowed Donations	16,398	19,479	27,102
Other Income	13,092	17,472	17,031
Net Gain on Debt		3,772	80,311
	889,721	**953,437**	**1,019,767**
Expense			
Instruction	397,669	371,513	356,116
Sponsored Research	119,000	133,607	130,263
Facilities	110,633	110,958	108,333
Special Purpose and Trust	61,667	64,212	62,284
Academic and Research Support	29,626	32,463	30,627
Libraries	32,942	30,981	31,839
Administration	32,564	29,584	28,885
Student Services	32,122	28,656	30,597
Information Technology	28,911	26,640	27,661
Ancillary Services	25,387	25,728	25,323
External Relations	12,662	13,121	12,119
Net Loss on Loan Receivable Allowance		3,772	80,311
	883,183	**871,235**	**924,358**
	6,538	82,202	95,409
Endowed Donations	13,700	15,874	17,534
Annual Surplus	20,238	98,076	112,943
Accumulated Surplus Beginning of Year		1,532,200	1,419,257
Accumulated Surplus End of Year	**$**	**$ 1,630,276**	**$ 1,532,200**

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

UNIVERSITY OF MANITOBA
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED MARCH 31, 2020
(in thousands of dollars)

	2020	2019
Accumulated Remeasurement Gains		
Beginning of Year	**$ 157,605**	**$ 136,801**
Unrealized Gains (Losses) Attributed to:		
Derivatives	(852)	(267)
Foreign Exchange	(3,967)	(1,796)
Portfolio Investments	(67,593)	11,810
Designated Fair Value Investments	7,429	37,664
Amounts Reclassified to the Consolidated Statement of Operations:		
Foreign Exchange	2,605	2,421
Portfolio Investments	6,363	(27,575)
Designated Fair Value Investments	(2,517)	(1,453)
Net Remeasurement Gains (Losses) for the Year	(58,532)	20,804
Accumulated Remeasurement Gains		
End of Year	**$ 99,073**	**$ 157,605**

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

UNIVERSITY OF MANITOBA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2020
(in thousands of dollars)

	Budget *(Note 3M)*	**2020**	**2019**
Annual Surplus	$ 20,238	$ 98,076	$ 112,943
Purchase of Tangible Capital Assets	(64,854)	(65,772)	(118,800)
Amortization	49,000	47,093	45,813
Loss (Gain) on Disposal of Tangible Capital Assets			(25)
	(15,854)	(18,679)	(73,012)
Decrease (Increase) in Inventories Held for Use		(22)	24
Decrease (Increase) in Prepaid Expenses		(1,859)	(2,427)
		(1,881)	(2,403)
Net Remeasurement Gains (Losses)	25,450	(58,532)	20,804
Increase (Decrease) in Net Financial Assets	(29,834)	18,984	58,332
Net Financial Assets Beginning of Year		531,965	473,633
Net Financial Assets End of Year	**$**	**$ 550,949**	**$ 531,965**

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

UNIVERSITY OF MANITOBA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020
(in thousands of dollars)

	2020	2019
Operating Activities:		
Annual Surplus	$ 98,076	$ 112,943
Amortization of Tangible Capital Assets	47,093	45,813
Gain on Disposal of Tangible Capital Assets		(25)
	145,169	158,731
Net Change in Non-Cash Operating Balances:		
Accounts Receivable	12,453	4,231
Inventories	(111)	(245)
Accounts Payable	16,983	(3,037)
Employee Future Benefits	(16,067)	881
Deferred Revenue	(33,013)	6,867
Derivatives	852	267
Gain on Debt	(3,772)	(79,784)
Loss on Loan Receivable Allowance	3,772	79,784
Prepaid Expenses	(1,859)	(2,427)
Net Cash Generated through Operating Activities	124,407	165,268
Investing Activities:		
Principal Repayment on Loan Receivable		2,190
Decrease (Increase) in Portfolio Investments	14,253	(33,813)
Net Cash Generated through (used in) Investing Activities	14,253	(31,623)
Capital Activities:		
Purchase of Tangible Capital Assets	(65,772)	(118,800)
Net Cash used in Capital Activities	(65,772)	(118,800)
Financing Activities:		
Proceeds from Debt	662	12,338
Principal Repayment on Debt	(11,464)	(12,989)
Net Cash Generated through (used in) Financing Activities	(10,802)	(651)
Net Increase (Decrease) in Cash and Cash Equivalents	62,086	14,194
Cash and Cash Equivalents Beginning of Year	134,741	120,547
Cash and Cash Equivalents End of Year	**$ 196,827**	**$ 134,741**

Supplementary cash flow information:		
Interest Received	$ 14,465	$ 13,212
Interest Paid	$ 16,098	$ 16,144

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020
(in thousands of dollars)

1. AUTHORITY AND PURPOSE

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

2. CHANGES IN ACCOUNTING POLICY

The Province of Manitoba directed educational organizations to adopt Canadian Public Sector Accounting Standards (PSAS) established by the Public Sector Accounting Board, without the standards for government not-for-profit organizations effective April 1, 2019. In accordance with the requirements of PSAS, the accounting policies set out in Note 3 have been applied to all years presented. Adjustments resulting from the adoption have been applied retroactively and are summarized in Note 22.

3. SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL AND USE OF ACCOUNTING ESTIMATES

The consolidated financial statements have been prepared in accordance with PSAS.

Accounting estimates are included in the consolidated financial statements to approximate the effect of past revenue or expense transactions or events, or to approximate the present status of an asset or liability. Examples include loan allowances, accruals for salaries and benefits, the estimated useful life of an asset and certain actuarial assumptions used in determining employee future benefits. Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements and actual results could differ from these estimates.

On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. The situation is dynamic and the ultimate duration and financial impact on the University is not known at this time.

B. BASIS OF CONSOLIDATION

i. Consolidated Entities

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of organizations which are controlled by the University. Controlled organizations are consolidated except for government business enterprises which are accounted for using the modified equity method. Inter-organizational transactions, balances, and activities have been eliminated upon consolidation. The University controls Partners for Health and Development in Africa (PHDA), a non-profit, non-governmental organization registered in Kenya to promote health and development in Africa. The University consolidated PHDA using their March 31, 2019 financial statements.

ii. Investment in Government Business Enterprises

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

iii. Investment in Government Partnership

Government partnerships that are not business partnerships are accounted for using the proportionate consolidation method. The University accounts for its share of the partnership on a line by line basis in the consolidated financial statements and eliminates any inter-organizational transactions and balances. The University has a 7.14% (2019, 7.14%) interest in TRIUMF, a joint venture which operates a national laboratory for particle and nuclear physics (Note 16).

C. REVENUE RECOGNITION

All revenue is reported using the accrual basis of accounting.

i. Government Grants

For the purposes of these consolidated financial statements, government transfers are referred to as government grants. Government grants without stipulations are recognized as revenue when the transfer is authorized and the University is eligible to receive the funds. Government grants with stipulations are recognized as revenue when the transfer is authorized and the University is eligible to receive the funds, except when the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue when the liability is settled.

ii. Non-Government Grants and Non-Endowed Donations

Non-government grants and non-endowed donations without terms for use are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Non-government grants and non-endowed donations with external restrictions are deferred and recognized as revenue when the restrictions imposed by the contributors on the use of the funding are satisfied.

iii. Endowed Donations

Endowed donations are recognized as revenue in the year in which they are received. Endowed donations are required by donors to be maintained in perpetuity.

iv. Investment Income

Investment income, including dividends, interest income and realized gains or losses on the sale of unrestricted portfolio investments, is recognized as revenue when received or receivable.

Investment income earned on externally restricted investments is deferred and recognized when the related expenditure is made or stipulations are met.

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

v. Pledges, Gifts-In-Kind and Contributed Services

The University does not record pledges receivable in its consolidated financial statements.

Gifts-in-kind are recorded in the consolidated financial statements to the extent that they are eligible for an official donation receipt. Contributed services are not recorded in the consolidated financial statements.

vi. Other Revenue

All other revenue for which goods and services have not been provided is recognized as deferred revenue.

D. FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses in the Consolidated Statement of Operations have been classified based upon functional lines of service provided by the University. An outline of services provided by each function is as follows:

Instruction: All activities associated with direct educational delivery and academic functions within the University. Costs associated with this function include those incurred by faculties, excluding research.

Sponsored Research: All activities funded by grants and contracts from external organizations and undertaken within the University to produce specific research outcomes. Costs associated with this function are directly related to research activities.

Facilities: All activities associated with the ongoing operation and maintenance of the grounds, buildings and facilities of the University. Costs associated with this function include building, equipment and infrastructure maintenance; utilities; facilities administration; campus planning; custodial services; landscaping and grounds keeping; powerhouse maintenance; minor repairs and renovations; security services; administration of infrastructure development; amortization expense; and debt servicing costs related to the entire University.

Special Purpose and Trust: All activities related to externally restricted funding not intended for research activities. Costs associated with this function relate to activities such as externally assigned mandates; the administration of employee staff benefit plans; and the administration of trust and endowment funding.

Academic and Research Support: All activities that directly support the academic and research functions of the University. Costs associated with this function relate to activities that directly or indirectly support innovative learning, programming, teaching, and research, and include research administration; animal care; ethics board activities; international services; indigenous achievement; and the advancement of teaching and learning.

Libraries: All library, archival and special collection services provided to students and faculty across the University.

Student Services: Activities that directly support students. Costs associated with this function are for student service administration; counseling and chaplaincy; career services; recreation services; financial aid administration; enrollment services; and student health care services.

Administration: Activities that support the University as a whole. Costs associated with this function relate to the Board of Governors and Senate; financial, purchasing and internal audit services; human resources; institutional analysis; legal and regulatory obligations; and other centralized institution-wide general administrative activities.

Information Technology: Activities associated with central computing, networking, communications and other information technology functions that support the University as a whole.

Ancillary Services: Secondary services and products available to the University community and to external individuals and organizations. Costs associated with this function are related to the University's bookstores, dining services, student residences, parking and conference services.

External Relations: Activities that support the relationship between the University and the community. Costs associated with this function relate to advancement and development; alumni relations; marketing and communications; and public and government relations.

E. CASH AND CASH EQUIVALENTS

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

F. INVENTORIES HELD FOR SALE

Inventories held for sale, including books, merchandise and food are recorded at the lower of cost or net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated selling price less any costs to sell.

G. 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 the current year and are not intended for sale in the ordinary course of operations.

i. Tangible Capital Assets

Purchased capital assets are recorded at cost. Capital assets which are constructed by the University are recorded as Construction in Progress until the capital asset is put into use. The University does not capitalize interest. Contributed capital assets are recorded at market value at the date of contribution.

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

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

Intangible assets, works of art, rare books and manuscripts, museum specimens and other archival material, and items inherited by right of the Crown, such as mineral resources, are expensed when acquired and not recognized in the University's consolidated financial statements.

ii. Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks of ownership acquired under a capital lease are amortized over the useful life of the asset.

iii. Inventories Held for Use

Inventories held for use are recorded at cost. Cost includes the original purchase cost, plus shipping and applicable duties.

H. EMPLOYEE FUTURE BENEFITS

i. Pensions

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

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

ii. Non-Pension Benefit Plans

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

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

iii. Post-Retirement Adjustments

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

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

iv. **University of Manitoba Faculty Association Retirement Allowance**

The University provides a retirement allowance to eligible University of Manitoba Faculty Association (UMFA) members in exchange for their voluntary and irrevocable agreement to retire. The allowance is dependent upon the UMFA member's age and the number of advance years of notice given to the University prior to retirement. To be eligible, the member must be at least fifty-five years of age and have at least fifteen years of service at the University on a date that they have chosen as their retirement date. UMFA members must retire within three years of their enrolment. The University's policy is to record the estimated liability once members enroll. The cost of such allowance has been determined using management's best estimates.

v. **Vacation and Sick Leave**

The University accrues a liability for vacation pay and accumulating, non-vesting sick leave benefits. The cost of non-vesting sick leave has been determined using management's best estimates.

I. FINANCIAL INSTRUMENTS

The financial instruments of the University consist of cash and cash equivalents, accounts receivable, investments, accounts payable, and debt. All financial instruments are recognized at cost or amortized cost, or fair value.

Cash and cash equivalents are recognized at cost. Accounts receivable, inventories held for sale, accounts payable and debt (excluding derivative financial instruments) are recognized at amortized cost.

Loans receivable are recorded at amortized cost net of impairment allowances. Subsequent amounts received against loans that have been allowed for are recorded as revenue in the year received. Interest is accrued on loans receivable to the extent it is deemed collectable.

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

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

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

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

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

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

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

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

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

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

J. FOREIGN CURRENCY TRANSLATION

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

K. ENDOWMENTS

Endowments consist of:

- Externally restricted donations received by the university and internal allocations, the principal of which is required to be maintained in perpetuity.
- Investment income earned by the endowments in excess of the amount required for spending allocation, reinvested to maintain and grow the real value of the endowments. The University sets an annual spending allocation, currently at 4.50% of the average market value over a rolling four-year period. This spending amount is set to help ensure that the economic value of the endowments are protected by limiting the amount of income that may be expended and by reinvesting unexpended income. In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the accumulated investment income.

L. FUTURE ACCOUNTING CHANGES

In August 2018, the Public Sector Accounting Board issued PS 3280 *Asset Retirement Obligations*. This accounting standard is effective for fiscal years starting on or after April 1, 2021. *Asset Retirement Obligations* provides guidance on how to account for and report a liability for the retirement of a tangible capital asset.

In November 2018, the Public Sector Accounting Board issued PS 3400 *Revenue*. This accounting standard is effective for fiscal years starting on or after April 1, 2022. *Revenue* provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these new standards on the consolidated financial statements.

M. BUDGETS AND FIGURES

The 2019-20 budget was approved by the Board of Governors on May 28, 2019. These figures have been provided for comparative purposes and have not been restated to the PSAS basis of accounting, without the standards for government not-for profit organizations.

4. CASH AND CASH EQUIVALENTS

	2020	2019
Cash	$ 196,827	$ 104,741
Guaranteed Investment Certificates		30,000
	$ 196,827	**$ 134,741**

5. ACCOUNTS RECEIVABLE

	2020	2019
Business, Industry and Foundations	$ 17,913	$ 32,778
Provincial Government	14,845	11,714
Investment Income and Interest	10,538	7,606
External Sales and Cost Recoveries	10,020	7,065
Federal Government	9,757	17,182
Students	4,458	3,612
Advances	1,592	2,064
Other	823	378
	$ 69,946	**$ 82,399**

6. LOAN RECEIVABLE

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

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

IG FIELD LOAN:

	2020	2019
First Phase	$ 118,682	$ 118,682
Second Phase	79,784	79,784
	198,466	198,466
Allowance	(198,466)	(198,466)
	$	**$**

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

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

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

These allowances have been recorded in the Consolidated Statement of Operations as both revenue and expense.

7. PORTFOLIO INVESTMENTS

Portfolio investments include both non-endowed and endowed investments. Non-endowed investments consist of funds received in advance for future expenditures. Endowed investments consist of donations held in perpetuity.

	2020	2019
Portfolio Investments – Non-Endowed	$ 651,326	$ 688,281
Portfolio Investments – Endowed	471,167	506,997
	$ 1,122,493	$ 1,195,278

The composition of portfolio investments measured at fair value is as follows:

	2020				2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments Held at Fair Value:								
Cash and Money Market Funds	$ 210,229	$	$	$ 210,229	$ 212,851	$	$	$ 212,851
Canadian Equities	68,497			68,497	210,810			210,810
U.S. Equities	159,772			159,772	221,739			221,739
International Equities	1,918			1,918				
	440,416			440,416	645,400			645,400
Investments Designated to Fair Value:								
Cash and Money Market Funds		3,961		3,961		3,596		3,596
Bonds and Other Fixed Income Securities		78,726		78,726		73,968		73,968
Pooled Bond Fund		18,322		18,322		16,117		16,117
Pooled Canadian Equities		76,537		76,537		20,137		20,137
Pooled U.S. Equities		6,817		6,817		7,420		7,420
Pooled International Equities		112,318		112,318		115,695		115,695
Pooled Real Estate Fund		138,642		138,642		127,956		127,956
Pooled Mortgage Fund		9,764		9,764		9,406		9,406
Infrastructure Private Fund			82,737	82,737			21,330	21,330
		445,087	82,737	527,824		374,295	21,330	395,625
Investments Held at Amortized Cost:								
Corporate Bonds				103,042				103,042
Preferred Shares				51,211				51,211
				154,253				154,253
	$ 440,416	**$ 445,087**	**$ 82,737**	**$ 1,122,493**	**$ 645,400**	**$ 374,295**	**$ 21,330**	**$1,195,278**

The fair value of investments held at amortized cost is $132,273 (2019, $147,688).

During the years ended March 31, 2020 and March 31, 2019, there were no transfers of investments between levels 1, 2 or 3.

The University's investment in real estate consists of units of a pooled real estate investment in the Great-West Life Canadian Real Estate Investment Fund No. 1. GWL Realty Advisors placed a suspension on redemptions and transfers of units of the Fund and has not publicly disclosed when the suspension will be lifted.

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

	2020	2019
Balance Beginning of Year	$ 21,330	$
Purchases	54,427	21,002
Distributions Reinvested	999	207
Unrealized Gains	5,981	121
Balance End of Year	**$ 82,737**	**$ 21,330**

8. ACCOUNTS PAYABLE

	2020	2019
Salaries and Benefits	$ 35,031	$ 11,228
Trade Accounts Payable	31,387	37,683
Accrued Vacation and Sick Leave	17,917	16,589
Grants Payable	10,697	12,732
Retirement Allowance	8,228	7,801
Other	1,904	2,148
	$ 105,164	**$ 88,181**

9. EMPLOYEE FUTURE BENEFITS

	2020	2019
1993 Pension Plan	$ 7,442	$ 18,721
Non-Pension Benefit Plans	80,271	84,871
Post-Retirement Adjustments	1,520	1,708
	$ 89,233	**$ 105,300**

	2020			2019		
Accrued Benefit Obligations	**1993 Plan**	**Non-Pension Benefit Plan**	**Post-Retirement Adjustments**	**1993 Plan**	**Non-Pension Benefit Plan**	**Post-Retirement Adjustments**
Actuarial Accrued Benefits Beginning of Year	$ 1,218,520	$ 73,076	$ 1,655	$ 1,241,632	$ 75,552	$ 1,845
Interest Costs	121,907	3,879	82	15,613	4,062	91
Service Costs		5,710			7,725	
Benefits Accrued	59,138			58,809		
Benefits Paid	(105,148)	(8,620)	(287)	(98,637)	(8,102)	(326)
Actuarial Gains (Losses)	(22,575)	(704)	(66)	13,476	(1,856)	45
Change In Actuarial Assumptions	30,962	1,947	25	(12,373)	(4,305)	
Actuarial Accrued Benefits End of Year	**$ 1,302,804**	**$ 75,288**	**$ 1,409**	**$ 1,218,520**	**$ 73,076**	**$ 1,655**

	2020			2019		
Plan Assets	**1993 Plan**	**Non-Pension Benefit Plan**	**Post-Retirement Adjustments**	**1993 Plan**	**Non-Pension Benefit Plan**	**Post-Retirement Adjustments**
Fair Value Beginning of Year	$ 1,181,099	$ 62,661	$ 507	$ 1,232,390	$ 58,642	$ 639
Actual Return on Plan Assets	158,625	(859)		(10,161)	3,063	31
Employer Contributions	42,088	5,574		29,726	5,503	163
Employee Contributions	26,961	3,642		26,635	3,555	
Transfers From (to) Other Plans	750		(507)	1,146		
Benefits Paid	(105,148)	(8,620)		(98,637)	(8,102)	(326)
Fair Value End of Year	**$ 1,304,375**	**$ 62,398**	**$**	**$ 1,181,099**	**$ 62,661**	**$ 507**

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	2020			2019		
Accrued Benefit Obligations	**1993 Plan**	**Non-Pension Benefit Plan**	**Post-Retirement Adjustments**	**1993 Plan**	**Non-Pension Benefit Plan**	**Post-Retirement Adjustments**
Plan Deficit	$ (1,571)	$ 12,890	$ 1,409	$ 37,421	$ 10,415	$ 1,148
Contributed During Fiscal Year in Excess of Calendar Year	16,122			(6,919)		
Unamortized Actuarial Gains (Losses)	(7,109)	4,983	111	(11,781)	11,795	53
Add Back Assets Reported Separately		62,398			62,661	507
Accrued Benefit Liability	**$ 7,442**	**$ 80,271**	**$ 1,520**	**$ 18,721**	**$ 84,871**	**$ 1,708**
Net Benefit Expenses						
Current Service Cost	$ 31,427	$ 5,710	$	$ 31,028	$ 7,725	$
Employee Contribution	61,922	(3,642)			(3,555)	
Interest Costs	(63,659)	3,879	82	63,807	4,062	91
Expected Return on Plan Assets		(3,400)	(27)	(66,650)	(3,192)	(30)
Prior Period Cost		(1,310)			(720)	
Amortization of Actuarial (Gains) Losses	1,309		(8)	(2,242)		(16)
Plan Expenses			1			1
Net Benefit Expenses	$ 30,999	$ 1,237	$ 48	$ 25,943	$ 4,320	$ 46
Reconciliation of Unamortized Gains (Losses)						
Net Unamortized Gains (Losses) Beginning of Year	$ (11,781)	$ 11,795	$ 53	$ 20,181	$ 6,483	$ 112
Net Gain (Loss) Current Year	26,594	(5,502)	66	(29,720)	6,032	(43)
Amortization of Actuarial (Gains) Losses	1,309	(1,310)	(8)	(2,242)	(720)	(16)
Net Unamortized Gross Losses End of Year	$ 16,122	$ 4,983	$ 111	$ (11,781)	$ 11,795	$ 53
Significant Actuarial Assumptions						
Discount rate	5.5%	5.0%	5.0%	5.5%	5.4%	5.4%
Expected rate of return on assets	5.5%	5.0%	n/a	5.5%	5.4%	5.4%
Actual return on assets	13.7%	(1.4)%	n/a	(0.9)%		
Rate of general salary increase:						
2019	0.75%	n/a	n/a	0.75%	n/a	n/a
2020	1.5%	n/a	n/a	1.50%	n/a	n/a
Thereafter	2.5%	n/a	n/a	2.50%	n/a	n/a
Health Care Cost Trend Rates:						
Initial Rate	n/a	7.3%	n/a	n/a	7.5%	n/a
Ultimate Rate	n/a	4.5%	n/a	n/a	4.5%	n/a
Year Ultimate Rate Reached	n/a	2033	n/a	n/a	2034	n/a
Dental Care Trend Rates	n/a	4.5%	n/a	n/a	4.5%	n/a
Estimated Average Remaining Service Life (years)	9.00	9.00	6.00	9.00	9.00	7.00

PENSION PLANS

The University is the sponsor of two pension plans, The University of Manitoba GFT Pension Plan (1986 Plan) and The University of Manitoba Pension Plan (1993 Plan). The University has separate Pension Committees to act as Plan Administrator for each of the 1993 and 1986 Plans. Both Pension Plans issue their own financial statements, none of which forms part of the University's consolidated financial statements.

1986 PLAN

The 1986 Plan is a defined contribution plan; thus, the University has no pension liability as pension obligation equals plan assets. It is a money purchase plan for active members, the University recorded contributions of $2,380 (2019, $2,294) and this is included in the Consolidated Statement of Operations as an expense.

1993 PLAN

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

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

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

At retirement, the 1993 Plan provides that the Member's Contribution Account and University Contribution Account are applied to establish retirement income known as a plan annuity. This annuity is determined using a pension factor established by the actuary and is paid from the 1993 Plan. The 1993 Plan provides that if the defined benefit pension based on a formula involving the member's years of service and highest average earnings exceeds the plan annuity, the difference (known as a supplementary pension) is paid from the 1993 Plan.

The Plan provides for retirement benefits paid from the 1993 Plan to be increased using an excess interest approach, provided such increase can be afforded by the 1993 Plan as confirmed by the actuary.

At the December 31, 2017 valuation of the 1993 Plan, there were 4,792 active member accounts with an average salary weighted age of 52.2 for academic staff and 47.0 for support staff, and 1,783 annuitants and other recipients.

The actuarial method used to value the liabilities is the projected unit credit method, prorated on services. An actuarial valuation for accounting purposes was prepared by a firm of consulting actuaries as at December 31, 2018 and extrapolated to December 31, 2019.

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

The contribution made by employees for fiscal 2020 was $26,961 (2019, $26,635). The employer contribution made by the University for fiscal 2020 was $42,088 (2019, $29,726). It includes $3,152 (2019, $1,739) in additional contributions as advised by the Manitoba Pension Commission with respect to current service costs in excess of matching contribution of active members and the University.

The University uses an early measurement approach determined on a calendar year basis in preparing its financial statements. However, subsequent to December 31, 2019, there was a significant deterioration to global equity markets as well as declining bond yields in connection with COVID-19. The actuary estimated the impact on the market value of assets and underlying assumptions to have deteriorated the financial position, in aggregate, of the benefit programs sponsored by the University by approximately $112,000. In accordance with the accounting policies adopted these losses will be reflected during the next financial reporting period and will be amortized over the average service lifetime of the employees covered by those programs.

NON-PENSION BENEFITS

The University provides health, dental and group life benefits to employees who retired prior to July 1, 2004 on a non-contributory basis. The group life benefits are indexed post-retirement. For eligible employees retiring on or after July 1, 2004, no group life benefit is available, and retired employees share in the cost of the health and dental benefits. The long term disability income benefit is provided on a contributory basis. An actuarial valuation of these benefits was prepared for March 31, 2019 and extrapolated to March 31, 2020.

POST-RETIREMENT ADJUSTMENTS

The University provides post-retirement pension benefits to specifically entitled employees who retired prior to 1993. The adjustments for a year are determined as the lesser of the amounts that can be provided by a weighted average percentage salary increase at the University, or the excess interest approach provided under the 1993 Plan. One hundred percent of the adjustments are paid by the University. An actuarial valuation of this benefit was prepared for March 31, 2020.

10. DEFERRED REVENUE

Deferred revenue represents unspent externally restricted grants, non-endowed donations, and investment income.

	2020	2019
Unearned Revenue	$ 18,307	$ 17,739
Deferred Revenue	288,907	322,488
	$ 307,214	**$ 340,227**

	2020	2019
Non-Government Grants	$ 36,331	$ 57,924
Non-Endowed Donations	97,679	94,071
Investment Income	154,897	170,493
	$ 288,907	**$ 322,488**

	2020			
	Research	Capital	Special Purpose & Trust	Total
Deferred Revenue Beginning of Year	$ 59,220	$ 23,180	$ 240,088	$ 322,488
Grants, Non-Endowed Donations, and Investment Income	36,640	7,937	29,014	73,591
Recognized as Revenue	(58,119)	(8,578)	(40,475)	(107,172)
Deferred Revenue End of Year	**$ 37,741**	**$ 22,539**	**$ 228,627**	**$ 288,907**

	2019			
	Research	Capital	Special Purpose & Trust	Total
Deferred Revenue Beginning of Year	$ 70,140	$ 27,516	$ 219,399	$ 317,055
Grants, Non-Endowed Donations, and Investment Income	50,866	11,770	57,531	120,167
Recognized as Revenue	(61,786)	(16,106)	(36,842)	(114,734)
Deferred Revenue End of Year	**$ 59,220**	**$ 23,180**	**$ 240,088**	**$ 322,488**

11. DEBT

		2020		2019
Province of Manitoba:				
Promissory Note, 5.23% due March 1, 2035	$	51,471	$	53,675
Promissory Note, 5.55% due April 1, 2036		54,585		56,632
Promissory Note, 3.75% due September 30, 2039		21,312		22,040
Promissory Note, 5.35% due February 1, 2040		25,418		26,115
Province of Manitoba [1]:				
Promissory Note, 5.70% due February 1, 2049		4,858		5,026
Promissory Note, 5.45% due December 1, 2049		5,806		5,882
Promissory Note, 4.10% due July 30, 2050		23,791		24,575
Promissory Note, 4.10% due July 30, 2050		3,766		3,890
Promissory Note, 4.10% due July 30, 2050		9,995		10,325
Promissory Note, 4.85% due November 30, 2050		5,991		6,187
Promissory Note, 4.90% due December 31, 2050		1,945		2,008
Promissory Note, 3.85% due February 29, 2052		3,920		4,043
Promissory Note, 3.85% due February 29, 2052		2,954		3,046
Promissory Note, 4.65% due September 30, 2052		19,623		19,876
Promissory Note, 3.85% due January 31, 2053		9,528		9,818
Promissory Note, 4.00 % due March 31, 2053		2,887		2,975
Promissory Note, 4.625% due December 31, 2053		2,730		2,810
Promissory Note, 4.375% due March 31, 2054		5,203		5,356
Promissory Note, 4.375% due March 31, 2054		5,538		5,701
Promissory Note, 4.125% due August 31, 2054		1,442		1,483
Promissory Note, 3.75% due December 31, 2054		5,994		6,167
Promissory Note, 4.00% due November 30, 2055		1,875		1,928
Promissory Note, 3.875% due February 29, 2056		7,632		7,845
Promissory Note, 3.90% due March 31, 2056		5,233		5,378
Promissory Note, 4.00% due April 30, 2056		18,042		18,542
Promissory Note, 4.00% due October 31, 2056		1,224		1,257
Promissory Note, 3.50% due March 31, 2059		8,775		9,000
Promissory Note, 3.25% due July 31, 2059		3,933		3,338
Term Loans (with floating interest rates based on Bankers' Acceptance rates plus stamping fees):				
Royal Bank of Canada, due November 30, 2022		4,880		5,192
Royal Bank of Canada, due February 28, 2023		6,653		6,930
Royal Bank of Canada, due October 1, 2023		8,744		9,510
	$	**335,748**	$	**346,550**

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

Interest expense on debt was $16,098 (2019, $16,144), included in the Consolidated Statement of Operations.

1 The University receives funding from the Province of Manitoba for the construction or acquisition of tangible capital assets which is included in Debt. The monthly interest and principal repayments are to be funded by future grants provided by the Province of Manitoba.

Principal repayments, made monthly, on debt payable over the next five years are as follows:

	Province of Manitoba	Province of Manitoba[1]	Term Loans	Total
2021	$ 5,977	$ 4,483	$ 1,429	$ 11,889
2022	6,293	4,500	1,507	12,300
2023	6,627	4,518	1,592	12,737
2024	6,979	4,537	1,679	13,195
2025	7,349	4,556	1,773	13,678
Thereafter	119,561	140,091	12,297	271,949
	$ 152,786	**$ 162,685**	**$ 20,277**	**$ 335,748**

IG FIELD

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

Additional terms of repayment of the loan are as follows:

LOAN, FIRST PHASE:

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

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

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

LOAN, SECOND PHASE:

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

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

1 The University receives funding from the Province of Manitoba for the construction or acquisition of tangible capital assets which is included in Debt. The monthly interest and principal repayments are to be funded by future grants provided by the Province of Manitoba.

Principal and interest outstanding at March 31 were:

	2020	2019
Loan, First Phase	$ 75,000	$ 75,000
Loan, First Phase Accrued Interest	21,104	21,104
Loan, Second Phase Accrued Interest	22,578	22,578
	118,682	118,682
Loan, Second Phase	78,853	78,853
Loan, Second Phase Accrued Interest	931	931
	198,466	198,466
Allowance	(198,466)	(198,466)
	$	$

12. DERIVATIVES

	2020	2019
Fair Value of Financial Derivatives Beginning of Year	$ 3,767	$ 3,500
Unrealized (Gain) Loss	852	267
Fair Value of Financial Derivatives End of Year	**$ 4,619**	**$ 3,767**

Financial Derivatives are classified as Level 3.

DERIVATIVE FINANCIAL LIABILITIES

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

- The interest rate swap agreement for the $8,744 (2019, $9,510) loan has a fixed interest rate of 5.62% that is committed until September 1, 2028.
- The interest rate swap agreement for the $4,880 (2019, $5,192) loan has a fixed interest rate of 4.07% that is committed until February 13, 2032.
- The interest rate swap agreement for the $6,653 (2019, $6,930) loan has a fixed interest rate of 4.4% that is committed until August 5, 2035.

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

13. TANGIBLE CAPITAL ASSETS

Cost	Balance at March 31, 2019	Additions	Disposals	Balance at March 31, 2020
Assets Under Capital Lease	$ 2,501	$	$ (24)	$ 2,477
Buildings and Major Renovations	1,356,220	43,128		1,399,348
Computer Hardware	104,504	3,265	(1,748)	106,021
Construction in Progress	42,972	5,019		47,991
Furniture and Equipment	304,124	13,405	(3,011)	314,518
Land	29,777	154		29,931
Parking Lots	10,359	78		10,437
Vehicles	9,495	723	(81)	10,137
	$ 1,859,952	**$ 65,772**	**$ (4,864)**	**$ 1,920,860**

Accumulated Amortization	Balance at March 31, 2019	Additions	Disposals	Balance at March 31, 2020
Assets Under Capital Lease	$ 2,501	$	$ (24)	$ 2,477
Buildings and Major Renovations	362,648	28,215		390,863
Computer Hardware	96,904	3,446	(1,748)	98,602
Furniture and Equipment	235,230	14,342	(3,011)	246,561
Parking Lots	5,956	515		6,471
Vehicles	8,010	575	(81)	8,504
	$ 711,249	**$ 47,093**	**$ (4,864)**	**$ 753,478**

Net Book Value	2020	2019
Buildings and Major Renovations	$ 1,008,485	$ 993,572
Computer Hardware	7,419	7,600
Construction in Progress	47,991	42,972
Furniture and Equipment	67,957	68,894
Land	29,931	29,777
Parking Lots	3,966	4,403
Vehicles	1,633	1,485
	$ 1,167,382	**$ 1,148,703**

14. RISK EXPOSURE AND MANAGEMENT

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

OTHER PRICE RISK

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

INTEREST RATE RISK

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

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

INTEREST RATE EXPOSURE AS AT MARCH 31, 2020

	Less than 90 days	90 days to 1 year	1 year to 5 years	5 years to 10 years	Greater than 10 years	Total
Cash Equivalents and Investments	18.4%	34.6 %	25.7 %	17.2 %	4.1 %	100.0%
Financial Derivatives			100.0 %			100.0%

INTEREST RATE EXPOSURE AS AT MARCH 31, 2019

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

	March 31, 2020		March 31, 2019	
	Interest Bearing Instruments	Non-interest Bearing Instruments	Interest Bearing Instruments	Non-interest Bearing Instruments
Cash Equivalents and Investments	$ 407,019	$ 715,474	$ 437,825	$ 787,453
Financial Derivatives	$ 4,619	$	$ 3,767	$

As at March 31, 2020, a 0.5% fluctuation in interest rates, with all other variables held constant, would have an estimated impact as follows:

	2020	2019
Fair Value of Fixed Income Instruments	$ 5,365	$ 4,748
Interest Rate Swaps	$ 710	$ 762
Net Investment Income	$ 2,833	$ 2,718

FOREIGN CURRENCY RISK

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

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

	2020		2019	
Canadian Dollar	$ 942,783	71.4%	$ 934,579	70.3%
U.S. Dollar	266,349	20.2%	282,499	21.3%
Japanese Yen	32,259	2.5%	29,159	2.2%
Euro	27,406	2.1%	32,389	2.4%
Swiss Franc	21,015	1.6%	19,537	1.5%
British Pound Sterling	19,348	1.5%	16,460	1.2%
Other	10,160	0.7%	14,410	1.1%
	$ 1,319,320	**100.0%**	**$ 1,329,033**	**100.0%**

As at March 31, 2020, an appreciation of 10% in the Canadian dollar versus foreign currencies exchange rates would decrease investments and net remeasurement gains by approximately $37,654 (2019, $39,445), while a depreciation of 10% would increase investments and net remeasurement gains by approximately $37,654 (2019, $39,445).

CREDIT RISK

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

% of Total Interest Bearing Investments

Investment Rating	2020		2019	
R-1High	$ 136,655	33.6%	$ 148,310	33.9%
R-1Mid	150		26,982	6.2%
AAA	45,554	11.2%	49,980	11.4%
AA	139,638	34.3%	122,739	28.0%
A	16,514	4.1%	22,782	5.2%
BBB	8,237	2.0%	6,810	1.6%
CC	197		146	
Not Rated	60,074	14.8%	60,076	13.7%
	$ 407,019	**100.0%**	**$ 437,825**	**100.0%**

The University manages credit risk related to fixed income investments by focusing on high credit quality. Cash and cash equivalents are held in Canadian Chartered banks and Manitoba credit unions.

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

LIQUIDITY RISK

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

15. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

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

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

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

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

The Trust is taxable on any taxable income that is not allocated to the beneficiaries. There was minimal financial activity, balances, and commitments in 2019-20.

16. INVESTMENTS IN GOVERNMENT PARTNERSHIPS

The University has a 7.14% (2019, 7.14%) interest in TRIUMF, a joint venture which operates a national laboratory for particle and nuclear physics. The facility is funded by the Federal Government, and the University makes no direct financial contributions.

The proportionate amounts included in the University's consolidated financial statements are as follows:

	March 31, 2020	U of M's Proportionate Share	March 31, 2019	U of M's Proportionate Share
Statement of Financial Position:				
Financial Assets	$ 54,767	$ 3,910	$ 54,737	$ 3,908
Liabilities	8,823	630	9,019	644
Net Assets	**$ 45,944**	**$ 3,280**	**$ 45,718**	**$ 3,264**
Statement of Operations:				
Revenue	$ 85,605	$ 6,112	$ 87,080	$ 6,218
Expenses	85,144	6,079	82,414	5,884
Annual Surplus	**$ 461**	**$ 33**	**$ 4,666**	**$ 334**

17. RELATED PARTY TRANSACTIONS

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

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

The Board of Directors of the Foundation is an independent board whose members direct and guide the Foundation's actions. Members of the Board include, among others, certain senior staff of the University. The University of Manitoba however, is one of many entities eligible to receive aid from the Foundation. The University must make an application to the Foundation's Board of Directors to request funds, which may or may not be granted. The gifts received in fiscal 2020 were $222 (2019, $3,507).

TRIPLE B STADIUM INC.

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

As at March 31, 2020 and for the year then ended, the related party transactions pertaining to IG Field, with Triple B and the Province of Manitoba were as follows:

	2020	2019
Revenue and Expenses:		
Gain on Debt	$ 3,772	$ 80,311
Loss on Loan Receivable Allowance	$ 3,772	$ 80,311

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

18. EXPENSE BY OBJECT

	2020	2019
Salaries and Benefits	$ 500,249	$ 486,949
Materials, Supplies and Services	129,404	126,374
Student Assistance	69,260	66,806
Professional and Other Services	47,404	46,529
Amortization	47,093	45,813
Travel and Conferences	28,199	27,073
Utilities, Municipal Taxes and Insurance	21,117	20,890
Interest	16,098	16,144
Maintenances and Repairs	8,639	7,469
Net Loss on Loan Receivable Allowance	3,772	80,311
	$ 871,235	**$ 924,358**

19. GOVERNMENT TRANSFERS

	2020				
	Operating Activities	Research Activities	Capital Activities	Special & Trust Activities	Total
Provincial Grants:					
Economic Development and Training	$ 349,418	$	$ 7,120	$	$ 356,538
Other	22,808	12,186	12,650	19,151	66,795
	$ 372,226	**$ 12,186**	**$ 19,770**	**$ 19,151**	**$ 423,333**
Federal and Other Government Grants:					
Government of Canada	$ 11,068	$ 71,647	$ 9,057	$ 6,498	$ 98,270
Other Government					
Foreign		18		2,540	2,558
United States		50			50
Other Provinces	1,232	2,503		2,918	6,653
Municipal	51	15			66
	$ 12,351	**$ 74,233**	**$ 9,057**	**$ 11,956**	**$ 107,597**

	2019				
	Operating Activities	Research Activities	Capital Activities	Special & Trust Activities	Total
Provincial Grants:					
Economic Development and Training	$ 352,602	$	$ 7,120	$	$ 359,722
Other	31,070	12,115	12,378	15,462	71,025
	$ 383,672	**$ 12,115**	**$ 19,498**	**$ 15,462**	**$ 430,747**
Federal and Other Government Grants:					
Government of Canada	11,111	65,606	15,068	5,457	97,242
Other Government					
Foreign		62		2,584	2,646
United States		2,621			2,621
Other Provinces	1,063	1,690		2,957	5,710
Municipal	58				58
	$ 12,232	**$ 69,979**	**$ 15,068**	**$ 10,998**	**$ 108,277**

20. CONTRACTUAL RIGHTS

As part of its operations, the University enters into agreements with varying expiry dates for which it is entitled to receive revenues in the form of rental agreements. Total amounts outstanding from these agreements are as follows:

2021	$ 3,571
2022	2,816
2023	1,728
2024	1,223
2025	947
Thereafter	7,732
	$ 18,017

21. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The University 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, which are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses. No additional assessment was necessary for the current year.

Contractual obligations relating to Construction in Progress amounted to $28,763 (2019, $19,371). The contractual obligations relating to service contracts was $31,013 (2019, $24,575).

The members of the TRIUMF joint venture and the Canadian Nuclear Safety Commission (CNSC) approved a decommissioning plan which requires all members to be severally responsible for their share of the decommissioning costs, which were estimated at $60,700 as of March 31, 2020, as well as provide financial covenants to the CNSC for the amount of these costs. While there are no current intentions to decommission the facilities, and the facilities are estimated to have an indefinite useful life, the University's share of the unfunded decommissioning costs, as at March 31, 2020 is estimated at $3,496 (2019, $3,513). TRIUMF has put in place a plan for funding the cost of decommissioning which does not require any payments from the joint venture partners.

The University is a defendant in a number of legal proceedings arising in the normal course of business. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the University believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the University. Liabilities are recognized when the outcome becomes reasonably determinable.

22. ADOPTION OF CHANGES IN ACCOUNTING POLICY

	April 1, 2018	Cash	Library Holdings	Restricted Revenues & Government Transfers	Promissory Notes	Controlled Entities	Financial Assets	Reclassified	Restated April 1, 2018
Financial Assets									
Cash and Cash Equivalents	$ 330,370	$(210,874)	$	$	$	$ 1,051	$	$	$ 120,547
Accounts Receivable	86,354					276			86,630
Loan Receivable	81,974								81,974
Inventories Held for Sale	3,336							(33)	3,303
Portfolio Investments – Non Endowed	929,251	210,874				536	(473,404)		667,257
	1,431,285					1,863	(473,404)	(33)	959,711
Liabilities									
Accounts Payable	70,494					521		20,203	91,218
Employee Future Benefits	83,992							20,427	104,419
Pension Liability	20,427							(20,427)	
Vacation and Sick Leave Liability	16,323							(16,323)	
Deferred Revenue	24,520			308,278		562			333,360
Debt	268,741				158,244				426,985
Other Long Term Liabilities	7,380							(7,380)	
Derivatives								3,500	3,500
	491,877			308,278	158,244	1,083			959,482
Net Financial Assets Excluding Portfolio Investments Endowed	**939,408**			**(308,278)**	**(158,244)**	**780**	**(473,404)**	**(33)**	**229**
Portfolio Investments – Endowed							473,404		473,404
Net Financial Assets				**(308,278)**	**(158,244)**	**780**		**(33)**	**473,633**
Non-Financial Assets									
Tangible Capital Assets	1,145,096		(69,575)			170			1,075,691
Prepaid Expenses	2,638		4,011						6,649
Inventories Held for Use						52		33	85
	1,147,734		(65,564)			222		33	1,082,425
Accumulated Surplus	**2,087,142**		**(65,564)**	**(308,278)**	**(158,244)**	**1,002**			**1,556,058**
Accumulated Surplus is comprised of:									
Accumulated Surplus	1,950,341		(65,564)	(308,278)	(158,244)	1,002			1,419,257
Accumulated Remeasurement Gains	136,801								136,801
	$2,087,142	**$**	**$ (65,564)**	**$(308,278)**	**$(158,244)**	**$ 1,002**	**$**	**$**	**$1,556,058**

	Previously Reported March 31, 2019	Cash (1)	Library Holdings (2)	Restricted Revenues & Government Transfers (3)	Promissory Notes (4)	Controlled Entities (5)	Financial Assets (6)	Reclassified (7)	Restated March 31, 2019
Financial Assets									
Cash and Cash Equivalents	$ 337,089	$(203,562)	$	$	$	$ 1,214	$	$	$ 134,741
Accounts Receivable	82,772				(662)	289			82,399
Loan Receivable									
Inventories Held for Sale	3,612							(40)	3,572
Portfolio Investments – Non Endowed	991,944	203,562				(228)	(506,997)		688,281
	1,415,417				(662)	1,275	(506,997)	(40)	908,993
Liabilities									
Accounts Payable	66,104					575		21,502	88,181
Employee Future Benefits	86,579							18,721	105,300
Pension Liability	18,721							(18,721)	
Vacation and Sick Leave Liability	16,589							(16,589)	
Deferred Revenue	28,724			311,146		357			340,227
Debt	180,094				166,456				346,550
Other Liabilities	8,680							(8,680)	
Derivatives								3,767	3,767
	405,491			311,146	166,456	932			884,025
Net Financial Assets Excluding Portfolio Investments Endowed	**1,009,926**			**(311,146)**	**(167,118)**	**343**	**(506,997)**	**(40)**	**24,968**
Portfolio Investments – Endowed							506,997		506,997
Net Financial Assets	**1,009,926**			**(311,146)**	**(167,118)**	**343**		**(40)**	**531,965**
Non-Financial Assets									
Capital Assets	1,220,150		(71,506)			59			1,148,703
Prepaid Expenses	4,873		4,203						9,076
Inventories Held for Use						21		40	61
	1,225,023		(67,303)			80		40	1,157,840
Accumulated Surplus	**2,234,949**		**(67,303)**	**(311,146)**	**(167,118)**	**423**			**1,689,805**
Accumulated Surplus is comprised of:									
Accumulated Surplus	2,077,344		(67,303)	(311,146)	(167,118)	423			1,532,200
Accumulated Remeasurement Gains	157,605								157,605
	$2,234,949	**$**	**$ (67,303)**	**$ (311,146)**	**$ (167,118)**	**$ 423**	**$**	**$**	**$1,689,805**

1. Short term investments with a maturity date of 91 days or more were reclassified to Portfolio Investments Non-Endowed.
2. The University's library holdings, collections and works of art are no longer recognized as tangible capital assets.

3. Externally restricted revenues were recognized as revenue when spent and stipulations have been met. Government transfers were recognized when authorized and all stipulations have been met unless a liability exists.
4. Capital grants received from the Province, which were repaid through future grants, are not recorded as debt and no longer recorded as revenue when received.
5. The University consolidated PHDA and proportionately consolidated TRIUMF.
6. Investments held for endowment purposes were recorded as a financial asset below Net Assets Excluding Portfolio Investments Endowed.
7. Other reclassifications have been made to conform to the presentation adopted for the year ending March 31, 2020.

	Previously Reported March 31, 2019	Library Holdings	Restricted Revenues & Government Transfers	Promissory Notes	Controlled Entities	Reclassified	Restated March 31, 2019
Revenue							
Provincial Grants	$ 429,475	$	$ 2,771	$ (2,200)	$	$ 701	$ 430,747
Student Tuition and Fees	184,996						184,996
Federal and Other Government Grants	92,235				5,065	10,977	108,277
Non-Government Grants	57,570		11,417		1,203	(11,678)	58,512
Ancillary Services	38,934						38,934
Investment Income	56,459		(18,829)		94		37,724
Sales of Services and Products	36,133						36,133
Donations	43,266	(403)	1,773			(17,534)	27,102
Other Income	17,186				(155)		17,031
Net Gain on Debt	80,311						80,311
	1,036,565	(403)	(2,868)	(2,200)	6,207	(17,534)	1,019,767
Expenses	909,562	1,336		6,674	6,786		924,358
Endowed Donations						17,534	17,534
Annual Surplus	127,003	(1,739)	(2,868)	(8,874)	(579)		112,943
Accumulated Surplus Beginning of Year	1,950,341	(65,564)	(308,278)	(158,244)	1,002		1,419,257
Accumulated Surplus End of Year	**$ 2,077,344**	**$ (67,303)**	**$ (311,146)**	**$ (167,118)**	**$ 423**	**$**	**$1,532,200**

23. COMPARATIVE FIGURES

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