



**University
of Manitoba**

2023
ANNUAL FINANCIAL REPORT

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MISSION:

To create, preserve, communicate and apply knowledge, contributing to the cultural, social and economic well-being of the people of Manitoba, Canada and the world.

VISION:

To take our place among leading universities through a commitment to transformative research and scholarship, and to innovative teaching and learning – uniquely strengthened by Indigenous knowledge and perspectives.

VALUES:

To achieve our vision, we require a commitment to a common set of ideals. The University of Manitoba values: Academic Freedom, Accountability, Collegiality, Equity and Inclusion, Excellence, Innovation, Integrity, Respect, and Sustainability.

REPORT OF THE BOARD OF GOVERNORS

To the Minister of Advanced Education and Training, Manitoba

In compliance with Section 9.4(1) of *The Advanced Education Administration Act*, the Annual Report on the financial affairs of the University of Manitoba for the year ended March 31, 2023 is herewith submitted to the Minister of Advanced Education and Training.

The following are included with this Report:

- Management Discussion and Analysis
- Disclosures Made Under *The Public Interest Disclosure (Whistleblower Protection) Act*
- Statement of Management Responsibility for Financial Reporting
- Independent Auditor's Report
- Financial Statements

REPORT OF THE BOARD OF GOVERNORS

MEMBERS OF THE BOARD OF GOVERNORS:

At March 31, 2023 the members of the Board of Governors were as follows:

Chair

Laurel Hyde, B.S.A.

Vice-Chair

Lynette Magnus, B. Comm. (Hons.), CPA, CA

Chancellor

Anne Mahon, B.H. Ecol.

President and Vice-Chancellor

Michael Benarroch, B.A. (Hons.), M.A., Ph.D.

Appointed by the Lieutenant-Governor-in-Council:

Asmi Bindra

Juanita DeSouza-Huletey, B.A. (Hons.),
M.A., PMP, ALEP

Doug Finkbeiner, B.A., LL.B.

Laurel Hyde, B.S.A.

William Lazarenko

Kathryn Lee, B. Comm. (Hons.), CPA

Shane Li, B.Comm. (Hons.), MBA, M.Sc, CBV, CSCP

Lynette Magnus, B. Comm. (Hons.), CPA, CA

Kimber Osiowy, B.Sc. (C.E.), M.Sc.

Joshua Oyeyode

Allison Raizman, B.Sc., B.Sc. (Dent), DMD

Diane Roussin, M.S.M., B.A., B.S.W.

Elected by Senate

John Anderson, B.Sc., M.Sc., Ph.D.

Susan Prentice, B.A., M.E.S., Ph.D.

Jeffery Taylor, B.A., M.A., Ph.D.

Elected by Graduates

Duane Brothers, B.A., B.Ed., Ph.D.

Irene Fakankun, B.Sc., M.Res., Ph.D.

Nora Murdock, B.A., Cert.Ed., M.Ed., Ph.D.

Appointed by the University of Manitoba Students Union

Victoria Romero

Jaron Rykiss

Silvia Sekander, M.Sc.

University Secretary

Jeff M. Leclerc, B.Ed., M.Ed., C.Dir.

Respectfully submitted,
The Board of Governors,
The University of Manitoba.

Original signed by

Laurel Hyde, Chair.

THE UNIVERSITY OF MANITOBA: TOGETHER AGAIN

The University of Manitoba (University) is western Canada's first university, established in 1877, and is located on original lands of Anishinaabeg, Cree, Oji-Cree, Dakota, and Dene peoples, and on the homeland of the Métis Nation. The University is Manitoba's only research-intensive university, and one of the country's top research institutions. Since opening its doors 146 years ago, the University of Manitoba has thrived as a place where students come to learn and be inspired. The University continues to attract people from around the world who share its ideals and vision for positive change. The University believes in embracing challenges and taking action. Its students, faculty, researchers, and alumni bring their unique voices to learning and discovery, shape new ways of doing things and contribute to important conversations on topics that matter most, from human rights to global health to climate change. The University of Manitoba is where imagination and action collide.

The fall term saw the enrolment of 29,844 students from over 100 countries. International student enrolment increased as a proportion of the total student population, and represented 22.1% of all students enrolled in 2022-23. Indigenous¹ students continued to be a strong component of the student population in the fall term and represented 8.8% of all students.

The University is pleased to have retained its status as one of Manitoba's Top 25 Employers for 2023. People drive the success of the University of Manitoba, as faculty and staff are dedicated to providing students with the exceptional education that they expect and deserve.

Thanks to generous benefactors, the University's endowment is one of the largest Canadian university endowments. In 2022-23, the market value of the University Investment Trust was \$935.7 million.

The 2022-23 fiscal year saw the return of faculty, staff and students to the University's campuses – with some third-year students finally coming to campus for the first time – and the University was pleased to make everyone feel at home on campus once again. To support the resumption of all in-person activities, health and safety measures put in place were sustained in order to continue to protect students, faculty, staff and the community. While the 2022-23 fiscal year saw the University community come together again, the year was not without its challenges: international student visa processing backlogs impacted international student enrolment, enrolment levels experienced during the COVID-19 pandemic were not sustained through 2022-23, and ongoing global supply chain issues delayed a number of the University's capital projects.

The University's Annual Surplus in 2022-23 was \$63.5 million, which included contributions made by benefactors to the endowment, funding earmarked for future capital projects and research endeavors, and funding that has been set aside to support ongoing operations and future initiatives. The University also recorded net remeasurement losses of \$11.0 million, which represented a decrease in the valuation of certain University investments held at March 31, 2023. The net financial impact of the Annual Surplus and Net Remeasurement Gains resulted in a Net Increase to Accumulated Surplus of \$52.5 million.

The following table summarizes the annual surplus of the University for the year ended March 31, 2023.

SUMMARY OF ANNUAL SURPLUS (LOSS) BY ACTIVITY

(in thousands)	2023	2022
Operating Activities	\$ 29,253	\$ 70,035
Non-Operating Activities	42,190	45,208
Multi-Year Initiatives and Capital Projects	(34,980)	(48,024)
Annual Surplus from Operating and Non-Operating Activities	36,463	67,219
Endowment Activities	27,042	25,650
Annual Surplus	63,505	92,869
Net Remeasurement Gains (Losses) for the Year	(11,025)	31,119
Net Increase to Accumulated Surplus	\$ 52,480	\$ 123,988

¹ Indigenous identity is a voluntary self-declaration made on admission forms.

MANAGEMENT DISCUSSION AND ANALYSIS

On April 1, 2022, the University was required to adopt Canadian Public Sector Accounting Standard (PS) 3280 *Asset Retirement Obligations*. Adjustments resulting from the adoption were applied using the modified retroactive application approach. This accounting standard required the University to recognize a liability for an estimate of the future costs of legal obligations associated with the retirement of certain assets that resulted from their acquisition or construction. In turn, this further impacted the recorded cost of these assets, as well as other areas of the University's financial statements. The implementation of this standard resulted in a decrease in the Annual Surplus in fiscal 2022-23 of \$5.4 million (2022, \$5.2 million), which is reflected under Non-Operating Activities. Further details on the impact of the adoption to the University's financial statements are found later in the report and in Note 3.

OUR SHARED FUTURE

In spring 2020, the University presented its final report on *Taking Our Place: University of Manitoba Strategic Plan 2015-2020*. Since that time, the University has continued to achieve meaningful results across all five priorities described in that plan:

- *Inspiring Minds* through innovative and quality teaching
- *Driving Discovery and Insight* through excellence in research, scholarly work, and other creative activities
- *Creating Pathways to Indigenous Achievement*
- *Building Community* that creates an outstanding learning and working environment
- *Forging Connections* to foster high-impact community engagement

The University is continuing to advance its mission, vision and values and deliver on its commitment to reconciliation with Indigenous peoples. The COVID-19 pandemic presented the University community with immense challenges, but also with opportunities to learn and innovate. New problems led to progress as the University adapted to new ways of teaching, learning, researching, working, and engaging with each other. The pandemic also delayed the extensive community engagement that is fundamental to developing a new strategic plan. Nevertheless, in June 2021 every member of the University was invited to participate in an online questionnaire that built on the many discussions held across the University over the past year. Based on the rich feedback received from these discussions, and from close to 2,000 respondents (primarily faculty, staff and students), five priorities were confirmed that drove efforts over the 2022-23 fiscal year and will continue to until a new strategic plan is adopted. As outlined in *Our Shared Future: Building on our Strategic Plan*, the University will:

- Support and sustain a post-COVID teaching, learning, research and work environment. This includes a commitment, as one of Canada's top 15 research universities, to remain a leader in research excellence.
- Develop and publicize a University-wide anti-racism strategy.
- Enhance and expand opportunities for learning, including research opportunities for students.
- Deliver on commitments to Indigenous achievement and engagement.
- Create a more accessible, equitable, diverse, and inclusive University.

In fiscal 2022-23, the University commenced a comprehensive strategic planning exercise to inform the new strategic plan. In-person and remote consultation sessions were conducted across campus, and online surveys were issued to the community to gather further information to help shape the next phase of the strategic planning process. A new strategic plan is anticipated to be adopted in fiscal 2023-24.

The University's 2022-23 operating budget allocated funding across the institution to support and advance strategic goals. Within the budget, \$9.8 million was also allocated to specific strategic initiatives.

Strategic allocations in 2022-23 provided \$2.0 million to support the *Inspiring Minds through innovative and quality teaching* priority. This included support to strengthen the University's commitment to students by allocating this \$2.0 million to student assistance, targeted to both undergraduate and graduate students of the highest need, as well as for specific supports for international and Indigenous students.

Strategic allocations in 2022-23 also provided support for the *Creating Pathways to Indigenous Achievement* priority through continued investment for the recruitment of Indigenous faculty members (\$0.6 million). This allocation further supported the *Inspiring Minds* priority.

The budget also included several other strategic allocations aligned with the five new priorities described above, including: \$2.8 million for back-up information technology infrastructure and modernizing data protection to protect against cyber threats in a post-COVID environment; \$1.5 million to support various initiatives surrounding learning and working in a post-COVID environment; \$1.0 million to support campus accessibility upgrades; \$0.5 million for learning space renewal and enhancement; \$0.3 million for the implementation of an equity, diversity, and inclusion strategy; \$0.3 million to support a University-wide Anti-Racism Strategy / Task Force development; and \$0.2 million to finalize the development of a Climate Action Plan for the University.

Additional details about the University's 2022-23 budget can be found at:

<https://umweb-edit.ad.umanitoba.ca/finance/sites/finance/files/2022-07/Board%20Submission%20-%202022-23%20Budget%20v2.pdf>

FINANCIAL OVERVIEW

A university is a complex organization that undertakes several activities in support of its mission and strategic objectives. These activities include teaching, conducting research, community service, and providing ancillary services such as student residences, parking services and bookstore operations. In addition, a university maintains its own infrastructure including buildings, IT infrastructure, research equipment, office furnishings, roadways, and parking lots.

The financial statements of the University are prepared using Public Sector Accounting Standards (PSAS) and as a result, financial resources and impacts associated with all activities are combined together for reporting purposes. However, for the purpose of financial transparency, this report provides commentary on each type of activity. These activities have been categorized as follows:

Operating Activities

Operating activities include but are not exclusive to: the instruction and ongoing support of students; the operation and maintenance of facilities; the support of academic and research endeavors; the operation of libraries; the operation of bookstores, student residences, parking facilities and dining services; and the activities that support the relationship between the University and the community. These activities are supported by funding sources such as tuition fees, the operating grant from the Province of Manitoba, and revenue generated from ancillary services (e.g. student residences, parking services and bookstore operations). Costs associated with the University's operating activities include the salaries and benefits of faculty and staff, materials and supplies, utilities, plant maintenance, libraries, student services and other support services. The University carefully manages operating finances to ensure financial stability.

Research Activities

Research activities include research projects undertaken by the University in order to produce specific research outcomes. Funding received in support of research activities is restricted for this purpose by external sponsors of research, and must be used in accordance with the associated contracts and agreements between the University and these sponsors. This funding cannot be used to support operating activities.

Capital Activities

Capital activities include but are not exclusive to: the purchase or building of new facilities or infrastructure; the renovation or replacement of existing facilities and infrastructure; and the purchase of major equipment, including scientific equipment, vehicles and information technology infrastructure; and those associated with required asset retirement obligations. These items are acquired or built with the expectation that they will be used for a number of years to help deliver the University's mandate. These activities are funded by sources such as grants from the Province of Manitoba and the Government of Canada, and donations from benefactors. Funding received for capital activities is

MANAGEMENT DISCUSSION AND ANALYSIS

restricted for this purpose by external funders. At times, the University may also borrow funds to finance large capital projects, and is also required to meet legal obligations associated with the retirement of certain assets. As such, costs associated with capital activities include debt repayment and interest costs associated with holding debt, amortization costs, and accretion of future asset retirement cost estimates.

Special Purpose and Trust Activities

Special purpose and trust activities include but are not exclusive to: the undertaking of externally-assigned mandates, such as the provision of health care services in northern communities; the administration of employee staff benefit plans; and the administration of trust activities, which include the support of faculties and schools, students, professorships, chairs, research, libraries and athletic programs, to name a few. Funding for these activities comes from a variety of sources, including grants from the Province of Manitoba, Government of Canada, and other Canadian provinces; foreign governments; employee contributions to benefit plans; and donations from benefactors and investment income earned on those donations. Funding received for these activities is restricted by collective bargaining agreements, external funders and donors.

Endowment Activities

Endowment activities involve the receipt of resources that have been gifted or bequeathed to the University under the condition that they be held in perpetuity to support the future of the University. However, the income earned from investing these gifts and the spending of such is considered to be a trust activity, as it can be used only for specific purposes as previously outlined.

Financial Health

As a charitable not-for-profit organization, the University's financial goal is not to maximize profit. Rather, the University's finances are managed to maximize its ability to deliver on its teaching, research, and service mission while ensuring adequate reserves are in place for long-term financial sustainability.

Tracking the financial performance and measuring the financial health of the University as a whole can be a challenge, particularly when each facet of its diverse operations has its own unique characteristics and key indicators of whether it is meeting its financial or operational objectives.

The University's financial statements can be difficult to interpret due to the myriad of activities the University undertakes, the multiple funding sources, the externally imposed restrictions placed on some of that funding, and the complex accounting standards that must be followed. Further complicating matters is the requirement under PSAS to report the financial resources and impacts of all activities combined together, limiting insight into whether or not financial or operational objectives were achieved.

Several financial ratios were developed by Ron Salluzzo, et, All and published in *Strategic Financial Analysis for Higher Education* in 2010. These ratios provide insight into the degree to which a university's financial position allows it to weather unexpected financial challenges, settle its debt, and generate a positive cash flow. The University has chosen to present these ratios for the benefit of stakeholders, and they are to be considered in conjunction with the other data presented in this Annual Financial Report.

Primary Reserve Ratio

Does the University have sufficient financial flexibility?

The Primary Reserve Ratio measures whether a university has sufficient resources to continue operations in the event of a financial downturn or crisis.

The University relies heavily on provincial operating grants (47.7% of 2022-23 operating revenue) and tuition (31.4% of 2022-23 operating revenue) to fund its operating activities. Further, the majority of the University's expenses are salaries

MANAGEMENT DISCUSSION AND ANALYSIS

and benefits (75.0% of 2022-23 operating expenses). Because of its reliance on certain funding sources and its obligations to its employees, monitoring the University's ability to manage a financial crisis is an important aspect of sound financial stewardship.

A target score of 140 days is considered to be a threshold indicative of reasonable financial reserves.

Viability Ratio

Can the University settle its debt?

The Viability Ratio measures the availability of resources (unrestricted net assets) to cover a university's debt load should it need to do so, and whether its debt is being managed strategically to advance a university's mission.

A target score of 1.25 or better is considered to be indicative that a university has a reasonable level of resources available to settle its outstanding debt should it be required to do so.

Net Operating Revenue Ratio

Did the University generate a positive or negative cash flow?

The Net Operating Revenue Ratio indicates whether a university is living within its available resources, and if its aggregated activities resulted in a surplus or a deficit.

A positive score indicates that a university has generated a surplus, and a negative score indicates that a university has generated a deficit. A threshold demonstrating reasonable financial health for this ratio is 2.0%.

Return on Net Assets Ratio

Has the University's net assets increased or decreased?

The Return on Net Assets Ratio measures if a university is better off at the end of a fiscal period than at the beginning of a fiscal period. The threshold for reasonable financial health is 6.0%.

Composite Financial Index

How is the University's financial health?

Using Salluzzo's methodology, the scores of the above four ratios, applying weighting factors, can be combined into a single ratio called the Composite Financial Index (CFI). The CFI is intended to be used as a single measure of a university's financial health at a single point in time.

The strength factors and CFI score fall along a scale of -4 to +10. A CFI score of +3 is the threshold level showing reasonable financial health at a university. A score of less than +3 indicates a need for additional attention to a university's financial condition. A score of greater than +3 indicates an opportunity for the strategic use of unrestricted resources to achieve a university's objective. A score of +1 indicates little financial health, while a score of +10 is the high benchmark. A score of +3 or above is preferred.

The following are the University's financial ratio scores for the past two fiscal years.

Ratio	Minimum Threshold	2023	2022
Primary Reserve Ratio	140 days	201 days	216 days
Viability Ratio	1.25	1.70	1.66
Net Operating Revenue Ratio	2.0%	3.4%	11.6%
Return on Net Assets Ratio	6.0%	1.0%	4.8%
Composite Financial Index	3.0	3.5	5.1

MANAGEMENT DISCUSSION AND ANALYSIS

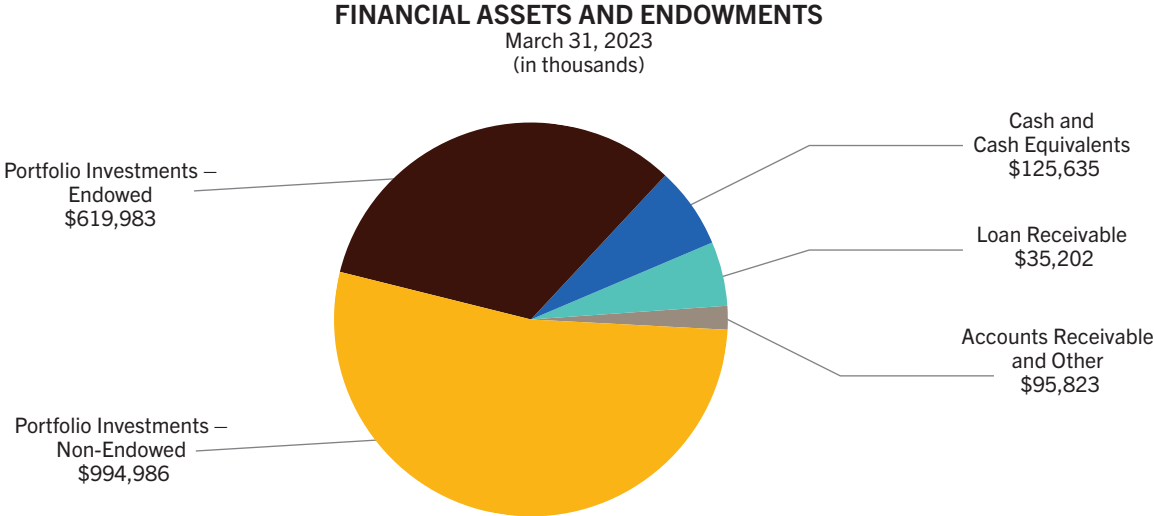
Financial Resources

Net Financial Assets

Net financial assets are comprised of the University’s financial assets, liabilities and endowments. The University’s net financial assets at March 31, 2023 were \$829.3 million, composed of financial assets of \$1.3 billion and endowments of \$620.0 million, offset by \$1.0 billion of liabilities. The University’s financial assets and liabilities are detailed below.

Financial Assets

Details of the University’s financial assets, including endowed donations, are depicted below.



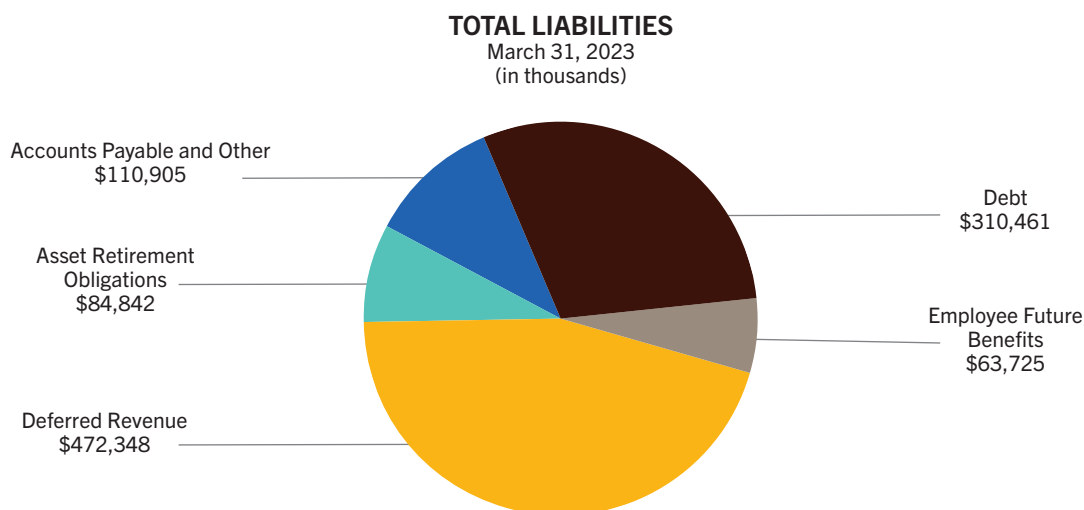
The majority of investments held were related to resources entrusted to the University by donors for specific activities and initiatives. Non-endowed portfolio investments (\$995.0 million) consisted of resources that were designated or held specifically for certain activities, whether by management decision or because it was required by external funders or donors. Endowed portfolio investments (\$620.0 million) consisted of donations that had been directed by benefactors to be held in perpetuity for the benefit of future generations, and as such cannot be used to support operating activities. Portfolio investments, both endowed and non-endowed, are discussed and further detailed in Note 7.

Cash and Cash Equivalents held by the University at any time are a result of timing differences between when revenue is received and expenditures are incurred. This is particularly true of research and capital activities, where often revenue is received in one year and the corresponding expenses are incurred as research or capital activities continue over multiple fiscal years. As the University constantly has multiple initiatives underway, it must manage its working capital appropriately to ensure that resources are available when they are needed. To enhance operational efficiency and reduce costs, cash is managed on a pooled basis, and depending on cash flow requirements may at times be invested in order to earn income. At March 31, 2023, the University had a Cash and Cash Equivalents balance of \$125.6 million, comprised solely of cash in bank.

Of the total combined balance of cash and investments of \$1.7 billion, \$933.2 million or 53.6% is related to endowed and non-endowed donations and the investment income earned from them. A further \$266.8 million or 15.3% related to multi-year research projects, as well as staff benefit programs and other special purpose activities. The remaining balance of cash and investments held were designated for multi-year initiatives and capital projects, to support future operations, and to support future projects and other specific requirements. Maintaining liquid assets ensures that the faculties and units have ready access to the resources they need to fund their operations, initiatives and projects within the next fiscal year.

Liabilities

The University's total liabilities at March 31, 2023 were \$1.0 billion. Details of the University's liabilities at March 31, 2023 are depicted below.



Deferred revenue included revenue received through operating activities for services to be performed in the future (\$28.6 million), as well as funding received and entrusted to the University specifically for research, capital, special purpose and trust activities (\$443.7 million) that had not been spent as at March 31, 2023. Often projects and initiatives span multiple fiscal years, which results in the receipt of funding that cannot be recognized as revenue until it has been spent. Unspent donations and related investment income represented \$300.9 million, a deferred capital-related federal grant represented \$59.7 million, \$51.6 million was deferred research revenue from non-government sources, and \$31.5 million represented deferred lease revenue. Unspent government grants and other sources of revenue are not deferred and are reflected in the accumulated surplus.

Debt included loans made to the University for such initiatives as the construction of the Active Living Centre, student residences and other buildings, and to fund infrastructure and deferred maintenance projects. Of the \$310.5 million of debt outstanding, \$160.8 million consisted of debt owing to the Province of Manitoba for the construction and acquisition of tangible capital assets, for which the monthly principal and interest repayments are funded by grants provided by the Province of Manitoba.

As previously mentioned, on April 1, 2022 the University was required to adopt Canadian Public Sector Accounting Standard (PS) 3280 *Asset Retirement Obligations*. Adjustments resulting from the adoption were applied using the modified retroactive application approach. This accounting standard required the University to recognize a liability for an estimate of the future costs of legal obligations associated with the retirement of certain assets that resulted from their acquisition or construction. Asset retirement obligations represent the University's best estimate of the present value of these costs, and were estimated to be \$84.8 million at March 31, 2023. Further details on the impact of the adoption of this accounting standard to the University's financial statements are found later in this report and in Notes 2, 3, 15 and 16.

Further details on the University's liabilities at March 31, 2023 are found in Notes 9, 10, 11, 12, 13 and 14.

Non-Financial Assets

Non-financial assets were comprised of assets that are not readily convertible to cash to meet the University's obligations. The University's non-financial assets at March 31, 2023 were \$1.2 billion and consisted primarily of tangible capital assets. Tangible capital assets are acquired or built with the expectation that they will be used for several years to help deliver the University's mandate. The University's buildings, which number over one hundred and cover more than six million square feet, comprise the majority of its tangible capital assets and provide space for teaching, learning, administration and recreational activities.

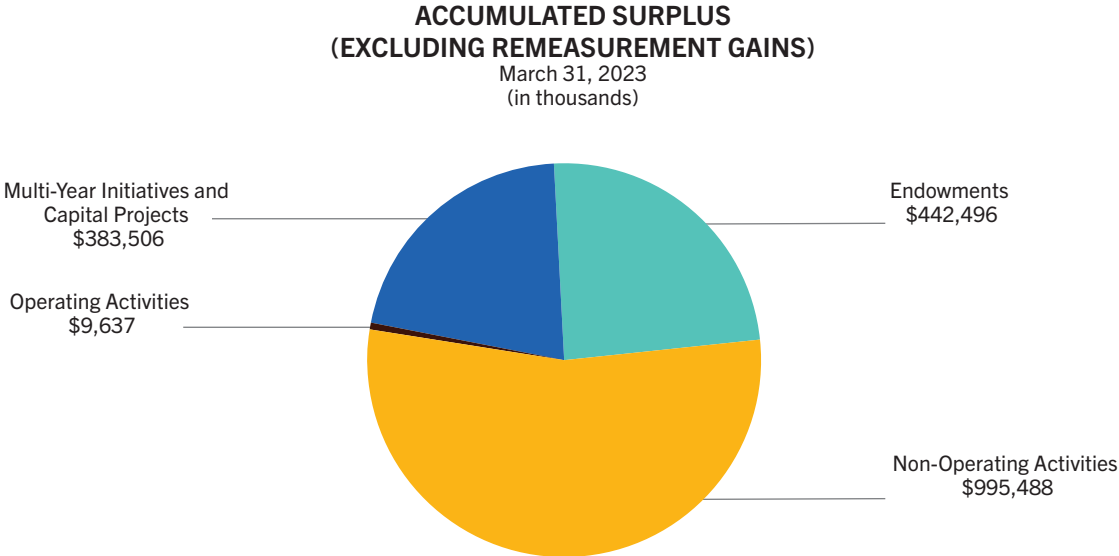
MANAGEMENT DISCUSSION AND ANALYSIS

The adoption of PS 3280 *Asset Retirement Obligations* impacted the recorded cost of several of the University’s buildings. In addition to a net increase to tangible capital assets of \$55.0 million, the initial adoption of the accounting standard on April 1, 2021 resulted in an increase to liabilities of \$125.3 million and a decrease to accumulated surplus of \$70.3 million. Furthermore, the liability was remeasured using a higher discount rate in fiscal 2022-23, which resulted in an adjustment to tangible capital assets and the asset retirement obligations liability of \$47.5 million. Further details on the impact of this accounting standard can be found in Notes 2, 3, 15 and 16.

Tangible capital assets are discussed later in this report and are further detailed in Note 16.

Accumulated Surplus

Accumulated surplus is composed of net financial assets and non-financial assets. It does not necessarily represent expendable resources as a large part of the balance is comprised of tangible capital assets and endowed donations that cannot be readily converted to cash. The University’s accumulated surplus at March 31, 2023, excluding accumulated remeasurement gains, was \$1.8 billion. The composition of the accumulated surplus balance at March 31, 2023 is depicted below.



The most significant portion of the accumulated surplus excluding remeasurement gains at March 31, 2023 pertained to non-operating activities such as capital, research, trust, and other activities. Among other things, it was comprised of tangible capital assets, debt, and funding entrusted to the University for specific purposes that was received, but had not been spent as at March 31, 2023. Of the total, \$830.3 million was associated with capital assets, \$137.9 million pertained to research activities, \$55.6 million pertained to special purpose and trust activities, and (\$28.3 million) pertained to expenses funded by future revenues.

Accumulated surplus was further composed of endowments of \$442.5 million at March 31, 2023. As the endowed resources consisted of donations that have been directed by benefactors to be held in perpetuity for the benefit of future generations, this surplus cannot be used to support general operations.

The portion of the accumulated surplus at March 31, 2023 pertaining to funding designated for multi-year initiatives and capital projects was \$383.5 million. As discussed previously, this is composed of funding that has been set aside to support multi-year initiatives, future capital projects and operations, and other specific requirements.

The remaining balance of accumulated surplus was associated with operating activities. As a not-for-profit organization, the University’s accumulated surplus/deficit associated with its operating activities is monitored closely and controlled to prevent overspending. The net increase for the 2022-23 fiscal year was seventy-nine thousand dollars after all transfers.

The following table is a summary of the changes to the University’s accumulated surplus that occurred in 2022-23.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF CHANGES TO ACCUMULATED SURPLUS

2022-23

(in thousands)

	Operating Activities	Non-Operating Activities	Multi-Year Initiatives and Capital Projects	Endowment	Total
Revenue	\$ 718,901	\$ 286,526	\$	\$	\$ 1,005,427
Expenses	(651,934)	(307,095)			(959,029)
Net Revenue	66,967	(20,569)			46,398
Net Allocations:					
Debt Repayment	(20,500)	20,500			
Student Assistance	(15,765)	13,197		2,568	
Capital Asset Acquisitions	(14,822)	37,873	(23,051)		
Research	(7,296)	7,296			
Budgeted Strategic Initiatives	(7,457)		7,457		
Pension and Employee Future Benefits	(16,288)	16,288			
Future Indirect Costs of Research	(3,886)		3,886		
Staff Benefits	(3,733)	3,733			
Student Contributions to Endowments	(1,998)	1,179		819	
Other		(6,748)	200	6,548	
Indirect Costs of Research	6,864	(6,864)			
Multi-year Initiatives and Operating Projects	23,472		(23,472)		
General Operating Support	23,695	(23,695)			
	(37,714)	62,759	(34,980)	9,935	
Annual Surplus from Operating and Non-Operating Activities	29,253	42,190	(34,980)	9,935	46,398
Other Transfers:					
Faculty and Unit Carryover	9,099		(9,099)		
Faculty and Unit Transfers	(25,194)		25,194		
Central Transfers	(13,079)		13,079		
	(29,174)		29,174		
Endowed Donations				17,107	17,107
Annual Surplus	79	42,190	(5,806)	27,042	63,505
Restated Accumulated Surplus Beginning of Year ²	9,558	953,298	389,312	415,454	1,767,622
Accumulated Surplus End of Year	\$ 9,637	\$ 995,488	\$ 383,506	\$ 442,496	\$ 1,831,127

The change to accumulated surplus from operating and non-operating activities is the result of revenue less expenses, net of allocations to support other University activities. Details on the University's revenue and expenses in 2022-23 are found later in this report. Some net allocations are made as part of the normal course of operations and include the funding of debt repayments; student assistance; the purchase and construction of capital assets; budgeted allocations for strategic initiatives; and the support of research endeavors and staff benefit plans. They also include the allocation of overhead from research grants in support of indirect costs of research; operating support received from the annual spending allocation of investment income earned from trust and endowment assets (discussed later in this report); as well as the allocation of funding set aside in past years to support the costs of multi-year projects and initiatives. Other transfers are made to designate excess revenues

² See Note 3 for further details.

MANAGEMENT DISCUSSION AND ANALYSIS

and unspent funds for various initiatives and projects, to be used in the future.

As indicated in the above table, at March 31, 2023, \$29.3 million of net operating surplus remained, which is a decrease of \$40.8 million from the prior year. This surplus was primarily a product of exceeding expectations for certain types of revenue, and lower than anticipated spending. The most significant factor was the underspending of operating expenses in the faculties, which contributed \$26.6 million to the surplus. This was due primarily to vacant positions and ongoing delays in operating projects and initiatives. Another \$10.0 million of budgeted reserves set aside for the faculties also went unspent. This offset higher than anticipated operating expenses in other areas, such as utilities, netting to overall operating expense savings of \$34.4 million. Further, certain sources of revenue were higher than anticipated in the budget. Operating-related investment income exceeded budgeted expectations by \$6.9 million due to increased interest rates (further details on investment income are found later in this report), and sales of goods and services revenue increased by \$6.1 million due primarily to the return to in-person activities on campus. These increases were offset by lower than anticipated tuition revenue due to a decrease in enrolment in the year.

The faculties, units and central administration designated the \$29.2 million to support operations, multi-year initiatives, future capital projects, and for other specific requirements in future fiscal years. This included support for fiscal stabilization, future operating expenses, and operating various initiatives (\$21.5 million); faculty and unit funded facility renovations, classroom and lab upgrades (\$13.2 million); and other funding in support of ongoing or future capital projects (\$3.6 million). These designations were supported by faculty and unit carryover of \$9.1 million.

Research, capital, trust and other activities contributed a further \$42.2 million to the accumulated surplus balance at March 31, 2023. This increase pertained primarily to funding received during the year for multi-year projects that was unspent at March 31, 2023.

During the year, the University transferred a net \$35.0 million of the funding set aside in past years for spending on multi-year initiatives and capital projects. Of this funding, \$23.5 million was used to support operating expenses and multi-year projects and initiatives and included, among various other things, \$8.0 million of support for the 2022-23 operating budget; \$4.8 million for support of indirect costs of research; and \$2.3 million of support of ongoing information technology projects. A further \$23.1 million of support was spent on capital projects. Offsetting the deployment of this funding were budgeted strategic allocations made for priorities such as future infrastructure projects (\$5.8 million), support for indirect costs of research to be incurred in fiscal 2023-24 (\$3.9 million) and learning space upgrades and renewals (\$1.0 million).

Thanks to generous benefactors, endowed donations of \$17.1 million were received in 2022-23. Each year, through a referendum, students choose to designate a portion of their tuition fees as a contribution to the University's endowments and to reallocate unspent investment income generated from the endowments back as endowment principal. This amount totaled \$0.8 million in 2022-23. This, combined with other allocations to endowments, made for a total increase of \$27.0 million in endowments.

Accumulated Remeasurement Losses

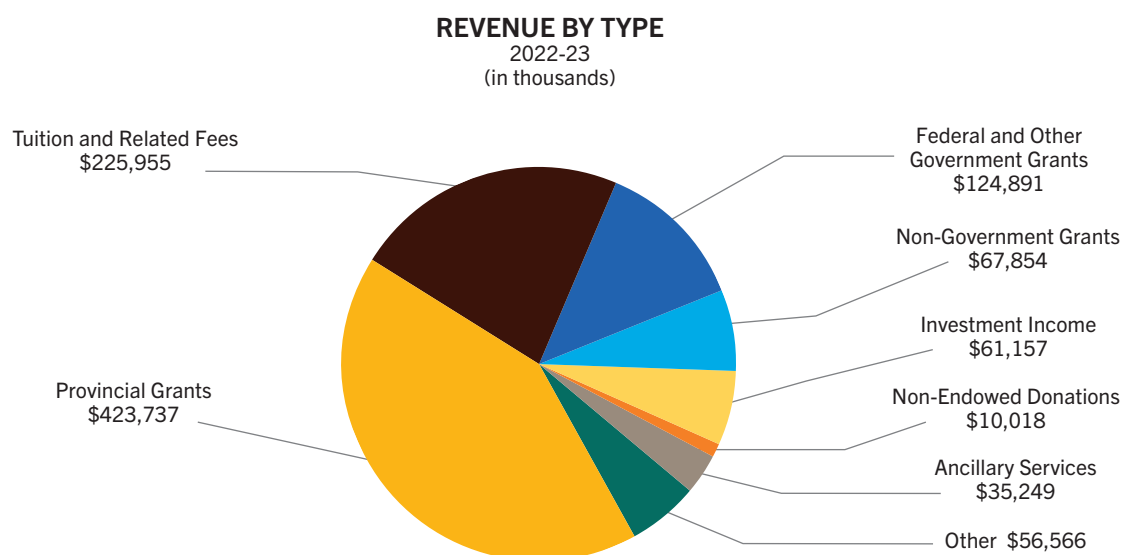
Accumulated remeasurement losses represent the accumulation of net unrealized gains and losses primarily on the investments held in the University Investment Trust, which is composed of endowed assets and some trust-related assets. During the year, the University recorded \$11.0 million in net remeasurement losses, comprised primarily of net unrealized losses experienced as both equity and bond valuations decreased in the high inflationary environment of fiscal 2022-23. These remeasurement losses reduced the accumulated remeasurement gains balance to \$241.8 million at March 31, 2023.

Financial Activities

Revenue

The University of Manitoba earns revenue from a variety of sources. In 2022-23, the University recognized \$1.0 billion of revenue, which was an increase of \$35.9 million from the previous year.

The types of revenue recognized in 2022-23 were as follows:



Provincial Grants

The University's most significant funder was the Province of Manitoba. In 2022-23, grants from provincial departments and government reporting entities totaled \$423.7 million or 42.1% of total revenues. Of the grants from the Province of Manitoba, \$369.1 million was provided as funding in support of operating activities; \$21.7 million was provided specifically for special projects, including the provision of health care services in northern Manitoba; \$11.7 million was provided for provincial promissory note principal and interest repayments; \$8.4 million was provided for infrastructure renewal and funding for specific capital projects; \$7.0 million was provided specifically for research activities; and \$5.8 million was provided to support student scholarships and bursaries. Provincial grants received were consistent with those received in the prior year, increasing only negligibly (\$0.4 million).

Tuition and Related Fees

The University's second largest source of revenue was Tuition and Related Fees, which in 2022-23 totaled \$226.0 million and was 22.5% of the University's total revenue. This was an increase of \$4.0 million from the prior year, which is lower than the increase the University had anticipated receiving in its 2022-23 operating budget. Despite the impact that a tuition and course-related fee increase of 3.75% (as allowed by the Province of Manitoba) was anticipated to have on revenue, it was offset by lower student enrolment, which saw a 16.3% decrease in summer enrolment and a 4.4% decrease in undergraduate enrolment over the prior year fall term.

Federal and Other Government Grants

In 2022-23, support from the Government of Canada and other government bodies resulted in the University receiving \$184.6 million in federal and other government grant funding. Of this funding, \$59.7 million was received from Crown-Indigenous Relations and Northern Affairs Canada for the construction of a permanent building for the National Centre for Truth and Reconciliation. As this capital project is still in the preliminary planning stages and no construction timeline has been confirmed, the University deferred the \$59.7 million grant and will recognize it at a later date. Net of this deferral, the University recognized \$124.9 million of revenue which was comprised of \$111.1 million from the Government of Canada; \$7.3 million from other Canadian provinces; and \$6.5 million from provincial government business enterprises, foreign and municipal governments. Most of this funding was received in support of the University's research activities (\$86.2 million), while \$18.0 million was received for special activities (in particular, for providing health care services in northern Manitoba

MANAGEMENT DISCUSSION AND ANALYSIS

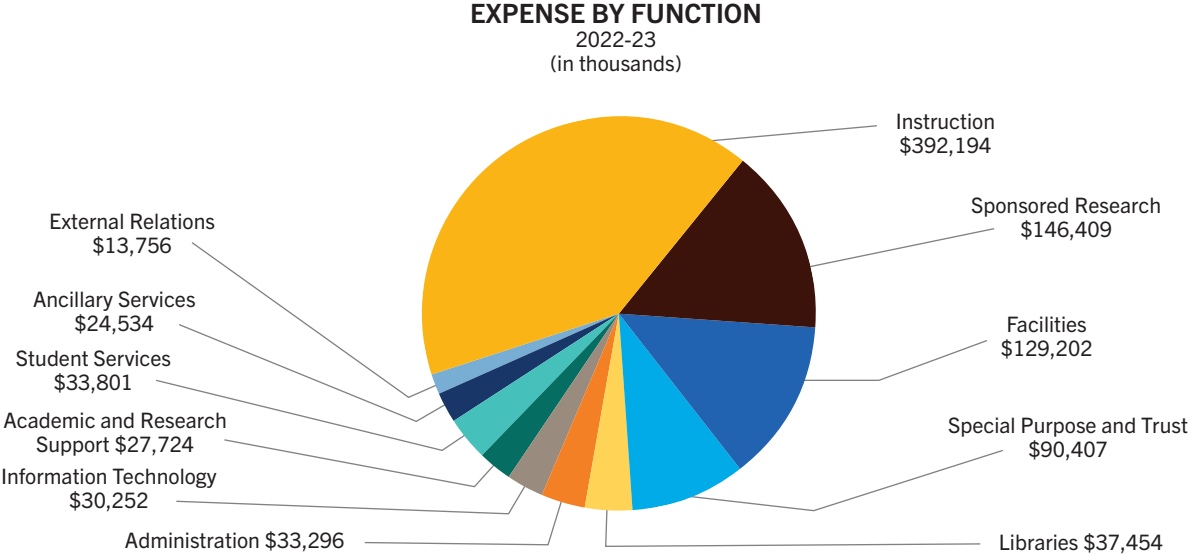
and Nunavut), \$16.1 million was received in support of operating activities, and \$4.6 million was received in support of capital projects. This was an increase of \$3.8 million from the prior year, attributed primarily to increased support for research activities and the provision of northern medical services.

Expenses

For the purposes of the financial statements, expenses are classified based on the functional lines of service provided by the University.

In 2022-23, the University incurred \$959.0 million of expenses for all activities and across all functional lines of service. This was an increase of \$60.4 million from the previous year, due most significantly to general salary increases across all employee groups and other payments governed by collective bargaining agreements, and increased staffing levels (\$32.1 million). Further contributing to this increase was an increase in travel costs associated with the lifting of global restrictions related to the COVID-19 pandemic (\$12.6 million) and increased utility and insurance costs (\$4.4 million).

Expenses incurred by function in 2022-23 were as follows:



Instruction

Instruction included the costs of all activities associated with direct educational delivery and academic functions within the University. Instruction expenses accounted for 40.9% of total expenses incurred in 2022-23. Instruction expense increased by \$28.8 million or 7.9% from the prior year. This increase was attributed primarily to general salary increases and other payments made to faculty and staff as governed by collective bargaining agreements (\$20.2 million). Further contributing to the increase was the lifting of global restrictions associated with the COVID-19 pandemic, which resulted in an increase in travel for professional development purposes.

Sponsored Research

Sponsored research included the costs associated with all activities funded by grants and contracts received from external organizations and undertaken within the University to produce specific research outcomes. Sponsored research expenses totaled \$146.4 million and accounted for 15.3% of total expenses incurred in 2022-23. Sponsored research expenses increased by \$13.8 million or 10.4% from the prior year, primarily due to the resumption of research activities located in countries where pandemic-related restrictions were still in place in the prior year. Sponsored research expenses are discussed in detail later in this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Facilities

Facilities included the costs associated with all activities pertaining to the ongoing operation and maintenance of the grounds, buildings and facilities of the University. It also included amortization expense, accretion expense and debt servicing costs. Facilities expenses accounted for 13.5% of total expenses incurred in 2022-23. Facilities expenses increased by \$5.3 million or 4.2% from the prior year. Increased insurance costs, as well as higher utility rates, energy consumption and federal carbon taxes resulted in an increase in utilities expenses over the prior year of \$3.9 million. Further contributing to the increase over the prior year were additional costs for safety and cleaning supplies associated with the return to in-person activities (\$1.3 million).

Special Purpose and Trust

Special purpose and trust included costs associated with the undertaking of externally-assigned mandates (such as the provision of medical care in northern communities); the administration of employee staff benefit plans; and the administration of the University's trust-related activities. Special purpose and trust expenses totaled \$90.4 million and accounted for 9.4% of the University's total expenses incurred in 2022-23. Special purpose and trust expenses decreased by \$2.5 million or 2.7% from the prior year as COVID-19-related immunization initiatives in northern communities were wound up.

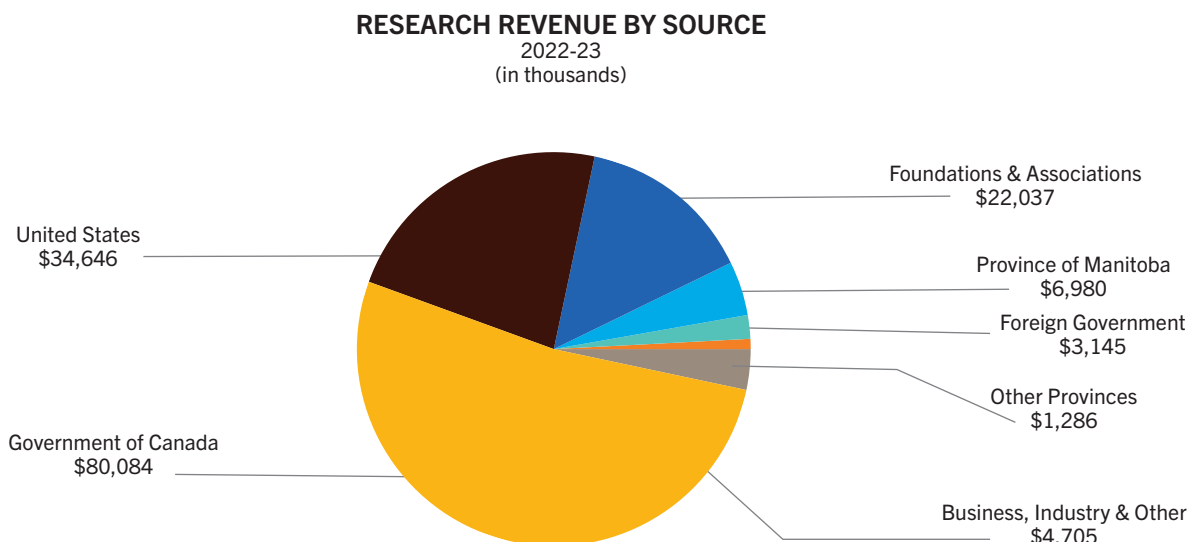
The categorization of expenses into each of the functional lines of service can be found in Note 2(C).

RESEARCH

During 2022-23, research activities at the University continued to be strong since returning to pre-pandemic levels in the prior year.

In 2022-23 the University received \$150.5 million in sponsored research support, which was \$7.3 million lower than what was received in the prior year. The University recognized an additional \$2.3 million of deferred revenue, which represented research-related funding received in prior years that wasn't spent until fiscal 2022-23. In total, research-related revenue recognized in 2022-23 was \$152.9 million, which was an increase of \$3.5 million from the prior year. This increase is explained below.

Funding of the University's research activities comes from a variety of sources. The following diagram illustrates the sources of the research-related revenue recognized during 2022-23.



MANAGEMENT DISCUSSION AND ANALYSIS

The University's largest funder of research was the Government of Canada, which in 2022-23 provided \$80.1 million or 52.4% of research-related revenue through the issuance of grants and contracts. The majority of these grants and contracts were provided by the Tri-Agency, which is comprised of the Canadian Institutes of Health Research (\$35.8 million), the Natural Sciences and Engineering Research Council of Canada (\$21.6 million), and the Social Sciences and Humanities Research Council of Canada (\$7.7 million). Funding was also received from a variety of other federal government departments. Funding from the federal government decreased a net \$2.1 million or 2.6% from the previous year. This was primarily due to the completion of multiple federal government projects involving Crown-Indigenous Relations and Northern Affairs Canada (\$1.4 million) and Fisheries and Oceans Canada (\$1.2 million).

The University's second largest source of research-related funding continues to be the United States, which from multiple funders the University recognized \$34.7 million or 22.7% of its research-related revenue. This was an increase of \$2.5 million from the prior year. The largest funder of research from the United States was the Bill and Melinda Gates Foundation, which provided \$30.9 million of revenue recognized in 2022-23, an increase of \$1.5 million from the prior year. These funds were directed to the University's Institute for Global Public Health for ongoing projects primarily related to reproductive, maternal, neonatal and child health in India, Kenya and elsewhere.

The third largest source of research-related funding in 2022-23 was foundations and associations. From over one hundred individual entities, the University recognized a total of \$22.0 million or 14.4% of its research-related revenue. This was an increase of \$1.5 million from the prior year. The most notable funders associated with revenue recognized in 2022-23 included MITACS (\$4.4 million), the Western Grains Research Foundation (\$2.4 million), and the Children's Hospital Foundation of Manitoba (\$2.3 million).

The Province of Manitoba provided the University with \$7.0 million in funding in 2022-23, or 4.6% of its research-related revenue, which was \$1.0 million lower than what was received in the prior year. The most notable departments and other reporting entities that contributed to the University's research included Research Manitoba (\$3.0 million) and Manitoba Agriculture and Resource Development (\$2.2 million).

In 2022-23, research-related expenses were \$146.4 million, which was an increase of \$13.8 million from the prior year. While the University's research activities located in other countries (in particular, India and Kenya) experienced delays in fiscal 2021-22 as those countries continued to enforce restrictions associated with the COVID-19 pandemic, these activities normalized in fiscal 2022-23. As a result, an increase in research-related travel expenses and costs for professional and other services comprised most of the increase in expenses (\$10.6 million).

Expenses incurred to conduct research included directly-related compensation costs and all other costs required to produce research outcomes. In 2022-23 research funding also provided \$29.8 million of support to students who participated in research activities, which amounted to 36.2% of all assistance provided to students by the University in 2022-23. This support enabled students to work with experienced researchers while they continued their studies and developed their own research activities. Research-related funding agreements and contracts provided the University with \$4.2 million of indirect cost funding, which is used to support research and defray some of the indirect costs associated with research activities. Research-related funding also enabled the investment of \$5.3 million in tangible capital assets, which included \$4.3 million for scientific and research equipment.

Typically, there is a correlation between research-related revenue and expenses, as the University does not undertake research activities without the support of external funders. However, at times research funding is received at the commencement of a research project and may not all be spent during a particular fiscal year, as research projects often span multiple fiscal years. This often results in a differential between research revenues and research expenses, which can vary from year to year.

Research funding was highest in the Rady Faculty of Health Sciences, amounting to \$86.9 million in 2022-23. It was followed by the Faculty of Agricultural and Food Sciences (\$17.9 million), the Faculty of Science (\$12.9 million), the Price Faculty of Engineering (\$10.9 million) and the Clayton H. Riddell Faculty of Environment, Earth and Resources (\$10.5 million). In 2022-23, these five faculties accounted for 91.0% of the University's research funding.

CAPITAL

The University carefully plans its capital activities, and identifies and prioritizes deferred maintenance, infrastructure renewal requirements and major capital projects. Approved by the University's Board of Governors in 2016, the University's Visionary (re)Generation Master Plan established a thirty-year vision and planning policy framework that guides the design and development of the University of Manitoba's Fort Garry campus. The Master Plan is a resource for the entire campus community. Development at the University's Bannatyne campus is guided by the Bannatyne Campus Master Plan.

Investment in Capital, Infrastructure and Technology

During 2022-23, the University invested \$70.7 million in capital assets, an increase of \$4.6 million from the previous year. This included \$53.2 million for the construction of buildings, infrastructure renewal, parking lot upgrades and land improvements; \$15.3 million for the acquisition of furniture, equipment and vehicles; and \$2.2 million for IT infrastructure and other technological improvements.

In 2022-23, the University commenced two major infrastructure upgrades to the Fort Garry campus energy systems. The first project, the Fort Garry District Energy Upgrade project, includes upgrades to the University's Central Energy Plant and the Max Bell Centre. This project will benefit forty-one major buildings on the Fort Garry campus by improving energy efficiency and reducing greenhouse gas emission through the installation of three new electric boilers and one high-efficiency natural gas boiler. The University's Central Energy Plant currently provides district heating and cooling to approximately 97% of the campus. Once district heating and cooling is expanded to include the Max Bell Centre, system coverage will increase to 99.9% of the Fort Garry campus. The second project, the Max Bell Centre Ice Plant project, saw the replacement of the existing ice plant with a new energy-efficient model. The total cost of both projects is estimated to be \$36.1 million. Both projects are being supported by the Government of Canada and the Province of Manitoba through the Investing in Canada Infrastructure Program (ICIP) initiative, which has committed to providing \$14.0 million for these projects. The initial expected completion date of both projects was June 2025; however, due to supply chain issues, the Fort Garry District Energy Upgrade project is expected to be delayed past this initial completion date. The Max Bell Centre Ice Plant project was completed in fiscal 2022-23 at a total cost of \$0.6 million. Costs incurred in fiscal 2022-23 for the Fort Garry District Energy Upgrade amounted to \$2.8 million.

The project to design and build the Desautels Concert Hall began in fiscal 2019-20, with construction commencing in 2020-21 and continuing throughout 2022-23. Funded by the University and generous donors, the concert hall is Phase 3 of the Tache Art Project, a multi-year project to create a new music, art and theatre complex for the Faculty of Music. This 21,000 square foot venue will accommodate 408 seats, be custom designed for acoustic excellence, and will be fully equipped to provide the best possible experience for both performers and audiences. The concert hall will provide greater experimental learning experiences in a professional caliber venue for students and faculty and provide an important performance venue for rental to community arts groups. As at March 31, 2023, the University had incurred \$15.5 million of design and construction costs, of which \$8.3 million was incurred in fiscal 2022-23. The Desautels Concert Hall is expected to be completed in the fall of 2023.

In 2022-23, the Government of Canada provided \$59.7 million toward the construction of a new, permanent building to house the National Centre for Truth and Reconciliation (NCTR). The building will be located on the Fort Garry campus, specifically on the Southwood lands where a ground-breaking ceremony was held in November 2022. The new building will provide the NCTR with the space it needs to fulfill its mandate. It will be an international learning centre for people across Canada and the world to learn the truth about residential schools, and it will house sacred items and records, thousands of oral histories and Survivor statements. The project is in a preliminary stage of establishing a visionary framework to guide the design and development of the new building and the surrounding ceremonial lands. As the timing of the commencement of construction was unknown at March 31, 2023, the University deferred the \$59.7 million grant received from the Government of Canada and will recognize it as revenue at a later date.

To enhance the teaching and learning experience, the University continuously invests in classrooms, learning spaces, and labs upgrades. Allocations made by the University to fund learning space renewal, along with generous donations, will continue to support these projects over the coming years. Over the past five years, \$20.1 million has been spent on these projects, with \$3.0 million of that incurred in fiscal 2022-23.

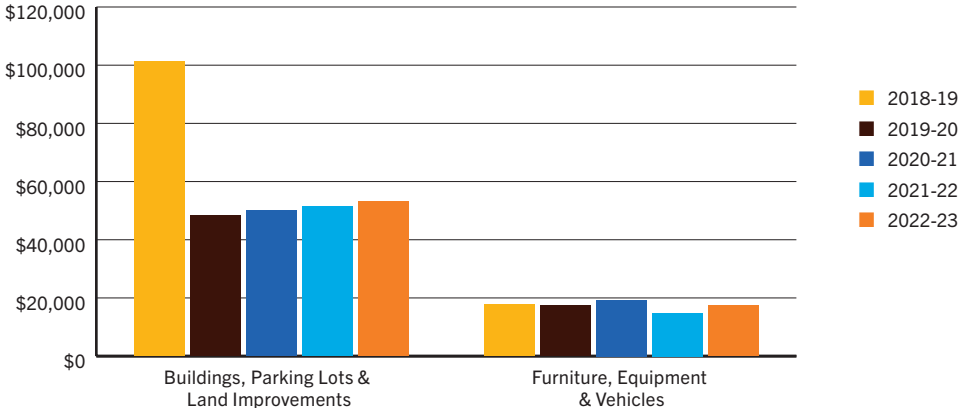
MANAGEMENT DISCUSSION AND ANALYSIS

In fiscal 2022-23, the University also invested in several other renovation and upgrade projects, including the redevelopment of the Drake Behaviour Lab for the Asper School of Business (\$1.5 million) and warranty work and specialized equipment installation within the Churchill Marine Observatory (\$1.2 million).

The University invested \$22.9 million in infrastructure renewal projects in 2022-23. Investments in infrastructure included HVAC system upgrades (\$9.8 million), accessibility upgrades (\$2.4 million), fire and safety upgrades (\$1.9 million), building envelope upgrades (\$1.4 million), road and sidewalk upgrades (\$1.4 million), sewer and water upgrades (\$1.3 million), and various other infrastructure renewal projects (\$4.7 million).

The University’s investment in capital, infrastructure and technology over the last five years is depicted below.

INVESTMENT IN CAPITAL ASSETS
2018-19 to 2022-23
(in thousands)



The University’s investment in capital assets is highly dependent on the funding it receives from the federal and provincial governments and its donors. As such, the University’s investment in capital assets will fluctuate from year to year.

TRUST AND ENDOWMENTS

The University’s trust and endowments are an integral source of funding for students, faculties, professorships and chairs, research activities, capital projects, library acquisitions, athletic programs, and many other undertakings. The net investment income earned on trust and endowment assets, as well as donations received that can be used in their entirety, support the University’s activities as directed by donors. Gifts and bequests received for endowment purposes must be held in perpetuity; however, each year a portion of the net investment income earned from investing these gifts is used to support current year endeavors, and the rest is reinvested to provide financial security for beneficiaries in the future.

Gifts to the University

In 2022-23 the University’s generous donors made gifts of \$17.1 million for endowment purposes. Trust-related donations received totaled \$9.1 million, of which \$4.5 million were deferred for spending in future years.

University Investment Trust

The majority of endowed assets and trust-related assets are invested together and collectively known as the University Investment Trust (UIT).

The UIT ended fiscal 2022-23 with a market value of \$935.7 million, which was an increase of \$57.0 million from the prior year. The increase was due to a combination of gifts made to the UIT, as well as a one-year gross investment return of 3.7%.

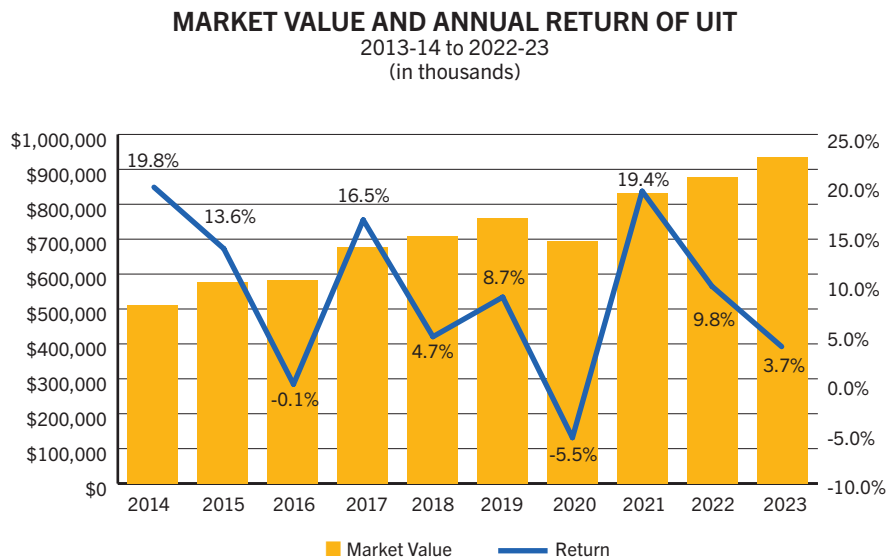
MANAGEMENT DISCUSSION AND ANALYSIS

The past year proved to be difficult in the investment markets, with high inflation forcing central banks to significantly increase interest rates. Equities and bonds had flat to negative performance across the board. The UIT fared relatively well, as the 3.7% return outperformed the policy benchmark by 4.1%. This was due to strong performance by several of the UIT's equity investment managers, who were able to add value in a down equity market. Contributing further to this was the UIT's infrastructure investments, which returned 16.5% over the past twelve months.

Over the past ten years, the UIT had a return of 8.8% on an annualized basis, which met the long-term investment objectives over that period. However, over the past five-year period, with high inflation and a return of 6.9% the UIT did not meet the primary investment objective of the UIT, which is to provide a net real return that exceeds the spending payout. As a result, the UIT's spending payout was reduced from 4.5% to 4.25% for fiscal 2023-24. A 4.25% spending payout is on par with most endowments of peer educational institutions.

At the end of fiscal year 2022-23, the asset mix of the UIT investment portfolio was 64.3% equities, 15.2% real estate, 11.7% infrastructure, 7.9% government bonds, and 0.9% cash equivalents.

The following graph demonstrates the growth of the market value of the UIT and annual returns over the past 10 years.



The Trust Investment Committee, responsible for providing governance and oversight of the UIT, reviews the asset mix of the UIT on a regular basis to evaluate how the UIT will perform over full market cycles, and to assess the likelihood of the UIT meeting its primary objective of achieving a real return that supports the spending payout to beneficiaries. For fiscal 2022-23, the UIT's spending payout rate was 4.5% of the average market value of the UIT over a rolling 48-month period, but as previously mentioned was reduced to 4.25% for fiscal 2023-24. This distribution rate balances the needs of current beneficiaries with those of future beneficiaries by ensuring the purchasing power of the UIT remains intact for future generations while providing for today's students. In order to achieve this, the UIT's portfolio asset mix is set with the purpose of achieving a rate of return great enough to fund the spending allocation, the associated investment management fees, and inflation in order to protect the purchasing power of the UIT for future beneficiaries. In 2022-23, the UIT generated enough investment income to fund an allocation of \$35.5 million of support to students, faculty, and other activities. Over the past five years, the support for beneficiaries has totaled \$163.5 million.

In fiscal 2022-23, the Board of Governors approved a Responsible Investment Policy for all investments of the University, and approved updates to the UIT's Investment Policy Statement which reflected the requirements of the new Responsible Investment Policy to be adopted by the UIT in fiscal 2023-24. There are a wide range of policy initiatives to be adopted and implemented over the upcoming years, including: the University signing onto the United Nations Principles of Responsible

MANAGEMENT DISCUSSION AND ANALYSIS

Investing; an increased focus on environmental, social and governance investing at the investment manager and security level; increased shareholder advocacy; proxy voting; divestment of fossil fuel supply securities and reducing carbon emissions related to investments; support of Indigenous rights; impact investing; and adopting new reporting standards and increased transparency of reporting to stakeholders. Many of these initiatives commenced in fiscal 2022-23 and will be implemented in the coming years.

CONCLUSION

The University of Manitoba is a highly complex, decentralized organization with wide-ranging activities at multiple locations. The University is proud of the many ways in which its students, faculty, staff, and alumni partner and engage with the broader community to advance collective priorities. Without the engagement and support of our students, faculty, staff, benefactors and funders, we would not have achieved the success we have today at navigating through the COVID-19 pandemic and adapting to new ways of teaching, learning, researching, working, and engaging with each other in a post-pandemic world. Coming together again at a time when the University is developing a new strategic plan presents an exciting opportunity to apply lessons learned and innovations made while we persevered through immense challenges. In the end, the University, the community and the world will be all the stronger for it.

DISCLOSURES MADE UNDER *THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT*

The University of Manitoba has been designated as a “government body” under the regulations to *The Public Interest Disclosure (Whistleblower Protection) Act*, C.C.S.M., c.P217 (PIDA). All government bodies are required to implement procedures to manage disclosures, as defined by PIDA, and the University is committed to meeting or exceeding the requirements of PIDA.

The University’s Safe Disclosure (Whistleblower) Policy and Procedure is intended to detail how the University will manage disclosures under PIDA. A wrongdoing is a very serious act or omission that is an offence under another law; an act that creates a specific or substantial danger to life, health or safety of persons or the environment; gross mismanagement, including the mismanagement of public funds and government property; or directing or counselling a person to commit wrongdoing.

A disclosure made by an employee in good faith, in accordance with PIDA, and with a reasonable belief that wrongdoing has been or is about to be committed, is considered to be a disclosure under PIDA, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required and must be reported in the annual report.

The following is a report on the disclosures that were received under PIDA for the fiscal year April 1, 2022 – March 31, 2023.

Disclosures Received	Disclosures Acted On	Disclosures Not Acted On
0	N/A	N/A
Investigations Commenced	Findings of Wrongdoing	Disclosures Closed
N/A	N/A	N/A

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The University is responsible for the preparation of the 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, including the standards for government not for profit organizations. The University believes the financial statements present fairly the University's financial position as at March 31, 2023 and the results of its operations for the years ending March 31, 2023.

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 financial statements for the year ended March 31, 2023 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 financial statements.

Original signed by

Michael Benarroch, B.A. (Hons.) M.A., Ph.D.
President and Vice-Chancellor

Winnipeg, Manitoba
June 26, 2023



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the University of Manitoba (the University), which comprises the statement of financial position as at March 31, 2023, and the statement of operations, the statement of remeasurement gains and losses, the statement of change in net financial assets, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2023, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets, and its 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 Financial Statements* section of our report. We are independent of the University in accordance with the ethical requirements in Canada that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT



We obtained the Annual Financial Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.

INDEPENDENT AUDITOR'S REPORT



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

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

**Original document signed by
Tyson Shtykalo**

Winnipeg, Manitoba
June 26, 2023

Tyson Shtykalo, CPA, CA
Auditor General

FINANCIAL STATEMENTS

**UNIVERSITY OF MANITOBA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023
(in thousands of dollars)**

	2023	2022
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 125,635	\$ 161,347
Accounts Receivable (Note 5)	96,141	95,048
Inventories Held for Sale	2,471	2,513
Loan Receivable (Note 6)	35,202	
Portfolio Investments – Non-Endowed (Note 7)	994,986	903,149
Investment in Government Business Enterprise (Note 8)	(2,789)	(1,905)
	1,251,646	1,160,152
Liabilities		
Accounts Payable (Note 9)	109,902	107,084
Employee Future Benefits (Note 10)	63,725	81,912
Deferred Revenue (Note 11)	472,348	372,471
Capital Lease Obligation (Note 12)	188	
Debt (Note 13)	310,461	319,234
Derivatives (Note 14)	815	1,616
Asset Retirement Obligations (Note 15)	84,842	128,718
	1,042,281	1,011,035
Net Financial Assets Excluding Portfolio Investments – Endowed	209,365	149,117
Portfolio Investments – Endowed (Note 7)	619,983	600,213
Net Financial Assets	829,348	749,330
Non-Financial Assets		
Tangible Capital Assets (Note 16)	1,230,478	1,258,636
Prepaid Expenses	13,038	12,405
Inventories Held for Use	28	41
	1,243,544	1,271,082
Accumulated Surplus	\$ 2,072,892	\$ 2,020,412
Accumulated Surplus is comprised of:		
Accumulated Surplus	\$ 1,831,127	\$ 1,767,622
Accumulated Remeasurement Gains	241,765	252,790
	\$ 2,072,892	\$ 2,020,412

Contractual Obligations and Contingencies (Note 23)

Original signed by

Laurel Hyde – Chair

Original signed by

Lynette Magnus – Vice-Chair

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

FINANCIAL STATEMENTS

**UNIVERSITY OF MANITOBA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023
(in thousands of dollars)**

	Budget (Note 2M)	2023	2022
Revenue			
Provincial Grants (Note 20)	\$ 423,572	\$ 423,737	\$ 423,300
Tuition and Related Fees	231,544	225,955	221,992
Federal and Other Government Grants (Note 20)	109,367	124,891	121,043
Non-Government Grants	65,012	67,854	67,073
Investment Income (Note 21)	46,738	61,157	42,641
Sales of Goods and Services	28,960	36,655	30,803
Ancillary Services	35,658	35,249	24,508
Other Income	14,580	20,795	21,494
Non-Endowed Donations	21,578	10,018	17,445
Investment Loss on Government Business Enterprise		(884)	(799)
	977,009	1,005,427	969,500
Expense			
Instruction	428,769	392,194	363,392
Sponsored Research	135,570	146,409	132,730
Facilities	131,945	129,202	123,171
Special Purpose and Trust	88,040	90,407	92,948
Libraries	36,161	37,454	33,015
Student Services	32,199	33,801	29,702
Administration	34,838	33,296	31,530
Information Technology	28,583	30,252	30,523
Academic and Research Support	33,553	27,724	29,769
Ancillary Services	24,311	24,534	20,332
External Relations	13,864	13,756	11,535
	987,833	959,029	898,647
	(10,824)	46,398	70,853
Endowed Donations	15,161	17,107	22,016
Annual Surplus	4,337	63,505	92,869
Accumulated Surplus Beginning of Year (Note 3)		1,767,622	1,674,753
Accumulated Surplus End of Year	\$	\$ 1,831,127	\$ 1,767,622

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

FINANCIAL STATEMENTS

**UNIVERSITY OF MANITOBA
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED MARCH 31, 2023
(in thousands of dollars)**

	2023	2022
Accumulated Remeasurement Gains		
Beginning of Year	\$ 252,790	\$ 221,671
Unrealized Gains (Losses) Attributed to:		
Derivatives	801	1,482
Foreign Exchange	(1,840)	(505)
Portfolio Investments	2,750	21,221
Designated Fair Value Investments	8,219	41,790
Amounts Reclassified to the Statement of Operations:		
Foreign Exchange	523	1,587
Portfolio Investments	(3,220)	(19,371)
Designated Fair Value Investments	(18,258)	(15,085)
Net Remeasurement Gains (Losses) for the Year	(11,025)	31,119
Accumulated Remeasurement Gains		
End of Year	\$ 241,765	\$ 252,790

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

FINANCIAL STATEMENTS

UNIVERSITY OF MANITOBA
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2023
(in thousands of dollars)

	Budget (Note 2M)	2023	2022
Annual Surplus (Deficit)	\$ 4,337	\$ 63,505	\$ 92,869
Purchase of Tangible Capital Assets	(78,796)	(70,645)	(66,172)
Amortization	54,950	50,442	50,628
Reduction in Capital Assets Due to Change in Asset Retirement Obligations Discount Rate		47,499	
Proceeds from Sale of Tangible Capital Assets		1,152	265
Loss (Gain) on Disposal of Tangible Capital Assets		(290)	84
	(23,846)	28,158	(15,195)
Decrease (Increase) in Inventories Held for Use		13	10
Decrease (Increase) in Prepaid Expenses		(633)	297
		(620)	307
Net Remeasurement Gains (Losses)	16,750	(11,025)	31,119
Increase (Decrease) in Net Financial Assets	(2,759)	80,018	109,100
Net Financial Assets Beginning of Year (Note 3)		749,330	640,230
Net Financial Assets End of Year	\$	\$ 829,348	\$ 749,330

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

FINANCIAL STATEMENTS

**UNIVERSITY OF MANITOBA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023**
(in thousands of dollars)

	2023	2022
Operating Activities:		
Net Excess of Revenue Over Expenses Before Interest	\$ 58,493	\$ 98,718
Interest Received	19,590	9,094
Interest Paid	(14,578)	(14,943)
	63,505	92,869
Amortization of Tangible Capital Assets	50,442	50,628
Reduction in Capital Assets Due to Change in Asset Retirement Obligations Discount Rate	47,499	
Accretion of Asset Retirement Obligations	4,166	4,052
Loss (Gain) on Disposal of Tangible Capital Assets	(290)	84
	165,322	147,633
Net Change in Non-Cash Operating Balances:		
Accounts Receivable	(1,093)	(5,607)
Loan Receivable	(35,202)	
Inventories	55	476
Accounts Payable	2,818	11,245
Employee Future Benefits	(18,187)	(5,222)
Deferred Revenue	99,877	39,739
Derivatives	(801)	(1,482)
Asset Retirement Obligations	(48,042)	(597)
Prepaid Expenses	(633)	297
<i>Net Cash Generated through Operating Activities</i>	164,114	186,482
Investing Activities:		
Investment in Government Business Enterprise	884	799
Decrease (Increase) in Investments	(122,632)	(178,929)
<i>Net Cash Generated through (used in) Investing Activities</i>	(121,748)	(178,130)
Capital Activities:		
Purchase of Tangible Capital Assets	(70,645)	(66,172)
Proceeds from Sale of Tangible Capital Assets	1,152	265
<i>Net Cash Used in Capital Activities</i>	(69,493)	(65,907)
Financing Activities:		
Proceeds from Capital Leases	188	
Proceeds from Debt	4,458	7,710
Principal Repayment on Debt	(13,231)	(12,335)
<i>Net Cash Generated through (used in) Financing Activities</i>	(8,585)	(4,625)
Net Increase (Decrease) in Cash and Cash Equivalents	(35,712)	(62,180)
<i>Cash and Cash Equivalents Beginning of Year</i>	161,347	223,527
Cash and Cash Equivalents End of Year	\$ 125,635	\$ 161,347

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (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. SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL AND USE OF ACCOUNTING ESTIMATES

The financial statements have been prepared in accordance with Public Sector Accounting Standards.

Accounting estimates are included in the 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 accruals for salaries and benefits, the estimated useful life of an asset, certain actuarial assumptions used in determining employee future benefits, and the estimated costs and applicability of the asset retirement obligations. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements and actual results could differ from these estimates.

Government business enterprises, owned or controlled by the University but not dependent on the University for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that 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. Inter-organizational transactions and balances are not eliminated, except for any transactions between entities of assets that remain controlled by the University. UM Properties Limited Partnership (UM Properties) is controlled by the University and is accounted for by the modified equity method.

B. REVENUE RECOGNITION

All revenue is reported using the accrual basis of accounting.

i. Government Grants

For the purposes of these 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 in the year in which they are received. Endowed donations are required by donors to be maintained in perpetuity.

FINANCIAL STATEMENTS

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 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 financial statements.

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

vi. Tuition and Other Revenue

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

vii. Deferred Land Lease Revenue

The University leased certain properties to a third party for 140 years. The lease is a prepaid lease and is amortized over the 140-year term of the lease. The University recognizes this revenue over the duration of the leases.

C. FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses in the 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, as well as internal funding, 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, maintenance and retirement 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; repairs and renovations; security services; administration of infrastructure development; amortization and accretion 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; and the activities of the National Centre for Truth and Reconciliation.

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; enrolment 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.

D. 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.

E. 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.

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 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 Statement of Financial Position as assets.

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 estimated useful life of the asset.

FINANCIAL STATEMENTS

iii. Inventories Held for Use

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

G. 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 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.

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, 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 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.

H. ASSET RETIREMENT OBLIGATIONS

The University recognizes the fair value of an asset retirement obligation (ARO) in the period in which it incurs a legal obligation associated with the retirement of a tangible capital asset. AROs are recognized as a liability and are measured at the present value of management's best estimate of future expenditures required to settle the obligation as at the end of each fiscal year. The estimated fair value of an ARO is capitalized as part of the related tangible capital asset and amortized on the same basis as the underlying asset. The ARO liability is adjusted for the passage of time, which is recognized within the Facilities category as accretion expense in the Statement of Operations, and for revisions to the timing or the amount of the estimated liability. Actual costs incurred are charged against the ARO to the extent of the liability recorded, and may vary from management estimates due to changes in environmental legislation, the impact of inflation, changes in technology, changes in operating practices, and changes in the estimated useful life of the underlying assets. Differences between the actual costs incurred and the liability are recognized in the Statement of Operations when the obligation is satisfied.

I. FINANCIAL INSTRUMENTS

The financial instruments of the University consist of cash and cash equivalents, accounts receivable, portfolio 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. 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, and foreign 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 held for operating needs and 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 Statement of Remeasurement Gains and Losses until disposition.

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

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations. Future recoveries of impaired assets are recorded in the 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 STATEMENTS

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 for the asset or liability that are not based on observable market data. Assumptions used to value these financial instruments are based on the best internal and external information available, and most suitable and appropriate based on the type of financial instrument being valued.

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 Statement of Remeasurement Gains and Losses. Revenues and expenses are translated at exchange rates on the transaction dates. Realized gains or losses arising from these translations are included in the Statement of Operations.

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 is reinvested to maintain and grow the real value of the endowments. The University sets an annual spending allocation, currently at 4.25% 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 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, 2023. *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 this new standard on the financial statements.

M. BUDGETS AND FIGURES

The 2022-23 budget was approved by the Board of Governors on May 24, 2022.

3. FIRST TIME ADOPTION OF ACCOUNTING STANDARD

The University was required to adopt Canadian Public Sector Accounting Standard 3280 *Asset Retirement Obligations*. The University applied the modified retroactive application approach in the adoption of this accounting standard.

FINANCIAL STATEMENTS

The adoption of this accounting standard resulted in changes to the University's financial position as at April 1, 2021 and the Statements of Financial Position, Operations, Change in Net Assets and Cash flows previously reported for the year ending March 31, 2022. The impacts of these changes are as follows:

	Previously Reported April 1, 2021	Adjustments	Restated April 1, 2021
Financial Assets	\$ 1,057,310	\$	\$ 1,057,310
Liabilities	842,662	125,263	967,925
Net Financial Assets Excluding Portfolio Investments-Endowed	214,648	(125,263)	89,385
Portfolio Investments-Endowed	550,845		550,845
Net Financial Assets	765,493	(125,263)	640,230
Non Financial Assets	1,201,198	54,996	1,256,194
Accumulated Surplus	\$ 1,966,691	\$ (70,267)	\$ 1,896,424
Accumulated Surplus	\$ 1,745,020	\$ (70,267)	\$ 1,674,753
Accumulated Remeasurement Gains	221,671		221,671
	\$ 1,966,691	\$ (70,267)	\$ 1,896,424

	Previously Reported March 31, 2022	Adjustments	Restated March 31, 2022
Revenue	\$ 969,142	\$ 358	\$ 969,500
Expense	893,058	5,589	898,647
	76,084	(5,231)	70,853
Endowed Donations	22,016		22,016
Annual Surplus	98,100	(5,231)	92,869
Accumulated Surplus Beginning of Year	1,745,020	(70,267)	1,674,753
Accumulated Surplus End of Year	\$ 1,843,120	\$ (75,498)	\$ 1,767,622

	Previously Reported March 31, 2022	Adjustments	Restated March 31, 2022
Financial Assets	\$ 1,160,152	\$	\$ 1,160,152
Liabilities	882,317	128,718	1,011,035
Net Financial Assets Excluding Portfolio Investments-Endowed	277,835	(128,718)	149,117
Portfolio Investments-Endowed	600,213		600,213
Net Financial Assets	878,048	(128,718)	749,330
Non Financial Assets	1,217,862	53,220	1,271,082
Accumulated Surplus	\$ 2,095,910	\$ (75,498)	\$ 2,020,412
Accumulated Surplus	\$ 1,843,120	\$ (75,498)	\$ 1,767,622
Accumulated Remeasurement Gains	252,790		252,790
	\$ 2,095,910	\$ (75,498)	\$ 2,020,412

4. CASH AND CASH EQUIVALENTS

	2023	2022
Cash	\$ 125,635	\$ 161,347

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5. ACCOUNTS RECEIVABLE

	2023	2022
Business, Industry and Foundations	\$ 26,679	\$ 29,227
Provincial Government	17,454	24,202
External Sales and Cost Recoveries	16,132	13,339
Federal Government	14,220	12,090
Students	9,585	7,869
Investment Income	8,681	3,539
Advances	3,390	2,094
Government Business Enterprise		2,673
Other		15
	\$ 96,141	\$ 95,048

6. LOAN RECEIVABLE

The University has a loan agreement with UM Properties related to the development of the Southwood lands. The loan is for \$33,210 and represents prepaid rent under a 140-year Master Head Lease of the Southwood lands to UM Properties.

The loan agreement is divided into an Infrastructure Construction Period and a Completion Period. An annual interest rate of 8.1% applies to the Infrastructure Construction Period, which commenced on June 30, 2022 and ends on the earlier of the achievement of certain pre-determined land development milestones, or June 30, 2027. An interest rate of the Royal Bank of Canada Prime Rate plus 2.5% applies to the Completion Period, which lasts for ten years beginning on the day immediately following the last day of the Infrastructure Construction Period. Interest is payable monthly in arrears during both periods. Interest not paid as it comes due is capitalized and added to the principal amount of the loan receivable.

The loan receivable is due in full and payable on the last day of the Completion Period.

The loan receivable is secured by a secured promissory note and a debenture for the 140-year leasehold interest of UM Properties in the Southwood lands, improvements comprising the Southwood lands, and to be the second registered security position, subject to any priority and postponement agreement entered into by the University and a third-party lender secured by UM Properties.

	2023	2022
Loan Receivable	\$ 33,210	\$
Accrued Interest	1,992	
	\$ 35,202	\$

7. PORTFOLIO INVESTMENTS

Portfolio investments include both non-endowed and endowed investments. Non-endowed investments consist of funds received in advance for future expenditures as well as investments held for the University's Long Term Disability Plan. Endowed investments consist of donations held in perpetuity.

	2023	2022
Portfolio Investments – Non-Endowed	\$ 994,986	\$ 903,149
Portfolio Investments – Endowed	619,983	600,213
	\$ 1,614,969	\$ 1,503,362

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

	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments Held at Fair Value:								
Cash and Money Market Funds	\$ 361,405	\$	\$	\$ 361,405	\$ 300,257	\$	\$	\$ 300,257
Canadian Equities	2,503			2,503	2,619			2,619
Foreign Equities	227,444			227,444	222,097			222,097
	591,352			591,352	524,973			524,973
Investments Designated to Fair Value:								
Cash and Money Market Funds		1,520		1,520		3,336		3,336
Canadian Bonds		74,050		74,050		73,755		73,755
Pooled Canadian Bond Funds		15,806		15,806		32,675		32,675
Pooled Foreign Bond Funds		19,726		19,726				
Pooled Canadian Equities		251,091		251,091		267,977		267,977
Pooled Foreign Equities		164,396		164,396		129,184		129,184
Pooled Real Estate Fund		141,912		141,912		140,789		140,789
Pooled Mortgage Fund		8,464		8,464		8,237		8,237
Infrastructure Private Funds			109,982	109,982			84,701	84,701
		676,965	109,982	786,947		655,953	84,701	740,654
Investments Held at Amortized Cost:								
Corporate Bonds				190,735				191,800
Preferred Shares				45,935				45,935
				236,670				237,735
	\$ 591,352	\$ 676,965	\$ 109,982	\$ 1,614,969	\$ 524,973	\$ 655,953	\$ 84,701	\$ 1,503,362

The fair value of investments held at amortized cost is \$216,101 (2022, \$226,566).

During the years ended March 31, 2023 and March 31, 2022, there were no transfers of investments between levels 1, 2 or 3.

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

	2023	2022
Balance Beginning of Year	\$ 84,701	\$ 79,794
Purchases	11,583	
Distributions Reinvested	5,077	8,185
Fees	(1,665)	(1,086)
Unrealized Gains (Losses)	10,286	(2,192)
Balance End of Year	\$ 109,982	\$ 84,701

8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

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 (UM Properties) which was created in fiscal 2016-17.

UM Properties is responsible for the planning and development of the infrastructure and roadways of the Southwood lands. The University has granted a 140-year Master Head Lease to UM Properties for the Southwood lands. The lease is a prepaid

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lease and at fair value. UM Properties has subleased the lands back to the University for 140 years, less a day. UM Properties will negotiate site-specific subleases with developers/builders for the construction of residential and commercial buildings at which time the University intends to surrender its sublease on the site-specific parcels of land.

UM Properties has a sole general partner and a 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.

UM Properties is classified as a government business enterprise and accounted for by the modified equity basis utilizing the annual audited financial statements of UM Properties prepared as at December 31.

The continuity of the University's investment is as follows:

	2023	2022
Investment Beginning of the Year	\$ (1,905)	\$ (1,106)
Investment Loss on Government Business Enterprise	(884)	(799)
Investment End of Year	\$ (2,789)	\$ (1,905)

Condensed financial information of UM Properties is as follows:

	December 31, 2022	December 31, 2021
Statement of Financial Position:		
Assets	\$ 35,991	\$ 711
Liabilities	38,780	2,616
Net Assets (Liabilities)	\$ (2,789)	\$ (1,905)
Statement of Operations:		
Revenue	\$ 19	\$ 1
Expenses	903	800
Annual Surplus (Deficit)	\$ (884)	\$ (799)

9. ACCOUNTS PAYABLE

	2023	2022
Trade Accounts Payable	\$ 53,774	\$ 36,990
Accrued Vacation and Sick Leave	21,216	19,283
Salaries and Benefits	16,857	28,889
Grants Payable	12,817	14,921
Retirement Allowance	2,890	5,468
Other	2,348	1,533
	\$ 109,902	\$ 107,084

10. EMPLOYEE FUTURE BENEFITS

	2023	2022
Non-Pension Benefit Plans	\$ 86,157	\$ 85,208
1993 Pension Plan Liability (Asset)	(23,401)	(4,424)
Post-Retirement Adjustments	969	1,128
	\$ 63,725	\$ 81,912

	2023			2022		
	1993 Plan	Non-Pension Benefit Plan	Post- Retirement Adjustments	1993 Plan	Non-Pension Benefit Plan	Post- Retirement Adjustments
Accrued Benefit Obligations						
Actuarial Accrued Benefits						
Beginning of Year	\$ 1,405,109	\$ 77,148	\$ 1,027	\$ 1,363,044	\$ 74,930	\$ 1,211
Interest Costs	(42,310)	4,027	49	115,059	3,719	55
Benefits Accrued	68,211	7,641		62,966	8,284	
Benefits Paid	(102,791)	(9,823)	(191)	(103,263)	(9,363)	(225)
Actuarial Gains (Losses)	40,607	733	(77)	(18,527)	1,719	(1)
Change In Actuarial Assumptions	(28,911)			(14,170)	(2,141)	(13)
Actuarial Accrued Benefits						
End of Year	\$ 1,339,915	\$ 79,726	\$ 808	\$ 1,405,109	\$ 77,148	\$ 1,027

	2023		2022	
	1993 Plan		1993 Plan	
Plan Assets				
Fair Value Beginning of Year	\$ 1,451,691		\$ 1,341,721	
Actual Return on Plan Assets	(90,741)		152,312	
Employer Contributions	36,342		32,459	
Employee Contributions	30,901		27,713	
Transfers From (to) Other Plans	692		749	
Benefits Paid	(102,791)		(103,263)	
Fair Value End of Year	\$ 1,326,094		\$ 1,451,691	

	2023		2022	
	1993 Plan		1993 Plan	
Plan Assets Measured at Fair Value Consist of:				
Foreign Equities	\$ 498,107		\$ 565,398	
Canadian Equities	236,417		265,038	
Real Estate	157,874		149,027	
Mortgages	135,998		145,256	
Bonds and Debentures	115,574		292,342	
Cash and Other	105,358		34,630	
Infrastructure	76,766			
	\$ 1,326,094		\$ 1,451,691	

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	2023			2022		
	1993 Plan	Non-Pension Benefit Plan	Post-Retirement Adjustments	1993 Plan	Non-Pension Benefit Plan	Post-Retirement Adjustments
Accrued Benefit Liability (Asset)						
Plan Surplus (Deficit)	\$ 13,821	\$ 79,726	\$ 808	\$ (46,582)	\$ 77,148	\$ 1,027
Contributed During Fiscal Year						
in Excess of Calendar Year	(9,358)			(8,121)		
Unamortized Actuarial						
Gains (Losses)	(27,864)	6,431	161	50,279	8,060	101
Accrued Benefit Liability (Asset)	\$ (23,401)	\$ 86,157	\$ 969	\$ (4,424)	\$ 85,208	\$ 1,128
Net Benefit Expenses						
Current Service Cost	\$ 36,618	\$ 3,870	\$	\$ 34,504	\$ 4,545	\$
Interest Costs	66,456	4,027	49	63,890	3,719	55
Expected Return on Plan Assets	(78,885)			(72,631)		
Amortization of Actuarial						
(Gains) Losses	(5,587)	(896)	(17)	1,366	(954)	(18)
Net Benefit Expenses	\$ 18,602	\$ 7,001	\$ 32	\$ 27,129	\$ 7,310	\$ 37
Reconciliation of Unamortized Gains (Losses)						
Net Unamortized Gains (Losses)						
Beginning of Year	\$ 50,279	\$ 8,060	\$ 101	\$ (12,296)	\$ 8,592	\$ 105
New Net Gain (Loss) Current Year	(72,556)	(733)	77	61,209	422	14
Amortization of Actuarial						
(Gains) Losses	(5,587)	(896)	(17)	1,366	(954)	(18)
Net Unamortized Gains						
(Losses) End of Year	\$ (27,864)	\$ 6,431	\$ 161	\$ 50,279	\$ 8,060	\$ 101
Significant Actuarial Assumptions						
Discount rate	5.5%	5.3%	5.3%	5.5%	5.3%	5.3%
Expected rate of return on assets	6.4%	n/a	n/a	5.5%	n/a	n/a
Actual return on assets	(6.3%)	n/a	n/a	11.6%	n/a	n/a
Rate of general salary increase:						
2020	1.0% - 2.5%	n/a	n/a	1.0% - 2.5%	n/a	n/a
2021	0.75% - 2.5%	n/a	n/a	2.5%	n/a	n/a
2022	1.0% - 12.5%	n/a	n/a	2.5%	n/a	n/a
2023	1.25% - 2.25%	n/a	n/a	2.5%	n/a	n/a
2024	1.5% - 2.25%	n/a	n/a	2.5%	n/a	n/a
2025	1.75% - 2.25%	n/a	n/a	2.5%	n/a	n/a
Thereafter	2.5%	n/a	n/a	2.5%	n/a	n/a

Mortality Canadian Pensioners' Mortality 2014 Public Sector Table, with age-related adjustments.
Projected generationally from 2014 using Scale CPM-B.

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Health Care Cost Trend Rates:

Initial Rate	n/a	5.9%	n/a	n/a	6.0%	n/a
Ultimate Rate	n/a	4.0%	n/a	n/a	4.0%	n/a
Year Ultimate Rate Reached	n/a	2040	n/a	n/a	2040	n/a

Dental Care Trend Rates

Initial Rate	5.5%	6.0%
Ultimate Rate	4.0%	4.0%
Year Ultimate Rate Reached	2040	2026

Estimated Average Remaining

Service Life (Years)	9.00	9.00	6.00	9.00	9.00	6.00
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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 1986 and 1993 Plans. Both Pension Plans issue their own financial statements, none of which forms part of the University's 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 \$2,784 (2022, \$2,511) and this is included in the 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, 2020 valuation of the 1993 Plan, there were 4,801 active member accounts with an average salary weighted age of 52.0 for academic staff and 46.8 for support staff, and 1,931 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, 2020 and extrapolated to December 31, 2022.

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

The contribution made by employees for fiscal 2022-23 was \$30,901 (2022, \$27,713). The employer contribution made by the University for fiscal 2022-23 was \$36,342 (2022, \$32,459). It included \$5,532 (2022, \$4,746) 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.

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 March 31, 2022 and extrapolated to March 31, 2023. The internally designated plan assets are included in the total Portfolio Investments (Note 7) and reflect contributions made by employees and the University which have been designated for non-pension benefits.

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, 2023.

11. DEFERRED REVENUE

Unearned revenue represents various types of operating and capital revenue, including future session tuition fees; and revenue associated with goods that have not yet been provided or services that have not yet been substantially rendered. Deferred revenue represents unspent externally restricted grants, non-endowed donations, investment income, and deferred rental fees associated with the lease of the Southwood lands to UM Properties.

	2023	2022
Unearned Revenue	\$ 28,579	\$ 25,634
Deferred Revenue	443,769	346,837
	\$ 472,348	\$ 372,471

	2023	2022
Tuition and Related Fees	\$ 23,726	\$ 21,108
Sale of Goods and Services	36,403	4,526
Non-Government Grants	51,676	54,767
Government Grants	59,665	
Non-Endowed Donations	123,969	117,218
Investment Income	176,909	174,852
	\$ 472,348	\$ 372,471

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	2023			
	Research	Capital	Special Purpose & Trust	Total
Deferred Revenue Beginning of Year	\$ 54,667	\$ 18,940	\$ 273,230	\$ 346,837
Grants, Non-Endowed Donations, Investment Income, and Lease Revenue	57,371	103,044	53,011	213,426
Recognized as Revenue	(59,710)	(7,984)	(48,800)	(116,494)
Deferred Revenue End of Year	\$ 52,328	\$ 114,000	\$ 277,441	\$ 443,769

	2022			
	Research	Capital	Special Purpose & Trust	Total
Deferred Revenue Beginning of Year	\$ 46,567	\$ 22,497	\$ 240,338	\$ 309,402
Grants, Non-Endowed Donations, Investment Income, and Lease Revenue	64,650	6,788	70,893	142,331
Recognized as Revenue	(56,550)	(10,345)	(38,001)	(104,896)
Deferred Revenue End of Year	\$ 54,667	\$ 18,940	\$ 273,230	\$ 346,837

12. CAPITAL LEASE OBLIGATION

Minimum lease payments, which include principal and interest under the capital lease obligation, are as follows:

2024	\$	63
2025		63
2026		62
Total Minimum Lease Payments	\$	188

13. DEBT

	2023	2022
Province of Manitoba:		
Promissory Note, 5.23% due March 1, 2035	\$ 44,126	\$ 46,703
Promissory Note, 5.55% due April 1, 2036	47,718	50,135
Promissory Note, 3.75% due September 30, 2039	18,956	19,770
Promissory Note, 5.35% due February 1, 2040	23,089	23,908
	133,889	140,516
Province of Manitoba – Grant Funded¹:		
Promissory Note, 2.50%, due March 31, 2032	3,159	3,510
Promissory Note, 4.525%, due October 31, 2032	247	
Promissory Note, 5.70% due February 1, 2049	4,354	4,522
Promissory Note, 5.45% due December 1, 2049	5,552	5,641
Promissory Note, 4.10% due July 30, 2050	21,438	22,222
Promissory Note, 4.10% due July 30, 2050	3,394	3,518

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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.

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Promissory Note, 4.10% due July 30, 2050	9,007	9,336
Promissory Note, 4.85% due November 30, 2050	5,405	5,601
Promissory Note, 4.90% due December 31, 2050	1,755	1,818
Promissory Note, 3.85% due February 29, 2052	3,552	3,675
Promissory Note, 3.85% due February 29, 2052	2,676	2,769
Promissory Note, 4.65% due September 30, 2052	18,790	19,080
Promissory Note, 3.85% due January 31, 2053	8,657	8,948
Promissory Note, 4.00% due March 31, 2053	2,625	2,713
Promissory Note, 4.625% due December 31, 2053	2,487	2,568
Promissory Note, 4.375% due March 31, 2054	4,744	4,897
Promissory Note, 4.375% due March 31, 2054	5,049	5,212
Promissory Note, 4.125% due August 31, 2054	1,316	1,358
Promissory Note, 3.75% due December 31, 2054	5,477	5,649
Promissory Note, 4.00% due November 30, 2055	1,717	1,770
Promissory Note, 3.875% due February 29, 2056	6,995	7,207
Promissory Note, 3.90% due March 31, 2056	4,796	4,941
Promissory Note, 4.00% due April 30, 2056	16,542	17,042
Promissory Note, 4.00% due October 31, 2056	1,123	1,157
Promissory Note, 3.50% due March 31, 2059	8,100	8,325
Promissory Note, 3.25% due July 31, 2059	3,633	3,733
Promissory Note, 3.25%, due November 30, 2061	4,060	4,165
Promissory Note, 4.65%, due December 31, 2062	4,174	
	160,824	161,377
Term Loans (with floating interest rates based on Bankers' Acceptance rates plus stamping fees):		
Royal Bank of Canada, due September 5, 2028	6,151	7,067
Royal Bank of Canada, due February 13, 2032	3,864	4,217
Royal Bank of Canada, due August 7, 2035	5,733	6,057
	15,748	17,341
	\$ 310,461	\$ 319,234

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 14).

Interest expense on debt was \$14,578 (2022, \$14,943), included in the Statement of Operations under Facilities.

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

	Province of Manitoba	Province of Manitoba – Grant Funded ²	Term Loans	Total
2024	\$ 6,979	\$ 5,123	\$ 1,679	\$ 13,781
2025	7,349	5,143	1,773	14,265
2026	7,740	5,164	1,871	14,775
2027	8,151	5,186	1,975	15,312
2028	8,584	5,209	2,084	15,877
Thereafter	95,086	134,999	6,366	236,451
	\$ 133,889	\$ 160,824	\$ 15,748	\$ 310,461

² 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.

14. DERIVATIVES

	2023	2022
Fair Value of Financial Derivatives Beginning of Year	\$ 1,616	\$ 3,098
Unrealized (Gains) Losses	(801)	(1,482)
Fair Value of Financial Derivatives End of Year	\$ 815	\$ 1,616

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 \$6,151 (2022, \$7,067) loan has a fixed interest rate of 5.62% that is committed until September 1, 2028.
- The interest rate swap agreement for the \$3,864 (2022, \$4,217) loan has a fixed interest rate of 4.07% that is committed until February 13, 2032.
- The interest rate swap agreement for the \$5,733 (2022, \$6,057) loan has a fixed interest rate of 4.40% that is committed until August 7, 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.

15. ASSET RETIREMENT OBLIGATIONS

The University's asset retirement obligations represent management's best estimate of the present value of the costs that are expected to be incurred for the remediation of asbestos present in some of the University's buildings.

The presence of asbestos is not a current health hazard, and there is no requirement to remove asbestos in these buildings as long as the asbestos is contained and does not pose a public health risk. According to the Canadian Centre of Occupational Health and Safety (CCOHS), there are no significant health risks if the materials containing asbestos in your home or place of work are:

- Tightly bound in the original product, and it is in good condition.
- Sealed behind walls and floorboards.
- Isolated in an attic.
- Left undisturbed.

The University assesses spaces for the presence of asbestos prior to any construction or renovation taking place. If any asbestos present would be disturbed due to these activities, it is appropriately abated through the University's Asbestos Management Program in a manner that is compliant with relevant legislation and regulations. Remediation activities also occur upon the disposal of a building.

At March 31, 2023, estimated undiscounted asset retirement obligations were \$380,194 (2022, \$381,754). The University used a discount rate of 4.65% (2022, 3.25%) to calculate the present value of the asset retirement obligations, which represented the University's cost to borrow from the Province of Manitoba over a similar period of time.

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	2023	2022
Asset Retirement Obligations Beginning of Year	\$ 128,718	\$ 125,263
Liabilities Settled During the Period	(543)	(597)
Accretion Expense	4,166	4,052
Change to Discount Rate	(47,499)	
Asset Retirement Obligations End of Year	\$ 84,842	\$ 128,718

16. TANGIBLE CAPITAL ASSETS

Cost	Change in Asset Retirement Obligations				Balance at March 31, 2023
	Balance at March 31, 2022	Additions	Estimate	Disposals	
Assets Under Capital Lease	\$ 2,466	\$ 188	\$	\$ (67)	\$ 2,587
Buildings and Major Renovations	1,580,726	32,603	(47,499)	(315)	1,565,515
Computer Hardware	107,556	2,281		(6,721)	103,116
Construction in Progress	33,260	13,814			47,074
Furniture and Equipment	332,982	13,978		(4,838)	342,122
Land	30,528	98		(651)	29,975
Parking Lots and Roads	21,039	6,652			27,691
Vehicles	10,594	1,031		(93)	11,532
	\$ 2,119,151	\$ 70,645	\$ (47,499)	\$ (12,685)	\$ 2,129,612

Accumulated Amortization	Balance at March 31, 2022			Disposals	Balance at March 31, 2023
	Balance at March 31, 2022	Amortization			
Assets Under Capital Lease	\$ 2,466	\$ 9		\$ (67)	\$ 2,408
Buildings and Major Renovations	473,396	31,844		(104)	505,136
Computer Hardware	99,644	3,701		(6,721)	96,624
Construction In Progress					
Furniture and Equipment	267,960	13,350		(4,838)	276,472
Land					
Parking Lots and Roads	7,750	939			8,689
Vehicles	9,299	599		(93)	9,805
	\$ 860,515	\$ 50,442		\$ (11,823)	\$ 899,134

Net Book Value	2023	2022
Assets Under Capital Lease	\$ 179	\$
Buildings and Major Renovations	1,060,379	1,107,330
Computer Hardware	6,492	7,912
Construction in Progress	47,074	33,260
Furniture and Equipment	65,650	65,022
Land	29,975	30,528
Parking Lots and Roads	19,002	13,289
Vehicles	1,727	1,295
	\$ 1,230,478	\$ 1,258,636

17. 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 endowments 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 an 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 endowments.

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, 2023

	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	19.4%	31.2%	36.5%	10.6%	2.3%	100.0%
Financial Derivatives				54.5%	45.5%	100.0%

INTEREST RATE EXPOSURE AS AT MARCH 31, 2022

	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	18.3%	31.3%	36.9%	11.0%	2.5%	100.0%
Financial Derivatives		57.2%	42.8%			100.0%

	2023		2022	
	Interest Bearing Instruments	Non-Interest Bearing Instruments	Interest Bearing Instruments	Non-Interest Bearing Instruments
Cash Equivalents and Investments	\$ 661,872	\$ 953,097	\$ 602,569	\$ 900,793
Financial Derivatives	\$ 815	\$	\$ 1,616	\$

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As at March 31, 2023, a 0.5% fluctuation in interest rates, with all other variables held constant, would have an estimated impact as follows:

	2023		2022	
Fair Value of Fixed Income Instruments	\$	7,176	\$	6,036
Interest Rate Swaps	\$	343	\$	443
Net Investment Income	\$	3,841	\$	3,293

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:

	2023		2022	
Canadian Dollar	\$ 1,214,305	69.8%	\$ 1,205,769	72.4%
U.S. Dollar	376,938	21.6%	337,694	20.3%
Other	149,361	8.6%	121,246	7.3%
	\$ 1,740,604	100.0%	\$ 1,664,709	100.0%

As at March 31, 2023, an appreciation of 10% in the Canadian dollar versus foreign currencies exchange rates would decrease investments and net remeasurement gains by approximately \$52,630 (2022, \$45,894), while a depreciation of 10% would increase investments and net remeasurement gains by approximately \$52,630 (2022, \$45,894).

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:

	2023		2022	
R-1High	\$ 294,238	44.4%	\$ 236,656	39.3%
AAA	37,477	5.7%	66,567	11.0%
AA	236,724	35.8%	217,626	36.1%
A	4,453	0.7%	8,897	1.5%
BBB	8,514	1.3%	10,928	1.8%
BB	6,313	0.9%		
B	3,576	0.5%		
C	1,756	0.3%	202	
Not Rated	68,821	10.4%	61,693	10.3%
	\$ 661,872	100.0%	\$ 602,569	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. 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 managed by limiting the amount of third-party financing that UM Properties is able to retain, to a maximum of 50% of the then-current value of the property. If UM Properties defaults on its third-party loan, the University has the option to pay the balance of the third-party loan and gain control over all the lands and the University could recover its costs by selling a portion of the land. Regardless of whether UM Properties is in default or not, the University is able to terminate the Master Head Lease with respect to any undeveloped portions of the Southwood land provided that the land is not subleased to a developer or required for servicing remaining portions of the lands so long as the termination would not adversely impact the remaining lands. If the University elects to terminate a portion of the lease, it could choose to sell portions of the land to a third party. The credit risk is also managed by the governance structure, as the University has four seats on the board of directors.

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.

18. 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 2022-23 were \$605 (2022, \$261).

PROVINCE OF MANITOBA

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.

FINANCIAL STATEMENTS

19. EXPENSE BY OBJECT

	2023	2022
Salaries and Benefits	\$ 543,869	\$ 511,774
Materials, Supplies and Services	135,577	129,644
Student Assistance	82,191	80,725
Professional and Other Services	61,132	54,024
Amortization	50,442	50,628
Utilities, Municipal Taxes and Insurance	28,221	23,869
Travel and Conferences	25,293	12,707
Interest	14,578	14,943
Maintenances and Repairs	12,549	11,844
Accretion on Asset Retirement Obligations	4,166	4,052
Other	1,011	4,437
	\$ 959,029	\$ 898,647

20. GOVERNMENT GRANTS

	2023				
	Operating Activities	Research Activities	Capital Activities	Special Purpose & Trust Activities	Total
Provincial Grants:					
Advanced Education, Skills and Immigration	\$ 343,006	\$	\$ 18,788	\$ 5,805	\$ 367,599
Other	26,181	6,980	1,285	21,692	56,138
	\$ 369,187	\$ 6,980	\$ 20,073	\$ 27,497	\$ 423,737
Federal and Other Government Grants:					
Government of Canada	\$ 15,749	\$ 79,932	\$ 4,549	\$ 10,839	\$ 111,069
Other Government					
Provincial Government Business Enterprises		1,049			1,049
Foreign		3,145		1,640	4,785
United States		555			555
Other Provinces	313	1,413		5,557	7,283
Municipal	46	69	35		150
	\$ 16,108	\$ 86,163	\$ 4,584	\$ 18,036	\$ 124,891

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2022					
	Operating Activities	Research Activities	Capital Activities	Special Purpose & Trust Activities	Total
Provincial Grants:					
Advanced Education, Skills and Immigration	\$ 340,183	\$	\$ 18,267	\$ 4,921	\$ 363,371
Other	24,799	7,937	5,277	21,916	59,929
	\$ 364,982	\$ 7,937	\$ 23,544	\$ 26,837	\$ 423,300
Federal and Other Government Grants:					
Government of Canada	\$ 12,565	\$ 82,191	\$ 8,281	\$ 9,269	\$ 112,306
Other Government					
Provincial Government Business Enterprises		1,594			1,594
Foreign		(46)		1,952	1,906
United States		118			118
Other Provinces	144	1,337		3,524	5,005
Municipal	46	68			114
	\$ 12,755	\$ 85,262	\$ 8,281	\$ 14,745	\$ 121,043

21. INVESTMENT INCOME

	2023	2022
Non-Portfolio Interest Income	\$ 15,403	\$ 3,989
Portfolio Investments:		
Net Gains (Losses) on Sale of Investments	21,479	34,455
Dividends	15,049	13,101
Distributions – Infrastructure	5,077	9,236
Interest	6,206	5,106
Net Change in Deferred Investment Income	(2,057)	(23,246)
	45,754	38,652
	\$ 61,157	\$ 42,641

22. 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:

2024	\$ 4,148
2025	3,794
2026	3,453
2027	3,082
2028	2,530
Thereafter	35,150
	\$ 52,157

FINANCIAL STATEMENTS

23. 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 \$31,567 (2022, \$38,711). The contractual obligations relating to service contracts were \$29,693 (2022, \$32,397).

The University has a 7.14% (2022, 7.14%) interest in TRIUMF Inc. 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 members of TRIUMF Inc. 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, 2023, 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, 2023 is estimated at \$3,442 (2022, \$3,457). TRIUMF Inc. has put in place a plan for funding the cost of decommissioning which does not require any payments from the members. The member universities have indemnified the University of British Columbia (UBC) against any liabilities incurred by TRIUMF Inc., under the terms of the lease between TRIUMF Inc. and UBC.

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.

24. ECONOMIC DEPENDENCE

The University received \$367,599, 36.57% (2022, \$363,371, 37.48%) of its total revenues from the Province of Manitoba's Department of Advanced Education, Skills, and Immigration.

25. COVID-19 PANDEMIC

On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. At that time, the University implemented remote learning for students with a small number of courses offered in person. University revenues from ancillary operations and other areas that were required to close as a result of public health orders experienced significant declines.

During the year, in-person activity, including events, resumed on campus. However, the global recovery from the pandemic continued and the University was not immune from the challenges it presented during the year, which included supply chain disruption, labor shortages, and inflationary impacts. While the financial impact of ongoing effects of global recovery on the University cannot be easily measured, the financial results of the University may be subject to ongoing volatility. The effects of the ongoing global recovery have not significantly changed the estimates and assumptions used in the preparation of these financial statements.

26. COMPARATIVE FIGURES

Comparative figures for the year ended March 31, 2022 have been reclassified, where appropriate, to conform with the presentation adopted for the year ended March 31, 2023.



University
of Manitoba