

**2013-14**

University of Lethbridge  
Annual Report



## ACCOUNTABILITY STATEMENT

The University of Lethbridge Annual Report for the year ended March 31, 2014 was prepared under the Board's direction in accordance with the Government Accountability Act and ministerial guidelines established pursuant to the Government Accountability Act. All material economic, environmental, or fiscal implications of which we are aware have been considered in preparing this report.

[Original signed by Mr. Gordon E. Jong]

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Mr. Gordon E. Jong, FCA  
Chair, Board of Governors

Date: July 13, 2014

## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

University of Lethbridge's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report including the financial statements, performance results, and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the Board of Governors Finance Committee, as well as approved by the Board of Governors and is prepared in accordance with the Government Accountability Act and the Post-secondary Learning Act.

The Auditor General of the Province of Alberta, the institution's external auditor appointed under the Auditor General Act, performs an annual independent audit of the consolidated financial statements in accordance to generally accepted auditing standards.

[Original signed by Ms. Nancy Walker]

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Ms. Nancy Walker, FCA  
Vice-President (Finance & Administration)

Date: July 13, 2014

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## MESSAGE FROM THE BOARD OF GOVERNORS

This Annual Report for 2013-14 highlights the University's current state and achievements over the year. We are proud of the goals we attained under the University of Lethbridge Strategic Plan, 2009-2013, and look forward to achieving the priorities set forth in Destination 2020: 2014-2019 Strategic Plan. As articulated in Destination 2020, we will be Canada's destination for all who seek a comprehensive, liberal education-based university that promotes a diverse and inclusive environment and inspires research-informed teaching and learning, creative discovery, scholarship, professional endeavor, experiential opportunities, and community engagement. We take the "comprehensive" characterization in that classification seriously; we provide opportunities for study at all levels (undergraduate, Masters, and Doctoral) and across the full breadth of disciplines. We are working to identify new programs and majors that serve the community; we undertake high-quality research and support the cornerstones of the Alberta Innovates Model; we aim to provide Alberta learners with various pathways through higher education, whether by location or delivery mode.

Financial constraints continue to be a challenge to the University of Lethbridge's ability to realize our full potential within Campus Alberta. This has not caused us to retrench, but to reaffirm our values and to reprioritize the University of Lethbridge's actions and activities. The University of Lethbridge is confident that we will be served by our self-reflection through our planning processes on the unique niche we fill within Campus Alberta and in our ability to meet the demands of our students and the post-secondary system.

We strive to create a more accessible post-secondary system, considering not only what programs we offer, but also ensuring that they are offered in the right place and in the right way. We continue to work to enhance the targeted programming that we offer through our Calgary and Edmonton campuses, serving the needs of the working learner. As well, an increasing focus on distance delivery and effective use of emerging technologies allows us to offer in-demand programs to learners where they live and work.

At the University of Lethbridge we recognize the extensive impact and value of research on our students and society. The University of Lethbridge fosters an environment that emphasizes student engagement in learning and research in all disciplines and levels of instruction, from undergraduate to graduate. The end result is a personalized and interactive learning environment combined with engagement in creative activities and research. Last year, we were recognized as one of the country's leading research-intensive universities, earning recognition as one of the top three 2013 Research Universities of the Year (undergraduate category) from Research Infosource, and one of the top three Primarily Undergraduate universities as ranked in the 2014 Maclean's University Rankings.

To point out every accomplishment we have had over the past year would be a very long list. In this Annual Report, we hope you get a glimpse of the great things that are happening at the University and a sense of our well-founded pride in the University of Lethbridge.

## UNIVERSITY CONTEXT

### VISION

*The University of Lethbridge will continue to build a comprehensive university that advances its sense of community, engagement, diversity, and connection.*

The University of Lethbridge will be the institution of choice for those seeking an intimate and supportive environment, excellence in research and creative activity, an engaging and challenging learning experience, and respect for diversity. We will continue to broaden the scope of our programs and research while staying committed to our founding principles of liberal education and retaining the intimate academic experiences on which we have established a tradition of excellence.

We will welcome our students to a community of scholars that offers relevant and academically challenging programs. Opportunities for engagement in learning and research will exist across all disciplines and levels of program, from undergraduate to graduate. Rigorous research and creative work will continue to form the basis for inquiry and teaching across the learning contexts we provide.

Our University will continue to increase the diversity of its scholarly activity and contributions. In achieving this we will be defined by collegiality.

The University of Lethbridge community – which includes all students, faculty, staff, and alumni who contribute to its operation and success – will extend beyond the walls of our institution. We will remain an integral part of our communities while fostering scholarly contributions of international excellence. We will support and enrich the diverse communities we serve with fresh insights and new directions.

### MANDATE

The University of Lethbridge is a public, board-governed university operating as a Comprehensive Academic and Research Institution under the authority of the Post-secondary Learning Act of Alberta.

Founded on the principles of liberal education, the University of Lethbridge provides undergraduate and graduate programs in education, fine arts, health sciences, humanities, management, nursing, science, and social sciences, leading to bachelor's, master's, and doctoral degrees. The institution also provides certificate programs, post-baccalaureate certificate programs, post-graduate certificate programs, post-masters certificate programs, programs and degrees that lead to professional specialization, and open studies for lifelong learners.

The University of Lethbridge conducts pure and applied research and establishes and sustains facilities for pursuing original research. The University develops centres of research excellence in areas in which it has special expertise or that have particular relevance to the region or province. Programs of research, scholarship, and creative activity include the study of fundamental issues for their intrinsic intellectual, aesthetic, or philosophical interest, and of practical challenges of direct importance for social, cultural, economic, or environmental well-being. The University of Lethbridge protects free inquiry and scholarship, facilitates access to scholarly resources, and supports artistic expression and the free and open scholarly discussion of issues.

In support of Campus Alberta, the University of Lethbridge collaborates with other institutions to ensure transferability within the province's postsecondary education system and deliver seamless learning opportunities.

As part of this commitment, the University works with other institutions to provide degree completion opportunities for university transfer students and diploma graduates.

Across the spectrum of intellectual pursuit, the University of Lethbridge continually develops innovative programs and research collections in existing and emerging disciplines to meet the needs of students, society, and the economy. This includes collaborating with First Nations, Métis, and Inuit peoples to develop programs and collections that are relevant and accessible to them.

The University of Lethbridge serves a variety of student groups: undergraduate and graduate students; transfer students; high school graduates; First Nations, Métis, and Inuit students; adult learners; international students; and immigrants. It also serves students on campuses in Edmonton and Calgary and, through distance learning technology, students across the province, the country, and the world. The University of Lethbridge strives to make university-level education available to all Albertans, including those living outside major urban centres and those who have traditionally not sought university education.

The University of Lethbridge fosters a learning community that meets the educational and personal growth needs of its students. This learning community emphasizes teaching excellence, exposure to research, information literacy, interaction with professors and instructors, effective academic advising and personal counselling, and a spectrum of cultural, recreational and extracurricular opportunities. The University of Lethbridge values a high quality of teaching and emphasizes the mutually beneficial relationship between teaching and research. Other facilities and services, such as the Library, student residences, health services, theatres and other performance spaces, and sports and recreation facilities support and enrich the student experience and the lives of community members while respecting environmental sustainability. The University strives to enhance its educational environment through innovation and creativity.

The University of Lethbridge builds mutually supportive relationships and partnerships, addresses the cultural and societal needs of the communities it touches, and advocates the critical role that education plays in the growth and well-being of an informed society. The University further contributes to society by discovering, preserving, synthesizing, and disseminating knowledge for the benefit of all.

*Approved by the Deputy Premier and Minister, Alberta Advanced Education and Technology  
June 24, 2010*

## YEAR IN REVIEW

### UNIVERSITY OF LETHBRIDGE AT A GLANCE

	2013-14	2012-13	2011-12
<b>STUDENTS (Fall Headcount)</b>			
Undergraduate	7,662	7,764	7,824
Graduate	550	489	535
Total	8,212	8,253	8,359
<b>FACULTY &amp; STAFF</b>			
Faculty	478	490	505
Academic & Support Staff	624	641	617
Administration	25	26	23
<b>DEGREES &amp; DIPLOMAS</b>			
Undergraduate	1,616	1,638	1,658
Graduate	142	139	214
Total	1,758	1,777	1,872
<b>SPONSORED RESEARCH REVENUE</b>			
Total Externally Sponsored (\$000's)	16,302	15,272	17,144

## AWARDS AND HONOURS

### HONORARY DEGREE RECIPIENTS

#### Spring 2013

Dr. Richard Casson  
 Dr. Rivka Golani  
 Dr. Robert J. Turner, Q.C.  
 Dr. Neil C. Wittmann, Q.C.

#### Fall 2013

Dr. Garald Bowie

### 2013 PRESIDENT'S AWARDS FOR SERVICE EXCELLENCE

Barbara Williams (Counselling Services)  
 Barbara Hodgson (Administrative Support, Mathematics & Computer Science)  
 Printing Services Team: Greg Martin, Tyler Hayward, Fiona Randle, Kim Selk, Judy Westcott, Murielle Guitard, Diane Layng, and Jeanette Leusink

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#### 2012 SENATE VOLUNTEER AWARD

2012 Alberta Summer Games Team:

Dr. Jochen Bocksnick

Deb Marek

Cheryl Meheden

Nancy Walker

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#### 2013 DISTINGUISHED TEACHING AWARD

Dr. Hadi Kharaghani (Faculty, Mathematics & Computer Science)

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#### 2013 BOARD OF GOVERNORS' TEACHING CHAIR

Dr. Harold Jansen (Faculty, Political Science)

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#### 2013 INGRID SPEAKER MEDAL FOR DISTINGUISHED RESEARCH, SCHOLARSHIP, OR PERFORMANCE

Dr. Cynthia Chambers (Faculty, Education)

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#### ALUMNUS OF THE YEAR

Dr. Robert Morrison

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#### 2013 ALUMNI HONOUR SOCIETY INDUCTEES

Sarah Amies

Sylvia Campbell

Frank Gandt

Dr. Michelle Hogue

Douglas McArthur

Diane Randell



## OUR UNIVERSITY IN 2013-14

### AWARDS AND ACHIEVEMENTS

*University Rankings.* The University of Lethbridge maintained its top-three position in the 2014 Maclean's University Rankings (Primarily Undergraduate category), and continues to evolve as one of the country's leading research-intensive universities, earning recognition as one of the top three 2013 Research Universities of the Year (undergraduate category) from Research Infosource.

*2014 Friend of Health Sciences Award.* The Faculty of Health Sciences named Dr. Ed McNally (LLDE '05) as the 2014 Friend of Health Sciences Award Recipient, which honours individuals and organizations that make a significant contribution to health education and research at the University of Lethbridge. In 2008, McNally funded a scholarship for every graduate student at the University, and has made a similar gift in each ensuing year.

*Visiting Fellowship to Oxford University.* Neuroscience professor Dr. Robert McDonald was elected for a prestigious visiting fellowship appointment at Corpus Christi College at Oxford University in Spring 2015. Dr. McDonald is a University of Lethbridge Board of Governors Research Chair and the current director of the Canadian Centre for Behavioural Neuroscience.

*Sir Arthur Clarke Award.* Dr. David Naylor (Physics and Astronomy) and his team were part of the larger research team that received the prestigious 2013 Sir Arthur Clarke Award for academic study/research. The award is presented annually in recognition of notable or outstanding achievements in, or contributions to, space activities.

*Queen's Diamond Jubilee Medal.* University of Lethbridge Pronghorns swimmer Zack McAllister received one of Canada's highest honours recently when he was presented with the Queen's Diamond Jubilee Medal in recognition of his accomplishments representing Canada on the international swimming stage.

*Innovation in Agricultural Science Award.* Epigenetic researcher Dr. Igor Kovalchuk was honoured with the Innovation in Agricultural Science Award at the 2013 ASTech Awards in October 2013.

*2013 Gill Award.* Neuroscience researcher Dr. Bruce McNaughton received the 2013 Gill Award from a major US-based neuroscience research institute located at Indiana University.

*Confederation of Alberta Faculty Association Award.* Dr. Bryan Kolb (Neuroscience) received the Confederation of Alberta Faculty Associations Distinguished Academic Award for 2013. Dr. Kolb is the sixth University of Lethbridge researcher to be honoured by the organization since 2007.

*Canadian Stroke Network's Paul Morley Mentorship Award.* Dr. Bryan Kolb (Neuroscience) received the 2013 Canadian Stroke Network's Paul Morley Mentorship Award. The award, valued at \$25,000, recognizes his exceptional contributions to the training of the next generation of Canadian stroke researchers.

*Institute for the Advancement of Aboriginal Women Award.* Elizabeth Ferguson (BA '03, MA '05), the co-ordinator of the University of Lethbridge's Native Student Advising office, received an award from the Institute for the Advancement of Aboriginal Women for her work to support First Nations, Metis, and Inuit students at the University of Lethbridge.

*Governor General's Literary Award.* Meg Braem (Theatre & Dramatic Arts) was shortlisted for the 2013 Governor General's Literary Award for Drama.

*ASTech Award.* David Naylor (Physics & Astronomy) was a finalist for a 2013 ASTech award in Outstanding Leadership in Alberta Science category.

*Chinook Entrepreneur Challenge.* Synbiologica Ltd. won the 9th annual Chinook Entrepreneur Challenge, sponsored by the Regional Innovation Network of Southern Alberta and Community Futures Lethbridge. Synbiologica is founded by students from the Faculty of Management and the Departments of Neuroscience and Chemistry & Biochemistry who developed their initial idea during their time as members of the University's iGEM team.

*Research Chairs.* The University of Lethbridge welcomed a number of notable research chairs:

- Dr. Kristine Alexander (History) joined the University of Lethbridge as a Tier 2 Canada Research Chair in Child and Youth Studies.
- Dr. Locke Spencer was awarded a Tier 2 Canada Research Chair in Experimental Astrophysics.
- Dr. Bryan Brooks from Baylor University (Texas) began his 8 month term as the University's Fulbright Visiting Research Chair in Environmental Studies.
- Dr. Darren Christensen joined the Faculty of Health Sciences as the Alberta Gambling Research Institute Chair.
- Dr. Chris Hopkinson joined the University of Lethbridge as a Campus Alberta Innovates (CAIP) Chair in Terrestrial Ecosystem Remote Sensing.
- Dr. Majid Mohajerani (Neuroscience) assumed his position of CAIP Chair in Brain Health & Dementia.
- The Board of Governors named Dr. Robert Sutherland (Neuroscience) a Board of Governors Research Chair.
- Alberta Innovates-Technology Futures named Dr. Hans Joachim Wieden as the Innovates Centre of Research Excellence (iCORE) Chair of Bioengineering.
- Dr. Cheryl Currie (Health Sciences) received the Alberta Innovates – Health Solutions (AIHS) Translational Health Chair in Aboriginal Health & Wellbeing.

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## GIFTS AND DEVELOPMENT

### *New Scholarships.*

The local law firm of Davidson and Williams LLP created the Q.C. Memorial Award for Service, worth \$1,000 for a second-year student in the Faculty of Arts & Science.

Faculty of Management alumni Anil Pereira (BMgt '7) and Sheryl (Turnbull) Pereira (BMgt '87) established an endowment fund to support the new Pereira Entrepreneurship Award, worth \$1,000 for a high school applicant admitted to the Faculty of Management.

Three Faculty of Management Alumni created the Dan Kazakoff Award in Student Leadership, honouring the contribution of an outstanding professor and recognizing students that show exceptional leadership through community and campus involvement.

*Wilson Land Gift.* Valerie Wilson donated a piece of her family heritage property near Cochrane.

*Support for the First Nations Transition Program.* The newly established Masson Family Endowment and Masson Family First Nations Transition Program Award will support the First Nations Transition Program as well as individual students in the program for many years to come.

*Donor Support.* The University of Lethbridge achieved recognition from a number of national ranking agencies in 2012, thanks in no small part to the support of more than 2,000 donors who contributed nearly \$10 million in support of the institution.

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## PEOPLE

*Appointments.* Dr. Michael J. Mahon was reappointed to a second five-year term as the University's president and vice-chancellor. The University of Lethbridge named Dr. Christopher J. Nicol as the new University Librarian. Dr. Robert Boudreau was reappointed to a second five-year term as the Vice-Provost & Associate Vice-President (Academic). Dr. Daniel J. Weeks was reappointed to a second five-year term as the Vice-President (Research).

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## FACILITIES & INFRASTRUCTURE

*Destination Project.* In December 2013, the Government of Alberta announced a \$200-million investment in the Destination Project, which will involve the construction of new science facilities, a new energy plant, and the revitalization of the original University Hall.

*Student Residences.* Mt. Blakiston House, the new Aperture Park student residence that opened in August 2013, significantly increased the amount of beds available for returning students on campus. The 259-bed, 11,589 sq. metre housing facility features nine study lounges, a games room, an exercise room, on-site laundry, and multi-purpose room.

*Dr. Foster James Penny Building.* The University of Lethbridge officially opened the Penny Building in May 2013. The building provides a gallery space for Fine Arts students, and is home to the alumni relations, annual giving programs, call centre, and Volunteer Lethbridge.

*CASA.* The University of Lethbridge is a major partner with the Allied Arts Council and the City of Lethbridge in the new community arts centre in Lethbridge, named CASA, which opened in May 2013. The U of L Conservatory of Music operates out of the new building.

*Food Services.* Aramark Higher Education officially joined the University of Lethbridge community on May 1, 2013, marking the most transformative food services change at the University in 30 years.

*Research Infrastructure Support.* University of Lethbridge researchers received nearly \$350,000 in Canada Foundation for Innovation (CFI) infrastructure support. It will allow Drs. Christopher Hopkinson and Locke Spencer, and their colleagues, the opportunity to pursue imaging studies both on the ground and deep into space.

*Other Capital Projects.* Other construction highlights included the rehabilitation and replacement of the tunnel and south plaza, supported by Provincial funding; completion of the University Prairie Quad north of Markin Hall; and replacement of the library roof.

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## EVENTS

*Canada-Wide Science Fair.* The University of Lethbridge proudly welcomed the country's top young scientists to campus from May 11 – 18, 2013, as the University hosted the 52nd annual Canada-Wide Science Fair. Approximately 1,100 students, chaperones, judges, sponsors, and dignitaries attended.

*Play Day.* The University of Lethbridge, together with 1st Choice Savings and Credit Union, hosted its third annual - and free - Play Day event on Family Day. The event promotes the positive aspects of play and its influence on creating healthy individuals and healthy communities. The Play Day initiative received a silver award from the Canadian Council for the Advancement of Education, and a bronze award from the International Council for the Advancement of Sport Education District VIII.

*Inaugural Lethcamp.* The University of Lethbridge hosted the first-ever southern Alberta edcamp on January 25, 2014. The event brought together administrators, teachers, pre-service teachers, education assistants, and others, encouraging spontaneous collaboration among others. Over 100 participants registered for the event.

*Community/University Research Exchange.* The Office of Research & Innovation Services hosted its second Community/University Research Exchange event, which encouraged relationship building between community groups and the University of Lethbridge researchers.

*Canada West Women's Rugby Championships.* The University of Lethbridge hosted the Canada West Women's Rugby Championships in October 2013.

*National Female Hockey Challenge.* For the second season in a row, the University of Lethbridge Pronghorns women's hockey team hosted the National Female Hockey Challenge, a three-day event featuring six Canadian InterUniversity Sport teams as well as 12 'AAA' Midget girls' teams.

*Coutts Centre Community Open House.* The University of Lethbridge hosted a community open house at the Coutts Centre for Western Canadian Heritage in September 2013, providing an opportunity for the public to visit the unique property, donated by Jim Coutts to the University.

*Blackfoot History Conference.* Over 150 local researchers and First Nations cultural experts met over two days in June 2013 to learn from each other about how to more proactively preserve ancient Blackfoot sites in southern Alberta in the face of future land development.

## PROGRESS ON STRATEGIC GOALS

The University of Lethbridge 2014-2019 Strategic Plan: Destination 2020 identifies five broad strategic directions for the institution:

- Excel as a comprehensive university
- Inspire and support student potential
- Promote access to quality, affordable post-secondary education
- Build internal community and enhance relationships with external communities
- Enhance the sustainability of the University

## EXCEL AS A COMPREHENSIVE UNIVERSITY

- **Destination 2020**, the University of Lethbridge's 2014-19 Strategic Plan, was approved by the Board of Governors in December 2013. It outlines the University's strategic priorities and identifies actions that will ensure its goals are realised. The **University Research and Academic Plan 2012-17** continues to guide the University's actions in working towards the goals of the Strategic Plan.
- The University of Lethbridge continues to evolve as one of the country's leading research-intensive universities, earning recognition as one of the top three 2013 Research Universities of the Year (undergraduate category) from **Research Infosource** and one of Canada's top-three undergraduate institutions (2014 **Maclean's University Rankings**).
- Planning for the **Destination Project**, a new academic facility, an associated central plant facility and the repurposing of University Hall, continues with an additional \$200 million of committed funding from the Government of Alberta. The Destination Project is a transformational undertaking that will fundamentally alter the path of the University of Lethbridge.
- As a result of \$1.5-million in targeted funding from the Government Alberta, announced in March 2014, the University of Lethbridge will be launching a new **aboriginal health program** and an undergraduate program in **therapeutic recreation**, in addition to making more seats available in Education and increasing university transfer pathways for students.
- The Faculty of Health Sciences is developing a Master of Nursing program, to address the shortage of nursing personnel educated at the graduate level in southern Alberta. This program is currently before the Campus Alberta Quality Council for review.
- Two graduate programs in the humanities are under development: an M.A. and a PhD. In Culture, Theory, and Social Change.
- The University of Lethbridge became the first Canadian member of the **Universities Council on Water Resources (UCOWR)** – an organisation of universities, non-academic institutions, and international affiliates leading the way in water resources education, research, and public service. This reinforces and advances the University's reputation as a provincial and national leader in water research.
- The University of Lethbridge now offers more than 60 graduate programs that transcend traditional boundaries by fostering multidisciplinary research that advances knowledge, and inspires creativity and discovery.
- The University of Lethbridge participated in a first of its kind colloquium between Canada and Algeria, exploring best practices for higher education in both countries.
- The University continued to provide funding for First Year Faculty teaching load reduction, Research Enhancement awards, Community of Research Excellence Development Opportunities, and matching grant for Canada Foundation for Innovation.

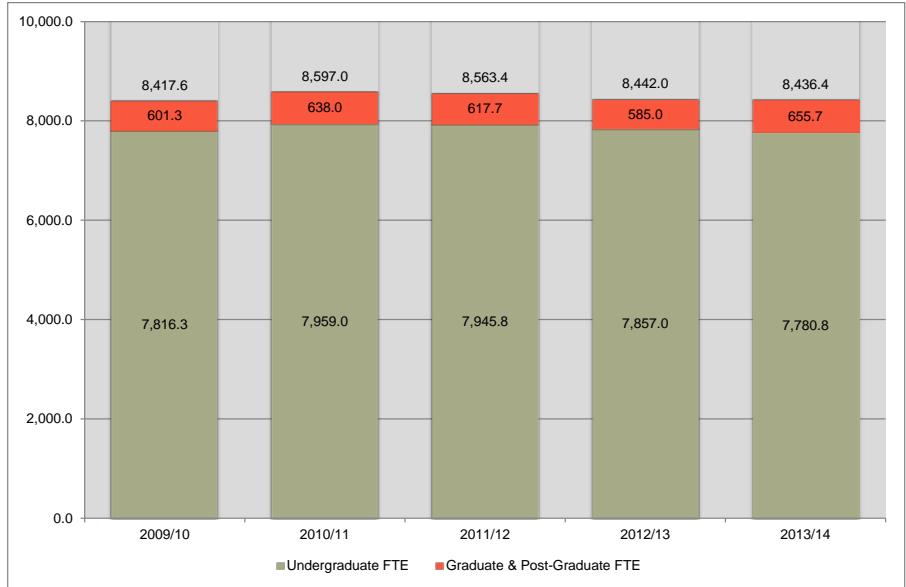


Figure 1: Fall FTE (Full Time Equivalent) Enrolment, 2009/10 - 2013/14

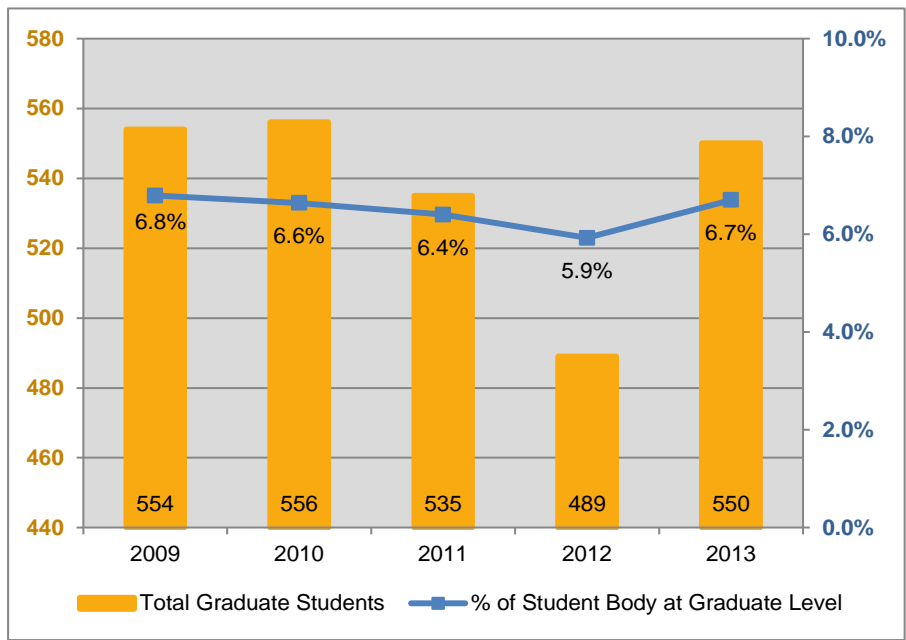


Figure 2: Graduate Student Enrolment, Fall 2009 - Fall 2013

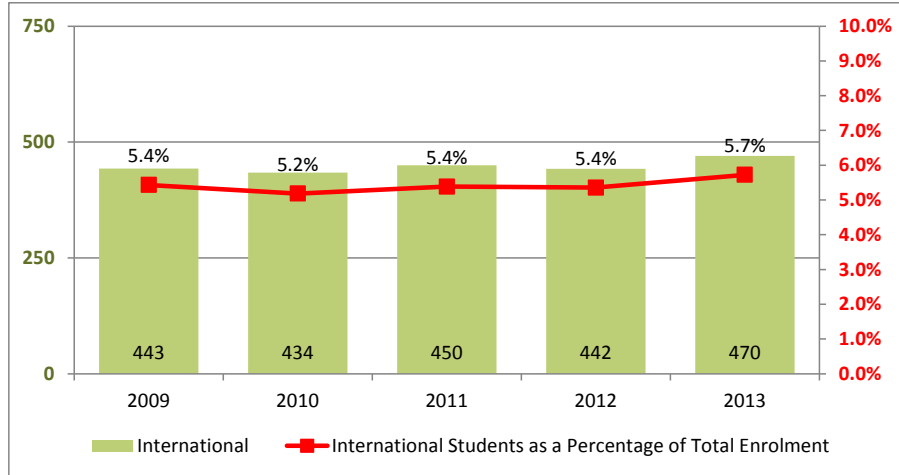


Figure 3: International Student Enrolment, Fall 2009 - Fall 2013

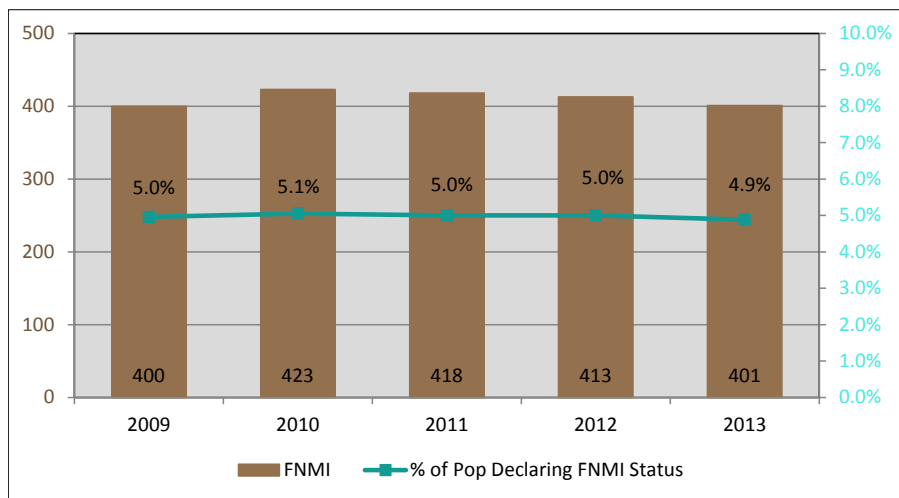


Figure 4: Self-Declared First Nations, Metis, and Inuit (FNMI) Student Enrolment, Fall 2009 - Fall 2013

## % Increase (Decrease) Over Previous Year

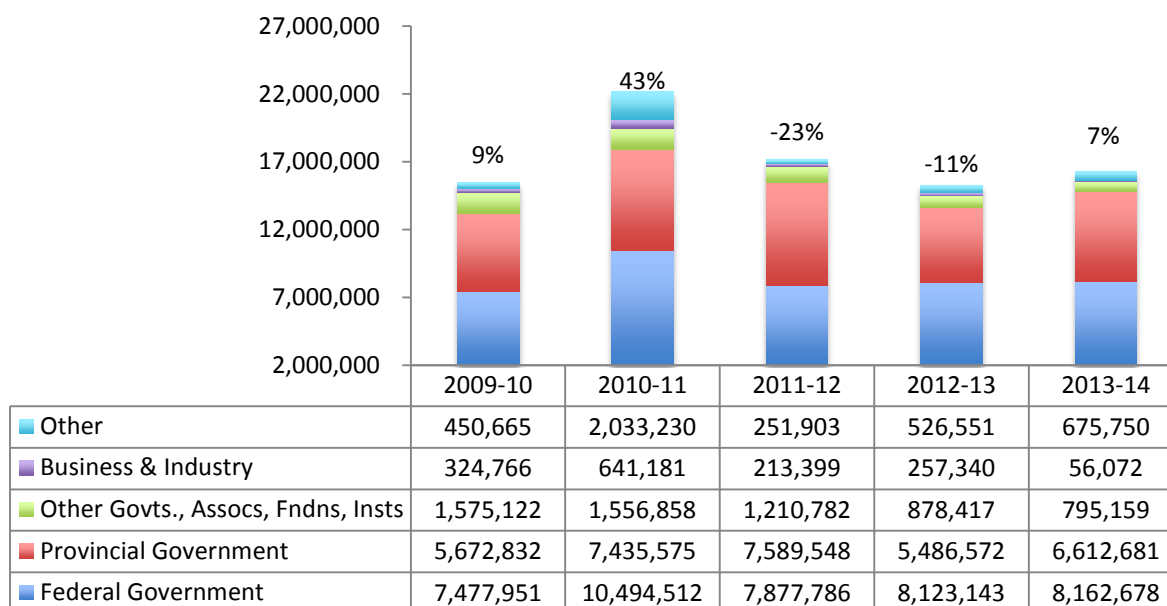


Figure 5: Total Externally Sponsored Research Funding \$(000's), 2009/10 - 2013/14

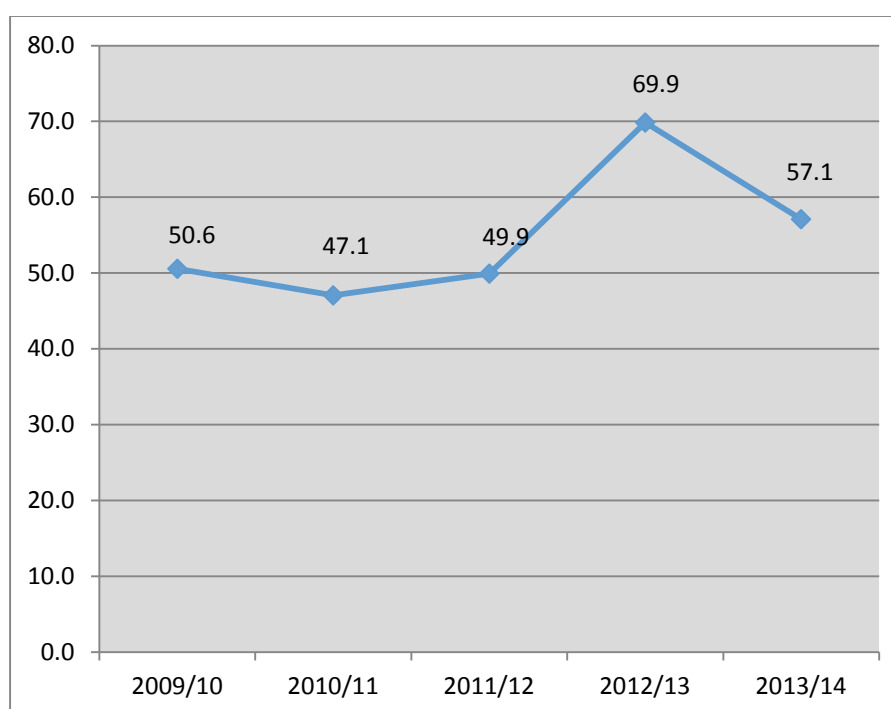
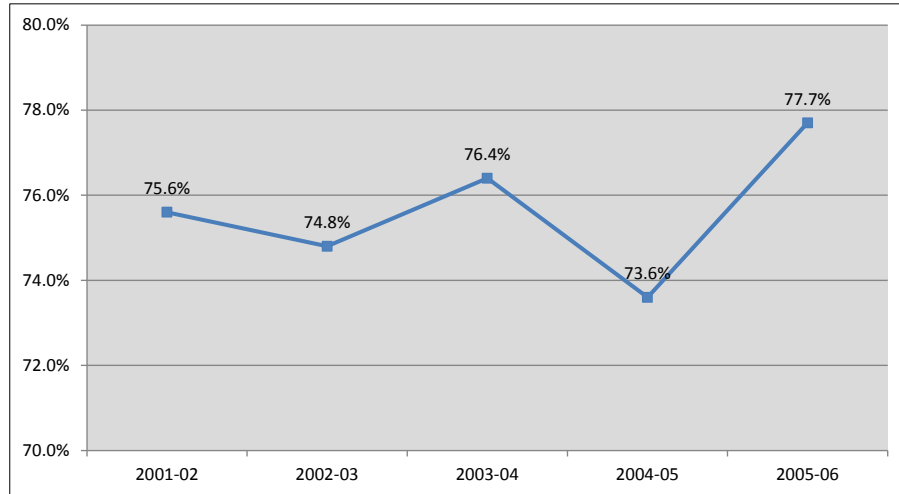


Figure 6: Research Intensity - Sponsored Research \$ per Full-time Faculty (\$000)



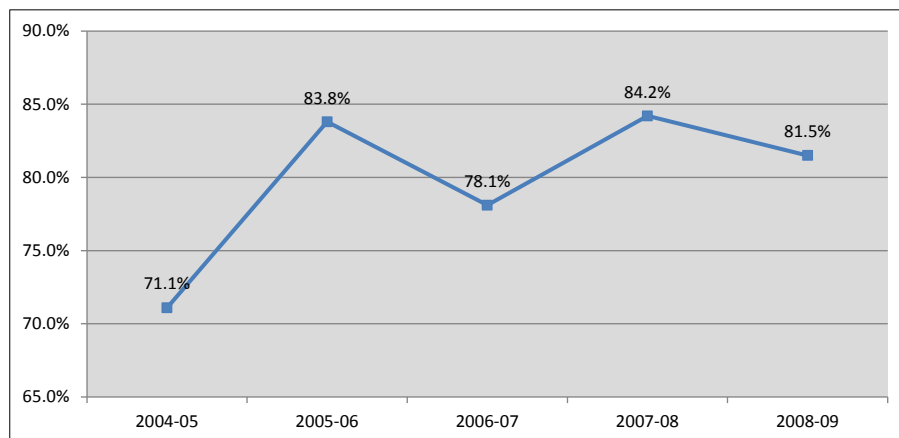
## INSPIRE AND SUPPORT STUDENT POTENTIAL

- The University of Lethbridge introduced the **Student Success Centre**, which includes Study Skills Services, Tutoring Services, and Mental Health Education. The Centre takes a holistic approach to encourage students to set goals, examine various aspects of their lifestyles, connect with appropriate supports, make positive changes, and achieve their goals.
- A new **student residence**, Mt. Blakiston, in Aperture Park opened its doors and welcomed student residents in Fall 2013. The 259-bed, 11,589 sq. metre housing facility offers a variety of amenities and greatly increased the amount of beds available for returning students on campus.
- The **Recruitment and Retention Project** continues to develop strategies to improve the overall retention of first year students to second year status.
- A cross-campus team is working on a new 'one-stop-shop' **Portal system** to unify the University's online systems, giving students one electronic gateway to the University and making the web experience much more personal and engaging.
- An **online application system** for graduate students was implemented to improve the experience of students applying to the School of Graduate Studies.
- The University of Lethbridge created a **First Nations, Métis, and Inuit (FNMI) Protocol Handbook**, which has initiated a unique way of sharing knowledge between the FNMI community and the University, and ensures that the significance of FNMI traditional activities will endure at the University.
- The University of Lethbridge values **diversity**; we are home to 470 international students from 87 countries.
- The Faculty of Management welcomed its inaugural **Executive in Residence**, Anil Pereira (BMgt '87). Mr. Pereira's goal is to help students apply theory in real ways, and help them understand how to manage their own careers.
- The Native American Students Association and the University of Lethbridge continues to present the annual Native Awareness Week.
- Seven University of Lethbridge graduate students participated in the University's first **Three Minute Thesis** competition, an internationally recognised research communication competition. The competition is an excellent experience for students as well as an opportunity for community members to enjoy a series of presentations on compelling topics. Winners qualified for a regional competition.
- Four students in the Faculty of Management participated in the **32<sup>nd</sup> Annual Manitoba International Marketing Competition and Conference**, bringing home second-place honours and \$1,000.
- An interdisciplinary group of University of Lethbridge students earned first place at the **3<sup>rd</sup> Annual International Agribusiness Case Competition** held at the University of Guelph.
- In March 2013, Faculty of Management students took first place at the Certified Management Accountants (CMA) and Certified General Accountants (CGA) **Alberta's Board Governance Case Competition** in Calgary. In addition to the opportunity to apply theory and practice, the students benefitted from the \$10,000 prize.
- University of Lethbridge physics, computer science, and mathematics students (along with their coaches) took a second prize in the prestigious annual world finals of the **Association for Computing Machinery's International Collegiate Programming Contest**, sponsored by IBM and held in Russia last summer.
- The University's International Genetically Engineered Machine (iGEM) team has again ranked among the top iGEM teams worldwide, capturing two prominent awards at the international **iGEM competition** at MIT in November.
- A team of University of Lethbridge master's students won the Innovation category of the **Imagine Cup Canada** competition organised by Microsoft.



**Figure 7: Undergraduate Program Completion Rate, 2001/02 – 2005/06.**

Note: The years in this figure represent the cohort by year of entry. Completion rate is based on the program length plus six years.



**Figure 8: Graduate Program Completion Rate, 2004/05 - 2008/09**

Note: The years in this figure represent the cohort by year of entry. Completion rate is based on the program length plus three years.

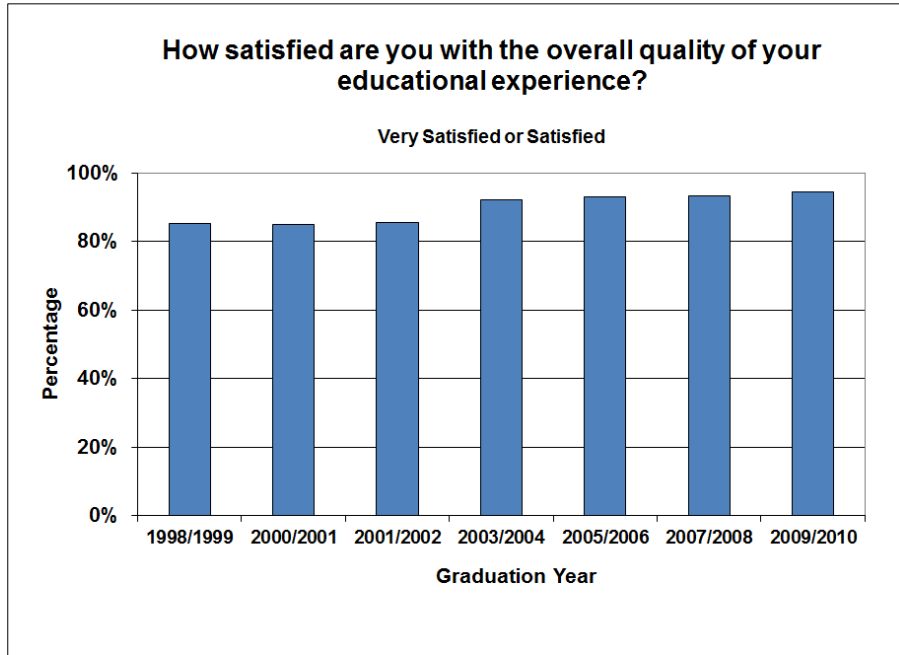


Figure 9: Students were surveyed two years after graduation.  
 Source: Government of Alberta Graduate Outcomes Survey.

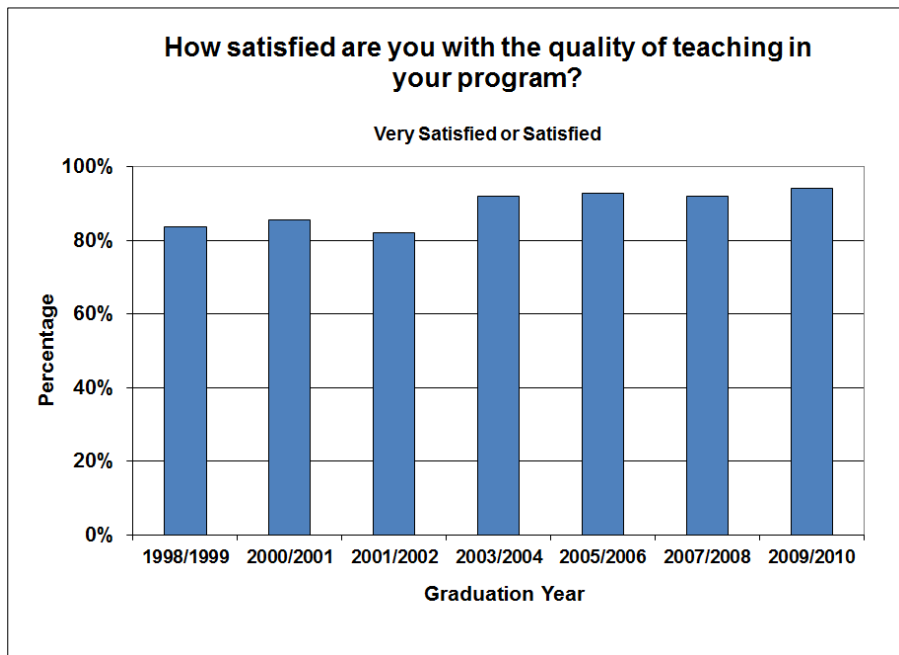


Figure 10: Students were surveyed two years after graduation.  
 Source: Government of Alberta Graduate Outcomes Survey.

## PROMOTE ACCESS TO QUALITY, AFFORDABLE POST-SECONDARY EDUCATION

- Last year, 50% of new high school students received a **financial award** averaging \$1,887.
- With campuses in Lethbridge, Calgary, and Edmonton, the University of Lethbridge is a proud partner of Campus Alberta.
- Providing accessible post-secondary education opportunities for Blackfoot and other **First Nations, Métis, and Inuit (FNMI)** students continues to be a priority for the University. 4.9% (Fall 2013) of our enrolment self-identified as FNMI. Initiatives such as the **FNMI Gathering Space** continue to support these students.
- **International students** comprise 5.7% (Fall 2013) of our enrolment. In the 2013-14 academic year, over 90 countries were represented amongst students at the University of Lethbridge. The University continues to provide access to students from around the world.
- We continue our commitment to the quality of our academic programs and units. Eight quality assurance reviews were closed in 2013, with a further two being closed in the first two months of 2014. There are presently 13 quality assurance reviews in process.
- In Spring 2014, the University of Lethbridge reached an agreement with Mexico's national council of science and technology that will see fully-funded Mexican graduate students study at our campus. The agreement will also open the door for Lethbridge and Mexican Master's and PhD students to participate in fellowship visits that will last up to one year, and gain expertise in specific research projects.
- The University of Lethbridge signed a collaboration agreement with the Universidad Intercultural Maya de Quintana Roo in Mexico that will develop areas of mutual interest, including the development of study abroad programs, and student and faculty exchanges.
- The University of Lethbridge signed a collaboration agreement with Gakushuin Women's College in Tokyo, Japan that will see the two institutions develop study abroad programs, exchange students and faculty members, and promote cooperation in academic activities.

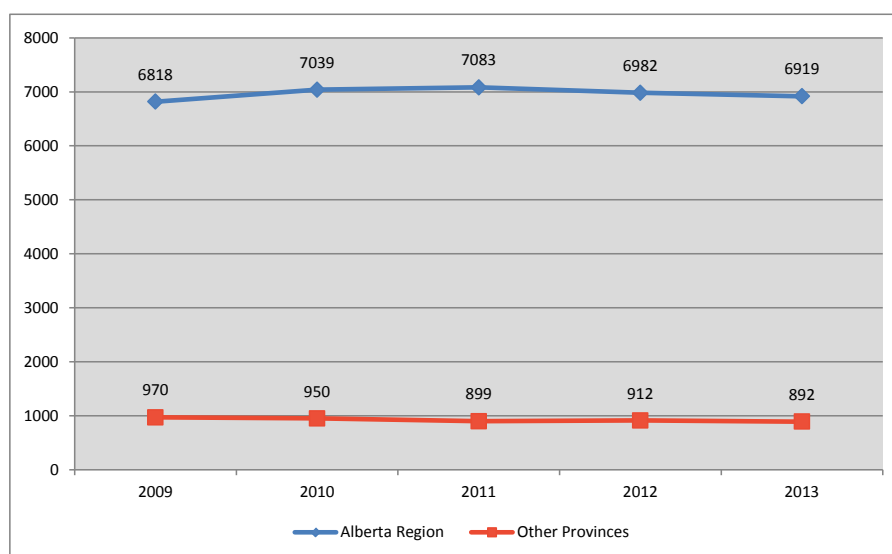


Figure 11: Geographic Source of Canadian Students, 2009 – 2013

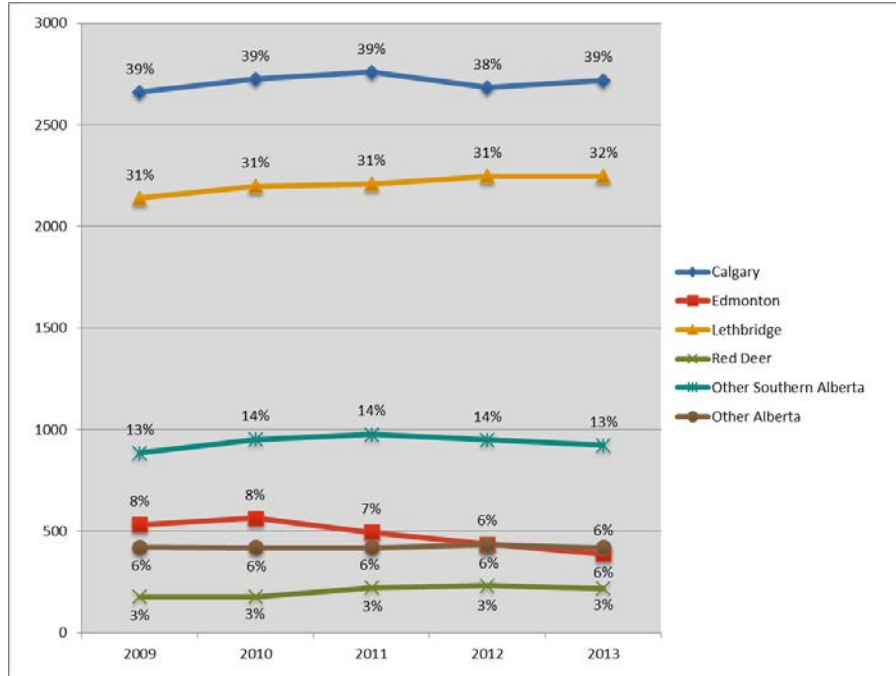


Figure 12: Geographic Source of Alberta Students, 2009 – 2013

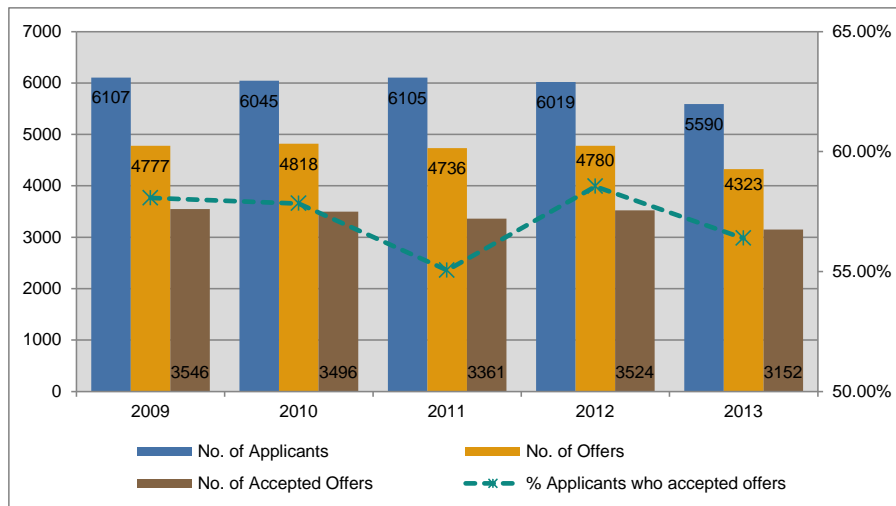
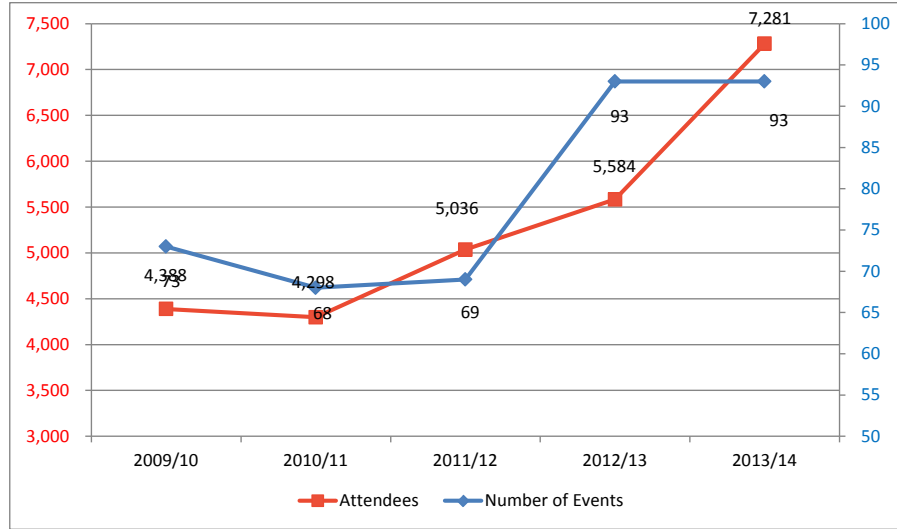


Figure 13: Applications, Offers, and Accepted Offers, 2009 – 2013

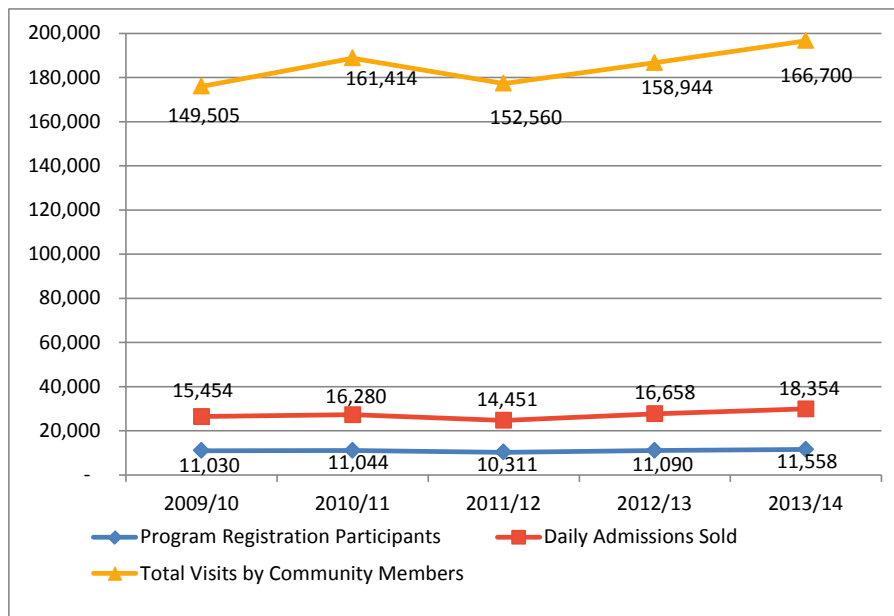
## BUILD INTERNAL COMMUNITY AND ENHANCE RELATIONSHIPS WITH EXTERNAL COMMUNITIES

- The University hosted **Brain Awareness Week** in March 2014, inviting the community to become engaged with the ground-breaking discoveries taking place in their region.
- The University of Lethbridge Faculty Association presented its 4<sup>th</sup> Annual **Respect & Diversity Week**, with the goal of promoting respect and diversity and enhancing the University workplace.
- The **Community/University Research Exchange** and the Family Day **Play Day** events invited community members and groups to the main University campus to connect with researchers and build relationships between the University and the larger community.
- Over the spring semester, the student **Call Centre** team called 20,000 alumni, raising more than \$57,000 in gifts and pledges.
- **Volunteer Lethbridge** and the University of Lethbridge are creating greater opportunities for student community service and volunteerism activities by entering into a partnership that saw Volunteer Lethbridge relocate its offices to the University's Dr. Foster James Penny Building in November 2013.
- The University of Lethbridge is a major partner with the Allied Arts Council in the new **community arts centre** in Lethbridge, named CASA. The University of Lethbridge Conservatory of Music operates out of the new building.
- Erin Crane, Manager of Conference and Event Services, was honoured as an **Alberta Flood Hero** for the leadership role she played when the University of Lethbridge provided temporary housing, food, transportation, health and wellness services, and children's' activities for those displaced by the June 2013 floods in Central Alberta.
- The University of Lethbridge launched a new **experts database** that links its world-class expertise with journalists, academia, government, industry, students, and members of the general public from around the world.
- The third annual **Fiat Lux Address** was given by President Mike Mahon as a way to increase connection and communication with the campus community.
- A **People Plan** is under development. The Plan will complement the Research and Academic Plan in supporting the University Strategic Plan, and is intended to link all employees to the University's chosen direction, regardless of the focus of their work.
- The Faculty of Management's **5 Days for the Homeless** team raised an outstanding \$11,479.26 in support of the local Wood's Homes emergency youth shelter. The team survived five cold and snowy nights outdoors on campus as part of their fundraising efforts.
- The Integrated Management Experience class, in the Faculty of Management, joined forces with a local radio station to present a radio-thon fundraiser in support of the Lethbridge Family Centre, applying knowledge learned in class to a real work environment.



**Figure 14: Event Attendance, 2009/10 - 2013/14**

Note: Events include conferences, programs, and other events booked through Conference & Event Services



**Figure 15: Community Use of Sport & Recreation Services Facilities, 2009/10 - 2013/14**

## ENHANCE THE SUSTAINABILITY OF THE UNIVERSITY

- A student-initiated **cooperative garden** on campus makes use of water from the irrigation pond and utilizes on-site composting.
- The Caretaking Department on campus collects and **composts** more than 800 gallons of material per month. The compost pile on campus helps generate fertiliser that the Grounds Department uses when tending to various projects on campus.
- The University of Lethbridge includes several 2014-15 **budget allocations** that support the strategic priority of enhancing the environmental sustainability of the University: (1) Continue with sustainability projects with a renewed University Sustainability Committee; (2) Support review of carbon footprint of renovations, alterations, and infrastructure renewal projects; and, (3) Maintain structural monitoring of University facilities.
- The University of Lethbridge **budget process** and **budget allocations** emphasize the importance of maintaining the financial sustainability and economic sustainability of the University.
- The development of a **People Plan** enhances the University's commitment to social sustainability.



## MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended March 31, 2014

The Management Discussion and Analysis provides supplemental financial information and should be read in conjunction with the University of Lethbridge's (University) audited financial statements and accompanying notes. The University's financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. All amounts are in thousands of dollars unless otherwise noted.

The University of Lethbridge is a public, board-governed university operating as a Comprehensive Academic and Research Institution under the authority of the *Post-Secondary Learning Act of Alberta*. The University provides opportunities for study at all levels (undergraduate, Masters and Doctoral) and across the full breadth of disciplines through various pathways whether by location or delivery mode.

While the fiscal environment has been and will likely be unfavourable for the next few years and budget reductions will be experienced in most budget units, the University remains committed to directing as many of its scarce resources as possible towards our strategic priorities and enhancing our position as a comprehensive teaching and research university. As reductions are made to the operating budget, senior administration has made every effort to ensure that the quality of our academic programs and services to our students are maintained.

Over the past several years, the University has revised its budget model and processes to ensure the institution is in a position to make resource allocation decisions that will advance the University's strategic directions. Especially in challenging financial times, the University will need to be able to adapt quickly to unforeseen situations without losing sight of the priorities that have been established through our academic, research and strategic plans. The University's budget process is based on a three-year rolling budget model whereby budgets are estimated for three years into the future.

## OPERATIONAL HIGHLIGHTS

During the year the University had an operating surplus of \$3,096 compared to a \$202 surplus in 2013. The main contributing factors to this surplus was a temporary hiring restriction on positions funded through the Campus Alberta Operating grant and investment earnings of \$9,306 that exceeded budget by \$4,762. The investment earnings reflect strong performance as well as management's decision, in consultation with the Board Finance Committee and the University's external Investment Consultant, to rebalance the investment portfolio.

## NET ASSETS

A defining characteristic of public sector financial reporting is that the organization's equity is referred to as net assets on the Statement of Financial Position. Net assets consist of endowment principal which remains intact in perpetuity, accumulated remeasurement gains and losses, the University's investment in capital assets, internally restricted surplus set aside for strategic priorities by the Board of Governors, and unrestricted surpluses from operations.

Total net assets (total assets less total liabilities) have increased by \$18,435. This increase in net assets is accounted for by:

Figure 1:

Increase in total assets	\$	9,869
Decrease in total liabilities		8,566
Increase in total net assets	\$	<u>18,435</u>

The increase in total net assets occurred as a result of the following changes:

Figure 2:

	Balance 31-Mar-2013	Change	Balance 31-Mar-2014
<b>Accumulated surplus</b>			
Unrestricted surplus	\$ 10,795	\$ (10,671)	\$ 124
Internally restricted surplus	22,958	7,290	30,248
Investment in capital assets	95,446	6,477	101,923
<b>Total accumulated surplus</b>	<b>129,199</b>	<b>3,096</b>	<b>132,295</b>
<b>Endowments</b>			
Endowment contributions	33,131	632	33,763
Cumulative investment gains - realized	9,878	2,024	11,902
Cumulative investment gains - unrealized	2,586	3,780	6,366
<b>Total Endowments</b>	<b>45,595</b>	<b>6,436</b>	<b>52,031</b>
<b>Accumulated rereasurement gains</b>	<b>5,961</b>	<b>8,903</b>	<b>14,864</b>
<b>Total Net Assets</b>	<b>\$ 180,755</b>	<b>\$ 18,435</b>	<b>\$ 199,190</b>

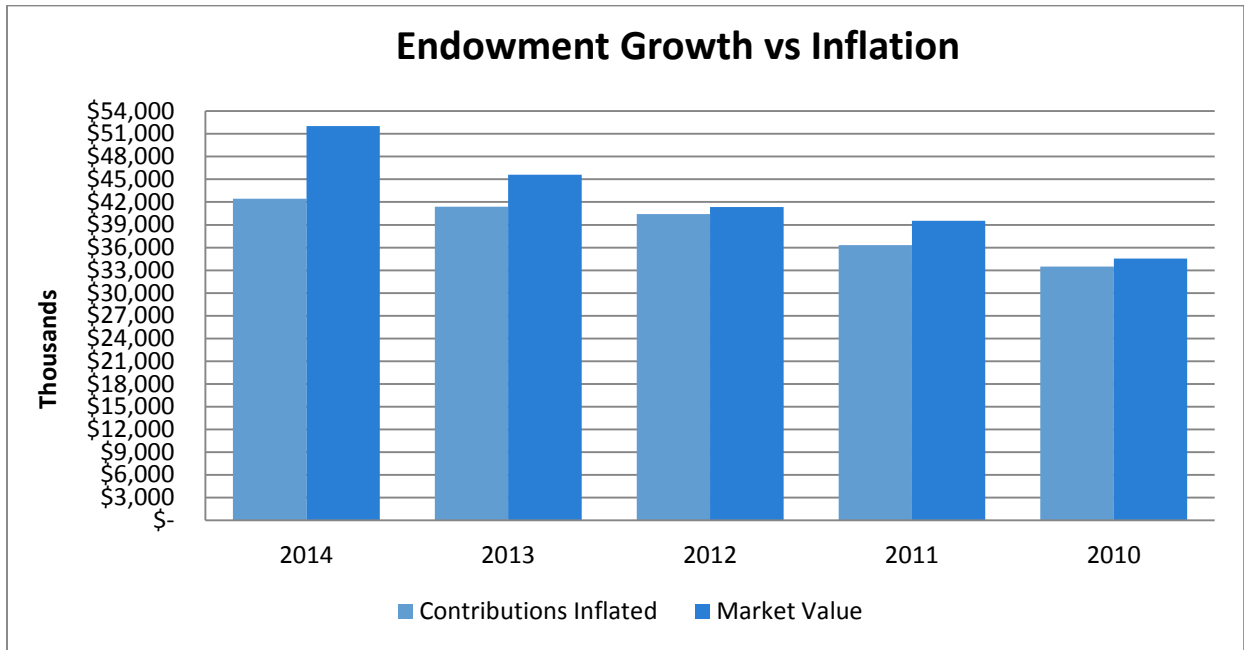
### Accumulated surplus

The University implemented a new internal guideline in 2013/14 where the accumulation of unrestricted and internally restricted surplus will be maintained at 10-12% of the University's annual operating budget. This amount is meant to maintain short-term financial flexibility, as well as provide funds for strategic priorities. The University is currently above this threshold by \$6.8 million however the Board of Governors has approved strategic priorities projects that will be completed over the next 3 years that will result in the University attaining this guideline.

### Endowments

University policy has the objective of protecting the real value of the endowments by limiting the amount of income expended and reinvesting unexpended income. At March 31, 2014 the fair value of the Endowment pool assets exceed the cumulative endowed contributions indexed by inflation by \$9.6 million (2013: \$4.2 million).

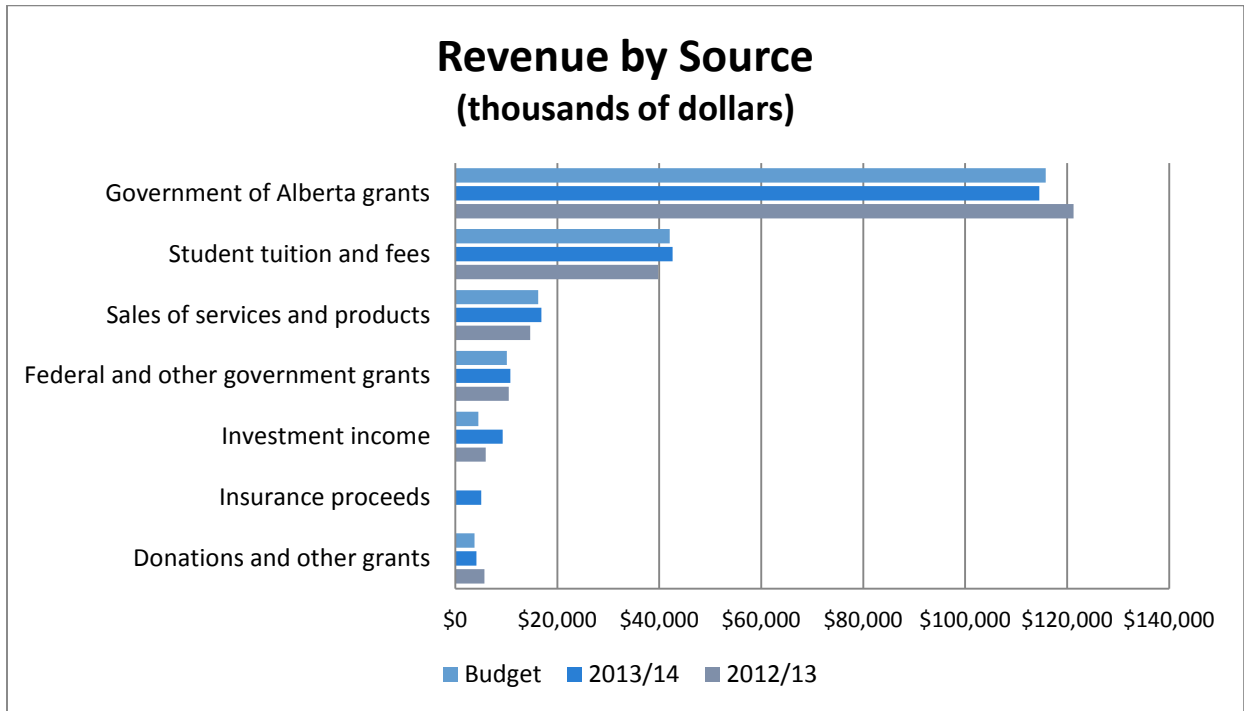
Figure 3:



#### REVENUE AND OTHER INCOME

Revenue and other income increased by \$5.4 million over the prior year and \$10.9 million over the budget.

Figure 4:



**Government of Alberta grants**

Revenues from the Government of Alberta represent the University's single largest source of revenue. The Campus Alberta grant decreased in 2013/14 by \$4 million.

**Student tuition and fees**

In April 2013, Innovation and Advanced Education (IAE) notified the University that tuition fees for 2013/14 would be held at 2012/13 rates and that IAE would include the corresponding difference in rates as part of the Campus Alberta Operating Grant. IAE provided these funds (\$742) as one-time funding in 2013/14 and has confirmed that this amount will be included in the Campus Alberta grant funding for 2014/15 as continuing funding.

The increase in student fees was mainly due to an increase of \$1,559 in student services fee revenue and an increase in differential fees for international students from 1.26 times to 2 times the base tuition fee.

**Sales of services and products**

Sales of services and products revenue increased by \$2.2 million. The major source of sales of services and products revenue is Ancillary Services (\$11.8 million) and Sport and Recreation Services programs and services (\$1.8 million). The main contributing factor for the Ancillary Services increase was the opening of the new residences and residence fee increases totaling \$1.2 million.

**Investment income**

Investment income increased by \$3.3 million over the previous year and was \$4.8 million over budget. The investment earnings reflect strong performance as well as management's decision, in consultation with the Board Finance Committee and the University's external Investment Consultant, to rebalance the investment portfolio.

**Insurance proceeds**

Insurance proceeds will fluctuate from year to year and it is not a category that is budgeted for. For 2013/14 the majority of this increase was a result of a flood in June 2013 that caused damage to the University tunnel, rotunda, Library building, Devonian walkway, University Centre for the Arts and University Hall. Repairs to the facilities and equipment as a result of the flood, estimated at \$7 to \$8 million, are projected to be completed in the summer 2014.

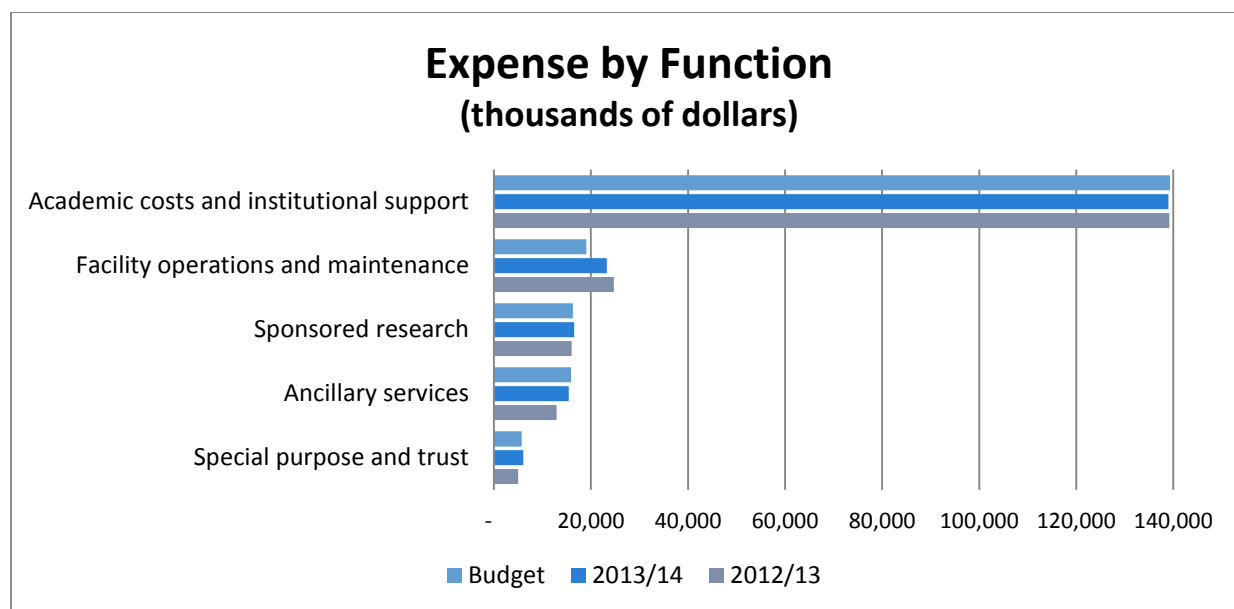
**Federal and other government grants and donations and other grants**

There was no significant variance between federal and other government grants and donations and other grants and the budgeted expectations.

## EXPENSE BY FUNCTION

For the year ended March 31, 2014 the University recorded an increase of \$2.5 million in expenses over the prior year and \$4.1 million over budget.

Figure 5:



### Academic costs and institutional support

Academic costs and institutional support includes expenses incurred by faculties for their scholarly and non-sponsored research activities as well as institutional wide administrative services. The largest component of the University's expenditures is salaries and benefits, representing 67% of the total expenses. Attracting and retaining quality faculty and staff continues to remain a Board of Governor's priority. The 2013/14 costs remained consistent with the prior year since a temporary hiring restriction on positions funded through the Campus Alberta Operating grant was in place from September 2013 to March 2014.

### Facility operations and maintenance

The expenses in this category relate to maintenance and renewal of facilities that house teaching, research, administrative and common areas within the university. These expenses include utilities, facilities administration, building maintenance, custodial services, grounds keeping as well as major repairs and maintenance. There was a significant variance of \$4 million over budget and \$1.5 million over prior year. This increase was a result of a flood in June 2013 that caused damage to the University tunnel, rotunda, Library building, Devonian walkway, University Centre for the Arts and University Hall. Repairs to the facilities and equipment as a result of the flood, estimated at \$7 to \$8 million, are projected to be completed in the summer 2014.

### Sponsored research

The expenses in this category are sponsored research activities specifically funded by restricted grants and donations. Research activities cost \$0.3 million more than budget and were \$0.5 million higher than prior year costs.

### Ancillary services

These expenses relate to the University's business enterprise that provides services and products to the University community and to external individuals and organizations. This function includes the bookstore, printing, housing, food, conference and parking. Ancillary costs were \$0.5 million higher than budget and \$2.5 million higher than prior year costs. Cost increases were a result of the new residences that were opened in September, as well as termination costs associated with a change in the food services provider.

### Special purpose and trust

The expenses in this category relate to scholarship, bursary programs and other programs involving teaching and community service specifically funded by restricted grants and donations. Special purpose and trust costs were \$0.4 million higher than budget and \$1 million higher than prior year costs.

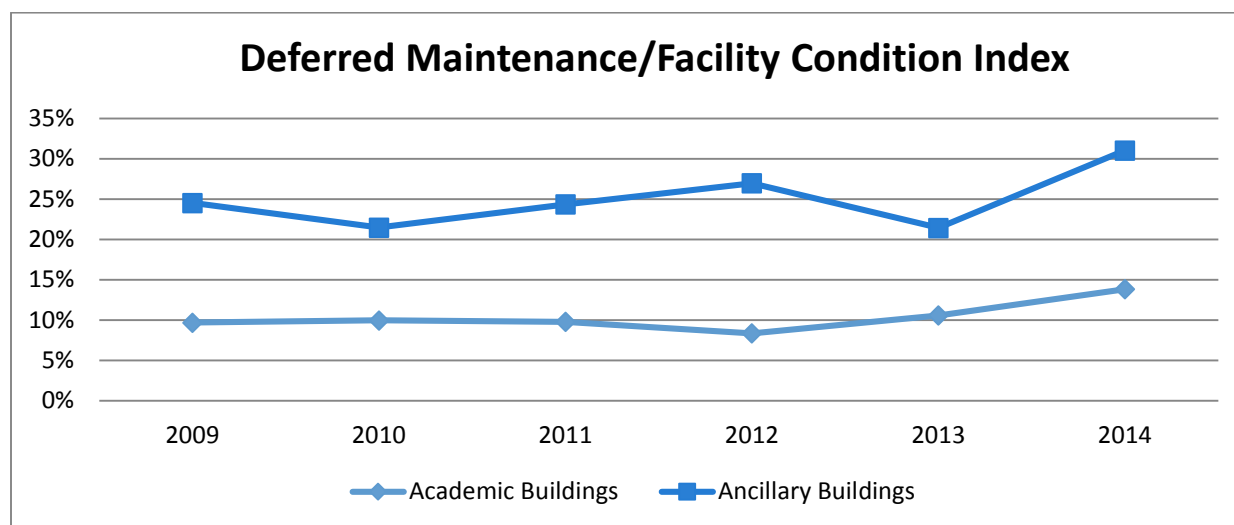
## AREAS OF SIGNIFICANT FINANCIAL RISK

### FINANCIAL SUSTAINABILITY

#### Deferred maintenance

Through concerted efforts in capital projects and utilizing conditional grants from the Provincial Government, the University has been able to maintain the deferred maintenance balance of its academic facilities at 14% (2013: 11%). One of the contributing factors in the increase in deferred maintenance in academic buildings is due to a reduction in the Infrastructure Maintenance Program grant from \$3.8 million in 2012 to \$1.8 million in 2013 and 2014.

Figure 6:



Deferred maintenance on University facilities is estimated at \$153 million (2013: \$116 million) based on a facility condition report completed by the University in 2014. In 2007/08 Innovation and Advanced Education provided \$25 million in capital grants to address deferred maintenance projects in University Hall and the unexpended grant balance in March 2014 is \$8 million, which includes \$2 million in investment income. Deferred maintenance is not reflected in these financial statements since it is not a liability or a commitment for accounting purposes, and the balance of funding received for this purpose is recorded as deferred revenue.

The University is grateful to Innovation and Advanced Education and Alberta Infrastructure for providing funding support to help deal with these deficiencies. It continues to be a challenge to meet these deficiencies but the University is making progress in addressing the issue.

#### **Unfunded pension liability**

Since 1978 the University has participated with other Alberta post-secondary institutions in the Universities Academic Pension Plan (UAPP) to provide pensions for participating faculty, Administrative Professional Officers and senior administrators. Until December 2000, the UAPP was established through a separate provincial statute, and the Provincial Treasurer was the trustee of the Plan. Effective January 2001, the UAPP became a non-statutory pension plan subject to the Employment Pension Plans Act of Alberta. The extrapolated actuarial deficiency for the pension plan at March 31, 2014 was \$1,056.9 million of which the University of Lethbridge's portion is \$29 million (2013: \$28 million). The unfunded deficiency is currently being funded by the Government of Alberta and employee and employer contributions.

The University also participates in a multi-employer Public Service Pension Plan for support staff members. The total unfunded deficiency in this plan as of December 31, 2013 is \$1,255 million which represents the unfunded position of the total plan and the University's proportional share cannot be determined. The unfunded deficiency is currently being funded by additional employee and employer contributions.

#### **Student recruitment and retention**

The Campus Alberta Planning Resource (CAPR) anticipates a shift in the age distribution for Alberta learners over the next ten years; while overall population growth is anticipated to be over 20%, projected growth of 18-34 year olds is much lower at 7.2%. This is the primary age group at the University with 79% of undergraduate students in Fall 2013 between 17 and 25 years of age (average age: 23.4), and a majority of Master's and Doctoral students being 30 or younger (59.1%). In a financial context, constraints of operating grant and tuition caps highlight the significance of our enrolment in both undergraduate and graduate programs. The Recruitment and Retention Project continually identifies and evaluates opportunities for integrated planning across academic and administrative units, as well as the secondary and post-secondary sectors and local community, to increase collaboration with a goal of increasing learned pathways, satisfaction and success.

## **OUTLOOK**

Financial constraints continue to be a challenge to the University of Lethbridge's ability to realize our full potential within Campus Alberta. This has not caused us to retrench, but to reaffirm our values and to reprioritize the University of Lethbridge's actions and activities. The University of Lethbridge is confident that we will be served by our self-reflection through our planning processes on the unique niche we fill within Campus Alberta and in our ability to meet the demands of our students and the post-secondary system.



## Independent Auditor's Report

To the Board of Governors of the University of Lethbridge

### **Report on the Consolidated Financial Statements**

I have audited the accompanying financial statements of the University of Lethbridge, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, remeasurement gains and losses, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the University of Lethbridge as at March 31, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 5, 2014

Edmonton, Alberta





# Management's Responsibility for Reporting

**For the Year Ended March 31, 2014**

The University of Lethbridge's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the University's financial position as at March 31, 2014 and the results of its operations for the year then ended.

The financial statements have been prepared in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintained a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Board of Governors carries out its responsibilities for review of the financial statements principally through its Audit Committee. The members of the Committee are not officers or employees of the University. This committee meets regularly with management, and internal and external auditors to discuss the results of audit examinations and financial reporting matters. The external and internal auditors have full access to the Board Audit Committee with and without the presence of management. The Board of Governors of the University of Lethbridge has approved the financial statements.

The financial statements for the year ended March 31, 2014 have been reported on by the Auditor General of the Province of Alberta, the auditor appointed under *The Post-Secondary Learning Act*. The independent Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.

Original signed by Nancy Walker

Original signed by Mike Mahon

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Nancy Walker  
Vice-President, Finance and Administration

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Mike Mahon  
President



# Statement of Financial Position

As At March 31,  
(thousands of dollars)

	2014	2013 (Restated, Note 2 (k))
<b>Assets</b>		
Cash and cash equivalents (Note 3)	\$ 9,053	\$ 18,662
Accounts receivable (Note 6)	6,992	8,692
Inventories and prepaid expenses	2,384	2,562
Portfolio investments (Note 4)	172,802	160,198
Tangible capital assets (Note 7)	306,384	297,632
	<b>\$ 497,615</b>	<b>\$ 487,746</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 11,534	\$ 13,708
Employee future benefit liabilities (Note 8)	43,066	42,120
Debt (Note 9)	9,664	10,052
Deferred revenue (Note 10)	234,161	241,111
	298,425	306,991
<b>Net Assets</b>		
Accumulated surplus from operations (Note 12)	132,295	129,199
Accumulated remeasurement gains and losses	14,864	5,961
Endowment (Note 11)	52,031	45,595
	199,190	180,755
	<b>\$ 497,615</b>	<b>\$ 487,746</b>

Contingent liabilities and contractual obligations (Note 13 and Note 14)

Approved by the Board of Governors:

\_\_\_\_\_  
Chair, Board of Governors

\_\_\_\_\_  
Chair, Audit Committee

The accompanying notes are part of these financial statements.



# Statement of Operations

For the Year Ended March 31,  
(thousands of dollars)

	2014 Budget (Note 20)	2014	2013 (Restated, Note 2 (k))
<b>Revenue and other income</b>			
Government of Alberta grants (Note 17)	\$ 115,774	\$ 114,562	\$ 121,247
Student tuition and fees	42,032	42,647	39,795
Sales of services and products	16,275	16,872	14,693
Federal and other government grants	10,126	10,788	10,482
Investment income	4,544	9,306	6,000
Insurance proceeds	-	5,104	138
Donations and other grants	3,800	4,122	5,690
	<u>192,551</u>	<u>203,401</u>	<u>198,045</u>
<b>Expense (Note 15, Note 16)</b>			
Academic costs and institutional support	139,350	139,004	139,187
Facility operations and maintenance	19,036	23,262	24,722
Sponsored research	16,257	16,562	16,027
Ancillary services	15,855	15,400	12,903
Special purpose and trust	5,701	6,077	5,004
	<u>196,199</u>	<u>200,305</u>	<u>197,843</u>
Operating (deficit) surplus	(3,648)	3,096	202
Accumulated surplus from operations, beginning of year	129,199	129,199	128,997
Accumulated surplus from operations, end of year	<u>\$ 125,551</u>	<u>\$ 132,295</u>	<u>\$ 129,199</u>

The accompanying notes are part of these financial statements.



# Statement of Cash Flows

Year ended March 31,  
(thousands of dollars)

	2014	2013 Restated
<b>Operating transactions:</b>		
Operating surplus	\$ 3,096	\$ 202
Add (deduct) non-cash items:		
Amortization of tangible capital assets	19,312	19,063
Other non-cash adjustments	-	(559)
Loss on disposal of tangible capital assets	98	415
Investment gains	(3,780)	(1,465)
Total non-cash items	15,630	17,454
Decrease in accounts receivable	1,700	76
Decrease (increase) in inventory and prepaid expenses	178	(500)
Increase (decrease) in accounts payable and accrued liabilities	(2,174)	1,270
Increase in employee future benefit liabilities	946	5,070
(Decrease) in deferred revenue	(7,777)	(10,360)
Cash provided by operating transactions	11,599	13,212
<b>Investing transactions:</b>		
Purchases of investments, net of sales	3,859	(6,395)
Endowment investment earnings	2,024	1,167
Cash provided by (applied to) investing transactions	5,883	(5,228)
<b>Financing transactions:</b>		
Endowment contributions	632	565
Debt repayments	(388)	(437)
Cash provided by financing transactions	244	128
<b>Capital transactions:</b>		
Acquisition of tangible capital assets - internally funded	(14,186)	(26,888)
Acquisition of tangible capital assets - externally funded	(13,282)	(12,359)
Proceeds on disposition of tangible capital assets	133	131
Cash applied to capital transactions	(27,335)	(39,116)
Decrease in cash	(9,609)	(31,004)
Cash and cash equivalents, beginning of year	18,662	49,666
Cash and cash equivalents, end of year (Note 3)	\$ 9,053	\$ 18,662

The accompanying notes are part of these financial statements.



# Statement of Remeasurement Gains and Losses

For the Year Ended March 31,  
(thousands of dollars)

	<u>2014</u>	<u>2013</u>
<b>Accumulated remeasurement gains, beginning of year</b>	\$ 5,961	\$ -
Unrealized gains attributable to:		
Foreign exchange	(17)	3
Portfolio investments	12,703	5,958
Amounts reclassified to Statement of Operations, endowments, deferred revenue		
Foreign exchange	(3)	-
Portfolio investments	(3,780)	-
<b>Accumulated remeasurement gains, end of year</b>	<u>\$ 14,864</u>	<u>\$ 5,961</u>

The accompanying notes are part of these financial statements.

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 1 Authority and Purpose

The Governors of The University of Lethbridge is a corporation which manages and operates The University of Lethbridge ("the University") under the *Post-Secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Innovation and Advanced Education, with the exception of the Chancellor and President, who are *ex officio* members. Under the *Post-Secondary Learning Act*, Campus Alberta Sector Regulation, the University is a comprehensive academic and research institution offering undergraduate and graduate degree programs as well as a full range of continuing education programs and activities. The University is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax.

## Note 2 Summary of Significant Accounting Policies and Reporting Practices

### (a) General - PSAS and Use of Estimates

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS). The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. University administration uses judgment to determine such estimates. Employee future benefit liabilities, deferring revenue for contributions and amortization of tangible capital assets are the most significant items based on estimates. In administration's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

### (b) Non-use of Net Debt Model Format

Canadian PSAS requires a net debt presentation for the Statement of Financial Position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and financial liabilities as net debt or net financial assets as an indicator of the future revenues required to pay for past transactions and events. The University operates within the government reporting entity, and does not finance all of its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

### (c) Valuation of Financial Assets and Liabilities

The University's financial assets and liabilities are categorized and measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Amortized Cost
Portfolio investments	Fair Value and Amortized Cost
Accounts receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Debt	Amortized Cost

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in accumulated remeasurement gains and losses except the restricted amounts which are recognized as deferred revenue or endowment net assets. Upon settlement, the gains and losses are reclassified from accumulated remeasurement gains and losses and recognized as revenue.

All financial assets are assessed annually for impairment. Impairment losses are recognized as a decrease in revenue, except for restricted amounts which are recognized as a decrease in deferred revenue or endowment net assets. A write-down to reflect a loss in value is not reversed for a subsequent increase in value for assets measured at amortized cost. A reversal of a write-down to reflect a loss in value for assets measured at fair value are recorded in the Statement of Remeasurement Gains and Losses.

For financial instruments measured at 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 using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The University does not use foreign currency contracts or any other type of derivative financial instrument for trading or speculative purposes.

Administration evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the University's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities. The University does not have any embedded derivatives.

### (d) Revenue Recognition

All revenues are recorded on an accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue. The University recognizes government grants, donations and other contributions as follows:

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

### (d) Revenue Recognition (continued)

#### Government grants, non-government grants and donations

Government transfers are referred to as government grants.

Restricted grants and donations, including investment income and unrealized gains or losses on portfolio investments are recognized as deferred revenue if the terms for the use, or the terms along with the University's actions and communications as to the use, create a liability. These grants and donations are recognized as revenue as the terms are met and when applicable, the University complies with its communicated use of the transfer. If the grants and donations are used to acquire or construct tangible capital assets, revenue will be recognized as the liability is discharged.

Grants and donations without terms for the use of the grant are recorded as revenue when the University is eligible to receive the funds. Unrestricted non-government grants and donations are recorded as revenue in the year received or in the year the funds are committed to the University if the amount can be reasonably estimated and collection is reasonably assured.

In-kind donations of services and materials are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the University the value of their services are not recognized as revenue and expenses in the consolidated financial statements because fair value cannot be reasonably determined.

#### Grants and donations related to land

The University recognizes transfers and donations to buy land as a liability when received, and as revenue when the University buys the land. The University recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the University cannot determine the fair value, it records such in-kind contributions at nominal value.

#### Endowments

Donations, government transfers and non-government contributions that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable. Investment income and unrealized gains and losses attributable to portfolio investments that also must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable.

#### Investment income

Investment income includes dividend and interest income, and realized gains or losses on portfolio investments. Unrealized gains and losses on portfolio investments from unrestricted grants and donations are recognized in the Statement of Remeasurement Gains and Losses until settlement. Once realized, these gains and losses are recognized as revenue in the Statement of Operations. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as revenue when the terms of the grant or donation are met.

### (e) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value and are determined using a first-in, first-out basis. Inventories held for consumption are valued at cost.

### (f) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost may include overhead to construction and development that are directly attributable to the acquisition or construction of the asset.

Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

The cost, less residual value, of the tangible capital assets, excluding land is amortized on a straight-line basis over the estimated useful lives as follows:

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

### (f) Tangible Capital Assets (continued)

<u>Asset Category</u>	<u>Estimated Useful Lives</u>
<b>Buildings, land and leasehold improvements</b>	
Land improvements	10-25 years
Buildings - exterior	40 years
Buildings - interior	20 years
Building improvements	15 years
Leasehold improvements	lease term
<b>Equipment</b>	
Furnishings and equipment	5-10 years
Computer equipment	3-5 years
Electrical equipment	20 years
Software	3-5 years
Vehicles	6 years
<b>Other</b>	
Library materials	10 years

Tangible capital assets are written down when conditions indicate they no longer contribute to the University's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as an expense in the Statement of Operations.

Contributed capital assets are recorded as revenue at the fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recognized at the carrying value.

Works of art, historical treasures and collections are expensed when donated or acquired and not recognized as tangible capital assets (Note 7).

### (g) Foreign Currency Translation

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenues and expenses are translated at average weekly exchange rates. In the period of settlement realized gains or losses from these translations are included in investment income. Unrealized gains and losses are recognized in the Statement of Remeasurement Gains and Losses.

### (h) Employee Future Benefits

#### Pension

The University participates with other employers in the Public Service Pension Plan (PSPP) and the Universities Academic Pension Plan (UAPP). These pension plans are multi-employer defined benefit plans that provide pensions for the University's participating employees based on years of service and earnings.

Pension expense for the UAPP is actuarially determined using the projected benefit method prorated on service and is allocated to each participant based on their respective percentage of pensionable earnings. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life.

The University does not have sufficient plan information on the PSPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recorded for the PSPP is comprised of employer contributions to the plan that are required for its employees during the year which are actuarially pre-determined amounts that are expected to provide the plan's future benefits.

#### Supplementary Benefit Plan

The cost of providing non-contributory post employment benefits under the University's supplementary benefit plan is charged to pension expense annually based on the employer's current contributions, adjusted annually by the realized rate of return on the University's long-term investments. The supplementary benefit plan is a defined benefit plan calculated using the accumulated benefit method.

#### Early Retirement Plan

The university has three early retirement plans, all of which are closed to new members.

Plan one includes one member who is entitled to receive a deferred benefit at termination. This benefit is adjusted annually by the realized rate of return on the University's long term investments.



# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

### (h) Employee Future Benefits (continued)

Plan two is a one time voluntary retirement program issued in 2010 that allowed eligible employees to retire early and receive a defined benefit, which has one member and expires in 2014/2015. The cost of the benefit is determined by management based on years of service and salary as of July 2009. The cost of providing this benefit is recognized as expense in full when the event occurs which obligates the University to provide the benefit.

Plan three was offered to members of the University's Faculty Association during the 2013 fiscal year for a time limited incentive to voluntarily retire from their position at the University, which had 35 participants and expires gradually until 2016/2017. The program participants will be provided a defined benefit over a negotiated period. The cost of providing this benefit is recognized an expense in full when the event occurs which obligates the University to provide the benefit.

### Long-Term Disability Plan

The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the University's long-term disability plan is actuarially determined using the accumulated benefit method, a market interest rate and management's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Unamortized actuarial gains or losses on the accrued benefit obligation are amortized over the remaining service period for the plan.

### Senior Administrative Leave

The cost of providing non-vesting, accumulating employee future benefits for compensated absences under the University's senior administrative leave is actuarially determined using the projected benefit method prorated on service, including salary increases where applicable, and are based on the plan's benefit formula. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected remaining service life.

### (i) Internally Restricted Funds and Reserves

Certain amounts, as approved by the Board of Governors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

### (j) Future accounting changes

#### PS 3260 Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Standards Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material, or life organism that exceeds an environmental standard. The University would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management is currently assessing the impact of this change in accounting standard on the financial statements effective the next fiscal period.

### (k) Prior Period Restatement

During the 2013/2014 fiscal year the University reviewed certain controls over financial reporting, resulting in identifying an expenditure classification error for some electronic resources purchased by the Library whereby certain purchases were capitalized when ownership and control of the products had not been transferred to the University. The changes were recorded retroactively with restatement of prior comparable balances.

The impact on the prior year's financial statements as a result of the change is as follows:

	2013		
	As previously recorded	Adjustment	As restated
<b>Increase (decrease) in:</b>			
<b>Statement of Financial Position</b>			
Tangible capital assets	\$ 301,736	(4,104)	\$ 297,632
Accumulated surplus from operations, beginning balance	\$ 132,032	(3,035)	\$ 128,997
Accumulated surplus from operations, ending balance	\$ 133,303	(4,104)	\$ 129,199
<b>Statement of Operations</b>			
Academic costs and institutional support	\$ 138,118	1,069	\$ 139,187

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 3 Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits, and short term highly liquid investments held for the purpose of meeting short term commitments.

	2014	2013
Cash	\$ 9,053	\$ 16,083
Cash equivalents	-	2,579
	<u>\$ 9,053</u>	<u>\$ 18,662</u>

## Note 4 Portfolio Investments

	Level 1	2014	Level 1	2013
<b>Amortized cost</b>				
Guaranteed income certificate	\$ -	\$ -	\$ 10,000	\$ 10,000
	-	-	10,000	10,000
<b>Fair value</b>				
Equities listed in active markets				
Canadian equity	59,792	59,792	60,640	60,640
Foreign equity	59,179	59,179	36,135	36,135
Others designated to fair value category				
Bonds	53,831	53,831	53,423	53,423
	<u>\$ 172,802</u>	<u>\$ 172,802</u>	<u>\$ 160,198</u>	<u>\$ 160,198</u>

The fair value measurements are those derived from:

**Level 1** - Quoted prices in active markets for identical assets or liabilities.

**Level 2** - Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

**Level 3** - Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

The average effective yields and the terms to maturity are as follows:

- Money market funds and short-term notes: \$ nil (2013 - 1.50%); terms to maturity: nil.
- Canadian government and corporate bond funds: 3.95% (2013 - 5.03%); terms to maturity: range from less than one year to more than 40 years.

The University has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. The University's Finance Committee, a subcommittee of the Board of Governors, has delegated authority for oversight of the University's investments. The Finance Committee meets regularly to monitor investments, to review investment manager performance, to ensure compliance with the University's investment policy and to evaluate the continued appropriateness of the University's investment policy.

Bond investments must have a rating of BBB-plus or better and the short-term portfolio must be rated at least R-1, mid (or equivalent) as per the Dominion Bond Rating Service. The long-term investment portfolio includes endowment assets as well as the portion of non-endowment assets that will not be required for spending in the short-term. The primary objective of this portfolio is a rate of return that, in real terms, exceeds the endowment spending allocation at an acceptable risk level.

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 5 Financial Risk Management

The University is exposed to a variety of financial risks, including market risks (price risk, currency risk and interest rate risk), credit risk, and liquidity risk. To manage these risks, the University invests in a diversified portfolio of investments that is guided by established investment policies that outline risk and return objectives. The long-term objective of the University's investment policies is to achieve a long-term real rate of return in excess of fees and expenses and maintain the real value of the fund.

### Market risk

The institution is exposed to market risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage these risks, the University has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

At March 31, 2014, the impact of a change in the rate of return on the investment portfolio would result in:

- a 1.0% change in short term GIC's would have a \$ nil increase or decrease (2013 - 1.0% change of \$126)
- a 2.5% change in fixed income securities would have a \$1,345 increase or decrease (2013 - 2.5% change of \$1,335)
- a 2.5% change in common stocks and equivalents would have a \$2,975 increase or decrease (2013 - 2.5% change of \$2,420)

The unrealized change in the rate of return on the investment portfolio detailed above would result in an increase or decrease of \$1,296 (2013 - \$1,164) in the endowment balance and an increase or decrease of \$3,024 (2013 - \$2,717) in remeasurement gains and losses.

### Foreign currency risk

The University is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The University does not use foreign currency forward contracts or any other type of derivative financial instrument for trading or speculative purposes. A change in the foreign currency exchange rate would result in the following impact to remeasurement gains and losses:

	Fair Value	Change of 2.5%	Change of 1.0%
United States dollar	\$ 35,223	\$ 881	\$ 352
Euro	13,146	329	131
Japanese yen	\$ 4,790	\$ 120	\$ 48

### Liquidity risk

The University maintains a short-term line of credit with the Bank of Montreal of \$5 million that is designed to ensure sufficient funds are available to meet current and forecasted financial requirements in the most cost effective manner. There are no amounts outstanding on the line of credit at March 31, 2014 (2013 - \$nil).

### Credit risk

The University is exposed to credit risk for accounts receivable that is relatively low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed through restricted enrolment activities for students with delinquent balances and maintaining standard collection procedures. Credit risk on investments arising from the potential failure of a counterparty, debtor or issuer to honour its contractual obligations is mitigated by placing investments with high credit quality counterparties, limiting exposure through any one counterparty and debt instruments are with a minimum of BBB-plus rating issuers.

### Interest rate risk

Interest rate risk is the risk to the University's earnings that arise from the fluctuation in interest rates and the degree of volatility of these rates. The risk is managed by contractually setting interest rates with banking institutions and investment policies that limit the term to maturity of certain fixed income securities that the University holds. Interest risk on the University's debt is managed through fixed risk agreements with Alberta Capital Finance Authority (Note 9). A 1.0% change in interest rates on the \$53,806 bond portfolio would result in a \$538 change in operating surplus.

## Note 6 Accounts Receivable

	2014	2013
Accounts receivable	\$ 4,716	\$ 6,047
Contributions receivable	2,385	2,727
Allowance for doubtful accounts receivable	(109)	(82)
	\$ 6,992	\$ 8,692

Contributions receivable consist of amounts from external groups contractually obligated to the University and do not arise from the direct provision of goods or services. Included in contributions receivable is a contract with 1st Choice Savings and Credit Union Ltd. to be the naming sponsor for the 1st Choice Savings Centre for Sport and Wellness for a total contribution of \$2,250 over a 15-year

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 6 Accounts Receivable (continued)

period beginning in 2007. University of Lethbridge undergraduate students are contributing \$2,500 towards the 1st Choice Savings Centre for Sport and Wellness, to be collected over a period of approximately 13 years beginning in 2007. Graduate students of the University of Lethbridge are contributing \$60 towards the construction of the daycare facility, to be collected over a period of approximately 9 years beginning in 2009. The University of Lethbridge Faculty Association is contributing \$205 toward the construction of the daycare facility, to be collected over a period of approximately 19 years beginning in 2010. These contributions have been discounted to their present value using market interest rates.

In addition to the contributions above, there are pledges of \$2,588 (2013 - \$2,810) for capital projects and scholarships that have not been recorded in the financial statements as they do not meet the criteria for recognition.

## Note 7 Tangible Capital Assets

	Building, land and leasehold improvements				2014	2013 Restated
	Land		Equipment	Other		
<b>Cost (a)</b>						
Beginning of year	\$ 2,029	\$ 396,563	\$ 81,701	\$ 31,897	\$ 512,190	\$ 475,712
Additions (b)	-	20,185	6,396	1,714	28,295	40,311
Disposals and write downs	-	-	(1,402)	(250)	(1,652)	(3,833)
	2,029	416,748	86,695	33,361	538,833	512,190
<b>Accumulated amortization</b>						
Beginning of year	-	(125,001)	(64,710)	(24,847)	(214,558)	(198,782)
Amortization expense	-	(11,556)	(5,728)	(2,028)	(19,312)	(19,063)
Disposal and write down effect	-	-	1,171	250	1,421	3,287
	-	(136,557)	(69,267)	(26,625)	(232,449)	(214,558)
Net book value, end of year	\$ 2,029	\$ 280,191	\$ 17,428	\$ 6,736	\$ 306,384	\$ 297,632

(a) Historic cost includes work in progress for assets under construction of \$3,919 (2013 - \$25,492), which is not amortized as the assets are not yet available for use.

(b) During the year, additions of in-kind contributions (such as library materials, equipment, software, buildings and land) amounted to \$827 (2013 - \$1,065).

The University holds a collection including works of art, cultural and historical properties and treasures that are not recorded in these statements as a reasonable estimate of the future benefits associated with such assets cannot be made. Numbering over 14,000 paintings, sculptures, drawings, photographs and prints, the holdings include works from Canada, America and Europe, span the 19th and 20th centuries and continue to grow with 21st century additions. Through exhibitions, first-hand study of works from the University's renowned art collection, and hands-on activities, the collection supports research, learning and community engagement at the University. During the year, the University purchased and received in-kind contributions and donations of collection assets in the amount of \$133 (2013 - \$1,707). At March 31, 2014, this collection had a book value of \$36,414 (2013 - \$36,281).

## Note 8 Employee Future Benefit Liabilities

	2014	2013
Universities Academic Pension Plan (UAPP)	\$ 29,222	\$ 28,214
Long-term disability	1,088	1,034
Early retirement plan	3,534	4,372
Senior administrative leaves	5,760	5,277
Supplementary benefit plan	3,350	3,049
Other	112	174
	\$ 43,066	\$ 42,120

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 8 Employee Future Benefit Liabilities (continued)

### (a) Defined benefit plans accounted for on a defined benefit basis

#### UAPP

The UAPP is a multi-employer contributory joint defined benefit pension plan for academic staff members and other eligible employees. An actuarial valuation of the UAPP was carried out as at December 31, 2012, extrapolated to the plan's year end of December 31, 2013 and further extrapolated to the University's year end of March 31, 2014 resulting in a UAPP deficit of \$1,056,921 (2013 - \$1,149,175) consisting of a pre-1992 deficit (\$845,077) and a post-1991 deficit (\$211,844). The University's portion of the UAPP deficiency has been allocated based on its percentage of the plan's total employer contributions for the year. The next actuarial valuation will be December 31, 2014.

The unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2013 - 1.25%) of salaries by the Province of Alberta. Employees and employers equally share the balance of the contributions of 2.87% (2013 - 2.34%) of salaries required to eliminate the unfunded deficiency by December 31, 2043. The Government of Alberta's obligation for future additional contributions was \$319,668 at March 31, 2014. The unfunded deficiency for service after December 31, 1991 is financed by special payments on pensionable earnings of 5.54% (2013 - 5.54%) until December 31, 2021, 1.71% (2013 - 1.46%) for 2022 and 2023, 0.70% (2013 - 0.45%) for 2024 and 2025, and 0.25% (2013 - -%) for 2026 and 2027, all shared equally between employees and employers.

#### Early retirement plan

The University has provided multiple one-time early retirement defined benefits to certain employee groups consisting of three plans with retirement payouts. The early retirement plans pay a fixed amount annually based on the benefits in effect for each member at the date of retirement. The plans are closed to new members and no future service benefits are being accrued.

#### Senior administrative leave

The University provides for certain senior administrators to accrue time in the form of a leave of absence for the purpose of professional development. The most recent actuarial valuation for these benefits was at March 31, 2014. The next actuarial evaluation will be carried out for March 31, 2015.

#### Long-term disability plan

The University provides long-term disability defined benefits to its employees (academic and support staff). The most recent actuarial valuation for these benefits was at March 31, 2014. The long-term disability plan provide pension and non-pension benefits after employment, but before the employee's normal retirement date. The accrued benefit obligation began the year at \$1,034, increased by current service costs of \$169 and interest costs of \$28 which were offset by amortization of net actuarial gain of \$20 and benefits paid of \$123 for an accrued benefit obligation at the end of the year of \$1,088. The long-term disability plan has unamortized net actuarial gain of \$89. The next actuarial evaluation will be carried out at March 31, 2015.

#### Supplementary benefit plan

The University provides non-contributory defined supplementary benefits to current and past senior administrators above the benefits provided by the Universities Academic Pension Plan. The University's total defined benefit supplementary benefit expense was \$195 (2013 - \$36).

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 8 Employee Future Benefit Liabilities (continued)

### (a) Defined benefit plans accounted for on a defined benefit basis (continued)

The expense and financial position of these defined benefit plans are as follows:

	2014				2013			
	UAPP	Early retirement plan	Senior administrative leave	Supplementary benefit plan	UAPP	Early retirement plan	Senior administrative leave	Supplementary benefit plan
<b>Expenses</b>								
Current service cost	\$ 6,648	\$ -	\$ 967	\$ 354	\$ 5,735	\$ 4,254	\$ 949	\$ 365
Interest cost	2,313	5	174	142	2,352	4	197	96
Amortization of net actuarial losses (gains)	792	-	(345)	-	652	(1)	116	-
Total expense	\$ 9,753	\$ 5	\$ 796	\$ 496	\$ 8,739	\$ 4,257	\$ 1,262	\$ 461
<b>Financial position</b>								
Accrued benefit obligation, beginning of year	\$ 148,376	\$ 4,372	\$ 5,605	\$ 3,049	\$ 131,780	\$ 164	\$ 4,988	\$ 2,624
Current service cost	6,648	-	967	354	5,735	4,254	949	365
Interest cost	9,412	5	174	142	8,746	4	197	96
Benefits paid	(6,429)	(843)	(713)	(195)	(5,926)	(49)	(973)	(36)
Actuarial loss (gain)	3,381	-	(345)	-	8,041	(1)	444	-
Balance, end of year	161,388	3,534	5,688	3,350	148,376	4,372	5,605	3,049
Plan Assets	(130,201)	-	-	-	(113,348)	-	-	-
Plan deficit	31,187	3,534	5,688	3,350	35,028	4,372	5,605	3,049
Unamortized net actuarial (loss) gain	(1,965)	-	72	-	(6,814)	-	(328)	-
Accrued benefit liability	\$ 29,222	\$ 3,534	\$ 5,760	\$ 3,350	\$ 28,214	\$ 4,372	\$ 5,277	\$ 3,049

The University plans to use its working capital to finance these future obligations.

The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

	2014				2013			
	UAPP	Early retirement plan	Senior administrative leave	Supplementary benefit plan	UAPP	Early retirement plan	Senior administrative leave	Supplementary benefit plan
<b>Accrued benefit obligation:</b>								
Discount rate	6.20%	n/a	3.40%	n/a	6.20%	2.80%	2.80%	n/a
Long-term average compensation increase	3.50%	n/a	4.00%	n/a	3.50%	n/a	0.00%	n/a
<b>Benefit cost:</b>								
Discount rate	6.20%	n/a	3.40%	n/a	6.20%	n/a	2.80%	n/a
Long-term average compensation increase	3.50%	n/a	4.50%	n/a	3.50%	n/a	4.50%	n/a
<b>Alberta inflation:</b>								
Next 2 years	2.25%	n/a	n/a	n/a	2.25%	n/a	n/a	n/a
Thereafter	2.25%	n/a	n/a	n/a	2.25%	n/a	n/a	n/a
Estimated average remaining service life	8.6 yrs	n/a	6 yrs	n/a	10.2 yrs	n/a	6 yrs	n/a

# University of Lethbridge

Year ended March 31, 2014

(thousands of dollars)

## Note 8 Employee Future Benefit Liabilities (continued)

### (b) Defined Benefit Plan accounted for on a Defined Contribution Basis

#### Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members. As the University does not have sufficient information to follow the accounting standards for defined benefits plans, it is accounted for on a defined contribution basis. The pension expense recorded in these financial statements is \$2,574 (2013 - \$2,238).

An actuarial valuation of the PSPP was carried out as at December 31, 2010 and was then extrapolated to December 31, 2013. At December 31, 2012, the PSPP reported an actuarial deficiency of \$1,254,678 (2012 - \$1,645,141) which represents the unfunded position of the plan as a whole and not the University's share. This deficiency is being discharged through additional contributions from both employees and employers until 2026 (2012-2025). Other than the requirement to make all additional contributions, the University does not bear any risk related to the PSPP deficiency.

## Note 9 Debt

	Collateral	Maturity date	Interest rate	2014	2013
<b>Alberta Capital Finance Authority:</b>					
Student housing debenture	(1)	April 15, 2023	6.0%	\$ 2,567	\$ 2,750
Student housing debenture - Phase 3	(1)	March 15, 2037	3.263%	\$ 7,097	\$ 7,302
				<u>\$ 9,664</u>	<u>\$ 10,052</u>

(1) Collateral consists of a security interest in present and acquired intangibles, accounts, monies, book debts, instruments, claims or rights, rentals, or insurance proceeds directly or indirectly associated from the operations of the said student housing building.

The principal portion of debt repayments is as follows: 2015 - \$406; 2016 - \$425; 2017 - \$444; 2018 - \$465; 2019 - \$486; 2020 and thereafter - \$7,438.

Interest expense on debt is \$391 (2013 - \$409) and is included in the Statement of Operations.

## Note 10 Deferred revenue

	Restricted				2014	2013
	Research and other restricted	Unspent capital contributions	Spent capital contributions	Other		
Balance, beginning of year	\$ 22,683	\$ 20,672	\$ 192,133	\$ 5,621	\$ 241,109	\$ 250,964
Grants, tuition, donations received	19,542	4,002	-	5,665	29,209	26,027
Investment income	1,644	149	-	-	1,793	1,182
Unearned capital acquisition transfer	(2,691)	(11,418)	14,109	-	-	-
Recognized as revenue	(19,382)	(1,502)	(11,445)	(5,621)	(37,950)	(37,062)
Balance, end of year	<u>\$ 21,796</u>	<u>\$ 11,903</u>	<u>\$ 194,797</u>	<u>\$ 5,665</u>	<u>\$ 234,161</u>	<u>\$ 241,111</u>

As at March 31, 2014, the following deferred revenue categories exist:

- Research and other restricted are amounts where external stipulations outlined by agreement have not been met.
- Unspent capital contributions relates to funding with capital purchase stipulations that have not been met.
- Spent capital contributions represent the grants and donations spent to fund capital acquisitions. These amounts are recorded as revenue in the Statement of Operations as the liability is discharged.
- Other includes unearned tuition, housing charges and other amounts related to future fiscal periods.

# University of Lethbridge

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## Note 11 Endowments

Endowments consist of externally restricted donations received by the University and other charitable purpose trusts, the principal of which is required to be maintained intact in perpetuity.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the charitable purpose trust. Benefactors as well as University policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income.

Under the *Post-Secondary Learning Act*, the University has the authority to alter the terms and conditions of endowments to enable:

- income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment.
- encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment if, in the opinion of the Board of Governors, the encroachment benefits the University and does not impair the long-term value of the fund.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the cumulative capitalized income. However, for individual endowment funds without sufficient cumulative capitalized income, endowment principal is used in that year. This amount is expected to be recovered by future investment income.

The composition of endowments is as follows:

	2014	2013
Balance, beginning of the year	\$ 45,595	\$ 41,277
Endowment contributions	632	565
Investment gain - realized	2,024	1,167
Investment gain - unrealized	3,780	2,586
Balance, end of the year	<u>\$ 52,031</u>	<u>\$ 45,595</u>
Cumulative contributions	\$ 33,763	\$ 33,131
Cumulative capitalized income	18,268	12,464
	<u>\$ 52,031</u>	<u>\$ 45,595</u>

As at March 31, 2014, cumulative capitalized income of \$nil (2013- \$nil) was required to cover the spending allocation.

Cumulative endowment unrealized investment gains of \$6,366 (2013 - \$2,586) are recognized as a direct increase to endowment net assets.

## Note 12 Accumulated Surplus

The University's accumulated surplus balance contains amounts already spent on tangible capital assets, amounts allocated for a specific purpose and unallocated surpluses. Investment in tangible capital assets represents the amount of funding that has been spent on tangible capital assets offset by debt related to those assets. Internally restricted net assets represent amounts set aside by the University's Board of Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board. Unrestricted surplus includes an accumulated balance of excess revenue over expense since inception of the University.

	2014	2013 Restated
Investment in tangible capital assets	\$ 101,923	\$ 95,446
Internally restricted surplus	30,248	22,958
Unrestricted surplus	124	10,795
	<u>\$ 132,295</u>	<u>\$ 129,199</u>



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## Note 12 Accumulated Surplus (continued)

### Investment in tangible capital assets

Investment in tangible capital asset figures represent the amount of internally generated funds spent on capital. The changes during the year are as follows:

	2014	2013
Investment in tangible capital assets, beginning of the year	\$ 95,446	\$ 75,317
Acquisition of tangible capital assets	14,186	26,887
Long-term liabilities - repayment	388	437
Net book value of asset disposals	(94)	(162)
Amortization of investment in tangible capital assets	(8,003)	(7,033)
Net investment in tangible capital assets	6,477	20,129
Investment in tangible capital assets, end of the year	\$ 101,923	\$ 95,446

### Internally Restricted Surplus

As a general guideline, the University will maintain an internally restricted net asset balance at 10-12% of the University's annual operating budget to fund strategic priorities, capital projects and one time cash needs that may arise. Appropriations and disbursements for the year were as follows:

	Balance, beginning of year	Appropriations from (returned to) unrestricted net assets	Disbursements during the year	Balance, end of year
<b>Capital Activities</b>				
Capital replacement	\$ 5,188	1,332	(2,428)	\$ 4,092
Ancillary	5,835	596	(2,855)	3,576
Facility enhancement	822	3,318	(2,555)	1,585
Housing	3,296	(1,732)	-	1,564
Stadium	141	61	(22)	180
Self insurance	155	63	(53)	165
Utility conservation	61	-	-	61
	15,498	3,638	(7,913)	11,223
<b>Operating activities</b>				
Comprehensive University	1,337	13,487	(2,126)	12,698
Student Experience	3,695	1,287	(797)	4,185
External Communities	-	1,717	(154)	1,563
Staff training and development	174	-	(79)	95
Staff replacement	2,166	(2,065)	(16)	85
Sustainability	-	270	-	270
Enrolment management	50	-	-	50
Non faculty mediation	-	50	(3)	47
Faculty mediation	32	-	-	32
Stadium	6	22	(28)	-
	7,460	14,768	(3,203)	19,025
Total	\$ 22,958	\$ 18,406	\$ (11,116)	\$ 30,248

## Note 13 Contingent Liabilities

- The University has identified potential asset retirement obligations related to the existence of asbestos in its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the University may be required to take appropriate remediation actions to remove the asbestos. The University has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk. The fair value of a future obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal.

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## Note 14 Contractual Obligations

The University has contractual obligations that will become liabilities in the future when the terms of the contracts or agreements are met.

	2014	2013
Service contracts	\$ 4,746	\$ 3,433
Capital projects	3,031	12,004
Information systems and technology	2,631	5,237
Long-term operating leases	832	820
	<u>\$ 11,240</u>	<u>\$ 21,494</u>

The estimated aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Service Contracts	Capital Projects	Information systems and Technology	Long-term operating Leases	Total
2015	\$ 1,896	\$ 3,031	\$ 608	\$ 268	\$ 5,803
2016	1,615	-	525	171	2,311
2017	1,226	-	340	128	1,694
2018	9	-	347	128	484
2019	-	-	340	84	424
Thereafter	-	-	471	53	524
	<u>\$ 4,746</u>	<u>\$ 3,031</u>	<u>\$ 2,631</u>	<u>\$ 832</u>	<u>\$ 11,240</u>

Service contracts include contractual obligations the University has entered into for services such as electricity, insurance and consulting services. Capital projects include contractual obligations for the construction or purchase of capital items. Information systems and technology include contractual obligations for technology maintenance and services. Long-term operating leases are contractual obligations the University has entered into for the use of additional facilities and that include fixed term costs.

The University is one of 61 members of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance reciprocal established to share the insurable property, liability and errors and omissions risks of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through members' premiums. CURIE has six different underwriting periods, of which the University participates in five with an accumulated surplus of \$71,331 as of December 31, 2013 (2012 - \$60,500). The University's proportionate share is approximately 1.20% (2012 - 1.18%) at December 31, 2013. This surplus is not recorded in the financial statements.

Included in service contracts are electricity contracts entered into to reduce its exposure to the volatility in the electrical industry. The University has entered into contracts to fix a portion of its electrical cost at an average of \$73 (2013 - \$73) per megawatt hour.

## Note 15 Expense by function

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

### Academic costs and institutional support

Expenses relating to support for the academic functions of the University both directly and indirectly. The function includes expenses incurred by faculties for their scholarly and non-sponsored research activities and by institutional wide administrative services.

### Ancillary services

Expenses relating to the University's business enterprises that provide services and products to the University community and to external individuals and organizations. This function includes the bookstore, printing, housing, food, conference and parking.

### Facility operations and maintenance

Expenses relating to maintenance and renewal of facilities that house teaching, research, administrative and common areas within the University. These include utilities, facilities administration, building maintenance, custodial services, groundskeeping as well as major repairs and renovations.

### Special purpose and trust

Expenses for scholarships, bursary programs, and other programs involving teaching and community service specifically funded by restricted grants and donations.

### Sponsored research

Expenses for all sponsored research activities specifically funded by restricted grants and donations.

# University of Lethbridge

Year ended March 31, 2014

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## Note 16 Expense by Object

	Budget	2014	2013 Restated
Salaries	\$ 115,191	\$ 113,968	\$ 117,020
Employee benefits	24,480	21,336	19,856
Materials, supplies and services	24,897	25,465	27,027
Utilities	3,621	4,075	3,579
Maintenance and repairs	2,377	6,435	2,100
Scholarships and bursaries	6,713	6,347	5,688
Cost of goods sold	3,640	3,367	3,510
Amortization of tangible capital assets	15,280	19,312	19,063
	<u>\$ 196,199</u>	<u>\$ 200,305</u>	<u>\$ 197,843</u>

## Note 17 Related Party Transactions

The University operates under the authority and statutes of the Province of Alberta. Transactions and balances between the University and the Government of Alberta (GOA) are measured at the exchange amount and summarized below:

	2014	2013
<b>Revenue from GOA</b>		
<b>Innovation and Advanced Education</b>		
Operating grants	\$ 95,112	\$ 99,183
Alberta Health	3,119	2,676
Research grants	2,176	997
Capital grants	1,782	1,823
Alberta Innovates - Technology Futures	793	1,035
Alberta Innovates - Energy & Environment Solutions	302	21
Other	520	2,204
Alberta Innovates - Bio Solutions	-	62
	<u>103,804</u>	<u>108,001</u>
<b>Other GOA departments and agencies:</b>		
Alberta Health Services	987	1,046
Alberta Gaming and Liquor Commission	393	560
Alberta Foundation for the Arts	63	72
Alberta Environment	62	55
Alberta Cancer Foundation	37	49
Alberta Culture and Community Spirit	25	25
Alberta Human Services	(1)	37
Other Provincial Institutes	309	322
Alberta Education	-	100
Alberta Rural Development Network	-	53
Alberta Livestock and Meat Agency	-	7
	<u>1,875</u>	<u>2,326</u>
Total contributions received	105,679	110,327
Deferred revenue	8,897	10,920
Less transfer to endowments	(14)	-
	<u>\$ 114,562</u>	<u>\$ 121,247</u>
<b>Accounts receivable</b>		
Innovation and Advanced Education	\$ 516	\$ 84
Other GOA departments and agencies	34	1,026
	<u>\$ 550</u>	<u>\$ 1,110</u>
<b>Accounts payable</b>		
Innovation and Advanced Education	\$ -	\$ 6

The University has a long-term liability with Alberta Capital Finance Authority as described in Note 9.

During the year, the University conducted business transactions with other public Colleges and Universities. The revenues and

# University of Lethbridge

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## Note 17 Related Party Transactions (continued)

expenses incurred for these business transactions have been included in the Statement of Operations but have not been separately quantified. These transactions were entered into on the same business terms as those with non-related parties and are recorded at fair values.

The University has significant influence in the Canada School of Energy and Environment (CSEE), a not-for-profit corporation formed in partnership with the University of Calgary and University of Alberta to facilitate the integration of research discoveries in energy and environmental research across various institutions through receipt of grant funding. The University holds one-third of the Board member seats with the ultimate control being held by the other two partners. At March 31, 2014 the University submitted \$202 (2013 - \$217) in expenses to be funded by CSEE grants.

The University has significant influence in the Alberta Gambling Research Institute (AGRI), a consortium formed in partnership with the University of Calgary and University of Alberta to support and promote research into gaming and gambling in the province through annual grants to each institution. The University holds two of the seven board member seats. At March 31, 2014 the University received \$416 (2013 - \$560) in grants of which there were \$381 (2013 - \$493) in expenses.

## Note 18 Salary and Employee Benefits

Under the authority of the Fiscal Management Act, the President of Treasury Board and Minister of Finance requires the disclosure of certain salary and employee benefit information.

	2014				Total	2013
	Base salary (1)	Other cash benefits (2)	Senior Admin Leave (SAL) (7)	Other non- cash benefits (3) (6)		Total
<b>Governance (4)</b>						
<b>Executive</b>						
President <sup>(5)</sup>	\$ 371	55	70	92	\$ 588	\$ 589
Provost and Vice-President Academic	\$ 326	32	85	68	\$ 511	\$ 497
Vice-President Finance and Administration	\$ 307	-	(93)	69	\$ 283	\$ 640
Vice-President Research	\$ 275	30	64	58	\$ 427	\$ 399
Vice-President University Advancement <sup>(8)</sup>	\$ 215	-	-	49	\$ 264	\$ 259

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include housing allowances and research grants.

(3) Other non-cash benefits include the University's share of all employee benefits and contributions or payments made on behalf of employees including pension, dental coverage, flex health plan, extended health benefits, group life insurance, professional memberships, supplementary benefit plan (as per point 6 below) and professional supplement allowance.

(4) The Chairman and members of the Board of Governors receive no remuneration for participation on the Board.

(5) Automobile provided, no dollar amount included in other non-cash benefit figures.

(6) Under the terms of the supplementary benefit plan (SBP), senior administrators will receive supplemental retirement payments. The costs detailed below are not cash payments in the period but are period expenses for rights to future compensation. Costs shown reflect the total estimated cost to provide a payment at termination of employment with the University. The SBP is a defined contribution plan. The University contributes annually to the SBP based on the employee's salary and this benefit earns interest at the annual realized rate of return on the University's long-term investments. Current service costs is the notional value of the benefits earned in the fiscal year. The interest accrued on benefit obligations is equal to the realized earnings rate on the University's long-term investments of 4.55% in 2014 (2013- 4.95%).

(7) Senior administrative leave is accrued for certain executive officers at a rate of one month for every five months served. If the leave is granted, all salaries and benefits excluding any housing allowances are paid on a monthly basis over the duration of the leave. Cash payments in lieu of administrative leave are not permitted, nor is it possible under Board policy to work for another institution or organization while on leave. Normally, administrative leave is taken immediately after leaving office. The cost of these benefits is actuarially determined using the projected benefit method prorated on service, a discount rate based on market interest rates and management's best estimates of salary and benefit increases to the assumed retirement or termination date. Net actuarial gains and losses of the benefit obligations are amortized over the average remaining service life of the employee group. The amounts shown include current and prior service costs.

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## Note 18 Salary and Employee Benefits (continued)

<sup>(8)</sup> This position does not accrue senior administrative leave.

<sup>(9)</sup> The senior administrative leave for this position is accrued to age 65 retirement age, which is different from the other positions which only accrue to a maximum of the 5 year term.

The current service cost and accrued obligation for each executive under the Senior Administrative Leave is as follows:

	Accrued Obligation March 31, 2013	Service cost	Interest cost	Actuarial loss (gain)	Accrued Obligation, March 31, 2014
<b>President</b>	\$ 195	70	7	(7)	\$ 265
<b>Vice-Presidents:</b>					
Provost and Vice-President Academic	\$ 427	56	14	15	\$ 512
Vice-President Finance and Administration <sup>(9)</sup>	\$ 993	85	30	(208)	\$ 900
Vice-President Research	\$ 193	51	7	6	\$ 257
Vice-President University Advancement <sup>(8)</sup>	\$ -	-	-	-	\$ -

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 8.

The current service cost and accrued obligation for each executive under the Supplementary Benefit Plan is as follows:

	Accrued Obligation March 31, 2013	Service cost	Interest cost	Actuarial loss (gain)	Accrued Obligation March 31, 2014
<b>President</b>	\$ 111	42	6	-	\$ 159
<b>Vice-Presidents:</b>					
Provost and Vice-President Academic	\$ 95	23	5	-	\$ 123
Vice-President Finance and Administration	\$ 158	20	8	-	\$ 186
Vice-President Research	\$ 40	16	2	-	\$ 58
Vice-President University Advancement	\$ 43	8	2	-	\$ 53

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 8.

## Note 19 Comparative Figures

Certain 2013 figures have been reclassified to conform to 2014 financial statement presentation.

## Note 20 Budget Figures

The University's 2014/15 budget was approved by the Board of Governors and was presented to the Minister of Innovation and Advanced Education as part of the University's submission of its 2014/15 to 2015/16 Comprehensive Institutional Plan. Certain budget figures from the University's 2014/15 to 2015/16 Comprehensive Institutional Plan have been reclassified to conform to the presentation adopted in the 2014 financial statements.

## Note 21 Approval of Financial Statements

The financial statements were approved by the Board of the University of Lethbridge.