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ACCOUNTABILITY STATEMENT

September 30, 2013

The University of Calgary’s annual report for the year ended March 31, 2013 was prepared under the Board’s direction in accordance with the Government Accountability Act and ministerial guidelines established pursuant to the Accountability Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Bonnie DuPont
Interim Chair, Board of Governors
The University of Calgary’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; that they are executed in accordance with all relevant legislation, regulations and policies; that reliable financial records are maintained, and that assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the institution’s audit committee, approved by the Board of Governors, and 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 with Canadian Public Sector Accounting Standards as described in note 2 to the financial statements.

Dr. Elizabeth Cannon
President and Vice-Chancellor

Jonathan Gebert
Vice-President
(Finance and Services)
WE ARE WORKING HARD TO LIVE UP TO COMMUNITY EXPECTATIONS to attract gifted and imaginative faculty, staff and students, to provide a truly world-class learning environment, and to grow our intellectual and economic impact in this great city.

I am pleased to report that the Board of Governors made considerable progress carrying out its duties in 2012-13. Within this report, we highlight the success we achieved attracting talent, encouraging excellence in academic and research endeavours, and achieving greater levels of financial, economic and social sustainability. This progress would not have been possible without the support of our faculty, staff and students, who continue to transform the ways in which we integrate teaching and research at the University of Calgary.

As we look to the future, I am encouraged that we have new academic and research plans to serve as roadmaps toward our Eyes High vision, a new budget model to guide the allocation of our resources, and a community ready to embrace any challenge.

On behalf of the Board of Governors, I would like to express thanks to our community for the progress we made during 2012-13.

Bonnie DuPont
Interim Chair, Board of Governors
WE ARE WORKING HARD TO DELIVER RESULTS aligned with the three *Eyes High* foundational commitments we made to our community: to sharpen our focus on research and scholarship; to enrich the quality and breadth of learning; and to integrate the university with the community.

In this 2012-13 Annual Report we have highlighted outstanding examples of the great diversity, depth and breadth of talent we are so proud of among our students, faculty and staff. These range from impressive achievements in academics such as the entire first graduating class of our neurosciences program receiving first-class honours, to outstanding athletic accomplishments such as our women’s hockey team capturing the program’s first national championship.

As well, many of our faculty members were recognized nationally and internationally for their contributions to science and technology, we surpassed our ambitious fundraising goal in support of the United Way, and we also launched a Master of Nursing program at the University of Calgary – Qatar. Accomplishments such as these helped the University of Calgary to earn the number one ranking in Canada among universities younger than 50 years according to the Quacquarelli Symonds Limited (QS) World University Rankings.

Excellence across so many domains of teaching, athletics, scholarship and community engagement provides evidence that the University of Calgary is on track to be among Canada’s top five research universities with a global presence that benefits the rising prominence of our city.

I am grateful to our wonderful students, faculty, staff, alumni and friends who joined us on our *Eyes High* journey in 2012-13.

**Dr. Elizabeth Cannon**
President and Vice-Chancellor
STRATEGY STATEMENT

The University of Calgary will be a global intellectual hub located in Canada’s most enterprising city.

In this spirited, high-quality learning environment, students will thrive in programs made rich by research and hands-on experiences.

By our fiftieth anniversary in 2016, we will be one of Canada’s top five research universities, fully engaging the communities we both serve and lead.
OPERATIONAL OVERVIEW

VISION

It’s bold. It’s ambitious. It’s Eyes High — our vision and strategy.

The University of Calgary will be a global intellectual hub located in Canada’s most enterprising city. In this spirited, high-quality learning environment, students will thrive in programs made rich by research and hands-on experiences. By our 50th anniversary in 2016, we will be one of Canada’s top five research universities, fully engaging the communities we both serve and lead.

FOUNDATIONAL COMMITMENTS

1. Sharpen our focus on research and scholarship
2. Enrich the quality and breadth of learning
3. Fully integrate the university with the community

ACADEMIC PRIORITIES

• Talent Attraction, Development and Retention
• Teaching and Research Integration
• Interdisciplinarity
• Leadership
• Internationalization
• Connection with Community
• Sustainability

RESEARCH PRIORITIES

• Match our strengths with opportunities
• Increase our research capacity
• Create a dynamic environment to promote research excellence

Academic and research priorities drive human, financial and capital allocations.

MANDATE

* Approved by the Minister of Enterprise and Advanced Education on August 12, 2010.

Founded in 1966, the University of Calgary is governed by a Board of Governors and operates as a public Comprehensive Academic and Research Institution under the authority of Alberta’s Post-secondary Learning Act. Education and research at the University of Calgary serve the needs of local, provincial, national and international communities. Through its inquiry-based teaching and research programs and strategic and entrepreneurial partnerships, the university’s faculty, staff and students pursue knowledge, contribute to the development and critique of societal goals, and engage in creativity and innovation in many fields. The university’s goal is to be recognized internationally for the success of its students and for excellence in research, scholarly and creative activity.

The university offers a broad selection of programs of study including baccalaureate, graduate professional, and research-based master’s and doctoral degrees. It also offers a wide assortment of credit and non-credit diplomas and certificates, as well as non-credit programs of professional development, executive development, and artistic and scholarly activities aligned with the academic expertise of the university. Building on strengths in disciplines in the areas of fine arts, humanities, sciences and social sciences as well as in the professions...
OPERATIONAL OVERVIEW

(including architecture, business, education, engineering, environmental design, kinesiology, law, medicine, nursing, social work and veterinary medicine), the university is committed to offering an experience that provides both disciplinary and interdisciplinary education to its students. A number of the programs it has developed are unique within Alberta.

As an autonomous institution working within Campus Alberta, the university collaborates with other post-secondary institutions in the delivery of collaborative degrees, the use of transfer and articulation agreements, the sharing of facilities and faculty members, and the offering of degree-completion opportunities to students from both rural and urban communities. Working with the private sector and all three levels of government, the University of Calgary takes a leadership role within Alberta for the further development of educational and research programs in areas designated as strategic academic priorities.

At the University of Calgary, research, teaching and scholarship are interdependent and steeped in the principles of academic freedom. The university encourages, supports and disseminates research, scholarship, innovation, and creative activity in many forms and integrates these activities into both the graduate and undergraduate curriculum. Students and faculty at the University of Calgary conduct basic and applied research at the frontiers of knowledge and transfer knowledge to society — locally, regionally, nationally and internationally. The university stimulates and supports the commercialization of research and innovation for the common good and for the prosperity of the province, the nation and the world. Students and other scholars, including post-doctoral fellows, are attracted to the University of Calgary for the opportunity to refine their research, teaching and mentoring skills.

The development of programs of study and research partnerships across Alberta, nationally and internationally, extends the university’s engagement with the broader community and enlarges the vision of its students, faculty and staff. International partnerships, alliances, and development projects, together with study-abroad initiatives, allow the university to contribute to and benefit from a network of world-wide interactions that enrich the student experience.

The University of Calgary offers a comprehensive set of programs, facilities, and services to provide students with an excellent experience both inside and outside the classroom. The university supports the student experience with a range of services including academic and career advising, student life programming, health and wellness services, and academic success programs. Community service learning, cooperative and internship placements, and international exchanges all provide experiential learning opportunities to complement students’ classroom experiences. The university supplements and enriches its face-to-face instruction with communication and digital technologies, library and cultural resources, and both distance education and blended-learning techniques.

The University of Calgary is responsive to the expectations of the communities it serves in the delivery of its educational and research programs. The university contributes in diverse ways to the cultural, social and economic life of the province, through striving for high quality in its graduates, its research, and its service to the community. The University of Calgary is committed to the goals of environmental and financial sustainability, and to making a positive impact on individuals and communities.
# QUICK FACTS

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<tr>
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<th>2011-12</th>
<th>2012-13</th>
<th>Increase (Decrease)</th>
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<td>64</td>
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<tr>
<td>Endowment Balance ($M)</td>
<td>497</td>
<td>517</td>
<td>568</td>
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FOUNDATIONAL COMMITMENTS

1. Sharpen Our Focus on Research and Scholarship
2. Enrich the Quality and Breadth of Learning
3. Fully Integrate the University with the Community
SHARPEN OUR FOCUS ON RESEARCH AND SCHOLARSHIP

RESEARCH ROADMAP SHARPENS FOCUS ON EYES HIGH VISION

We are an academy with a mission to discover new knowledge and translate our discoveries into applications that provide benefits to our society and global communities. As such, we have adjusted the lens within our new strategic research plan to focus on three priorities that will align our areas of strength with areas of need locally, provincially, nationally and internationally.

RESEARCH PLAN PRIORITIES

• Match our strengths with opportunities
• Increase our research capacity
• Create a dynamic research environment to promote research excellence

Within this report, I am pleased to present the extraordinary success of just a few of our scholars who have sharpened their focus on research and scholarship in 2012-13 in ways that are differentiating the University of Calgary within the upper echelon of Canadian universities. Our scholars are paying attention to the needs of society and signals from governments to define their priorities for discovery, creativity, and innovation.

We have a tremendous capacity to bridge the gap between discovery and innovation. By focusing on the kind of technology transfer, knowledge translation and applied research that addresses societal issues, we can expand the University of Calgary’s already considerable impact to Calgary’s economy.

Dr. Ed McCauley
Vice-President (Research)
SHARPEN OUR FOCUS ON RESEARCH AND SCHOLARSHIP
Match Our Strengths With Opportunities

UNIVERSITY OF CALGARY LAUNCHES
NEW RESEARCH PLAN

The 2012 Strategic Research Plan provides the roadmap for achieving the university’s Eyes High goal to become one of Canada’s top five research intensive universities by our 50th anniversary in 2016. “It complements the Academic Plan, and together they will guide the university’s strategies and initiatives over the next several years,” says Ed McCauley, vice-president (research). The research plan was created through extensive consultation with students, faculty and staff, with broad input from numerous academic committees across campus. It was approved by General Faculties Council at its June 2012 meeting.

“With this plan, we’re adjusting the lens to see where we can have the greatest impact in the future at the local, provincial, national and global levels,” says McCauley. “One of our university’s roles is to look beyond the horizon and to lead the identification, exploration and response to societal challenges. When exploring what our research themes might be, we broadened our focus to be more outward-looking, and to challenge ourselves to be leaders in research. The new research plan is about inspiring and supporting discovery, creativity, and innovation across all disciplines, with a focus on three major priorities:

• Matching our strengths with opportunities;
• Increasing our research capacity; and
• Creating a dynamic, research environment to promote research excellence.

The multidisciplinary research themes that will guide the university towards its Eyes High goals are:

• Brain and mental health
• Human dynamics in a changing world: Smart and secure cities, societies and cultures
• New Earth-space technologies
• Engineering solutions for health: Biomedical engineering
• Infections, inflammation and chronic diseases in the changing environment
• Energy innovations for today and tomorrow

These research themes are characterized by several important features:

• We are leaders in the area, as demonstrated by a local critical mass of expertise, and we have attained national or international prominence, as measured by relevant output metrics;
• We are an essential hub in provincial, national, or global research networks for the area;
• We have built strong industrial or community (philanthropic) partnerships in the area; and
• Our advances benefit from enabling research platforms and improving these platforms.
SHARPEN OUR FOCUS ON RESEARCH AND SCHOLARSHIP
Increase Our Research Capacity

WE’RE INVESTING IN A WORLD OF CHANGE

The University of Calgary is moving forward in its effort to attract some of the research world’s most promising talent to Calgary. The recruitment of more than 60 new postdoctoral scholars was identified as a key component to helping the University of Calgary reach its *Eyes High* strategic vision. “We exceeded our original target by leveraging external investment to recruit more than 85 new postdoctoral scholars,” says Ed McCauley, vice-president (research).

“The University of Calgary is at the forefront of some exciting work in many disciplines and we need to attract talented people who want to be a part of this,” says Naweed Syed, postdoctoral program director. These scholars will be recruited predominantly in our six strategic research themes and will be of the highest calibre with track records that would be competitive for national or international fellowships.

Joule Bergerson is one such researcher. Her work focuses on the analysis of the life cycles of energy systems and its application to policy and commercial decision-making. This new initiative will enable her to broaden the expertise of graduate students she supervises in the interdisciplinary Energy and Environmental Systems Specialization program. “Most of the students in this graduate program who trained in chemical engineering do not have the skills required to conduct systems modeling and statistical analysis research,” she says. “The graduate students will benefit greatly from working with a postdoctoral scholar with these skills and will be able to apply it to their own research.”

Professor David Eagle, director of the Sonic Arts Lab in the Faculty of Arts, is seeking someone to focus on the composition, programming and realization of a series of new works for musicians performing over the high-speed Cybervana research network. “We are looking for a postdoctoral scholar with excellent communication skills and a creative mindset for both artistic projects and scientific design applications,” he says.

▲ Joule Bergerson (left) and David Eagle are both recruiting new postdoctoral scholars.
SHARPEN OUR FOCUS ON RESEARCH AND SCHOLARSHIP
Create a Dynamic Environment to Promote Research Excellence

IMPROVING WASTEWATER TREATMENT

Crews have started building a unique research facility at the Pine Creek Wastewater Treatment facility for Advancing Canadian Wastewater Assets (ACWA) — a partnership between the University of Calgary and the City of Calgary to develop technologies that will remove pharmaceuticals and other contaminants from wastewater, improving ecosystem and human health. The project will involve industry and interdisciplinary researchers from across Canada, providing a foundation for decades of research that will make a real difference with respect to water quality issues. While the project’s initial focus is on wastewater treatment technologies, it will have applications for drinking water treatment as well.

“This project has been in the making for some time,” says Leland Jackson, the director of ACWA and a professor in the Department of Biological Sciences in the Faculty of Science. “We’re very excited to start building.” Construction started in 2012 to create 12 research streams adjacent to the Bow River, an experimental wastewater treatment plant and laboratory facilities at Pine Creek, as well as renovations to microbiology, aquatic and stable isotope labs on campus.

“At Pine Creek, we’re building a smaller research wastewater treatment plant,” says Nuno Fragoso, ACWA’s program manager. There will be new state-of-the-art laboratory facilities to quantify contaminant residues, identify and culture cells, determine water-borne pathogens and examine gene expression in model organisms. ACWA researchers will test the ecological impact of different effluents in the 12 constructed research streams, which total over more than 3.5 kilometres in length. “We can then take our final product — our effluent — and then compare it to Pine Creek effluent in our research streams,” says Fragoso. “That’s really unique. It’s a controlled scientific experiment in a field site.”

According to the University of Calgary’s vice-president (research), Ed McCauley, “platforms like ACWA help to create a dynamic environment that promotes research excellence by linking highly accomplished interdisciplinary teams with cutting-edge facilities to make ground-breaking contributions that will directly address societal issues.”
FOUNDATIONAL COMMITMENTS

1. Sharpen Our Focus on Research and Scholarship
2. Enrich the Quality and Breadth of Learning
3. Fully Integrate the University with the Community
ENRICH THE QUALITY AND BREADTH OF LEARNING

ACADEMIC ROADMAP IS SHAPING OUR LEARNING ENVIRONMENT

Our new academic plan is enabling students to thrive in programs made rich by research and experiential learning. The seven academic priorities underpinning the plan are shaping our learning environment in ways that are transforming students from being ‘consumers of knowledge’ to discoverers, creators, and innovators.

ACADEMIC PLAN PRIORITIES

• Talent Attraction, Development, and Retention
• Teaching and Research Integration
• Interdisciplinarity
• Leadership
• Internationalization
• Connection with Community
• Sustainability

Our focus on these priorities is creating the spirited, high-quality learning environment necessary to meet the needs of the 21st century learner. Excellence is about recruiting world-class instructors, professors and students; integrating research into how we teach and content that students learn; engaging students from different faculties to collaborate on finding solutions to societal challenges; fostering the development of leaders at all levels of the academy; building the foundations of a global intellectual hub at the University of Calgary; linking students with the community to encourage active and engaged citizens upon graduation; and empowering students to reduce waste, conserve water and energy, and promote health and wellness.

I encourage you to read about the success we achieved in 2012-13 by aligning our human, financial and capital resources with these academic priorities.

Dr. Dru Marshall
Provost and Vice-President (Academic)
INVESTING IN ACADEMIC STAFF

Over the next several months, the university will hire 50 new assistant professors to build teaching and research capacity. Coming from a wide variety of institutions across Canada and from around the globe, these rising academics will bring new ideas and fresh approaches to teaching, research and service initiatives on campus.

“Our goal is to reinvigorate our academic community,” says Dru Marshall, Provost and vice-president (academic). “An investment such as this introduces new colleagues and new ideas to campus. Leveraged carefully, it can propel the university forward and help us bring our Academic and Strategic Research Plans to full realization.”

The hiring initiative will also be leveraged by faculties to address interdisciplinary areas of research creatively. Faculties are already coming together to identify areas where they need additional teaching and research support as well as interdisciplinary areas where faculties can band together to do “cluster hires” – the strategic hiring of assistant professors across faculties around key research themes.

Compared to other major institutions across Canada, the University of Calgary has proportionally fewer assistant professors, so there is a need to bolster our faculty. The new additions will increase the number of assistant professors at the university by 16 per cent. New assistant professors will bring new approaches and new perspectives, helping to reinvigorate our academy with fresh ideas as they teach, conduct research and serve in their areas of interest.

“We’re serious about meeting our Eyes High goals” says Marshall. “This initiative will re-energize the academy in the most fulsome way, by investing in teaching, research and service at the same time.”
UNIVERSITY OF CALGARY RESEARCHERS COLLABORATE ON VIRTUAL HUMAN

Researchers at the University of Calgary have created a new, interactive tool that will change the way medical education is taught. LINDSAY, named after Dr. Lindsay Kimmett, a promising medical student who died in a car crash, is a virtual human that uses a variety of touch interfaces to help students learn anatomy and physiology in 3D.

“There’s a real gap between textbook anatomy and what students see in real life — the LINDSAY software connects the dots between the classroom and real life,” says Heather Jamniczky, assistant professor in the Faculty of Medicine who uses the software to teach classes. “Students have been really enthusiastic and it seems to improve their ability to make the connections we are asking. It pulls everything in and provides a much more engaging learning experience.”

The project is a collaboration between the faculties of medicine and science and can be customized to whichever lesson students are being taught. “It’s sort of the medical equivalent to a flight simulator,” says Professor Christian Jacob of the Faculty of Science, whose team helped design the software. “Students can navigate — actually fly — through the body to see what is going on at different levels of scale, from inside a cell to a pumping heart.”

Dr. Bruce Wright, associate dean of undergraduate medical education, says he hopes LINDSAY will revolutionize how teaching is done in the classroom. The software can be used on big screens as well as on other devices such as the iPad, iPhone and SMART Board. Those who teach can also use another application called LINDSAY presenter to make 3D slides and soon, the software will become available to download as an app.
ENRICH THE QUALITY AND BREADTH OF LEARNING
Interdisciplinarity

SOLAR DECAThLOn TEAM WIns EMERALD AWARD

The University of Calgary’s student-designed net-zero home aimed at addressing the needs of First Nations communities received an Emerald Award in Calgary. The Cenovus TRTL (Technological Residence Traditional Living) was the winner in the Education category and the team received a trophy and a $5,000 cash prize. The Emerald Awards are given out by the Alberta Emerald Foundation to celebrate and showcase environmental leadership in Alberta.

“This award is recognition of the hard work of more than 100 students from the Faculty of Environmental Design, the Schulich School of Engineering and the Haskayne School of Business, our aboriginal partners and corporate sponsors,” says Alexandre Ste-Marie, communications lead and fourth-year business student. “It is also a validation that working collaboratively is the best way to address appropriately some of the critical issues affecting communities and to make an impact.”

“This is an interdisciplinary project where students from different fields get to work together,” says Dru Marshall, provost and vice-president (academic). “The students did an exceptional job of managing a process with a real cultural perspective.” The TRTL was designed and built by University of Calgary students and was the only Canadian entry in the U.S. Department of Energy’s 2011 Solar Decathlon competition in Washington, D.C. The house placed 10th out of 19 entries and had the highest number of public visitors during the week-long competition.

The University of Calgary team will collaborate with the Southern Alberta Institute of Technology (SAIT) and Mount Royal University to form Team Alberta, one of two Canadian teams that will compete in 2013 against entries from across the U.S. and around the world. The other Canadian team is Team Ontario, comprised of members from Queen’s University, Carleton University and Algonquin College. Team Alberta’s concept is based on addressing the pressing housing needs in remote communities and industrial camps such as those in the Fort McMurray region. The team intends to produce a modular home that is easy to transport and assemble and is affordable for working families and remote working populations.
ENRICH THE QUALITY AND BREADTH OF LEARNING

Leadership

SUPPORTING OUR SCHOLARS, ENCOURAGING EXCELLENCE

Always with an eye to the future, the University of Calgary’s Chancellor Emeritus, Joanne Cuthbertson, played an instrumental part in the development of the Scholars Academy program. As a major financial contributor and its inspiration, she is owed much for its development. What Cuthbertson has helped create is a community of support for top students. Surrounded by equally ambitious peers, our students find inspiration in each other.

“The Scholars Academy program provides our top students the enriched environment they require to thrive, driving success for all of our students and propelling the University of Calgary toward our goal of becoming one of Canada’s top five research universities by our 50th anniversary in 2016,” says President Elizabeth Cannon.

An annual retreat and monthly program meetings help our scholars to develop and plan their future goals. Through one-on-one access to the Scholars Academy program coordinator, students also receive assistance with their applications for the most prestigious scholarships available (Rhodes, Fulbright, SSHRC, NSERC, etc.), and the most in-demand professional and graduate programs.

The benefits of the Scholars Academy are substantial for students who are accepted into the program. Students have access to a dedicated program coordinator who supports their scholarship and graduate school applications, oversees the engagement of students in appropriate career-related volunteer opportunities, and promotes a return to community. Among the many other benefits, scholars are connected with well-known mentors from the external community, take part in an exclusive speaker series, attend networking and professional development opportunities, and are surrounded by a community of peers to help support their pursuits.

Academically, students accepted into the program are at or near the top of their class — but academics alone won’t guarantee admission. Scholars Academy students are bright, dynamic individuals and leaders in the community. They show enthusiasm toward learning and an avid interest in research, demonstrate compassion and integrity toward others, and inspire those around them. Students from all faculties entering their second, third, or fourth year are eligible to apply to the program.
UNIVERSITY OF CALGARY LAUNCHES INTERNATIONAL STRATEGY

The University of Calgary announced a key step forward in our ambitious Eyes High strategic direction. The new International Strategy sets targets for increasing the number of international students on campus to 10 per cent of the undergraduate population and 25 per cent of the graduate population, and a target of 50 per cent of all students to have an international experience as part of their program of studies by 2016.

“We want to differentiate the University of Calgary from its peers by achieving a distinctive vision of internationalization,” says President Elizabeth Cannon. “We are not only interested in attracting high-quality international students; we also want our students to travel internationally and have meaningful international experiences as part of their programs of study. We are pleased to be working with the Government of Alberta to ensure that our strategy is aligned with the province’s own goals for internationalization and economic prosperity.”

“The Government of Alberta is pleased that the strategy focuses on collaborating with international partners, building new relationships abroad and strengthening others to create new opportunities” says Cal Dallas, minister of international and intergovernmental relations. “Collaborative relationships give Alberta a stronger and more successful presence internationally and help diversify markets to expand our economy.”

“Our city demands creative graduates who have a global orientation, who are competitive in a global marketplace, and who can adapt to diverse cultural environments,” says Janaka Ruwanpura, vice-provost (international). “We want to become a leading choice in Canada for international students, scholars and partners.”

The International Strategy commits the university to achieving higher international targets and lays out the steps necessary to attain those targets through the alignment of resources, projects and partnerships — domestically and internationally.

Calgary’s new Peace Bridge is symbolic of the inclusive values of Canada and Alberta.
TEAMING UP TO CELEBRATE THE STAMPEDE

In July 2012, the University of Calgary and The Calgary Herald celebrated 100 years of the Calgary Stampede with the launch of the Stampede Stories public lecture and showcase at the university’s downtown campus. The showcase featured a range of images from the University of Calgary’s digital image library and memorabilia contributed by the Calgary Stampede and readers of The Calgary Herald.

“We are proud to celebrate the 100th anniversary of this iconic event and to share the University of Calgary’s stories and images with the community,” says President Elizabeth Cannon. “The Stampede embodies the history of Calgary and western Canada, something recognized by the number of our faculty who cite the Stampede in their teaching or research.”

“The Calgary Herald was nearly 30 years old when the first Stampede rode into town,” says Publisher Guy Huntingford. “For the 100 years since, the Herald has been the paper of record for every Stampede, gathering incredible pictures, stories and colorful quotes. When we add our archives and reader submissions together, it creates an amazing array of words and pictures that we are proud to present.”

The four-day exhibition kicked-off with a free pancake breakfast and public lecture by acclaimed writer and University of Calgary professor Aritha van Herk. The author of Mavericks: An Incorrigible History of Alberta discussed the way that Calgary uses the Stampede as a way to build a community connection, bringing together the city’s energy, prevailing atmosphere, attitudes and principles.
ENRICH THE QUALITY AND BREADTH OF LEARNING
Sustainability

SUSTAINABILITY REPORT TO THE COMMUNITY

Over the course of the last year, 667 students contributed more than 8,520 hours in community service learning programs, 2,760 students graduated from a program with required sustainability content, researchers were involved in more than 100 sustainability-related projects and campus members reduced potable water consumption by a third. These are just a few of the facts in the university’s recently released Sustainability Report, which outlines progress on approximately 300 indicators across various sustainability frameworks, including STARS and imagineCALGARY.

“The Sustainability Report provides a snapshot of how we are progressing toward our institutional sustainability goals,” says Joanne Perdue, the university’s chief sustainability officer. “It encompasses student co-curricular activities, learning and teaching, and research, as well as administrative and operational activities.” Also mentioned is that Corporate Knights magazine ranked the University of Calgary first in Canada for integrating sustainability in the engineering program, second for the Master of Business Administration program, and third for the undergraduate business program.

The report documents everything from diverting 20 different waste streams from the landfill to reducing emissions and saving more than $4 million in energy costs through the Energy Performance Initiative — a program that addresses energy supply, building performance and other factors in building usage.

“The report is a reflection of our institutional commitment to excellence and leadership in sustainability, and the significant progress we have made toward achieving our goals,” says President Elizabeth Cannon. “We have taken on this wide-ranging sustainability challenge because we believe we are uniquely positioned here to lead, to develop both interdisciplinary and systems-based solutions for the communities we serve, and to model sustainable development practices in our daily campus activities. We owe a nod of thanks to the thousands of students, faculty, and staff all across campus who are involved in the variety of sustainability activities, and to everyone who provided information for the report,” says Perdue.

Thousands of students, faculty, and staff across campus are involved in sustainability initiatives.
FOUNDATIONAL COMMITMENTS

1. Sharpen Our Focus on Research and Scholarship

2. Enrich the Quality and Breadth of Learning

3. Fully Integrate the University with the Community
FULLY INTEGRATE THE UNIVERSITY WITH THE COMMUNITY

What a tremendous honour it is to be the chancellor of the University of Calgary. I cannot think of a more exciting time to be part of this vital institution. A little over one year ago, we invited the campus community to share in our Eyes High commitment to fully integrate the university with the community. I am pleased to report that we made considerable progress delivering on this commitment in 2012-13.

PRIORITIES

• Involving the surrounding communities
• Leadership in city life
• Alumni
• Reputation

It was a real challenge to limit the tremendous number of stories available to just a few that best illustrate the ways in which we reached out to the widest array of communities in 2012-13. I think you will agree that the ones that we selected reveal a university creating a portal to the best minds in the world, playing a more active role in civic projects and initiatives, enhancing the public dialogue about the University of Calgary, and fostering a lifelong relationship and pride among alumni at home and around the globe. I am particularly proud that our focus on integrating the university with the community this year is helping to grow our reputation together with the City of Calgary.
FULLY INTEGRATE THE UNIVERSITY WITH THE COMMUNITY

Involving the Surrounding Communities

WELCOMING VENUE FOR THE EXCHANGE OF KNOWLEDGE, FOR DEBATE, ART, CULTURE, SPORT AND RECREATIONAL OPPORTUNITIES

“Our impact is about more than being one of the largest employers in the city — more than a supplier of skilled and knowledgeable graduates,” says Dru Marshall, provost and vice-president (academic). “It is about attracting thousands of people to the city each year and engaging them in our cultural events — the performing arts, and our museums, libraries and art galleries. It is about hosting world-class events at our athletic facilities (we are home to the Olympic Oval and Canada’s fifth-largest stadium — McMahon). It is about Alberta companies benefiting from the research we generate in the form of technology transfer to industry, commercialization of research, and the formation of “spin-off” companies that drive economic growth, job creation, and social well-being.

“The University of Calgary contributes $7.92B to the Alberta economy on an annual basis and, therefore, multiplies many times over the direct investment made by Alberta taxpayers,” says Marshall. “Through partnering with the province and other key stakeholders and through realizing the goals of the Eyes High vision, we will continue to increase our role as a significant contributor to shaping the future of our province. This makes the university a very substantial contributor to the Calgary and broader Alberta economy, representing almost 3% of the provincial economy. This also demonstrates the high multiplier effect of investment in the university for the broader economy.”

Figure 1 — University of Calgary Economic Impact Report — Released March 2013 ($ Billions; 2009-10)
FULLY INTEGRATE THE UNIVERSITY WITH THE COMMUNITY
Leadership in City Life

HUNTER FAMILY DONATION CREATES NEW CENTRE FOR ENTREPRENEURSHIP AND INNOVATION

Calgary entrepreneur Doug Hunter learned about the rigours of business the hard way and wants to make it easier for today’s students. This is why he and his wife Diane donated $5-million to the Haskayne School of Business to launch the new Hunter Centre for Entrepreneurship and Innovation. The Centre will shape a new generation of entrepreneurs who will help Calgary continue to grow and prosper. It will offer academic and research programs focused on entrepreneurship and innovation and provide support for professional networks for students and new entrepreneurs.

“When we were introduced to the idea of an innovative approach to teaching entrepreneurship, Diane and I were immediately excited,” says Doug Hunter. “We saw the opportunity to be part of a new and different approach to an old subject.”

Doug is a successful entrepreneur who spent most of his career in the private equity business while Diane, a double alumna, has played an active role in Calgary’s civic politics. “Entrepreneurship and innovation mean more than just starting a new business,” says Hunter. “It’s about attitude and mind set and being able to recognize opportunities, embrace challenges and create something of value. It’s about asking the question: ‘Why?’ and finding a new answer.”

“Through this generous donation, we will inspire students to develop skills in opportunity recognition and extend Calgary’s famous can-do spirit,” says Jim Dewald, dean of the Haskayne School of Business.
FULLY INTEGRATE THE UNIVERSITY WITH THE COMMUNITY

Alumni

FOSTERING A LIFELONG RELATIONSHIP

Our Alumni Association’s 2012 Arch Awards celebration had a distinctly western theme in honour of Distinguished Alumni Award recipient, Vern Kimball, CEO of the Calgary Stampede. “(When I got the call), I was flattered, thrilled and then mostly humbled, especially as I learned who some of the previous award winners are,” says Kimball. “Some of the happiest years of my life were spent at the ‘U’ and being presented with the Distinguished Alumni Award is truly an honour.”

Kimball was joined by green energy entrepreneur Nick Blitterswyk, the Graduate of the Last Decade Award recipient. After working as an actuary in New York City, Blitterswyk traded probability for sustainability in 2008 and co-founded Urban Green Energy (UGE). Just four years later, UGE is a premier manufacturer and supplier of green energy solutions with 150 employees and installations in more than 60 countries. “During my years at the university I learned that anything dreamed was possible, and I feel I owe much of this award to the great people I met, both classmates and faculty, who helped influence what UGE is today,” says Blitterswyk.

Future Alumni Award recipient, Dave Campbell, says he was honoured to receive the award. “Over the past three years, my experience at the university has been so positive, due largely to bright fellow students, supportive faculty, and generous alumni,” he says. “I am humbled to have been chosen to receive this award.”

“Our entire alumni family of over 150,000 make remarkable contributions to the business, health, social, cultural and political life of Calgary and many other communities,” says Diane Kenyon, vice-president (university relations). While two-thirds stay in Calgary to live and work, our alumni are found in 147 countries around the world, expanding the university’s global impact every year.

Figure 2 — Alumni

150,000+ ALUMNI
147 COUNTRIES
FULLY INTEGRATE THE UNIVERSITY WITH THE COMMUNITY
Reputation

BUILDING MOMENTUM AS WE MOVE UP THE RANKINGS

The University of Calgary may still be considered relatively young, but a recent twist to the QS World University Rankings suggests we are headed in the right direction. Landing 17th overall in the new QS Top 50 Under 50 world ranking — which removes all schools founded before 1962 — the University of Calgary was top among Canadian universities and second in North America in that age bracket. Simon Fraser was next at No. 25 and the University of Victoria was the only other Canadian school to crack the top 50 at No. 34.

Placing third overall internationally for its research impact on the ‘citations per faculty’ indicator, one of three criteria in the overall rankings, the University of Calgary is falling in line with its ambitious strategic vision to become one of the country’s top five research universities.

“We are pleased that we have been recognized as part of the next generation of elite institutions and are working hard to attain our Eyes High goal by our 50th anniversary in 2016,” says President Elizabeth Cannon. “We believe that, in addition to the internal measures of performance that we have chosen, external validation provides critical milestones that mark progress on our road to success.”

TIMES HIGHER EDUCATION TOP 100 UNDER 50 UNIVERSITY RANKINGS

The Times Higher Education (THE) Top 100 ranks the top universities in the world based on their research, teaching, international outlook, and industry income. In 2012, THE produced a ranking designed to assess the future potential of universities under the age of 50 years based on objective performance indicators. The University of Calgary ranked second among Canadian universities, sixth among North American institutions, and 28th in the world.
**SCImago JOURNAL RANK**

SCImago ranks institutions that had more than 100 outputs indexed in the Scopus® database. The ranking is an indicator of a research journal’s scientific influence or prestige based on the number of citations received and the importance of the journals where the citations originate. SCImago assigns weights to citations based on the importance of the journal. The University of Calgary ranked fifth nationally and 112th in the world in 2012.

![Figure 5 – SCImago Journal Rank 2012 (University of Calgary and Top 5 peers)](image)

**NTU – PERFORMANCE RANKING OF SCIENTIFIC PAPERS FOR WORLD UNIVERSITIES**

Formerly known as the HEEACT, the National Taiwan University (NTU) employs bibliometric methods to rank the scientific performance of the top 500 universities in the world and the top 300 universities among the following six fields: agriculture and environment sciences, clinical medicine, engineering, computing and technology, life sciences, natural sciences, and social sciences. The University of Calgary ranked seventh nationally and 148th in the world in 2012.

![Figure 6 – NTU – Performance Ranking of Scientific Papers for World Universities 2012](image)
UNIVERSITY RANKING BY ACADEMIC PERFORMANCE (URAP)

The University Ranking by Academic Performance (URAP) ranks the Top 2000 world universities based on their scholarly publications across six academic performance indicators. Indicators of publication quality and quantity, as well as international research collaboration performance are used. The University of Calgary ranked seventh nationally and 114th in the world in 2012.

Figure 7 – URAP – University Ranking by Academic Performance 2012 (University of Calgary and Top 5 Peers)

RESEARCH INFOSOURCE

RESEARCH Infosource Inc. ranks Canada’s Top 50 research universities each fall. To obtain a balanced picture of how universities perform, RESEARCH Infosource Inc. evaluates each institution on its sponsored research income, the number of publications it produces, publication intensity, and publication impact. The University of Calgary ranked eighth nationally among its Canadian peers in 2012.

Figure 8 – RESEARCH Infosource – Top 50 Research Universities 2012 (University of Calgary and Top 5 Peers)
MACLEAN’S UNIVERSITY RANKINGS

Maclean’s ranks Canadian universities on a number of indicators ranging from class sizes and entering grades to expenditures, library purchases, and faculty success obtaining research grants. The ranking focuses primarily on the undergraduate experience. Universities are placed into one of three categories that acknowledge institutional differences, levels of research funding, and the range of graduate and professional programs offered. The University of Calgary ranked eighth nationally among its Canadian peers in 2012.

Figure 9 – Maclean’s University Rankings 2012 (Medical Doctoral Category)
PERFORMANCE MEASURES
Benchmarks the University of Calgary against the top five universities in Canada is transforming our culture to one that embraces and celebrates excellence,” says Provost and Vice-President (Academic) Dru Marshall. Vice-President (Research) Ed McCauley, agrees that, “not only is our Eyes High vision guiding us toward the upper echelon of Canadian universities, but we are also confident that the targets we established will place us firmly among the top five institutions by our 50th anniversary in 2016.”

**PERFORMANCE MEASURES**

RATIO OF APPLICANTS TO STUDENT INTAKE

The ratio of applicants to student intake measure is calculated as the number of applicants we attract relative to the number of available student spaces. It is one indicator of program demand. As shown below, student demand has increased significantly over the past two years.

AVERAGE ENTERING GRADE FROM HIGH SCHOOL

We promote high levels of student achievement by emphasizing the importance of academic admission standards. The average entering grade is one of a number of leading indicators of graduation rates. Average entering grade has improved by 1.4 percentage points in the last year. This is a significant increase that puts the University of Calgary in line with the top 5 institutions in Canada.

Source: AET Application Submission Initiative (ASI)

Note: The number of graduate applicants is understated by ASI. Only U of A data available for peer comparison.
PERFORMANCE MEASURES

STUDENT MIX (GRADUATE PROPORTION OF TOTAL ENROLMENT)

We monitor the graduate proportion of our total student population to ensure that we grow to the level of leading research universities. The proportion of graduate students at leading international research universities is approximately 25%, and our intent is to move towards that target by 2015-16. The University of Calgary is currently within the range of top 5 Canadian institutions.

<table>
<thead>
<tr>
<th>Year</th>
<th>Graduate Proportion of Total Enrolment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>19.3%</td>
</tr>
<tr>
<td>2009-10</td>
<td>19.7%</td>
</tr>
<tr>
<td>2010-11</td>
<td>19.3%</td>
</tr>
<tr>
<td>2011-12</td>
<td>19.3%</td>
</tr>
<tr>
<td>2012-13</td>
<td>18.9%</td>
</tr>
</tbody>
</table>

Top 5 (min) 18.9%
Top 5 (avg) 21.7%
2015-16 Target 25%

Source: University of Calgary Fact Book (Headcount)

STUDENT MIX (INTERNATIONAL ENROLMENT)

We monitor the number of international students that we attract to ensure that we grow to the level of top 5 universities. The proportion of international students at leading Canadian research universities is close to 10% at the undergraduate level and 30% at the graduate level. The proportion of international undergraduate students has increased by almost a percentage point in one year. This is a significant step towards the goal of 10%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Graduate Proportion of Total Enrolment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>5.7%</td>
</tr>
<tr>
<td>2009-10</td>
<td>5.4%</td>
</tr>
<tr>
<td>2010-11</td>
<td>5.2%</td>
</tr>
<tr>
<td>2011-12</td>
<td>5.4%</td>
</tr>
<tr>
<td>2012-13</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

Top 5 (min) 5.4%
Top 5 (avg) 6.3%
2015-16 Target 7.8%

Source: University of Calgary Fact Book (Proportion of Total Fulltime)
PERFORMANCE MEASURES

STUDENT TO FACULTY RATIO (TOTAL)

Our student to faculty ratio is an indicator of the level of academic staff that we have available to educate students. It is calculated as the total number of students divided by the total number of academic staff. This particular metric will be heavily affected by the budget and is likely to be affected by new teaching technology.

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>18.7 : 1</td>
</tr>
<tr>
<td>2009-10</td>
<td>20.0 : 1</td>
</tr>
<tr>
<td>2010-11</td>
<td>21.4 : 1</td>
</tr>
<tr>
<td>2011-12</td>
<td>23.1 : 1</td>
</tr>
<tr>
<td>2012-13</td>
<td>23.3 : 1</td>
</tr>
</tbody>
</table>

Source: Fall counts of Full-time Equivalent (FTE) Students and Full-time tenure & tenure-track academic staff; peer data from 2010-11 Presidents' fact book

STUDENT TO FACULTY RATIO (GRADUATE)

Our graduate student to faculty ratio is an indicator of the vibrancy of our graduate programs. It is calculated as the total number of graduate students divided by the total number of academic staff.

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>3.4 : 1</td>
</tr>
<tr>
<td>2009-10</td>
<td>3.8 : 1</td>
</tr>
<tr>
<td>2010-11</td>
<td>4.0 : 1</td>
</tr>
<tr>
<td>2011-12</td>
<td>4.3 : 1</td>
</tr>
<tr>
<td>2012-13</td>
<td>4.4 : 1</td>
</tr>
</tbody>
</table>

Source: Full-time Equivalent (FTE) Graduate Students and Full-time tenure & tenure-track academic staff. Peer data from Presidents’ fact book

POSTDOCTORAL FELLOWS

Our Postdoctoral Fellows (PDF) measure monitors the number of PDFs that we attract. Postdoctoral fellows contribute to our overall research quality and productivity. Although the number of post-doctoral fellows declined, this metric will improve over the next year as the Eyes High post-doctoral program is implemented.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>315</td>
</tr>
<tr>
<td>2009-10</td>
<td>340</td>
</tr>
<tr>
<td>2010-11</td>
<td>385</td>
</tr>
<tr>
<td>2011-12</td>
<td>390</td>
</tr>
<tr>
<td>2012-13</td>
<td>365</td>
</tr>
</tbody>
</table>

Source: University of Calgary Post Doctoral Fellows Data

SPONSORED RESEARCH REVENUE (TOTAL)

Our sponsored research income measure is one indicator of our research quality and productivity. It includes revenue from federal, provincial and foreign governments, corporations, foundations and non-profit organizations, and donations and investment income. As we have hired 50 new stimulus hires, but are likely to lose 50 academics through retirement, we are predicting a relatively stable academy, but one which has been renewed. We anticipate our scores will improve in the coming years. The top 5 institutions are all larger than the University of Calgary, and so, in absolute numbers, would be expected to produce more.

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$264</td>
</tr>
<tr>
<td>2009-10</td>
<td>$283</td>
</tr>
<tr>
<td>2010-11</td>
<td>$286</td>
</tr>
<tr>
<td>2011-12</td>
<td>$277</td>
</tr>
<tr>
<td>2012-13</td>
<td>$284</td>
</tr>
</tbody>
</table>

Source: CAUBO Income by Fund Table 1 ($Million)
PERFORMANCE MEASURES

SPONSORED RESEARCH REVENUE (PER TENURE & TENURE-TRACK FACULTY MEMBER)

Sponsored research revenue per tenure and tenure-track faculty member is another indicator of research quality and productivity. It includes research revenue from federal, provincial and foreign governments, corporations, foundations and non-profit organizations, and donations and investment income. We anticipate this number will increase as a result of the strategies that have been put in place.

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5 (min)</th>
<th>Top 5 (avg)</th>
<th>2015-16 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$180</td>
<td>$230</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>$199</td>
<td>$303</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>$214</td>
<td>$311</td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>$216</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>$208</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: University of Calgary unaudited schedule 16; faculty counts from HR

TRI-COUNCIL REVENUE (TOTAL)

Our Tri-Council research income measure is an indicator of our research income, intensity, and quality. It includes grant revenue from the Canadian Institutes of Health Research (CIHR), Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC). We anticipate this number will increase as a result of the strategies that have been put in place. The top 5 institutions are all larger than the University of Calgary, and so, in absolute numbers, would be expected to produce more.

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5 (min)</th>
<th>Top 5 (avg)</th>
<th>2015-16 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$77</td>
<td>$123</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>$81</td>
<td>$211</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>$81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>$77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>$71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: University of Calgary unaudited schedule 16 ($M); peer from CAUBO
PERFORMANCE MEASURES

TRI-COUNCIL REVENUE (PER TENURE AND TENURE-TRACK FACULTY MEMBER)

Tri-Council research income per tenure and tenure-track faculty member is an indicator of research income, intensity, and quality. It includes research grant revenue from the Canadian Institutes of Health Research (CIHR), Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC). Unaudited financial statement data may differ from “awards” reported by the Tri-Council. We anticipate this number will increase as a result of the strategies that have been put in place.

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5 (min)</th>
<th>Top 5 (avg)</th>
<th>2015-16 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$56</td>
<td>$56</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>$60</td>
<td>$61</td>
<td>$61</td>
</tr>
<tr>
<td>2010-11</td>
<td>$61</td>
<td>$61</td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>$61</td>
<td>$61</td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>$56</td>
<td>$56</td>
<td></td>
</tr>
</tbody>
</table>

Source: University of Calgary unaudited schedule 16 ($thousands); faculty counts from HR

PUBLICATIONS (TOTAL)

One measure of a university’s scholarly output is the number of publications that it produces each year. This measure monitors the number of publications produced by the University of Calgary in all subject areas compared to peer institutions. The University continues to improve in publication quantity, with an increase in over 500 publications per year since 2007-08. The top five institutions are all larger than the University of Calgary, and so, in absolute numbers, would be expected to produce more.

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5 (min)</th>
<th>Top 5 (avg)</th>
<th>2015-16 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$105</td>
<td>$109</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>$110</td>
<td>$110</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>$105</td>
<td>$109</td>
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</tr>
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<td>2011-12</td>
<td>$105</td>
<td>$109</td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>$105</td>
<td>$109</td>
<td></td>
</tr>
</tbody>
</table>

Source: Thompson Reuters - individual year total
## PERFORMANCE MEASURES

### PUBLICATIONS (PER TENURE AND TENURE-TRACK FACULTY MEMBER)

One measure of a university’s research productivity is the number of papers produced on average by each faculty member. This measure monitors the number of publications produced by the University of Calgary by tenure and tenure-track faculty member in all subject areas compared to peer institutions. Productivity, as measured by publication, has risen significantly since 2008-09 and is within range of the top five benchmark.

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg Publications</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>1.92</td>
</tr>
<tr>
<td>2009-10</td>
<td>1.96</td>
</tr>
<tr>
<td>2010-11</td>
<td>2.06</td>
</tr>
<tr>
<td>2011-12</td>
<td>2.15</td>
</tr>
<tr>
<td>2012-13</td>
<td>Not yet available</td>
</tr>
</tbody>
</table>

### CITATIONS (TOTAL)

One measure of the impact of the research that is performed in the university is the number of times its publications are cited. Frequently cited publications are viewed as having more relevance or impact. This citation measure monitors the number of citations produced by the University of Calgary in all subject areas compared to peer institutions. Our history over the past five years shows a clear pattern of year over year increase in overall citations rates and thus, in overall research impact. The top five institutions are all larger than the University of Calgary, and so, in absolute numbers, would be expected to produce more.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Citations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>64,444</td>
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<td>2009-10</td>
<td>74,184</td>
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<tr>
<td>2010-11</td>
<td>77,734</td>
</tr>
<tr>
<td>2011-12</td>
<td>85,526</td>
</tr>
<tr>
<td>2012-13</td>
<td>Not yet available</td>
</tr>
</tbody>
</table>

### Top 5 (min) and Target

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5 (min)</th>
<th>2015-16 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>1.66</td>
<td>2.80</td>
</tr>
<tr>
<td>2009-10</td>
<td>1.96</td>
<td>2.80</td>
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<tr>
<td>2010-11</td>
<td>2.06</td>
<td>2.80</td>
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<td>2011-12</td>
<td>2.15</td>
<td>2.80</td>
</tr>
<tr>
<td>2012-13</td>
<td>Not yet available</td>
<td>2.80</td>
</tr>
</tbody>
</table>

### Top 5 (avg)

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5 (avg)</th>
<th>2015-16 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>2.80</td>
<td>2.80</td>
</tr>
<tr>
<td>2009-10</td>
<td>2.80</td>
<td>2.80</td>
</tr>
<tr>
<td>2010-11</td>
<td>2.80</td>
<td>2.80</td>
</tr>
<tr>
<td>2011-12</td>
<td>2.80</td>
<td>2.80</td>
</tr>
<tr>
<td>2012-13</td>
<td>Not yet available</td>
<td>2.80</td>
</tr>
</tbody>
</table>

Source: Thompson Reuters - Individual year totals; faculty counts from UofC HR

Source: Thompson Reuters - 5-year totals
CITATIONS (PER TENURE AND TENURE-TRACK FACULTY MEMBER)

One measure of the impact of the research that is performed in the University is the number of times its publications are cited. Frequently cited publications are viewed as having more relevance or impact and frequently cited investigators tend to be those who have more prominence in their fields. This citation measure monitors the number of citations per faculty member produced by the University of Calgary in all subject areas compared to peer institutions. The number of citations per faculty member has risen significantly in the past four years, reflecting an increase in the relevance and impact of the research conducted at the University of Calgary. We are within range of the top five U15 institutions in this measure.

NEW INVENTION DISCLOSURES

This measure monitors the number of new or novel inventions that our researchers disclose each year while patent protection is being obtained. New invention disclosures are granted for ideas that produce products, processes, machines, or compositions of matter, or any new and useful improvements of these. We anticipate these numbers will increase as we develop our strategy with Innovate Calgary.

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5 (min)</th>
<th>Top 5 (avg)</th>
<th>2015-16 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>47.3</td>
<td>54.4</td>
<td>67.4</td>
</tr>
<tr>
<td>2009-10</td>
<td>59</td>
<td>63.6</td>
<td>77.0</td>
</tr>
<tr>
<td>2010-11</td>
<td>Not yet available</td>
<td>104.1</td>
<td>210</td>
</tr>
<tr>
<td>2011-12</td>
<td>143</td>
<td>278</td>
<td>173</td>
</tr>
<tr>
<td>2012-13</td>
<td>173</td>
<td>300</td>
<td>173</td>
</tr>
</tbody>
</table>

Source: Thompson Reuters - 5-year totals; faculty counts from UofC HR

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 5 (min)</th>
<th>Top 5 (avg)</th>
<th>2015-16 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>210</td>
<td>217</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>172</td>
<td>210</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>143</td>
<td>172</td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>173</td>
<td>172</td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>173</td>
<td>278</td>
<td>173</td>
</tr>
</tbody>
</table>

Source: Innovate Calgary AUTM Survey (three-year running total)
PERFORMANCE MEASURES

NEW LICENSES

New licenses provide one measure of a university’s scholarly output that will be translated into useful products that help to shape society. It refers to the number of new discoveries licensed each year. We have determined that we are not accurately capturing discoveries made on our campus, and will aim to improve reporting over the next year. We anticipate these numbers will increase as we develop our strategy with Innovate Calgary.

UNDERGRADUATE STUDENT ENGAGEMENT

We monitor the quality of our learning environment, and the overall level of satisfaction reported by senior-level undergraduate students, through their responses to the National Survey of Student Engagement (NSSE) question, ‘How would you evaluate your entire educational experience at this institution?’ Percentages shown are ratings of ‘good’ to ‘excellent’. The NSSE survey will be conducted on our campus again in the upcoming year. We are within the top five with regards to the first-year experience, and have been focusing on the fourth year.

Source: Innovate Calgary, AUTM Survey (three-year total)

Source: University of Calgary NSSE data. Top 5 peer from NSSE 2007
PERFORMANCE MEASURES

GRADUATE STUDENT ENGAGEMENT

We monitor the quality of the learning environment and the overall level of satisfaction reported by our graduate students in regular programs through their responses to a Canadian Graduate and Professional Student Survey (GPSS) question that assesses the percentage of students (master’s and PhD) rating the quality of their graduate program as ‘very good’ or ‘excellent’. This had been a focus of concentration in the past year and we anticipate increased scores on the next survey.

GRADUATE SATISFACTION

We monitor the quality of our learning environment through student responses to the question, ‘rate the quality of your education experience’ on a Government of Alberta survey completed two years after graduation. Percentages shown are ratings of ‘satisfied’ to ‘very satisfied’. This survey will be conducted again in the upcoming year. This had been a focus of concentration in the past year and we anticipate increased scores on the next survey.

<table>
<thead>
<tr>
<th>Year</th>
<th>Not available</th>
<th>GPSS is administered every three years</th>
<th>Not available</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td></td>
<td>81.5%</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td></td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>2010-11</td>
<td></td>
<td></td>
<td>Not available</td>
</tr>
<tr>
<td>2011-12</td>
<td></td>
<td></td>
<td>Not available</td>
</tr>
<tr>
<td>2012-13</td>
<td></td>
<td>82.9%</td>
<td>Not available</td>
</tr>
<tr>
<td>(preliminary)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Alberta Peer

<table>
<thead>
<tr>
<th>Year</th>
<th>Not available</th>
<th>86.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2015-16 Target

| Source: University of Calgary GPSS data |

<table>
<thead>
<tr>
<th>Year</th>
<th>85%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td></td>
</tr>
</tbody>
</table>

2015-16 Target

| Source: University of Calgary Graduate Outcomes data (EAE Survey) Note: Only University of Alberta data available for peer comparison. |

<table>
<thead>
<tr>
<th>Year</th>
<th>85%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td></td>
</tr>
</tbody>
</table>

2015-16 Target
DEGREES AWARDED

This measure provides an indication of how many students graduate each year who go on to be thoughtful, communicative citizens and leaders of their respective communities with abilities to think critically and creativity to solve issues of the day. We have determined that we will be using a sustainable growth model to determine overall enrolment, and thus it is likely that our graduate numbers will be relatively stable unless further funding is provided to increase enrolment.

<table>
<thead>
<tr>
<th></th>
<th>Graduate</th>
<th>Undergraduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>1,358</td>
<td>4,622</td>
</tr>
<tr>
<td>2009-10</td>
<td>1,285</td>
<td>4,588</td>
</tr>
<tr>
<td>2010-11</td>
<td>1,409</td>
<td>4,719</td>
</tr>
<tr>
<td>2011-12</td>
<td>1,534</td>
<td>4,857</td>
</tr>
<tr>
<td>2012-13</td>
<td>1,634</td>
<td>4,755</td>
</tr>
</tbody>
</table>

Top 5 (min)

<table>
<thead>
<tr>
<th></th>
<th>Graduate</th>
<th>Undergraduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>1,800</td>
<td>4,800</td>
</tr>
<tr>
<td>Target</td>
<td>1,700</td>
<td>4,800</td>
</tr>
</tbody>
</table>

Source: Graduate degrees awarded database (excludes certificate and diploma)

EMPLOYMENT RATE (GOVERNMENT OF ALBERTA GRADUATE OUTCOMES SURVEY)

We monitor how well we respond to the needs of individual learners and to the social, economic and cultural needs of the province through the percentage of graduate survey respondents who are employed, and employed in a related field, within a specified period following graduation.

<table>
<thead>
<tr>
<th></th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Peer Top 5</th>
<th>2015-16</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70%</td>
<td>85%</td>
<td>71%</td>
</tr>
</tbody>
</table>

Source: University of Calgary NSSE data. Top 5 peer from NSSE 2007
Employee Engagement

Our employee engagement survey provides an important measure of how well we work together to build commitment and trust in leadership, ensure a culture of respect and recognition, and create a “one university family” environment for our employees. Results from the 2011 survey provide an important baseline from which to measure progress. Recent results from 2013 demonstrate that while we have made significant improvements, there is still work to be done, and we have plans in place for key indicators.

Fundraising

We monitor the extent to which we engage the community in our educational programs and our research, scholarship and creative activity through a measure that tracks the level of funds we raise within the community to support these activities. The University of Calgary is currently within the range of the top five Canadian institutions.

<table>
<thead>
<tr>
<th>Learning and Research Focus</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear and Promising Direction</td>
<td>88%</td>
<td>86%</td>
<td>82%</td>
<td>85%</td>
<td>83%</td>
</tr>
<tr>
<td>Authority and Empowerment</td>
<td>85%</td>
<td>83%</td>
<td>78%</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>Development Opportunities</td>
<td>78%</td>
<td>78%</td>
<td>79%</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Image and Reputation</td>
<td>83%</td>
<td>78%</td>
<td>78%</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>Engagement</td>
<td>83%</td>
<td>79%</td>
<td>82%</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>Resources</td>
<td>81%</td>
<td>75%</td>
<td>81%</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>Faculty/Institute/ Admin Unit</td>
<td>75%</td>
<td>78%</td>
<td>75%</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Supervision</td>
<td>81%</td>
<td>78%</td>
<td>78%</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Pay and Benefits</td>
<td>80%</td>
<td>78%</td>
<td>78%</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Performance/Work Demands</td>
<td>78%</td>
<td>75%</td>
<td>75%</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Enablement</td>
<td>78%</td>
<td>75%</td>
<td>77%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Collaboration</td>
<td>77%</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>Respect and Recognition</td>
<td>75%</td>
<td>68%</td>
<td>75%</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>Confidence in Leadership</td>
<td>74%</td>
<td>62%</td>
<td>62%</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>University Issues</td>
<td>67%</td>
<td>62%</td>
<td>62%</td>
<td>62%</td>
<td></td>
</tr>
</tbody>
</table>

Source: University of Calgary Development Office ($M)
* Peer based on Toronto, UBC, Alberta only (2010-11)
PERFORMANCE MEASURES

FINANCIAL HEALTH (ENDOWMENT BALANCE)

Growth in our endowment balance is an important indicator of the cumulative support we have received from our community. It is an indication of our capacity to support our academic priorities in future years. While we are in the range of the top five U15 universities, this will be an area of focus in the coming years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Endowment Balance (in $US)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$340</td>
</tr>
<tr>
<td>2009-10</td>
<td>$442</td>
</tr>
<tr>
<td>2010-11</td>
<td>$498</td>
</tr>
<tr>
<td>2011-12</td>
<td>$517</td>
</tr>
<tr>
<td>2012-13</td>
<td>$568</td>
</tr>
</tbody>
</table>

Top 5 (min) $168  Top 5 (avg) $892  2015-16 Target $750

Source: University of Calgary Financial Statements (March 31) / Top 5 CAUBO University Investment Survey (For the year ended Dec 31, 2009) ($Ms)

FINANCIAL SUSTAINABILITY (UNRESTRICTED NET ASSETS)

One index of our leadership in the area of economic sustainability is the level of our Unrestricted Net Assets (UNA). As a general guideline, leading universities establish positive UNA balances of 5% of their budgets to ensure that they have the resources needed to address challenges and leverage opportunities. We are currently slightly over the 5% target of overall budget. With the change in budget announced in March 2013 we have decreased our UNA pool, but we remain financially healthy.

<table>
<thead>
<tr>
<th>Year</th>
<th>UNA Balance (in $US)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>$(57.6)</td>
</tr>
<tr>
<td>2009-10</td>
<td>$(10.6)</td>
</tr>
<tr>
<td>2010-11</td>
<td>$(11.8)</td>
</tr>
<tr>
<td>2011-12</td>
<td>$24.3</td>
</tr>
<tr>
<td>2012-13</td>
<td>$64.0</td>
</tr>
</tbody>
</table>

2015-16 Target $65.0

Source: University of Calgary Financial Statements ($M)
FINANCIAL SUSTAINABILITY
(FACILITIES CONDITION INDEX – (FCI))

FCI provides one measure of the quality of our learning environment. It is calculated as a percentage of the total value of our supported asset pool requiring upgrades to various base building elements. Improvements in our FCI can result from investments in maintenance, changes in the replacement value of campus facilities, and the addition of new facilities. This is a measure we anticipate will be negatively impacted by the budget, particularly that related to the loss of Infrastructure Maintenance Program (IMP) funding.

<table>
<thead>
<tr>
<th>Year</th>
<th>FCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>19.7%</td>
</tr>
<tr>
<td>2009-10</td>
<td>10.7%</td>
</tr>
<tr>
<td>2010-11</td>
<td>9.8%</td>
</tr>
<tr>
<td>2011-12</td>
<td>10.4%</td>
</tr>
<tr>
<td>2012-13</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

Top 5 (min) 33.3%
Top 5 (avg) 20.4%
2015-16 Target 10.0%

Source: University of Calgary Facilities Management; Peer data from Canadian FCI Survey

SUSTAINABILITY

Our performance is aligned with the Sustainability Tracking, Assessment and Rating System (STARS) developed by the Association for the Advancement of Sustainability in Higher Education (AASHE). This measure monitors our performance in the areas of environmental sustainability in education and research, operations, planning, administration and engagement. We have made significant progress and are now number 1 in the country on STARS.

<table>
<thead>
<tr>
<th>Institution</th>
<th>2015-16 Score</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saskatchewan</td>
<td>34.8%</td>
<td>Bronze</td>
</tr>
<tr>
<td>Western</td>
<td>53.1%</td>
<td>Silver</td>
</tr>
<tr>
<td>McGill</td>
<td>56%</td>
<td>Silver</td>
</tr>
<tr>
<td>Dalhousie</td>
<td>57.8%</td>
<td>Silver</td>
</tr>
<tr>
<td>Ottawa</td>
<td>57.3%</td>
<td>Silver</td>
</tr>
<tr>
<td>Alberta</td>
<td>61.6%</td>
<td>Silver</td>
</tr>
<tr>
<td>UBC</td>
<td>65.1%</td>
<td>Gold</td>
</tr>
<tr>
<td>Calgary (projected)</td>
<td>66.6%</td>
<td>Gold</td>
</tr>
</tbody>
</table>

Source: Association for the Advancement of Sustainability in Higher Education (AASHE) (Canadian Institution Total Scores 2011)
PERFORMANCE MEASURES

TEACHING

We are developing measures to promote the professional development of professors, instructors, graduate students, and teaching assistants to create a culture of expert instruction. These measures will ensure that our students will benefit from the support, education, mentoring, and continuous improvement that we provide inside and outside the classroom.

UNDERGRADUATE RETENTION RATE

Our undergraduate first-to-second year retention rate is an indicator of our performance that provides a basis for understanding at what stages in degree programs our students leave. This knowledge is useful in formulating and assessing interventions to minimize student withdrawal. Retention rate from year 1 to year 2 has improved significantly since 2007-2008 due in large part to initiatives undertaken during this period. We currently have a retention rate that is within the range of our top five U15 peers.

<table>
<thead>
<tr>
<th>Year</th>
<th>Under construction</th>
<th>Under construction</th>
<th>Under construction</th>
<th>Under construction</th>
<th>Under construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>83.9%</td>
</tr>
<tr>
<td>2009-10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>85.7%</td>
</tr>
<tr>
<td>2010-11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>85.0%</td>
</tr>
<tr>
<td>2011-12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>88.3%</td>
</tr>
<tr>
<td>2012-13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>88.5%</td>
</tr>
<tr>
<td>2015-16 Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>88.0%</td>
</tr>
</tbody>
</table>

Source: University of Calgary Submissions to the Consortium for Student Retention Data Exchange (CSRDE)
**PERFORMANCE MEASURES**

**GRADUATION RATE**

Our graduation rate measure is an indicator of university performance providing a basis for understanding the number of our students who ultimately graduate from a starting cohort. We are currently in the range of our top five peers.

<table>
<thead>
<tr>
<th>Year</th>
<th>Undergraduate</th>
<th>Masters</th>
<th>PhD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>61.4%</td>
<td>80.9%</td>
<td>72.5%</td>
</tr>
<tr>
<td>2009-10</td>
<td>61.6%</td>
<td>82.5%</td>
<td>79.2%</td>
</tr>
<tr>
<td>2010-11</td>
<td>66.0%</td>
<td>81.1%</td>
<td>70.0%</td>
</tr>
<tr>
<td>2011-12</td>
<td>61.7%</td>
<td>78.6%</td>
<td>73.9%</td>
</tr>
<tr>
<td>2012-13</td>
<td>Not yet available</td>
<td>Not yet available</td>
<td>Not yet available</td>
</tr>
</tbody>
</table>

Peer Top 5:
- Undergraduate: 68.8%
- Masters: 70.0%
- PhD: 57.1%

2015-16 Target:
- Undergraduate: 85.0%
- Masters: 85.0%
- PhD: 85.0%

Source: University of Calgary Retention and Time to Completion Reports (Tracking Period = Undergraduate 6-Year; Master’s 5-Year; PhD 9-Year)

**TIME TO COMPLETION**

Our time-to-degree measure shows the average number of years taken to complete a degree by students who started at the University of Calgary. This knowledge is useful in formulating and assessing interventions to improve student success. We do very well on this metric from an undergraduate and PhD degree perspective, but need to work on our master’s degree time to completion.

<table>
<thead>
<tr>
<th>Year</th>
<th>Undergraduate</th>
<th>Masters</th>
<th>PhD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>2.7</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>2009-10</td>
<td>2.7</td>
<td>4.8</td>
<td>5.0</td>
</tr>
<tr>
<td>2010-11</td>
<td>2.8</td>
<td>4.6</td>
<td>4.6</td>
</tr>
<tr>
<td>2011-12</td>
<td>2.7</td>
<td>4.5</td>
<td>4.8</td>
</tr>
<tr>
<td>2012-13</td>
<td>Not yet available</td>
<td>Not yet available</td>
<td>Not yet available</td>
</tr>
</tbody>
</table>

Peer Top 5:
- Undergraduate: 2.4
- Masters: 4.5
- PhD: 5.0

2015-16 Target:
- Undergraduate: 2.4
- Masters: 4.5
- PhD: 5.0

Source: University of Calgary Retention and Time to Completion reports (Years) (Tracking Period = Undergraduate 6-Year; Master’s 5-Year; PhD 9-Year)
MANAGEMENT DISCUSSION AND ANALYSIS
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Statement of Management Responsibility

The University is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian Public Sector Accounting Standards as described in note 2 to the financial statements. The financial statements present fairly the financial positions of the University as at April 1, 2011, March 31, 2012 and March 31, 2013 and the results of its operations, remeasurement gains and losses and cash flows for the years ended March 31, 2012 and March 31, 2013.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Board of Governors carries out its responsibility for review of the financial statements principally through its Audit Committee. The Audit Committee meets with Management and the External Auditor to discuss the results of audit examinations and financial reporting matters. The External Auditor has full access to the Audit Committee, with and without the presence of Management.

The financial statements for the years ended March 31, 2012 and March 31, 2013 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 Elizabeth Cannon
President

Original signed by Jonathan Gebert
Vice-President (Finance and Services)
Management Discussion and Analysis Overview

This Management Discussion and Analysis (MD&A) should be read in conjunction with the University of Calgary (university) annual audited financial statements and accompanying notes. The MD&A and audited financial statements are reviewed and approved by the University of Calgary Board of Governors on the recommendation of the University of Calgary Audit Committee. The university’s financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and are expressed in Canadian dollars.

The MD&A is an overview of the financial results the University of Calgary achieved in the fiscal year ending March 31, 2013 and offers a detailed discussion and analysis of the university’s:

1. Operating Environment
2. Transition to Public Sector Accounting Standards
3. Financial Results
4. Net Assets
5. Capital Planning
6. Areas of Significant Financial Risk

Operating Environment

The University of Calgary has undergone a dramatic financial turnaround over the past few years. In fiscal year 2009, the university had a negative unrestricted net asset balance of $57.6 million. Thanks to tremendous discipline and hard work within the institution, we improved our financial situation and by the 2011 fiscal year, the University was in a positive unrestricted net asset position. This work positioned the University to embark on the bold vision for the future laid out in the Eyes High Vision. To support attainment of this vision, a new budget model was developed and implemented within the University this year. This new model incented the achievement of the outcomes of the Academic and Research Plans and aligns closely with the increased focus on results-based budgeting within the Government of Alberta.

The attainment of the Eyes High Strategic Vision and fulfillment of the associated value proposition for the province of Alberta was predicated on a stable funding environment. The 7.3% cut announced on March 7, 2013 to the post-secondary sector is a departure from the stable funding environment that the province committed to in 2012. At the University of Calgary, we are receiving $41.0 million less than expected in our Campus Alberta Grant, and $6.0 million less than expected in our Infrastructure Maintenance Program funding. While our new budget model places us in a strong position to adjust to new financial realities, this substantial cut will decrease our economic impact on the regional economy, and result in significant impacts to people, programs, enrolment, number of classes offered, operations, and research productivity. On the other hand, a budget cut of this magnitude produces opportunity – and we are currently exploring options of re-imagining the university, and over the next six months will conduct in-depth analysis of over 200 ideas that have been submitted by our academic community. Despite the financial cuts, we will spend $1,178.1 million dollars in strategic ways to advance the University of Calgary – and the Province of Alberta.

Transition to Public Sector Accounting Standards

For the fiscal year ended March 31, 2013, the University of Calgary, along with all post-secondary institutions in Alberta, transitioned from Not-for-profit Accounting Standards to Public Sector Accounting (PSA) Standards. This transition was effective for the fiscal year commencing April 1, 2012 with comparative information shown in the financial statements from April 1, 2011 onwards.

Employee Future Benefits Transition Adjustment

Accounting transitions can offer unique one-time opportunities to adjust and align financial reports to include items that were historically excluded through following previous accounting standards – in turn creating a fresh start to reflect accounting balances in compliance with the new accounting standards. This does not bring into question the correctness of previous information, given prior year financial information was prepared following the required standards; the transition results in options for adjusting how balances are shown from the transition date (April 1, 2011) onwards.
The transition to PSA Standards had a number of elections available to the University. One significant election related to recognizing the net unamortized actuarial losses associated with the University’s employee future benefit plans against Accumulated Surplus at the accounting transition date of April 1, 2011. These unamortized actuarial losses represent pension, long-term disability, and administrative leave obligations that have yet to be recorded as a liability on the financial statements. These actuarial obligations normally become liabilities over time as they are recorded as expense. It is important to note that the actuarial obligations were disclosed in the financial statements in prior years and was an acceptable and required practice.

At April 1, 2011, the University employee future benefits had a combined unamortized actuarial loss of $59.9 million. This actuarial loss represents the difference between the various plan deficits and the university’s liability present in the statement of financial position. Without taking this election to record the balance into Accumulated Surplus, this actuarial loss would result in increased pension expense of $5.9 million each year over roughly a 10 year period. By choosing to record this $59.9 million actuarial loss as an increase to liabilities and reduction of Accumulated Surplus retroactively at April 1, 2011, the university feels this best represents the true nature of employee future benefit liabilities at the transition date. This election and related adjustment however, is only a one-time adjustment as the result of the transition to PSA Standards and is not available on actuarial losses incurred on employee future benefit plans after April 1, 2011.

By electing to make this adjustment, and in combination with other non-significant transition adjustments to unrestricted net assets disclosed in Schedule 1 to the financial statements, the university’s unrestricted net assets have been adjusted from previously reported balances as follows:

- April 1, 2011 opening balances have been adjusted from $47.1 million to $(11.8) million; and,
- March 31, 2012 ending balances have been adjusted from $78.2 million to $24.3 million.

Transition Impacts to Investment Income
Under the university’s prior Not-for-profit (NPO) Accounting Standards, investment income reported in the financial statements did not differentiate between realized and unrealized gains on investments. Regardless of whether the university chose to hold or sell an investment, the increase in the value of the investment was recorded as income, except where deferred due to external restrictions, or capitalized into endowed net assets. Under PSA Standards, investment income can only be reported when realized (e.g. upon the sale of the investment). In addition, PSA Standards do not allow retroactive removal of prior year unrealized investment income present in comparative investment income amounts. As a result, the investment income reported for 2013 is not directly comparable to investment income shown for 2012. The impact of this difference is discussed later in the Financial Results section of the MD&A.

Transition Impacts to Expense Presentation
PSA Standards require expenses to be disclosed in two formats – expense by object and expense by function. Expense by object represents the more traditional view of expenses such as Salaries and Benefits, Materials and Supplies, etc., where expense by function shows expenses grouped by main activities such as Academic Costs and Institutional Support, Research, and Facilities Operations and Maintenance. As a result of presenting and disclosing expenses in these two formats, the Management Discussion and Analysis includes variance information following both methodologies.

Financial Results
From total revenues of $1,191.1 million for the fiscal year ended March 31, 2013, the university experienced an excess of revenues over expenses of $94.5 million of which $18.5 million was used for net purchases of capital assets including $4.4 million repayment of debt held by the university. In addition, $43.2 million of the surplus has been set aside for future internally funded research, capital, IT, and other project activities. The remaining surplus has been added to the university’s Unrestricted Net Asset balance to help support the university in reaching its strategic goals in future fiscal years of funding uncertainty.
Revenues
Contributing to the excess of revenues over expenses for the year ended March 31, 2013, the university experienced an increase in revenues of $57.9 million (5.1%) over the prior year and $37.0 million (3.2%) over the budget.

Government of Alberta Grants
Revenues from the Government of Alberta represent the university’s single largest source of income and play a key role in the ability to fund university activities. Government of Alberta Grants increased by $20.8 million over the prior year and were $22.9 million greater than budget due to an $8.6 million increase to the university’s operating grant and $4.1 million in additional one-time funding targeted at specific institutional initiatives. Additionally, the university realized a $4.8 million increase in revenues recognized from deferred capital revenues as a result of provincially funded buildings being brought into service during the latter part of the prior fiscal year and the current fiscal year. Remaining increases to Government of Alberta Grants relate to increased revenues recognized from deferred research revenues as a result of increased Research activity during 2013.

Federal and Other Government Grants
Although there were no significant differences in Federal and Other Government Grants compared to the prior year, current year revenues were $25.3 million less than budgeted. The university had expected increased Federal and Other Government Grant contributions relating to research activity, however contributions from major Federal research granting agencies decreased by $3.7 million. This decrease in contributions was offset by increased revenues recognized from prior year deferred amounts due to increased Research spend activity.

Sales of Services and Products
As in prior years, the university continues to develop alternative sources of revenue to fund future budgetary shortfalls while improving the student experience and support to our faculty and staff. Sales of Services and Products revenues increased by $6.9 million over the prior year and was $5.9 million higher than budget. These higher than expected revenues were mainly due to additional residency occupancy and general rent increases ($1.1 million), increased parking services revenues ($1.1 million), additional revenues from Hotel Alma ($1.0 million) with the remaining variances due to overall increases in facility rentals, catering, food service space rentals, and royalties.

Student Tuition and Fees
Student Tuition and Fees are another important component of the university’s funding of educational goals. During the year, Student Tuition and Fees increased by $7.4 million over the prior year resulting in an excess over budgeted amounts of $9.5 million.

The increase from the prior year was mainly due to $6.3 million in enrolment growth combined with the 1.45% increase to tuition in line with the Government of Alberta Tuition Policy, $1.6 million increase in program differential fees, $1.0 million in additional student fees received, $1.0 million in increased tuition differential fees from
international students, partially offset by increased tuition deferrals at year end due to increased number of winter semester teaching days after year end for which tuition was previously paid.

Comparative analysis of student enrolment:

<table>
<thead>
<tr>
<th>(Unaudited) Student Enrolment *</th>
<th>March 31, 2013</th>
<th>March 31, 2012</th>
<th>Net Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>25,783</td>
<td>25,278</td>
<td>505</td>
<td>2.0%</td>
</tr>
<tr>
<td>Graduate</td>
<td>6,019</td>
<td>6,049</td>
<td>(30)</td>
<td>(0.5%)</td>
</tr>
<tr>
<td>Total Student Enrolment</td>
<td>31,802</td>
<td>31,327</td>
<td>475</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

* Fall semester figures

Donations and Other Grants
Donation and other grant revenues outperformed both budgeted expectations and prior year results by $24.9 million and $27.5 million respectively. This increase is largely due to $23.9 million in additional donations and other grants received by the Faculty of Medicine during the year for research activities and other donor directed initiatives such as Healthy Child Uganda, Post Graduate Medical Education expansion, Rural Rotations, and the Hotchkiss Brain Institute initiatives.

Investment Income – Including Government Business Enterprises
While investment income revenues did not vary significantly from budgeted amounts, investment income recorded in the financial statements dropped by $4.9 million compared to the prior year. Due to transition standards not allowing retroactive application of removing unrealized gains and losses from the income statement, $11.3 million in unrealized investment gains ($6.9 million relating to endowment investments and $4.4 million relating to working capital investments) experienced during the 2013 fiscal year were not included in investment income. As a result, once adjusting for transition differences, investment returns outperformed prior year results by $6.4 million. In addition, $2.3 million from Government business enterprises was mainly due to start up costs associated with the West Campus Development Trust and related land development activities.

Expenses
For the year-ended March 31, 2013 the university recorded $1,096.6 million in expenses representing an increase of $61.4 million (5.9%) over the prior year and $57.5 million (5.0%) less than budget.
Salaries and Benefits

Salaries and benefits are the largest expenditure component at the university, representing 58% of the institution’s expenses. Increases in salary and benefit rates are an important consideration when forecasting changes in university expenditures, especially when increases in operating grant rates are not sufficient to cover the increase in employee pay rates that are often governed by union and faculty agreements. In addition, with Alberta continuing to lead Canada in economic growth, the university has experienced continued salary cost pressure to compete in Calgary’s labour market.

When compared with the prior year, Salaries and Benefits have increased by $32.0 million. Salary cost increased by $14.9 million while the increases to benefit costs are $17.1 million. The primary driver of the increase in salary costs are due to salary increments including merit and market increases. Benefit costs had a proportionately larger increase due to an $8.3 million increase in University Academic Pension costs, $2.5 million increase in Public Service Pension Plan costs, $1.2 million in increased employment and extended health care insurance, $1.1 million increase in flexible health spending account costs due to a change in the university’s benefit plan options for employees, $1.0 million increase in Canada Pension Plan Costs, with remaining variances due to an overall increase in salary costs.

In comparison to the budget, Salaries and Benefits were $22.9 million less than expected. Of this total variance, $19.9 million relates to less than expected salary costs due to the combination of budgeted staffing positions and plans being implemented later than expected or deferred, combined with vacant positions that occur naturally throughout the year. The budgeted benefit costs included amounts for the pension and other benefit increases noted above, however were $3.0 million lower than budgeted amounts relating to less than expected salary costs.

Materials, Supplies and Services

Materials, Supplies and Services represents the second largest expense component for the university with current year costs being $32.6 million less than budget, but $22.7 million higher than prior year costs. The budget variance is mainly due to delays in spending on specific initiatives and unspent contingencies originally budgeted for in Materials, Supplies and Services, including, $7.6 million less than expected spending on system enhancement projects, $9.0 million relating to the delayed commencement of Post-Doctorate hires in support of the Eyes High Strategic Vision and $5.9 million less than budgeted spend relating to the IT backbone improvement initiative. In addition, included in the budget was $12.2 million of contingency funds that remained unspent at year end.

Of the $22.7 million increase over the prior year costs, $5.3 million relate to increased sub-grant costs to other research institutions, $4.6 million is the result of increased IT maintenance, software, and implementation costs, $3.8 million in increased faculty spend with the remaining increase due to inflationary pressures and general across the institution spending increases.

Utilities

Utilities expense was $7.3 million less than budget and $10.0 million below prior year costs as a result of the cogeneration facility, which was completed in January 2012. Being fully operational throughout the fiscal year resulted in reduced heating and electricity costs for the university. The cogeneration facility has reduced net electricity purchase consumption by 67.9% over the prior year. In addition, overall electricity rates decreased by 17.8% with natural gas prices paid by the university also decreasing by 26.2% compared to the prior year.

Maintenance and Repairs, Scholarships and Bursaries, Cost of Goods Sold and Amortization

Scholarships and Bursaries experienced a $6.3 million increase in Graduate Assistantships costs in line with budgeted expectations. Amortization expense was $6.7 million more than budget and $7.3 million above prior year costs due to the completion of capital expansion projects in the latter part of the prior fiscal year and during the current fiscal year. Remaining variances to Maintenance and Repairs and Cost of Goods Sold did not contribute significantly to the overall increase in university expenses for the fiscal year.
Academic Costs and Institutional Support

Academic Costs and Institutional Support represents the single largest function at the university, representing teaching, non-research academic and administrative support activities, effectively representing the operating activities of the university. With this function representing such a significant component of the university’s activity, the $36.2 million increase in costs over the prior year represents the function’s proportionate share of the university’s salary and benefits and materials, supplies and services increases.

In comparison to the budget, Academic Costs and Institutional Support was $75.6 million less than expected. One of the key drivers for this variance include $30.5 million in lower than budgeted salaries and benefit costs due to delayed hiring and unexpected vacancies. This variance is partially offset on an institutional basis by higher than budgeted salary and benefit costs experienced in the Special Purpose and Trust function. The remaining variance is due to delays in spending on specific initiatives and unspent contingencies including, $7.6 million less than expected spending on system enhancement projects, $9.0 million relating to the delayed commencement of post-doctoral hires in support of the Eyes High Strategic Vision and $5.9 million less than budgeted spend relating to the IT backbone improvement initiative. In addition, included in the Academic Costs and Institutional Support budget was $12.2 million of contingency funds that remained unspent at year end.

Research

Research costs were $8.9 million higher than budget and $11.2 million higher than prior year costs. This variance is mainly the result of $5.3 million increase in research related sub-grant expenses with remaining across the board increases related to ramping up of Research activity in support of the university’s Eyes High Strategic Vision.

Special Purpose and Trust

The Special Purpose and Trust expense function represents non-research activity that is funded through externally restricted/specifically directed funds. Special Purpose and Trust experienced across the board increases in spending resulting in costs exceeding budget and prior year amounts by $16.6 million and $14.6 million respectively. The budget variance is comprised of $8.0 million higher than expected Salary and Benefit Costs, $3.4 million greater than budgeted Materials and Supplies, and $2.0 million in increased travel costs mainly for specific externally funded initiatives undertaken by the Faculty of Medicine related to Healthy Child Uganda, Post Graduate Medical Education expansion, Rural Rotations, and the Hotchkiss Brain Institute. In addition, externally funded scholarship costs were $2.3 million higher than budget due to increased scholarship activity funded by externally restricted contributions.
Facilities Operations and Maintenance, and Ancillary Services

Costs relating to operating and maintaining university facilities and grounds were $7.4 million less than budget and $4.1 million less than the prior year due to lower utility costs of $9.9 million partially offset by $2.4 million increase in maintenance and repairs costs and general salary and benefit cost increases. Although Ancillary Services costs experienced a $3.6 million increase over prior year amounts, the increase represented budgeted expectations relating to general increases in costs in support of targeting increased revenues, combined with a $1.1 million increase in amortization costs resulting from newly built residence and other ancillary space coming into service.

Net Assets

The university’s net asset balance is an important indicator of financial health for the institution. Through financial planning and decision making combined with increased endowment contributions from donors, the university’s net assets increased by $157.2 million compared to the prior year.

The majority of this $157.2 million increase resulted from the university’s excess of revenues over expenses of $94.5 million. Of this balance, the Board of Governors has internally restricted $43.2 million to be set aside for future internally funded research, capital, IT and other project activities. With the exception of using $18.5 million of the surplus for capital purchases and debt repayment, the remaining surplus has been added to the university’s Unrestricted Net Asset balance. The university’s target for unrestricted net assets is in line with sector best practice to hold 5% of annual budget. Holding positive net assets provides the university with a buffer for strategic investments and to manage unfavourable variances and general uncertainty. Remaining increases to net assets are due to endowment contributions received of $10.3 million and unrealized endowment investment income of $47.7 million capitalized to endowment balances, less $6.9 million in transfers from endowments to fund endowment spend not covered by realized investment income.

Capital Planning

Continuation of capital expansion and renewal projects remains critical priority for the university. The maintenance and expansion of our facilities contributes not only to the student learning experience and the quality of research activity, but also positively to the Calgary economy. In 2013, the university expended $124.8 million (2012 - $184.4 million) on construction and other capital asset acquisitions. This drop in capital activity represents the completion of capital asset projects that were initiated in prior years as well as the realities of reduced capital funding from the province. For example, having received its last installment of the funding for the Energy, Environment & Experiential Learning building in 2012, 2013 marked a year where the university did not receive specifically targeted capital construction funding from the province.
Major construction activity in 2013 focused on redevelopment and renovation projects, and numerous instructional facility upgrades. Planning and design work also advanced on a number of significant projects in preparation for the start-up of a new building program in the spring of 2013. The following represents progress on significant capital projects during the year:

**Energy, Environment & Experiential Learning (EEEL)** – Programmatic fit-out activities on the fifth floor continued throughout 2013 with expected completion in early 2014. In addition to two major design awards in 2012, shortly after year-end, the building received Leadership in Energy and Environmental Design (LEED) Platinum certification, confirming the building is one of the most energy efficient laboratory buildings in North America.

**Advancing Canadian Wastewater Assets (ACWA)** – A partnership project between the university and the City of Calgary, with the goal of developing wastewater treatment technologies that will remove existing and emerging contaminants to improve ecosystem and human health. Construction commenced in 2012 is nearing completion with facilities scheduled for commissioning in the fall of 2013.

**Science A** – Completed shortly after year end, the first phase of work upgraded building circulation and base building improvements. In addition, eleven new classrooms, a new office for the chemistry department, and safety upgrades to the Science Theatres were completed.

**Classroom/Facilities Alteration Request** – During 2013 work proceeded on improvements to instructional spaces. A total of eighteen projects were completed, making notable headway on improving the instruction environment for students and faculty. These upgrades were further supported by technology upgrades in sixty-two classrooms.

**Accommodation Plan Phase 2** – To support the university’s Integrated Services Delivery implementation, major support offices have been moved to co-locate on the lower floors of the MacKimmie Library Tower. In addition, the Administration Building is being renovated to meet the current and future needs of the institution. Both projects are underway to bring areas up to current building codes, standards, and contemporary functional layouts.

### Areas of Significant Financial Risk

**Deferred Maintenance**

The university directs a significant amount of resources towards renewing and altering older existing facilities to ensure that these facilities are updated with relevant technology, operate efficiently, and meet contemporary standards. Provincial funding has had a measurable impact slowing the growth rate of outstanding deferred maintenance. However, the current rate of funding is insufficient as the university’s deferred maintenance currently exceeds $400 million, an increase of over 30% in the past five years.

**Unfunded Pension Liability**

The university participates with other Alberta post-secondary institutions in the Universities Academic Pension Plan (UAPP) to provide pensions for participating faculty and staff. The extrapolated actuarial deficiency for the pension plan at March 31, 2013 was $1,149.2 million (2012 - $1,153.3 million) of which the university’s portion is $143.8 million (2012 - $156.2 million). This unfunded deficiency in the UAPP is currently being funded by the Government of Alberta and employee and employer contributions in order to eliminate the unfunded deficiency by 2043.

Other employees at the university participate in the Public Sector Pension Plan (PSPP). Given the large number of employers participating in PSPP and the resultant complexities in calculating accurate information relating to each participant’s share of any unfunded liability, employers were unable to isolate their portion of the total unfunded deficiency at December 31, 2012 of $1,645.1 million (2011 - $1,790.4 million). This unfunded liability represents a risk that both employer and employee contribution rates could increase in the near future.

**Budgetary Pressure**

Although the university has a balanced budget for 2013-14, the university is facing a number of risk factors, most notably communicated zero percent increases in provincial operating funding. Without increases in provincial funding to offset inflationary costs, and combined with legislatively mandated ceilings on tuition increases, the university continues to explore and implement efficiencies and revenue generating opportunities to help bridge the gap between increasing costs and stagnant revenues. While prudent financial management has resulted in recent surpluses that help address this funding issue, budgetary pressures remain a significant risk for the university’s strategic direction.
AUDITED
CONSOLIDATED
FINANCIAL
STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013
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<td>94</td>
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</tbody>
</table>
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In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Board of Governors carries out its responsibility for review of the financial statements principally through its Audit Committee. The Audit Committee meets with Management and the External Auditor to discuss the results of audit examinations and financial reporting matters. The External Auditor has full access to the Audit Committee, with and without the presence of Management.

The financial statements for the years ended March 31, 2012 and March 31, 2013 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 Elizabeth Cannon
President

Original signed by Jonathan Gebert
Vice-President (Finance and Services)
Independent Auditor’s Report

To the Board of Governors of the University of Calgary

Report on the Consolidated Financial Statements
I have audited the accompanying consolidated financial statements of the University of Calgary, which comprise the consolidated statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the consolidated statements of operations and cash flows for the years ended March 31, 2013 and March 31, 2012, and the consolidated statement of remeasurement gains and losses for the year ended March 31, 2013, 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 consolidated 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 consolidated financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion
In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the University of Calgary as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012, and its remeasurement gains and losses for the year ended March 31, 2013 in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]
Auditor General

May 31, 2013

Edmonton, Alberta
## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
### AS AT
(Thousands of dollars)

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

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>March 31, 2012</th>
<th>April 1, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (Note 5)</td>
<td>$399,399</td>
<td>$382,746</td>
<td>$542,010</td>
</tr>
<tr>
<td>Investments (Note 6)</td>
<td>1,126,510</td>
<td>1,007,280</td>
<td>772,031</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>100,197</td>
<td>84,356</td>
<td>63,614</td>
</tr>
<tr>
<td>Inventory and prepaid expenses</td>
<td>28,007</td>
<td>29,992</td>
<td>21,287</td>
</tr>
<tr>
<td>Capital assets (Note 8)</td>
<td>1,569,422</td>
<td>1,547,879</td>
<td>1,459,653</td>
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<tr>
<td>Investment in government business enterprises (Note 9)</td>
<td>1,205</td>
<td>3,762</td>
<td>3,948</td>
</tr>
<tr>
<td></td>
<td><strong>3,224,740</strong></td>
<td><strong>3,056,015</strong></td>
<td><strong>2,862,543</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>122,070</td>
<td>128,331</td>
<td>152,089</td>
</tr>
<tr>
<td>Employee future benefit liabilities (Note 10)</td>
<td>131,407</td>
<td>125,805</td>
<td>128,692</td>
</tr>
<tr>
<td>Debt (Note 11)</td>
<td>156,446</td>
<td>161,083</td>
<td>162,742</td>
</tr>
<tr>
<td>Deferred revenue (Note 12)</td>
<td>1,771,421</td>
<td>1,754,647</td>
<td>1,656,878</td>
</tr>
<tr>
<td></td>
<td><strong>2,181,344</strong></td>
<td><strong>2,169,866</strong></td>
<td><strong>2,100,401</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowments (Note 13)</td>
<td>568,310</td>
<td>517,208</td>
<td>497,265</td>
</tr>
<tr>
<td>Accumulated surplus (Note 14)</td>
<td>470,332</td>
<td>368,941</td>
<td>264,877</td>
</tr>
<tr>
<td>Accumulated remeasurement gains</td>
<td>4,754</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>1,043,396</strong></td>
<td><strong>886,149</strong></td>
<td><strong>762,142</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$3,224,740</strong></td>
<td><strong>$3,056,015</strong></td>
<td><strong>$2,862,543</strong></td>
</tr>
</tbody>
</table>

Contingent liabilities and guarantees, and contractual obligations (note 16 and 17)

Approved by the Board of Governors:

_____________________________ _____________________________
Chair, Board of Governors     Vice-President (Finance and Services)
## CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED MARCH 31, 2013 AND MARCH 31, 2012
(thousands of dollars)

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

<table>
<thead>
<tr>
<th></th>
<th>2013 Budget (Unaudited)</th>
<th>2013</th>
<th>2012 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government of Alberta grants (Note 23)</td>
<td>$ 597,084</td>
<td>$ 619,994</td>
<td>$ 599,228</td>
</tr>
<tr>
<td>Federal and other government grants</td>
<td>143,478</td>
<td>118,214</td>
<td>118,099</td>
</tr>
<tr>
<td>Sales of services and products</td>
<td>101,627</td>
<td>107,636</td>
<td>100,651</td>
</tr>
<tr>
<td>Student tuition and fees</td>
<td>193,160</td>
<td>202,714</td>
<td>195,274</td>
</tr>
<tr>
<td>Donations and other grants</td>
<td>86,631</td>
<td>111,524</td>
<td>84,030</td>
</tr>
<tr>
<td>Investment income (Note 19)</td>
<td>32,155</td>
<td>33,297</td>
<td>35,965</td>
</tr>
<tr>
<td>Investment loss in government business enterprises (Note 9)</td>
<td>-</td>
<td>(2,288)</td>
<td>(57)</td>
</tr>
<tr>
<td></td>
<td>$ 1,154,135</td>
<td>$ 1,191,091</td>
<td>$ 1,133,190</td>
</tr>
<tr>
<td><strong>EXPENSE (Note 20)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic costs and institutional support</td>
<td>$ 730,570</td>
<td>$ 654,951</td>
<td>$ 618,759</td>
</tr>
<tr>
<td>Research</td>
<td>247,408</td>
<td>256,291</td>
<td>245,086</td>
</tr>
<tr>
<td>Special purpose and trust</td>
<td>70,930</td>
<td>87,512</td>
<td>72,946</td>
</tr>
<tr>
<td>Facilities operations and maintenance</td>
<td>66,358</td>
<td>58,978</td>
<td>63,081</td>
</tr>
<tr>
<td>Ancillary services</td>
<td>38,869</td>
<td>38,884</td>
<td>35,298</td>
</tr>
<tr>
<td></td>
<td>$ 1,154,135</td>
<td>$ 1,096,616</td>
<td>$ 1,035,170</td>
</tr>
<tr>
<td><strong>Excess of Revenue over Expense</strong></td>
<td>$ -</td>
<td>$ 94,475</td>
<td>$ 98,020</td>
</tr>
<tr>
<td>Transfer from endowments</td>
<td>6,916</td>
<td></td>
<td>6,044</td>
</tr>
<tr>
<td>Change in accumulated surplus</td>
<td>$ 101,391</td>
<td>$ 104,064</td>
<td></td>
</tr>
<tr>
<td>Accumulated surplus, beginning of year</td>
<td>368,941</td>
<td>264,877</td>
<td></td>
</tr>
<tr>
<td><strong>Accumulated surplus, end of year</strong></td>
<td>$ 470,332</td>
<td>$ 368,941</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
### CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2013 AND MARCH 31, 2012
(thousands of dollars)

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING TRANSACTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expense</td>
<td>$ 94,475</td>
<td>$ 98,020</td>
</tr>
<tr>
<td>Add (deduct) non-cash items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>$ 103,255</td>
<td>$ 96,005</td>
</tr>
<tr>
<td>Expended capital recognized as revenue</td>
<td>(74,687)</td>
<td>(68,983)</td>
</tr>
<tr>
<td>Increase (decrease) in employee future benefit liabilities</td>
<td>5,602</td>
<td>(2,887)</td>
</tr>
<tr>
<td>Unrealized gains on investments</td>
<td>-</td>
<td>(13,888)</td>
</tr>
<tr>
<td>Change in non-cash items</td>
<td>$ 34,170</td>
<td>$ 10,247</td>
</tr>
<tr>
<td>(Increase) in accounts receivable</td>
<td>(15,841)</td>
<td>(20,742)</td>
</tr>
<tr>
<td>Decrease (increase) in inventory and prepaid expenses</td>
<td>1,985</td>
<td>(8,705)</td>
</tr>
<tr>
<td>(Decrease) in accounts payable and accrued liabilities</td>
<td>(6,261)</td>
<td>(23,758)</td>
</tr>
<tr>
<td>Increase in deferred revenue, less expended capital recognized as revenue</td>
<td>91,461</td>
<td>166,752</td>
</tr>
<tr>
<td>Cash provided by operating transactions</td>
<td>$ 199,989</td>
<td>$ 221,814</td>
</tr>
<tr>
<td><strong>CAPITAL TRANSACTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of capital assets (Note 8)</td>
<td>$ (124,818)</td>
<td>(184,420)</td>
</tr>
<tr>
<td>Proceeds on sale of capital assets</td>
<td>20</td>
<td>189</td>
</tr>
<tr>
<td>Cash applied to capital transactions</td>
<td>$ (124,798)</td>
<td>(184,231)</td>
</tr>
<tr>
<td><strong>INVESTING TRANSACTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of investments, net of sales</td>
<td>$ (66,797)</td>
<td>(236,468)</td>
</tr>
<tr>
<td>Change in investment in government business enterprises</td>
<td>2,557</td>
<td>186</td>
</tr>
<tr>
<td>Endowment investment earnings</td>
<td>1</td>
<td>15,137</td>
</tr>
<tr>
<td>Cash applied to investing transactions</td>
<td>$ (64,239)</td>
<td>(221,145)</td>
</tr>
<tr>
<td><strong>FINANCING TRANSACTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment donations (Note 13)</td>
<td>$ 10,338</td>
<td>$ 25,957</td>
</tr>
<tr>
<td>Debt - repayment</td>
<td>(5,152)</td>
<td>(5,001)</td>
</tr>
<tr>
<td>Debt - new financing</td>
<td>515</td>
<td>3,342</td>
</tr>
<tr>
<td>Cash provided by financing transactions</td>
<td>$ 5,701</td>
<td>$ 24,298</td>
</tr>
<tr>
<td><strong>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</strong></td>
<td>$ 16,653</td>
<td>(159,264)</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</strong></td>
<td>382,746</td>
<td>542,010</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS, END OF YEAR (Note 5)</strong></td>
<td>$ 399,399</td>
<td>382,746</td>
</tr>
</tbody>
</table>
CONSOLIDATED STATEMENT OF REMEASUREMENT OF GAINS AND LOSSES
FOR THE YEAR ENDED MARCH 31, 2013
(thousands of dollars)

<table>
<thead>
<tr>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated remeasurement gains, beginning of year $</td>
</tr>
<tr>
<td>Unrealized gains attributable to:</td>
</tr>
<tr>
<td>Foreign exchange</td>
</tr>
<tr>
<td>Investments</td>
</tr>
<tr>
<td>Accumulated remeasurement gains, end of year $</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
1. Authority and Purpose

“The Governors of the University of Calgary” is a corporation which manages and operates the University of Calgary (“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 Enterprise 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. This tax exemption does not extend to its wholly-owned subsidiaries, University Technologies International Inc. and West Campus Development Corporation.

2. Conversion to Public Sector Accounting Standards

Commencing April 1, 2012, the University adopted Canadian Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board. In accordance with PSA Handbook Section 2125 (First-time Adoption), the date of transition to PSAS is April 1, 2011 and the University has prepared and presented an opening statement of financial position at the date of transition. These consolidated financial statements are the first consolidated financial statements for which the University has applied PSAS. The impact of the conversion to PSAS is presented in Schedule 1. The Consolidated Statements of Cash Flows reflects the reclassification of certain amounts as a result of the conversion to PSAS.

In accordance with the requirements of PSAS Handbook Section 2125, the accounting policies set out in note 4 have been consistently applied to all years presented. Adjustments resulting from the adoptions of PSAS have been applied retroactively excluding cases where optional exemptions available under Section 2125 have been applied. The University has elected to adopt the exemptions available under Section 2125 as follows:

- To retroactively recognize retirement and post-employment liability cumulative gains and losses to accumulated surplus.
- To accept the exemption for:
  - Business combinations that were acquired prior to the date of transition.
  - Investments in government business enterprises for investments incurred prior to the date of transition.
  - Government business partnerships entered into prior to the date of transition.
  - Capital assets impairment (prospectively).

3. Adoption of New Accounting Standards

(a) Financial Instruments

As of April 1, 2012, the University adopted PSA Handbook Section 3450 (Financial Instruments). This new standard provides guidance for recognition, measurement and disclosure of financial instruments. The transitional provisions in the standard state that when a government organization applies this standard in the same year it adopts PSAS for the first time, this standard cannot be applied retroactively. Comparative amounts are presented in accordance with the accounting policies applied by the University immediately preceding its adoption of PSAS.
3. Adoption of New Accounting Standards (Continued)

(b) Investments, foreign currency, and financial statement presentation

As of April 1, 2012, the University adopted PSA Handbook Section 3041 (Portfolio Investments), 2601 (Foreign Currency Translation), and 1201 (Financial Statement Presentation). These standards establish how to account for and report in investments, transactions denominated in foreign currency, and the disclosure of information in financial statements.

The transitional provisions in Section 2601 state that when a government organization applies this standard in the same year it adopts PSAS for the first time, this standard cannot be applied retroactively. Comparative amounts are presented in accordance with the accounting policies applied by the University immediately preceding its adoption of PSAS. Sections 3041 and 1201 have been applied retroactively.

(c) Government transfers

As of April 1, 2012, the University adopted PSA Handbook Section 3410 (Government Transfers). This revised standard establishes how to account for and report government transfers from both a transferring government and a recipient government perspective. The University has elected to apply the requirements of the standard on a retroactive basis.

4. Summary of Significant Accounting Policies and Reporting Practices

(a) General – Canadian Public Accounting Standards (PSAS) and use of estimates

These financial statements have been prepared in accordance with PSAS. The measurement of certain assets and liabilities, revenues and expenses are contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. Management uses judgment to determine such estimates. Amortization of capital assets, recognition of deferred revenue related to restricted grants and donations, employee future benefit liabilities, and valuation of floating rate notes are the most significant items based on estimates. In management’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) Net debt model presentation

PSAS require 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 future revenues required to pay for past transactions and events. The University operates within the government reporting entity and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.
4. Summary of Significant Accounting Policies and Reporting Practices (Continued)

(c) Valuation of financial assets and financial liabilities

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

<table>
<thead>
<tr>
<th>Financial statement component</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>Amortized cost</td>
</tr>
<tr>
<td>Investments</td>
<td>Fair value</td>
</tr>
<tr>
<td>Derivatives</td>
<td>Fair value</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>Amortized cost</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>Amortized cost</td>
</tr>
<tr>
<td>Debt</td>
<td>Amortized cost</td>
</tr>
</tbody>
</table>

Unrealized gains and losses from changes in the fair value of financial assets and financial liabilities are recognized in accumulated remeasurement gains and losses, except for the restricted amount which is 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 or expense.

All financial assets except derivatives are assessed annually for impairment. Impaired financial losses are recognized as a decrease in revenue, except for the restricted amount which is recognized as a decrease in deferred revenue or a decrease in endowment net assets. A write-down of an investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial assets and liabilities 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 assets and financial liabilities that are measured at amortized cost or amortized and expensed when measured at fair value.

Derivatives are recorded at fair value in the statement of financial position. Derivatives with a positive (negative) fair value are recognized as assets (liabilities). All unrealized changes in the fair value of derivatives are recognized in accumulated remeasurement gains and losses in the year in which they occur, except for the derivatives associated with the restricted amount which is recognized as deferred revenue. Once realized, these gains and losses are recognized as revenue or expense.

University management evaluates contractual obligations for the existence of embedded derivatives and elects to either measure the entire contract at fair value 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 course of business requirements are not recognized as financial assets or financial liabilities. The University does not participate in any derivative contracts with the exception of non-financial items which are purchased for the University’s usage requirements. The University has elected to apply the evaluation of embedded derivatives prospectively from April 1, 2012.
4. Summary of Significant Accounting Policies and Reporting Practices (Continued)

(d) Revenue recognition

All revenue is reported on the accrual basis. Cash received for which goods or services have not been provided is recognized as deferred revenue.

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

Restricted grants and donations are recognized as deferred revenue if the terms for 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.

Government grants without terms for the use of the grant are recognized as revenue when the University is eligible to receive the funds. Unrestricted non-government grants and donations are recognized 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 recognized at fair value when a fair value can be reasonably determined. Volunteers as well as University staff contribute an indeterminable number of hours per year to assist the University in carrying out its mandate; such contributed services are not recognized in these financial statements.

Grants and donations related to land

Grants and donations for the purchase of land are recognized as deferred revenue when received and recognized as revenue when the land is purchased. An in kind grant or donation of land is recognized as revenue at the fair value of the land when a fair value can be reasonably determined. When the fair value cannot reasonably be determined, the in kind grant or donation is recorded at nominal value.

Endowments

Donations 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 that also must be maintained in perpetuity are recognized as endowment net assets when received or receivable.

Investment income

Investment income includes dividends, interest income, and realized gains or losses on the sale of investments. Unrealized gains and losses on investments from unrestricted grants and donations are recognized in the accumulated remeasurement gains and losses until settlement. Once realized, these gains and losses are recognized as revenue or expense. 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 grants or donations are met.

(e) Inventories

Inventories held for resale are valued at the lower of cost and expected net realizable value and are determined using the weighted average method. Inventories held for consumption are valued at cost.
4. Summary of Significant Accounting Policies and Reporting Practices (Continued)

(f) Capital assets

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

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

- Buildings, utilities and site improvements: 20 - 40 years
- Furnishings, equipment and systems: 3 - 10 years
- Learning resources: 10 years

Capital assets write-downs are recorded when conditions indicate they no longer contribute to the University’s ability to provide services, or when the value of future economic benefits associated with the capital assets are less than their net book value. The net write-downs are recognized as expense.

(g) 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 pension 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 calculated based on actuarially pre-determined amounts that are expected to provide the plan’s future benefits.

Supplementary retirement plans

The pension expense for defined benefit supplementary retirement plans is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected service lifetime for each plan participant.

(h) Investment in government not-for-profit organization and government partnership

The consolidated financial statements include the financial results of the Arctic Institute of North America (AINA), a non-profit organization controlled by the University. AINA operates under the authority of the Act of the Federal Parliament (9-10 George VI, Chapter 45) to initiate, encourage and support northern research and to advance the study of arctic conditions and problems.
Notes to the Consolidated Financial Statements
For the Years Ended March 31
(thousands of dollars)

4. Summary of Significant Accounting Policies and Reporting Practices (Continued)

(h) Investment in government not-for-profit organization and government partnership (Continued)

The consolidated financial statements use the proportionate consolidation method to record the University’s proportionate share of the Western Canadian Universities Marine Sciences Society (20% interest) - a government partnership with five university members to provide research infrastructure in the marine sciences for its member universities and the world-wide scientific community.

(i) 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.

5. Cash and cash equivalents

The composition of cash and cash equivalents are as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>March 31, 2012 (note 2)</th>
<th>April 1, 2011 (note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (1)</td>
<td>$ (1,073)</td>
<td>$ 5,323</td>
<td>$ 1,889</td>
</tr>
<tr>
<td>Money market funds, short-term notes and treasury bills</td>
<td>400,472</td>
<td>377,423</td>
<td>540,121</td>
</tr>
<tr>
<td>Balance, end of the year</td>
<td>$ 399,399</td>
<td>$ 382,746</td>
<td>$ 542,010</td>
</tr>
</tbody>
</table>

(1) The bank overdraft is a temporary condition existing at year end and represents cheques issued by the University in excess of the bank balance. This temporary overdraft has not impacted the clearing of University cheques for payment.

Cash and cash equivalents include short-term investments with a maturity less than three months from the date of acquisition.

6. Investments

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments at fair value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian government and corporate bonds</td>
<td>$ -</td>
<td>$ 345,383</td>
<td>-</td>
<td>$ 345,383</td>
<td></td>
</tr>
<tr>
<td>Pooled investment funds – Canadian government and corporate bonds</td>
<td>-</td>
<td>131,694</td>
<td>-</td>
<td>131,694</td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian equity</td>
<td>69,153</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>69,153</td>
</tr>
<tr>
<td>Pooled investment funds – Canadian equity</td>
<td>-</td>
<td>135,551</td>
<td>-</td>
<td>135,551</td>
<td></td>
</tr>
<tr>
<td>Pooled investment funds - foreign equity</td>
<td>-</td>
<td>236,711</td>
<td>-</td>
<td>236,711</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian mortgage fund</td>
<td>-</td>
<td>168,568</td>
<td>-</td>
<td>168,568</td>
<td></td>
</tr>
<tr>
<td>Floating rate notes</td>
<td>-</td>
<td>39,450</td>
<td>-</td>
<td>39,450</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 69,153</strong></td>
<td><strong>$ 1,017,907</strong></td>
<td><strong>$ 39,450</strong></td>
<td><strong>$ 1,126,510</strong></td>
<td></td>
</tr>
</tbody>
</table>
### 6. Investments (Continued)

#### March 31, 2012 (Note 2)

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments at fair value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian government and corporate bonds</td>
<td>$ -</td>
<td>$332,373</td>
<td>$ -</td>
<td>$332,373</td>
</tr>
<tr>
<td>Pooled invested funds – Canadian government and corporate bonds</td>
<td>-</td>
<td>$131,561</td>
<td>-</td>
<td>$131,561</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian equity</td>
<td>58,561</td>
<td>-</td>
<td>-</td>
<td>58,561</td>
</tr>
<tr>
<td>Pooled invested funds – Canadian equity</td>
<td>-</td>
<td>$103,638</td>
<td>-</td>
<td>$103,638</td>
</tr>
<tr>
<td>Pooled invested funds - foreign equity</td>
<td>-</td>
<td>$193,276</td>
<td>-</td>
<td>$193,276</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian mortgage fund</td>
<td>-</td>
<td>$148,362</td>
<td>-</td>
<td>$148,362</td>
</tr>
<tr>
<td>Floating rate notes</td>
<td>-</td>
<td>-</td>
<td>39,509</td>
<td>39,509</td>
</tr>
<tr>
<td></td>
<td>$58,561</td>
<td>$909,210</td>
<td>$39,509</td>
<td>$1,007,280</td>
</tr>
</tbody>
</table>

#### April 1, 2011 (Note 2)

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments at fair value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian government and corporate bonds</td>
<td>$ -</td>
<td>$173,476</td>
<td>$ -</td>
<td>$173,476</td>
</tr>
<tr>
<td>Pooled invested funds – Canadian government and corporate bonds</td>
<td>-</td>
<td>$129,384</td>
<td>-</td>
<td>$129,384</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian equity</td>
<td>67,295</td>
<td>-</td>
<td>-</td>
<td>67,295</td>
</tr>
<tr>
<td>Pooled invested funds – Canadian equity</td>
<td>-</td>
<td>$115,188</td>
<td>-</td>
<td>$115,188</td>
</tr>
<tr>
<td>Pooled invested funds - foreign equity</td>
<td>-</td>
<td>$170,082</td>
<td>-</td>
<td>$170,082</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian mortgage fund</td>
<td>-</td>
<td>$80,726</td>
<td>-</td>
<td>$80,726</td>
</tr>
<tr>
<td>Floating rate notes</td>
<td>-</td>
<td>-</td>
<td>35,880</td>
<td>35,880</td>
</tr>
<tr>
<td></td>
<td>$67,295</td>
<td>$668,856</td>
<td>$35,880</td>
<td>$772,031</td>
</tr>
</tbody>
</table>

The above tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
6. Investments (Continued)

The following table provides reconciliation of the changes in fair value of financial instruments classified as Level 3.

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>March 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 39,509</td>
<td>$ 35,880</td>
</tr>
<tr>
<td>Unrealized gains</td>
<td>3,422</td>
<td>3,671</td>
</tr>
<tr>
<td>Purchases</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds on sale</td>
<td>(3,481)</td>
<td>(42)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ 39,450</td>
<td>$ 39,509</td>
</tr>
</tbody>
</table>

As at March 31, 2013, the average effective yields and the terms to maturity are follows:

- Money market funds, short-term notes, and treasury bills: 1.18% (2012 – 1.07%); term to maturity: less than one year.
- Canadian government and corporate bond funds: 3.37% (2012 – 5.75%); terms to maturity: range from less than one year to more than 10 years.

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

Floating rate notes:

At March 31, 2013, the University holds $39,450 (2012 - $39,509; 2011 - $35,880) in floating rate notes which are comprised of Synthetic Assets and Ineligible Tracking (IA) notes with book values of $54,200 (2012 - $57,475; 2011 - $57,484).

Synthetic Assets are considered investment grade, rated BBB or higher, with the exception of C notes that are rated BB of which the University holds $1,398 in face value. The stated maturity date of these assets is July 15, 2056 and the expected maturity date is within five years.

In the absence of a well-functioning market for floating rate notes, the University has estimated the fair value of these investments using a discounted cash flow valuation model. The model involves assumptions regarding the difference between the expected yield, based on similarly rated securities adjusted for illiquidity and market complexity, and the appropriate market-discount attributable to such investments. The spread between the expected yield and the estimated discount rate ranges from 329 basis points for the Class A-1 notes and 654 basis points for the Class C notes. An increase in spread of 100 basis points would result in a reduction to the fair value of $1,817.

IA Tracking Notes are generally unrated and therefore have been valued at the current market value provided by an independent, publicly available source. Of these assets, $4.7 million is permanently impaired and has been previously written down. Management believes this is a fair approximation of the current market value.

The eventual timing and amount of future cash flows attributable to these assets may vary significantly from Management’s current best estimates. It is possible that the ultimate fair value of these assets may vary significantly from current estimates and that the magnitude of any such difference could be material to the financial results.
6. Investments (Continued)

Unrealized gains or losses on endowment investments

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net unrealized gains, beginning of year</td>
<td>$ -</td>
</tr>
<tr>
<td>Unrealized gains attributable to:</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>$ 47,679</td>
</tr>
<tr>
<td>Amounts reclassified to statements of operations:</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
</tr>
<tr>
<td>Net unrealized gains, end of year</td>
<td>$ 47,679</td>
</tr>
</tbody>
</table>

7. Financial risk management

Market risk
The University 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 this risk, 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.

The following details the University’s portfolio sensitivity to an 8.7% increase or decrease in the market prices. The sensitivity rate is determined using the historical annualized standard deviation for the total endowment fund over a four year period as calculated internally. At March 31, 2013, if market prices had an 8.7% (March 31, 2012 – 12.4%) increase or decrease with all other variables held constant, the increase or decrease in accumulated remeasurement gains and losses and endowment net assets – externally restricted contributions for the year would have totalled $49,416 (March 31, 2012 - $59,955).

The University’s management for risk has not changed from prior year.

Foreign currency risk
The University is exposed to foreign currency risk on investments that are denominated in foreign currencies, specifically U.S. dollars. The University does not use currency hedging or currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes.

The impact of a change in value of U.S. dollars is as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Fair Value</th>
<th>2.5% decrease</th>
<th>1.0% decrease</th>
<th>1.0% increase</th>
<th>2.5% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>International equity</td>
<td>$ 121,276</td>
<td>$ 118,244</td>
<td>$ 120,064</td>
<td>$ 122,489</td>
</tr>
</tbody>
</table>

The University has entered into a contract with the Qatari government to operate a campus in Qatar. Expenses incurred are recovered from the government of Qatar and claims are adjusted to reflect currency fluctuations, thus reducing exchange risk exposure to the University.

Liquidity risk
The University maintains a line of credit designed to ensure available funds to meet current and forecasted financial requirements as cost effectively as possible. At March 31, 2013 the University has committed borrowing facilities of $15,000, none of which has been drawn.
7. Financial risk management (Continued)

Credit risk

The University is exposed to credit risk on investments arising from the potential failure of a counterparty, debtor or issuer to honour its contractual obligations. To manage this risk, the University only invests in investment grade issuers as guided by the Investment policy. The credit risk from accounts receivable 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.

The credit rating for Canadian government and corporate bonds held is as follows:

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>March 31, 2013</th>
<th>March 31, 2012 (Note 2)</th>
<th>April 1, 2011 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>36.50%</td>
<td>41.70%</td>
<td>39.70%</td>
</tr>
<tr>
<td>AA</td>
<td>33.70%</td>
<td>34.90%</td>
<td>36.90%</td>
</tr>
<tr>
<td>A</td>
<td>29.80%</td>
<td>21.30%</td>
<td>21.10%</td>
</tr>
<tr>
<td>BBB</td>
<td>-%</td>
<td>2.10%</td>
<td>2.30%</td>
</tr>
<tr>
<td></td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Interest rate risk

Interest rate risk is the risk that future cash flows or fair values will fluctuate due to the volatility of market interest rates. The University is exposed to this risk on its interest bearing assets; cash deposits and bonds. Cash deposits are affected directly as they earn interest at market rates. Bonds are affected indirectly as they are subject to fluctuations in market values. Bonds are currently invested at the shorter end of the yield curve to reduce market value volatility.

The terms to maturity of interest-bearing securities held by the University are as follows:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>&lt; 1 year</th>
<th>1-5 years</th>
<th>&gt; 5 years</th>
<th>Average effective market yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds, short-term notes and treasury bills</td>
<td>100%</td>
<td></td>
<td></td>
<td>1.04%</td>
</tr>
<tr>
<td>Canadian government and corporate bonds</td>
<td>32.1%</td>
<td>63.3%</td>
<td>4.6%</td>
<td>1.62%</td>
</tr>
<tr>
<td>Canadian mortgage fund</td>
<td>7.5%</td>
<td>63.4%</td>
<td>29.1%</td>
<td>3.15%</td>
</tr>
<tr>
<td>Floating rate notes</td>
<td>100%</td>
<td></td>
<td></td>
<td>1.19%</td>
</tr>
</tbody>
</table>
### 8. Capital assets

#### March 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>Building, Utilities and Site Improvements</th>
<th>Furnishings, Equipment and Systems</th>
<th>Learning Resources</th>
<th>Land</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$1,947,608</td>
<td>$688,388</td>
<td>$186,458</td>
<td>$14,082</td>
<td>$2,836,536</td>
</tr>
<tr>
<td>Additions</td>
<td>93,203</td>
<td>23,291</td>
<td>8,324</td>
<td>-</td>
<td>124,818</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(3,837)</td>
<td>(256)</td>
<td>-</td>
<td>(4,093)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,040,811</td>
<td>$707,842</td>
<td>$194,526</td>
<td>$14,082</td>
<td>$2,957,261</td>
</tr>
<tr>
<td><strong>Accumulated amortization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$611,231</td>
<td>$534,342</td>
<td>$143,084</td>
<td>-</td>
<td>1,288,657</td>
</tr>
<tr>
<td>Amortization expense</td>
<td>51,434</td>
<td>43,096</td>
<td>8,725</td>
<td>-</td>
<td>103,255</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(3,817)</td>
<td>(256)</td>
<td>-</td>
<td>(4,073)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$662,665</td>
<td>$573,621</td>
<td>$151,553</td>
<td>-</td>
<td>1,387,839</td>
</tr>
<tr>
<td><strong>Net book value at March 31, 2013</strong></td>
<td>$1,378,146</td>
<td>$134,221</td>
<td>$42,973</td>
<td>$14,082</td>
<td>$1,569,422</td>
</tr>
</tbody>
</table>

#### March 31, 2012 (Note 2)

<table>
<thead>
<tr>
<th></th>
<th>Building, Utilities and Site Improvements</th>
<th>Furnishings, Equipment and Systems</th>
<th>Learning Resources</th>
<th>Land</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$1,830,219</td>
<td>$635,274</td>
<td>$178,766</td>
<td>$14,082</td>
<td>$2,658,341</td>
</tr>
<tr>
<td>Additions</td>
<td>117,389</td>
<td>59,140</td>
<td>7,891</td>
<td>-</td>
<td>184,420</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(6,026)</td>
<td>(199)</td>
<td>-</td>
<td>(6,225)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,947,608</td>
<td>$688,388</td>
<td>$186,458</td>
<td>$14,082</td>
<td>$2,836,536</td>
</tr>
<tr>
<td><strong>Accumulated amortization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$567,593</td>
<td>$496,343</td>
<td>$134,752</td>
<td>-</td>
<td>1,198,688</td>
</tr>
<tr>
<td>Amortization expense</td>
<td>43,638</td>
<td>43,836</td>
<td>8,531</td>
<td>-</td>
<td>96,005</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(5,837)</td>
<td>(199)</td>
<td>-</td>
<td>(6,036)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$611,231</td>
<td>$534,342</td>
<td>$143,084</td>
<td>-</td>
<td>1,288,657</td>
</tr>
<tr>
<td><strong>Net book value at March 31, 2012</strong></td>
<td>$1,336,377</td>
<td>$154,046</td>
<td>$43,374</td>
<td>$14,082</td>
<td>$1,547,879</td>
</tr>
</tbody>
</table>

Included in buildings, utilities and site improvements is $114,524 (2012 - $98,317) and in furnishings, equipment and systems is $22,578 (2012 - $28,410) recorded as construction in progress, which is not amortized as the assets are not yet available for use.

Acquisitions during the year included in-kind contributions (such as learning resources, equipment, software, buildings and land) in the amount of $3,609 (2012 - $3,242).

The University holds library permanent collections of rare books, and works of art collections.
9. Investment in government business enterprises

University Technologies Group (UTI) and West Campus Development Corporation (WCDC) are wholly-owned subsidiaries of the University of Calgary. UTI Group operates to facilitate the transfer of intellectual property from the University to private business, thereby commercializing the scientific innovations of University researchers. The (WCDC) operates as trustee of the West Campus Development Trust (WCDT), which will sublease land to developers for the commercialization of residential and commercial development. The University is the beneficiary of the Trust and will receive distributions from the trust once leases are in place with developers.

The following table provides condensed supplementary financial information reported separately for each Investment in Government Business Enterprise owned by the University; namely the UTI and WCDT.

<table>
<thead>
<tr>
<th>University Technologies Group</th>
<th>West Campus Development Trust</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 2,081</td>
<td>$ 2,483</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>723</td>
<td>461</td>
</tr>
<tr>
<td>Promissory notes receivable</td>
<td>37</td>
<td>41</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>Investments</td>
<td>703</td>
<td>503</td>
</tr>
<tr>
<td>Capital assets</td>
<td>67</td>
<td>87</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,284</td>
<td>1,421</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$ 727</td>
<td>$ 402</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>804</td>
<td>579</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>217</td>
<td>217</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>5,254</td>
<td>5,254</td>
</tr>
<tr>
<td>Deficit</td>
<td>(2,077)</td>
<td>(1,416)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>$ 2,079</td>
<td>$ 2,912</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>2,698</td>
<td>2,893</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>$ (619)</td>
<td>$ 19</td>
</tr>
</tbody>
</table>
10. **Employee future benefit liabilities**

Employee future benefit liabilities are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>March 31, 2012</th>
<th>April 1, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities Academic Pension Plan (UAPP)</td>
<td>$120,959</td>
<td>$116,087</td>
<td>$119,837</td>
</tr>
<tr>
<td>Long-term Disability</td>
<td>1,956</td>
<td>1,856</td>
<td>1,305</td>
</tr>
<tr>
<td>Senior Management Administrative Leave Plan (Note 24)</td>
<td>272</td>
<td>170</td>
<td>349</td>
</tr>
<tr>
<td>Supplemental Retirement Pension Plan</td>
<td>8,220</td>
<td>7,692</td>
<td>7,201</td>
</tr>
<tr>
<td></td>
<td>$131,407</td>
<td>$125,805</td>
<td>$128,692</td>
</tr>
</tbody>
</table>

(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 and professional staff members. An actuarial valuation of the UAPP was carried out as at December 31, 2010 and was then extrapolated to March 31, 2013, resulting in a UAPP deficiency of $1,149,175 (2012 - $1,153,334) consisting of a pre-1992 deficiency ($766,644) and a post-1991 deficiency ($382,531). 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 unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2012 - 1.25%) of salaries by the Government of Alberta. Employees and employers equally share the balance of the contributions of 2.34% (2012 - 2.34%) of salaries required to eliminate the unfunded deficiency by December 31, 2043. The Government of Alberta's obligation for the future additional contributions was $327,710 at March 31, 2013. The unfunded deficiency for service after December 31, 1991 is financed by special payments of 5.54% (2012 - 5.54%) of pensionable earnings shared equally between employees and employers until December 31, 2021.
10. Employee future benefit liabilities (Continued)

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

Supplementary retirement plans (SRP)

The University provides non-contributory defined benefit supplementary retirement benefits to executives. An actuarial valuation of these benefits was carried out as at March 31, 2013.

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

<table>
<thead>
<tr>
<th>March 31, 2013</th>
<th>March 31, 2012 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UAPP</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
</tr>
<tr>
<td>Current service cost</td>
<td>$25,760</td>
</tr>
<tr>
<td>Interest cost</td>
<td>$10,673</td>
</tr>
<tr>
<td>Amortization of net actuarial losses (gains)</td>
<td>$3,931</td>
</tr>
<tr>
<td>Past service costs</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$40,364</td>
</tr>
</tbody>
</table>

Financial Position

Accrued benefit obligation:

- Balance, beginning of year: $591,919 | $1,856 | $8,953 | $507,485 | $1,305 | $7,200
- Current service cost: $25,760 | - | 581 | $23,939 | - | 481
- Interest cost: $39,284 | 46 | 288 | $33,799 | 46 | 316
- Benefits paid: $(26,620) | (185) | (470) | $(22,873) | (150) | (305)
- Past service costs: - | 815 | - | - | 692 | -
- Actuarial loss (gain): $(21,148) | (576) | (29) | 49,569 | (37) | -
- Experience loss: - | - | - | - | - | 1,261

- Balance, end of year: $609,195 | $1,956 | $9,323 | $591,919 | $1,856 | $8,953
- Plan assets: $465,376 | - | - | $435,735 | - | -

- Plan deficit: $(143,819) | $(1,956) | $(9,323) | $(156,184) | $(1,856) | $(8,953)
- Unamortized net actuarial loss: $22,860 | - | $1,103 | $40,097 | - | 1,261
- Accrued benefit liability: $(120,959) | $(1,956) | $(8,220) | $(116,087) | $(1,856) | $(7,692)

(1) The University plans to use its working capital to finance these future obligations.
10. **Employee future benefit liabilities (Continued)**

(a) **Defined benefit plans accounted for on a defined benefit basis (Continued)**

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

<table>
<thead>
<tr>
<th>March 31, 2013</th>
<th>March 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UAPP</td>
</tr>
<tr>
<td>Accrued benefit obligation:</td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>6.20%</td>
</tr>
<tr>
<td>Long-term average compensation increase</td>
<td>3.50%</td>
</tr>
<tr>
<td>Benefit cost:</td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>6.50%</td>
</tr>
<tr>
<td>Long-term average compensation increase</td>
<td>3.50%</td>
</tr>
<tr>
<td>Alberta inflation (long-term)</td>
<td>2.25%</td>
</tr>
<tr>
<td>Estimated average remaining service life</td>
<td>10.2 yrs</td>
</tr>
</tbody>
</table>

(1) SRP actuarial gains and losses and past service costs are amortized over the remaining contract terms of the participants.

(b) **Defined benefit plans accounted for on a defined contribution basis**

**PSPP**

The Public Service Pension Plan (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 benefit plans, it is accounted for on a defined contribution basis. The pension expense recorded in these financial statements is $17,571 (2012 - $15,050).

An actuarial valuation of the PSPP was carried out as at December 31, 2010 and was then extrapolated to December 31, 2012. At December 31, 2012, the PSPP reported an actuarial deficiency of $1,645,141 (2011 - $1,790,383). For the year ended December 31, 2012 PSPP reported employer contributions of $257,350 (2011 - $227,616). For the 2012 calendar year, the University’s employer contributions were $16,584 (2011 calendar year - $14,590). The PSPP’s deficiency is being discharged through additional contributions from both employees and employers until 2026 (2011 – 2025). Other than the requirement to make additional contributions, the University does not bear any risk related to the PSPP deficiency.
11. Debt

Debt is measured at amortized cost and is comprised of the following:

<table>
<thead>
<tr>
<th>Collateral</th>
<th>Maturity date</th>
<th>Interest rate %</th>
<th>March 31, 2013</th>
<th>March 31, 2012 (Note 2)</th>
<th>April 1, 2011 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debentures payable to Alberta Capital Finance Authority:</td>
<td></td>
<td></td>
<td>March 31, 2013</td>
<td>March 31, 2012 (Note 2)</td>
<td>April 1, 2011 (Note 2)</td>
</tr>
<tr>
<td>Debenture for Cascade Hall</td>
<td>May 2025</td>
<td>6.25%</td>
<td>$11,530</td>
<td>$12,096</td>
<td>$12,628</td>
</tr>
<tr>
<td>Debenture for Residence Renewal Program</td>
<td>September 2026</td>
<td>4.43%</td>
<td>$13,904</td>
<td>$14,643</td>
<td>$11,900</td>
</tr>
<tr>
<td>Debenture for Downtown Campus</td>
<td>March 2031</td>
<td>4.27%</td>
<td>$14,004</td>
<td>$14,512</td>
<td>$15,000</td>
</tr>
<tr>
<td>Debenture for Health Renovation Innovation Centre/Parkade</td>
<td>April 2031</td>
<td>4.94%</td>
<td>$5,019</td>
<td>5,182</td>
<td>5,337</td>
</tr>
<tr>
<td>Debenture for Child Development Centre/Parkade</td>
<td>June 2032</td>
<td>5.25%</td>
<td>$1,708</td>
<td>1,757</td>
<td>1,804</td>
</tr>
<tr>
<td>Debenture for International Residence House</td>
<td>September 2032</td>
<td>4.69%</td>
<td>$22,956</td>
<td>23,663</td>
<td>24,339</td>
</tr>
<tr>
<td>Debenture for International Residence House</td>
<td>June 2039</td>
<td>5.10%</td>
<td>$27,997</td>
<td>28,488</td>
<td>28,956</td>
</tr>
<tr>
<td>Debenture for Phase VI Residence</td>
<td>March 2040</td>
<td>4.73%</td>
<td>$57,959</td>
<td>59,003</td>
<td>60,000</td>
</tr>
<tr>
<td>Mortgages payable to Canada Mortgage and Housing Corporation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage for Dining Centre, Kananaskis and Rundle Halls</td>
<td>March 2016</td>
<td>5.13%</td>
<td>331</td>
<td>431</td>
<td>526</td>
</tr>
<tr>
<td>Bank loans payable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage for University Research Centre</td>
<td>May 2012</td>
<td>- %</td>
<td>-</td>
<td>92</td>
<td>642</td>
</tr>
<tr>
<td>Demand loan for Western Canadian Universities Marine Sciences Society</td>
<td>November 2014</td>
<td>3.66%</td>
<td>5</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Demand loan for Western Canadian Universities Marine Sciences Society</td>
<td>December 2014</td>
<td>3.52%</td>
<td>20</td>
<td>21</td>
<td>27</td>
</tr>
<tr>
<td>Demand loan for Western Canadian Universities Marine Sciences Society</td>
<td>April 2015</td>
<td>4.93%</td>
<td>306</td>
<td>330</td>
<td>347</td>
</tr>
<tr>
<td>Obligations under capital leases</td>
<td></td>
<td></td>
<td>$155,739</td>
<td>$160,224</td>
<td>$161,514</td>
</tr>
<tr>
<td></td>
<td>707</td>
<td>859</td>
<td>1,228</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$156,446</td>
<td>$161,083</td>
<td>$162,742</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) title to land, building; (2) none

Interest expense on debt recorded in these statements is $7,431 (2012 - $7,796) of which $0 (2012 - $426) was capitalized.

Principal and interest repayments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$5,195</td>
<td>$7,502</td>
<td>$12,697</td>
</tr>
<tr>
<td>2015</td>
<td>$5,096</td>
<td>$7,271</td>
<td>$12,367</td>
</tr>
<tr>
<td>2016</td>
<td>$5,188</td>
<td>$7,027</td>
<td>$12,215</td>
</tr>
<tr>
<td>2017</td>
<td>$5,175</td>
<td>$6,779</td>
<td>$11,954</td>
</tr>
<tr>
<td>2018</td>
<td>$5,430</td>
<td>$6,524</td>
<td>$11,954</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$130,362</td>
<td>$66,259</td>
<td>$196,621</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$156,446</td>
</tr>
<tr>
<td>2015</td>
<td>$101,362</td>
</tr>
<tr>
<td>2016</td>
<td>$257,808</td>
</tr>
</tbody>
</table>
12. Deferred Revenue

Deferred revenue is comprised of unearned externally restricted grants and donations, unearned tuition and other fees.

<table>
<thead>
<tr>
<th>March 31, 2013</th>
<th>Research and special purpose</th>
<th>Capital</th>
<th>Tuition and fees other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$461,202</td>
<td>$1,266,935</td>
<td>$26,510</td>
<td>$1,754,647</td>
</tr>
<tr>
<td>Grants, tuition and donations received</td>
<td>403,108</td>
<td>936</td>
<td>238,490</td>
<td>642,534</td>
</tr>
<tr>
<td>Investment income</td>
<td>19,435</td>
<td>853</td>
<td>-</td>
<td>20,288</td>
</tr>
<tr>
<td>Unearned capital acquisition transfers</td>
<td>(52,648)</td>
<td>52,648</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recognized as revenue</td>
<td>(337,084)</td>
<td>(74,687)</td>
<td>(234,277)</td>
<td>(646,048)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$494,013</td>
<td>$1,246,685</td>
<td>$30,723</td>
<td>$1,771,421</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March 31, 2012 (Note 2)</th>
<th>Research and special purpose</th>
<th>Capital</th>
<th>Tuition and fees other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$429,629</td>
<td>$1,205,033</td>
<td>$22,216</td>
<td>$1,656,878</td>
</tr>
<tr>
<td>Grants, tuition and donations received</td>
<td>364,468</td>
<td>60,490</td>
<td>216,963</td>
<td>641,921</td>
</tr>
<tr>
<td>Investment income</td>
<td>16,124</td>
<td>3,213</td>
<td>-</td>
<td>19,337</td>
</tr>
<tr>
<td>Unearned capital acquisition transfers</td>
<td>(67,182)</td>
<td>67,182</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recognized as revenue</td>
<td>(281,837)</td>
<td>(68,983)</td>
<td>(212,669)</td>
<td>(563,489)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$461,202</td>
<td>$1,266,935</td>
<td>$26,510</td>
<td>$1,754,647</td>
</tr>
</tbody>
</table>

Capital is comprised of $1,224,886 (2012 - $1,217,406) restricted grants and donations spent on capital acquisitions and $21,799 (2012 - $49,529) of unspent restricted grants and donations. The expended capital is unearned as the terms will be met over the useful life of the asset.

13. Endowments

Endowments consist of externally restricted donations received by the University and internal allocations by the University’s Board of Governors, 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 Board of Governors. 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.
13. Endowments (Continued)

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:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>March 31, 2012 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 517,208</td>
<td>$ 497,265</td>
</tr>
<tr>
<td>Endowment donations</td>
<td>10,338</td>
<td>25,957</td>
</tr>
<tr>
<td>Investment - realized gains capitalized</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>Investment - unrealized gains capitalized</td>
<td>47,679</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from endowments</td>
<td>(6,916)</td>
<td>(6,044)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ 568,310</td>
<td>$ 517,208</td>
</tr>
<tr>
<td>Cumulative donations</td>
<td>$ 400,858</td>
<td>$ 390,520</td>
</tr>
<tr>
<td>Cumulative capitalized income</td>
<td>167,452</td>
<td>126,688</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ 568,310</td>
<td>$ 517,208</td>
</tr>
</tbody>
</table>
14. Accumulated Surplus

The composition of accumulated surplus is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Net Assets</th>
<th>Investment in Capital Assets</th>
<th>Internally Restricted Net Assets (Note 15)</th>
<th>Accumulated Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at April 1, 2011</td>
<td>$ (11,791)</td>
<td>$ 170,169</td>
<td>$ 106,499</td>
<td>$ 264,877</td>
</tr>
<tr>
<td>Excess of revenue over expense</td>
<td>98,020</td>
<td>-</td>
<td>-</td>
<td>98,020</td>
</tr>
<tr>
<td>Transfer from endowments</td>
<td>6,044</td>
<td>-</td>
<td>-</td>
<td>6,044</td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(26,092)</td>
<td>26,092</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>27,363</td>
<td>(27,363)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt repayment</td>
<td>(4,356)</td>
<td>4,356</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt new financing</td>
<td>3,342</td>
<td>(3,342)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers to internally restricted surplus</td>
<td>(68,195)</td>
<td>-</td>
<td>68,195</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2012</strong></td>
<td><strong>$ 24,335</strong></td>
<td><strong>$ 169,912</strong></td>
<td><strong>$ 174,694</strong></td>
<td><strong>$ 368,941</strong></td>
</tr>
</tbody>
</table>

|                                |                        |                             |                             |                   |
| Excess of revenue over expense | 94,475                 | -                            | -                            | 94,475            |
| Transfer from endowments       | 6,916                  | -                            | -                            | 6,916             |
| Acquisition of capital assets  | (42,715)               | 42,715                       | -                            | -                 |
| Amortization of capital assets | 28,652                 | (28,652)                     | -                            | -                 |
| Debt repayment                 | (4,960)                | 4,960                        | -                            | -                 |
| Debt new financing             | 515                    | (515)                        | -                            | -                 |
| Transfers to internally restricted surplus | (43,197) | - | 43,197 | - |
| **Balance as at March 31, 2013** | **$ 64,021**           | **$ 188,420**                | **$ 217,891**               | **$ 470,332**      |

15. Internally Restricted Net 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 and do not have interest allocated to them. Internally restricted net assets are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>March 31, 2012 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital activities</td>
<td>$ 42,492</td>
<td>$ 11,574</td>
</tr>
<tr>
<td>Operating activities</td>
<td>155,537</td>
<td>145,823</td>
</tr>
<tr>
<td>Research activities</td>
<td>19,862</td>
<td>17,297</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 217,891</strong></td>
<td><strong>$ 174,694</strong></td>
</tr>
</tbody>
</table>

16. Contingent Liabilities and Guarantees

The University is a defendant in a number of legal proceedings. Included is a lawsuit filed by former trust employees claiming entitlement to benefits. The outcome of this lawsuit is not determinable at this point in time. The ultimate outcome and liability of all legal proceedings cannot be reasonably estimated at this time. Management has concluded that none of the claims meet the criteria for recording a liability.
Notes to the Consolidated Financial Statements  
For the Years Ended March 31  
(thousands of dollars)

16. Contingent Liabilities and Guarantees (Continued)

The University has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the University may be required to take appropriate remediation procedures to remove the asbestos. As 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 the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligations for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

At March 31, 2013 the University had entered into agreements that provide guarantees on employee housing loans in the amount of $882 (2012 - $989). These amounts are not recorded in the consolidated financial statements.

17. Contractual Obligations

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

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

<table>
<thead>
<tr>
<th></th>
<th>Service Contracts</th>
<th>Capital Projects</th>
<th>Long-term leases</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$10,095</td>
<td>$29,383</td>
<td>$3,908</td>
<td>$43,386</td>
</tr>
<tr>
<td>2015</td>
<td>7,032</td>
<td>-</td>
<td>3,719</td>
<td>10,751</td>
</tr>
<tr>
<td>2016</td>
<td>6,750</td>
<td>-</td>
<td>3,807</td>
<td>10,557</td>
</tr>
<tr>
<td>2017</td>
<td>6,513</td>
<td>-</td>
<td>3,651</td>
<td>10,164</td>
</tr>
<tr>
<td>2018</td>
<td>-</td>
<td>-</td>
<td>3,468</td>
<td>3,468</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
<td>-</td>
<td>49,565</td>
<td>49,565</td>
</tr>
</tbody>
</table>

Included in service contracts are the contracts to purchase electricity and natural gas. To manage its risk exposure to electricity and natural gas, the University has entered into an Electricity Purchase Agreement, expiring March 31, 2017 and an Energy Purchase Agreement expiring September 30, 2013 based on indexed (floating on the spot market) prices with an option to hedge any portion of the requirement at any time. At March 31, 2013 the University had hedged a portion of these contracts by fixing the price on a portion of its estimated electricity and natural gas consumption. Using best estimates of future consumption and forward market prices on March 31, 2013, the estimated contractual obligations including executed hedge contracts are $18,464 (2012 - $26,900) for electricity and $11,926 (2012 - $18,800) for natural gas.

The University is one of 58 members of CURIE, the Canadian Universities Reciprocal Insurance Exchange, 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. As at December 31, 2012 CURIE had a surplus of $14,244 (2011 - $6,947). The University participates in five of the underwriting periods, which have an accumulated surplus of $60,500 (2011 - $48,586) of which the University’s pro rata share is approximately 5.77% (2011 - 5.78%). This surplus is not recorded in the financial statements.
18. Budget Comparison (unaudited)

The University’s 2012-13 budget was approved by the University’s Board of Governors and was presented to the Minister of Enterprise and Advanced Education as part of the University’s submission of its 2012-13 Comprehensive Institutional Plan. Certain budget figures from the University’s 2012-13 Comprehensive Institutional Plan have been reclassified to conform to the presentation adopted in the 2013 financial statements.

19. Investment Income

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income on investments held for endowments</td>
<td>$8,337</td>
<td>$10,225</td>
</tr>
<tr>
<td>Income on other investments</td>
<td>25,781</td>
<td>25,271</td>
</tr>
<tr>
<td>Recovery on Floating Rate Notes</td>
<td>-</td>
<td>3,671</td>
</tr>
<tr>
<td></td>
<td>$34,118</td>
<td>$39,167</td>
</tr>
<tr>
<td>Deferred</td>
<td>(821)</td>
<td>(3,202)</td>
</tr>
<tr>
<td></td>
<td>$33,297</td>
<td>$35,965</td>
</tr>
</tbody>
</table>

20. Expense by Function

The University used the following function categories on its statements of operations:

Academic costs and institutional support

Academic costs and institutional support includes expenses relating to activities directly and indirectly supporting innovative learning, programming, and teaching as well as administration and governance functions of the university.

Research

Research expenses relate primarily to activity funded by externally sponsored research funds intended for specific research purposes as well as internal funds designated for research related spending.

Special purpose and trust

Special purpose and trust is comprised of expenses relating to externally restricted funding for non-research related activities including scholarships and community service.

Facilities operations and maintenance

Facilities operations and maintenance function includes centralized management and maintenance of grounds and facilities, and buildings. Examples include utilities, facilities administration, building maintenance, custodial services, landscaping and grounds keeping, and major repairs and renovations.

Ancillary services

Ancillary expenses relate to secondary services available to students, faculty, and staff. Services include on-campus residence, food services, university bookstores, micro-store, Hotel Alma, and conference services.
21. Expense by Object

<table>
<thead>
<tr>
<th>Item</th>
<th>2013 Budget (unaudited)</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$551,121</td>
<td>$531,182</td>
<td>$516,314</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>105,728</td>
<td>102,803</td>
<td>85,703</td>
</tr>
<tr>
<td>Materials, supplies and services</td>
<td>257,912</td>
<td>225,343</td>
<td>202,608</td>
</tr>
<tr>
<td>Utilities</td>
<td>33,410</td>
<td>26,139</td>
<td>36,061</td>
</tr>
<tr>
<td>Maintenance and repairs</td>
<td>15,775</td>
<td>15,393</td>
<td>13,035</td>
</tr>
<tr>
<td>Scholarships and bursaries</td>
<td>76,062</td>
<td>77,669</td>
<td>69,951</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>17,592</td>
<td>14,832</td>
<td>15,493</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>96,535</td>
<td>103,255</td>
<td>96,005</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,154,135</strong></td>
<td><strong>$1,096,616</strong></td>
<td><strong>$1,035,170</strong></td>
</tr>
</tbody>
</table>

22. Funds Held on Behalf of Others

The University holds the following funds on behalf of others over which the University's Board of Governors has no power of appropriation. Accordingly, these funds are not included in the University's financial statements.

<table>
<thead>
<tr>
<th>Fund</th>
<th>March 31, 2013</th>
<th>March 31, 2012 (Note 2)</th>
<th>April 1, 2011 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Centre West Campus</td>
<td>$601</td>
<td>$530</td>
<td>$153</td>
</tr>
<tr>
<td>Health Knowledge Network</td>
<td>481</td>
<td>94</td>
<td>-</td>
</tr>
<tr>
<td>Alberta Sulphur Research</td>
<td>252</td>
<td>179</td>
<td>555</td>
</tr>
<tr>
<td>CDN Research Institute- Law and the Family</td>
<td>197</td>
<td>310</td>
<td>388</td>
</tr>
<tr>
<td>U of C Day Care</td>
<td>173</td>
<td>251</td>
<td>364</td>
</tr>
<tr>
<td>Campus Ticket Centre</td>
<td>142</td>
<td>221</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>435</td>
<td>634</td>
<td>614</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,281</strong></td>
<td><strong>$2,219</strong></td>
<td><strong>$2,074</strong></td>
</tr>
</tbody>
</table>
23. Related party transactions and balances

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.

<table>
<thead>
<tr>
<th>Grants from GOA</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise and Advanced Education:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$452,776</td>
<td>$429,425</td>
</tr>
<tr>
<td>Capital</td>
<td>58,400</td>
<td>101,108</td>
</tr>
<tr>
<td>Research</td>
<td>21,516</td>
<td>16,349</td>
</tr>
<tr>
<td>Alberta Innovates Bio Solutions</td>
<td>1,330</td>
<td>1,673</td>
</tr>
<tr>
<td>Alberta Innovates Energy and Environment</td>
<td>515</td>
<td>1,504</td>
</tr>
<tr>
<td>Alberta Innovates Health Solutions</td>
<td>32,117</td>
<td>30,523</td>
</tr>
<tr>
<td>Alberta Innovates Technology Futures</td>
<td>8,210</td>
<td>10,194</td>
</tr>
<tr>
<td>Other</td>
<td>20,669</td>
<td>26,969</td>
</tr>
<tr>
<td>Total Enterprise and Advanced Education</td>
<td>$595,533</td>
<td>$617,745</td>
</tr>
<tr>
<td>Other Post-secondary Institutions</td>
<td>$2,459</td>
<td>$5,819</td>
</tr>
</tbody>
</table>

| Other GOA departments and agencies:    |          |          |
| Alberta Health and Wellness           | $25,606  | $26,258  |
| Alberta Health Services               | 13,159   | 11,699   |
| Other                                  | 12,633   | 16,993   |
| Total other GOA departments and agencies| $51,398 | $54,950  |
| Total grants received                 | $649,390 | $678,514 |
| Less: deferred revenues               | (29,396) | (79,286) |
| Government of Alberta Grants          | $619,994 | $599,228 |

| Accounts receivable                   |          |          |
| Enterprise and Advanced Education     | $1,198   | 2,407    |
| Other GOA departments and agencies    | 12,668   | 11,103   |
| Other post-secondary institutions     | 291      | 158      |
| Total                                | $14,157  | $13,668  |

| Accounts payable                      |          |          |
| Enterprise and Advanced Education     | $4,236   | -        |
| Other GOA departments and agencies    | 1,424    | 10,406   |
| Other post-secondary institutions     | 12       | 601      |
| Total                                | $5,672   | $11,007  |

The University has a debt with Alberta Capital Finance Authority as described in (Note 11).
Notes to the Consolidated Financial Statements  
For the Years Ended March 31  
(thousands of dollars)

24. Salary and Employee Benefits

Treasury Board Directive 12-98 under the Financial Administration Act of the Province of Alberta requires the disclosure of certain salary and employee benefits information.

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>March 31, 2012 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base salary (1)</td>
<td>Other cash benefits (2)</td>
</tr>
<tr>
<td>Governance (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chair of the Board of Governors</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Members of the Board of Governors</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Executive               |                |                        |                              |       |
| President (5)(7)(10)(11) | 454            | 103                    | 279                          | 836    |
| Vice-Presidents:        |                |                        |                              |       |
| Provost and Vice-President Academic |             |                        |                              |       |
| Incumbent (5)(8)(10)    | 400            | 12                     | 137                          | 549    |
| Past Incumbent (6)(5)(6)(7) | -         | -                      | -                            | -      |
| Vice-President Research | Incumbent (5)(8)(10) |             | 379                          | 12     |
| Interim, Past Incumbent (5)(9) | -       | -                      | -                            | -      |
| Vice-President Finance and Services (6)(9)(10) | 293 | 12 | 112 | 417 |
| Vice-President University Relations (6)(9)(10) | 265 | 38 | 74 | 377 |
| Vice-President Facilities Management and Development (6)(9) | 355 | 53 | 148 | 556 |
| Vice-President Development (6)(8)(10) | 294 | 53 | 124 | 471 |

1. Base salary includes pensionable base pay.
2. Other cash benefits include administrative honorariums, bonuses, relocation benefits, and lump sum payments.
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, group life insurance, employee family assistance program, critical illness, supplementary health care, short and long-term disability plans, dental plan, supplemental retirement plan (per footnote (6)), accidental disability and dismemberment.
4. The Chair and Members of the Board of Governors receive no remuneration for participation on the Board.
5. During the current fiscal year there were no changes in the senior decision making/management group.
6. Under the terms of the supplementary retirement plan (SRP), the executive may receive supplemental retirement payments. 
Retirement arrangement costs as 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 annual pension income over an actuarially determined post-employment period. The SRP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on services, a market interest rate, and management’s best estimate of other assumptions. Net actuarial gains and losses of the benefit obligations are amortized over the expected remaining service life of each plan participant or over the expected remaining lifetime for pensions in pay. Current service cost is the actuarial present value of the benefits earned in the current year. The components of the cost of the SRP include current service cost, amortization of actuarial gains and losses, past service costs on plan initiation, and interest accruing on the actuarial liability.
7. Individuals in these roles earned administrative leave benefits during the year that have been included in other non-cash benefits.
8. During the term of their employment contract, the individual in this role may take up to four months of administrative leave subject to the President’s approval of the individual’s administrative leave proposal. The costs associated with the leave benefits are recorded when incurred.
9. The employment contracts for these individuals do not provide for administrative leave benefits.
10. Individuals in these roles received an executive allowance included in other cash benefits.
11. Individuals in these roles received a vehicle allowance included in other cash benefits.
24. Salary and Employee Benefits (Continued)

The current service cost and accrued obligation for each executive under the SRP is outlined in the following table:

<table>
<thead>
<tr>
<th>Executives</th>
<th>March 31, 2012</th>
<th>Service Costs</th>
<th>Interest Costs</th>
<th>Actuarial Loss (Gain)</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>$231</td>
<td>$132</td>
<td>$11</td>
<td>$(2)</td>
<td>$372</td>
</tr>
<tr>
<td>Vice-Presidents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provost and Vice-President Academic</td>
<td>69</td>
<td>103</td>
<td>5</td>
<td>(1)</td>
<td>176</td>
</tr>
<tr>
<td>Incumbent</td>
<td>70</td>
<td>93</td>
<td>5</td>
<td>(1)</td>
<td>167</td>
</tr>
<tr>
<td>Vice-President Finance and Services</td>
<td>198</td>
<td>72</td>
<td>8</td>
<td>(1)</td>
<td>277</td>
</tr>
<tr>
<td>Vice-President University Relations</td>
<td>43</td>
<td>43</td>
<td>3</td>
<td>21</td>
<td>110</td>
</tr>
<tr>
<td>Vice-President Facilities Management and Development</td>
<td>287</td>
<td>77</td>
<td>11</td>
<td>(17)</td>
<td>358</td>
</tr>
<tr>
<td>Vice-President Development</td>
<td>599</td>
<td>61</td>
<td>20</td>
<td>(15)</td>
<td>665</td>
</tr>
</tbody>
</table>

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 10.

The current service cost and accrued obligation for each executive under the Senior Management Administrative Leave Plan is outlined in the following table:

<table>
<thead>
<tr>
<th>Executives</th>
<th>March 31, 2012</th>
<th>Service Costs</th>
<th>Interest Costs</th>
<th>Actuarial Loss (Gain)</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>$170</td>
<td>$97</td>
<td>7</td>
<td>$(2)</td>
<td>-</td>
</tr>
</tbody>
</table>

1. Only the President is eligible for administrative leave benefits.

The significant actuarial assumptions used to measure the accrued benefit obligation for the Senior Management Administrative Leave Plan are based on a discount rate of 2.60% (2012 – 2.60%) and a yearly salary increase rate of 4.00%. An administrative leave benefit loading rate of 15% is applied to the President only.
Schedule 1 - Transition to Public Sector Accounting Standards

a) Reconciliation of April 1, 2011 Consolidated Statement of Financial Position

<table>
<thead>
<tr>
<th>GAAP</th>
<th>Cash and cash equivalents(^{(1)})</th>
<th>Other long-term assets(^{(2)})</th>
<th>Employee future benefits(^{(3)})</th>
<th>Artworks and permanent collections(^{(4)})</th>
<th>Other Entities(^{(5)})</th>
<th>Total</th>
<th>PSAS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$534,960</td>
<td>$4,317</td>
<td>-</td>
<td>- $</td>
<td>- $</td>
<td>2,733</td>
<td>$7,050</td>
</tr>
<tr>
<td></td>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>773,005</td>
<td>(4,317)</td>
<td>76</td>
<td>-</td>
<td>- $</td>
<td>3,267</td>
<td>(974)</td>
</tr>
<tr>
<td></td>
<td>Accounts receivable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>46,247</td>
<td>-</td>
<td>17,196</td>
<td>-</td>
<td>- $</td>
<td>171</td>
<td>17,367</td>
</tr>
<tr>
<td></td>
<td>Inventory and prepaid expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21,256</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,471,315</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(13,453)</td>
<td>1,791</td>
<td>(11,662)</td>
</tr>
<tr>
<td></td>
<td>Other long-term assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>23,252</td>
<td>-</td>
<td>(23,252)</td>
<td>-</td>
<td>-</td>
<td>(23,252)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Investment in government business enterprises</td>
<td>-</td>
<td>-</td>
<td>3,948</td>
<td>-</td>
<td>-</td>
<td>3,948</td>
</tr>
<tr>
<td></td>
<td>Investment in Government NPO &amp; Partnership</td>
<td>-</td>
<td>-</td>
<td>2,032</td>
<td>-</td>
<td>-</td>
<td>(2,032)</td>
</tr>
<tr>
<td></td>
<td>$2,870,035</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(13,453)</td>
<td>5,961</td>
<td>(7,492)</td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**

| Accounts payable and accrued liabilities | 150,564 | - | - | - | - | 1,525 | 1,525 | 152,089 |
| Employee future benefit liabilities   | 68,770  | - | - | 59,922 | - | - | 59,922 | 128,692 |
| Debt                                 | 162,360 | - | - | - | - | 382 | 382 | 162,742 |
| Deferred revenue                     | 1,653,136 | - | - | - | - | 3,742 | 3,742 | 1,656,878 |
| $2,034,830                           | - | - | - | - | 59,922 | - | - | 5,649 | 65,571 | 2,100,401 |

**NET ASSETS**

| Endowments                          | 496,807 | - | - | - | - | 458 | 458 | 497,265 |
| Accumulated Surplus                 | 338,398 | - | (59,922) | (13,453) | (146) | (73,521) | 264,877 |
| $835,205                            | - | - | (59,922) | (13,453) | 312 | (73,063) | 762,142 |
| $2,670,035                          | - | - | - | - | (13,453) | 5,961 | (7,492) | 2,862,543 |

\(^{(1)}\) Under PS 1201.104, short-term investments with a maturity date of 90 days or less from date of acquisition were reclassified to cash and cash equivalents.

\(^{(2)}\) Under PSAS assets and liabilities are no longer presented as long-term financial instruments. Therefore, the University has reclassified its other long-term assets to the respective asset categories.

\(^{(3)}\) Under PS 3250 and PS 2125, unrecognized actuarial losses and past service costs at April 1, 2011 are fully recognized by adjustment to the employee future benefit liabilities.

\(^{(4)}\) Under PS 3150.08, the University’s art collection and library permanent collections of rare books are not recognized as capital assets. Consequently, the University has reversed previously recorded purchases of these assets.

\(^{(5)}\) Under PS 3060.55, the University uses the proportionate consolidation method to record its investment in the Western Canadian Universities Marine Sciences Society, and fully consolidates the financial results of The Arctic Institute of North America (AINA).
Schedule 1 - Transition to Public Sector Accounting Standards
b) Reconciliation of March 31, 2012 Consolidated Statement of Financial Position

<table>
<thead>
<tr>
<th>GAAP</th>
<th>Cash and cash equivalents&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Other long-term assets&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Employee future benefits&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>Artworks and permanent collections&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>Other Entities&lt;sup&gt;(5)&lt;/sup&gt;</th>
<th>Total Adjustment</th>
<th>PSAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$378,002</td>
<td>$2,278</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$2,466</td>
<td>$4,744</td>
</tr>
<tr>
<td>Investments</td>
<td>1,007,752</td>
<td>(2,278)</td>
<td>77</td>
<td>-</td>
<td>-</td>
<td>1,729</td>
<td>(472)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>64,560</td>
<td>-</td>
<td>19,562</td>
<td>-</td>
<td>-</td>
<td>234</td>
<td>19,796</td>
</tr>
<tr>
<td>Inventory and prepaid expenses</td>
<td>29,802</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td>Capital assets</td>
<td>1,558,100</td>
<td>-</td>
<td>-</td>
<td>(13,796)</td>
<td>3,575</td>
<td>(10,221)</td>
<td>1,547,879</td>
</tr>
<tr>
<td>Other long-term assets</td>
<td>25,523</td>
<td>(25,523)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(25,523)</td>
<td>-</td>
</tr>
<tr>
<td>Investment in government business enterprises</td>
<td>-</td>
<td>-</td>
<td>3,762</td>
<td>-</td>
<td>-</td>
<td>3,762</td>
<td>3,762</td>
</tr>
<tr>
<td>Investment in Government NPO &amp; partnership</td>
<td>-</td>
<td>-</td>
<td>2,122</td>
<td>-</td>
<td>-</td>
<td>(2,122)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td><strong>$3,063,739</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ (13,796)</strong></td>
<td><strong>$ 6,072</strong></td>
<td><strong>$ (7,724)</strong></td>
<td><strong>$3,056,015</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GAAP</th>
<th>Cash and cash equivalents&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Other long-term assets&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Employee future benefits&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>Artworks and permanent collections&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>Other Entities&lt;sup&gt;(5)&lt;/sup&gt;</th>
<th>Total Adjustment</th>
<th>PSAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>127,630</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>701</td>
<td>701</td>
</tr>
<tr>
<td>Employee future benefit liabilities</td>
<td>70,989</td>
<td>-</td>
<td>-</td>
<td>54,816</td>
<td>-</td>
<td>-</td>
<td>54,816</td>
</tr>
<tr>
<td>Debt</td>
<td>160,726</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>357</td>
<td>357</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,749,868</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,779</td>
<td>4,779</td>
</tr>
<tr>
<td><strong>Total</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td><strong>$2,109,213</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 54,816</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 5,837</strong></td>
<td><strong>$60,653</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GAAP</th>
<th>Cash and cash equivalents&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Other long-term assets&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Employee future benefits&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>Artworks and permanent collections&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>Other Entities&lt;sup&gt;(5)&lt;/sup&gt;</th>
<th>Total Adjustment</th>
<th>PSAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowments</td>
<td>516,712</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>496</td>
<td>496</td>
</tr>
<tr>
<td>Accumulated Surplus</td>
<td>437,814</td>
<td>-</td>
<td>(54,816)</td>
<td>(13,796)</td>
<td>(261)</td>
<td>(68,873)</td>
<td>368,941</td>
</tr>
<tr>
<td><strong>Total</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td><strong>$954,526</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ (54,816)</strong></td>
<td><strong>$ (13,796)</strong></td>
<td><strong>$ 235</strong></td>
<td><strong>$ (68,377)</strong></td>
<td><strong>$886,149</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GAAP</th>
<th>Cash and cash equivalents&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Other long-term assets&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>Employee future benefits&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>Artworks and permanent collections&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>Other Entities&lt;sup&gt;(5)&lt;/sup&gt;</th>
<th>Total Adjustment</th>
<th>PSAS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td><strong>$3,063,739</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ (13,796)</strong></td>
<td><strong>$ 6,072</strong></td>
<td><strong>$ (7,724)</strong></td>
<td><strong>$3,056,015</strong></td>
</tr>
</tbody>
</table>

<sup>1</sup> Under PS 1201.104, short-term investments with a maturity date of 90 days or less from date of acquisition were reclassified to cash and cash equivalents.

<sup>2</sup> Under PSAS assets and liabilities are no longer presented as long-term financial instruments. Therefore, the University has reclassified its other long-term assets to the respective asset categories.

<sup>3</sup> Under PS 3250 and PS 2125, unrecognized actuarial losses and past service costs at April 1, 2011 are fully recognized by adjustment to the employee future benefit liabilities.

<sup>4</sup> Under PS 3150.08, the University's art collection and library permanent collections of rare books are not recognized as capital assets. Consequently, the University has reversed previously recorded purchases of these assets.

<sup>5</sup> Under PS 3060.55, the University uses the proportionate consolidation method to record its investment in the Western Canadian Universities Marine Sciences Society, and fully consolidates the financial results of The Arctic Institute of North America (AINA).
## Schedule 1 - Transition to Public Sector Accounting Standards

### c) Reconciliation of March 31, 2012 Consolidated Statement of Operations

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th>Artworks and permanent collections</th>
<th>Foreign exchange</th>
<th>Employee future benefits</th>
<th>Amortization of deferred capital contributions</th>
<th>Other Entities</th>
<th>Total Adjustments</th>
<th>PSAS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government of Alberta grants</td>
<td>$542,475 $</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$56,702 $</td>
<td>51 $</td>
<td>$56,753 $</td>
<td>$599,228</td>
</tr>
<tr>
<td>Federal and other government grants</td>
<td>111,635</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,718</td>
<td>746</td>
<td>6,464 $</td>
<td>118,099</td>
</tr>
<tr>
<td>Sales of services and products</td>
<td>100,112</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>539</td>
<td>539</td>
<td></td>
<td>100,651</td>
</tr>
<tr>
<td>Student tuition and fees</td>
<td>195,274</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td>195,274</td>
<td></td>
</tr>
<tr>
<td>Donations and other grants</td>
<td>77,367</td>
<td>165</td>
<td>-</td>
<td>-</td>
<td>(6,234)</td>
<td>6,464</td>
<td>-</td>
<td>66,944</td>
</tr>
<tr>
<td>Investment income</td>
<td>34,105</td>
<td>1,761</td>
<td>-</td>
<td>-</td>
<td></td>
<td>99</td>
<td>1,860</td>
<td>35,965</td>
</tr>
<tr>
<td>Amortization of Deferred Capital Contributions</td>
<td>68,654</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(68,654)</td>
<td>6,464</td>
<td>-</td>
<td>62,190</td>
</tr>
<tr>
<td>Investment income in government business enterprises</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>(57)</td>
<td>(57)</td>
<td>(57)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,129,622 $</td>
<td>165</td>
<td>1,761</td>
<td>-</td>
<td>-</td>
<td>1,642 $</td>
<td>$3,568 $</td>
<td>$1,133,190</td>
</tr>
<tr>
<td><strong>EXPENSE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic costs and institutional support</td>
<td>621,831</td>
<td>273</td>
<td>1,761</td>
<td>(5,106)</td>
<td>-</td>
<td>(3,072)</td>
<td>618,759</td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>243,383</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,703</td>
<td>1,703</td>
<td>245,086</td>
<td></td>
</tr>
<tr>
<td>Special purpose and trust</td>
<td>72,822</td>
<td>70</td>
<td>-</td>
<td>-</td>
<td></td>
<td>54</td>
<td>124</td>
<td>72,946</td>
</tr>
<tr>
<td>Facilities operations and maintenance</td>
<td>63,081</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>63,081</td>
<td></td>
</tr>
<tr>
<td>Ancillary services</td>
<td>35,298</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td>35,298</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,036,415 $</td>
<td>343</td>
<td>1,761</td>
<td>(5,106)</td>
<td>-</td>
<td>1,757 $</td>
<td>(1,245) $</td>
<td>1,035,170</td>
</tr>
<tr>
<td><strong>Excess of revenue over expense</strong></td>
<td>$93,207 $</td>
<td>(178)</td>
<td>-</td>
<td>5,106 $</td>
<td>-</td>
<td>(115)</td>
<td>4,813 $</td>
<td>98,020</td>
</tr>
<tr>
<td>Net transfer from endowments</td>
<td>6,044</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,044</td>
<td></td>
</tr>
<tr>
<td>Change in accumulated surplus</td>
<td>99,251</td>
<td>(178)</td>
<td>-</td>
<td>5,106 $</td>
<td>-</td>
<td>(115)</td>
<td>4,813 $</td>
<td>104,064</td>
</tr>
<tr>
<td>Accumulated surplus, beginning of year</td>
<td>338,563</td>
<td>(13,618)</td>
<td>(59,922)</td>
<td>-</td>
<td>(146)</td>
<td>(73,686)</td>
<td>264,877</td>
<td></td>
</tr>
<tr>
<td><strong>Accumulated Surplus, end of year</strong></td>
<td>$437,814 $</td>
<td>(13,796)</td>
<td>-</td>
<td>(54,816)</td>
<td>-</td>
<td>(261)</td>
<td>(68,873) $</td>
<td>368,941</td>
</tr>
</tbody>
</table>

(1) Purchases of library permanent collections or rare books can no longer be capitalized since PS 3150.08 "Capital Assets" does not allow the recognition of these as assets.
(2) Foreign exchange gains have been reclassified to revenues, as per PS 1201.81.
(3) Under PS 3250 and PS 2125, unrecognized actuarial losses and past service costs at April 1, 2011 are fully recognized by adjustment to the employee future benefit liabilities.
(4) Under PSAS amortization of deferred capital contributions is no longer presented in the statement of operations. Therefore, the University has redistributed this amount to its original source of funding.
(5) Under PS 3060.55, the University uses the proportionate consolidation method to record its investment in the Western Canadian Universities Marine Sciences Society, and fully consolidates the financial results of The Arctic Institute of North America (AINA).
### Schedule 1 - Transition to Public Sector Accounting Standards

d) Reconciliation of the Schedule of Expenses by Object

<table>
<thead>
<tr>
<th>March 31, 2012</th>
<th>March 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP</strong></td>
<td><strong>Artworks and permanent collections</strong></td>
</tr>
<tr>
<td>Salaries</td>
<td>$515,207</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>90,741</td>
</tr>
<tr>
<td>Materials, supplies and services</td>
<td>200,075</td>
</tr>
<tr>
<td>Utilities</td>
<td>36,012</td>
</tr>
<tr>
<td>Maintenance and repairs</td>
<td>13,035</td>
</tr>
<tr>
<td>Scholarships and bursaries</td>
<td>69,923</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>15,493</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>95,929</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,036,415</td>
</tr>
</tbody>
</table>

(1) Purchases of library permanent collections or rare books can no longer be capitalized since PS 3150.08 "Capital Assets" does not allow the recognition of these as assets.

(2) Foreign exchange gains have been reclassified to revenues, as per PS 1201.81.

(3) Under PS 3250 and PS 2125, unrecognized actuarial losses and past service costs at April 1, 2011 are fully recognized by adjustment to the employee future benefit liabilities.

(4) Under PS 3060.55, the University uses the proportionate consolidation method to record its investment in the Western Canadian Universities Marine Sciences Society, and fully consolidates the financial results of The Arctic Institute of North America (AINA).
Schedule 1 - Transition to Public Sector Accounting Standards

e) Reconciliation of the Salary and Employee Benefits Note.

<table>
<thead>
<tr>
<th>March 31, 2012</th>
<th>March 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td></td>
</tr>
<tr>
<td>Chair of the Board of Governors</td>
<td>$ - $ - $ - $</td>
</tr>
<tr>
<td>Members of the Board of Governors</td>
<td>- - - - - -</td>
</tr>
<tr>
<td>Executive</td>
<td></td>
</tr>
<tr>
<td>President</td>
<td></td>
</tr>
<tr>
<td>Incumbent</td>
<td>440 105 211 756 21 777</td>
</tr>
<tr>
<td>Vice-Presidents:</td>
<td></td>
</tr>
<tr>
<td>Provost and Vice-President Academic</td>
<td></td>
</tr>
<tr>
<td>Incumbent</td>
<td>260 33 75 368 16 384</td>
</tr>
<tr>
<td>Past Incumbent</td>
<td>114 - 96 210 4 214</td>
</tr>
<tr>
<td>Vice-President Research</td>
<td></td>
</tr>
<tr>
<td>Incumbent</td>
<td>278 71 79 428 15 443</td>
</tr>
<tr>
<td>Interim, Past Incumbent</td>
<td>42 9 6 57 - 57</td>
</tr>
<tr>
<td>Vice-President Finance and Services</td>
<td></td>
</tr>
<tr>
<td>Incumbent</td>
<td>281 8 68 357 10 367</td>
</tr>
<tr>
<td>Vice-President University Relations</td>
<td></td>
</tr>
<tr>
<td>Incumbent</td>
<td>240 49 58 347 5 352</td>
</tr>
<tr>
<td>Vice-President Facilities Management and Development</td>
<td></td>
</tr>
<tr>
<td>Incumbent</td>
<td>349 45 96 490 6 496</td>
</tr>
<tr>
<td>Vice President Development</td>
<td></td>
</tr>
<tr>
<td>Incumbent</td>
<td>287 50 97 434 (3) 431</td>
</tr>
</tbody>
</table>

(1) This is the difference in Supplemental Retirement Plan and Administrative Leave Plan expense due to the transition to PSAS. Under PS 3250, PS 3255, and PS 2125, unrecognized actuarial losses at April 1, 2011 are fully recognized by direct adjustment to the employee future benefit liabilities.
For more information about this report, please contact:

UNIVERSITY OF CALGARY
Office of the Provost
provost@ucalgary.ca

ucalgary.ca