University of Lethbridge

Management's Responsibility for Reporting

For the Year Ended March 31, 2014

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

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

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

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

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

Original signed by Nancy Walker

Nancy Walker
Vice-President, Finance and Administration

Original signed by Mike Mahon

Mike Mahon
President

The accompanying notes are part of these financial statements.

University of Lethbridge

Statement of Financial Position

As At March 31,
(thousands of dollars)

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

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

Approved by the Board of Governors:

Chair, Board of Governors

Chair, Audit Committee

The accompanying notes are part of these financial statements.

University of Lethbridge

Statement of Operations

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

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

The accompanying notes are part of these financial statements.

Statement of Cash Flows

Year ended March 31,
(thousands of dollars)

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

The accompanying notes are part of these financial statements.

Statement of Remeasurement Gains and Losses

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

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

The accompanying notes are part of these financial statements.

Note 1 Authority and Purpose

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General - PSAS and Use of Estimates

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

(b) Non-use of Net Debt Model Format

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

(c) Valuation of Financial Assets and Liabilities

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

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

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

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

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

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

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

(d) Revenue Recognition

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

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

(d) Revenue Recognition (continued)

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

Grants and donations related to land

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

Endowments

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

Investment income

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

(e) Inventories

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

(f) Tangible Capital Assets

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

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

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)
(f) Tangible Capital Assets (continued)

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

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

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

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

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

(h) Employee Future Benefits

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

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

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

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

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

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

(thousands of dollars)

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

(h) Employee Future Benefits (continued)

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

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

Long-Term Disability Plan

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

Senior Administrative Leave

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

(i) Internally Restricted Funds and Reserves

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

(j) Future accounting changes

PS 3260 Liability for Contaminated Sites

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

(k) Prior Period Restatement

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

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

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

(thousands of dollars)

Note 3 Cash and Cash Equivalents

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

	2014	2013
Cash	$ 9,053	$ 16,083
Cash equivalents	-	2,579
	$ 9,053	$ 18,662

Note 4 Portfolio Investments

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

The fair value measurements are those derived from:

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

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

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

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

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

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

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

(thousands of dollars)

Note 5 Financial Risk Management

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

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

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

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

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

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

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

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

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

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

Note 6 Accounts Receivable

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

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

(thousands of dollars)

Note 6 Accounts Receivable (continued)

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

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

Note 7 Tangible Capital Assets

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

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

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

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

Note 8 Employee Future Benefit Liabilities

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

Note 8 Employee Future Benefit Liabilities (continued)

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

UAPP

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

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

Early retirement plan

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

Senior administrative leave

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

Long-term disability plan

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

Supplementary benefit plan

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

(thousands of dollars)

Note 8 Employee Future Benefit Liabilities (continued)

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

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

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

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

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

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

(thousands of dollars)

Note 8 Employee Future Benefit Liabilities (continued)

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

Public Service Pension Plan (PSPP)

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

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

Note 9 Debt

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

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

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

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

Note 10 Deferred revenue

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

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

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

(thousands of dollars)

Note 11 Endowments

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

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

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

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

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

The composition of endowments is as follows:

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

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

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

Note 12 Accumulated Surplus

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

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

(thousands of dollars)

Note 12 Accumulated Surplus (continued)

Investment in tangible capital assets

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

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

Internally Restricted Surplus

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

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

Note 13 Contingent Liabilities

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

(thousands of dollars)

Note 14 Contractual Obligations

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

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

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

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

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

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

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

Note 15 Expense by function

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

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

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

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

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

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

(thousands of dollars)

Note 16 Expense by Object

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

Note 17 Related Party Transactions

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

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

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

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

(thousands of dollars)

Note 17 Related Party Transactions (continued)

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

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

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

Note 18 Salary and Employee Benefits

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

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

(1) Base salary includes pensionable base pay.

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

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

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

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

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

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

(thousands of dollars)

Note 18 Salary and Employee Benefits (continued)

(8) This position does not accrue senior administrative leave.

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

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

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

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

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

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

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

Note 19 Comparative Figures
Certain 2013 figures have been reclassified to conform to 2014 financial statement presentation.

Note 20 Budget Figures
The University's 2014/15 budget was approved by the Board of Governors and was presented to the Minister of Innovation and Advanced Education as part of the University's submission of its 2014/15 to 2015/16 Comprehensive Institutional Plan. Certain budget figures from the University's 2014/15 to 2015/16 Comprehensive Institutional Plan have been reclassified to conform to the presentation adopted in the 2014 financial statements.

Note 21 Approval of Financial Statements
The financial statements were approved by the Board of the University of Lethbridge.