

ANNUAL REPORT 2012-13



University
of Regina

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MESSAGE FROM THE BOARD OF GOVERNORS AND PRESIDENT

The University of Regina is pleased to submit the annual report and audited financial statements for the fiscal year ending April 30, 2013. This report highlights some of the University's key accomplishments from the past year as we continue working to fulfill the objectives set forth in our strategic plan, *mâmatowikamâtowin: Our Work, Our People, Our Communities*.

The 2012-13 academic year demonstrated that the University of Regina is in many ways a microcosm of the province itself. As Saskatchewan's population continued to grow and become increasingly diverse, so did the University's student body. The fall of 2012 saw record enrolments, with more than 13,000 students registered. Of those, more than 10 percent are of Aboriginal ancestry, and more than 10 percent are international students. The number of students enrolled from within Saskatchewan but outside Regina increased by seven percent over the previous year, demonstrating more than ever that the University of Regina is a provincial university.

The impact the University of Regina is having on Saskatchewan became very clear with The Conference Board of Canada's 2012 publication of a report entitled *Fuelling the Surge: The University of Regina's Role in Saskatchewan's Growth*. This report shows, among other things, that the University employs approximately 3,000 full-time and part-time teaching and administrative staff, brings \$77 million in incremental spending to Regina from outside the province, and generates \$291 million annually in provincial GDP. It describes the University as an "economic engine" – but that is only part of the story.

The report also states that "the University of Regina plays a vital role as a driver of economic, social and cultural well-being" in Saskatchewan. It is through our shared academic mission – teaching, research, and service to community – that the University continues to play this role. By teaching the next generation of leaders, conducting innovative research that makes an impact both on our provincial communities and around the world, and lending their expertise to other organizations and community groups, our faculty members have continued to make a difference in the lives of others over the past year. So have our non-academic staff members, who also give life to our University's motto – "As One Who Serves" – by providing crucial support to our faculty members and students in their academic pursuits.

As we begin the 2013-14 year, the University of Regina, like Canadian universities from coast to coast, faces a number of challenges. We must ensure that our academic programs continue to meet student demand and expectations for quality. In addition, we must manage our growth in a sustainable manner, and make the best use of the funds with which we have been entrusted to educate our students. These are not so much challenges as they are responsibilities, however, and if the accomplishments of our University community over the past year are an indication, they are responsibilities we are well prepared to fulfill.

Paul McLellan
Chair, Board of Governors

Dr. Vianne Timmons
President and Vice-Chancellor

MANAGEMENT DISCUSSION AND ANALYSIS

Context

The University of Regina main campus and historic College Avenue campus provide an attractive study and work environment for students, faculty and staff. Both the main campus and College Avenue campus are located in Wascana Centre, one of the largest urban parks in North America. A comprehensive university with nearly 200 programs and more than 13,000 students, the University of Regina strives to provide a welcoming, rewarding study and work environment that fosters creativity, engagement, continuous learning, and the opportunity to succeed.



The University is home to 10 faculties and 25 academic departments which have established reputations for excellence and innovative programs leading to bachelor's, master's, and doctoral degrees. The University is committed to providing high-quality, accessible education that prepares learners for productive and creative lives. Over the past year, the University has continued to produce innovative research and scholarship to expand human knowledge and support social, environmental, and economic development.

Together with our federated colleges – Champion College, First Nations University of Canada, and Luther College – the campus provides a work home to 3,000 people, supporting 970 additional full-time jobs in Saskatchewan.

University of Regina alumni – now numbering approximately 62,000 – contribute to and build our society in Saskatchewan and in Canada, and are our ambassadors to the world. Following graduation, our alumni continue to embody the University's motto, "As One Who Serves."

Vision

The University of Regina is a welcoming, student-focused institution that combines deep-rooted values with innovative thinking, classroom theory with real-world practice, and global ideas with regional needs. We aspire to be one of Canada's best comprehensive universities.

Strategic plan

The University of Regina's Board of Governors set the direction for the University by introducing a five-year strategic plan entitled *mâmawohkamâtowin: Our Work, Our People, Our Communities* in July 2009. Since that time, the Board has approved a performance management framework to monitor and report on progress towards achieving the vision, mission and goals outlined in the strategic plan.

This annual report highlights the activities and accomplishments of the University of Regina for the 2012-13 fiscal year, which ran from May 1, 2012 to April 30, 2013. The performance

The University of Regina

management framework uses measures that enable the University to achieve its long-term goals, thereby enhancing the University's accountability to government, its partners, and its communities.

PERFORMANCE MANAGEMENT FRAMEWORK

The University of Regina uses a performance management framework rooted in its five-year strategic plan: *mâmawohkamâtowin: Our Work, Our People, Our Communities*. The word *mâmawohkamâtowin* is Cree for “cooperation; working together towards common goals,” and it embodies the University's vision, values and mission within Saskatchewan. As the University sets out to meet the common goals of the strategic plan, it positions itself at the centre of the province, rooted in and responding to the needs and aspirations of our students, our people, and our communities, and reaching out to the world around us.

Our work

The first section of the strategic plan focuses on our work at the University of Regina, encompassing the areas of teaching, research and public service. Among the specific objectives within the section are our commitments to promote and reward the pursuit of excellence in teaching, research and public service, as well to make the University widely known for excellence in all of its activities. In addition, we aim to align our array of program offerings with the needs and interests of current and prospective students. These objectives, along with others related to our work, are designed to promote student satisfaction in their learning experience at the University, as well as to support student retention and graduate student growth on campus.



The University of Regina met and surpassed several key performance targets related to teaching, research and public service in 2012-13. Student retention from first to second year – a period when attrition is typically at its highest – registered at 80.4 percent, exceeding the University's 79 percent target. Notably, the number of graduate students at the University grew to 1,589, exceeding the 2013 target of 1,555. The strength of our graduate program indicates that the University enjoys a strong and growing reputation as a centre of excellence in both high-level teaching and research. While the total number of research dollars did not meet the 2012-13 target, significant gains were made in the areas of tri-agency funding and grants, which together rose more than \$7.3 million. The University of Regina has once again set its research target high for 2013-14, and it will continue to focus on research as a priority area, striving to strengthen policies, procedures and financial supports.

OUR WORK OBJECTIVES:

A.1: Promote and reward the pursuit of excellence in teaching, research, public service and administration. Make the University widely known for excellence.

A.2: Reaffirm our historic commitment to the liberal arts and sciences.

A.3: Align our array of program offerings to respond to the needs and interests of current and prospective students.

A.4: Enhance the University's distinctive programming and research profile. Capitalize on research successes to benefit the institution, researchers and our students.

A.5: Make the University a leader in environmental responsibility. Put sustainability at the core of our teaching, research, and campus life.

A.6: Take a programmatic approach to distributed teaching and learning.

Measures	April 30, 2011 result	April 30, 2012 result	April 30, 2013 target	April 30, 2013 result
Percentage of students satisfied with the quality of teaching	94%**	90%***	90%*	87%*
Percentage of students satisfied with their decision to attend the University	92%**	90%***	90%*	93%*
Research revenue	\$22.31M	\$22.94M	\$24.08M	\$20.74M
Annual credit hours taught in the faculties of Arts, Science and Fine Arts (including the federated colleges)	147,725	157,160	155,000	156,428
Number of credit hours taught at the University of Regina proper	203,219	222,087	223,866	227,915
Total student enrolment	12,267	12,877	13,521	13,115
Student retention - 1st year to 2nd year	78.4%	81.9%	79%	80.4%
Percentage of undergraduate students enrolled in online or televised courses	14%	18%	20%	20%
Number of graduate students	1,532	1,576	1,555	1,589
Energy consumption per square meter of building space	1.52GJ	1.52GJ	1.52GJ	1.51GJ
Energy consumption per FTE student	41.84GJ	38.07GJ	37.5GJ	36.73GJ
Administration and external relations expenditure per FTE student	\$2,989	\$2,849	N/A [†]	N/A [†]

*First-year students 2013 **All undergraduates 2011 ***Graduating students 2012

[†]Values of N/A are reported when data is unavailable at time of publishing the annual report.

Our people

The strategic plan's second section focuses on our people, supporting the campus priorities of engagement, diversity, success and esteem. Among the strategic objectives related to our people is our commitment to build long-term relationships with First Nations and Métis communities. By achieving this goal, we will prepare *all* of our students to live in a Saskatchewan where First Nations and Métis peoples achieve their rightful place in society and the economy, and where their cultures are celebrated.

Highlights 2012-13

Students from Brazil attend the University of Regina as part of the Science Without Borders program – an initiative between the Canadian and Brazilian governments

New student-focused website is launched

U of R's Kelly Wiebe joins Team Canada as they placed second as a team at the 2013 Cross Country Championships in Jamaica

The University also aims to improve the university experience for students, promote their wellbeing, and foster a stronger campus community and spirit. In support of this, we work to provide more scholarship and bursary support, allocating the funding necessary to attract and retain highly qualified graduate students.

In 2012-13, the University showed several strong performance results, including its number of self-declared Aboriginal students. University-wide, the Aboriginal population was up from 1,019 students in 2011 and 1,153 in 2012, registering at 1,293 in 2013 and far surpassing the target of 1,210. In addition, the number of international students at the University rose to 1,366, exceeding the 2013 target of 1,316. The number of self-declared Aboriginal employees rose from 50 in 2012 to 71 in 2013. This represents significant progress at the University of Regina towards indigenization of the campus, a primary strategic tenet of the institution. One of the University's strongest showings was its percentage of total operating expenditures devoted to scholarships and bursaries. Scholarship and bursary support rose to 6.8 percent, exceeding the 6.6 percent target and representing \$1.6 million in additional student support.



OUR PEOPLE OBJECTIVES:

B.1: Build long-term relationships with First Nations and Métis communities.

B.2: Make the transition into university seamless; enhance accessibility and flexibility; expand early-awareness and transitional programming; and ensure that appropriate supports are in place for students with special needs.

B.3: Improve the university experience for students, and foster a stronger campus community and spirit. Provide more scholarship and bursary support. Increase the amount of funding available to both undergraduate and graduate students.

B.4: Increase our administrative efficiency and enhance productivity.

B.5: On a foundation of positive and open employee relations, provide freedom and opportunity for faculty and staff to grow, excel, and be esteemed and recognized.

B.6: Continue to build a friendly, diverse, safe, and tolerant campus. Respect work-life balance and pay particular attention to the marginalized, the vulnerable, and the disadvantaged.

Measures	April 30, 2011 result	April 30, 2012 result	April 30, 2013 target	April 30, 2013 result
Number of self-declared Aboriginal students University-wide	1,019	1,152	1,210	1,293
Number of international students University-wide	1,033	1,253	1,316	1,366
Number of self-declared Aboriginal personnel	46	50	51	71
Average undergraduate student course load (credit hours)	10.7	10.9	11	10.91
Percentage of total operating expenditures devoted to scholarships and bursaries.	6.4%	6.4%	6.6%	6.8%
Participation rate in the bi-annual employee engagement survey	N/A [‡]	53%	N/A [‡]	N/A [‡]
Student-to-faculty ratio	18.8	18.8	Remain in the top half of lowest ratios (Maclean's)	18.9
Number of new students enrolled in the UR Guarantee program	342	398	350	439
Number of WCB claims for time lost	11	19	15	16
Average length of WCB claim (days)	47	33	30	27

[‡]Values of N/A are reported when data is unavailable at time of publishing the annual report. These values are collected bi-annually.

Our communities

The final section of the strategic plan concentrates on our communities, emphasizing presence and partnership. Key among the University's objectives is our desire to raise the profile and increase the presence of the University regionally, nationally and internationally. While we have much to offer students and staff, as a young institution we are too often viewed in our home province as a university for the Regina region only. Nationally, although we are known for specific areas of excellence, our overall institutional quality remains largely unrecognized. We have therefore committed to find new means of engaging with and addressing the needs of Saskatchewan cities, towns, and rural and northern communities, as well as communities in other Canadian provinces and territories.



One key measure of our community objectives is the percentage of domestic undergraduate students enrolled at the University coming from outside of Regina but within Canada. Exceeding our 2013 target of 52 percent and improving upon the 2011 and 2012 results, at 48.4 and 51 percent respectively, we achieved a total of 52.1 percent. This number translates into 5,812 students. Another significant success was the total amount of donations and pledges made to the University, which reached \$8.5 million in 2013, exceeding the goal by nearly \$1 million.

OUR COMMUNITY OBJECTIVES:

- C.1: Raise the profile and increase the presence of the University regionally, nationally, and internationally. Promote community involvement of University personnel by redoubling our efforts to showcase the pursuit of excellence in teaching, research, and administration.
- C.2: Enhance collaboration with and between First Nations University of Canada, Campion and Luther Colleges, the Institut français, and the Gabriel Dumont Institute.
- C.3: Engage in educational, research, and human resource development partnerships with other educational entities, businesses, professions, and community groups.

Measures	April 30, 2011 result	April 30, 2012 result	April 30, 2013 target	April 30, 2013 result
Ranking in research money	28	36	28	N/A [‡]
The number of alumni involved with the University of Regina	16,036	16,985	17,834	15,417
Donations (cash and pledges) to the University	\$5.2M*	\$7.3M*	\$7.6M	\$8.5M
Percent of domestic undergraduate students enrolled at the University who come from outside of Regina but within Canada	48.4%	51.0%	52.0%	52.1%

*Excluding donations to College Avenue Campus revitalization

[‡]Values of N/A are reported when data is unavailable at time of publishing the annual report.

ENTERPRISE RISK MANAGEMENT

Process

Enterprise Risk Management (ERM) at the University of Regina is a systematic approach to identify, assess and respond to risks that potentially hinder the achievement of the University's strategic, operational and financial objectives. During the 2012-13 fiscal year, the office of ERM advanced the implementation of an ERM process, further embedding it into the culture of the University. The ERM office has identified potential events that could have an impact in the areas of academics, research, administration and student affairs. Working closely with academic and administrative units, the ERM office has conducted a thorough risk assessment and developed appropriate and relevant risk mitigation measures.

The primary function of the ERM office is the coordination of the appropriate risk transfer and reduction strategies. The ERM office provides strategic guidance and advice to all University leadership and members of the University community, helping them to mitigate risk and embrace opportunities in order to support the University in achieving its vision and mission.

The University of Regina identified 10 primary risks as priorities for 2012-13 through the ERM process, and these are outlined below.

Selected risks and management strategies

Funding of academic and research activity is the University's most significant source of capital and operating revenue. The University requires adequate funding to promote sustained growth of the institution and to keep up with inflationary pressures. The Saskatchewan Universities Funding Model provides some stability and predictability for funding from the Provincial Government; however, with tighter fiscal constraints, the public and post-secondary sectors across Canada are being challenged to find other sources of revenue while continuing to deliver services economically.

To mitigate the likelihood of funding shortages, the University has developed the following initiatives:

- Advocate for a review of university funding;
- Develop new academic programs in areas such as nursing, health administration and geology;
- Complete the Academic Program Review, establish a schedule of Administrative Reviews, and consider business process improvements to reduce and/or reallocate operating costs using LEAN methodology;

Highlights 2012-13

The Saskatchewan Collaborative Bachelor of Science in Nursing program announces an expansion to Swift Current

Students travel to Mexico through a new University of Regina exchange program to learn about Indigenous culture in Mexico

New Aboriginal Student Centre opens on campus

The University of Regina

- Continue to lobby for funding from various sources; and
- Strengthen donor support for the University.

In addition to funding, student enrolment has an impact on the University's finances through tuition revenue and, indirectly, the Government's contribution to the institution's operating grant. The University has invested significant time and effort in addressing student recruitment and retention, strategically emphasizing the recruitment of students of Aboriginal ancestry, as well as international and graduate students. The University has achieved gains in student recruitment and retention through improved admission procedures, strategic advertising, and expansion of the Aboriginal Student Centre. In addition, the Aboriginal student population has been further supported by work towards a strategic plan for indigenization of the campus and a continuing effort to indigenize curricula across the faculties. Also supporting the University's student recruitment and retention efforts is the construction of new student housing and daycare facilities, a project that is currently underway and projected to be complete in fall 2015.

Highlights 2012-13

Announcement of a new \$73.7 million residence to provide 605 new on-campus beds, 90 new daycare spaces and 150 underground parking stalls

Research project gathers data to assist RCMP in accident scene reconstruction

25 graduate students present their research findings in China

In addition to the **government funding** and **student recruitment and retention** risks, the University has identified the following areas of sensitivity and developed management strategies for each one:

Pension sustainability

Increased pension liability poses a risk because it may impact the operating budget of the University.

Academic Program Review

Risks in this area include failing to provide the range and structure of courses that meet the expectations of our students.

Labour relations

A labour dispute and subsequent job actions can affect teaching, research and student services. The University is currently negotiating the University's four collective agreements, all of which have expired, with the unions.

Policy compliance

Failure to comply with University and grant providers' policies affects the reputation of the University, which may in turn impact university funding and reputation.

Strategic partnership

The success of First Nations University of Canada affects the University of Regina's reputation. To ensure First Nations University of Canada's success, the University continues to commit considerable resources to meeting its obligation under the Administrative Services Contract.

Information technology infrastructure and data security

The University's information technology system, which includes information databases, is vulnerable to hacking or other breaches of security. The system is also challenged by the constant need to innovate, implement, and update technology at a rate that maintains or improves the University's competitive position relative to other post-secondary educational institutions and satisfies the business needs of the University.

Highlights 2012-13

New Master of Arts in Applied Economics and Policy Analysis is launched in the Faculty of Arts

Paul J. Hill School of Business students place in the top six of the Inter-Collegiate Business Competition

Cheer Team wins first place in its division at the Canadian National Cheerleading Championships

Government relations

Failing to effectively and widely communicate major milestones regarding developing issues important to the University and government and align key messages with the government's agenda could expose the University to a relationship management and communications risk.

Succession planning

The University must strive to hire qualified employees and mitigate the risks generated by employee turnover.

FINANCES

Environment overview

Nearly every Canadian university experienced significant financial challenges in 2012-13 as the result of constrained – or even reduced – government funding and factors such as decreased investment earnings and increasing pension liabilities. The University of Regina has faced similar challenges.

Enrolment

Enrolment increased for the fourth consecutive year, with fall and winter course registrations up by three percent and spring/summer up by more than four percent. The University's population of self-declared Aboriginal students grew by 12 percent to comprise 10 percent of the student body, while international student enrolments rose by almost nine percent.

Budget

A balanced operating budget was put in place despite a modest 1.9 percent increase in the provincial operating grant. Most undergraduate tuition rates were increased by four percent.

Budget reductions of three percent or more were required from almost all budget units for a total budget reduction across the University of \$3.4 million. These reductions were necessary to balance the operating budget and permit a total of \$1.77 million of re-investments in priority areas.

The operating budget ended 2012-13 with a surplus of \$90,000. In addition, a number of one-time investments were funded to support initiatives and opportunities. Targeted projects that were funded included:

- Support for the launch of a new Master of Health Administration degree in the Johnson-Shoyama Graduate School of Public Policy;
- Funds to match a donor's contribution for the Research Chair on Aging;
- Funding for the new Saskatchewan Justice Institute;
- Planning and funding of a new psychology clinic;
- Enhanced fundraising efforts for priority areas; and
- Additional scholarship support for First Nations and Métis students.

Academics and student support

New allocations to faculties totalled \$846,000, including funding for the incremental costs of the second year of the Saskatchewan Collaborative Bachelor of Science in Nursing program, offered in collaboration with Saskatchewan Institute of Applied Science and Technology (SIAST) and launched in 2011-12. Three faculties experiencing the greatest enrolment pressures and demonstrating the lowest budget per (weighted) student were allocated, in total, five additional faculty positions and a student advisor. Scholarship funding was increased by \$169,000. An allocation of \$120,000 to the Aboriginal Student Centre (ASC) replaced expiring donation-based funding and allowed the ASC to continue its work. The lead position for indigenization in the President's Office was funded as a one-year secondment from government. Services for students with disabilities were enhanced at a cost of \$162,000. Support for research activities increased by \$327,000, including a research analyst in Financial Services. An additional \$240,000 was allocated to UR International to enhance and deliver services to the expanding international student population. A new web security analyst position was also created in Information Services to oversee the security of our databases and information systems.

Highlights 2012-13

The University of Regina features:

13,119 full- and part-time students

2,534 full- and part-time faculty and staff

62,000 graduates

Ten faculties

Off-campus courses in 20 different rural
Saskatchewan centres

Capital projects

The \$12.5 million capital expenditure budget included \$2.5 million for planning and design of the student housing/child care/parkade project (of which \$1 million was provided by the province in 2011-12), \$2.84 million for other major capital projects, \$2.35 million for plant renovations and adaptations, \$1.3 million for equipment replacement, and \$3.4 million for debt repayment related to recent capital projects.

Provincial government funding for sustaining capital, unchanged for 2012-13 compared to 2011-12, continued to be constrained compared to previous years' funding levels and current needs. The University's challenge is to provide, to the greatest possible extent, for the continued replacement of teaching and other essential equipment and furnishings, as well as capital renovations projects, all of which require additional funding. The level of funding for sustaining capital has decreased to the point where signs of deferred maintenance are becoming obvious. In particular, leaking roofs are causing structural damage and increasing our maintenance costs. This shortfall is a concern that is being discussed with government.

Strategic partnership

On April 1, 2011, the University of Regina entered into a three-year Administrative Services Contract with First Nations University of Canada, one of its federated colleges, whereby the University of Regina provides financial administration and management advice. Over the past year, First Nations University of Canada has moved forward in a number of areas, and the University of Regina continues to work with its Executive Team and Board of Governors to enhance governance capacity.

Highlights 2012-13

Graduates earn \$27,600 more per year than those with certificates and diplomas below the Bachelor's level

The University generates four percent of Regina's GDP and \$291 million in total provincial GDP (University and student spending combined in 2011)

The University attracts new strategic investments through research grants of approximately \$22 million per year

Pensions

Many Canadian universities and other public institutions are now struggling with pension shortfalls and their impact on operating budgets. Through sound financial management over the years, the University of Regina pension plans have not been had a significant impact to the University's operating budget. The University's two plans (the Academic and Administrative Group and the Non-Academic Group) filed the actuarial valuation for the pension plan year ending December 31, 2009 with the Saskatchewan Superintendent of Pensions. Both plans had neutral going-concern positions once the Non-Academic Plan's matched contribution rates were increased to 7.75%. New actuarial valuations for both plans will be completed and filed with the Superintendent of Pensions by September 30, 2013.

The University of Regina

The accounting valuations of the pension plans use a different actuarial valuation basis than the going-concern valuations. For April 30, 2013, this resulted in the financial statements showing a defined benefit pension expense of \$6.20 million, an accrued pension benefit liability of \$7.18 million and an accrued pension benefit asset of \$10.29 million (note 13 to the financial statements). Pension expense can fluctuate significantly from year to year. For example, the defined benefit pension expense was \$5.80 million, \$13.47 million, \$6.17 million, \$17.48 million, \$10.67 million, and \$-14.6 million for the years ending April 30, 2012 (restated), 2011, 2010, 2009, 2008 and 2007, respectively.

Ancillaries

The new food services contractor that began operations in 2011-12 continues to produce much-improved financial results. The University of Regina's residences are fully occupied, and the provincial government has announced approval of a capital project at the University to include 605 residence rooms and 90 childcare spaces. The government is contributing an additional \$10 million from SaskHousing in 2013-14 to support this project, and \$1.38 million to support the childcare portion.

Summary

Having had many years of balanced operating budgets, the University of Regina faces financial challenges as do many other Canadian universities. Through responsible fiscal management, the University of Regina has no operating debt and most of its capital debt is supported by Board-approved business plans, as in the case of the residences, or is being repaid through provincial government sustaining capital funding.

Financial highlights

In 2012-13, the University recorded revenues of \$243,421,000, expenses of \$233,165,000, and an overall net change in fund balance of \$10,256,000 to create an overall positive fund balance for the University of \$243,243,000.

Comprising the General Fund are the Operating Fund, Vacation Pay and Pension Accrual Fund, Ancillary Fund, and Special Projects Fund. The Restricted Fund is comprised of the Capital Asset Fund, Research Fund and Trust Fund.

The Operating Fund surplus of \$90,000 brought the total unrestricted accumulated Operating Fund balance to \$433,000. Restricted fund balances include \$30,603,000 permanently restricted in the Endowment Fund; \$50,556,000 temporarily externally restricted, and \$150,139,000 invested in Capital Assets.

Operating Fund

Within the General Fund, management focuses much of its time on budgeting and monitoring the Operating Fund to ensure that the University continues to be a strong, effective organization, pursuing the goals of its strategic plan.

Provincial operating funding for 2012-13 of \$102,932,000 represented approximately 58 percent of the University's Operating Fund revenue. Students' tuition and fees comprised 33 percent of operating fund revenue.

Table 1 provides the financial results of the Operating Fund regrouped to be comparable to the University's method of budgeting. The presentation of these results does not follow generally accepted accounting principles as published by the Canadian Institute of Chartered Accountants in that transfers and internal recoveries are treated as revenues in the budget, while in the audited financial statements, internal recoveries are netted against expenses and transfers appear below the net revenues (expenses) line.

The Net Operating Position in Table 1 equals the audited net increase in fund balance for the Operating Fund, as found in Statement 4 of the University's financial statements.

The budget shown in Table 1 differs from the Operating Fund budget disclosed in Note 22 – Budget Versus Actual for 2013 in the financial statements as it includes budget adjustments made during the year. Also, the budget amounts in Note 22 have been regrouped to be comparable to the audited financial statements.

Table 1. Operating Fund results (\$000)

	2011-12 Actual	2012-13 Actual	Variance	% Change		2012-13 Budget	2012-13 Actual	Variance	% Change
REVENUES									
Government Grants	\$102,461	\$105,566	\$ 3,105	3.03%		\$105,474	\$105,566	\$ 92	0.09%
Student Fees	53,472	58,546	5,074	9.49%		58,663	58,546	(117)	-0.20%
Other Income	796	782	(14)	-1.76%		698	782	84	12.03%
Transfers	2,059	2,267	208	10.10%		2,151	2,267	116	5.39%
Total Non-grant Revenue	56,327	61,595	5,268	9.35%		61,512	61,595	83	0.13%
Operating Recoveries	16,902	17,090	188	1.11%		13,186	17,090	3,904	29.61%
Total Revenues	175,690	184,251	8,561			180,172	184,251	4,079	
EXPENSES									
Salaries and Benefits	127,930	131,223	3,293	2.57%		130,170	131,223	1,053	0.81%
Utilities	7,178	7,131	(47)	-0.65%		6,907	7,131	224	3.24%
Other Expenses	40,530	45,807	5,277	13.02%		43,095	45,807	2,712	6.29%
Total Expenses	175,638	184,161	8,523	4.85%		180,172	184,161	3,989	2.21%
Net Operating Position	\$ 52	\$ 90	\$ 38			\$ -	\$ 90	\$ 90	

2012-13 actual compared to 2011-12 actual

Government grants: The provincial operating grant increased by approximately 3.03 percent, or \$3.1 million. Of this increase, \$0.7 million was for the continued rollout of the nursing program, and \$1.4 million was for new provincial scholarship programs, the funds of which were fully distributed to students.

Tuition and fees: The combination of a tuition and fee rate increases and enrolment increases resulted in a 9.49 percent increase in student fees, or \$5.1 million.

Operating recoveries: Increased recoveries, largely due to more teaching in the Centre for Continuing Education, resulted in an increase of 1.11 percent, or \$188,000.

Salaries and benefits: The total cost of salary increases (such as the cost of living, performance, and career growth), as well as additional positions for the nursing program and to meet other growth requirements, resulted in a total increase of 2.57 percent, or \$3.3 million.

Utilities: Commodity cost increases resulted in increased utility costs, which were more than offset by the positive change in fair value of the commodity swap derivatives. As a result, utilities decreased by 0.65 percent, or \$47,000.

Other expenditures: Inflation in the remaining areas of university operations plus increased activities in areas such as nursing and the Centre for Continuing Education resulted in an increase in general expenditures of 13.02 percent, or \$5.3 million.

2012-13 actual compared to 2012-13 budget

Operating recoveries exceeded budget by \$3.9 million, which was offset by increases in salaries and benefits of \$1.1 million and other expenses of \$2.7 million. This was due to three primary factors:

- Facilities Management incurred utility costs which are recorded as “other expenses.” These are then billed back to external entities such as the federated colleges and Research Park, and recorded as “operating recoveries”;
- During the year, budgeted amounts for salary provision were included in “other expenses.” These are reallocated to “salaries and benefits” as salary increases are awarded based on negotiated collective agreements; and,
- The Centre for Continuing Education had higher-than-budgeted activity levels, which resulted in increases in operating recoveries, salaries and benefits, and other expenses.

Ancillary Fund

In 2012-13, the Ancillary Fund lost \$345,000 compared to a budgeted loss of \$234,000.

Parking Services: Revenues increased as the result of the increase in enrolments and the construction of a new parking lot. The large amount of snowfall during the winter resulted in snow removal costs more than twice that of the previous year.

Bookstore: The unfavourable variance in the Bookstore was caused by decreased sales of used books, sundries and clothing.

Printing Services: The decrease in Printing Services revenue is a result of changes to the copyright law which have significantly reduced printing and copying on campus. This has been offset by cost savings in Printing Services from a major restructuring that resulted in the elimination of three positions and the transfer of responsibility for the Print Optimization Project, along with the administrative support for this project, from Printing Services to Information Services.

Residences: The residence offices had a very successful year due in part to record enrolments of students from outside the Regina area, and to a tight rental housing market in the city. For the fall and winter semesters the residences were all full. Occupancy rates for the spring and summer were lower than in previous years due to a change in policy that guarantees a certain number of rooms to new students in the fall semester. This policy has a beneficial effect on recruiting, but because it means returning students are not guaranteed rooms, students look off campus for rooms as opposed to staying on campus during the spring and summer.

Table 2 provides the financial results of the Ancillary Fund regrouped to be comparable to the Ancillary's method of budgeting. The presentation of these results does not follow generally accepted accounting principles as published by the Canadian Institute of Chartered Accountants in that certain transfers in are treated as revenues, while certain transfers out are treated as expenses. The Total Ancillaries Actual Net Position in Table 2 equals the audited net decrease in fund balance for the Ancillary Fund, as found in Statement 4 of the University's financial statements.

The Total Ancillaries Revenue and Expense Budget figures shown in Table 2 differ from the Ancillary Fund budget disclosed in Note 22 – Budget Versus Actual for 2013 in the financial statements because the budget amounts in Note 22 have been regrouped to be comparable to the audited financial statements.

Table 2. Ancillary Fund results (\$000)

	2012-13 BUDGET			2012-13 ACTUALS			VARIANCE		
	Revenues	Expenses	Net position	Revenues	Expenses	Net position	Revenues	Expenses	Net position
Parking Services	\$ 2,850	\$ 2,530	\$ 320	\$ 2,732	\$ 2,560	\$ 172	\$ (118)	\$ (30)	\$ (148)
Bookstore	6,037	5,708	329	5,708	5,640	68	(329)	68	(261)
Printing Services	1,777	1,927	(150)	1,038	1,301	(263)	(739)	626	(113)
Food Services	528	620	(92)	447	405	42	(81)	215	134
Leased Space	43	7	36	45	2	43	2	5	7
Total Before Residences	11,235	10,792	443	9,970	9,908	62	(1,265)	884	(381)
Residences	6,913	7,590	(677)	6,653	7,060	(407)	(260)	530	270
Total Ancillaries	\$ 18,148	\$ 18,382	\$ (234)	\$ 16,623	\$ 16,968	\$ (345)	\$ (1,525)	\$ 1,414	\$ (111)



Looking forward

The University will continue working towards achieving the goals and objectives of the University's strategic plan, while at the same time laying the foundation for the next strategic plan, which will guide the University beyond 2014.

Complementing the Province's growth strategy, the University will further enhance its academic program offerings to meet the needs of current and future students. In this way, the University will continue to focus on diversifying the student body on campus, educating the next generation of leaders in Saskatchewan and beyond, and demonstrating value to the Province by increasing the efficiency of its administrative operations and the quality of work done by employees and students.

AUDITED FINANCIAL STATEMENTS AND NOTES

Statement of Management Responsibility

The University is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian accounting standards for not-for-profit organizations, as published by the Canadian Institute of Chartered Accountants (CICA). The University believes the financial statements present fairly the University's financial position as at April 30, 2013 and the results of its operations for the year then ended.

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

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the financial statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly guarded against unauthorized use and that reliable records are maintained. The Provincial Auditor of Saskatchewan reports to the Board as to the adequacy of these controls.

The financial statements for the year ended April 30, 2013 have been reported on by the Provincial Auditor of Saskatchewan, the auditor appointed under *The University of Regina Act*. The Auditor's Report on the following page outlines the scope of her examination and provides her opinion on the fairness of presentation of the information in the financial statements.



Vianne Timmons

President and Vice-Chancellor



David B. Button

Vice-President (Administration)

Date: July 16, 2013

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the University of Regina, which comprise the statement of financial position as at April 30, 2013, April 30, 2012, and May 1, 2011 and the statements of operations and changes in fund balances and cash flows for the years ended April 30, 2013 and April 30, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

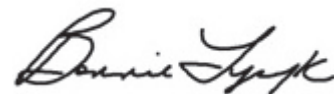
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the University of Regina as at April 30, 2013, April 30, 2012, and May 1, 2011, and the results of its operations and changes in fund balances and cash flows for the years ended April 30, 2013 and April 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan
July 16, 2013



Bonnie Lysyk, MBA, CA
Provincial Auditor

University of Regina

Statement of Financial Position

Statement 1

For the Year Ended April 30, 2013

	April 30 2013 (000's)	April 30 2012 (000's)	May 1 2011 (000's)
<i>Current Assets</i>			
Cash (Note 4)	\$ 3,495	\$ 5,561	\$ 10,273
Accounts receivable (Note 5)	21,354	19,193	22,839
Inventories	1,979	1,861	1,989
Prepaid expenses	577	520	770
Short-term investments (Note 6)	11,818	15,693	3,939
	<u>39,223</u>	<u>42,828</u>	<u>39,810</u>
<i>Long-Term Assets</i>			
Long-term investments (Note 6)	95,601	75,652	73,029
Long-term loans receivable	55	159	258
Accrued pension benefit asset (Note 13)	10,288	9,579	9,612
Capital assets (Note 7)			
Tangible assets	219,222	220,461	219,272
Intangible assets	430	499	493
	<u>325,596</u>	<u>306,350</u>	<u>302,664</u>
	<u>\$ 364,819</u>	<u>\$ 349,178</u>	<u>\$ 342,474</u>
<i>Current Liabilities</i>			
Accounts payable and other accrued liabilities (Note 9)	\$ 24,619	\$ 22,140	\$ 15,910
Deferred income	1,474	855	4,958
Current portion of long-term debt (Note 11)	55,260	58,058	58,956
Risk management liability (Note 10)	14,674	15,300	10,783
	<u>96,027</u>	<u>96,353</u>	<u>90,607</u>
<i>Long-Term Liabilities</i>			
Long-term debt (Note 11)	1,210	1,328	1,438
Due (from) to other funds (Note 12)	-	-	-
Accrual for employee future benefits (Note 13)	23,363	17,554	13,207
Asset retirement obligation (Note 14)	206	197	189
Indemnity Deposit (Note 23)	770	759	750
	<u>25,549</u>	<u>19,838</u>	<u>15,584</u>
<i>Fund Balances</i>			
Maintained permanently as endowments	30,603	27,448	27,468
Externally restricted funds	50,556	49,369	50,564
Invested in capital assets	150,139	149,060	150,869
Internally restricted funds (Note 15)	(13,053)	(8,441)	(4,435)
Unrestricted funds	24,998	15,551	11,817
	<u>243,243</u>	<u>232,987</u>	<u>236,283</u>
	<u>\$ 364,819</u>	<u>\$ 349,178</u>	<u>\$ 342,474</u>

Approved by the Board of Governors



Chair, Board of Governors



Chair, Audit & Risk Management Committee

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

University of Regina

Statement of Operations and Changes in Fund Balances

Statement 2

For the Year Ended April 30, 2013

	General (000's)	Restricted (000's)	Endowment (000's)	Total (000's)	Total 2012 (000's)
Revenues					
Grants and contracts					
Government of Canada	\$ 1,858	\$ 11,555	\$ -	\$ 13,413	\$ 14,436
Government of Saskatchewan (Note 23)	103,700	10,057	-	113,757	107,608
Other	1,022	5,081	-	6,103	4,544
Student fees	58,410	8	-	58,418	53,384
Contributions, gifts, donations and bequests	984	9,532	768	11,284	14,675
Sales of services and products	29,090	683	-	29,773	28,487
Investment income and unrealized gain (Note 17)	1,357	5,194	2,125	8,676	2,905
Miscellaneous income	1,887	110	-	1,997	2,026
	<u>198,308</u>	<u>42,220</u>	<u>2,893</u>	<u>243,421</u>	<u>228,065</u>
Expenses (Note 20)					
Salaries	119,335	3,929	-	123,264	119,732
Employee benefits (Note 18)	22,591	330	-	22,921	22,505
Operational supplies and expenses	14,940	3,043	-	17,983	17,592
Travel	3,792	1,546	-	5,338	4,997
Cost of goods sold	3,199	-	-	3,199	3,472
Equipment, rental, maintenance & renovations	8,761	2,590	-	11,351	12,589
Utilities	7,061	58	-	7,119	7,083
Amortization of capital assets	415	15,461	-	15,876	15,089
Loss on disposal of capital assets	-	286	-	286	70
Scholarships, bursaries, prizes, grants	7,287	13,983	-	21,270	19,265
Interest and unrealized loss (Note 19)	2,046	1,658	-	3,704	7,736
Wascana Centre Authority levy (Note 23)	775	-	-	775	771
Bad debt expense	79	-	-	79	460
	<u>190,281</u>	<u>42,884</u>	<u>-</u>	<u>233,165</u>	<u>231,361</u>
Net revenues (expenses)	8,027	(664)	2,893	10,256	(3,296)
Interfund transfers (Note 21)	<u>(4,236)</u>	<u>3,974</u>	<u>262</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in fund balances for year	3,791	3,310	3,155	10,256	(3,296)
Fund balances, beginning of year	<u>(1,291)</u>	<u>206,830</u>	<u>27,448</u>	<u>232,987</u>	<u>236,283</u>
Fund balances, end of year	<u>\$ 2,500</u>	<u>\$ 210,140</u>	<u>\$ 30,603</u>	<u>\$ 243,243</u>	<u>\$ 232,987</u>

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

University of Regina
Statement of Cash Flows
Statement 3

For the Year Ended April 30, 2013

	General (000's)	Restricted (000's)	Endowment (000's)	Total (000's)	Total 2012 (000's)
Operating Activities					
Net (expenses) revenues	\$ 8,027	\$ (664)	\$ 2,893	\$ 10,256	\$ (3,296)
Add back items not affecting cash:					
Amortization of capital assets	415	15,461	-	15,876	15,089
Accretion of asset retirement obligation	-	9	-	9	8
Change in unrealized gain/loss on investments	-	(666)	(1,792)	(2,458)	1,594
Change in unrealized loss on risk management liability	(1,222)	597	-	(625)	4,518
Change in unrealized foreign exchange gain/loss	-	(173)	-	(173)	(336)
Loss on disposal of capital assets	-	286	-	286	70
Shares received in exchange for services	-	-	-	-	(123)
Less contributions for endowment and asset purchases	-	(2,380)	(768)	(3,148)	(2,056)
Decrease (increase) in non-cash working capital	4,241	(3,475)	-	766	5,864
Change in accrued pension benefit asset/liability	3,488	-	-	3,488	3,091
Change in non-pension accrual for employee future benefits	1,612	-	-	1,612	1,289
Cash generated by operating activities	16,561	8,995	333	25,889	25,712
Investing Activities					
Purchases of investments	(26)	(144,496)	(2,608)	(147,130)	(110,994)
Sales of investments	2,000	130,442	1,245	133,687	95,482
Purchases of capital assets:					
Buildings	(113)	(6,271)	-	(6,384)	(7,090)
Site improvements	-	(2,108)	-	(2,108)	(749)
Furnishings and equipment	(1,494)	(3,829)	-	(5,323)	(7,229)
Software	(12)	(22)	-	(34)	(115)
Library resources	(751)	-	-	(751)	(862)
Leasehold improvements	-	(254)	-	(254)	(336)
Sale of capital assets:					
Furnishings and equipment	-	-	-	-	28
Cash used in investing activities	(396)	(26,538)	(1,363)	(28,297)	(31,865)
Financing Activities					
Issuance of long-term debt	-	-	-	-	1,800
Repayment of long-term debt	-	(2,916)	-	(2,916)	(2,809)
Increase in long-term loan receivable	-	-	-	-	-
Repayment of long-term loan receivable	-	99	-	99	385
Issuance of internal loans	(357)	357	-	-	-
Issuance of long-term indemnity deposit	11	-	-	11	9
Contributions of cash for endowments	-	-	768	768	772
Contributions of cash for purchase of assets	-	2,380	-	2,380	1,284
Cash (used in) generated by financing activities	(346)	(80)	768	342	1,441
Net change in cash	15,819	(17,623)	(262)	(2,066)	(4,712)
Interfund adjustments	(2,281)	2,019	262	-	-
Cash, beginning of year	16,453	(10,892)	-	5,561	10,273
Cash, end of year	\$ 29,991	\$ (26,496)	\$ -	\$ 3,495	\$ 5,561

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

University of Regina

Statement of Operations and Changes in Fund Balances - General Fund

Statement 4

For the Year Ended April 30, 2013

	Operating (000's)	Vacation Pay and Pension Accrual (000's)	Ancillary (000's)	Special Projects (000's)	Total (000's)	Total 2012 (000's)
Revenues						
Grants and contracts						
Government of Canada	\$ 1,524	\$ -	\$ -	\$ 334	\$ 1,858	\$ 1,579
Government of Saskatchewan (Note 23)	102,932	-	-	768	103,700	101,150
Other	635	-	-	387	1,022	831
Student fees	58,204	-	-	206	58,410	53,361
Contributions, gifts, donations and bequests	228	-	-	756	984	814
Sales of services and products	11,653	-	15,134	2,303	29,090	27,405
Investment income and unrealized gain (Note 17)	1,357	-	-	-	1,357	144
Miscellaneous income	1,494	-	319	74	1,887	1,909
	<u>178,027</u>	<u>-</u>	<u>15,453</u>	<u>4,828</u>	<u>198,308</u>	<u>187,193</u>
Expenses						
Salaries	114,273	-	3,294	1,768	119,335	115,572
Employee benefits (Note 18)	16,736	5,311	408	136	22,591	22,172
Operational supplies and expenses	11,312	-	1,938	1,690	14,940	13,834
Travel	3,037	-	23	732	3,792	3,542
Cost of goods sold	439	-	2,760	-	3,199	3,472
Equipment, rental, maintenance & renovations	7,204	-	1,194	363	8,761	8,768
Utilities	6,364	-	688	9	7,061	7,031
Amortization of capital assets	-	-	415	-	415	455
Loss on disposal of capital assets	-	-	-	-	-	-
Scholarships, bursaries, prizes, grants	6,884	-	-	403	7,287	5,626
Interest and unrealized loss (Note 19)	13	-	2,033	-	2,046	2,737
Wascana Centre Authority levy (Note 23)	775	-	-	-	775	771
Bad debt expense	79	-	-	-	79	416
	<u>167,116</u>	<u>5,311</u>	<u>12,753</u>	<u>5,101</u>	<u>190,281</u>	<u>184,396</u>
Net revenues (expenses)	10,911	(5,311)	2,700	(273)	8,027	2,797
Interfund transfers (Note 21)	(10,821)	-	(3,045)	9,630	(4,236)	(4,108)
Net increase (decrease) in fund balances for year	90	(5,311)	(345)	9,357	3,791	(1,311)
Fund balances, beginning of year	343	(10,065)	(6,777)	15,208	(1,291)	20
Fund balances, end of year	<u>\$ 433</u>	<u>\$ (15,376)</u>	<u>\$ (7,122)</u>	<u>\$ 24,565</u>	<u>\$ 2,500</u>	<u>\$ (1,291)</u>

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

University of Regina

Statement of Operations and Changes in Fund Balances - Restricted Fund

Statement 5

For the Year Ended April 30, 2013

	Capital Asset (000's)	Research (000's)	Trust (000's)	Total (000's)	Total 2012 (000's)
Revenues					
Grants and contracts					
Government of Canada	\$ -	\$ 10,933	\$ 622	\$ 11,555	\$ 12,857
Government of Saskatchewan (Note 23)	5,976	3,901	180	10,057	6,458
Other	-	4,890	191	5,081	3,713
Student fees	-	8	-	8	23
Contributions, gifts, donations and bequests	24	494	9,014	9,532	13,088
Sales of services and products	173	510	-	683	1,082
Investment income and unrealized gain (Note 17)	1,333	-	3,861	5,194	3,080
Miscellaneous income	-	-	110	110	117
	<u>7,506</u>	<u>20,736</u>	<u>13,978</u>	<u>42,220</u>	<u>40,418</u>
Expenses					
Salaries	1	3,668	260	3,929	4,160
Employee benefits (Note 18)	-	318	12	330	333
Operational supplies and expenses	307	2,510	226	3,043	3,758
Travel	-	1,523	23	1,546	1,455
Equipment, rental, maintenance & renovations	2,061	505	24	2,590	3,821
Utilities	26	32	-	58	52
Amortization of capital assets	15,461	-	-	15,461	14,634
Loss on disposal of capital assets	286	-	-	286	70
Scholarships, bursaries, prizes, grants	-	4,050	9,933	13,983	13,639
Interest and unrealized loss (Note 19)	1,658	-	-	1,658	4,999
Bad debt expense	-	-	-	-	44
	<u>19,800</u>	<u>12,606</u>	<u>10,478</u>	<u>42,884</u>	<u>46,965</u>
Net (expenses) revenues	(12,294)	8,130	3,500	(664)	(6,547)
Interfund transfers (Note 21)	<u>13,676</u>	<u>(8,899)</u>	<u>(803)</u>	<u>3,974</u>	<u>4,582</u>
Net increase (decrease) in fund balances for year	1,382	(769)	2,697	3,310	(1,965)
Fund balances, beginning of year	<u>155,049</u>	<u>30,089</u>	<u>21,692</u>	<u>206,830</u>	<u>208,795</u>
Fund balances, end of year	<u>\$ 156,431</u>	<u>\$ 29,320</u>	<u>\$ 24,389</u>	<u>\$ 210,140</u>	<u>\$ 206,830</u>

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

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Description of Organization

The University of Regina (University) became an autonomous institution on July 1, 1974 by an Act of the Saskatchewan Legislature. Its authority is *The University of Regina Act*, Chapter U-5, of the Province of Saskatchewan. The University is a registered charitable organization under the *Income Tax Act*.

The purpose of the University is the preservation, transmission, interpretation and enhancement of the cultural, scientific and artistic heritage of the human race, and the acquisition and expansion of new knowledge and understanding.

1. Adoption of Accounting Standards for Not-for-Profit Organizations

These financial statements are prepared in accordance with Part III of the Canadian Institute of Chartered Accountants' Handbook – Accounting Standards for Not-for-Profit Organizations (Part III), overlaid on Part II - Accounting Standards for Private Enterprises (Part II).

The University's first reporting period using Part III is for the year ended April 30, 2013. As a result, the date of transition to Part III is May 1, 2011. The University presented financial statements under previous Canadian generally accepted accounting principles (CGAAP) annually up to and including April 30, 2012.

As these financial statements are the first financial statements for which the University has applied Part III, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of Part III, First-time Adoption by Not-for-Profit Organizations.

The University is required to apply Part III effective for periods ending on April 30, 2013 in preparing and presenting:

- a) its opening statement of financial position as at May 1, 2011;
- b) its statement of financial position for April 30, 2013 (including comparative amounts for 2012);
- c) its statements of operations and changes in fund balances, and statement of cash flows for the year ended April 30, 2013 (including comparative amounts for 2012); and
- d) its disclosures (including comparative information for 2012).

Section 1501 provides organizations with certain exemptions to the principle that an organization's opening statement of financial position shall comply with Part III. The University has elected to use the following transitional exemptions upon adoption of Part III:

- a) **Business combinations:** the University does not have to retrospectively recognize and reclassify transactions that now meet the definition of a business combination, does not have to retrospectively re-measure and account for business combinations, and does not have to retrospectively apply Part II Section 1601 – Consolidated Financial Statements or Section 1602 – Non-Controlling Interests.
- b) **Financial Instruments:** at the date of transition, the University has designated a number of financial instruments that are not equity instruments quoted in an active market to be measured at fair value at the transition date and at each reporting date. No changes to the

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

opening statement of financial position are required as these financial instruments were already recorded at fair value under the previous CGAAP.

- c) **Asset Retirement Obligations:** the University has elected to measure its previously unrecognized obligation at the date of transition, estimate the amount that shall be included in the carrying amount of the related asset based on the original and remaining life of the asset, and has charged the difference between the change in the obligation and carrying amount of the asset to its opening net assets at the date of transition.

Adjustments resulting from adopting Part III, including the use of exemptions under Section 1501, have been recognized directly in net assets at May 1, 2011.

Reconciliation of Statement of Financial Position as at May 1, 2011:

	Reference to reconciliation or note below	Reported under previous CGAAP April 30, 2011	Adjustments	Reported under Part III May 1, 2011
Current Assets				
Cash		\$ 10,273	\$ -	\$ 10,273
Accounts receivable		22,839	-	22,839
Inventories		1,989	-	1,989
Prepaid expenses		770	-	770
Short-term investments		3,939	-	3,939
		<u>39,810</u>	<u>-</u>	<u>39,810</u>
Long-Term Assets				
Long-term investments		73,029	-	73,029
Long-term loans receivable		258	-	258
Accrued pension benefit asset	A	-	9,612	9,612
Capital assets	B	219,612	(219,612)	-
Tangible assets		-	219,272	219,272
Intangible assets		-	493	493
		<u>292,899</u>	<u>9,765</u>	<u>302,664</u>
		<u>\$ 332,709</u>	<u>\$ 9,765</u>	<u>\$ 342,474</u>
Current Liabilities				
Accounts payable and other accrued liabilities		\$ 15,910	\$ -	\$ 15,910
Deferred income		4,958	-	4,958
Current portion of long-term debt	H	2,793	56,163	58,956
Risk management liability	H	1,685	9,098	10,783
		<u>25,346</u>	<u>65,261</u>	<u>90,607</u>
Long-Term Liabilities				
Long-term debt	H	66,699	(65,261)	1,438
Due (from) to other funds		-	-	-
Accrual for employee future benefits	C	10,449	2,758	13,207
Asset retirement obligation	D	-	189	189
Indemnity Deposit		750	-	750
		<u>77,898</u>	<u>(62,314)</u>	<u>15,584</u>
Fund Balances				
Maintained permanently as endowments	E	-	27,468	27,468
Externally restricted funds	E	78,032	(27,468)	50,564
Invested in capital assets	F	-	150,869	150,869
Internally restricted funds	G	139,616	(144,051)	(4,435)
Unrestricted funds		11,817	-	11,817
		<u>229,465</u>	<u>6,818</u>	<u>236,283</u>
		<u>\$ 332,709</u>	<u>\$ 9,765</u>	<u>\$ 342,474</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

C	Accrual for employee future benefits reported under previous CGAAP		\$	10,449
	Decrease in accrual resulting from adoption of immediate recognition approach for employee future benefits, using funding valuation (different discount rate)	(6,854)		
A	Reclassify plans with positive balance as assets, since no right of set-off between pension plans, Accrued pension benefit asset reported under Part III	9,612		2,758
	Accrual for employee future benefits reported under Part III		\$	<u>13,207</u>
B	Under Part III, tangible assets and intangible assets which were included in capital assets under previous CGAAP are presented as separate line items in the statement of financial position:			
	Capital assets reported under previous CGAAP		\$	219,612
	Intangible assets moved to separate line			(493)
	Remaining tangible assets moved to separate line			<u>219,119</u>
	Adjustment to increase carrying amount of asset related to asset retirement obligation			153
	Tangible assets reported under Part III		\$	<u>219,272</u>
F	Total amount invested in capital assets reported under previous CGAAP on face of Statement of Financial Position		\$	-
	Adjustment to show amount invested in capital assets separately for better disclosure	150,905		
	Adjustment to increase carrying amount of asset related to asset retirement obligation	153		
D	Adjustment to accrue asset retirement obligation	(189)		150,869
	Invested in capital assets reported under Part III		\$	<u>150,869</u>
E	For better disclosure, Net assets subject to restrictions requiring that they be maintained permanently as endowments are being shown separately on the Statement of Financial Position instead of being classified with Externally Restricted funds			
G	Total Internally restricted funds reported under previous CGAAP		\$	139,616
	Adjustment to show amount invested in capital assets separately for better disclosure	(150,905)		
	Adjustment for adoption of immediate recognition approach for employee future benefits	6,854		(144,051)
	Internally restricted funds reported under Part III		\$	<u>(4,435)</u>
H	Total long-term debt reported under previous CGAAP		\$	66,699
	Move negative fair value on interest rate swap derivative to Risk management liability	(9,098)		
	Move bankers' acceptance debt to current	(56,163)		(65,261)
	Remaining Long-Term portion of debt		\$	<u>1,438</u>

Reconciliation of Statement of Financial Position as at April 30, 2012:

	Reference to reconciliation or note below	Reported under previous CGAAP April 30, 2012	Adjustments	Reported under Part III April 30, 2012
Current Assets				
Cash		\$ 5,561	\$ -	\$ 5,561
Accounts receivable		19,193	-	19,193
Inventories		1,861	-	1,861
Prepaid expenses		520	-	520
Short-term investments		<u>15,693</u>	-	<u>15,693</u>
		<u>42,828</u>	-	<u>42,828</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

	Reference to reconciliation or note below	Reported under previous CGAAP April 30, 2012	Adjustments	Reported under Part III April 30, 2012
Long-Term Assets				
Long-term investments		75,652	-	75,652
Long-term loans receivable		159	-	159
Accrued pension benefit asset	I	-	9,579	9,579
Capital assets	J	220,811	(220,811)	-
Tangible assets		-	220,461	220,461
Intangible assets		-	499	499
		<u>296,622</u>	<u>9,728</u>	<u>306,350</u>
		<u>\$ 339,450</u>	<u>\$ 9,728</u>	<u>\$ 349,178</u>
Current Liabilities				
Accounts payable and other accrued liabilities		\$ 22,140	\$ -	\$ 22,140
Deferred income		855	-	855
Current portion of long-term debt	P	2,917	55,141	58,058
Risk management liability	P	2,307	12,993	15,300
		<u>28,219</u>	<u>68,134</u>	<u>96,353</u>
Long-Term Liabilities				
Long-term debt	P	69,462	(68,134)	1,328
Due (from) to other funds		-	-	-
Accrual for employee future benefits	K	75,932	(58,378)	17,554
Asset Retirement Obligation	L	-	197	197
Indemnity Deposit		759	-	759
		<u>146,153</u>	<u>(126,315)</u>	<u>19,838</u>
Fund Balances				
Maintained permanently as endowments	M	-	27,448	27,448
Externally restricted funds	M	76,817	(27,448)	49,369
Invested in capital assets	N	-	149,060	149,060
Internally restricted funds	O	72,710	(81,151)	(8,441)
Unrestricted funds		15,551	-	15,551
		<u>165,078</u>	<u>67,909</u>	<u>232,987</u>
		<u>\$ 339,450</u>	<u>\$ 9,728</u>	<u>\$ 349,178</u>

K	Accrual for employee future benefits reported under previous CGAAP		\$ 75,932
	Decrease in accrual resulting from adoption of immediate recognition approach for employee future benefits	(67,957)	
I	Reclassify plans with positive balance as assets, since no right of set-off between pension plans, Accrued pension benefit asset reported under Part III	9,579	(58,378)
	Accrual for employee future benefits reported under Part III		<u>\$ 17,554</u>

J	Under Part III, tangible assets and intangible assets which were included in capital assets under previous CGAAP are presented as separate line items in the statement of financial position:		
	Capital assets reported under previous CGAAP		\$ 220,811
	Intangible assets moved to separate line		(499)
	Remaining tangible assets moved to separate line		220,312
	Adjustment to increase carrying amount of asset related to asset retirement obligation		149
	Tangible assets reported under Part III		<u>\$ 220,461</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

N	Total amount invested in capital assets reported under previous CGAAP on face of Statement of Financial Position		\$	-
	Adjustment to show amount invested in capital assets separately for better disclosure	149,108		
	Adjustment to increase carrying amount of asset related to asset retirement obligation	149		
L	Adjustment to accrue asset retirement obligation	(197)		149,060
	Invested in capital assets reported under Part III		\$	<u>149,060</u>
M	For better disclosure, Net assets subject to restrictions requiring that they be maintained permanently as endowments are being shown separately on the Statement of Financial Position instead of being classified with Externally Restricted funds			
O	Total Internally restricted funds reported under previous CGAAP		\$	72,710
	Adjustment to show amount invested in capital assets separately for better disclosure	(149,108)		
	Adjustment for adoption of immediate recognition approach for employee future benefits	67,957		(81,151)
	Internally restricted funds reported under Part III		\$	<u>(8,441)</u>
P	Total long-term debt reported under previous CGAAP		\$	69,462
	Move negative fair value on interest rate swap derivative to Risk management liability	(12,993)		
	Move bankers' acceptance debt to current	(55,141)		(68,134)
	Remaining Long-Term portion of debt		\$	<u>1,328</u>

Reconciliation of Statement of Operation and Changes in Fund Balances for the year ended April 30, 2012:

	Reference to reconciliation or note below	Reported under previous CGAAP April 30, 2012	Adjustments	Reported under Part III April 30, 2012
Revenues (no changes)		\$ 228,065	\$ -	\$ 228,065
Expenses				
Salaries		119,732	-	119,732
Employee benefits	Q	83,608	(61,103)	22,505
Operational supplies and expenses		17,592	-	17,592
Travel		4,997	-	4,997
Cost of goods sold		3,472	-	3,472
Equipment, rental, maintenance & renovations	R	12,581	8	12,589
Utilities		7,083	-	7,083
Amortization of capital assets	S	15,085	4	15,089
Loss on disposal of capital assets		70	-	70
Scholarships, bursaries, prizes, grants		19,265	-	19,265
Interest and unrealized loss		7,736	-	7,736
Wascana Centre Authority levy		771	-	771
Bad debt expense		460	-	460
		<u>292,452</u>	<u>(61,091)</u>	<u>231,361</u>
Net (expenses) revenues		(64,387)	61,091	(3,296)
Interfund transfers		-	-	-
Net decrease in fund balances for year		(64,387)	61,091	(3,296)
Fund balances, beginning of year		<u>229,465</u>	<u>6,818</u>	<u>236,283</u>
Fund balances, end of year		<u>\$ 165,078</u>	<u>\$ 67,909</u>	<u>\$ 232,987</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Q	Employee benefits as reported under previous CGAAP		\$	83,608
	Change in defined benefit pension expense in the General - Vacation Pay and Pension			
	Accrual Fund due to using immediate recognition approach and funding			
	valuations to estimate accrued benefit asset/accrual for employee future benefits	(60,437)		
	Change in non-pension employee future benefit expense in the General - Vacation			
	Pay and Pension Accrual Fund due to using immediate recognition approach to			
	estimate accrual for employee future benefits	(666)		(61,103)
			\$	22,505

R Change to record asset accretion expense for asset retirement obligation in Restricted - Capital Asset Fund

S Change to record amortization related to added cost from asset retirement obligation in Restricted - Capital Asset fund

Reconciliation of Statement of Cash Flows for the year ended April 30, 2012:

	Reference to reconciliation or note above	Reported under previous CGAAP April 30, 2012	Adjustments	Reported under Part III April 30, 2012
Operating Activities				
Net (expenses) revenues	Q, R, S	\$ (64,387)	\$ 61,091	\$ (3,296)
Add back items not affecting cash:				
Amortization of capital assets	S	15,085	4	15,089
Accretion of asset retirement obligation	R	-	8	8
Unrealized loss on investments		1,594	-	1,594
Unrealized loss on long-term debt	P	3,896	(3,896)	-
Unrealized loss on risk management liability	P	622	3,896	4,518
Unrealized foreign exchange (gain) loss		(336)	-	(336)
Loss on disposal of capital assets		70	-	70
Shares received in exchange for services		(123)	-	(123)
Less contributions for endowment and asset purchases		(2,056)	-	(2,056)
Decrease (increase) in non-cash working capital		5,864	-	5,864
Change in accrued pension benefit asset/liability	Q	63,528	(60,437)	3,091
Change in non-pension accrual for employee future benefits	Q	1,955	(666)	1,289
Cash generated by operating activities		25,712	-	25,712
Cash used in Investing Activities (no changes)		(31,865)	-	(31,865)
Cash generated by Financing Activities (no changes)		1,441	-	1,441
Net change in cash		(4,712)	-	(4,712)
Interfund adjustments		-	-	-
Cash, beginning of year		10,273	-	10,273
Cash, end of year		\$ 5,561	\$ -	\$ 5,561

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Part III of the Canadian Institute of Chartered Accountants' Handbook – Accounting Standards for Not-for-Profit Organizations (Part III). The University's significant accounting policies are as follows:

a) Revenue Recognition

i) Presentation

The University recognizes contributions in accordance with the restricted fund method. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The Statement of Operations and Changes in Fund Balances shows the total revenues and expenses of the University, after elimination of interfund transactions with ancillaries and internal cost recoveries. The University has classified accounts with similar characteristics into major funds as follows:

The General Fund

The General Fund accounts for the University's program delivery, service and administrative activities. This fund reports unrestricted resources. The General Fund is further classified as Operating, Vacation Pay and Pension Accrual Fund, Ancillary, and Special Projects.

- General – Operating Fund contains the academic, administrative and operational costs that are funded by tuition and related fees, government grants, investment and miscellaneous income, and sales of goods and services to external parties. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.
- General – Vacation Pay and Pension Accrual Fund records the amount of unpaid vacation pay for academic and non-academic staff. It also records the accrued pension benefit asset or liability and the pension expense, other than the amount of the pension expense equal to employer contributions, which is recorded in the fund from which it is paid.
- General – Ancillary Fund is composed of Ancillary Enterprises that provide goods and services to the University community. They are composed of the Bookstore, Residence Services, Printing Services, Parking Services, Food Services, automated teller machines and confectionery store. Ancillary Enterprises operate on a fee-for-service basis and must be self-funding. Charges to other University funds are eliminated for financial statement purposes by removing them from Ancillary revenues and expenses.
- General – Special Projects Fund consists of a number of individual funds used to track operating projects' costs and recoveries. These projects involve consulting, training, and time-limited projects.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

The Restricted Fund

The Restricted fund reports only restricted resources that are to be used for specific purposes. The Restricted Fund is further classified as Capital Asset, Research, and Trust.

- Restricted – Capital Asset Fund holds all capital assets owned by the University along with the long-term debt on certain of these capital assets.
- Restricted – Research Fund consists of grant and contract income and expenses specifically identified for research or related activities as restricted by granting agencies, research institutes and other public and private organizations.
- Restricted – Trust Fund consists of externally restricted resources that may be used in their entirety within the restrictions established by the provider of the funds. The bulk of these funds are restricted for the provision of scholarships or annual lectures.

The Endowment Fund

The Endowment Fund reports resources contributed for endowment. Restrictions placed on the money by the original provider preclude the original donation from being spent.

ii) Student fees

Student fees are recognized as revenue in the year the related classes are held.

iii) Grants

Operating grants from the provincial government are unrestricted in purpose, and their use corresponds with the government's April to March fiscal year. The University records this revenue in the General Fund proportionately over its fiscal year, as long as amounts can be reasonably estimated and ultimate collection reasonably assured. If amounts received relate to periods after the fiscal year-end, it is considered a restricted contribution recorded in an unrestricted fund, and is therefore recorded as a deferred contribution.

Restricted grants are recorded as revenue in the appropriate restricted fund when received or receivable, as long as amounts can be reasonably estimated and ultimate collection reasonably assured.

iv) Contracts

Revenue from contracts is recorded as the service or contract activity is performed. Contract payments received prior to the service or activity being performed are recorded as revenue in an applicable restricted fund, or as deferred revenue in the General Fund if no applicable restricted fund exists. Although rare, where money is received in advance and where the terms of a restricted contract indicates unspent funds must be returned, any return of this money is netted against contract revenue in the applicable restricted fund.

v) Gifts, donations, bequests and pledges

Gifts and donations are recorded as revenue in the fiscal period in which they are received. Gifts-in-Kind, including works of art, equipment, investments and library holdings, are recorded at fair market value on the date of their donation.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Pledges and bequests are recorded as contributions in the period when pledged or bequeathed if the amounts to be received can be reasonably estimated and if ultimate collection is reasonably assured. Pledges and bequests of \$9,830 (2012 - \$6,871) are not included in the financial statements because their ultimate collection cannot be reasonably assured. Pledges of \$31 (2012 - \$84) are recorded as receivable. Of the prior year's receivable balance, \$53 (2012 - \$231) was received during the year and \$0 (2012 - \$17) was written off.

The value of donated services is not recognized in these statements.

vi) Sales of services and products

External Sales of services and products are recorded as revenue at the point of sale or provision of services.

vii) Investment income and unrealized gains

Investment income and unrealized gains comprises interest from cash and receivables, interest from fixed income investments, reinvested distributions from index pooled funds, realized gains and losses on the sale of investments, unrealized appreciation and depreciation in the fair value of index pooled funds, and unrealized gains from risk management liability. Revenue is recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments on a time proportion basis.

viii) Miscellaneous income

Miscellaneous income comprises items such as library fines, late payment fees, certain application fees, and other revenue belonging to no other category, and is recorded in the period received or receivable.

b) Tangible and Intangible Capital assets

Purchased capital assets are recorded at cost, which includes any directly attributable costs of preparing the asset for its intended use. Donated assets are reported at fair market value when received by the University. Capitalized assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset Type	Useful Life
Buildings - temporary	20 years
Buildings - permanent	40 years
Building upgrades	5 to 30 years
Site improvements	10 to 40 years
Furnishings and equipment	3 to 30 years
Library resources	10 years
Leasehold improvements	life of lease
Intangible Assets (software)	3 to 8 years

Amortization of Ancillary-owned capital assets is recorded in the General - Ancillary Fund. All other amortization is recorded in the Restricted - Capital Asset Fund.

An estimate for disposals or withdrawals of library holdings for superseded, poor condition, irrelevant, lost or stolen books is calculated at 1.05 percent of the net capitalized value of library holdings at the end of the preceding year.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

When a tangible or intangible capital asset no longer has any long-term service potential to the University, the excess of its net carrying amount over any residual value would be recognized as an expense. Such a write-down would not be reversed if the service potential subsequently improved.

Intellectual Property (IP) developed by University researchers can include such things as inventions, computer software, trademarks, literary, artistic, musical or visual works. The University also occasionally develops software for internal operating use. Past history has shown the University will share such software with other universities if asked, but has not sold such items. The University regularly improves its web presence through web-site development. The University has not recorded any intangible assets related to patents, research and development licenses, or internally developed software and web-sites as it is unable to measure or determine with any certainty an amount of future economic benefit that might flow to the University from these items and is unable to reliably measure the cost of creating or obtaining such items.

c) Collections

Collections are not capitalized or amortized. All additions to collections are expensed in the year purchased or donated.

d) Inventories

Inventories are valued at the lower of cost and net realizable value which is principally determined by the first in, first out method.

e) Employee future benefits

- i) The University uses the immediate recognition approach to account for its defined benefit plans. Under this approach, the University determines the accrued pension benefit asset or accrual for employee future benefits based on April 30 extrapolations of December 31 actuarial valuation reports prepared for funding purposes.
- ii) The accrued benefit obligations for pensions and other employee future benefits are actuarially determined using the projected benefit method prorated on services and management's best estimates of expected long-term rate of return on plan assets, retirement age, mortality, discount rates to reflect the time value of money, future salary and benefit levels, inflation and other actuarial assumptions.
- iii) For the purposes of calculating the return on plan assets, the market value of assets at April 30 is extrapolated from the December 31 market value based on the long-term rate of return on assets as at April 30.
- iv) Past service costs arising from pension plan amendments are recognized in expense in the year of plan amendment.
- v) Actuarial gains and losses are recognized in expense in the year such gains or losses are determined. Such gains and losses can arise in a given year from (a) the difference between

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

the actual return on plan assets in that year and the expected return on plan assets for that year, (b) the difference between the actual accrued benefit obligations at the end of the year and the expected accrued benefit obligations at the end of the year and (c) changes in actuarial assumptions.

- vi) The cost of the defined contribution plans is expensed as earned by the employees.
- vii) The University accounts for the cost of all employee future benefits, severance payouts, early retirement top-ups, dental premiums, disability insurance, retirement bonuses and other compensated absences on an accrual basis.

f) Financial Instruments

i) Measurement of financial instruments

The University initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Financial assets subsequently measured at amortized cost include cash, accounts receivable and fixed income investments.

Financial assets subsequently measured at fair value include interest rate and commodity swap derivatives in a gain position, and shares quoted in an active market. Also, indexed pooled funds and partnership units have been designated by the University to be subsequently measured at fair value.

The University has one financial asset which is an equity instrument subsequently measured at cost less any reduction for impairment, as it is not quoted in an active market.

Financial liabilities subsequently measured at amortized cost include bank overdrafts, accounts payable, accrued liabilities, mortgages, and an indemnity deposit.

Financial liabilities subsequently measured at fair value include interest rate and commodity swap derivatives in a loss position. The University has also designated its banker's acceptance debt to be subsequently measured at fair value.

The fair values of investments in index pooled funds and partnership units are determined by reference to reporting provided by the fund managers. Changes in fair value are recognized in the statements of operations and changes in fund balances in the period incurred.

The fair values of derivative instruments are measured using quotes from the derivatives dealer.

ii) Impairment

Financial assets subsequently measured at cost or amortized cost are assessed for impairment at each reporting period. When significant adverse changes are determined to exist, being changes in the expected timing or amount of future cash flows, an impairment is recorded as a reduction, either directly or through an allowance account, to the carrying amount of the asset.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Previously recognized impairments are reversed to the extent of improvements in value. The amount of impairment or impairment reversal is recognized in the statements of operations and changes in fund balances in the period incurred.

iii) Transaction costs

Transaction costs and investment management fees related to financial instruments subsequently measured at fair value are immediately recognized in net income. Transaction costs directly attributable to the acquisition and disposal of financial instruments subsequently measured at amortized cost are capitalized and are included in the acquisition costs or reduce proceeds on disposal.

g) Management estimates and measurement uncertainty

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Items involving management estimates include the following:

- i) Asset retirement obligation (ARO) uses estimates of future costs, inflation and discount rates. Different estimates would affect the value of the ARO, the amount of capitalized assets, annual accretion expense and asset amortization expense related to the capitalized future site restoration costs. Management does not believe that changes in assumptions used would materially affect the amount of ARO or assets related to the ARO;
- ii) Accrued pension benefit asset and Accrual for employee future benefits involve estimates of salary escalation, inflation, discount rates, investment rates of return, and mortality rates. Different estimates could materially affect these assets and obligations, and benefits expense for the year;
- iii) Allowance for doubtful accounts is estimated as amounts owing for longer than 365 days plus or minus specific vendors as assessed by management. Different estimates would affect the amount of Accounts receivable and Bad debt expense for the year. Management does not believe that changes in assumptions used would have a material effect on the financial statements;
- iv) Useful lives of assets which affects annual amortization expense. Changes in the estimates of useful lives, especially for buildings, could materially affect the amount of amortization expense; and
- v) Accrual for back-pay related to the eventual settlement of outstanding collective agreements is based on management's best estimate of final salary changes and the resulting effects on benefits. Management does not believe that changes in assumptions used would materially affect the amount of salary expense for the year.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

3. Financial Instruments

The University is exposed to various risks through its financial instruments. The following analysis provides a measure of the University's risk exposure and concentrations. The financial instruments of the university and the nature of the risks to which they may be subject are as follows:

	Risks				
	Credit	Liquidity	Market risk		
Financial Instruments			Currency	Interest rate	Other price
Cash	X		X	X	
Accounts receivable	X		X		
Investments - Canadian fixed income	X			X	
Investments - equity quoted in active market	X				X
Investments - equity not quoted in active market	X				
Investments - money market pooled funds	X			X	
Investments - index pooled funds:					
Canadian and foreign equities			X		X
Investments - index pooled funds:					
Canadian fixed income	X			X	X
Investments - pooled partnership units	X				X
Long-term loans receivable	X				
Accounts payable and accrued liabilities		X	X		
Long-term debt		X		X	
Risk management commodity swap derivatives	X	X			X
Interest rate swap derivatives, variable to fixed	X	X			X
Indemnity deposit payable		X			

Credit risk

Credit risk is the risk that a party owing money to the University will fail to discharge that responsibility. The University is exposed to credit risk from the potential non-payment of accounts and long-term loans receivable and non-return of money invested in mutual funds and other investments. It is also exposed to credit risk, or counter-party risk, through potential default under the interest rate swap derivative contracts.

The carrying amount of financial assets on the Statement of Financial Position represents the University's maximum credit risk exposure, unless the swap contracts are in favourable positions (positive fair values). The notional amounts of the swaps are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position.

The maximum exposure to credit risk at the reporting date was:

	2013	2012
Cash and cash equivalents	\$ 3,495	\$ 5,561
Short and long-term investments	107,419	91,345
Trade accounts receivable	22,049	20,448
Pledges receivable	31	85
Loans receivable	159	258
	<u>\$ 133,153</u>	<u>\$ 117,697</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

The University limits its credit exposure related to the swaps by dealing with a counter-party believed to have a good credit standing.

The University minimizes credit risk related to investments by investing with reputable companies. Credit ratings for the University's bond mutual funds are as follows:

Credit Rating	2013		2012	
	Fair Value	Make up of Portfolio (%)	Fair Value	Make up of Portfolio (%)
AAA	\$ 1,211	3.8 %	\$ 5,414	14.4 %
AA	11,169	34.6 %	16,579	44.1 %
A	10,058	31.3 %	7,556	20.1 %
BBB	7,137	22.2 %	5,038	13.4 %
BB & Below	247	0.8 %	865	2.3 %
Mortgages	635	2.0 %	1,992	5.3 %
Cash and Short-term	1,679	5.2 %	-	-
Unrated	21	0.1 %	150	0.4 %
Total	\$ 32,157	100.0 %	\$ 37,594	100.0 %

The pledges receivable are from reputable corporations with a history of paying what they have pledged to the University.

The maximum exposure to credit risk for trade accounts receivable at the reporting date by type of customer was:

	2013	2012
Related parties	\$ 7,464	\$ 4,886
Students and employees	3,820	3,500
Federal government –for research grants	6,494	6,606
Various companies	3,893	5,071
Canada Revenue Agency – GST rebates and Input Tax Credits	378	385
	<u>\$ 22,049</u>	<u>\$ 20,448</u>

The actual credit risk from receivables from students and employees is minimal as the University has various methods of recourse for collection such as withholding transcripts, certificates or degrees and payroll deduction.

The actual credit risk from research receivables from the federal government is minimal. As long as employees carry out the required research and reporting, the University continues to receive the grants as awarded by the federal government.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

The change in the allowance for doubtful accounts receivable in respect of trade receivables during the year was as follows:

	2013	2012
Allowance for doubtful accounts at May 1	\$ 1,439	\$ 1,206
Accounts written off	(659)	(243)
Recoveries	20	16
Provision for losses	31	460
Allowance for doubtful accounts at April 30	\$ 831	\$ 1,439

Liquidity risk

Liquidity risk is the risk that the University will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The University's objective when managing its liquid resources is to maintain sufficient resources to allow it to satisfy its financial obligations, be those operating, capital asset additions, research and special project spending, or debt repayment, and to maintain a solid capital base from which scholarships and bursaries can be paid.

The University manages its operating capital through an operating budget which is approved by the Board of Governors. This budget is allocated to academic and support units on an annual basis to allow each area to meet its strategic priorities and those of the University. Each area must administer its budget responsibly and ensure there is accountability for the resources that are transferred to it. Budget overspending in one year becomes a first charge against a unit's budget for the following year to ensure the capital is recovered. Regular reporting to the Board on revenue projects also takes place.

Restricted and special purpose funds are monitored to ensure spending is in accordance with the various terms and not spent beyond the resources that have been provided. Individual funds are established and carefully monitored for proper spending. In the event of an over expenditure or ineligible expenditure, the responsible department funds the costs from other resources. In the case of the Restricted - Capital Asset Fund, with the approval of the Province of Saskatchewan, the University is permitted to enter into long-term debt agreements to assist with the financing of capital assets. The interest and principal repayments on debt for the next five years is disclosed in Note 11.

In order to maintain a solid capital base from which scholarships and bursaries can be paid, a Trust and Endowment Committee of the Board of Governors oversees the investment performance and the spending formula. The committee regularly reviews a Statement of Investment Policies and Goals, and recommends changes in investment policies and spending formula as they see fit.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the University is the Canadian dollar. The University infrequently transacts in U.S. dollars due to certain revenues and operating costs being denominated in U.S. dollars, as well as sourcing certain purchases and capital asset acquisitions internationally. The University also invests a portion of its investment portfolio in index pooled funds which invest in foreign equities.

As at April 30, 2013, a 10% appreciation in the Canadian dollar versus foreign currencies exchange rates would decrease net revenues by approximately \$2,172 (2012 - \$1,839), while a depreciation of 10% would increase net revenues by approximately \$2,172 (2012 - \$1,839).

Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in interest rates.

The University is exposed to interest rate risk in its investment in money market and bond mutual funds and bank line of credit. The estimated impact of an immediate 1% increase in interest rates would be to decrease the market value of the fixed income portion of the investment portfolio as at April 30, 2013 by \$887 (2012 - \$2,200) while an immediate 1% decrease in interest rates would increase the market value by \$887 (2012 - \$2,200).

The University mitigates its interest rate risk on its floating-rate debt obligations by entering into fixed interest rate swap agreements. An interest rate swap is a derivative financial contractual agreement between two counter-parties who generally exchange fixed and floating rate interest cash flows based on a notional amount derived from the value of underlying assets or liabilities. The University has entered into interest rate swap agreements with the Canadian Imperial Bank of Commerce in order to manage the interest rate exposure associated with certain debt obligations. The contracts have the effect of exchanging the floating interest rate cash flows from the underlying short-term debt instruments with fixed interest rate cash flows based on a notional amount.

Other Price risk

Other price risk is the risk that the fair value of a financial instrument or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

Investments are placed in accordance with the investment policy which is approved by the Board of Governors. The investment policy provides guidelines to the University's investment managers for the asset mix of the portfolio regarding the quality and quantity of investments. This helps reduce the impact of market value fluctuations.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

The University is exposed to market risk due to its investment in equity mutual funds. A 10% increase in equity markets would increase the 2013 net revenues by \$3,541 (2012 - \$3,042) and a 10% decrease in equity markets would decrease net revenues by \$3,541 (2012 - \$3,042).

The University is also exposed to other price risk as a result of executing interest rate swap agreements. At any given time subsequent to execution, a derivative instrument will have a market value – the University will either have to make a payment, or will be entitled to receive a payment, in order to effectively pay the fixed interest rate under each swap agreement. A 1% increase in the market interest rate would increase the 2013 net revenues by \$4,466 (2012 - \$4,812) and a 1% decrease in the market interest rate would decrease net revenues by \$4,925 (2012 - \$5,333).

The University has entered into three natural gas commodity swap agreements with the Canadian Imperial Bank of Commerce in order to manage the risk of fluctuating natural gas prices. These swaps effectively fix the price of natural gas for an agreed-upon volume at agreed-upon rates over an agreed-upon time period. See Note 10. However, this exposes the University to other price risk, as the value of the derivative is based on the value of the commodity in the market. If the commodity price is lower than the swap-fixed price, the University is in a loss position. If the commodity price is higher than the swap-fixed price, the University would be in a gain position.

Changes in risk

There have been no changes in the University's risk exposures from the prior year.

4. Cash

The University has one bank account with a balance of \$3,495 at April 30, 2013 (2012 - \$5,561). The University has a revolving line of credit at the Canadian Imperial Bank of Commerce but did not access it during the year.

5. Accounts Receivable

Accounts receivable are composed of the following:

	2013	2012
Trade accounts receivable	\$ 22,049	\$ 20,448
Loans receivable (current portion)	105	99
Pledges receivable	31	85
Allowance for doubtful accounts	(831)	(1,439)
Net receivables	<u>\$ 21,354</u>	<u>\$ 19,193</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

6. Investments

Long-Term Investments

	2013	2012
PH&N Canadian Money Market Fund Series O	\$ 1,381	\$ 1,524
PH&N Canadian Equity Fund Series O	6,743	5,941
PH&N Overseas Equity Pension Trust Series O	5,534	4,770
PH&N Enhanced Bond Fund	-	26,276
PH&N Enhanced Total Return Bond Fund	11,930	11,318
GMO Global Equity	10,560	8,901
GIC supporting FNUniv Indemnity Deposit	770	759
Wood Gundy	208	203
Mawer Canadian Equity Pooled Fund	6,615	5,761
Westpen Investments Ltd. Partnership	3,492	3,186
BlackRock CDN U.S. Equity Index Class A	5,623	4,721
GPM Real Property (11) Limited Partnership units	2,518	2,292
RBCDS – GIC 2year	20,000	-
RBC Horizons Active Floating Rate Bond Fund	20,227	-
	<u>\$ 95,601</u>	<u>\$ 75,652</u>

Held in:

Operating Fund	\$ 771	\$ 759
Capital Asset Fund	40,227	26,276
Trust Fund	24,001	21,169
Endowment Fund	30,602	27,448
	<u>\$ 95,601</u>	<u>\$ 75,652</u>

Short-Term Investments

Legg-Mason Canadian Money Market Fund	\$ 1,487	\$ 13,377
UBS/Fiera Capital Money Market Fund	208	2,193
RBCDS – GIC 1 year	10,000	-
437,500 NetSecure Innovations Inc. Class “B” Shares	123	123
	<u>\$ 11,818</u>	<u>\$ 15,693</u>

Held in:

Operating Fund	\$ 208	\$ 2,193
Capital Asset Fund	11,487	13,377
Research Fund	123	123
	<u>\$ 11,818</u>	<u>\$ 15,693</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

7. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2013	2012	2013	2012	2013	2012
Tangible assets						
Land	\$ 1	\$ 1	\$ -	\$ -	\$ 1	\$ 1
Buildings	290,143	284,355	112,353	104,458	177,790	179,897
Site Improvements	31,824	30,109	18,282	17,762	13,542	12,347
Furnishings & Equipment	74,479	72,946	54,297	52,890	20,182	20,056
Library Resources	47,075	46,815	41,456	40,700	5,619	6,115
Leasehold Improvements	4,437	4,183	2,349	2,138	2,088	2,045
	<u>\$447,959</u>	<u>\$438,409</u>	<u>\$228,737</u>	<u>\$217,948</u>	<u>\$219,222</u>	<u>\$220,461</u>
Intangible assets						
Software	4,546	4,531	4,116	4,032	430	499
	<u>\$ 4,546</u>	<u>\$ 4,531</u>	<u>\$ 4,116</u>	<u>\$ 4,032</u>	<u>\$ 430</u>	<u>\$ 499</u>

At year-end, the above capital assets include \$4,493 (2012 - \$3,340) in building upgrades, site improvements, software and equipment that were in progress. The upgrades are capitalized but not amortized at year-end.

During the year, the University disposed of the following amounts of assets:

- Library Resources with an original cost of \$492 (2012 - \$488), in accordance with the policy described in note 2(b);
- Software with an original cost of \$18 (2012 - \$4);
- Buildings with an original cost of \$596 (2012 - \$642);
- Site Improvements with an original cost of \$394 (2012 - \$0)
- Furnishings and Equipment with an original cost of \$3,790 (2012 - \$2,527).

The original land that was transferred to the University when it became a separate legal institution is reported on the statement of financial position at a nominal value of \$1. This land includes 20 acres at the College Avenue Campus and 357 acres at the Main Campus. In 1989, the Main Campus land was appraised by Crown Appraisals of Regina at four dollars per square foot for a total value of \$62,204.

This University-owned land is situated within Wascana Centre, and as such, is governed by *The Wascana Centre Act* of the Province of Saskatchewan with respect to the University's ability to construct, improve, landscape, acquire or dispose of land. The University may not dispose of its land without the approval of the Wascana Centre Authority.

During fiscal year 2000, the University transferred a parcel of land totaling 32.6 acres to the Saskatchewan Indian Federated College (SIFC), now called the First Nations University of Canada (FNUniv), to accommodate their new building. In 2000, the value of this land was estimated at \$8,500.

During the year, the University capitalized \$462 (2012 - \$516) of contributed assets.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

8. Collections

Collection of Rare Books, Records and Papers

The University Library maintains a collection of rare books and runs of bound old magazines. The collection is increased either by purchases or donations, which are minimal. The University does not dispose of items in this collection.

The University of Regina Archives collects the official records of the University of Regina, and private papers in various disciplines. The University Archives currently does not purchase or sell any items. All records and papers are transferred or donated.

During the year, the University accepted donations of rare books, records and papers totaling \$18 (2012 - \$31)

Art Collection

The MacKenzie Art Gallery manages part of the University's art collection as described in Note 23 to these financial statements. The University also owns various works of art including paintings, banners, sculptures, and drawings. Additions to and disposals of this collection are generally few. During the current year, the University accepted donations of art work totaling \$24 (2012 - \$105).

Collection of Geographical Maps

The University's map library is a reference library containing maps, air photos, atlases, globes and documents on cartography and land use. Most additions come in the form of donations from government and private individuals. It is also a depository for the National Topographic Survey, who sends new and revised maps to the library monthly. The map library does not sell any items in its collection.

Music Library Collection

The University's Faculty of Fine Arts maintains a collection of printed music for various ensembles and solo instruments. The music library does not sell any items in its collection, but may purchase very small amounts of new works to add to the collection.

9. Accounts payable and other accrued liabilities

	2013	2012
Trade payables and accrued liabilities	\$ 15,723	\$ 13,449
Accrued interest payable	169	177
Vacation pay & current employee future benefits accrual	4,610	4,768
PST payable	32	31
GST payable	382	85
Payroll and withholding taxes	3,703	3,630
	<u>\$ 24,619</u>	<u>\$ 22,140</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

10. Risk Management Liability

The University has a natural gas commodity swap liability of \$1,085 (2012 - \$2,307) and an interest rate swap liability of \$13,589 (2012 - \$12,993) for a total risk management liability of \$14,674 (2012 - \$15,300).

The University has entered into a number of natural gas commodity swap agreements to manage the risk of fluctuating natural gas prices. Changes in the fair value of the derivatives are recorded in interest and unrealized loss.

Agreement Date	Notional Quantity in GigaJoules (GJ)/Fixed Rate per GJ	To be purchased between:	2013		2012		Unrealized gains (losses)	
			Asset	Liability	Asset	Liability	2013	2012
Oct 7/09	584,400 \$6.35 - \$6.76	Nov/10 and Oct/14	\$ -	\$ 699	\$ -	\$ 1,441	\$ 742	\$ (288)
Mar 2/10	420,050 \$5.31 - \$6.02	Nov/10 and Oct /14	-	395	-	866	471	(334)
Aug 15/12	146,000 \$3.65	Nov/14 and Oct/15	-	(9)	-	-	9	-
			\$ -	\$ 1,085	\$ -	\$ 2,307	\$1,222	\$ (622)

The University has also entered into a number of interest rate swap agreements to manage the risk of fluctuating interest rates. Changes in the fair value of these derivatives are also recorded in interest and unrealized loss. On the credit risk premium renewal date for each swap agreement, the counterparty would review any changes to the credit rating for the Province of Saskatchewan and determine if this would require a change to the credit risk premium.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

				2013		2012	
Interest Rate Swap Agreement, overlying Bankers' Acceptances	Effective Interest Rate Fixed at:	Interest rate effective until:	Current credit risk premium effective until:	Notional Amount (Note 11)	Fair Value	Notional Amount (Note 11)	Fair Value
FNUniv							
Parking Lot	5.780%	Apr 2023	Sep 2013	\$ 323	\$ 64	\$ 346	\$ 66
Luther College	5.170%	Oct 2014	Sep 2013	155	5	252	11
Residences	6.107%	Oct 2029	Sep 2013	32,634	10,285	33,747	9,791
Multi-purpose	5.260%	Dec 2024	Jan 2014	10,638	2,010	11,282	1,969
2003-04	5.240%	Jan 2019	Jan 2014	662	68	758	80
2004-05	4.900%	Dec 2019	Jan 2014	963	105	1,083	117
2005-06	5.130%	Apr 2021	Apr 2013	1,129	154	1,240	165
2006-07	4.600%	Oct 2021	May 2013	1,178	140	1,289	143
2007-08	4.640%	Oct 2022	May 2013	1,283	168	1,388	168
2008-09	4.540%	Sep 2023	Sep 2013	1,373	184	1,474	178
2009-10	4.526%	Mar 2025	Mar 2013	1,522	176	1,617	156
2010-11	4.080%	Jan 2026	Jan 2014	1,595	174	1,688	148
2011-12	2.940%	Feb 2027	Feb 2013	1,687	56	1,784	1
				<u>\$ 55,142</u>	<u>\$ 13,589</u>	<u>\$ 57,948</u>	<u>\$ 12,993</u>

11. Current and Long-Term Debt

The details of the bankers' acceptances and debentures are as follows. No financial liabilities were in default or in a breach of any term or covenant during the period.

	Maturity	Interest Rate at April 30, 2013	2013	2012
Bankers' Acceptances supporting buildings or infrastructure, principal outstanding, at market (all current)				
FNUniv Parking Lot	May 1, 2013	1.47%	\$ 323	\$ 346
Luther College	May 1, 2013	1.47%	155	252
Residences	May 1, 2013	1.47%	32,634	33,747
Multi-purpose	May 31, 2013	1.47%	10,638	11,282

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

		Interest Rate at April 30, 2013		2013	2012
		Maturity			
Bankers' Acceptances supporting capital projects, principal outstanding, at market (all current)					
2003-04	May 28, 2013	1.62%		\$ 662	\$ 758
2004-05	May 31, 2013	1.47%		963	1,083
2005-06	May 19, 2013	1.47%		1,129	1,240
2006-07	May 31, 2013	1.47%		1,178	1,289
2007-08	May 31, 2013	1.47%		1,283	1,388
2008-09	May 27, 2013	1.47%		1,373	1,474
2009-10	May 13, 2013	1.97%		1,522	1,617
2010-11	May 14, 2013	1.67%		1,595	1,688
2011-12	May 8, 2013	1.67%		1,687	1,784
		Interest Rate at April 30, 2013	Annual Payments	2013	2012
		Maturity			
Debenture, secured by building					
College West Residence (asset carried at \$4,285 (2012 - \$4,343))	Dec 31, 2024	7.25%	\$ 155	\$ 1,230	\$ 1,293
Daycare Centre (asset carried at \$304 (2012 - \$318))	Jan 6, 2014	5.19%	\$ 54	98	145
Total outstanding debt instruments				\$ 56,470	\$ 59,386
Less Long-Term Portion				\$ (1,210)	\$ (1,328)
Current Portion				\$ 55,260	\$ 58,058

The principal and interest repayments for the next five years are:

	Principal	Interest
2013/14	\$ 3,078	\$ 3,092
2014/15	3,188	2,922
2015/16	3,259	2,748
2016/17	3,441	2,566
2017/18	3,632	2,374

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

12. Due to/from Other Funds

Purpose and Funds Involved	Interest Rate	Annual Repayment Terms	2013	2012
Restricted - Trust holds the assets to pay the pensions under the Supplementary Executive Retirement Plan recorded in General – Vacation and Pension Accrual	n/a	As pensions are paid, this amount will be reduced	\$ 1,704	\$ 1,347

13. Employee Future Benefits

The University is responsible for the administration of three pension plans. It also provides other employee future benefits, as determined by employment agreements.

The Pension Plan for the Academic and Administrative Employees of the University of Regina (Academic & Admin Plan) is a defined benefit (DB) best earning average pension plan, combined with a defined contribution (DC) component. The DB component was closed to new members effective January 1, 2000. Actuarial valuations are completed at least every 3 years as prescribed by statute. The most recent actuarial valuation for funding purposes was completed with the effective date of December 31, 2012. There were no significant changes in the contractual elements of the plans during the year.

The University of Regina Non-Academic Pension Plan (Non-Academic Plan) is a DB final average pension plan. Actuarial valuations are completed at least every 3 years as prescribed by statute. The most recent actuarial valuation for funding purposes was completed with the effective date of December 31, 2012. There were no significant changes in the contractual elements of the plans during the year.

The University funds the above pension plans based on the amounts recommended by the actuary with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. There is no provision that allows for the withdrawal of surplus by the University.

The University of Regina Supplementary Executive Retirement Plan (SERP) is a DB best earning average retirement plan, combined with a DC component. The University's intention is to top up the pension allowed through the Pension Plan for the Academic and Administrative Employees. The University is responsible for making benefit payments under the terms of the SERP as they become due and is not required to fund the obligation in advance. Included in the non-pension employee future benefit obligation below is a liability of \$1,704 (2012 - \$1,347) relating to the unfunded SERP. The University has set aside cash in the Restricted - Trust Fund equal to the actuary's calculation of the SERP obligation (see Note 12). This cash is still available to the University's creditors, and therefore is not used to compute the accrual for employee future benefits.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

The University's Retiring Allowance Plan includes members of the Faculty bargaining unit, the Administrative, Professional and Technical (APT) bargaining unit and out-of-scope employees. A tenured academic staff member eligible for early retirement with at least fifteen years of service who retires and does not receive any other special arrangement is eligible for a lump-sum retiring allowance based on the number of years of continuous service, to a maximum of fifty per cent of the member's actual salary. An APT member with at least ten years of continuous service who retires and does not receive any other special arrangement is granted a bonus based on number of years of continuous service. Out-of-scope employees with a minimum of fifteen years of continuous service who retire prior to age 65 are entitled to a lump-sum benefit based on the number of years of continuous service, to a maximum of fifty percent of salary at retirement.

Other non-pension employee future benefits include severance payments if any, retirement cost liabilities such as group insurance and dental benefits promised under prior early retirement packages, maternity, paternity or parental leave benefits, as well as short-term and long-term disability benefits to be paid after April 30.

The status of all Employee Future Benefits is as follows:

	2013		2012	
	Academic & Admin	Non- Academic	Academic & Admin	Non- Academic
Pension Plans:				
Change in plan assets:				
Fair value of plan assets at beginning of year	\$ 190,305	\$ 61,282	\$ 195,331	\$ 60,946
Employer contributions	1,150	1,584	1,256	1,507
Employee contributions	1,150	1,592	1,256	1,512
Benefit payments	(9,773)	(4,173)	(9,658)	(3,694)
Actual return on plan assets	17,433	5,460	2,120	1,011
Fair value of plan assets at end of year	\$ 200,265	\$ 65,745	\$ 190,305	\$ 61,282
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ (180,726)	\$ (64,288)	\$ (168,255)	\$ (60,062)
Current service cost	(3,198)	(1,360)	(2,935)	(1,277)
Employee contributions	(1,150)	(1,592)	(1,256)	(1,512)
Interest on benefit obligations	(11,571)	(4,076)	(11,136)	(3,875)
Benefit payments	9,773	4,173	9,658	3,694
Experience gain (loss)	4,400	(5,784)	(6,802)	(1,256)
Benefit obligation at end of year	\$ (182,472)	\$ (72,927)	\$ (180,726)	\$ (64,288)
Funded status:				
Plan net assets (net benefit obligation)	\$ 17,793	\$ (7,182)	\$ 9,579	\$ (3,006)
Valuation Allowance	(7,505)	-	-	-
Accrued benefit asset (liability)	\$ 10,288	\$ (7,182)	\$ 9,579	\$ (3,006)

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

	2013		2012	
	Academic & Admin	Non- Academic	Academic & Admin	Non- Academic
Pension Plans:				
Pension expense:				
Current service cost	\$ 3,198	\$ 1,360	\$ 2,935	\$ 1,277
Interest on benefit obligations	11,571	4,076	11,136	3,875
Actual return on plan assets	(17,433)	(5,460)	(2,120)	(1,011)
Experience (gain) loss	(4,400)	5,784	6,802	1,256
Increase (decrease) in Valuation Allowance	7,505	-	(17,464)	(884)
Total defined benefit expense	\$ 441	\$ 5,760	\$ 1,289	\$ 4,513
Defined contribution pension expense	\$ 4,161	\$ -	\$ 3,934	\$ -

Non-Pension Employee Future Benefits:	2013	2012
Change in benefit obligations:		
Benefit obligation at beginning of year	\$ (14,923)	\$ (13,605)
Current service cost	(2,425)	(2,060)
Interest on benefit obligations	(651)	(734)
Benefit payments	1,969	1,899
Experience (loss)	(474)	(423)
Benefit obligation at end of year	\$ (16,504)	\$ (14,923)

Recorded in Statement of Financial Position:		
Included in Accounts payable and other accrued liabilities	\$ (323)	\$ (375)
Accrual for employee future benefits	(16,181)	(14,548)
Total obligation	\$ (16,504)	\$ (14,923)

Non-pension employee future benefit expense:		
Current service cost	\$ 2,425	\$ 2,060
Interest on benefit obligations	651	735
Experience loss	474	423
Total non-pension employee future benefit expense	\$ 3,550	\$ 3,218

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Assumptions as at April 30:	2013		2012	
	Pension	Non-Pension	Pension	Non-Pension
Discount rate	6.25% to 6.40%	3.60% to 3.80%	6.40% to 6.50%	4.20% to 4.30%
Inflation	2.50%	2.50%	2.50%	2.50%
Salary increase SERP	-	3.00%	-	3.00%
Salary increase (inflation and productivity)	3.00%	3.00%	3.00%	3.00%
Salary increase (merit and promotion) Non-Academic Plan, & APT employees in Retiring Allowance Plan (2012)	0.50%	-	0.50%	0.50%
Acad & Admin Plan, Other employees in Retiring Allowance Plan & APT Employees in Retiring Allowance Plan (2013)	3.00% first 10 years Grading down to 0.75% after 20 years	3.00% first 10 years Grading down to 0.75% after 20 years	3.00% first 10 years Grading down to 0.75% after 20 years	3.00% first 10 years Grading down to 0.75% after 20 years

Allocation of Pension Plan Assets at Market Value

Asset category	2013	2012
Canadian equities	14%	14%
U.S. equities	14%	14%
Non-North American equities	13%	11%
Real Estate	7%	7%
Bonds	21%	25%
Mortgages	2%	2%
Short-term investments	3%	3%
U.S. Common Stock	8%	7%
Balanced Funds	18%	17%
	100%	100%

14. Asset Retirement Obligation

The University owns and manages several underground fuel storage tanks, which are included in the site improvements category. Based on legislation currently in effect, the University will be required to undertake certain removal and site restoration activities when these tanks are retired. As such, the obligation was measured initially with the help of an engineering firm at management's best estimate of costs (using future value methodology with inflation at 2.5%, and present value methodology with a discount rate of 4.5% over the life of the tanks estimated at 40 years) that will be incurred for the eventual removal of the tanks and restoration of the sites. The estimated costs were capitalized into the carrying amount of the tanks and are being amortized over the same period as the tanks. In

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. No amounts were paid during the year with respect to this asset retirement obligation. Accretion expense for the period of \$9 (2012 - \$8) is recorded in the Restricted – Capital Asset Fund.

15. Internally Restricted Fund Balances

Funds involved and policy:	2013	2012
General – Vacation Pay and Pension Accrual: Pension Accrual can only be used to benefit pension plan members, vacation accrual can only be used as vacation	\$ (15,376)	\$ (10,065)
General – Ancillary: Ancillary operations must be self-funding. Positive fund balances are used by ancillaries while negative fund balances must be recovered by the Ancillaries.	(7,122)	(6,777)
Restricted – Research: Certain research is sponsored by various faculties and departments within the University.	5,386	4,876
Restricted – Trust: Amounts transferred from General – Ancillary Fund to be used for future parking facilities.	4,059	3,525
	<u>\$ (13,053)</u>	<u>\$ (8,441)</u>

16. Operating Leases

During the year, the University leased out one building, the Daycare Building. The following table discloses information about this property.

	2013	2012
Capital cost	\$ 577	\$ 577
Accumulated amortization	273	259
Amortization expense	14	15
Outstanding debt	98	145
Principal & interest paid (net)	54	54
Income from Operating Leases	54	54

During the year, the University also leased out 25,006 square feet of space (2012 – 25,006) and recorded \$656 in lease revenue from these leases (2012 – \$645).

The University is implementing a print optimization program whereby it leases its fleet of multi-function print/scan/fax devices (MFD's). The master lease agreement is effective for a 5-year period beginning May 20, 2010. The term of this agreement may be extended for an additional one year period, subject to the written agreement of the parties prior to the end of the original term. The expiry or earlier termination of this Master Agreement shall not affect any Lease Agreement then in effect,

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

which shall continue in full force and effect in accordance with its terms. The Lease Agreement (Schedule of Goods) commences on the Acceptance Date.

The number of leased devices increases as each department is converted to the new program. The university also contracts with a separate company to manage the program and the devices. That contract is in effect from June 1, 2010 until May 31, 2015, unless otherwise terminated, and has the option of being extended by the University for up to three additional consecutive twelve month terms. However, we have no fixed fee payable to the management company, who is instead paid based on machine usage.

The University also leases space from several related parties, as described in Note 23 to these financial statements.

The following table discloses the committed lease payments for the next 5 years, and, for the number of MFD devices on hand at April 30, the future minimum annual commitments for device rental for the next 5 years:

	Space Rental	MFD Rental
2013/14	\$ 726	\$ 317
2014/15	451	347
2015/16	260	157
2016/17	122	51
2017/18	41	3

17. Investment Income and Unrealized Gain (Loss)

	General	Restricted	Endowment	Total	Total 2012
Interest income from loans and receivables	\$ 31	\$ 12	\$ -	\$ 43	\$ 57
Interest/dividend income from financial instruments	104	3,057	333	3,494	4,140
Realized loss on financial instruments	-	1,286	-	1,286	(33)
Unrealized foreign exchange gain (loss) on financial instruments	-	173	-	173	335
Change in fair value of financial instruments due to other than exchange rates	1,222	666	1,792	3,680	(1,594)
Total	\$ 1,357	\$ 5,194	\$ 2,125	\$ 8,676	\$ 2,905

18. Employee Benefits

	2013	2012
Pension Expense – Defined Benefit (Note 13)	\$ 6,201	\$ 5,802
Pension Expense – Defined Contribution (Note 13)	4,161	3,934
Non-Pension Employee Future Benefits (Note 13)	3,550	3,218
All other employee benefits	9,009	9,551
	\$ 22,921	\$ 22,505

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

19. Interest and Unrealized Loss

	General	Restricted	Endowment	Total	Total 2012
Interest expense from financial liabilities	\$ 2,046	\$ 1,061	\$ -	\$ 3,107	\$ 3,218
Decrease in fair value of interest rate risk management swap contracts (see Note 10)	-	597	-	597	3,896
Decrease in fair value of natural gas risk management swap contracts (see Note 10)	-	-	-	-	622
Total	\$ 2,046	\$ 1,658	\$ -	\$ 3,704	\$ 7,736

20. Expenses by Function

The University charges all General – Operating fund and General – Vacation Pay and Pension Accrual fund benefits to a central account in the Administration and General grouping of accounts. For this note, these amounts are allocated to the other operating functions based on the amount of salaries in each function.

	2013	2012
Credit Instruction	\$ 92,023	\$ 87,515
Non-Credit Instruction	7,053	7,329
Library	7,808	7,582
External Relations	3,106	3,093
Computing	7,437	6,909
Administration and General	22,651	22,734
Facilities	20,192	21,860
Student Services	12,157	9,978
Ancillary	12,753	12,368
Special Projects	5,101	5,028
Capital	19,800	22,663
Research	12,606	13,618
Trust & Endowment	10,478	10,684
Total Expenses	\$ 233,165	\$ 231,361

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

21. Interfund Transfers

Each year, the University transfers amounts between its funds for various purposes. These include funding capital asset purchases, and reassigning fund balances to support certain activities.

	General		Restricted		Endowment	
	2013	2012	2013	2012	2013	2012
Asset purchases recorded in						
Restricted – Capital Asset Fund	\$ (2,207)	\$ (2,565)	\$ 2,207	\$ 2,565	\$ -	\$ -
Support for capital projects	(4,716)	(2,751)	4,716	2,751	-	-
Project management fees	277	257	(277)	(257)	-	-
Support for Operating projects	1,441	433	(1,441)	(433)	-	-
Trust support for Engineering, Business Administration & other	-	72	91	(61)	(91)	(11)
Ancillary parking revenue to building trust	(450)	(450)	450	450	-	-
Administrative support from research	3,880	4,096	(3,880)	(4,096)	-	-
Support for special projects	273	50	(273)	(50)	-	-
Support for Research	(1,913)	(1,659)	1,913	1,659	-	-
Residence debt payments from Ancillary	(1,241)	(1,026)	1,241	1,026	-	-
Trust Funds transferred to Endowment	-	-	(412)	(812)	412	812
Interest on various fund balances	488	341	(488)	(341)	-	-
Other miscellaneous transfers	(190)	(497)	188	455	2	42
Support for Graduate Scholarships	(207)	(194)	207	194	-	-
Support for Undergraduate Scholarships	329	(215)	(268)	215	(61)	-
Endowment Support for Engineering	-	-	-	1,317	-	(1,317)
	<u>\$ (4,236)</u>	<u>\$ (4,108)</u>	<u>\$ 3,974</u>	<u>\$ 4,582</u>	<u>\$ 262</u>	<u>\$ (474)</u>

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

22. Budget Versus Actual for 2013

General – Operating Fund

	Budget	Actual
Revenues	\$ 172,184	\$ 178,027
Expenses	(173,442)	(167,116)
Net expenses (revenues)	(1,258)	10,911
Interfund transfers	1,258	(10,821)
Net increase in fund balance for year	\$ -	\$ 90

The University's General – Operating Fund revenue budget of \$177,704 is net of internal operating recoveries of \$2,505, transfers of \$2,056, and transfer of space rental from Ancillaries of \$959 resulting in the disclosed revenue budget above of \$172,184.

The University's General – Operating Fund expense budget of \$177,704 is net of library acquisitions of \$3,052, internal operating recoveries of \$2,505, and increased by salaries of Canada Research Chairs of \$1,295 which are funded by interfund transfers from the research fund resulting in the disclosed expense budget above of \$173,442.

The interfund transfer budget of \$1,258 is comprised of transfers-in excluded from revenue budget and transfers-out excluded from expense budget as noted above.

General – Ancillary Fund

	Budget	Actual
Revenues	\$ 16,589	\$ 15,453
Expenses	(12,341)	(12,753)
Net revenues	4,248	2,700
Interfund transfers	(4,482)	(3,045)
Net decrease in fund balance for year	\$ (234)	\$ (345)

The Ancillary Fund revenue and expense budgets are net of internal sales of \$1,559. The Ancillary expense budget is also net of \$959 space rental charges treated as interfund transfers to General Operating and \$3,523 of interfund transfers to the Capital Asset Fund for the Residences.

General – Special Projects Fund

	Budget	Actual
Revenues	\$ 4,851	\$ 4,828
Expenses	(4,851)	(5,101)
Net expenses	-	(273)
Interfund transfers	-	9,630
Net increase in fund balance for year	\$ -	\$ 9,357

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Restricted – Capital Asset Fund

	Budget	Actual
Revenues	\$ 3,172	\$ 7,506
Expenses	(11,942)	(19,800)
Net expenses	(8,770)	(12,294)
Interfund transfers	2,973	13,676
Net (decrease) increase in fund balance for year	\$ (5,797)	\$ 1,382

Restricted – Research Fund

	Budget	Actual
Revenues	\$ 22,550	\$ 20,736
Expenses	(21,255)	(12,606)
Net expenses	1,295	8,130
Interfund transfers	(1,295)	(8,899)
Net decrease in fund balance for year	\$ -	\$ (769)

Restricted – Trust Fund

	Budget	Actual
Revenues	\$ 6,280	\$ 13,978
Expenses	(2,337)	(10,478)
Net revenues	3,943	3,500
Interfund transfers	-	(803)
Net increase in fund balance for year	\$ 3,943	\$ 2,697

Endowment Fund

	Budget	Actual
Revenues	\$ 1,390	\$ 2,893
Expenses	-	-
Net revenues	1,390	2,893
Interfund transfers	-	262
Net increase in fund balance for year	\$ 1,390	\$ 3,155

Endowment Fund revenues are primarily dependent upon contributions, gifts, donations, bequests and investment returns.

23. Related Party Transactions

The University of Regina has a number of related parties. Each related party, along with a description of the relationship and transactions and balances with those related parties, is described in this note.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Government of Saskatchewan

The University receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its Board of Governors members appointed by the Government of Saskatchewan. To the extent that the Government exercises significant influence over the operations of the University, all Saskatchewan Crown agencies, such as corporations, boards and commissions, are considered related parties to the University.

Included in Grants and contracts – Government of Saskatchewan are operating and other grants and contracts received or receivable from the Ministry of Advanced Education as indicated below (receivable - \$6,397 (2012 - \$3,438)). A portion of the revenue from the Government of Saskatchewan includes supplemental funding for facilities, including funding allocated to principal and interest repayments for sustaining capital.

	2013	2012
General – Operating:	\$ 102,927	\$ 100,467
General – Special Projects:	142	3
General Fund total	<u>\$ 103,069</u>	<u>\$ 100,470</u>
Restricted – Capital:	\$ 5,976	\$ 2,866
Restricted – Research:	953	511
Restricted Fund total	<u>\$ 6,929</u>	<u>\$ 3,377</u>

The University currently leases land to the Saskatchewan Opportunities Corporation (SOCO). The lease is for 99 years at one dollar per year, expiring on June 30, 2097. The land shall be used for and devoted to research and technology development activities. Regina Research Park is situated on this land.

The University also leases 112 acres of land, known as the Wascana East Lands, from the Saskatchewan Government. The lease is for 99 years at one dollar per year, expiring on July 31, 2104. The lease agreement indicates that it is the desire and intention of the parties to transfer this land to the University at some point during the lease term, at which point the lease will terminate. This transfer shall be in consideration for the University of Regina providing to the Government of Saskatchewan, through SOCO, the partially developed and serviced lands for the use and construction of the Regina Research Park.

The University also leases approximately 55,596 (2012 – 37,643) square feet of building space from SOCO and SIAST for approximately \$1,060 (2012 - \$611) per year plus its share of occupancy costs.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Routine operating transactions with Government of Saskatchewan related parties are recorded at the standard or agreed rates charged by those organizations and are settled on normal trade terms. The larger of these payments are as follows:

	2013	2012
Saskatchewan Power Corporation	\$ 3,816	\$ 3,761
Saskatchewan Energy	75	91
Saskatchewan Telecommunications	577	578
University of Saskatchewan	533	307
Saskatchewan Workers Compensation	273	313
Saskatchewan Institute of Applied Science and Technology	531	143
Saskatchewan Opportunities Corporation/Innovation Place	1,004	995
Conexus Arts Centre	112	98
Saskatchewan Ministry of Finance	300	44
Saskatchewan Research Council	69	275

At year-end, the University had accounts payable to the above organizations totaling \$463 (2012 - \$878). The University had accounts receivable from the above organizations totaling \$195 (2012 - \$274).

University of Regina Crown Foundation

The University is also related to the University of Regina Crown Foundation through representation on the Foundation's Board of Trustees. The Foundation is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University for the purpose of supporting and promoting its education or research activities. It is currently not being used for this activity due to changes in income tax laws. As at the end of the year, the Foundation had no net assets. Effective for July 31, 2013, *The Crown Foundation Act* has been repealed.

Canadian Universities Reciprocal Insurance Exchange

The University of Regina is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums that are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses.

As of December 31, 2012, CURIE had an accumulated surplus of \$60,500 (2011 - \$48,586). The University's participation rate in CURIE is 1.465% (2011 - 1.458%). At year-end, the University had a surplus distribution receivable of \$66 (2011 - \$67).

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

MacKenzie Art Gallery Inc.

The Gallery is custodian of a collection of artwork that is the property of the University. The University provides funding to the Gallery, which can be reduced if the government grant to the University is reduced. The Gallery's Board contains two members appointed by the University. The University holds certain money in trust for the Gallery. Income earned on this money is, from time to time, paid to the Gallery to be used to purchase additional works of art to add to the Collection and for the cleaning and restoration of works comprised in the Collection. The University also provides other operating services to the Gallery such as audiovisual, printing, and payroll services. The Gallery reimburses the University for these services.

During the year, the University applied grant money of \$400 (2012 - \$400) against the Gallery's receivable and paid \$30 (2012 - \$36) to the Gallery. The Gallery paid the University \$1,412 (2012 - \$1,090) for services rendered.

At April 30, 2013 the University had an account receivable from the Gallery totaling \$104 (2012 - \$202).

Amounts payable to the Gallery were minimal at each year-end.

The Gallery has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest totals \$649 (2012 - \$590). This amount is not included in the University's financial statements. The University does not charge the Gallery for this service.

Wascana Centre Authority

On April 1, 1962, the Wascana Centre Authority (WCA) was constituted a body corporate under *The Wascana Centre Act*. The Government of Saskatchewan, the City of Regina and the University were named as participating parties. The University has appointed three members to the 11-member WCA Board, one of whom is the University President who is also a member of the University Board of Governors. The University has a statutory obligation to the Authority for the cost of landscape construction and landscape maintenance performed on University owned land. Payments made to the Authority are as follows:

	2013	2012
Statutory Maintenance	\$ 775	\$ 771
Other miscellaneous payments	162	127
	<u>\$ 937</u>	<u>\$ 898</u>

The University received grants of \$252 (2012 - \$252) from the Ministry of Advanced Education to help fund the above payments to the Wascana Centre Authority.

Federated Colleges

Three colleges located on the main campus – Campion College, Luther College and the First Nations University of Canada (FNUUniv) are federated with the University but are financially and administratively independent. Students interested in registering in a federated college must meet the general entrance requirements of the University of Regina. Courses offered by the University and the

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

colleges are open to all students. The University's Board of Governors sets the tuition rates that must be paid by all students. Degrees are granted by the University when students have completed all requirements. The University has agreements with the three colleges that determine how student fees are shared.

The University also provides other operating services to the colleges such as telephone, audio visual, library book purchasing, printing, research grant administration and payroll services. The colleges reimburse the University for cash outflows resulting from these services. The University had the following receipts, receivables and payables:

	Operating		Fee Share		Infrastructure		Loans	
	2013	2012	2013	2012	2013	2012	2013	2012
Receipts from:								
Campion College	\$ 835	\$ 672	\$ -	\$ -	\$ 641	\$ 582	\$ -	\$ -
Luther College	1,391	1,143	-	-	635	576	111	111
FNUniv	458	656	-	-	-	-	-	295
	<u>\$ 2,684</u>	<u>\$ 2,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,276</u>	<u>\$ 1,158</u>	<u>\$ 111</u>	<u>\$ 406</u>

	Operating		Fee Share		Infrastructure		Loans	
	2013	2012	2013	2012	2013	2012	2013	2012
Receivable from (payable to):								
Campion College	\$ 81	\$ 134	\$ 65	\$ 103	\$ -	\$ -	\$ -	\$ -
Luther College	186	157	57	63	-	-	159	258
FNUniv	82	56	(83)	10	-	-	-	-
	<u>\$ 349</u>	<u>\$ 347</u>	<u>\$ 39</u>	<u>\$ 176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159</u>	<u>\$ 258</u>

The University holds a number of trust funds on behalf of FNUniv. The University also has other small agreements with the colleges. As a result of these, the University made payments to the colleges during the year as follows:

	2013	2012
Payments to Luther College	\$ 127	\$ 263
Payments to FNUniv	112	82
Payments to Campion College	-	2

FNUniv has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest, totals \$1,460 (2012 - \$1,328). This amount is not included in the University's financial statements. The University does not charge FNUniv for this service.

Petroleum Technology Research Centre

The Petroleum Technology Research Centre (PTRC) is a federally incorporated not-for-profit petroleum research and development corporation. The PTRC is a collaborative initiative of The University of Regina, Saskatchewan Research Council (SRC), Natural Resources Canada (NRCan) and Saskatchewan Ministry of the Economy.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

During the year, the University received \$4,762 (2012 - \$3,010) from the PTRC to repay salary and benefits of the PTRC employees, who are paid through U of R acting as a payroll service, and to fund research projects. The University also employs professors who carry out PTRC related research. These professors will remain employees of the University of Regina.

SpringBoard West Innovations Inc.

SpringBoard West Innovations Inc. (SBWI) is established under *The Non-Profit Corporations Act, 1995* of Saskatchewan to help innovators transform an idea into a commercial reality and to help organizations access important new innovations. Currently, SBWI is focusing on projects in the energy, environment, informatics, life and biomedical sciences sectors.

The University has significant influence over SBWI by virtue of having two directors on a board of six directors. Also, upon liquidation and dissolution, any remaining property of SBWI shall be distributed pro-rata between the University of Regina and the Province of Saskatchewan.

The University currently leases space from SBWI in the 2-Research Drive Building, as well as contracting with them for other services.

	2013	2012
Payments to SBWI during the year	\$ 444	\$ 320
Payable to SBWI at April 30	-	30

IPAC-CO2 Research Inc.

IPAC-CO2 Research Inc. (IPAC-CO2) is established as a corporation without share capital under Part II of the *Canada Corporations Act* to undertake research and development and commercial services in the area of carbon capture and storage risk assessment and all activities associated therewith.

The University has significant influence over IPAC-CO2 by virtue of its ability to appoint three directors on a board of seven directors, and by virtue of being one of two voting members, the other being the Crown Investments Corporation of Saskatchewan (CIC).

During the year, there were no transactions between the University and IPAC-CO2, and there are no balances receivable or payable at April 30, 2013 or as at April 30, 2012.

Upon liquidation, dissolution or the winding-up of IPAC-CO2, all its remaining assets after payment of its liabilities shall be distributed ratably between the University and CIC. IPAC-CO2 has begun the process of winding up. This process can take considerable time. At April 30, 2013, no amounts related to distributions have been recognized in the financial statements.

FNUniv Financial Administration Inc.

On March 10, 2011, as a result of a May 1, 2010 Administrative Services Contract between First Nations University of Canada (FNUniv) and the University of Regina, the University incorporated a fully-owned, for-profit corporation under *The Business Corporations Act* called FNUniv Financial

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

Administration Inc. (FFA). FFA has a March 31 year end. The University holds 10 Class A voting shares. The president of the University is the president and sole director of FFA. The purpose of FFA is to provide administrative services related to the administration and disbursement of FNUniv Funds.

The University will account for FFA using the equity method. As such, the University has an Investment in FFA of ten dollars.

At April 30, 2013, FFA had Cash of \$2,504 (2012 - \$3,989), Accounts Receivable of \$0 (2012 - \$0) from the Federal Ministry of Indian Affairs and Northern Development and \$0 (2012 - \$6) from the Saskatchewan Ministry of Advanced Education, FNUniv Credit Card Receivable of \$13 (2012 - \$18), for a total asset balance of \$2,517 (2012 - \$4,013), Accounts Payable of \$117 (2012 - \$0) from the Saskatchewan Ministry of Advanced Education, and Due to FNUniv of \$2,400 (2012 - \$4,013). As FFA has no revenues, expenses or net income, the value of the University's Investment in FFA remains at ten dollars.

During the year, the University flowed \$7,025 (2012 - \$7,410) of Indian Studies Support Program (ISSP) money received from the Federal Ministry of Indian Affairs and Northern Development through to FFA who then transferred it to the University's agent, MNP LLP (MNP). FFA transferred \$0 (2012 - \$475) to the University to be invested on behalf of FNUniv scholarships. FFA also recorded \$7,076 (2012 - \$6,459) of cash collected at FNUniv. These amounts are not recorded in the University's financial statements.

Also as a result of the Administrative Services Contract, where FNUniv agreed to indemnify and save harmless the University and all University Parties and to provide the University with an indemnification in an amount and in form and content satisfactory to the University to secure payment of the indemnity, the University entered into an Indemnity Amount Agreement with FNUniv, effective April 1, 2011. Both parties agreed that the indemnification deposit shall be \$750, and shall be invested in an interest bearing savings account maintained by the University. Interest earned on the investment shall form part of the indemnity amount, which has an April 30, 2013 balance of \$770 (2012 - \$759).

University of Regina Board of Governors

During the year, the University paid honorariums and expenses of \$52 (2012 - \$52) to or on behalf of Board members.

During the year, the University paid \$101 (2012 - \$515) to vendors who are owned or partially owned by or under the direction of University Board members. These vendors provided services at normal market rates and are not otherwise related to the University. The Board members remained free from conflict as they did not participate in the University's decision to use those vendors. At April 30, 2013, the University had accounts payable of \$0 (2012 - \$27) to these vendors.

Notes to the Financial Statements

For the Year Ended April 30, 2013

(in thousands of dollars)

24. Commitments

At April 30, 2013, the University has outstanding contractual commitments totaling \$112 (2012 - \$1,274) related to three (2012 – three) major projects. The original commitment from these contracts is \$2,162 (2012 - \$6,586). By April 30, 2013, the University had already spent \$2,050 (2012 - \$5,312) related to these contracts.

The University has also entered into contracts for building the new Residence/Daycare building. These contracts have no value statement in them, but are “cost plus” arrangements. Although no value is stated in the contracts, the University anticipates spending \$68,600 under these contracts to build the new building. As at April 30, 2013, the University had already spent \$1,499 related to these contracts, leaving an anticipated \$67,101.

The University also had open purchase order commitments totaling \$1,404 (2012 - \$3,474).

OFFICERS OF THE UNIVERSITY

University of Regina Board of Governors

Brenda Barootes

Appointed by the Lieutenant Governor in Council
(to November 2012)

Elaine Bourassa

Elected by Senate

Dr. Mark Brigham

Elected by Council

Lee Elliott, Vice-Chair

Appointed by the Lieutenant Governor in Council

Pam Klein

Appointed by the Lieutenant Governor in Council
(from January 2013)

Daniel Kwochka

Appointed by the Lieutenant Governor in Council

Patrick Maze

Elected by Senate

Paul McLellan, Chair

Appointed by the Lieutenant Governor in Council

Haanim Nur

President of the Students' Union
(May – June 2012)

Dr. William F. Ready, Q.C.

Chancellor

Nathan Sgrazutti

President of the Student's Union
(from October 2012)

Stuart Pollon

Appointed by the Lieutenant Governor in Council
(to July 2012)

Dr. Vianne Timmons

President and Vice-Chancellor

Cathy Warner

Appointed by the Lieutenant Governor in Council
(from January 2013)

Michael Young

Acting President of the Students' Union
(June – October 2012)

University of Regina Executive

Dave Button

Vice-President (Administration)

Dr. Thomas Chase

Provost and Vice-President (Academic)

Dr. Dennis Fitzpatrick

Vice-President (Research)

Ian Hanna

Senior Advisor (Government Relations)
(from April 2012 to March 2013)

Barbara Pollock

Vice-President (External Relations)

Annette Revet

University Secretary and Executive Director (University Governance)

Dr. Vianne Timmons

President and Vice-Chancellor

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University
of Regina