

2014-15

University of Lethbridge
Annual Report



ACCOUNTABILITY STATEMENT

The University of Lethbridge Annual Report for the year ended March 31, 2015 was prepared under the Board's direction in accordance with the *Fiscal Management Act* and ministerial guidelines established pursuant to the *Post-Secondary Learning Act*. All material economic, environmental, or fiscal implications of which we are aware have been considered in preparing this report.

[Original signed by Mr. Gordon E. Jong]

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

Date:

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

The Annual Report has been developed under the oversight of the Board of Governors Audit Committee, as well as approved by the Board of Governors and is prepared in accordance with the *Fiscal Management Act* and the *Post-secondary Learning Act*. This year no disclosures were received under the *Public Interest Disclosure Act*

The Auditor General of the Province of Alberta, the institution's external auditor appointed under the *Auditor General Act*, performs an annual independent audit of the consolidated financial statements in accordance with Canadian public sector accounting standards.

[Original signed by Dr. Michael J. Mahon]

Dr. Michael J. Mahon
President & Vice-Chancellor

Date:

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MESSAGE FROM THE CHAIR OF THE BOARD OF GOVERNORS

This Annual Report for 2014-15 highlights the University's current state and achievements over the year. We are pleased that the University of Lethbridge continues to successfully fulfill its mandate approved by the Deputy Premier and Minister of Advanced Education and Technology on June 24, 2010. We look forward to continuing our progress to achieving the priorities set forth in Destination 2020: 2014-2019 Strategic Plan. As articulated in Destination 2020, we will be Canada's destination for all who seek a comprehensive, liberal education-based university that promotes a diverse and inclusive environment and inspires research-informed teaching and learning, creative discovery, scholarship, professional endeavor, experiential opportunities, and community engagement. We take the "comprehensive" characterization in that classification seriously; we provide opportunities for study at all levels (undergraduate, Masters, and Doctoral) and across the full breadth of disciplines. We are working to identify new programs and majors that serve the community; we undertake high-quality research and support the cornerstones of the Alberta Innovates Model; we aim to provide Alberta learners with various pathways through higher education, whether by location or delivery mode.

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

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

The University of Lethbridge continues to be recognized as one of the country's leading research-intensive universities, earning recognition as one of the top 2014 Research Universities of the Year (undergraduate category) from RESEARCH Infosource, and one of the top three Primarily Undergraduate universities as ranked in the 2015 *Maclean's* University Rankings. To point out every accomplishment we have had over the past year would be a very long list. In this Annual Report, we hope you get a glimpse of the great things that are happening at the University and a sense of our well-founded pride.

[Original signed by Mr. Gordon E. Jong]

Mr. Gordon E. Jong, FCPA-FCA

Chair, Board of Governors

UNIVERSITY CONTEXT

VISION

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

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

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

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

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

MANDATE

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

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

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

In support of Campus Alberta, the University of Lethbridge collaborates with other institutions to ensure transferability within the province's postsecondary education system and deliver seamless learning opportunities. As part of this commitment, the University works with other institutions to provide degree completion opportunities for university transfer students and diploma graduates.

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

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

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

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

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

OPERATIONAL OVERVIEW

The University of Lethbridge faces many opportunities and challenges in our efforts to provide students with an affordable, accessible and supported quality post-secondary education. The opportunities and challenges faced by the U of L in achieving this broadly mirror those faced by the Ministry:

- Changing demographics;
- Desire to increase participation of under-represented groups;
- Economic conditions;
- Addressing labour market demands;
- Striking a balance between economic needs and social benefit;
- Enhancing learner pathways; and
- Increasing research capacity.

The following operational overview examines some of the specific trends affecting the U of L as well as key aspects of the post-secondary environment in which we operate. The opportunities and challenges emanating from these trends and the post-secondary context are then identified for each..

DEMOGRAPHIC TRENDS

A CHANGING POPULATION

The Campus Alberta Planning Resource (CAPR) anticipates a shift in the age distribution for Alberta over the next ten years: while overall population growth is expected to be 21.8%, projected growth of 18-34 year olds is much lower at 6.1%. This is the primary age group at the U of L with 80% of undergraduate students in Fall 2014 between 17 and 25 years of age, and 50.1% of Master's and Doctoral students being 30 or younger¹. In Fall 2014, 38.2 % of all students at the U of L came from the Calgary and Edmonton regions while both cities were experiencing lower than average demographic growth. This was a slight increase over 2013 when 37.9% of our students came from these two cities. The closing of the Edmonton campus, likely will result in a decrease in the number of students from Edmonton choosing the U of L in the future. We will, however, continue to respond to student and societal demands with an array of quality programming, coupled with robust student support services to ensure the U of L remains a preferred destination for Alberta students.

ABORIGINAL STUDENTS

The University of Lethbridge is located on traditional Blackfoot land and adjacent to three Blackfoot Nations in Canada: the Blood Reserve, the Piikani Reserve, and the Siksika Reserve. In Fall 2014, 5.0% of the U of L student body self-identified as First Nations, Métis, or Inuit (FNMI)². The U of L continues to have the highest proportion of FNMI students of the six Alberta universities (CARIs and Baccalaureate and Applied

¹ University of Lethbridge 2014/2015 Fact Book

² University of Lethbridge 2014/2015 Fact Book

Studies institutions). Aboriginal peoples represent a growing segment of Alberta’s population, including the traditional post-secondary cohort of 18-24 year olds.

Opportunities to recruit and receive aboriginal students from Mexico are also being explored through the U of L’s initiative with the State of Quintana Roo, Mexico through a proposal to CONACyT (The National Council of Science and Technology in Mexico) to host 20 indigenous women from across the state for a 4 to 6 week summer program to enhance their opportunity for admission to graduate studies.

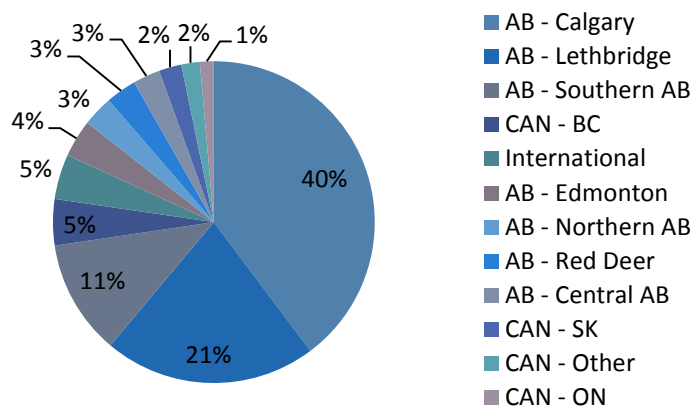
HIGH SCHOOL TRANSITIONS

The High School Transition Report prepared by Innovation and Advanced Education provides the number of June 2013 high school graduates by school region who attended an Alberta publicly funded institution in Fall 2013. The data show that the percentage of high school graduates from the Lethbridge service region who attended an Alberta post-secondary institution in Fall 2013 was 35.2%. This was lower than the Alberta average of 36.9%.

The report also reveals that on average, fewer rural Alberta high school students transition directly to post-secondary studies. In the Lethbridge service region, 58.4% of the high school population is from a rural location and only 29.7% of the rural population transitions to post-secondary studies as opposed to 43.0% of the population from the City of Lethbridge (Appendix B, Figure 2). This presents a unique challenge for the U of L, which attracts 35%³ of its population from the Lethbridge region. As of 2012/2013⁴, 41.2% of Lethbridge Region high school students do not transition to post-secondary within six years of graduation.

In Fall 2014, the U of L attracted 32.4% of Lethbridge service region high school students attending post-secondary. The high school population in the Lethbridge census division from which the U of L attracts students increased by 5.6% from the 2013/14 to 2014/15 school year.⁵

Fall 2014 Enrolment by Geographic Source



³ Learner and Enrolment Reporting System, 2013/2014

⁴ Campus Alberta Planning Resource, 2014

⁵ Alberta Education Student Population, 2014/2015

Opportunities related to demographic trends

- With the changing demographics and increased competition reducing the pool from which we have been recruiting students, we need to expand our recruitment reach to:
 - regions outside our traditional sources of students; e.g. Northern Alberta;
 - work with local communities to recruit more First Nations, Métis and Inuit students;
 - increase the number of international graduate and undergraduate students;
 - focus more on adult learners as students
- Continue building on the strong relationships established with the Blackfoot community and continue to develop services and supports in line with the U of L's Aboriginal Education Policy.
- Enhance recruitment activities and programs to attract more regional high school students, both urban and rural. Dual Credit is a new program designed to connect local high school students to the U of L. A dual credit program with Lethbridge Collegiate Institute (School District 51) will be piloted in Fall 2015 and Spring 2016.

Challenges related to demographic trends

- As competition for the traditional post-secondary cohort increases, other institutions will increasingly look to our region to recruit new students. Both "in-Alberta" and "out of Alberta" post-secondary competition for students is anticipated. Not only are we likely to see increasing competition for students in our own region, we also will have to work harder to maintain our recruitment rates in Calgary.
- Academic programs and student support services must be more focused to meet the needs of an increasingly diverse student body, such as adult learners and FNMI students, to enable them to participate, persist, and succeed.

DEMAND & ACCESS

The University of Lethbridge excels at providing access to qualified applicants. In Fall 2014, the U of L was able to accommodate 95.1% of qualified Alberta applicants on at least one application.⁶ Oversubscribed programs including Nursing, Education, and some graduate programs have qualified applicants who cannot be accommodated with an offer. As an example, the University had 618 applications for 120 available Bachelor of Nursing seats, and while 125 applicants who were not offered admission to the Bachelor of Nursing received offers to an alternative program at the University, many others not accepted to the Bachelor of Nursing did not attend the U of L in Fall 2014.⁷

The U of L research environment includes innovative research facilities and state-of-the-art equipment such as an aquatic research facility, a commodity-trading laboratory, a simulation health centre, and 2 fMRI units. Our data network is among the best in Canada. U of L's nationally and internationally recognized researchers engage in targeted research that often involves cross-disciplinary collaboration within the University and across the province, country and globe. Researchers are well supported by institutional structures and funds, and are encouraged to integrate their teaching and research resulting in many, varied research opportunities for students at the graduate and undergraduate levels.

The U of L does face two significant challenges related to maintaining and further developing our research capacity. The research facilities in University Hall are severely outdated and the cost of renovating University Hall, the iconic building for Science research and Science academic program delivery, would be more expensive than constructing a new building. The construction of a new Science and Academic Building is vital, therefore, to developing the mandate of a comprehensive university that emphasizes graduate education while ensuring an excellent undergraduate experience. Relatedly, the U of L needs to ensure a critical mass of resources and researchers to continue to build excellence in niche areas while maintaining our broader mandate as a comprehensive university.

⁶ Application Submission Initiative, Fall 2014

⁷ University of Lethbridge Enrolment Review

AWARDS AND HONOURS

HONORARY DEGREE RECIPIENTS

Spring 2014

Dr. Barbara Hohn, D.Sc.
Dr. Amanda Lindhout, LL.D.
Dr. Austin Mardon, LL.D.

Fall 2014

Dr. Séamus O'Shea, D.Sc.

2014 PRESIDENT'S AWARDS FOR SERVICE EXCELLENCE

AUPE 2014 Recipient - Margaret Cook, administrative assistant in the Department of Geography.

APO 2014 Recipient - Steve Craig, Faculty of Management.

TEAM 2014 Recipients - Erin Crane and Melissa Wiebe, Conference and Event Services.

2014 SENATE VOLUNTEER AWARD

Dory Rossiter - A passion for volunteerism has lead Dory Rossiter to continually strive to make a difference in her community.

2014 DISTINGUISHED TEACHING AWARD

Biochemistry professor Ute Kothe has made outstanding contributions to teaching at the University of Lethbridge and beyond.

2014 BOARD OF GOVERNORS' TEACHING CHAIR

An accomplished researcher, lecturer and author, Dr. Sheila McManus is one of the most respected educators from within the Faculty of Arts and Science and the University of Lethbridge's Department of History.

2014 SPEAKER MEDAL FOR DISTINGUISHED RESEARCH, SCHOLARSHIP, OR PERFORMANCE

Dr. Sergio Pellis' influential research on animal behaviour and behavioural neuroscience has received international recognition.

2014 ALUMNUS OF THE YEAR

Dr. Lawrence Johnson (BASc (BSc) '78)

2014 ALUMNI HONOUR SOCIETY INDUCTEES

Denise Calderwood
Craig Findlay
Robbin Gibb
Wendy Cecilia Fox
Sheila McHugh
Michael Dimnik, Q.C.

AWARDS AND ACHIEVEMENTS

The University of Lethbridge maintained its top-three position in the 2015 Maclean's University Rankings (Primarily Undergraduate category), and continues to evolve as one of the country's leading research-intensive universities, earning recognition as one of the top 2014 Research Universities of the Year (undergraduate category) from Research Infosource.

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

University of Lethbridge alumnus **Manwar Khan** (BSc '07) was recognized as one of the RBC Top 25 Canadian Immigrants of 2014.

Cheryl Currie (Health Sciences) received an AIHS Translational Health Chair in Aboriginal Health & Wellbeing. Her research explores the upstream determinants of Aboriginal health, strength, and resilience in Canada. She will work with Aboriginal communities to examine health determinants and to develop and evaluate interventions that address community-identified health needs for children, youth and adults.

Andrew Iwaniuk (Neuroscience) was awarded a Tier 2 Canada Research Chair in Comparative Neuroanatomy. Andrew's research program aims to understand how the brain evolves into different sizes and forms in different species.

The Royal Society of Canada (RSC) named **Andrew Iwaniuk** (Neuroscience) a Fellow of the Royal Society of Canada (RSC). He was officially inducted in the RSC at its annual general meeting in Quebec City in November.

Igor Kovalchuk (Biological Sciences) won the Innovation in Agricultural Science Award at the 2013 ASTech Awards. He was honoured for his ground-breaking epigenetic research and the potential it bears for Alberta's agricultural industries.

Women of Influence named **Olga Kovalchuk** (Biological Sciences) as one of their Top 25 Women of Influence.

The Faculty of Health Sciences appointed **Brenda Leung** as the Emmy Droog Chair in Complementary and Alternative Health Care.

Susan McDaniel (Sociology / Prentice Institute) was appointed by the Council of Canadian Academies to serve as Chair of the Scientific Advisory Committee (SAC). The SAC advises the Council's board with respect to the selection of assessment topics, terms of reference and peer review. The Council of Canadian Academies is an independent, not-for-profit organization that supports evidence-based, expert assessments to inform public policy development in Canada. SAC members represent the broad science community, drawing from the academic, business, and non-governmental sectors.

Alberta Venture named **Susan McDaniel** (Prentice Institute) one of Alberta's 50 most influential people.

Rob McDonald (Neuroscience) was nominated by two members of the Corpus Christi College at Oxford University (Dr. Robin Murphy and Dr. Allistair Buchan) to be a Visiting Fellow during the spring of 2015 and the Governing Body has elected him for this position. Rob will live on campus (March to July 2015) and develop collaborations with experts in contextual control of learned behaviour, vascular cognitive disorders, molecular mechanism of circadian rhythms, and the role of orbital frontal cortex in anxiety. He will also give talks on his research.

David Naylor (Physics & Astronomy) received a Royal Astronomical Society (RAS) award for outstanding contribution to astronomy as part of the Herschel-SPIRE Consortium. The award represents recognition by the astronomical community of the outstanding success of the SPIRE instrument, which observed the universe at far infrared wavelengths, a few hundred times longer than the wavelengths of visible light. The international team was responsible for the design, construction and delivery of the instrument as part of the instrument suite for the European Space Agency's Herschel Space Observatory. The award was presented at the 2014 National Astronomy Meeting held in England in June 2014.

David Naylor (Physics & Astronomy) received the Royal Astronomical Society (RAS) Group Achievement Award as part of the Herschel-Spire Consortium. This is the second RAS award for David in five years (he won a RAS Group Achievement Award in 2009 for the SCUBA detector).

The American Anthropological Association (AAA) awarded **Jan Newberry** (Anthropology) the AAA/Oxford University Press Award for Excellence in Undergraduate Teaching of Anthropology award.

Robert Sutherland (Neuroscience) was appointed a Board of Governors Research Chair in Neuroscience.

The University announced the University Scholars for 2014-16. They are **Kaz Mazurk** (Education), **Abdie Kazemipur** (Social Sciences), and **Josie Mills** (Fine Arts).

Paul Vasey (Psychology) received the Ira and Harriet Reiss Theory Award for best theoretical paper in sexology from the Society for the Scientific Study of Sexuality.

The U of L iGEM (internationally genetically engineered machine) team competed against 220 postsecondary international teams at the iGEM Giant Jamboree 2014 in Boston, MA and were awarded a gold medal. The U of L team was one of two Alberta teams and one of ten from Canada participating in the competition. The interdisciplinary team, comprised of Master's and Doctoral students from biochemistry, biology, art, and neuroscience, presented a neuroscience project that involves engineering immune cells to identify astrocytes and reprogram them to become normal neurons. **H.J. Wieden** (Chemistry & Biochemistry) is the team supervisor and mentor.

A team of undergraduate students from the Faculty of Management placed second overall at a recent University Trading Challenge in New York City. This is the first year the U of L has participated in the contest. The U of L was the only Canadian team and the only undergraduate team to compete. **Shamsul Alam** (Management) and **Lynda Thai-Baird** (Manager of the Faculty's trading floor) mentored the team.

PEOPLE

Dr. Michael J. Mahon was reappointed to a second five-year term, beginning July 1, 2015, as the University's President and Vice Chancellor.

The University of Lethbridge named **Dr. Erasmus Okine** as the new Vice-President (Research) effective July 1, 2015, replacing Dr. Dan Weeks who began a term as President of the University of Northern British Columbia.

The University Senate selected alumna **Mrs. Janice Varzari** as the next Chancellor of the University of Lethbridge, effective May 2015. Mrs. Varzari will be the first graduate of the University to be Chancellor.

The University hired Sharron (Susie) Kennedy to the position of Registrar, effective July 1, 2014.

FACILITIES & INFRASTRUCTURE

In December 2013, the Government of Alberta announced a \$200 million investment in the Destination Project, which will involve the construction of new science and academic building. Architects KPMB and Stantec have led the University through a comprehensive and collaborative schematic design process.

The University of Lethbridge opened **likaiskini (Low Horn)**, the new temporary location for its First Nations, Métis and Inuit Gathering Place within the Paterson Centre.

The University opened the first SCALE UP classroom, a student centred and active learning environment space designed for student success.

EVENTS

The University of Lethbridge, together with 1st Choice Savings and Credit Union, hosted its fourth annual, free **Play Day** event on Family Day. The event promotes the positive aspects of play and its influence on creating healthy individuals and healthy communities.

The **Department of Biological Sciences** hosted its 3rd Annual Biology Graduate Research Symposium in January. The symposium included poster and oral presentations.

The **Department of Chemistry & Biochemistry** hosted the 8th Annual Chinook Symposium for Chemistry & Biochemistry in September. Thirty-three individuals participated in the symposium (14 undergraduates, 11 Master's students, 2 doctoral students, and 6 Post Doctoral Fellows).

The University hosted Dr. Bill McGregor, a leading soil scientist, as its inaugural Agri-Scientist in Residence the week of February 3 to 7. As part of his time on campus, he lectured to geography and biological sciences students and presented a public lecture. The opportunity to host Dr. McGregor was made possible by financial support from DOW AgroSciences Canada.

The University hosted the 2014 Celebrating Research Excellence event on February 26. This year, we honoured faculty and postdoctoral fellows from across campus who received academic research awards of distinction, secured research funding or published their research findings in the last year. We are proud of their many contributions to our University community and look forward to growing the reputation and reach of the U of L.

The Canadian Centre for Behavioural Neuroscience (CCBN) participated in Brain Awareness Week. Gerlinde Metz (Neuroscience) presented a lecture on “The Brain on stress: How experience affects health and disease” at the Yates Memorial Centre on March 11. Robbin Gibb (Neuroscience) spoke to seniors at the Lethbridge Senior Citizens Organization about healthy brain maintenance and sharpening the mind. The CCBN hosted an open house on March 15, which enabled the public to tour the labs and meet the scientists.

The University hosted the second annual Community/University Research Exchange (CURE) event in March. The CURE event facilitated relationship building between community groups and University researchers. The daylong event began with welcome remarks from the Vice President Research and keynote remarks from Dr. Maureen Dobbins. Dr. Dobbins recently finished a three year study involving a partnership among three public health departments. She spoke on the challenges and rewards of “doing decision maker led research.” A guided poster session and reception followed in the afternoon.

The Graduate Students’ Association hosted the 8th Annual Meeting of the Minds conference on March 15. This multidisciplinary conference provides graduate students and postdoctoral fellows the opportunity to showcase their research to the University community and the broader Lethbridge community.

The **Alberta RNA Research and Training Institute (ARRTI)** hosted the 10th Annual RiboWest Conference. This conference, alternating between Prince George and Lethbridge, is an annual meeting of RNA researchers from western Canada and beyond.

Chris Hopkinson (Geography) hosted the annual Alberta Terrestrial Imaging Centre LiDAR/SAR wetland and water-monitoring workshop in June. This two day workshop included presentations from experts in the public and private sectors as well as a LiDAR/Radar demonstration. Sixty five people attended the workshop.

Michael Gerken (Chemistry & Biochemistry) organized a multiday symposium entitled, “Exploring the Frontiers of Fundamental and Applied Fluorine Chemistry: A Symposium in Honor of Gary J. Schrobilgen.” This symposium was part of the 248th American Chemical Society National Meeting and featured presentations covering a wide range of topics in fluorine chemistry by international experts in the field.

The University hosted Dr. Nubia Munoz, recipient of the Canada Gairdner Global Health Award (2009) for her work in studying, treating, and developing vaccines for HPV and cervical cancers. She gave a lecture to the University community on “Challenges and New Approaches to Cervical Cancer Prevention.” Dr. Munoz also gave a public presentation on “The Efficacy and Safety of the HPV Vaccine.” to the Southern Alberta Council on Public Affairs which was moderated by graduate student Jillian King,

The Department of Neuroscience hosted its annual “Pre-SfN Poster Session” on November 7. The event offered neuroscience students and postdoctoral fellows an opportunity to present their most recent research to the University community, ahead of the annual Society for Neuroscience (SfN) annual conference.

The Faculty of Health Sciences hosted its annual Student Research Day on November 26. The event showcased the work of the Faculty’s undergraduate and graduate students, and featured a keynote presentation by scholar and indigenous child advocate Dr. Cindy Blackstock (University of Alberta).

GOALS, PRIORITY INITIATIVES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

UNIVERSITY OF LETHBRIDGE 2014-2019 STRATEGIC PLAN: DESTINATION 2020

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

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

EXCEL AS A COMPREHENSIVE UNIVERSITY

Achievements

The University of Lethbridge maintained its **top three position** in the **annual Maclean's University Rankings** report, maintaining or bettering its category rankings in 9 of 12 indicators and continued to show its strength as a leading primarily undergraduate research institution.

U of L maintained its **top five position overall** in *Research Universities of the Year, Undergraduate*, RESEARCH Infosource Inc.

The University of Lethbridge secured a **\$212 million investment** from the Government of Alberta to plan the **Destination Project**, which includes the construction of new science and academic facilities that will house a significant part of science teaching and research activities on campus.

The Board of Governors approved the campus location of the Destination Project, selected **Stantec Architecture and KPMB Architects** to lead the design process, appointed **PCL Construction Management** as construction managers, and unveiled the design choice of the new science and academic building, all key milestones in the planning process.

A doctoral program in the Faculty of Education will begin intake in July 2016. The **Master of Nursing** in the **Faculty of Health Sciences** was approved in 2014 for intake in Fall 2015.

Six additional research chair positions were created in 2014 through programs such as Alberta Innovates Health Solutions (AIHS), Canada Research Chair (CRC), Campus Alberta Innovation Program (CAIP), Board of Governors Research Chair, and through industrial and private contributions. This brings the total number of research chair positions at the University of Lethbridge to **39** with an overall goal of 50 in 2017.

Three new Research Centres and Institutes were officially launched – the Centre for Oral History and Tradition (COHT), Health Services Quality Institute, and the Canadian Centre for Research in Advanced Fluorine Technologies (C-CRAFT); bringing the number of Centres and Institutes to 14.

According to the 2013 Canadian Graduate and Professional Student Survey, **55.8% of U of L graduate students received teaching assistantships** and **47.3% received research assistantships** while enrolled in their graduate program. The average across Canada is 43.2% and 35.3% respectively.

In 2014-2015, there were **30 postdoctoral fellows** at the University of Lethbridge and a new policy was approved in 2013 to establish their position within the university.

The University official launched the Centre for Oral History and Tradition (COHT) in November. Researchers in COHT collaborate on oral history projects, offer resources and training to students and researchers, and work with partners to ensure oral history projects are properly executed, documented and available for future reference. A brochure promoting the center is appended to this report.

The university officially launched the Canadian Centre for Research in Advanced Fluorine Technologies (C-CRAFT). Led by Michael Gerken (Chemistry & Biochemistry) with members from the Departments of Chemistry & Biochemistry, and Physics & Astronomy, C-CRAFT will serve as a hub for fluorine researchers across Canada and worldwide

INSPIRE AND SUPPORT STUDENT POTENTIAL

The University of Lethbridge is committed to the success of students. U of L offers an array of student support services including **orientation and transition, academic advising, scholarships and financial aid, counselling and career services, health services, tutoring and study skills, housing, writing, accommodated learning, mental health supports, peer mentoring**, and specialized services for First Nations, Métis, and Inuit (FNMI) and international students.

Expanded student support services were implemented on our **Northern Campuses** via collaborative agreements.

The Faculty of Arts and Science established a **Global Citizenship Cohort** to begin in Fall 2015 with the inaugural theme of Water, Sustainability and Social Justice. Students who complete all aspects of the program will be awarded Certificate of **Global Citizenship**.

There are **42 international exchange opportunities** in 25 countries offered at the University of Lethbridge. Several courses offer an international travel component or an international focus.

The **President's Grant for International Community Engagement** was awarded in 2014 to three different projects where students traveled to Nepal, Burkina Faso, and Uganda.

The University of Lethbridge opened **likaisskini (Low Horn)**, the new temporary location for its First Nations, Métis and Inuit Gathering Place within the Paterson Centre.

The **Teaching Centre** was repositioned in 2013 to promote and enhance outstanding and inspirational teaching. A resource for Faculty, the Teaching Centre assists with curriculum and course design, technology integration/support, faculty workshops and peer support.

Mt. Blakiston House, a 259 bed residence building, opened to receive students in the 2013-2014 academic year. This includes four hotel rooms year round. Mt. Blakiston operates as a combination hotel/conference centre during the summer months, providing space for up to 250 delegates.

The Faculty of Management launched its Executive in Residence program. The program, funded by the Chartered Professional Accountants, ties research-based teaching in the Faculty of Management with practical, real-world examples of business strategy and implementation from senior industry leaders. The inaugural recipient is international technology marketing expert Anil Pereira.

The University of Lethbridge launched AGILITY, an academic program offering experiential learning opportunities focused on innovation and entrepreneurship.

PROMOTE ACCESS TO QUALITY, AFFORDABLE POST-SECONDARY EDUCATION

The University of Lethbridge has completed **32 quality assurance reviews** since 2006 to ensure academic programs are engaging, challenging, and relevant. In 2014, six reviews were closed.

The University of Lethbridge offers **27 post-diploma** opportunities with **76 Post-Secondary institutions across Canada** as well as opportunities with students from Malaysia, Singapore, and the USA.

The Government of Alberta provided funding totalling \$1,548,248 for the 2014/15 budget year that will create 184 new seats for students; expanding high demand programs such as the Bachelor of Education, Pre-Engineering, and university transfer programs, and positioning the University to deliver a **new major in Aboriginal Health** within the Bachelor of Health Sciences and a post-diploma **Bachelor of Therapeutic Recreation** program, both with Fall 2015 intake.

The Faculty of Arts and Science introduced a **new Bachelor of Science major in Applied Statistics** as well as a new **Pre-Nursing Pathway program** with students being admitted for Fall 2015.

The **combined Bachelor of Fine Arts New Media and Bachelor of Education** program will begin intake in Fall 2015.

A pilot **Dual Credit** program with Lethbridge Collegiate Institute (LCI) will begin in Fall 2015. Participating high school students will take two specific U of L credit courses that will also count towards their high school diploma.

General Faculties Council (GFC) approved a proposal for the implementation of an integrated and collaborative **Liberal Education Revitalization Strategy** in December 2014. Work has commenced on an awareness campaign and revised delivery of Liberal Education.

A pilot for **Dual Admission** is underway with the College of the Rockies whereby students are admitted to both post secondary institutions simultaneously to allow for seamless transition from the college to the U of L. Discussions for similar agreements with other colleges are underway.

The **Campus Alberta South partnership** was created on the University of Lethbridge Calgary Campus between the University of Lethbridge, Olds College, Bow Valley College, and Athabasca University to ensure increased program pathways for students. There are currently 26 transfer agreements among the four Campus Alberta South partners.

BUILD INTERNAL COMMUNITY AND ENHANCE RELATIONSHIPS WITH EXTERNAL COMMUNITIES

Achievements – Building internal community

The University of Lethbridge began the development of a **People Plan** to foster and promote respect, communication and collegiality, ‘to define the U of L community’, and to foster a positive, healthy and inclusive work environment.

The University of Lethbridge Faculty Association’s Gender, Equity and Diversity Caucus presented the **4th annual Respect and Diversity Week** in 2014. The theme “The Changing Face of Inclusion” was presented on the Lethbridge, Calgary, and Edmonton campuses.

In its continuing efforts to create safe, accessible and inclusive learning and working environments for students, staff, and faculty, the University of Lethbridge created **ten single user inclusive washrooms** on campus.

The Campus Women’s Centre, Student Services, and Campus Safety, in partnership with the YWCA of Lethbridge, announced the **#ULETHUNITE campaign**. A mobile application was also introduced to enhance campus safety through the “Engaging Young People to Prevent Violence against Women on Post-Secondary Campuses” project funded through the Government of Canada Status of Women.

Several University events draw people together within and outside of the University community. The 20th and 21st annual **International Dinners** were held in 2014 and 2015 with special guests Spencer West and Geoff Haines-Stiles. The 28th annual **Faculty of Management Scholarship dinner** honoured Dennis Neufeldt of Haul-All Equipment, the

annual **Blue and Gold Dinner** honored student athletes and coaches, and the Faculty of Fine Arts held **Abbondanza**, its student award focused fundraising dinner.

The **Aboriginal Education Committee** and working groups engage University members and the broader community in furthering initiatives related to cultural awareness, the Gathering Place, First Nations Métis and Inuit (FNMI) research issues, FNMI enrolment and student success, and indigenization of curriculum. **Native Awareness Week** is held annually as a special event to educate and inform the campus and greater community regarding Blackfoot and First Nations, Métis, and Inuit culture and tradition.

Achievements – Enhancing our relationships with external communities

The Faculty of Arts & Science launched the **Public Professor Series**, a schedule of lectures in the University of Lethbridge Dr. James Foster Penny Building.

The Faculty of Management launched **Industry Evenings** in Calgary and Lethbridge to bring together students, faculty and industry professionals in the accounting, international management, human resources management, finance and marketing fields.

The second annual **Community University Research Exchange (CURE)** event continued to bring U of L researchers together with community members to initiate and support collaborative research relationships.

The 2014 annual **Alumni and Friends Dinner** was a sold-out event held in Calgary with guest speaker Colonel Chris Hadfield. The Alumni Association hosts several events each year to promote connection with the University of Lethbridge.

Alumni events were held at the **Kainai First Nation** and planned for the **Piikani First Nation**. The Board of Governors visited **Red Crow Community College** and signed the first Memorandum of Understanding to increase collaboration in June 2014.

A partnership with **Volunteer Lethbridge** was created whereby the organization is housed within the U of L Penny Building in downtown Lethbridge. A Co-operative Education position has been created with support from the Students' Union to increase volunteerism on campus and within our community.

In March 2014, the University of Lethbridge once again partnered with the **City of Lethbridge** and **Communities Against Racism and Discrimination (CMARD)** to present the third annual conference discussing strategies for improved inclusivity within our community.

The Coutts Centre for Western Heritage, near Nanton, Alberta hosted several events in 2014 including “En Plein Air: An Afternoon of Art,” and “Music and Shakespeare in the Garden” hosted by the Faculty of Fine Arts.

The Faculty of Management hosted **Executives-in-Residence** Michael Houlihan and Bonnie Harvey of Barefoot Wines and Jennifer Campeau of the Government of Saskatchewan.

The U of L joined COSIA (Canada’s Oil Sands Innovation Alliance) as an Associate Member. COSIA is an alliance of oil sands producers “focused on accelerating the pace of improvement in environmental performance in Canada’s oil sands through collaborative action and innovation.” By being an associate member, the U of L has the opportunity to work directly with COSIA members to help advance innovation and environmental performance.

Achievements – Economic Sustainability

The Government of Alberta **operating grant was reduced** in 2013-14 by 4.85%. Due to the reduction in this significant source of revenue, the budget was adjusted to gain operating efficiency.

The Board of Governors approved the **discontinuance of the Edmonton campus** and authorized the University administration to begin the process of ceasing the operation of the campus in Edmonton, taking into consideration commitments to students and implications for faculty and staff.

Achievements – Social Sustainability

The University of Lethbridge is receiving **\$3 million over three years** through the Impact of Mental Health Grant from Alberta Health. Since the first instalment in April 2013, the U of L has hired two full-time counsellors, a dietician, a registered nurse, and a student services coordinator for Northern Campuses. A part-time physician and clinician and additional administrative support have been included to date to assist in expanding services for students.

University of Lethbridge **faculty are working to improve social and environmental sustainability** daily through research in areas such as health and wellness, children and youth, inclusion, population and economy, art, culture and community, oral history and tradition, entrepreneurship, water management, agriculture, First Nations, Métis, and Inuit (FNMI) matters, and education.

The University of Lethbridge's progress on social sustainability is also captured throughout the progress and achievement report in areas such as "Building Internal and External Communities" and "Access to Quality Post-Secondary Education."

Achievements – Environmental Sustainability

In 2014, the University of Lethbridge created **Sustainable Building Guidelines** that require the University to build to Leadership in Energy and Environmental Design (LEED) Silver standards on major capital projects.

A key priority for the Destination Project is to **incorporate sustainable design**. This has significantly impacted site selection and will impact the detailed design of the facilities.

Several Parking Lots were significantly redeveloped to incorporate additional green spaces that assist with pedestrian flow, **storm water management**, drainage, and visual appeal.

The **Campus Roots Community Garden** at the University of Lethbridge was successful in obtaining funding for expansion to meet the demand for on-campus garden plots.

In 2014, the Caretaking Department **collected and composted** more than 1,500 gallons of material per month, **recycled** 1430 fluorescent light tubes and collected campus-wide battery disposal for recycling. They are currently piloting a paper towel recycling initiative.

All new exterior pole mounted light fixtures incorporate **energy efficient LED lamps**.

Exterior grounds upgrades and developments now **incorporate more natural vegetation** to be less dependent on irrigation and labour.

ACCESS AND QUALITY

NEW PROGRAMMING

Any new programs conceived in response to student, societal and market demands, must also fit with faculty and institutional capacities. Many new programs are explicitly grounded in the research being done by individual faculty members or through our research institutes and centres. For example, the proposed PhD in Population Studies and Health developed out of the work of the Prentice Institute. The PhD in Education rests on the interplay between research and program development in the Faculty of Education. And, the undergraduate major in Aboriginal Health initially grew out of the research conducted by a faculty member in the Faculty of Health Sciences on the health, strength and resilience of Aboriginal Canadians.

Student Category	Program	Projected Funding Source	Planned Implementation	Stage of Development
Undergraduate	Bachelor of Health Sciences, General Major	Government funding	2016	Internal development
	Post-Diploma Bachelor of Health Sciences, General Major	Government funding	2016	Internal development
	Post-Diploma Bachelor of Therapeutic Recreation	Government funding	2015	Offered
	Bachelor of Health Sciences, Aboriginal Health Major	Government funding	2015	Offered
	Bachelor of Science, Applied Statistics Major	No government funding required for implementation	2015	Approved
	Bachelor of Fine Arts – New Media/Bachelor of Education – CTS New Media Focus	No government funding required for implementation	2015	Offered
Graduate	Master of Arts in Culture, Theory, Social Change	No government funding required for program implementation	2015	CAQC review
	Master of Business Administration	T.B.D.	2016	Internal development
	Master of Health Services Management	Government funding	2016	Internal Development
	Master of Science in Remote Sensing	No government funding required for program implementation	2016	Internal development
	Ph.D. in Culture, Theory, Social Change	No government funding required for program implementation	2015	CAQC review
	Ph.D. in Population Studies and Health	No government funding required for program implementation	2015	CAQC review
	Master of Nursing	No government funding required for program implementation	2015	Approved

CAQC = Campus Alberta Quality Council

QUALITY ASSURANCE

The University of Lethbridge is a leader in post-secondary academic quality assurance. Though academic quality assurance (AQA) at the U of L dates back to 1987, the formal AQA process began in earnest with the *Academic Quality Assurance: Policy and Process*, which was approved by the Board of Governors on December 16, 2004. Since the approval of this policy and process document, the U of L has closed 32 AQA reviews (as of April 2015) and, unique amongst Alberta institutions, has the goal of reviewing all academic programs and units at least once by 2020. We are on track to accomplish this milestone.

The U of L is committed to ensuring the high quality of its academic programs and units, using an effective and continuously improving AQA process. In 2012, the U of L applied quality assurance principles to review its own AQA process, which included an external assessment and concluded with an action plan. Also in 2012, the U of L had its quality assurance processes audited as part of the Alberta Universities Association/Campus Alberta Quality Council Audit Pilot Project. The U of L has responded to the recommendations from both of these projects with major improvements to the AQA policy and process, resulting in a singularly robust process within the province that other post-secondary institutions look to as a model for their own quality assurance processes.

The U of L shares its AQA process and the results of its reviews openly, something few other institutions do. The quality assurance web page (www.uleth.ca/quality) contains information on the process, a schedule of reviews, and summaries of all closed reviews.

ENROLMENT PLAN

The University of Lethbridge was anticipating 6,757 full-load equivalent (FLE) students in the 2014/15 academic year. This represented a 0.7% decrease from the 2013/14 enrolment of 6,805 full-load equivalent students. The final number was 6,360 full-load equivalent students.

A notable increase in enrolment occurred in the Bachelor of Science program. The U of L was anticipating 1,529 FLEs in the Bachelor of Science in 2014/15, a 7.3% increase from the prior year. While additional capacity will remain in our Science programs, the new Science and Academic building will be essential to using that capacity to meet the demands for Science degrees. The Bachelor of Health Sciences is expected to have a 14.4% increase in enrolment to 231 FLEs during the same time period. Because of funding cuts to the Bachelor of Nursing and Bachelor of Nursing After Degree programs, enrolment in Health Sciences is projected to decrease over the next three years in spite of planned increases in enrolment to the Bachelor of Health Sciences programs and the new Bachelor of Therapeutic Recreation.

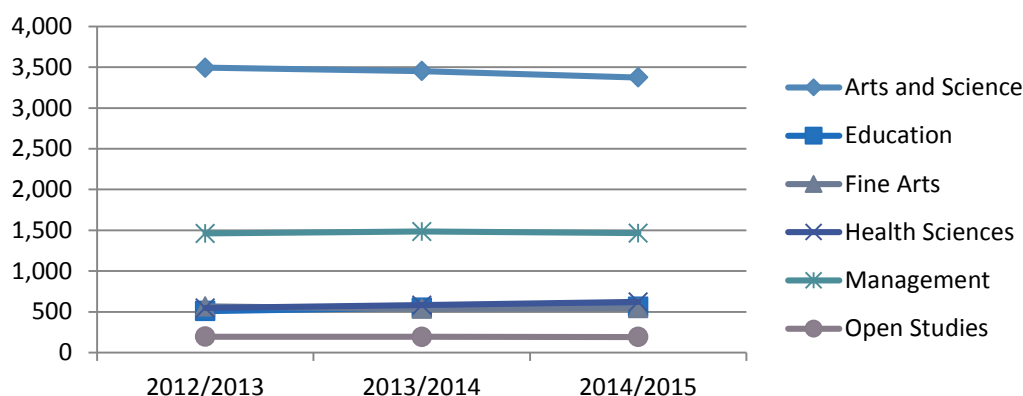
Graduate programs have also grown from 666 to 680 FLEs from 2013/14 to 2014/15, a 2.1% increase. We expect continued modest growth in graduate enrolment, at both the Masters and the PhD levels.

International student full load equivalent enrolment is anticipated to increase approximately 15% from 2013/14 to 2014/15. International FLE enrolment is projected to grow by 4% in 2015/16, and 6% in 2016/17 and 2017/18.

The Bachelor of Arts program is anticipated to see a 12.8% reduction in FLEs from 2013/14 to 2014/15. We also anticipate a reduction in FLEs of 1.4% over the same time period in the Bachelor of Management programs. The closure of the Edmonton campus, due to low enrolments, will further contribute to the decline in Management numbers. While FLE enrolment in the Bachelor of Management has declined, enrolment in combined programs in the Bachelor of Management (i.e., Bachelor of Arts/Bachelor of Management, Bachelor of Science/Bachelor of Management, Bachelor of Fine Arts - New Media/Bachelor of Management, and Bachelor of Health Sciences/Bachelor of Management) have increased 26.7% overall.

Specific breakdowns of projected FLE enrolment by program are provided in the following chart.

**Full-load Equivalent (FLE) Enrolment by Faculty
2012/2013 to 2014/2015**



RESEARCH, APPLIED RESEARCH AND SCHOLARLY ACTIVITY

The University of Lethbridge’s research goal is to fulfill our comprehensive mandate such that our recognition and research performance clearly place us amongst Canada’s most influential universities. In less than half a century, the University of Lethbridge has built an outstanding record of research performance that has consistently placed us among the top ranks of competition within our cohort.

Our commitment to becoming a comprehensive university provides the opportunity for complementary emphases on teaching and research. To achieve this goal, the University of Lethbridge fosters an environment that prioritizes student engagement in learning and research in all disciplines and levels of instruction, from undergraduate to graduate. The end result is a personalized and interactive learning environment combined with engagement in creative activities and research. The construction of new laboratory and classroom space, followed by the revitalization of University Hall, are crucial to ensuring we continue to enhance the integration of teaching with research.

The University of Lethbridge conducts pure and applied research and establishes and sustains facilities for pursuing original research. Programs of research, scholarship, and creative activity include the study of fundamental issues for their intrinsic intellectual, aesthetic, or philosophical interest, and of practical challenges of direct importance for social, cultural, economic, or environmental well-being. The University of Lethbridge protects free inquiry and scholarship, facilitates access to scholarly resources, and supports artistic expression and the free and open scholarly discussion of issues. The University’s *Strategic Research Plan* supports these endeavours.

The University of Lethbridge deliberately focused development both in programs of instruction and in research, in order to develop excellence and depth of expertise in a rich and sustainable environment. The pillars of research identified in the *Strategic Research Plan* integrate long-standing areas of excellence with emerging areas of inquiry, and those of strategic importance to our community. These pillars provide the framework for the knowledge investment, capacity building and innovative and creative outcomes that define our strategic direction and form our national and international impact. These research pillars transcend disciplinary boundaries and promote collaborative research across the humanities, social sciences, fine arts, natural sciences, and health sciences.



Laboratory space in the new Science and Academic Building

ALIGNING WITH ALBERTA'S PRIORITIES

The University of Lethbridge's strategic research priorities capitalize on external opportunities to build capacity in the research pillars. Below is an overview of the five research pillars supporting the *Strategic Research Plan*.

CREATIVITY AND PERFORMANCE

This research pillar recognizes research at the intersection of art, culture, and society. It builds on the University of Lethbridge's strength in visual arts by incorporating traditional and emerging media, including digital and interactive media with disciplines and methodologies found in the arts and sciences. Through collaborative efforts with other disciplines, research explores the connections of movement and performance, both athletic and artistic, and its implications on group identity and popular culture.

EARTH AND ENVIRONMENT

The semi-arid ecosystem that defines southern Alberta has led to the development of significant expertise at the University of Lethbridge in understanding the earth, its resources and its sustainability. This unique 'living laboratory' informs many of the interconnected problems revolving around issues of sustainability, development and globalization. Many of our research efforts in this area are cast in a regional context, but we are mindful of the broader applicability of our work. Our current capacity stems from our work on water, fresh-water ecosystems, mountain and river hydrology and the overall sustainability of our environment, including the development of biofuels, bioenergy sources and new materials, such as biodegradable plastics. Our work on remote sensing and imaging, spectroscopy, chemical processes and structures, and water and environmental research will provide data and knowledge pertinent to the development of effective land and water management practices. Our emerging capabilities include exploring and resolving the interconnected problems revolving around demographics, economics and environmental sustainability.

HEALTHY FUTURES

This research pillar is built on an integrated approach to health and wellness that incorporates a range of disciplines including the social sciences, natural sciences, health sciences and education. Basic research is providing the knowledge necessary to realize breakthroughs in wellness and in disease prevention and management. This fundamental research offers potential for the development of new treatment approaches for many of the devastating injuries and diseases we face throughout life. Upon these foundations, our emerging capabilities include developing ground-breaking techniques for measuring learning-related brain changes, developing and refining new drug techniques, identifying new targets and novel perspectives for a number of inherited and acquired diseases, improving child development outcomes for children born pre-term, and understanding the implications of re-growth of mammalian brain cells for the treatment of cognitive disorders. The University of Lethbridge has strong research efforts aimed at improving the health and wellness of all Albertans and we will continue to further our capacity to influence social policy, improve education, identify preventative strategies and reverse pathology.

ORGANIZATIONS AND SOCIETY

This research pillar explores the relationships that exist between people, cultures and places, and organizations. Our current capabilities are founded on scholarship that seeks to provide insight into how individuals, groups, organizations and institutions relate to one another as well as the ethos and processes that shape society and civilization. Research questions challenge the multifaceted dimensions of civilization through critical and interpretive examination of the past and the present across multiple perspectives including those of culture, aesthetics and language, nationality and race;

gender, age, disability, and sexuality; religion and politics; ethics, morality, justice, equity and social trust; work, sport and leisure activity; and business and the economy. Through social and cultural critique, our researchers seek to understand our present and our past, and to identify and clarify public issues. In doing so, they contribute the knowledge and understanding necessary to inform political participation and cultural, social and economic policy, and to enable individuals, communities and organizations to engage effectively and meaningfully with an increasingly global environment.

ORIGINS AND EXPLORATIONS

This research pillar explores the most basic questions of life, humanity and the universe. From the origins of human cultures to the creation of galaxies and stars, our researchers probe thought, understanding and reason to provide the numerical, literary and computational discourse to advance theory, critique contemporary and historical frameworks, synthesize new materials, create novel devices, and solve complex problems. Emerging opportunities in this theme are broad in scope and positioned to raise critical questions, expand both knowledge and global enterprise, and diversify economies. Applications of the tools of cellular imaging, electrophysiology, magnetic resonance imaging and computational modeling are leading current understanding of how the neural networks of the brain create the phenomena of memory, perception and action. Our expertise in magnetic resonance spectroscopy on materials and structure determination is producing novel insight for work on biological and synthetic macromolecules as well as on paramagnetic species. The methods, assumptions and disciplines of study within this theme are a catalyst for the development of skills of critical and interpretive dialogue, logic, reason and understanding.

STRATEGIC PRIORITIES

The University of Lethbridge's strategic research priorities capitalize on external opportunities to build capacity in the aforementioned research pillars. Each priority directly supports the University's *Strategic Research Plan* and aligns with the strategic directions outlined in *Destination 2020: Vision and Strategy*.

The University is capitalizing on its strong research foundation by encouraging the development of Centres & Institutes. These specialized research Centres & Institutes facilitate the formation of creative partnerships, attract alternate sources of funding for research programs, broaden the U of L's knowledge base by incorporating applied research activities alongside inquiry-driven research, and contribute to the goals outlined in the U of L's *Strategic Plan*. This ongoing activity is crucial for moving the U of L's research beyond the confines of the University and into the broader community. Ultimately, the goal is to use knowledge translation techniques to encourage the uptake of University of Lethbridge research for effective policy and government programs. The University anticipates establishing an additional 5 to 8 centres and institutes by 2016/17, which will align university strengths with the Government of Alberta's goals and priorities. They are listed below.

AGING AND CHRONIC DISEASE

The year 2011 marked the beginning of the anticipated demographic shift that will give rise to an increase in the proportion of Canadians aged 65 or older. This trend, coupled with the prevalence of chronic and neurodegenerative diseases as well as mental health issues such as dementia and depression, has significant social and economic costs. The complexity of these diseases is such that an integrated, collaborative and multidisciplinary approach is needed to find the causes and cures. Research conducted at the University of Lethbridge brings together scientists and clinicians from diverse backgrounds and perspectives to collaborate and study the mechanisms, treatment, management, and prevention of these conditions. It is anticipated that this collaborative, interdisciplinary approach will make headway towards cures through the translation of basic scientific inquiry into new treatments.

Through a series of strategic investments in both people and infrastructure, the Canadian Centre for Behavioural Neuroscience (CCBN) has become the University of Lethbridge's pre-eminent research facility. Recognized internationally for cutting-edge neuroscience research, the group represents a broad range of neuroscience research interests including the neural mechanisms of memory, brain plasticity, recovery of function, brain development over the life span, and brain disease. This group has a history of leading the "next wave" in neuroscience.

APPLIED LIFE SCIENCES

Knowledge of the human genome, other mammals, microorganisms and plants unlocks the door to major discoveries that can be shared across scientific disciplines. Genomics discoveries create unique research projects leading to opportunities in business and in transforming existing sectors of the economy. The ultimate success of the "Life Sciences" business sector will depend heavily on scientific innovation and the ability to link research with commercialization.

AQUATIC AND RIPARIAN ECOSYSTEMS

Water is the single most strategic issue in southern Alberta. Rivers play a critical role for native plant and animal life. This important ecological role is threatened by the high demand of competing water-use by human populations. The extraction of water, oil and other natural resources from the eastern slopes of the Rocky Mountains could compromise the natural beauty of the region and destroy the ecosystem. Degradation of river and riparian habitats will ultimately have adverse feedback effects on crop irrigation, livestock production, water quality and recreation in southern Alberta.

The University of Lethbridge recognized the strategic importance of water to the region's environmental, social, and economic well-being and committed itself a decade ago to becoming an international leader in water-related research and education. Through a series of strategic investments in people and infrastructure, the University of Lethbridge boasts a cadre of internationally recognized experts in social policy, toxicology, ecology, environmental impacts, and water-climate interactions. Coalesced as the Water Institute for Sustainable Ecosystems and housed in the Alberta Water and Environmental Sciences Building, these researchers are conducting groundbreaking water and environmental research that is of fundamental importance to all Albertans.

EARTH-SPACE EXPLORATION

Through the use of advanced imaging and computational technologies researchers are able to better understand space and fundamental physics. It is through these studies that researchers are exploring our relationship with our planet and well as our place in the Universe. Through innovative uses of space imaging technology, university researchers are able to see space and the cosmos in new ways, and discover answers to questions that push the boundaries of human understanding.

Through a series of dedicated efforts, the University continues to establish strong research capabilities in geomatics and terrestrial imaging. It is home to nationally and internationally prominent research groups whose research is funded by a number of significant grants.

FAMILY AND SOCIAL HEALTH

The rapid growth of urban centers is the subject of work by scholars at the University, as are the challenges faced by rural communities undergoing change due to population shifts, resource constraints, and economic pressures. The University is uniquely placed to consider the changing divide between the urban and rural landscape and its impact on family and social health. Researchers at the University of Lethbridge are considering the role of schooling, health care, work, industry and social capital in both rural and urban communities. The care of the elderly, the disabled, and the addicted within families and communities represent an area of research that cuts across disciplines and faculties.

GLOBAL IDENTITY & DIVERSITY

The extent and implications of population change and the dynamics of economies raise questions that demographers and social scientists alike at the University of Lethbridge are working to understand. Globalization binds economic, social, and political factors together across countries and continents. It affects our lives, our choices and our policies. From looking at how people move through life stages in different economies with different demographic structures, to questions of food security, ethnic diversity and immigration, and international trade University research is providing insight into the multifaceted dimensions of globalization, with particular attention on how individuals, groups, organizations and institutions relate to one another as well as the ethos and processes that shape society and civilization.

SUSTAINABLE DEVELOPMENT

Human environmental impacts, whether due to loss of habitat, water pollution, or climate change, are an ongoing source of concern at the University. How will organisms adapt to environmental changes? For those that can't adapt, what will be the impacts of the loss of biodiversity on the health of our ecosystems? How can we manage our environment to minimize our impact on the health of the planet? What ethical obligations do we have to our descendants or to other species sharing the planet with us to preserve the environment? These are all questions that are under daily examination at the University of Lethbridge.

The development of Canada's resources is dependent upon sustainable land and water management practices. Through efforts to observe, monitor, and forecast land and natural resources, university research contributes to a situation where societal benefits are maximized while minimizing current and future environmental impacts. Using an integrated approach, university research informs policy so that the interrelated and increasingly complex economic, community and environmental issues confronting the key sectors of energy, forestry, agriculture and the environment are not sacrificed for strong, sustained economic growth.

COMMUNITY

One of the U of L's three Academic Directions is *Creating a Community of Learners*. This objective involves projects and initiatives designed to engage students in the University community, particularly those students who have traditionally been underrepresented in post-secondary education. It also entails making connections with the community by promoting the University campus as a place for everyone to learn and by having a presence in the community. On-campus spaces and several off-campus sites enhance the integration of the U of L with the community and provide all members of the University access to alternative sites for learning and interacting with a wide range of people.

Goal	Initiatives
Outreach to pre-university students	<ul style="list-style-type: none"> • Continue and enhance STEM outreach programs (ASPIRE) to K to 12 students (See Appendix G for a list and descriptions of specific programs) • Expand scope of ASPIRE to reach students interested in the Social Sciences and Humanities • Continue and enhance Experience Fine Arts day • Expand Dual Credit program to include additional courses
Enhanced support for FNMI students	<ul style="list-style-type: none"> • Continue First Nations Transition Program to enable transition to University and extend program to admissible FNMI students desiring additional supports • Support First Nations Gathering Place and ensure dedicated space in Science & Academic Building • Increase access for and participation of FNMI students within the University by nurturing relationships with Aboriginal communities and developing a university-level framework for support (e.g., cultural and learning supports)
Enhanced internationalization	<ul style="list-style-type: none"> • Enhance access to U of L for students from around the world • Ensure appropriate support services are in place for international students and encourage all students to engage with and learn from each other • Develop a global mindset for all U of L students and faculty by promoting opportunities to enhance intercultural and international competencies
Community access to University programming	<ul style="list-style-type: none"> • Build strong connections with southern Alberta communities by promoting and utilizing on and off campus community facilities such as the Coutts Centre for Western Canadian Heritage (near Nanton), the 1st Choice Sports and Wellness Centre, the Community Sports Stadium, the Dr. James Foster Penny Building (downtown), CASA (arts centre), Northside Recreation Facility (Gymfinity Gymnastics) • Continue to present public speakers who engage, enrich and challenge the U of L and surrounding communities through programs like the PUBLIC Professor Series, Owen Holmes Lecture, Tagg Yoshida Lecture, Discovery Lecture Series, Priestley Lecture Series, Art Now series and Brain Awareness Week • Continue to contribute to a vibrant cultural scene through drama performances, visiting artists series, art exhibits, music concerts, and downtown art shows by the Faculty of Fine Arts • Support and encourage active alumni engagement with the University and continue to build University pride through the recognition of alumni achievements • Provide lifetime learning opportunities for alumni • Ensure the Destination Project is an accessible welcoming site and enables interaction among students, faculty, staff, alumni and community members • Conferences such as <i>Mapping the Landscapes of Childhood</i> integrate practitioners and scholars
Community oriented	<ul style="list-style-type: none"> • Lethbridge Research Centre – some staff are adjunct professors at the U of L

collaborative research	<ul style="list-style-type: none"> • CURE – annual Community University Research Exchange; day-long event showcasing community based/collaborative research • Institute for Child and Youth Studies – brings together researchers and community partners
University participation in community initiatives	<ul style="list-style-type: none"> • Southern Alberta Council on Public Affairs (SACPA) – U of L supports and promotes; many speakers are U of L professors • Lethbridge Public Interest Research Group (LPIRG) – student funded • Public talks, e.g., PHIL prof gave talk at evening organized by Dying with Dignity chapter • City of Lethbridge: Coalition of Municipalities Against Racism and Discrimination (a U of L representative is a standing member); Community Substance Abuse Awareness Resource Team • Music conservatory now located downtown in CASA, the new city arts centre

STUDENT OUTCOMES

Priority	2015/15 Activities
Recruitment, enrolment & retention	<ul style="list-style-type: none"> • Use predictive modeling to target efforts to encourage applicants to become registrants
Student academic supports	<ul style="list-style-type: none"> • Pilot Dual Credit initiative with local high school in Fall 2015 • Expand Dual Credit initiative to additional high schools and courses
Student Life	<ul style="list-style-type: none"> • Pilot Dual Admission initiative with COTR in Fall 2015 • Expand Dual Admission program to additional colleges
Enhanced academic programming	<ul style="list-style-type: none"> • Pilot a first year experience cohort in Fall 2015 (Global Citizenship Cohort) • Develop additional first year experiences • Pilot the use of Academic-Zone on-line writing and numeracy skill development tools
Program delivery	<ul style="list-style-type: none"> • Ensure access to library resources the new Science and Academic Building • Continue to improve the transfer experience for students • Continue providing supports to students with disabilities • Continue providing expanded mental health services to students under the \$3 million Mental Health and Addictions Grant received from Alberta Health in 2013. • Increase student scholarships and awards for undergraduate and graduate students • Increase on-campus residence space • Develop new programs in response to student demand and in anticipation of societal need • Improve the co-ordination of a range of internationalization efforts • Expand programming and services for FNMI students, e.g. hosting of Contemporary Indigenous Theatre group each summer • Enhance the supports and personal development training for students • Develop systems to enable students to manage their academic careers and goals thereby enhancing their University experience

EFFICIENCY AND EFFECTIVENESS OF PROGRAMS AND SERVICES

Priority	2014/2015 Activities
Opportunities for experiential learning	<ul style="list-style-type: none"> • Continue to increase Co-operative education and Applied Study opportunities • Develop Co-op opportunities for Dually Admitted students • Develop <i>AGILITY</i>, a new initiative to inspire innovative thinking and entrepreneurial skill development for undergraduate and graduate students

<p>Development of citizenship skills and civic engagement</p> <p>Quality assurance of academic programs</p> <p>Develop new initiatives in response to community and provincial needs</p>	<ul style="list-style-type: none"> • Establish Lethbridge Journal Incubator to enable students to develop journal production skills • Implement strategies to revitalize the U of L commitment to Liberal Education • Continue supporting students' international experiences and contributions through the new President's Grant for International Community Engagement • Develop and implement a People Plan (for faculty and staff) • Continue to support research applications to external funders (e.g., CIHR, NSERC, SSHRC) to improve applicant success • Create a new Centre for Agricultural Research and Agribusiness Innovation • Establish a Chair in Potato Science • Further intensify the integration of Liberal Education in academic programming and student support services • Complete at least one quality assurance review of all programs and units by 2020
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OUTREACH AND ADVANCING KNOWLEDGE

Priority	2014/2015 Activity
<p>Teaching development</p> <p>Research priorities</p> <p>Integration with the community</p> <p>Enable student mobility</p> <p>Ensure appropriate and innovative spaces</p>	<ul style="list-style-type: none"> • Continue to expand and deliver programs and services provided to K to 12 students through ASPIRE (Arts & Science Programs Inspiring Research and Exploration) • Expand the recognition of teaching excellence through internal recognition and nominations to external agencies • Continue to provide a range of teaching supports and workshops through the Teaching Centre • Continue to support research excellence and student access to research opportunities • Continue to develop responsive academic programs grounded in faculty capacities and research • Continue to implement innovative teaching and learning structures like the SCALE-UP classroom⁸ • Continue and enhance the Executive-in-Residence program in the Faculty of Management • Develop an institutional strategy and the necessary support for innovative program delivery (on-line, blended, video conferencing) • Continue consulting and planning for the Destination Project with attention to research, teaching, and collaborative spaces • Begin planning for the revitalization of University Hall to provide space for interdisciplinary research on people, culture, and society (Social Sciences, Humanities, and Fine Arts) • Award a total of 50 Research Chairs by 2017 (U of L's 50th Anniversary) in line with Canada Research Chair standards • Continue to expand on international experiences and collaborations • Develop a teaching support strategy (Teaching Centre) • Review and re-develop Information Literacy Programming (University Library)

⁸ SCALE-UP stands for Student Centred Active Learning Environment with Upside-down Pedagogies. The SCALE-UP classroom has a collaborative working arrangement providing a more student focused and active learning environment.

FINANCIAL AND BUDGET INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended March 31, 2015

(\$000)

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

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

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

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

OPERATIONAL HIGHLIGHTS

During the year the University had an operating surplus of \$1,613 compared to a \$3,096 surplus in 2014. The main factor contributing to this \$1.5 million variance is the \$1.3 million decrease in investment earnings.

NET ASSETS

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

Total net assets (total assets less total liabilities) have increased by \$14,071. This increase in net assets is accounted for by:

Figure 1:

Total Net Assets	
Increase in total assets	\$ 24,857
increase in total liabilities	\$ (10,786)
Increase in total net assets	\$ 14,071

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

Figure 2:

	Balance 31-Mar-2015	Change	Balance 31-Mar-2014
Accumulated surplus			
Unrestricted surplus	\$ -	\$ (124)	\$ 124
Internally restricted surplus	31,165	917	30,248
Investment in capital assets	102,743	820	101,923
Total accumulated surplus	133,908	1,613	132,295
Endowments			
Endowment contributions	35,847	2,084	33,763
Cumulative investment gains - realized	13,501	1,599	11,902
Cumulative investment gains - unrealized	9,387	3,021	6,366
Total endowments	58,735	6,704	52,031
Accumulated remeasurement gains	20,618	5,754	14,864
Total net assets	\$ 213,261	\$ 14,071	\$ 199,190

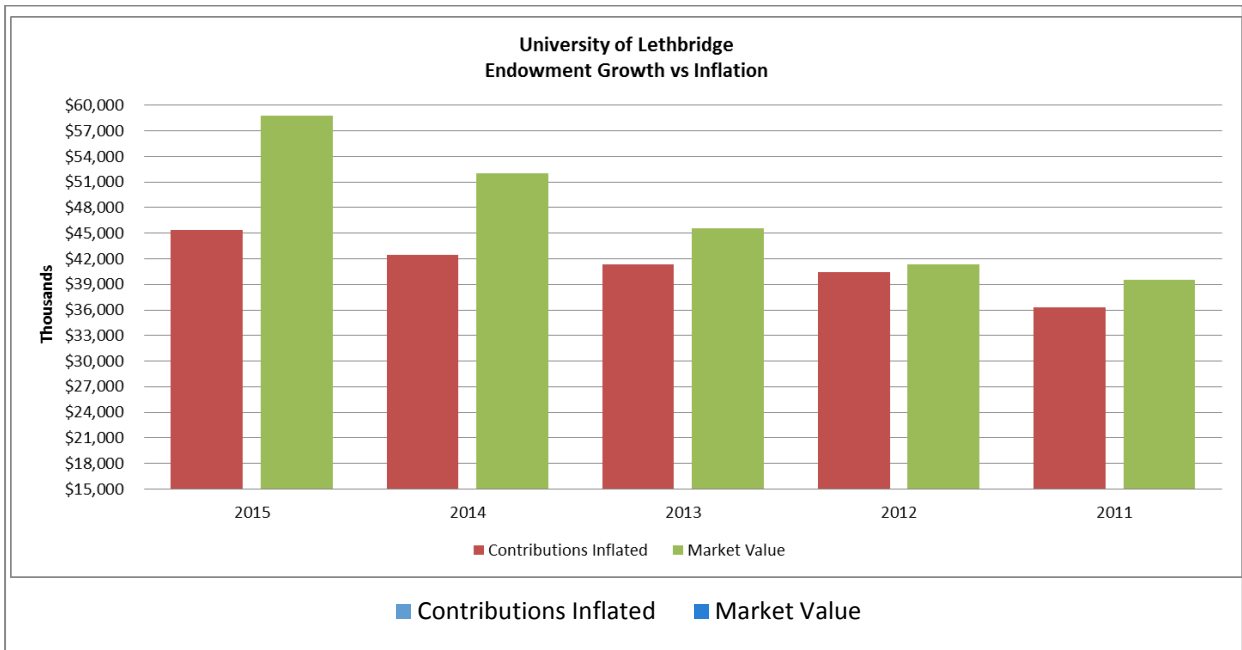
ACCUMULATED SURPLUS

The University implemented a new internal guideline in 2013/14 to maintain 10-12% of the University's annual operating budget in accumulated unrestricted and internally restricted surpluses. This amount is meant to maintain short-term financial flexibility, as well as provide funds for strategic priorities. The University is currently above this threshold by \$11.7 million however the Board of Governors has approved strategic priorities projects that will be completed over the next 3 years that will result in the University attaining this guideline. The unrestricted surplus balance reported in the financial statements is nil due to the accrual of the Universities Academic Pension Plan unfunded liability of \$29 million. The Internally restricted surplus of \$31 million has been allocated for specific projects in alignment with the University's strategic priorities.

ENDOWMENTS

University policy has the objective of protecting the real value of the endowments by limiting the amount of income expended and reinvesting unexpended income. At March 31, 2015 the fair value of the Endowment pool assets exceed the cumulative endowed contributions indexed by inflation by \$13.4 million (2014: \$9.6 million).

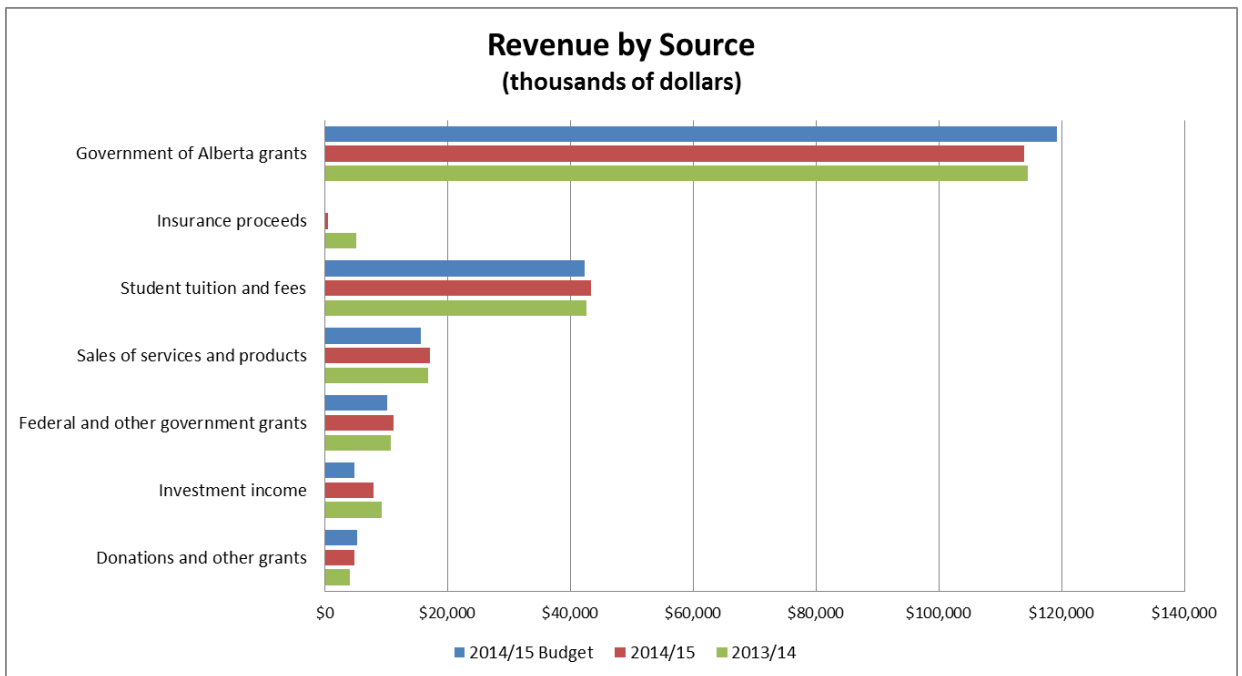
Figure 3:



REVENUE AND OTHER INCOME

Revenue and other income decreased by \$4.2 million over the prior year and was \$1.7 million over budget.

Figure 4:



GOVERNMENT OF ALBERTA GRANTS

Revenues from the Government of Alberta represent the University's single largest source of revenue. The Campus Alberta operating grant increased in 2014/15 by \$1.5 million due to program specific target enrolment funding while the base operating grant remained at the 2013/14 funding level.

STUDENT TUITION AND FEES

Tuition fee rate increased by 1% (2014: 0%) in 2014/15. In 2013/14 Innovation and Advanced Education (IAE) provided the University with a \$742 increase to the operating grant equivalent to the approved tuition increase amount. Overall student tuition and fees increased by \$734 which is a combination of changes in enrolment, differential fee for international students increase from 1.26 to 2 times the base tuition fee and the tuition rate increases.

SALES OF SERVICES AND PRODUCTS

Sales of services and products revenue increased by \$0.35 million. The major source of sales of services and products revenue is Ancillary Services (\$11.6 million) and Sport and Recreation Services programs and services (\$2 million). The main contributing factor for the Ancillary Services increase was residence fee increases totaling \$0.37 million.

INVESTMENT INCOME

Investment income decreased by \$1.3 million over the previous year and was \$3.2 million over budget. The investment earnings reflect strong performance.

INSURANCE PROCEEDS

Insurance proceeds will fluctuate from year to year and it is not a category that is budgeted for. The majority of the proceeds were a result of a flood in June 2013 that caused damage to the University tunnel, rotunda, Library building, Devonian walkway, University Centre for the Arts and University Hall. Repairs to the facilities and equipment as a result of the flood were \$5.6 million (\$4.7 million recorded in 2014).

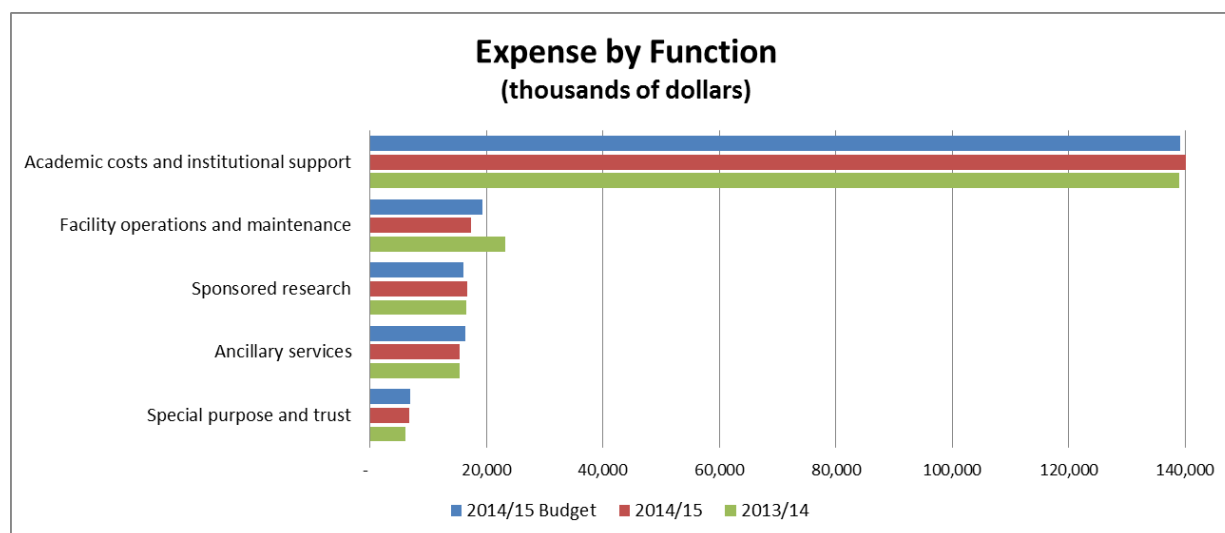
FEDERAL AND OTHER GOVERNMENT GRANTS AND DONATIONS AND OTHER GRANTS

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

EXPENSE BY FUNCTION

For the year ended March 31, 2015 the University recorded a decrease of \$2.7 million in expenses over the prior year and \$0.08 million over budget.

Figure 5:



ACADEMIC COSTS AND INSTITUTIONAL SUPPORT

Academic costs and institutional support includes expenses incurred by faculties for their scholarly and non-sponsored research activities as well as institutional wide administrative services. The largest component of the University's expenditures is salaries and benefits, representing 68% of the total expenses. Attracting and retaining quality faculty and staff continues to remain a Board of Governor's priority. The 2014/15 cost was \$2.6 million higher than the prior year which is a 1.8% increase. The majority of the increase is from overall compensation increases partially offset by a reduction in the median salary for a professor. This median salary decrease was anticipated due to the strategic decision to offer a voluntary academic retirement plan in 2013. The \$2.5 million budget to actual variance is due to a strategic decision to invest unrestricted net assets in academic and administrative term appointments. These strategic allocations were not included in the original budget.

FACILITY OPERATIONS AND MAINTENANCE

The expenses in this category relate to maintenance and renewal of facilities that house teaching, research, administrative and common areas within the university. These expenses include utilities, facilities administration, building maintenance, custodial services, grounds keeping as well as major repairs and maintenance. Results include a budget surplus of \$2.0 million and expenses are \$6.0 million less than the prior year. The significant variance between 2014 and 2015 expenses was a result of a flood in June 2013 that caused damage to the University tunnel, rotunda, Library building, Devonian walkway, University Centre for the Arts and University Hall, totaling \$4.7 million recorded in 2014.

SPONSORED RESEARCH

The expenses in this category are sponsored research activities specifically funded by restricted grants and donations. Research activities cost \$0.6 million more than budget and were \$0.07 million higher than prior year costs.

ANCILLARY SERVICES

These expenses relate to the University's business enterprise that provides services and products to the University community and to external individuals and organizations, including the bookstore, printing, housing, food, conference and parking. Ancillary costs were \$0.9 million less than budget and \$0.04 million higher than prior year costs.

SPECIAL PURPOSE AND TRUST

The expenses in this category relate to scholarship, bursary programs and other programs involving teaching and community service specifically funded by restricted grants and donations. Special purpose and trust costs were \$0.1 million less than budget and \$0.6 million higher than prior year costs.

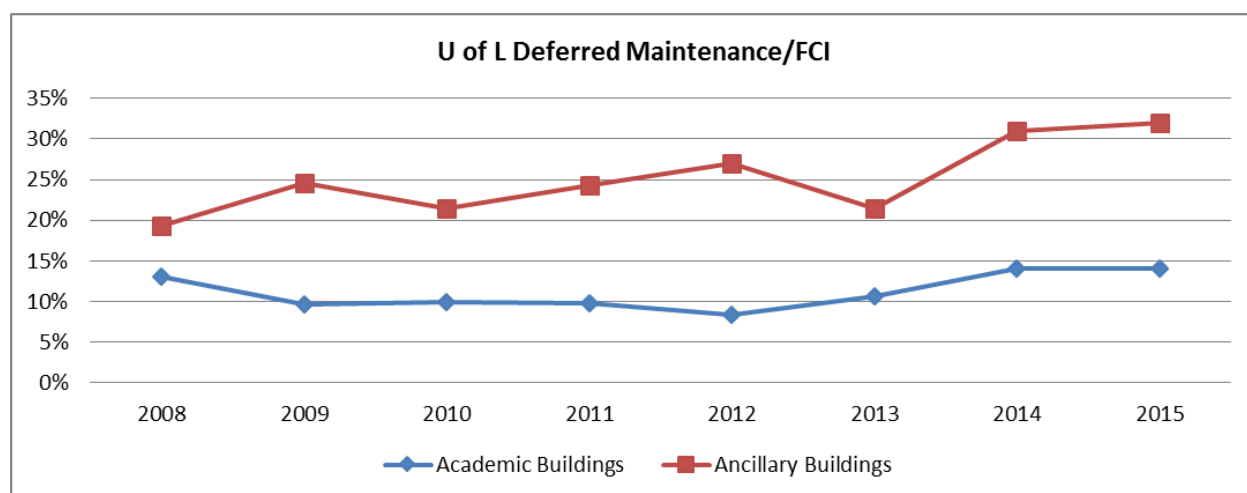
AREAS OF SIGNIFICANT FINANCIAL RISK

FINANCIAL SUSTAINABILITY

DEFERRED MAINTENANCE

Through concerted efforts in capital projects and utilizing conditional grants from the Provincial Government, the University has been able to maintain the deferred maintenance balance of its academic facilities at 14% (2014: 14%). The Facilities Conditions Index (FCI) indicates a direct correlation between the reductions in the Infrastructure Maintenance Program grant from \$3.8 million in 2012 to \$1.8 million in 2013 and the percentage increase in academic building deferred maintenance.

Figure 6:



Deferred maintenance on University facilities is estimated at \$154 million (2014: \$153 million) based on a facility condition report completed by the University in January 2015. In 2007/08 Innovation and Advanced Education provided \$25 million in capital grants to address deferred maintenance projects in University Hall, of which remains an unexpended grant balance in March 2015 of \$5.6 million, which includes \$2 million in investment income. Deferred maintenance is not reflected in these financial statements since it is not a liability or a commitment for accounting purposes, and the balance of funding received for this purpose is recorded as deferred revenue.

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

UNFUNDED PENSION LIABILITY

Since 1978 the University has participated with other Alberta post-secondary institutions in the Universities Academic Pension Plan (UAPP) to provide pensions for participating faculty, Administrative Professional Officers and senior administrators. Until December 2000, the UAPP was established through a separate provincial statute, and the Provincial Treasurer was the trustee of the Plan. Effective January 2001, the UAPP became a non-statutory pension plan subject to the *Employment Pension Plans Act* of Alberta. The extrapolated actuarial deficiency for the pension plan at March 31, 2015 was \$1,129.9 million of which the University of Lethbridge's portion is \$28.9 million (2014: \$29.2 million). The unfunded deficiency is currently being funded by the Government of Alberta and employee and employer contributions.

The University also participates in a multi-employer Public Service Pension Plan for support staff members. The total unfunded deficiency in this plan as of December 31, 2014 is \$803 million which represents the unfunded position of the total plan, and the University's proportional share cannot be determined. The unfunded deficiency is currently being funded by additional employee and employer contributions.

STUDENT RECRUITMENT AND RETENTION

The Campus Alberta Planning Resource (CAPR) anticipates a shift in the age distribution for Alberta learners over the next ten years; while overall population growth is anticipated to be over 21.8%, projected growth of 18-34 year olds is much lower at 6.1%. Increased capacity at other institutions and the closing of the Edmonton campus may well result in a decrease in the number of students from Calgary and Edmonton choosing the University in the future. Efforts will continue to be made to strategically allocate our limited resources to student and societal demands by providing an array of quality programming, coupled with robust student support services to ensure the University remains a preferred destination for Alberta students.

OUTLOOK

Financial uncertainty continues to challenge the University of Lethbridge's ability to realize its full potential within Campus Alberta. We strive to manage our limited resources with a long term focus even in a time when government funding has been unpredictable. This has not caused us to retrench, but to reaffirm our values and to reprioritize the University of Lethbridge's actions and activities. The University of Lethbridge is confident that we will be served by self-reflection through our planning processes on the unique niche we fill within Campus Alberta and in our ability to meet the demands of our students and the post-secondary system.

INTERNATIONALIZATION

The University of Lethbridge is committed to educating students to become global citizens with international and intercultural skills and knowledge to succeed in an increasingly globalized world. To that end, in 2013/14 a University-wide working group developed a comprehensive internationalization strategy to develop, promote, engage and advance internationalization on our campuses and abroad within our Liberal Education framework. The strategy addresses international student recruitment, international student exchanges and learning opportunities, and the integration of global issues in teaching and research. The U of L will provide increased access for international students enabling us to simultaneously respond to the challenges to our domestic enrolments posed by the post-secondary system expansion. We will also continue to establish global collaborations and partnerships to provide students with opportunities for international experiences to develop their global and cross-cultural competencies.

STUDENT RECRUITMENT, ENGAGEMENT, LEARNING AND SUPPORT

In addition to recruiting students from across the globe, we engage in ongoing efforts to expand opportunities for students to have on-campus international exposure, to study abroad, and to work and volunteer abroad. We also continue to develop innovative language and cultural programs for pre-University international students.

Target	Activity	Outcomes
Prospective Students	Increase recruitment and promotion in targeted locations.	4% increase in international enrolment in 2015/2016 and 6% increase in 2016/2017 and 2017/2018.
Undergraduate and Graduate Students	<p>Develop partnerships through collaboration with other institutions to increase access to a quality education.</p> <p>Increase partnerships with industry, both locally and internationally, for enhanced learning and co-curricular activities.</p> <p>Enhance student supports to facilitate student opportunities and success.</p>	<p>Increased diversification and enriched learning environment.</p> <p>Increased innovative learning community.</p> <p>Increase in students accessing opportunities.</p>
Credit and Non-Credit Programs (English for Academic Purposes)	<p>Increase opportunities for students to obtain credits through research, travel, study and work abroad, co-curricular accomplishments, and community initiatives.</p> <p>Integrate internationalization perspectives in teaching curricula.</p>	<p>Increased sense of community.</p> <p>Increased active Liberal Education learning and understanding at both undergraduate and graduate levels for incoming and outgoing students.</p>
International Exchanges, Short-Term Study Abroad, Internships, Externships, and Work Study Programs	<p>Continue to support and expand on international student exchange partnerships across all Faculties.</p> <p>Continue to increase and promote short-term study abroad programs across all Faculties.</p> <p>Increase peer support networks.</p> <p>Enhance student support for academic and personal purposes.</p> <p>Infuse teaching with the Liberal Education philosophy to ensure brand support with teaching assistants and visiting scholars.</p> <p>Implement an integrated and shared central knowledge database.</p>	Enhanced integrated knowledge across the University of Lethbridge to better support international incoming and outgoing students.

FACULTY TEACHING AND SUPPORT

The University of Lethbridge is proud of the many faculty and students coming great distances to be members of our destination university. We are committed to enhancing the international involvement of our faculty to increase the diversity of our teaching and our programs. Our instructors share international experiences and enrich our community and instruction. Similarly, we have many faculty members involved in international exchanges and collaborative partnerships that further enhance the global perspective in teaching and extra-curricular activities. We are committed to increasing international instruction and engagement to educate our students to become global citizens.

Target	Activity	Outcomes
Faculty Teaching and Support	Increase faculty involvement in developing strategic partnerships with institutions, industry and communities to advance intercultural skills and knowledge. Increase faculty mobility initiatives through collaboration with partner institutions. Increase integration of internationalization concepts into teaching. Increase peer support programs for visiting faculty and researchers. Implement an integrated and shared central knowledge database.	Increased leadership to drive the economic and social capacity of Alberta. Enriched learning environment with an international perspective through visiting faculty programs. Increased sense of ownership by faculty in developing strategic partnerships. Increased intercultural skills and knowledge by faculty. Increased open and supportive community for internationalization. Increased faculty awareness of student and faculty mobility opportunities within a sustainable funding model.

RESEARCH

Research is a foundation to student learning at the University of Lethbridge in all disciplines and levels of instruction and engagement. Research activity is integrated across the institution with local, national, and international partnerships based on excellence. We are committed to increasing international excellence and experience through the research pillars of creativity and performance, earth and environment, healthy futures, organizations and society, and origins and explorations. Through our innovative research, international perspectives will be further enhanced and integrated into teaching and student engagement for a richer learning environment, and to develop future leaders for a stronger Alberta.

INFORMATION TECHNOLOGY

The University of Lethbridge continues to invest in Information Technology (IT), recognizing the critical role it plays in delivering institutional strategic objectives, driving efficiency, and the effective use of resources in support of sustainability. The U of L will continue ongoing projects related to network infrastructure improvements, enhanced student experience, improved process and controls, administrative systems enhancements, IT project governance, and information management and security to meet the demands of faculty, students, and staff to support our strategic directions. IT is committed to providing quality technology support to teaching staff, researchers, students, and support staff in the delivery of academic and research programs.

NETWORK INFRASTRUCTURE IMPROVEMENTS:

The Network Infrastructure Improvements project has made significant progress with wireless enhancements improving wireless services across campus learning spaces, and also improving services for students residing on campus. Building on the work completed last year, this year the project will upgrade additional segments of the network from 1 Gbps to 10 Gbps to improve performance and reduce potential network bottlenecks.

Cybera budget constraints have delayed a planned upgrade to increase our Cybera network connection from 1 Gbps to 10 Gbps. The upgrade is now expected to be completed later in 2015. This will allow faster access to services like WestGrid, while also providing high bandwidth, low latency access to other post-secondary data processing facilities, and enabling expanded provincial collaboration.

ENHANCED STUDENT EXPERIENCE:

The student experience was enhanced in 2014 with the successful launch of the student portal and mobile application providing enhanced access to University services. New features and functions are planned for both portal and mobile applications.

IMPROVED PROCESS AND CONTROLS:

The institution is continuing to implement the ITM Control Framework into operations to ensure effective and efficient IT service delivery within the U of L.

ADMINISTRATIVE SYSTEM ENHANCEMENTS:

The Banner Revitalization program is continuing successfully into its second year. Progress is being made in all project areas including Financial Services, Human Resources, University Advancement, and Registrar, Enrolment and Student Services.

IT GOVERNANCE:

Continued progress has been made on IT Governance with a proposed governance framework currently being reviewed by the University. One aspect of the IT Governance program has already been implemented: an IT Projects Review committee has been established to centrally review and prioritize all IT related project requests, thereby improving project success and oversight.

INFORMATION MANAGEMENT AND SECURITY:

The University of Lethbridge recognizes the importance of information security and will continue to build upon its successful education and awareness program launched last year. The information security awareness training program is equipping faculty, staff, and students with the knowledge and tools to protect themselves and the U of L's assets from various cyber threats.

CAPITAL PLAN



Exterior view of the new Science and Academic Building

The University of Lethbridge updates its Capital Plan on an annual basis. The 2015-2019 Capital Plan forms the University's request to Government for funding of priority capital projects over the next five years. The Capital Plan continues to complement and respond to U of L key strategic documents including the Strategic Plan, the Comprehensive Institutional Plan, and the Campus Master Plan.

Our highest capital priority is the new Science and Academic Building and the Energy/Utility Centre, Phase I of the Destination Project. The new building with its up-to-date science facilities will advance the University's strong commitment to research, and replace aging laboratories with safe spaces to work and learn. To continue to excel in research and to fulfill our mandate as a comprehensive academic and research institution with more emphasis on graduate student education, we require new facilities that will provide more dedicated space for academic programming and active research programs. New science facilities will increase the capacity for training by providing space for principal investigators, new graduate and undergraduate students, and technical support personnel. The new facility is also essential to alleviate health and safety issues that currently are due to the location of student residences in the same building as science research labs.

The U of L currently has 43 buildings on campus totalling 199,104 gross square metres (gsm) averaging 24 years of age. We have worked to reduce the amount of deferred maintenance on campus from \$70 million in 2011-12 to approximately \$56 million in 2013-14; however, deferred maintenance projects over the next ten years is projected to total over \$92 million, with an estimated total deferred maintenance of \$154 million. Although the data shows that the U of L does maintain its facilities better than most other post-secondary institutions, as our buildings continue to age the large deferred maintenance balance is of significant concern.

We believe that energy efficiency and ease of maintenance are integral to the planning of all capital projects. We follow the principles of Leadership in Energy and Environmental Design (LEED) in building sustainable facilities that are better for the environment and minimize the amount of ongoing maintenance and operating costs to the University. Three buildings at the University hold Silver LEED status: the 1st Choice Savings Centre for Sport & Wellness, the Alberta Water and Environmental Science Building, and Markin Hall.

CAPITAL PRIORITIES SUMMARY

When prioritizing capital projects, the University of Lethbridge follows the BLIMS category system (Alberta Infrastructure Building and Land Information Management System) by categorizing capital projects as "Preservation," "Expansion" or "New." The following chart shows our priority capital projects for the years 2015-2019.

PROJECTS	New Facilities	Preservation /Renovation	Estimated Project Cost (May 2015 dollars)
Destination Project Phase I:			
- Science and Academic Facility	\$ 265,000,000	\$ -	\$ 265,000,000
Destination Project Phase II:			
- Energy/Utility Centre (replacement equipment)	-	10,000,000	10,000,000
- University Hall Renewal	-	45,000,000	45,000,000
- University Hall Envelope Repairs	-	1,400,000	1,400,000
- University Hall Window Replacement	-	4,000,000	4,000,000
- Canadian Centre for Neuroscience (CCBN) Building Renewal	-	15,000,000	15,000,000
- Art Gallery	-	34,300,000	34,300,000
<i>Destination Project Phase II Total:</i>	-	109,700,000	109,700,000
<i>TOTAL DESTINATION PROJECT</i>	265,000,000	109,700,000	374,700,000
Student Apartments - Envelope Repairs	-	13,200,000	13,200,000
Student Residences - upgrade Piikani House	-	2,250,000	2,250,000
Student Residences - upgrade University Hall	-	8,500,000	8,500,000
Student Residences - Aperture Park Phase IV	42,400,000	-	42,400,000
	42,400,000	23,950,000	66,350,000
TOTAL PRIORITY CAPITAL PROJECTS	\$ 307,400,000	\$ 133,650,000	\$ 441,050,000

Note: Estimated Project Costs are in current dollars (May 2015) and will fluctuate depending on construction start dates.

TOP THREE CAPITAL PROJECTS:

DESTINATION PROJECT

STUDENT RESIDENCES – ENVELOPE REPAIRS

STUDENT RESIDENCES – UPGRADE PIIKANI HOUSE

DESTINATION PROJECT

The construction of the new science and academic facility in support of our strong commitment to research and quality academic programming is our highest capital priority. Alberta Innovation and Advanced Education's commitment of \$212.7 million to date is gratefully acknowledged as a significant step towards achieving this priority.

SCIENCE AND ACADEMIC BUILDING (PHASE I)

This new building will increase the capacity for training by providing space for principal investigators, new graduate and undergraduate students, and technical support personnel. The new facility will include laboratory and research spaces for the departments of Biological Sciences, Chemistry & Biochemistry, Neuroscience, Psychology, Physics & Astronomy; shared research cores; space for K-12 outreach activities; student support spaces; maker zones (Agility); and general and specialized classroom spaces. This facility will dissolve traditional boundaries between departments and create an environment to foster collaboration and transdisciplinary teaching and research.

UNIVERSITY HALL RENEWAL (PHASE II)

Most of the facilities to be housed in the new Science and Academic Building are currently located in University Hall. Moving them will allow existing space in University Hall to be repurposed to include more informal learning spaces, a Teaching Assistance Centre, an Art Learning Centre, student support spaces, classrooms and academic programming space, building support services, and administrative space. The repurposed space will also include the First Nations Gathering Centre, an FNMI academic, social and cultural gathering space. The renewal of University Hall also requires an upgrade to the existing energy/utility centre.

UNIVERSITY HALL ENVELOPE REPAIRS AND WINDOW REPLACEMENT (PHASE II)

In 2013 Crosier Kilgour & Partners completed an assessment of the University Hall building envelope and identified the need to replace every window frame and insulated glass unit in University Hall. The report stressed that this window replacement must be integrated with any renovation/renewal work for University Hall.

CANADIAN CENTRE FOR BEHAVIOURAL NEUROSCIENCE (CCBN) BUILDING (PHASE II)

Moving some of the programs currently located in the CCBN to the new building will allow the CCBN space to be repurposed to better meet other academic and research priorities.

ART GALLERY (PHASE II)

The University art collection is recognized as one of the finest in Canada, with over 13,000 works of art. In building the collection, the University committed to making it accessible for teaching and research. A larger, more accessible exhibition space, including space for conservation and exhibition preparation, will make the collection more accessible to students and to the public. It will provide the University's Museum Studies students with experience necessary for careers in the cultural sector.

The University is currently in the planning phase of the project (Phase I), utilizing the \$12.78 million planning grant from Alberta Innovation and Advanced Education.

ESTIMATED DESTINATION PROJECT COST

<u>Destination Project (Phase I)</u>		<u>Destination Project (Phase II)</u>	
Science & Academic building	\$ 265,000,000	Energy/Utility Centre (replace equipment)	\$ 10,000,000
		University Hall renewal	45,000,000
Confirmed Provincial funding	(212,780,731)	University Hall Envelope Repairs	1,400,000
Remaining funding required	<u>52,219,269</u>	University Hall Window Replacement	4,000,000
		CCBN Renovations	15,000,000
		Art Gallery	34,300,000
		<i>Destination Project Phase II Total:</i>	<u>109,700,000</u>
Proposed Funding Sources		Proposed Funding Sources:	
Provincial Government	34,719,269	Provincial Government	\$ 109,700,000
Fundraising	17,500,000		
	<u>\$ 52,219,269</u>		

STUDENT RESIDENCES

The University has residence beds available for approximately 13% of the current Lethbridge campus student population (all levels). Retention research clearly indicates that students who live in on-campus residences perform better academically, integrate better into campus life programs and generally have a more positive and successful post-secondary learning experience. The University had set a goal many years ago of providing up to 20% of its on-campus student population with residence accommodations.

Required envelope repairs to the aging apartments (Piikani and Kainai) will begin next year. Upgrades to the Piikani Apartment Building will create additional residence spaces. Development of the Aperture Park Residence Complex (Phase IV) will further increase student residence space. The new residence and the additional beds in Piikani are required to accommodate the anticipated one-year shutdown of University Hall residence during the Destination Project Phase II renovations. Without the new beds of Aperture Park, we will be unable to maintain on-campus residence space at our current capacity during the renovations.

ESTIMATED RESIDENCE PROJECT COST

	<u>Student Apartments Envelope Repairs</u>	<u>Upgrades to Piikani House</u>	<u>University Hall</u>	<u>Aperture Park Phase IV</u>
Estimated costs	<u>\$13,200,000</u>	<u>\$2,250,000</u>	<u>\$8,500,000</u>	<u>\$42,400,000</u>
Proposed Funding Sources				
Financing Supported by Housing Rents	<u>\$13,200,000</u>	<u>\$2,250,000</u>	<u>\$8,500,000</u>	<u>\$42,400,000</u>



Independent Auditor's Report

To the Board of Governors of the University of Lethbridge

Report on the Financial Statements

I have audited the accompanying financial statements of the University of Lethbridge, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, remeasurement gains and losses, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the University of Lethbridge as at March 31, 2015, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 3, 2015

Edmonton, Alberta



Management's Responsibility for Reporting

For the Year Ended March 31, 2015

The University of Lethbridge's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the University's financial position as at March 31, 2015 and the results of its operations for the year then ended.

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

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

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

The financial statements for the year ended March 31, 2015 have been reported on by the Auditor General of the Province of Alberta, the auditor appointed under *The Post-Secondary Learning Act*. The independent Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.

Original signed by Nancy Walker

Original signed by Dr. Michael J. Mahon

Nancy Walker
Vice-President, Finance and Administration

Mike Mahon
President



Statement of Financial Position

As At March 31,
(thousands of dollars)

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents (Note 3)	\$ 36,621	\$ 9,053
Accounts receivable (Note 4)	9,530	6,992
Inventories and prepaid expenses	2,454	2,384
Portfolio investments (Note 5)	168,384	172,802
Tangible capital assets (Note 7)	305,483	306,384
	<u>\$ 522,472</u>	<u>\$ 497,615</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 12,314	\$ 11,534
Employee future benefit liabilities (Note 8)	41,613	43,066
Debt (Note 9)	9,258	9,664
Deferred revenue (Note 10)	246,026	234,161
	<u>309,211</u>	<u>298,425</u>
Net Assets		
Accumulated surplus from operations (Note 11)	133,908	132,295
Accumulated remeasurement gains and losses	20,618	14,864
Endowment (Note 12)	58,735	52,031
	<u>213,261</u>	<u>199,190</u>
	<u>\$ 522,472</u>	<u>\$ 497,615</u>

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

Approved by the Board of Governors: (Note 20)

Original signed by Mr. Gordon E. Jong

Chair, Board of Governors

Original signed by Mr. James Berezan

Chair, Audit Committee

The accompanying notes are part of these financial statements.



Statement of Operations

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

	2015 Budget (Note 19)	2015	2014
Revenue and other income			
Government of Alberta grants (Note 17)	\$ 119,264	\$ 113,915	\$ 114,562
Student tuition and fees	42,384	43,381	42,647
Sales of services and products	15,681	17,218	16,872
Federal and other government grants	10,168	11,297	10,788
Investment income	4,792	7,996	9,306
Insurance proceeds	-	594	5,104
Donations and other grants	5,272	4,848	4,122
	<u>197,561</u>	<u>199,249</u>	<u>203,401</u>
Expense (Note 15)			
Academic costs and institutional support	139,086	141,554	139,004
Facility operations and maintenance	19,286	17,298	23,262
Sponsored research	15,989	16,630	16,562
Ancillary services	16,358	15,444	15,400
Special purpose and trust	6,842	6,710	6,077
	<u>197,561</u>	<u>197,636</u>	<u>200,305</u>
Operating surplus	-	1,613	3,096
Accumulated surplus from operations, beginning of year	132,295	132,295	129,199
Accumulated surplus from operations, end of year	<u>\$ 132,295</u>	<u>\$ 133,908</u>	<u>\$ 132,295</u>

The accompanying notes are part of these financial statements.



University of
Lethbridge

Statement of Remeasurement Gains and Losses

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

	<u>2015</u>	<u>2014</u>
Accumulated remeasurement gains, beginning of year	\$ 14,864	\$ 5,961
Unrealized gains (losses) attributable to:		
Foreign exchange	55	(17)
Portfolio investments	8,162	12,703
Amounts reclassified to Statement of Operations		
Foreign exchange	21	(3)
Portfolio investments	(2,484)	(3,780)
Accumulated remeasurement gains, end of year	<u>\$ 20,618</u>	<u>\$ 14,864</u>

The accompanying notes are part of these financial statements.



Statement of Cash Flows

Year ended March 31,
(thousands of dollars)

	2015	2014
Operating transactions:		
Operating surplus	\$ 1,613	\$ 3,096
Add (deduct) non-cash items:		
Amortization of tangible capital assets	19,446	19,312
Expended capital recognized as revenue	(11,349)	(11,446)
Loss on disposal of tangible capital assets	13	98
Investment gains	(2,484)	(3,780)
(Increase)/ decrease in accounts receivable	(2,538)	1,700
(Increase)/ decrease in inventory and prepaid expenses	(70)	178
Increase/ (decrease) in accounts payable and accrued liabilities	780	(2,174)
(Decrease)/ increase in employee future benefit liabilities	(1,453)	946
Increase/ (decrease) in deferred revenue	22,420	3,669
Cash provided by operating transactions	<u>26,378</u>	<u>11,599</u>
Investing transactions:		
Purchases of investments, net of sales	15,679	3,859
Endowment investment earnings	1,599	2,024
Cash provided by investing transactions	<u>17,278</u>	<u>5,883</u>
Financing transactions:		
Endowment contributions	2,084	632
Debt repayments	(406)	(388)
Cash provided by financing transactions	<u>1,678</u>	<u>244</u>
Capital transactions:		
Acquisition of tangible capital assets - internally funded	(8,544)	(14,186)
Acquisition of tangible capital assets - externally funded	(9,241)	(13,282)
Proceeds on disposition of tangible capital assets	19	133
Cash applied to capital transactions	<u>(17,766)</u>	<u>(27,335)</u>
Increase/ (decrease) in cash	27,568	(9,609)
Cash and cash equivalents, beginning of year	<u>9,053</u>	<u>18,662</u>
Cash and cash equivalents, end of year (Note 3)	<u>\$ 36,621</u>	<u>\$ 9,053</u>

The accompanying notes are part of these financial statements.

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 1 Authority and Purpose

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) General - PSAS and Use of Estimates

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

(b) Net Debt Model Presentation

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

(c) Valuation of Financial Assets and Liabilities

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

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

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

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

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

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

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

(d) Revenue Recognition

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

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

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

(d) Revenue Recognition (continued)

Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

Grants and donations related to land

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

Endowments

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

Investment income

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

(e) Inventories

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

(f) Tangible Capital Assets

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

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

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

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

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

(f) Tangible Capital Assets (continued)

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

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

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

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

(g) Foreign Currency Translation

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

(h) Employee Future Benefits

Pension

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

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

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

Supplementary Benefit Plan

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

Early Retirement Plan

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

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

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

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

(h) Employee Future Benefits (continued)

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

Long-Term Disability Plan

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

Senior Administrative Leave

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

(i) Contaminated Sites

In 2014/15 the University adopted PS 3260 Liability for Contaminated Sites which requires the recognition of a liability for contaminated site remediation. At March 31, 2015, no contaminated sites were identified.

(j) Expense by Function

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

Academic costs and institutional support

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

Ancillary services

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

Facility operations and maintenance

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

Special purpose and trust

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

Sponsored research

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

(k) Internally Restricted Funds and Reserves

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

(l) Future Accounting Changes

In March 2015 the Public Sector Accounting Board issued PS 2200 - Related party disclosures and PS 3420 - Inter-entity transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017.

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.
- PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

Management is currently assessing the impact of these new standards on the financial statements.

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 3 Cash and Cash Equivalents

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

	2015	2014
Cash	\$ 23,621	\$ 9,053
Cash equivalents	13,000	-
	<u>\$ 36,621</u>	<u>\$ 9,053</u>

Note 4 Accounts Receivable

	2015	2014
Accounts receivable	\$ 7,460	\$ 4,716
Contributions receivable	2,142	2,385
Allowance for doubtful accounts receivable	(72)	(109)
	<u>\$ 9,530</u>	<u>\$ 6,992</u>

Accounts receivable includes research and other government grants totaling \$4,134 (2014 - \$1,235).

Contributions receivable consist of amounts from external groups contractually obligated to the University and do not arise from the direct provision of goods or services. Included in contributions receivable is a contract with 1st Choice Savings and Credit Union Ltd. to be the naming sponsor for the 1st Choice Savings Centre for Sport and Wellness for a total contribution of \$2,250 over a 15-year period beginning in 2007. University of Lethbridge undergraduate students are contributing \$2,500 towards the 1st Choice Savings Centre for Sport and Wellness, to be collected over a period of approximately 13 years beginning in 2007. Graduate students of the University of Lethbridge are contributing \$60 towards the construction of the daycare facility, to be collected over a period of approximately 9 years beginning in 2009. The University of Lethbridge Faculty Association is contributing \$205 toward the construction of the daycare facility, to be collected over a period of approximately 19 years beginning in 2010. These contributions have been discounted to their present value using market interest rates.

In addition to the contributions above, there are pledges of \$3,024 (2014 - \$2,588) for capital projects and scholarships that have not been recorded in the financial statements as they do not meet the criteria for recognition.

Note 5 Portfolio Investments

	Level 1	2015	Level 1	2014
Fair value				
Equities listed in active markets				
Canadian equity	\$ 64,581	\$ 64,581	\$ 59,792	\$ 59,792
Foreign equity	66,584	66,584	59,179	59,179
Others designated to fair value category				
Bonds	37,219	37,219	53,831	53,831
	<u>\$ 168,384</u>	<u>\$ 168,384</u>	<u>\$ 172,802</u>	<u>\$ 172,802</u>

The fair value measurements are those derived from:

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

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

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

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

- Money market funds and short-term notes: 1.59% (2014 - 1.50%); terms to maturity: nil.
- Canadian government and corporate bond funds: 3.71% (2014 - 3.95%); terms to maturity: range from less than one year to more than 40 years.

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

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 5 Portfolio Investments (continued)

investment manager performance, to ensure compliance with the University's investment policy and to evaluate the continued appropriateness of the University's investment policy.

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

Note 6 Financial Risk Management

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

Market risk

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

At March 31, 2015, the impact of a change in the rate of return on the investment portfolio would result in:

- a 1.0% change in short term GIC's would have a \$130 increase or decrease (2014 - 1.0% change of \$nil)
- a 2.5% change in fixed income securities would have a \$930 increase or decrease (2014 - 2.5% change of \$1,345)
- a 2.5% change in common stocks and equivalents would have a \$3,279 increase or decrease (2014 - 2.5% change of \$2,975)

Foreign currency risk

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

	Fair Value	Change of 2.5%	Change of 1.0%
United States dollar	\$ 42,218	\$ 1,055	\$ 422
Euro	\$ 13,918	\$ 348	\$ 139
Japanese yen	\$ 6,146	\$ 154	\$ 61

Credit risk

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

Liquidity risk

The University maintains a short-term line of credit with the Bank of Montreal of \$5 million that is designed to ensure sufficient funds are available to meet current and forecasted financial requirements in the most cost effective manner. There are no amounts outstanding on the line of credit at March 31, 2015 (2014 - \$nil).

Interest rate risk

Interest rate risk is the risk to the University's earnings that arise from the fluctuation in interest rates and the degree of volatility of these rates. The risk is managed by contractually setting interest rates with banking institutions and investment policies that limit the term to maturity of certain fixed income securities that the University holds. Interest risk on the University's debt is managed through fixed risk agreements with Alberta Capital Finance Authority (Note 9). A 1.0% change in interest rates on the \$ 37,219 bond portfolio would result in a \$372 change in operating surplus.

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 7 Tangible Capital Assets

	Land	Building, land and leasehold improvements	Equipment	Other	2015	2014
Cost ^(a)						
Beginning of year	\$ 2,029	\$ 416,748	\$ 86,695	\$ 33,361	\$ 538,833	\$ 512,190
Additions ^(b)	-	12,087	4,980	1,510	18,577	28,295
Disposals and write downs	-	-	(967)	(259)	(1,226)	(1,652)
	2,029	428,835	90,708	34,612	556,184	538,833
Accumulated amortization						
Beginning of year	-	(136,557)	(69,267)	(26,626)	(232,450)	(214,558)
Amortization expense	-	(12,299)	(5,837)	(1,308)	(19,444)	(19,312)
Disposal and write down effect	-	-	934	259	1,193	1,421
	-	(148,856)	(74,170)	(27,675)	(250,701)	(232,449)
Net book value, end of year	\$ 2,029	\$ 279,979	\$ 16,538	\$ 6,937	\$ 305,483	\$ 306,384

(a) Historic cost includes work in progress for assets under construction of \$7,967 (2014 - \$3,919), which is not amortized as the assets are not yet available for use.

(b) During the year, additions of in-kind contributions (such as library materials, equipment, software, buildings and land) amounted to \$794 (2014 - \$827).

The University holds a collection including works of art, cultural and historical properties and treasures that are not recorded in these statements as a reasonable estimate of the future benefits associated with such assets cannot be made. Numbering over 14,000 paintings, sculptures, drawings, photographs and prints, the holdings include works from Canada, America and Europe, span the 19th and 20th centuries and continue to grow with 21st century additions. Through exhibitions, first-hand study of works from the University's renowned art collection, and hands-on activities, the collection supports research, learning and community engagement at the University. During the year, the University purchased and received in-kind contributions and donations of collection assets in the amount of \$576 (2014 - \$133). At March 31, 2015, this collection had a book value of \$36,987 (2014 - \$36,414).

Note 8 Employee Future Benefit Liabilities

	2015	2014
Universities Academic Pension Plan (UAPP)	\$ 28,861	\$ 29,222
Senior administrative leaves	6,350	5,760
Supplementary benefit plan	3,739	3,350
Early retirement plan	1,471	3,534
Long-term disability	1,100	1,088
Other	92	112
	\$ 41,613	\$ 43,066

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

UAPP

The UAPP is a multi-employer contributory joint defined benefit pension plan for academic staff members and other eligible employees. An actuarial valuation of the UAPP was carried out as at December 31, 2012, extrapolated to the plan's year end of December 31, 2014 and further extrapolated to the University's year end of March 31, 2015 resulting in a UAPP deficit of \$1,129,894 (2014 - \$1,056,921) consisting of a pre-1992 deficit (\$883,098) and a post-1991 deficit (\$246,796). The University's portion of the UAPP deficit has been allocated based on its percentage of the plan's total employer contributions for the year. The next actuarial valuation will be December 31, 2015.

The unfunded deficit for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2014 - 1.25%) of salaries by the Province of Alberta. Employees and employers equally share the balance of the contributions of 2.87% (2014 - 2.87%) of salaries required to eliminate the unfunded deficit by December 31, 2043. The Government of Alberta's obligation for future additional contributions was \$328,073 at March 31, 2015. The unfunded deficit for service after December 31, 1991 is financed by special payments on pensionable earnings of 5.79% (2014 - 5.54%) until December 31, 2021, 1.71% (2014 - 1.71%) for 2022 and 2023, 0.70% (2014 - 0.70%) for 2024 and 2025, and 0.25% (2014 - 0.25%) for 2026 and 2027, all shared equally between employees and employers.

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 8 Employee Future Benefit Liabilities (continued)

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

Senior administrative leave

The University provides for certain senior administrators to accrue time in the form of a leave of absence for the purpose of professional development. The most recent actuarial valuation for these benefits was at March 31, 2015. The next actuarial evaluation will be carried out for March 31, 2016.

Supplementary benefit plan

The University provides non-contributory defined supplementary benefits to current and past senior administrators above the benefits provided by the Universities Academic Pension Plan. The University's total defined benefit supplementary benefit expense was \$271 (2014 - \$195).

Early retirement plan

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

Long-term disability plan

The University provides long-term disability defined benefits to its employees (academic and support staff). The most recent actuarial valuation for these benefits was at March 31, 2015. The long-term disability plan provide pension and non-pension benefits after employment, but before the employee's normal retirement date. The accrued benefit obligation began the year at \$1,088, increased by current service costs of \$118 and interest costs of \$36 which were offset by amortization of net actuarial gain of \$25 and benefits paid of \$117 for an accrued benefit obligation at the end of the year of \$1,100. The long-term disability plan has unamortized net actuarial gain of \$79. The next actuarial evaluation will be carried out at March 31, 2016.

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

	2015				2014			
	UAPP	Early retirement plan	Senior administrative leave	Supplementary benefit plan	UAPP	Early retirement plan	Senior administrative leave	Supplementary benefit plan
Expenses								
Current service cost	\$ 6,248	\$ -	\$ 953	\$ 379	\$ 6,648	\$ -	\$ 967	\$ 354
Interest cost	2,173	10	216	281	2,313	5	174	142
Amortization of net actuarial losses (gains)	228	-	(12)	-	792	-	55	-
Amortization of past service cost	-	109	-	-	-	-	-	-
Total expense	\$ 8,649	\$ 119	\$ 1,157	\$ 660	\$ 9,753	\$ 5	\$ 1,196	\$ 496
Financial position								
Accrued benefit obligation, beginning of year	\$ 161,388	\$ 3,534	\$ 5,688	\$ 3,350	\$ 148,376	\$ 4,372	\$ 5,605	\$ 3,049
Current service cost	6,248	-	953	379	6,648	-	967	354
Interest cost	10,822	10	216	281	9,412	5	174	142
Prior service cost	-	109	-	-	-	-	-	-
Benefits paid	(7,335)	(2,182)	(567)	(271)	(6,429)	(843)	(713)	(195)
Actuarial loss (gain)	6,713	-	(859)	-	3,381	-	(345)	-
Balance, end of year	177,836	1,471	5,431	3,739	161,388	3,534	5,688	3,350
Plan Assets	(144,496)	-	-	-	(130,201)	-	-	-
Plan deficit	33,340	1,471	5,431	3,739	31,187	3,534	5,688	3,350
Unamortized net actuarial (gain) loss	(4,479)	-	919	-	(1,965)	-	72	-
Accrued benefit liability	\$ 28,861	\$ 1,471	\$ 6,350	\$ 3,739	\$ 29,222	\$ 3,534	\$ 5,760	\$ 3,350

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

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 8 Employee Future Benefit Liabilities (continued)

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

	2015				2014			
	UAPP	Early retirement plan	Senior administrative leave	Supplementary benefit plan	UAPP	Early retirement plan	Senior administrative leave	Supplementary benefit plan
Accrued benefit obligation:								
Discount rate	6.60%	n/a	2.50%	n/a	6.20%	n/a	3.40%	n/a
Long-term average compensation increase	3.50%	n/a	1.00%	n/a	3.50%	n/a	4.00%	n/a
Benefit cost:								
Discount rate	6.60%	n/a	2.50%	n/a	6.20%	n/a	3.40%	n/a
Long-term average compensation increase	3.50%	n/a	3.50%	n/a	3.50%	n/a	4.50%	n/a
Alberta inflation:								
Next 2 years	2.25%	n/a	n/a	n/a	2.25%	n/a	n/a	n/a
Thereafter	2.25%	n/a	n/a	n/a	2.25%	n/a	n/a	n/a
Estimated average remaining service life	8.6 yrs	n/a	6 yrs	n/a	8.6 yrs	n/a	6 yrs	n/a

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

Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members. As the University does not have sufficient information to follow the accounting standards for defined benefits plans, it is accounted for on a defined contribution basis. The pension expense recorded in these financial statements is \$2,639 (2014 - \$2,574).

An actuarial valuation of the PSPP was carried out as at December 31, 2013 and was then extrapolated to December 31, 2014. At December 31, 2014, the PSPP reported an actuarial deficiency of \$803,299 (2013 - \$1,254,678) which represents the unfunded position of the plan as a whole and not the University's share. This deficiency is being discharged through additional contributions from both employees and employers until December 31, 2026. Other than the requirement to make all additional contributions, the University does not bear any risk related to the PSPP deficiency.

Note 9 Debt

	Collateral	Maturity date	Interest rate	2015		2014	
				\$	\$	\$	\$
Alberta Capital Finance Authority:							
Student housing debenture	(1)	April 15, 2023	6.00%	\$ 2,372	\$ 2,567		
Student housing debenture - Phase 3	(1)	March 15, 2037	3.26%	\$ 6,886	\$ 7,097		
				<u>\$ 9,258</u>	<u>\$ 9,664</u>		

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

The principal portion of debt repayments is as follows: 2016 - \$425; 2017 - \$444; 2018 - \$465; 2019 - \$486; 2020 - \$509; 2021 and thereafter - \$6,929.

Interest expense on debt is \$372 (2014 - \$391) and is included in the Statement of Operations.

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 10 Deferred revenue

	Restricted				2015	2014
	Research and other restricted	Unspent capital contributions	Spent capital contributions	Other		
Balance, beginning of year	\$ 21,796	\$ 11,903	\$ 194,797	\$ 5,665	\$ 234,161	\$ 241,109
Grants, tuition, donations received	25,341	15,978	-	6,029	47,348	29,209
Investment income	2,070	240	-	-	2,310	1,793
Unearned capital acquisition transfer	(1,843)	(8,191)	10,034	-	-	-
Recognized as revenue	(20,327)	(452)	(11,349)	(5,665)	(37,793)	(37,950)
Balance, end of year	\$ 27,037	\$ 19,478	\$ 193,482	\$ 6,029	\$ 246,026	\$ 234,161

As at March 31, 2015, the following deferred revenue categories exist:

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

Note 11 Accumulated Operating Surplus

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

	2015	2014
Investment in tangible capital assets	\$ 102,743	\$ 101,923
Internally restricted surplus	31,165	30,248
Unrestricted surplus	-	124
	\$ 133,908	\$ 132,295

Investment in tangible capital assets

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

	2015	2014
Investment in tangible capital assets, beginning of the year	\$ 101,923	\$ 95,446
Acquisition of tangible capital assets	8,544	14,186
Long-term liabilities - repayment	406	388
Net book value of asset disposals	(15)	(94)
Amortization of investment in tangible capital assets	(8,115)	(8,003)
Net investment in tangible capital assets	820	6,477
Investment in tangible capital assets, end of the year	\$ 102,743	\$ 101,923

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 11 Accumulated Operating Surplus (continued)

Internally Restricted Surplus

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

	Balance, beginning of year	Appropriations from (returned to) unrestricted net assets	Disbursements during the year	Balances, end of year
Capital Activities				
Capital Replacement	\$ 4,092	\$ 3,937	\$ (3,622)	\$ 4,407
Ancillary	3,576	1,145	(960)	3,761
Facility enhancement	1,585	115	(1,465)	235
Housing	1,564	6,903	(305)	8,162
Stadium	180	56	-	236
Self insurance	165	172	(75)	262
Utility conversvation	61	1	-	62
	11,223	12,329	(6,427)	17,125
Operating activities				
Comprehensive university	12,698	3,017	(7,166)	8,549
Student experience	4,185	118	(457)	3,846
External communities	1,563	-	(246)	1,317
Staff training and development	95	-	(20)	75
Staff replacement	85	50	(31)	104
Sustainability	270	-	(250)	20
Enrolment management	50	-	-	50
Non faculty mediation	47	-	-	47
Faculty mediation	32	-	-	32
	19,025	3,185	(8,170)	14,040
Total	\$ 30,248	\$ 15,514	\$ (14,597)	\$ 31,165

Note 12 Endowments

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

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

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

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

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

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 12 Endowments (continued)

The composition of endowments is as follows:

	2015	2014
Balance, beginning of the year	\$ 52,031	\$ 45,595
Endowment contributions	2,084	632
Investment gain - realized	1,599	2,024
Investment gain - unrealized	3,021	3,780
Balance, end of the year	<u>\$ 58,735</u>	<u>\$ 52,031</u>
Cumulative contributions	\$ 35,847	\$ 33,763
Cumulative capitalized income	22,888	18,268
	<u>\$ 58,735</u>	<u>\$ 52,031</u>

As at March 31, 2015, cumulative capitalized income of \$nil (2014- \$nil) was required to cover the spending allocation.

Cumulative endowment unrealized investment gains of \$9,387 (2014 - \$6,366) are recognized as a direct increase to endowment net assets.

Note 13 Contingent Liabilities

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

Note 14 Contractual Obligations

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

	2015	2014
Service contracts	\$ 3,240	\$ 4,746
Capital projects	2,999	3,031
Information systems and technology	2,776	2,631
Long-term operating leases	567	832
	<u>\$ 9,582</u>	<u>\$ 11,240</u>

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

	Service Contracts	Capital Projects	Information systems and Technology	Long-term operating Leases	Total
2016	\$ 1,937	\$ 2,999	\$ 695	\$ 171	\$ 5,802
2017	1,249	-	631	129	2,009
2018	33	-	589	130	752
2019	12	-	475	85	572
2020	9	-	152	16	177
Thereafter	-	-	234	36	270
	<u>\$ 3,240</u>	<u>\$ 2,999</u>	<u>\$ 2,776</u>	<u>\$ 567</u>	<u>\$ 9,582</u>

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

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 14 Contractual Obligations (continued)

The University is one of 61 members of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance reciprocal established to share the insurable property, liability and errors and omissions risks of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through members' premiums. CURIE has six different underwriting periods, of which the University participates in five with an accumulated surplus of \$74,231 as of December 31, 2014 (2013 - \$71,331). The University's proportionate share is approximately 1.23% (2013 - 1.20%) at December 31, 2014. This surplus is not recorded in the financial statements.

Included in service contracts are electricity contracts entered into to reduce its exposure to the volatility in the electrical industry. The University has entered into contracts to fix a portion of its electrical cost at an average of \$60 (2014 - \$73) per megawatt hour.

Note 15 Expense by Object

	Budget	2015	2014
Salaries	\$ 116,614	\$ 114,876	\$ 113,968
Employee benefits	24,153	20,227	21,336
Materials, supplies and services	24,424	27,748	25,465
Utilities	3,966	4,136	4,075
Maintenance and repairs	3,272	1,448	6,435
Scholarships and bursaries	6,393	6,341	6,347
Cost of goods sold	3,614	3,414	3,367
Amortization of tangible capital assets	15,125	19,446	19,312
	<u>\$ 197,561</u>	<u>\$ 197,636</u>	<u>\$ 200,305</u>

Note 16 Salary and Employee Benefits

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

	2015				Total	2014 Total
	Base salary (1)	Other cash benefits (2)	Senior Admin Leave (SAL) (8)	Other non- cash benefits (3) (7)		
Governance (4)						
Executive						
President ⁽⁵⁾	\$ 387	55	58	158	\$ 658	\$ 588
Provost and Vice-President Academic	\$ 340	32	68	78	\$ 518	\$ 511
Vice-President Finance and Administration	\$ 320	-	(86)	80	\$ 314	\$ 283
Vice-President Research ⁽⁶⁾	\$ 330	20	(212)	125	\$ 263	\$ 427
Vice-President University Advancement [†]	\$ 224	-	-	54	\$ 278	\$ 264

(1) Base salary includes pensionable base pay.

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

(3) Other non-cash benefits include the University's share of all employee benefits and contributions or payments made on behalf of employees including pension, dental coverage, flex health plan, extended health benefits, group life insurance, professional memberships, supplementary benefit plan (as per point 7 below) and professional supplement allowance.

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

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

(6) Two individuals held the position in 2015.

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 16 Salary and Employee Benefits (continued)

⁽⁷⁾ Under the terms of the supplementary benefit plan (SBP), senior administrators will receive supplemental retirement payments. The costs detailed below are not cash payments in the period but are period expenses for rights to future compensation. Costs shown reflect the total estimated cost to provide a payment at termination of employment with the University. The SBP is a defined contribution plan. The University contributes annually to the SBP based on the employee's salary and this benefit earns interest at the annual realized rate of return on the University's long-term investments. Current service costs is the notional value of the benefits earned in the fiscal year. The interest accrued on benefit obligations is equal to the realized earnings rate on the University's long-term investments of 8.13% in 2015 (2014– 4.55%).

⁽⁸⁾ Senior administrative leave is accrued for certain executive officers at a rate of one month for every five months served. If the leave is granted, all salaries and benefits excluding any housing allowances are paid on a monthly basis over the duration of the leave. Cash payments in lieu of administrative leave are not permitted, nor is it possible under Board policy to work for another institution or organization while on leave. Normally, administrative leave is taken immediately after leaving office. The cost of these benefits is actuarially determined using the projected benefit method prorated on service, a discount rate based on market interest rates and management's best estimates of salary and benefit increases to the assumed retirement or termination date. Net actuarial gains and losses of the benefit obligations are amortized over the average remaining service life of the employee group. The amounts shown include current and prior service costs.

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

	Accrued Obligation March 31, 2014	Service cost	Interest cost	Actuarial loss (gain)	Accrued Obligation, March 31, 2015
President	\$ 265	69	11	(22)	\$ 323
Vice-Presidents:					
Provost and Vice-President Academic	\$ 512	59	19	(10)	\$ 580
Vice-President Finance and Administration ⁽⁹⁾	\$ 900	71	33	(190)	\$ 814
Vice-President Research ⁽¹⁰⁾	\$ 110	37	5	3	\$ 155
Vice-President University Advancement ⁽¹¹⁾	\$ -	-	-	-	\$ -

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

⁽¹⁰⁾ The table reflects only the positions that are active as of March 31 and do not reflect a continuity of the changes in personnel.

⁽¹¹⁾ This position does not accrue senior administrative leave.

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

	Accrued Obligation March 31, 2014	Service cost	Interest cost	Actuarial loss (gain)	Accrued Obligation March 31, 2015
President	\$ 159	94	17	-	\$ 270
Vice-Presidents:					
Provost and Vice-President Academic	\$ 123	25	11	-	\$ 159
Vice-President Finance and Administration	\$ 186	22	16	-	\$ 224
Vice-President Research ⁽¹⁰⁾	\$ 14	7	1	-	\$ 22
Vice-President University Advancement	\$ 53	9	5	-	\$ 67

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

University of Lethbridge

Year ended March 31, 2015

(thousands of dollars)

Note 17 Government of Alberta Transactions and Balances

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

	2015	2014
Revenue from GOA		
Innovation and Advanced Education		
Operating grants	\$ 96,660	\$ 95,112
Capital grants	11,782	1,782
Access to the Future Fund (matching grants)	5,370	-
Other	3,240	520
Research grants	1,578	2,176
Alberta Innovates - Technology Futures	1,183	793
Alberta Innovates - Energy & Environment Solutions	236	302
	<u>120,049</u>	<u>100,685</u>
Other GOA departments and agencies:		
Alberta Health	4,325	4,106
Alberta Gaming and Liquor Commission	575	393
Alberta Job, Skills, Training, Labour	373	-
Other Provincial Institutes	293	309
Alberta Livestock and Meat Agency	164	-
Alberta Environment	94	62
Alberta Foundation for the Arts	-	63
Alberta Cancer Foundation	-	37
Alberta Culture and Community Spirit	-	25
Alberta Human Services	-	(1)
	<u>5,824</u>	<u>4,994</u>
Total contributions received	125,873	105,679
Deferred revenue	(10,958)	8,897
Less transfer to endowments	(1,000)	(14)
	<u>\$ 113,915</u>	<u>\$ 114,562</u>
Accounts receivable		
Innovation and Advanced Education	\$ 2,500	\$ 516
Other GOA departments and agencies	911	34
	<u>\$ 3,411</u>	<u>\$ 550</u>

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

During the year, the University conducted business transactions with other public Colleges and Universities. The revenues and expenses incurred for these business transactions have been included in the Statement of Operations but have not been separately quantified. These transactions were entered into on the same business terms as those with non-related parties and are recorded at fair values.

The University has significant influence in the Alberta Gambling Research Institute (AGRI), a consortium formed in partnership with the University of Calgary and University of Alberta to support and promote research into gaming and gambling in the province through annual grants to each institution. The University holds two of the seven board member seats. At March 31, 2015 the University received \$575 (2014 - \$416) in grants of which there were \$481 (2014 - \$381) in expenses.

Note 18 Comparative Figures

Certain 2014 figures have been reclassified to conform to 2015 financial statement presentation.

Note 19 Budget Figures

The University's 2014/15 budget was approved by the Board of Governors and was presented to the Minister of Innovation and Advanced Education as part of the University's submission of its 2014/15 to 2016/17 Comprehensive Institutional Plan. Certain budget figures from the University's 2014/15 to 2016/17 Comprehensive Institutional Plan have been reclassified to conform to the presentation adopted in the 2015 financial statements.

Note 20 Approval of Financial Statements

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