THE UNIVERSITY OF WINNIPEG

WINNIPEG, MANITOBA, CANADA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2013

THE UNIVERSITY OF WINNIPEG

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

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UNIVERSITY OF WINNIPEG

MANAGEMENT REPORT

The accompanying consolidated financial statements are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards (PSAS) for [illegible] government not-for-profit organizations (GNFPOs) including the 4200 series of standards as issued by the Public Sector Accounting Board. The adoption of PSAS for GNFPOs resulted in adjustments to the previously reported liabilities and excess (deficiency) of revenue over expenses of the University.

[illegible] University including approving the consolidated financial statements. The Board has delegated the responsibility for reviewing these annual consolidated financial statements and meeting with management and the Auditor General of Manitoba on matters relating to the financial reporting to its Audit Committee. The Auditor General of Manitoba has full access to the Audit Committee with or without the presence of management. The Board of Regents has reviewed and approved the annual consolidated financial statements.

In management's opinion, these annual consolidated financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data. Management maintains internal controls to [illegible] ensure the assets of the University are properly safeguarded. The integrity of internal controls is reviewed on an on-going basis by the University's Audit Services.

The external auditor, the Auditor General of Manitoba, is responsible for auditing these annual consolidated financial statements and for issuing a report thereon. The Auditor's Report outlines the scope of her examination and provides her opinion on the fairness of presentation.

On Behalf of Management

(Original signed by Bill Balan)

Bill Balan
Vice-President (Finance & Administration)

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Lieutenant Governor in Council
To the Legislative Assembly of Manitoba
To the Board of Regents of the University of Winnipeg

We have audited the accompanying consolidated financial statements of the University of Winnipeg, which comprise the consolidated statement of financial position as at March 31, 2013, March 31, 2012, and April 1, 2011 and the consolidated statements of operations, change in net assets and cash flows for the years ended March 31 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility
[illegible] conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about [illegible]

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the [illegible] appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

[illegible] opinion.

Opinion
[illegible]

Basis of Presentation
Without modifying our opinion, we draw attention to Note 3 to the consolidated financial statements, which describes that the University of Winnipeg adopted Canadian public sector accounting standards on April 1, 2012 [illegible]

THE UNIVERSITY OF WINNIPEG
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Amounts in Thousands

Statement I

ASSETS

	March 31, 2013	March 31, 2012 (note 3)	April 1, 2011 (note 3)
Current Assets:			
Cash and Cash Equivalents (Notes 4, 11)	[illegible]	[illegible]	[illegible]
Short Term Investments (Note 4)	190	295	900
Accounts Receivable (Note 17)	[illegible]	[illegible]	[illegible]
Current Portion of Long Term Receivables (Note 6)	33	38	37
Due from Related Parties (Note 23)	781	343	503
Prepaid Expenses and other assets	[illegible]	[illegible]	[illegible]
	26,885	25,890	37,960
Long Term Investments (Note 5)	2,239	2,019	1,953
Long Term Receivables (Note 6)	4,587	3,845	3,880
Capital Assets (Note 7)	175,657	173,481	165,864
Intangible Assets (Note 8)	827	946	877
	$210,195	$206,181	$210,534

LIABILITIES AND NET ASSETS

	March 31, 2013	March 31, 2012 (note 3)	April 1, 2011 (note 3)
Current Liabilities:			
Accounts Payable and Accrued Liabilities	[illegible]	[illegible]	$15,145
Deferred Revenue	4,959	5,632	6,262
Deferred Contributions (Note 9)	10,106	8,937	8,105
Accrued Vacation Pay	[illegible]	[illegible]	[illegible]
Current Portion of Obligations Under Capital Leases (Note 12)	200	242	294
Current Portion of Long Term Debt (Note 13)	[illegible]	[illegible]	[illegible]
Due to Related Parties (Note 23)	548	957	621
	28,764	27,413	33,625
Obligations under Capital Leases (Note 12)	236	436	628
Long Term Debt (Note 13)	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Pension Obligation (Note 10)	[illegible]	[illegible]	[illegible]
	208,853	202,848	205,353
Net Assets:			
Unrestricted Net Deficiency	(25,506)	(23,661)	(18,938)
Internally Restricted (Note 15)	1,638	1,655	1,761
Externally Restricted (Note 16)	3,359	3,172	2,628
Investment in Capital Assets	21,851	22,167	19,730
[illegible]	[illegible]	[illegible]	[illegible]

Contractual Obligations (Notes 12, 19, 20, 21)
Contingencies (Note 22)

Approved by the Board of Regents

(Original signed by Brenda Keyser) — Chair, Board of Regents

(Original signed by Lloyd Axworthy) — President & Vice Chancellor

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

	2013	2012 (note 3)
REVENUE		
Government Grants:		
Council on Post-Secondary Education	$60,704	$57,343
Province of Manitoba, other	3,522	3,463
Government of Canada	4,455	4,462
Student Academic Fees	37,097	35,922
Gifts, Grants and Bequests	4,141	4,637
Interest Income	[illegible]	[illegible]
Sales of Services and Products	1,570	1,290
Other Revenues	9,004	9,216
	124,923	120,513
EXPENSES		
[illegible]	[illegible]	[illegible]
Supplies, Services and Other Expenses	19,062	19,719
Cost of Sales	311	331
Building, Utilities and Related Expenses	10,572	10,912
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Scholarships and Awards	3,905	3,883
Gifts to Related Party (Note 23)	599	965
[illegible]	[illegible]	[illegible]

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

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2013
Amounts in Thousands

	2013				
	Unrestricted Net Deficiency	Internally Restricted (Note 15)	Externally Restricted (Note 16)	Investment in Capital Assets	Total
BALANCE, BEGINNING OF YEAR	($23,661)	$1,655	$3,172	$22,167	$3,333
Excess (Deficiency) of Revenue Over Expenses	(2,178)				(2,178)
[illegible]		[illegible]		[illegible]	
Endowment custodial/management fees			[illegible]		[illegible]
Transfers:					
Internally Funded:					
Capital Asset Additions	(1,582)			1,582	0
[illegible]					
Amortization of Capital Assets	5,925			(5,925)	0
Disposal of Capital Assets	17			(17)	0
Repayment of Long Term Debt	(214)			214	0
Internally Restricted Net Assets	(146)	146			0
Strategic Provisions -- Reductions (Note 15)	327	(327)			0
Strategic Provisions -- Additions (Note 15)	(164)	164			0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

	2012				
	Unrestricted Net Deficiency	Internally Restricted (Note 15)	Externally Restricted (Note 16)	Investment in Capital Assets	Total
BALANCE, BEGINNING OF YEAR	(18,938)	1,761	2,628	19,730	5,181
Excess (Deficiency) of Revenue Over Expenses	(2,392)				(2,392)
Endowment Contributions			570		570
[illegible]		[illegible]		[illegible]	
Transfers:					
Internally Funded:					
Capital Asset Additions	(4,237)			4,237	0
Amortization of Deferred Capital Contributions	(3,509)			3,509	0
Amortization of Capital Assets	5,498			(5,498)	0
Disposal of Capital Assets	19			(19)	0
[illegible]				[illegible]	
Internally Restricted Net Assets	[illegible]	[illegible]			0
[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]			0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
BALANCE, END OF YEAR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

THE UNIVERSITY OF WINNIPEG — Statement IV

[illegible]

For the Year Ended March 31, 2013

Amounts in Thousands

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from:		
Government Grants	$67,862	$64,368
Student Academic Fees	[illegible]	[illegible]
Gifts, Grants and Bequests	4,015	4,905
Interest Income	532	553
[illegible]	[illegible]	[illegible]
Other Revenues	8,959	9,438
Cash Paid for:		
[illegible]	[illegible]	[illegible]
Supplies, Services and Other Expenses	(17,193)	(21,318)
Cost of Sales	(311)	(317)
Building, Utilities and Related Expenses	(10,442)	(14,298)
Interest Paid	(2,397)	(2,255)
Provincial and Municipal Taxes	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Gifts to Related Party	[illegible]	[illegible]
	1,310	(6,790)
[illegible]		
Cash used to acquire Tangible Capital Assets	(9,590)	(12,799)
	(9,590)	(12,799)
CASH FLOWS FROM INVESTING ACTIVITIES:		
[illegible]	[illegible]	[illegible]
Purchase of Long Term Investments	[illegible]	[illegible]
Proceeds on Maturity of Long Term Investments	[illegible]	[illegible]
Collections of Long Term Receivables	205	35
	(962)	(40)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment and Retirement of Long Term Debt	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Deferred Capital Contributions	4,931	4,000
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	18,647	30,951
CASH AND SHORT TERM INVESTMENTS, END OF YEAR	$16,284	$18,647
Cash and Short Term Investments consists of:		
Cash and Cash Equivalents	16,094	18,352
Short Term Investments	190	295
	[illegible]	[illegible]

[illegible]

1. Authority and Purpose

The University of Winnipeg (the University) operates under the authority of the University of Winnipeg Act of the Province of Manitoba. The primary role of the University is to provide post-secondary education and research in Arts, Sciences and Education. The University also operates the Collegiate, an independent high [illegible] as such, is exempt from income taxes under the Income Tax Act (Canada).

2. Summary of Significant Accounting Policies

A) Basis of Accounting and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) for government not for profit organizations (GNFPOs), including [illegible] the 4200 series of standards, as issued by the Public Sector Accounting Board. The consolidated financial statements of the University include the University's investment in the 460 Portage Avenue [illegible] consolidation method. The University of Winnipeg Foundation (the Foundation) and the University of Winnipeg Community Renewal Corporation (UWCRC), both controlled entities, are not consolidated [illegible] these financial statements, but details of their financial results are included in the notes to the consolidated financial statements (notes 20 and 21 respectively).

[illegible]

The University follows the deferral method of accounting for contributions. Under this method, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Restricted contributions have external [illegible]

[illegible] contributions are recognized as revenue in the period received or receivable [illegible]

[illegible]

recorded as direct increases in net assets in the period in which they are received.

Externally restricted contributions for the acquisitions of capital assets having limited lives are [illegible] recorded as deferred capital contributions in the period in which they are received and amortized into revenue at a rate corresponding with the amortization rate for the related capital asset.

[illegible] of capital assets, which will be repaid from future funding provided by the Manitoba Provincial Government through the Council on Post-Secondary Education (COPSE) are, in substance, capital [illegible] funding from COPSE over the terms of the promissory notes are both excluded from the statement of [illegible] operations and changes in fund balances.

C) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid temporary money market instruments convertible to cash within three months or less.

[illegible]

Purchased capital assets and collections of the University are recorded at cost. Donated assets are [illegible] and Rare Books are recorded at fair value derived by independent appraisal at the time of acquisition. [illegible]

Capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Building, additions and improvements	60 years
Leasehold improvements	Term of lease
Library acquisitions	10 years
Furnishings and equipment	10 years
Computer equipment	5 years
[illegible]	[illegible]
Equipment under capital lease	Term of lease

F) Intangible Assets

Intangible assets are recorded at cost and are amortized on a straight-line basis over their useful lives as follows:

Major system computer software	10 years

G) Accrued Vacation Pay

The University recognizes vacation pay as an expense on the accrual basis.

H) Other Employee Benefits

The University provides health benefits and pension plan contributions to eligible employees in receipt of long term disability benefits. The costs are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are recorded in the [illegible]

University employees appointed to a position expected to last one year or more are entitled to [illegible]

[illegible]

J) Trusteed Pension Plan

The University contributes to The University of Winnipeg Trusteed Pension Plan for University employees. The Plan has both defined benefit and defined contribution components. The pension expense for the defined benefit component of the pension plan is determined actuarially using the projected unit credit actuarial cost method which incorporates management's best estimates of investment performance, salary escalation, retirement ages of employees and member mortality. Consistent with PSAS Handbook section 3250 the University has amortized actuarial gains and [illegible] (EARSL) [illegible] benefit plan. The amortization amount for a year is determined by dividing the unamortized balance at the end of the previous year by the EARSL.

The pension expense for the defined contribution component of the pension plan equals the contributions made during the year.

K) Loan Guarantees

The University guarantees a condition of a loan on the land and building situated at 491 Portage [illegible]

[illegible] ensuring that the debt service coverage ratio on the Property does not go below 1.0:1.0. In the event

the Property falls below that ratio, the University would be required to lease space in the Property at normal commercial rents, or ensure that another tenant is obtained to bring the ratio back to 1.0:1.0 or higher. The unrelated owners in the Property have indemnified the University for a share of the [illegible]

[illegible]

(application of materiality) and the assessment of outstanding legal issues and the need to disclose a [illegible]

M) Use of Estimates

The preparation of the University's financial statements in conformity with PSAS for GNFPOs [illegible]

[illegible] obligation. Actual results could differ from these estimates.

[illegible]

In previous years, the University's consolidated financial statements were presented in accordance with [illegible]

after January 1, 2012. Effective April 1, 2012, the University adopted Canadian PSAS including the 4200 series of accounting standards applicable for GNFPOs. These are the University's first financial statements [illegible]

the accounting standards and the preparation of an opening PSAS for GNFPO statement of financial position [illegible]

[illegible]

Amounts in Thousands

a) Statement of Financial Position as at April 1, 2011 – Transition Date

	April 1, 2011 balance (previously reported)	PSAS Transitional adjustments	April 1, 2011 balance PSAS
Accounts receivable	$7,555	($2,209)	$5,346
Accounts payable & accrued liabilities	15,245	(100)	15,145
Deferred revenue	8,205	(1,943)	6,262
Obligation for compensated absences	0	333	333
Pension obligation	1,784	9,546	11,330
Deferred capital contributions	121,694	(6,113)	115,581
Unrestricted net deficiency	(8,893)	(10,045)	(18,938)
Investment in capital assets	13,617	6,113	19,730

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

[illegible]

appropriate. The amounts eliminated in Accounts Receivable (2012 - $2,462, 2011 - $2,209) are [illegible] Payable (2012 - $91, 2011 - $266).

DEFERRED CAPITAL CONTRIBUTIONS

During transition to PSAS the University determined that Deferred Capital Contributions included restricted contributions for the purchase of two parcels of land with a combined value of [illegible]. As land is a capital asset that will not be amortized, the contributions should have been recorded as a direct increase in net assets rather than being deferred. As a result, Deferred Capital Contributions were overstated by $6,113 and Net Assets (Investment in Capital Assets) was understated by the same amount.

OBLIGATIONS FOR COMPENSATED ABSENCES

Prior to PSAS transition the University recognized the expense for compensated absences as [illegible] be estimated and recorded as a liability. The University has actuarially determined the liability for [illegible]

Amounts in Thousands

PENSION OBLIGATION

Prior to PSAS transition the University amortized the excess of the unamortized net gains or losses over 10% of the greater of the defined benefit obligation or defined benefit plan assets as at the beginning of the year, over the expected average remaining service life of active employees. This resulted in a liability of $1,784 at April 1, 2011.

The University has elected to make use of an optional exemption in PSAS Handbook section 2125 which allows the recognition of all cumulative actuarial gains and losses as at the date of transition to PSAS directly in unrestricted net assets. Actuaries determined that the accrued benefit liability at the [illegible] of $9,546.

b) Statement of Financial Position for the year-ended March 31, 2012

	March 31, 2012 balance (previously reported)	PSAS Transitional adjustments	March 31, 2012 balance PSAS
[illegible]	[illegible]	[illegible]	[illegible]
Accounts payable & accrued liabilities	8,062	48	8,110
Deferred revenue	8,005	(2,372)	5,633
Obligation for compensated absences	0	540	540
Pension obligation	0	11,226	11,226
Deferred capital contributions	123,010	(6,113)	116,897
Unrestricted net deficiency	(11,956)	(11,705)	(23,661)
Investment in capital assets	16,054	6,113	22,167

The effect of the adjustment to deferred capital contributions and obligation for compensated absences is [illegible] March 31, 2012.

Using provisions of Section 2125, actuaries determined that the net effect of pension expenses and university contributions for the year ended March 31, 2012 resulted in a decrease in the pension obligation of $104. Using these same provisions, an additional pension expense of $1,680 was reported in the year ended March 31, 2012.

c) Statement of Operations for the year-ended March 31, 2012

	March 31, 2012 balance (previously reported)	PSAS Transitional adjustments	March 31, 2012 balance PSAS
Expenses			
[illegible]	[illegible]	[illegible]	[illegible]
Deficiency of revenue over expenses	($732)	($1,660)	($2,392)

The increase in the pension expense is $1,680; the increase in obligations for compensated absences [illegible]

[illegible]

The transition to PSAS for GNFPOs had no impact on cash from operating activities and financing [illegible]

[illegible] reclassification of cash receipts and payments relating to the acquisition of tangible capital assets [illegible]

Amounts in Thousands

	2013	2012
Operating Funds	$3,845	$7,823
Sponsored Research and Designated Funds	4,970	4,164
	$8,815	$11,987
Trust Funds:		
Deferred Contributions	$4,317	$3,763
Endowments	932	859

Internally Restricted Net Assets	1,060	913
Due to Operating	1,183	67
Due to (from) Related Party	(213)	763

	2013	2012
Fixed Income Instruments	$1,515	$1,295
Equity investment in properties	724	724
	$2,239	$2,019

6. Long Term Receivables

	2013	2012
Receivable from the 460 Portage Avenue Joint Venture		
Promissory Notes Secured by:		
460 Portage Ave. Interest Rate 5.6%, due December 31, 2050	$8,582	$8,646
Less: University of Winnipeg component (Note 23)	[illegible]	[illegible]
	4,620	3,883
Less: Current Portion	(33)	(38)

These notes are carried at the amortized cost using the effective interest rate method.

[illegible]

	2013		2012	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$10,574	$0	$9,054	$0
Buildings, Additions and Improvements	174,358	28,960	174,951	26,701
Library Acquisitions	13,511	12,051	13,704	12,098
Furnishings and Equipment	38,151	27,146	36,677	25,021
Collections	1,527	0	1,517	0
Buildings Under Construction	5,260	0	725	0
Equipment Under Capital Leases	1,861	1,428	1,861	1,188
	[illegible]	[illegible]	[illegible]	[illegible]
Less Accumulated Amortization	69,585		65,008	
Net Book Value	$175,657		$173,481	

Furnishings and Equipment include Vehicles and Computer Equipment.

8. Intangible Assets

	2013	2012
Major System Computer Software	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Net Book Value	[illegible]	[illegible]

9. Deferred Contributions

Deferred contributions represent unspent externally restricted funding received for special purposes such as Sponsored Research and Designated Funds and Special Purpose Trust consisting primarily of scholarships and bursaries, library acquisitions and lecture funds.

	2013	2012
Balance, Beginning of Year	$8,937	$8,105
Contributions Received	13,744	13,261
Contributions Expended	(11,976)	(11,464)
Transferred to Foundation (Note 23)	(599)	(965)
Balance, End of Year	$10,106	$8,937

Balance Consists of:

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	$10,106	$8,937

Amounts in Thousands

10. Obligations for Compensated Absences

The University provides health benefits and pension plan contributions to employees receiving long term disability (LTD) benefits.

Health benefit premiums are paid by the University until the earlier of recovery and return to work, death, or attainment of the normal pension commencement date. For health benefits the liability for each current recipient is the actuarial present value of future premiums for each employee based on the current monthly premium, [illegible] assumed inflation on health benefit premiums, the interest discount rate and assumed probabilities of recovery prior to normal pension commencement date. The following assumptions were made in determining the actuarial present value of future premiums:

- A discount rate of 5.85% (2012 – 5.85%)
- Health benefit premium inflation of 5% [illegible]
- LTD recovery rates from the 1987 Commissioner's Group Disability Table [illegible]

[illegible]

The University pays the required pension contribution on behalf of employees receiving LTD benefits into [illegible] (note 19). Contributions are calculated based on the salary rate at the time of disability and the current yearly [illegible]

11. Indebtedness

The University has an operating line of credit with a bank authorized in the amount of $1,500. The line of credit is unsecured and bears interest at prime. It was not utilized at March 31, 2013 or March 31, 2012.

12. Obligations under Capital Leases

The following is a schedule of future minimum lease payments for equipment under capital leases expiring between April 1, 2013 and March 31, 2016 together with the balance of the obligations under capital leases:

2013/14	[illegible]
2014/15	169
2015/16	73
Total minimum lease payments	460
Less amount representing interest at approximately 3.5%	(24)
Balance of Obligations under Capital Leases	$ 436

[illegible]

Amounts in Thousands

13. Long Term Liabilities

	2013	2012
Promissory Notes	$49,548	$47,711
Mortgages Payable	0	38
Supplementary Pensions Payable	465	516
	50,013	48,265
Less: Current Portion of Long Term Liabilities	(1,741)	(1,729)
	$48,272	$46,536

	2013	2012
Province of Manitoba Promissory Notes Secured by:		
509 Ellice and 433 Young Street Interest rate 4.45%, due April 15, 2015	$204	$302
Duckworth Athletic Complex Expansion Interest rate 5.55%, due October 31, 2047	1,914	1,932
McFeetors Hall Interest rate 4.10%, due September 30, 2013	[illegible]	[illegible]
McFeetors Hall [illegible]	[illegible]	[illegible]
460 Portage Avenue Interest rate 4.05%, due December 31, 2020	2.238	2.472
460 Portage Avenue Interest rate 5.60%, due December 31, 2050	9.074	9.142
460 Portage Avenue Interest rate 2.625%, due October 31, 2016	1,584	2,000
460 Portage Avenue Interest rate 3.80%, due October 31, 2052	2,829	0
366 Spence Street & 336 Young Street Interest rate 4.95%, due March 31, 2051	688	694
[illegible]	[illegible]	[illegible]
491 Portage Avenue – Annex Interest rate 5.40%, due July 31, 2050	2,743	2,765
Pension Settlement [illegible]	[illegible]	[illegible]
Pension Plan Special Payments Interest rate 4.15%, due May 31, 2053	2,000	0
	13,302	11,397
Other Promissory Notes:		
460 Portage Avenue – Deferred Land Lease Interest rate 7.00%, due March 1, 2018	0	349
	$49,548	$47,711

For the Year Ended March 31, 2013
Amounts in Thousands

The University received capital funding from the Provincial Government as a contribution towards the Richardson College for the Environment and Science Complex building and deferred maintenance expenditures on campus. The funding was financed by promissory notes payable to the Province of Manitoba bearing interest at rates ranging from 4.85% to 5.95%. The notes are repayable over a term of 40 [illegible] Province of Manitoba. This funding has been treated as a restricted grant and recorded as deferred capital contributions where it paid for an asset which was capitalized, or recognized as revenue in the period expended, if the expenditure did not meet the definition of a capital asset. The loan payments, off-setting revenues and debt outstanding are not recorded in the University's financial statements. The Balance of Debt outstanding at March 31, 2013 is $53,940 (2012 - $53,784).

Annual principal payments on the notes during the next five years and thereafter are: 2014 - [illegible]

[illegible]

Interest expense during the year on long-term liabilities totaled [illegible] of which nil (2012 - $48) was capitalized during the year.

14. Deferred Capital Contributions

	2013	2012
[illegible]		
Contributions Received	4,315	3,602
Contributions from University of Manitoba Foundation	[illegible]	[illegible]
Amortization of Deferred Capital Contributions	(3,830)	(3,509)
Balance, End of Year	$119,241	$116,897

Deferred capital contributions represent unamortized external contributions related to the purchase of capital assets in the amount of $118,952 (2012 - $116,240) and funds held for future capital project expenditures in [illegible] in the Statement of Operations.

15. Internally Restricted Net Assets

	March 31, 2012	Reductions	Additions	March 31, 2013
Unrestricted Trust Income	[illegible]	$0	[illegible]	[illegible]
Strategic Provisions:				
Infrastructure	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Internal Research Grants	0			0
Project Development	392	(327)	164	229
	742	(327)	164	579

Amounts in Thousands

The cumulative net unrestricted trust income is available to fund Board of Regents Scholarships. [illegible]

Strategic provisions represent an appropriation from unrestricted net assets to internally restricted assets. These appropriations are made to provide for future funding support of initiatives within the Strategic Plan and the Academic Plan. Actual expenses related to strategic provisions are charged to operations and are covered with a corresponding transfer of funds from internally restricted net assets (see Statement III).

16. Externally Restricted Net Assets (Endowments)

	2013	2012
Cash & Short Term Investments	$1,120	$1,153
Long Term Investments	2,239	2,019
[illegible]	[illegible]	[illegible]

[illegible]

17. Financial Instrument Risk Management

[illegible] Board of Regents Financial Oversight and Budgeting Policy.

Credit risk

Credit risk is the risk of financial loss to the University if a counterparty to a financial instrument fails to discharge an obligation.

Accounts receivable are due, for the most part, from various levels of government and students. The carrying amount of accounts receivable has been reduced through the use of an impairment allowance, set up based on the University's historical experience regarding collections.

The credit risk on cash and cash equivalents and short and long term fixed income investments is [illegible] equity investment in properties is considered low as the underlining assets are quality commercial properties.

The credit risk on long term receivables is considered low as the receivable is from an established not-for-profit organization [illegible] provided for.

[illegible]

	2013	2012
Accounts Receivable, gross		
Current	$5,112	$4,582
Past Due	3,119	1,206
	8,231	5,788
Less: Allowance for Doubtful Accounts	(313)	(306)
[illegible]	[illegible]	[illegible]

There have been no significant changes from the previous year in the exposure to risk or policies

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The University is exposed to this risk through its cash equivalents and long-term liabilities. ... interest rates. Long-term liabilities are primarily at fixed interest rates and terms and are measured at

procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the University will not be able to meet all cash outflow obligations as they come due. The University mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. As cash equivalents are held in a premium money market fund in which at least 90% of the assets must be comprised of liquid investments, the exposure to liquidity risk is not considered material.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

18. University of Winnipeg Trusteed Pension Plan (the Plan)

The Plan was established as a contributory defined benefit pension plan effective September 1, 1972 and

United Church of Canada Pension Plan. The Plan is registered under the Income Tax Act and the Manitoba Pension Benefits Act (Registration #309914). The defined benefit segment of the Plan was closed to new members effective January 1, 2001. New plan members effective January 1, 2001 join the defined contribution segment of the Plan.

Prior to July 2008, the University was responsible for the administration of the Plan. An independent Board of Trustees is now responsible for the administration of the Plan and is the trustee of the pension fund. The

Trust Agreement by a trust company.

Plan.

the YBE and the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) and 6.0% (6.2%

Amounts in Thousands

The activity in the defined contribution segment of the Plan in the period was:

	December 31 2012	December 31 2011
Balance, Beginning of Year	$27,310	$26,350
Contributions	4,066	3,297
Benefits and Refunds Paid	(633)	(1,948)
Net Investment Return	2,254	(389)
Balance, End of Year	$32,997	$27,310
Expense recognized for the period ending December 31	$2,034	$1,621

Defined Benefit Obligation

Pensions are provided on the basis of final average earnings and service. The maximum pension per year [illegible] earnings of the pension fund in excess of 6% limited to the increase in the CPI. At the December 31, 2011 [illegible]

Members contribute 7.0% (8.0% effective January 1, 2013) of salary up to the YBE, [illegible] (effective January 1, 2013) between the YBE and YMPE and 7.0% (8.0% effective January 1, 2013) in excess of the [illegible]

[illegible]

In accordance with the Pension Benefits Act, an actuarial valuation of the defined benefit segment of the Plan is required at least every three years. Valuations may be required more frequently depending on the financial position of the Plan. [illegible] valuations are required.

Actuarial valuations are performed by Eckler Ltd. (Eckler) using the projected benefit method. The latest [illegible] December 31, 2011, and the results were extrapolated to December 31, 2012. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service of the employee group (8.4 years).

Actuarial valuations are based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and mortality. The assumptions used reflect the University's best estimates. [illegible] per year [illegible] Pensions are assumed to increase by [illegible] per year. The discount rate used to determine the accrued benefit obligation and current [illegible]

Pension fund assets are valued at market values. The expected rate of return on plan assets net of investment expenses is [illegible]. The actual return on pension fund assets in 2012 was [illegible]

Change in Accrued Benefit Obligation
[illegible]

	2012	2011
[illegible]	[illegible]	[illegible]
Current Service Cost	2,438	2,050
Interest Cost	7,999	7,276
Benefits and Refunds Paid	(8,133)	(9,142)
Plan Amendment	0	3,289
Actuarial gain (loss)	(1,281)	11,311
Accrued Benefit Obligation, End of Year	$140,614	$139,591

Change in Market Value of Plan Assets
Calendar Year Ending December 31

	2012	2011
Market Value of Plan Assets, Beginning of Year	$107,876	$113,072
[illegible]	[illegible]	[illegible]
Member Contributions	874	785
Benefit Payments	(8,133)	(9,142)
Actual Return on Plan Assets	8,294	(1,340)
Plan expenses	(250)	0
Market Value of Plan Assets, End of Year	113,822	107,876
Expected market value of assets at end of year	111,770	115,885
Gain (loss) on plan assets	$2,052	($8,009)

The plan assets for the Calendar Year Ending December 31, 2012 consist of:

	2012	2011
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
S. equity	8,843	8,723
International equity	10,261	9,378
Cash and cash equivalents	6,816	2,547
Net accruals	(61)	(42)
	$113,822	$107,876

Asset allocation is determined and monitored by the independent Board of Trustees.

Reconciliation of Unamortized Gains/(Losses)
Fiscal Year Ending Mar 31

	2013	2012
Expected average remaining service life	8.4	9.5
Net unamortized gain (loss) at beginning of year	[illegible]	[illegible]
New net gain (loss) for current year	3,333	(19,320)
Amortization for current year	2,300	0
[illegible]	[illegible]	[illegible]

Pension Expense
Fiscal Year Ending Mar 31

	2013	2012
University Service Cost	[illegible]	[illegible]
Interest Cost	7,999	7,276
[illegible]	[illegible]	[illegible]
Increase in Valuation Allowance	0	0
Net Pension Expense	$5,871	$5,161

	2013	2012
Surplus (deficit) at end of year	($26,792)	($31,715)
University contributions after the measurement date	1,194	1,169
Net unamortized amounts	13,687	19,320
Accrued Benefit Asset (Liability) at end of year	[illegible]	[illegible]
Accrued Benefit Asset (Liability) net of Valuation [illegible]	[illegible]	[illegible]

		2013	2012
Post-retirement indexing		0.50%	0.25%
Rate of salary increase -	2009	3.00%	2.50%
	Thereafter	4.00%	4.00%
Expected rate of return on plan assets		5.85%	6.00%

Significant actuarial assumptions used in the determination of the defined benefit obligation [illegible] December 31 are:

[illegible]

Funding Valuation

In the event that the actuarial valuation of the Plan for funding purposes determines that the Plan is not fully funded, the University is responsible for providing adequate funding levels in accordance with the Pension Benefits Act of Manitoba.

The actuarial valuation at December 31, 2011 confirms that the defined benefit segment of the Plan has a [illegible]

Amounts in Thousands

The University would normally be required under the *Pension Benefits Act* to make additional contributions to [illegible] universities in Manitoba with an opportunity to be permanently exempted from the usual solvency funding [illegible]

The going-concern deficiency at December 31, 2011 was $30,419 and the annual deficiency funding [illegible]

[illegible] make an additional contributions in 2012 of $607 (2011 - $894) in order to fully fund the cost of accruing [illegible]

The Board of Trustees amended the Plan in 2012 to increase Member and University contributions rates as outlined previously in this note. Prior to January 1, 2012 Member rates for both the defined benefit and defined contribution segments were 6.2% on salary up to the YBE, 4.2% between the YBE and the YMPE and 6.2% between the YMPE and the Year's Maximum Contributory Earnings (YMCE). University contributions to the defined benefit segment were 7.2% on salary up to the YBE, 5.2% between the YBE and the YMPE and 7.2% between the YMPE and the YMCE. University contributions to the defined contribution segment matched Member contributions.

19. Contractual Obligations

The University has operating lease obligations that cover equipment and building space integral to the University's operations. The lease obligations expire at various dates up to and including March 1, 2030. In addition, the University has entered into a number of contracts to complete capital additions and renovations [illegible] on campus properties during the upcoming year. The above obligations require annual payments over the next five years and thereafter as follows:

	Lease	Contractual Obligations	Total
2013/14	$3,944	29,667	$33,611
[illegible]	[illegible]		[illegible]
[illegible]	[illegible]		[illegible]
[illegible]	[illegible]		[illegible]
[illegible]	[illegible]		[illegible]
Thereafter	12,934		12,934
	$24,826	$29,667	$54,493

20. The University of Winnipeg Foundation Inc.

The University's Board of Regents approved the establishment of the University of Winnipeg Foundation Inc. in March 2003. The Foundation's vision is to strengthen, deepen and advance the University's mission through the creation of a long term income stream. The Foundation is a charitable not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

The establishment of the Foundation is based upon mutually binding agreements between the University and the Foundation. Endowment Fund agreements formalize management of the Endowment Fund including the annual income allocation to the University from the Endowment Fund and payment of an administration fee from the Endowment Fund to the Foundation. The Coordination, Cooperation and Fund Agreement and the [illegible] and provide for an operating grant from the University to the Foundation. Details of resulting amounts are

Amounts in Thousands

Financial Position:

The Foundation follows the restricted fund method of accounting for contributions. The Foundation maintains separate funds within its assets and follows the principles of fund accounting to record the day to day transactions.

The financial position of the Foundation at March 31 is summarized as follows:

	March 31, 2013	March 31, 2012 Restated	April 1, 2011
Statement of Financial Position			
[illegible]	[illegible]	[illegible]	[illegible]
Liabilities	1,562	316	541
[illegible]			
Operating Fund	333	397	209
Unrestricted Fund	0	8	2
Investment in Capital Assets	13	4	25
Building and Program Fund	573	598	674
Funds Held Pending Terms of Reference	78	195	79
Internally Restricted	250	0	0
Endowment Fund	41,259	39,688	38,480
Accumulated Remeasurement Gains	2,090	0	0
	44,596	40,690	39,469
	$46,158	$41,206	$40,010

Statement of Operations		
Sources of Funds:		
[illegible]	[illegible]	[illegible]
Investment Income	1,765	1,277
Unrealized Gain (Loss) on Investments	0	[illegible]
[illegible]	[illegible]	[illegible]
Endowment Administration Fee	794	775
[illegible]	0	[illegible]
[illegible]	[illegible]	[illegible]
	9,257	8,980
Uses of Funds:		
Endowment - Gifts to the University	1,265	1,174
Gifts to Other Charities	333	0
Endowment - Administration Fee	794	775
Endowment - Administration Expenses	122	119
[illegible]	[illegible]	[illegible]
Donations Gifted to the University of Winnipeg	[illegible]	[illegible]
	7,641	7,559
Increase in Funds	$1,616	$1,421

Amounts in Thousands

Statement of Cash Flows

Operating Activities:		
Increase in funds	$1,616	$1,421
Items not involving a current outlay of cash	(736)	782
Change in non-cash working capital balances	395	(24)
Increase in funds from operations	1,275	2,179
Capital Activities	(12)	0
Investing Activities	(1,552)	(1,973)
Financing Activities	978	(581)
(Decrease) Increase in cash	689	(375)
Cash, end of year	$1,594	$ 905

...such, is exempt from income taxes under the Income Tax Act (Canada). UWCRC holds ownership interests in for-profit subsidiary entities that are taxable.

UWCRC's mandate is to support the University by developing a sustainable university community that promotes the attractiveness of the University to its faculty, staff, students, and the greater community. UWCRC will manage, as part of its mandate, projects on behalf of the University. This will involve the development of a comprehensive Campus and Community Development Plan, assessment of particular development projects, and the development of partnerships with community, private, and public sector...

UWCRC holds a 25% investment in the land and building situated at 491 Portage Avenue ("Property") in ... The University is leasing office space in the Property.

... The mortgage and advance are secured by an ... debenture registered against the title to the property, share pledge agreements, and postponement of claims by the joint venturers to a total of ...

UWCRC records its 25% investment in the Property on a modified equity basis as a result of significant influence.

Amounts in Thousands

II.

The financial position of UWCRC at March 31 is summarized as follows:

	March 31, 2013	March 31, 2012 (Restated)	April 1, 2011
Statement of Financial Position:			
Assets			
Cash	$373	$214	$179
Accounts Receivable	313	265	154
Due from University of Winnipeg (Note 23)	6	0	12
Capital Assets	610	620	787
Investments, at Equity	4,918	4,790	4,788
	$6,220	$5,889	$5,920
Liabilities and Net Assets			
Accounts Payable and Accrued Liabilities	$72	$23	$73
[illegible]	[illegible]	[illegible]	[illegible]
	$6,220	$5,889	$5,920
Statement of Operations & Changes in Net Assets			
Revenue			
Share of Equity Income	$178	$102	
Consulting	1,482	706	
Other	68	264	
	1,728	1,072	
Expenses			
Salaries and Benefits	920	502	
Consulting and Professional Fees	98	119	
Supplies, Services and Other Expenses	300	348	
	1,318	969	
Excess of Revenue over Expenses	410	103	
Net Assets -- Beginning of Year	5,262	5,159	
Net Assets -- End of Year	$5,672	$5,262	

Statement of Cash Flows

	2013	2012
Increase (decrease) in funds from operations	$289	($224)
Investing activities	(2)	345
Financing activities	(128)	(86)
Increase in cash	159	35
Cash, beginning of year	214	179
Cash, end of year	$373	$214

Amounts in Thousands

22. Contingencies

The University is named as a defendant in litigations where legal action has commenced or is anticipated. [illegible] legal counsel are of the opinion that either the outcomes will not have a material effect on the financial [illegible] No provision has been made in the financial statements in respect of these claims, as of March 31, 2013.

The University, acting as trustee for the 460 Portage Avenue Joint Venture, has entered into an agreement [illegible] for this contingent future payment.

[illegible]

The Foundation and UWCRC are controlled entities of the University. The Trusteed Pension Plan, the 460 Portage Avenue Joint Venture and Diversity Food Services are also related parties. Diversity Food Services (Diversity) is an unincorporated joint venture. Diversity is related to the University by way of UWCRC (a controlled entity) owning 100% of the issued share capital of a numbered company which jointly controls Diversity.

The University charges benefit administration costs to the Trusteed Pension Plan. The charge for 2012-2013 [illegible] of consideration established and agreed to by the related parties.

During the year ending March 31, the University incurred transactions as follows:

	2013	2012
From the University to the Foundation		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]		
i) Transfer of annual donations	$3,908	$3,950
ii) Income allocation	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]		
i) Consulting fees (excluding GST)	$1,276	$634
[illegible]	[illegible]	[illegible]
From the University to the Joint Venture		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
From the Joint Venture to the University		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Amounts in Thousands

These transactions are recorded at the exchange amount which is the amount established and agreed to by the related parties. The University's share of the Joint Venture related party transactions have been [illegible]

At the end of the year, the amounts due to and from related parties is as follows:

	2013	2012
Due from Related Party		
Foundation	$759	$159
UWCRC	0	134
460 Portage Avenue Joint Venture	22	50
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Due to Related Parties		
Foundation	542	919
UWCRC	6	38
	$ 548	$ 957

In addition to those related transactions disclosed elsewhere in these financial statements, the University is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The University enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

24. 460 Portage Avenue Joint Venture

The University of Winnipeg entered into an unincorporated Joint Venture Agreement with the Plug-In Institute of Contemporary Art (Plug-In ICA) in July 2009. The purpose of the joint venture is to construct and operate a building primarily intended to provide space for the operations of the University and Plug-In on a break-even basis. The terms of the operation of the joint venture are defined in the Joint Venture Agreement. Both the University and Plug-In are registered charities, exempt from income taxes under the Income Tax Act (Canada).

The joint venture consists of the bottom three floors of the building known as 460 Portage Avenue as well as the parking lot directly behind the building. Plug-In has one third ownership of the joint venture, with the University owning the remainder. The Joint Venture Agreement provides each party with a veto over significant decisions related to the building. [illegible] University as trustee of the joint venture. Operating expenses for the entire building are included in the joint venture. Recoveries for expenses related to the 4th floor which is entirely owned by the University are included as revenues from the University. [illegible] Note 23.

The Joint Venture financial statements have been prepared in accordance with Canadian accounting [illegible] financial statements for the years ended March 31. There are no significant differences in accounting policies from those adopted by the University.

Amounts in Thousands

	2013	2012
Statement of Financial Position		
Assets:		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Intangible Asset	1,258	1,291
	9,751	8,221
Liabilities and Venturers' Equity		
Accounts Payable and Accrued Liabilities	6	6
Due to the University of Winnipeg	7,651	6,097
Deferred Capital Contributions	416	399
Venturers' Equity	1,678	1,719
	9,751	8,221
Statement of Operations		
Revenues		
Rental Revenue	115	75
Amortization of Deferred Capital Contribution	[illegible]	[illegible]
Expense Recovery from Venturers	621	571
[illegible]	[illegible]	[illegible]
Expenses		
Building Operating	271	271
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Statement of Cash Flows		
Cash Receipts from Tenants & Venturers	[illegible]	[illegible]
Cash Paid to Suppliers	(273)	(275)
Interest Paid	(361)	(342)
Cash Flows used by Operating Activities	[illegible]	[illegible]
Proceeds from Long Term Financing	[illegible]	0
Capital Contributions Received	[illegible]	[illegible]
Repayment of Long Term Debt	(602)	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible]

The intangible asset included in the Joint Venture represents the University's ability to obtain long term financing and is valued at the amount agreed to in the Joint Venture Agreement. The University's portion of the intangible asset as well as certain other balances was eliminated in the University's accounts on consolidation.

Construction of the building resulted in a number of deficiencies which had to be rectified upon possession. The cost of remedial action is included in the cost of the building; however the Joint Venture is negotiating [illegible] these negotiations is unknown but may result in a recovery between $0 and $775 being recognized by the Joint Venture. [illegible]

25. Reclassification of Comparative Figures

Certain 2011 and 2012 comparative numbers have been reclassified to conform with the financial statement presentation adopted for 2013.