

Board of Governors

Agenda, Minutes and Supporting Documents

October 29, 2013

4 pm

Room 203 Toldo Health Education Centre

Please review all documents prior to the Board of Governors meeting.

Hardcopies will also be distributed by mail.

All documents for this meeting are contained in the one PDF file for easy reading/printing.

If you are unable to attend, please notify Carol Perkes at carol7@uwindsor.ca

NOTICE OF MEETING
 There will be a meeting of the
Board of Governors
 Tuesday, October 29, 2013 at 4:00 pm
 in Room 203, Toldo Health Education Centre

BG131029A

AGENDA

ITEM	DESCRIPTION	DOCUMENT #	ACTION
<i>Declaration of conflict of interest</i>			
1	Approval of the Agenda		
2	Minutes of the meeting of June 18, 2013 (p4)	BG130618M	Jones-Approval
3	Business arising from the minutes		
4	Outstanding Business/New Business		
	4.1 Reports:		
	4.1.1 Remarks from the Chair		Jones-Information
	4.1.2 President's Report		Wildeman-Information
	4.1.2.1 Presentation by Dean, Faculty of Science		Koschinsky-Information
	4.2 Audit Committee		
	4.2.1 Audited Financial Statements for the year-ended April 30, 2013 (p8)	BG131029-4.2.1	Farmer-Approval
	4.2.2 External Auditors' Report for the year-ended April 30, 2013 (p31)	BG131029-4.2.2	Farmer-Information
	4.2.3 Appointment of External Auditors for 2013/2014 (p32)	BG131029-4.2.3	Farmer-Approval
	4.3 Executive Committee		
	4.4 Governance Committee		
	4.4.1 Naming Policy Revisions (p33)	BG131029-4.4.1	Olivero-Approval
	4.4.2 Bylaw 1 Revision (p34)	BG131029-4.4.2	Olivero-Approval
	4.5 Investment Committee		
	4.6 Pension Committee		
	4.7 Resource Allocation Committee (See item 4.2.1 above)		
5	In Camera		
6	Adjournment		

[Bylaw 1, Section 2.6 – Consent Agenda: Items that normally do not require debate or discussion either because they are routine, standard, or noncontroversial, shall be “starred” (identified by an asterisk (*)) on the agenda. “Starred” items will not be discussed during a meeting unless a member specifically requests that a “starred” agenda item be ‘unstarred’, and therefore open for discussion/debate. A request to “unstar” an agenda item can be made at any time before (by forwarding the request to the Secretary) or during the meeting. By the end of the meeting, agenda items which remain “starred” (*) will be deemed approved or received by the Board, as the case may be. No individual motion shall be required for the adoption of “starred” agenda items.]



Date: Tuesday, June 18, 2013

Time: 4:10 pm – 5:55

Room: 203 Toldo

Members: Mr. Greg Aarsen (phone), Mr. Iftexhar Basith, Mr. Vince Bassman, Mr. Rob Crawford, Dr. Stanley Cunningham, Dr. Beth Daly, Mr. Peter Farmer (phone), Ms. Marilyn Farough, Mr. Norbert Hartmann, Mr. Dean Jacobs, Ms. Jennifer Jones (Chair), Dr. Dietmar Lage, Ms. Sheila MacKinnon, Mr. Tony Mancina, Rev. Paul McGill, Mr. Dave Montgomery, Mr. Vic Neufeld, Ms. Rachel Olivero, Mr. Osman Raza, Ms. Pat Soulliere, Dr. Fouad Tayfour, Dr. Alan Wildeman, Mr. William Willis, Mr. Bill Wright.

Regrets: Ms. Penny Allen, Dr. Gordon Drake, Mr. Werner Keller, Dr. Ed King, Dr. Marlys Koschinsky, Mr. Fred Quenneville, Dr. Marijke Taks.

Administration and Guest Speakers: Ms. Sandra Aversa, Ms. Jane Boyd, Mr. Mark Charlton, Ms. Anna Kirby, Ms. Rita LaCivita, Ms. Susan Mark, Mr. John Osborne, Ms. Holly Ward, Ms. Renée Wintermute (University Secretary), Ms. Carol Perkes (Board Governance Officer). +VG Architects – Mr. Paul Sapounzi.

1 Approval of the Agenda

MOTION: That the Agenda be approved.

Osman/Bassman
CARRIED

2 Minutes of the meeting of May 28, 2013

MOTION: That the Minutes of the meeting of May 28, 2013 be approved.

Lage/Osman
CARRIED

3 Business arising from the minutes

4 Outstanding Business/New Business

4.1 Reports

4.1.1 Remarks from the Chair

NOTED:

- Board members were thanked for attending the opening of CEI. Holly Ward and Jane Boyd were thanked for their contributions toward the success of the event.
- Convocation took place in the preceding week and the ceremonies were wonderful.
- Recent achievements of a few Board members were shared.

4.1.2 President's Report

NOTED:

- In Fall of 2014, Education will move to a two year program with a total of 80 mandatory hours of classroom teaching time compared to the 40 hours that is required now. The number of spaces will be cut in half. It is not clear at this time how this will impact funding.
- Nursing will be funded by envelope so that the collaborative program can be tracked and funded separately.
- Convocation was successful and enjoyable.
- The next regularly scheduled Board of Governors meeting is in October. The CUPE and CAW unions are currently in negotiations and if there is a need to ratify, the Board will be contacted for a special meeting.

- The Board took a moment to remember current students, faculty and staff who passed away during the past academic year.
- With regard to the email that went out to Board members pertaining to the Centre for Studies in Social Justice, the Centre was not created by the Senate and it did not oversee any courses or academic programs under the purview of Senate. Valuable activities will be continued by deans/faculties as appropriate. Discussions are ongoing on how the Library can continue to support the journal. Social justice issues permeate across campus, not just in the Social Justice Centre.

4.2 Audit Committee

Nothing to report.

4.3 Executive Committee

Nothing to report.

4.4 Governance Committee

Nothing to report.

4.5 Investment Committee

Nothing to report.

4.6 Pension Committee

NOTED:

- At its May 29th, 2013 meeting, the Pension Committee was updated on a number of initiatives that are being discussed at the provincial level regarding University sector pension plans.
- In the Spring 2012 Provincial Budget, the Government announced that it intended to introduce a legislative framework that would facilitate the pooling of pension fund assets in the Broader Public Sector (BPS), encouraged universities to move to a 50/50 cost sharing arrangement for their pension plans, and supported the creation of a jointly sponsored pension plan (JSPP).
- In the Spring 2013 Provincial Budget, the Government reconfirmed its commitment to pension plan initiatives announced in their Spring 2012 budget.
- The JSPP, pooled asset management, and other pension plan sustainability options are being reviewed by the COU, Working Groups of university administrators, and the Ontario Pension Coalition (led by the Ontario Confederation of University Faculty Associations). Among others, there are issues related to legacy deficits, and variations in pension benefits across universities that need to be considered.
- While these options are reviewed, COU will continue to push the government for an extension of the temporary solvency payment relief period, which is about to expire.
- The pooling of pension fund assets in the BPS has not been legislated as of yet.

4.7 Resource Allocation Committee

4.7.1 Welcome Centre

(See document BG130618-4.7.1 for additional information)

MOTION: That the Board of Governors approve that the University proceed to award the Design-Build Contract to the most qualified design/build team for the building of the new Welcome Centre if within the overall budget of \$8.0M.

Farmer/Wright

NOTED:

- The design/build method is beneficial, reduces risks and the number of changes required.

CARRIED

4.7.2 Campus Master Plan

(See document BG130618-4.7.2 and BG130618-4.7.2.a for additional information)

MOTION: That the Board of Governors approve the Campus Master Plan as presented.

Farmer/Tayfour

NOTED:

- Mr. Paul Sapounzi of +VG presented the Campus Vision Master Plan at the meeting. The vision included a brief description of each of the following:
 - Welcome Centre
 - 1 Waterfront Campus
 - 2 International Campus
 - 3 Library Commons
 - 4 Student Commons
 - 5 Heritage Commons
 - 6 Science Commons
 - 7 Dramatic Arts Commons
 - 8 Innovation Corridor
 - 9 Residence Commons
 - 10 Campus Discovery Centre
 - 11 Downtown Campus Corridor
- The key point of arrival and gateway will be the Welcome Centre and Commons. It will be located at the University's crossroads (Sunset and Wyandotte) and will bring together the north and south quadrants of the University.
- The design connects the various areas of campus. Projects will be undertaken as funding opportunities arise. The concept works with existing buildings/houses.
- This is the approval of a vision – how the campus can take shape over the next few decades. The Campus Master Plan is designed to be flexible and fluid so that it can be revisited and realigned as required. It takes existing tendencies and amalgamates them.
- The City of Windsor is open to discussions involving the Campus Master Plan.
- Mr. Sapounzi was thanked for really listening to and implementing the input provided and for producing an extraordinary template for the University to work toward.

CARRIED, Unanimously

4.7.3 Sunset Corridor Project

NOTED:

- Planning continues for the closure of Sunset Avenue between Wyandotte and Fanchette. A traffic impact study has been completed as requested by the City. The City of Windsor and the University continue to review the impact of the anticipated increase in traffic volume on California Avenue with the closure. Upgrades to California Avenue will need to be made prior to the Sunset Avenue closure.
- The Board will be kept informed as this progresses. The University will get started on landscaping features on the corner of Sunset and Wyandotte including the Welcome Centre area. Landscaping of the closed parking lots on Sunset will also be planned as a first step.

5 In Camera

The following *In Camera* motions were read into the Public Minutes.

MOTION 1: That Senate's appointment of Dr. Antonio Rossini to the Board of Governors be ratified.

Olivero/Lage
CARRIED

MOTION 2: That the following board members be recommended for re-appointment to the Board:

- Marilyn Farough (for a second three year term beginning October 19, 2013)
- Pat Soulliere (for a second term three year beginning July 1, 2013)

Olivero/Hartmann
Abstentions: 2
CARRIED

MOTION 3: That Gordon Drake be reappointed for a three year term on the Pension Committee.

Olivero/Cunningham
CARRIED

6 Adjournment

NOTED:

- As previously discussed, it was noted that the Centre for Social Justice is not a Board issue, it is an administrative issue. The Centre for Social Justice is not responsible for academic programming and was not approved by Senate. This reduction has not resulted in programming cuts. Worthwhile Social Justice Centre activities will continue through the Faculties.

MOTION: That the meeting be adjourned.

Tayfour/Montgomery
CARRIED

**University of Windsor
Board of Governors**

4.2.1: **Audited Financial Statements for the year-ended April 30, 2013**

Item for: **Approval**

Forwarded by: **Audit Committee/Resource Allocation Committee**

MOTION: That the Board of Governors approve the audited financial statements of the University of Windsor for the years ended April 30, 2013 and April 30, 2012 including the statements of financial position at April 30, 2013, April 30, 2012, and May 1, 2011.

Rationale:

- See 'Statement of Administrative Responsibility'.

See attached.

Statement of Administrative Responsibility

The Administration of the University is responsible for the preparation of the financial statements, the notes and all other financial information contained in this annual report.

The Administration has prepared the financial statements in accordance with accounting principles generally accepted for Canadian Universities and in accordance with guidelines developed by the Canadian Association of University Business Officers and the Canadian Institute of Chartered Accountants. In order to achieve the objective of fair presentation in all material respects, reasonable estimates and judgments were employed. The Administration believes that the financial statements present fairly the University's financial position as at April 30, 2013 and 2012 and May 1, 2011 and the results of its operations for the years then ended April 30, 2013 and April 30, 2012.

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

The Board of Governors is responsible for ensuring that the Administration fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Governors carries out its responsibility for review of the financial statements principally through the Audit Committee. The members of the Audit Committee are not officers or employees of the University. The Audit Committee meets with the Administration, as well as the external auditors, to discuss the results of audit examinations and financial reporting matters and to satisfy itself that each party is properly discharging its responsibilities. The auditors have full access to the Audit Committee with and without the presence of the Administration.

The financial statements for the years ended April 30, 2013 and 2012 and May 1, 2011 have been reported on by KPMG LLP, Chartered Accountants, the auditors appointed by the Board of Governors. The independent auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Dr. Alan Wildeman
President

Ms. Sandra Aversa
Vice President, Planning and Administration

UNIVERSITY OF WINDSOR

Statements of Financial Position

(in thousands of dollars)

April 30, 2013, April 30, 2012 and May 1, 2011

		April 30, 2013	April 30, 2012	May 1, 2011
		\$	\$	\$
ASSETS				
				note 15
Current				
Cash and cash equivalents		29,728	10,669	23,294
Short-term investments		415	41,580	59,185
Accounts receivable		16,780	21,620	16,358
Inventories and prepaid expenses		4,028	3,286	3,383
Total current assets		50,951	77,155	102,220
Investments	note 2	139,997	110,073	107,352
Capital assets, net	note 3	326,964	294,079	261,106
		517,912	481,307	470,678
LIABILITIES and DEFERRED CONTRIBUTIONS				
Current				
Accounts payable and accrued liabilities	note 11	43,989	50,107	37,780
Deferred revenue		7,659	4,053	4,844
Deferred contributions	note 4	34,550	34,493	35,881
Current portion of long-term debt		1,104	482	463
Total current liabilities		87,302	89,135	78,968
Deferred capital contributions	note 5	154,789	154,524	151,898
Employee future benefit liabilities	note 6	115,099	113,066	86,463
Long-term debt	note 7	118,848	92,378	93,789
		476,038	449,103	411,118
NET ASSETS				
Unrestricted				
Funded operations		9	14	-
Unfunded operations		(118,090)	(116,734)	(89,908)
Total unrestricted		(118,081)	(116,720)	(89,908)
Internally restricted	note 8	89,065	83,668	84,207
Endowment	note 9	70,890	65,256	65,261
		41,874	32,204	59,560
Commitments and contingent liabilities	note 14			
		517,912	481,307	470,678

UNIVERSITY OF WINDSOR**Statements of Operations**

(in thousands of dollars)

Years ended April 30, 2013 and 2012

	2013	2012
	\$	\$
REVENUE		
Grants and contracts	135,705	138,438
Student fees	133,633	122,691
Sales and services	23,922	23,821
Investment income	8,672	8,469
Donations, non-endowment	1,407	2,410
Amortization of deferred capital contributions	6,735	4,875
Other revenue	11,238	11,261
	321,312	311,965
EXPENSES		
Salaries and benefits	205,463	204,982
Materials, supplies and services	34,749	33,221
Repairs and renovations	15,076	17,475
Cost of goods sold	6,544	7,000
Utilities	8,020	8,013
Interest on long-term debt	6,412	6,193
Scholarships and bursaries	17,793	18,283
Amortization of capital assets	18,635	16,778
	312,692	311,945
Excess of revenue over expenses, before other items	8,620	20
Change in unfunded employee future benefit liabilities	(2,033)	(26,603)
Change in fair value of interest rate swaps	(1,723)	(223)
Excess (Deficiency) of revenue over expenses	4,864	(26,806)

See accompanying notes

UNIVERSITY OF WINDSOR

Statements of Changes in Net Assets

(in thousands of dollars)

Years ended April 30, 2013 and 2012

					2013	2012
	Unrestricted		Internally Restricted	Endowment	Total	Total
	Funded Operations	Unfunded Operations	(note 8)			
	\$	\$	\$	\$	\$	\$
Net assets, beginning of year (note 15)	14	(116,734)	83,668	65,256	32,204	59,560
Excess (deficiency) of revenue over expenses	23,507	(1,356)	(17,287)		4,864	(26,806)
Change in unexpended operating and restricted funds	(36,100)		36,100		-	-
Net contribution to investment in capital assets	13,416		(13,416)		-	137
Investment income (loss) allocated to endowments				5,953	5,953	(470)
Allocation for spending from accumulated investment returns				(3,216)	(3,216)	(2,971)
Internal endowment contributions	(828)			828	-	-
External endowment contributions				2,069	2,069	2,754
Net assets, end of year	9	(118,090)	89,065	70,890	41,874	32,204

See accompanying notes

UNIVERSITY OF WINDSOR**Statements of Cash Flows**

(in thousands of dollars)

Years ended April 30, 2013 and 2012

	2013	2012
	\$	\$
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenses	4,864	(26,806)
Add (deduct) non-cash items:		
Deferred contributions, net	57	(1,388)
Amortization of deferred capital contributions	(6,735)	(4,875)
Amortization of capital assets	18,635	16,778
Employee future benefits	2,033	26,603
Interest rate swaps	1,723	223
Amortization of debt transaction costs	40	39
Net change in investments	(468)	(692)
Net change in non-cash working capital	(137)	6,148
	note 13	
Cash provided by operating activities	20,012	16,030
FINANCING ACTIVITIES		
Repayments of long-term debt	(630)	(463)
Proceeds from issuance of debt	28,700	
Contributions deferred for capital purposes	7,000	7,501
Trusted sinking fund	(1,018)	(968)
Investment income (loss) allocated to endowments	5,953	(470)
Allocation for spending from accumulated investment returns	(3,216)	(2,971)
External endowment contributions	2,069	2,754
Cash provided by financing activities	38,858	5,383
INVESTING ACTIVITIES		
Net change in investments	11,709	15,576
Purchase of capital assets	(51,520)	(49,614)
Cash used in investing activities	(39,811)	(34,038)
Net increase (decrease) in cash and cash equivalents	19,059	(12,625)
Cash and cash equivalents, beginning of year	10,669	23,294
Cash and cash equivalents, end of year	29,728	10,669
Cash paid for interest	6,373	6,176
Cash received from interest	946	870

See accompanying notes

UNIVERSITY OF WINDSOR
NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars, unless otherwise noted)
APRIL 30, 2013 and APRIL 30, 2012

AUTHORITY

The University of Windsor (the “University”) is a mid-sized comprehensive research and teaching university. The University operates under the authority of the University of Windsor Act, 1962-63 which defines the authority and responsibilities of the Board of Governors and the Senate. The University is a registered charity and therefore is, under Section 149 of the Income Tax Act, exempt from payment of income tax.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with Part III of the Canadian Institute of Chartered Accountants’ (“CICA”) Accounting Handbook – Accounting Standards for Not-for-profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada. The University transitioned to these new standards on May 1, 2011. An explanation of the impact of the transition is included in Note 15.

The significant accounting policies of the University are summarized below:

(a) Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and investments with a maturity of approximately three months or less at the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

(b) Financial Instruments

Financial instruments are recorded at fair value upon initial recognition. Investments in equity instruments that are quoted in an active market and derivative contracts are subsequently measured at fair value. All other financial instruments are not subsequently revalued and continue to be carried at this value, which represents cost net of any provisions for impairment, which is assessed on an annual basis.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair market value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and are amortized using the straight-line method.

(c) Investments and investment income

Investments reported at fair value consist of cash, money market funds, term notes, treasury bills, equity instruments that are quoted in an active market as well as pooled fund investments, derivative contracts and any investments in fixed income securities that the University designates upon purchase to be measured at fair value. Fair value amounts represent estimates of the consideration that would be agreed upon by knowledgeable, willing parties who are under no compulsion to act. It is best evidenced by a quoted market price, if one exists. The calculation of estimated fair value is based upon market conditions at a specific point in time and may not be reflective of future fair values.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

Investments that are not designated to be measured at fair value, are recorded at cost plus accrued interest at their effective yield (amortized cost).

Investment income and losses, which consist of interest, dividends, income distributed from pooled funds, realized and unrealized capital gains and losses and realized and unrealized currency gains and losses, net of applicable transaction costs are recorded as investment income (loss) in the Statements of Operations except for the investment income designated for externally restricted endowments.

The amount made available for spending against externally restricted endowments is recorded as investment income and any restricted amounts available for spending that remain unspent at year-end are deferred and categorized as deferred contributions. Investment income on externally restricted endowments in excess of the amount made available for spending, losses on externally restricted endowments and deficiency of investment income compared to the amount available for spending are recorded as direct increases (decreases) to endowments.

(d) Derivative financial instruments

In order to manage its interest rate risk, the University has entered into interest rate swap agreements to convert variable rate interest on bankers' acceptances term loans to a fixed rate. The University does not designate interest rate swap agreements as hedges for accounting purposes. Accordingly, the interest rate swap contracts are marked to market based on the fair value provided by the financial institution which is counterparty to these contracts, with changes in fair value recorded in the Statements of Operations.

(e) Inventories

Inventories are valued at lower of cost and net realizable value.

(f) Capital assets

Capital assets are recorded at cost or at fair market value on the date of acquisition for donated assets.

Amortization of capital assets includes any loss recognized on disposal or impairment in value of capital assets. When a capital asset no longer contributes to the University's ability to provide services, the carrying value is written down to its residual value. Any gains or losses are reported in Amortization of Capital Assets. Amortization is provided on a straight line basis using the following rates:

Buildings	40 Years
Parking lots	15 Years
Equipment	5–20 Years
Library and books	5 Years
Collections (Works of Art and Rare books)	not amortized
Capital in progress	not amortized

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

(g) Revenue recognition

The University follows the deferral method of accounting for contributions which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable. The operating grant from the Province of Ontario is considered unrestricted and is recorded in the period to which the operating funds relate.

Externally restricted contributions, other than endowments, are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred, and when expended, are amortized into revenue, at a rate corresponding with the amortization rate for the related capital assets. External endowment contributions and income preserved as capital protection on externally restricted endowments are recognized as direct increase in net assets in the year in which they are received. Income preserved as capital protection on internally restricted endowments is recorded as unrestricted revenue and transferred to internal endowments.

Donations of assets are recorded at fair value when a fair value can be reasonably estimated. Pledges receivable are not recorded as an asset in the accompanying financial statements. Endowment contributions are recognized as direct increases in net assets.

Tuition fees which relate to academic terms or parts thereof occurring after April 30 are recorded as deferred revenue.

Revenue from student fees and from the sale of services and products is recognized at the time the products are delivered or the services provided. All ancillary revenues from student fees and sale of goods and services are included in sales and services on the Statements of Operations.

Externally restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(h) Employee future benefits

The University of Windsor Employees' Retirement Plan (Employee Plan) is a defined benefit plan. The University of Windsor Retirement Plan for Faculty and Certain Other Employees (Faculty Plan) is a defined contribution pension plan, which has a defined benefit component that provides a minimum level of pension benefits. Under this hybrid Faculty Plan, the University and employees are required to make contributions based on a specified percentage of the employee's earnings. The amount of pension benefits provided to employees is based upon the accumulation of contributions and investment earnings thereon, when the employee retires, subject to a guaranteed minimum benefit amount.

The University has approved supplemental plans for certain retirees to provide them with benefits that are in excess of limitations within a Registered Plan.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

Additionally, certain faculty are members of the Teachers' Superannuation Fund and employees who are members of CUPE 1001 are members of the CUPE 1001 Pension Plan. Both of these plans are multi-employer plans and as such, the University records the cost of providing these benefits equal to its requirement to make contributions on an annual basis.

The University provides other post employment employee benefits such as medical, dental and life insurance to eligible employees and retirees.

The University accounts for its defined benefit plans using the immediate recognition approach. The University recognizes the amount of the accrued benefit obligation, net of the fair value of plan assets measured at year end, adjusted for any valuation allowance, in the Statements of Financial Position. Actuarial gains and losses and past service costs are included in the cost of the plans for the year.

The accrued benefit obligation for the pension plans are determined based on the latest actuarial valuation report prepared for funding purposes. The actuarial valuations are performed at least every three years. In the years between valuations, pension plan results are prepared based on extrapolation of the latest available funding valuation results. Assets of the Employee and Faculty Plans are valued using fair values at April 30.

The accrued benefit obligation for other non pension benefits is determined based on an actuarial valuation using accounting assumptions that is prepared at least every three years. In years when an actuarial valuation is not prepared, the University uses a roll forward technique to estimate the accrued liability.

The cost of providing post-employment benefits other than pensions is determined and recognized in the Statements of Operations and Changes in Net Assets on an actuarial basis using the projected benefit method prorated on services and administration's best estimates regarding assumptions about a number of future conditions including investment returns, compensation changes, withdrawals, mortality rates and expected health care costs. The discount rate used to determine service cost and liabilities is based on the prevailing market interest rates on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

(i) Unrestricted unfunded operations

The changes in unfunded employee future benefits and the fair value of interest rate swaps are included in unrestricted unfunded operations.

(j) Internally restricted net assets

University policy permits faculties and other departments to carry forward certain unexpended budget allocations for future purposes. These amounts are provided for by transfers to internally restricted net assets. Also included, are amounts restricted for the purpose of investment in capital assets and unspent departmental internally restricted funds.

(k) Vacation pay

Unpaid vacation pay is accrued for salaried staff and hourly staff. No accrual is made for faculty as normal salaries include provision for vacation.

NOTE 1**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)****(l) Contributed services**

Volunteers contribute an indeterminable number of hours per year to assist the University in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(m) Use of estimates

The preparation of financial statements requires Administration to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, valuation allowance for accounts receivable, and assets and obligations related to pension and employee future benefits. Actual results could differ from those estimates.

(n) Agency obligations

The University acts as an agent which holds resources and makes disbursements on behalf of various unrelated individuals and groups. The University has no discretion over such agency transactions. Resources received in connection with such agency transactions are reported as liabilities, not revenue, and subsequent distributions are reported as decreases to these liabilities.

NOTE 2**INVESTMENTS**

	2013	2012
	\$	\$
Cash, money market funds, term notes and treasury bills	21,892	24,018
Government and corporate bonds	66,388	81,540
Canadian equities	27,508	25,186
Global equities	24,624	20,909
	140,412	151,653
Less amounts reported as:		
Short-term investments	415	41,580
	139,997	110,073

NOTE 3
CAPITAL ASSETS

	Cost	2013 Accumulated Amortization	Net Book Value	2012 Net Book Value
	\$	\$	\$	\$
Land	8,141		8,141	8,141
Buildings	394,941	134,626	260,315	180,265
Parking lots	2,994	2,438	556	782
Equipment	168,987	144,470	24,517	20,027
Library and books	114,362	103,536	10,826	11,582
Collections	1,359		1,359	1,359
Capital in progress	21,250		21,250	71,923
	712,034	385,070	326,964	294,079

In the year, amortization of capital assets totaled \$18,635 (2012 - \$16,778) including write downs and loss on disposals of \$195 (2012 - \$712).

NOTE 4
DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for research and other purposes. Changes in deferred contributions are as follows:

	2013 \$	2012 \$
Balance, beginning of year	34,493	35,881
Amount recognized as revenue in the year	(34,493)	(35,881)
Amount received or accrued related to the following year	34,550	34,493
Balance, end of year	34,550	34,493

NOTE 5
DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unspent and unamortized amount of donations and grants received for the purchase of capital assets. Changes in deferred capital contributions are as follows:

	2013	2012
	\$	\$
Unspent:		
Balance, beginning of year	820	25,000
Add contributions received in the year	7,000	7,501
Less amounts utilized in the year	(6,603)	(31,681)
Balance, end of year	1,217	820
Unamortized:		
Balance, beginning of year	153,704	126,898
Add contributions utilized in the year	6,603	31,681
Less amounts amortized to revenue	(6,735)	(4,875)
Balance, end of year	153,572	153,704
Total deferred capital contributions	154,789	154,524

NOTE 6
EMPLOYEE FUTURE BENEFITS

Defined benefit plans

The University measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at April 30 of each year. The latest actuarial valuations for funding purposes, for the Faculty and Employee Plans were completed as of July 1, 2011. The next valuations are required to be completed as of July 1, 2014.

The assets of the plans (other than the supplemental plan) are managed by external investment managers, are held by an independent custodian, and are completely separate and apart from the assets of the University.

The University also provides for other non-pension post-employment employee benefits. The University measures its accrued non-pension employee future benefits for accounting purposes as of April 30 each year. An actuarial valuation was completed as of April 30, 2013.

NOTE 6
EMPLOYEE FUTURE BENEFITS (cont'd)

Information about the University's benefit plans as at April 30 is as follows:

(a) Reconciliation of the funded status of the defined benefit plans to the accrued benefit asset (liability):

	2013			
	Pension		Other	Totals
	Faculty	Employee		
	\$	\$	\$	\$
Accrued benefit obligation	406,983	158,293	68,816	634,092
Fair value of plan assets	360,700	166,455		527,155
Valuation allowance		(8,162)		(8,162)
Plan deficit	(46,283)	-	(68,816)	(115,099)

	2012			
	Pension		Other	Totals
	Faculty	Employee		
	\$	\$	\$	\$
Accrued benefit obligation	385,285	149,842	56,994	592,121
Fair value of plan assets	329,213	150,607		479,820
Valuation allowance		(765)		(765)
Plan deficit	(56,072)	-	(56,994)	(113,066)

In addition to the plan assets, the University has set aside \$1,446 (2012 - \$1,564) as internally restricted net assets at April 30, 2013 related to its supplemental retirement arrangement obligations (Payroll pensions) (note 8).

(b) Details of annual contributions and benefits paid are as follows:

	2013			
	Pension			Other
	Faculty	Employee	Multi-employer	
	\$	\$	\$	\$
Employer contributions	13,370	3,512	504	1,087
Employees contributions	5,894	3,512	499	
Benefits paid	20,416	6,248	n/a	1,087

NOTE 6
EMPLOYEE FUTURE BENEFITS (cont'd)

	2012			Other \$
	Pension		Multi- employer \$	
	Faculty \$	Employee \$		
Employer contributions	10,777	3,535	464	1,239
Employees contributions	4,994	3,535	457	
Benefits paid	20,960	5,247	n/a	1,239

(c) Information on the net benefit expense included in salaries and benefits and change in unfunded employee future benefit liability is as follows:

	2013		2012	
	Pension \$	Other \$	Pension \$	Other \$
Current service and finance costs	42,724	5,930	40,825	4,538
Actual return on plan assets	(47,473)		(1,715)	
Actuarial (gains) losses	4,683	6,979	(4,312)	9,203
Increase (decrease) in valuation allowance	7,397		(6,179)	
Net benefit expense	7,331	12,909	28,619	13,741

(d) Plan assets are invested as follows:

	2013	2012
	%	%
Equities	62.0	58.0
Fixed income	35.0	36.0
Other	3.0	6.0
	100%	100%

NOTE 6**EMPLOYEE FUTURE BENEFITS (cont'd)**

(e) The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation and benefit costs for accounting purposes are as follows:

	2013		
	Pension		Other
	Faculty	Employee	
Accrued Benefit Obligation:			
Discount rate	5.95%	5.60%	4.20%
Rate of compensation increase	5.00%	4.00%	5.00%
Initial weighted average health care trend rate	n/a	n/a	7.34%
Ultimate weighted average health care trend rate	n/a	n/a	4.50%
Year ultimate rate reached	n/a	n/a	2030
Benefit Cost:			
Discount rate	5.95%	5.60%	5.00%
Rate of inflation	2.60%	2.60%	n/a
Rate of compensation increase	5.00%	4.00%	5.00%
2012			
	Pension		Other
	Faculty	Employee	
Accrued Benefit Obligation:			
Discount rate	5.95%	5.60%	5.00%
Rate of compensation increase	5.00%	4.00%	5.00%
Initial weighted average health care trend rate	n/a	n/a	7.60%
Ultimate weighted average health care trend rate	n/a	n/a	4.50%
Year ultimate rate reached	n/a	n/a	2030
Benefit Cost:			
Discount rate	5.75%	5.75%	5.90%
Rate of inflation	2.60%	2.60%	n/a
Rate of compensation increase	5.00%	4.00%	5.00%

NOTE 7
LONG-TERM DEBT

(a) Details of the long-term debt are as follows:

	Maturity Fiscal Year	Interest Rate	Annual Payment (Principal and/or Interest) \$	2013 Principal Outstanding \$	2012 Principal Outstanding \$
Series A Senior Unsecured Debentures	2047	5.37%	5,816	108,300	108,300
Less: Trusteed Sinking Fund Transaction costs				(20,781) (1,313)	(19,763) (1,353)
			5,816	86,206	87,184
TD Bank	2043	3.03%	364	28,553	
Bank of Montreal	2024	6.425%	672	5,043	5,376
Great West Life Assurance Co.	2014	0.00%	150	150	300
			1,186	33,746	5,676
				119,952	92,860
Current portion of long-term debt				1,104	482
			7,002	118,848	92,378

The University has entered into an interest derivative agreement with the Bank of Montreal to manage the volatility of interest rates. The University converted floating rate debt for fixed rate debt at 6.425%. The related derivative agreement is in place until the maturity of the debt in fiscal 2024.

In 2013, the University entered into a credit facility loan agreement with TD Bank. The 1st tranche of the loan for \$28,700, was issued on January 31, 2013. This is a floating rate 20 year loan, hedged with an interest rate swap to lock in an effective interest rate of 3.03%. The interest rate swap matures in January 2043. A 2nd tranche, in the total amount of \$43,400, will be drawn over a period ending June 2014. This credit facility will be interest only until February, 2015. At such time principal and interest payments will be made. This is a floating rate 20 year loan, hedged with an interest rate swap to lock in an effective interest rate of 3.13%. The interest rate swap matures in January 2045.

The change in market value of interest rate swaps is recorded in the Statements of Operations.

(b) Long-term debt repayments:

The principal repayments of the long-term debt required in the next five fiscal years are:

<u>Fiscal Year</u>	<u>Principal</u>
2014	1,104
2015	995
2016	1,037
2017	1,082
2018	1,129

NOTE 8
INTERNALLY RESTRICTED NET ASSETS

	2013	2012
	\$	\$
Invested in capital assets	54,421	85,124
Unexpended operating funds		
Purchase orders and special projects	9,807	8,770
Internally financed capital and repair projects	(18,084)	(44,062)
Budget carryforward for operating expenditures	25,794	17,851
Positioning fund	2,417	2,417
Other specific purposes	4,929	3,213
Ancillary enterprises	(2,827)	(2,566)
Financial planning	1,000	1,000
Working capital investment reserve	993	765
Payroll pensions	1,446	1,564
	25,475	(11,048)
Unexpended restricted funds		
Unspent departmental research funds	7,226	7,623
Unspent departmental trust funds	1,943	1,969
	9,169	9,592
Total unexpended operating and restricted funds	34,644	(1,456)
Total internally restricted net assets	89,065	83,668

NOTE 9
ENDOWMENT

Contributions restricted for endowment consist of restricted donations received by the University, internal allocations, and contributions internally endowed by the Board of Governors. The investment income generated from endowments must be used in accordance with the various purposes established by the donors or the Board of Governors.

Investment income on endowments that is available for spending at the discretion of the University or is available for spending as conditions have been met, has been recorded in the Statements of Operations. Under University policy, only a portion of the income is spent and the balance is reinvested with the objective of protecting the real value of the endowment against inflation and fluctuations in market returns. In any particular year, should net investment income be insufficient to fund the amount to be made available for spending, or if the investment return is negative, the amount that is made available for spending is funded from accumulated reinvested income.

NOTE 9**ENDOWMENT (cont'd)**

	Externally Endowed \$	Internally Endowed \$	2013 Total Endowed \$	2012 Total Endowed \$
Endowment, beginning of year	58,904	6,352	65,256	65,261
Internal contributions	510	318	828	682
External contributions	2,069		2,069	2,754
Investment income (loss) allocated to endowments	5,953		5,953	(470)
Allocation for spending from accumulated investment returns	(3,216)		(3,216)	(2,971)
Endowment, end of year	64,220	6,670	70,890	65,256

NOTE 10**ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)**

Externally restricted endowments include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support matching programs to award student aid as a result of raising an equal amount of endowed donations.

The University has recorded the following amounts under Phase I of the OSOTF program:

	2013 \$	2012 \$
Endowment Funds:		
Balance, beginning of year	6,941	7,297
Investment income	311	(29)
Preservation capital	105	(327)
Balance, end of year	7,357	6,941
Expendable Funds:		
Balance, beginning of year	478	440
Investment income	369	382
Bursaries awarded (2013-158; 2012-177)	(278)	(292)
Transfer to Endowment	(107)	(52)
Balance, end of year	462	478

The University has recorded the following amounts under Phase II of the OSOTF program:

	2013 \$	2012 \$
Endowment Funds:		
Balance, beginning of year	2,574	2,572
Preservation capital	(57)	2
Balance, end of year	2,517	2,574

NOTE 10**ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS) (cont'd)**

	2013	2012
Expendable Funds:	\$	\$
Balance, beginning of year	146	116
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	100	114
Bursaries awarded (2013-73 ; 2012-95)	(107)	(84)
Balance, end of year	139	146

The market value of the endowment as at April 30, 2013 is \$2,894 (2012 - \$2,748).

The University has recorded the following amounts under the OTSS program:

	2013	2012
Endowment Funds:	\$	\$
Balance, beginning of year	21,082	19,257
Donations		1,371
OTSS matching fund		721
Preservation capital	1	(267)
Balance, end of year	21,083	21,082
Expendable Funds:		
Balance, beginning of year	1,154	975
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	1,030	696
Bursaries awarded (2013-399; 2012-394)	(662)	(517)
Balance, end of year	1,522	1,154

The market value of the endowment as at April 30, 2013 is \$24,650 (2012 - \$22,730).

NOTE 11**ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities, are government remittances payable of \$2,879 (2012 - \$2,591) which includes amounts payable for HST and payroll related taxes.

NOTE 12
FINANCIAL INSTRUMENTS

The University's financial instruments have been recognized and measured as disclosed in note 1. The University manages certain risks associated with its financial instruments as follows:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The University is subject to interest rate cash flow risk with respect to its floating rate debts. The University has addressed this risk by entering into interest rate swaps that fix the interest rates for the terms of the loans. All other debts of the University have fixed rates and are therefore not exposed to cash flow interest rate risk.

The University's short-term and portfolio investments are subject to interest rate fluctuations as maturing investments are reinvested at new rates of interest. The market value of investments in Government and Corporate bonds will fluctuate due to changes in market interest rates.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates. The University receives some research revenues in non-Canadian currencies and does not mitigate the potential for loss in revenues that could result due to a fall in value of the foreign currency between invoicing of such amounts and the time of receipt of funds. A portion of the University's investments for Endowment is invested outside of Canada. A reduction in the value of that foreign currency would have an adverse affect on the value of these investments. This risk is monitored through its investment managers.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause another party to incur a financial loss. Accounts receivable are recorded net of an allowance for doubtful accounts of \$5,384 (2012 - \$4,959). The University does not expect other counterparties to fail to meet their obligations given their high credit ratings. The University has established policies and minimum credit rating requirements for such investments.

NOTE 13
STATEMENTS OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2013	2012
	\$	\$
Accounts receivable	4,840	(5,262)
Inventories and prepaid expenses	(742)	97
Accounts payable and accrued liabilities	(7,841)	12,104
Deferred revenue	3,606	(791)
Net change working in non-cash working capital balances	(137)	6,148

NOTE 14
COMMITMENTS AND CONTINGENT LIABILITIES

At April 30, 2013, commitments for future construction and renovations amounted to approximately \$20,114 (2012 - \$47,679). These projects will be financed by grants, internal funds and fundraising.

The University is a member of the Canadian University Reciprocal Insurance Exchange (CURIE). CURIE insures general liability, property and certain other risks. Annual premiums paid by the University will be determined by an Advisory Committee on the advice of the Actuary. There is provision under the agreement for assessments to the University if these premiums are not sufficient to cover any losses of CURIE.

The University has been named as a defendant or co-defendant in several actions for damages. The outcome and the amount of the losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in the financial statements. The amount will be accounted for in the period when and if such losses are determined.

NOTE 15
IMPACT OF THE TRANSITION TO CANADIAN STANDARDS FOR NOT-FOR-PROFIT-ORGANIZATIONS

The University has elected to apply Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook for its fiscal year beginning May 1, 2011. The accounting policies described in Note 1 have been applied in preparing the financial statements for the year ended April 30, 2013, the comparative information for the year ended April 30, 2012 and in preparation of the opening statement of financial position at May 1, 2011.

The following table summarizes the impact of the transition to Not-For-Profit Standards on the University's net assets:

Net Assets:	\$
As previously reported under Canadian generally accepted accounting principles, April 30, 2011	104,501
Transition election on pension benefit plans	
• Immediate recognition of cumulative actuarial losses	(73,917)
• Rollforward of funding valuation	34,774
Transition election on other benefit plans	
• Immediate recognition of cumulative actuarial losses	(5,798)
Restated, May 1, 2011	59,560

The University, in accordance with transitional provisions set out in Section 1501, First-time Adoption by Not-For-Profit Organizations, has applied the following transitional elections:

Employee future benefits – The University has elected to recognize all cumulative actuarial gains and losses and past service costs in opening net assets.

NOTE 15**IMPACT OF THE TRANSITION TO CANADIAN STANDARDS FOR NOT-FOR-PROFIT-ORGANIZATIONS (cont'd)**

Financial Instruments – The University has applied Section 3856 in Part II of the Handbook. There are no adjustments required to opening net assets as a result of adopting this new Section.

As a result of the aforementioned elections and the retrospective application of the new standards, the University recorded the following adjustments to deficiency of revenue over expenses for the comparative year ended April 30, 2012.

Deficiency of revenues over expenses:	\$
As previously reported under Canadian generally accepted accounting principles, April 30, 2012	(7,609)
Increase to unfunded future benefits expense as a result of electing to recognize all actuarial gains and losses on pension & non pension benefit plans upon transition and immediate recognition of the change in plan deficit during the year.	(19,197)
Restated, for the year ended April 30, 2012	(26,806)

NOTE 16**COMPARATIVE FINANCIAL STATEMENTS**

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2013 financial statements.

**University of Windsor
Board of Governors**

4.2.2: **External Auditor's Report for the year-ended April 30, 2013 – Audit Findings Report**

Item for: **Information**

Forwarded by: **Audit Committee**

The Audit Committee reviewed the External Auditor's Audit Findings Report for the year-ended April 30, 2013 and was satisfied with the report. KPMG issued a clean audit opinion. KPMG noted that minor audit differences for the year-ending April 30, 2013 are not material to the financial statements. The University is well within materiality parameters and has been appropriately reporting on all matters.

**University of Windsor
Board of Governors**

4.2.3: **Appointment of External Auditors for 2013-2014**

Item for: **Approval**

Forwarded by: **Audit Committee**

MOTION: That KPMG LLP be appointed as the University of Windsor's external auditors for 2013/14.

Rationale:

- KPMG LLP has developed specialized expertise in the university sector at the University of Windsor and across the province.
- Under the Broader Public Sector Act, auditing services are considered contracted services, not consulting services, and therefore a request for proposal (RFP) is not required for the appointment of the external auditors.

**University of Windsor
Board of Governors**

4.4.1: **Naming Policy Revisions**

Item for: **Approval**

Forwarded by: **Governance Committee**

MOTION: That the Governance Committee recommend to the Board of Governors that the Naming Policy be revised as follows:

4.13 ~~The Office of the Vice President, University Advancement,~~ **Managing Director of the University of Windsor Campaign** will create, maintain and coordinate a university wide inventory of approved naming opportunities and a matrix of naming levels.

5.1.1 Proposal for the naming of physical entities for philanthropic and/or honorific purposes must be submitted to ~~Vice President, University Advancement~~ **the Managing Director of the University of Windsor Campaign.**

5.1.2 ~~The Vice President, University Advancement~~ **The Managing Director of the University of Windsor Campaign** or the Vice-President, Planning and Administration, as the case may be, will ensure procedure allows for sufficient due diligence and leads to outcomes that reflect the values and integrity of the institution. All namings shall be vetted and approved by the President (or designate).

5.2.1 Requests for honorific namings and any supporting documentation must be submitted to the ~~VP, University Advancement~~ **Managing Director of the University of Windsor Campaign.**

5.3.2 Philanthropic namings will not be forwarded for approval unless a written pledge commitment is on file with ~~University Advancement~~ **the University.** This commitment needs to be signed by the donor with over 20% of the pledge already paid in advance.

7.5 When it is requested that a named physical entity within a building be relocated within the same building or to a different building and the new facility or room will serve the same original purpose, the ~~Vice President, University Advancement~~ **President (or designate)** may approve the request.

Rationale:

- The changes above reflect the recent administrative changes.

University of Windsor
Board of Governors

4.4.2: Board Bylaw Revision

Item for: Approval

Forwarded by: Governance Committee

MOTION: That the following revision to the Board Bylaw 1 be approved:

SECTION II: Board Composition and Rules of Procedures

2.9 **Quorum**

Sixteen (16) members of the Board shall constitute a quorum at any meeting, of which a minimum of fourteen (14) board members must be attending in person. The quorum must remain throughout the entire meeting. **The exception is where, due to Conflict of Interest rules, the number of members disqualified from voting in a meeting is such that at the meeting there are not sufficient members to constitute a quorum, then the remaining members shall be deemed to constitute a quorum, provided the number is not less than one third of the voting membership.**

Rationale:

- The section on Board Bylaw 1 - Quorum (2.9) has been updated to reflect the regulations stipulated in the Conflict of Interest Policy so that they are congruent.