UNIVERSITY OF CALGARY

Financial Statements

For the Year Ended
March 31, 2010

UNIVERSITY OF CALGARY

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The University is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian generally accepted accounting principles as described in note 2 to the financial statements. The financial statements present fairly the financial position of the University as at March 31, 2010 and the results of its operations and cash flows for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University 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 the financial statements.

The Board of Governors carries out its responsibility for review of the financial statements principally through its Audit Committee. The Audit Committee meets with Management and the External Auditor to discuss the results of audit examinations and financial reporting matters. The External Auditor has full access to the Audit Committee, with and without the presence of Management.

The financial statements for the year ended March 31, 2010 have been reported on by the Auditor General of the Province of Alberta, the auditor appointed under *The Post-secondary Learning Act*. The Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.

Original signed by Warren L. Veale
Interim President

Original signed by Jonathan Gebert
Vice-President (Finance and Services)

Auditor's Report

To the Board of Governors of the University of Calgary

I have audited the statements of financial position of the University of Calgary as at March 31, 2010 and 2009 and the statements of revenue and expenses, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
June 03, 2010

Original signed by Merwan N. Saher, CA
Auditor General

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2010
(thousands of dollars)

UNIVERSITY OF CALGARY

	2010	2009 restated, note 3
ASSETS		
Current Assets		
Cash and cash equivalents (note 4)	**$ 576,062**	$ 456,643
Short-term investments (note 5)	**190,331**	119,467
Accounts receivable	**63,379**	60,899
Inventories and prepaid expenses	**19,916**	17,557
	849,688	654,566
Long-term investments (note 5)	**449,242**	354,454
Other long-term assets (note 6)	**22,604**	25,763
Capital assets and collections (note 7)	**1,209,195**	969,846
	2,530,729	2,004,629
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	**166,550**	89,691
Current portion of long-term liabilities (note 9)	**3,951**	22,124
Deferred contributions, research and other (note 10)	**391,665**	327,125
Deferred revenue	**20,238**	18,518
	582,404	457,458
Employee future benefit liabilities (note 8)	**63,691**	43,720
Long-term liabilities (note 9)	**110,186**	48,550
Deferred capital contributions (note 10)	**162,059**	185,458
Unamortized deferred capital contributions (note 11)	**902,374**	708,170
	1,820,714	1,443,356
Net Assets		
Endowments (note 12)	**441,658**	340,103
Investment in capital assets and collections (note 13)	**194,471**	200,144
Internally restricted (note 14)	**84,468**	78,624
Unrestricted (deficit)	**(10,582)**	(57,598)
	710,015	561,273
	$ 2,530,729	$ 2,004,629

Contingent liabilities and contractual obligations (note 15 and note 16)

Signed on behalf of the Board of Governors:

Chair, Board of Governors

Vice-President (Finance & Services)

The accompanying notes are part of these financial statements.

STATEMENT OF REVENUE AND EXPENSE
FOR THE YEAR ENDED MARCH 31, 2010
(thousands of dollars)

	2010	2009 restated, note 3
REVENUE		
Government of Alberta grants	**$ 499,583**	$ 455,989
Federal and other government grants	**114,821**	108,381
Sales of services and products	**94,967**	90,949
Student tuition and fees	**169,720**	157,166
Donations and other grants	**71,456**	82,929
Investment income (note 18)	**31,510**	7,036
Amortization of deferred capital contributions (note 11)	**52,073**	51,751
	1,034,130	954,201
EXPENSE		
Salaries	**502,482**	479,030
Employee benefits	**101,957**	87,596
Materials, supplies and services	**182,095**	180,727
Utilities	**28,214**	32,039
Maintenance and repairs	**14,160**	14,054
Scholarships, bursaries and awards	**61,061**	55,572
Cost of goods sold	**15,471**	15,833
Amortization of capital assets	**80,681**	80,668
	986,121	945,519
EXCESS OF REVENUE OVER EXPENSE	**48,009**	8,682
NET TRANSFER (TO) FROM ENDOWMENTS (note 12)	**(1,208)**	19,221
NET CHANGE IN INVESTMENT IN CAPITAL ASSETS (note 13)	**6,059**	9,333
NET CHANGE IN INTERNALLY RESTRICTED NET ASSETS	**(5,844)**	(51,420)
CHANGE IN UNRESTRICTED NET ASSETS FOR THE YEAR	**47,016**	(14,184)
UNRESTRICTED NET ASSETS (DEFICIT), Beginning of year	**(57,598)**	(43,414)
UNRESTRICTED NET ASSETS (DEFICIT), End of year	**$ (10,582)**	$ (57,598)

The accompanying notes are part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2010
(thousands of dollars)

	Endowments	Investment in Capital Assets	Internally Restricted	Unrestricted
NET ASSETS (DEFICIENCY), March 31, 2008	$ 425,578	$ 209,373	$ 27,204	$ (43,414)
Excess of revenue over expense	-	-	-	8,682
Investment loss (note 18)	(87,110)	-	-	-
Endowment contributions (note 12)	20,856	-	-	-
Transfers	(19,221)	-	-	19,221
Net change in investment in capital assets (note 13)	-	(9,333)	-	9,333
Contributions of assets not subject to amortization (note 13)	-	104	-	-
Net expenditures and transfers of internally restricted net assets	-	-	51,420	(51,420)
NET ASSETS (DEFICIENCY), March 31, 2009 - restated note 3	$ 340,103	$ 200,144	$ 78,624	$ (57,598)
Excess of revenue over expense	-	-	-	48,009
Investment income (note 18)	57,944	-	-	-
Endowment contributions (note 12)	42,403	-	-	-
Transfers	1,208	-	-	(1,208)
Net change in investment in capital assets (note 13)	-	(6,059)	-	6,059
Contributions of assets not subject to amortization (note 13)	-	386	-	-
Net expenditures and transfers of internally restricted net assets	-	-	5,844	(5,844)
NET ASSETS (DEFICIENCY), March 31, 2010	$ 441,658	$ 194,471	$ 84,468	$ (10,582)

The accompanying notes are part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2010
(thousands of dollars)

UNIVERSITY OF CALGARY

	2010	2009 restated, note 3
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expense	**$ 48,009**	$ 8,682
Add (deduct) non-cash items:		
Amortization of capital assets	**80,681**	80,668
Amortization of deferred capital contributions	**(52,073)**	(51,751)
Change in employee future benefit liabilities	**19,971**	9,744
Change in unrealized (gain) loss on investments	**(21,060)**	11,934
Total non-cash items	**27,519**	50,595
Net change in non-cash working capital (*)	**67,416**	62,712
	142,944	121,989
CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets and collections, net of disposals	**(319,644)**	(217,342)
Purchases of long-term investments, net of sales	**(23,895)**	(5,803)
Proceeds from other long-term assets	**3,159**	430
Endowment investment earnings realized	**8,112**	8,115
	(332,268)	(214,600)
CASH PROVIDED FROM FINANCING ACTIVITIES		
Endowment contributions	**42,403**	20,856
Capital contributions	**222,877**	237,448
Long-term liabilities - new financing, net of repayments	**43,463**	30,592
	308,743	288,896
INCREASE IN CASH AND CASH EQUIVALENTS	**119,419**	196,285
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**456,643**	260,358
CASH AND CASH EQUIVALENTS, END OF YEAR (note 4)	**$ 576,062**	$ 456,643

(*) **Net change in non-cash working capital:**	2010	2009 restated, note 3
(Increase) in short-term investments	**$ (70,864)**	$ (23,993)
(Increase) decrease in accounts receivable	**(2,480)**	37,266
(Increase) in inventories and prepaid expenses	**(2,359)**	(5,372)
Increase in accounts payable and accrued liabilities	**76,859**	18,207
Increase in deferred contributions, research and other	**64,540**	38,483
Increase (decrease) in deferred revenue	**1,720**	(1,879)
	$ 67,416	$ 62,712

The accompanying notes are part of these financial statements.

1. Authority and Purpose

The Governors of The University of Calgary ("the University") is a corporation which manages and operates the University of Calgary ("the University") under the *Post-secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Advanced Education and Technology, with the exception of the Chancellor and President, who are ex officio members. Under the *Post-secondary Learning Act,* Campus Alberta Sector Regulation, the University is a comprehensive academic and research institution offering undergraduate and graduate degree programs as well as a full range of continuing education programs and activities. The University is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax. This tax exemption does not extend to its wholly-owned subsidiary, University Technologies International Inc.

2. Summary of Significant Accounting Policies and Reporting Practices

a) General - GAAP and Use of Estimates

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

b) Investment in Subsidiaries and Joint Venture

The financial statements include the accounts of the following entities using the equity method of accounting:

- the combined results of University Technologies Group
    - University Technologies International Inc. (UTI),
    - University Technologies International Limited Partnership (UTI LP), a limited partnership held in trust by the University, and
    - UTI LP's wholly owned subsidiaries,
- the accounts of The Arctic Institute of North America (AINA), a non-profit organization controlled by the University.

UTI LP operates to facilitate the transfer of intellectual property from the University to private business. AINA operates under the authority of the Act of the Federal Parliament (9-10 George VI, Chapter 45) to initiate, encourage and support northern research and to advance the study of arctic conditions and problems.

The financial statements use the equity method to record the University's proportionate share of the following joint venture:

Canada School of Energy and Environment (46.2% interest) – a joint venture with two other universities to promote coordination and collaboration in research and education related to the implementation of Alberta's energy and environment strategies.

These investments are recorded as other long-term assets (Note 6).

Summary of Significant Accounting Policies and Reporting Practices (Continued)

c) Financial Instruments

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

Financial Statement Components	Classification	Measurement
Cash and cash equivalents	Held for Trading	Fair Value
Investments	Held for Trading	Fair Value
Accounts receivable	Loans and Receivables	Cost
Other Long-term assets	Loans and Receivables	Amortized cost
Accounts payable	Other liabilities	Cost
Long-term liabilities	Other liabilities	Amortized cost

The University's financial instruments are recognized on their trade date and transaction costs related to all financial instruments are expensed as incurred. Valuations of publicly traded securities are based on quoted market bid prices at the close of business on the statement of financial position date. For securities where market quotes are not available, estimation techniques are used to determine fair value. Estimation techniques used include discounted cash flows, internal models that utilize observable market data or comparisons with other securities that are substantially the same.

All derivative financial instruments of the University are classified as held for trading. The University does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. As permitted for Not-for-Profit Organizations, the University has elected to not apply the standards on derivatives embedded in non-financial contracts, and the University has elected to continue to follow CICA 3861: *Disclosure and Presentation*.

Financial statements are exposed to credit risk, interest rate risk, foreign exchange risk, market risk, commodity price risk and liquidity risk. Each of these risks is managed through the University's collection procedures, investment guidelines, banking arrangements and other internal policies, guidelines and procedures.

d) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value. Inventories held for consumption are valued at cost or net replacement cost.

e) Capital Assets and Collections

Capital assets purchased are recorded at cost. In-kind contributions are recorded at fair value when a fair value can be reasonably determined. Permanent collections are not amortized and include library assets with permanent value, museum specimens, archival materials, maps and works of art held for education, research and public exhibition purposes.

Construction in progress includes the costs directly attributable to the construction including engineering, legal fees and interest on specific debt attributed to the construction of capital assets.

Capital assets, once placed into service, are amortized on a straight-line basis over the assets' estimated useful lives. The estimated useful lives are as follows:

Buildings, utilities and site improvements	20 - 40 years
Furniture, equipment and systems	3 – 10 years
Learning resources	10 years

Summary of Significant Accounting Policies and Reporting Practices (Continued)

f) Revenue Recognition

The financial statements record the following items as revenue - at the following times:

- Unrestricted contributions - when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- Operating grants - when received or receivable, or where a portion of the grant relates to a future period, it is deferred and recognized in the subsequent period.
- Unrestricted investment income - when earned; this includes interest, dividends, realized and unrealized gains and losses.
- Pledges - when collected.
- Revenues received for services and products - when the services or products are substantially provided.
- Tuition fees - when the instruction is delivered.
- Donation of materials and services – are recorded at fair value when a fair value can be reasonably determined and when materials and services would otherwise have been purchased.
- Restricted contributions - based on the deferral method.

Deferral method
Contributions, including investment income on the contributions, which are restricted for purposes other than endowment or capital asset acquisitions, are deferred and recognized as revenue when the conditions of the contributions are met.

Contributions to acquire capital assets with limited life are first recorded as deferred capital contributions, when received, and when expended, they are transferred to unamortized deferred capital contributions and amortized to revenue over the useful lives of the related assets.

Endowment contributions are recognized as direct increases in endowment net assets. Investment earnings, under agreements with benefactors or the *Post-secondary Learning Act* allocated to endowment principal, are also recognized as direct increases in endowment net assets. Endowment investment earnings that are allocated for spending are deferred and recognized as revenue when the conditions of the endowment are met.

Contributions restricted for the acquisition of land and permanent collections are first recorded as deferred contributions when received, and when expended, they are recognized as direct increases in investment in capital assets and collections.

g) Foreign Currency Translation

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenues and expenses are translated at average daily exchange rates. Gains or losses from these translations are included in investment income.

h) Employee Future Benefits

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

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

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

Summary of Significant Accounting Policies and Reporting Practices (Continued)

Supplementary retirement plans
The pension expense for defined benefit supplementary retirement plans is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses in excess of 10% of the accrued benefit obligation are amortized over the expected service lifetime for each plan participant.

i) Capital Disclosures

The University defines its capital as the amounts included in deferred contributions (note 10), endowment net assets (note 12) and unrestricted net assets. A significant portion of the University's capital is externally restricted and the University's unrestricted capital is funded primarily by The Ministry of Advanced Education and Technology. The University has investment policies (note 5), spending policies and cash management procedures to ensure the University can meet its capital obligations.

Under the *Post-secondary Learning Act*, the University must receive ministerial approval for a deficit budget, borrowing and the sale of any land or buildings.

j) Contributed Services

Volunteers as well as members of the staff of the University contribute an indeterminable number of hours per year to assist the institution in carrying out its mission. Such contributed services are not recognized in the financial statements.

3. Changes in Accounting Policies

During the year, the University of Calgary changed its accounting policy with respect to consolidation of its controlled subsidiaries. As permitted by Not For Profit accounting standards under CICA 4450, the University now records the interest in its controlled subsidiaries on an equity basis without a line by line consolidation of the subsidiaries' accounts. The University also changed its accounting policy with respect to accounting for its internal endowments. As a result of the change, internal and external endowments share the same accounting treatment, where endowment investment income (loss) is a direct increase (decrease) to endowment net assets. This change removes endowment investment earnings from the statement of revenue and expense, providing more relevant information about the University's financial performance.

These changes have been applied retroactively with restatement of comparative numbers. The impact of the change in policies on the prior year financial statements is as follows:

(thousands of dollars)

Changes in Accounting Policies (Continued)

	2009			
	As previously recorded	Adjustment recorded - Change in policy from Consolidated to Unconsolidated Financial Statements	Adjustment recorded - Change in policy for internal endowments	As restated
Increase (decrease) in:				
Statement of Financial Position				
Assets	$ 2,006,703	$ (2,074)	$ -	$ 2,004,629
	2,006,703	(2,074)	-	2,004,629
Liabilities	1,445,430	(2,074)	-	1,443,356
Net Assets				
Endowments	340,552	(449)	-	340,103
Investment in capital assets and collections	202,435	(2,291)	-	200,144
Internally restricted (note 14)	77,654	970	-	78,624
Unrestricted Net Assets (Deficit)	(59,368)	1,770	-	(57,598)
	$ 2,006,703	$ (2,074)	$ -	$ 2,004,629
Statement of Revenue and Expense				
Revenues*	$ 945,772	$ (4,444)	$ 12,873	$ 954,201
Expenses	949,963	(4,444)	-	945,519
Excess (Deficiency) of Revenue over Expense	$ (4,191)	$ -	$ 12,873	$ 8,682

*As a result of the change in accounting policy for internal endowments, investment income has increased by $12,873 since endowment losses have been removed from net income and recorded as direct decreases to endowment net assets. This is included in the change in revenues noted above.

4. **Cash and Cash Equivalents**

Cash and cash equivalents, with a maximum maturity of 90 days at date of purchase are as follows:

	2010	2009
Cash	**$ 5,948**	$ (10,816)
Money market funds, short-term notes and treasury bills	**570,114**	467,459
	$ 576,062	$ 456,643

(thousands of dollars)

5. **Investments**

As at March 31, 2010, the composition, fair value, and annual market yields on investments are as follows:

	2010			2009		
	Annual Market Yield		**Market Value**	Annual Market Yield		Market Value
Money market funds, short-term notes, and treasury bills	**-**	**$**	**1,028**	-	$	737
Canadian bonds	**5.76%**		**255,117**	5.74%		173,902
Canadian equity	**41.13%**		**150,104**	(29.20%)		112,522
Foreign equity	**20.91%**		**150,486**	(29.49%)		117,114
Floating Rate Notes (ABCP)	**15.39%**		**31,844**	(22.01%)		38,767
Other fixed income	**6.84%**		**50,994**	4.38%		30,879
		$	**639,573**		$	473,921
Short-term investments	**5.98%**		**190,331**	5.61%		119,467
Long-term investments	**23.23%**		**449,242**	(19.98%)		354,454
		$	**639,573**		$	473,921

Terms to maturity of fixed income investments are as follows:

- Money market funds, short-term notes, and treasury bills – less than one year.
- Canadian government and corporate bonds – range from less than one year to more than 10 years.

The University's investments are managed using two pools, the Working Capital Pool "WCP" with investment holdings of $225,647 (2009 - $152,004) and the Unitized Endowment Pool "UEP" with investment holdings of $413,926 (2009 - $321,917). The primary objective of the University's investment policy for the WCP is the preservation of capital, liquidity and to earn a rate of return that exceeds the DEX Short Term Bond Index. The primary objective for the UEP is to earn a long-term rate of return that, in real terms, exceeds total endowment spending at an acceptable level of risk.

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

Floating Rate Notes (formerly Asset Backed Commercial Paper - ABCP)

At March 31, 2010, the University holds $57,608 (2009 - $67,646) in floating rate notes which comprise the following:

(thousands of dollars)

Investments (Continued)

Note Type	**Face Value**	**Estimated fair value**	**Scheduled repayment**	**Maturity**
Synthetic Assets	$ 46,549	$ 31,126	7 years	July 15, 2056
IA Tracking Notes	11,059	718	3 - 30 years	3 - 30 years
Total	$ 57,608	$ 31,844		

Synthetic Assets are considered investment grade, rated BBB or higher, with the exception of C notes that are rated BB for which the University holds $1.4 million in face value.

In the absence of a well-functioning market for floating rate notes, the University has estimated the fair value of these investments using a discounted cash flow valuation model. The model involves assumptions regarding the difference between the expected yield, based on similarly rated securities adjusted for illiquidity and market complexity, and the appropriate market-discount attributable to such investments. The spread between the expected yield and the estimated discount rate ranges from 422 basis points for the Class A-1 notes and 682 basis points for the Class C notes. An increase in spread of 100 basis points would result in a reduction to the fair value of $3,113.

IA Tracking Notes are generally unrated and therefore have been valued at the current market value provided by an independent, publicly available source. Administration believes this is a fair approximation of their current market value.

The eventual timing and amount of future cash flows attributable to these assets may vary significantly from administration's current best estimates. It is possible that the ultimate fair value of these assets may vary significantly from current estimates and that the magnitude of any such difference could be material to the financial results.

6. **Other Long-term Assets**

	2010	2009
Receivable from Alberta Innovates Health Solutions	**$ -**	$ 5,725
Capital lease receivable [(1)]	**14,737**	15,014
Other long-term assets	**2,522**	2,955
Investment in subsidiaries and joint venture [(2)]	**5,643**	5,528
Current portion in Accounts Receivable	**(298)**	(3,459)
Balance, end of year	**$ 22,604**	$ 25,763

1) The University and Alberta Health Services (AHS) entered into a 25-year agreement for AHS to lease space in the University Research Centre Building. This lease has been accounted for as a capital lease. The future minimum lease payments receivable for the next five fiscal years are as follows: 2011 to 2013 - $1,384 per year; 2014 - $1,424; 2015 - $1,453.

2) Financial Information with respect to the University's share of its subsidiaries and joint venture is disclosed below:

(thousands of dollars)

Other Long-term Assets (Continued)

	University Technologies Group		Arctic Institute of North America		Canada School of Energy and Environment	
	2010	2009	**2010**	2009	**2010**	2009
Assets	**$ 4,933**	$ 5,101	**$ 2,238**	$ 2,542	**$ 4,557**	$ 6,318
Liabilities	**1,163**	11,949	**365**	380	**4,557**	6,318
Equity (Accumulated Deficit)	**3,770**	(6,848)	**1,873**	2,162	**-**	-
Revenues	**8,186**	2,415	**895**	932	**1,651**	969
Expenses	**2,800**	4,070	**1,172**	1,173	**1,651**	969
Net Income (loss)	**5,386**	(1,655)	**(277)**	(241)	**-**	-
Cash provided (used in) operating activities	**5,098**	(359)	**(121)**	(118)	**(2,221)**	6,404
Cash provided (used in) financing activities	**(3,824)**	22	**15**	43	**-**	-
Cash provided (used in) investing activities	**(715)**	(474)	**(116)**	34	**-**	-
Increase (decrease) in cash	**$ 559**	$ (811)	**$ (222)**	$ (41)	**$ (2,221)**	$ 6,404

The difference between the combined net income of the subsidiaries and the subsidiaries income recorded in investment income in note 18 is due to offsetting inter-company revenues and expenses.

7. **Capital Assets and Collections**

	2010			2009		
	Cost	**Accumulated amortization**	**Net book value**	Cost	Accumulated amortization	Net book value
Buildings, utilities and site improvements	**$ 1,559,993**	**$ 528,549**	**$ 1,031,444**	$ 1,287,020	$ 497,122	$ 789,898
Furnishings, equipment and systems	**565,464**	**458,279**	**107,185**	536,638	425,377	$ 111,261
Learning resources	**171,853**	**128,103**	**43,750**	165,347	122,599	$ 42,748
Land	**14,058**	-	**14,058**	14,058	-	$ 14,058
Library permanent collections	**4,370**	-	**4,370**	3,981	-	$ 3,981
Other permanent collections	**8,388**	-	**8,388**	7,900	-	7,900
Balance, end of year	**$ 2,324,126**	**$ 1,114,931**	**$ 1,209,195**	$ 2,014,944	1,045,098	969,846

Construction in progress, which is not amortized as the assets are not yet available for use is comprised of $468,942 (2009 - $313,231) from buildings, utilities and site improvements and $4,674 (2009 - $2,981) from furnishings, equipment and systems.

Acquisitions during the year included in-kind contributions (such as learning resources, equipment, software, buildings and land) in the amount of $7,110 (2009 - $840).

(thousands of dollars)

8. **Employee Future Benefit Liabilities**

Employee future benefit liabilities are comprised of the following:

	2010	2009
Universities Academic Pension Plan (UAPP)	**$ 58,321**	$ 38,720
Long-term Disability	**403**	365
Supplemental Retirement Pension Plan	**4,967**	4,635
Balance, end of the year	**$ 63,691**	$ 43,720

a) Defined Benefit

Multi-Employer Pension Plans
The UAPP is a multi-employer contributory joint defined benefit pension plan for academic staff members. An actuarial valuation of the UAPP was carried out as at December 31, 2008. This was then extrapolated to the University's year end of March 31, 2010.

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. An actuarial valuation of the PSPP was carried out as at December 31, 2008 and was then extrapolated to December 31, 2009. The pension expense recorded in these financial statements is $11,578 (2009 - $8,993).

The deficits reported below represent the unfunded position of the plans as a whole and not the University's share:

	2010		2009	
	31-Mar-10	**31-Dec-09**	31-Mar-09	31-Dec-08
UAPP				
Post 1991	**$ 277,859**	**$ 305,020**	$ 442,750	$ 303,034
Pre 1992	**646,208**	**665,980**	857,110	752,437
Total	**$ 924,067**	**$ 971,000**	$ 1,299,860	$ 1,055,471
PSPP	**n/a**	**$ 1,729,196**	n/a	$ 1,187,538

The University's portion of the UAPP deficiency disclosed below has been allocated based on its percentage of the plan's total employer contributions for the year.

(thousands of dollars)

Employee Future Benefit Liabilities (Continued)

b) Supplementary retirement (defined benefit)

The University provides non-contributory defined supplementary retirement benefits to current and past executives. An actuarial valuation of these benefits was carried out at March 31, 2010. The valuation showed an aggregate liability of $4,967 (2009 - $4,635).

	2010			2009		
	UAPP [1]	**Long-term disability [2]**	**Supplementary retirement [2]**	UAPP [1]	Long-term disability [2]	Supplementary retirement
Expenses						
Current service cost	**$ 23,189**	**$ -**	**$ 462**	$ 20,470	$ -	$ 451
Interest cost	**13,087**	**37**	**215**	6,180	40	217
Amortization of net actuarial losses (gains)	**13,126**	**(105)**	**11**	4,710	(105)	763
Amortization of past service cost	**-**	**207**	**37**		206	
Curtailment	**-**	**-**	**-**	-	-	848
Settlement loss (gain)	**-**	**-**	**(236)**	-	-	-
Total expense	**$ 49,402**	**$ 139**	**$ 489**	$ 31,360	$ 141	$ 2,279
Financial Position						
Accrued benefit obligation:						
Balance, beginning of year	**$ 499,240**	**$ 989**	**$ 6,281**	$ 441,220	$ 1,050	$ 5,151
Current service cost	**23,189**	**-**	**462**	20,470	-	451
Interest cost	**34,242**	**37**	**215**	30,250	40	217
Benefits paid	**(22,729)**	**(101)**	**(156)**	(20,280)	(101)	(196)
Past service costs	**-**	**787**	**121**	-	-	-
Actuarial (gain) loss	**(59,608)**	**(585)**	**(1,300)**	27,580	-	191
Settlement loss (gain)	**-**	**-**	**(270)**	-	-	-
Curtailment loss	**-**	**-**	**-**	-	-	467
Balance, end of year	**474,334**	**1,127**	**5,353**	499,240	989	6,281
Plan assets	**357,893**	**-**		312,210	-	-
Funded status - plan deficit	**(116,441)**	**(1,127)**	**(5,353)**	(187,030)	(989)	(6,281)
Unamortized past service costs	**-**	**1,988**	**84**	-	1,408	-
Unamortized net actuarial (gain) loss	**58,120**	**(1,264)**	**302**	148,310	(784)	1,646
Accrued benefit liability	**$ (58,321)**	**$ (403)**	**$ (4,967)**	$ (38,720)	$ (365)	$ (4,635)

[1] Plan assets:
UAPP - the unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2009 - 1.25%) of total earnings by the Province of Alberta. Employees and employers equally share the balance of the contributions of 2.03% (2009 – 1.74%) of total earnings required to eliminate the unfunded deficiency by December 31, 2043. The actuarial valuation shows that the present value of the Province of Alberta's obligation for the future additional contributions at December 31, 2008 was $270,200.

The unfunded deficiency for service after December 31, 1991 is financed by special payments of 4.64% (2009 – 1.08%) of pensionable earnings shared equally between employees and employers until December 31, 2021.

[2] Supplementary retirement and Long-term disability - the University plans to use its working capital to finance these future obligations.

(thousands of dollars)

Employee Future Benefit Liabilities (Continued)

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

	2010			2009		
	UAPP	**Long-term disability**	**Supplementary retirement**	UAPP	Long-term disability	Supplementary retirement
Accrued benefit obligation:						
Discount rate	**6.90%**	**4.50%**	**5.00%**	6.70%	4.00%	3.2% first ten years, 5.3% thereafter
Long-term average compensation increase	**3.50%**	**n/a**	**4.00%**	3.00%	n/a	4.00%
Benefit cost:						
Discount rate	**6.70%**	**4.00%**	**3.2% first ten years, 5.3% thereafter**	6.70%	4.00%	4% first ten years, 5% thereafter
Long-term average compensation increase	**3.00%**	**n/a**	**4.00%**	3.00%	n/a	4.00%
Long-term inflation	**2.25%**	**n/a**	**0.93% first ten years, 1.75% thereafter**	2.70%	n/a	2.50%
Estimated average						
Estimated average remaining service life	**11.3 yrs**	**9 yrs**	(1)	10.5 yrs	10 yrs	(1)

(1) Excess actuarial gains or losses are amortized over the remaining service of each plan participant, not an average.

(thousands of dollars)

9. **Long-term Liabilities**

	Collateral	Maturity date	Interest rate %	Amount outstanding 2010	2009
Debentures payable to Alberta Capital Finance Authority*:					
Debenture for Cascade Hall	1	May 2025	6.250%	**$ 13,129**	$ 13,600
Debenture for Human Performance Lab	1	March 2011	4.349%	**892**	1,745
Debenture for Health Renovation Innovation Centre/Parkade	1	April 2031	4.935%	**5,485**	5,625
Debenture for Child Development Centre/Parkade	1	June 2032	5.249%	**1,848**	1,890
Debenture for International Residence House	1	September 2032	4.689%	**24,984**	25,600
Debenture for International Residence House	1	June 2039	5.100%	**29,400**	-
Debenture for Residence Renewal Program	1	September 2026	4.429%	**5,700**	-
Debenture for Phase VI Residence	1	March 2040	4.734%	**30,000**	-
Mortgages payable to Canada Mortgage and Housing Corporation:					
Mortgage for Dining Centre, Kananaskis and Rundle Halls	1	March 2016	5.125%	**616**	700
Bank loans payable:					
Mortgage for University Research Centre	1	April 2012	0.00%	**1,192**	1,740
Capital finance bridging facility	2	June 2009	Prime	**-**	16,000
				113,246	66,900
Obligations under capital leases				**891**	714
Other long-term obligations (includes asset retirements and liabilities for site restoration)				**-**	3,060
				114,137	70,674
Less current portion				**(3,951)**	(22,124)
Balance, end of year				**$ 110,186**	$ 48,550

(1) title to land, building; (2) none

* Alberta Capital Finance Authority is a related party

The principal portion of long-term debt repayments required over the next five years is as follows:
2011 - $ 3,315; 2012 - $ 3,876; 2013 - $ 3,952; 2014 - $4,053; 2015 - $ 4,257.
Interest expense on long-term obligations is $ 2,656 (2009 - $1,374).
The weighted average interest rate is 4.95% (2009 – 4.37%).

(thousands of dollars)

10. Deferred Contributions

Deferred contributions represent unspent externally restricted grants and donations. Changes in the deferred contributions balances are as follows:

	2010		2009	
	Capital	**Research and other**	Capital	Research and other
Balance, beginning of year	**$ 185,458**	**$327,125**	$ 120,656	$ 288,642
Grants, contributions, donations, and investment income	**186,521**	**355,308**	201,168	312,095
Recognized as revenue	**(188)**	**(253,411)**	(234)	(236,271)
Transferred to unamortized deferred capital contributions	**(209,346)**	**(37,357)**	(136,035)	(37,334)
Transferred to investment in capital assets, not subject to amortization	**(386)**	**-**	(97)	(7)
Balance, end of year	**$ 162,059**	**$391,665**	$ 185,458	$ 327,125

11. Unamortized Deferred Capital Contributions

Unamortized deferred capital contributions represent the unamortized grants and donations received to fund capital acquisitions. The amortization of unamortized deferred capital contributions is recorded as revenue in the statement of operations. The changes in the unamortized deferred capital contributions balance are as follows:

	2010	2009
Balance, beginning of year	**$ 708,170**	$ 587,277
Additions from deferred contributions, net of disposals	**246,277**	172,644
Amortization to revenue	**(52,073)**	(51,751)
Balance, end of year	**$ 902,374**	$ 708,170

12. Endowments

Endowments consist of externally restricted donations received by the University and internal allocations by the University's Board of Governors, the principal of which is required to be maintained intact in perpetuity.

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

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

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

(thousands of dollars)

Endowments (Continued)

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

The composition of endowments is as follows:

	2010	2009
Balance, beginning of year	**$ 340,103**	$ 425,578
Gifts of endowment principal	**42,403**	20,856
Transfer to endowments	**1,208**	190
Endowment spending allocation including fees	**(18,075)**	(19,411)
Investment gain (loss)	**76,019**	(87,110)
Balance, end of year	**$ 441,658**	$ 340,103
Cumulative contributions	**$ 340,515**	$ 296,905
Cumulative capitalized income	**101,143**	43,198
	$ 441,658	$ 340,103

In 2009, cumulative capitalized income of $106,521 was required to cover the investment income loss on endowments of $87,110 and the approved endowment spending allocation of $19,411.

(thousands of dollars)

13. **Investment in Capital Assets and Collections**

Net assets invested in capital assets and collections represent the carrying amount (net book value) of capital assets and collections less unamortized deferred capital contributions and any related debt.

	2010	2009
Capital assets and collections at net book value (note 7)	**$ 1,209,195**	$ 969,846
Less amounts financed by:		
Unamortized deferred capital contributions (note 11)	**(902,374)**	(708,170)
Long-term liabilities related to capital expenditures	**(112,350)**	(61,532)
Investment in capital assets and collections, end of year	**$ 194,471**	$ 200,144

	2010	2009
The changes during the year are as follows:		
Investment in capital assets and collections, beginning of year	**$ 200,144**	$ 209,373
Acquisition of capital assets and collections	**73,367**	44,696
Long-term liabilities - repayment	**4,830**	1,577
Long-term liabilities - new financing	**(55,648)**	(26,689)
Amortization of investment in capital assets	**(28,608)**	(28,917)
Net change in investment in capital assets	**(6,059)**	(9,333)
Contributions of assets not subject to amortization	**386**	104
(Decrease) for the year	**(5,673)**	(9,229)
Investment in capital assets and collections, end of year	**$ 194,471**	$ 200,144

14. **Internally Restricted Net Assets**

Internally restricted net assets represent amounts set aside by the University's Board of Governors for specific purposes. Internally restricted net assets are summarized as follows:

	2010	2009
Subsidiaries	**$ 5,643**	$ 2,128
Internally Restricted for Future Commitments and Strategic Reinvestments	**53,598**	71,048
Faculty and Departmental	**25,227**	5,448
Balance, end of the year	**$ 84,468**	$ 78,624

(thousands of dollars)

15. **Contingent Liabilities**

(a) The University is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the University believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the University. Administration has concluded that none of the claims meet the criteria for being recorded under GAAP.

(b) At March 31, 2010 the University had entered into agreements that provide guarantees on employee housing loans in the amount of $1,589 (2009 - $2,078).

16. **Contractual Obligations**

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

		2010		2009
Service contracts	**$**	**52,600**	$	59,800
Capital projects		**155,516**		169,180
	$	**208,116**	$	228,980

Included in service contracts are contracts to purchase electricity and natural gas. The University has entered into a five-year contract expiring December 31, 2011, to purchase blocks of electricity in order to manage its exposure to volatility in electrical prices. As a subset of this contract, the University entered a three-year fixed-price contract which expires March 31, 2011. The approximate contractual obligation for electricity is $17,200 (2009 - $20,850). To manage its risk exposure to natural gas, the University has entered into an Energy Purchase Agreement, expiring September 30, 2013, based on an index (floating on the spot market) price with an option to hedge any portion of the requirement at any time. At March 31, 2010, the University had hedged a portion of this contract by fixing the price on a portion of its estimated consumption. Using best estimates of future consumption and forward market prices on March 31, 2010, the approximate contractual obligation for natural gas including executed hedge contracts is $35,400 (2009 - $38,950).

The University's commitments for operating leases for the next five year are as follows: 2011- $2,720; 2012 - $3,709; 2013 - $3,460; 2014 - $3,425; 2015 - $3,216.

The University is one of 58 members of CURIE, the Canadian Universities Reciprocal Insurance Exchange, a self-insurance reciprocal established to share the insurable property, liability, and errors and omissions risks of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through members' premiums. As at December 31, 2009 CURIE had a surplus of $32,032 (2008 - $17,748). This surplus is an accumulation of five different underwriting periods, of which the University's pro rata share is approximately 5.84% (2008 – 5.88%). This surplus is not recorded in the financial statements.

(thousands of dollars)

17. **Budget Comparison**

The University's 2009-10 budget was approved by the Board of Governors and was presented to the Minister of Advanced Education and Technology as part of the University's submission of its 2009-13 Business Plan. Certain budget figures from the University's 2009-13 Business Plan have been reclassified to conform to the presentation adopted in the 2010 financial statements.

	Budget - Unaudited	2010 Actual
REVENUE		
Government of Alberta grants	**$508,533**	**$499,583**
Federal and other government grants	**126,360**	**114,821**
Sales of services and products	**84,278**	**94,967**
Student tuition and fees	**168,180**	**169,720**
Donations and other grants	**76,840**	**71,456**
Investment income (note 18)	**17,382**	**31,510**
Amortization of deferred capital contributions (note 11)	**50,443**	**52,073**
	1,032,016	**1,034,130**
EXPENSE		
Salaries	**501,455**	**502,482**
Employee benefits	**101,420**	**101,957**
Materials, supplies and services	**230,107**	**182,095**
Utilities	**36,125**	**28,214**
Maintenance and repairs	**11,314**	**14,160**
Scholarships, bursaries and awards	**54,603**	**61,061**
Cost of goods sold	**18,899**	**15,471**
Amortization of capital assets	**78,093**	**80,681**
	1,032,016	**986,121**
EXCESS OF REVENUE OVER EXPENSE	**$ -**	**$48,009**

(thousands of dollars)

18. **Investment Income**

		2010		2009 restated
Gain (Loss) on investments held for endowments	**$**	**76,019**	$	(87,110)
Gain on other investments		**13,258**		20,932
Recovery (write-down) on Floating Rate Notes (ABCP)		**2,986**		(11,934)
Loss from subsidiaries and joint venture		**(424)**		(1,927)
		91,839		(80,039)
Investment income capitalized to endowments		**(57,944)**		-
Investment loss charged to cumulative capitalized endowment earnings		**-**		87,110
Amounts deferred		**(2,385)**		(35)
Investment income	**$**	**31,510**	$	7,036

(thousands of dollars)

19. **Related Party Transactions**

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

	2010	2009
Revenue from GOA		
Advanced Education and Technology:		
Operating grants	$ 360,724	$ 333,541
EPE grants	65,708	57,235
Capital grants	193,656	199,407
Research grants	16,006	12,410
Access to the Future Fund (matching grants)	1,319	1,479
Alberta Innovates Bio Solutions	241	35
Alberta Innovates Energy and Environment	1,187	-
Alberta Innovates Health Solutions	27,685	25,970
Alberta Innovates Technology Futures	14,246	15,013
Other	12,619	4,063
Total Advanced Education and Technology	693,391	649,153
Other GOA departments and agencies grants:		
Alberta Health and Wellness	15,808	13,847
Alberta Health Services	11,474	16,368
Other	2,398	2,547
Total other GOA departments and agencies	29,680	32,762
Total contributions received	723,071	681,915
Less: deferred contributions	(223,488)	(225,926)
	$ 499,583	$ 455,989
Accounts receivable		
Advanced Education and Technology	$ 22,917	$ 3,168
Other GOA departments and agencies	8,438	14,222
	$ 31,355	$ 17,390
Accounts payable		
Advanced Education and Technology	$ 153	$ 80
Other GOA departments and agencies	35	3,643
	$ 188	$ 3,723

The University has long-term liabilities with Alberta Capital Finance Authority as described in note 9.

b) Alberta Health Services (AHS) is related to the Province of Alberta since its board is appointed by the Minister of Health and Wellness. As the University and the Province of Alberta are related parties, AHS is a related party to the University. Transactions between the University and the AHS are summarized as follows:

(thousands of dollars)

Related Party Transactions (Continued)

		2010		2009
The University of Calgary pays to AHS in the normal course of operations amounts related to utilities; salaries and benefits; and materials, supplies and overheads. Expenditures incurred:	$	18,678	$	23,215
The University of Calgary receives from AHS in the normal course of operations amounts related to physicians; research projects, studies and grants, programs; and support services. Revenues included in income:	$	55,639	$	40,496
Net receivable to the University of Calgary by AHS:	$	8,344	$	5,211

The University leases land to AHS for a parkade at the Foothills Medical Centre and the Alberta Children's Hospital. Effective September 2003 the University and AHS entered into a 25-year agreement for AHS to lease space in the University Research Centre Building. This lease has been accounted for as a capital lease. At March 31, 2010, the carrying value of the lease receivable is $14,737 (2009 - $15,014). During the year the University received $1,384 in lease payments (2009 - $1,356), $1,107 of which was recognized as interest income (2009 - $1,126).

20. Salary and Employee Benefits

Treasury Board Directive 12-98 under the *Financial Administration Act* of the Province of Alberta requires the disclosure of certain salary and employee benefits information.

	2010				2009
	Base salary [1]	Other cash benefits [2]	Other non-cash benefits [3] [6]	Total	Total
Governance [4]					
Chair of the Board of Governors	$ -	$ -	$ -	$ -	$ -
Members of the Board of Governors	-	-	-	-	-
Executive					
President - Incumbent [5] [10]	126	-	1	127	-
President - Past Incumbent [5] [7]	316	-	408	724	2,463
Vice-Presidents:					
Provost and Vice-President Academic [7]	326	-	162	488	459
Vice-President Research [8]	367	-	83	450	430
Vice-President Finance and Services – Incumbent [5] [10]	203	10	74	287	-
Vice-President Finance and Services - Past Incumbent [5] [10]	75	-	18	93	378
Vice-President External Relations [10]	193	-	41	234	362
Vice-President Facilities Management and Development [10]	341	34	85	460	352
Vice President Development [9]	281	55	88	424	422

1. Base salary includes pensionable base pay.
2. Other cash benefits include bonuses.
3. Other non-cash benefits include the University's share of all employee benefits and contributions or payments made on behalf of employees including pension, group life insurance, employee family assistance program, critical illness, supplementary health care, short and long-term disability plans, dental plan, supplemental retirement plan (per footnote [6]), accidental disability and dismemberment. Benefits for some of the executive also include professional leave, car allowance/taxable benefit for the use of University leased vehicles, and memberships. Benefits reported for the President include a housing allowance.

(thousands of dollars)

Salary and Employee Benefits (continued)

4. The Chair and Members of the Board of Governors receive no remuneration for participation on the Board.
5. During the fiscal year, the President - Incumbent and President - Past Incumbent positions were occupied for three and nine months respectively. During the fiscal year, the VP Finance and Services - Incumbent and the VP Finance and Services - Past Incumbent positions were occupied for nine and three months respectively.
6. Under the terms of the supplementary retirement plan (SRP), the executive may receive supplemental retirement payments. Retirement arrangement costs as detailed below are not cash payments in the period but are period expenses for rights to future compensation. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post employment period. The SRP provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method pro-rated on services, a market interest rate, and management's best estimate of expected costs and the period of benefit coverage. Net actuarial gains and losses in excess of 10% of the benefit obligations are amortized over the average remaining service life with respect to each plan participant. Current service cost is the actuarial present value of the benefits earned in the current year. Prior service and other costs include amortization of past service costs on plan initiation, amortization of actuarial gains and losses, and interest accruing on the actuarial liability.
7. Individuals in these roles earned administrative leave benefits during the year that have been included in other non-cash benefits.
8. Upon completion of their employment contract, the individual in this role will be eligible for six months of administrative leave. Given this individual is not at the completion of their contract, they are currently not eligible for the administrative leave benefits. As the individual becomes eligible, the costs associated with the leave benefits will be recorded.
9. During the term of their employment contract, the individual in this role may take up to six months of administrative leave subject to the President's approval of the individual's administrative leave proposal. The costs associated with the leave benefits are recorded when incurred.
10. The employment contracts for these individuals do not provide for administrative leave benefits.

The current service cost and accrued obligation for each executive under the SRP is outlined in the following table:

	2010				2009	
	Current service cost	**Prior service and other costs**	**Net Cost**	**Accrued Obligation(1)**	Net Cost	Accrued Obligation
President - Incumbent	**$ -**	**$ -**	**$ -**	**$ -**	$ -	$ -
President - Past Incumbent	**132**	**142**	**274**	**3,369**	1,882	4,300
Vice-Presidents:						
Provost and Vice-President Academic	**56**	**13**	**69**	**202**	51	155
Vice-President Research	**50**	**4**	**54**	**129**	49	87
Vice-President Finance and Services - Incumbent	**23**	**30**	**53**	**28**	-	-
Vice-President Finance and Services - Past Incumbent	**-**	**-**	**-**	**-**	-	-
Vice-President External Relations (2)	**-**	**9**	**9**	**9**	55	180
Vice-President Facilities Management and Development	**54**	**3**	**57**	**105**	41	41
Vice-President Development	**45**	**11**	**56**	**325**	51	211

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

(2) At March 31, 2010 the VP External Relation position was vacant. As such, at March 31, 2010 the ABO for this position was nil. Rather than reporting a zero balance to reflect the position as at March 31, 2010, the ABO figure disclosed relates to the person last holding the position during the year.

21. **Comparative Figures**

Certain 2009 figures have been reclassified to conform to the presentation adopted in the 2010 financial statements.

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