



University of Victoria

**UNIVERSITY OF VICTORIA
BOARD OF GOVERNORS
Tuesday, May 26, 2015
11:00 a.m. – 12:00 p.m.
Administrative Services Building, Boardroom 120**

DRAFT AGENDA - OPEN BOARD

Welcome

1. Approval of Agenda

MOTION:

THAT the agenda of the open session of the regular meeting of May 26, 2015 be approved.

2. Minutes of Regular Meeting of March 31, 2015 (attached)

MOTION:

THAT the minutes of the open session of the regular meeting of March 31, 2015 be approved.

3. Business Arising

4. Remarks from the Chair

5. Correspondence - Nil

CONSENT

6. Operations and Facilities Committee (M. Kennedy)

a. New and Revised Awards BOG-May26/15-17

MOTION:

THAT the Board of Governors approve the following new and revised graduate and undergraduate awards:

- Student Ambassador Scholarship (revised)
- Black Press Business Scholarship (revised)
- Butterfield Law Prize (revised)
- Vincent Short Memorial Theatre Scholarship (new)

- Joyce Clearihue Undergraduate Co-op Scholarship (new)*
- Speakman-Granewall Bursary in Mechanical Engineering (new)*
- Asia Pacific Entrance Grant (new)
- Margaret Beck Student Research Travel Award (revised)*
- Thomas Wirral Cup Award (new)
- Stó:lō Ethnohistory Legacy Scholarship (new)
- Hutchison Bekius Scholarship in History (revised)*
- Vancouver, Island Trails Information Society Scholarship (revised)
- John Shields Scholarship in Public Administration (revised)*
- Kenneth L. Avio Honours Prize (revised)
- Joyce Clearihue Graduate Co-op Scholarship (new)*
- Maureen Mcleod Scholarship in Geography (new)
- Celebration of Joy Award (new)
- Jane Zhu MBA Cross-Cultural Integration Award (new)
- MBA Pay-It-Forward Award (new)
- Royal Jubilee Hospital School of Nursing Alumni Association Student Award (revised)*

b. Masters in Germanic and Slavic Studies with Two Streams: Germanic Studies and Slavic Studies BOG-May26/15-01
(Complete Proposal)

MOTION:

THAT the Board of Governors approve the Master of Arts in Germanic and Slavic Studies with Two Streams effective immediately.

c. Discontinuation of the Studies in Policy and Practice Program BOG-May26/15-02

MOTION:

THAT the Board of Governors approve the Discontinuation of the Studies in Policy and Practice Program.

d. Discontinuation of the Certificate in the Administration of Indigenous Government BOG-May26/15-03

MOTION:

THAT the Board of Governors approve the Discontinuation of the Certificate in the Administration of Indigenous Governments.

e. Procedures for the Selection of the Registrar BOG-May26/15-18
(Complete Proposal)

MOTION:

That the Board of Governors approve the updated Procedures for the Selection of the Registrar (GV0400).

f. Status Report on Capital Projects BOG-May26/15-11

7. Finance Committee (L. LeBlanc)

- a. 2014 Annual Reports and Financial Statements University of Victoria
Combination Pension Plan and University of Victoria Money Purchase Pension
Plan BOG-May26/15-10**

Pro Forma Motion: *That the above items be approved by the Board of Governors by consent.*

REGULAR

8. Audit Committee (T. Redies)

- a. 2014/2015 Financial Statements BOG-May26/15-13**

MOTION:

THAT the Board of Governors approve the 2014/2015 Audited Financial Statements and the appropriations as set out in the attached schedule;

and

- b. THAT the Chair of the Board of Governors and the Vice-President Finance and Operations be authorized to sign the statements on behalf of the Board of Governors.**

9. Operations and Facilities Committee (M. Kennedy)

- a. 2014 Policy Review Annual Report BOG-May26/15-19**
b. Campus Plan Update – Phase One BOG-May26/15-12

10. Finance Committee (L. LeBlanc)

- a. McKinnon Renovations Budget Approval BOG-May26/15-14**

MOTION:

THAT the Board of Governors, in order to complete renovations to the McKinnon building, approve an increase in the overall budget for the Centre for Athletics, Recreation and Special Abilities of \$1.7M to a total revised budget of \$78.7M

11. President's Report

- a. Presentation on UVic Edge** by Vice-President External Relations Carmen Charette, and Director of University Communications and Marketing Bruce Kilpatrick
b. Other matters

11. Other Business

12. Adjournment



**University
of Victoria**

**UNIVERSITY OF VICTORIA
BOARD OF GOVERNORS
Tuesday, March 31, 2015, 11:00 a.m.
Senate and Board Chambers**

DRAFT MINUTES - OPEN BOARD

Present: Dr. Erich Mohr (Chair), Mr. Nav Bassi, Prof. Jamie Cassels, Ms. Ida Chong, Mr. Bradley Cranwell, Ms. Beverly Van Ruyven, Mr. Michael Kennedy, Ms. Isobel Mackenzie, Mr. Peter Gustavson, Dr. Ana Maria Peredo, Ms. Shelagh Rogers, Dr. Hélène Cazes, Ms. Lindsay R. LeBlanc, Ms. Kayleigh Erickson, Dr. Julia Eastman (Secretary)

Regrets: Ms. Tracy Redies

By Invitation: Dr. David Castle, Ms. Gayle Gorrill, Dr. Valerie Kuehne, Ms. Samantha Watkins

1. Approval of Agenda

The Chair indicated that the presentation on the UVic Difference project could be postponed to a future meeting. The agenda was approved, as amended, upon motion (K. Erickson/S. Rogers).

2. Minutes

a. Minutes of Regular Meeting of January 27, 2015

MOTION (K. Erickson/S. Rogers):

THAT the minutes of the open session of the regular meeting of January 27, 2015 be approved.

CARRIED

3. Business Arising

There was none.

4. Remarks from the Chair

Board Chair Erich Mohr thanked everyone for attending. He said the Board appreciated the importance of diverse voices being heard, and he acknowledged the presence of those in the gallery.

5. Correspondence

- a. Email from Divest UVic, dated February 5, 2015**
- b. Letter from Divest UVic, dated March 16, 2015**
- c. Letter from University of Victoria Students' Society (UVSS), dated March 13, 2015**

Dr. Mohr noted there were three items of correspondence on the agenda. He said the Finance Committee had considered the letter from the University of Victoria Students' Society (UVSS) on residence fees in its deliberations on the Planning and Budget Framework and this would be discussed under the Finance Committee section of the agenda.

Dr. Mohr said the Board appreciated the input it had received from Divest UVic and had considered the information. He said the Board shared the concern that climate change is a pivotal issue facing all of society. Dr. Mohr said the Board had duly noted the results of the March student referendum and continued to be receptive to receiving new information. He noted that, at the Board's request, the university had held a climate forum to facilitate dialogue on ways to address climate change, which Divest UVic had helped organize and which had been well attended.

Dr. Mohr said the Board recognized UVic's commitment to sustainability through research and teaching. It also respected the jurisdiction of the University of Victoria Foundation which oversaw the university's endowments.

He recalled that the Foundation had recently joined the United Nations Principles for Responsible Investment and said the Board respected the Foundation's decision not to divest from fossil fuels at this time.

Dr. Mohr emphasized that the matter was not closed and that the dialogue would continue. He said endowment returns were an important source of revenue supporting student scholarships, teaching and research. He said the Board would continue to educate itself about alternatives and encourage the Foundation to do so as well. He invited comments from other Board members. There were none.

CONSENT

6. Operations and Facilities Committee (M. Kennedy)

- a. Status Report on Capital Projects BOG-Mar31/15-06**
- b. New and Revised Awards BOG-Mar31/15-13**

MOTION:

THAT the Board of Governors approve the following new and revised graduate and undergraduate awards:

- *Costco Canada Undergraduate Entrance Bursary (new)*
- *Sybil Verch Woman in Business Award (new)*
- *University of Victoria German Club Jubilee Award (revised)**
- *Sharon Higgins Scholarship in the School of Nursing (new)**
- *Mrs. Matilda M. Schill Scholarship (revised)**
- *Faculty of Humanities Undergraduate Research Travel Award (new)*
- *David Johnstone Chabassol Bursary in Education (new)**
- *UVic Bookstore Scholarship in Writing (new)*
- *Dax Gibson Memorial Scholarship in Gender Studies & Anthropology (new)**
- *Dax Gibson Memorial Award in Gender Studies (revised)**
- *Pat Koster Essay in Early Women's Writing (revised)**
- *Myrna McEwen Daniels Scholarship (new)**
- *Terry Daniels Scholarship (new)**
- *CAPP Public Engagement Scholarship (revised)*
- *Michael and Olga Zachary Scholarship in Ukrainian Studies (new)**
- *Emil and Lynette Hain Scholarship in Ukrainian Studies (new)**
- *Victoria Joint Scottish Council Travel Award (revised)*
- *LaFarge Canada Scholarship in Civil Engineering (new)*
- *Pat Koster Scholarship in Early Women's Writing (revised)**
- *CFUW Victoria Anniversary Science Scholarship (new)**
- *Geraldine and Peter Shostak Scholarship in Ukrainian Studies (new)*
- *UVic Residence Bursary (new)*

** Administered by the University of Victoria Foundation*

c. Minor in Visual Arts BOG-Mar31/15-01

MOTION:

THAT the Board of Governors approve the Minor in Visual Arts effective immediately.

d. Procedures for the Selection of the Registrar BOG-Mar31/15-18

Operations and Facilities Committee Chair Michael Kennedy reported that the recommended procedures had been amended to reflect the fact that this position was no longer a term appointment.

MOTION:

THAT the Board of Governors approve the updated Procedures for the Selection of the Registrar (GV0400) as amended, subject to approval by Senate.

7. Finance Committee (L. LeBlanc)

a. Short Term Investment Report to December 31, 2014 BOG-Mar31/15-05

b. Collection & Remission of Student Fees for University of Victoria Students' Society (UVSS) BOG-Mar31/15-11

MOTION:

THAT the Board of Governors collect and remit the fees as approved by the UVSS members and as outlined in the letter of March 16, 2015 from the Chairperson of the UVSS to Jim Dunsdon, Associate Vice-President Student Affairs.

c. Collection & Remission of Student Fees for Graduate Students' Society (GSS) BOG-Mar31/15-12

MOTION:

THAT the Board of Governors collect and remit fees for the GSS in 2015/16 as outlined in the letter of March 9, 2015 from the Executive Director of the GSS to Gayle Gorrell, Vice-President Finance and Operations.

Pro Forma Motion (B. Cranwell/L. LeBlanc): *That the above items be approved by the Board of Governors by consent.*

CARRIED

REGULAR

8. Operations and Facilities Committee (M. Kennedy)

a. Enrolment Projections for 2015-16 BOG-Mar31/15-16

Mr. Kennedy reported on the enrolment projections submitted to the Committee by the Vice-President Academic and Provost. He said the projections were very robust and briefly listed takeaways beyond the details within the report.

MOTION (B. Van Ruyven/K. Erickson):

THAT the Board of Governors approve the projected annualized working enrolment target of 18,163 FTE for the 2015/16 academic year, subject to revisions in the event of new information regarding mandated growth, funding levels, and application rates, as approved by Senate at its meeting on February 6, 2015.

CARRIED

9. Finance Committee (L. LeBlanc)

a. 2015-16 to 2016-17 Planning and Budget Framework BOG-Mar31/15-04

Finance Committee Chair Lindsay R. LeBlanc reported on the Planning and Budget Framework. She said the Finance Committee had discussed the framework at its meeting the previous day and had reconvened that morning to discuss it in more detail. She provided background on the overall revenue and expenditure figures.

Ms. LeBlanc reported that in approving the overall budget framework the Board also approved changes in fees. She said the Committee had had lengthy discussions about

the proposed increases in residence fees. She said the Committee had taken into account the letter received from the UVSS attached to the Open agenda under correspondence.

Ms. LeBlanc outlined a number of considerations discussed by Committee members including the condition of residences, safety concerns, affordability and accessibility. She noted the Finance Committee was a Committee of the whole and all members had been given an opportunity to voice their opinion.

Ms. LeBlanc reported the Committee was recommending the motion be approved by the Board.

Ms. Mackenzie said that she agreed and supported over 99% of the budget, but she could not support the residence fee increase and would vote against it. She agreed the residence improvements needed to be done and the work needed to be paid for, but in her view, a 13% increase was not reasonable. She suggested the magnitude of the increase might signal to students unpredictability about future fee increases.

Ms. Erickson commented on the importance of dealing with deferred maintenance issues and safety and said she didn't think the money needed to come from students. She said students' questioned why the university spent millions of dollars on new facilities but didn't have money for deferred maintenance in residences. She said students deserved a tenancy act and that fees should not be increased more than 3 or 4%.

President Cassels said that the debate and advice of the Board was much appreciated. He said that he was sensitive to concerns raised with respect to affordability and access and that the university's goal was to provide healthy, safe, affordable residence spaces. He said that a bursary program would be created to assist students in need with the fee increase. He said the university would continue to ensure that residence fees were appropriate and modest in comparison to other universities.

A number of other Board members shared their perspectives, commenting on issues including:

- the importance of financial assistance for students in need;
- the impact that taking funding for deferred maintenance from other areas of the university would have on them;
- the potential impact of the increases on student stress; and
- the need for safe residence accommodation.

There being no further comments, the Chair called for the vote.

MOTION (L. LeBlanc/M. Kennedy):

THAT the Board of Governors – taking into account PART I of the 2015-16 to 2017-18 Planning and Budget Framework summarizing the results of the integrated planning process – approve PART II of the 2015-16 to 2017-18 Planning and Budget Framework, including the tuition and fee increases contained therein, and authorize the President to develop and implement the detailed operating budget for the 2015/16 fiscal year.

CARRIED

Ms. Erickson and Ms. Mackenzie requested that their opposition be noted.

b. Canada First Research Excellence Fund (CFREF) – UVic Proposal BOG-Mar31/15-15

Ms. LeBlanc said that the Finance Committee had received an update from the Vice-President Research.

c. Rescind Policy FM#5110 – Policy on Strategic Alliances and Revision of FM#5105 – Purchasing Services Policy BOG-Mar31/15-08

MOTION (N. Bassi/K. Erickson):

THAT the Board of Governors rescind Policy #5110-Policy on Strategic Alliance, and that Policy #5105- Purchasing Services Policy be amended to delete references to strategic alliances.

CARRIED

10. President's Report

Prof. Cassels reiterated his thanks to other Board members for the information, perspectives and debate over the last few days. He provided his report.

Items of campus news included:

- The very successful conclusion of the Vice-President Academic and Provost search. Prof. Cassels thanked Dr. Valerie Kuehne for her willingness to continue to serve in this role.
- The Joint Senate and Board Retreat had taken place on February 28 and speakers had provided insight into universities' roles in their regions.
- The Catalyst Conversation, a dialogue between university and local municipal officials would take place in June.
- Congratulations to Vice-President Research David Castle and his team on a very successful Ideafest. Dr. Castle provided a brief update on follow-up to Ideafest.
- A faculty and staff donor appreciation breakfast would take place early in April.
- Minister of Advanced Education Andrew Wilkinson would soon be coming to visit the campus.

Referring to research and awards:

- Prof. Cassels announced he had received notice that UVic had been awarded another Canada Research Chair bringing the total to 39.
- Prof. Cassels reported that Vice-President External Relations Carmen Charette had been appointed to the Board of the Federation of Humanities and Social Sciences.
- He announced that Jin-Sun Yoon of the School of Child and Youth Care had been awarded the prestigious 2015 3M National Teaching Fellowship.
- He announced that Sandra Meigs of the Department of Visual Arts had received a Governor General's award for lifetime achievement in visual and media arts.

11. Other Business

Dr. Mohr thanks all Board members for their engagement and commitment, and members of the executive team for all their work over the course of the previous two days.

12. Adjournment

There being no other business, the meeting adjourned at 11:40 a.m.




University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

May 15, 2015

To: Operations and Facilities Committee
From: Valerie S. Kuehne, Vice-President Academic and Provost 
cc: President and Vice-Chancellor
Meeting Date: May 25, 2015
Subject: New and Revised Awards
Basis for Jurisdiction: University Act, 27(2)(k)

Previous Consultation: Senate meeting on April 10 and May 1, 2015.

Recommendation:

THAT the Operations and Facilities Committee recommend to the Board of Governors that the Board of Governors approve the following new and revised graduate and undergraduate awards:

- Student Ambassador Scholarship (revised)
- Black Press Business Scholarship (revised)
- Butterfield Law Prize (revised)
- Vincent Short Memorial Theatre Scholarship (new)
- Joyce Clearihue Undergraduate Co-op Scholarship (new)*
- Speakman-Granewall Bursary in Mechanical Engineering (new)*
- Asia Pacific Entrance Grant (new)
- Margaret Beck Student Research Travel Award (revised)*
- Thomas Wirral Cup Award (new)
- Stó:lō Ethnohistory Legacy Scholarship (new)
- Hutchison Bekius Scholarship in History (revised)*
- Vancouver Island Trails Information Society Scholarship (revised)

- John Shields Scholarship in Public Administration (revised)*
- Kenneth L. Avio Honours Prize (revised)
- Joyce Clearihue Graduate Co-op Scholarship (new)*
- Maureen McLeod Scholarship in Geography (new)
- Celebration of Joy Award (new)
- Jane Zhu MBA Cross-Cultural Integration Award (new)
- MBA Pay-It-Forward Award (new)
- Royal Jubilee Hospital School of Nursing Alumni Association Student Award (revised)*

* Administered by the University of Victoria Foundation

Background:

At its meeting on April 10 and May 1, 2015, Senate reviewed and approved the attached new and revised graduate and undergraduate awards. Senate recommends that the Operations and Facilities Committee recommend to the Board of Governors that the Board approve these awards.

Attachment(s): Memorandums to Senate on new and revised awards dated March 25, 2015 and April 15, 2015.

MEMORANDUM

University of Victoria

Student Awards and Financial Aid
Email: lnolt@uvic.ca
Tel: (250) 721-8425
Fax: (250) 721-8757

TO: Secretary of Senate
University Secretary's Office

DATE: March 25, 2015

FR: Lori Nolt, Director, Student Awards and Financial Aid
Secretary, Senate Committee on Awards

RE: Awards Recommended to Senate for Approval

The Senate Committee on Awards recommends that the Senate approves and recommends to the Board of Governors the following awards:

*Administered by the University of Victoria Foundation

Additions are underlined

Deletions are ~~struck through~~

STUDENT AMBASSADOR SCHOLARSHIP (Revised)

A scholarship of \$1,000 is awarded to an academically outstanding part-time, full-time or graduating undergraduate or graduate student who is a current UVic Student Ambassador in the Alumni Relations Office. Applications may be obtained from the Alumni Relations Office and must be submitted to them by ~~April 30~~ February 27th.

BLACK PRESS BUSINESS SCHOLARSHIP (Revised)

Up to thirty-seven scholarships of \$5,000 each are awarded to outstanding undergraduate students entering or continuing in the Peter B. Gustavson School of Business, one scholarship to a student from each district on the attached table. ~~Applications together with a letter stating the applicant's future goals, career ambitions/aspirations and a letter of reference must be submitted to the Peter B. Gustavson School of Business by February 28th. Applications to the Bachelor of Commerce program will be used to select recipients for this scholarship.~~ Payment of this scholarship will be ~~done~~ made in two installments, the first in September and the second in January. The second installment will be dependent upon the recipient maintaining a full time registration in the Peter B. Gustavson School of Business.

BUTTERFIELD LAW BOOK PRIZE (Revised)

A ~~book~~ prize of ~~\$50~~ \$100 is awarded to a student in recognition of effort and perseverance in Greek and Roman Studies subject(s).

VINCENT SHORT MEMORIAL THEATRE SCHOLARSHIP (New)

A \$1,000 scholarship is awarded to an undergraduate student entering third or fourth year who displays outstanding ability in the Design, Directing or Production & Management specializations in the Department of Theatre. Scholarship recipients will be nominated by the Department of Theatre

JOYCE CLEARIHUE UNDERGRADUATE CO-OP SCHOLARSHIP* (New)

One or more scholarships are awarded to undergraduate students who completed a co-op term that involved the restoration and preservation of forests. Eligible students will have completed the work term in the academic year (May to April) prior to the disbursement of the scholarship. Preference will be given to students with demonstrated financial need. Nominations will be made by the Office of the Director Co-operative Education and Career Services.

SPEAKMAN-GRANEWALL BURSARY IN MECHANICAL ENGINEERING*(NEW)

One or more bursaries are awarded to undergraduate students in the Department of Mechanical Engineering. Preference will be given to single parents who have successfully completed their 2nd year.

ASIA PACIFIC ENTRANCE GRANT (New)

Three grants of \$5, 000 are awarded to academically outstanding international students from the Asia Pacific region entering an undergraduate program at the University of Victoria.

MARGARET BECK STUDENT RESEARCH TRAVEL AWARD*(Revised)

One award of ~~\$2,000~~ up to \$6,000 is given to an undergraduate or graduate student in the Humanities or Social Sciences or Fine Arts who has already completed a course or undertaken a significant research project that is related to Icelandic language, literature, history, culture or society to travel to Iceland for the purpose of research or course work. Applications must be submitted to the Associate Dean of Humanities by December 15th. ~~If~~ In the case of an undergraduate award, selection will be made by the Senate Committee on Awards upon the recommendation of the Associate Dean of Humanities. ~~If~~ In the case of a graduate award, selection will be made by the Graduate ~~Admissions and Awards~~ Committee upon the recommendation of the Associate Dean of Humanities.

THOMAS WIRRAL CUP AWARD (NEW)

An award is given to an undergraduate or graduate member of each of the men's and women's rowing teams with the highest GPA and who are Vikes Honour Roll recipients. Recipients must be members of the rowing program in the year that they are recognized.

STó:lō ETHNOHISTORY LEGACY SCHOLARSHIP (NEW)

One scholarship of \$5,000 is awarded to a registered member of any Stó:lō First Nation (i.e. any First Nation located along the Fraser River and its tributaries between Langley and Yale) enrolled in a certificate, diploma, or a degree program (undergraduate or graduate) at the University of Victoria. Applicants must submit a short statement of the educational goals they wish to achieve with this scholarship, a high school transcript and/or other relevant educational transcripts, proof of band membership, and two letters of reference. Applications must be submitted to the Department of History, att: Dr. John Lutz, by May 31st. In the case of an undergraduate award, selection will be made by the Senate Committee on Awards, upon the recommendation of the Department of History. In the case of a graduate award, selection will be made by the Graduate Awards Committee, upon the recommendation of the Department of History.

Lolt

Lori Nolt

2014/2015 Senate Committee on Awards

A. Lepp (Chair), A. Baniasadi, K. Barnes, L. Charlton,
A. Cirillo, C. Crippen, K. Erickson, S. Evans, L. Nolt,
Y. Rondeau, M. Sotoudehnia, J. Walsh, J. Wood,

MEMORANDUM

University of Victoria

Student Awards and Financial Aid
Email: lnolt@uvic.ca
Tel: (250) 721-8425
Fax: (250) 721-8757

TO: Secretary of Senate
University Secretary's Office

DATE: April 15, 2015

FR: Lori Nolt, Director, Student Awards and Financial Aid
Secretary, Senate Committee on Awards

RE: Awards Recommended to Senate for Approval

The Senate Committee on Awards recommends that the Senate approves and recommends to the Board of Governors the following awards:

*Administered by the University of Victoria Foundation
Additions are underlined
Deletions are ~~struck through~~

HUTCHINSON ~~BOOK PRIZE~~ BEKIUS SCHOLARSHIP IN HISTORY*(Revised-UG)

A prize scholarship is awarded to an academically outstanding undergraduate history student studying either the Canadian West or immigration to Western Canada. ~~studying the History of the Canadian West. Preference will be given to a student who writes an excellent essay dealing with some aspect of the settlement of immigrants from the United Kingdom in Alberta and/or British Columbia during the period from 1900 to 1940.~~ Selection of the recipient will be made by the Senate Committee on Awards upon the recommendation of the Department of History

VANCOUVER ISLAND TRAILS INFORMATION SOCIETY SCHOLARSHIP (Revised-UG)

A scholarship of \$500 is awarded to an academically outstanding 3rd or 4th year undergraduate student, in a declared Major or Minor, in Environmental Studies, who has completed ES 470, Advanced Field Study in the previous summer term ~~summer or winter session~~. Applicants must submit a one page letter outlining how the materials and teachings from ES 470 will assist in their future careers. This letter must be received by the School of Environmental Studies by September 30th. This award may be awarded to a graduating student.

JOHN SHIELDS BURSARY SCHOLARSHIP IN PUBLIC ADMINISTRATION* (Revised-GS)

~~A bursary is awarded to a full-time student entering the Master's of Public Administration program. The award is divided into equal installments to be distributed in each of the four terms of the program. Preference will be given to BCGEU members. Selection of the recipient will be~~

~~made by Student Awards & Financial Aid upon the recommendation of the School of Public Administration.~~

A scholarship is awarded to a full-time or part-time graduate student in the School of Public Administration with preference given to a student dedicated to community engagement, conflict resolution and/or service to the public. Students must apply in writing to the School of Public Administration by October 15th. Selection of the recipient will be made by the Graduate Awards Committee upon the recommendation of the School of Public Administration.

KENNETH L. AVIO HONOURS MEDAL PRIZE (Revised-UG)

A ~~medal~~ prize of \$100 is awarded to the undergraduate student in the Department of Economics for the most outstanding Honours Thesis.

JOYCE CLEARIHUE GRADUATE CO-OP SCHOLARSHIP* (New-GS)

One or more scholarships are awarded to graduate students who completed a co-op term that involved the restoration and preservation of forests. Eligible students will have completed the work term in the academic year (May to April) prior to the disbursement of the scholarship. Preference will be given to students with demonstrated financial need. Selection of the recipient will be made by the Graduate Awards Committee.

MAUREEN MCLEOD SCHOLARSHIP IN GEOGRAPHY (New-UG)

A scholarship of \$1,000 is awarded to an academically outstanding undergraduate student in the Department of Geography.

CELEBRATION OF JOY AWARD (New-GS)

An award of \$500 is awarded to a graduate student who is in good academic standing in their final year of the MBA or PhD program in the Sardul S. Gill Graduate School at the Peter B. Gustavson School of Business. The award recognizes one student who consistently, and positively, contributes to the lives of others. Students may be nominated by other students, faculty and staff, or may apply for this award on their own behalf. Applications must be accepted by the Sardul S. Gill Graduate School by October 31st. Selection of the recipient will be made by the Graduate Awards Committee upon the recommendation of the MBA Awards Committee Gill Graduate School, Peter B. Gustavson School of Business. An additional \$250 will be donated by the donor to a charity or community organization of the recipient's choice.

JANE ZHU MBA CROSS-CULTURAL INTEGRATION AWARD (New-UG)

Two awards of \$1,000 are awarded to two students in their final year of the MBA program in the Sardul S. Gill Graduate School at the Peter B. Gustavson School of Business. The purpose of this award is to recognize students who encourage and promote cross-cultural awareness and understanding, and bring together and help facilitate the integration and socialization of domestic and international students throughout the MBA program. One award will be given to an international student (visa or permanent residence) and one award will be given to a student who is a Canadian citizen. Students may self-nominate or be nominated by other students, faculty and staff via a video entry. Entries must be accepted by the Sardul S. Gill Graduate School by October 31st. Selection of the recipients will be made by the Graduate Awards Committee upon the recommendation of the MBA Awards Committee Gill Graduate School, Peter B. Gustavson School of Business.

MBA PAY-IT-FORWARD AWARD (New-GS)

Two awards of \$1,200 each are awarded to ~~two~~ students who are in good academic standing in their final year of the MBA program in the Sardul S. Gill Graduate School in the Peter B. Gustavson School of Business. One recipient will be from the daytime program and one recipient will be from the evening program. This award is to recognize students who facilitate and promote a welcoming and positive learning environment for all MBA students. Students may self-nominate, or be nominated by other students, faculty and staff. Applications must be accepted by the Sardul S. Gill Graduate School by October 31st. Selection of the recipients will be made by the Graduate Awards Committee upon the recommendation of the MBA Awards Committee Gill Graduate School, Peter B. Gustavson School of Business.

ROYAL JUBILEE HOSPITAL SCHOOL OF NURSING ~~BURSARY-ALUMNI~~ ASSOCIATION STUDENT AWARD* (Revised-UG/GS)

One or more ~~bursaries~~ awards are awarded given to academically outstanding students enrolled in an undergraduate or graduate program in the School of Nursing. Preference will be given to students with demonstrated financial need who are former Royal Jubilee Hospital School of Nursing graduates, or their ~~children or grandchildren~~ families, in perpetuity. Both distance education students who meet the above criteria are also eligible for these bursaries and on-campus students are eligible. Undergraduate students can apply via the online in-course application via My page under Student Awards and Financial Aid. Graduate Students can apply via an application form from the Dean's Office, Faculty of Graduate Studies by May 31st, attention of the Scholarships Officer. In the case of an undergraduate award, selection of the recipient will be made by the Senate Committee on Awards upon the recommendation of the School of Nursing. In the case of a graduate award, selection will be made by the Graduate Awards Committee upon the recommendation of the School of Nursing.



Lori Nolt

2014/2015 Senate Committee on Awards

A. Lepp (Chair), A. Baniyadi, K. Barnes, L. Charlton,
A. Cirillo, C. Crippen, K. Erickson, S. Evans, L. Nolt,
Y. Rondeau, M. Sotoudehnia, J. Walsh, J. Wood,



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

May 26, 2015

To: Operations and Facilities Committee

From: Valerie S. Kuehne
Vice-President Academic and Provost

cc: President and Vice-Chancellor

Meeting Date: May 26, 2015

Subject: Master of Arts in Germanic and Slavic Studies with Two Streams

Basis for Jurisdiction: Senate Committee on Planning meeting April 8, 2015
Senate meeting May 1, 2015

Previous Consultation: Senate Committee on Planning meeting April 8, 2015
Senate meeting May 1, 2015

Recommendation:

THAT the Operations and Facilities Committee recommend to the Board of Governors that the Board of Governors approve the Master of Arts in Germanic and Slavic Studies with Two Streams effective immediately.

Background:

1. Overview/nature of the academic program

The Department of Germanic and Slavic Studies currently offers a Master of Arts in Germanic Studies as well as the option of an MA in Slavic Studies by special arrangement. The proposed changes envision broadening the scope of the graduate program to a Master of Arts in Germanic and Slavic Studies with two streams: MA Stream in Germanic Studies and MA Stream in Slavic Studies. The two streams will be partially integrated in that all students will be required to complete two common foundation courses in addition to four discipline-specific courses taken within the respective stream.

2. Alignment with the university's mission and strategic plan

The proposed restructuring of the graduate program is fully in line with the university's mission and strategic plan. The strategic plan identifies interdisciplinarity, enhancement of synergies within and across disciplines, experiential learning and internationalization as core strategic goals. It furthermore emphasizes the need to continue enhancing the quality and effectiveness of academic programs in a resource constrained environment in order to strengthen UVic's position as a university of choice.

The proposed restructuring of the graduate program offered by the Department of Germanic and Slavic Studies will make positive changes in all these areas and will as such actively contribute to the promotion of the university's mission.

3. Senate/academic considerations

Campus-wide consultations with other units' Deans and Chairs have resulted in extremely positive support, and the proposal was passed by the Senate Committee on Planning and Senate.

4. Demand and availability

The most significant change to the current graduate program is the introduction of a second stream: the MA stream in Slavic Studies. Currently, the Department of Germanic and Slavic Studies only offers an option for an MA in Slavic Studies by special arrangement (SPARR). While the SPARR option is normally offered in cases where a department is lacking the critical mass of faculty resources or the critical mass of students to run a formal graduate program, the Department of Germanic and Slavic Studies has sufficient faculty resources to offer a formal MA in Slavic Studies, and in the past five years students have consistently made use of the SPARR option, demonstrating a clear demand on the part of local students. It is anticipated that the creation of a formal MA stream in Slavic Studies will result in increased recruitment of high quality candidates to the program. Moreover, UVic is well positioned to be a destination institution for graduate recruitment in Slavic Studies: UVic is the only university in British Columbia to offer a Major in Slavic Studies and the option of an MA in Slavic Studies, even if currently only by special arrangement. And with retrenchment and program reductions elsewhere in Canada, there are currently only four other universities in all of Canada that offer Master's level instruction, that is, McGill, University of Toronto, University of Manitoba and University of Alberta. It is therefore expected that UVic will be well situated to recruit students graduating from undergraduate programs across the country, but in particular Western Canada.

The restructuring of the existing MA in Germanic Studies and the partial integration as well as streamlining of the two MA streams will also enhance the quality of the entire graduate program and make it overall more appealing.

5. Resource implications (including resource plan, revenue and expenditure implications)

The proposed restructuring of the graduate program has no immediate resource implications and will not require the expenditure of additional resources. To the contrary, the restructuring is intended to improve significantly the quality of the graduate program while easing the burden on faculty resources. Currently, virtually all graduate teaching in Slavic Studies is done extra-to-load. A formal MA stream in Slavic Studies will eliminate this growing problem. The recent hire of a permanent 0.5 ATP in Slavic Studies will, moreover, ensure that the need to offer new graduate courses in Slavic Studies will not impact negatively on the undergraduate course offerings in Slavic Studies.

This assessment is based on a three- to five-year projection. If the restructured program proves very successful and results in a significant increase in graduate enrolments, the current graduate funding levels may no longer be adequate for the continued recruitment of high-quality candidates. It is too early, however, to make such a projection at this stage. At the moment, the only reasonable projection that can be made is that enrollments will increase and that, after a three- to five-year period, the department will need to reassess its recruitment strategy.

6. Other relevant factors (including impact and outcomes)

The proposed changes are intended to significantly improve the student experience and the overall academic quality of the graduate program. The new program structure consolidates the student body; enhances the synergies between the two units; streamlines the graduate course offerings and links the graduate program to the undergraduate program as a logical continuation thereof; and, through the two required common foundation courses, offers students increased opportunities for internationalization and experiential learning, as well as enhanced professionalization and mentoring for grants crafting and timely program completion. The new program structure aligns the program better with the university's mission and strategic plan and will increase the potential for success of graduates from the program, be it as candidates for doctoral study elsewhere or for professional work in the private sector.

Attachment(s): Proposal for Master of Arts in Germanic and Slavic Studies with Two Streams submitted to Senate May 1, 2015.



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

May 26, 2015

To: Operations and Facilities Committee

From: Valerie S. Kuehne
Vice-President Academic and Provost

A handwritten signature in blue ink, appearing to read 'Valerie S. Kuehne'.

cc: President and Vice-Chancellor

Meeting Date: May 26, 2015

Subject: Discontinuation of the Studies in Policy and Practice Program

Basis for Jurisdiction: Senate Committee on Planning meeting April 8, 2015
Senate meeting May 1, 2015

Previous Consultation: Senate Committee on Planning meeting April 8, 2015
Senate meeting May 1, 2015

Recommendation:

THAT the Operations and Facilities Committee recommend to the Board of Governors that the Board of Governors approve the Discontinuation of the Studies in Policy and Practice Program.

Attachment(s):
May 1, 2015 memo to Senate



University
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Associate Vice-President Academic Planning

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MEMO

Date: May 1, 2015
To: The Secretary of the Senate
From: Dr. Catherine Mateer, Chair, Senate Committee on Planning
Re: **Discontinuation of the Studies in Policy and Practice Program**

At its meeting of 8 April 2015, the Senate Committee on Planning discussed and approved the request for Discontinuation of the Studies in Policy and Practice Program. The following motion is recommended:

That Senate approve, and recommend that the Board of Governors that it also approve, the request for Discontinuation of the Studies in Policy and Practice Program.

:mam

Committee Membership:

Dr. Catherine Mateer, Chair
Ms. Lauren Charlton
Dr. Stan Dosso
Ms. Katrina Flanders
Dr. Reuven Gordon
Ms. Cassbreea Dewis
Dr. David Castle
Dr. Maureen MacDonald
Dr. Timothy Iles
Dr. Merwan Engineer
Dr. Patrick Nahirney
Ms. Jessica Gelowsky, Secretary

Dr. Valerie S. Kuehne
Dr. David Boag
Dr. Catherine McGregor
Dr. Victoria Wyatt
Dr. Patricia MacKenzie
Dr. Ann Stahl
Mr. Alex Neiman
Dr. Norah McRae
Dr. Stephen Evans
Ms. Gillian Calder
Dr. Ralf St. Clair
Ms. Katrina Flanders



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MEMORANDUM

Revised

Date: February 18, 2015

To: Dr. Catherine Mateer
Associate Vice-President Academic and Chair, Senate Committee on Academic Planning

From: Dr. Mary Ellen Purkis, Dean, Faculty of Human and Social Development

Re: Closure of the Studies in Policy and Practice Program

History and Context.

The Studies in Policy and Practice (SPP) Program is located within the Faculty of Human and Social Development (HSD) at the University of Victoria. HSD is comprised of six Schools engaged in professional and academic education across health, social and public service sectors. The predecessor of the SPP program was the Multidisciplinary Masters Program, established in 1990 by three schools in HSD; Child and Youth Care, Nursing and Social Work. It was supported by the Dean's Office as well as the Lansdowne Scholar in Social Policy. The Multidisciplinary Masters program was established as the first graduate level offering by the three schools and came about based on the desires of the schools and faculty to expand into graduate education through a collaborative model. Initially five regular faculty positions were allocated, one in each of the three participating schools, with two additional positions at the HSD level. The faculty complement has changed over the years, with the addition of two faculty appointments transferred from other academic units (one from Political Science in 1996; another from Geography in 1999) for a total of four (FTE) academic appointments at the HSD level.

The Multidisciplinary Masters Program focused on a critical exploration of connections between policy and practice within the professional practice contexts of each of the three respective Schools (Child and Youth Care, Nursing, and Social Work). Students were recruited into the program from these areas of professional practice. By 2000, all three of the Schools had independently decided to offer graduate education within their own Schools and to use their respective resources (faculty appointments) in the delivery of their own programs. At the same time, the Multidisciplinary Masters Program was sustained as a niche program focused specifically on critical analysis of the intersections of policy and practice. Through this focus, the Studies in Policy and Practice Program emerged focusing on inter-disciplinarity, critical analysis of policy in government and organizational contexts and social activist practice. In 2003 the program decided to change its official name to Studies in Policy and Practice. The program offered students an opportunity to engage with critical, feminist and post-structural theory in considering a broad range of practical issues related to policy and practice.

Academic Review of the Studies in Policy and Practice Program

In 2009 an Academic Review was undertaken to provide an independent and constructive appraisal examining 1) fit within the University context, 2) program quality, 3) governance, and 4) efficiency and sustainability. The reviewers recognized the quality of the program and courses as well as the academic strengths of the four faculty members, however they also raised serious issues in relation to student enrolments and completion. In the period 2001-2009, 32 students entered the program with 13 graduates, 3 withdrawals and 16 continuing students. The reviewers noted compounding the problem is the fact that the number of students admitted and the applicant pool remains small and therefore the average class size is also small. While recognizing the role and importance of a high quality niche program the Review Committee's recommendations clearly provided three options for the future directions of the program:

1. Expand the program using existing capacity (double admission/enrolments)
2. Transform SPP in a graduate concentration (supported by collaboration with a number of units);
3. Close the program (based on cost considerations as well as inability or unwillingness to expand enrolments).

In follow-up to the Academic Review, discussions were undertaken on numerous occasions between myself as Dean and the faculty members associated with the program to explore increasing enrolments and/or programmatic changes (i.e. Graduate Certificate in SPP). In short, faculty disagreed with these recommendations and these discussions were not fruitful in making changes to the SPP program.

Admissions and Enrolments.

Admissions to the program have remained unchanged. Over the last 10 years, while number of applicants has varied, numbers of students admitted to the program has continued at a level that is unsatisfactory.

Academic Year	Applicants	Offers	Admissions
2012-13	8	--	--
2011-12	25	9	6
2010-11	19	9	7
2009-10	15	9	7
2008-09	13	6	6
2007-08	15	5	4
2006-07	11	5	5
2005-06	9	6	5
2004-05	7	5	2
2003-04	8	5	3
2002-03	10	7	5
2001-02	6	4	2

Given the low applicant numbers in January 2012, I made a decision to suspend admission to the program for the 2012-2013 academic year. Faculty and current students within the program were made aware of this decision and an open meeting was held on February 23, 2012 with both faculty and students who attended to:

1. Communicate the rationale for the decisions as well as to respond to questions.
2. Reassure students currently in the SPP program that every effort would be made to ensure their opportunity to successfully complete their program.

Subsequent to that meeting a follow-up letter was sent to all students in the SPP program (see attached). CAPP reports were reviewed for each student currently enrolled in the program, in order to create a plan for program completion.

On November 6, 2012 I, with my Associate Dean Academic Laurene Shields, and Leslee Frances Pelton, Faculty Associate representative, met with the three faculty members currently assigned to the SPP Program. At that time, I communicated to them that given the low enrolments in the program, the fiscal environment and the lack of a forthcoming alternative plan (increased enrolments or Graduate Certificate), I had made a decision to close the Studies in Policy and Practice Program permanently. The proposed program closure of the Studies in Policy and Practice Program is a program discontinuance without lay-off (Framework Agreement). Subsequently I have met with faculty to discuss their appointment status (HSD level) and re-assignment of requisite teaching commitments.

Since, that student meeting in February 2012, 21 students have successfully completed. Currently there are 11 students associated with the SPP Program. Of these one has officially withdrawn from the program and a second student has withdrawn without permission. The remaining nine students have program completion dates within the 2015-2016 calendar year. (See attached document for confidential information regarding student status.) The Faculty of Human and Social Development working in concert with the Faculty of Graduate Studies will ensure students have access to adequate supports through the completion of their programs.

I am writing to request that the Studies in Policy and Practice Program be officially closed through the Senate Committee on Planning and ultimately the University Senate.

Thank you for your assistance in this matter.




University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

May 26, 2015

To: Operations and Facilities Committee

From: Valerie S. Kuehne 
Vice-President Academic and Provost

cc: President and Vice-Chancellor

Meeting Date: May 26, 2015

Subject: Discontinuation of the Certificate in the Administration of Indigenous Governments

Basis for Jurisdiction: Senate Committee on Planning meeting April 8, 2015
Senate meeting May 1, 2015

Previous Consultation: Senate Committee on Planning meeting April 8, 2015
Senate meeting May 1, 2015

Recommendation:

THAT the Operations and Facilities Committee recommend to the Board of Governors that the Board of Governors approve the Discontinuation of the Certificate in the Administration of Indigenous Governments.

Attachment(s):
May 1, 2015 memo to Senate



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of Victoria

Associate Vice-President Academic Planning

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MEMO

Date: May 1, 2015
To: The Secretary of the Senate
From: Dr. Catherine Mateer, Chair, Senate Committee on Planning
Re: **Discontinuation of the Certificate in the Administration of Indigenous Governments**

At its meeting of 8 April 2015, the Senate Committee on Planning discussed and approved the request for Discontinuation of the Certificate in the Administration of Indigenous Governments. The following motion is recommended:

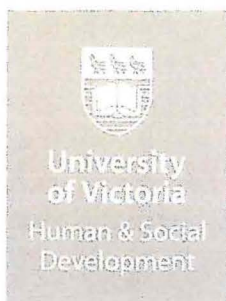
That Senate approve, and recommend to the Board of Governors that it also approve, the request for Discontinuation of the Certificate in the Administration of Indigenous Governments.

:mam

Committee Membership:

Dr. Catherine Mateer, Chair
Ms. Lauren Charlton
Dr. Stan Dosso
Ms. Katrina Flanders
Dr. Reuven Gordon
Ms. Cassbreea Dewis
Dr. David Castle
Dr. Maureen MacDonald
Dr. Timothy Iles
Dr. Merwan Engineer
Dr. Patrick Nahirney
Ms. Jessica Gelowsky, Secretary

Dr. Valerie S. Kuehne
Dr. David Boag
Dr. Catherine McGregor
Dr. Victoria Wyatt
Dr. Patricia MacKenzie
Dr. Ann Stahl
Mr. Alex Neiman
Dr. Norah McRae
Dr. Stephen Evans
Ms. Gillian Calder
Dr. Ralf St. Clair
Ms. Katrina Flanders



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Website: www.uvic.ca/hsd

MEMORANDUM

Date: March 5, 2015

To: Catherine Mateer, Chair, Senate Planning Committee

CC: Taiaiake Alfred, Director, Indigenous Governance

From: Mary Ellen Purkis, Dean, Faculty of Human and Social Development *MEP*

Re: Discontinuation of Certificate in the Administration of Indigenous Governments

I am writing to recommend the discontinuance of the Certificate in the Administration of Indigenous Governments, a certificate offered by our Indigenous Governance Program. We have not accepted students into the program since September 2008. The Calendar as of the 2008/2009 academic session has stated "no new students will be admitted". We are not planning to re-open admission to this program.

In considering this closure, we have carefully reviewed records of students who were admitted to the program (from 1990 to 2008). There are 47 students admitted to the program who have not graduated.

- Of these, 3 have completed the requirements for graduation but have never applied to graduate (confirmed by Undergraduate Records and Graduation Services). We have sent letters to these students to inform them that they may be eligible to graduate and should contact the University.
- Of the 44 remaining students,
 - 39 last registered prior to 2000/2001 Academic Session;
 - 4 last registered prior to 2008/2009;
 - 1 student last registered in 2013 however subsequently dropped courses and has not completed a course since 1998.
- A spreadsheet is attached with additional detail. In the event that a former student was to contact the University or the Faculty requesting to continue in the program or to enrol in another program, we would expect to review the student's course work to date on a case by case basis and to make a determination if any course work substitutions could be used to complete the certificate, or if existing course work credit could be utilized in a similar related program.

In closing, Indigenous programs are important and valued within the Faculty of Human and Social Development. While this program will be discontinued, building on HSD's strengths there are other opportunities for Indigenous and non-Indigenous students to access comparable programming. Of particular note is the new undergraduate Diploma in First Nations Governments and Administration offered by the School of Public Administration.



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

May 7, 2015

To: Operations and Facilities Committee

From: Valerie S. Kuehne, PhD, Vice-President Academic & Provost

cc: President and Vice-Chancellor

Meeting Date: June 29, 2015

Subject: Procedures for the Selection of the Registrar

Basis for Jurisdiction: Board of Governors
Policy on University Policies and Procedures

Previous Consultation: Acting Associate University Secretary, Board of Governors meeting
March 30, 2015, Senate Meetings: April 10 and May 1, 2015.

Recommendation:

That the Operations and Facilities Committee recommend to the Board of Governors that it also approve, the updated Procedures for the Selection of the Registrar (GV0400).

Background: The Procedures were previously approved by the Board subject to approval by Senate. Following a number of suggestions made at the Senate meeting on April 10, the Procedures were reviewed and approved by Senate at the May 1, 2015 meeting.

Updates that were made in response to suggestions from Senate include:

- The committee composition was put into a format that makes clear the appointment method for each position on the committee.
- An Associate Dean responsible for advising has been included as an optional additional member to be appointed at the discretion of the Chair.
- The Associate Vice-President Student Affairs was added as a regular member.
- The Executive Director, Student Affairs was added as an optional replacement for the Director Student Recruitment and Global Engagement.

One of the suggestions made at Senate was that one of the professional staff selected from the Office of the Registrar should be from the Graduate Admissions and Records Office (GARO). In light of the fact that there are five departments within the Office of the Registrar, it was decided not to specify that in the policy, although it is likely a GARO staff member will be on the committee.

Attached for your review and approval is the updated version of the Procedures with the changes made after the May 1, 2015 Senate meeting. The changes are highlighted. Also attached are the original Procedures and the memo to Senate dated March 25, 2015 outlining the other changes proposed.

Attachment(s): Memorandum to Senate dated April 20, 2015, approved updated Procedures for the Selection of the Registrar (GV0400) and earlier memorandum to Senate dated March 25, 2015.



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Vice-President
Academic
& Provost

Vice-President Academic and Provost

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MEMO

Date: April 20, 2015

To: Senate

From: Valerie S. Kuehne, PhD, Vice-President Academic & Provost

Re: **Procedures for the Selection of the Registrar (GV 0400) update as per April Senate**

At the April 10, 2015 meeting of Senate a number of suggestions were made regarding the proposed updates to the Appointment Procedures for the Selection of the Registrar (GV0400) (the Procedures). Changes made in response to these suggestions include:

- The committee composition was put into a format that makes clear the appointment method for each position on the committee.
- An Associate Dean responsible for advising has been included as an optional additional member to be appointed at the discretion of the Chair.
- The Associate Vice-President Student Affairs was added as a regular member.
- The Executive Director, Student Affairs was added as an optional replacement for the Director Student Recruitment and Global Engagement.

One of the suggestions made at Senate was that one of the professional staff selected from the Office of the Registrar should be from the Graduate Admissions and Records Office (GARO). In light of the fact that there are five departments within the Office of the Registrar, it was decided not to specify that in the policy, although it is likely a GARO staff member will be on the committee.

Attached for your review is the updated version of the Procedures with the changes made after the April 2015 Senate meeting highlighted. Also attached are the original Procedures and the memo to Senate dated March 24, 2015 outlining the other changes proposed.

I hope this clarifies the outstanding matters brought forward by Senators and look forward to Senate and the Board's approval so the search for the new Registrar can proceed.

Recommended Motion: That Senate approve, and recommend to the Board of Governors that it also approve, the updated Procedures for the Selection of the Registrar (GV0400).



PROCEDURES FOR THE SELECTION OF THE REGISTRAR

University Policy No.: GV0400
Classification: Governance
Approving Authority: Board of Governors
Effective Date: March 2015
Supersedes: November 2002
Last Editorial Change:
Mandated Review: March 2022

PURPOSE

- 1.00 The following procedures define the method by which the appointment of the Registrar will be conducted, and to the appointment of an acting Registrar.

PROCEDURES

Delegation of Appointment Authority

- 2.00 Under Sections 27(2) (f) and (g) of the *University Act*, the Board of Governors shall with the approval of Senate establish procedures for the recommendation and selection of senior academic administrators and shall subsequently appoint these administrators.
- 2.01 The Board of Governors has delegated its authority to make appointments to the President or the appropriate vice-president. The President is responsible for approving the appointment of the Registrar.

Notification of Vacancy

- 3.00 When the position is vacant or will become so within six months, the President shall notify Senate and the Board of Governors of the vacancy, and will arrange to convene an Appointment Committee.
- 3.01 If necessary, the President will appoint an acting Registrar in accordance with section 20.00 of these procedures to serve until the new appointee takes office.

Appointment Committee Establishment and Governance

- 4.00 The Vice-President Academic and Provost convene the Appointment Committee (hereinafter referred to as "the Committee") in accordance with these procedures.

Representation from Equity Groups

- 5.00 The university is committed to equity and diversity. When electing members of the Committee, constituencies should encourage diverse representatives from their membership to stand for election including: women, Indigenous peoples, persons with disabilities, visible minorities, people of all sexual orientations and genders and others who may contribute to the diversification of the Committee.

Committee Composition

6.00 The Committee shall be comprised as follows:

Position	Number	Composition	Appointment Method
Chair	(1)	The Vice-President Academic and Provost (or designate)	Ex-officio
Committee Members	(1)	Associate Vice-President Student Affairs	Ex-officio
	(1)	Dean of Graduate Studies (or designate)	Ex-officio
	(1)	One Dean	Selected by Deans' Council (other than the Dean of Graduate Studies)
	(1)	Senator	Selected by the Senate Committee on Agenda and Governance
	(1)	Graduate student	Selected by the Graduate Students' Society
	(1)	Undergraduate student	Selected by the University of Victoria Students' Society
	(1)	Chief Information Officer	Ex-officio
	(2)	Members from the professional staff in the Office of the Registrar	Selected by the committee Chair.
Optional Additional Members	(1)	One of the Director Student Recruitment and Global Engagement or the Executive Director, Student Services	Selected by the committee Chair.
	(1)	Associate Dean responsible for advising	Selected by the committee Chair. If the Dean (selected above) is from the tri-faculties, an Associate Dean other than the Associate Dean, Academic Advising Humanities, Science, and Social Sciences should be selected.
Total	10-12		
Secretary	-	An administrative member from the office of the Vice-President Academic and Provost or the office of the Chair designate.	Appointed by the committee Chair.

Alternate Committee Members

7.00 Alternates will be identified, where possible, who may be asked to serve when a member needs to resign from the Committee before it begins to formally interview candidates. Alternates cannot be added after this point as each Committee member

must be in a position to weigh the merits of each candidate prior to making a recommendation.

- 7.01 In the event that an alternate is required and no alternate was determined at the time the Committee was constituted, an alternate will be appointed by the remaining members of the Committee after appropriate consultation.

Committee Member Participation

- 8.00 Committee members are expected to attend the Committee's meetings and must participate in interviews. A Committee member who is not able to meet these expectations shall resign from the Committee and an alternate may be appointed in accordance with section 9.00.

Establishment of Position Criteria

- 9.00 The Committee shall acquaint itself thoroughly with the requirements of the Registrar position through a review of appropriate university policies and procedures, meetings with the incumbent, and others as appropriate, and shall establish criteria by which to evaluate candidates.

Employment Equity

- 10.00 Throughout the appointment process, the Committee should acquaint itself with human rights requirements, university equity and diversity policies, include equity considerations when developing criteria for the position, and take steps to widen the pool of qualified applicants to include designated equity group members and others who may contribute to the further diversification of the university. Position advertisements shall include the current employment equity statement.

- 10.01 The Committee should familiarize itself with best practices for conducting fair and equitable search and selection processes.

Confidentiality, Protection of Privacy and Records Management

- 11.00 The personal information of the incumbent and Registrar candidates shall be managed and protected in accordance with the *Freedom of Information and Protection of Privacy Act*, and the university's Protection of Privacy (GV0235) and Records Management (IM7700) policies and associated procedures.

- 11.01 Documentation containing personal information received by the Committee is confidential and shall be used or disclosed only for the purpose for which the information was collected or a purpose consistent with the original collection purpose. All other uses or disclosures of such information require the consent of the incumbent or candidate.

- 12.00 Deliberations of the Committee are confidential. The Committee shall keep a confidential summary record of its meetings detailing its decisions and actions. Deliberations of the Committee concerning the incumbent or candidates shall not be recorded in the summary record.

- 12.01 Only the Chair (or designate) is authorized to speak on behalf of the Committee. Committee members shall not disclose opinions or individual comments voiced at Committee meetings and are expected to respond to questions on the Committee's progress as directed by the Chair.
- 12.02 A Committee member who has breached confidentiality shall be subject to sanction by the Chair potentially including dismissal from the Committee.
- 13.00 Committee records shall be managed in accordance with the university's Protection of Privacy (GV0235) and Records Management (IM7700) policies and associated procedures.

Consultation with Constituencies

- 14.00 Committee members are responsible for exercising their best judgment in the interests of the appointment process and their respective constituencies. They are expected to seek information from their constituencies and keep constituencies apprised of the non-confidential aspects of the appointment process.
- 14.01 The Chair will guide Committee members with respect to consultations with their constituencies.

Search Procedures

Determination of Candidate Field

- 15.00 The Chair, in consultation with the Committee, shall determine whether or not to initially seek internal candidates only.
- 15.01 The Vice-President Academic and Provost (or designate) may elect to engage a search consultant in cases where the position is open to external candidates.

Candidate Selection

- 16.00 The Committee will gather relevant information about the candidates and shall then select a short list of candidates.

Communication with Candidates

- 17.00 The Committee is responsible for ensuring all candidates are made aware of, and provided with a copy of these procedures.
- 17.01 Candidates shall be advised of the measures to be used for assessment and the individuals and constituency groups the Committee intends to consult.

Voting

- 18.00 The Committee shall reach a decision on a recommended candidate through a simple majority vote, by secret ballot. The Chair has the right to vote.

Recommendation

- 19.00 The Committee's appointment recommendation shall be provided to the President in the form of a report including recommendations for action and a rationale for its decision.

Appointment of an Acting Registrar

- 20.00 When the appointment of an Acting Registrar is necessary, the Vice-President Academic and Provost (or designate) will consult with individuals and committees, as he or she deems appropriate, and will then make a recommendation for appointment to the President. Normally such an appointment would not exceed two years.

AUTHORITIES AND OFFICERS

- i) Approving Authority: Board of Governors on recommendation of Senate
- ii) Designated Executive Officer: Vice-President Academic and Provost
- iii) Procedural Authority: Senate and Board of Governors
- iv) Procedural Officer: Vice-President Academic and Provost

LEGISLATION

University Act

Freedom of Information and Protection of Privacy Act

RELATED POLICIES AND DOCUMENTS

[Protection of Privacy Policy](#) (GV0235) and associated procedures

[Records Management Policy](#) (IM7700) and associated procedures



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

To: OPERATIONS AND FACILITIES COMMITTEE

From: VICE-PRESIDENT FINANCE AND OPERATIONS

cc: President and Vice-Chancellor

Meeting Date: May 26, 2015

Subject: STATUS REPORT ON CAPITAL PROJECTS

Basis for Jurisdiction: Committee's Terms of Reference

Background

Attached please find the regular Board reports on the status of capital projects for current approved capital projects.

Attachment(s):

VPFO/FMGT Project Updates: May 1, 2015

1. Centre for Athletics, Recreation and Special Abilities (CARSA) and Parkade Buildings
2. Continuing Studies Building Expansion



PROJECT:	CENTRE FOR ATHLETICS, RECREATION AND SPECIAL ABILITIES (CARSA) + PARKADE BUILDINGS
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Project No.: 08-7758, 10-9565
 Project Architect: Cannon Design Architecture Inc.
 Contractor: Campbell Construction Ltd.

BUDGET STATUS:	Approved Budget 31-May-2011	Approved Budget 29-Jan-2013	FMGT Forecast Costs 01-May-2015
Consulting	\$ 6,521,500	\$ 7,404,000	\$ 7,404,000
Construction	\$ 55,851,200	\$ 62,255,600	\$ 62,755,600
Completion	\$ 4,856,500	\$ 4,680,900	\$ 4,680,900
Contingency	\$ 3,056,200	\$ 1,332,300	\$ 832,300
Sub-Total	\$ 70,285,400	\$ 75,672,800	\$ 75,672,800
HST (3.4%) / GST (1.65%)	\$ 2,389,600	\$ 1,327,200	\$ 1,327,200
TOTAL PROJECT COSTS	\$ 72,675,000	\$ 77,000,000	\$ 77,000,000

- Total Project Cost of \$77,000,000 reflects the BOG approved budget allocation of \$61,400,000 for the new CARSA Building and McKinnon Building renovations, plus \$15,600,000 for the Parkade. Funded separately are: Geothermal system, the McKinnon Building partial seismic upgrading, LED light fixtures, and funding for the Café.
- Total Commitments to date are approximately \$76,400,000, including \$3,707,000 allocated to McKinnon Building renovations, representing 99% of the approved Budget of \$77,000,000.
- C4 Contingency has been drawn down by \$500,000 and the funds transferred to C2 Construction, to reflect added costs being incurred.

SCHEDULE STATUS:	Revised Target Date 29-Jan-2013	Actual / Forecasted Date 01-May-2015
Schematic Design Start	Jan 2009	Jan 2009
Schematic Design Completion	Apr 2009	May 2009
Design Development	Oct 2009	May 2010
Construction Documents	Jan 2011	Sep 2012
Tender	Dec 2012	Dec 2012
Commence Construction	Feb 2013	Feb 2013
Construction Complete	Dec 2014	Mar 2015
Fit-up and Move In	Apr 2015	Apr 2015

Major Risks:

- The General Contractor has submitted delay claims to the University related to the precast concrete installations for the Parkade. All parties have retained legal counsel to review the claims and work towards a settlement. Additionally there are design items being disputed by the Contractor. The resolution of these will commence shortly, and may result in additional costs. It is not possible at this time to determine whether the available contingency funds are adequate to offset UVic's liability, if any. Minor construction work is being completed.
- The tenders received for the McKinnon renovations are greater than the budgeted amount.

PROJECT: CONTINUING STUDIES BUILDING EXPANSION

Project No.: 12-00643

Project Architect: Hughes Condon Marler Architects (HCMA)

General Contractor: Knappett Projects Inc.

BUDGET STATUS:	Approved Budget 01-Oct-2013	FMGT Forecast Costs 01-May-2015
Consulting	\$ 1,570,000	\$ 1,340,000
Construction	\$ 9,500,000	\$ 10,640,000
Completion	\$ 1,900,000	\$ 1,240,000
Contingency	\$ 500,000	\$ 250,000
Sub-Total	<u>\$ 13,470,000</u>	<u>\$ 13,470,000</u>
GST (1.65%)	\$ 230,000	\$ 230,000
TOTAL PROJECT COSTS	\$ 13,700,000	\$ 13,700,000

Total Commitments to date are \$12,097,000 or 88% of the Approved Budget.

SCHEDULE STATUS:	Target Dates 01-Oct-2013	Actual/Forecasted Dates 01-May-2015
Programming Complete	Apr 2013	Apr 2013
Schematic Design Complete	Jun 2013	Jun 2013
Design Development Complete	Dec 2013	Dec 2013
Construction Documents Complete	Apr 2014	May 2014
Tender Complete	May 2014	June 2014
Commence Construction Complete	Jul 2014	Aug 2014
Construction Complete	Jul 2015	Dec 2015
Occupancy for Fit-Out	Jul 2015	Dec 2015
Operational	Aug 2015	Jan 2016

Major Risks:

- Additional temporary facilities will be required for Continuing Studies to house increased student population perhaps for a longer duration than originally envisioned.



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

To: FINANCE COMMITTEE

From: VICE-PRESIDENT FINANCE AND OPERATIONS

cc: President and Vice-Chancellor

Meeting Date: May 26, 2015

Subject: 2014 ANNUAL REPORTS and FINANCIAL STATEMENTS
University of Victoria Combination Pension Plan, and
University of Victoria Money Purchase Pension Plan

Basis for Jurisdiction: Section XIV(7) of the Trust Agreements for the University of Victoria
Combination Pension Plan and University of Victoria Money
Purchase Pension Plan

Background: Section XIV(7) requires that the Trustees send, within one hundred and fifty days following the end of the fiscal year, a copy of a statement of account to the Board of Governors.

Attachment(s):

1. University of Victoria Combination Pension Plan – Annual Report and Financial Statements December 31, 2014
2. University of Victoria Money Purchase Pension Plan – Annual Report and Financial Statements December 31, 2014



UNIVERSITY OF VICTORIA COMBINATION PENSION PLAN

**ANNUAL REPORT TO MEMBERS
2014**

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The information in this report is provided for the general information of members. The precise terms and conditions of the Plan are provided in the relevant plan documents. If there is a discrepancy between this report and the plan documents, the plan documents apply.

Letter from the Chair

When I came to the University of Victoria 1st July 1968, coincidentally on the very day the pension plan was created, I very much doubt that any thought of pensions was on my 28 year old mind, let alone any thought that said plan might reach one billion dollars! But, there it is: As of 31st December 2014, combined assets for the Combination Plan (including the Defined Retirement Benefit Account) and the Money Purchase Plan total \$1,008,502,597, a major milestone indeed!

Looking back at the original trust documents, one sees the signatures of Jean K. Petrie, George A. Brand, Stephen A. Jennings, Donald E. Lobb, J. Trevor Matthews, Neil A. Swainson, Robert W. McQueen, and T. Rennie Warburton. The planning and foresight of these first Trustees has been a remarkable gift to us all. Regrettably, some of these individuals are no longer with us to share in the celebration, but to all of them we owe a tremendous vote of thanks.

There are, of course, many others who have contributed over the years as Trustees and in other roles. I apologize that space does not permit a full list, but a few names do stand out. Bill Pfaffenberger was Chair for 10 years 1986 to 1995 followed by Fred Fischer until 2000. This period was especially important in the development of the plans, with the introduction of new pension standards legislation in B.C. in 1993, the evolution of the Combination Plan into the hybrid structure we still have today, and in 1997 the introduction of the variable benefit option which has been selected by so many of us. Fred was a major driving force in all of these developments, no doubt aided and abetted by Trevor Matthews, whose record of a few months short of 40 years continuous service as a Trustee is likely to stand for all time!

Somewhat remarkably, on the administrative side there have been only three pension managers over the 47 year history of the plans: Dennis Davis until 1980, John Levey until 1998 (the current long service record), and Susan Service to the present day. The smooth management and progress of the plans over those years is a testament to their abilities.

Last, but certainly not least, we must acknowledge the role of the University in creating, nourishing and developing the plans. Most recently, their commitment was demonstrated by their major role

in agreeing to fund increased contributions in 2011 in response to actuarial recommendations.

To all of the above and all the other Trustees who volunteered their time:

THANK YOU FROM ALL OF US!

And so to more minor matters, you will see from the tables that Susan has created for this report (pages 9 and 10), our gross returns for recent periods are: 2014 12.21%, last four years 9.47% and last ten years 7.36%. The four year number is lower because it includes the worldwide financial problems of 2008. Corresponding net returns are 11.88%, 9.18% and 7.08%, illustrating once again our extremely low operating expenses. The largest part of this expense is investment management, at 0.26% with the pension office costing only 0.05%.

As I noted in my 2013 letter: "world economies have recovered from the 2008 meltdown, but generally rather slowly." This remains true and in consequence, economists remain pessimistic about the returns to be expected for a plan such as ours. In this context we can be delighted and relieved with our 11.9% reported above. But we must remain cautious, since market volatility remains and may even be increasing with the unexpected drop in oil prices. Our new-found billion dollar status may yet be under threat but always remember that the health of a pension plan is best measured over long periods, and our annualized net ten year return at 7.1% is respectable indeed.

Information on the breakdown of our assets between managers and asset classes and the individual returns for those assets is included in the table on page 9 of this annual report. Early in 2014, the Trustees took the decision to decrease our exposure to Canadian equities (from a benchmark weight of 27% to 22%) whilst increasing the foreign equity benchmark from 27% to 32%. This move was similar to changes made by many Canadian pension funds and investment managers as concerns have deepened over the sector concentration (energy, materials and financials) and resulting high volatility of Canadian markets. Predictably our timing was not perfect, since Canadian equities did very well for a short time after our change! However, later in the year the relative market changes reversed

...cont'd

and at year end our foreign return was 15.2% compared with 12.7% for Canada. So, a good decision so far!

Fixed income investments had a remarkable year, rising 10.2% despite the universal predictions of disaster from rising interest rates. However, we must keep in mind that although the interest rate shoe did not drop this year, it will at some point. Returns on real estate were very satisfactory at 8.5%. Not quite the returns of some previous periods when valuations were rising rapidly, but this figure represents the solid cash flow from rental and lease agreements and will always provide a buffer against any losses of capital value.

Over the last several years, a new *Pension Benefits Standards Act* was developed jointly by the governments of Alberta and British Columbia and passed the B.C. legislature on 31st May 2012. The accompanying detailed regulations have still not been released but are expected shortly. The law will require the plans to develop new funding and governance policies, the former covering in more detail the management of long term objectives and risks such as those which recently led to increases in contribution rates. Many other plans have combined this sort of policy making with formalized statements of investment beliefs. These statements constitute a more generalized view of plan philosophy than the relatively factual, investment rules-based approach of our current Statement of Investment Policies and Goals, which is still required under the new law. It seems likely that drafting and approving new policies will consume much Trustee time and effort over the next few years. During this process the Trustees will continue to question our professional managers and consultants as to the most appropriate and sustainable investment choices. From recent conferences and publications it is clear that the financial management industry is moving towards accepting as best practice the incorporation of environmental, social, and governance (ESG) considerations into stock selection, and there is some initial evidence that companies which incorporate sustainability considerations into their business plans may perform better. However, it remains the view of the managers, and the Trustees, that engaging with companies and urging sustainable approaches is a better option than divestment. It remains true that the Trustees have sole legal responsibility for

setting investment policy and that a well-diversified portfolio minimizes investment risk. The new Act confirms that Trustees' fiduciary duty in B.C. must remain focussed on the best "financial" interests of the members.

You will recall that our Board of Trustees is composed of four trustees elected by the membership and four appointed by the Board of Governors (BOG). Bob Worth's term as an appointed trustee ended on 30th June 2014 and he decided to decline reappointment because of other similar commitments, which include for example the Victoria Foundation. His 9 years on the Board have been very valuable to us, especially his expertise on the valuation committee and we extend our thanks for his work and our best wishes for his future endeavours. Bob was replaced by Lisa Hill, an investment manager with Raymond James, who has already proved her value on the University Foundation Board for over 10 years and acting as its Chair for 6 years. We welcome the opportunity to make use of her skills. Martin Barnes was also a BOG appointee but decided in October to resign because the pressures of his work and travel schedule were greatly reducing his attendance at meetings. His international economic expertise and probing questioning of our service providers were very valuable and we thank him for his 8 years of service. When Martin resigned the BOG took note of the expiration of my elected term scheduled for Dec 31st and asked if I would consider continuing as an appointed trustee. I was honoured by the confidence shown by the BOG in this request, and was happy to accept. In consequence, I did not stand for election in November but will continue in the new status of an appointed trustee. In the November elections there were four candidates for two trustee positions and Martha O'Brien was successful in gaining re-election. We are very pleased to have the benefit of her continued careful analysis and legal expertise. The other successful candidate in the election was Joe Sass, UVic's manager of financial accounting and training, who has already demonstrated a quick grasp of pension matters and will contribute valuable accounting and governance expertise. Deborah George has agreed to continue in the role of Vice-Chair until her appointee term ends 30th June, 2015 and I continue to value her support and wise counsel.

...cont'd

Letter from the Chair

Our committee Chairs are Kristi Simpson (Investment), Deborah George (Policy and Procedure), and myself (Governance and Communications) and a new valuation committee chair remains to be found when next that committee is active.

Finally, I look forward to meeting many of you at our Annual General Meeting on April 14th.

Best Wishes to All,



Keith R. Dixon
Chair, Board of Pension Trustees

Annual General Meeting

4:30 p.m. Tuesday, 14 April 2015
Room A104
Bob Wright Centre

This is an informal meeting at which the Pension Board reports to the membership and answers questions. The meeting will include a brief presentation. The Pension Board hopes members will be able to attend.

Governance

The Plan is governed by a Board of Trustees (the "Pension Board"). There are eight trustees on the Pension Board, four elected by plan members for terms of up to three years and four appointed by the University's Board of Governors ("BOG").

The Pension Board oversees investment of the pension fund, financial management of the Plan and ensures the Plan is administered in accordance with the trust agreement, the *Income Tax Act (Canada)* and *Pension Benefit Standards Act (BC)*.

As at 31 December 2014, the Trustees were:

Dr. Keith Dixon – CHAIR

Professor Emeritus, Department of Chemistry
Elected term from 1 January 2012 to 31 December 2014

Dr. Deborah George—VICE-CHAIR

Appointed term from 1 July 2014 to 30 June 2015

Ms. Lisa Hill

Appointed term from 1 September 2014 to 31 August 2017

Mr. Duc Le

Elected term from 1 January 2014 to 31 December 2016

Dr. Michael Miller

Associate Vice-President, Research
Elected term from 1 January 2014 to 31 December 2016

Professor Martha O'Brien

Professor, Faculty of Law
Elected term from 1 January 2012 to 31 December 2014

Ms. Kristi Simpson

Associate Vice-President, Financial Planning & Operations
Appointed ex-officio

Vacancy (BOG appointee)

Appointed term vacated by Mr. Martin Barnes October 2014;
to be filled by Dr. Keith Dixon 1 January 2015

COMMITTEES

Actuarial Valuation Committee

The next valuation will be December 2015.

Governance and Communications Committee

Dr. Keith Dixon—CHAIR
Dr. Deborah George
Ms. Kristi Simpson

Investment Committee

Ms. Kristi Simpson—CHAIR
Ms. Lisa Hill
Dr. Michael Miller

Policy and Procedures Committee

Dr. Deborah George—CHAIR
Professor Martha O'Brien
Mr. Duc Le

Investments and Returns	2012		2013		2014	
<i>Market value of investments</i>						
<i>Balanced Fund</i>	\$655,370,014		\$749,112,447		\$826,180,033	
<i>Defined Retirement Benefit Fund</i>	88,768,934		110,004,904		131,524,681	
<i>Balanced Fund</i>		%		%		%
<i>Gross returns</i>	\$60,095,200	9.98	\$100,197,499	15.31	\$91,097,873	12.21
<i>Expenses</i>	<u>(1,633,285)</u>	<u>(0.27)</u>	<u>(1,979,127)</u>	<u>(0.30)</u>	<u>(2,498,417)</u>	<u>(0.33)</u>
<i>Net returns distributed to accounts</i>	58,461,915	9.71	98,218,372	15.01	88,599,456	11.88
<i>Defined Retirement Benefit Fund</i>						
<i>Gross returns</i>	\$7,808,820	10.14	\$14,089,819	15.35	\$14,884,463	13.30
<i>Expenses</i>	<u>(308,083)</u>	<u>(0.40)</u>	<u>(300,844)</u>	<u>(0.32)</u>	<u>(419,621)</u>	<u>(0.38)</u>
<i>Net returns</i>	7,500,737	9.74	13,788,975	15.03	14,464,842	12.92

Benefit Payments	2012	2013	2014
<i>Lump sum payments and transfers</i>	\$7,453,666	\$7,320,110	\$10,796,401
<i>Pensions</i>			
<i>3.5% internal variable annuities</i>	\$1,968,368	\$2,341,723	\$2,895,438
<i>5% internal variable annuities</i>	350,902	344,116	339,013
<i>Defined benefit pensions</i>	181,632	152,900	131,468
<i>Defined benefit supplements</i>	255,412	342,210	401,430
<i>Variable benefits</i>	14,181,481	15,102,349	17,817,378

In 1990 defined benefit pensions were replaced with a combination of the 3.5% internal variable annuity and defined benefit supplement; in 1997, the variable benefit was added; and, at the end of 2011, the 5% annuity ceased to be offered.

Contributions	2012	2013	2014
<i>Members' required</i>	\$ 7,716,152	\$ 7,896,944	\$ 8,519,385
<i>University required</i>	16,504,099	16,963,608	18,242,231
<i>Members' voluntary</i>	124,060	147,541	167,786
<i>Transfers from other plans</i>	1,421,061	1,658,433	2,234,624

Adjustments to Pensions	2012	2013	2014
	%	%	%
<i>Defined benefit pensions and supplements</i>	2.9	1.2	1.1
<i>3.5% internal variable annuities (reduction)</i>	(4.7)	5.3	6.1
<i>5.0% internal variable annuities (reduction)</i>	(6.1)	3.8	4.5

Full audited financial statements are available online at: <http://www.uvic.ca/financialplanning/pensions/combination/index.php>. A print copy may also be requested from the Pension Office at (250) 721-7030 or by email at pensions@uvic.ca with the subject line "Combination Plan Financial Statements Print Copy".

Objectives

Plan assets are distributed over two funds: the Balanced Fund and the Defined Retirement Benefit Fund. Individual member accounts (Combined Contribution Accounts, Variable Benefit Accounts and Additional Voluntary Contribution Accounts of active and inactive members) are held in the Balanced Fund, together with member accounts from the Money Purchase Pension Plan. The Defined Retirement Benefit Fund holds the assets of the Defined Retirement Benefit Account from which defined benefit pensions and supplements are paid.

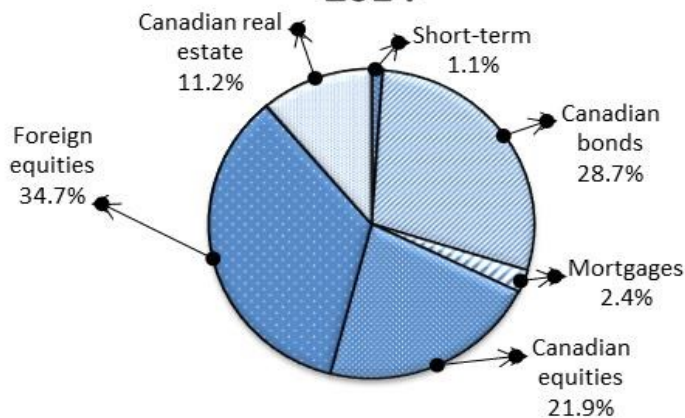
The main long-term investment objectives set by the Pension Board and accepted by the Plan's investment managers (refer to Appendix E) are to secure the obligation of the Plan and the Uni-

versity for pension benefit payments. In recognition of the Plan's current characteristics, an average degree of risk in terms of short-term variability of returns may be tolerated in the Balanced Fund's investments in pursuit of longer term returns. A higher degree of risk in terms of short-term variability of returns may be tolerated in the Defined Retirement Benefit Fund's investments in pursuit of longer term returns.

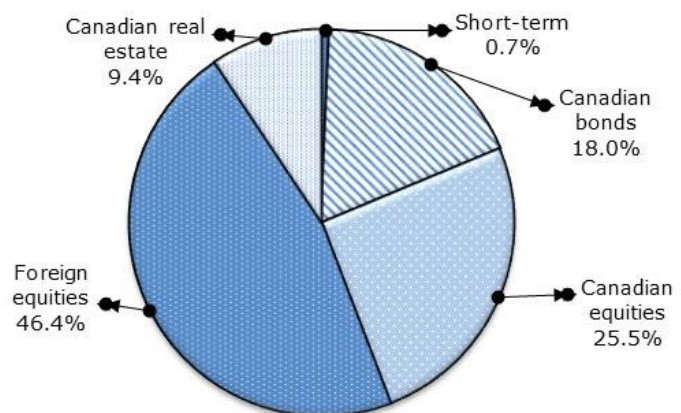
The primary objective for the Funds is to achieve a rate of return, net of investment fees and based on a four-year moving average, which is above a benchmark rate of return associated with asset mix policy. The **charts below** show each Fund's actual asset mix at 31 December 2014.

Asset Mix

Balanced Fund at 31 December 2014



Defined Retirement Benefit Fund at 31 December 2014



Investment Returns

Investment returns are measured on a time-weighted basis. The return objectives include realized and unrealized capital gains or losses, plus income from all sources.

The Investment Committee monitors and reviews performance and reports to the Pension Board on a quarterly basis. While short-term results are of interest, it is important to recognize that an investment strategy ought to provide good results over the longer term. As a consequence, the Pension Board focuses on evaluating investment performance over rolling four-

year periods. Over rolling four-year periods, the domestic managers are expected to meet the benchmark plus 0.5% per annum, plus investment management and pooled fund custodial fees. The foreign equity manager is expected to meet the standard plus 1.0% per annum, plus investment management and pooled fund custodial fees. The real estate manager is expected to return the Canadian Consumer Price Index plus 4%. The benchmark for the total fund is a composite of the benchmarks for the individual asset classes.

Balanced Fund Asset Mix and Performance as at 31 December 2014

ASSET CLASS (benchmark)	Actual Weight	Benchmark Weight (Range)	1 year Gross Return	1 year Benchmark Return	4 year Gross Return	4 year Benchmark Return
Underlying manager	(%)	(%)	(%)	(%)	(%)	(%)
<i>SHORT-TERM (FTSE TMX Canada 91-day T-Bill Index)</i>						
BC Investment Management Corporation	0.1					
Fiera Capital Corporation	-					
Phillips, Hager & North Investment Management Limited	1.0					
Total	1.1	0 (0-21)	4.0	0.9	1.9	1.0
<i>FIXED INCOME (FTSE TMX Canada Universe Bond Index)</i>						
Phillips, Hager & North Investment Management Limited	31.1	36 (20-46)	10.2	8.8	5.9	5.1
<i>CANADIAN EQUITIES (S&P/TSX Composite Index)</i>						
BC Investment Management Corporation	11.0	11 each	12.7		n/a	
Fiera Capital Corporation	10.9	(9-13)	12.5		6.3	
Total	21.9	22 (14-27)	12.7	10.6	7.3	5.2
<i>FOREIGN EQUITIES (MSCI World Ex-Canada Net, \$Cdn, Index)</i>						
BC Investment Management Corporation	34.7	32 (20-40)	15.2	14.6	14.8	14.6
<i>REAL ESTATE (Canadian Consumer Price Index plus 4%)</i>						
BC Investment Management Corporation	11.2	10 (0-15)	8.5	5.5	12.3	5.5
TOTAL FUND (Composite Benchmark)			12.2	10.9	9.5	7.9

Investments

Balanced Fund—annualized returns

The table below shows the annualized rates of return on the Balanced Fund portfolio over the last ten calendar years. "Gross Gain (Loss)" are returns before expenses. "Net Gain (Loss)" are returns after all investment and operating expenses. "Net Gain (Loss)" is the rate of return credited to members' individual Combined Contribution Accounts, Variable Benefit Accounts and Voluntary Contribution Accounts. Past performance is not a reliable indicator of future performance.

Year ended 31 December	1 year		4 year		10 year	
	Gross Gain (Loss)	Net Gain (Loss)	Gross Gain (Loss)	Net Gain (Loss)	Gross Gain (Loss)	Net Gain (Loss)
	%	%	%	%	%	%
2014	12.21	11.88	9.47	9.18	7.36	7.08
2013	15.31	15.01	8.82	8.54	7.32	7.06
2012	9.98	9.71	8.98	8.71	7.28	7.03
2011	0.92	0.65	2.17	1.90	5.86	5.59
2010	9.56	9.30	2.68	2.42	6.00	5.76
2009	16.01	15.72	3.44	3.18	6.31	6.07
2008	(15.05)	(15.29)	2.75	2.49	5.81	5.57
2007	2.94	2.69	10.05	9.81	8.49	8.23
2006	12.87	12.60	13.12	12.88	9.12	8.85
2005	12.91	12.63	8.70	8.47	9.69	9.41

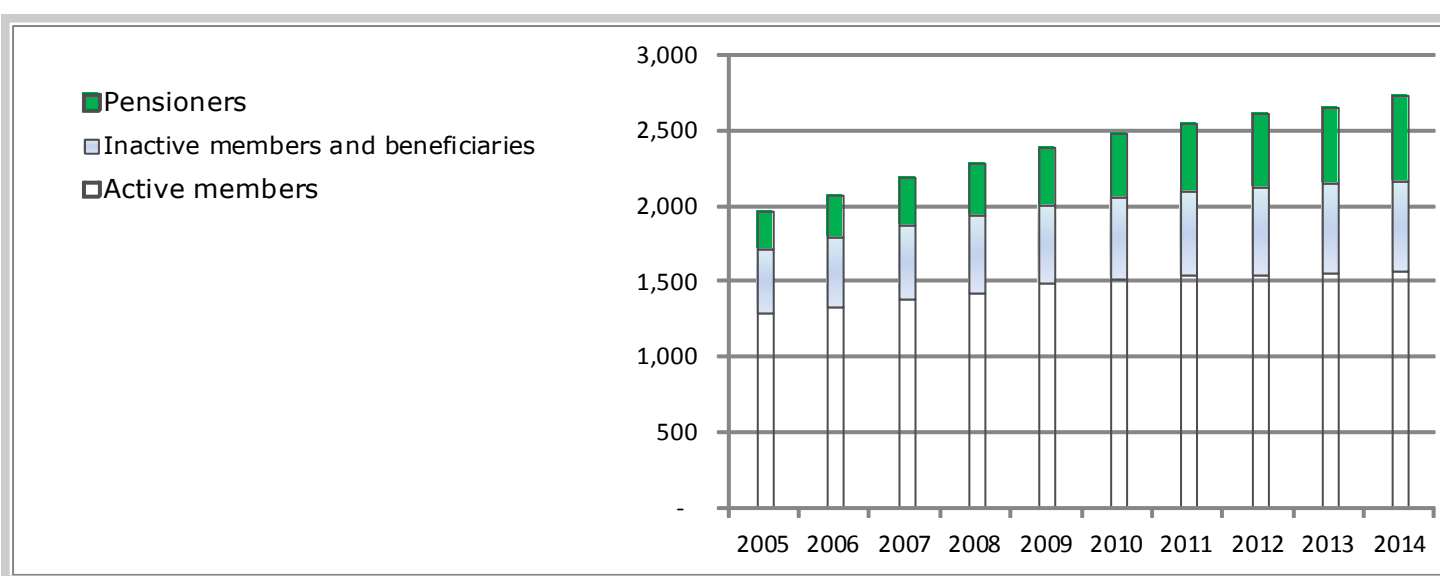
Balanced Fund—expense ratio detail

The table below provides the detail of all expenses incurred in investing and operating the pension plan. Expenses are deducted from gross gain to determine net gain. Due to the effect of compounding, over extended periods of time expenses can have a material impact on final account balances. Expenses are often described as expense ratios and expressed as basis points; 0.33% is 33 basis points.

	2012		2013		2014	
		%		%		%
<i>Balanced Fund</i>						
Investment management expenses	\$1,203,691	0.20	\$1,504,646	0.23	\$1,982,053	0.26
Custodial and consulting expenses	145,569	0.03	138,445	0.02	127,202	0.02
Actuarial expenses	-	-	-	-	-	-
Office and administration expenses	255,241	0.04	299,942	0.05	355,428	0.05
Audit and legal expenses	<u>28,784</u>	<u>-</u>	<u>36,094</u>	<u>-</u>	<u>33,734</u>	<u>-</u>
Total expenses	\$1,633,285	0.27	\$1,979,127	0.30	\$2,498,417	0.33

The table and chart below show the growth in plan membership over the past ten years. Active members are members who are still employed by the University and contributing to the Plan. Inactive members are members who have terminated employment but have not yet elected a benefit; the category also includes a small number of accounts held by surviving spouses of members who died before retirement. Pensioners are members and beneficiaries who are drawing a monthly pension from the Plan.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Active members	1,297	1,339	1,393	1,416	1,480	1,519	1,538	1,544	1,547	1,566
Inactive members	420	448	472	517	522	530	556	580	597	600
Pensioners	<u>246</u>	<u>284</u>	<u>321</u>	<u>353</u>	<u>382</u>	<u>414</u>	<u>448</u>	<u>484</u>	<u>512</u>	<u>567</u>
Total	1,963	2,071	2,186	2,286	2,384	2,463	2,542	2,608	2,656	2,733



Pensions

The table below shows the types of pensions being paid by the Plan.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Defined benefit pensions	20	19	17	15	14	12	11	10	9	9
Defined benefit supplements	8	8	13	16	36	41	47	76	89	107
Internal variable annuities	54	59	68	73	84	99	109	135	154	185
Variable benefits	179	216	247	277	297	320	347	362	373	398
Adjust for combinations	<u>(15)</u>	<u>(18)</u>	<u>(24)</u>	<u>(28)</u>	<u>(49)</u>	<u>(58)</u>	<u>(66)</u>	<u>(99)</u>	<u>(113)</u>	<u>(132)</u>
Total pensioners	246	284	321	353	382	414	448	484	512	567

In 1990 defined benefit pensions were replaced with a combination of the 3.5% internal variable annuity and defined benefit supplement; in 1997, the variable benefit was added; and, at the end of 2011, the 5% annuity ceased to be offered.

Understanding the Plan

What are the contributions?

Members and the University share the cost of the Plan.

Combined Contribution Account (defined contribution): For 2015, members' contributions are 4.35% of basic salary up to the YMPE (Year's Maximum Pensionable Earnings, the contributory earnings upper limit under the Canada Pension Plan) of \$53,600 plus 6.35% of basic salary in excess of that amount. Members' contributions are credited to members' individual Combined Contribution Accounts (CCAs).

The University contributes to individual CCAs an amount equal to 6.02% of basic salary up to the \$53,600 plus 7.65% in excess of that amount.

Total contributions to individual members' CCAs are therefore 10.37% of salary up to the

\$53,600 plus 14% in excess of that amount, subject to the limit that they may not exceed the lesser of 18% of the member's earnings and the annual defined contribution maximum set under the *Income Tax Act* (\$25,370 in 2015).

Defined Retirement Benefit Account: The defined benefit minimum is funded by University contributions equal to 5.05% of earnings in 2015.

Voluntary: Subject to *Income Tax Act* maximums, members may elect to make additional contributions to a voluntary contribution account through payroll deduction or by transfer from another registered plan (RRSP or Canadian registered pension plan). Transfers from spousal RRSPs are not permitted.

Example of 2015 pension contributions based on an annual salary of \$95,000

	Member Amount (%)	University Amount (%)	Total Amount (%)
Combined Contribution Account	\$4,961 (5.22)	\$6,394 (6.73)	\$11,355 (11.95)
Defined Retirement Benefit Account	-	4,798 (5.05)	4,798 (5.05)
Canada Pension Plan	<u>2,480 (2.61)</u>	<u>2,480 (2.61)</u>	<u>4,960 (5.22)</u>
Total pension contributions	\$7,441 (7.83)	\$13,672 (14.39)	\$21,113 (22.22)

When are members eligible for a retirement benefit?

The Combination Pension Plan provides immediate vesting, which means there are no minimum service requirements for a pension. However, there are age requirements.

Normal retirement date for a member of the Combination Pension Plan is the last day of the month in which the member attains 65 years of age. This is the date at which the defined benefit minimum is calculated without reduction.

Early retirement A member may elect to take early retirement on or after the end of the month in which the member attains 55 years of age. In this case, the defined benefit minimum

(described on page 13) is reduced to its actuarial equivalent. The reductions are shown in the table on page 17.

Deferred retirement A member may defer commencement of retirement benefits until the end of the calendar year in which the member attains 71 years of age. If a member does not select a benefit by 31 October of the year they turn age 71, they will be deemed to have selected an option that does not require spousal consent or waivers and provides maximum future flexibility; non locked-in amounts that are under \$107,200 are paid out in cash, less withholding tax.

What are the options at retirement?

Options at a Glance

- Purchase an internal variable annuity from the Plan (with defined benefit minimum)
- Start a variable benefit (RRIF/LIF-type option) from the Plan
- Purchase a life annuity from an insurance company
- Transfer CCA to a RRIF/LIF
- Transfer CCA to a (locked-in) RRSP
- Transfer CCA to another registered pension plan
- Leave CCA on deposit for a future pension (default option)

A member has a range of options designed to allow tailoring of retirement income to suit his or her individual situation, preferences, and financial plan. The detailed selection of any one option or a combination of options is a matter for the individual member and his or her private financial advisor, and the Plan cannot provide this type of advice. Spousal consent is required for some options. Subject to some restrictions, options may be combined for maximum flexibility.

With minor variations, there are basically two options available directly from the Plan and essentially the same two options outside the Plan. Within the Plan, a member may choose between a lifetime annuity and a variable benefit (basically similar to an external life income fund). Alternatively the member may remove his or her funds from the Plan, and choose between an external annuity, for example from an insurance company, or a registered retirement/life income fund. Whether within the Plan, or external to it, an annuity is purchased with a member's Combined Contribution Account (CCA) balance, which means that control and ownership of the account balance is relinquished in exchange for the promise of a future lifetime income. This is in contrast to the variable benefit or a retirement income fund, where the member retains control and ownership of the account balance, and makes withdrawals within statutory limits.

If a member wishes to defer commencement of benefits, this can be accomplished (to age 71) by leaving the money within his or her CCA, or external to the Plan by making use of (locked-in) registered retirement savings plans (RRSPs).

1. Internal Variable Annuity (with defined benefit minimum)

An internal variable annuity is purchased with the balance in a member's CCA. It is basically similar to an external annuity, with the initial amount payable depending on the available CCA balance, the age of the member, and the survivor option selected. There are three main differences between an internal annuity and an external annuity.

Firstly, internal annuity payments are adjusted each 1st July to reflect the investment performance of the Plan during the prior calendar year, or that portion of the year that the annuity was being paid, relative to the 3.5% underlying earnings assumption. If the Plan earned more or less than 3.5%, the payments are adjusted accordingly. For example, if the Plan earned 6% the annuity would increase on the following 1 July by approximately 2.5%; if the Plan lost 3%, the annuity would decrease by approximately 6.5%. The performance adjustment means that the internal annuities carry somewhat more risk than an external annuity, but also the potential for benefit if the Plan does well.

Secondly, internal annuities are adjusted to reflect the longevity experience of the group of annuitants.

Thirdly, provided the member was not previously on the variable benefit, payments under the internal variable annuity option cannot fall below the minimum calculated on a defined benefit basis.

The **defined benefit minimum** at normal retirement is the sum of (A) and (B) below:

- 1.3% of the average of the highest consecutive five year's salary ("Final Average Earnings") up to the three year average Year's Maximum Pensionable Earnings ("Average YMPE") defined by the Canada Pension Plan MULTIPLIED by years of credited service
- 2% of Final Average Earnings in excess of the Average YMPE MULTIPLIED by years of credited service.

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Understanding the Plan

Options at retirement, internal variable annuity (defined benefit minimum) continued

The defined benefit minimum is currently limited to \$2,818.89 per year of service credited after 1990 and is actuarially reduced for early retirement. The resulting single life pension is converted into the same survivor option that was selected for the variable annuity. An individualized sample calculation (single life) is provided to each member as part of the annual member statement. After retirement, the defined benefit minimum is indexed each 1 July based on the annual change in the Canadian Consumer Price Index, to a maximum of 3% per year.

If only a fraction of a member's CCA is applied to this option, there is a minimum of three times the YMPE (in 2015 the figure is 3 x \$53,600); the defined benefit minimum is then reduced to the same fraction.

A table of 2015 single life annuity rates and actuarial reductions is reproduced in Appendix A of this report. Other survivor options are available but the amount of pension will differ. If the member has a spouse, a minimum 60% joint life pension is required unless the spouse waives that right.

2. Variable Benefit

This option is similar to an external life income fund. The funds that accumulated in a member's CCA are held in a Variable Benefit Account (VBA). The member retains ownership of the funds and each year sets the monthly retirement benefit, subject to statutory minima and maxima. The minimum does not take effect until the year the member reaches age 72 and, for a particular year after age 71, is the value of the account at the start of the year multiplied by the appropriate percentage rate from an age-based table. A member with a younger spouse may elect to use the spouse's age for purposes of determining the appropriate percentage rate for the minimum withdrawal. The maximum for a particular year only applies to the locked-in (post-1992) portion of a member's account. For pensioners who

have been on the option for a full calendar year, the maximum is the greater of: (a) actual investment returns for the preceding year; and (b) the locked-in portion of the account at the start of the year multiplied by the appropriate factor from an age-based table. A booklet explaining the variable benefit in more detail is available upon request from the Pension Office. The booklet contains a table of withdrawal rate limits.

The balance remaining in a member's account after each month's withdrawal shares in the investment performance of the Balanced Fund and, when the member dies, any remaining balance forms the survivor benefit.

If the member has a spouse, spousal consent is required for the variable benefit option.

With one full calendar month of notice, a variable benefit pensioner may terminate the pension and apply the balance remaining to one or a combination of the other options, except that the defined benefit minimum is not available. If the member is over 71 years of age, the minimum withdrawal for the year must be satisfied before the funds are applied to another option. If the funds are transferred to a life income fund, no withdrawal is permitted from the new life income fund until the following calendar year.

3. Life Annuity from a life insurance company

Life annuities may be purchased from life insurance companies. Normally, a life annuity pays a fixed annual amount, unlike our internal annuities, which vary according to investment performance. Some companies may offer annuities with a fixed annual percentage escalation over time. As with the internal annuities, the initial payments depend on the balance available, the age of the annuitant, and the survivor option selected. Annuity rates offered are based on prevailing interest rates and other market factors, and can vary substantially from one company to another.

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Options at retirement continued

4. Registered Retirement and Life Income Funds (RRIFs and LIFs)

The portion of a member's account that is attributable to pre-1993 contributions may be transferred to a registered retirement income fund (RRIF). The remainder (post-1992) is locked-in and is only transferable to a life income fund (LIF). In both cases, the member retains ownership of the monies.

The permissible underlying investments of RRIFs and LIFs are the same as for registered retirement savings plans (RRSPs) and may be self-directed. Based on the age of the member, there are statutory annual minimums for withdrawals from RRIFs and LIFs, and a maximum for LIFs, but no maximum for RRIFs. If the member has a spouse, spousal consent is required for a transfer to a LIF.

What are the options upon termination of employment?

If a member leaves the employ of the University before earliest retirement age (55 years of age), the member is eligible for one of the following options:

- Leave Combined Contribution Account (CCA) on deposit for a future pension (default option)
- Transfer CCA to a (locked-in) RRSP
- Transfer CCA to another registered pension plan
- Purchase a deferred life annuity from an insurance company

Any portion of the member's account that is attributable to contributions made prior to 1993 is not subject to lock-in conditions and may be transferred to a regular RRSP or Registered Retirement Income Fund (RRIF) or be paid in cash less withholding tax. A member must commence a pension benefit or effect a transfer from the Plan by the end of the calendar year in which the member attains 71 years of age.

The survivor benefit for a member who dies **before commencing a benefit, or for a variable benefit pensioner**, is the balance in the member's account(s).

Under the *Pension Benefits Standards Act*, the beneficiary for the survivor benefit must be the member's spouse (if the member has a spouse), unless the spouse has completed and filed a Spouse's Waiver of Pre-retirement Benefits with the Pension Office; or, in the case of the variable benefit, the member did not have a spouse at the start date of the variable benefit. The definition of spouse includes a common-law or same sex partner.

Members who have ended a marriage or marriage-like relationship are encouraged to verify that their beneficiary designation is current and valid. A person to whom you

What are the survivor benefits?

are married retains spousal status for up to two years following separation.

A beneficiary who is a spouse may elect a monthly benefit or a transfer of the member's account balance to (locked-in) RRSPs or RRIFs/LIFs. All options that are available to a member are available to a surviving spouse, with the exception that the defined benefit minimum is not available and the spouse need not have attained 55 years of age to commence a monthly benefit. The spouse must commence a pension benefit or effect a transfer from the Plan by the later of one year following the member's date of death or the end of the calendar year in which the spouse attains 71 years of age.

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Understanding the Plan

Survivor benefits continued

Under the *Income Tax Act* a beneficiary who is not a spouse is required to withdraw the death benefit in cash as soon as is practicable. Withholding tax of up to 30% will be deducted from any cash payment. The actual tax payable depends on the beneficiary's marginal tax rate in the year in which the cash payment is issued.

The survivor benefit for a pensioner in receipt of an annuity or defined benefit (supplement) pension from the Plan is determined by the optional form selected by the member at the pension start date. The optional forms available are as follows:

- Joint life where 60%, 66.7%, 75% or 100% of the benefit continues to a surviving spouse.

- Joint life where 66.7% of the benefit continues after the first death of either the spouse or the member.
- Joint life where payments continue in full for the lifetime of the member or spouse, whoever lives longer, and with a guaranteed minimum of 10 or 15 years.
- Single life where payments continue for the member's lifetime with a guaranteed minimum of 0, 5, 10 or 15 years.

If the member has a spouse, Pensions Standards require that the member select a form which provides at least a 60% spousal survivor benefit unless the spouse completes a waiver.

Plan administration

General enquiries or requests for statements should be directed to the Pension Office at (250) 721-7030, by email to pensions@uvic.ca, or to:

Mailing address

Pension Services
University of Victoria
PO Box 1700, Stn CSC
Victoria BC V8W 2Y2

Physical address/courier

Pension Services
University of Victoria
ASB—Room B278
3800 Finnerty Rd
Victoria BC V8P 5C2

Retiring members should contact the Pension Office at least 3-6 months before their retirement date (last date on pay vs last day at work). The Pension Office will send the member a statement of options and the forms required for the various options. **The forms must be received in the Pension Office at least one full calendar month prior to the benefit payment date.**

Pensions are paid on the first of each month. Lump sum payments and transfers are processed at the end of each calendar month; the payment or transfer value is the market value at the end of the previous month, plus interest for the final month.

APPENDIX A: Annuity Rates and Actuarial Reduction factors

The table below shows the rates that will be used in 2015 to convert a member's Combined Contribution Account balance into a single life 3.5% internal variable annuity, and the actuarial reduction factors that are applied to the defined benefit minimum if the pension starts before normal retirement age (age 65). A single life annuity ceases on the death of the annuitant. Survivor benefits are available by selecting an optional form (joint life and guaranteed terms), but the amount payable is reduced. The optional form is selected at the time the annuity commences and, like the annuity, is irrevocable. The optional forms available from the Plan are described in the section Understanding the Plan, Survivor benefits.

**Table of Rates for Annual Single Life 3.5% Annuity
Commencing in 2015 Provided by \$1000 of Combined Contribution Account
and Actuarial Reduction Factors for Defined Benefit Minimum***

Age in Years Upon Commencement of the Annuity	Annual Annuity Rate per \$1,000	Actuarial Reduction Factor for Defined Benefit Minimum
55	51.65	0.56845
56	52.50	0.59849
57	53.40	0.63070
58	54.36	0.66529
59	55.38	0.70252
60	56.46	0.74265
61	57.62	0.78601
62	58.85	0.83298
63	60.17	0.88395
64	61.59	0.93943
65	63.12	n/a
66	64.76	n/a
67	66.54	n/a
68	68.45	n/a
69	70.53	n/a
70	72.78	n/a
71	75.23	n/a

**The defined benefit minimum is determined by multiplying the results of the formula described on page 13 by the actuarial reduction factor, if applicable. A factor of 0.83298 is effectively a reduction of 16.702% (1-0.83298) .*

Example of annuity calculation for a \$300,000 final account balance at age 62:
 $\$300,000 \div 1,000 \times 58.85 = \$17,655 \text{ per year} \div 12 = \$1,471 \text{ per month}$

Example of the actuarial reduction applied to a defined benefit minimum at age 62, based on a defined benefit minimum of \$40,000 per year at normal retirement (age 65).
 $\$40,000 \times 0.83298 = \$33,319 \text{ per year} \div 12 = \$2,777 \text{ per month}$

APPENDIX B: Portfolio holdings at 31 December 2014, Balanced Fund

Short-term investments (1.12% of total)				
			Par Value or Units	Market Value
Canada Treasury Bills			\$1,285,000	\$1,282,070.16
Pooled Funds				
bcIMC Canadian Money Market Fund ST2			2.15	850.87
Phillips, Hager & North Institutional STIF			847,591.858	8,475,918.58
				\$9,758,839.61
Canadian bonds (28.73% of total)				
	Interest Rate	Maturity Date	Par Value or Units	Market Value
Federal (government and government guaranteed)				
Canada	1.750	2019	\$ 2,680,000	\$ 2,729,915.00
Canada	2.500	2024	1,109,000	1,177,290.00
Canada	3.500	2045	5,239,000	6,577,234.44
Canada	5.000	2037	1,298,000	1,907,343.50
Canada Housing Trust	2.000	2019	2,261,000	2,297,042.60
Canada Housing Trust	2.000	2019	328,000	333,183.38
Canada Housing Trust	2.650	2022	553,000	577,451.45
Canada Housing Trust	3.350	2020	1,962,000	2,131,122.44
Canada Housing Trust	3.750	2020	827,000	910,555.95
Canada Housing Trust	3.800	2021	10,652,000	11,880,974.50
Canada Housing Trust	4.100	2018	4,010,000	4,410,105.77
NHA MBS #96505011 by Peoples Trust Co	4.200	2019	185,000	181,985.80
NHA MBS #96503636 by Equitable Trust Co	4.350	2018	620,000	572,438.56
Provincial (government and government guaranteed)				
Manitoba	4.050	2045	456,000	526,775.76
New Brunswick - Sinking Fund Debenture	2.850	2023	384,000	394,227.46
New Brunswick - Sinking Fund Debenture	3.550	2043	357,000	367,445.82
New Brunswick - Sinking Fund Debenture	3.800	2045	776,000	837,351.34
New Brunswick	4.800	2041	625,000	778,593.13
Ontario - residual strip	0.000	2041	1,548,000	638,316.25
Ontario	3.450	2045	12,135,000	12,561,326.82
Ontario	3.500	2043	6,379,000	6,641,993.41
Ontario	3.500	2024	8,054,000	8,655,142.51
Ontario	4.600	2039	609,000	744,288.74
Ontario	4.700	2037	413,000	507,721.96
Ontario	5.600	2035	335,000	453,813.11
Ontario	5.850	2033	1,326,000	1,817,631.74
Ontario	6.200	2031	1,414,000	1,980,093.49
Ontario	6.500	2029	13,999,000	19,687,073.68
Ontario	7.600	2027	9,193,000	13,754,401.13
Ontario	8.000	2026	505,000	761,013.79
Ontario	8.100	2023	3,094,000	4,451,894.72
Ontario	8.500	2025	1,715,000	2,640,837.61
Ontario Hydro	8.250	2026	2,286,000	3,489,325.25
Quebec - residual strip	0.000	2041	1,080,000	429,101.28
Quebec	4.250	2043	685,000	799,079.90
Quebec	6.000	2029	1,302,000	1,753,597.40
Quebec	8.500	2026	2,369,000	3,643,770.75
Quebec	9.375	2023	1,516,000	2,283,256.70
Municipal (government and government guaranteed)				
Municipal Finance Authority BC	3.350	2022	139,000	148,649.94
South Coast BC Transportation	3.800	2020	705,000	768,106.67

APPENDIX B: Portfolio holdings at 31 December 2014, Balanced Fund continued

Canadian bonds continued				
	Interest Rate	Maturity Date	Par Value or Units	Market Value
Corporate				
CBC Monetization Trust	4.688	2027	\$139,531	\$ 159,591.79
CDP Financial Inc	4.600	2020	138,000	155,950.49
Hospital for Sick Children	5.217	2049	330,000	409,822.05
Pooled Funds				
Phillips, Hager & North High Yield Bond Fund			271,940.925	3,107,876.86
Phillips, Hager & North Investment Grade Corp Bond Trust			11,933,314.590	120,193,537.88
				\$251,228,252.82
Mortgages (2.42% of total)				
			Units	Market Value
Phillips, Hager & North Mortgage Pension Trust Fund			1,977,268.020	\$21,174,958.68
Canadian equities (21.84% of total)				
			Shares	Market Value
Consumer Discretionary				
Cineplex Inc			28,803	\$1,291,238.49
Dollarama Inc			33,798	2,007,601.20
Gildan Activewear Inc			44,242	2,906,699.40
Magna International Inc			17,231	2,169,210.59
Consumer Staples				
Alimentation Couche-Tard Inc Class B Sub-Vtg			80,492	3,919,155.48
Energy				
Arc Resources Ltd			57,852	1,455,556.32
Canadian Natural Resources Ltd			62,286	2,237,313.12
Canadian Energy Services & Technology Corp			100,015	635,095.25
Inter Pipeline Ltd			49,824	1,790,674.56
Keyera Corp			12,567	1,018,806.69
Paramount Resources Ltd			39,807	1,119,372.84
ShawCor Ltd			25,793	1,093,623.20
Suncor Energy Inc			77,987	2,877,720.30
Tourmaline Oil Corp			38,610	1,494,207.00
Vermilion Energy Inc			27,141	1,547,037.00
Financials				
Bank of Nova Scotia			74,458	4,937,309.98
Brookfield Asset Management Inc Class A Ltd Vtg			65,887	3,835,941.14
Brookfield Property Partners LP			54,001	1,428,326.45
Element Financial Corp			147,746	2,089,128.44
Manulife Financial Corp			199,527	4,425,508.86
Onex Corp Sub-Vtg			20,289	1,368,695.94
Royal Bank of Canada			81,826	6,565,718.24
Toronto-Dominion Bank			117,068	6,498,444.68
Health Care				
Catamaran Corp			27,522	1,654,622.64
Industrials				
Canadian National Railway Co			66,068	5,286,761.36
TransForce Inc			67,236	1,989,513.24

APPENDIX B: Portfolio holdings at 31 December 2014, Balanced Fund continued

Canadian equities continued		
	Shares	Market Value
Materials		
Agrium Inc	14,225	\$ 1,564,750.00
Franco-Nevada Corp	43,617	2,495,328.57
Lundin Mining Corp	156,204	893,486.88
Methanex Corp	20,692	1,104,332.04
West Fraser Timber Co Ltd	43,681	2,903,476.07
Information Technology		
CGI Group Inc Class A Sub-Vtg	38,735	1,715,573.15
Open Text Corp	29,273	1,979,147.53
Telecommunication Services		
Telus Corp	59,806	2,505,273.34
Utilities		
Brookfield Infrastructure Partners LP	25,162	1,222,203.56
Pooled Funds		
bcIMC Active Canadian Equity Fund	9,727.182	95,792,920.73
Fiera Canadian Equity Small Cap Core Fund	52,706.757	11,144,569.69
		\$190,964,343.97
Foreign equities (34.58% of total)		
	Units	Market Value
bcIMC Active US Equity Fund	5.436626	\$ 41,628,165.71
bcIMC Active US Small Cap Equity Fund	3.176618	7,303,800.05
bcIMC Indexed US Equity Fund	0.440994	3,204,041.41
bcIMC Active Asian Equity Fund	3.017972	7,825,155.22
bcIMC Indexed Asian Equity Fund	0.846871	1,165,826.44
bcIMC Active European Equity Fund	6.870370	11,921,013.18
bcIMC Indexed European Equity Fund	1.039745	1,831,404.99
bcIMC Active Emerging Markets Equity Fund	2.165740	2,591,502.35
bcIMC Active Global Equity Fund	70.165090	121,613,432.05
bcIMC Indexed Global Equity Fund	57.832898	103,364,564.81
		\$302,448,906.21
Currency hedges (0.07% of total)		
	Units	Market Value
Net Currency Forward Contracts	n/a	\$(17,544.10)
bcIMC Euro Currency Hedging Fund	0.617576	615,216.00
		\$597,671.90
Real estate (11.24% of total)		
	Units	Market Value
bcIMC Realpool Investment Fund	11.819823	\$98,267,623.63
Total Balanced Fund investment portfolio at market value		\$874,440,596.82
Portion held by the University of Victoria Combination Pension Plan (94.48%)		<u>\$826,180,033.15</u>

APPENDIX C: Portfolio holdings at 31 December 2014, Defined Retirement Benefit Fund

Short-term investments (0.67% of total)		
	Units	Market Value
bcIMC Canadian Money Market Fund ST2	0.139	\$549.87
Phillips, Hager & North Institutional STIF	88,229.947	882,299.47
		\$882,849.34
Canadian bonds (18.20% of total)		
	Units	Market Value
Phillips, Hager & North Enhanced Total Return Bond Fund	2,344,188.330	\$23,935,569.37
Canadian equities (25.32% of total)		
	Shares	Market Value
Consumer Discretionary		
Dollarama Inc	5,000	\$297,000.00
Gildan Activewear Inc	3,000	197,100.00
Magna International Inc	3,300	415,437.00
Restaurant Brands International Inc	3,704	168,532.00
Shaw Communications Inc Class B Non-Vtg	6,500	203,775.00
Thomson Reuters Corp	8,000	374,960.00
Consumer Staples		
Alimentation Couche-Tard Inc Class B Sub-Vtg	11,700	569,673.00
Empire Company Ltd Class A Non-Vtg	2,300	201,526.00
Loblaw Companies Ltd	2,800	174,076.00
Saputo Inc	3,800	132,696.00
Energy		
Arc Resources Ltd	18,400	462,944.00
Cameco Corp	11,200	213,360.00
Canadian Natural Resources Ltd	28,500	1,023,720.00
Cenovus Energy Inc	29,032	695,897.04
Crescent Point Energy Corp	18,800	505,908.00
Enbridge Inc	22,800	1,362,072.00
Encana Corp	24,832	401,533.44
Keyera Corp	1,600	129,712.00
MEG Energy Corp	3,100	60,605.00
PrairieSky Royalty Ltd	1,800	55,080.00
Precision Drilling Corp	22,700	160,262.00
Seven Generations Energy Ltd	2,900	50,721.00
Suncor Energy Inc	27,520	1,015,488.00
Talisman Energy Inc	17,900	162,890.00
Tourmaline Oil Corp	3,300	127,710.00
TransCanada Corp	14,100	805,110.00
Financials		
Bank of Montreal	8,600	706,748.00
Bank of Nova Scotia	29,700	1,969,407.00
Brookfield Asset Management Inc Class A Ltd Vtg	15,700	914,054.00
Brookfield Property Partners LP	2,200	58,190.00
Canadian Imperial Bank of Commerce	4,300	429,312.00
CI Financial Corp	5,100	164,679.00
Industrial Alliance Insurance and Financial Services Inc	4,500	199,935.00
Intact Financial Corp	2,300	192,855.00
Manulife Financial Corp	49,800	1,104,564.00
Manulife Financial CRP Sub RCT	6,600	146,124.00
Power Corporation of Canada Sub-Vtg	7,000	222,320.00
Royal Bank of Canada	30,200	2,423,248.00
Sun Life Financial Inc	2,700	113,184.00
Toronto-Dominion Bank	45,100	2,503,501.00

APPENDIX C: Portfolio holdings at 31 December 2014, Defined Retirement Benefit Fund continued
Canadian equities continued

	Shares or Units	Market Value
Health Care		
Catamaran Corp	5,400	\$ 324,648.00
Valeant Pharmaceuticals International Inc	6,700	1,114,411.00
Industrials		
Canadian National Railway Co	15,800	1,264,316.00
Finning International Inc	11,900	300,237.00
SNC-Lavalin Group Inc	7,200	319,032.00
Information Technology		
CGI Group Inc Class A Sub-Vtg	9,200	407,468.00
Open Text Corp	2,100	141,981.00
Materials		
Agrium Inc	3,400	374,000.00
First Quantum Minerals Ltd	10,500	173,355.00
Potash Corporation of Saskatchewan Inc	16,300	669,441.00
Teck Resources Ltd Class B Sub-Vtg	8,300	131,804.00
Turquoise Hill Resources Ltd	20,030	71,907.70
Telecommunication Services		
Rogers Communications Inc Class B Non-Vtg	9,000	406,530.00
Telus Corp	13,800	578,082.00
Utilities		
Fortis Inc	5,100	198,696.00
Pooled Funds		
iShares S&P/TSX 60 Index ETF	8,700	196,789.00
Phillips, Hager & North Institutional Gold & Precious Metals Fund	327,423.479	1,450,715.21
Phillips, Hager & North Small Float Fund	163,671.254	4,066,756.02
		\$33,296,077.41

Foreign equities (46.29% of total)

	Units	Market Value
bcIMC Active US Equity Fund	0.675701	\$5,173,832.29
bcIMC Active US Small Cap Equity Fund	0.346535	796,767.44
bcIMC Indexed US Equity Fund	0.363469	2,640,783.15
bcIMC Active Asian Equity Fund	0.412134	1,068,603.34
bcIMC Indexed Asian Equity Fund	0.192898	265,548.91
bcIMC Active European Equity Fund	1.187063	2,059,712.65
bcIMC Indexed European Equity Fund	0.097582	171,881.31
bcIMC Active Emerging Markets Equity Fund	0.266180	318,508.37
bcIMC Active Global Equity Fund	17.444134	30,234,992.83
bcIMC Indexed Global Equity Fund	10.155302	18,150,541.51
		\$60,881,171.80

Currency hedges (0.09% of total)

	Units	Market Value
bcIMC Euro Currency Hedging Fund	0.121692	\$121,226.59

Real estate (9.43% of total)

	Units	Market Value
bcIMC Realpool Investment Fund	1.492433	\$12,407,786.66

Total Defined Retirement Benefit Fund investment portfolio at market value **\$131,524,681.17**

APPENDIX D: History of the Plan

Pension plans are of two major types: defined benefit and defined contribution. Under the typical defined benefit plan, a member's pension is determined by a formula based on years of service, salary and age at retirement. Pension payments to the member during his or her retirement remain constant, except for any cost-of-living adjustments. In a defined contribution plan, the contributions of the member and his or her employer, together with net investment earnings or losses, accumulate throughout the member's career. At retirement, the accumulated sum is used to purchase a pension. In a defined contribution plan, net investment returns are obviously of great importance to the member, particularly if the pension is paid in the form of a variable annuity adjusted each year during his or her retirement according to the Plan's performance.

Original Plan provides greater of defined contribution or defined benefit. When the pension plan was established in 1968 to replace the earlier TIAA-CREF money purchase contracts, it retained the defined contribution features for payments at death, before retirement, or on termination of employment, but pensions were to be calculated under a defined benefit formula based on years of service and final average salary to compensate the long-service employees of that time for the inadequacy of earlier University of Victoria pension plans. In 1972, in order to qualify for registration under the *Income Tax Act* and still retain the advantages of the defined contribution features for members who leave the University before retirement, the Plan was amended so that pensions would also be determined on a defined contribution basis. It was possible to retain the defined benefit as a minimum benefit, but the Plan became in essence and intent a defined contribution plan with the expectation that the majority of members would receive a variable annuity that would exceed the defined benefit.

Amendments in 1980s allow members to choose between defined contribution and defined benefit. In 1983 the Plan was amended to permit members, who are eligible to receive a defined contribution pension, to purchase an annuity from a life insurance company. A further amendment in 1985 permitted the selection at retirement of a defined contribution pension even when the initial amount was smaller than the defined benefit.

Income Tax Reform in 1990. In 1991 the Plan was segregated into a **Money Purchase Pension Plan** and a **Combination Pension Plan**. The **Money Purchase Pension Plan** is a defined contribution pension plan for members of the faculty and administrative and academic professional staff holding term appointments or regular (continuing) appointments of 50% or more of full time but less than full time and for assistant teaching professors and sessional lecturers. The **Combination Pension Plan** is for full time

continuing members of the faculty and administrative and academic professional staff.

Also in 1991, contributions to member accounts became limited to the defined contribution maximum permitted under the *Income Tax Act*, initially \$12,500. In 1994, in response to these limits, the Supplemental Benefit Arrangement (SBA) was created. The SBA is a complement to the Combination Pension Plan. It provides money purchase benefits and, since 2000, defined benefits that can not be provided under the registered pension plan.

Introduction of pension standards in 1993.

On 1 January 1993, minimum pension standards legislation became effective in BC. The most significant impact this had on members of the Combination Pension Plan is that contributions made on or after 1 January 1993 must be locked-in to provide a lifetime retirement income. Contributions made prior to 1993 were restricted under the plan document. The restrictions did not amount to full lock-in under pension standards and were removed effective 1 June 2006.

Member contribution rates. Members of the Combination Pension Plan contribute an amount equal to:

- (a) 3% of basic salary up to the contributory earnings upper limit for the Canada Pension Plan (the "Year's Maximum Pensionable Earnings" - YMPE), plus
- (b) 5% on the salary in excess of that limit, plus
- (c) one-third of the amount by which, if any, the University's defined benefit contribution exceeds 1% (1.35% effective 1 May 2011).

Employee contributions are directed to individual Combined Contribution Accounts (CCAs). The CCA balances provide the main part of a member's final pension entitlement in the same way as a defined contribution account.

University contribution rates. Up to 31 December 1990 the University contributed 10% of basic salary minus its Canada Pension Plan contribution. Of this amount, 12% of basic salary less the member's contribution, was directed to each individual's CCA, and the remaining employer contribution was directed into the Defined Retirement Benefit Account (DRBA).

In 1991, to comply with new Income Tax Act rules, the University contributions to individual members' CCAs were revised to equal:

- (a) 10.37% of basic salary up the YMPE, plus
- (b) 14% of basic salary in excess of the YMPE, less
- (c) the individual member's contribution, plus
- (d) up to an additional 1% if, on the advice of the actuary, the 1% is not required to fund the defined benefit minimum.

At the same time, University contributions to fund the

...cont'd

defined benefit minimum were revised to equal:

- (a) 1% of salary, which at the discretion of the Pension Board acting on the advice of the actuary, could be directed in whole or in part to member's CCAs, plus
- (b) such additional contributions as are recommended by the plan actuary to maintain the Defined Retirement Benefit Account on a sound actuarial basis (4.05% of salary effective 1 May 2011).

From 1 January 1991 to 30 June 1993, and from 1 July 1998 to 31 December 2001, the 1% contribution was not required for the defined benefit minimum and, on the advice of the plan actuary, was redirected to members' CCAs. Since that time, plan actuaries have recommended that the 1% of salary be gradually returned to its original purpose, namely to fund the defined benefit minimum (registered plan and/or the Supplemental Benefit Arrangement). Consequently, for 2002, the Pension Board changed the allocations to 0.8% to CCAs and 0.2% to the defined benefit minimum. For 2003 and 2004, the corresponding alloca-

tions were 0.7% and 0.3% and, effective 1 January 2005, the full 1% was allocated to accounts funding the defined benefit minimum. The 1% was increased to 5.05% effective 1 May 2011.

Immunization options. A Canadian Government Treasury Bill Fund was created in 1991 and a Short Term Bond and Mortgage Fund was added in 2003. These investment options were removed in 2010 due to lack of use and onerous regulatory requirements. A GIC option was similarly available from 1995 to 2002.

Variable Benefit. On 1 January 1997, the variable withdrawal plan was added as an option for retiring members. The variable withdrawal plan is essentially an income fund operated by the pension plan. It provides members with a regular but flexible retirement income. It was renamed the variable benefit in 2006.

On 1 January 2012, the 5% internal variable annuity ceased to be offered. The change did not affect pensioners already in receipt of the annuity.

APPENDIX E: Service providers

Service providers at the end of December 2014	
Investment Managers	<p>BC Investment Management Corporation (bcIMC)</p> <ul style="list-style-type: none">• manages one-half the Canadian equity portion, and all the foreign equity and real estate portions of the Balanced Fund• Manages the foreign equity and real estate portions of the Defined Retirement Benefit Fund <p>Fiera Capital Corporation</p> <ul style="list-style-type: none">• manages one-half the Canadian equity portion of the Balanced Fund <p>Phillips, Hager & North Investment Management Limited</p> <ul style="list-style-type: none">• manages the fixed income portion of the Balanced Fund and the domestic portion of the Defined Retirement Benefit Fund
Custodian	<p>RBC Investor Services Trust</p> <ul style="list-style-type: none">• custodian of plan assets, excluding bcIMC funds• payment service for pensions and taxable lump sums
Investment consultant	Towers Watson
Performance measurement	RBC Investor Services Limited
Actuary	Mercer (Canada) Limited
Auditor	Grant Thornton LLP



Financial Statements

University of Victoria Combination Pension Plan

December 31, 2014

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Independent Auditor's Report

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To the Trustees of University of Victoria Combination Pension Plan

We have audited the accompanying financial statements of the University of Victoria Combination Pension Plan, which comprise the statement of financial position as at December 31, 2014, and the statement of changes in net assets available for benefits and the statement of changes in obligations for benefits for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the University of Victoria Combination Pension Plan as at December 31, 2014 and its financial performance for the year then ended in accordance with Canadian accounting standards for pension plans.

Victoria, Canada
March 3, 2015



Chartered accountants

University of Victoria Combination Pension Plan

Statement of Financial Position

December 31

2014

2013

Assets

Cash \$ 1,943,284 \$ 1,824,219

Investments (Note 4)

Short-term	10,103,097	12,861,989
Canadian bonds	261,298,481	204,427,647
Foreign bonds	-	1,903,880
Mortgages	20,006,308	14,291,306
Canadian equities	213,721,058	252,747,535
Foreign equities	346,637,858	275,034,486
Currency hedges	685,913	475,529
Real estate	105,251,999	97,374,979

957,704,714 859,117,351

Receivables

Accrued interest and dividend income	896,631	629,846
Miscellaneous	220,828	46,638

1,117,459 676,484

960,765,457 861,618,054

Liabilities

Accounts payable and accrued liabilities 686,323 1,386,116

Net assets available for benefits

Available for defined contribution benefits	828,968,730	751,263,063
Available for defined benefit pensions and supplements	131,110,404	108,968,875

960,079,134 860,231,938

Obligations for benefits

Defined contribution benefits	828,968,730	751,263,063
Accrued defined benefit pensions and supplements (Note 6)	45,357,000	42,308,000


45,357,000 42,308,000

Net assets available for benefits less obligations for benefits

\$ 85,753,404 \$ 66,660,875

Approved by the Board of Pension Trustees

 Chair

 Vice-Chair

See accompanying notes to the financial statements.

University of Victoria Combination Pension Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31

2014

2013

Change in net assets

Net return on investments (Note 5)

Interest income	\$ 11,358,275	\$ 10,088,598
Mortgage income	676,896	695,003
Dividend income	2,834,357	3,330,634
Net realized and unrealized gain on investments	91,112,808	100,173,083
Investment administration costs	<u>(2,391,801)</u>	<u>(1,822,941)</u>
	<u>103,590,535</u>	<u>112,464,377</u>

Contributions (Note 1)

Members' required	8,519,385	7,896,944
Members' additional voluntary	167,786	147,541
University's required		
Combined contribution accounts	10,325,089	9,579,975
Defined retirement benefit account	7,917,142	7,383,633
Transfers from other plans	<u>2,234,624</u>	<u>1,658,433</u>
	<u>29,164,026</u>	<u>26,666,526</u>

Payments to or on behalf of members

Pensions to retired members or beneficiaries	(21,584,727)	(18,283,298)
Members' accounts transferred and refunded, and death benefits	<u>(10,796,401)</u>	<u>(7,320,110)</u>
	<u>(32,381,128)</u>	<u>(25,603,408)</u>

Operating expenses

Office and administrative costs	(405,358)	(341,807)
Actuarial fees	(82,331)	(74,317)
Audit, registration and legal fees	<u>(38,548)</u>	<u>(40,905)</u>
	<u>(526,237)</u>	<u>(457,029)</u>

Increase in net assets

99,847,196 113,070,466

Net assets available for benefits, beginning of year

860,231,938 747,161,472

Net assets available for benefits, end of year

\$ 960,079,134 \$ 860,231,938

See accompanying notes to the financial statements.

University of Victoria Combination Pension Plan

Statement of Changes in Obligations for Benefits

Year Ended December 31

2014

2013

Change in obligations for benefits - defined contribution

Beginning balance, obligations for defined contribution benefits	\$ 751,263,063	\$ 658,827,844
Net investment returns	88,599,455	98,218,373
Contributions	21,246,884	19,282,893
Benefits paid	(21,051,830)	(17,788,188)
Accounts transferred or refunded	(11,088,842)	(7,277,859)
Change in obligations for benefits	77,705,667	92,435,219
Ending balance	\$ 828,968,730	\$ 751,263,063

Change in obligations for benefits - defined benefit

Beginning balance, obligations for accrued defined benefit pensions and supplements	\$ 42,308,000	\$ 51,288,000
Actual plan experience and changes in actuarial assumptions	3,068,000	(1,108,000)
Interest accrued on benefits	3,053,000	3,432,000
Experience (gains) and losses	(5,688,000)	(14,334,000)
Benefits accrued	3,149,000	3,525,000
Benefits paid	(533,000)	(495,000)
Change in obligations for benefits	3,049,000	(8,980,000)
Ending balance	\$ 45,357,000	\$ 42,308,000

See accompanying notes to the financial statements.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

1. Description of plan

The following description of the University of Victoria Combination Pension Plan is a summary only. Plan assets are distributed over two funds: the Balanced Fund and the Defined Retirement Benefit Fund. Individual member accounts (Combined Contribution Accounts, Variable Benefit Accounts, and Additional Voluntary Contribution Accounts of active and inactive members) are held in the Balanced Fund. The Defined Retirement Benefit Fund holds the assets of the Defined Retirement Benefit Account from which defined benefit pensions and supplements are paid. For more complete information, reference should be made to the Trust Agreement.

(a) General

The Plan is a defined contribution pension plan which contains, subject to eligibility, a defined benefit supplement to bring a retirement pension up to a minimum calculated under a defined benefit formula. The Plan covers all full-time faculty and administrative and academic professional staff holding regular appointments.

(b) Funding policy

In accordance with the Trust Agreement and the recommendation of the plan actuary, members are required to contribute 4.35% of their basic salary up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) (\$52,500 in 2014), and 6.35% of the basic salary in excess of that amount. The contributions are directed to the members' combined contribution accounts (defined contribution).

The University contributes 6.02% of basic salary up to the Canada Pension Plan YMPE, and 7.65% of the basic salary in excess of that amount. The contributions are directed to the members' combined contribution accounts. The University contributes an additional 5.05% of basic salary to fund the defined benefit minimum. These defined benefit contributions are directed to the Defined Retirement Benefit Fund. In the event that the actuary recommends additional contributions to fund the defined benefit minimum, the plan document provides for one-third and two-thirds sharing between members and the University.

The total combined member and University contributions to a member's combined contribution account in a calendar year are limited to the Income Tax Act (Canada) maximum (\$24,930 in 2014).

Subject to Income Tax Act (Canada) maximums, members may elect to make additional contributions to a voluntary contribution account through payroll deduction or by transfer from other registered vehicles.

(c) Investment options

Members' combined contribution accounts and additional voluntary accounts are invested in a balanced fund.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

1. Description of plan (continued)

(d) Retirement

All members are eligible for a retirement benefit. Normal retirement is the end of the month in which the member attains age 65. Members may elect early retirement any time after attaining the age of 55, or postpone retirement benefits until December 1st of the calendar year in which the member attains age 71.

(e) Retirement options

At retirement, members can apply the balance in their combined contribution accounts to one or a combination of the following forms of benefits:

- Internal variable annuity with, subject to eligibility, a defined benefit supplement. The defined benefit supplement is the amount, if any, by which the defined benefit minimum exceeds the internal variable annuity. The defined benefit minimum at normal retirement is 1.3% of the member's final average earnings up to the average YMPE for each year of service plus 2% of the member's final average earnings that is in excess of the average YMPE for each year of service. The final average earnings are calculated as the member's average for the highest consecutive five years. The defined benefit minimum is limited to \$2,818.89 per year of service credited after 1990 and is actuarially reduced for early retirement.
- External annuity from a life insurance company.
- Variable benefit.
- Transfer to (locked-in) registered retirement savings plans.
- Transfer to a combination of registered retirement income funds and life income funds.

(f) Termination and portability benefits

Upon termination of employment, members may retain the balance in their combined contribution account or transfer it to (locked-in) registered retirement savings plans or to another registered pension plan that will accept the transfer.

Members may transfer pension entitlements from other registered pension plans to a voluntary account in the University of Victoria Combination Pension Plan.

(g) Survivor benefits

The survivor benefit of a member, who dies before commencing a benefit, is the total in the member's combined contribution account and additional voluntary contribution account, if any. The beneficiary is the member's spouse (if the member has a spouse) unless the spouse has completed and filed a Spouse's Waiver of Pre-Retirement Benefits with the Pension Office. If the member does not have a spouse or the spouse has completed a waiver, the beneficiary is the member's estate unless the member has designated another beneficiary. A surviving spouse may choose an immediate or deferred pension from the Plan or transfer the survivor benefit to another registered vehicle.

The survivor benefit for a pensioner on the variable benefit is the total in the member's variable benefit account.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

1. Description of plan (continued)

(g) Survivor benefits (continued)

The survivor benefit for a pensioner in receipt of an annuity from the plan is determined by the optional form selected by the member immediately prior to commencement of the annuity. The optional forms available for internal annuities are as follows:

- Joint and last survivor where 66.7%, 75% or 100% of the benefit will continue to the spouse, if pre-deceased by the member.
- Joint and last survivor where 66.7% of the benefit will continue after the first death of either the spouse or the member.
- Joint and last survivor where payments will continue in full for the lifetime of the member or spouse, whoever lives longer, and with a guaranteed minimum of 10 or 15 years.
- Single life where payments continue for the member's lifetime with a guaranteed minimum of 0, 5, 10 or 15 years.

If the member has a spouse, the member must select a form which provides at least a lifetime 60% survivor benefit unless the spouse completes a waiver.

(h) Adjustments to pensions

Internal variable annuities are adjusted each July 1st based on the investment performance of the underlying net assets for the preceding calendar year. In accordance with the plan these annuities are also subject to adjustment arising from the longevity experience of the annuitant group. The adjustments to the 3.5% and 5% internal variable annuities on July 1, 2014 were increases of 6.1% (2013: 5.3% reduction) and 4.5% (2013: 3.8% increase), respectively.

Defined benefit pensions and the defined benefit minimum for eligible 3.5% annuitants, are adjusted each July 1st, by reference to the annual change in the Canadian Consumer Price Index (CPI) to a maximum of 3% per year since the commencement date of the pension. The maximum adjustment in any one year is also 3%. The increase in the CPI was 1.1% from 2013 to 2014 resulting in an adjustment to defined benefit pensions and minimum benefits on July 1, 2014 of 1.1% (2013: 1.2%).

(i) Income taxes

The Plan is a registered pension plan as defined in the Income Tax Act (Canada) and is not subject to income taxes.

2. Statement of compliance with Canadian accounting standards for pension plans

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

3. Summary of significant accounting policies

As indicated in Note 2, these financial statements have been prepared in accordance with Canadian accounting standards for pension plans. Accounting standards for pension plans require entities to select accounting policies for accounts that do not relate to its investment portfolio or pension obligations in accordance with either International Financial Reporting Standards ("IFRS") or Canadian Accounting Standards for Private Enterprises ("ASPE"). The Trustees selected IFRS for such accounts on a consistent basis and to the extent that these standards do not conflict with the requirements of the accounting standards for pension plans.

(a) Investments

Investments are stated at fair value. Fair value is determined using market values where available. Fair value for international investments, including the Currency Hedging Fund, held by BC Investment Management Corporation are estimated based on preliminary market values supplied by the BC Investment Management Corporation, and any differences between the estimated values and final market values are adjusted in the subsequent period. Where listed market values are not available, estimated values are calculated by discounted cash flows or based on other approved external pricing sources. Price comparison reports are used to compare the prices of the bonds and publicly traded equities held in pooled funds against a secondary source. Mortgages are valued at the end of each month based on a discounted cash flow model. Real estate investments are valued quarterly by BC Investment Management Corporation's real estate investment managers and, at least once every ten to eighteen months, by accredited independent appraisers to establish current market values. At the end of each quarter BC Investment Management Corporation uses financial statements provided by the external managers and general partners or valuation reports to calculate the share values and the unit values for the externally managed holding corporations and limited partnerships. Investment sales and purchases are recorded on trade date.

(b) Investment income

Investment income is recorded on the accrual basis. Any adjustments to investments due to the fluctuation of market prices are reflected as part of the return on investments in the statement of changes in net assets available for benefits.

(c) Use of estimates

The preparation of financial statements, in conformity with Canadian accounting standards for pension plans, requires management, within the assumption parameters regarding pension liabilities approved by the Plan's actuaries, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in assets during the period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the valuation of investments and the estimate of the actuarial position of the defined benefit minimum.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

4. Investments (fair value)

Except for the assets of the Defined Retirement Benefit Account ("DRBA"), the assets of the Plan are pooled for investment purposes with the assets of the University of Victoria Money Purchase Pension Plan. At December 31, 2014, 94.48% (2013: 94.7%) of the assets held in the Balanced Fund were in respect of the University of Victoria Combination Pension Plan.

The Plan's investments are recorded at fair value or at amounts that approximate fair value. Fair value is the amount at which the investment could be exchanged in a current financial transaction between willing parties. The investments are categorized according to a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs that are not observable for the asset or liability.

The Plan's proportionate share of investments in each fund, categorized according to the fair value hierarchy, is as follows:

	2014			2013
	Balanced Fund	DRBA	Total	Total
Short-term notes - Level 1	\$ 8,008,936	\$ 882,849	\$ 8,891,785	\$ 11,704,033
Short-term notes - Level 2	1,211,312	-	1,211,312	1,157,956
Canadian bonds - Level 1	116,496,383	23,935,569	140,431,952	131,579,056
Canadian bonds - Level 2	120,866,529	-	120,866,529	72,848,591
Foreign bonds - Level 2	-	-	-	1,903,880
Mortgages - Level 1	20,006,308	-	20,006,308	14,291,306
Canadian equities - Level 1	89,918,891	33,296,078	123,214,969	139,755,125
Canadian equities - Level 2	90,506,089	-	90,506,089	112,992,410
Foreign equities - Level 2	285,756,686	60,881,172	346,637,858	275,034,486
Currency hedges - Level 2	564,686	121,227	685,913	475,529
Real estate - Level 3	92,844,212	12,407,787	105,251,999	97,374,979
	<u>\$ 826,180,032</u>	<u>\$ 131,524,682</u>	<u>\$ 957,704,714</u>	<u>\$ 859,117,351</u>
Fair value hierarchy				
Level 1	\$ 234,430,518	\$ 58,114,496	\$ 292,545,014	\$ 297,329,520
Level 2	498,905,302	61,002,399	559,907,701	464,412,852
Level 3	<u>92,844,212</u>	<u>12,407,787</u>	<u>105,251,999</u>	<u>97,374,979</u>
	<u>\$ 826,180,032</u>	<u>\$ 131,524,682</u>	<u>\$ 957,704,714</u>	<u>\$ 859,117,351</u>

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

4. Investments (fair value) (continued)

The following table summarizes the changes in the fair value of the Plan's financial instruments classified as level 3 investments:

	Balanced Fund	DRBA	Total
Beginning balance, January 1, 2014	\$ 86,615,977	\$ 10,759,002	\$ 97,374,979
Purchases	-	800,000	800,000
Sales	(575,909)	(76,913)	(652,822)
Unrealized gains/(losses)	6,804,144	925,698	7,729,842
Ending balance, December 31, 2014	\$ 92,844,212	\$ 12,407,787	\$ 105,251,999
Beginning balance, January 1, 2013	\$ 80,446,374	\$ 8,953,169	\$ 89,399,543
Purchases	-	1,100,000	1,100,000
Unrealized gains/(losses)	6,169,603	705,833	6,875,436
Ending balance, December 31, 2013	\$ 86,615,977	\$ 10,759,002	\$ 97,374,979

Short-term notes consist of Canadian money market securities maturing in 12 months or less and include treasury bills and guaranteed investment certificates. Mortgages consist of units in a pool of first mortgages on income-producing property in Canada. Canadian bonds consist of government and corporate bonds and debentures. Foreign bonds consist of Maple Bonds and US treasury bonds. Equities consist of publicly traded shares. Real estate investments consist mainly of diversified Canadian income-producing properties. Investments may be segregated or consist of units of pooled investment portfolios of the investment managers.

The Plan invests in the BC Investment Management Corporation's Currency Hedging Fund (the "Fund"). The Fund is used for defensive purposes in order to protect clients' foreign investments from the impact of an appreciating Canadian dollar (relative to the foreign currency). The Fund purchases and sells currencies through the spot market, forward contracts, and/or futures. Unit values are calculated based on the net realized and unrealized gains/losses of the derivative financial instruments.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

5. Net return on investments

Net investment returns less operating expenses are distributed to members' combined contribution accounts, variable benefit accounts and additional voluntary contribution accounts at the end of each month.

The Balanced Fund earned a gross return of 12.21% (2013: 15.31%) and a net return of 11.88% (2013: 15.01%). The Defined Retirement Benefit Account incurred a net return of 12.92% (2013: 15.03%). Net investment returns by fund are as follows:

	2014			2013
	Balanced Fund	DRBA	Total	Total
Interest				
Cash and short-term notes	\$ 162,927	\$ 2,003	\$ 164,930	\$ 148,434
Bonds	9,930,075	1,208,693	11,138,768	9,932,429
Mortgages	676,896	-	676,896	695,003
Other	54,577	-	54,577	7,735
Dividends				
Canadian equities	2,004,254	830,103	2,834,357	3,330,634
Net realized gains	52,635,933	9,098,854	61,734,787	40,137,845
Net unrealized gains	25,633,211	3,744,810	29,378,021	60,035,238
	<u>91,097,873</u>	<u>14,884,463</u>	<u>105,982,336</u>	<u>114,287,318</u>
Investment costs				
Management fees	1,982,053	261,979	2,244,032	1,664,090
Custodial fees	55,678	20,567	76,245	86,293
Other	71,524	-	71,524	72,558
	<u>2,109,255</u>	<u>282,546</u>	<u>2,391,801</u>	<u>1,822,941</u>
Total net investment return	\$ <u>88,988,618</u>	\$ <u>14,601,917</u>	\$ <u>103,590,535</u>	\$ <u>112,464,377</u>

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

6. Obligations for pension benefits – defined benefit minimum

An actuarial valuation, in respect of the defined benefit minimum, is performed at least once every three years. The latest valuation was made as of December 31, 2012 by Mercer (Canada) Limited. The calculations to December 31, 2014 are based upon an extrapolation from the December 31, 2012 valuation. The next valuation will be performed and filed as at December 31, 2015.

The best estimate obligation was calculated using the December 2012 actuarial valuation data and extrapolating the obligation forward to December 31, 2014 based on the best estimate assumptions, except for an adjustment for the actual returns of the Combined Contribution Accounts (CCA) for the calendar years 2013 of 15.01% and 2014 of 11.88%. Liabilities were calculated using the projected unit credit method, prorating on service. The extrapolation of the liabilities to December 31, 2014 is based on 2013 and 2014 benefit disbursement information. The extrapolation does not reflect any new entrants who may have joined the plan after December 31, 2012. No other experiences have been reflected in the extrapolation.

The obligations disclosed in these statements are measured based on service earned to the date of measurement only, as required under accounting standards, and differ from the obligations used to determine funding requirements which include a provision for future service benefits.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

6. Obligations for pension benefits – defined benefit minimum (continued)

The assumptions used in determining the actuarial present value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term actuarial economic and demographic assumptions used in the valuation were:

	December 31, 2014	December 31, 2013
Economic assumptions:		
Valuation discount rate	7.00% per annum	7.00% per annum
Assumed return on CCA	6.50% per annum	6.50% per annum
Salary scale – faculty members	4.25% per annum	4.50% per annum
Salary scale – administrative and academic professional staff members	5.06% for the first 8 years of service, 2.00% thereafter	5.3175% for the first 8 years of service, 2.25% thereafter
Annual rate of inflation	2.00% per annum	2.25% per annum
YMPE increase, increase to ITA maximum pension and contribution limits	3.00% per annum	3.25% per annum
Demographic assumptions:		
Termination rates	<p><i>Faculty members:</i></p> <p>Termination rate starts at 6% per year, trending down from 6% per year at age 30 to 1.5% per year from age 40 until age 55.</p> <p><i>Academic and Professional Staff members:</i></p> <p>Termination rate starts at 10% per year, trending down from 10% per year at age 35 to 4.5% per year from age 40 until age 55.</p>	<p><i>Faculty members:</i></p> <p>Termination rate starts at 6% per year, trending down from 6% per year at age 30 to 1.5% per year from age 40 until age 55.</p> <p><i>Academic and Professional Staff members:</i></p> <p>Termination rate starts at 10% per year, trending down from 10% per year at age 35 to 4.5% per year from age 40 until age 55.</p>
Mortality table	90% of the Public Sector Canadian Pensioners Mortality Table with improvement scale CPM-B	78% of UP94 Generational for male 84% of UP94 Generational for female

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

7. Net assets available for benefits

The net assets available for benefits as at December 31 are allocated as follows:

	<u>2014</u>	<u>2013</u>
Combined contribution accounts ("CCA")	\$ 451,125,940	\$ 421,087,504
Variable benefit accounts ("VBA")	309,190,489	274,068,521
Additional voluntary contribution accounts ("AVC")	13,880,575	12,245,231
Defined retirement benefit account ("DRBA")	131,110,404	108,968,875
Internal variable annuity account ("IVAA")	<u>54,771,726</u>	<u>43,861,807</u>
	<u>\$ 960,079,134</u>	<u>\$ 860,231,938</u>

8. Combined contribution accounts ("CCA")

Each member of the plan has a CCA which is reported annually to the member. CCAs are invested in the Balanced Fund.

9. Variable benefit accounts ("VBA")

Each member of the plan in receipt of a variable benefit pension has a VBA. VBAs are invested in the Balanced Fund.

10. Additional voluntary contribution accounts ("AVC")

Additional voluntary contribution accounts are divided into restricted voluntary accounts ("RVA") and unrestricted voluntary accounts ("UVA"). Transfers from other pension plans that have restrictions imposed by the exporting plans are placed in RVA. Contributions made by members on a voluntary basis and transfers that are unrestricted are placed in UVA. All RVA and UVA are invested in the Balanced Fund as follows:

	<u>2014</u>	<u>2013</u>
Restricted voluntary accounts	\$ 6,382,245	\$ 5,572,100
Unrestricted voluntary accounts	<u>7,498,330</u>	<u>6,673,131</u>
	<u>\$ 13,880,575</u>	<u>\$ 12,245,231</u>

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

11. Defined retirement benefit account ("DRBA")

The DRBA is a reserve to fund existing defined benefit pensions and supplements and to offset future obligations for defined benefit supplements.

12. Internal variable annuity account ("IVAA")

The IVAA provides benefits to members who elected to take internal variable annuities with all or part of their CCA, VBA and AVC. The IVAA is invested in the Balanced Fund.

13. Risk management

The Plan's investments are recorded at fair value. Other financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values. Fair values of investments are exposed to market risk, liquidity risk and credit risk.

Market risk

Market risk is comprised of currency risk, interest rate risk, and other price risk.

Currency risk: Currency risk relates to the possibility that the investments will change in value due to future fluctuations in US, Euro and other international foreign exchange rates. For example, a 5% strengthening (weakening) of the Canadian dollar against foreign currencies at December 31, 2014 would have decreased (increased) investments held in foreign currencies by approximately \$17.3 million (2013: \$13.9 million).

Currency risk associated with foreign equities may be hedged at the discretion of the Global Equity Manager, BC Investment Management Corporation, in order to protect the value of foreign equity investments from the impact of an appreciating Canadian dollar (relative to the foreign currency).

The Fixed Income Manager may purchase US Treasury Bonds, provided the foreign currency exposure is hedged through the purchase of currency contracts.

Interest rate risk: Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Duration is an appropriate measure of interest rate risk for fixed-income securities (bonds, mortgages and short-term notes) as a rise in interest rates will cause a decrease in the price of fixed income securities – the longer the duration, the greater the effect. At December 31, 2014, the average duration of the fixed income securities was 7.2 years (2013: 6.4 years). Therefore, if nominal interest rates were to increase by 1%, the value of the Balanced Fund fixed income securities would drop by 7.2% (2013: 6.4%).

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

13. Risk management (continued)

Other price risk: Other price risk relates to the possibility that the investments will change in value due to future fluctuations in market prices. This risk is reduced by the investment policy provisions approved by the Board of Pension Trustees for a structured asset mix to be followed by the investment managers, the requirement for diversification of investments within each asset class and credit quality constraints on fixed income instruments. Other price risk can be measured in terms of volatility, i.e., the standard deviation of change in the value of a financial instrument within a specific time horizon. Based on the volatility of the current asset class holdings shown in Note 4, the expectation is that over the long-term, the Balanced Fund will return around 6.4%, within a range of +/- 9.4% (i.e., results ranging from -3.0% to 15.8%) and the Defined Retirement Benefit Fund will return around 7.0%, within a range of +/- 12.1% (i.e., results ranging from -5.1% to 19.1%).

Benchmark for investments	% change	Net impact on market value (in thousands)	
		Balanced Fund	Defined Retirement Benefit Fund
	Volatility %		
Short-term holdings	+/- 1.5		
Bonds and mortgages	+/- 5.4		
Canadian equities	+/- 19.5		
Foreign equities	+/- 17.1		
Real estate	+/- 13.0		
FTSE TMX Canada 91-day Treasury Bill Index	+/- 1.5	138	13
FTSE TMX Canada Universe Bond Index	+/- 5.4	13,898	1,279
S&P/TSX Capped Composite Index	+/- 19.5	35,183	6,543
MSCI World Net Index	+/- 17.1	48,961	10,431
Canadian Consumer Price Index (real estate)	+/- 13.0	12,070	1,613

Other price risk is managed by diversification of the portfolio, both by investment managers (three) with differing investment styles and mandates and by allocation of equities across a range of sectors and companies.

Liquidity risk

Liquidity risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost effective manner in order to meet commitments as they come due. The primary liabilities in the Plan are defined contribution entitlements (see CCA, VBA and AVC account balances in Note 7), internal variable annuities (see Note 7), future defined benefit obligations (see Note 6) and operating expenses. Liquidity requirements are managed through income generated by monthly contributions and investing in sufficiently liquid (eg. publicly traded) equities, pooled funds and other easily marketable instruments.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

13. Risk management (continued)

Credit risk

Credit risk relates to the possibility that a loss may occur from failure of a fixed income security issuer to meet its debt obligations. At December 31, 2014, the maximum risk exposure for this type of investment is \$266.6 million (2013: \$211.1 million) in the Balanced Fund and \$24.6 million (2013: \$22.4 million) in the Defined Retirement Benefit Fund.

The Plan limits credit risk by investing only in short term debt rated R1 or higher and other debt rated BBB or higher, as rated by the Dominion Bond Rating Service or equivalent. Debt rated below BBB is only permitted in the case of a high yield bond fund which has been specifically approved for investment by the Board of Pension Trustees.

The following shows the percentage of bond holdings in the portfolio by credit rating.

Rating	Balanced Fund	Defined Retirement Benefit Fund
AAA	21.2%	23.0%
AA	45.1%	43.3%
A	17.2%	17.3%
BBB	14.7%	14.3%
BB and below	1.7%	2.0%
Unrated	0.1%	0.1%

14. Capital disclosures

The purpose of the Plan is to provide pension benefits to plan members. As such, when managing capital, the objective is to preserve assets in a manner that provides the Plan with the ability to continue as a going-concern, to have sufficient assets to meet future obligations for benefits and to have sufficient liquidity to meet all benefit and expense payments.

In accordance with regulatory requirements, the Board of Pension Trustees has established a Statement of Investment Policies and Goals ("SIP&G") which sets out the investment principles, guidelines and monitoring procedures that are appropriate to the needs and objectives of the Plan. The SIP&G sets out benchmarks and asset allocation ranges that are intended to best secure the obligations for pension benefits and result in reasonable risk-adjusted return on investment. Individual investment decisions are delegated to investment managers subject to the constraints of the SIP&G and individual manager mandates. As required, the Board of Pension Trustees reviews the SIP&G and manager structure at least annually, and makes such changes to the SIP&G and/or mandates as it deems necessary. With the assistance of an outside consultant, the Board of Pension Trustees and the Pension Office regularly monitor the asset mix of each manager and fund to ensure compliance with the SIP&G and mandates.

University of Victoria Combination Pension Plan

Notes to the Financial Statements

December 31, 2014

14. Capital disclosures (continued)

The benchmark and ranges for the funds are as follows:

	Balanced Fund		DRBA	
	Benchmark	Range	Benchmark	Range
Cash and equivalents	0%	0-21%	0%	0-20%
Canadian bonds	36%	20-46%	20%	15-25%
Canadian equities	22%	14-27%	25%	15-35%
Foreign equities	32%	20-40%	45%	40-50%
Real estate	10%	5-15%	10%	5-15%

The Plan is also subject to the Pension Benefits Standards Act (BC) and Regulations, which require that solvency and going concern actuarial valuations are performed every three years, at which time the Plan must take measures to eliminate any funding deficiencies that may arise.



UNIVERSITY OF VICTORIA MONEY PURCHASE PENSION PLAN

ANNUAL REPORT TO MEMBERS
2014

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The information in this report is provided for the general information of members. The precise terms and conditions of the Plan are provided in the relevant plan documents. If there is a discrepancy between this report and the plan documents, the plan documents apply.

Letter from the Chair

When I came to the University of Victoria 1st July 1968, coincidentally on the very day the pension plan was created, I very much doubt that any thought of pensions was on my 28 year old mind, let alone that I would be Chairing a Pension Board that has responsibility for pension plans with assets exceeding a billion dollars. But, there it is: As of 31st December 2014, combined assets for the Combination and Money Purchase Pension Plans total \$1,008,502,597, a major milestone indeed!

There are, of course, many who have contributed as Trustees and in other roles since the Money Purchase Plan was created in 1990. I apologize that space does not permit a full list, but a few names do stand out. Bill Pfaffenberger was Chair of the Pension Board until 1995 and Fred Fischer until 2000. This period was especially important as it coincided with the introduction of pension standards legislation in B.C. in 1993. Fred was a major driving force in this period, no doubt aided and abetted by Trevor Matthews, whose long service record as a Trustee is likely to stand for all time!

Somewhat remarkably, on the administrative side there have been only two pension managers over the 25 year history of the plan: John Levey until 1998 and Susan Service to the present day. The smooth management and progress of the plans over those years is a testament to their abilities.

Last, but certainly not least, we must acknowledge the role of the University in creating, nourishing and developing the plan.

To all of the above and all the other Trustees who volunteered their time:

THANK YOU FROM ALL OF US!

And so to more minor matters, you will see from the tables that Susan has created for this report (page 9), our gross returns for recent periods are: 2014 12.21%, last four years 9.47% and last ten years 7.36%. The four year number is lower because it includes the worldwide financial problems of 2008. Corresponding net returns are 11.87%, 9.17% and 7.07%, illustrating once again our extremely low operating expenses. The largest part of this expense is investment management, at 0.26% with the pension office costing only 0.05%.

As I noted in my 2013 letter: "world economies have recovered from the 2008 meltdown, but generally rather slowly." This remains true and in consequence, economists remain pessimistic about the returns to be expected for a plan such as ours. In this context we can be delighted and relieved with our 11.9% reported above. But we must remain cautious, since market volatility remains and may even be increasing with the unexpected drop in oil prices. Our new-found billion dollar status may yet be under threat but always remember that the health of a pension plan is best measured over long periods, and our annualized net ten year return at 7.1% is respectable indeed.

Information on the breakdown of our assets between managers and asset classes and the individual returns for those assets is included in the table on page 9 of this annual report. Early in 2014, the Trustees took the decision to decrease our exposure to Canadian equities (from a benchmark weight of 27% to 22%) whilst increasing the foreign equity benchmark from 27% to 32%. This move was similar to changes made by many Canadian pension funds and investment managers as concerns have deepened over the sector concentration (energy, materials and financials) and resulting high volatility of Canadian markets. Predictably our timing was not perfect, since Canadian equities did very well for a short time after our change! However, later in the year the relative market changes reversed and at year end our foreign return was 15.2% compared with 12.7% for Canada. So, a good decision so far!

Fixed income investments had a remarkable year, rising 10.2% despite the universal predictions of disaster from rising interest rates. However, we must keep in mind that although the interest rate shoe did not drop this year, it will at some point. Returns on real estate were very satisfactory at 8.5%. Not quite the returns of some previous periods when valuations were rising rapidly, but this figure represents the solid cash flow from rental and lease agreements and will always provide a buffer against any losses of capital value.

...cont'd

Over the last several years, a new Pension Benefits Standards Act was developed jointly by the governments of Alberta and British Columbia and passed the B.C. legislature on 31st May 2012. The accompanying detailed regulations have still not been released but are expected shortly. The law will require the plans to develop new funding and governance policies, the former covering in more detail the management of long term objectives and risks such as those which recently led to increases in contribution rates. Many other plans have combined this sort of policy making with formalized statements of investment beliefs. These statements constitute a more generalized view of plan philosophy than the relatively factual, investment rules-based approach of our current Statement of Investment Policies and Goals, which is still required under the new law. It seems likely that drafting and approving new policies will consume much Trustee time and effort over the next few years. During this process the Trustees will continue to question our professional managers and consultants as to the most appropriate and sustainable investment choices. From recent conferences and publications it is clear that the financial management industry is moving towards accepting as best practice the incorporation of environmental, social, and governance (ESG) considerations into stock selection, and there is some initial evidence that companies which incorporate sustainability considerations into their business plans may perform better. However, it remains the view of the managers, and the Trustees, that engaging with companies and urging sustainable approaches is a better option than divestment. It remains true that the Trustees have sole legal responsibility for setting investment policy and that a well-diversified portfolio minimizes investment risk. The new Act confirms that Trustees' fiduciary duty in B.C. must remain focussed on the best "financial" interests of the members.

You will recall that our Board of Trustees is composed of eight trustees. Bob Worth's term ended on 30th June 2014 and he decided to decline reappointment because of other similar commitments, which include for example the Victoria Foundation. His 9 years on the Board have been very valuable to us, especially his

expertise on the valuation committee and we extend our thanks for his work and our best wishes for his future endeavours. Bob was replaced by Lisa Hill, an investment manager with Raymond James, who has already proved her value on the University Foundation Board for over 10 years and acting as its Chair for 6 years. We welcome the opportunity to make use of her skills. Martin Barnes also decided in October to resign because the pressures of his work and travel schedule were greatly reducing his attendance at meetings. His international economic expertise and probing questioning of our service providers were very valuable and we thank him for his 8 years of service. When Martin resigned the BOG took note of the expiration of my elected term scheduled for Dec 31st and asked if I would consider continuing as an appointed trustee. I was honoured by the confidence shown by the BOG in this request, and was happy to accept. In consequence, I will continue in the new status of an appointed trustee. Joe Sass, UVic's manager of financial accounting and training, was elected as a new Trustee and his term started in 2015. He has already demonstrated a quick grasp of pension matters and will contribute valuable accounting and governance expertise. Deborah George has agreed to continue in the role of Vice-Chair until her term ends 30th June, 2015 and I continue to value her support and wise counsel.

Finally, I look forward to meeting many of you at our Annual General Meeting on April 14th.

Best Wishes to All,



Keith R. Dixon
Chair, Board of Pension Trustees

The Plan is governed by a Board of Trustees (the "Pension Board"). The Board of Trustees for the University of Victoria Combination Pension Plan also serves as the Pension Board for this Plan.

The Pension Board oversees investment of the pension fund, financial management of the Plan and ensures the Plan is administered in accordance with the trust agreement, the *Income Tax Act (Canada)* and *Pension Benefit Standards Act (BC)*.

As at 31 December 2014, the Trustees were:

Dr. Keith Dixon – CHAIR

Professor Emeritus, Department of Chemistry
Term from 1 January 2012 to 31 December 2014

Dr. Deborah George—VICE-CHAIR

Term from 1 July 2014 to 30 June 2015

Ms. Lisa Hill

Term from 1 September 2014 to 31 August 2017

Mr. Duc Le

Term from 1 January 2014 to 31 December 2016

Dr. Michael Miller

Associate Vice-President, Research
Term from 1 January 2014 to 31 December 2016

Professor Martha O'Brien

Professor, Faculty of Law
Term from 1 January 2012 to 31 December 2014

Ms. Kristi Simpson

Associate Vice-President, Financial Planning & Operations
Appointed ex-officio

Vacancy (Board of Governors appointee)

Term vacated by Mr. Martin Barnes October 2014; to be filled by Dr. Keith Dixon 1 January 2015.

Annual General Meeting

*4:30 p.m. Tuesday, 14 April 2015
Room A104
Bob Wright Centre*

This is an informal meeting at which the Pension Board reports to the membership, and answers questions. This year's meeting will include a brief presentation. The Pension Board hopes members will be able to

Financial information at a glance

Investments and Returns	2012		2013		2014	
<i>Market value of investments</i>						
<i>Balanced Fund</i>	\$35,314,774		\$41,938,215		\$48,260,564	
<i>Balanced Fund</i>		%		%		%
<i>Gross returns</i>	\$3,195,984	9.98	\$5,491,912	15.31	\$5,186,216	12.21
<i>Expenses</i>	<u>(90,479)</u>	<u>(0.29)</u>	<u>(112,215)</u>	<u>(0.31)</u>	<u>(146,108)</u>	<u>(0.34)</u>
<i>Net returns distributed to accounts</i>	3,105,505	9.69	5,379,697	15.00	5,040,108	11.87

Benefit Payments	2012	2013	2014
<i>Lump sum payments and transfers</i>	\$2,123,061	\$1,425,674	\$1,553,107
<i>Variable benefit pensions</i>	160,660	180,884	263,097

The variable benefit was added in 2006, subject to a minimum account size.

Contributions	2012	2013	2014
<i>Members' required</i>	\$ 787,661	\$ 809,182	\$ 852,474
<i>University required</i>	1,775,778	1,867,715	1,980,791
<i>Members' voluntary</i>	21,423	28,580	48,926
<i>Transfers from other plans</i>	79,247	78,898	258,753

Full audited financial statements are available online at: <http://www.uvic.ca/financialplanning/pensions/moneypurchase/index.php>. A print copy may also be requested from the Pension Office at (250) 721-7030 or by email at pensions@uvic.ca with the subject line "Money Purchase Plan Financial Statements Print Copy".

Objectives

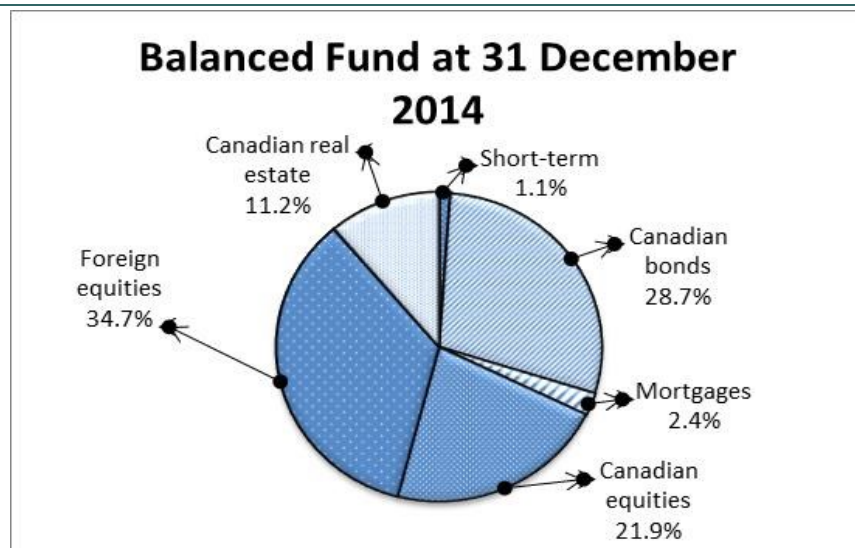
Plan assets (Money Purchase Contribution Accounts, Variable Benefit Accounts and Additional Voluntary Contribution Accounts of active and inactive members) are invested in the Balanced Fund, together with member accounts from the Combination Pension Plan.

The main long-term investment objectives set by the Pension Board and accepted by the Plan's investment managers (refer to Appendix C) are to secure the obligation of the Plan and the University for pension benefit payments. In recognition of the Plan's current characteristics,

an average degree of risk in terms of short-term variability of returns may be tolerated in the Balanced Fund's investments in pursuit of longer term returns.

The primary objective for the Balanced Fund is to achieve a rate of return, net of investment fees and based on a four-year moving average, which is above a benchmark rate of return associated with asset mix policy. The **chart below** shows actual asset mix at 31 December 2014, and the policy benchmark and range.

Asset Mix



Investment Returns

Investment returns are measured on a time-weighted basis. The return objectives include realized and unrealized capital gains or losses, plus income from all sources.

The Investment Committee monitors and reviews performance and reports to the Pension Board on a quarterly basis. While short-term results are of interest, it is important to recognize that an investment strategy ought to provide good results over the longer term. As a consequence, the Pension Board focuses on evaluating investment performance over rolling four-

year periods. Over rolling four-year periods, the domestic managers are expected to meet the benchmark plus 0.5% per annum, plus investment management and pooled fund custodial fees. The foreign equity manager is expected to meet the standard plus 1.0% per annum, plus investment management and pooled fund custodial fees. The real estate manager is expected to return the Canadian Consumer Price Index plus 4%. The benchmark for the total fund is a composite of the benchmarks for the individual asset classes.

Investments

Balanced Fund Asset Mix and Performance as at 31 December 2014

ASSET CLASS (benchmark)	Actual Weight	Benchmark Weight (Range)	1 year Gross Return	1 year Benchmark Return	4 year Gross Return	4 year Benchmark Return
Underlying manager	(%)	(%)	(%)	(%)	(%)	(%)
<i>SHORT-TERM (FTSE TMX Canada 91-day T-Bill Index)</i>						
BC Investment Management Corporation	0.1					
Fiera Capital Corporation	-					
Phillips, Hager & North Investment Management Limited	1.0					
Total	1.1	0 (0-21)	4.0	0.9	1.9	1.0
<i>FIXED INCOME (FTSE TMX Canada Universe Bond Index)</i>						
Phillips, Hager & North Investment Management Limited	31.1	36 (20-46)	10.2	8.8	5.9	5.1
<i>CANADIAN EQUITIES (S&P/TSX Capped Composite Index)</i>						
BC Investment Management Corporation	11.0	11 each	12.7		n/a	
Fiera Capital Corporation	10.9	(9-13)	12.5		6.3	
Total	21.9	22 (14-27)	12.7	10.6	7.3	5.2
<i>FOREIGN EQUITIES (MSCI World Ex-Canada Net, \$Cdn, Index)</i>						
BC Investment Management Corporation	34.7	32 (20-40)	15.2	14.6	14.8	14.6
<i>REAL ESTATE (Canadian Consumer Price Index plus 4%)</i>						
BC Investment Management Corporation	11.2	10 (0-15)	8.5	5.5	12.3	5.5
TOTAL FUND (Composite Benchmark)			12.2	10.9	9.5	7.9

Balanced Fund - annualized returns

The table below shows the annualized rates of return on the Balanced Fund portfolio over the last ten calendar years. "Gross Gain (Loss)" are returns before expenses. "Net Gain (Loss)" are returns after all investment and operating expenses. "Net Gain (Loss)" is the rate of return credited to members' individual Money Purchase Contribution Accounts, Variable Benefit Accounts and Voluntary Contribution Accounts. Past performance is not a reliable indicator of future performance.

Year ended 31 December	1 year		4 year		10 year	
	Gross Gain (Loss)	Net Gain (Loss)	Gross Gain (Loss)	Net Gain (Loss)	Gross Gain (Loss)	Net Gain (Loss)
	%	%	%	%	%	%
2014	12.21	11.87	9.47	9.17	7.36	7.07
2013	15.31	15.00	8.82	8.53	7.32	7.04
2012	9.98	9.69	8.98	8.70	7.28	7.01
2011	0.92	0.64	2.17	1.90	5.86	5.59
2010	9.56	9.28	2.68	2.41	6.00	5.73
2009	16.01	15.71	3.44	3.17	6.31	6.04
2008	(15.05)	(15.29)	2.75	2.48	5.81	5.54
2007	2.94	2.68	10.05	9.78	8.49	8.20
2006	12.87	12.59	13.12	12.84	9.12	8.82
2005	12.91	12.62	8.70	8.42	9.69	9.38

Balanced Fund - expense ratio detail

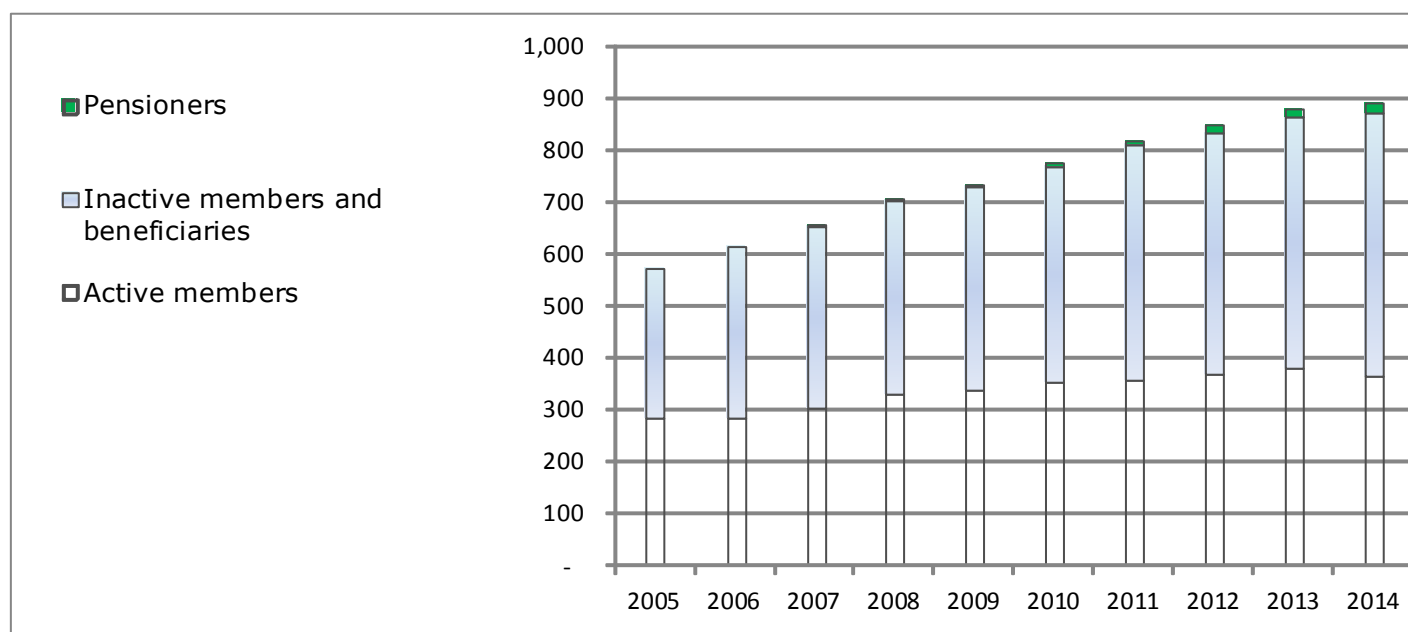
The table below provides the detail of all expenses incurred in investing and operating the pension plan. Expenses are deducted from gross gain (loss) to determine net gain (loss). Due to the effect of compounding, over extended periods of time expenses can have a material impact on final account balances. Expenses are often described as expense ratios and expressed as basis points; 0.34% is 34 basis points.

	2012		2013		2014	
<i>Balanced Fund</i>		%		%		%
<i>Investment management expenses</i>	\$64,015	0.21	\$82,471	0.23	\$112,838	0.26
<i>Custodial and consulting expenses</i>	7,741	0.02	7,588	0.02	7,242	0.02
<i>Office and administration expenses</i>	13,574	0.04	16,440	0.05	20,235	0.05
<i>Audit and legal expenses</i>	<u>5,149</u>	<u>0.02</u>	<u>5,716</u>	<u>0.01</u>	<u>5,793</u>	<u>0.01</u>
<i>Total expenses</i>	\$90,479	0.29	\$112,215	0.31	\$146,108	0.34

Membership statistics

The table and chart below show the growth in plan membership over the past ten years. Active members are members who are still employed by the University and contributing to the plan. Inactive members are members who have terminated employment but have not yet elected a benefit; the category also includes a small number of accounts held by surviving spouses of members who died before retirement. Pensioners are members and beneficiaries who are drawing a monthly pension from the plan.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Active members	287	285	305	334	339	356	360	370	385	366
Inactive members	283	331	347	370	389	412	449	465	480	506
Pensioners	<u>—</u>	<u>—</u>	<u>4</u>	<u>4</u>	<u>6</u>	<u>9</u>	<u>10</u>	<u>13</u>	<u>16</u>	<u>21</u>
Total	570	616	656	708	734	777	819	848	881	893



Understanding the Plan

What are the Contributions?

Members and the University share the cost of the plan.

Money Purchase Contribution Account: For 2015, members' contributions are 3% of basic salary up to the YMPE (Year's Maximum Pensionable Earnings, the contributory earnings upper limit under the Canada Pension Plan) of \$53,600 plus 5% of basic salary in excess of that amount. Members' contributions are credited to members' individual Money Purchase Contribution Accounts (MPCAs).

The University contributes to individual MPCAs an amount equal to 8.37% of basic salary up to the \$53,600 plus 10% in excess of that amount.

Total contributions to individual members' MPCAs are therefore 11.37% of salary up to the \$53,600 plus 15% in excess of that amount, subject to the limit that they may not exceed the lesser of 18% of the member's earnings and the annual defined contribution maximum set under the *Income Tax Act* (\$25,370 in 2015).

Voluntary: Subject to *Income Tax Act* maximums, members may elect to make additional contributions to a voluntary contribution account through payroll deduction or by transfer from another registered plan (RRSP or Canadian registered pension plan). Transfers from spousal RRSPs are not permitted.

Example of 2015 pension contributions based on an annual salary of \$67,000

	Member Amount (%)	University Amount (%)	Total Amount (%)
Money Purchase Contribution Account	\$2,278 (3.4)	\$5,826 (8.7)	\$8,104 (12.1)
Canada Pension Plan	<u>2,480 (3.7)</u>	<u>2,480 (3.7)</u>	<u>4,960 (7.4)</u>
Total pension contributions	\$4,758 (7.1)	\$8,306 (12.4)	\$13,064 (19.5)

When are members eligible for a retirement benefit?

Retiring members of the Money Purchase Pension Plan may use the monies accumulated in their Money Purchase Contribution Account (and Voluntary Contribution Account, if applicable) to provide a lifetime retirement income. Retirement ages are defined below.

Normal retirement date for a member of the Money Purchase Pension Plan is the last day of the month in which the member attains 65 years of age.

Early retirement A member may elect to take early retirement on or after the end of the month in which the member attains 55 years of age.

Deferred retirement A member may defer commencement of retirement benefits until the end of the calendar year in which the member attains 71 years of age. If a member does not select a benefit by 31 October of the year they turn age 71, they will be deemed to have selected an option that does not require spousal consent or waivers and provides maximum future flexibility; non locked-in amounts that are under \$107,200 are paid out in cash, less withholding tax.

What are the options at retirement?

Options at a Glance

- Start a variable benefit (RRIF/LIF-type option) from the Plan, subject to a minimum account size
- Purchase a life annuity from an insurance company
- Transfer MPCA to a RRIF/LIF
- Transfer MPCA to a (locked-in) RRSP
- Transfer MPCA to another registered pension plan
- Leave MPCA on deposit for a future pension (default option)

A member has a range of options designed to allow tailoring of retirement income to suit his or her individual situation, preferences, and financial plan. The detailed selection of any one option or a combination of options is a matter for the individual member and his or her private financial advisor, and the plan cannot provide this type of advice. Spousal consent is required for some options. Subject to some restrictions, options may be combined for maximum flexibility.

With minor variations, there is basically one option available directly from the Plan and two options outside the Plan. Within the Plan, a member may choose a variable benefit (basically similar to an external life income fund). Alternatively the member may remove his or her funds from the Plan, and choose between an external annuity, for example from an insurance company, or a registered retirement/life income fund. When an annuity is purchased with a member's Money Purchase Contribution Account (MPCA) balance, control and ownership of the account balance is relinquished in exchange for the promise of a future lifetime income. This is in contrast to the variable benefit or a retirement income fund, where the member retains control and ownership of the account balance, and makes withdrawals within statutory limits.

If a member wishes to defer commencement of benefits, this can be accomplished (to age 71) by leaving the money within his or her MPCA, or external to the plan by making use of (locked-in) registered retirement savings plans (RRSPs).

1. Variable Benefit

This option is similar to an external life income fund. A member is eligible for this option if his/her account balance is at least twice the Year's Maximum Pensionable Earnings (YMPE). The YMPE in 2015 is \$53,600. The funds that accumulate in a member's MPCA and Unrestricted or Restricted Voluntary Account(s), if applicable, are held in a Variable Benefit Account (VBA). The member retains ownership of the funds and each year sets the monthly retirement benefit, subject to statutory minima and maxima. The minimum does not take effect until the year the member

reaches age 72 and, for a particular year after age 71, is the value of the account at the start of the year multiplied by the appropriate percentage rate from an age-based table. A member with a younger spouse may elect to use the spouse's age for purposes of determining the appropriate percentage rate for the minimum withdrawal. The maximum for a particular year only applies to the locked-in (post-1992) portion of a member's account. For pensioners who have been on the option for a full calendar year, the maximum is the greater of: (a) actual investment returns for the preceding year; and (b) the locked-in portion of the account at the start of the year multiplied by the appropriate factor from an age-based table. A booklet explaining the variable benefit in more detail is available upon request from the Pension Office. The booklet contains a table of withdrawal rate limits.

The balance remaining in a member's account after each month's withdrawal shares in the investment performance of the Balanced Fund and, when the member dies, any remaining balance forms the survivor benefit.

If the member has a spouse, spousal consent is required for the variable benefit option.

With one full calendar month of notice, a variable benefit pensioner may terminate the pension and apply the balance remaining to one or a combination of the other options. If the member is over 71 years of age, the minimum withdrawal for the year must be satisfied before the funds are applied to another option. If the funds are transferred to a life income fund, no withdrawal is permitted from the new life income fund until the following calendar year.

...cont'd

Understanding the Plan

Options at retirement continued

2. Life Annuity from a life insurance company

Life annuities may be purchased from life insurance companies. Normally, a life annuity pays a fixed annual amount, unlike our internal annuities, which vary according to investment performance. Some companies may offer annuities with a fixed annual percentage escalation over time. As with the internal annuities, the initial payments depend on the balance available, the age of the annuitant, and the survivor option selected. Annuity rates offered are based on prevailing interest rates and other market factors, and can vary substantially from one company to another.

3. Registered Retirement and Life Income Funds (RRIFs and LIFs)

The portion of a member's account that is attributable to pre-1993 contributions may be transferred to a registered retirement income fund (RRIF). The remainder (post-1992) is locked-in and is only transferable to a life income fund (LIF). In both cases, the member retains ownership of the monies. The permissible underlying investments of RRIFs and LIFs are the same as for registered retirement savings plans (RRSPs) and may be self-directed. Based on the age of the member, there are statutory annual minimums for withdrawals from RRIFs and LIFs, and a maximum for LIFs, but no maximum for RRIFs. If the member has a spouse, spousal consent is required for a transfer to a LIF.

What are the options upon termination of employment?

If a member leaves the employ of the University before earliest retirement age (55 years of age), the member is eligible for one of the following options:

- Leave Money Purchase Contribution Account (MPCA) on deposit for a future pension (default option)
- Transfer MPCA to a (locked-in) RRSP
- Transfer MPCA to another registered pension plan
- Purchase a deferred life annuity from an insurance company

Any portion of the member's account that is attributable to contributions made prior to 1993 is not subject to lock-in conditions and may be transferred to a regular RRSP or Registered Retirement Income Fund (RRIF) or be paid in cash less withholding tax. A member must commence a pension benefit or effect a transfer from the plan by the end of the calendar year in which the member attains 71 years of age.

What are the survivor benefits?

The survivor benefit for a member who dies **before commencing a benefit, or for a variable benefit pensioner**, is the balance in the member's account(s).

Under the *Pension Benefits Standards Act*, the beneficiary for the survivor benefit must be the member's spouse (if the member has a spouse), unless the spouse has completed and filed a Spouse's Waiver of Pre-retirement Benefits with the Pension Office; or, in the case of the variable benefit, the member did not have a spouse at the start date of the variable benefit. The definition of spouse includes a common-law or same sex partner.

Members who have ended a legal marriage or who have had a common-law partner for at least two years are encouraged to verify that their beneficiary designation is current and valid. A person to whom you are married retains spousal status for up to two years following separation.

A beneficiary who is a spouse may elect a monthly benefit or a transfer of the member's account balance to (locked-in) RRSPs or RRIFs/LIFs. All options that are available to a member are available to a surviving spouse, with the exception that the spouse need not have attained 55 years of age to commence a monthly benefit. The spouse must commence a pension benefit or effect a transfer from the plan by the later of one year following the member's date of death or the end of the calendar year in which the spouse attains 71 years of age.

Under the *Income Tax Act* a beneficiary who is not a spouse is required to withdraw the death benefit in cash as soon as is practicable. Withholding tax of up to 30% will be deducted from any cash payment. The actual tax payable depends on the beneficiary's marginal tax rate in the year in which the cash payment is issued.

Plan administration

General enquiries or requests for statements should be directed to the Pension Office at (250) 721-7030, by email to pensions@uvic.ca, or to:

Mailing address

Pension Services
University of Victoria
PO Box 1700, Stn CSC
Victoria BC V8W 2Y2

Physical address/courier

Pension Services
University of Victoria
ASB—Room B278
3800 Finnerty Rd
Victoria BC V8P 5C2

Retiring members should contact the Pension Office at least 3-6 months before their retirement date (last date on pay vs last day at work). The Pension Office will send the member a statement of options and the forms required for the various options. **The forms must be received in the Pension Office at least one full calendar month prior to the benefit payment date.**

Pensions are paid on the first of each month. Lump sum payments and transfers are processed at the end of each calendar month; the payment or transfer value is the market value at the end of the previous month, plus interest for the final month.

APPENDIX A: Portfolio holdings at 31 December 2014, Balanced Fund

Short-term investments (1.12% of total)				
			Par Value or Units	Market Value
Canada Treasury Bills			\$1,285,000	\$1,282,070.16
Pooled Funds				
bcIMC Canadian Money Market Fund ST2			2.15	850.87
Phillips, Hager & North Institutional STIF			847,591.858	8,475,918.58
				\$9,758,839.61
Canadian bonds (28.73% of total)				
	Interest Rate	Maturity Date	Par Value or Units	Market Value
Federal (government and government guaranteed)				
Canada	1.750	2019	\$ 2,680,000	\$ 2,729,915.00
Canada	2.500	2024	1,109,000	1,177,290.00
Canada	3.500	2045	5,239,000	6,577,234.44
Canada	5.000	2037	1,298,000	1,907,343.50
Canada Housing Trust	2.000	2019	2,261,000	2,297,042.60
Canada Housing Trust	2.000	2019	328,000	333,183.38
Canada Housing Trust	2.650	2022	553,000	577,451.45
Canada Housing Trust	3.350	2020	1,962,000	2,131,122.44
Canada Housing Trust	3.750	2020	827,000	910,555.95
Canada Housing Trust	3.800	2021	10,652,000	11,880,974.50
Canada Housing Trust	4.100	2018	4,010,000	4,410,105.77
NHA MBS #96505011 by Peoples Trust Co	4.200	2019	185,000	181,985.80
NHA MBS #96503636 by Equitable Trust Co	4.350	2018	620,000	572,438.56
Provincial (government and government guaranteed)				
Manitoba	4.050	2045	456,000	526,775.76
New Brunswick - Sinking Fund Debenture	2.850	2023	384,000	394,227.46
New Brunswick - Sinking Fund Debenture	3.550	2043	357,000	367,445.82
New Brunswick - Sinking Fund Debenture	3.800	2045	776,000	837,351.34
New Brunswick	4.800	2041	625,000	778,593.13
Ontario - residual strip	0.000	2041	1,548,000	638,316.25
Ontario	3.450	2045	12,135,000	12,561,326.82
Ontario	3.500	2043	6,379,000	6,641,993.41
Ontario	3.500	2024	8,054,000	8,655,142.51
Ontario	4.600	2039	609,000	744,288.74
Ontario	4.700	2037	413,000	507,721.96
Ontario	5.600	2035	335,000	453,813.11
Ontario	5.850	2033	1,326,000	1,817,631.74
Ontario	6.200	2031	1,414,000	1,980,093.49
Ontario	6.500	2029	13,999,000	19,687,073.68
Ontario	7.600	2027	9,193,000	13,754,401.13
Ontario	8.000	2026	505,000	761,013.79
Ontario	8.100	2023	3,094,000	4,451,894.72
Ontario	8.500	2025	1,715,000	2,640,837.61
Ontario Hydro	8.250	2026	2,286,000	3,489,325.25
Quebec - residual strip	0.000	2041	1,080,000	429,101.28
Quebec	4.250	2043	685,000	799,079.90
Quebec	6.000	2029	1,302,000	1,753,597.40
Quebec	8.500	2026	2,369,000	3,643,770.75
Quebec	9.375	2023	1,516,000	2,283,256.70
Municipal (government and government guaranteed)				
Municipal Finance Authority BC	3.350	2022	139,000	148,649.94
South Coast BC Transportation	3.800	2020	705,000	768,106.67

APPENDIX A: Portfolio holdings at 31 December 2014, Balanced Fund continued

Canadian bonds continued				
	Interest Rate	Maturity Date	Par Value or Units	Market Value
Corporate				
CBC Monetization Trust	4.688	2027	\$139,531	\$ 159,591.79
CDP Financial Inc	4.600	2020	138,000	155,950.49
Hospital for Sick Children	5.217	2049	330,000	409,822.05
Pooled Funds				
Phillips, Hager & North High Yield Bond Fund			271,940.925	3,107,876.86
Phillips, Hager & North Investment Grade Corp Bond Trust			11,933,314.590	120,193,537.88
				\$251,228,252.82
Mortgages (2.42% of total)				
			Units	Market Value
Phillips, Hager & North Mortgage Pension Trust Fund			1,977,268.020	\$21,174,958.68
Canadian equities (21.84% of total)				
			Shares	Market Value
Consumer Discretionary				
Cineplex Inc			28,803	\$1,291,238.49
Dollarama Inc			33,798	2,007,601.20
Gildan Activewear Inc			44,242	2,906,699.40
Magna International Inc			17,231	2,169,210.59
Consumer Staples				
Alimentation Couche-Tard Inc Class B Sub-Vtg			80,492	3,919,155.48
Energy				
Arc Resources Ltd			57,852	1,455,556.32
Canadian Natural Resources Ltd			62,286	2,237,313.12
Canadian Energy Services & Technology Corp			100,015	635,095.25
Inter Pipeline Ltd			49,824	1,790,674.56
Keyera Corp			12,567	1,018,806.69
Paramount Resources Ltd			39,807	1,119,372.84
ShawCor Ltd			25,793	1,093,623.20
Suncor Energy Inc			77,987	2,877,720.30
Tourmaline Oil Corp			38,610	1,494,207.00
Vermilion Energy Inc			27,141	1,547,037.00
Financials				
Bank of Nova Scotia			74,458	4,937,309.98
Brookfield Asset Management Inc Class A Ltd Vtg			65,887	3,835,941.14
Brookfield Property Partners LP			54,001	1,428,326.45
Element Financial Corp			147,746	2,089,128.44
Manulife Financial Corp			199,527	4,425,508.86
Onex Corp Sub-Vtg			20,289	1,368,695.94
Royal Bank of Canada			81,826	6,565,718.24
Toronto-Dominion Bank			117,068	6,498,444.68
Health Care				
Catamaran Corp			27,522	1,654,622.64
Industrials				
Canadian National Railway Co			66,068	5,286,761.36
TransForce Inc			67,236	1,989,513.24

APPENDIX A: Portfolio holdings at 31 December 2014, Balanced Fund continued

Canadian equities continued		
	Shares	Market Value
Materials		
Agrium Inc	14,225	\$ 1,564,750.00
Franco-Nevada Corp	43,617	2,495,328.57
Lundin Mining Corp	156,204	893,486.88
Methanex Corp	20,692	1,104,332.04
West Fraser Timber Co Ltd	43,681	2,903,476.07
Information Technology		
CGI Group Inc Class A Sub-Vtg	38,735	1,715,573.15
Open Text Corp	29,273	1,979,147.53
Telecommunication Services		
Telus Corp	59,806	2,505,273.34
Utilities		
Brookfield Infrastructure Partners LP	25,162	1,222,203.56
Pooled Funds		
bcIMC Active Canadian Equity Fund	9,727.182	95,792,920.73
Fiera Canadian Equity Small Cap Core Fund	52,706.757	11,144,569.69
		\$190,964,343.97
Foreign equities (34.58% of total)		
	Units	Market Value
bcIMC Active US Equity Fund	5.436626	\$ 41,628,165.71
bcIMC Active US Small Cap Equity Fund	3.176618	7,303,800.05
bcIMC Indexed US Equity Fund	0.440994	3,204,041.41
bcIMC Active Asian Equity Fund	3.017972	7,825,155.22
bcIMC Indexed Asian Equity Fund	0.846871	1,165,826.44
bcIMC Active European Equity Fund	6.870370	11,921,013.18
bcIMC Indexed European Equity Fund	1.039745	1,831,404.99
bcIMC Active Emerging Markets Equity Fund	2.165740	2,591,502.35
bcIMC Active Global Equity Fund	70.165090	121,613,432.05
bcIMC Indexed Global Equity Fund	57.832898	103,364,564.81
		\$302,448,906.21
Currency hedges (0.07% of total)		
	Units	Market Value
Net Currency Forward Contracts	n/a	\$(17,544.10)
bcIMC Euro Currency Hedging Fund	0.617576	615,216.00
		\$597,671.90
Real estate (11.24% of total)		
	Units	Market Value
bcIMC Realpool Investment Fund	11.819823	\$98,267,623.63
Total Balanced Fund investment portfolio at market value		\$874,440,596.82
Portion held by the University of Victoria Money Purchase Pension Plan (5.52%)		<u>\$48,260,563.67</u>

APPENDIX B: History of the Plan

The Money Purchase Pension Plan is a defined contribution plan. It was created 1 January 1991 for members of the faculty and administrative and academic professional staff holding term appointments or regular (continuing) appointments of 50% or more of full time, but less than full time and for assistant teaching professors and sessional lecturers. In a defined contribution plan, the contributions of the member and his or her employer, together with net investment earnings or losses, accumulate throughout the member's career. At retirement, the accumulated sum is used to purchase a pension. In a defined contribution plan, net investment returns are obviously of great importance to the member.

Member contribution rates. Members of the plan contribute an amount equal to:

- (a) 3% of basic salary up to the contributory earnings upper limit for the Canada Pension Plan (the "Year's Maximum Pensionable Earnings" - YMPE), plus
- (b) 5% on the salary in excess of that limit.

University contribution rates. The University contributes an amount equal to:

- (a) 8.37% of basic salary up to the YMPE, plus
- (b) 10% on the salary in excess of that limit.

The contributions are directed to the members' Money Purchase Contribution Accounts. The University's contributions in respect of a member, when combined with the member's required contributions, cannot exceed the lesser of 18% of the member's earnings and the annual defined contribution limit set under the *Income Tax Act*.

In 1994, in response to these limits, the Supplemental Benefit Arrangement (SBA) was created. The SBA is a complement to the Money Purchase Pension Plan. It provides benefits that may not be provided under the registered pension plan.

On 1 January 1993, minimum pension standards legislation became effective in BC. The most significant impact this had on members of the Money Purchase Pension Plan is that contributions made on or after 1 January 1993 must be locked-in to provide a lifetime retirement income. Contributions made prior to 1993 were restricted under the plan document. The restrictions did not amount to full lock-in under pension standards and were removed on 1 November 2006.

On 1 November 2006, the variable benefit was added as an option for retiring members with an account balance at least twice the Year's Maximum Pensionable Earnings (YMPE). The variable benefit is essentially a life income fund operated by the pension plan. It provides members with a regular but flexible retirement income. A booklet explaining the variable benefit in more detail is available upon request from the Pension Office.

Service providers at the end of December 2014

Investment Managers	<p>BC Investment Management Corporation (bcIMC)</p> <ul style="list-style-type: none">• manages one-half the Canadian equity portion, and all the foreign equity and real estate portions of the Balanced Fund <p>Fiera Capital Corporation</p> <ul style="list-style-type: none">• manages one-half the Canadian equity portion of the Balanced Fund <p>Phillips, Hager & North Investment Management Limited</p> <ul style="list-style-type: none">• manages the fixed income portion of the Balanced Fund
Custodian	<p>RBC Investor Services Trust</p> <ul style="list-style-type: none">• custodian of plan assets, excluding bcIMC funds• payment service for pensions and taxable lump sums
Investment consultant	<p>Towers Watson</p>
Performance measurement	<p>RBC Investor Services Limited</p>
Actuary	<p>Mercer (Canada) Limited</p>
Auditor	<p>Grant Thornton LLP</p>



Financial Statements

University of Victoria Money Purchase Pension Plan

December 31, 2014

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Independent Auditor's Report

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To the Trustees of University of Victoria Money Purchase Pension Plan

We have audited the accompanying financial statements of the University of Victoria Money Purchase Pension Plan, which comprise the statement of financial position as at December 31, 2014, and the statement of changes in net assets available for benefits and the statement of changes in obligations for benefits for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the University of Victoria Money Purchase Pension Plan as at December 31, 2014 and its financial performance for the year then ended in accordance with Canadian accounting standards for pension plans.

Victoria, Canada
March 3, 2015



Chartered accountants


University of Victoria Money Purchase Pension Plan

Statement of Financial Position

December 31	2014	2013
Assets		
Cash	\$ <u>112,055</u>	\$ <u>100,755</u>
Investments (Note 4)		
Short-term	<u>538,592</u>	658,337
Canadian bonds	<u>13,865,341</u>	10,253,586
Foreign bonds	<u>-</u>	106,587
Mortgages	<u>1,168,651</u>	800,083
Canadian equities	<u>10,539,363</u>	12,265,696
Foreign equities	<u>16,692,220</u>	12,982,682
Currency hedges	<u>32,986</u>	22,146
Real estate	<u>5,423,411</u>	4,849,098
	<u>48,260,564</u>	41,938,215
Receivables		
Accrued interest and dividend income	<u>48,354</u>	31,496
Miscellaneous	<u>14,095</u>	3,514
	<u>62,449</u>	35,010
	<u>48,435,068</u>	42,073,980
Liabilities		
Accounts payable and accrued liabilities	<u>11,605</u>	15,365
Net assets available for benefits	<u>48,423,463</u>	42,058,615
Obligations for benefits (Note 6)	<u>48,423,463</u>	42,058,615
Net assets available for benefits less obligations for benefits	<u>\$ -</u>	<u>\$ -</u>

Approved by the Board of Pension Trustees


Chair


Vice-Chair

See accompanying notes to the financial statements.

University of Victoria Money Purchase Pension Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31

2014

2013

Change in net assets

Net return on investments (Note 5)

Interest income	\$ 577,703	\$ 501,111
Mortgage income	38,536	31,718
Dividend income	114,104	131,798
Net realized and unrealized gain on investments	4,455,873	4,827,285
Investment administration costs	(120,080)	(90,059)
	<u>5,066,136</u>	<u>5,401,853</u>

Contributions (Note 1)

Members' required	852,474	809,182
Members' additional voluntary	48,926	28,580
University's required	1,980,791	1,867,715
Transfers from other plans	258,753	78,898
	<u>3,140,944</u>	<u>2,784,375</u>

Payments to or on behalf of members

Pensions to retired members or beneficiaries	(263,097)	(180,884)
Members' accounts transferred and refunded, and death benefits	(1,553,107)	(1,425,674)
	<u>(1,816,204)</u>	<u>(1,606,558)</u>

Operating expenses

Office and administrative costs	(20,235)	(16,440)
Audit registration and legal fees	(5,793)	(5,716)
	<u>(26,028)</u>	<u>(22,156)</u>

Increase in net assets

6,364,848 6,557,514

Net assets available for benefits, beginning of year

42,058,615 35,501,101

Net assets available for benefits, end of year

\$ 48,423,463 \$ 42,058,615

See accompanying notes to the financial statements.

University of Victoria Money Purchase Pension Plan

Statement of Changes in Obligations for Benefits

Year Ended December 31

2014

2013

Obligations for benefits, beginning balance	\$ 42,058,615	\$ 35,501,101
Net investment returns	5,040,108	5,379,697
Contributions	3,140,944	2,784,375
Benefits paid	(263,097)	(180,884)
Accounts transferred or refunded	<u>(1,553,107)</u>	<u>(1,425,674)</u>
Change in obligations for benefits	<u>6,364,848</u>	<u>6,557,514</u>
Obligations for benefits, ending balance	\$ 48,423,463	\$ 42,058,615

See accompanying notes to the financial statements.

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

1. Description of plan

The following description of the University of Victoria Money Purchase Pension Plan is a summary only. For more complete information, reference should be made to the Trust Agreement.

(a) General

The Plan is a defined contribution pension plan. The Plan covers all faculty and administrative and academic professional staff holding regular appointments of 50% or more of full-time but less than full time and for assistant teaching professors and sessional lecturers.

(b) Funding policy

In accordance with the Trust Agreement, members are required to contribute 3% of their basic salary up to the Canada Pension Plan Year's Maximum Pensionable Earnings (YMPE) (\$52,500 in 2014), and 5% of the basic salary in excess of that amount. The contributions are directed to the members' money purchase contribution accounts.

The University contributes 8.37% of basic salary up to the Canada Pension Plan YMPE, and 10% of the basic salary in excess of that amount. The contributions are directed to the members' money purchase contribution accounts.

The total combined member and University contributions to a member's money purchase contribution account in a calendar year are limited to the Income Tax Act (Canada) maximum (\$24,930 in 2014).

Subject to Income Tax Act (Canada) maximums, members may elect to make additional contributions to a voluntary contribution account through payroll deduction or by transfer from other registered vehicles.

(c) Investment options

Members' money purchase contribution accounts and additional voluntary accounts are invested in a balanced fund.

(d) Retirement

All members are eligible for a retirement benefit. Normal retirement is the end of the month in which the member attains age 65. Members may elect early retirement any time after attaining the age of 55, or postpone retirement benefits until December 1st of the calendar year in which the member attains age 71.

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

1. Description of plan (continued)

(e) Retirement options

At retirement, members can apply the balance in their money purchase contribution accounts to one or a combination of the following forms of benefits:

- External annuity from a life insurance company.
- Transfer to (locked-in) registered retirement savings plans.
- Transfer to a combination of registered retirement income funds and life income funds.
- Variable benefit (provided their account balance is at least twice the Year's Maximum Pensionable Earnings).

(f) Termination and portability benefits

Upon termination of employment, members may retain the balance in their money purchase contribution account or transfer it to (locked-in) registered retirement savings plans.

Members may transfer pension entitlements from other registered pension plans to a voluntary account in the University of Victoria Money Purchase Pension Plan.

(g) Survivor benefits

The survivor benefit of a member, who dies before commencing a benefit, is the total in the member's money purchase contribution account and additional voluntary contribution account, if any. The beneficiary is the member's spouse (if the member has a spouse) unless the spouse has completed and filed a Spouse's Waiver of Pre-Retirement Benefits with the Pension Office. If the member does not have a spouse or the spouse has completed a waiver, the beneficiary is the member's estate unless the member has designated another beneficiary. A surviving spouse may leave the survivor benefit in the plan for a variable benefit or transfer the survivor benefit to another registered vehicle.

The survivor benefit for a pensioner on the variable benefit is the total in the member's variable benefit account.

(h) Income taxes

The Plan is a registered pension plan as defined in the Income Tax Act (Canada) and is not subject to income taxes.

2. Statement of compliance with Canadian accounting standards for pension plans

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans.

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

3. Summary of significant accounting policies

As indicated in Note 2, these financial statements have been prepared in accordance with Canadian accounting standards for pension plans. Accounting standards for pension plans require entities to select accounting policies for accounts that do not relate to its investment portfolio or pension obligations in accordance with either International Financial Reporting Standards ("IFRS") or Canadian Accounting Standards for Private Enterprises ("ASPE"). The Trustees selected IFRS for such accounts on a consistent basis and to the extent that these standards do not conflict with the requirements of the accounting standards for pension plans.

(a) Investments

Investments are stated at fair value. Fair value is determined using market values where available. Fair value for international investments, including the Currency Hedging Fund, held by BC Investment Management Corporation are estimated based on preliminary market values supplied by the BC Investment Management Corporation, and any differences between the estimated values and final market values are adjusted in the subsequent period. Where listed market values are not available, estimated values are calculated by discounted cash flows or based on other approved external pricing sources. Price comparison reports are used to compare the prices of the bonds and publicly traded equities held in pooled funds against a secondary source. Mortgages are valued at the end of each month based on a discounted cash flow model. Real estate investments are valued quarterly by BC Investment Management Corporation's real estate investment managers and, at least once every ten to eighteen months, by accredited independent appraisers to establish current market values. At the end of each quarter BC Investment Management Corporation uses financial statements provided by the external managers and general partners or valuation reports to calculate the share values and the unit values for the externally managed holding corporations and limited partnerships. Investment sales and purchases are recorded on trade date.

(b) Investment income

Investment income is recorded on the accrual basis. Any adjustments to investments due to the fluctuation of market prices are reflected as part of the return on investments in the statement of changes in net assets available for benefits.

(c) Use of estimates

The preparation of financial statements, in conformity with Canadian accounting standards for pension plans, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in assets during the period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the valuation of investments.

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

4. Investments (fair value)

The assets of the Plan are pooled for investment purposes with the Balanced Fund assets of the University of Victoria Combination Pension Plan. At December 31, 2014, 5.52% (2013: 5.3%) of the assets held in the Balanced Fund were in respect of the University of Victoria Money Purchase Pension Plan.

The Plan's investments are recorded at fair value or at amounts that approximate fair value. Fair value is the amount at which the investment could be exchanged in a current financial transaction between willing parties. The investments are categorized according to a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs that are not observable for the asset or liability.

The Plan's proportionate share of investments in the Balanced Fund, categorized according to the fair value hierarchy, is as follows:

		<u>2014</u>	<u>2013</u>
Short-term notes	- Level 1	\$ 467,834	\$ 593,510
Short-term notes	- Level 2	70,758	64,827
Canadian bonds	- Level 1	6,805,032	6,175,240
Canadian bonds	- Level 2	7,060,309	4,078,346
Foreign bonds	- Level 2	-	106,587
Mortgages	- Level 1	1,168,651	800,083
Canadian equities	- Level 1	5,252,532	5,939,943
Canadian equities	- Level 2	5,286,831	6,325,753
Foreign equities	- Level 2	16,692,220	12,982,682
Currency hedges	- Level 2	32,986	22,146
Real estate	- Level 3	5,423,411	4,849,098
		<u>\$ 48,260,564</u>	<u>\$ 41,938,215</u>
Fair value hierarchy			
Level 1		13,694,049	13,508,776
Level 2		29,143,104	23,580,341
Level 3		5,423,411	4,849,098
		<u>\$ 48,260,564</u>	<u>\$ 41,938,215</u>

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

4. Investments (fair value) (continued)

The following table summarizes the changes in the fair value of the Plan's financial instruments classified as level 3 investments:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 4,849,098	\$ 4,334,873
Sales	(33,229)	-
Unrealized gains	<u>607,542</u>	<u>514,225</u>
Ending balance	<u>\$ 5,423,411</u>	<u>\$ 4,849,098</u>

Short-term notes consist of Canadian money market securities maturing in 12 months or less and include treasury bills and guaranteed investment certificates. Mortgages consist of units in a pool of first mortgages on income-producing property in Canada. Canadian bonds consist of government and corporate bonds and debentures. Foreign bonds consist of Maple Bonds and US treasury bonds. Equities consist of publicly traded shares. Real estate investments consist mainly of diversified Canadian income-producing properties. Investments may be segregated or consist of units of pooled investment portfolios of the investment managers.

The Plan invests in the BC Investment Management Corporation's Currency Hedging Fund (the "Fund"). The Fund is used for defensive purposes in order to protect clients' foreign investments from the impact of an appreciating Canadian dollar (relative to the foreign currency). The Fund purchases and sells currencies through the spot market, forward contracts, and/or futures. Unit values are calculated based on the net realized and unrealized gains/losses of the derivative financial instruments.

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

5. Net return on investments

Net investment returns less operating expenses are distributed to members' money purchase contribution accounts and additional voluntary contribution accounts at the end of each month.

The Balanced Fund earned a gross return of 12.21% (2013: 15.31%) and a net return of 11.87% (2013: 15.00%). Net investment returns are as follows:

	<u>2014</u>	<u>2013</u>
Interest		
Cash and short-term notes	\$ 9,275	\$ 5,445
Bonds	565,321	495,292
Mortgages	38,536	31,718
Other	3,107	374
Dividends		
Canadian equities	114,104	131,798
Net realized gains	2,996,571	1,865,766
Net unrealized gains	<u>1,459,302</u>	<u>2,961,519</u>
	<u>5,186,216</u>	<u>5,491,912</u>
Investment costs:		
Management fees	112,838	82,471
Custodial fees	3,170	3,611
Other	<u>4,072</u>	<u>3,977</u>
	<u>120,080</u>	<u>90,059</u>
Total net investment return	<u>\$ 5,066,136</u>	<u>\$ 5,401,853</u>

6. Net assets available for benefits

The net assets available for benefits as at December 31 are allocated as follows:

	<u>2014</u>	<u>2013</u>
Money purchase contribution accounts ("MPCA")	\$ 41,779,357	\$ 37,128,707
Additional voluntary contribution accounts ("AVC")	1,707,889	1,229,984
Variable benefit accounts ("VBA")	<u>4,936,217</u>	<u>3,699,924</u>
	<u>\$ 48,423,463</u>	<u>\$ 42,058,615</u>

7. Money purchase contribution accounts ("MPCA")

Each member of the Plan has a MPCA, which is reported annually to the member. MPCAs are invested in the Balanced Fund.

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

8. Variable benefit accounts ("VBA")

Each member of the plan in receipt of a variable benefit pension has a VBA. VBAs are invested in the Balanced Fund.

9. Additional voluntary contribution accounts ("AVC")

Additional voluntary contribution accounts are divided into restricted voluntary accounts ("RVA") and unrestricted voluntary accounts ("UVA"). Transfers from other pension plans that have restrictions imposed by the exporting plans are placed in RVA. Contributions made by members on a voluntary basis and transfers that are unrestricted are placed in UVA. All RVA and UVA are invested in the Balanced Fund as follows:

	<u>2014</u>	<u>2013</u>
Restricted voluntary accounts	\$ 690,076	\$ 575,350
Unrestricted voluntary accounts	<u>1,017,813</u>	<u>654,634</u>
	<u>\$ 1,707,889</u>	<u>\$ 1,229,984</u>

10. Risk management

The Plan's investments are recorded at fair value. Other financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values. Fair values of investments are exposed to market risk, liquidity risk and credit risk.

Market risk

Market risk is comprised of currency risk, interest rate risk, and other price risk.

Currency risk: Currency risk relates to the possibility that the investments will change in value due to future fluctuations in US, Euro and other international foreign exchange rates. For example, a 5% strengthening (weakening) of the Canadian dollar against foreign currencies at December 31, 2014 would have decreased (increased) investments held in foreign currencies by approximately \$830,000 (2013: \$650,000).

Currency risk associated with foreign equities may be hedged at the discretion of the Global Equity Manager, BC Investment Management Corporation, in order to protect the value of foreign equity investments from the impact of an appreciating Canadian dollar (relative to the foreign currency).

The Fixed Income Manager may purchase US Treasury Bonds, provided the foreign currency exposure is hedged through the purchase of currency contracts.

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

10. Risk management (continued)

Interest rate risk: Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Duration is an appropriate measure of interest rate risk for fixed-income securities as a rise in interest rates will cause a decrease in the price of fixed income securities – the longer the duration, the greater the effect. At December 31, 2014, the average duration of the fixed income securities in the Balanced Fund was 7.2 years (2013: 6.4 years). Therefore, if nominal interest rates were to increase by 1%, the value of the Balanced Fund fixed income securities would drop by 7.2% (2013: 6.4%).

Other price risk: Other price risk relates to the possibility that the investments will change in value due to future fluctuations in market prices. This risk is reduced by the investment policy provisions approved by the Board of Pension Trustees for a structured asset mix to be followed by the investment managers, the requirement for diversification of investments within each asset class and credit quality constraints on fixed income instruments. Other price risk can be measured in terms of volatility, i.e., the standard deviation of change in the value of a financial instrument within a specific time horizon. Based on the volatility of the current asset class holdings shown in Note 4, the expectation is that over the long-term, the Balanced Fund will return around 6.4%, within a range of +/- 9.4% (i.e., results ranging from -3.0% to 15.8%).

	Volatility %	
Short-term holdings	+/- 1.5	
Bonds and mortgages	+/- 5.4	
Canadian equities	+/- 19.5	
Foreign equities	+/- 17.1	
Real estate	+/- 13.0	
Benchmark for investments	% change	Net impact on market value in thousands
FTSE TMX Canada 91-day Treasury Bill Index	+/-1.5	8
FTSE TMX Canada Universe Bond Index	+/- 5.4	812
S&P/TSX Capped Composite Index	+/-19.5	2,055
MSCI World Net Index	+/- 17.1	2,860
Canadian Consumer Price Index (real estate)	+/- 13.0	705

Other price risk is managed by diversification of the portfolio, both by investment managers (three) with differing investment styles and mandates and by allocation of equities across a range of sectors and companies.

Liquidity risk

Liquidity risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost effective manner in order to meet commitments as they come due. The primary liabilities in the Plan are defined contribution entitlements (see MPCA, AVC and VBA account balances in Note 6), and operating expenses. Liquidity requirements are managed through income generated by monthly contributions and investing in sufficiently liquid (eg. publicly traded) equities, pooled funds and other easily marketable instruments.

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

10. Risk management (continued)

Credit risk

Credit risk relates to the possibility that a loss may occur from failure of a fixed income security issuer to meet its debt obligations. At December 31, 2014, the maximum risk exposure for this type of investment is \$15,573,000 (2013: \$11,819,000).

The Plan limits credit risk by investing only in short term debt rated R1 or higher and other debt rated BBB or higher, as rated by the Dominion Bond Rating Service or equivalent. Debt rated below BBB is only permitted in the case of a high yield bond fund which has been specifically approved for investment by the Board of Pension Trustees.

The following shows the percentage of bond and mortgage holdings in the portfolio by credit rating.

Rating	%
AAA	21.2%
AA	45.1%
A	17.2%
BBB	14.7%
BB and below	1.7%
Unrated	0.1%

University of Victoria Money Purchase Pension Plan

Notes to the Financial Statements

December 31, 2014

11. Capital disclosures

The purpose of the Plan is to provide benefits to plan members. As such, when managing capital, the objective is to preserve assets in a manner that provides the Plan with the ability to continue as a going-concern, to have sufficient assets to meet future obligations for benefits and to have sufficient liquidity to meet all benefit and expense payments.

In accordance with regulatory requirements, the Board of Pension Trustees has established a Statement of Investment Policies and Goals ("SIP&G") which sets out the investment principles, guidelines and monitoring procedures that are appropriate to the needs and objectives of the Plan. The SIP&G sets out benchmarks and asset allocation ranges that are intended to best secure the obligations for benefits and result in reasonable risk-adjusted return on investment. Individual investment decisions are delegated to investment managers subject to the constraints of the SIP&G and individual manager mandates. As required, the Board of Pension Trustees reviews the SIP&G and manager structure at least annually, and makes such changes to the SIP&G and/or mandates as it deems necessary. With the assistance of an outside consultant, the Board of Pension Trustees and the Pension Office regularly monitor the asset mix of each manager and fund to ensure compliance with the SIP&G and mandates.

The benchmark and ranges for the Balanced Fund are as follows:

	Benchmark	Range
Cash and equivalents	0%	0-21%
Universe bonds	36%	20-46%
Canadian equities	22%	14-27%
Foreign equities	32%	20-40%
Real estate	10%	5-15%



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

To: AUDIT COMMITTEE

From: VICE-PRESIDENT FINANCE AND OPERATIONS

A handwritten signature in cursive script, likely belonging to the Vice-President of Finance and Operations.

cc: President and Vice-Chancellor

Board Date: May 26, 2015

Title: 2014/15 FINANCIAL STATEMENTS

Basis for Jurisdiction:

- University Act 27 (1)

Recommendation:

THAT the Audit Committee recommends to the Board of Governors that the Board of Governors approve the 2014/2015 Audited Financial Statements and the appropriations as set out in the attached schedule; and

THAT the Chair of the Board of Governors and the Vice-President Finance and Operations be authorized to sign the statements on behalf of the Board of Governors.

Attachments:

Appendix 1 – Draft Audited Financial Statements 2014-2015

Consolidated Financial Statements of

UNIVERSITY OF VICTORIA

Year ended March 31, 2015



**University
of Victoria**



STATEMENT OF ADMINISTRATIVE RESPONSIBILITY FOR FINANCIAL STATEMENTS

The University is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and Treasury Board direction outlined in note 2 (a). This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting measurement of transactions in which objective judgment is required. In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University's management has developed and maintains a system of internal controls designed to provide reasonable assurance that the University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements. The system of internal controls is monitored by the University's management.

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

The consolidated financial statements have been examined by the Office of the Auditor General of British Columbia. The Independent Auditors' Report outlines the nature of the examination and the opinion on the consolidated financial statements of the University for the year ended March 31, 2015.

On behalf of the University:

_____ Chair, Board of Governors

_____ Vice-President Finance and Operations



**University
of Victoria**

UNIVERSITY OF VICTORIA

Consolidated Statement of Financial Position

As at March 31, 2015

(in thousands of dollars)

		2015	2014
Financial Assets			
Cash and cash equivalents	(Note 3)	\$ 100,725	\$ 117,127
Accounts receivable		9,712	15,357
Due from governments	(Note 4)	8,262	11,618
Inventories for resale		1,488	1,744
Portfolio investments	(Note 6)	170,902	134,009
Loans receivable	(Note 5)	28,576	29,671
Investments in government business enterprises	(Note 7)	6,290	6,756
		325,955	316,282
Liabilities			
Accounts payable and accrued liabilities	(Note 9)	34,347	36,507
Derivatives	(Note 6)	2,410	1,331
Due to governments		4,321	3,933
Employee future benefits	(Note 10)	20,246	21,725
Deferred revenue		14,878	16,271
Deferred contributions	(Note 11)	146,162	113,624
Deferred capital contributions	(Note 12)	379,426	394,933
Long-term debt	(Note 13)	54,739	56,574
		656,529	644,898
Net debt		(330,574)	(328,616)
Non-financial Assets			
Tangible capital assets	(Note 14)	694,679	674,562
Restricted endowment investments	(Note 6)	308,531	298,074
Inventories held for use		1,694	1,694
Prepaid expense		15,372	16,869
		1,020,276	991,199
Accumulated surplus	(Note 16)	\$ 689,701	\$ 662,583
Accumulated surplus is comprised of:			
Endowments	(Note 17)	\$ 295,532	\$ 289,970
Invested in capital assets		277,306	239,705
Internally restricted		80,470	101,974
Unrestricted		19,069	18,738
Accumulated operating surplus		672,377	650,387
Accumulated remeasurement gains		17,324	12,196
Accumulated surplus		\$ 689,701	\$ 662,583

Contractual Obligations (Note 18)

Contingent Liabilities (Note 19)

On behalf of the Board:

Chair, Board of Governors

Vice President, Finance and Operations

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



UNIVERSITY OF VICTORIA

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2015

(in thousands of dollars)

	Budget (Note 2(m))	2015	2014
Revenue:			
Province of British Columbia grants	\$ 188,000	\$ 184,180	\$ 190,439
Government of Canada grants	56,000	61,064	54,522
Other government grants	15,500	14,098	17,412
Student tuition - credit courses	114,000	118,740	109,903
Student tuition - non-credit courses	22,000	22,860	21,727
Donations, non-government grants and contracts	15,500	18,389	15,439
Sales of services and products	61,150	61,988	60,448
Investment income	3,254	21,980	17,904
Income from business enterprises	800	1,352	753
Other revenue	16,000	5,374	5,867
Revenue recognized from deferred capital contributions	28,771	30,941	29,278
	520,975	540,966	523,692
Expenses: (Note 20)			
Instruction and non-sponsored research	206,304	209,547	205,491
Academic and student support	124,612	131,304	124,375
Administrative support	18,660	18,787	18,253
Facility operations and maintenance	48,462	44,682	46,780
Sponsored research	110,484	108,295	107,303
External engagement	11,783	11,923	11,534
	520,305	524,538	513,736
Operating surplus before restricted funding	670	16,428	9,956
Restricted endowment contributions			
Endowment principal donations	3,000	4,268	4,297
Net investment income & donations capitalized	-	1,294	1,068
Net restricted endowment contributions	3,000	5,562	5,365
Annual operating surplus	3,670	21,990	15,321
Accumulated operating surplus, beginning of year	650,387	650,387	635,066
Accumulated operating surplus, end of year	\$ 654,057	\$ 672,377	\$ 650,387

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



UNIVERSITY OF VICTORIA

Consolidated Statement of Changes in Net Debt

Year ended March 31, 2015

(in thousands of dollars)

	Budget (Note 2(m))	2015	2014
Annual surplus	\$ 3,670	\$ 21,990	\$ 15,321
Acquisition of tangible capital assets	(75,735)	(69,977)	(68,908)
Amortization of tangible capital assets	49,945	49,861	47,313
	(25,790)	(20,116)	(21,595)
Restricted endowment investments		(10,457)	(8,848)
Acquisition of inventories held for use		(1,769)	(1,749)
Acquisition of prepaid expense		(5,630)	(7,418)
Consumption of inventories held for use		1,769	1,711
Use of prepaid expense		7,127	6,590
		(8,960)	(9,714)
Net remeasurement gains		5,128	6,781
Decrease (increase) in net debt	3,501	(1,958)	(9,207)
Net debt, beginning of year	(328,616)	(328,616)	(319,409)
Net debt, end of year	\$ (332,117)	\$ (330,574)	\$ (328,616)

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



UNIVERSITY OF VICTORIA

Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2015

(in thousands of dollars)

	2015	2014
Accumulated remeasurement gains, beginning	\$ 12,196	\$ 5,415
Unrealized gains (losses) attributed to:		
Portfolio investments	6,005	5,853
Derivatives	(1,079)	988
Foreign currency translation	202	(60)
Net remeasurement gains for the year	5,128	6,781
Accumulated remeasurement gains, end of year	\$ 17,324	\$ 12,196

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



UNIVERSITY OF VICTORIA

Consolidated Statement of Cash Flows

Year ended March 31, 2015

(in thousands of dollars)

	2015	2014
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 21,990	\$ 15,321
Items not involving cash		
Amortization of tangible capital assets	49,861	47,313
Revenue recognized from deferred capital contributions	(30,941)	(29,278)
Change in deferred contributions	32,538	17,506
Change in employee future benefits	(1,479)	1,496
Equity in income of government business enterprises	466	(650)
Unrealized foreign exchange gain (loss)	202	(60)
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	5,645	(5,125)
Decrease in loans receivable	1,095	1,003
Decrease in inventories	256	409
Decrease (increase) in prepaid expenses	1,497	(828)
Increase (decrease) in accounts payable and accrued liabilities	(2,160)	2,517
Increase (decrease) in due to/from government organizations	3,744	(2,320)
Increase (decrease) in deferred revenue	(1,393)	5,569
Net change from operating activities	81,321	52,873
Capital activities:		
Cash used to acquire tangible capital assets	(69,977)	(68,908)
Investing activities:		
Sale (Purchase) of portfolio investments	(4,993)	24,909
Acquisition of endowment investments	(36,352)	(31,937)
Net change from investing activities	(41,345)	(7,028)
Financing activities:		
Proceeds from (repayment of) long-term debt	(1,835)	8,346
Cash proceeds from deferred capital contributions	15,434	24,338
Net change from financing activities	13,599	32,684
Net change in cash and cash equivalents	(16,402)	9,621
Cash and cash equivalents, beginning of year	117,127	107,506
Cash and cash equivalents, end of year	\$ 100,725	\$ 117,127

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



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

1. Authority and Purpose

The University of Victoria (the “University”) operates under the authority of the *University Act* of British Columbia. The University is a not-for-profit entity governed by a 15 member Board of Governors, eight of whom are appointed by the government of British Columbia including two on the recommendation of the Alumni Association. The University is a registered charity and is exempt from income taxes under section 149 of the *Income Tax Act*.

2. Summary of significant accounting policies

The consolidated financial statements of the University are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the University are as follows:

(a) Basis of accounting

The consolidated financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The *Budget Transparency and Accountability Act* requires that the consolidated financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections related to not-for-profit accounting standards.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

(a) Basis of accounting (continued)

- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under Canadian public sector accounting standards. (See note 23)

(b) Basis of consolidation

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of organizations which are controlled by the University. Controlled organizations are consolidated except for government business enterprises which are accounted for by the modified equity method. Inter-organizational transactions, balances, and activities have been eliminated on consolidation.

The following organizations are controlled by the University and fully consolidated in these financial statements:

- UVic Industry Partnerships (formerly University of Victoria Innovation and Development Corporation) which facilitates research partnerships between the private sector and the University.
- University of Victoria Properties Investments Inc. which manages the University's real estate holdings including the Vancouver Island Technology Park Trust.
- Ocean Networks Canada Society which manages the University's VENUS and NEPTUNE ocean observatories.
- Pacific Climate Impacts Consortium which stimulates collaboration to produce climate information for education, policy and decision making.
- University of Victoria Long-Term Disability Trust which administers an employee benefit plan on behalf of the University's faculty and administrative professional staff.
- University of Victoria Foundation, the Foundation for the University of Victoria, and the U.S. Foundation for the University of Victoria which encourage the financial support of the University and administer the University's endowment funds.
- Byron Price & Associates Ltd. which holds land in North Saanich.

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Investment in government business enterprises

Government business enterprises are accounted for by the modified equity method. Under this method, the University's investment in the business enterprise and its net income and other changes in equity are recorded. No adjustment is made to conform the accounting policies of the government business enterprise to those of the University other than if other comprehensive income exists, it is accounted for as an adjustment to accumulated surplus (deficit). Inter-organizational transactions and balances have not been eliminated, except for any profit or loss on transactions between entities of assets that remain within the entities controlled by the University.

The following organizations are controlled by the University and consolidated in these financial statements using the modified equity basis:

- Heritage Realty Properties Ltd. which manages the property rental and downtown hotel and brew-pub operation donated by the late Michael C. Williams.
- Vancouver Island Technology Park Trust which provides leased space to high-technology companies on Vancouver Island.
- Gustavson School of Business Executive Education Inc provides executive training and other non-credit education.

(iii) Investment in government partnerships

Government partnerships that are not wholly controlled business partnerships are accounted for under the proportionate consolidation method. The University accounts for its share of the partnership on a line by line basis on the financial statements and eliminates any inter-organizational transactions and balances. Accounting policies of the partnership, which is not a business partnership, are conformed to those of the University before it is proportionately consolidated.

The following organizations are government partnerships and are proportionately consolidated in these financial statements:

- Tri-Universities Meson Facility (TRIUMF) which operates a research facility for sub-atomic physics located at the University of British Columbia. These financial statements include the University's 8.33% interest.
- Western Canadian Universities Marine Sciences Society (WCUMSS) which operates a marine research facility at Bamfield on the west coast of Vancouver Island. These financial statements include the University's 20% interest.

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(iv) Funds held in trust

Funds held in trust by the University as directed by agreement or statute for certain beneficiaries are not included in the University's consolidated financial statements.

(c) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(d) Financial instruments

Financial instruments are classified into two categories: fair value or cost.

(i) Fair value category

Portfolio instruments that are quoted in an active market and derivative instruments are reflected at fair value as at the reporting date. Other financial instruments designated to be recorded at fair value are endowment and portfolio investments. Transaction costs related to the acquisition of investments are recorded as an expense. Sales and purchases of investments are recorded at trade date. Unrealized gains and losses on financial assets are recognized in the statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the statement of operations and accumulated surplus and related balances reversed from the statement of remeasurement gains and losses. Unrealized gains and losses in endowment investments, where earnings are restricted as to use, are recorded as deferred contributions and recognized in revenue when disposed and when related expenses are incurred. Restricted unrealized gains spent to meet current year endowment expenses or capitalization transfers are recorded in the statement of remeasurement gains and losses.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in an active market for identical assets or liabilities,
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Cost category

Gains and losses are recognized in the statement of operations when the financial asset is derecognized due to disposal or impairment and the gains and losses are recognized at amortized cost using the effective interest method; accounts payable and accrued liabilities and long-term debt are measured at amortized cost using the effective interest method.

(e) Short term investments

Short-term investments are comprised of money market securities and other investments with maturities that are capable of prompt liquidation. Short-term investments are cashable on demand and are recorded at cost based on the transaction price on the trade date. All interest income, gains and losses are recognized in the period in which they arise.

(f) Inventories for resale

Inventories held for resale, including books, merchandise and food are recorded at the lower of cost or net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated selling price less any costs to sell.

(g) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Interest is not capitalized whenever external debt is issued to finance the construction of tangible capital assets. The cost, less residual value of the tangible capital assets, are amortized on a straight line basis over their estimated useful lives. Land is not amortized as it is deemed to have a permanent value.

Donated assets are recorded at fair value at the date of donation. In unusual circumstances where fair value cannot be reasonably determined, the tangible capital asset would be recorded at a nominal value.



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

(g) Non-financial assets (continued)

(i) Tangible capital assets (continued)

Asset	Straight line Rate
Buildings - Concrete	50 years
Buildings - Woodframe	30 years
Buildings - Heritage	35 years
Site Improvements	30 years
Equipment - Computing	3 years
Equipment - Other	8 years
Information Systems	8 years
Furnishings	8 years
Library Holdings	10 years
Ships/Vessels	25 years

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the University's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(ii) Works of art and historic assets

Works of art and historic assets are not recorded as assets in these financial statements.

(iii) Leased capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(iv) Inventories held for use

Inventories held for use are recorded at the lower of cost and replacement cost.

(h) Employee future benefits

The costs of pension and other future employee benefits are recognized on an accrual basis over the working lives of employees as detailed in Note 10.



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

(i) Revenue recognition

Tuition and student fees and sales of goods and services are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured.

Unrestricted donations and grants are recorded as revenue when receivable if the amounts can be estimated and collection is reasonably assured.

Restricted donations and grants are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than for those to be held in perpetuity or the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met.
- (iii) Contributions restricted to be retained in perpetuity, allowing only the investment income earned thereon to be spent are recorded as restricted endowment contributions in the statement of operations for the portion to be held in perpetuity and as deferred contributions for any restricted investment income earned thereon.

Investment income includes interest recorded on an accrual basis and dividends recorded as declared, realized gains and losses on the sale of investments, and writedowns on investments where the loss in value is determined to be other-than-temporary.

(j) Pledges, gifts-in-kind and contributed services

Pledges from donors are recorded when payment is received by the University or the transfer of property is completed since their ultimate collection cannot be reasonably assured until that time. Gifts-in-kind include securities and equipment which are recorded in the financial statements at their fair market value at the time of donation.

The value of contributed services is not determinable and is not recorded in the financial statements.

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

2. Summary of significant accounting policies (continued)

(k) Use of estimates

Preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures. Key areas where management has made estimates and assumptions include those related to the amortization period of tangible capital assets, valuation allowances for receivables and inventories, the valuation of financial instruments and assets and obligations related to employee future benefits. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(l) Foreign currency translation

Transactions in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities which were designated in the fair value category under the financial instrument standard are reflected in the financial statements in equivalent Canadian dollars at the exchange rate in effect on the statement of financial position date. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or statement of financial position date is recognized in the statement of remeasurement gains and losses. In the period of settlement, any exchange gain or loss is reversed out of remeasurement and reflected in the Statement of Operations.

(m) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the 2014 / 2015 to 2016/2017 Planning and Budget Framework approved by the Board of Governors of the University on May 21, 2014 and the University's first quarter forecast provided to the Province. The budget is reflected in the statement of operations and accumulated surplus and the statement of changes in net debt.



UNIVERSITY OF VICTORIA**Notes to Consolidated Financial Statements**

Year ended March 31, 2015

*(in thousands of dollars)***3. Cash and cash equivalents**

	2015	2014
Cash	\$ 15,229	\$ 8,351
Short term investments	84,600	107,816
Restricted cash	896	960
	\$ 100,725	\$ 117,127

Restricted cash is comprised of an escrow account balance related to TRIUMF's asset retirement obligations.

4. Due from governments

	2015	2014
Federal government	\$ 3,147	\$ 7,161
Provincial government	4,874	4,437
Other	241	20
	\$ 8,262	\$ 11,618

5. Loans receivable

	2015	2014
BCNET		
Interest at 4.5%, due April 2019, unsecured	\$ 454	\$ 555
Various faculty and senior administrators		
Home relocation loans, interest free for 5 years with option for further renewal unless employment ceases, secured by second mortgages	3,680	4,050
Heritage Realty Properties Ltd.		
Promissory note receivable, interest at Royal Bank Prime + 5.0%, due May 31, 2021, secured by an unregistered equitable mortgage	9,608	9,608
Vancouver Island Technology Park Trust loans receivable		
Interest at 5.13%, due April 2030, unsecured	11,923	12,434
Interest at 6.13%, due April 2030, unsecured	2,911	3,024
	\$ 28,576	\$ 29,671



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

6. Financial Instruments

Financial assets and liabilities recorded at fair value are comprised of the following:

(a) Portfolio investments

	Fair Value Hierarchy	2015	2014
Portfolio investments carried at fair value:			
Bonds	Level 2	\$ 10,677	\$ 5,482
Various pooled bond and mortgage funds	Level 1	89,872	77,604
Canadian equities	Level 1	24,707	18,764
Global equities	Level 1	33,346	20,828
Infrastructure and real estate	Level 3	10,782	6,092
Other	Level 1	-	4,238
		169,384	133,008
Portfolio investments at cost:			
Short-term investments		1,130	719
Cash		300	220
Other		88	62
Total portfolio investments		\$ 170,902	\$ 134,009

(b) Restricted endowment investments

	Fair Value Hierarchy	2015	2014
Restricted endowment investments carried at fair value:			
Bonds	Level 2	\$ 36,673	\$ 27,691
Various pooled bond and mortgage funds	Level 1	42,673	45,416
Canadian equities	Level 1	80,922	84,412
Global equities	Level 1	106,269	105,068
Infrastructure and real estate	Level 3	37,034	30,767
		303,571	293,354
Restricted endowment investments at cost:			
Short-term investments		3,882	3,630
Cash		1,031	1,090
Other		47	-
Total restricted endowment investments		\$ 308,531	\$ 298,074



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

6. Financial Instruments (continued)

Financial assets and liabilities recorded at fair value are comprised of the following (See note 13 for breakdown of debt related to derivatives):

(c) Derivatives

	Fair Value Hierarchy	2015	2014
Derivatives - interest rate swaps on long-term debt quoted at fair value:			
BC Immigrant Investment Fund interest rate swap fixed at 5.38% commencing in 2017	Level 1	\$ (162)	\$ (122)
Royal Bank of Canada floating interest rate fixed at 5.38%, through an interest rate swap due Nov 2024, unsecured	Level 1	(1,727)	(1,480)
BC Immigrant Investment Fund floating interest rate fixed at 3.56%, commencing 2023 through	Level 1	(521)	271
Total derivatives		\$ (2,410)	\$ (1,331)

7. Investments in government business enterprises

The University controls three profit oriented subsidiaries which are recorded using the modified equity method of accounting. The three entities are Heritage Realty Properties, Vancouver Island Technology Park and Gustavson School of Business Executive Education Inc.

	2015	2014
Equity at beginning of year	\$ 3,748	\$ 3,637
Dividends/distributions paid	(642)	(642)
Net earnings	1,352	753
Equity at end of year	4,458	3,748
Dividends/distributions payable	1,832	3,008
Investment in government business enterprises	\$ 6,290	\$ 6,756

Change in equity in government business enterprises

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

7. Investments in government business enterprises (continued)

Condensed financial information of these government business enterprises are as follows:

Consolidated Statement of Financial Position

	2015	2014
Assets	\$ 37,535	\$ 38,225
Liabilities	(33,077)	(34,477)
Equity	\$ 4,458	\$ 3,748

Consolidated Statement of Operations

	2015	2014
Revenue	\$ 11,423	\$ 11,665
Expenses	(10,071)	(10,912)
Surplus (deficit) for the year	\$ 1,352	\$ 753

8. Investments in government partnerships

The University is one of twelve university members of a consortium which manages the Tri-Universities Meson Facility (TRIUMF) for research in sub-atomic physics. The facility is funded by federal government grants and the University makes no direct financial contribution. TRIUMF's financial results are proportionately consolidated with those of the University based upon the University's share of its total ownership of 8.33% (2014 – 9.09%).

The University is one of five university members of the Western Canadian Universities Marine Sciences Society (WCUMSS) for marine field research. The University provided a grant to the Society in 2015 of \$253,400 (2014 – \$253,000). WCUMSS financial results are proportionately consolidated with those of the University based upon the University's share of its total contributions of 20% (2014 – 20%).

The proportionate amounts included in these consolidated financial statements are as follows:

Consolidated Statement of Financial Position

	2015	2014
Financial assets	\$ 2,347	\$ 2,526
Liabilities	907	1,111
Net assets	1,440	1,415
Non-financial assets	1,061	1,079
Accumulated surplus	\$ 2,501	\$ 2,494

UNIVERSITY OF VICTORIA**Notes to Consolidated Financial Statements**

Year ended March 31, 2015

*(in thousands of dollars)***8. Investments in government partnerships (continued)**

Consolidated Statement of Operations

	2015	2014
Revenue	\$ 6,403	\$ 8,078
Expenses	6,396	7,208
Surplus for the year	\$ 7	\$ 870

9. Accounts payable and accrued liabilities

	2015	2014
Accounts payable and accrued liabilities	\$ 23,702	\$ 25,423
Salaries and benefits payable	3,396	3,969
Accrued vacation pay	7,249	7,115
	\$ 34,347	\$ 36,507

10. Employee future benefits

Employee future benefit liabilities arise in connection with the University's self-funded group life insurance, long-term disability plans and accumulated sick leave plans. The University maintains pension plans, other retirement and supplementary benefit arrangements, and long-term disability plans for substantially all of its continuing employees.

	2015	2014
Staff pension plan	\$ (5,409)	\$ (2,581)
Supplemental pension obligations	6,155	5,369
Special accumulated sick leave	3,226	3,373
Long term disability benefits	14,765	14,097
Basic group life insurance plan	1,509	1,467
	\$ 20,246	\$ 21,725

Summary of employee future benefit obligations:



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

10. Employee future benefits (continued)

(a) Pension benefits

(i) Combination plan

The pension fund for full-time continuing faculty and administrative and academic professional staff is referred to as the Combination Plan. This plan's benefits are derived primarily from defined contributions. If a retiring member selects an internal annuity with the defined contribution account, the annuity may be supplemented from a defined benefit provision to bring total benefits up to a defined benefit minimum. Most members qualify for little or no supplement because the defined contribution benefits usually exceed 90% of the defined benefit minimum. Since 1991, only 121 members have received a defined benefit supplement. At December 31, 2014, 107 were receiving supplements that totalled \$34,985 of a total pension payroll of \$2,000,000 million per month. As a result, this plan has been accounted for as a defined contribution plan. The latest actuarial valuation as at December 31, 2012 showed that the accrued formula pension benefit liabilities of the Combination Plan were fully funded. The next valuation will be as at December 31, 2015. A pure defined contribution plan is available for part-time faculty and administrative and academic professional staff who meet certain eligibility criteria. The University has made contributions to these plans during the year of \$20,000,000 (2014 – \$18,800,000) and recorded them as a pension expense.

The University provides supplemental pensions in excess of those provided under registered plans. They are fully funded out of the general assets of the University. The accrued liabilities of these arrangements total \$6,154,000 as at March 31, 2015 (2014 – \$5,370,000). The University paid supplemental benefits of \$147,000 in the year (2014 – \$209,000) and recorded employee benefit expense of \$148,000 (2014 – \$129,000).

(ii) Staff plan

The Staff Pension Plan (the "Plan") is a contributory defined benefit pension plan made available to regular staff employees that are eligible to join the Plan. The Plan provides pensions based on credited service and final average salary. Based on membership data as at the last actuarial valuation for funding purposes as at December 31, 2013, the average age of the 1,152 active employees covered by the Plan is 47.8. In addition, there are 419 former employees who are entitled to deferred pension benefits averaging \$289 per month. At December 31, 2013, there were 639 pensioners receiving an average monthly pension of \$826. The employees make contributions equal to 4.53% of salary that does not exceed the year's maximum pensionable earnings ("YMPE") plus 6.28% of salary in excess of the YMPE. A separate pension fund is maintained. The University makes contributions to the plan in line with recommendations contained in the actuarial valuation for funding purposes. Though the University and the employees both contribute to the pension fund, the University retains the full risk of the accrued benefit obligation. The pension fund assets are invested primarily in Universe bonds and equities. The pension asset at March 31 includes the following components:

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

10. Employee future benefits (continued)

(a) Pension benefits (continued)

(ii) Staff plan (continued)

	2015	2014
Accrued benefit obligation	\$ 191,182	\$ 184,477
Pension fund assets	(217,031)	(197,554)
	(25,849)	(13,077)
Unamortized actuarial gains (losses)	20,440	10,496
Net obligation (asset)	\$ (5,409)	\$ (2,581)

Actuarial valuations for funding purposes are performed triennially using the projected benefit prorated method. The latest triennial actuarial valuation completed as at December 31, 2013 reported a going concern surplus and a solvency deficiency (i.e. if the plan were to be wound up on that date of \$41,866,000. The B.C. Pension Benefits Standards Act requires minimum annual contributions or the use of letters of credit to fund a solvency deficiency. The University has chosen to arrange a letter of credit in the amount of \$27.6 million at March 31, 2015 (2014 - \$19.9 million) to satisfy the contribution requirements through 2016. This letter of credit will be reassessed in conjunction with the December 31, 2015 plan valuation and updated solvency funding level. The accrued benefit obligation shown for 2015 is based on an extrapolation of that 2014 valuation. There is an unamortized gain to be amortized on a straight-line basis over the expected average remaining service life of the related employee group (12 years). The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the University's best estimates. The expected inflation rate is 2.0%. The discount rate used to determine the accrued benefit obligation is 6%. Pension fund assets are valued at market value.

The expected rate of return on pension fund assets is 6%. The actual gross return on Plan assets in 2014 was 12.5%. The total expenses related to pensions for the fiscal year ending, include the following components:



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

10. Employee future benefits (continued)

(a) Pension benefits (continued)

(ii) Staff plan (continued)

	2015	2014
Current period benefit cost	\$ 6,735	\$ 6,638
Amortization of actuarial gains (losses)	(1,060)	81
	5,675	6,719
Less: Employee contributions	(2,055)	(1,080)
Pension expense	3,620	5,639
Interest cost on the average accrued benefit obligation	10,832	10,628
Expected return on average pension plan assets	(11,631)	(10,559)
Pension interest expense	(799)	69
Total expenses related to pensions	\$ 2,821	\$ 5,708

The Supplementary Retirement Benefit Account is a separate fund available to provide pensioners over the age of 65 with supplemental indexing against inflation beyond that provided by the basic plan above. It is accounted for as a defined contribution plan, with University contributions during the year of \$114,000 (2014 – \$114,000).

(b) Special accumulated sick leave benefit liability

Certain unionized employees of the University are entitled to a special vested sick leave benefit in accordance with the terms and conditions of their collective agreements. Employees who accumulate and maintain a minimum balance of regular sick leave may opt to transfer sick days into this special accumulating and vested benefit. The University recognizes a liability and an expense as days are transferred into this benefit. At March 31, 2015 the balance of this special accumulated sick leave was \$3,226,000 (2014 – \$3,373,000).



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

10. Employee future benefits (continued)

(c) Long-term disability benefits

The University administers an employee-funded long-term disability plan for faculty and administrative and academic professional staff. It is self-insured and the liability for the discounted present value of estimated future payments to current claimants is recorded.

Information about liabilities for the University's long-term disability plan includes:

	2015	2014
Accrued benefit obligation:		
Beginning of year	\$ 14,097	\$ 13,056
Current service cost	4,280	4,358
Interest cost	258	202
Benefits paid	(2,060)	(2,001)
Actuarial gain/(loss)	(1,810)	(1,518)
Accrued benefit obligation, end of year	\$ 14,765	\$ 14,097

	2015	2014
Accrued benefit obligation:		
Plan assets	\$ 12,169	\$ 10,132
Liability, end of year	(14,765)	(14,097)
Accrued benefit obligation, end of year	\$ (2,596)	\$ (3,965)

Components of net benefit expense

	2015	2014
Service cost	\$ 4,280	\$ 4,358
Interest cost	258	202
Expected return on assets	(180)	(144)
Amortization of net actuarial gain	(2,566)	(1,441)
Net benefit expense	\$ 1,792	\$ 2,975



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

10. Employee future benefits (continued)

(c) Long-term disability benefits (continued)

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligation are as follows:

	2015	2014
Discount rates	1.7%	1.7%
Expected future inflation rates	2.0%	2.0%
Salary increase assumption	2.0%	2.0%
Retirement age assumption	65	65

An insured long-term disability plan funded entirely by the University was commenced for other staff on July 1, 2000. The University contribution for the year ending March 31, 2015 was \$888,000 (2014 - \$1,118,000).

11. Deferred contributions

Deferred contributions are comprised of funds restricted for the following purposes:

	2015	2014
Specific purpose: (including endowment earnings)	\$ 92,336	\$ 64,199
Research	51,865	47,092
Capital	1,961	2,333
	\$ 146,162	\$ 113,624

2015						2014
	Specific Purpose	Research	Capital	Total		
Balance, beginning of year	\$ 64,199	\$ 47,092	\$ 2,333	\$ 113,624	\$ 96,118	
Contributions and endowment investment income	57,552	82,584	231	140,367	123,805	
Revenue recognized from deferred contributions	(29,415)	(77,811)	(603)	(107,829)	(106,251)	
Transfer to deferred capital contributions	-	-	-	-	(48)	
Balance, end of year	\$ 92,336	\$ 51,865	\$ 1,961	\$ 146,162	\$ 113,624	

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

12. Deferred capital contributions

Contributions that are restricted for capital are referred to as deferred capital contributions. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset. Treasury Board provided direction on accounting treatment as disclosed in Note 2 (a). Changes in the deferred capital contributions balance are as follows:

	2015	2014
Balance, beginning of year	\$ 394,933	\$ 399,873
Contributions received during the year	15,434	24,290
Transfers from deferred contributions	-	48
Revenue from amortization of deferred capital contributions	(30,941)	(29,278)
Balance, end of year	\$ 379,426	\$ 394,933

13. Long-term debt

Long-term debt reported on the consolidated statement of financial position is comprised of the following (see note 6(c) for related derivative information):

	2015	2014
Royal Bank of Canada 5.38% term loan due 2024, unsecured	\$ 9,179	\$ 9,888
British Columbia Immigrant Investment Fund 4.75% term loan due 2017, unsecured	3,527	3,742
British Columbia Immigrant Investment Fund 2.48% term loan due 2023, unsecured	9,310	9,710
Province of British Columbia 4.82% bond due 2027, unsecured, with annual sinking fund payments of \$327,000	10,800	10,800
Province of British Columbia 4.74% bond due 2038, unsecured, with annual sinking fund payments of \$302,000	10,000	10,000
Great West Life Insurance Company 5.13% term loan due 2030, unsecured	11,923	12,434
	\$ 54,739	\$ 56,574

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

13. Long-term debt (continued)

Long-term debt reported on the consolidated statement of financial position is comprised of the following:

(a) Principal repayments

Anticipated annual principal repayments, including sinking fund instalments and maturities, due over the next five years and thereafter are as follows:

	2015		
	Sinking Fund	Other	Total
2016	\$ 629	\$ 1,904	\$ 2,533
2017	629	1,994	2,623
2018	629	2,088	2,717
2019	629	2,187	2,816
2020	629	2,291	2,920
Thereafter	12,788	28,342	41,130
	\$ 15,933	\$ 38,806	\$ 54,739



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

14. Tangible capital assets

Cost	Balance at March 31, 2014	Additions	Disposals	Balance as at March 31, 2015
Land	\$ 21,769	\$ 1,365	\$ -	\$ 23,134
Site Improvements	33,168	946	-	34,114
Buildings	686,199	46,407	-	732,606
Equipment and furnishings	222,598	13,586	(21,217)	214,967
Information systems	18,441	-	-	18,441
Computer equipment	15,590	4,333	(2,872)	17,051
Library holdings	40,049	3,342	(2,920)	40,471
Total	\$ 1,037,814	\$ 69,979	\$ (27,009)	\$ 1,080,784

Accumulated amortization	Balance at March 31, 2014	Disposals	Amortization	Balance as at March 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Site Improvements	16,128	-	897	17,025
Buildings	181,508	-	13,735	195,243
Equipment and furnishings	121,645	(21,217)	24,789	125,217
Information systems	13,558	-	2,305	15,863
Computer equipment	9,115	(2,872)	4,256	10,499
Library holdings	21,298	(2,920)	3,880	22,258
Total	\$ 363,252	\$ (27,009)	\$ 49,862	\$ 386,105

Net book value	March 31, 2015	March 31, 2014
Land	\$ 23,134	\$ 21,769
Site improvements	17,089	17,040
Buildings	537,363	504,691
Equipment and furnishings	89,750	100,953
Information systems	2,578	4,883
Computer equipment	6,552	6,475
Library holdings	18,213	18,751
Total	\$ 694,679	\$ 674,562

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

14. Tangible capital assets (continued)

Contributed tangible capital assets:

Additions to equipment and furnishings and computers include the following contributed tangible capital assets:

	2015	2014
Equipment and furnishings	\$ 54	\$ 26

(a) Assets under construction

Assets under construction having a value of \$74,845,000 (2014 – \$78,438,000) comprised of buildings of \$74,845,000 (2014 – \$58,714,000) and equipment \$0 (2014 – \$19,724,000) have not been amortized. Amortization of these assets will commence when the asset is available for productive use.

(b) De-recognition of tangible capital assets

The de-recognition of tangible capital assets during the year was \$27,009,000 (2014 – \$24,974,000) related to fully amortized assets with a net book value of \$ nil (2014 – \$ nil) related to asset disposals.

15. Financial risk management

The University has exposure to the following risks from its use of financial instruments: credit risk, price risk and liquidity risk.

The Board of Governors ensures that the University has identified major risks and management monitors and controls them.

(a) Credit risk

Credit risk is the risk of financial loss to the University if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from the amounts receivable and from fixed income assets held by the University.

The University accounts for amounts receivable by using a specific bad debt provision when management considers that the expected recovery is less than the account receivable.

The University limits the risk in the event of non-performance related to fixed income holdings by dealing principally with counter-parties that have a credit rating of A or higher as rated by the Dominion Bond Rating Service or equivalent. The maximum credit risk exposure of the University investments at March 31, 2015 is \$261,285,524.



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

15. Financial risk management (continued)

The following shows the percentage of fixed income holdings in the portfolio by credit rating:

Credit Rating	%
AAA	10.0%
AA	25.5%
A	7.3%
BBB	8.8%
BB and below	0.8%
Mortgages	11.7%
Cash and short term	
R1 high	33.9%
R1 mid	0.7%
R1 low	1.2%
	100.0%

(b) Price risk

Price risk includes market risk and interest rate risk.

Market risk relates to the possibility that the investments will change in value due to fluctuations in market prices. The objective of market risk management is to mitigate market risk exposures within acceptable parameters while optimizing the return on risk. This risk is mitigated by the investment policies for the respective asset mixes to be followed by the investment managers, the requirements for diversification of investments within each asset class and credit quality constraints on fixed income investments. Market risk can be measured in terms of volatility, i.e., the standard deviation of change in the value of a financial instrument within a specific time horizon. Based on the volatility of the University's current asset class holdings, the net impact on market value of each asset class is shown below.

Asset Class		Estimated Volatility (% change)
Canadian equities	+/-	21.1%
Foreign equities	+/-	17.5%
Real estate	+/-	9.9%
Bonds	+/-	5.4%
Infrastructure	+/-	16.0%
Benchmark for Investments		Net Impact on Market Value
DEX Universe Bond index	+/-	\$ 9,563
S&P/TSX Composite index	+/-	22,005
MSCI World Index	+/-	24,173
Canadian Consumer Price Index (Real Estate)	+/-	3,514
Canadian Consumer Price Index (Infrastructure)	+/-	1,190

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

15. Financial risk management (continued)

(b) Price risk (continued)

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

It is management's opinion that the University is exposed to market or interest rate risk arising from its financial instruments. Duration is an appropriate measure of interest rate risk for fixed income funds as a rise (fall) in interest rates will cause a decrease (increase) in bond prices; the longer the duration, the greater the effect. Duration is managed by the investment manager at the fund level. At March 31, 2015, the modified duration of all fixed income in aggregate was 4 years. Therefore, if interest rates were to increase by 1% across all maturities, the value of the bond portfolio would drop by 4%, contrarily if interest rates were to decrease by 1% across all maturities, the value of the bond portfolio would increase by 4%.

(c) Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they become due. The University manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.

16. Accumulated surplus

Accumulated surplus is comprised of the following:

	2015	2014
Endowments	\$ 295,532	\$ 289,970
Invested in capital assets	277,306	239,705
Internally restricted	80,470	101,974
Unrestricted	19,069	18,738
Accumulated remeasurement gains	17,324	12,196
	\$ 689,701	\$ 662,583



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

16. Accumulated surplus (continued)

Endowments consist of restricted donations and capitalized investment income to be held in perpetuity.

Invested in capital assets consist of unrestricted funds previously spent on capital assets and debt repayment.

Internally restricted funds consist of balances set aside or appropriated by the Board of Governors for equipment replacement, capital improvements and other non-recurring expenditures.

Unrestricted funds consist primarily of balances arising from the University's ancillary and specific purpose funds, and consolidated entities.

17. Endowments

Changes to the endowment principal balances, not including remeasurement gains/losses, are as follows:

	2015	2014
Balance, beginning of year	\$ 289,970	\$ 284,605
Contributions received during the year	4,268	4,297
Invested income and donations capitalized	1,294	1,068
Balance, end of year	\$ 295,532	\$ 289,970

The balance shown does not include endowment principal with fair value of \$7,076,000 (2014 -\$6,628,000) and book value of \$4,820,000 (2014 -\$4,820,000) held by the Vancouver Foundation. The excluded principal is not owned or controlled by the University, but income from it is paid to the University to be used for specific purposes.



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

18. Contractual obligations

The nature of the University's activities can result in multiyear contracts and obligations whereby the University will be committed to make future payments. Significant contractual obligations related to operations that can be reasonably estimated are as follows:

	2016	2017	2018	2019	2020
Construction contracts	\$ 14,054	\$ -	\$ -	\$ -	-
Operating leases	\$ 569	256	23	7	-
Total	\$ 14,623	\$ 256	\$ 23	\$ 7	-

19. Contingent liabilities

The University may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of business. It is management's opinion that the aggregate amount of any potential liability is not expected to have a material adverse effect on the University's financial position or results.

The University is one of 58 Canadian university subscribers to CURIE, which has provided property and liability insurance coverage to most campuses other than Quebec and Prince Edward Island since 1988. The anticipated cost of claims based on actuarial projections is funded through member premiums. Subscribers to CURIE have exposure to premium retro-assessments should the premiums be insufficient to cover losses and expenses.

20. Expenses by object

The following is a summary of expenses by object:

	2015	2014
Salaries and wages	\$ 275,545	\$ 270,134
Employee benefits	47,056	49,233
Travel	13,557	13,186
Supplies and services	71,089	65,688
Equipment rental and maintenance	4,664	5,007
Utilities	8,680	9,871
Scholarships, fellowships and bursaries	37,440	35,925
Cost of goods sold	14,094	14,386
Interest on long-term debt	2,541	2,495
Interest - other	11	498
Amortization of tangible capital assets	49,861	47,313
	\$ 524,538	\$ 513,736

UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

21. Funds held in trust

Funds held in trust are funds held on behalf of autonomous organizations, agencies, and student societies having a close relationship with the University. These funds are not reported on the University's consolidated statement of financial position (2015 – \$1,906,000; 2014 – \$2,119,000).

22. Supplemental cash flow information

	2015	2014
Cash paid for interest	\$ 2,480	\$ 2,602

23. Differences between Financial Reporting Framework (FRF) and PSAS

As noted in the significant accounting policies, per the Budget Transparency and Accountability Act of the Province of British Columbia and the Restricted Contribution Regulation 198/2011 issued pursuant to it, the university is required to account for government funding of tangible capital assets by deferring and amortizing deferred capital contributions to income on the same basis as the related amortization expense. If restricted government funding for tangible capital assets does not contain stipulations that create a liability, then PSAS requires it to be reported as income immediately. The impact of this difference on the consolidated financial statements of the university would be as follows:

		2015	
	FRF	PSAS	Difference
Liabilities			
Deferred capital contributions	\$ 379,426	\$ -	\$ 379,426
Accumulated surplus			
Accumulated surplus	689,701	1,069,127	(379,426)
Revenue			
Government grants and contracts	259,341	270,726	(11,385)
Donations, non-government grants and contracts	18,389	22,438	(4,049)
Amortization of deferred capital contributions	30,941	-	30,941
Annual operating surplus			
Annual operating surplus (after restricted endowment contributions)	\$ 21,990	\$ 6,483	\$ 15,507



UNIVERSITY OF VICTORIA

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

23. Differences between Financial Reporting Framework (FRF) and PSAS (continued)

	2014		
	FRF	PSAS	Difference
Liabilities			
Deferred capital contributions	\$ 394,933	\$ -	\$ 394,933
Accumulated surplus			
Accumulated surplus	662,583	1,057,516	(394,933)
Revenue			
Government grants and contracts	262,373	282,989	(20,616)
Donations, non-government grants and contracts	15,439	19,161	(3,722)
Amortization of deferred capital contributions	29,278	-	29,278
Annual operating surplus			
Annual operating surplus (after restricted endowment contributions)	\$ 15,321	\$ 10,381	\$ 4,940





University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

11 May 2015

To: Operations and Facilities Committee

From: Jamie Cassels, QC
President and Vice-Chancellor

Meeting Date: 26 May 2015

Subject: 2014 Policy Review Annual Report

Basis for Jurisdiction: Policy on University Policies and Procedures (GV0100)

Previous Consultation: The 2014 Policy Review Annual Report was received by Senate at its meeting on April 10, 2015.

Background: The Policy on University Policies and Procedures (GV0100) calls for the President to report annually the Board of Governors and the Senate on university policies developed and reviewed during the previous year. The 2014 Policy Review Annual Report captures university policy activities and accomplishments in the 2014 calendar year and outlines current policy activities and priorities for 2015. To provide a complete picture of the progress to date, the 2014 Policy Review Annual report also includes activities undertaken in the first quarter of the 2015 calendar year (January through March).

More information about university policies is available on the University Secretary's website at www.uvic.ca/universitysecretary/policies.

Attachment(s): 2014 Policy Review Annual Report



**University
of Victoria**

Date: March 23, 2015
To: Members of the Board of Governors and Senate
From: Prof. Jamie Cassels, President
Re: 2014 Policy Review Annual Report

1. Introduction

The university's Policy on University Policies and Procedures (GV0100) was approved by Senate and the Board of Governors in order to establish a consistent framework for the development and review of university policies and procedures. The goal in implementing the policy framework is to create and maintain a collection of user-friendly policies and procedures that is current and relevant to the needs of the university community.

This report responds to the requirement in the Policy on University Policies and Procedures to report annually to Senate and the Board of Governors on the development and review of university policies and procedures. The Policy states:

The President will report annually to the Board of Governors and the Senate on University Policies developed and reviewed during the year and the action taken or recommended.

The report also identifies university policy related priorities for 2015.

2. Update on the Implementation of the Policy Framework

Overall, the university continued its progress in 2014 in implementing the university policy framework. The responsibility for drafting of new policies and the revising of existing policies has been assumed by the president's office or individual vice-presidents' offices. The University Secretary's office continues to coordinate policy development and ensures new policies and policy changes are consistent with the Policy on University Policies and Procedures.

3. Summary of 2014 and early 2015 (January – March 31) Policy Activities

(a) *New Policies and Procedures Developed or Under Development*

In 2014 and early 2015 (January – March 31), the following new university policies and procedures were approved or were under development:

APPROVED - 2014

Policy or Procedure	Purpose and Rationale for Development
1. Policy (and Procedures) on Art Collections (BP3310)	Completed: May 27, 2014
2. Policy on University of Victoria Art Museum (BP3315)	Completed: May 27, 2014. Replaced rescinded Maltwood Art Museum and Gallery policy (BP3300)

APPROVED – 2015 (January – March 31)

Policy or Procedure	Purpose and Rationale for Development
1. Future Employment Restrictions Policy (GV0240)	Completed: February 2015

UNDER DEVELOPMENT

Policy or Procedure	Purpose and Rationale for Development
1. Procedures for Appointment, Review and Re-Appointment of Associate Deans (consolidation) (NEW)	Under development
2. Booking of University Facilities or Space for Secondary	Under development. To replace the existing booking policies.

Policy or Procedure	Purpose and Rationale for Development
Purposes (NEW: BP3700)	
3. Communication Policy (NEW)	Under development
4. Poster, Banner and Handbill Guidelines (NEW)	Under development
5. Research Funding Management and Financial Accountability (NEW)	Under development

(b) *Revised Policies and Procedures*

In 2014, the following university policies and procedures were revised:

Policy or Procedure	Summary of Amendments
1. Procedures for Academic Accommodation & Access for Graduate Students with Disabilities (Policy on Academic Accommodation and Access for Students with Disabilities - AC1205)	Completed: May 1, 2014
2. Procedures on Curriculum Submissions (Policy on Calendar Submissions - AC1120)	Completed: May 2, 2014
3. Fair Dealings Guidelines (Records Management Policy - IM7700)	Completed: March 11, 2014
4. Professional Development Expenses – Excluded Management and Confidential Staff (HR6400)	Completed: March 17, 2014
5. Secure Destruction Guidelines (Records Management Policy – IM7700)	Completed: November 2014
6. Short Term Investment Policy (FM5200)	Completed: December 2014

In early 2015 (January – March 31), the following university policies and procedures have been or will be revised:

Policy or Procedure	Summary of Amendments
1. Academic Program Review (AC1145)	Completed: January 2015
2. Electronic Records Management Guidelines (Records Management Policy IM7700)	Completion April 2015
3. Motor Vehicle Pool Policy (AD2315)	Completed: February 2015
4. Policy on University Policies and Procedures (GV0100)	Completed: January 2015
5. Purchasing Services Policy (FM5105)	Completion March 2015
6. Selection of Administrative Registrar & Executive Director, Student Enrolment (GV0400)	Completion Spring 2015
7. University Information Security Classifications Procedures (Information Security Policy (IM7800) and Protection of Privacy Policy (GV0235)	Completed: January 2015

(c) *Rescinded Policies and Procedures*

In 2014 and 2015, the university rescinded the following policies and procedures that no longer met the university policy standard or had been superseded by other policies or documents.

RESCINDED - 2014

Policy or Procedure	Rationale for Rescinding
1. Ethical Assessment of Institutional Quality of Programs and Services (AD2205)	Rescinded – The policy did not meet the university policy standard pursuant to the <i>Policy on University Policies and Procedures (GV0100)</i> . In order to meet the university policy standard, a policy must be current and relevant. University policies must also

Policy or Procedure	Rationale for Rescinding
	be principle-based statements to be followed in carrying out the activities of the university and must have broad application throughout the university.
2. Maltwood Art Museum and Gallery (BP3300)	Rescinded – The existing policy was replaced with the Policy on University of Victoria Art Museum (BP3315)

RESCINDED – 2015 (January – March 31)

Policy or Procedure	Rationale for Rescinding
1. Policy on Strategic Alliances (FM5110)	Rescinded – It is not anticipated that there will be a need for future strategic alliances. The Policy no longer meets the university policy standard pursuant to the <i>Policy on University Policies and Procedures (GV0100)</i> . In order to meet the university policy standard, a policy must be current and relevant. University policies must also be principle-based statements to be followed in carrying out the activities of the university and must have broad application throughout the university.

(d) *Policies with Transferred Approving Authority*

In 2014 no approving authorities were transferred based on current organizational responsibilities.

4. University Policy Goals and Priorities for 2015

- (a) *Finalize University Policies Under Review – brought forward from previous years (2011, 2012 and 2013)*

Policy or Procedure	Status
1. Teaching and Organization of Courses and Programs (AC1150)	Targeted for completion in Spring 2016
2. Accommodation for Students on Days of Religious Observance (AC1210)	Targeted for completion in Spring 2016
5. University Facility and Space Booking policies: (a) External Bookings of University Space (BP3400) (b) Use of University Facilities of Academic Departments by External Organizations (BP3405) (c) University Centre Foyer Booking (BP3410) (d) University Centre A180 Booking (BP3415) (e) Operation of the Cadboro Commons Building (BP3420) (f) Booking Policy - Residence & Food Facilities (BP3425) (g) Booking of Physical Education, Athletics and Recreational Facilities (BP3430) (h) University Centre Auditorium: General Use & Booking (BP3435)	Under review as part of project to review university's booking policies. Targeted for completion in Spring 2016
6. Booking of University Facilities or Space for Secondary Purposes (NEW: BP3700)	Targeted for completion in Spring 2016
7. Policies related to student residences (a) Student Residences Policy	Targeted for completion in Fall 2015

Policy or Procedure	Status
(BP3500) (b) Operation of Family Housing Policy (BP3505) (c) Residence Services - Budget Policy (FM5515)	
8. Signing Authority (FM5100)	Targeted for completion in December 2015
9. Intellectual Property (GV0215)	Completion delayed
10. Statement of Policy Regarding Deans of Faculties (GV0660)	Targeted completion in Spring 2016
11. Procedures for the Appointment of Chairs of Departments or Divisions (GV0700)	Targeted for completion in Spring 2016
12. Prevention of Violence in the Workplace (SS9120)	Targeted for completion in Spring 2016
13. Social Responsibility and UVic Investments Policy (FM5215)	Targeted for completion in December 2015
14. Determination of Employment Relationship (HR6325)	Completion delayed
15. Distribution of News and Information Publications on Campus (IM7400)	Under review as part of project to review the university's communication policies
16. Liquor Policy (AD2400)	Targeted for completion in Spring 2016
17. Discrimination and Harassment Policy (GV0205)	Targeted for completion in Spring 2015
18. Purchasing Services Policy (FM5105)	Targeted for completion in March 2015
19. Protection of Privacy Policy (GV0235)	Targeted for completion in Fall 2015
20. Records Management Policy (IM7700)	Targeted for completion in Fall 2015
21. Information Security Policy (IM7800)	Targeted for completion in Fall 2015

(b) *Finalize University Policies Targeted for Review in 2014*

Policy or Procedure	Status
1. Establishment of Diploma and Certificate Programs (AC1135)	Targeted for completion in Spring 2016
2. International Fieldwork and Travel Policy (AD2210)	Targeted for completion in Fall 2015
3. Internal Audit (GV0220)	Targeted for completion in December 2015
4. Risk Management Policy (GV0225)	Targeted for completion in December 2015
5. Establishment and Review of Research Centres (RH8300)	Targeted for completion in 2016

(c) *University Policies/Projects Targeted for Review in 2015*

Policy or Procedure	Status
1. Educational Services Contract (AC1100)	Targeted for completion in Spring 2016
2. Flag Display policy and procedures (AD2300)	Targeted for completion in Fall 2015.
3. Bookstore Budget Policy (FM5505)	Targeted for completion in Spring 2016
4. Conflict of Interest and Confidentiality policy (GV0210)	Targeted for completion in Fall 2015
5. Auditor Independence: Retention of External Auditors for Audit, Tax and Other Non-Audit (GV0230)	Targeted for completion in 2015
6. Appointment of Non-Academic Associate Vice-Presidents and Non-Academic Assistant Vice-Presidents (GV0345)	Targeted for completion in Spring 2016
7. Appointment and Review of the Head of the Division of Medical Sciences (GV0500)	Targeted for completion in Spring 2016

(d) *Other Policy Related Priorities*

Other university policy-related priorities for 2015 include:

- continue to identify and rescind or relocate university policies and procedures that no longer meet the university policy standard; and
- continue to analyze and determine where additional new university policies and procedures are required and where related policies can be consolidated.



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR INFORMATION

To: OPERATIONS AND FACILITIES COMMITTEE

From: ACTING VICE-PRESIDENT ACADEMIC & PROVOST

VICE-PRESIDENT FINANCE AND OPERATIONS

cc: President and Vice-Chancellor

Meeting Date: May 26, 2015

Subject: CAMPUS PLAN UPDATE – PHASE ONE

Basis for Jurisdiction: Committee's Terms of Reference

Previous Consultation:

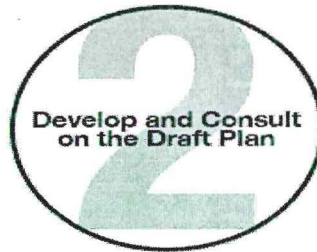
- September 30, 2014
- January 27, 2015

Background

The Campus Plan guides the physical development of the campus in accordance with the university's strategic priorities and its research and teaching needs. The Plan update process, under the guidance of the Campus Planning Committee, is well underway with the completion of phase 1 activities and the initial start of phase 2 work and draft plan preparation. Completion of an updated Campus Plan is targeted for early in 2016 as outlined in the following diagram.



Oct 2014 - March 2015



April - Sept 2015



Oct 2015 - Jan 2016

Key engagement activities for the Campus Plan update process were launched in January as outlined in the Campus and Community Engagement Plan for the project. The primary purpose of public engagement during phase one was to educate and raise awareness about the Plan Update process and to provide opportunities for stakeholders to share their input about priorities for the physical development of the campus.

Between January and March, hundreds of stakeholders, including students, faculty, staff and neighbours in the broader community provided input and ideas that will help to shape the future of the campus. Engagement activities included, a mobile booth with display panels at various locations on campus between January 13 - 16, a Jan. 28 Speakers Event, a Feb. 4 Ideas Forum which included two drop in open houses and a workshop, an online survey, a photo contest, meetings with neighbourhood resident associations and the UVic Alumni Board and a UVision report received through the UVic Sustainability Project, led by student volunteers. Attention was also given to engagement with local First Nations communities in conjunction with the UVic Office of Indigenous Affairs. This included attendance with information on the Plan update at the Southern Vancouver Island Aboriginal Education and Career Fair on March 5th. Overall, the various engagement activities were successful in obtaining broad and deep input from diverse audiences from both the campus and the external community.

A physical baseline report for the campus was also completed in the first phase of the project. It provided context for how the campus functions today and was used to assist with the engagement activity discussions and in preparing draft Plan concepts and directions for the future.

The Campus Planning Committee (CPC) at their March 25th meeting received a summary report on the phase 1 engagement. The report outlined ten overarching themes that emerged from the engagement:

Natural Beauty UVic's green spaces, gardens and natural areas are deeply valued and participants wish to see these places maintained.

Active Transportation UVic should be even more walkable, with better wayfinding and safe pedestrian and cycling connections.

Growing Up Rather Than Outward The campus should grow upward rather than outward, which may involve taller buildings.

Vibrancy 24/7 More destinations and amenities, including food spots, shops and social spaces, as well as better evening and weekend transit service and building access (e.g., to library) is needed.

Welcoming & Inclusive The campus should feel even more welcoming, including to the broader/external community.

Social Spaces More informal and outdoor learning and social spaces are important, including flexible spaces that support group study, other types of gatherings and social gatherings.

First Nations History and Presence A stronger recognition of First Nation history and presence is desired.

Safety Conflicts between pedestrians, cyclists and vehicles should be addressed, particularly on Ring Road and there are areas of campus that need better lighting at night.

Ecological Sustainability Sustainability is important (e.g., campus composting, renewable energy use, ecosystem protection, urban agriculture, and more).

Neighbourhood Parking Impacts Some campus neighbours are concerned about parking and congestion that is perceived to stem from UVic related vehicular traffic.

With these engagement activity outcomes, work was undertaken by the CPC to revise and refresh the Vision, Goals and Principles in the current Campus Plan. A revised Vision, Goals and Principles were recommended to the President for use in Phase 2 to inform the preparation of concepts and directions for the updated draft Campus Plan. They included:

Vision

A new preamble was added to reflect the recently completed work and statements that are consistent with the narrative outlined in the UVic Edge project. It states:

The university campus is a place for dynamic learning and research devoted to nourishing and enriching the quality of people, community, and resources. Our extraordinary academic environment inspires and nurtures discovery, creativity, and innovation, and fuels our commitment to sustainability, health, and well-being. The campus supports UVic in making a vital impact on people, places and the planet.

Goals

A new goal was added on Engagement and revisions were made to the current Travel and Parking goal in the Plan to better represent Movement and Accessibility interests, in response to the direction provided by the UVic Strategic Plan and through the engagement of the campus community and neighbours. They are:

Natural and Landscaped Open Space

To maintain and continue to evolve an open space system which protects and enhances environmentally-significant natural areas, provides safe, pedestrian-friendly links throughout the campus, and encourages social interaction through outdoor meeting places, relaxation spaces, playing fields and other outdoor recreational venues.

Land and Buildings

To evolve a land use and building pattern that supports the university's academic mission, respects the unique physical environment, creates a welcoming campus, encourages social interaction and activity into the evenings and all week long, and promotes compact, pedestrian-friendly and sustainable development.

Movement and Accessibility

To encourage increased walking or wheelchair use, cycling, and use of public transit, making these priority modes convenient, safe, and enjoyable for all users. To provide safe access yet reduced demand for personal vehicles, to help manage pressures on surrounding neighbourhoods.

Engagement

To provide for meaningful engagement of both the campus and broader communities during ongoing implementation of the campus plan, supporting mutual learning and inclusivity in the campus planning process.

Key changes to the emerging principles included adjustments to the ones involving engagement, natural areas and open space, compact growth, sustainable buildings and facilities, and movement and accessibility, along with the addition of a new principle on a vibrant campus. The 9 principles to provide guidance for generating policy directions for the Plan are:

1: Academic Priorities

Development decisions will give priority to the academic, teaching and research needs – including opportunities to use the campus as a living laboratory – of the university.

2: Campus and Broader Community Engagement

The university is committed to using its Campus Planning Consultation Process Report and Community Engagement Framework guides to maintain active collaboration with those touched by its physical changes. Likewise to make campus feel like a more inclusive place to be, efforts will be made to make campus more readily navigable and broadly welcoming.

3: Natural Areas

The university is committed to protecting and restoring designated natural areas on campus, which are yet to be determined and will be identified through the Campus Plan Update process.

4: Open Space System

The university will develop and maintain a system of natural and planned open spaces throughout the campus that prioritize pedestrian and cyclists, incorporate creative expression, and encourage social interaction.

5: Compact Growth

The university will manage development carefully, seeking to develop a compact campus that encourages synergies and is an efficient use of land.

6: Sustainable Buildings and Facilities

The university commits to incorporate sustainable practices in the planning, construction and operation of buildings and facilities, creating positive relationships to the open spaces surrounding them.

7: Spirit of Place

The university will continue to plan and design in a way that enhances social interaction on a scale that is friendly to people on foot, further recognize First Nations history and presence, and preserves the unique Pacific Rim island character of the campus.

8: Movement and Accessibility

The university is committed to prioritizing pedestrian movement, making walking or wheelchair use convenient, safe, accessible, and enjoyable. The University will also continue to increase support for cycling and transit use, while minimizing surface parking and reducing dependence on single occupant vehicles.

9: Vibrant Campus

The university will encourage the establishment of destinations, uses and services that will help create an active, healthy campus with 24/7 people activity, including into the evenings and over the weekends.

Phase two of the Plan update process is currently underway and is building on the information received from the engagement activities and the revised Vision, Goals and Principles for the Plan. On April 8, the CPC held a workshop to review ideas and formulate concepts that will form the basis of the built form, open space and mobility frameworks for the updated Plan. More information and the full reports considered by the CPC to date, are available at the project website: <http://www.uvic.ca/campusplanning/campus-plan-update/index.php>

Next Steps

Next steps in the process provide for draft policy directions and a land use plan to be prepared that will be taken back to the campus and the broader community for review and input in early October. In the interim months, additional engagement with stakeholders from the campus community will be scheduled, as necessary to assist in the refinement of draft plan concepts and directions. The review process will also involve engagement with the Districts of Saanich and Oak Bay, and the Capital Regional District.

Opportunities for Board input on draft policy directions and the draft Plan will be scheduled for September and November as part of the process for completing a final Campus Plan for the Board's consideration and approval in early 2016.



University
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SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

To: FINANCE COMMITTEE
OPERATIONS AND FACILITIES COMMITTEE

From: VICE-PRESIDENT FINANCE AND OPERATIONS

A handwritten signature in dark ink, appearing to read "D. Bird".

cc: President and Vice-Chancellor

Meeting Date: May 26, 2015

Subject: McKinnon Renovations Budget Approval

Basis for Jurisdiction: Section 33 University Act

Recommendation:

THAT the Finance Committee recommends to the Board of Governors that the Board of Governors, in order to complete renovations to the McKinnon building, approve an increase in the overall budget for the Centre for Athletics, Recreation and Special Abilities of \$1.7M to a total revised budget of \$78.7M

Background:

With the opening of CARSA, Athletics and Recreation will be vacating the McKinnon Building. As part of the overall CARSA budget, there is a budget for McKinnon Building renovations in order make the improvements necessary to provide modern teaching and research spaces for the School of Exercise Science, Physical and Health Education (EPHE). These improvements have, from the beginning of planning for CARSA, been an integral and important part of the project.

The McKinnon Building proposed renovations includes four key components:

1. The apparatus gym would receive a new intermediary floor structure to transform the space into two levels housing three research labs and one teaching lab;
2. Two squash courts would receive a new intermediary floor structure to transform the space into a new teaching lab on the upper floor and a graduate student work space below;
3. General renovations and repurposing of spaces; and
4. The spaces being renovated would also be seismically upgraded.

In order to reduce the impact on on-going EPHE operations, the construction was planned to be staged over two consecutive summers commencing this summer.

The overall budget for the renovations is \$3.11M as part of the CARSA budget and an additional \$600K for partial seismic upgrading which is being funded from the annual allocation of Routine Capital funding in 2014/15, for a total project budget of \$3.71M. The construction component of the budget is a total of \$2.8M including the seismic upgrading. The university issued a request for tenders on February 18, 2015 and received the results on March 27, 2015. There were only two bids received that were within 1% of each other. Both bids were received from large, experienced contractors that are located on the mainland but do substantial work on Vancouver Island. The lowest bid, at \$4.1M is \$1.3M greater than the construction budget and translates into a total project budget increase of \$1.7M after consideration of additional soft costs, contingency and taxes. While this amount is below the amount that requires approval from the Board of Governors (amount is \$5M) given that this is an addition to an existing capital project, it requires board approval.

ANALYSIS OF ALTERNATIVES

Upon receipt of the tenders, analysis was undertaken to determine the following:

- Is there a reason(s) for the significant variance from the pre-tender costing and the tender results?
- Do the tender results reflect the updated costing analysis?
- Is it possible to reduce the scope to remain within the budget/closer to the budget?

The original scope of the project was compared to the scope as contained in the pre-tender documents. Additional items that were added are the following:

- Biohazard Labs requiring higher construction standards
- Code Authority items
- Motion / Mobility Lab Office added
- Communications Closet additional renovations

With the exception of the Motion/Mobility lab office (which reflects a small proportion of the overall increase) all of the above items are determined to be required if the original scope of the project is to be achieved. The above additions, together with an estimate of \$50K for the implications of using a contractor from the mainland, result in an estimated \$300K of the total \$1.3M difference from the construction cost estimate.

The university hired external professionals to provide professional cost estimating services for this project. Their design development stage cost estimate was done December 2013 and considered one single phase construction undertaken during regular business hours (not the currently planned construction over two summers). Added allowances for cost escalation and phasing of work over 2015 / 2016 resulted in an adjusted construction cost estimate. It is believed that this estimate

may be lower than present market conditions, and may not have fully reflected the recent lower Canadian dollar. Facilities Management contacted local contractors and was provided with additional information on what may have impacted both the number of firms bidding and the tender prices submitted:

1. Project appeared difficult to deliver and included high risk work such as foundation rock anchors (seismic).
2. Construction schedule spanning 2 summers not attractive; other more desirable projects on the market.
3. Very aggressive timelines each summer required extra and after hours work; not attractive to trades.
4. Scope of asbestos removal work was not entirely understood.

To assist in the due diligence related to costing and the tenders received, the university secured the services of a different Professional Quantity Surveyor to undertake a review of the tender documents as issued, the original cost estimate, and the tender results received. The firm was asked to provide verification that the tender results received represent current and fair market value for performance of the work. Their conclusion was that the bids as received represent what would be expected in the current market environment and with the current project scope.

Management also considered possible changes to the scope of the project. As the space in McKinnon is extremely deficient, the EPHE program has grown significantly and the space will be effectively used to address growing number of students and research activity together, with early commitment that improving teaching and research space for EPHE was an integral part for the CARSA project, management recommends that the project continue as planned without change in scope.

Funding for the Increase

The Integrated Planning process identifies capital priorities and allocates funding for projects that are individually below \$5M. The funding comes from a combination of provincial funding (approximately \$600K) plus funding from one time sources generally from positive budget variances. Examples of positive budget variances are investment income that exceeds budget and, for the past year, a significant amount resulting from an increase in international students even after making investments to support those students. In order to provide the additional \$1.7M funding for the McKinnon renovations, phase 2 of planned renovations to the Saunders complex (location of Facilities Management) will be deferred until other funding, potentially from future year positive variances, can be secured. While this is unfortunate as the Saunders complex was identified as a priority as part of the Capital Planning process, the renovations to McKinnon Building in support of an academic program are a higher priority.

Planned Further Actions

Should the Board of Governors approve the increase in budget, construction of Phase 1 will commence in the fall. EPHE has confirmed that a minor delay to the intended construction start date would not significantly impact on-going teaching, research and other operations. Delivery of the phase 2 work scheduled during summer 2016 is most critical from a timing perspective and would continue as planned.

Management will review its processes for developing costing estimates including how costing estimates are updated when there is a significant time delay between the original costing estimate and the issuance request for tenders. An update on this review and the actions taken by Management will be provided to the Board of Governors in the Fall.



University
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SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

May 26, 2015

To: Operations and Facilities Committee

From: Valerie S. Kuehne
Vice-President Academic and Provost

cc: President and Vice-Chancellor

Meeting Date: May 26, 2015

Subject: Master of Arts in Germanic and Slavic Studies with Two Streams

Basis for Jurisdiction: Senate Committee on Planning meeting April 8, 2015
Senate meeting May 1, 2015

Previous Consultation: Senate Committee on Planning meeting April 8, 2015
Senate meeting May 1, 2015

Recommendation:

THAT the Operations and Facilities Committee recommend to the Board of Governors that the Board of Governors approve the Master of Arts in Germanic and Slavic Studies with Two Streams effective immediately.

Background:

1. Overview/nature of the academic program

The Department of Germanic and Slavic Studies currently offers a Master of Arts in Germanic Studies as well as the option of an MA in Slavic Studies by special arrangement. The proposed changes envision broadening the scope of the graduate program to a Master of Arts in Germanic and Slavic Studies with two streams: MA Stream in Germanic Studies and MA Stream in Slavic Studies. The two streams will be partially integrated in that all students will be required to complete two common foundation courses in addition to four discipline-specific courses taken within the respective stream.

2. Alignment with the university's mission and strategic plan

The proposed restructuring of the graduate program is fully in line with the university's mission and strategic plan. The strategic plan identifies interdisciplinarity, enhancement of synergies within and across disciplines, experiential learning and internationalization as core strategic goals. It furthermore emphasizes the need to continue enhancing the quality and effectiveness of academic programs in a resource constrained environment in order to strengthen UVic's position as a university of choice.

The proposed restructuring of the graduate program offered by the Department of Germanic and Slavic Studies will make positive changes in all these areas and will as such actively contribute to the promotion of the university's mission.

3. Senate/academic considerations

Campus-wide consultations with other units' Deans and Chairs have resulted in extremely positive support, and the proposal was passed by the Senate Committee on Planning and Senate.

4. Demand and availability

The most significant change to the current graduate program is the introduction of a second stream: the MA stream in Slavic Studies. Currently, the Department of Germanic and Slavic Studies only offers an option for an MA in Slavic Studies by special arrangement (SPARR). While the SPARR option is normally offered in cases where a department is lacking the critical mass of faculty resources or the critical mass of students to run a formal graduate program, the Department of Germanic and Slavic Studies has sufficient faculty resources to offer a formal MA in Slavic Studies, and in the past five years students have consistently made use of the SPARR option, demonstrating a clear demand on the part of local students. It is anticipated that the creation of a formal MA stream in Slavic Studies will result in increased recruitment of high quality candidates to the program. Moreover, UVic is well positioned to be a destination institution for graduate recruitment in Slavic Studies: UVic is the only university in British Columbia to offer a Major in Slavic Studies and the option of an MA in Slavic Studies, even if currently only by special arrangement. And with retrenchment and program reductions elsewhere in Canada, there are currently only four other universities in all of Canada that offer Master's level instruction, that is, McGill, University of Toronto, University of Manitoba and University of Alberta. It is therefore expected that UVic will be well situated to recruit students graduating from undergraduate programs across the country, but in particular Western Canada.

The restructuring of the existing MA in Germanic Studies and the partial integration as well as streamlining of the two MA streams will also enhance the quality of the entire graduate program and make it overall more appealing.

5. Resource implications (including resource plan, revenue and expenditure implications)

The proposed restructuring of the graduate program has no immediate resource implications and will not require the expenditure of additional resources. To the contrary, the restructuring is intended to improve significantly the quality of the graduate program while easing the burden on faculty resources. Currently, virtually all graduate teaching in Slavic Studies is done extra-to-load. A formal MA stream in Slavic Studies will eliminate this growing problem. The recent hire of a permanent 0.5 ATP in Slavic Studies will, moreover, ensure that the need to offer new graduate courses in Slavic Studies will not impact negatively on the undergraduate course offerings in Slavic Studies.

This assessment is based on a three- to five-year projection. If the restructured program proves very successful and results in a significant increase in graduate enrolments, the current graduate funding levels may no longer be adequate for the continued recruitment of high-quality candidates. It is too early, however, to make such a projection at this stage. At the moment, the only reasonable projection that can be made is that enrollments will increase and that, after a three- to five-year period, the department will need to reassess its recruitment strategy.

6. Other relevant factors (including impact and outcomes)

The proposed changes are intended to significantly improve the student experience and the overall academic quality of the graduate program. The new program structure consolidates the student body; enhances the synergies between the two units; streamlines the graduate course offerings and links the graduate program to the undergraduate program as a logical continuation thereof; and, through the two required common foundation courses, offers students increased opportunities for internationalization and experiential learning, as well as enhanced professionalization and mentoring for grants crafting and timely program completion. The new program structure aligns the program better with the university's mission and strategic plan and will increase the potential for success of graduates from the program, be it as candidates for doctoral study elsewhere or for professional work in the private sector.

Attachment(s): Proposal for Master of Arts in Germanic and Slavic Studies with Two Streams submitted to Senate May 1, 2015.



University
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Associate Vice-President Academic Planning

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MEMO

Date: May 1, 2015
To: The Secretary of the Senate
From: Dr. Catherine Mateer, Chair, Senate Committee on Planning
Re: **Proposal for a Master of Arts in Germanic and Slavic Studies with either Germanic stream or Slavic stream**

At its meeting of 8 April 2015, the Senate Committee on Planning discussed and approved the request for a Master of Arts in Germanic and Slavic Studies with either Germanic stream or Slavic stream. The following motion is recommended:

That Senate approve and recommend to the Board of Governors that it also approve, subject to funding, the establishment of Master of Arts in Germanic and Slavic Studies with either Germanic stream or Slavic stream, as described in the document "Master of Arts in Germanic and Slavic Studies with either Germanic stream or Slavic stream", dated March 25, 2015, and that this approval be withdrawn if the program should not be offered within five years of the granting of approval.

:mam

Committee Membership:

Dr. Catherine Mateer, Chair
Ms. Lauren Charlton
Dr. Stan Dosso
Ms. Katrina Flanders
Dr. Reuven Gordon
Ms. Cassbreea Dewis
Dr. David Castle
Dr. Maureen MacDonald
Dr. Timothy Iles
Dr. Merwan Engineer
Dr. Patrick Nahirney
Ms. Jessica Gelowsky, Secretary

Dr. Valerie S. Kuehne
Dr. David Boag
Dr. Catherine McGregor
Dr. Victoria Wyatt
Dr. Patricia MacKenzie
Dr. Ann Stahl
Mr. Alex Neiman
Dr. Norah McRae
Dr. Stephen Evans
Ms. Gillian Calder
Dr. Ralf St. Clair
Ms. Katrina Flanders

Master of Arts in Germanic and Slavic Studies with either Germanic Stream or Slavic Stream

March 25, 2015

(Submitted by Elena Pnevmonidou, on behalf of the Department of Germanic and Slavic Studies)

1. Department History, Mission, Academic Goals

The current shape of the Department of Germanic and Slavic Studies is the outcome of a number of structural changes, an amalgamation, and various curricular renewal initiatives prompted by cyclical reviews and departmental retreats.

Both disciplines were offered by separate departments until 2001, when they were merged into a new academic unit, the Department of Germanic and Russian Studies. Germanic Studies at UVic was originally taught in the German Division (part of a bigger foreign languages and literatures umbrella unit), was then established as the Department of Germanic Languages and Literatures and, in 1979, changed into the Department of Germanic Studies to reflect its broadened curriculum and shift to an interdisciplinary cultural studies approach. At that time, the Department of Slavonic and Oriental Studies was divided into the Departments of Slavonic Studies and what became Pacific and Asian Studies.

The former Department of Slavonic Studies offered a full undergraduate programme that offered, in addition to the emphasis on Russian language, culture and literature, a specialization on linguistics as well as a second Slavonic language (e.g. Serbo-Croatian). The former Department of Germanic Studies allowed students to focus on any of the three main areas of language, culture and literature.

The MA in German was established in 1991/1992 to formalize what until then was an MA in German by special arrangement. The MA in German (renamed MA in Germanic Studies in 2012) has experienced consistent interest among students and gradual, but steady increase in enrolments. The Honours Program in Germanic Studies was added to the curriculum in 1994, and it has proven to be an important recruitment tool, as a good number of our graduate students are local.

The two units amalgamated in 2001 to form the new Department of Germanic and Russian Studies. In 2006, the department changed its name to Germanic and Slavic Studies in order to reflect more accurately its research and teaching areas, to improve the community outreach efforts and to build bridges especially to the Ukrainian community, which, among other positive outcomes, has enabled the department to secure substantial donations for Ukrainian and Eastern European Studies.

Some of the restructuring of the Germanic and Slavic Studies programs has been in reaction to external pressures to be sure (e.g. amalgamation, retirements), and has resulted in the need to shift the focus of the curriculum and has to some extent narrowed both curricula. However, after a significant number of retirements, the department has also experienced substantial faculty renewal since amalgamation (8 new positions since 2004). The department was thus able to embrace change as an opportunity to redefine its research and teaching profile. Consequently, we have been working consistently and proactively to streamline and integrate our two programs more and to develop a common vision away from the traditional model that treats language, culture and literature as separate disciplines towards more integrative and interdisciplinary approaches.

As a result of a number of departmental retreats in recent years, the curricula of both programs have been substantially redesigned, and continuing effort has been made to develop common program goals

and learning outcomes that explicitly stipulate among the common goals and outcomes proficiency respectively in German and Russian language (and to some extent Ukrainian), a grounding in a range of areas within literary, cultural and film studies, as well as cross-cultural and indeed plurilingual and pluricultural competencies (i.e. beyond knowledge of the “other” culture and self-awareness about one’s one culture, an ability to interface and to move more fluidly between languages and cultures). We have also made a concerted effort to develop common teaching approaches that offer opportunities for internationalization and experiential learning and that foster the development of transferable skills and professionalization beyond the specific disciplines, while also continuing to promote Germanic and Slavic Studies as core Liberal Arts disciplines that offer training in research, analytical and critical thinking skills.

These substantial common and concerted efforts to achieve program renewal and streamlining have proven to be successful. Ours is a highly collegial and collaborative department that is well positioned for increased integration as well as for increased synergies with other disciplines and academic units on campus. Both the Germanic Studies and the Slavic Studies programs have experienced consistent growth in undergraduate enrolments and have maintained this trend even with the recent teaching load reduction. Undergraduate Slavic Studies enrollments are proportionally comparable to undergraduate Germanic Studies enrolments. With some fluctuations, graduate enrollments in Germanic Studies have experienced steady gradual growth in the past decade and are stable. In recent years there has also been consistent interest among students for a graduate program in Slavic Studies, as demonstrated by the continuing recruitment of high quality students to an MA in Slavic Studies by special arrangement.

The time seems right to deepen the integration of the two programs by broadening the scope of the graduate program to a Master of Arts in Germanic and Slavic Studies with two partially integrated streams.

2. Credential to Be Awarded

The Department of Germanic and Slavic Studies currently offers a Master of Arts in Germanic Studies as well as the option of an MA in Slavic Studies by special arrangement. The proposed changes envision broadening the scope of our graduate program to a Master of Arts in Germanic and Slavic Studies with two streams: Stream in Germanic Studies; Stream in Slavic Studies.

3. Location

University of Victoria

4. Academic Units

Department of Germanic and Slavic Studies

5. Anticipated Program Start Date

Fall 2016

6. Anticipated Completion Time

Two years

7. Description of Proposed Program

7.1 Aims, Goals, Objectives, UVic Strategic Plan, Departmental Curriculum Design & Learning Outcomes, Delivery Methods

The department is Germanic Studies and Slavic Studies, yet we only offer a formal MA in Germanic Studies. Because we also offer the option of an MA in Slavic Studies by special arrangement (SPARR), we recently added three courses in Slavic Studies to the graduate course offerings: *SLST 590 Independent Studies in Slavic Studies I*, *SLST 591 Independent Studies in Slavic Studies II* and *SLST 599 Thesis*. It may well be the case that some departments make use of the option to offer a graduate program by special arrangement when they either lack the critical mass of faculty or the critical mass of students to run a formal graduate program. In our case, however, in addition to offering a less than optimal student experience, the SPARR option imposes more of a burden on resources instead of compensating for a lack thereof. This is due to the steady recruitment of students into the MA in Slavic Studies by Special Arrangement, as indicated in this table with graduate enrollments in the past five years:

The graduate recruitments in recent years enable us to establish a trend for the future, and based on this trend we can assert firmly that a continuation of the SPARR option for Slavic Studies will become increasingly untenable. This year, for example, we have received four applications for the MA in Slavic Studies by special arrangement, two from UVic, one from McGill University and one from Nanjing University, China. On the one hand, this trend is encouraging, and the two applications this year from outside of UVic suggest that UVic has the potential of becoming a destination institution for graduate work in Slavic Studies. On the other hand, the SPARR option is becoming increasingly burdensome precisely because of these positive recruitment trends: It marginalizes a growing student body and imposes an increasing burden on faculty resources.

With regards to the students, two inequities in particular should be emphasized:

1. While students in the MA Program in Germanic Studies have more flexibility to adjust their program of study in accordance with the development of their research focus, the MA students in Slavic Studies must work within the boundaries of the rather inflexible SPARR framework which requires them to pre-define their research project and program of study as part of the application process.
2. Germanic Studies students benefit from mentoring and professional training through the required foundation course GMST 501, a research methods course geared specifically to the discipline of Germanic Studies. There is no such foundation course for SPARR students.

These inequities have been particularly glaring in recent years because the students who have entered the MA in Slavic Studies by special arrangement have been high quality recruits who have excelled academically (e.g. by receiving a doctoral SSHRC out of the MA in Slavic Studies) and taken a leadership role in the student community (e.g. by launching and co-editing a graduate student refereed journal, *Verges*, by playing a crucial role in co-organizing the Germanic and Slavic Studies graduate student conference, etc.). In other words, the Germanic and Slavic students together constitute a fairly integrated, dynamic academic community, yet the curriculum does not reflect that integration.

In addition to these inequities in the student experience, the SPARR option also imposes a significant burden on faculty resources that will be increasingly untenable, and indeed for two reasons:

1. Without a formal MA program in Slavic Studies, we are not able to develop graduate courses as part of the regular load of Slavic Studies faculty. All graduate courses in Slavic Studies are taught extra-to-load. Given the graduate recruitment trends in Slavic Studies in the past five years, continuing to teach extra-to-load will soon be simply unsustainable.
2. At the same time, maintaining the SPARR option in the eventuality of unforeseen fluctuations in enrollment could equally impose a burden on faculty resources. While we have been able to maintain and even to exceed our graduate enrolment targets in recent years, our graduate program is small and thus vulnerable to fluctuations in enrolments from year to year. With the current model, we are essentially splitting a relatively small group of students into two, which can potentially result in extra-to-load courses being taught in both the Germanic and the Slavic sections in the same semester or year.

We are proposing a partially integrated two-stream model that will enable us to strengthen the graduate program by consolidating the student body and, as a consequence, lessen the burden on faculty resources. Moreover, in addition to maximizing the efficient use of existing resources, the proposed model will also significantly enhance the overall academic quality of our graduate program. Among other things, this will be achieved through the two required common foundation courses, GMST/SLST 501 and GMST/SLST 502, which are intended to offer students enhanced professionalization, experiential learning and mentoring that will go a long way towards ensuring timely program completion and also making our graduates more attractive candidates for doctoral programs or the private sector.

As the department has recruited a new MA student in Slavic Studies by special arrangement this year, we have taken the initiative to redesign the foundation course, GMST 501. We have already given it a broadened Germanic *and* Slavic Studies scope in regards to discipline specific foundations, and we have enhanced the mentoring and professionalization component by making SSHRC grant crafting a required course component in addition to the previously already required end-of-term submission of a comprehensive thesis proposal. We have also made a curriculum submission to allow the course to be cross-listed as GMST/SLST 501.

A second foundation course, GMST/SLST 502, is included in this cycle's curriculum submissions. While 501 exposes students to a range of discipline specific foundations as well as the enhanced experiential learning component of SSHRC grant crafting, 502 will offer a balance of theory and practice: Students will explore methodologies suitable to their thesis project and will submit a draft of their methodology thesis chapter as part of the required course work. Students will also do a teaching practicum in collaboration with a faculty member of the department, and they will organize a mock-conference in order to hone skills relating to public speaking and the presentation of research results.

The two foundation courses can be conceptualized as follows with regards to their course goals:

GMST/SLST 501 Introduction to the Disciplines of Germanic and Slavic Studies

Three course goals:

1. Overview of core aspects of the disciplines and some key theoretical approaches
2. Mentoring for professionalization, with a SSHRC application as part of the required coursework

3. Getting students started on their thesis project by requiring the submission of a comprehensive 20-30 page thesis proposal as the end-of-term project

GMST/SLST 502 Theory and Practice

Three course goals:

1. Expanding professionalization with emphasis on public speaking and dissemination of research through organization of a mock-conference
2. Experiential learning by pairing up students with a departmental mentor in whose course they will be required to teach at least one class
3. Getting students on track towards timely program completion: Students will explore a variety of potentially relevant methodologies and will be required to submit a draft of the methodology chapter of their thesis by the end of the course.

We expect these changes to improve our graduate program significantly (even the current configuration of the MA in Germanic studies and the MA in Slavic Studies by special arrangement) as the two foundations courses integrate the two student groups, offer enhanced professionalization and experiential learning and take steps in the delivery method to ensure timely program completion.

These initiatives lay the foundation to formalize what is already a de facto two-stream graduate program. The proposed model would be concretely structured as follows:

Current Programs and Requirements

MA in Germanic Studies

15 units: 9 units course work, 6 units thesis (min. 70 pages)

(3 units of course work may be taken at the senior undergraduate level, and students may take up to two graduate courses outside of the department, with permission)

Required course: GMST 501 Introduction to Bibliography, Methods of Research and Literary Criticism

MA in Slavic Studies by special arrangement

15 units: 9 units course work, 6 units thesis (min. 70 pages)

Program follows SPARR regulations: A proposal and course sequence are agreed upon in consultation with the prospective supervisor and the graduate advisor, as part of the application process.

There is no required foundations course, and courses are often taught extra-to-load.

Proposed Program

MA in Germanic and Slavic Studies Requirements

15 units: 9 units of course work, 6 units thesis (min. 70 pages)

Required Foundations Courses for Both Streams

GMST/SLST 501 Introduction to the Disciplines of Germanic and Slavic Studies

GMST/SLST 502 Theory and Practice

Discipline Specific Courses

6 units: 3 units of course work may be taken at the senior undergraduate level (pro-forma course form required), and students may take up to two graduate courses outside of the department, with special permission.

The new program with the planned curriculum changes will look as follows:

Proposed List of GMST and SLST Graduate Courses

GMST/SLST Cross-Listed Common Courses			
Current		Proposed	
NONE		Required Foundation Courses <u>GMST/SLST 501 Introduction to the Disciplines of Germanic and Slavic Studies</u> <u>GMST/SLST 502 Theory and Practice</u> Elective <u>GMST/SLST 503 Teaching in the Disciplines</u>	
Discipline Specific Courses for the Slavic Studies and Germanic Studies Streams			
SLST		GMST	
Current	Proposed	Current	Proposed
590 Directed Studies I 591 Directed Studies II 599 Thesis	<u>510 Studies in Film</u> <u>521 Studies in Russian Literature</u> <u>522 Studies in Ukrainian Literature</u> <u>530 Studies in Slavic Cultural History</u> <u>560 Slavic-Canadian Studies</u> <u>570 Studies in Second Language Acquisition</u> 590 Directed Studies I 591 Directed Studies II 599 Thesis	501 Introduction to Bibliography, Methods of Research, and Theory of Literary Criticisms 510 Studies in Medieval Literature 520 17th-Century Cultural Studies 530 18th-Century Cultural Studies 540 19th-Century Cultural Studies 550 20th-Century Cultural Studies I 551 20th-Century Cultural Studies II 560 Germanic-Canadian Studies 570 Studies in New Media in Second Language Acquisition 590 Directed Studies I 591 Directed Studies II 599 Thesis	<u>510 Studies in Film</u> <u>521 Studies in Germanic Literature I</u> <u>522 Studies in Germanic Literature II</u> <u>530 Studies in Germanic Cultural History</u> 560 Germanic-Canadian Studies 570 Studies in New Media in Second Language Acquisition 590 Directed Studies I 591 Directed Studies II 599 Thesis

In addition to these in-house courses, the department is currently exploring the option of expanding the St. Petersburg program to allow graduate students to participate in this study-abroad opportunity for graduate credit. The St. Petersburg program is a one-semester program administered by Dalhousie University. It is one of the oldest and most successful study-abroad programs in Slavic Studies.

In addition to diversifying the Slavic Studies graduate course options through a study-abroad experience, this expansion of the St. Petersburg program would significantly enhance the internationalization of our curriculum. (Germanic Studies MA students already have such an option, for example, by participating in the Holocaust Field School; there are also various study- or research-abroad opportunities that are externally funded, e.g. through the DAAD – German Academic Exchange Service.)

Far from straining faculty resources, the proposed model would strengthen both programs by allowing us to maximize high-quality teaching, mentoring and supervision. By partially consolidating two

student clienteles, the proposed model would indeed enable us to achieve more with the same resources. Moreover, it should be emphasized here that the new MA stream in Slavic Studies will not have a negative impact on the undergraduate program, that is, on the department's ability to continue offering the same range and complement of undergraduate courses. This is in part due to the partial integration of the two streams and the graduate students' ability to complete some of their additional coursework outside of the department and/or in upper-level undergraduate courses (with permission and required pro-forma course form). Additionally, the recent hire of Olga Pressich as a 0.5 ATP more than makes up for any undergraduate teaching capacity lost due to the need to offer some new graduate courses in Slavic Studies.

In addition to enhancing our output with the same resources, the proposed model of a partially integrated two-stream MA in Germanic and Slavic Studies would allow us to extend the work we have done with the regards to the undergraduate program goals and learning outcomes to the graduate level, while also contributing to the mandate and strategic plan of UVic. For the increased emphasis at the graduate level on interdisciplinary linkages, cross-cultural and pluricultural competencies, professionalization, experiential learning and internationalization, which is already deeply entrenched in the goals and outcomes of the two undergraduate programs, is indeed fully in line with the core goals of UVic's Strategic Plan.

7.2 Areas of Employment and/or Further Study

The MA Stream in Slavic Studies can lead to exciting career opportunities because Russian is recognized as a language of strategic importance. The Department of Foreign Affairs and International Trade Canada recruits candidates who can speak Russian to work in the Foreign Service department. Moreover, there is a Russian immersion program in three BC public school districts for grades K-12. These districts are currently recruiting teachers.

Slavic Studies post-graduates can also teach English in Russian and Ukrainian high schools and colleges.

Russia is one of the largest producers of natural resources and raw materials including natural gas, oil, coal, petroleum, diamonds, gold, copper, manganese, uranium, silver, graphite and platinum. The country has an enormous timber reserve. With the MA in Russian and Slavic, students can work with Canadian businesses participating in this market.

The transferable skills of an MA in Slavic Studies are also significant. Russian combines well with other disciplines: History and Russian, Political Science and Russian, Business and Russian, Linguistics and Russian, English and Russian, Music and Russian, Art History and Russian, Film Studies and Russian. Such combinations provide MA graduates with broader career opportunities.

Finally, students with an MA in Slavic Studies have a high rate of acceptance for study in various PhD programs, including Russian and Slavic Studies, English, Linguistics, History, Art History, Political Science, and continue successful academic careers. They are also accepted for study in law and business schools.

7.3 Strengths of an Stream in Slavic Studies

As the MA in Germanic Studies already exists and is operating successfully, this section will address the strengths of an MA stream in Slavic Studies, as they exist currently through the SPARR option and as they would be enhanced through the formal MA stream.

The proposed MA stream in Slavic Studies will contribute in several important areas to UVic's pursuit of excellence in research, education, and community engagement. The proposed new stream is also well positioned to succeed simply by virtue of growing out of a strong and vibrant undergraduate Slavic program, the only one in BC offering a Slavic or Russian Studies Major. Our chances of becoming a Western Canadian destination program are even higher given the recent merging of language Majors and graduate programs in Modern Languages at the University of Alberta, a decision that led to student disillusionment in what used to be Western Canada's premier Slavic program. Unlike at the U of A, our Slavic enrolments have demonstrated consistent growth over a number of years. As well, a succession of SPARR and INTD students with full or partial Slavic specialization has confirmed student interest in Slavic graduate studies in Victoria.

The regular faculty members in the Slavic Section are distinguished researchers whose profiles fit together remarkably well in that they cover the main research areas in the field: Russian literature (Dr. Megan Swift); second-language pedagogy (Dr. Yulia Rochtchina); and the history of Russian and other East European cultures (Dr. Serhy Yekelchuk). As a group, they have a distinguished record of research accomplishments, including monographs, textbooks, research grants, and organizing conferences. Regularizing the position of Dr. Olga Pressitch would add much-needed research expertise in Eastern European cinema and immigrant Slavic literatures, the former weakened somewhat after Dr. Nick Galichenko's retirement several years ago. With these two added fields, our program, owing to its balance and comprehensive coverage, would offer a range of research expertise unparalleled among Canadian universities. It is also significant that the faculty consists of active researchers, who would involve prospective graduate students in their projects.

Another unique strength of the proposed program is its high level of synergy. Each researcher's primary study interest is matched by a secondary research interest of another faculty member, meaning that, regardless of a graduate student's specialization (literature, culture, film, language, Ukrainian Studies) and a small number of faculty members, we would be able to establish supervisory committees for each student, including at least two Slavic Studies professors. All our instructors are also experienced teachers, who have developed a wide range of diverse and successful undergraduate courses. They offer demonstrable experience of successful teaching beyond their own research fields, when need be, and in the past they have generously offered direct-reading courses to graduate students with whom they have worked through the SPARR and INTD programs. In other words, they would be able to accept students in practically all fields and pool their expertise to offer students a high quality graduate education.

The proposed graduate program will also capitalize on the two strengths that have long characterized our undergraduate program: connection with the community and the study-abroad option. In the last decade in particular, our department has developed close cooperation with the Ukrainian and Russian communities of Greater Victoria, resulting in the establishment of several scholarships, lecture series, film evenings, and even community funding for our Ukrainian-language courses. The creation of a graduate program will allow us to take this cooperation a step further, not just by asking for community support but also, possibly, developing experiential-learning initiatives that would involve graduate students experiencing first-hand the cultural life of the local Ukrainian and Russian communities.

The study-abroad component of our undergraduate Slavic program also lends itself well to redeployment at the graduate level. For many years our summer-study programs at St. Petersburg

University (Intermediate to Advanced Russian language and culture) and Kyiv Mohyla Academy (Ukrainian and Russian language from the Beginner's level up and a selection of courses on Ukrainian culture) have been popular with our program students. Every year between three and five students have participated in these programs, which are coordinated nationally on the Canadian side through Dalhousie University and the University of Manitoba, respectively. The program in St. Petersburg is particularly well suited for accumulating graduate-level Slavic credits. Building into both programs, the graduate-level option would also contribute to internationalization and experiential aspects of the proposed Slavic graduate program.

7.4 Distribution of Slavic MA Programs in Canada

There are no Slavic MA programs, aside from the program UVic has been offering by special arrangement, among the three major universities in British Columbia. Following a recent period of retrenchment, the University of Alberta no longer offers a discrete Slavic Studies MA, but rather an MA in Modern Languages and Cultural Studies. This leaves UVic positioned to be the only established and growing Slavic MA program in western Canada. The major MA programs in Slavic Studies in Canada tend to be housed at research universities, and the creation of a regularized MA at UVic is expected to enhance the research profile of the Department and of the University as a whole. According to the website of the Canadian Association of Slavists, there are 19 universities offering undergraduate programs in Slavic Studies across Canada, of these 4 offer Master's level instruction: McGill, University of Toronto, University of Manitoba and University of Alberta. It is expected that UVic will be well-situated to recruit students graduating from undergraduate programs across the country, but in particular in Western Canada, where there is a unique niche for Slavic Studies at the graduate level.



University
of Victoria

SUBMISSION TO THE UVIC BOARD OF GOVERNORS

FOR DECISION

May 7, 2015

To: Operations and Facilities Committee

From: Valerie S. Kuehne, PhD, Vice-President Academic & Provost

A handwritten signature in blue ink, appearing to read 'V. Kuehne', is written over the printed name of Valerie S. Kuehne.

cc: President and Vice-Chancellor

Meeting Date: June 29, 2015

Subject: Procedures for the Selection of the Registrar

Basis for Jurisdiction: Board of Governors
Policy on University Policies and Procedures

Previous Consultation: Acting Associate University Secretary, Board of Governors meeting March 30, 2015, Senate Meetings: April 10 and May 1, 2015.

Recommendation:

That the Operations and Facilities Committee recommend to the Board of Governors that it also approve, the updated Procedures for the Selection of the Registrar (GV0400).

Background: The Procedures were previously approved by the Board subject to approval by Senate. Following a number of suggestions made at the Senate meeting on April 10, the Procedures were reviewed and approved by Senate at the May 1, 2015 meeting.

Updates that were made in response to suggestions from Senate include:

- The committee composition was put into a format that makes clear the appointment method for each position on the committee.
- An Associate Dean responsible for advising has been included as an optional additional member to be appointed at the discretion of the Chair.
- The Associate Vice-President Student Affairs was added as a regular member.
- The Executive Director, Student Affairs was added as an optional replacement for the Director Student Recruitment and Global Engagement.

One of the suggestions made at Senate was that one of the professional staff selected from the Office of the Registrar should be from the Graduate Admissions and Records Office (GARO). In light of the fact that there are five departments within the Office of the Registrar, it was decided not to specify that in the policy, although it is likely a GARO staff member will be on the committee.

Attached for your review and approval is the updated version of the Procedures with the changes made after the May 1, 2015 Senate meeting. The changes are highlighted. Also attached are the original Procedures and the memo to Senate dated March 25, 2015 outlining the other changes proposed.

Attachment(s): Memorandum to Senate dated April 20, 2015, approved updated Procedures for the Selection of the Registrar (GV0400) and earlier memorandum to Senate dated March 25, 2015.



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MEMO

Date: April 20, 2015

To: Senate

From: Valerie S. Kuehne, PhD, Vice-President Academic & Provost

Re: **Procedures for the Selection of the Registrar (GV 0400) update as per April Senate**

At the April 10, 2015 meeting of Senate a number of suggestions were made regarding the proposed updates to the Appointment Procedures for the Selection of the Registrar (GV0400) (the Procedures). Changes made in response to these suggestions include:

- The committee composition was put into a format that makes clear the appointment method for each position on the committee.
- An Associate Dean responsible for advising has been included as an optional additional member to be appointed at the discretion of the Chair.
- The Associate Vice-President Student Affairs was added as a regular member.
- The Executive Director, Student Affairs was added as an optional replacement for the Director Student Recruitment and Global Engagement.

One of the suggestions made at Senate was that one of the professional staff selected from the Office of the Registrar should be from the Graduate Admissions and Records Office (GARO). In light of the fact that there are five departments within the Office of the Registrar, it was decided not to specify that in the policy, although it is likely a GARO staff member will be on the committee.

Attached for your review is the updated version of the Procedures with the changes made after the April 2015 Senate meeting highlighted. Also attached are the original Procedures and the memo to Senate dated March 24, 2015 outlining the other changes proposed.

I hope this clarifies the outstanding matters brought forward by Senators and look forward to Senate and the Board's approval so the search for the new Registrar can proceed.

Recommended Motion: That Senate approve, and recommend to the Board of Governors that it also approve, the updated Procedures for the Selection of the Registrar (GV0400).



PROCEDURES FOR THE SELECTION OF THE REGISTRAR

University Policy No.: GV0400
Classification: Governance
Approving Authority: Board of Governors
Effective Date: March 2015
Supersedes: November 2002
Last Editorial Change:
Mandated Review: March 2022

PURPOSE

- 1.00 The following procedures define the method by which the appointment of the Registrar will be conducted, and to the appointment of an acting Registrar.

PROCEDURES

Delegation of Appointment Authority

- 2.00 Under Sections 27(2) (f) and (g) of the *University Act*, the Board of Governors shall with the approval of Senate establish procedures for the recommendation and selection of senior academic administrators and shall subsequently appoint these administrators.
- 2.01 The Board of Governors has delegated its authority to make appointments to the President or the appropriate vice-president. The President is responsible for approving the appointment of the Registrar.

Notification of Vacancy

- 3.00 When the position is vacant or will become so within six months, the President shall notify Senate and the Board of Governors of the vacancy, and will arrange to convene an Appointment Committee.
- 3.01 If necessary, the President will appoint an acting Registrar in accordance with section 20.00 of these procedures to serve until the new appointee takes office.

Appointment Committee Establishment and Governance

- 4.00 The Vice-President Academic and Provost convene the Appointment Committee (hereinafter referred to as "the Committee") in accordance with these procedures.

Representation from Equity Groups

- 5.00 The university is committed to equity and diversity. When electing members of the Committee, constituencies should encourage diverse representatives from their membership to stand for election including: women, Indigenous peoples, persons with disabilities, visible minorities, people of all sexual orientations and genders and others who may contribute to the diversification of the Committee.

Committee Composition

6.00 The Committee shall be comprised as follows:

Position	Number	Composition	Appointment Method
Chair	(1)	The Vice-President Academic and Provost (or designate)	Ex-officio
Committee Members	(1)	Associate Vice-President Student Affairs	Ex-officio
	(1)	Dean of Graduate Studies (or designate)	Ex-officio
	(1)	One Dean	Selected by Deans' Council (other than the Dean of Graduate Studies)
	(1)	Senator	Selected by the Senate Committee on Agenda and Governance
	(1)	Graduate student	Selected by the Graduate Students' Society
	(1)	Undergraduate student	Selected by the University of Victoria Students' Society
	(1)	Chief Information Officer	Ex-officio
	(2)	Members from the professional staff in the Office of the Registrar	Selected by the committee Chair.
Optional Additional Members	(1)	One of the Director Student Recruitment and Global Engagement or the Executive Director, Student Services	Selected by the committee Chair.
	(1)	Associate Dean responsible for advising	Selected by the committee Chair. If the Dean (selected above) is from the tri-faculties, an Associate Dean other than the Associate Dean, Academic Advising Humanities, Science, and Social Sciences should be selected.
Total	10-12		
Secretary	-	An administrative member from the office of the Vice-President Academic and Provost or the office of the Chair designate.	Appointed by the committee Chair.

Alternate Committee Members

7.00 Alternates will be identified, where possible, who may be asked to serve when a member needs to resign from the Committee before it begins to formally interview candidates. Alternates cannot be added after this point as each Committee member

must be in a position to weigh the merits of each candidate prior to making a recommendation.

- 7.01 In the event that an alternate is required and no alternate was determined at the time the Committee was constituted, an alternate will be appointed by the remaining members of the Committee after appropriate consultation.

Committee Member Participation

- 8.00 Committee members are expected to attend the Committee's meetings and must participate in interviews. A Committee member who is not able to meet these expectations shall resign from the Committee and an alternate may be appointed in accordance with section 9.00.

Establishment of Position Criteria

- 9.00 The Committee shall acquaint itself thoroughly with the requirements of the Registrar position through a review of appropriate university policies and procedures, meetings with the incumbent, and others as appropriate, and shall establish criteria by which to evaluate candidates.

Employment Equity

- 10.00 Throughout the appointment process, the Committee should acquaint itself with human rights requirements, university equity and diversity policies, include equity considerations when developing criteria for the position, and take steps to widen the pool of qualified applicants to include designated equity group members and others who may contribute to the further diversification of the university. Position advertisements shall include the current employment equity statement.

- 10.01 The Committee should familiarize itself with best practices for conducting fair and equitable search and selection processes.

Confidentiality, Protection of Privacy and Records Management

- 11.00 The personal information of the incumbent and Registrar candidates shall be managed and protected in accordance with the *Freedom of Information and Protection of Privacy Act*, and the university's Protection of Privacy (GV0235) and Records Management (IM7700) policies and associated procedures.

- 11.01 Documentation containing personal information received by the Committee is confidential and shall be used or disclosed only for the purpose for which the information was collected or a purpose consistent with the original collection purpose. All other uses or disclosures of such information require the consent of the incumbent or candidate.

- 12.00 Deliberations of the Committee are confidential. The Committee shall keep a confidential summary record of its meetings detailing its decisions and actions. Deliberations of the Committee concerning the incumbent or candidates shall not be recorded in the summary record.

- 12.01 Only the Chair (or designate) is authorized to speak on behalf of the Committee. Committee members shall not disclose opinions or individual comments voiced at Committee meetings and are expected to respond to questions on the Committee's progress as directed by the Chair.
- 12.02 A Committee member who has breached confidentiality shall be subject to sanction by the Chair potentially including dismissal from the Committee.
- 13.00 Committee records shall be managed in accordance with the university's Protection of Privacy (GV0235) and Records Management (IM7700) policies and associated procedures.

Consultation with Constituencies

- 14.00 Committee members are responsible for exercising their best judgment in the interests of the appointment process and their respective constituencies. They are expected to seek information from their constituencies and keep constituencies apprised of the non-confidential aspects of the appointment process.
- 14.01 The Chair will guide Committee members with respect to consultations with their constituencies.

Search Procedures

Determination of Candidate Field

- 15.00 The Chair, in consultation with the Committee, shall determine whether or not to initially seek internal candidates only.
- 15.01 The Vice-President Academic and Provost (or designate) may elect to engage a search consultant in cases where the position is open to external candidates.

Candidate Selection

- 16.00 The Committee will gather relevant information about the candidates and shall then select a short list of candidates.

Communication with Candidates

- 17.00 The Committee is responsible for ensuring all candidates are made aware of, and provided with a copy of these procedures.
- 17.01 Candidates shall be advised of the measures to be used for assessment and the individuals and constituency groups the Committee intends to consult.

Voting

- 18.00 The Committee shall reach a decision on a recommended candidate through a simple majority vote, by secret ballot. The Chair has the right to vote.

Recommendation

- 19.00 The Committee's appointment recommendation shall be provided to the President in the form of a report including recommendations for action and a rationale for its decision.

Appointment of an Acting Registrar

- 20.00 When the appointment of an Acting Registrar is necessary, the Vice-President Academic and Provost (or designate) will consult with individuals and committees, as he or she deems appropriate, and will then make a recommendation for appointment to the President. Normally such an appointment would not exceed two years.

AUTHORITIES AND OFFICERS

- i) Approving Authority: Board of Governors on recommendation of Senate
- ii) Designated Executive Officer: Vice-President Academic and Provost
- iii) Procedural Authority: Senate and Board of Governors
- iv) Procedural Officer: Vice-President Academic and Provost

LEGISLATION

University Act

Freedom of Information and Protection of Privacy Act

RELATED POLICIES AND DOCUMENTS

[Protection of Privacy Policy](#) (GV0235) and associated procedures

[Records Management Policy](#) (IM7700) and associated procedures



**University
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Academic
& Provost

Vice-President Academic and Provost

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MEMO

Date: March 25, 2015
To: Senate
From: Valerie S. Kuehne, PhD, Acting Vice-President Academic & Provost
Re: **Procedures for the Selection of the Registrar (GV 0400)**

Based on the seven-year policy review cycle set out in the University Policy on Policies and Procedures, the Procedures for the Selection of the Registrar (GV0400) ("the Procedures") are scheduled to be updated; the last update was in November 2002.

Attached for ease of reference are the previous and the updated versions of the Procedures as presented and approved by the Board of Governors at its March meetings. Updates made to the Procedures include:

- A change to the title of the procedures by removing Executive Director, Student Enrolment to reflect the contemporary status of the Registrar's title;
- An update to the Search Committee composition to allow flexibility as necessary;
- The Vice President Academic and Provost has been included as the Designated Executive and Procedural officer with the ability to name a designate Chair to align with other university Procedures;
- Addition of Senator representatives who are appointed through the Senate Committee on Agenda and Governance rather than specified Chairs of two Senate Committees; and
- An overall update to the current procedures template for this level of position including provisions for committee alternates, discussion of employment equity, provisions for confidentiality, protection of privacy and records management, and the inclusion of the Authorities and Officers for the policy.

Given the timing of the Board of Governors meeting (March 31), the Procedures were presented to Board subject to approval by Senate.

Recommended Motion:

That Senate approve the updated Procedures for the Selection of the Registrar (GV0400) as approved by the Board of Governors.



**PROCEDURES FOR THE
SELECTION OF THE REGISTRAR AND
EXECUTIVE DIRECTOR, STUDENT
ENROLMENT**

University Policy No.: GV0400
Classification: Governance
Approving Authority: Board of Governors
Effective Date: June/07
Supersedes: February/87
Last Editorial Change:
Mandated Review:

1. PREAMBLE

Under Section 27.2 f) and g) of the University Act, the Board of Governors shall, with the approval of Senate, establish procedures for the recommendation and selection of senior academic administrators and shall subsequently appoint these administrators. The Board of Governors has delegated its authority to make appointments to the President or the appropriate Vice-President. The following procedures define the method by which the appointment, or review and reappointment, of the Registrar and Executive Director, Student Enrolment will be carried out.

1.1 Introduction

When the position is vacant or will become so within six months, the Provost shall notify Senate and the Board of Governors of the vacancy, and will convene a search committee. If necessary, the President will appoint an Acting Registrar and Executive Director, Student Enrolment to serve until such time as the new appointee takes office.

1.2 Composition, Procedures, and Responsibilities of the Search Committee

1.2.1 The Search Committee shall be constituted as follows:

- 1 The Vice-President Academic and Provost, who shall serve as the Chair of the Committee
- 2 Two Chairs of the Senate Committees on Admission, Re-registration and Transfer; and Awards
- 1 Dean of Graduate Studies, or designate
- 1 One Dean selected by the Deans (except the Dean of the Faculty of Graduate Studies)
- 1 One graduate student selected by the Graduate Students' Society
- 1 One undergraduate student selected by the University of Victoria Students' Society
- 1 Executive Director of Student and Ancillary Services
- 1 One member elected by and from the academic and professional staff in the Office of the Registrar and Executive Director, Student Enrolment

Where possible, alternates will be identified who may be asked to serve when a member needs to resign from the Committee before it begins to interview candidates. Alternates cannot be added after this point as each member of the Committee must participate in the interview of and hear the Committee's deliberations with regard to the merits of all of the candidates prior to making a recommendation. In the event that an alternate is needed and no alternate was determined at the time the Committee was constituted, the alternate shall be appointed by the remaining members of the Committee after appropriate consultation.

- 1.2.2 The University of Victoria is committed to employment equity. Where possible, constituencies should encourage representation from the four designated groups: women, aboriginal peoples, persons with disabilities, and members of visible minorities. During the selection process, the Committee should acquaint itself with human rights requirements, University equity and harassment policies, faculty equity plans, include equity issues in its consideration of criteria for the position, and take steps to widen the pool of qualified applicants to include the four designated groups. Postings for the position, both internal and external, shall include an employment equity statement encouraging applications from the four designated groups. The Chair of the Committee is encouraged to consult the Equity Office for advice and support in running a fair and equitable search process.
- 1.2.3 Deliberations of the Committee shall be confidential. A person who has breached confidentiality shall be subject to sanction by the Chair up to and including dismissal from the Committee and forfeiture of constituency representation. Members should respond to general questions on the Committee's progress by referencing procedural decisions of the Committee as recorded in the minutes. At no point is it appropriate to refer to opinions or comments expressed at meetings of the Committee.
- 1.2.4 Documentation received by the Committee during its deliberations must be kept confidential. Personal information is protected by the B.C. Freedom of Information and Protection of Privacy Act.
- 1.2.5 Members of the Committee shall be responsible for seeking information from their constituencies and keeping them advised of the process.
- 1.2.6 The Committee shall keep in camera minutes of its decisions and actions. Deliberations of the Committee concerning candidates shall not be recorded.
- 1.2.7 The Committee shall acquaint itself with the requirements of the position of Registrar and Executive Director, Student Enrolment through meetings with the incumbent and others as needed, and

shall then establish criteria on which the candidates shall be judged.

1.3 Search Procedures of the Committee

The Committee shall proceed as follows:

- 1.3.1 The Committee will invite members of the University community to suggest possible candidates and will advertise the position.
 - 1.3.2 The Committee shall gather relevant information about the candidates and shall then select a short list of candidates. It shall arrange for those candidates to meet for discussion with those individuals and offices that have substantial interaction with the Registrar and Executive Director, Student Enrolment, including staff in the office of the Registrar and Executive Director, Student Enrolment.
 - 1.3.3 The Committee shall decide on its recommendation to the President by simple majority vote.
 - 1.3.4 In the case of an academic candidate, the Committee shall consult the Dean of the relevant faculty and the Chair of the relevant department about the proposed academic appointment.
 - 1.3.5 The recommendation for the candidate put forward by the Committee shall be in the form of a report including recommendations for action and a rationale for the Committee's choice.
 - 1.3.6 When the President has approved the appointment, and the successful applicant has accepted, there shall be a meeting between the Provost and the new Registrar and Executive Director, Student Enrolment to discuss any issues arising from the appointment process.
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PROCEDURES FOR THE SELECTION OF THE REGISTRAR

University Policy No.: GV0400
Classification: Governance
Approving Authority: Board of Governors
Effective Date: March 2015
Supersedes: November 2002
Last Editorial Change:
Mandated Review: March 2022

PURPOSE

- 1.00 The following procedures define the method by which the appointment, or review and re-appointment, of the Registrar will be conducted.

SCOPE

- 2.00 These procedures apply to: the appointment of a new Registrar and to the appointment of an acting Registrar. An acting Registrar is not considered an incumbent.

PROCEDURES

Delegation of Appointment Authority

- 3.00 Under Sections 27(2) (f) and (g) of the *University Act*, the Board of Governors shall with the approval of Senate establish procedures for the recommendation and selection of senior academic administrators and shall subsequently appoint these administrators.
- 3.01 The Board of Governors has delegated its authority to make appointments to the President or the appropriate vice-president. The President is responsible for approving the appointment of the Registrar.

Notification of Vacancy

- 4.00 When the position is vacant or will become so within six months, the President shall notify Senate and the Board of Governors of the vacancy, and will arrange to convene an Appointment Committee.
- 4.01 If necessary, the President will appoint an acting Registrar in accordance with section 21.00 of these procedures to serve until the new appointee takes office.

Appointment Committee Establishment and Governance

- 5.00 The Vice-President Academic and Provost will ask the University Secretary to convene the Appointment Committee (hereinafter referred to as "the Committee") in accordance with these procedures.

Representation from Equity Groups

- 6.00 The university is committed to equity and diversity. When electing members of the Committee, constituencies should encourage diverse representatives from their membership to stand for election including: women, Indigenous peoples, persons with disabilities, visible minorities, people of all sexual orientations and genders and others who may contribute to the diversification of the Committee.

Committee Composition

- 7.00 The Committee shall be comprised as follows:

- 1 The Vice President Academic and Provost (or designate) who shall serve as the Chair of the Committee
- 1 Dean of Graduate Studies, or designate
- 1 One Dean selected by the Deans (except the Dean of the Faculty of Graduate Studies)
- 1 Senator nominated by the Senate Committee on Agenda and Governance
- 1 One graduate student selected by the Graduate Students' Society
- 1 One undergraduate student selected by the University of Victoria Students' Society
- 1 Chief Information Officer
- 2 Members selected from the professional staff in the Office of the Registrar and
- 1 Director Student Recruitment and Global Engagement

10

Alternate Committee Members

- 8.00 Alternates will be identified, where possible, who may be asked to serve when a member needs to resign from the Committee before it begins to formally interview candidates. Alternates cannot be added after this point as each Committee member must be in a position to weigh the merits of each candidate prior to making a recommendation.

- 8.01 In the event that an alternate is required and no alternate was determined at the time the Committee was constituted, an alternate will be appointed by the remaining members of the Committee after appropriate consultation.

Committee Member Participation

- 9.00 Committee members are expected to attend the Committee's meetings and must participate in interviews. A Committee member who is not able to meet these expectations shall resign from the Committee and an alternate may be appointed in accordance with section 8.00.

Establishment of Position Criteria

- 10.00 The Committee shall acquaint itself thoroughly with the requirements of the Registrar position through a review of appropriate university policies and procedures, meetings with the incumbent, and others as appropriate, and shall establish criteria by which to evaluate candidates.

Employment Equity

- 11.00 Throughout the appointment process, the Committee should acquaint itself with human rights requirements, university equity and diversity policies, include equity considerations when developing criteria for the position, and take steps to widen the pool of qualified applicants to include designated equity group members and others who may contribute to the further diversification of the university. Position advertisements shall include the current employment equity statement.

11.01 The Committee should familiarize itself with best practices for conducting fair and equitable search and selection processes.

Confidentiality, Protection of Privacy and Records Management

- 12.00 The personal information of the incumbent and Registrar candidates shall be managed and protected in accordance with the *Freedom of Information and Protection of Privacy Act*, and the university's Protection of Privacy (GV0235) and Records Management (IM7700) policies and associated procedures.

12.01 Documentation containing personal information received by the Committee is confidential and shall be used or disclosed only for the purpose for which the information was collected or a purpose consistent with the original collection purpose. All other uses or disclosures of such information require the consent of the incumbent or candidate.

- 13.00 Deliberations of the Committee are confidential. The Committee shall keep a confidential summary record of its meetings detailing its decisions and actions. Deliberations of the Committee concerning the incumbent or candidates shall not be recorded in the summary record.

13.01 Only the Chair (or designate) is authorized to speak on behalf of the Committee. Committee members shall not disclose opinions or individual comments voiced at Committee meetings and are expected to respond to questions on the Committee's progress as directed by the Chair.

13.02 A Committee member who has breached confidentiality shall be subject to sanction by the Chair potentially including dismissal from the Committee.

- 14.00 Committee records shall be managed in accordance with the university's Protection of Privacy (GV0235) and Records Management (IM7700) policies and associated procedures.

Consultation with Constituencies

- 15.00 Committee members are responsible for exercising their best judgment in the interests of the appointment process and their respective constituencies. They are expected to seek information from their constituencies and keep constituencies apprised of the non-confidential aspects of the appointment process.

15.01 The Chair will guide Committee members with respect to consultations with their constituencies.

Search Procedures

Determination of Candidate Field

- 16.00 The Chair, in consultation with the Committee, shall determine whether or not to initially seek internal candidates only.

16.01 The Vice-President Academic and Provost (or designate) may elect to engage a search consultant in cases where the position is open to external candidates.

Candidate Selection

- 17.00 The Committee will gather relevant information about the candidates and shall then select a short list of candidates.

Communication with Candidates

- 18.00 The Committee is responsible for ensuring all candidates are made aware of, and provided with a copy of these procedures.

18.01 Candidates shall be advised of the measures to be used for assessment and the individuals and constituency groups the Committee intends to consult.

Voting

- 19.00 The Committee shall reach a decision on a recommended candidate through a simple majority vote, by secret ballot. The Chair has the right to vote.

Recommendation

- 20.00 The Committee's appointment recommendation shall be provided to the President in the form of a report including recommendations for action and a rationale for its decision.

Appointment of an Acting Registrar

- 21.00 When the appointment of an Acting Registrar is necessary, the Vice-President Academic and Provost (or designate) will consult with individuals and committees, as he or she deems appropriate, and will then make a recommendation for appointment to the President. Normally such an appointment would not exceed two years.

AUTHORITIES AND OFFICERS

- i) Approving Authority: Senate and Board of Governors
- ii) Designated Executive Officer: Vice-President Academic and Provost
- iii) Procedural Authority: Senate and Board of Governors
- iv) Procedural Officer: Vice-President Academic and Provost

LEGISLATION

University Act

Freedom of Information and Protection of Privacy Act

RELATED POLICIES AND DOCUMENTS

[Protection of Privacy Policy](#) (GV0235) and associated procedures

[Records Management Policy](#) (IM7700) and associated procedures