



CONSOLIDATED FINANCIAL STATEMENTS

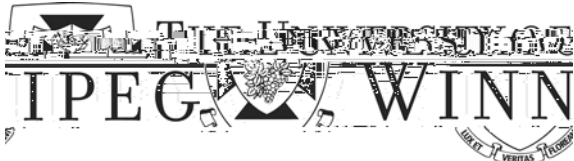
FOR THE YEAR ENDED MARCH 31, 2005

THE UNIVERSITY OF WINNIPEG

WINNIPEG, MANITOBA, CANADA

THE UNIVERSITY OF WINNIPEG
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2005

	<u>PAGE</u>
Report on the Consolidated Financial Statements - Report of the Vice-President Finance & Administration	1
Management Report	3
Auditor's Report	4
<u>Consolidated Financial Statements</u>	
Statement of Financial Position	Statement I 5
Statement of Operations	Statement II 6
Statement of Changes in Net Assets	Statement III 7
Statement of Cash Flows	Statement IV 8
Notes to the Consolidated Financial Statements	9



The University of Winnipeg

Report on the Consolidated Financial Statements

Report of the Vice-President Finance & Administration

The University of Winnipeg's consolidated financial statements contain the financial results of the University of Winnipeg's operations and the operations of the University of Winnipeg Educational Housing Corporation. The University of Winnipeg Foundation's financial results are included by means of an extensive note within the consolidated financial statements for purposes of disclosure. The University's operations include the University undergraduate and graduate credit programs, Continuing Education Division, the Collegiate, Campus Services, Academic Enterprises, sponsored research & designated funds, and trust & endowment funds.

The University has completed a successful year of operations, with record student enrolment and major capital renovation projects continuing through the year. A new Aboriginal Students Centre was opened in the fall of 2004 and the renovations to one of the Young Street Buildings were also completed. The major renovations to the exterior of Wesley Hall have continued with much progress made through to the end of the fiscal year. Building on the hard work and initiatives begun in earlier years, the University has again in 2004 -2005 achieved an accumulated operating surplus and reports an improved unrestricted net assets and restricted net assets position. The success of both administrative and academic areas, in managing operating budgets, is again recognized.

Whilst these results underline the continuing turnaround in the University's financial results, it also has to be acknowledged that there remain significant areas within the University, in terms of infrastructure and equipment that still require attention. Through a planned program of specific Strategic Provisions and prudent use of the operating budgets the University has begun to address the issue of underinvestment that the institution has experienced over many years.

The improvement in the University's financial situation was evidenced by a net operating surplus of \$758,000 and a net increase in unrestricted net assets of \$454,000 to \$2.3 million and an increase of \$577,000 in internally restricted net assets to \$2.4 million as reported in Statement III. The changes within Net Assets in Statement III include:

- a) Internally funded transfers in respect of capital asset additions of \$1.01 million and amortization totaling \$1.26 million;
- b) The addition (\$1.08 million) for the year to Strategic Provisions within internally restricted net assets as well as the expenditures (\$517,000) funded from Strategic Provisions within the year;
- c) Unspent endowed investment earnings in trust (\$208,000) and
- d) Recognition of endowed investment net realized gains of \$2.17 million, as well as the transfer of the Endowment Fund (\$20.98 million) to the University of Winnipeg Foundation.



UNIVERSITY OF WINNIPEG
MANAGEMENT REPORT

The accompanying consolidated financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. These accounting principles have been applied on a basis consistent with the prior year. In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to ensure the assets of the University are properly safeguarded.

The Board of Regents has reviewed and approved these consolidated financial statements.

On Behalf of Management

(Original signed by Stephen Willetts)

Stephen Willetts, CPFA
Vice-President (Finance & Administration)

(Original signed by B. Douglas Prophet)

B. Douglas Prophet, CA
Executive Director, Financial Services

Winnipeg, Manitoba
June 17, 2005



Office of the Auditor General

500 - 330 Portlane Avenue

AUDITOR'S REPORT

To the Legislative Assembly of Manitoba
To the Board of Regents of the University of Winnipeg

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2005 and the results of its operations for the year ended March 31, 2005.

Winnipeg, Manitoba
June 17, 2005

Jon W. Singleton

Jon W. Singleton, CA • CISA
Auditor General

**THE UNIVERSITY OF WINNIPEG
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at March 31, 2005
(with comparative figures for 2004)**

Statement I

ASSETS

2005

\$000

THE UNIVERSITY OF WINNIPEG
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2005
(with comparative figures for 2004)

Statement II

	2005 \$000	2004 \$000
REVENUE		
Government Grants:		
Council on Post Secondary Education	\$35,792	\$34,931
Other Province of Manitoba	2,092	1,638
Government of Canada	2,515	2,380
Student Academic Fees	25,211	24,154
Gifts, Grants & Bequests	1,332	622
Investment Income	1,358	1,476
Sales of Services & Products	4,240	3,940
Other Revenues	4,752	4,460
Amortization of Deferred Capital Contributions	1,207	1,170
	<hr/> 78,499 <hr/>	<hr/> 74,771 <hr/>
EXPENSE		
Salaries	44,938	41,534
Staff Benefits	5,552	4,961
Supplies, Services & Other Expenses	11,338	10,555
Cost of Sales	2,927	2,701
Building, Utility & Related Expenses	5,829	5,484
Provincial & Municipal Taxes	1,819	2,168
Scholarships & Awards	2,060	1,930
Gifts to Related Foundation	813	0
Amortization of Capital Assets	2,465	2,545
	<hr/> 77,741 <hr/>	<hr/> 71,878 <hr/>
EXCESS OF REVENUE OVER EXPENSES	<hr/> \$ 758 <hr/>	<hr/> \$2,893 <hr/>

See accompanying notes to the consolidated financial statements.

THE UNIVERSITY OF WINNIPEG
 CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
 For the Year Ended March 31, 2005
 (with comparative figures for 2004)

Statement III

	----- 2005 -----				2004
	UNRESTRICTED NET ASSETS \$000	INTERNALLY RESTRICTED NET ASSETS (Note 11) \$000	ENDOWMENTS (Note 12) \$000	INVESTMENT IN CAPITAL ASSETS \$000	TOTAL \$000
BALANCE, BEGINNING OF YEAR	\$1,860	\$1,825	\$19,244	\$10,233	\$33,162
Excess (Expense) Revenue	758				758
Direct Increases (Decreases):					
Endowment Contributions					0
Endowed Investment Net Realized Gains			2,177		2,177

**THE UNIVERSITY OF WINNIPEG
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2005
(with comparative figures for 2004)**

Statement IV

	2005 \$000	2004 \$000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from:		
Government Grants	\$39,377	\$39,447
Student Academic Fees	25,138	24,622
Gifts, Grants & Bequests	1,445	537
Investment Income	2,061	544
Sales of Services & Products	4,251	3,934
Other Revenues	4,577	4,757
Cash Paid for:		
Salaries & Benefits	(50,277)	(47,141)
Supplies, Services & Other Expenses	(11,543)	(10,696)
Cost of Sales	(2,855)	(2,778)
Building, Utility & Related Expenses	(4,883)	(5,641)
Provincial & Municipal Taxes	(1,938)	(2,327)
Scholarships & Awards	(2,060)	(1,930)
Gifts to Foundation	(118)	0
	<u>3,175</u>	<u>3,328</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment Purchases for Campus Development	0	(274)
Purchase of Long Term Investments	(604)	(3,117)
Contributions of Assets	11	56
Contributed Assets Put in Service	(11)	(56)
Cash Purchase of Capital Asset	(6,085)	(2,930)
	<u>(6,689)</u>	<u>(6,321)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Investment Income on Campus Development Fund	0	274
Retirement of Campus Development Fund	0	14,657
Transfer Campus Development Fund to UofW Foundation Inc.	0	(14,657)
Retirement of Endowment Fund – Long Term Investments	20,962	0
Transfer of Endowment Fund to UofW Foundation Inc.	(20,979)	0
Investment Income on Endowments	0	994
Long Term Debt Repayments on Mortgages	(48)	(45)
Cash Contributions Received for Endowment	0	1,365
Cash Received for Deferred Capital Contributions	5,336	2,055
	<u>5,271</u>	<u>4,643</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,757	1,650

**THE UNIVERSITY OF WINNIPEG
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005**

1. Authority and Purpose

The University of Winnipeg operates under the authority of the University of Winnipeg Act of the Province of Manitoba. The primary role of the University is to provide post secondary education and research in the humanities, sciences and social sciences. The University also operates the Collegiate, an independent high school and a number of other education related activities. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies and Reporting Practices

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

A) Contributions

The University has chosen to use the deferral method of accounting for contributions, one preferred by the Canadian Association of University Business Officers (CAUBO). Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Restricted contributions are stipulations imposed that specify how resources must be used. External restrictions are imposed from outside the organization, usually by the contributor of the resources. Restrictions on contributions may only be externally imposed.

B) Revenue Recognition

Operating grants are recognized as revenue in the period received or receivable. Revenues received for tuition fees and sales of goods and services are recognized in the period in which the goods are received or the services rendered or substantially rendered.

Deferred contributions are externally restricted non-capital and non-endowment contributions which are deferred and are recognized as revenue in the period in which the related expenses are incurred.

Externally restricted contributions for the acquisitions of capital assets having limited lives are recorded as deferred capital contributions in the period in which they are received. Amortization of deferred capital contributions is recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

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

C) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid temporary money market instruments with original maturities of one year or less. Bank borrowings are considered to be financing activities.

D) Investments

Investments are recorded at cost. When there has been a loss in the value of a long term investment, that is other than a temporary decline, the investment is written down to recognize the loss.

E) Inventories

Bookstore and Printing inventories are valued at the lower of cost or net realizable value.

F) Capital Assets and Collections

Capital assets and collections purchased by the University are recorded at cost. Donated assets are recorded at estimated fair market value on the date received. Land, collections of rare books and works of art are not amortized. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings and Additions	60 years
Lease Hold Improvements	Term of Lease
Library Acquisitions	10 years
Furnishings & Equipment	10 years
Major System Computer Software	10 years
Computer Equipment & Software	5 years
Vehicles	5 years

G) Pension Plan

The University contributes to The University of Winnipeg Pension Plan. The Plan is comprised of a defined benefit segment and a defined contribution segment.

The University of Winnipeg Pension Plan assets, liabilities and changes in net assets are reported in the Plan's financial statements. The assets of the Plan are held in trust by independent custodians and are not recorded in the accounts of the University. The Auditor General of Manitoba audits the Plan's financial statements.

Recorded in the University's statements is the actuarially determined cost of maintaining the Plan. The accumulated difference between this cost and the University's funding contribution is reflected in the University's financial statements as either an accrued benefit asset or liability. The corridor approach is used to record actuarial gains and losses for the pension plan. Under this approach, the annual actuarial gains and losses are aggregated and, if that amount exceeds 10% of the greater of plan assets or liabilities, the excess amount is amortized over the expected average remaining service life of the covered employees.

H) Employee Future Benefits

The University accounts for employee future benefits on a prospective basis. Under this method, the cost of pension benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimates of expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs. Future plan obligations are discounted using current market interest rates.

I) Financial Instruments

Financial instruments include receivables, investments, bank overdraft, payables and accrued liabilities and long-term debt.

a) Fair Value of Financial Instruments

The fair value of financial instruments are assumed to approximate carrying values, unless otherwise noted.

b) Credit Risk

The University is subject to credit risk through receivables. Receivables are with numerous organizations and individuals which reduces the concentration of credit risk. Reviews are made of the credit worthiness of accounts and reserves established as required.

c) Interest Rate and Foreign Exchange Risk

Interest rates, maturities and security affect the interest rate risk of the University's financial assets and liabilities.

The University is subject to foreign exchange risk because a portion of its financial instruments are denominated in foreign currencies.

The financial risk is the risk to the University's earnings that arises from fluctuations in interest rates and foreign exchange rates and the degree of volatility of these rates. The University does not use derivative instruments to reduce its exposure to interest rate and foreign exchange risk.

J) Use of Estimates

In preparing the University's consolidated financial statements, management is required to make estimates and assumptions that reflect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

K) Principles of Consolidation

The consolidated financial statements of the University include the accounts of the University of Winnipeg Education Housing Corporation (UWEHC), a wholly owned entity. UWEHC secures and provides affordable residential accommodation for the benefit of persons enrolled at The University of Winnipeg. The University of Winnipeg Foundation, a controlled entity, is not consolidated in these financial statements.

3. Cash and Short Term Investments

Cash and short term investments consist of the following:

	2005	2004
	\$000	\$000
Operating Funds	\$8,585	\$7,153
Sponsored Research & Designated Funds	1,969	2,260
	<hr/> 10,554	<hr/> 9,413
Trust Funds	3,165	2,549
	<hr/> \$13,719	<hr/> \$11,962

4. Long Term Investments

Long term investments are comprised of endowment funds:

	2005		2004	
	Fair Value	Cost	Fair Value	Cost
	\$000	\$000	\$000	\$000
Cash & Fixed Term Instruments	\$618	\$618	\$614	\$600
Investment Shares	50	50	50	50
	<hr/> \$ 668	<hr/> \$ 668	<hr/> \$ 664	<hr/> \$ 650
Pooled Funds				
Bonds and Debentures			8,132	8,001
Canadian Equities			5,570	4,361
U.S. & International Equities			6,370	5,287
Cash & Short Term			1,336	1,336
	<hr/> 0	<hr/> 0	<hr/> 21,408	<hr/> 18,985
	<hr/> \$ 668	<hr/> \$ 668	<hr/> \$22,072	<hr/> \$19,635

Fair value, as represented above, was derived from the market value of investments. During the year, the University transferred endowments totalling \$20,979 to the University of Winnipeg Foundation.

5. Capital Assets

	Cost \$000	2005 Accumulated Amortization \$000	Net Book Value \$000	2004 Net Book Value \$000
Land	\$2,011	\$0	\$2,011	\$2,011
Buildings, Additions and Improvements	49,520	16,721	32,799	32,437
Library Acquisitions	11,442	9,740	1,702	1,747
Furnishings and Equipment	22,986	18,304	4,682	4,744
Collections	1,160	0	1,160	1,147
Assets Under Construction	4,869	0	4,869	1,348
	<u>\$91,988</u>	<u>\$44,765</u>	<u>\$47,223</u>	<u>\$43,434</u>

Collections include Art Work & Rare Books recorded at fair value derived by independent appraisal at the time of acquisition or donation. The insured value of capital assets is \$317.9 million (2004 - \$301.3 million).

6. Deferred Contributions

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

	2005 \$000	2004 \$000
Balance, Beginning of Year	\$4,600	\$5,326
Contributions Received	6,117	4,988
Contributions Expended	(4,994)	(5,028)
Transferred to Foundation	(813)	0
Transferred to Endowment	0	(686)
Balance, End of Year	<u>\$4,910</u>	<u>\$4,600</u>
Balance Consists of:		
Sponsored Research & Designated Funds	\$2,489	\$2,355
Special Purpose Trust	2,421	2,245
	<u>\$4,910</u>	<u>\$4,600</u>

7. Unfunded Staff Benefits

The balance of unfunded staff benefits includes:

2005
\$000

10. Deferred Capital Contributions

Deferred capital contributions represent the unamortized external contributions for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the

The strategic provisions provide for:

	March 31, 2004 \$000	Expended \$000	Transfers \$000	Additions \$000	March 31, 2005 \$000
Fiscal Stabilization					
Defined Benefit Pension	200			300	500
Sinking Fund					
Infrastructure					
Deferred Maintenance	100	(92)			8
Bookstore Point of Sale System	130	(130)			0
Academic Equipment	170	(170)		100	100
Building Renovations				466	466
Strategic Development					
Internal Research Grants	75				75
Library Endowment	150				150
Support to Academic Initiatives	100	(20)		74	154
Technology Systems	200	(67)	(133)		0
Advancement Services				85	85
World Council on Gifted Children				12	12
Employment Equity				20	20
Project Development	275	(38)	133	23	393
	<u>\$1,400</u>	<u>(\$ 517)</u>	<u>\$ 0</u>	<u>\$1,080</u>	<u>\$1,963</u>

12. Net Assets Restricted for Endowment Purposes

Endowments consist of externally and internally restricted contributions where the principal donation, as well as internal allocations by the Board of Regents, is required to be maintained in perpetuity. The investment income generated from endowments must be used in accordance with the various purposes established by the donors or the Board of Regents. The economic value of the endowments is protected by limiting the amount of investment income that may be spent to 5% of the 5 year rolling market average of the principal donation. Investment income earned in excess of this amount is added to the internally restricted endowment principal. Investment income

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In 2004, the University and the stakeholders who represent the members of the defined benefit segment of the Pension Plan reached an agreement to modify the provisions of both the Plan Amendment #2001/1 and the December 4, 2000 Board Resolution as described in Note 18. These modifications were included in Amendment 2004/B which was approved by the Board of Regents in October, 2004 and has been filed with the Pension Commission of Manitoba and the Canada Revenue Agency.

Effective April 1, 2002, the University adopted the accounting standard, Section 3461, of the Canadian Institute of Chartered Accountants concerning employee future benefits which includes pension, other retirement, and post-employment benefits other than pensions. The standard moves the accounting for pension benefits to an accrual basis from the cash accounting basis previously used, and with respect to pensions, requires the use of a prescribed market-related discount rate to measure the accrued pension benefit obligation. Consistent with Section 3461, the

Defined Benefit Obligation

In accordance with the Pension Benefits Act, an actuarial valuation of the defined benefit segment of the Plan is required at least every 3 years. An actuarial valuation of the University of Winnipeg Pension Plan was prepared effective December 31, 2004 by Eckler Partners Ltd., a firm of consulting actuaries.

The benefit obligation has been calculated pursuant to CICA Handbook 3461 using a prescribed market-related discount rate. This approach differs from the calculation of the benefit obligation in

Reconciliation of Funded Status

	2004	2003
	\$000	\$000
Funded Status - (Deficit)	(\$5,943)	(\$3,124)
Employer Contributions After December 31	305	292
Unamortized Transitional Asset	(4,556)	(5,012)
Unamortized Net Actuarial Loss	10,643	8,210
Accrued Benefit Asset, Before Valuation Allowance	449	366
Valuation Allowance	(449)	(366)
Accrued Benefit Asset, Net of Valuation Allowance	<u>\$ 0</u>	<u>\$ 0</u>

Components of Pension Expense

Funding Obligation

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

The actuarial valuation at December 31, 2004 confirms that the defined benefit segment of the Pension Plan has a solvency deficiency of \$15,140,000.

The University would normally be required under the *Pension Benefits Act* to make additional annual payments of \$3,435,000 over a five year period to retire the solvency deficiency. However, the Provincial Government has provided the Univ

14. Segmented Operations

Included in the excess of income over expenses in the Statement of Operations is:

	Revenue \$000	2005 Expense \$000	Surplus (Deficit) \$000	Revenue \$000	2004 Expense \$000	Surplus (Deficit) \$000
Collegiate	\$3,468	\$3,458	\$ 10	\$3,099	\$3,314	(\$215)
Continuing Education	\$4,618	\$4,504	\$ 114	\$4,349	\$4,461	(\$112)
Campus Operations	\$5,059	\$5,078	(\$19)	\$4,775	\$4,714	\$61

15. Commitments

The University has lease obligations that cover equipment and building space integral to the University's operations. The lease obligations expire at various dates up to and including December 31, 2015. These lease contracts require annual payments over the next 5 years and in aggregate as follows:

\$000

2005/06	\$2,015
2006/07	1,647
2007/08	862
2008/09	734
2009/10	704

The agreements with The University of Winnipeg Foundation are as follows:

(a) Occupancy and Support Agreement

This Agreement documents the basis upon which the Foundation occupies space in Wesley Hall and elsewhere on Campus and the Foundation's use of certain existing systems, programs

Restrictions are placed upon expenditures within Funds including:

- i) The Operating Fund reflects the administrative and overhead costs of undertaking the Foundation's activities.
- ii) The Unrestricted Fund records the receipt of donations received in the year that are identified by the donor to go to the area of greatest need.
- iii) The Building & Program Fund is specifically intended to record the receipt of all donations intended for the University of Winnipeg programs and capital projects.
- iv) The Specified Fund consists of the initial funding of \$14 Million transferred to the Foundation from The University of Winnipeg, pursuant to the "Specified Fund Agreement".
- v) The Funds held pending Terms of Reference includes donations received for capital gifts, endowment gifts, and other restricted purposes not yet allocated pending donor wishes.
- vi) The Endowment Fund reports the receipt of funds established from gifts by donors, which are designated to remain under the Foundation's management in perpetuity for endowment purposes.

In the Coordination Cooperation and Funding Agreement, the University has agreed to provide the Foundation with a \$300,000 per annum operating grant, reducing by \$30,000 per annum commencing in 2010-2011. This funding commitment will end in 2013-2014.

The University is required to make annual payments over the next 5 years and in aggregate as follows:

	\$000
2005/06	\$300
2006/07	300
2007/08	300
2008/09	300
2009/10	300
Thereafter	900
	\$2,400
	\$2,400

17. Contingencies

The University of Winnipeg is named as a defendant in litigations where legal action has commenced or is anticipated. While the ultimate outcomes of these proceedings can not be predicted at this time, management and its legal counsel are of the opinion that, either the outcomes will not have a material effect on the financial position of the University, or the outcomes are not determinable. No provision has been made in the financial statements in respect of these claims, as of March 31, 2005

18. Agreement Between the University and Pension Plan Stakeholders

In April 2003, the University and all Pension Plan stakeholders of the defined benefit segment of the Plan agreed to amend the provisions of Plan Amendment 2001/1, that was approved in the Board of Regents resolution of December 4, 2000.

In 2003 and 2004, provisions of the agreement that have been implemented include:

- (a) All stakeholders and the University (Plan Sponsor) to forego any further implementation of the Board of Regents' resolution of December 4, 2000 amendment to the Pension Plan.
- (b) Elimination of the contribution credit balance and the cessation of any further distribution of surplus arising from the original agreement.
- (c) The sections of Plan Amendment 2001/1 that were implemented remain unchanged. This includes pension contribution holidays taken, partial distribution of surplus to employees remaining in the defined benefit segment of the Plan, creation of a defined contribution segment of the Plan and the related transfer of full surplus share to those Members who elected to move from the defined benefit to the defined contribution segment of the Plan.
- (d) Required University contributions to the defined benefit segment of the Plan were modified as follows:
 - (i) The University pays both employee and University required contributions in respect of defined benefit Members who are in receipt of long-term disability benefits, effective April 1, 2003.
 - (ii) The University's required contributions for defined benefit members were increased to 6.5 percent of pensionable salary less 1.8 percent of Canada Pension Plan contributory earnings effective April 1, 2003, and to 7 percent less 1.8 percent of Canada Pension Plan contributory earnings effective April 1, 2004.
- (e) The University made a special payment of \$638,000 in April 2003 direct to pensioners and active members of the defined benefit segment of the Plan as part of the final agreement.

The provisions of the agreement that remain outstanding are;

19. Related Party Transactions

The University of Winnipeg Foundation (Foundation) is a controlled entity of The University of Winnipeg.

During the year ending March 31, The University of Winnipeg (University) incurred transactions as follows:

	2005 \$000	2004 \$000
From the University to the Foundation:		
i) Operating grant	\$300	\$300
ii) Annual donations received by the University on behalf of the Foundation and transferred to the Foundation	\$0	\$198
iii) Transfer of the Campus Development Fund	\$0	\$14,657
iv) Gifts to Foundation for endowment	\$813	\$0
v) Transfer of the Endowment Fund	\$20,979	\$0
From the Foundation to the University:		
i) Annual service fee	\$45	\$45
ii) Transfer of specified funds	\$4,500	\$1,500
iii) Transfer of annual donations to be endowed at the direction of donors	\$0	\$677
iv) Transfer of annual donations	\$788	\$905
v) Income allocation	\$905	\$0

At the end of the year, the amounts due to and from the Foundation are as follows:

	2005 \$000	2004 \$000
Due from Related Party		
Specified Fund	\$533	\$413
Operating	-	27
	<hr/> 533	<hr/> 440

21. Subsequent Events

A) University of Winnipeg Community Renewal Corporation

The University of Winnipeg Community Renewal Corporation was incorporated by Articles of Incorporation, without share capital, on April 6, 2005. It is an entity controlled by the University of Winnipeg.

Its mandate is to support the University of Winnipeg by developing a sustainable university community that promotes the attractiveness of the University to its faculty, staff, students, and the greater Community.

B) Acquisition of the Shawano-Wupunong Properties

The University of Winnipeg purchased the land and building located at 509 Ellice Avenue