

Huron University College

Financial Statements

April 30, 2015



June 25, 2015

Independent Auditor's Report

To the Executive Board of Huron University College

We have audited the accompanying financial statements of Huron University College, which comprise the statement of financial position as at April 30, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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 not-for-profit organizations, 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.

Auditor's 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 auditor's 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.

*PricewaterhouseCoopers LLP
465 Richmond Street, Suite 300, London, Ontario, Canada N6A 5P4
T: +1 519 640 8000, F: +1 519 640 8015*



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Huron University College as at April 30, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Huron University College

Statement of Financial Position

As at April 30, 2015

	2015 \$	2014 \$ (note 2)
Assets		
Current assets		
Cash (note 2)	11,447,355	13,152,466
Short-term investments	924,340	909,361
Accounts receivable	356,464	419,320
Prepaid expenses	45,037	6,369
Due from Huron University College Foundation	-	49,352
	<hr/>	<hr/>
	12,773,196	14,536,868
Capital assets (note 3)	<hr/>	<hr/>
	14,089,292	13,491,187
	<hr/>	<hr/>
	26,862,488	28,028,055
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 15)	1,514,864	875,123
Due to Huron University College Foundation	1,127	-
Advanced tuition and residence deposits	288,609	567,979
Current portion of deferred revenue	201,963	334,870
Current portion of long-term debt (note 5)	-	1,455,189
	<hr/>	<hr/>
	2,006,563	3,233,161
Deferred capital contributions (note 4)	<hr/>	<hr/>
Employee future benefits (notes 2 and 6)	3,810,385	4,032,884
	<hr/>	<hr/>
	2,220,934	2,860,852
	<hr/>	<hr/>
	8,037,882	10,126,897
Net assets		
Invested in capital assets	10,608,890	8,601,474
Internally restricted (note 13)	-	858,371
Unrestricted (note 2)	<hr/>	<hr/>
	8,215,716	8,441,313
	<hr/>	<hr/>
	18,824,606	17,901,158
	<hr/>	<hr/>
	26,862,488	28,028,055
	<hr/>	<hr/>

Approved by the Executive Board

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

Huron University College

Statement of Operations

For the year ended April 30, 2015

	2015 \$	2014 \$ (note 2)
Revenue		
Student fees	8,774,055	9,046,579
Government grants	5,934,643	6,598,835
	<u>14,708,698</u>	<u>15,645,414</u>
Ancillary revenue (note 7)	2,845,701	2,805,667
External trust	38,966	40,587
Research fund	124,531	169,930
Foundation transfer (note 8)	1,056,985	868,729
	<u>4,066,183</u>	<u>3,884,913</u>
Other revenue (note 9)	1,648,124	1,612,366
	<u>20,423,005</u>	<u>21,142,693</u>
Expenditures		
Salaries and benefits - faculty (note 2)	7,278,065	7,157,187
Salaries and benefits - staff	2,584,065	2,529,608
Registrarial	991,468	888,777
Academic instructional	749,277	638,855
UWO fees	1,677,343	1,481,259
	<u>13,280,218</u>	<u>12,695,686</u>
Ancillary expenses (note 7)	1,819,430	1,871,360
Scholarship and bursaries	1,474,319	1,514,404
Building costs - academic	698,573	486,555
General administration	874,189	1,255,524
Research grant expenses	124,531	170,048
Alumni development	564,065	466,066
	<u>5,555,107</u>	<u>5,763,957</u>
	<u>18,835,325</u>	<u>18,459,643</u>
Excess of revenues over expenditures before the undernoted	1,587,680	2,683,050
Amortization of capital assets	1,103,828	1,040,470
Excess of revenues over expenditures	<u>483,852</u>	<u>1,642,580</u>

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

Huron University College
Statement of Changes in Net Assets
For the year ended April 30, 2015

	2015				2014			
	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$	Invested in Capital Assets \$	Unrestricted (note 2) \$	Internally Restricted \$	Total \$
Balance - Beginning of year	8,601,474	8,441,313	858,371	17,901,158	8,507,801	7,221,623	810,259	16,539,683
Excess of revenues over expenditures	(855,357)	1,339,209	-	483,852	(799,796)	2,442,376	-	1,642,580
Capital assets acquired from own funds	1,407,584	(1,407,584)	-	-	839,493	(839,493)	-	-
Interfund transfer (note 13)	-	858,371	(858,371)	-	-	(48,112)	48,112	-
Remeasurements on employee future benefits (note 2)	-	439,596	-	439,596	-	(281,105)	-	(281,105)
	552,227	1,229,592	(858,371)	923,448	39,697	1,273,666	48,112	1,361,475
Repayment of long-term debt (note 5)	1,455,189	(1,455,189)	-	-	53,976	(53,976)	-	-
	2,007,416	(225,597)	(858,371)	923,448	93,673	1,219,690	48,112	1,361,475
Balance - End of year	10,608,890	8,215,716	-	18,824,606	8,601,474	8,441,313	858,371	17,901,158

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

Huron University College

Statement of Cash Flows

For the year ended April 30, 2015

	2015 \$	2014 \$ (note 2)
Cash provided by (used in)		
Cash flows from operating activities		
Excess of revenues over expenditures	483,852	1,642,580
Items not involving cash		
Amortization of capital assets	1,103,828	1,040,470
Amortization of deferred capital contributions	(248,471)	(240,674)
Change in employee future benefits, net of remeasurements	(200,322)	(311,617)
Change in non-cash working capital items (note 10)	302,131	460,600
	<u>1,441,018</u>	<u>2,591,359</u>
Cash flows from investing activities		
Purchase of capital assets	(1,701,933)	(902,992)
Increase in short-term investments	(14,979)	(13,312)
Deferred capital contributions received	25,972	209,418
	<u>(1,690,940)</u>	<u>(706,886)</u>
Cash flows from financing activities		
Repayment of long-term debt	(1,455,189)	(53,976)
	<u>(1,705,111)</u>	<u>1,830,497</u>
(Decrease) increase in net cash for the year	<u>(1,705,111)</u>	<u>1,830,497</u>
Cash - Beginning of year	<u>13,152,466</u>	<u>11,321,969</u>
Cash - End of year	<u>11,447,355</u>	<u>13,152,466</u>

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

Huron University College

Notes to Financial Statements

April 30, 2015

1 Purpose of the organization

Huron University College (the University) is a university institution with undergraduate programs in Arts and Social Sciences, and graduate programs in Theology. The University is affiliated with the University of Western Ontario (UWO) and associated with the Anglican Church of Canada. The University is incorporated under the statutes of the Province of Ontario. The University is a not-for-profit organization under the Income Tax Act.

2 Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board and include the following significant accounting policies.

Revenue recognition

The University follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Grants approved but not yet received at the end of an accounting period are accrued if the amount to be received can be reasonably estimated and collection is reasonably assured. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Capital assets

Capital assets are carried at cost. When an asset is sold or otherwise disposed of, the related cost and accumulated amortization are removed from the respective accounts and any gain or loss on disposition is recognized in operations for the year.

The carrying amount of a capital asset not being amortized because it is under construction or development is classified as work-in-progress. Amortization expense is calculated upon completion of construction and allocation of the asset to its appropriate capital asset account.

Amortization expense is calculated on all amortizable assets based on the following methods, utilizing estimated lives according to Canadian Association of University Business Officers guidelines for Canadian colleges and universities as follows:

Buildings	5% declining balance
Equipment and furniture	10 years straight line
Computer equipment	4 years straight line
Library books	5 years straight line
Food court	5% declining balance

Huron University College

Notes to Financial Statements

April 30, 2015

Cash

Included in cash are balances in the amount of \$537,187 (2014 - \$943,334) that relate to deferred revenue, deferred capital contributions, and other unspent amounts included in current liabilities.

Deferred capital contributions

Effective May 1, 1997, contributions received for capital assets are deferred and amortized over the same term and on the same basis as the related capital assets. Contributions related to capital assets acquired prior to fiscal 1998 are not reasonably determined and therefore, the change in policy was applied prospectively.

Employee future benefits

The University provides a Retirement Gratuity Plan, which is a defined benefit type plan. Benefits from the Gratuity Plan are provided only to participants who had benefits under the London Life and/or Standard Life Group or Group Annuity plan as of December 31, 1986, only if the participant invests his/her defined contribution account in accordance with plan provisions and meets all other conditions necessary for receiving such benefits. The service cost and accrued benefit obligation of the Gratuity Plan is actuarially determined using a modified form of the projected unit credit actuarial cost method pro-rated on services. The employees of the University are also eligible to be members of the UWO Academic and Staff/Management Pension Plan, which is a defined contribution plan. The University also provides an administrative leave to its principal to be taken at the end of the principal's term.

Use of estimates

The preparation of financial statements in conformity with ASNPO 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Huron University College

Notes to Financial Statements

April 30, 2015

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized as soon as the University becomes a party to the contractual provisions of the financial instrument. Upon initial recognition financial instruments are measured at fair value. The fair value of a financial instrument is the estimated amount that the University would receive or pay to terminate the instrument agreement at the reporting date. The following methods and assumptions were used to estimate the fair value of each type of financial instrument by reference to various market value data and other valuation techniques as appropriate.

Cash and short-term investments

Cash and short-term investments consist primarily of cash on hand and certificates of deposits with an original term of up to twelve months. These instruments have been accounted for at fair value. Carrying values approximate fair values for these instruments due to their short-term maturity.

Loans and receivables

Loans and receivables are non-derivative financial assets that represent amounts due from others with fixed or determinable payments that are not quoted in an active market including accounts receivable and due from Huron University College Foundation. After initial recognition, loans and receivables are subsequently carried at amortized cost using the effective interest method less any impairment losses, if necessary. Gains and losses are recognized in the statement of operations when the loans and receivables are derecognized or impaired. Interest effects on the application of the effective interest method are also recognized in the statement of operations.

The carrying value of accounts receivable and due from Huron University College Foundation approximates their fair values due to the short-term maturity of these financial instruments.

Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed payments or determinable payments that are not quoted in an active market including accounts payable and accrued liabilities and long-term debt. After initial recognition, other financial liabilities are subsequently carried at amortized cost using the effective interest method. Gains and losses are recognized in the statement of operations when other financial liabilities are derecognized or impaired. Interest effects on the application of the effective interest method are also recognized in the statement of operations.

- The carrying value of accounts payable and accrued liabilities approximates their fair values due to the short-term maturity of these financial instruments.
- Long-term debt is recorded at amortized cost. The fair value of the long-term debt at year-end has not been determined.

Huron University College

Notes to Financial Statements

April 30, 2015

Interest rate risk

The University's exposure to interest rate risk relates to its cash and short-term investments.

Credit risk

Management monitors its credit risk related to its accounts receivable balances which are primarily from student and government sources.

Foreign exchange risk

The University has no significant exposure to fluctuations in the value of foreign currencies.

Change in accounting policy

Effective May 1, 2014, the University transitioned to Section 3463 - Employee Future Benefits of the CPA Canada Handbook - Accounting, on a retrospective basis.

The following table provides a reconciliation of net assets and excess of revenue over expenses as a result of the adoption of Section 3463.

	Net assets \$
Balance as at May 1, 2013, as previously reported	17,349,942
Adjustment due to transition to Section 3463 (i)	<u>(810,259)</u>
Balances as at May 1, 2013, as restated	<u>16,539,683</u>
	Excess of revenue over expenses \$
Excess of revenues over expenses for the year ended April 30, 2014, as previously reported	1,409,587
Adjustment due to transition to Section 3463 (ii)	<u>232,993</u>
Excess of revenues over expenses for the year ended April 30, 2014, as restated	<u>1,642,580</u>

- (i) In accordance with Section 3463 transitional provisions an adjustment was made on account of unrecognized actuarial losses of \$810,259. Prior to the adoption of Section 3463, this amount was deferred and amortized over the estimated average remaining service life of the employee group. Under 3463, there is no longer the option to defer and amortize this amount. Immediate recognition in the statement of

Huron University College

Notes to Financial Statements

April 30, 2015

operations each year is required. Opening net assets as at May 1, 2013 has been reduced by this amount and the accrued benefit obligation as at May 1, 2013 has been increased by this amount.

- (ii) As a result of this adoption, excess of revenues over expenses for the year ended April 30, 2014 increased by \$232,993. This is comprised of a reduction of salaries and benefits - faculty, given that the remeasurements on employee future benefits for the year of \$281,105 are now directly charged to net assets, partially offset by an increase in salaries and benefits - faculty, of \$48,112 given that there is no longer a deferral and amortization of actuarial losses.

The net effect of the \$810,259 May 1, 2013 adjustment as well as the \$48,112 adjustment described above led to an overall increase in employee future benefits on the statement of financial position, and a reduction of net assets, as at April 30, 2014 of \$858,371.

Refer to note 6 for further details on the employee future benefits.

3 Capital assets

	2015		
	Cost	Accumulated	Net book
	\$	amortization	value
	\$	\$	\$
Land	325,458	-	325,458
Buildings	25,240,499	14,098,279	11,142,220
Equipment and furniture	6,207,505	4,951,851	1,255,654
Computer equipment	1,278,960	1,108,614	170,346
Library books	2,558,775	2,221,695	337,080
Food court	2,316,992	1,458,458	858,534
	<u>37,928,189</u>	<u>23,838,897</u>	<u>14,089,292</u>
			2014
	Cost	Accumulated	Net book
	\$	amortization	value
	\$	\$	\$
Land	325,458	-	325,458
Buildings	24,367,676	13,512,521	10,855,155
Equipment and furniture	5,519,980	4,675,801	844,179
Computer equipment	1,193,852	1,028,280	165,572
Library books	2,443,130	2,105,195	337,935
Food court	2,376,160	1,413,272	962,888
	<u>36,226,256</u>	<u>22,735,069</u>	<u>13,491,187</u>

During the year the University terminated the food court project and wrote off \$119,474 of construction-in-progress. Included in buildings is \$12,818 (2014 - \$Nil) of construction in progress that has yet to commence

Huron University College

Notes to Financial Statements

April 30, 2015

amortization. Amortization of these amounts will commence once the construction is complete and the item is put into use.

4 Deferred capital contributions

	2015 \$	2014 \$
Deferred capital contributions		
Balance - Beginning of year	2,361,082	2,481,759
Facility renewal/infrastructure capital grant	265,359	35,588
Huron University College Foundation capital contribution	18,091	27,912
Other capital contributions	10,900	-
Total contributions received	294,350	63,500
Amortized to operations	(194,799)	(184,177)
Balance - End of year	2,460,633	2,361,082
Unapplied deferred capital contributions		
Balance - Beginning of year	598,360	452,442
Graduate expansion capital grant	-	37,370
Huron University College Foundation capital contribution	44,306	108,548
Contributions expended during year	(312,684)	-
Balance - End of year	329,982	598,360
Deferred Superbuild capital contributions		
Balance - Beginning of year	1,073,442	1,129,939
Amortized to operations	(53,672)	(56,497)
Balance - End of year	1,019,770	1,073,442
Total deferred capital contributions	3,810,385	4,032,884

Deferred contributions related to capital assets represent restricted contributions to fund capital projects. As at April 30, 2015, \$329,982 of total deferred capital contribution are unspent (2014 - \$598,360).

Huron University College

Notes to Financial Statements

April 30, 2015

5 Long-term debt

	2015 \$	2014 \$
Southwest residence loan		
Non-revolving term bank loan bearing interest at 5.98% due January 31, 2015 with monthly blended principal and interest payments of \$11,916 required until the maturity date, with a final payment of the balance of principal and interest outstanding due on the maturity date. No specific security has been pledged but the University agrees not to encumber any real estate assets without the bank's prior written consent.	-	1,455,189
Less: Current portion	-	1,455,189
	<u>-</u>	<u>-</u>

Principal repayments on the Southwest residence loan during the year were as follows:

	2015 \$	2014 \$
Southwest residence loan	<u>1,455,189</u>	<u>53,976</u>

During the year, the University repaid the remaining balance on the Southwest residence loan.

The University has a credit facility in the amount of \$1,800,000 from Scotiabank. All borrowings are payable on demand and bear interest at a rate of prime minus 0.25% per annum interest payable monthly. The credit facility is secured by a general security agreement constituting a first ranking security interest in all personal property of the University. As at April 30, 2015 and 2014, no amounts were drawn on this credit facility.

6 Employee future benefits

The University operates a retirement gratuity plan and participates in a defined contribution pension plan operated by UWO. The University does not provide any other material post retirement non-pension benefits or post-employment benefits to its employees, aside from the Administrative Leave compensation that will be provided to the University's Principal upon completion of his Principal's Term on June 30, 2016.

Employer contributions made to the defined contribution plan during the year amounted to \$566,462 (2014 - \$539,750).

Retirement Gratuity Plan

The Retirement Gratuity Plan (the Plan) is a defined benefit type of pension plan. Benefits under the Plan are not funded in advance, but are paid from operating revenues as benefits come due. Benefit payments are disbursed if a shortfall exists between the pension benefit received by a member from the defined contribution pension plan and that which is required by the Plan.

Huron University College

Notes to Financial Statements

April 30, 2015

The Plan has no assets. The accrued benefit obligation as at April 30, 2015 is \$2,005,321 (2014 - \$2,703,834). Benefit payments of \$414,265 (2014 - \$518,352) were paid during the year by the University.

Information about the Plan which was measured as at April 30 is as follows:

	2015	2014
	\$	\$
		(note 2)
Change in accrued benefit obligation		
Accrued benefit obligation - May 1	2,703,834	2,791,460
Current service cost	60,714	65,877
Interest cost	94,634	83,744
Benefit payments	(414,265)	(518,352)
Actuarial loss (gain)	(423,478)	278,947
(Gain) loss on settlements	(16,118)	2,158
	<hr/>	<hr/>
Accrued benefit obligation - April 30	2,005,321	2,703,834

The University's net benefit plan expense includes the following components:

	2015	2014
	\$	\$
		(note 2)
Current service cost	60,714	65,877
Interest cost	94,634	83,744
	<hr/>	<hr/>
Net pension costs recognized	155,348	149,621

The significant assumptions used are as follows:

	2015	2014
	%	%
Accrued benefit obligation as at April 30		
Discount rate	2.90	3.50
Rate of compensation increase	3.00	3.10
Benefit costs for the year ended April 30		
Discount rate	3.50	3.00
Rate of compensation increase	3.10	3.20

Huron University College

Notes to Financial Statements

April 30, 2015

Administrative leave

Upon completion of the Principal's Term ("term") on June 30, 2016, the University's Principal is entitled to an earned Administrative Leave of one year to be taken at the end of the term as partial compensation for the services rendered to the University during the term. By mutual agreement of the University and the Principal, the Administrative Leave for completion of the Principal's term may be deferred and taken by the Principal at such other time as the parties may agree. No such agreements to defer the Administrative Leave were made during the year. During the period of Administrative leave, the Principal will be paid an amount equal to the compensation and benefits that he would have been paid had he not been on leave. Included in employee future benefits is \$215,613 (2014 - \$157,018) relating to earned future post-employment benefits.

7 Ancillary operations

Ancillary operations include the operations of residence, conference facilities and parking facilities. The operations of these facilities are included in the statement of operations and are summarized as follows. The summary below does not include amortization of capital assets related to ancillary operations.

	2015 \$	2014 \$
Ancillary revenue		
Residence fees and rentals	2,393,769	2,282,403
Conference	141,241	224,105
Parking	301,509	291,391
Food court	9,182	7,768
	<hr/> 2,845,701	<hr/> 2,805,667
Ancillary expenditures		
Interest on long-term debt	64,420	89,018
Residence salary and benefits	183,100	317,469
Conference salary and benefits	73,437	24,979
Building costs	1,387,455	1,229,026
Conference food costs	667	24,176
Other costs	110,351	186,692
	<hr/> 1,819,430	<hr/> 1,871,360
Excess of revenue over expenditures for ancillary operations	<hr/> 1,026,271	<hr/> 934,307

Huron University College

Notes to Financial Statements

April 30, 2015

8 Related party transactions

a) Huron University College Foundation

The purpose of Huron University College Foundation (the Foundation) is to administer money received for the benefit of the University. The Foundation was incorporated in Ontario on June 12, 1979 as a not-for-profit organization and is a registered charity under the Income Tax Act. The Foundation administers certain Trust and Endowment Funds on behalf of the University for the purposes of pooling investment funds to maximize return and minimize costs. The decision-making as to the use of the University Trust and Endowment income rests with the Executive Board of the University.

During the year, the Board of Directors of the Foundation approved the transfer to the University of \$1,022,686 (2014 - \$1,017,364). Of the amounts approved for transfer, the University has received the following:

	2015 \$	2014 \$
Huron University College Foundation		
Trust and Endowment Fund	143,303	140,919
Foundation Fund	913,682	727,810
Foundation Superbuild	-	-
Capital contributions	62,397	136,460
	<hr/> 1,119,382	<hr/> 1,005,189
Deferred capital contributions	(62,397)	(136,460)
	<hr/> 1,056,985	<hr/> 868,729

The University has a significant economic interest in the Foundation in that the Foundation solicits funds in the name of and with the expressed or implied approval of the University and substantially all of the funds solicited are intended by the contributor to be to the University.

b) Huron University College Foundation U.S.A.

The purpose of the Huron University College Foundation U.S.A. (the U.S.A. Foundation) is to administer money received for the benefit of the University. The U.S.A. Foundation was incorporated in New York on August 1, 2006 as a not-for-profit organization and is a registered charity under 501(c)(3) of the Internal Revenue Code. There has been no funding related activity since inception.

Huron University College

Notes to Financial Statements

April 30, 2015

The Foundation has not been consolidated in the University's financial statements. A financial summary of the Foundation as at December 31, 2015 and December 31, 2014 and for the years then ended is as follows:

	2014 \$	2013 \$
Balance sheet		
Assets		
Investments, at market	18,770,005	17,226,628
Other assets	1,126,074	413,495
	<u>19,896,079</u>	<u>17,640,123</u>
Liabilities		
	<u>80,412</u>	<u>102,177</u>
Fund balances		
Huron University College Trust and Endowment	3,124,223	2,980,295
Foundation	16,691,444	14,557,651
	<u>19,815,667</u>	<u>17,537,946</u>
	<u>19,896,079</u>	<u>17,640,123</u>
Statement of operations		
Donations and investment income	2,375,765	2,053,323
Expenditures	(99,905)	(103,908)
	<u>2,275,860</u>	<u>1,949,415</u>
Excess of revenue over expenditures	2,275,860	1,949,415
Disbursed to Huron University College	(1,081,439)	(1,040,420)
Net realized and unrealized capital gain	1,083,300	1,410,765
	<u>2,277,721</u>	<u>2,319,760</u>

9 Other revenue

	2015 \$	2014 \$
Amortization of deferred contributions	248,471	240,674
Diocesan grant	91,380	100,398
Other academic revenue	366,560	323,136
Miscellaneous revenue	265,383	285,475
Summer course revenue	676,330	662,683
	<u>1,648,124</u>	<u>1,612,366</u>

Huron University College

Notes to Financial Statements

April 30, 2015

10 Changes in non-cash working capital items

	2015	2014
	\$	\$
Accounts receivable	62,856	348,333
Prepaid expenses	(38,668)	1,131
Due from Huron University College Foundation	49,352	(22,334)
Accounts payable and accrued liabilities	639,741	(4,831)
Advance tuition and residence deposits	(279,370)	107,233
Due to Huron University College Foundation	1,127	-
Deferred revenue	(132,907)	31,068
	<u>302,131</u>	<u>460,600</u>
Interest paid on long-term debt	-	89,018

11 Ontario Student Opportunity Trust Funds

The Ontario Student Opportunity Trust Funds (OSOTF) program was established by the Government of Ontario during 1997 to encourage companies and individuals to contribute funds for Ontario's college and university students. Prior to March 31, 2000, all eligible donations made to the University were matched by the Province on a dollar for dollar basis as cash was received. The matching donations ceased as of March 31, 2000. The Foundation allocates investment income to the fund based on its annual opening balance. Activity in this fund is included in the Foundation.

The Ministry of Training, Colleges and Universities no longer requires institutions to submit a separate audit report with respect to the OSOTF program, however, it requires that the year-end OSOTF Report must be included in the institution's financial statements, Therefore, these OSOTF schedules for the years ended December 31, 2014 and 2013 have been included with the University's financial statements.

Schedule of Changes in Endowment Fund Balance For the year ended December 31

	2014	2013
	\$	\$
Fund balance - Beginning of year and end of year	<u>491,900</u>	<u>491,900</u>

Schedule of Changes in Expendable Funds Available for Awards For the year ended December 31

	2014	2013
	\$	\$
Balance - Beginning of year	(49,535)	(77,951)
Net return on investment	38,796	45,216
Bursaries awarded	<u>(17,000)</u>	<u>(16,800)</u>
Balance - End of year	<u>(27,739)</u>	<u>(49,535)</u>
Number of awards	<u>11</u>	<u>11</u>

Huron University College

Notes to Financial Statements

April 30, 2015

12 Trust Funds

The University is the beneficiary of the income from certain trusts administered on its behalf. The University equally shares the beneficiary of the Colonel Leonard Trust with Upper Canada College.

	2015		2014	
	Cost \$	Market value \$	Cost \$	Market value \$
Colonel Leonard	604,633	670,946	600,759	643,261
Sarah Leonard	783,580	856,202	783,452	824,953
Diocese of Huron	170,696	262,235	170,696	251,903
Trusts administered on behalf of Huron University College	1,558,909	1,789,383	1,554,907	1,720,117

13 Restrictions on net assets

In 2010, the University's Board of Directors originally restricted \$1,701,941 of previously unrestricted net assets for purposes of providing a reserve for the unfunded experience losses of the retirement gratuity plan.

Annually, an interfund transfer has been recorded for the change in the unfunded experience losses. Given the change in accounting policy described in note 2, there are no longer any unfunded experience losses. As a result, the internally restricted net assets of \$858,371 were transferred back to unrestricted net assets.

14 Capital management

The University's objectives, when managing capital, are to safeguard the University's ability to continue as a going concern in order to pursue the delivery of a variety of services. In the definition of capital, the University includes the net assets, as well as the cash and restricted cash. The University manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the University may consider raising additional funds or reduce expenses. In order to facilitate the management of its capital requirements, the University prepares annual and multi-year expenditure budgets that are updated as necessary depending on various factors, including fundraising campaigns and general governmental conditions. The annual and multi-year budgets are approved by the Board of Directors. The University has not changed its approach to capital management during the current year. The University is not subject to any external capital restrictions.

15 Government remittances

Included in accounts payable and accrued liabilities are statutory remittances of \$Nil as at April 30, 2015 (2014 - \$353), which includes Employee Health Tax, CPP, EI and employee tax deductions. There were no remittances in arrears as at April 30, 2015 or April 30, 2014.

