

Huron University College

Financial Statements
April 30, 2014



June 26, 2014

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, 2014 and the statement 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.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Huron University College as at April 30, 2014 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, 2014

	2014 \$	2013 \$
Assets		
Current assets		
Cash (note 2)	13,152,466	11,321,969
Short-term investments	909,361	896,049
Accounts receivable	419,320	767,653
Prepaid expenses	6,369	7,500
Due from Huron University College Foundation	49,352	27,018
	<u>14,536,868</u>	<u>13,020,189</u>
Capital assets (note 3)	<u>13,491,187</u>	<u>13,628,665</u>
	<u>28,028,055</u>	<u>26,648,854</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 15)	875,123	879,954
Advanced tuition and residence deposits	567,979	460,746
Current portion of deferred revenue	334,870	142,446
Current portion of long-term debt (note 5)	1,455,189	53,976
	<u>3,233,161</u>	<u>1,537,122</u>
Deferred capital contributions (note 4)	4,032,884	4,064,140
Deferred revenue	-	161,356
Long-term debt (note 5)	-	1,455,189
Employee future benefits (note 6)	<u>2,002,481</u>	<u>2,081,105</u>
	<u>9,268,526</u>	<u>9,298,912</u>
Net assets		
Invested in capital assets	8,601,474	8,507,801
Internally restricted (note 13)	858,371	810,259
Unrestricted	<u>9,299,684</u>	<u>8,031,882</u>
	<u>18,759,529</u>	<u>17,349,942</u>
	<u>28,028,055</u>	<u>26,648,854</u>

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, 2014

	2014 \$	2013 \$
Revenue		
Student fees	9,046,579	8,557,334
Government grants	6,598,835	6,579,730
	<u>15,645,414</u>	<u>15,137,064</u>
Ancillary revenue (note 7)	2,805,667	2,674,682
External trust	40,587	54,701
Research fund	169,930	229,256
Foundation transfer (note 8)	868,729	840,177
	<u>3,884,913</u>	<u>3,798,816</u>
Other revenue (note 9)	1,612,366	1,562,287
	<u>21,142,693</u>	<u>20,498,167</u>
Expenditures		
Salaries and benefits - faculty	7,390,180	7,014,365
Salaries and benefits - staff	2,529,608	2,325,597
Registrarial	888,777	788,292
Academic instructional	638,855	862,587
UWO fees	1,481,259	1,195,032
	<u>12,928,679</u>	<u>12,185,873</u>
Ancillary expenses (note 7)	1,871,360	1,908,898
Scholarship and bursaries	1,514,404	1,362,499
Building costs - academic	486,555	428,530
General administration	1,255,524	1,151,544
Research grant expenses	170,048	228,045
Alumni development	466,066	424,924
	<u>5,763,957</u>	<u>5,504,440</u>
	<u>18,692,636</u>	<u>17,690,313</u>
Excess of revenues over expenditures before the undernoted	2,450,057	2,807,854
Amortization of capital assets	1,040,470	1,036,915
Excess of revenues over expenditures	<u>1,409,587</u>	<u>1,770,939</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, 2014

	2014				2013			
	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$
Balance - Beginning of year	8,507,801	8,031,882	810,259	17,349,942	8,603,048	5,303,077	1,672,878	15,579,003
Excess of revenues over expenditures	(799,796)	2,209,383	-	1,409,587	(784,553)	2,555,492	-	1,770,939
Capital assets acquired from own funds	839,493	(839,493)	-	-	638,464	(638,464)	-	-
Interfund transfer (note 13)	-	(48,112)	48,112	-	-	862,619	(862,619)	-
	39,697	1,321,778	48,112	1,409,587	(146,089)	2,779,647	(862,619)	1,770,939
Repayment of long-term debt (note 5)	53,976	(53,976)	-	-	50,842	(50,842)	-	-
	93,673	1,267,802	48,112	1,409,587	(95,247)	2,728,805	(862,619)	1,770,939
Balance - End of year	8,601,474	9,299,684	858,371	18,759,529	8,507,801	8,031,882	810,259	17,349,942

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

Huron University College

Statement of Cash Flows

For the year ended April 30, 2014

	2014 \$	2013 \$
Cash provided by (used in)		
Cash flows from operating activities		
Excess of revenues over expenditures	1,409,587	1,770,939
Items not involving cash		
Amortization of capital assets	1,040,470	1,036,915
Amortization of deferred capital contributions	(240,674)	(252,362)
Change in employee future benefits	(78,624)	379,513
Change in deferred revenue	31,068	(86,669)
Change in non-cash working capital items (note 10)	429,532	(234,707)
	<u>2,591,359</u>	<u>2,613,629</u>
Cash flows from investing activities		
Purchase of capital assets	(902,992)	(714,711)
Increase in short-term investment	(13,312)	(13,889)
Deferred capital contributions received	209,418	161,061
	<u>(706,886)</u>	<u>(567,539)</u>
Cash flows from financing activities		
Repayment of long-term debt	(53,976)	(50,842)
Increase in net cash for the year	1,830,497	1,995,248
Cash - Beginning of year	<u>11,321,969</u>	<u>9,326,721</u>
Cash - End of year	<u>13,152,466</u>	<u>11,321,969</u>

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

Huron University College

Notes to Financial Statements

April 30, 2014

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.

Huron University College

Notes to Financial Statements

April 30, 2014

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

Cash

Included in cash are balances in the amount of \$943,334 (2013 - \$763,188) 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 Accounting standards for not-for-profit organizations 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, 2014

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

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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.

3 Capital assets

	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
	36,226,256	22,735,069	13,491,187
			2013
	Cost	Accumulated	Net book
	\$	amortization	value
		\$	\$
Land	325,458	-	325,458
Buildings	23,917,734	12,941,196	10,976,538
Equipment and furniture	5,285,209	4,451,975	833,234
Computer equipment	1,097,279	944,735	152,544
Library books	2,328,162	1,987,810	340,352
Food court	2,369,421	1,368,882	1,000,539
	35,323,263	21,694,598	13,628,665

Included in food court is \$119,474 (2013 - \$116,584) of construction in progress that has yet to commence amortization. Amortization of these amounts will commence once the construction is complete and the item is put into use.

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Notes to Financial Statements

April 30, 2014

4 Deferred capital contributions

	2014 \$	2013 \$
Deferred capital contributions		
Balance - Beginning of year	2,481,759	2,615,047
Facility renewal/infrastructure capital grant	35,588	35,464
Huron University College Foundation capital contribution	27,912	19,044
Total contributions received	63,500	54,508
Amortized to operations	(184,177)	(187,796)
Balance - End of year	2,361,082	2,481,759
	2014 \$	2013 \$
Unapplied deferred capital contributions		
Balance - Beginning of year	452,442	367,628
Graduate expansion capital grant	37,370	34,040
Huron University College Foundation capital contribution	108,548	50,774
Balance - End of year	598,360	452,442
	2014 \$	2013 \$
Deferred Superbuild capital contributions		
Balance - Beginning of year	1,129,939	1,172,766
Huron University College Foundation capital contribution	-	21,739
Amortized to operations	(56,497)	(64,566)
Balance - End of year	1,073,442	1,129,939
Total deferred capital contributions	4,032,884	4,064,140

Deferred contributions related to capital assets represent restricted contributions to fund capital projects. As at April 30, 2014, \$598,360 of total deferred capital contribution are unspent (2013 - \$452,442).

Huron University College

Notes to Financial Statements

April 30, 2014

5 Long-term debt

	2014 \$	2013 \$
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	1,509,165
Less: Current portion	1,455,189	53,976
	<u>-</u>	<u>1,455,189</u>

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

	2014 \$	2013 \$
Southwest residence loan	<u>53,976</u>	<u>50,842</u>

The principal repayments over the remaining term of the loan are as follows:

	\$
2015	<u>1,455,189</u>

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, 2014 and 2013, no amounts were drawn on this credit facility.

Huron University College

Notes to Financial Statements

April 30, 2014

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 \$539,750 (2013 - \$522,409).

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.

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

	2014 \$	2013 \$
Funded status		
Funded status - deficit	2,703,834	2,791,460
Unamortized experience losses	(858,371)	(810,259)
	<hr/>	<hr/>
Net accrued benefit liability	1,845,463	1,981,201

The Plan has no assets. There were no contributions made during the year and no settlement payments were paid out of the Plan. Benefit payments of \$518,352 (2013 - \$Nil) were paid during the year by the University.

	2014 \$	2013 \$
Change in accrued benefit obligation		
Accrued benefit obligation - May 1	2,791,460	3,329,620
Current service cost	63,958	73,937
Interest cost	72,710	104,871
Benefit payments	(518,352)	-
Actuarial loss (gain)	294,058	(716,968)
	<hr/>	<hr/>
Accrued benefit obligation - April 30	2,703,834	2,791,460

Huron University College

Notes to Financial Statements

April 30, 2014

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

	2014	2013
	\$	\$
Current service cost	63,958	73,937
Interest cost	72,710	104,871
Amortization of actuarial loss	245,946	145,651
	<hr/>	<hr/>
Net pension costs recognized	382,614	324,459
	<hr/>	<hr/>

The significant assumptions used are as follows:

	2014	2013
	%	%
Accrued benefit obligation as at April 30		
Discount rate	3.50	3.00
Rate of compensation increase	3.10	3.20
Benefit costs for the year ended April 30		
Discount rate	3.00	3.85
Rate of compensation increase	3.20	3.30

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 \$157,018 (2013 - \$99,904) relating to earned future post-employment benefits.

Huron University College

Notes to Financial Statements

April 30, 2014

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.

	2014 \$	2013 \$
Ancillary revenue		
Residence fees and rentals	2,282,403	2,106,221
Conference	224,105	265,440
Parking	291,391	294,546
Food court	7,768	8,475
	<hr/> 2,805,667	<hr/> 2,674,682
Ancillary expenditures		
Interest on long-term debt	89,018	92,152
Residence salary and benefits	317,469	308,417
Conference salary and benefits	24,979	75,019
Building costs	1,229,026	1,198,305
Conference food costs	24,176	41,729
Other costs	186,692	193,276
	<hr/> 1,871,360	<hr/> 1,908,898
Excess of revenue over expenditures for ancillary operations	<hr/> 934,307	<hr/> 765,784

Huron University College

Notes to Financial Statements

April 30, 2014

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 \$1,017,364 (2013 - \$880,960). Of the amounts approved for transfer, the University has received the following:

	2014	2013
	\$	\$
Huron University College Foundation		
Trust and Endowment Fund	140,919	92,648
Foundation Fund	727,810	747,529
Foundation Superbuild	-	21,739
Capital contributions	136,460	69,818
	<hr/>	<hr/>
	1,005,189	931,734
Deferred capital contributions	<hr/> (136,460)	<hr/> (91,557)
	<hr/> 868,729	<hr/> 840,177

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

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The Foundation has not been consolidated in the University's financial statements. A financial summary of the Foundation as at December 31, 2013 and December 31, 2012 and for the years then ended is as follows:

	2013 \$	2012 \$
Balance sheet		
Assets		
Investments, at market	17,226,628	15,110,649
Other assets	413,495	214,598
	<u>17,640,123</u>	<u>15,325,247</u>
Liabilities		
	<u>102,177</u>	<u>107,061</u>
Fund balances		
Huron University College Trust and Endowment	2,980,295	2,799,218
Foundation	14,557,651	12,418,968
	<u>17,537,946</u>	<u>15,218,186</u>
	<u>17,640,123</u>	<u>15,325,247</u>
Statement of operations		
Donations and investment income	2,053,323	2,638,122
Expenditures	(103,908)	(76,312)
	<u>1,949,415</u>	<u>2,561,810</u>
Excess of revenue over expenditures	1,949,415	2,561,810
Disbursed to Huron University College	(1,040,420)	(908,601)
Net realized and unrealized capital gain	1,410,765	334,321
	<u>2,319,760</u>	<u>1,987,530</u>

9 Other revenue

	2014 \$	2013 \$
Amortization of deferred contributions	240,674	252,362
Diocesan grant	100,398	99,874
Other academic revenue	323,136	284,491
Miscellaneous revenue	285,475	257,098
Summer course revenue	662,683	668,462
	<u>1,612,366</u>	<u>1,562,287</u>

Huron University College

Notes to Financial Statements

April 30, 2014

10 Changes in non-cash working capital items

	2014	2013
	\$	\$
Accounts receivable	348,333	(365,570)
Prepaid expenses	1,131	(7,500)
Due from Huron University College Foundation	(22,334)	(20,982)
Accounts payable and accrued liabilities	(4,831)	161,730
Advance tuition and residence deposits	107,233	(2,385)
	<u>429,532</u>	<u>(234,707)</u>
Interest paid on long-term debt	<u>89,018</u>	<u>92,152</u>

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, 2013 and 2012 have been included with the University's financial statements.

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

	2013	2012
	\$	\$
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

	2013	2012
	\$	\$
Balance - Beginning of year	(77,951)	(78,546)
Net return on investment	45,216	17,453
Bursaries awarded	<u>(16,800)</u>	<u>(16,858)</u>
Balance - End of year	<u>(49,535)</u>	<u>(77,951)</u>
Number of awards	<u>11</u>	<u>9</u>

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Notes to Financial Statements

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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.

	2014		2013	
	Cost \$	Market value \$	Cost \$	Market value \$
Colonel Leonard	600,759	643,261	549,711	623,448
Sarah Leonard	783,452	824,953	680,278	794,838
Diocese of Huron	170,696	251,903	170,696	223,262
Trusts administered on behalf of Huron University College	1,554,907	1,720,117	1,400,685	1,641,548

13 Restrictions on net assets

In 2010, the University's Board of Directors 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 disclosed in note 6. This restricted amount is not available for other purposes without approval of the Board of Directors. The interfund transfer of \$48,112 (2013 - \$862,619) represents the change in the unrecognized actuarial loss during the year (see note 6).

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 \$353 as at April 30, 2014 (2013 - \$Nil), which includes Employee Health Tax, CPP, EI and employee tax deductions. There were no remittances in arrears as at April 30, 2014 or April 30, 2013.

16 Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation.

