

Consolidated Financial Statements of

**UNIVERSITY OF OTTAWA**

Year ended April 30, 2014

# UNIVERSITY OF OTTAWA

## Consolidated Financial Statements

Year ended April 30, 2014

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Statement of Administrative Responsibility

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Consolidated Financial Statements

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## STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

September 29, 2014

Management of the University is responsible for the preparation of the consolidated financial statements, the notes and all other financial information contained in this financial report.

Management has prepared the consolidated financial statements in accordance with accounting principles and guidelines developed by the Chartered Professional Accountants of Canada (formerly the Canadian Institute of Chartered Accountants). In order to achieve the objective of fair presentation in all material respects, reasonable estimates and professional judgements were used. Management believes the consolidated financial statements present fairly the University's financial position as at and for the year ended April 30, 2014.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements. The system of internal controls is monitored by the University's internal audit service.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through the Audit Committee. All members of the Audit Committee are not officers or employees of the University. The Audit Committee meets with management, the external auditors as well as the internal auditors, to discuss the results of audit examinations and financial reporting matters and to satisfy itself that each party is properly discharging its responsibilities. The external and internal auditors have full access to the Audit Committee with or without the presence of management.

The consolidated financial statements as at and for the year ended April 30, 2014 have been audited by KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, the auditors appointed by the Board of Governors. The independent auditors' report outlines the scope of their audit and their opinion on the preparation of the information included in the consolidated financial statements.

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Allan Rock, President

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P. Marc Joyal CPA, CA,  
Vice-President, Resources



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Governors of the University of Ottawa

We have audited the accompanying consolidated financial statements of the University of Ottawa, which comprise the consolidated statement of financial position as at April 30, 2014, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University of Ottawa as at April 30, 2014 and its consolidated statements of operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Other Matter**

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Handwritten signature of KPMG LLP in black ink, with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

September 29, 2014

Ottawa, Canada

# UNIVERSITY OF OTTAWA

## Consolidated Statement of Financial Position

April 30, 2014, with comparative information for 2013  
(in thousands of dollars)

	2014	2013
<b>Assets</b>		
Current assets:		
Cash and short-term investments (note 3)	\$ 202,825	\$ 318,795
Accounts receivable (note 4)	85,052	94,696
Inventories and other	12,663	11,071
	<u>300,540</u>	<u>424,562</u>
Long-term investments (note 5)	575,376	411,309
Capital assets (note 6)	1,638,539	1,612,251
	<u>\$ 2,514,455</u>	<u>\$ 2,448,122</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 85,659	\$ 96,423
Deferred revenue (note 8)	244,856	237,661
Current portion of long-term debt (note 11)	1,218	1,136
	<u>331,733</u>	<u>335,220</u>
Deferred contributions related to capital assets (note 9)	339,031	348,882
Employee future benefits (note 10)	279,051	241,006
Long-term debt (note 11)	177,230	180,228
	<u>1,127,045</u>	<u>1,105,336</u>
Net assets:		
Unrestricted - operating	7,103	3,223
Internally restricted - employee future benefits	(279,051)	(241,006)
Internally restricted - other (note 12)	296,697	289,600
Endowments (note 13)	233,880	201,243
Invested in capital assets (note 14)	1,128,781	1,089,726
	<u>1,387,410</u>	<u>1,342,786</u>
Commitments and contingent liabilities (note 18)		
	<u>\$ 2,514,455</u>	<u>\$ 2,448,122</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

\_\_\_\_\_ Governor

\_\_\_\_\_ Governor

# UNIVERSITY OF OTTAWA

## Consolidated Statement of Operations

Year ended April 30, 2014, with comparative information for 2013  
(in thousands of dollars)

	2014	2013
Revenue:		
Operating grants	\$ 383,785	\$ 380,774
Tuition and other fees	326,792	305,802
Research grants and contracts (note 22)	148,980	125,564
Capital grants (note 9)	7,972	6,853
Donations	9,887	11,164
Investment income (note 5)	55,906	40,079
Sale of services	19,624	17,471
Student housing	19,275	18,878
Other	17,048	16,242
	<u>989,269</u>	<u>922,827</u>
Expenses:		
Salaries and employee benefits (note 15)	646,238	606,233
Scholarships, bursaries and financial aid	75,477	70,185
Supplies and other contractual services	89,039	85,412
Fees (note 16)	30,561	28,673
Inter-institutional research and other agreements (note 17)	29,363	30,187
Travel	18,367	17,121
Interest and bank fees	12,225	12,169
Amortization of capital assets	52,542	53,707
Other	20,182	20,625
	<u>973,994</u>	<u>924,312</u>
Excess (deficiency) of revenue over expenses	\$ 15,275	\$ (1,485)

See accompanying notes to consolidated financial statements.

# UNIVERSITY OF OTTAWA

## Consolidated Statement of Changes in Net Assets

Year ended April 30, 2014, with comparative information for 2013  
(in thousands of dollars)

	Unrestricted - operating	Internally restricted - employee future benefits	Internally restricted - other	Endowments	Net assets invested in capital assets	2014 Total	2013 Total
Net assets balance, beginning of year	\$ 3,223	\$ (241,006)	\$ 289,600	\$ 201,243	\$ 1,089,726	\$ 1,342,786	\$ 1,327,061
Excess (deficiency) of revenue over expenses	15,275	–	–	–	–	15,275	(1,485)
Net assets invested in capital assets (note 14)	(37,275)	–	–	–	37,275	–	–
Internally restricted - employee future benefits (note 10)	38,045	(38,045)	–	–	–	–	–
Internally restricted - other	(12,165)	–	7,097	5,068	–	–	–
Net contributions and investment income earned on endowments (note 13)	–	–	–	27,569	–	27,569	17,129
Decrease in unrealized losses on the interest rate swaps designated as cash flow hedges (note 14)	–	–	–	–	1,780	1,780	81
Net assets balance, end of year	\$ 7,103	\$ (279,051)	\$ 296,697	\$ 233,880	\$ 1,128,781	\$ 1,387,410	\$ 1,342,786

See accompanying notes to consolidated financial statements.



# UNIVERSITY OF OTTAWA

## Consolidated Statement of Cash Flows

Year ended April 30, 2014, with comparative information for 2013  
(in thousands of dollars)

	2014	2013
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 15,275	\$ (1,485)
Items which do not involve cash:		
Amortization of capital assets	52,542	53,707
Deferred contributions related to capital assets recognized as revenue (note 9)	(32,170)	(23,047)
Increase in employee future benefits liability	38,045	28,905
	<u>73,692</u>	<u>58,080</u>
Net change in non-cash working capital balances	4,483	9,733
	<u>78,175</u>	<u>67,813</u>
Investing activities:		
Acquisitions of capital assets	(78,830)	(119,044)
Net acquisitions of long-term investments	(164,067)	(43,061)
	<u>(242,897)</u>	<u>(162,105)</u>
Financing activities:		
Increase of deferred contributions related to capital assets (note 9)	22,319	42,897
Repayment of long-term debt	(1,136)	(1,061)
Net contributions and investment income earned on endowments (note 13)	27,569	17,129
	<u>48,752</u>	<u>58,965</u>
Decrease in cash and short-investments	(115,970)	(35,327)
Cash and short-term investments, beginning of year	318,795	354,122
Cash and short-term investments, end of year (note 3)	<u>\$ 202,825</u>	<u>\$ 318,795</u>

See accompanying notes to consolidated financial statements.

# UNIVERSITY OF OTTAWA

## Notes to Consolidated Financial Statements

Year ended April 30, 2014

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### 1. Objectives and purpose:

The University of Ottawa is a bilingual research university offering undergraduate and graduate level education programs. The objectives of the University, as well as the powers of the Board of Governors and of the Senate, are defined in the "University of Ottawa Act, 1965". The University is a registered charity and is therefore exempt from income taxes under section 149(1) (f) of the Income Tax Act of Canada.

### 2. Significant accounting policies:

These consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### (a) Basis of presentation:

The University accounts for its investments using the equity method. Relevant financial information of its subsidiary is provided in note 21.

#### (b) Revenue recognition:

The University recognizes contributions in accordance with the deferral method of accounting for contributions for not-for-profit organizations.

Contributions and investment income externally restricted for purposes other than endowment are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for the purposes designated by external parties.

Unrestricted contributions are recognized as revenue when received or receivable if amounts can be reasonably estimated and collection is reasonably assured. Due to the uncertainty involved in collecting pledged donations, they are not recognized until received.

Endowment contributions and restricted investment income earned on endowments and not available for disbursements are recognized as direct increases in net assets in the period in which they are received or earned.

Externally restricted contributions received towards the acquisition of capital assets are deferred and amortized to revenue on the same basis as the related depreciable capital assets are amortized.

Tuition and other fees are recognized as revenue based on the academic period of the related courses or programs.

Other types of revenue are recognized in the period to which they relate.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

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## 2. Significant accounting policies (continued):

### (c) Investments:

Short-term investments are cashable on demand and long-term investments consist of pooled and segregated funds.

Investments are either managed by external fund managers or maintained as working capital.

Investments denominated in foreign currencies are translated using rates of exchange in effect at the consolidated statement of financial position date.

### (d) Inventories:

Inventories of merchandise held for resale are recorded at the lower of cost and replacement cost. Cost is determined using the average cost basis.

### (e) Capital assets:

Purchased capital assets are recorded at cost, less accumulated amortization, except for land acquired prior to May 1, 2011 which is recorded at deemed cost, being fair value at May 1, 2011. Capital assets are recorded at fair value at the date of acquisition. Capital assets are amortized on a straight-line basis over their estimated useful lives, which are:

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Buildings	40 years
Books	5 years
Equipment and furniture	10 years
Computer equipment	3 years
Construction in progress	Amortized once in service

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### (f) Employee future benefits:

The University has defined benefit pension plans which provide a pension to employees based on their length of service and average earnings, in accordance with the relevant plan designs. In addition to the University's pension plans, the University provides certain post-employment and post-retirement benefits ("other benefits") to eligible employees, and to their dependents under certain conditions, such as severance payments, life insurance, and health and dental benefits. A significant portion of the University's employees may become eligible for these benefits upon retirement. The University has adopted the following policies:

- The University uses the deferral and amortization approach to account for its defined benefit plans. The University accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension and other retirement benefits.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

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## 2. Significant accounting policies (continued):

(f) Employee future benefits (continued):

- The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method prorated on service (which incorporates management's best estimate of expected plan investment performance, future salary levels, other cost escalation, retirement ages of employees and other actuarial factors).
- The estimated present value of post-employment and post-retirement benefits is charged to operations over the employees' estimated years of service to the date of eligibility. Pension costs related to current services are charged to operations as services are rendered from the date the employee joined the plan to the assumed retirement age.
- For the purpose of calculating the expected return on pension plan assets, those assets are valued at fair value.
- Actuarial gains (losses) on plans' assets arise from the difference between the actual return on plans' assets for a period and the expected return on plans' assets for that period. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gains (losses) over 10 percent of the greater of the accrued benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees. Past service costs from plans' amendments are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of the amendment.
- The University also has a defined contribution plan providing pension benefits to some of its employees. The cost of the defined contribution plan is recognized based on the contributions required to be made during each period.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

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## 2. Significant accounting policies (continued):

### (g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. All derivatives and investments are recorded on the consolidated statement of financial position at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the University determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the University expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The University enters into interest rate swaps to hedge the effect of changes in interest rates on its long-term debt. The University uses the accrual basis of accounting for hedges. Gains or losses realized on the settlement of the hedging item are deferred until the settlement of the hedged item.

At the inception of hedging relationship, the University designates that hedge accounting will be applied. The University formally documents the hedging relationship between the hedging instruments and hedged item. At the inception of the hedge and throughout its term, the terms of the hedging item and hedged item are the same.

Hedge accounting is used only when the notional amount of the swap matches the principal amount of the hedged item, the fair value of the swap at the inception is nil, the fixed rate is the same throughout the swap and the variable rate is based on the same index and includes the same or no adjustment and the debt instrument cannot be settled before maturity and the swap matures within two weeks of the maturity date of the debt.

Payments made under the swaps are recognized as expenses in the consolidated statement of operations.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 2. Significant accounting policies (continued):

### (h) Internal restrictions:

The University internally restricts the use of portions of its operating net assets for specific future uses. When incurred, related expenses are charged to operations, and the balance of internally restricted assets is reduced accordingly.

### (i) Contributed services:

Because of the difficulty in determining their fair value, contributed services provided to the University are not recognized in these consolidated financial statements.

### (j) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts of assets and liabilities, the disclosures of contingent assets and liabilities and the amounts of revenues and expenses recorded in the financial statements. Actual results could differ from those estimates.

These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

Significant management estimates include assumptions used in determining the fair values, interest rate swaps and in the calculation of the employee future benefit liability.

## 3. Cash and short-term investments:

Fair value:

April 30, 2014 (in thousands of dollars)	Pooled funds	Segregated funds	Total
Cash	\$ 59,138	\$ 5,035	\$ 64,173
Government bonds	27,605	1,265	28,870
Corporate bonds	18,947	90,835	109,782
	\$ 105,690	\$ 97,135	\$ 202,825

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

### 3. Cash and short-term investments (continued):

April 30, 2013 (in thousands of dollars)	Pooled funds	Segregated funds	Total
Cash	\$ 47,263	\$ 86,489	\$ 133,752
Government bonds	22,370	8,793	31,163
Corporate bonds	23,283	130,597	153,880
	\$ 92,916	\$ 225,879	\$ 318,795

Government bonds have interest rates ranging from 1.0% to 1.8% (2013 - 1.8% to 5.4%) and maturity dates up to 2014 (2013 - 2016). Corporate bonds have interest rates ranging from 1.3% to 5.1% (2013 - 1.4% to 9.3%) and maturity dates up to 2067 (2013 - 2067).

### 4. Accounts receivable:

(In thousands of dollars)	2014	2013
Research	\$ 57,627	\$ 61,868
Students	18,326	17,539
Others	17,348	22,608
	93,301	102,015
Allowance for doubtful accounts	(8,249)	(7,319)
	\$ 85,052	\$ 94,696

### 5. Long-term investments:

Fair value:

April 30, 2014 (in thousands of dollars)	Pooled funds	Segregated funds	Total
Fixed income	\$ 71,610	\$ 56,500	\$ 128,110
Canadian equities	45,753	-	45,753
Foreign equities	208,973	56,896	265,869
Real estate and infrastructure	51,216	-	51,216
Hedge funds	84,428	-	84,428
	\$ 461,980	\$ 113,396	\$ 575,376

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 5. Long-term investments (continued):

April 30, 2013 (in thousands of dollars)	Pooled funds	Segregated funds	Total
Fixed income	\$ 98,309	\$ 9,040	\$ 107,349
Canadian equities	32,354	482	32,836
Foreign equities	110,324	83,271	193,595
Real estate and infrastructure	37,129	-	37,129
Hedge funds	40,400	-	40,400
	\$ 318,516	\$ 92,793	\$ 411,309

Coupon interest rates on fixed income investments range from 1.8% to 8.9% (2013 - 2.7% to 6.8%) and the investments mature between 2017 and 2052 (2013 - 2021 and 2068).

Investment income is comprised of:

(In thousands of dollars)	2014	2013
Dividends, interest and other	\$ 37,516	\$ 25,499
Realized gains on investments	46	10,416
Unrealized gains on investments	18,344	4,164
Total	\$ 55,906	\$ 40,079

## 6. Capital assets:

(In thousands of dollars)	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 767,869	\$ -	\$ 767,869	\$ 766,719
Buildings	1,048,477	300,270	748,207	679,679
Construction in progress	1,406	-	1,406	39,152
Books	74,497	51,409	23,088	21,412
Equipment and furniture	185,138	95,082	90,056	96,854
Computer equipment	24,887	16,974	7,913	8,435
	\$ 2,102,274	\$ 463,735	\$ 1,638,539	\$ 1,612,251

Cost and accumulated amortization as at April 30, 2013 amounted to \$2,034,744 and \$422,493, respectively.



# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 6. Capital assets (continued):

The increase in net book value of capital assets is due to the following:

(In thousands of dollars)	2014	2013
Balance, beginning of year	\$ 1,612,251	\$ 1,546,914
Acquisitions of capital assets:		
Funded by grants	13,495	38,610
Funded by internal resources	63,328	76,147
Donations of capital assets	2,007	4,287
	78,830	119,044
Amortization of capital assets	(52,542)	(53,707)
Balance, end of year	\$ 1,638,539	\$ 1,612,251

In the year, the University removed fully amortized capital assets with an original cost of \$11.276 million (2013 - \$13.105 million).

## 7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$6.414 million (2013 - \$5.920 million), which includes amounts payable for HST and payroll related taxes.

## 8. Deferred revenue:

Deferred revenue represents unexpended amounts which are subject to externally imposed restrictions. Changes in the deferred revenue balance are as follows:

(In thousands of dollars)	2014	2013
Balance, beginning of year	\$ 237,661	\$ 221,965
Contributions received during the year	536,066	518,121
Recognized as revenue	(522,025)	(502,201)
Transfer to deferred contributions related to capital assets	(6,846)	(224)
Balance, end of year	\$ 244,856	\$ 237,661

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 8. Deferred revenue (continued):

The balance is made up of the following:

(In thousands of dollars)	2014	2013
Operating	\$ 31,325	\$ 24,435
Sponsored research and trust	188,053	184,350
Capital	25,478	28,876
<b>Total</b>	<b>\$ 244,856</b>	<b>\$ 237,661</b>

## 9. Deferred capital contributions related to capital assets:

Deferred contributions related to capital assets represent the unamortized amount of donations and grants used for the purchase of capital assets. The changes in the deferred contributions balance for the period are as follows:

(In thousands of dollars)	2014	2013
Balance, beginning of year	\$ 348,882	\$ 329,032
Transfer from deferred revenue	6,846	224
Contributions received during the year	13,466	38,386
Contributions in-kind received during the year	2,007	4,287
	22,319	42,897
Recognized as revenue:		
Research grants and contracts	(20,627)	(11,465)
Capital grants	(7,972)	(6,853)
Donations	(3,571)	(4,729)
	(32,170)	(23,047)
<b>Balance, end of year</b>	<b>\$ 339,031</b>	<b>\$ 348,882</b>

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

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## 10. Employee future benefits:

The University maintains defined benefit retirement plans which provide a pension to employees based on their length of service and average earnings.

In addition to the University's pension plans, the University provides certain post-employment and post-retirement benefits ("other benefits") to eligible employees, and to their dependents under certain conditions, such as severance payments, life insurance, and health and dental benefits. A significant portion of the University's employees may become eligible for these benefits upon retirement. These other benefits are not funded. The calculation of pension and other benefits expense in accordance with the accounting policy is based on the current service cost of employee benefits and the amortization of experience gains and losses on assets and liabilities.

The latest actuarial valuations were completed by an independent actuary as at January 1, 2014 for the pension plans and as at December 31, 2012 for the post-employment and post-retirement benefit plans. For financial statement purposes, the results of these valuations were extrapolated to April 30, 2014 which is the measurement date used to determine the plans' assets and the accrued benefit obligations. The most recent actuarial valuation on the pension plans for funding purposes filed was dated January 1, 2014 and the next required valuation will be filed as of January 1, 2017 at the latest.

The employee future benefits liability consists of the pension benefit plans for which the liability increased by \$35.810 million (2013 - \$27.243 million) for a total liability of \$211.2 million (2013 - \$175.4 million) and other benefits plan for which the liability increased by \$2.235 million (2013 - \$1.662 million) for a total liability of \$67.8 million (2013 - \$65.6 million). The average remaining service period of the active employees has been determined as at May 1, 2013 to be 11.2 years for the pension plan and to be between 10 and 13 years for other employee future benefits.

An internally restricted reserve, classified in internally restricted net assets – other, has been established in the net assets of the statement of financial position in the amount of \$34.645 million (2013 - \$33.424 million) to cover a portion of the costs of the other benefits.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 10. Employee future benefits (continued):

The employee future benefit liability is as follows:

(In thousands of dollars)	2014	2013
Pension benefit plans:		
Balance, beginning of year	\$ (175,399)	\$ (148,156)
Expense	(94,861)	(69,565)
Funding contributions	59,051	42,322
Balance, end of year	(211,209)	(175,399)
Other benefit plan:		
Balance, beginning of year	(65,607)	(63,945)
Expense	(6,520)	(5,920)
Funding contributions	4,285	4,258
Balance, end of year	(67,842)	(65,607)
Employee future benefit liability, end of year	\$ (279,051)	\$ (241,006)

Information about the University's employee future benefits is as follows:

Pension benefit plans (in thousands of dollars)	2014	2013
Accrued benefit obligation	\$ (2,161,183)	\$ (2,131,510)
Fair value of plans' assets	1,793,317	1,551,692
Plans' deficit	(367,866)	(579,818)
Unamortized net actuarial loss	156,657	404,419
Employee future benefit liability	\$ (211,209)	\$ (175,399)
Other benefit plan (in thousands of dollars)		
Accrued benefit obligation	\$ (66,743)	\$ (78,725)
Fair value of plan assets	-	-
Plan deficit	(66,743)	(78,725)
Unamortized net actuarial loss (gain)	(1,099)	13,118
Employee future benefit liability	\$ (67,842)	\$ (65,607)

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 10. Employee future benefits (continued):

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

Pension benefit plans	2014	2013
Discount rate obligations	4.60%	4.20%
Expected long-term rate of return on plans' assets	6.25%	6.10%
Rate of compensation increase including inflation (PTR = Progress through rank)	3.00%+ updated PTR scale	1.50% - 3.50% increasing from 2012 to 2017 + PTR scale
Inflation rate	2.00%	2.50%

  

Other benefit plan	2014	2013
Discount rate obligations	3.70% - 4.50%	3.20% - 4.00%
Rate of compensation increase including inflation (PTR = Progress through rank)	3.00%+ updated PTR scale	1.50% - 3.50% increasing from 2012 to 2017 + PTR scale

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 10. Employee future benefits (continued):

Information about the University's employee future benefits is as follows:

Pension benefit plans (in thousands of dollars)	2014	2013
Employer's contributions – normal cost	\$ 49,596	\$ 35,938
Employer's contributions – special payment	9,455	6,384
Employees' contributions	20,798	17,171
<b>Total contributions</b>	<b>\$ 79,849</b>	<b>\$ 59,493</b>
<b>Total benefits paid</b>	<b>\$ 70,289</b>	<b>\$ 67,020</b>

Other benefit plan (in thousands of dollars)	2014	2013
Employer's contributions – normal cost	\$ 4,285	\$ 4,258
Employer's contributions – special payment	–	–
Employees' contributions	–	–
<b>Total contributions</b>	<b>\$ 4,285</b>	<b>\$ 4,258</b>
<b>Total benefits paid</b>	<b>\$ 4,285</b>	<b>\$ 4,258</b>

The assumed discount rates, the expected long-term rates of return on plans' assets and the rates of increase in future compensation used in determining the actuarial present value of the projected benefit obligations may vary according to the economic conditions.

The assumed medical cost increase trend rate used in measuring the accumulated post-employment benefits obligation in 2014 and for the next 6 years is on average 7.0% and 5.0% thereafter (9.00% per annum in 2014 grading down to 4.50% per annum in and after 2030 for drug and 4.5% for other medical).

Pension plans' assets are held by RBC Investor Services Trust. Based on the fair value of the plans' assets at April 30, 2014, the assets of the Plans were composed of 56.1% in equities, 21.1% in fixed income investments, and 22.8% in real return assets (2013 - 56.2% in equities, 22.4% in fixed income investments, and 21.4% in real return assets).

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 11. Long-term debt:

(In thousands of dollars)	2014	2013
Variable rate loan on a student residence converted to a fixed rate loan (SWAP) at 7.465%, maturing in August 2026 with monthly payments of \$228 including principal and interest.	\$ 21,823	\$ 22,885
Mortgages on student residences maturing between January 2015 and June 2016 with semi-annual payments of \$42 including principal and interest at rates between 5.125% and 5.375%.	114	188
Unsecured debentures, Series A, due April 15, 2043, bearing interest at a rate of 6.28%, interest payable in equal semi-annual payments.	150,000	150,000
	171,937	173,073
Accumulated unrealized losses on interest rate swaps designated as cash flow hedge	6,511	8,291
	178,448	181,364
Current portion	(1,218)	(1,136)
	\$ 177,230	\$ 180,228

The principal installments required to be paid over the next five years are as follows:

2015	\$ 1,218
2016	1,246
2017	1,324
2018	1,407
2019	1,510

### *Interest rate swaps*

The University entered into interest rate swaps on a student residence to eliminate the impact on future cash flows relating to changes in interest rates. The accumulated unrealized losses on interest rate swap will be eliminated concurrently with the debt repayments up to the maturity date. The fair value of the interest rate swaps is \$6.511 million (2013 - \$8.291 million). This amount has been recorded in long-term debt.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

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## 11. Long-term debt (continued):

### *Sinking fund*

A sinking fund was established for the purpose of accumulating funds to retire the \$150 million Series A Unsecured Debentures due April 15, 2043. The University invests an annual payment, subject to an annual review, to ensure that, together with investment income, there will be sufficient funds necessary to extinguish the debt of \$150 million, which is due on April 15, 2043. As of April 30, 2014, the balance of the sinking fund including the accrued interest is \$31,348 million (2013 - \$26,200 million). This amount is included in long-term investments.

### *Line of credit*

The University has lines of credit allowing it to borrow up to \$27.5 million at an interest rate of prime. These lines of credit are subject to annual renewal. There was no outstanding balance as at April 30, 2014 (2013 - \$Nil).

### *Interest*

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(In thousands of dollars)	2014	2013
Interest paid and incurred related to the long-term debt	\$ 11,095	\$ 11,173

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# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 12. Internally restricted net assets – other:

The total of internally restricted net assets – other consists of the following:

(In thousands of dollars)	2014	2013
Operating	\$ 143,914	\$ 134,650
Sinking fund	31,348	26,200
Ancillary enterprises	16,108	15,512
Research	30,661	32,463
Trust	18,169	18,918
Capital	56,497	61,857
Balance, end of year	\$ 296,697	\$ 289,600

## 13. Endowments:

Endowments include restricted donations received by the University. Donations that have been internally designated as endowments are accounted for as transfers. Investment returns generated from endowments are used in accordance with the various purposes established by the donors or by the University in the exercise of its discretion. The University protects the future purchasing power of its endowments by designating a portion of the annual investment income earned to endowments, known as capital protection. Accordingly, the University has established a policy of setting the amount of income available for spending to 3.5% (2013 – 4.0%) of the last 12 quarters market value moving average. The purpose of this policy is to allow the University to distribute a consistent amount of income from endowments on an annual basis regardless of the investment income earned in the fiscal year.

Activities in the endowments were as follows:

(In thousands of dollars)	2014	2013
Balance, beginning of year	\$ 201,243	\$ 183,870
External contributions	5,049	4,281
Internal transfers	5,068	244
Investment revenue	29,296	19,647
Distributions	(6,776)	(6,799)
Balance, end of year	\$ 233,880	\$ 201,243

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 13. Endowments (continued):

The balance is composed of the following funds:

(In thousands of dollars)	2014	2013
Internally restricted	\$ 35,013	\$ 26,575
Externally restricted	198,867	174,668
	<u>\$ 233,880</u>	<u>\$ 201,243</u>

The endowment fund consists of:

(In thousands of dollars)	2014	2013
Permanently endowed contributions	\$ 181,442	\$ 171,325
Cumulative amount for capital protection	52,438	29,918
	<u>\$ 233,880</u>	<u>\$ 201,243</u>

## 14. Net assets invested in capital assets:

The net asset invested in capital assets consists of the following:

(In thousands of dollars)	2014	2013
Capital assets	\$ 1,638,539	\$ 1,612,251
Less amounts financed by:		
Long-term debt	(164,216)	(165,352)
Deferred contributions related to capital assets (note 9)	(339,031)	(348,882)
Accumulated unrealized losses on interest rate swaps designated as cash flow hedges (note 11)	(6,511)	(8,291)
Balance, end of year	<u>\$ 1,128,781</u>	<u>\$ 1,089,726</u>

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 14. Net assets invested in capital assets (continued):

The change in net assets invested in capital assets is calculated as follows:

(In thousands of dollars)	2014	2013
Repayment of long-term debt	\$ 1,136	\$ 1,062
Acquisitions of capital assets	78,830	119,044
Deferred contributions related to capital assets recognized as revenue (note 9)	32,170	23,047
Increase in net assets invested in capital assets	112,136	143,153
Amortization of capital assets (note 6)	(52,542)	(53,707)
Transfer from deferred revenue (note 8)	(6,846)	(224)
Capital asset contributions received (note 9)	(15,473)	(42,673)
Unrealized gains (losses) on the interest rate swaps designated as cash flow hedges	1,780	81
Decrease in net assets invested in capital assets	(73,081)	(96,523)
Change in net assets invested in capital assets	\$ 39,055	\$ 46,630

## 15. Salaries and employee benefits:

Salaries and employee benefits are composed of:

(In thousands of dollars)	2014	2013
Salaries	\$ 499,446	\$ 483,777
Fringe benefits	45,411	46,971
Future employee benefits expenses:		
Pension plan	94,861	69,565
Others	6,520	5,920
Total	\$ 646,238	\$ 606,233

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 16. Fees:

Fees are composed of:

(In thousands of dollars)	2014	2013
Professional services	\$ 2,606	\$ 3,315
Specialized services	18,831	18,470
Academic and research services	9,124	6,888
Total	\$ 30,561	\$ 28,673

## 17. Inter-institutional research and other agreements

These expenses consist of amounts delivered to related research institutions and other partners in relation to agreements settled between the University and the partners and in respect of which the University is the main contractor. An equivalent revenue is recorded as research grants and contracts revenue.

## 18. Commitments and contingent liabilities:

### *Self-insurance*

The University is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE), a self-insurance co-operative comprised of over forty Canadian universities and colleges. CURIE insures property damage, general liability and error and omission risks. If premiums collected and accumulated reserves are insufficient to cover expenses and claims of the various members, the University may be required to pay additional amounts.

### *Litigation*

The University is involved with pending litigation and claims which arise in the normal course of operations. In management's opinion, the University's responsibilities with respect to this litigation are minimal. Neither the possible outcomes nor the amounts of the possible settlements can be foreseen at present.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

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## 18. Commitments and contingent liabilities (continued):

### *Real estate infrastructure investment vehicles*

The University has funding commitments related to real estate infrastructure investment vehicles, which may be funded over the next several years in accordance with the terms and conditions agreed to. As at April 30, 2014, these potential commitments totaled \$45.2 million (2013 - \$25.0 million).

### *Funds provided under agreements*

In the normal course of operations, the University signs agreements whereby funds are provided to the University for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the University to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

## 19. Capital management:

The University's objectives when managing capital are to preserve its capital and to maximize the investment income of the University. The University's capital consists of unrestricted net assets, internally restricted net assets, the endowment fund and its long-term debt. The University is not subject to external restrictions on investments related to its capital.

The University has modified its approach to capital management from the prior year by updating its capital management policy.

### *Debt management*

The University's Board of Governors has approved a revised debt management policy. Its objectives are:

- To ensure that debt is used prudently to meet the key strategic objectives of the University;
- To ensure that the University maintains access to capital markets;
- To align the strategic use of debt with the University's investment policies to manage the overall cost of capital, minimize long-term costs for debt service and ensure the overall level of risk does not exceed acceptable levels;
- To take into account the University's assets, liabilities and market conditions when evaluating different debt strategies and instruments, including bridge financing and derivative products; and

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 19. Capital management (continued):

- To guide ongoing relationships with rating agencies, bond purchasers and other external constituents by communicating management's approach to the financing strategies undertaken by the University.

The policy sets out two ratios which the University must maintain, which are as follows:

	Threshold	Ratios 2014	Ratios 2013
Unrestricted liquidity-to-debt	> 0.5x	2.07	1.92
Debt burden	< 5%	2.43%	2.31%

The University may only issue debt for capital plans that have been approved by the Board of Governors. Management reports annually to the Board on the University's compliance to this policy.

### *Endowment fund management*

The University's Board of Governors has approved a non-expendable endowment fund policy, which outlines the rules governing these endowment funds. Funds are invested in accordance with the University's Investment Policy, which is approved by the Board of Governors. The primary objectives for the fund are:

- to earn a real rate of return of 4.0% after expenses over a four-year moving period. This will fulfill the fund's objectives to meet its expenditure requirements and maintain capital in real terms; and
- to earn a rate of return that exceeds a benchmark that is comprised of market indices relevant to the actual asset mix, as established from time to time by the Treasury Committee.

The University's Statement of Investment Policies and Goals (SIPG) outlines the asset classes and targets, excluding the sinking fund, which are approved by the University's Board of Governors and are as follows:

Assets classes	Minimum	Target	Maximum
Equities	40 %	50 %	60 %
Fixed income	15 %	20 %	35 %
Alternatives	15 %	30 %	40 %

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 19. Capital management (continued):

Funds may only be invested in investments that meet the policy's minimum quality requirements, as approved by recognized rating agencies.

The University complied with its capital-related policies throughout the year.

### *Cash management*

The University maintains cash, short-term and long-term investments to fund internally restricted and endowment net assets as well as to hold cash amounts received in advance of services rendered, as follows:

(In thousands of dollars)	2014	2013
Unrestricted cash	\$ 60,395	\$ 63,468
Restricted cash:		
Deferred revenue (note 8)	244,856	237,661
Accounts receivable related to research (note 4)	(57,627)	(61,868)
Internally restricted net assets - other (note 12)	296,697	289,600
Endowments net assets (note 13)	233,880	201,243
Total restricted cash	717,806	666,636
Total cash, short-term and long-term investments	\$ 778,201	\$ 730,104

## 20. Financial instruments:

### *Interest rate risk*

The University is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in notes 3 and 5 and for long-term debt in note 11.

### *Credit risk*

The risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The University's SIPG, which is reviewed annually, defines permitted investments and provides guidelines and restrictions on acceptable investment categories which minimize credit risk.

The maximum credit exposure of the University is represented by the fair value of the investments and accounts receivable as presented in the statement of financial position.

Credit risk concentration exists where a significant portion of the portfolio is invested in securities which have similar characteristics or similar variations relating to economic, political or other conditions. The University monitors the financial health of its investments on an on-going basis with the assistance of its Treasury Committee and its investment advisors.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

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## 20. Financial instruments (continued):

### *Foreign currency risk*

Foreign currency exposure arises from the University's holdings of foreign equities and bonds. Currency hedging may be used to reduce the risk from fluctuations of foreign currency exchange rates, as defined in the SIPG.

### *Liquidity risk*

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The University manages its liquidity risk by monitoring its operating requirements. The University prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no significant change to the risk exposures during the year.

## 21. Consolidated entity:

On January 13, 2010, the University created 7311842 Canada Inc., which is a wholly-owned subsidiary incorporated under the Canadian Business Corporations Act. The purpose of this subsidiary is to hold, on behalf of the University, certain investments outside of Canada.

As at April 30, 2014, the subsidiary held \$11.6 million of assets, \$1.1 million of liabilities and \$10.5 million of equity (2013 - the subsidiary held 6.00 million of assets, \$1.27 million of liabilities and \$4.73 million of equity). During the year, the subsidiary incurred net results of \$1.46 million (2013 - negative net result of \$0.208).

The University accounts for its investment in 7311842 Canada Inc. using the equity method and the investment is included in long-term investments in the consolidated statement of financial position.



# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

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## **22. Research grants and contracts:**

In addition to research grants and contracts presented in the consolidated statement of operations, University researchers actively participate in research activities directly conducted at University affiliated Hospital Research Institutes: Ottawa Hospital Research Institute, Children's Hospital of Eastern Ontario Research Institute, Ottawa Heart Institute Research Corporation, Elisabeth Bruyère Research Institute, University of Ottawa Institute of Mental Health Research and Montfort Hospital. For the year ended March 31, 2013, the total of the grants revenue for these activities has been determined by University management to be \$157 million (2012 - \$155 million) (unaudited figures).

## **23. Pledges receivable:**

The estimated realizable value of significant donations which have been pledged but not received as at April 30, 2014 was approximately \$23.2 million (2013 - \$20.7 million). These pledges are not recorded in these consolidated financial statements.

## **24. Comparative information:**

Certain comparative information has been reclassified to conform to the current year's presentation.

## **25. Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support:**

The restricted endowment fund includes funds granted by the Government of Ontario for Phase I and Phase II of the Ontario Student Opportunity Trust Fund (OSOTF) and the Ontario Trust for Student Support (OTSS), as these programs provide for the matching by the Province of Ontario of the endowment contributions received by the University. The investment revenue earned on those funds must be used to provide financial aid to Ontario Students.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2014

## 25. Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support (continued):

As per Ministry of Training, Colleges and Universities policies, the transactions related to the Ontario Student Opportunity Trust Fund and to the Ontario Trust for Student Support must be presented in these financial statements, for the year ended March 31, 2014.

(In thousands of dollars)	Ontario Student Opportunity Trust Funds		Ontario Trust for Student Support	Total 2014	Total 2013
	Phase I	Phase II			
Endowment fund					
Fund balance, beginning of year	\$ 18,285	\$ 5,585	\$ 27,257	\$ 51,127	\$ 50,416
Cash donations received during the year	—	—	—	—	—
Matching funds received from MTCU	—	—	—	—	—
Preservation of capital	277	(62)	183	398	711
<b>Fund balance, end of year</b>	<b>\$ 18,562</b>	<b>\$ 5,523</b>	<b>\$ 27,440</b>	<b>\$ 51,525</b>	<b>\$ 51,127</b>

(In thousands of dollars)	Ontario Student Opportunity Trust Funds		Ontario Trust for Student Support	Total 2014	Total 2013
	Phase I	Phase II			
Schedule of changes in expendable funds available for awards					
Balance, beginning of year	\$ 4,431	\$ 542	\$ 1,530	\$ 6,503	\$ 3,097
Realized investment income, net of direct investment -related expenses and preservation of capital contributions	4,313	894	2,230	7,437	4,264
Bursaries awarded	(837)	(184)	(366)	(1,387)	(858)
<b>Balance, end of year</b>	<b>\$ 7,907</b>	<b>\$ 1,252</b>	<b>\$ 3,394</b>	<b>\$ 12,553</b>	<b>\$ 6,503</b>
Number of recipients	466	48	176	690	616
Endowment total based on book value	\$ 26,469	\$ 6,775	\$ 30,834	\$ 64,078	\$ 57,630

# University of Ottawa

## Schedule 1 - Statement of Operations by fund

Years ended April 30, 2014 and 2013

	Operating Fund	Ancillary Funds	Research Fund	Trust Fund	Capital Fund	Total	
						2014	2013
<b>(in thousands of dollars)</b>							
<b>REVENUE</b>							
Operating grants	383 517	268			0	383 785	380 774
Tuition and other fees	323 648	1 002	1	2 141		326 792	305 802
Research grants and contracts			132 673	16 307	0	148 980	125 564
Capital grants					7 972	7 972	6 853
Donations	3 558	13	1 860	3 791	665	9 887	11 164
Investment income	45 937	1	528	7 281	2 159	55 906	40 079
Sale of services	9 219	8 068	(1)	2 338		19 624	17 471
Student housing		19 275			0	19 275	18 878
Other	9 235	3 740	148	3 164	761	17 048	16 242
	<b>775 114</b>	<b>32 367</b>	<b>135 209</b>	<b>35 022</b>	<b>11 557</b>	<b>989 269</b>	<b>922 827</b>
<b>EXPENSES</b>							
Salaries and employee benefits	561 117	7 090	60 549	17 482	0	646 238	606 233
Scholarships, bursaries and financial aid	62 001	2	6 368	7 106	0	75 477	70 185
Supplies and other contractual services	67 443	9 164	9 432	1 419	1 581	89 039	85 412
Fees	20 532	470	6 625	2 934	0	30 561	28 673
Inter-institutional research and other agreements	1 811		25 183	2 369	0	29 363	30 187
Travel	6 952	185	9 165	2 065	0	18 367	17 121
Interest & bank fees	7 157	5 050	1	17	0	12 225	12 169
Amortization of capital assets	18 709	3 146	11 259	902	18 526	52 542	53 707
Other	12 320	1 917	3 569	2 376	0	20 182	20 625
	<b>758 042</b>	<b>27 024</b>	<b>132 151</b>	<b>36 670</b>	<b>20 107</b>	<b>973 994</b>	<b>924 312</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES, BEFORE UNDERNOTED ITEMS</b>	<b>17 072</b>	<b>5 343</b>	<b>3 058</b>	<b>(1 648)</b>	<b>(8 550)</b>	<b>15 275</b>	<b>(1 485)</b>
<b>TRANSFERS</b>	<b>(18 546)</b>	<b>938</b>	<b>3 605</b>	<b>5 969</b>	<b>8 034</b>	<b>0</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(1 474)</b>	<b>6 281</b>	<b>6 663</b>	<b>4 321</b>	<b>( 516)</b>	<b>15 275</b>	<b>(1 485)</b>