

Consolidated Financial Statements of

**UNIVERSITY OF OTTAWA**

Year ended April 30, 2018

# UNIVERSITY OF OTTAWA

Consolidated Financial Statements

Year ended April 30, 2018

Statement of Administrative Responsibility

Independent Auditors' Report

Consolidated Financial Statements

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## STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

September 24, 2018

Management of the University of Ottawa ("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 Canadian accounting standards for not-for-profit organizations. 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 April 30, 2018, the consolidated statements of operations, changes in net assets and cash flows for the year then ended.

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, 2018 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.

[SIGNED]

\_\_\_\_\_  
Jacques Frémont,  
President

[SIGNED]

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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, 2018, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, notes and schedule, 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, 2018 and its consolidated results of operations, consolidated changes in net assets and consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

September 24, 2018

Ottawa, Canada

# UNIVERSITY OF OTTAWA

## Consolidated Statement of Financial Position

April 30, 2018, with comparative information for 2017  
(in thousands of dollars)

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 18,041	\$ 17,155
Short-term investments (note 3)	235,092	273,642
Accounts receivable (note 4)	98,668	108,460
Prepaid expenses	14,410	14,481
	<u>366,211</u>	<u>413,738</u>
Long-term investments (notes 5 and 21)	711,259	719,388
Employee future benefits (note 6)	246,488	197,813
Capital assets (note 7)	1,970,825	1,797,041
	<u>\$ 3,294,783</u>	<u>\$ 3,127,980</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 129,896	\$ 100,940
Deferred revenue (note 9)	274,729	271,064
Current portion of long-term debt (note 11)	1,510	1,407
	<u>406,135</u>	<u>373,411</u>
Deferred contributions related to capital assets (note 10)	437,948	413,396
Long-term debt (note 11)	365,233	366,743
	<u>1,209,316</u>	<u>1,153,550</u>
Net assets:		
Unrestricted	123	93
Internally restricted - other (note 12)	271,008	255,365
Sinking fund (note 11)	54,035	49,566
Employee future benefits (note 6)	246,488	197,813
Invested in capital assets (note 14)	1,234,156	1,201,463
Endowments (note 13)	279,657	270,130
	<u>2,085,467</u>	<u>1,974,430</u>
	<u>\$ 3,294,783</u>	<u>\$ 3,127,980</u>

Commitments and contingent liabilities (note 18)

See accompanying notes to consolidated financial statements.

On behalf of the Board

\_\_\_\_\_  
[SIGNED] Governor

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[SIGNED] Governor

# UNIVERSITY OF OTTAWA

## Consolidated Statement of Operations

Year ended April 30, 2018, with comparative information for 2017  
(in thousands of dollars)

	2018	2017
	(Schedule 1)	
Revenue:		
Operating grants	\$ 392,612	\$ 387,765
Tuition and other fees	403,703	381,806
Research grants and contracts (notes 15 and 17)	136,482	134,059
Student housing	27,970	26,016
Sale of services	25,043	25,503
Donations	14,293	13,318
Investment income (note 5)	61,389	26,883
Amortization of previously deferred contributions related to capital grants (note 10)	9,549	8,438
Other	28,778	28,357
	<u>1,099,819</u>	<u>1,032,145</u>
Expenses:		
Salaries	550,898	540,927
Employee benefits (note 16)	85,752	90,156
Supplies and other contractual services	137,064	151,263
Scholarships, bursaries and financial aid	95,115	94,741
Professional Fees	1,335	1,087
Inter-institutional research and other agreements (note 17)	31,275	33,355
Travel	17,704	17,599
Interest and bank fees	18,798	15,553
Depreciation of capital assets	64,206	58,544
Other	20,835	18,840
	<u>1,022,982</u>	<u>1,022,065</u>
Excess of revenue over expenses before the undernoted	\$ 76,837	\$ 10,080
Change in fair value of investments measured at fair value (note 5)	(7,065)	38,490
Excess of revenue over expenses	<u>\$ 69,772</u>	<u>\$ 48,570</u>

See accompanying notes to consolidated financial statements.

# UNIVERSITY OF OTTAWA

## Consolidated Statement of Changes in Net Assets

Year ended April 30, 2018, with comparative information for 2017  
(in thousands of dollars)

	Unrestricted	Internally restricted				Endowments (note 13)	2018 Total	2017 Total
		Other (note 12)	Sinking fund	Employee future benefits	Invested in capital assets			
Net assets balance, beginning of year	\$ 93	\$ 255,365	\$ 49,566	\$ 197,813	\$ 1,201,463	\$ 270,130	\$ 1,974,430	\$ 1,766,593
Excess of revenue over expenses	69,772	-	-	-	-	-	69,772	48,570
Net changes in internally restricted (notes 6 & 14)	(64,045)	8,831	-	22,521	32,693	-	-	-
Re-measurement and other items (note 6)	-	-	-	26,154	-	-	26,154	131,864
Internal contributions and matching funds (note 13)	(1,228)	-	-	-	-	1,228	-	-
External contributions (note 13)	-	-	-	-	-	3,542	3,542	7,789
Transfer to restricted funds (note 13)	-	6,812	-	-	-	(6,812)	-	-
Net investment income earned	(4,469)	-	4,469	-	-	11,569	11,569	19,614
<b>Net assets balance, end of year</b>	<b>\$ 123</b>	<b>\$ 271,008</b>	<b>\$ 54,035</b>	<b>\$ 246,488</b>	<b>\$ 1,234,156</b>	<b>\$ 279,657</b>	<b>\$ 2,085,467</b>	<b>\$ 1,974,430</b>

See accompanying notes to consolidated financial statements.



# UNIVERSITY OF OTTAWA

## Consolidated Statement of Cash Flows

Year ended April 30, 2018, with comparative information for 2017  
(in thousands of dollars)

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 69,772	\$ 48,570
Items which do not involve cash:		
Change in fair value of investments measured at fair value	7,065	(38,490)
Depreciation of capital assets	64,206	58,544
Amortization of deferred contributions related to capital assets (note 10)	(27,224)	(24,736)
Employee future benefits expense	32,817	41,072
Employee future benefits contribution	(55,338)	(49,626)
	91,298	35,334
 Change in non-cash operating working capital	 42,484	 (12,027)
	133,782	23,307
Investing activities:		
Purchases of capital assets (note 7)	(237,990)	(139,802)
Disposals (acquisitions) of investments	39,614	(208,976)
	(198,376)	(348,778)
Financing activities:		
Increase of deferred contributions related to capital assets (note 10)	51,776	73,632
Issuance of long-term debt	-	200,000
Repayment of long-term debt	(1,407)	(1,324)
Contributions and investment income earned on endowments (note 13)	15,111	27,403
	65,480	299,711
 Increase (decrease) in cash	 886	 (25,760)
 Cash, beginning of year	 17,155	 42,915
 Cash, end of year	 \$ 18,041	 \$ 17,155

Cash includes bank overdrafts that are repayable on demand and form an integral part of the University's cash management.

See accompanying notes to consolidated financial statements.

# UNIVERSITY OF OTTAWA

## Notes to Consolidated Financial Statements

Year ended April 30, 2018  
(in thousands of dollars)

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### 1. Objectives and purpose:

The University of Ottawa is a bilingual research intensive 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 (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 in Part III of the CPA Canada Handbook - Accounting.

A summary of the significant accounting policies used in these consolidated financial statements are set out below. The accounting policies have been applied consistently to all periods presented.

#### (a) Basis of presentation:

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

#### (b) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses in the consolidated financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. Significant estimates include assumptions used in measuring pension and other post-employment benefits which are described in more detail in note 6.

#### (c) Revenue recognition:

The University follows the deferral method of accounting for contributions for not-for-profit organizations.

Externally restricted contributions 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. Investment income earned on endowment and available for disbursement are deferred and recognized as revenue in the period in which the related expenses are incurred.

Externally restricted contributions received for the purchase of capital assets are initially deferred and then amortized to revenue on a straight-line basis, at a rate corresponding with the depreciation rate for the related capital asset.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

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## 2. Significant accounting policies (continued):

(c) Revenue recognition (continued):

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.

(d) Investments:

Short-term investments include investments that can be withdrawn without prior notice or penalty.

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

(e) Capital assets:

Purchased capital assets are recorded at cost, except for land acquired prior to May 1, 2011 which is recorded at deemed cost, being fair value at May 1, 2011. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are depreciated over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are expensed. Betterments, which extend the estimated life of an asset, are capitalized. When capital assets no longer contribute to the University's ability to provide services, their carrying amount is written down to their residual value.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the University. In this event, recoverability of assets held and used is measured by reviewing the estimated residual value of the asset. If the carrying amount of an asset exceeds its estimated residual value, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the residual value of the asset. When a capital asset is written down, the corresponding amount of any unamortized deferred contributions related to the capital asset would be recognized as revenue, provided that all restrictions have been complied with.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets at the rates indicated below:

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Buildings	40 years
Books	5 years
Equipment and furniture	10 years
Computer software and equipment	3 and 10 years

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Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term or their estimated useful lives.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

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## 2. Significant accounting policies (continued):

### (f) Foreign currency transactions:

Foreign currency transactions of the University are translated using the temporal method. Under this method transactions are initially recorded at the rate of exchange prevailing at the date of the transaction. Thereafter, monetary assets and liabilities are adjusted to reflect the exchange rates in effect at the consolidated statement of financial position date. Gains and losses resulting from the adjustment are included in the consolidated statement of operations.

### (g) Employee future benefits:

The University maintains defined benefit plans providing pension, other retirement and post-employment benefits for eligible employees and accounts for these using the immediate recognition approach. Under this approach, the University recognizes the amount of the accrued obligation net of the fair value of plan assets in the consolidated statement of financial position.

Current service and finance costs are expensed during the year, while re-measurements and other items, representing the total of the difference between actual and expected return on plan assets, actuarial gains and losses, and past service costs, are recognized as a direct increase or decrease in net assets.

The accrued liability for funded employee future benefit plans is determined using a roll-forward technique to estimate the accrued liability using funding assumptions from the most recent actuarial valuation report prepared at least every three years. The accrued liability for unfunded plans is prepared on a basis consistent with funded plans. Employee future benefit plans' assets are measured at fair value as at the date of the consolidated statement of financial position.

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.

### (h) 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 are expensed as incurred.

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.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 2. Significant accounting policies (continued):

### (h) Financial instruments (continued):

The University is party to an interest rate swap agreement used to manage the exposure to market risks from changing interest rates for its residence loan. At the inception of the hedging relationship, the University designated that hedge accounting would be applied and formally documented the hedging relationship between the swap and the loan. At inception and throughout the loan period, the critical terms of the swap and the loan are the same.

Gains or losses realized on settlement are deferred until the settlement of the swap.

Payments and receipts under the swap are recognized as an adjustment to interest expense on long-term debt. The fair value of the swap is not recorded on the consolidated statement of financial position but is disclosed in note 11.

### (i) 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.

### (j) Non-remuneration services:

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

## 3. Short-term investments:

Fair value:

April 30, 2018	Pooled funds	Segregated funds	Total
Government bonds	\$ 76,731	\$ -	\$ 76,731
Corporate bonds	104,993	53,368	158,361
<b>Total</b>	<b>\$ 181,724</b>	<b>\$ 53,368</b>	<b>\$ 235,092</b>

April 30, 2017	Pooled funds	Segregated funds	Total
Government bonds	\$ 55,487	\$ -	\$ 55,487
Corporate bonds	75,462	142,693	218,155
<b>Total</b>	<b>\$ 130,949</b>	<b>\$ 142,693</b>	<b>\$ 273,642</b>

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

### 3. Short-term investments (continued):

There are no government bonds under the segregated funds as at April 30, 2018 (2017 - none). Corporate bonds have interest rates ranging from 1.58% to 1.66% (2017 - 0.8% to 5.1%) and maturity dates up to 2018 (2017 - maturity dates up to 2018).

### 4. Accounts receivable:

	2018	2017
Research grants and contracts	\$ 50,774	\$ 65,314
Tuition and housing fees	30,328	27,072
Other	32,127	27,802
	113,229	120,188
Allowance for doubtful accounts	(14,561)	(11,728)
<b>Total</b>	<b>\$ 98,668</b>	<b>\$ 108,460</b>

### 5. Long-term investments:

Fair value:

	Pooled funds	Segregated funds	Total
<b>April 30, 2018</b>			
Fixed income	\$ 66,644	\$ 66,736	\$ 133,380
Canadian equities	48,535	9,284	57,819
Foreign equities	246,877	65,792	312,669
Real estate and infrastructure	136,674	-	136,674
Hedge funds	70,717	-	70,717
<b>Total</b>	<b>\$ 569,447</b>	<b>\$ 141,812</b>	<b>\$ 711,259</b>

The book value of the long-term investments as at April 30, 2018 was \$601,638 (2017 - \$591,650).

	Pooled funds	Segregated funds	Total
<b>April 30, 2017</b>			
Fixed income	\$ 70,446	\$ 70,373	\$ 140,819
Canadian equities	44,229	8,181	52,410
Foreign equities	236,955	70,011	306,966
Real estate and infrastructure	117,405	-	117,405
Hedge funds	101,788	-	101,788
<b>Total</b>	<b>\$ 570,823</b>	<b>\$ 148,565</b>	<b>\$ 719,388</b>

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

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

Coupon interest rates on fixed income investments range from 1.6% to 6.3% (2017 - 1.3% to 12.0%) and the investments mature between 2019 and 2047 (2017 - matured between 2018 and 2067).

Investment income is comprised of:

	2018	2017
Dividends, interest and other	\$ 11,289	\$ 20,730
Realized gains (loss) on investments	40,993	(2,430)
Endowment income made available for disbursements	9,107	8,583
	61,389	26,883
Change in fair value of investments measured at fair value	(7,065)	38,490
<b>Total</b>	<b>\$ 54,324</b>	<b>\$ 65,373</b>

## 6. 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 retirement allowances, 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 finance cost on assets and liabilities.

The latest actuarial valuations were completed by an independent actuary as at January 1, 2016 for the pension plans and as at December 31, 2015 for the post-employment and post-retirement benefit plans. For financial statement purposes, the results of these valuations were extrapolated to April 30, 2018 which is the measurement date used to determine the plans' assets and the accrued benefit obligations. The next valuations will be performed as of January 1, 2019 at the latest for the pension plans and as at December 31, 2018 at the latest for the post-employment and post-retirement benefit plans.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 6. Employee future benefits (continued):

The employee future benefit asset is as follows:

	2018	2017
<b>Pension benefit plans:</b>		
Balance, beginning of year	\$ 252,361	\$ 111,329
Expenses (note 16)	(27,252)	(35,590)
Employer's contributions	48,171	44,332
Re-measurement and other items	25,765	132,290
<b>Balance, end of year</b>	<b>299,045</b>	<b>252,361</b>
<b>Other benefit plans:</b>		
Balance, beginning of year	(54,548)	(53,934)
Expenses (note 16)	(5,565)	(5,482)
Employer's contributions	7,167	5,294
Re-measurement and other items	389	(426)
<b>Balance, end of year</b>	<b>(52,557)</b>	<b>(54,548)</b>
<b>Total</b>	<b>\$ 246,488</b>	<b>\$ 197,813</b>

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

	2018	2017
<b>Pension benefit plans</b>		
Accrued benefit obligation	\$ (2,040,505)	\$ (1,957,740)
Fair value of plan's assets	2,339,550	2,210,101
<b>Total pension benefit plans</b>	<b>\$ 299,045</b>	<b>\$ 252,361</b>
<b>Other benefit plans</b>		
Accrued benefit obligation	\$ (52,557)	\$ (54,548)

Based on the fair value of the plans' assets at April 30, 2018, the assets of the Plans were composed of 46.8% in equities, 20.3% in fixed income investments, and 32.9% in real return assets (2017 - 51.91% in equities, 17.73% in fixed income investments, and 30.36% in real return assets).

In addition to the plan assets, as at April 30, 2018, the University has internally restricted investments totaling \$53,858 (2017 - \$52,617) of which \$27,059 (2017 - \$25,343) is restricted for its pension obligations and \$26,799 (2017 - \$27,274) is restricted for its other benefit plans mentioned above (note 12 - operating fund).



# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 6. Employee future benefits (continued):

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

Pension benefit plans	2018	2017
Discount rate obligations	6.25%	6.25%
Rate of compensation increase including inflation (PTR = Progress through rank)	3.80% +PTR scale	3.80% +PTR scale
Inflation rate	2.00%	2.00%

The University used mortality rates equal to 95% of the rates of the 2014 Public Sector Canadian Pensioners Mortality Table for actuarial assumptions, for fiscal years ending April, 30 2017 and 2018.

Other benefits plan	2018	2017
Discount rate obligations	6.25%	6.25%
Rate of compensation increase including inflation (PTR = Progress through rank)	3.8%/2.5% +PTR scale	2.8%/2.6% +PTR scale

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

Pension benefit plans	2018	2017
Employer's contributions - normal cost	\$ 39,593	\$ 42,402
Employer's contributions - special payment	8,578	1,930
Employees' contributions	31,667	27,710
<b>Total contributions</b>	<b>\$ 79,838</b>	<b>\$ 72,042</b>
<b>Total benefits paid</b>	<b>\$ 100,223</b>	<b>\$ 91,928</b>

  

Other benefit plans	2018	2017
Employer's contributions	\$ 7,167	\$ 5,294
<b>Total benefits paid</b>	<b>\$ 7,167</b>	<b>\$ 5,294</b>

The assumed discount rates 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 health care trend rate used in measuring the accumulated post-employment benefits obligation in 2018 and for the next 4 years is on average 7.0% and 5.0% thereafter (based on 9% per annum in 2010 grading down to 4.5% per annum in and after 2030 for drugs, 5% for dental fees and 4.5% for other medical fees).

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 7. Capital assets:

Cost	Balance April 30, 2017	Additions	Disposals, Write-offs & Transfers	Balance April 30, 2018
Land	\$ 767,869	\$ 1,821	\$ -	\$ 769,690
Buildings	1,143,967	32,433	260,486	1,436,886
Leasehold improvements	406	920	-	1,326
Construction-in-progress	97,281	177,750	(260,486)	14,545
Books	95,535	6,195	-	101,730
Equipment and furniture	214,152	16,704	(14,113)	216,743
Computer software and equipment	46,851	2,167	(3,413)	45,605
<b>Total</b>	<b>\$ 2,366,061</b>	<b>\$ 237,990</b>	<b>\$ (17,526)</b>	<b>\$ 2,586,525</b>

Additions and disposals at April 30, 2017 were \$139,802 and \$25,843, respectively.

Accumulated amortization	Balance April 30, 2017	Amortization expense	Disposals & Write-offs	Balance April 30, 2018
Buildings	\$ 372,449	\$ 29,842	\$ -	\$ 402,291
Leasehold improvements	403	3	-	406
Books	77,167	7,662	-	84,829
Equipment and furniture	110,505	23,381	(14,113)	119,773
Computer software and equipment	8,496	3,318	(3,413)	8,401
<b>Total</b>	<b>\$ 569,020</b>	<b>\$ 64,206</b>	<b>\$ (17,526)</b>	<b>\$ 615,700</b>

Amortization expense and disposals at April 30, 2017 were \$58,544 and \$25,843, respectively.

	Net book value April 30, 2018	Net book value April 30, 2017
Land	\$ 769,690	\$ 767,869
Buildings	1,034,595	771,518
Leasehold improvements	920	3
Construction-in-progress	14,545	97,281
Books	16,901	18,368
Equipment and furniture	96,970	103,647
Computer software and equipment	37,204	38,355
<b>Total</b>	<b>\$ 1,970,825</b>	<b>\$ 1,797,041</b>

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 7. Capital assets (continued):

	2018	2017
Acquisitions of capital assets funded as follows:		
Funded by grants	\$ 48,905	\$ 69,262
Funded by internal resources	68,269	44,418
Funded by debentures	117,946	21,753
Donations of capital assets	2,870	4,369
<b>Total</b>	<b>\$ 237,990</b>	<b>\$ 139,802</b>

## 8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$7,215 (2017 - \$7,091) which includes amounts payable for payroll-related taxes.

## 9. Deferred revenue:

	2018	2017
Balance, beginning of year	\$ 271,064	\$ 278,045
Contributions received during the year	533,923	519,893
Recognized as revenue	(526,415)	(519,259)
Transfer to deferred contributions related to capital assets	(3,843)	(7,615)
<b>Balance, end of year</b>	<b>\$ 274,729</b>	<b>\$ 271,064</b>

The balance consists of the following:

	2018	2017
Operating	\$ 42,217	\$ 36,066
Sponsored research and trust	203,395	205,238
Capital	29,117	29,760
<b>Total</b>	<b>\$ 274,729</b>	<b>\$ 271,064</b>

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 10. Deferred contributions related to capital assets:

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

	2018	2017
Balance, beginning of year	\$ 413,396	\$ 364,500
Transfer from deferred revenue	3,843	7,615
Contributions received during the year	45,063	61,648
Contributions in-kind received during the year	2,870	4,369
	51,776	73,632
Recognized as revenue:		
Research grants	(14,218)	(13,117)
Capital grants	(9,549)	(8,438)
Donations	(3,457)	(3,181)
	(27,224)	(24,736)
Balance, end of year	\$ 437,948	\$ 413,396

## 11. Long-term debt:

	2018	2017
Student residence loan at variable rate converted to a fixed rate loan at 7.064% through an interest rate swap, maturing in August 2026 with monthly payments of \$228 including principal and interest	\$ 16,743	\$ 18,150
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
Unsecured debentures, Series B, due October 12, 2056, bearing interest at a rate of 3.256%, interest payable in equal semi-annual payments	200,000	200,000
	366,743	368,150
Current portion	(1,510)	(1,407)
Total	\$ 365,233	\$ 366,743

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

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

The principal annual installments required to be paid are as follows:

2019	\$	1,510
2020		1,620
2021		1,739
2022		1,865
2023		2,002
Thereafter		358,007
	\$	366,743

### *Interest rate swaps*

The University has entered into an interest rate swap agreement related to the variable rate loan on a student residence to minimize the impact on future cash flows of changes in interest rates. The University has designated the interest rate swap as a cash flow hedge, and has assessed it as highly effective.

The fair value of the interest rate swap at April 30, 2018 is estimated to be \$3,358 (2017 - \$5,166) which represents the amount the University would have to pay if the interest rate swap agreement was terminated on that date. The University is current with respect to the required payments under the loan and interest rate swap agreement.

### *Sinking fund*

A sinking fund has been established to provide funds to repay the debentures principal upon maturity. As of April 30, 2018, the balance of the sinking fund including the accrued investment income is \$54,035 (2017 - \$49,566). This amount is included in long-term investments and in restricted net assets.

### *Line of credit*

The University has lines of credit allowing it to borrow up to \$26,500 at an interest rate of prime. These lines of credit are subject to annual renewal. At April 30, 2018, no amount had been borrowed under these lines of credit.

### *Interest*

	2018	2017
Interest paid and incurred related to the long-term debt	\$ 17,161	\$ 14,136

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 12. Internally restricted net assets - other:

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

	2018	2017
Operating fund	\$ 111,164	\$ 108,083
Ancillary enterprises fund - operations	2,440	2,175
Restricted fund - research	40,793	35,012
Restricted fund - other	13,861	13,905
Capital fund	102,750	96,190
<b>Balance, end of year</b>	<b>\$ 271,008</b>	<b>\$ 255,365</b>

## 13. Endowments:

Endowments funds are composed of restricted donations received by the University. The University may have the right, with donor's consent, to subsequently remove the designation as endowment. 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% (2017 - 3.5%) 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:

	2018	2017
Balance, beginning of year	\$ 270,130	\$ 241,944
External contributions	3,542	7,789
Investment income net of fees	20,676	28,197
Investment income made available for spending	(9,107)	(8,583)
	15,111	27,403
Transfers from (to)		
Internal contributions and matching funds	1,228	783
Restricted fund - research	(6,812)	-
	(5,584)	783
<b>Balance, end of year</b>	<b>\$ 279,657</b>	<b>\$ 270,130</b>

The balance is composed of the following funds:

	2018	2017
Internally restricted	\$ 33,507	\$ 37,705
Externally restricted	246,150	232,425
<b>Total</b>	<b>\$ 279,657</b>	<b>\$ 270,130</b>

**UNIVERSITY OF OTTAWA**  
Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

**13. Endowments (continued):**

The endowment funds consists of:

	2018	2017
Permanently endowed contributions	\$ 195,954	\$ 197,996
Cumulative amount for capital protection	83,703	72,134
<b>Total</b>	<b>\$ 279,657</b>	<b>\$ 270,130</b>

The cumulative amount for capital protection is based on market value of investments.

**14. Net assets invested in capital assets:**

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

	2018	2017
Capital assets (note 7)	\$ 1,970,825	\$ 1,797,041
Less amounts financed by:		
Debentures	(298,721)	(182,182)
Deferred contributions related to capital assets (note 10)	(437,948)	(413,396)
<b>Balance, end of year</b>	<b>\$ 1,234,156</b>	<b>\$ 1,201,463</b>

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

	2018	2017
Repayment of long-term debt	\$ 1,407	\$ 1,324
Acquisitions of capital assets	237,990	139,802
Deferred contributions related to capital assets recognized as revenue (note 10)	27,224	24,736
Increase in net assets invested in capital assets	266,621	165,862
Amortization of capital assets	(64,206)	(58,544)
Transfer from deferred revenue (note 9)	(3,843)	(7,615)
Capital asset contributions received (note 10)	(47,933)	(66,017)
Use of debentures	(117,946)	(21,754)
Decrease in net assets invested in capital assets	(233,928)	(153,930)
<b>Change in net assets invested in capital assets</b>	<b>\$ 32,693</b>	<b>\$ 11,932</b>

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 15. Research grants and contracts:

Research grants and contracts revenues are composed of:

	2018	2017
Research-related activities	\$ 134,812	\$ 126,059
Trust-related activities	1,670	8,000
<b>Total</b>	<b>\$ 136,482</b>	<b>\$ 134,059</b>

### *Research-related activities:*

In addition to research grants and contracts presented in the consolidated statement of operations, University researchers actively participate in research activities directly conducted at The Institute of Fiscal Studies and Democracy and 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 Hôpital Montfort). For the year ended March 31, 2018, the total of the grant revenue for these activities is estimated at \$167,011 (2017 - \$157,346) (unaudited figures).

## 16. Employee benefits:

Employee benefits expense is composed of:

	2018	2017
Fringe benefits	\$ 52,935	\$ 49,084
Future employee benefits expenses (note 6):		
Pension plan:		
Current service cost	43,024	42,548
Financing cost	(15,772)	(6,958)
	27,252	35,590
Other benefits plans (note 6)	5,565	5,482
<b>Total</b>	<b>\$ 85,752</b>	<b>\$ 90,156</b>

## 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.



# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 18. Commitments and contingent liabilities:

### *Self-insurance*

The nature of the University's activities is such that there are usually claims or potential claims in prospect at any one time. As at April 30, 2018, the University believes that it has valid defences and appropriate insurance coverage in place on certain claims that are not expected to have a material impact on the University's financial position. There also exist other claims or potential claims where the ultimate outcome cannot be determined at this time. Any additional losses related to claims would be recorded in the year during which the amount of the liability is able to be estimated or adjustments to the amount recorded are required.

### *Litigation*

The University is involved with pending litigation and claims which arise in the normal course of operations. In management's opinion, the University has valid defenses and appropriate insurance coverage in places that are not expected to have a material impact on the University's financial position. There also exist other claims or potential claims where the ultimate outcome cannot be determined at this time. Any additional losses related to claims would be recorded in the year during which the amount of the liability is able to be estimated or adjustments to the amount recorded are determined to be required.

### *Real estate and infrastructure investment vehicles*

The University has funding commitments related to real estate and infrastructure investment vehicles, which may be funded over the next several years within the existing investment portfolio in accordance with the terms and conditions agreed to. As at April 30, 2018, these potential commitments totaled \$ 29,263 (2017 - \$68,773).

### *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.

### *Contractual commitments*

The University has undertaken the construction and renovation projects of facilities. As at April 30, 2018, the University has outstanding commitments for such projects for approximately \$9,707 (2017 - \$95,196).

### *Obligation under operating lease*

The University of Ottawa has entered into various long-term operating leases for space.

Future minimum lease payments over the next five years, by year are as follows:

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2019	\$	5,093
2020		5,053
2021		5,070
2022		5,130
2023		4,905

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# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 19. Capital management:

The University's objectives when managing capital are to preserve its capital and to optimize 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.

### *Debt management*

The University's Board of Governors has approved a 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
- 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	
		2018	2017
Unrestricted liquidity-to-debt	> 0.5x	1.02	0.97
Debt burden	< 5%	2.64%	2.68%

The University may only issue debt for capital plans that have been approved by the Board of Governors. Debts for ancillary services are excluded from these ratios. 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 capital protection policy for endowment fund, 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 of this policy 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 by the Finance and Treasury Committee of the Board of Governors.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 19. Capital management (continued):

### *Endowment fund management (continued)*

The University's Statement of Investment Policies and Goals ("SIPG") outlines the asset classes, targets and environmental, social and governance ("ESG") criteria as established by the United Nations supported Principles for Responsible Investment ("PRI"), which are approved by the University's Board of Governors. Asset classes and targets are as follows:

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

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.

## 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 Finance and Treasury Committee of the Board of Governors and its investment advisors.

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

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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 budgets 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, 2018, the subsidiary held \$14,480 of assets, \$1,525 of liabilities and \$12,955 of equity (2017 - the subsidiary held \$19,970 of assets, \$1,460 of liabilities and \$18,510 of equity). During the year, the subsidiary incurred net losses of \$914 (2017 - net results of \$1,200).

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.

## 22. Pledges receivable:

The estimated realizable value of significant donations which have been pledged but not received as at April 30, 2018 was approximately \$50,384 (2017 - \$47,486). These pledges are not recorded in these consolidated financial statements.

## 23. Comparative information:

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

# UNIVERSITY OF OTTAWA

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2018  
(in thousands of dollars)

## 24. 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.

As per Ministry of Advanced Education and Skills Development 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, 2018.

	Ontario Student Opportunity Trust Funds		Ontario Trust for Student Support	Total 2018	Total 2017
	Phase I	Phase II			
Endowment fund					
Fund balance, beginning of year	\$ 19,408	\$ 5,616	\$ 28,308	\$ 53,332	\$ 52,865
Increases of capital	465	(17)	165	613	467
Fund balance, end of year	\$ 19,873	\$ 5,599	\$ 28,473	\$ 53,945	\$ 53,332

Schedule of changes in expendable funds available for awards	Ontario Student Opportunity Trust Funds		Ontario Trust for Student Support	Total 2018	Total 2017
	Phase I	Phase II			
Balance, beginning of year	\$ 9,054	\$ 1,638	\$ 4,609	\$ 15,301	\$ 12,862
Realized investment income, net of direct investment- related expenses and preservation of capital contributions	3,439	714	1,858	6,011	4,624
Bursaries awarded	(1,367)	(341)	(757)	(2,465)	(2,185)
Balance, end of year	\$ 11,126	\$ 2,011	\$ 5,710	\$ 18,847	\$ 15,301
Number of recipients	920	106	309	1,335	1,217
Endowment total based on book value	\$ 30,999	\$ 7,610	\$ 34,183	\$ 72,792	\$ 68,633

# University of Ottawa

## Schedule 1 - Consolidated Statements of Operations and Evolution of net assets by fund

Year ended April 30, 2018, with comparative information for 2017

	Operating Fund		Ancillary Funds		Restricted Fund - Research		Restricted Fund - Other		Capital & Sinking Fund		Endowments		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>(in thousands of dollars)</b>														
REVENUE														
Operating grants	392,206	387,464	406	301	-	-	-	-	-	-	-	-	392,612	387,765
Tuition and other fees	402,664	380,779	1,039	1,027	-	-	-	-	-	-	-	-	403,703	381,806
Research grants and contracts	-	-	-	-	134,812	126,059	1,670	8,000	-	-	-	-	136,482	134,059
Student housing	-	-	27,970	26,016	-	-	-	-	-	-	-	-	27,970	26,016
Sale of services	9,778	9,309	11,204	10,494	1,856	2,835	2,205	2,865	-	-	-	-	25,043	25,503
Donations	1,868	1,836	5	22	6,459	6,533	5,566	4,512	395	415	-	-	14,293	13,318
Investment income	43,271	15,080	1	1	778	163	9,469	9,063	7,870	2,576	-	-	61,389	26,883
Capital grants	-	-	-	-	-	-	-	-	9,549	8,438	-	-	9,549	8,438
Other	12,129	10,889	5,890	6,280	830	1,074	9,339	8,248	590	1,866	-	-	28,778	28,357
	861,916	805,357	46,515	44,141	144,735	136,664	28,249	32,688	18,404	13,295	-	-	1,099,819	1,032,145
EXPENSES														
Salaries	493,955	484,914	7,172	7,446	41,470	39,701	8,301	8,866	-	-	-	-	550,898	540,927
Employee benefits	78,177	82,363	1,332	1,527	5,043	4,817	1,200	4,817	-	-	-	-	85,752	90,156
Supplies and other contractual services	89,474	99,362	17,407	17,778	22,227	22,373	5,508	4,338	2,448	7,412	-	-	137,064	151,263
Scholarships, bursaries and financial aid	62,791	64,962	1	3	22,498	22,239	9,825	7,537	-	-	-	-	95,115	94,741
Professional Fees	1,238	1,030	-	-	21	53	76	4	-	-	-	-	1,335	1,087
Inter-institutional research and other agreements	738	667	-	-	29,243	30,980	1,294	1,708	-	-	-	-	31,275	33,355
Travel	6,993	7,573	111	118	8,487	7,990	2,113	1,918	-	-	-	-	17,704	17,599
Interest and bank fees	14,212	10,855	4,539	4,669	6	4	41	25	-	-	-	-	18,798	15,553
Amortization of capital assets	21,901	19,951	3,480	3,577	15,638	14,423	848	997	22,339	19,596	-	-	64,206	58,544
Other	15,018	14,190	1,394	(699)	1,757	2,783	2,666	2,566	-	-	-	-	20,835	18,840
	784,497	785,867	35,436	34,419	146,390	145,363	31,872	29,408	24,787	27,008	-	-	1,022,982	1,022,065
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES, BEFORE UNDERNOTED ITEM	77,419	19,490	11,079	9,722	(1,655)	(8,699)	(3,623)	3,280	(6,383)	(13,713)	-	-	76,837	10,080
Change in fair value of investments measured at fair value	(5,889)	32,572	-	3	(105)	351	-	-	(1,071)	5,564	-	-	(7,065)	38,490
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES, BEFORE TRANSFERS	71,530	52,062	11,079	9,725	(1,760)	(8,348)	(3,623)	3,280	(7,454)	(8,149)	-	-	69,772	48,570
Transfers - capital fund	(11,198)	(6,571)	(10,069)	(10,910)	(410)	193	(842)	(2,613)	22,519	19,901	-	-	-	-
Transfers - others	(7,526)	(16,736)	1,231	1,640	7,744	15,403	4,135	(1,090)	-	-	(5,584)	783	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	52,806	28,755	2,241	455	5,574	7,248	(330)	(423)	15,065	11,752	(5,584)	783	69,772	48,570
Net change in internally restricted net assets	(27,174)	(18,809)	(1,976)	(2,628)	207	1,593	286	(413)	28,657	20,257	-	-	-	-
External contributions	-	-	-	-	-	-	-	-	-	-	3,542	7,789	3,542	7,789
Net investment income earned on endowments	-	-	-	-	-	-	-	-	-	-	11,569	19,614	11,569	19,614
Remeasurement of employee future benefits	26,154	131,864	-	-	-	-	-	-	-	-	-	-	26,154	131,864
NET CHANGE IN NET ASSETS FOR THE YEAR	51,786	141,810	265	(2,173)	5,781	8,841	(44)	(836)	43,722	32,009	9,527	28,186	111,037	207,837
NET ASSETS, BEGINNING OF YEAR	305,989	164,179	2,175	4,348	35,012	26,171	13,905	14,741	1,347,219	1,315,210	270,130	241,944	1,974,430	1,766,593
NET ASSETS, END OF YEAR	357,775	305,989	2,440	2,175	40,793	35,012	13,861	13,905	1,390,941	1,347,219	279,657	270,130	2,085,467	1,974,430

### NET ASSETS ARE COMPRISED OF :

Unrestricted	123	93	-	-	-	-	-	-	-	-	-	-	123	93
Internally restricted - other (note 12)	111,164	108,083	2,440	2,175	40,793	35,012	13,861	13,905	102,750	96,190	-	-	271,008	255,365
Sinking fund	-	-	-	-	-	-	-	-	54,035	49,566	-	-	54,035	49,566
Employee future benefits (note 6)	246,488	197,813	-	-	-	-	-	-	-	-	-	-	246,488	197,813
Invested in capital assets (note 14)	-	-	-	-	-	-	-	-	1,234,156	1,201,463	-	-	1,234,156	1,201,463
Endowments (note 13)	-	-	-	-	-	-	-	-	-	-	279,657	270,130	279,657	270,130
	357,775	305,989	2,440	2,175	40,793	35,012	13,861	13,905	1,390,941	1,347,219	279,657	270,130	2,085,467	1,974,430