

ACADIA UNIVERSITY



MARCH 31

**2018**

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Annual  
Financial  
Statements

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## Independent auditor's report

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To the Board of Governors of  
**Acadia University**

We have audited the accompanying financial statements of Acadia University which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Acadia University as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Other matters

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



Halifax, Canada  
June 22, 2018

Chartered Professional Accountants  
Licensed Public Accountants

**ACADIA UNIVERSITY  
ANNUAL FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2018**

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**ACADIA UNIVERSITY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018**  
**WITH COMPARATIVE FIGURES FOR MARCH 31, 2017**  
(thousands of dollars)

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
Currents assets:		
Cash	\$18,703	\$16,843
Accounts receivable (Note 3)	6,618	7,654
Prepaid expenses	1,478	1,519
	26,799	26,016
Investments	85,532	81,636
Other assets (Note 4)	200	200
Capital assets (Note 5)	129,977	115,910
Intangible assets (Note 5)	353	197
	\$242,861	\$223,959
<b>LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS</b>		
Current liabilities:		
Demand loans payable (Note 7a)	\$628	\$652
Accounts payable and accrued liabilities	12,167	10,156
Amounts due to governments	1,472	103
Retirement incentives	190	254
Deferred revenue	6,478	6,595
Current portion of mortgages payable (Note 6)	107	101
Current portion of loans payable (Note 7b)	3,067	10,750
Current portion of obligations under capital lease (Note 8)	34	24
	24,143	28,635
Retirement incentives	338	497
Employee future benefits (Note 15)	2,460	3,113
Deferred capital and other contributions (Note 9)	86,277	74,443
Long term debt:		
Loans payable (Note 7b)	59,644	49,720
Mortgages payable (Note 6)	173	278
Obligations under capital lease (Note 8)	48	39
Mark-to-market liability (Note 7c)	-	7,080
	59,865	57,117
Net assets: (Note 10)		
Accumulated operating deficit	(36,032)	(40,411)
Internally restricted	7,701	6,596
Restricted for endowments	85,677	81,600
Equity in capital assets	12,432	12,369
	69,778	60,154
Total liabilities, deferred contributions and net assets	\$242,861	\$223,959

Commitments (Note 12)  
Contingent liabilities (Note 13)

Approved by the Board of Governors

  
Chair of the Board

  
President and Vice Chancellor

**ACADIA UNIVERSITY**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED MARCH 31, 2018**  
**WITH COMPARATIVE FIGURES FOR 2017**  
(thousands of dollars)

	<b>2018</b>	<b>2017</b>
<b>Revenues:</b>		
Student academic fees	\$39,522	\$38,134
Government grants	31,208	30,979
Other grants	4,768	4,782
Ancillary sales and services	13,864	12,565
Donations and gifts	571	242
Investment income	4,381	4,819
General	2,716	3,290
Amortization of deferred capital contributions	3,591	3,329
<hr/>		
Total revenues	100,621	98,140
<hr/>		
<b>Expenses:</b>		
Salaries and wages	45,962	44,771
Fringe benefits	6,889	7,408
Pension special payments (Note 15)	247	237
Supplies and materials	7,560	7,147
Externally contracted services	7,467	7,242
Amortization of capital and intangible assets	8,496	8,355
Ancillary cost of goods sold	918	1,009
Utilities	5,033	4,682
Long term debt interest	2,809	3,738
Travel	2,501	2,199
Scholarships and bursaries	4,923	4,918
Deferred maintenance and renovations	1,328	940
Library acquisitions	995	975
Professional fees	1,100	1,000
Other	787	921
<hr/>		
Total expenses	97,015	95,542
<hr/>		
Excess of revenues over expenses before the undemoted	3,606	2,598
<hr/>		
Unrealized gain on swap transactions (Note 7c)		1,542
Realized gain on swap transactions and debt forgiveness (Note 7c)	1,941	
<hr/>		
Excess of revenues over expenses	\$5,547	\$4,140
<hr/>		

**ACADIA UNIVERSITY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

	Accumulated Operating Deficit	Internally Restricted	Restricted for Endowments	Equity in Capital Assets	2018 Total	2017 Total
Balance, March 31, 2017	\$(40,411)	\$6,596	\$81,600	\$12,369	\$60,154	\$48,862
Excess of revenue over expenses (expenses over revenue)	10,411	41	-	(4,905)	5,547	4,140
Gifts of endowment principal	-	-	3,439	-	3,439	3,488
Increase in value of investments	-	-	4,259	-	4,259	8,031
Transfer to operating fund and internally restricted fund	-	-	(3,621)	-	(3,621)	(4,367)
Interfund transfers in (out)	(6,032)	1,064	-	4,968	-	-
<b>Balance, March 31, 2018</b>	<b>\$(36,032)</b>	<b>\$7,701</b>	<b>\$85,677</b>	<b>\$12,432</b>	<b>\$69,778</b>	<b>\$60,154</b>



**ACADIA UNIVERSITY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2018**  
**WITH COMPARATIVE FIGURES FOR 2017**  
(thousands of dollars)

	<b>2018</b>	<b>2017</b>
Cash provided by (used for):		
Operating activities:		
Excess of revenues over expenses	\$5,547	\$4,140
Items not involving cash:		
Unrealized gain on swap transactions	-	(1,542)
Debt forgiveness	(7,000)	-
Amortization of capital assets and intangibles	8,496	8,355
Amortization of deferred capital contributions	(3,591)	(3,329)
Retirement incentive	(159)	(221)
Employee future benefits	(652)	(193)
Change in non-cash working capital	4,252	(561)
	6,893	6,649
Investing activities:		
Deferred capital and other contributions	15,426	13,437
Purchase of capital assets	(22,670)	(5,921)
Net purchase of investments	(3,258)	(3,463)
	(10,502)	4,053
Financing activities:		
Endowment contributions	3,439	3,488
Issuance of long term debt (restructure)	61,564	-
Principal payments on long term debt (restructure)	(56,444)	-
Repayment of obligations under capital lease	(31)	(23)
Principal payments on long term debt	(3,059)	(3,575)
	5,469	(110)
Net change in cash	1,860	10,592
Cash, beginning of year	16,843	6,251
Cash, end of year	\$18,703	\$16,843
Supplemental cash flow information (Note 17)		

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

**1. Authority and purpose and financial condition**

Acadia University operates under the authority of *An Act Respecting Acadia University*, passed May 19, 1891. It is primarily an undergraduate, liberal arts institution providing a range of undergraduate, graduate and continuing education programs. The academic governance of the University is vested in the Senate. The University is a not-for-profit entity, governed by a Board of Governors, whose members are appointed from a variety of backgrounds, including business, alumni, government and the Convention of Atlantic Baptist Churches. The University is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

**2. Significant accounting policies**

a) Basis of accounting:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook.

b) Fund accounting:

The University maintains its accounting records using fund accounting. Under this method, resources are classified for accounting and reporting purposes into funds in accordance with specific activities or objectives. Restricted funds carry restrictions on the use of the resources for particular defined purposes.

The University has classified accounts with similar characteristics into major funds as follows:

The Operating/Ancillary Operations Fund, an unrestricted fund, accounts for the University's primary function of instruction, including academic, support services, administrative services, facilities management and other operating activities. It also accounts for ancillary operations that provide goods and services to the University community, which are supplementary to the functions of instruction, research and services.

The University's restricted funds, consisting of the Capital Fund, Research Fund, Endowment Fund and Special Reserve Fund, account for resources made available to the University by third parties, by way of grants, service contracts or gifts. These resources are restricted as to their use by third parties or the Board of Governors.

The Capital Fund, a restricted fund, accounts for the acquisition of capital assets, the amortization of capital assets and the amortization of any externally restricted contributions received to fund these assets.

The Research Fund, a restricted fund, accounts for the activities that support research.

The Endowment Fund accounts for investment income earned on the endowment principal and related expenditures (such as investment management fees).

The Special Reserves Fund accounts for the expenditure of externally restricted contributions which are not research, endowment, capital or operating in nature. Expenditures within this fund are typically project related

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

c) Revenue recognition:

The University follows the deferral method of accounting for contributions. The University receives grants and donations from a number of different sources to cover operating, research, capital and other special purpose expenditures. Using this method, restricted grants and contributions are deferred to future periods with the related expenses regardless of when the funds are received. Restricted contributions are recognized as revenue in the same accounting period as the related expense. Restricted contributions for which the related expenses have not been incurred are reported in deferred capital and other contributions.

Revenue from tuition fees, residence fees, other academic fees, and sales are recognized in the operating fund when services are provided and goods are sold. Operating grants are recorded as revenue in the operating fund in the period to which they relate. Revenues from the sources above, including operating grants, received during the period related to future periods is included in deferred revenues. Unrestricted contributions are recognized as revenue in the operating fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The capital portion of grants are recorded as deferred contributions and amortized into revenue at a rate corresponding with the amortization rate of the related assets in the capital fund. These are restricted contributions as they relate directly to the acquisition of capital assets.

Externally restricted contributions, related to research and special projects, are recorded as deferred contributions and are recognized as revenue in the applicable fund in the year in which the related expenses are recognized.

Endowment contributions are recognized as a direct increase in endowment net assets in the year the contribution is received. Investment income earned on restricted funds is recorded as revenue within the appropriate restricted fund and must be spent on the restricted activities. Other investment income is recognized as revenue in the operating fund when earned.

d) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty in determining its fair value, contributed services are not recognized in these financial statements.

e) Contributed assets:

Contributed assets held for sale, including property and land, are recorded at the date of sale when an estimation of the fair value is uncertain.

f) Cash:

Cash includes petty cash, cash on deposit and bank indebtedness with financial institutions.

g) Financial instruments:

The University considers any contract creating a financial asset or liability as a financial instrument. Financial instruments consist of cash, investments, accounts receivables, accounts payable and accrued liabilities, amounts due to governments, short and long-term debt, capital lease obligations and mark to market liabilities.

The University initially measures its financial assets and liabilities at fair value. Cash is measured and reported at fair value. The University has chosen to measure and report investments at fair value using quoted market values based on actively traded markets. The University records the change in fair value as income from investments. All other financial

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** (*continued*)  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

assets are recorded at amortized cost. Financial transaction costs are expensed as incurred. Financial liabilities are recorded at amortized cost.

The University removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires. When a financial liability is discharged, the associated gain or loss is recognized in the period on the statement of operations. A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the statement of operations.

h) Interest rate swap agreements and hedge accounting:

The University enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on portions of its long-term debt. It is not the University's policy to utilize derivative financial instruments for trading or speculative purposes. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. Interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps.

The University documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives to specific portions of long term debt on the statement of financial position. The University also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The University designates each interest rate swap agreement as a cash flow hedge of a specifically identified debt instrument. Swap agreements are recognized as effective hedges when the hedge matches all terms (term, notional principal amount, and date of maturity) with the debt instrument that is being hedged. The swap agreements involve periodic exchange of payments and are recorded as an adjustment of the interest expense on the hedged debt instrument. The fair value of derivative instruments eligible and qualifying for hedge accounting is not recognized in the Statement of Financial Position.

Realized and unrealized gains or losses associated with derivative instruments, which have been terminated or cease to be effective prior to maturity are recognized in income in the period in which the underlying hedged transaction is terminated. In the event a designated hedged item is sold, extinguished or matures prior to the termination of the related derivative instrument, any realized or unrealized gain or loss on such derivative instrument is recognized in income.

The University did have one component of long term debt that was not hedged from an accounting perspective. The original interest rate swap associated with the Biology Building long-term debt was entered into on February 19, 2009 with principal payments commencing February 19, 2010. Due to the timing difference of the interest rate swap and principal repayments, the hedge of the underlying debt was deemed ineffective and differences between the fixed and floating rate of interest was assessed annually and recognized as an unrealized gain (loss). The fair value of derivative instruments not eligible for hedge accounting are recognized in the Statement of Financial Position as Mark-to-market assets (liabilities). This interest rate swap was settled on October 3, 2017. The new swap related to the Biology Building and the Sustainability Initiative meets the requirements of an effective hedge.

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

i) Investments and other assets:

Investments are composed of units in specific pooled funds and accordingly they are stated at fair value. The cost of the investments held at year end is \$73,508 (2017 - \$69,705). These funds are focused on specific asset types and at year-end the composition of the underlying assets was as follows: domestic equities 30.41% (2017 – 31.32%), international equities 49.10% (2017 – 45.62%), bonds / managed cash funds 20.32% (2017 – 23.11%), cash 0.17% (2017 – 0.00%). An asset mix guideline is monitored by the Investment Committee of the Board of Governors. Fair value is defined as the unit values supplied by the fund administrators, which represents the University’s proportionate share of underlying net assets at fair values.

Interest and dividends earned on investments are reported as investment income. Investment income on endowments, which is comprised of gains (net of any losses) realized on the disposition of units in the invested funds and unrealized appreciation (depreciation) in the market value of the units is recorded in the statement of operations and accumulated operating deficit when this income is available for spending. In any particular year, net investment income (loss) may be insufficient to fund the amount made available for spending. In this circumstance, current spending is funded by income accumulated from prior years where earnings exceeded the amount required for spending in those years. In 2018, \$3,621 (2017 - \$4,367) was transferred from endowment principal to meet spending requirements.

The University has an investment in the Valley Community Fibre Network and this investment has been recorded at cost within other assets.

j) Capital assets:

Purchased capital assets are recorded at cost. Interest on financing during construction is added to the capitalized costs. Donated capital assets, other than donated works of art which are not capitalized, are recorded at fair value at the date of acquisition. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Management reviews estimates of useful lives of capital assets and adjusts the estimates as required. Management regularly reviews assets for impairment and adjusts as required.

Capital assets are amortized on a straight-line basis over the following useful lives of the respective assets. One half year’s amortization is taken in the year of acquisition. The range of estimated useful lives for each of the capital asset categories is shown below and expressed in number of years.

Buildings	40
Land improvements	20
Facility improvements	15
Equipment and equipment under capital lease	5
Library holdings	10
Roadways	15
Computer equipment	3
Vehicles	3

Amortization of construction in progress, which consists of buildings, will commence upon occupancy.

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** (*continued*)  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

k) Intangible assets:

Intangible assets are an identifiable non-monetary asset without physical substance. The University has a number of computer software programs that meet the definition of an intangible asset.

Intangible assets are recorded at cost. Intangible assets are amortized on a straight-line basis over the useful life of 5 years. One half year's amortization is taken in the year of acquisition. Management reviews estimates of useful lives of intangible assets and adjusts the estimates as required. Management regularly reviews assets for impairment and adjusts as required.

l) Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of impairment loss is determined as the excess of the carrying value of the asset over its fair value, determined as the undiscounted cash flow expected from use or eventual disposition.

m) Employee benefit plans:

Employees of the University participate in the Public Service Superannuation Plan ("PSSP"), a contributory pension plan administered by the Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings. The University is not obligated for any unfunded liability, nor is the University entitled to any surplus that may arise in the PSSP. Employer contributions are recognized as an expense in the period. The University has recognized a transfer payment liability reflecting the funding valuation difference at the date of the transfer to the PSSP that will be funded over ten years.

Upon transfer to the PSSP the University also recognized a supplemental pension benefit liability to its employees that will be paid over eight years. This liability will be paid over eight years, effective July 1, 2015.

The University measures the estimated liabilities associated with the transfer payments and the supplemental pension benefits by present valuing the estimated future cash flows.

n) Retirement incentive:

The University accrues the full cost of the early retirement obligations in the year in which the event that creates the obligation occurs. The University has determined the outstanding retirement incentive based on each retiree. As the incentive is paid to retirees over a number of years, the obligation is amortized into income based on the payment schedule. The outstanding obligation has been recorded at its present value.

o) Use of estimates and judgements:

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates are involved in the calculation of the collectible amount of accounts receivable, measurement of deferred revenue, the useful lives of capital and intangible assets and their amortization, accrued liabilities for payroll and employee future benefits, the fair value of investments and financial instruments. Actual results could differ from those estimates. Estimates are regularly reviewed by management and adjusted as required.

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

<b>3. Accounts receivable</b>	<u>2018</u>	<u>2017</u>
Student accounts	\$1,261	\$1,153
Less: allowance for doubtful accounts	(179)	(149)
	<hr/> 1,082	<hr/> 1,004
Special accounts	1,490	195
Special grants	3,478	5,444
Other	568	1,011
<b>Total</b>	<hr/> \$6,618	<hr/> \$7,654

<b>4. Other assets</b>	<u>2018</u>	<u>2017</u>
Investment in Valley Community Fibre Network, at cost	\$200	\$200
<b>Total</b>	<hr/> \$200	<hr/> \$200

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

**5. Capital assets and Intangible assets**

<b>Capital assets</b>	2018			2017		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Buildings	\$ 191,736	\$ 108,914	\$ 82,822	\$ 191,736	\$ 104,543	\$ 87,193
Equipment	28,863	26,518	2,345	27,494	25,823	1,671
Library holdings	5,500	5,385	115	5,432	5,318	114
Land	952	-	952	952	-	952
Land improvements	19,570	14,660	4,910	19,559	13,682	5,877
Facility improvements	28,790	10,141	18,649	26,323	8,309	18,014
Roadways	357	260	97	294	253	41
Computer equipment	5,763	5,091	672	5,248	4,689	559
Vehicles	611	555	56	563	531	32
Equipment – capital lease	1,458	1,398	60	1,408	1,361	47
Construction in progress	19,299	-	19,299	1,410	-	1,410
<b>Total</b>	<b>\$ 302,899</b>	<b>\$ 172,922</b>	<b>\$ 129,977</b>	<b>\$ 280,419</b>	<b>\$ 164,509</b>	<b>\$ 115,910</b>

<b>Intangible assets</b>	2018			2017		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Software	\$ 1,668	\$ 1,315	\$ 353	\$ 1,428	\$ 1,231	\$ 197



**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

<b>6. Mortgages payable</b>	<u>2018</u>	<u>2017</u>
Crowell Tower residence C.M.H.C. 6.875% mortgage, maturing August 1, 2020. Repayable in semi-annual payments of \$62, including principal and interest	\$280	\$379
Current portion	280 107	379 101
Total	\$173	\$278

The mortgages are secured by the residence buildings listed above. The principal due within each of the next three years on mortgages payable is approximately as follows:

2019	\$107
2020	113
2021	60

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

**7. Loans payable**

a) Demand loans:

Bank of Montreal – non-revolving and unsecured demand loans bearing interest at bank prime plus 0.75%.

b) Loans payable:

On October 3, 2017, the University entered into a new loan facility with the Bank of Montreal that restructured six existing loans with associated interest rate swaps as noted in v, vi, vii, viii, ix and x. This resulted in a settlement of the existing swaps agreement of \$12,201 and resulted in the two new loans noted in i and ii below. The existing mark-to-market interest rate swap liability of \$7,080 was derecognized.

The restructuring of these existing loans is treated as an extinguishment of debt for accounting purposes. The net difference between the extinguishment of the old debt and the issuance of the new debt is recorded as a loss on the statement of operations.

On June 21, 2017, Acadia University received formal notification from the Nova Scotia Opportunities Improvement Fund (SOFI) that the University was relieved of all obligations associated with the \$7,000 loan due to SOFI on June 30, 2017. The University had accrued interest of \$61 as of March 31, 2017. The forgiveness is treated as a contribution and recognized as income as there were no restrictions on these funds.

These three items (the settlement of the existing swaps, the derecognizing of the existing mark-to-market swap liability, and the \$7,000 loan forgiveness) are recognized as a net gain of \$1,941 on the Statement of Operations.

	<u>2018</u>	<u>2017</u>
Biology and Sustainability Initiative (i)	\$31,642	\$-
Residence Renovations (ii)	28,942	-
Wheelock Renovation (iii)	612	927
Cutten Renovation (iv)	1,515	1,574
Residence Advantage – Whitman/Eaton/Christofor (v)	-	6,866
Residence Advantage – Chase Court (vi)	-	7,231
Residence Advantage – Dennis/Chipman (vii)	-	6,264
Residence Advantage – Jodrey Hall (viii)	-	4,807
Sustainability Initiative (ix)	-	5,697
Biology Building (x)	-	20,057
Cutten Renovation 2012 (xi)	-	47
Operating Loan (xii)	-	7,000
	<hr/>	<hr/>
	62,711	60,470
Current portion	3,067	10,750
	<hr/>	<hr/>
Total	\$59,644	\$49,720

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

- i) Biology Building and Sustainability Initiative – Bank of Montreal term financing bearing interest at 2.64% plus a 50 basis point credit spread payment. The interest rate of 2.64% is fixed for a period of 20 years to October 1, 2037. The credit spread payment of 50 basis points is effective for the life of the loan. The loan is being amortized over a period of 20 years with blended monthly payments of principal and interest of approximately \$190.
- ii) Residence Renovation - Bank of Montreal term financing bearing interest at 2.64% plus a 50 basis point credit spread payment. The interest rate of 2.64% is fixed for a period of 20 years to October 1, 2037. The credit spread payment of 50 basis points is effective for the life of the loan. The loan is being amortized over a period of 20 years with blended monthly payments of principal and interest of approximately \$174.
- iii) Wheelock Renovation - Royal Bank, 2.89% term loan maturing January 10, 2019 at which time the University will renegotiate for another term. The loan is being amortized over 2 years and is repayable in blended monthly payments of principal and interest of approximately \$29.
- iv) Cutten Renovation - Bank of Montreal, prime plus 0.75% term loan, amortized over 25 years, maturing March 31, 2029. The loan is repayable in blended monthly payments of principal and interest of \$10.
- v) Residence Advantage - Whitman/Eaton/Christofor – Bank of Montreal term facility at a fixed rate of 6.15% plus a 50 basis point credit spread payment. The interest rate of 6.15% was fixed for a period of 25 years to January 1, 2027. The credit spread payment of 50 basis points was effective for the life of the loan. The facility was being amortized over a period of 25 years with blended monthly payments of principal and interest of approximately \$83. This loan was settled on October 3, 2017.
- vi) Residence Advantage - Chase Court - Bank of Montreal term facility at a fixed rate of 6.01% plus a 50 basis point credit spread payment. The interest rate of 6.01% was fixed for a period of 25 years to February 1, 2029. The credit spread payment of 50 basis points was effective for the life of the loan. The facility was being amortized over a period of 25 years with blended monthly payments of principal and interest of approximately \$77. This loan was settled on October 3, 2017.
- vii) Residence Advantage - Dennis/Chipman - Bank of Montreal term facility at a fixed rate of 6.25% plus a 50 basis point credit spread payment. The interest rate of 6.25% was fixed for a period of 25 years to April 1, 2028. The credit spread payment of 50 basis points was effective for the life of the loan. The facility was being amortized over a period of 25 years with blended monthly payments of principal and interest of approximately \$70. This loan was settled on October 3, 2017.
- viii) Residence Advantage - Jodrey Hall - Bank of Montreal term facility at a fixed rate of 5.99% plus a 50 basis point credit spread payment. The interest rate of 5.99% was fixed for a period of 25 years to September 1, 2028. The credit spread payment of 50 basis points was effective for the life of the loan. The facility was being amortized over a period of 25 years with blended monthly payments of principal and interest of approximately \$52. This loan was settled on October 3, 2017.
- ix) Sustainability Initiative - Bank of Montreal, term financing bearing interest at 5.62% plus a 50 basis point credit spread payment. The interest rate of 5.62% was fixed for a period of 20 years to November 1, 2028. The credit spread payment of 50 basis points was effective for the life of the loan. The sustainability project is being amortized over a period of 20 years, maturing January 2028 with a maximum term of 10 years. Repayable in blended monthly payments of principal and interest of \$60. This loan was settled on October 3, 2017.

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

- x) Biology Building - Bank of Montreal term financing bearing interest at 6.02% plus a 50 basis point credit spread payment. The interest rate of 6.02% was fixed for a period of 25 years to February 1, 2034. The credit spread payment of 75 basis points was effective for the life of the loan. The loan was being amortized over a period of 25 years with blended monthly payments of principal and interest of approximately \$169. This loan was settled on October 3, 2017.
- xi) Cutten Renovation 2012 – Province of Nova Scotia, 2.61% loan amortized over 5 years, matured on April 1, 2017.
- xii) Long Term Operating Loan – Nova Scotia Opportunity Fund Incorporated, 5 year loan, maturing 2017. Interest was fixed at 3.25% payable annually with principal due at maturity. This loan was due March 31, 2017 however was subsequently extended to June 30, 2017. The University was relieved of all obligations related to this loan on June 21, 2017.

The Bank of Montreal loans payable are unsecured, however, there is a restrictive covenant placed upon the ability of the University to pledge the assets as security for future indebtedness.

- c) The University has entered into interest rate swap agreements with the Bank of Montreal in order to reduce the impact of fluctuating interest rates on certain of its long-term debt obligations. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based.
  - i) The University designates certain of its interest rate swap agreements as hedges of the underlying debt. In the hedges, swap payments are reflected as interest expense and accounted for on an accrual basis. The principal underlying the swap agreements, which have been designated as hedges, amounts to \$60,584, at March 31, 2018 (2017 - \$30,865). Although the University has no intention of settling these instruments at March 31, 2018, if the University had settled the interest rate swaps described, it would have been required to pay \$803 (2017 - \$7,929).
  - ii) The interest rate swap associated with the Biology Building long-term debt was entered into on February 19, 2009 with principal payments commencing February 19, 2010. Due to the timing difference of the interest rate swap and principal repayments, the hedge of the underlying debt was deemed ineffective and differences between the fixed and floating rate of interest was assessed annually and recognized as an unrealized gain (loss). The principal underlying the Biology Building swap agreement was \$20,057 at March 31, 2017 and the fair value of the swap was \$7,081 at March 31, 2017. This swap was settled on October 3, 2017.
- d) The Bank of Montreal banking agreement contains restrictive covenants related to earnings levels and debt coverage. The covenant, if in default, gives the bank the right to demand payment and as a result the Bank of Montreal loans payable would be shown as a current liability in its entirety. The University was compliant with debt requirements at yearend.
- e) The principal due within each of the next five years on loans payable is approximately as follows:

2019	\$3,067
2020	2,527
2021	2,590
2022	2,661
2023	2,733

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

**8. Obligations under capital lease**

a) Leases:

	<u>2018</u>	<u>2017</u>
Vehicle (i)	\$28	\$38
Equipment – Matting (ii)	11	25
Equipment – Treadmills (iii)	43	-
	82	63
Current portion	34	24
	\$48	\$39
<b>Total</b>	<b>\$48</b>	<b>\$39</b>

- i) Vehicle – lease agreement ending August 22, 2020 at an interest rate of 4.99%.
- ii) Equipment – lease agreement ending December 1, 2018 with an imputed interest rate of 7.74%.
- iii) Equipment – lease agreement ending August 31, 2021 with an interest rate of 4.45%

b) The payments due within each of the next four years to meet repayment is approximately as follows:

2019	\$34
2020	24
2021	18
2022	6

**9. Deferred capital and other contributions**

Deferred capital contributions related to capital assets represent the unamortized amount of grants and donations received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

Deferred other contributions related to research and special reserves represent externally restricted grants, restricted research donations, and other restricted gifts or donations that have been received in the current period or a prior period which have not been spent.

	<u>Capital</u>	<u>Research</u>	<u>Special Reserves</u>	<u>2018 Total</u>	<u>2017 Total</u>
Balance, beginning of year	\$ 54,819	\$ 3,181	\$ 16,443	\$ 74,443	\$ 64,334
Contributions and grants received during the year	16,412	4,994	2,836	24,242	18,309
Amounts utilized during the year	-	(4,744)	(4,073)	(8,817)	(4,871)
Amounts amortized to revenue	(3,591)	-	-	(3,591)	(3,329)
<b>Balance, end of year</b>	<b>\$ 67,640</b>	<b>\$ 3,431</b>	<b>\$ 15,206</b>	<b>\$ 86,277</b>	<b>\$ 74,443</b>

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

**10. Net assets**

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the University, such resources are classified for accounting purposes into funds according to the activities or objectives specified.

Accumulated operating deficit

The accumulated operating deficit accounts for the academic, administrative, and other operational costs, which are financed by fees, grants, and other general income. For expenditures other than regular salaries, the University follows a policy of appropriating unexpended budget balances in departments.

Internally restricted

Internally restricted funds relate to research and special projects for amounts set aside by the University for specific, as well as unspent, budget appropriations accumulated by academic and other budget units.

Restricted for endowments

Endowment principal consists of restricted donations to the University, the original investment of which is required to be maintained in perpetuity. The investment income generated from endowments must be used in accordance with the various purposes established by the donor.

To meet the foregoing requirements, the University has established an Investment Policy with the following goals:

- to protect the original donation to the University and its earning potential;
- to balance the current operational expenditure requirement with the expected future requirements; and
- to establish a framework that provides transparency related to the management and activities related to endowed funds.

Equity in capital assets

Equity in Capital Assets represents the unamortized cost of capital assets acquired through the expenditure of unrestricted and operating resources.

**11. Interfund transfers**

	2018				2017			
	General	Restricted	Endowment	Capital	General	Restricted	Endowment	Capital
Interfund transfers in (out)								
Research	\$227	\$(227)	\$ -	\$ -	\$287	\$(287)	\$ -	\$ -
Program support	1,373	1,935	(3,308)	-	2,276	1,742	(4,018)	-
Purchase capital	(1,655)	(219)	-	1,874	(1,955)	258	-	1,697
Debt reduction	(3,083)	-	(11)	3,094	(3,589)	-	(13)	3,602
Total	<u>\$(3,138)</u>	<u>\$1,489</u>	<u>\$(3,319)</u>	<u>\$4,968</u>	<u>\$(2,981)</u>	<u>\$1,713</u>	<u>\$(4,031)</u>	<u>\$5,299</u>

Interfund transfers are the result of transferring funding or spending to the appropriate fund for matching purposes.

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

As of March 31, 2018, the following interfund due to/due from balances were outstanding. These balances are a result of revenue and expenses being recognized in different funds. These outstanding balances do not incur interest and do not have associated payment terms.

	2018				2017			
	Operating	Capital	Endowment	Restricted	Operating	Capital	Endowment	Restricted
Interfund due to (from) balances								
Operating Fund	\$ -	\$(433)	\$ -	\$ -	\$ -	\$(433)	\$ -	\$ -
Capital Fund	-	-	-	-	-	-	-	-
Endowment Fund	-	-	-	-	-	-	-	-
Restricted Fund	433	-	-	-	433	-	-	-
Total	\$433	\$(433)	\$ -	\$ -	\$433	\$(433)	\$ -	\$ -

## 12. Commitments

As at March 31, 2018, the University had outstanding commitments to a third party's for physical plant services for approximately \$7,288 (2017 - \$6,884).

The University is in the process renovating and upgrading Elliott Hall and Huggins Hall as well as creating an Innovation Pavilion between the two buildings. The total cost of the project is estimated to be \$22,250, of which \$15,980 will be funded by the Government of Canada and the Province of Nova Scotia, and the remaining investment of \$6,270 will be made from private donors. As of March 31, 2018, \$18,965 (2017 - \$1,309) in construction costs have been incurred and \$19,797 (2017 - \$10,197) in funding and donations have been received. The project will be completed in the summer of 2018.

## 13. Contingent liabilities

- a) The University participates in a reciprocal exchange of insurance risks in association with over fifty Canadian universities. This self-insurance cooperative (CURIE) involves a contractual agreement to share the insurance property and liability risks of member universities for a term of not less than five years.

The projected cost of claims will be funded through members' premiums based on actuarial projections. As of December 31, 2017, CURIE had a surplus of \$81.2 million of which the University's prorata share is approximately 1.106% on an ongoing basis. In addition, CURIE has obtained \$1,245 billion (2017 - \$1,245 billion) re-insurance with commercial insurers to cover major property claims in excess of \$5 million per occurrence.

In respect of General Liability, the limit is \$5 million per occurrence and on behalf of subscribers, an excess policy for \$45 million above CURIE's \$5 million limit is in place.

In respect of Errors and Omissions, the limit is \$5 million per occurrence and on behalf of subscribers, an excess policy combined with General Liability for \$45 million above CURIE's \$5 million limit is in place.

In the event premiums are not sufficient to cover claim settlements, the member universities would be subject to an assessment in proportion to their participation.

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

- b) From time to time, the University is involved in litigation or proceedings relating to claims arising out of its operations in the ordinary course of business. It is the opinion of management that the aggregate amount of any potential liability is not expected to have a material adverse effect on the University's financial position or results and any claims arising out of the ordinary course of business are adequately provided for.

**14. Pledges**

As at March 31, 2018, the University had outstanding campaign pledges of approximately \$6,715 (2017 - \$7,704) which have not been recorded in the accounts.

**15. Employee future benefits**

On July 1, 2015, the University transitioned its pension plan to the Public Service Superannuation Plan ("PSSP"). Prior to this, the Acadia University Pension Plan was a defined benefit pension plan covering substantially all of its employees. Acadia University employees now participate in the PSSP, a contributory multi-employer defined benefit pension plan administered by the Pension Services Superannuation Plan Trustee Incorporated, which provides pension benefits based on length of service and earnings.

At the date of transition, based on the actuarial methodology and assumptions of the PSSP, the University's plan had assets available to transfer of \$127,836, actuarial liabilities of \$130,410, and residual deficiency of \$2,574. The deficiency is required to be paid in monthly instalments of principal and interest from the date of transition and is amortized over a 10-year period. The outstanding deficiency as of March 31, 2018 was \$2,004 (2017 - \$2,230).

The PSSP is accounted for as a defined contribution plan as the obligation to pay retirement obligations does not reside with the University. The funding surplus of the PSSP as at March 31, 2017 is \$238,734. Contributions to the Plan are required by both the employer, Acadia University, and its employees. Total employer contributions for 2018 were \$3,517 (2017 - \$3,664) and are recognized as an expense in the period.

Other employee future benefits include the present value of other long-term employee benefits including service awards and supplementary pension amounts.



**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

**16. Financial instruments**

a) Fair values

The fair value of investments is calculated as described in Note 2 (g). The fair value of the long-term debt approximates their carrying value because the calculated contractual rates of interest approximate the current market rate available to the University. The fair values of the other financial assets and liabilities, being cash, short-term investments, accounts receivable, demand loans payable and accounts payable and accrued liabilities approximate their carrying values due to the short term nature of these instruments.

b) Credit risk

Financial instruments which potentially subject the University to credit risk consist primarily of cash, short term investments and accounts receivable. The University limits the amount of credit exposure with its cash and short term investment balances by only maintaining deposits with major financial institutions. Accounts receivable consist mainly of student accounts and amounts owing from agencies of the Federal Government of Canada and the Provincial Government of Nova Scotia. To reduce credit risk with student accounts, the University places restrictions on the issuance of certain university privileges and the issuance of grades and degrees until payment on account is made, but does not generally require collateral. All student accounts are reviewed throughout the year. At the end of each year, all delinquent accounts are written off.

The University is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as highly rated financial institutions.

c) Interest rate risk

Interest rate risk is minimized as the majority of the University's long term debt is fixed by the use of interest rate swaps. The only fluctuating debt is related to the demand loans payable.

d) Liquidity risk

Liquidity risk management serves to ensure that the University maintains sufficient cash flow and utilizes bank loans to meet the operating requirements of the University. The University maintains detailed budgets and cash flow forecasts. The University maintains a short-term line of credit that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner.

e) Market risk

The University's investments are affected by market conditions. The University monitors its exposure and impact of changes to the market value.

**17. Supplemental cash flow information**

	<u>2018</u>	<u>2017</u>
Cash paid during the year for:		
Interest on long-term debt	\$2,998	\$3,750

**ACADIA UNIVERSITY**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

**18. Collections**

The Art Gallery of Acadia University has a collection of donated paintings and other art works, which are not recorded in the financial statements, having an insured value of \$1,684. The insured value is based on an entire collection valuation carried out in 1993, adjusted for new acquisitions and subsequent piece valuation.

**19. Related entities**

The Acadia Entrepreneurship Centre (ACE) (formerly Acadia Centre for Social and Business Entrepreneurship) is a society incorporated under the laws of the Province of Nova Scotia. ACE has been organized to study, promote, and assist the activities of small businesses and entrepreneurs through research, analysis, counselling, and distribution of educational information. The University appoints three members to the Board of Directors and acts as the banker for the transactions of ACE. At March 31, 2018, the University owed the ACE \$177 (2017 \$-, ACE owed the University \$25).

The Acadia Divinity College is a Christian theological seminary located on the campus of Acadia University. Academically, the Acadia Divinity College is considered a Faculty of the University. Financially, it is incorporated as a separate legal entity under the laws of the Province of Nova Scotia. Many administrative services are provided by the University to the college under a service contract with terms similar to those that would be offered to the general public. At March 31, 2018, the Acadia Divinity College owed the University \$779 (2017 \$436).

SCHEDULE A

**ACADIA UNIVERSITY**  
**SCHEDULE OF OPERATIONS BY FUND**  
**YEAR ENDED MARCH 31, 2018**  
(thousands of dollars)

	Operating/ Ancillary Operations	Special Reserves	Research	Endowment	Capital	2018 Total	2017 Total
<b>Revenues:</b>							
Student academic fees	\$39,522	\$ -	\$ -	\$ -	\$ -	\$39,522	\$38,134
Government grants	31,208	-	-	-	-	31,208	30,979
Other grants	-	-	4,768	-	-	4,768	4,782
Ancillary sales and services	13,864	-	-	-	-	13,864	12,565
Donations and gifts	16	555	-	-	-	571	242
Investment income	419	207	-	3,755	-	4,381	4,819
General	1,871	757	88	-	-	2,716	3,290
Amortization of deferred capital contribution	-	-	-	-	3,591	3,591	3,329
<b>Total Revenue</b>	<b>86,900</b>	<b>1,519</b>	<b>4,856</b>	<b>3,755</b>	<b>3,591</b>	<b>100,621</b>	<b>98,140</b>
<b>Expenses:</b>							
Wages - academic	24,876	26	285	-	-	25,187	24,663
Wages - academic other	2,964	130	2,204	-	-	5,298	5,038
Wages - other	15,025	357	95	-	-	15,477	15,070
Total wages	42,865	513	2,584	-	-	45,962	44,771
Fringe benefits	6,609	72	208	-	-	6,889	7,408
Pension special payments	247	-	-	-	-	247	237
Supplies and materials	6,176	677	707	-	-	7,560	7,147
Externally contracted services	6,857	69	541	-	-	7,467	7,242
Amortization of capital assets	-	-	-	-	8,496	8,496	8,355
Ancillary cost of goods sold	918	-	-	-	-	918	1,009
Utilities	5,030	3	-	-	-	5,033	4,682
Long term debt interest	2,809	-	-	-	-	2,809	3,738
Travel	1,864	127	510	-	-	2,501	2,199
Scholarships and bursaries	3,940	983	-	-	-	4,923	4,918
Deferred maintenance and renovations	957	371	-	-	-	1,328	940
Library acquisitions	925	70	-	-	-	995	975
Professional fees	664	-	-	436	-	1,100	1,000
Other	660	-	127	-	-	787	921
<b>Total expenses</b>	<b>80,521</b>	<b>2,885</b>	<b>4,677</b>	<b>436</b>	<b>8,496</b>	<b>97,015</b>	<b>95,542</b>
Excess of revenues over expenses (expenses over revenues) before appropriations and unusual item	\$6,379	\$(1,366)	\$179	\$3,319	\$(4,905)	\$3,606	\$2,598

**SCHEDULE B**

**ACADIA UNIVERSITY  
STATEMENT OF EXPENSES BY FUNCTION - OPERATING AND ANCILLARIES  
YEAR ENDED MARCH 31, 2018  
(thousands of dollars)**

	<u>Academic</u>	<u>Plant Maintenance</u>	<u>Admini- stration</u>	<u>Library</u>	<u>Student Services</u>	<u>Other</u>	<u>Ancillary Operations</u>	<u>2018 Total</u>	<u>2017 Total</u>
Wages - academic	\$24,833	\$-	\$-	\$-	\$43	\$-	\$-	\$24,876	\$24,127
Wages - academic other	2,771	-	32	2	159	-	-	2,964	2,854
Wages - other	4,478	583	4,053	1,744	2,523	-	1,644	15,025	14,722
<b>Total wages</b>	<b>32,082</b>	<b>583</b>	<b>4,085</b>	<b>1,746</b>	<b>2,725</b>	<b>-</b>	<b>1,644</b>	<b>42,865</b>	<b>41,703</b>
Fringe benefits	5,366	112	119	302	500	-	210	6,609	6,962
Pension special payments	196	2	21	11	11	-	6	247	237
Supplies and materials	1,809	277	1,476	16	1,308	-	1,290	6,176	5,866
Externally contracted services	277	6,318	43	68	40	-	111	6,857	6,610
Ancillary cost of goods sold	-	-	23	-	-	-	895	918	1,009
Utilities	-	5,030	-	-	-	-	-	5,030	4,680
Long term debt interest	-	-	-	-	-	1,379	1,430	2,809	3,738
Travel	552	11	593	21	683	-	4	1,864	1,572
Scholarships and bursaries	-	-	-	-	-	3,750	190	3,940	3,976
Deferred maintenance and renovations	-	-	-	-	-	943	14	957	804
Library acquisitions	-	-	-	925	-	-	-	925	910
Professional fees	141	-	511	-	12	-	-	664	601
Other	39	454	61	13	92	-	1	660	763
<b>Total gross expenditures</b>	<b>40,462</b>	<b>12,787</b>	<b>6,932</b>	<b>3,102</b>	<b>5,371</b>	<b>6,072</b>	<b>5,795</b>	<b>80,521</b>	<b>79,431</b>
Transfer of physical plant expenditures									
Ancillary Operations	-	-	(3,848)	-	-	-	3,848	-	-
<b>Total expenditures</b>	<b>\$40,462</b>	<b>\$12,787</b>	<b>\$3,084</b>	<b>\$3,102</b>	<b>\$5,371</b>	<b>\$6,072</b>	<b>\$9,643</b>	<b>\$80,521</b>	<b>\$79,431</b>