FINANCIAL STATEMENTS

APRIL 30, 2015

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STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

The administration of the University is responsible for the preparation of the financial statements, the notes thereto and all other financial information contained in this annual report.

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. The administration believes the financial statements present fairly, in all material respects, the University's financial position as at April 30, 2015 and the results of its operations and its cash flows for the year then ended. In order to achieve the objective of fair presentation in all material respects, the use of reasonable estimates and judgments was employed. Additionally, the administration has ensured that all financial information presented in this report has been prepared in a manner consistent with that in the financial statements.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration 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 financial statements.

The University has retained Mercer (Canada) Limited in order to provide an estimate of the University's liability for pension and other post-employment benefits. The administration has provided the valuation actuary with the information necessary for the completion of the University's report and retains ultimate responsibility for the determination and estimation of the reported pension and other benefit liabilities.

The Board of Governors carries out its responsibility for review of the financial statements and this annual report principally through its Finance and Audit Committee ("Committee"). The majority of the members of the Committee are not officers or employees of the University. The Committee meets regularly with the administration, as well as the internal auditors and the external 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 auditors have full access to the Committee with and without the presence of the administration.

Ernst & Young LLP, Chartered Professional Accountants, the auditors appointed by the Board of Governors, have reported on the financial statements for the year ended April 30, 2015. The independent auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Gary Brewer
Vice-President, Finance and Administration

Mamdouh Shoukri
President and Vice-Chancellor

INTRODUCTION TO YORK UNIVERSITY
FINANCIAL STATEMENTS – 2014-2015

In 2014-2015, the University continued to manage its finances in a very challenging fiscal environment. The current year was characterized by continued weakness in domestic enrolments offset in part by continued strong demand for international undergraduate enrolment and strong capital market performance. Quality undergraduate and domestic graduate enrolment growth continued to be key priorities for the University as part of an overall focus on achieving the objectives of the University Academic Plan. Increased tuition fees and higher international enrolments partially offset by lower domestic enrolments and operating grant reductions provided some additional operating income overall. Cost pressures largely associated with salaries and benefits declined due to lower compensation settlements and lower required pension special payments.

Grants and contract funding declined to $372 million in 2015 compared to $391 million in 2014. Reductions in Provincial operating grants and lower external research grants accounted for the reduction.

The Statement of Operations and Changes in Deficit reports total tuition fee revenue increasing from $477 million in 2014 to $498 million in 2015. The majority of this growth was associated with increases in approved tuition fee rates and increasing international undergraduate enrolments, offset in part by lower domestic enrolments.

Salaries and benefits decreased from $711 million in 2014 to $691 million in 2015, largely as a result of a reduction in current and post employment pension and benefit costs, offset somewhat by the impact of salary escalation adjustments.

Scholarships and bursaries increased slightly from $60 million in 2014 to $61 million in 2015.

Interest on long-term debt increased to $24 million in 2015 compared to $20 million in 2014. The University issued $100 million in new debentures in February, 2014, and the annualized impact of the new debenture is now fully reflected in the cost.

Results for the 2015 fiscal year reported an excess of revenue over expenses of $20 million. The 2014-15 approved budget plan specifically identified funds to create an academic strategic investment and contingency fund. This amount was transferred from the excess to internally restricted net assets to address future academic and strategic initiatives of the University.

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The University's investment in capital assets increased from $1,362 million in 2014 to $1,410 million in 2015. This change reflects ongoing construction of the Pan Am Stadium and the Bergeron Building for the Lassonde School of Engineering, net of the annual amortization charges on existing capital assets.

Investments at April 30, 2015 totalled $808 million, as compared to $774 million at April 30, 2014. The change in investments over the course of the year is the result of strong capital market returns on the endowments for the current year. Investments consisted of $439 million in endowments ($416 million last year) and $369 million in other investments ($358 million last year).

Gary Brewer
Vice-President, Finance and Administration

SUMMARY OF REVENUE AND EXPENSES

Total Revenue and Expenses

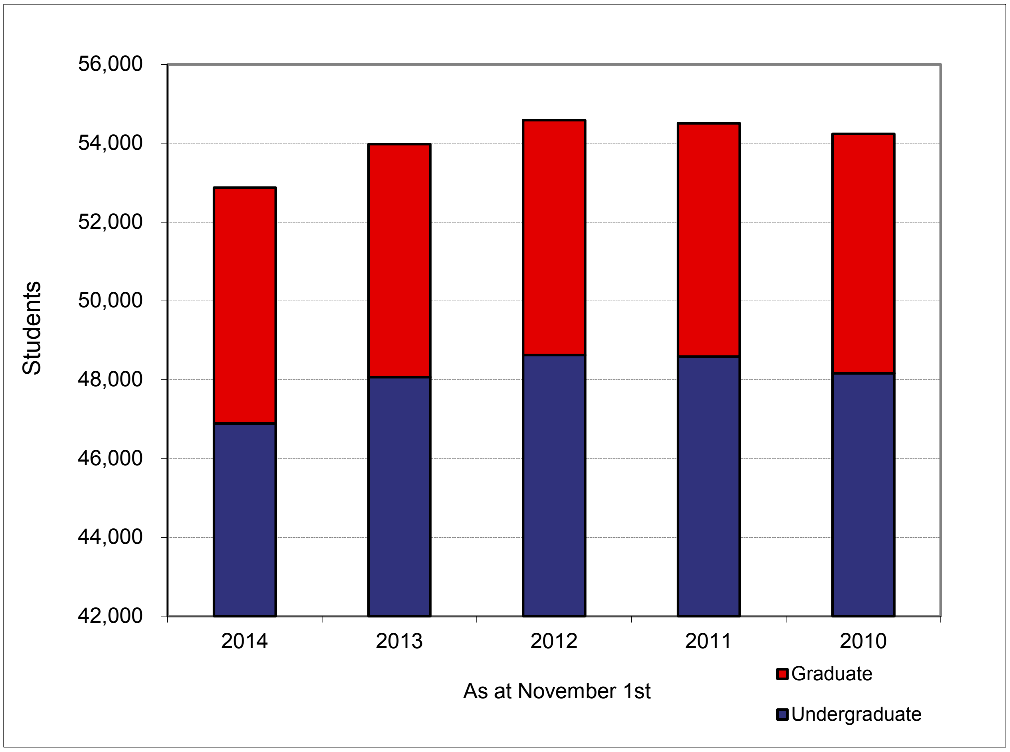
(Millions of dollars)

Year Ended April 30	2015	2014	2013	2012	2011
	$	$	$	$	$
REVENUE					
Student fees	498.2	476.7	453.2	433.6	404.4
Grants and contracts	371.7	391.0	387.4	392.0	384.9
Sales and services	62.0	62.6	62.8	62.8	63.8
Fees and other recoveries	30.4	30.4	28.2	27.6	26.0
Investment income	25.6	29.8	23.8	19.0	18.9
Amortization of deferred capital contributions	13.9	14.3	14.6	12.0	11.7
Donations	10.5	8.2	9.1	6.9	7.1
Other	4.7	3.9	4.0	2.9	6.2
	1,017.0	**1,016.9**	**983.1**	**956.8**	**923.0**
EXPENSES					
Salaries and benefits	691.1	711.4	693.0	651.5	631.5
Operating costs	132.8	133.1	123.7	125.6	114.5
Scholarships and bursaries	61.0	60.3	59.6	61.3	58.1
Amortization of capital assets	41.5	42.1	44.4	41.3	40.0
Taxes and utilities	33.2	29.9	29.2	29.1	28.8
Interest on long-term debt	23.5	19.9	19.2	19.4	19.6
Cost of sales and services	14.0	15.9	16.8	16.8	18.4
	997.1	**1,012.6**	**985.9**	**945.0**	**910.9**

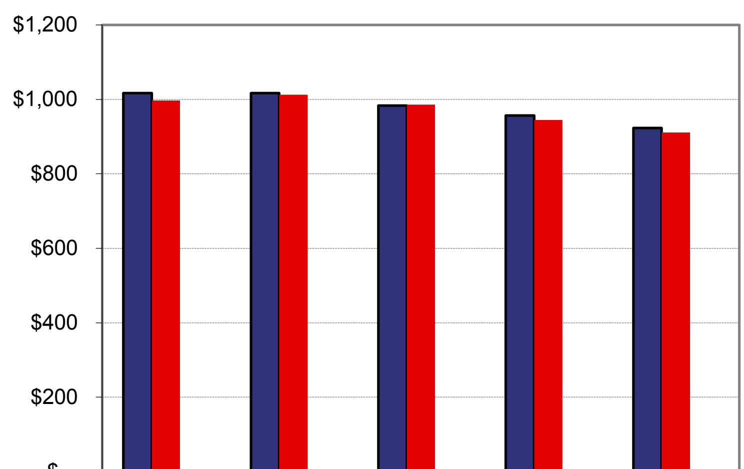
% of Total Revenue and Expenses

Year Ended April 30	2015	2014	2013	2012	2011
	%	%	%	%	%
REVENUE					
Student fees	49.0	46.9	46.1	45.3	43.8
Grants and contracts	36.5	38.4	39.4	41.0	41.7
Sales and services	6.1	6.2	6.4	6.6	6.9
Fees and other recoveries	3.0	3.0	2.9	2.9	2.8
Investment income	2.5	2.9	2.4	2.0	2.0
Amortization of deferred capital contributions	1.4	1.4	1.5	1.3	1.3
Donations	1.0	0.8	0.9	0.7	0.8
Other	0.5	0.4	0.4	0.2	0.7
	100.0	**100.0**	**100.0**	**100.0**	**100.0**
EXPENSES					
Salaries and benefits	69.3	70.3	70.3	68.9	69.3
Operating costs	13.3	13.1	12.6	13.2	12.5
Scholarships and bursaries	6.1	5.9	6.0	6.5	6.4
Amortization of capital assets	4.2	4.2	4.5	4.4	4.4
Taxes and utilities	3.3	2.9	3.0	3.1	3.2
Interest on long-term debt	2.4	2.0	1.9	2.1	2.2
Cost of sales and services	1.4	1.6	1.7	1.8	2.0
	100.0	**100.0**	**100.0**	**100.0**	**100.0**

ENROLMENT
2010 – 2014



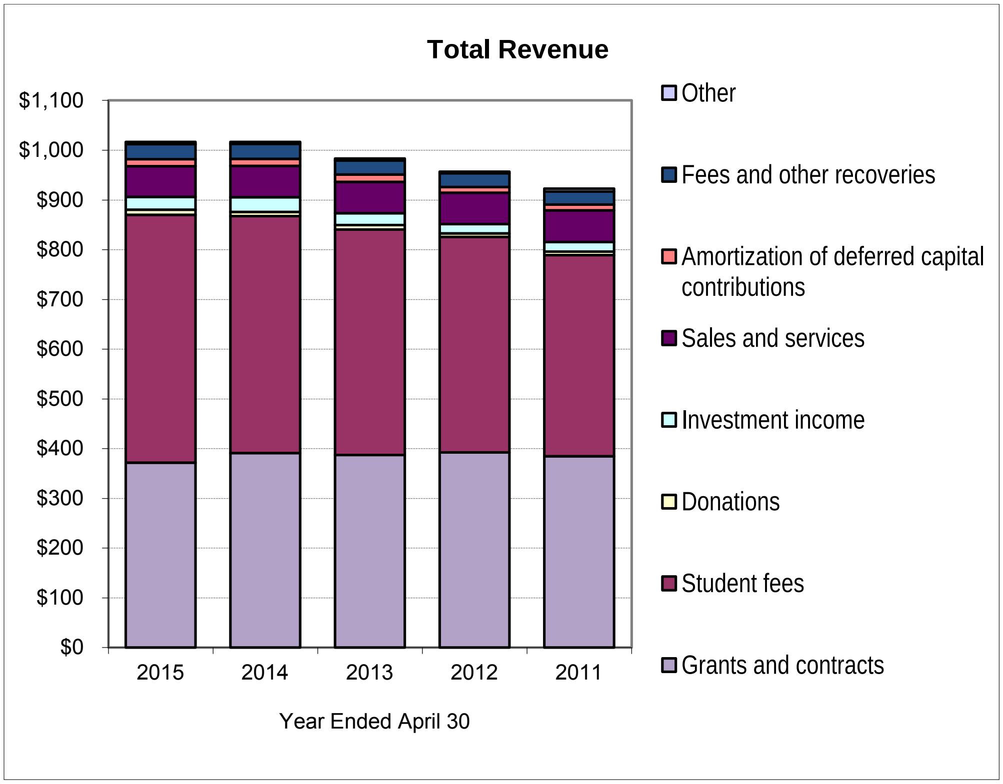
REVENUE AND EXPENSES
Year Ended April 30
2011 – 2015
(Millions of dollars)

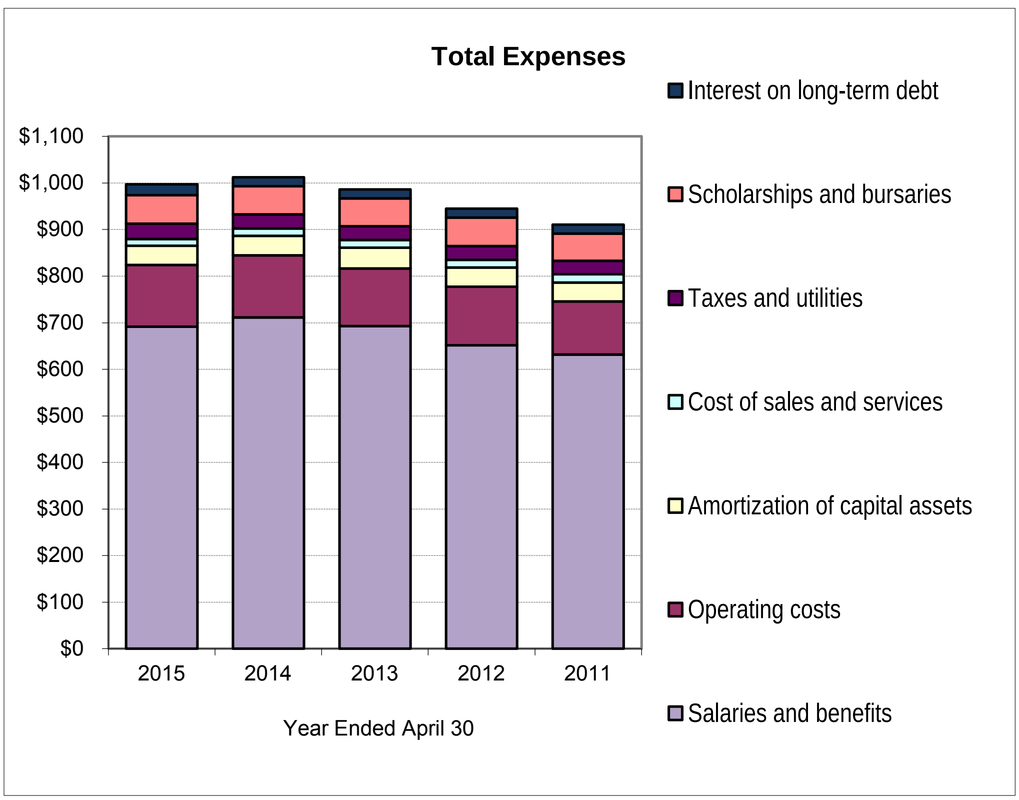


	2015	2014	2013	2012	2011
Revenue	$1,017.0	$1,016.9	$983.1	$956.8	$923.0
Expenses	$997.1	$1,012.6	$985.9	$945.0	$910.9
Revenue over Expenses	$19.9	$4.3	$(2.8)	$11.8	$12.1

SUMMARY OF REVENUE AND EXPENSES

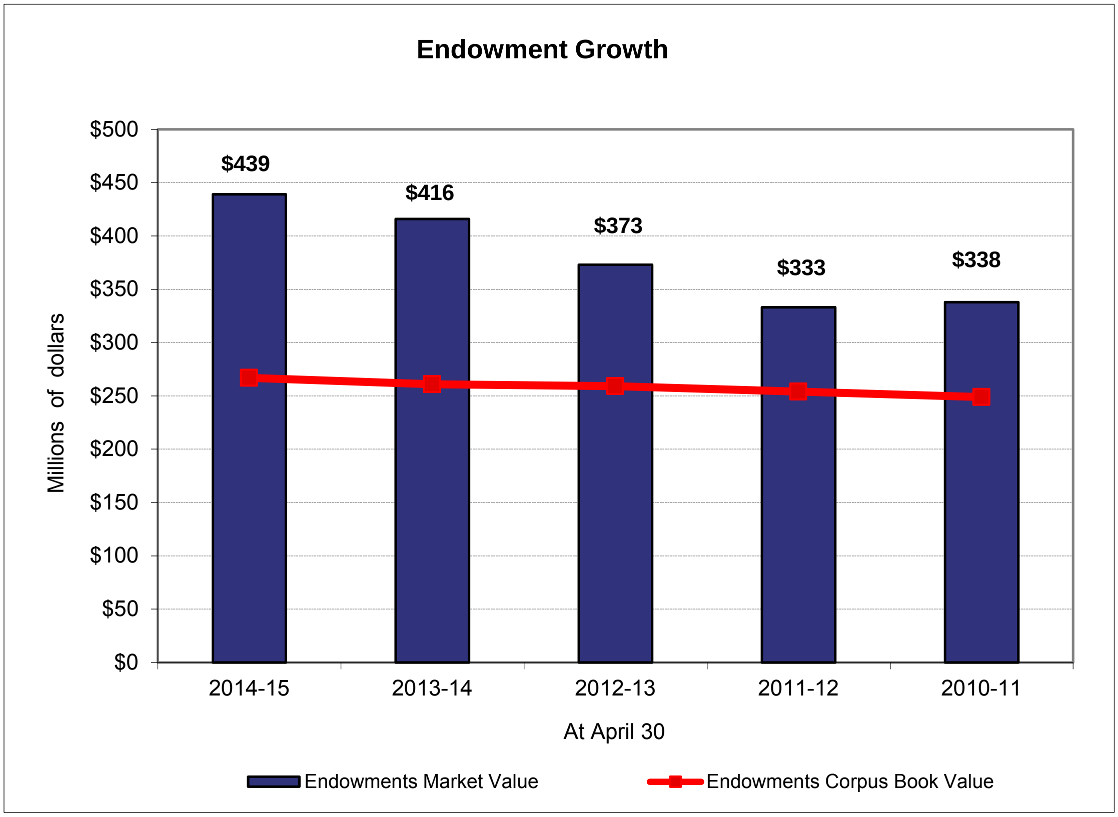
2011 – 2015
(Millions of dollars)

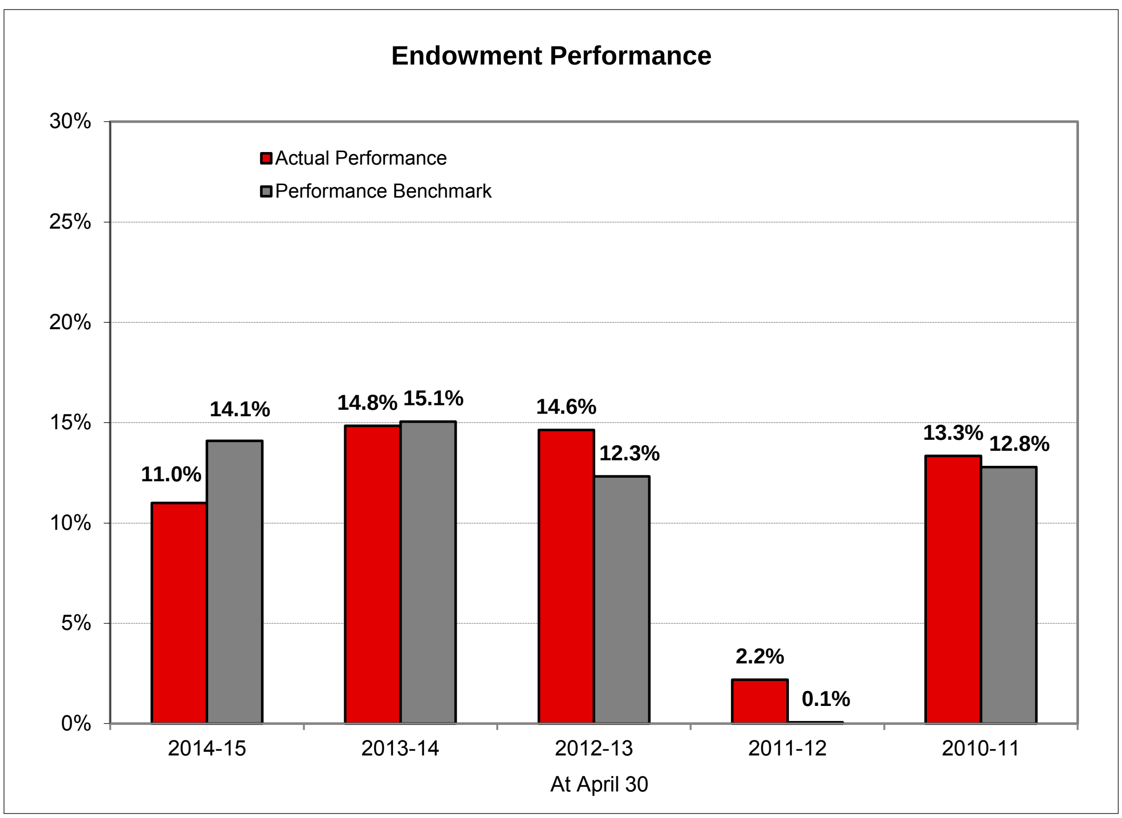




ENDOWMENT GROWTH AND PERFORMANCE

2011 – 2015





INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
York University

We have audited the accompanying financial statements of York University, which comprise the balance sheet as at April 30, 2015, and the statements of operations and changes in deficit, 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.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 22, 2015

BALANCE SHEET
(Thousands of dollars)

As at April 30

	2015 $	**2014** $
ASSETS		
Current		
Cash and cash equivalents	**81,819**	62,615
Accounts receivable *(note 4)*	**58,062**	54,678
Inventories	**4,157**	4,304
Prepaid expenses	**12,657**	14,202
Total current assets	**156,695**	135,799
Pension plan asset *(note 13)*	**104,628**	23,115
Investments *(note 3)*	**808,169**	774,375
Investment in lease *(note 4)*	**43,425**	43,720
Capital assets, net *(note 5)*	**1,410,048**	1,362,025
	2,522,965	2,339,034
LIABILITIES		
Current		
Accounts payable and accrued liabilities *(notes 8 and 14)*	**114,664**	105,336
Current portion of long-term debt *(note 9)*	**758**	712
Deferred revenue	**51,912**	52,104
Total current liabilities	**167,334**	158,152
Deferred contributions *(note 6)*	**113,889**	100,747
Long-term liabilities *(notes 8 and 13)*	**134,563**	139,669
Long-term debt *(note 9)*	**401,138**	401,876
Deferred capital contributions *(note 10)*	**349,943**	322,963
Total liabilities	**1,166,867**	1,123,407
Commitments and contingent liabilities *(notes 7 and 16)*		
NET ASSETS		
Deficit	**(42,371)**	(43,084)
Internally restricted *(note 11)*	**959,985**	843,810
Endowments *(note 12)*	**438,484**	414,901
Total net assets	**1,356,098**	1,215,627
	2,522,965	2,339,034

See accompanying notes

On behalf of the Board of Governors:

Julia Foster
Chair

Mamdouh Shoukri
President and Vice-Chancellor

STATEMENT OF OPERATIONS AND CHANGES IN DEFICIT
(Thousands of dollars)

Year ended April 30

	2015	**2014**
	$	**$**
REVENUE		
Student fees	**498,235**	476,691
Grants and contracts *(note 6)*	**371,663**	390,968
Sales and services	**62,030**	62,647
Fees and other recoveries	**30,424**	30,367
Investment income *(note 3)*	**25,556**	29,807
Amortization of deferred capital contributions *(note 10)*	**13,871**	14,329
Donations	**10,465**	8,138
Other	**4,721**	3,927
Total revenue	**1,016,965**	1,016,874
EXPENSES		
Salaries and benefits *(note 13)*	**691,050**	711,358
Operating costs	**132,784**	133,060
Scholarships and bursaries	**61,029**	60,285
Amortization of capital assets	**41,452**	42,078
Taxes and utilities	**33,191**	29,877
Interest on long-term debt *(note 9)*	**23,568**	19,923
Cost of sales and services	**14,036**	15,936
Total expenses	**997,110**	1,012,517
Revenue over expenses, before the following	**19,855**	4,357
Employee benefit plans – remeasurements *(note 13)*	**91,992**	197,935
Net transfers to internally restricted net assets *(note 11)*	**(115,332)**	(200,368)
Net transfers from (to) internally restricted endowments *(note 12)*	**4,198**	(6,446)
Change in deficit in the year	**713**	(4,522)
Deficit, beginning of year	**(43,084)**	(38,562)
Deficit, end of year	**(42,371)**	(43,084)

See accompanying notes

STATEMENT OF CHANGES IN NET ASSETS
(Thousands of dollars)

Year ended April 30	Deficit $	Internally restricted $ (note 11)	Endowments $ (note 12)	2015 Total $	2014 Total $
Net assets, beginning of year	**(43,084)**	**843,810**	**414,901**	**1,215,627**	977,201
Revenue over expenses for the year	**19,855**	**-**	**-**	**19,855**	4,357
Employee benefit plans – remeasurements *(note 13)*	**91,992**	**-**	**-**	**91,992**	197,935
Net transfers from deficit to internally restricted net assets *(note 11)*	**(115,332)**	**115,332**	**-**	**-**	-
Contribution related to land and artwork	**-**	**843**	**-**	**843**	-
Investment income on externally restricted endowments less amounts made available for spending *(note 12)*	**-**	**-**	**22,671**	**22,671**	33,543
Contributions to externally restricted endowments *(note 12)*	**-**	**-**	**5,110**	**5,110**	2,591
Net transfers from internally restricted endowments to deficit *(note 12)*	**4,198**	**-**	**(4,198)**	**-**	-
Net assets, end of year	**(42,371)**	**959,985**	**438,484**	**1,356,098**	1,215,627

See accompanying notes

STATEMENT OF CASH FLOWS
(Thousands of dollars)

Year ended April 30

	2015 $	2014 $
OPERATING ACTIVITIES		
Revenue over expenses for the year	**19,855**	4,357
Add (deduct) non-cash items:		
Amortization of capital assets	**41,452**	42,078
Amortization of deferred capital contributions *(note 10)*	**(13,871)**	(14,329)
Amortization of transaction costs	**20**	25
Employee benefit plan expense *(note 13)*	**45,599**	66,695
Loss on disposal of capital assets	**-**	240
Net change in non-cash balances *(note 14)*	**12,936**	22,074
Contributions to employee benefit plans *(note 13)*	**(39,931)**	(71,212)
Cash provided by operating activities	**66,060**	49,928
INVESTING ACTIVITIES		
Purchase of investments, net *(note 14)*	**(11,123)**	(98,544)
Purchase of capital assets *(note 14)*	**(80,982)**	(50,662)
Cash used in investing activities	**(92,105)**	(149,206)
FINANCING ACTIVITIES		
Issuance of long-term debt, net of transaction costs	**-**	99,331
Repayment of long-term debt	**(712)**	(670)
Contributions restricted for capital purposes *(note 10)*	**40,851**	25,340
Contributions to externally restricted endowments *(note 12)*	**5,110**	2,591
Cash provided by financing activities	**45,249**	126,592
Net increase in cash and cash equivalents during the year	**19,204**	27,314
Cash and cash equivalents, beginning of year	**62,615**	35,301
Cash and cash equivalents, end of year	**81,819**	62,615

See accompanying notes

NOTES TO FINANCIAL STATEMENTS
(All amounts are in thousands of dollars unless otherwise indicated)

APRIL 30, 2015

1. DESCRIPTION OF THE ORGANIZATION

York University ("York" or the "University") was incorporated under the York University Act 1959 and continued under the York University Act 1965 by the Legislative Assembly of Ontario. The University is dedicated to academic research and to providing post-secondary and post-graduate education. The University is a registered charity and under the provisions of Section 149 of the Income Tax Act (Canada) is exempt from income taxes.

York's financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all the operations of the University and organizations in which the University has a controlling shareholding. Accordingly, these financial statements include the operations, research activities and ancillary operations of the University and the York University Development Corporation (an Ontario corporation of which the University is the sole shareholder) that oversees the development of designated undeveloped York lands and which owns York Lanes shopping mall.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook – Accounting which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the administration to make estimates and assumptions that affect the reported amounts of assets and liabilities, related amounts of revenue and expenses, and disclosure of contingent assets and liabilities. Significant areas requiring the use of estimates relate to the assumptions used in the determination of the valuation of pension and other retirement benefit assets/obligations and the recording of contingencies. Actual results could differ from those estimates.

b) Revenue recognition

The University follows the deferral method of accounting for contributions, which include donations and grants. Grants are recorded in the accounts when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded in the accounts when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions, other than endowments, are initially deferred and recognized as revenue in the year in which the related expenses are recognized. Externally restricted endowment contributions are recognized as direct increases in net assets when initially recorded in the accounts.

Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at the point of sale or when the service has been provided.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds, realized gains and losses on all investments and unrealized gains and losses on investments recorded at fair value, are recorded as investment income (loss) in the Statement of Operations and Changes in Deficit, except for investment income designated for externally restricted endowments. The amount made available for spending related to externally restricted endowments is recognized as investment income and any restricted amounts available for spending that remain unspent at year-end are deferred and categorized as deferred contributions. Investment income on externally restricted endowments in excess of the amount made available for spending, losses on externally restricted endowments and deficiency of investment income compared to the amount available for spending are recognized as direct increases (decreases) to endowments.

Investment income (loss) designated for internally restricted endowments is recognized in the Statement of Operations and Changes in Deficit. The investment income (loss) net of all actual spending against internal endowments is transferred between the unrestricted deficit and internally restricted endowments through the Statement of Changes in Net Assets.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and investments with a maturity of approximately three months or less at the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

d) Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is assigned by using the first-in, first-out method or weighted average cost method, depending on the nature and use of the inventory items. The same costing method is used for all inventories having a similar nature and use.

e) Financial instruments

Investments reported at fair value consist of equity instruments that are quoted in an active market as well as pooled fund investments, derivative contracts and any investments in fixed income securities that the University designates upon purchase to be measured at fair value. Transaction costs are recognized in the Statement of Operations and Changes in Deficit in the period during which they are incurred.

Investments in fixed income securities not designated to be measured at fair value are initially recorded at fair value plus transaction costs, which represents cost, and are subsequently measured at amortized cost using the effective interest rate method, less any provision for impairment.

Long-term debt is initially recorded at fair value, which represents cost, and subsequently measured at amortized cost using the effective interest rate method. Long-term debt is reported net of related premiums, discounts and transaction issue costs.

Other financial instruments, including accounts receivable and accounts payable, are initially recorded at fair value, which represents cost, and subsequently measured at cost, net of any provisions for impairment.

f) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization of capital assets is provided on a straight-line basis over their estimated useful lives as follows:

	Annual Rate	Years
Buildings, facilities and infrastructure	2.5% to 10%	10 to 40
Equipment and furnishings	10% to 33.3%	3 to 10
Library books	100%	1

Construction in progress expenditures are capitalized as incurred and are amortized as described above once the asset is placed into service. Capitalized expenditures include interest on related debt funding of such expenditures.

Donations of items included in the art collection are recorded as direct increases in capital assets and net assets at an appraised value established by independent appraisal in the period receipted by the University. The art collection is considered to have a permanent value and is not amortized.

g) Foreign exchange translation

The University accounts for revenue and expense transactions denominated in a foreign currency at the exchange rate in effect at the date of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated at year-end exchange rates and any translation gain or loss is included in the Statement of Operations and Changes in Deficit. Foreign exchange gains and losses on investments are accounted for consistent with investment income.

h) Employee benefit plans

The University has a defined contribution pension plan, which has a defined benefit component that provides a minimum level of pension benefits. The University also has other retirement and post-employment benefit plans that primarily provide medical and dental benefits. The University accounts for the cost of benefits related to the defined contribution plan as contributions are due.

The University accounts for its defined benefit employee plans using the immediate recognition approach. The University recognizes the amount of the accrued benefit obligations, net of the fair value of plan assets measured at year-end, adjusted for any valuation allowances. Current service and finance costs are expensed during the year. Remeasurements and other items related to actuarial gains and losses and differences between actual and expected returns on plan assets and past service costs are recognized as a direct increase or decrease in net assets. The accrued benefit obligations for employee benefit plans are determined based on actuarial valuation reports prepared for funding purposes. These reports are required to be prepared at least on a triennial basis. In years where actuarial valuations are not prepared, the University uses a roll-forward technique to estimate the accrued liability using assumptions from the most recent actuarial valuation reports.

3. INVESTMENTS

a) Investments consist of the following:

	2015 $	2014 $
Cash	**9,804**	2,945
Short-term investments	**10,738**	17,595
Guaranteed investment certificates	**80,339**	77,541
Canadian government bonds	**103,865**	87,940
Canadian corporate bonds	**160,143**	174,251
Foreign bonds	**45,105**	27,570
Mortgages	**93,329**	75,257
Canadian equities	**73,667**	77,224
US equities	**125,386**	121,548
International and emerging markets	**100,165**	111,241
Other	**5,628**	1,263
Total	**808,169**	774,375

Investments in pooled funds have been allocated among asset classes based on the underlying investments held in the pooled funds.

All investments are recorded at fair value except certain bonds, mortgages and other investments, which are carried at amortized cost. As at year-end, investments are recorded in the accounts as follows:

	2015 $	2014 $
Fair value	**439,090**	415,938
Amortized cost	**369,079**	358,437
Total	**808,169**	774,375

Investments are exposed to foreign currency, interest rate, other price, and credit risks *(note 17)*. The University manages these risks through policies and procedures governing asset mix, equity and fixed income allocations, and diversification among and within asset categories.

To manage foreign currency risk, a hedging policy has been implemented for the University's foreign currency denominated investments to minimize exchange rate fluctuations and the resulting uncertainty on future financial results. All outstanding contracts have a remaining term to maturity of less than one year. The University has contracts outstanding held in foreign currencies, as detailed below.

The notional and fair values of the foreign currency forward contracts are as follows:

	2015		2014	
Currency sold	**Notional value (CAD $)**	**Fair value of contract (CAD $)**	**Notional value (CAD $)**	**Fair value of contract (CAD $)**
EUR	**-**	**-**	4,792	(55)
GBP	**-**	**-**	12,765	(129)
USD	**46,133**	**1,505**	75,162	(245)
Other	**-**	**-**	23,157	(80)
Total	**46,133**	**1,505**	115,876	(509)

The fair value of the foreign currency forward contracts is included in other investments. The change in the fair value of the foreign currency forward contracts is accounted for consistent with investment income in the Statement of Operations and Changes in Deficit.

b) Investment income consists of the following:

	2015 $	2014 $
Investment income on endowments, net of management fees *(note 12)*	**43,581**	52,963
Investment income credited to external endowments *(note 12)*	**(38,474)**	(46,282)
Allocations for spending on external endowments, net of deferrals	**9,855**	13,425
Other investment income	**10,594**	9,701
Total	**25,556**	29,807

4. INVESTMENT IN LEASE

The University has entered into a direct finance lease with the Ontario Infrastructure and Lands Corporation ("OILC"), formerly the Ontario Realty Corporation. The leased facilities are located on the Keele campus and are occupied by the Archives of Ontario. The lease commenced on February 25, 2009 for an initial period of 25 years plus three options to extend the term, each for 10 years. Prior to the commencement of the lease, the OILC exercised the first ten-year renewal option.

To construct the facilities used by the Archives of Ontario, in May 2007 the University entered into contractual agreements with a consortium that undertook the design, construction and financing of the facility during the construction phase of the project.

As payment for the cost of the facility, York assigned the revenue stream under the OILC lease to the consortium for a period of 35 years. However, York remains liable for the lease payments to the consortium should OILC default.

The present value of the lease payments due from OILC at lease commencement was determined to be $45 million based on a discount rate of 10.5% and with no residual value assigned to the Archives of Ontario facility.

The carrying value of the investment in lease comprises aggregate minimum lease payments due from OILC over 35 years less unearned finance income at a rate of 10.5%. The balance is calculated as follows:

	2015 $	2014 $
Aggregate future minimum lease payments	**134,510**	139,328
Less unearned finance income	**(90,790)**	(95,342)
Investment in lease	**43,720**	43,986
Less current portion recorded in accounts receivable	**(295)**	(266)
Balance, end of year	**43,425**	43,720

Minimum future lease payments are expected to be as follows:

	$
2016	4,818
2017	4,818
2018	4,818
2019	4,818
2020	4,818
Thereafter	110,420
Total	**134,510**

The University has recorded the amounts owed to the consortium under the lease assignment within the liabilities section of the Balance Sheet. The current portion of $295 (2014 – $266) is reported within accounts payable and accrued liabilities while the long-term portion is reported in long-term liabilities as $43,425 (2014 – $43,720) *(note 8)*. This liability has been discounted at a rate of 10.5% and will reduce over the 35-year lease assignment term, concurrent with the reduction to investment in lease.

5. CAPITAL ASSETS

Capital assets consist of the following:

	2015			2014		
	Cost $	**Accumulated amortization $**	**Net book value $**	**Cost $**	**Accumulated amortization $**	**Net book value $**
Land	**590,301**	**-**	**590,301**	590,158	-	590,158
Buildings, facilities and infrastructure	**1,098,734**	**451,460**	**647,274**	1,094,202	425,343	668,859
Equipment and furnishings	**136,198**	**90,421**	**45,777**	146,314	101,981	44,333
Library books	**61,245**	**61,245**	**-**	63,476	63,476	-
Construction in progress	**121,180**	**-**	**121,180**	53,607	-	53,607
Art collection	**5,516**	**-**	**5,516**	5,068	-	5,068
Total	**2,013,174**	**603,126**	**1,410,048**	1,952,825	590,800	1,362,025

a) During the year, the total cost of items added to library books was $4,060 (2014 – $4,469) and the total cost of items removed was $6,291 (2014 – $6,314).

b) The Glendon campus land and a majority of the Keele campus land were acquired by grants. These grants had restrictive covenants, which have been registered on the title of the property, and which purport to limit use of the properties for educational or research purposes at the University level.

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and donations and unexpended available income on externally restricted endowments. The changes in deferred contributions are as follows:

	2015			2014		
	Research and other grants and contracts $	Donations and expendable balances from endowments $	Total $	Research and other grants and contracts $	Donations and expendable balances from endowments $	Total $
Balance, beginning of year	**71,090**	**29,657**	**100,747**	65,223	26,963	92,186
Contributions, grants and investment income	**66,439**	**37,474**	**103,913**	77,644	29,011	106,655
Transfers to revenue	**(61,141)**	**(29,630)**	**(90,771)**	(71,777)	(26,317)	(98,094)
Balance, end of year	**76,388**	**37,501**	**113,889**	71,090	29,657	100,747

7. CREDIT FACILITIES

The University has an unsecured demand operating facility in the amount of $20 million. This facility bears interest at a rate that varies with the balances on deposit, ranging from the bank’s prime rate of 2.85% plus or minus 0.5%. Letters of credit in the amount of $3.9 million have been utilized against this facility.

8. LONG-TERM LIABILITIES

Long-term liabilities consist of the following:

	2015 $	2014 $
Obligation under lease assignment *(note 4)*	**43,720**	43,986
Less current portion recorded in accounts payable and accrued liabilities	**(295)**	(266)
Long-term portion of obligation under lease assignment	**43,425**	43,720
Employee other benefits *(note 13)*	**91,138**	95,949
Total	**134,563**	139,669

9. LONG-TERM DEBT

Long-term debt consists of the following:

	2015	2014
	$	**$**
Debentures		
Senior unsecured debenture bearing interest at 6.48%, maturing on March 7, 2042	**200,000**	200,000
Senior unsecured debenture bearing interest at 5.84%, maturing on May 4, 2044	**100,000**	100,000
Senior unsecured debenture bearing interest at 4.46%, maturing on February 26, 2054	**100,000**	100,000
Other debentures bearing interest at 5.88% to 7.63%, maturing from 2017 to 2023 Weighted average interest rate is 7.00% (2014 – 6.95%)	**3,433**	3,969
Mortgage		
Mortgage bearing interest at 5.38%, maturing on July 1, 2016	**123**	216
Term loan		
Term loan bearing interest at 4.50%, maturing in 2023	**943**	1,026
	404,499	405,211
Unamortized transaction costs	**(2,603)**	(2,623)
	401,896	402,588
Less current portion	**(758)**	(712)
Total	**401,138**	401,876

Scheduled future minimum annual repayments of long-term debt are as follows:

	$
2016	758
2017	708
2018	623
2019	505
2020	474
Thereafter	401,431
Total	**404,499**

Certain buildings, with an insignificant net book value, have been pledged as collateral for the mortgage and the term loan. The amount of interest expense during the year on long-term debt was $23,568 (2014 – $19,923).

10. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of restricted donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations and Changes in Deficit when the associated capital asset is brought into service. The changes in the deferred capital contributions balance are as follows:

	2015 $	2014 $
Balance, beginning of year	**322,963**	311,952
Contributions received in the year	**40,851**	25,340
Amortization of deferred capital contributions	**(13,871)**	(14,329)
Balance, end of year	**349,943**	322,963
Comprised of:		
Capital contributions - expended	**349,513**	321,680
Capital contributions - unexpended	**430**	1,283
Balance, end of year	**349,943**	322,963

11. INTERNALLY RESTRICTED NET ASSETS

Details of internally restricted net assets are as follows:

	2015 $	2014 $
Departmental carryforwards	**30,857**	35,218
Academic strategic investment and contingency fund	**20,351**	-
Progress through the ranks	**(827)**	(13,149)
Computing systems development	**11,841**	8,825
Contractual commitments to employee groups	**4,432**	4,504
Research programs	**23,035**	21,805
Employee pension benefits *(note 13)*	**104,628**	23,115
Sinking fund	**60,339**	57,542
Investment in capital assets	**71,523**	72,260
Land appraisal reserve	**585,602**	585,602
Capital reserve	**78,158**	73,410
Future funded capital projects	**(29,954)**	(25,322)
Total	**959,985**	843,810

Internally restricted net assets include funds committed for specific purposes that reflect the application of the Board of Governors' policy as follows:

i. Departmental carryforwards – These represent the cumulative positions of all Faculties and Divisions with net unspent balances at year-end. Under Board policy, which is approved annually, Faculties and Divisions are entitled to carry forward the net unspent funds from previous years' allocations. These funds provide units with a measure of flexibility established through prudent administration over several years to assist with future balancing of their budgets in the face of additional anticipated budget reductions, as well as resources which are to meet commitments made during the year.

ii. Academic strategic investment and contingency fund – This represents funds set aside to address future academic and strategic initiatives of the University.

iii. Progress through the ranks ("PTR") – This is the cumulative difference between the amounts paid for progress through the ranks salary adjustments and the budget funds provided under York's salary recovery policy. PTR adjustments are planned to be self-funding over time. However, on a year-to-year basis, the cost of providing PTR adjustments can be more or less than the funds provided, depending on the number of retirements that occurred during the year.

iv. Computing systems development – The University is planning to implement or upgrade several administrative computing and information systems. These appropriated funds support forward commitments for these systems planned or in progress, as well as planned future stages of system implementation not yet contracted for at year-end.

v. Contractual commitments to employee groups – This is the net carryforward of funds to meet future commitments defined under collective agreements with various employee groups.

vi. Research programs – This represents appropriations for internally-funded research.

vii. Employee pension benefits – This represents the pension asset associated with the pension plan.

viii. Sinking fund – This represents funds set aside to retire capital debt.

ix. Investment in capital assets – This represents the net amount of capital assets funded using internal capital.

x. Land appraisal reserve – This represents the increase to the appraised value of University land, as at May 1, 2011.

xi. Capital reserve – This represents funds restricted for deferred maintenance, capital emergencies and capital projects planned or in progress.

xii. Future funded capital projects – This represents projects that will be funded in the future through a combination of budget allocations, donations and debt.

12. ENDOWMENTS

Endowments include restricted donations received by the University and funds that have been internally designated. Investment returns generated from endowments are used in accordance with the various purposes established by the donors or by the Board of Governors. On an annual basis, the University determines the distribution for spending after a review of each individual endowment's original contribution, market value, and consideration of the long-term objective to preserve the purchasing power of each endowment.

The changes in net assets restricted for endowments are as follows:

	2015			**2014**		
	Internally restricted $	**Externally restricted $**	**Total $**	**Internally restricted $**	**Externally restricted $**	**Total $**
Balance, beginning of year	**50,792**	**364,109**	**414,901**	46,325	325,996	372,321
Contributions	**2**	**5,110**	**5,112**	-	2,591	2,591
Investment income	**5,107**	**38,474**	**43,581**	6,681	46,282	52,963
Available for spending	**(9,307)**	**(15,803)**	**(25,110)**	(235)	(12,739)	(12,974)
Transfers	**(4,556)**	**4,556**	**-**	(1,979)	1,979	-
Balance, end of year	**42,038**	**396,446**	**438,484**	50,792	364,109	414,901

Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support

Externally restricted endowments include grants from the Government of Ontario under the Ontario Student Opportunity Trust Fund ("OSOTF") and the Ontario Trust for Student Support ("OTSS") matching programs. These programs provided matching funds for eligible endowment donations in support of student aid. Investment income earned on these funds is used to finance awards to qualified students.

The positions of these fund balances, at book and market value, are calculated as follows:

For the year ended April 30	OSOTF I $	OSOTF II $	2015 $	2014 $
Endowment Funds:				
Endowment at book value, beginning and end of year	**67,583**	**10,714**	**78,297**	78,297
Endowment at market value, end of year	**103,840**	**15,463**	**119,303**	116,528
Expendable Funds:				
Balance, beginning of year	**10,115**	**11**	**10,126**	8,204
Realized investment gains, net of capital protection	**8,521**	**1,281**	**9,802**	5,607
Bursaries awarded	**(2,906)**	**(605)**	**(3,511)**	(3,685)
Expendable funds available for awards, end of year	**15,730**	**687**	**16,417**	10,126
Number of bursaries awarded	**1,612**	**349**	**1,961**	2,725

OTSS For the year ended March 31*	2015 $	2014 $
Endowment Funds:		
Endowment at book value, beginning and end of year	**45,764**	45,764
Endowment at market value, end of year	**66,948**	63,988
Expendable Funds:		
Balance, beginning of year	**4,635**	4,119
Realized investment gains, net of capital protection	**4,711**	2,459
Bursaries awarded	**(2,056)**	(1,943)
Expendable funds available for awards, end of year	**7,290**	4,635
Number of bursaries awarded	**1,353**	1,067

*As per reporting guidelines as determined by the Ministry of Training, Colleges and Universities.

The expendable funds available for awards are included in deferred contributions *(note 6)* on the Balance Sheet.

13. EMPLOYEE BENEFIT PLANS

The University has a number of funded and unfunded benefit plans that provide pension, other retirement and post-employment benefits to most of its employees. The pension plan is a defined contribution plan, which has a defined benefit component that provides a minimum level of pension benefits. The most recent actuarial valuation for funding purposes for the pension plan was performed as at December 31, 2014.

Other retirement benefit plans are contributory health care plans with retiree contributions adjusted annually. A plan also provides for long-term disability income benefits after employment, but before retirement. The most recent actuarial valuation for other post-retirement benefits was performed as at November 1, 2014. The most recent actuarial valuation for post-employment benefits was performed as at April 30, 2015.

Information about the University's benefit plans is as follows:

	2015		2014	
	Pension benefit plan $	Other benefit plans $	Pension benefit plan $	Other benefit plans $
Plan surplus (deficit), beginning of year	**23,115**	**(95,949)**	(177,247)	(98,039)
Employee benefit plan expense	**(34,213)**	**(11,386)**	(55,411)	(11,284)
Remeasurements	**81,660**	**10,332**	189,081	8,854
Employer contributions	**34,066**	**5,865**	66,692	4,520
Plan surplus (deficit), end of year	**104,628**	**(91,138)**	23,115	(95,949)
Additional Information:				
Employee contributions	**24,896**	**-**	21,173	-
Benefits paid and administrative expenses	**90,013**	**5,865**	84,809	4,520

Remeasurements consist of actuarial gains (losses) and the difference between expected and actual investment returns on plan assets.

The significant actuarial assumptions adopted in measuring the University's accrued benefit surplus (deficit) and benefit costs are as follows:

	2015		2014	
	Pension benefit plan %	Other benefit plans %	Pension benefit plan %	Other benefit plans %
Accrued benefit surplus (deficit)				
Discount rate	**6.00**	**6.00**	6.00	6.00
Rate of inflation	**2.00**	**-**	2.10	-
Rate of compensation increase	**4.50**	**4.50**	4.50	4.50
Benefit expense				
Discount rate	**6.00**	**6.00**	6.00	6.00
Rate of inflation	**2.10**	**-**	2.20	-
Expected long-term rate of return on plan assets	**6.00**	**-**	6.00	-
Rate of compensation increase	**4.50**	**4.50**	4.50	4.50

For measurement purposes, 4.82% annual increase in the cost of covered health care benefits was assumed for 2015. The rate of increase was assumed to decrease gradually to 4.00% in 2030 and remain at that level thereafter.

The assets of the pension benefit plan are invested as follows:

	2015 %	2014 %
Equities	**59**	64
Fixed income	**34**	29
Other	**7**	7
Total	**100**	100

14. ADDITIONAL INFORMATION

The net change in non-cash balances related to operations consists of the following:

	2015 $	2014 $
Accounts receivable	**(3,384)**	(6,404)
Inventories	**147**	(523)
Prepaid expenses	**1,545**	(4,978)
Accounts payable and accrued liabilities	**1,678**	15,455
Deferred revenue	**(192)**	9,963
Deferred contributions	**13,142**	8,561
Net change in non-cash balances related to operations	**12,936**	22,074

The purchase of investments is calculated as follows:

	2015 $	2014 $
Change in investments	**(33,794)**	(132,087)
Investment income on externally restricted endowments less amounts made available for spending *(note 12)*	**22,671**	33,543
Purchase of investments, net	**(11,123)**	(98,544)

The purchase of capital assets is calculated as follows:

	2015 $	2014 $
Additions to capital assets	**(89,475)**	(51,527)
Change in current year, from the previous year, in accounts payable and accrued liabilities related to capital asset additions	**7,650**	865
Donations of land and artwork	**843**	-
Purchase of capital assets	**(80,982)**	(50,662)

As at April 30, 2015, accounts payable and accrued liabilities include government remittances payable of $15,804 (2014 – $15,330).

15. RELATED ENTITY

The University is a member, with eleven other universities, of a joint venture called TRIUMF, Canada's national laboratory for particle and nuclear physics located on the University of British Columbia ("UBC") campus. TRIUMF is an unincorporated registered charity and each university has an undivided 8.33% (2014 - 9.09%) interest in its assets, liabilities and obligations. The land and buildings it occupies are owned by UBC. The facilities and its operations are funded by federal government grants and the University has made no direct financial contribution to date. TRIUMF's net assets are not contemplated to be and are not readily realizable by the University. The University's interest in the assets, liabilities and results of operations are not included in these financial statements (see also note 16(d)).

The following financial information as at March 31 for TRIUMF was prepared in accordance with Canadian Public Sector Accounting Standards, including accounting standards that apply to government not-for-profit organizations, except that all capital assets and related provisions for decommissioning costs, if any, are expensed in the year in which the costs are incurred.

	2015	**2014**
	$	**$**
	(Unaudited)	(Audited)
Statement of Financial Position		
Total assets	**26,382**	25,500
Total liabilities	**6,226**	7,868
Total fund balances	**20,156**	17,632
Statement of Combined Funding / Income and Expenditures		
Revenue	**69,132**	81,032
Expenses	**66,609**	82,195
Surplus (deficiency) of revenue over expenses	**2,523**	(1,163)

16. COMMITMENTS AND CONTINGENT LIABILITIES

a) Forward purchases of natural gas

The University purchases natural gas for future delivery with fixed pricing. As at April 30, 2015, the University has committed to purchase 151.8K GJ of natural gas at an average cost of $6.08/GJ, with delivery at various dates to October 2015, for a total commitment of $0.922 million.

b) Litigation

The nature of the University's activities is such that there is usually litigation pending or in prospect at any one time. With respect to known claims at April 30, 2015, the University believes it has valid defences and appropriate insurance coverage in place. Therefore, such claims are not expected to have a material effect on the University's financial position. There exist other claims or potential claims where the outcome cannot be determined at this time. Should any additional losses occur, they would be charged to income in the year they can be estimated.

c) Canadian University Reciprocal Insurance Exchange ("CURIE")

The University participates in a reciprocal exchange of insurance risks in association with other Canadian universities. This self-insurance reciprocal, CURIE, involves a subscriber agreement to share the insurable property and liability risks of member universities for a term of not less than five years. Plan members are required to pay annual deposit premiums, which are actuarially determined and expensed in the year. Plan members are subject to further assessment in proportion to their participation in the event premiums are insufficient to cover losses and expenses. As at December 31, 2014, CURIE was fully funded.

d) TRIUMF

While there is no intention of decommissioning the TRIUMF facilities, the TRIUMF joint venture members have complied with federal legislation by putting in place a decommissioning plan, including a funding plan, in the event TRIUMF is decommissioned. The decommissioning plan is updated regularly in compliance with TRIUMF's licensing requirements. As at March 31, 2014, the balance in the fund, $10.6 million, is held in an escrow account to fund decommissioning costs. Each member University has entered into an agreement confirming they will share the cost of any funding shortfall in the event decommissioning costs exceed funding available for decommissioning.

e) Capital and other commitments

The estimated cost to complete committed capital and other projects as at April 30, 2015 is approximately $30,927. These capital projects will be financed by government grants, internal funds, and fundraising.

17. FINANCIAL INSTRUMENTS

The University is exposed to various financial risks through transactions in financial instruments.

Foreign currency risk

The University is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of its pooled funds denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar. The University uses foreign currency forward contracts to manage the foreign currency risk associated with its investments denominated in foreign currencies *(note 3)*.

Interest rate risk

The University is exposed to interest rate risk with respect to its fixed rate debt, its investments in fixed income investments, its investment in lease and offsetting liability and a pooled fund that holds fixed income securities because the fair value will fluctuate due to changes in market interest rates.

Credit risk

The University is exposed to credit risk in connection with its accounts receivable and its short term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

Other price risk

The University is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments in equity securities and pooled funds.

Liquidity risk

The University is exposed to liquidity risk to the extent that it will encounter difficulty in meeting obligations associated with its financial liabilities.