



Financial Statements

The Master and Fellows of Massey College

April 30, 2017

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Independent Auditor's Report

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To **The Master and Fellows of Massey College**

We have audited the accompanying financial statements of **The Master and Fellows of Massey College**, which comprise the statement of financial position as at April 30, 2017, and the statements of operations and changes in fund balances 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit 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 **The Master and Fellows of Massey College** as at April 30, 2017, 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 matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information on pages 15 to 18 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.



Toronto, Canada
November 23, 2017

Chartered Professional Accountants
Licensed Public Accountants

The Master and Fellows of Massey College

Statement of Financial Position

As at April 30

2017

2016

Assets

Current assets

Cash	\$ 88,263	\$ 256,091
Accounts receivable	113,524	110,073
Inventory	<u>26,558</u>	<u>26,005</u>
	228,345	392,169

Investments (Note 3)	11,960,891	10,356,923
Property and equipment (Note 4)	<u>1,928,325</u>	<u>2,027,991</u>

	<u>\$ 14,117,561</u>	<u>\$ 12,777,083</u>
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Liabilities

Current liabilities

Accounts payable and accrued liabilities (Note 5)	\$ 211,134	\$ 158,272
Deferred revenue	37,021	17,864
Funds held for others	<u>52,111</u>	<u>78,417</u>
	300,266	254,553

Fund balances

Operating deficiency	<u>(815)</u>	<u>(1,521)</u>
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Restricted Funds

Externally restricted	2,235,545	1,763,368
Internally restricted	<u>363,516</u>	<u>184,614</u>
	2,599,061	1,947,982

Endowed Funds

Endowed	6,444,125	6,073,376
Externally restricted	2,802,009	2,430,112
Internally restricted	<u>44,590</u>	<u>44,590</u>
	9,290,724	8,548,078

Capital Fund

Invested in property and equipment	<u>1,928,325</u>	<u>2,027,991</u>
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	<u>\$ 14,117,561</u>	<u>\$ 12,777,083</u>
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Contractual obligations (Note 11)

On behalf of the Governing Board

Director _____ Director _____

The Master and Fellows of College

Statement of Operations and Changes in Fund Balances

Year ended April 30

	Operating Fund (Schedule 1)		Restricted Funds (Schedule 2)		Endowed Funds (Schedules 3 and 4)		Capital Fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue										
Term fees	\$ 589,077	\$ 575,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 589,077	\$ 575,326
Visiting Scholar's and rental income	704,497	653,789	-	-	-	-	-	-	704,497	653,789
Residents' meals	378,117	371,331	-	-	-	-	-	-	378,117	371,331
Catering and other meals	733,521	600,893	-	-	-	-	-	-	733,521	600,893
The Quadrangle Fund donation (Note 6)	154,586	135,405	-	-	-	-	-	-	154,586	135,405
Miscellaneous donations	8,899	48,566	700,259	687,267	350,000	600,000	-	1	1,059,158	1,335,834
Payments from the University of Toronto (Note 7)	-	-	235,580	141,900	-	-	-	-	235,580	141,900
Earnings (loss) on investments (Note 3(b))	-	-	183,114	(6,769)	791,519	(34,898)	-	-	974,633	(41,667)
Other revenue	31,542	20,608	-	-	-	-	-	-	31,542	20,608
	<u>2,600,239</u>	<u>2,405,918</u>	<u>1,118,953</u>	<u>822,398</u>	<u>1,141,519</u>	<u>565,102</u>	<u>-</u>	<u>1</u>	<u>4,860,711</u>	<u>3,793,419</u>
Expenses										
Residence	277,236	278,040	-	-	-	-	-	-	277,236	278,040
Dining and catering	975,240	949,374	-	-	-	-	-	-	975,240	949,374
College programmes	164,611	167,523	355,608	180,255	-	-	-	-	520,219	347,778
General and administrative	830,749	855,336	83,941	19,110	101,949	97,159	-	-	1,016,639	971,605
Library	55,390	53,206	105,284	77,901	-	-	-	-	160,674	131,107
Journalism programmes	-	-	90,559	115,086	-	-	-	-	90,559	115,086
Amortization	-	-	-	-	-	-	140,110	146,543	140,110	146,543
Bursaries and awards	-	-	385,269	332,787	-	-	-	-	385,269	332,787
	<u>2,303,226</u>	<u>2,303,479</u>	<u>1,020,661</u>	<u>725,139</u>	<u>101,949</u>	<u>97,159</u>	<u>140,110</u>	<u>146,543</u>	<u>3,565,946</u>	<u>3,272,320</u>
Excess (deficiency) of revenue over expenses	297,013	102,439	98,292	97,259	1,039,570	467,943	(140,110)	(146,542)	1,294,765	521,099
Fund balances (deficiency), beginning of year	(1,521)	893	1,947,982	1,493,400	8,548,078	8,357,598	2,027,991	2,149,540	12,522,530	12,001,430
Interfund transfers (Note 9)										
Expendable portion of Endowed funds	-	-	259,809	242,779	(259,809)	(242,779)	-	-	-	-
Transfer to Capital fund from Restricted funds	-	-	(40,444)	(24,993)	-	-	40,444	24,993	-	-
Transfer to Restricted funds from Operating fund	(341,886)	(145,738)	341,886	145,738	-	-	-	-	-	-
Other transfers	45,579	40,885	(8,464)	(6,201)	(37,115)	(34,684)	-	-	-	-
Fund balances (deficiency), end of year	\$ (815)	\$ (1,521)	\$ 2,599,061	\$ 1,947,982	\$ 9,290,724	\$ 8,548,078	\$ 1,928,325	\$ 2,027,991	\$ 13,817,295	\$ 12,522,530

See accompanying notes to the financial statements.

The Master and Fellows of Massey College

Statement of Cash Flows

Year ended April 30

2017

2016

Increase (decrease) in cash

Operating

Excess of revenue over expenses	\$ 1,294,765	\$ 521,099
Items not affecting cash		
Realized and unrealized (gains) losses (Note 3(b))	(646,055)	414,375
Other income adjustment	(130)	-
Amortization	<u>140,110</u>	<u>146,543</u>
	<u>788,690</u>	<u>1,082,017</u>

Change in non-cash working capital items

Accounts receivable	(3,451)	(5,133)
Inventory	(553)	11,245
Accounts payable and accrued liabilities	52,862	27,621
Deferred revenue	19,157	(18,011)
Funds held for others	<u>(26,306)</u>	<u>9,506</u>
	<u>41,709</u>	<u>25,228</u>
	<u>830,399</u>	<u>1,107,245</u>

Investing

Net investment disposals, interest and dividends reinvested and investment management fees	(803,197)	(756,711)
The Quadrangle Fund donation received in the form of investments (Note 6)	(154,586)	(135,405)
Purchase of property and equipment	<u>(40,444)</u>	<u>(24,994)</u>
	<u>(998,227)</u>	<u>(917,110)</u>

(Decrease) increase in cash

(167,828) 190,135

Cash

Beginning of year	<u>256,091</u>	<u>65,956</u>
End of year	<u>\$ 88,263</u>	<u>\$ 256,091</u>

See accompanying notes to the financial statements.

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

1. Purpose and organization

The Master and Fellows of Massey College ("Massey College" or the "College") was incorporated without share capital by a Special Act of the Province of Ontario and is a Registered Charity under the terms of the Income Tax Act (Canada). Massey College is deemed to control The Quadrangle Fund (Note 6).

The goal of the founders, Vincent Massey, Claude Bissell and Robertson Davies, was to create a fellowship for the advancement of learning; to maintain a hall of residence for graduate students at the University of Toronto (the "University"); and to provide amenities and facilities for a community of scholars. The members of the College form a multidisciplinary and diverse society that includes distinguished senior scholars, eminent members beyond the academic world and junior fellows.

In 1963, the College was built and furnished by the Massey Foundation on campus property granted to the College by the University of Toronto.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The significant accounting policies selected by the College and applied in these financial statements are summarized below.

Fund accounting

The College uses fund accounting to present its financial statements whereby resources for particular purposes are classified for accounting and reporting purposes into one of the following funds.

Operating fund

The Operating fund consists of donations, revenue and expenses relating to the operations of the College not included in the other funds outlined below.

Restricted funds

Donations for specific purposes and the expendable portion of investments of endowed funds, net of expenditures thereof, comprise the Restricted funds. The internally restricted segment represents funds transferred at the discretion of the College to a restricted fund.

Capital fund

The Capital fund reflects capital expenditures on property and equipment of the College, net of related accumulated amortization.

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

2. Summary of significant accounting policies (continued)

Fund accounting (continued)

Endowed funds

Endowed capital represent gifts and bequests to be held by the College in perpetuity, where the principal is invested to create a source of income to support the purposes specified by the donor and is accounted for within the respective endowment fund. The externally restricted portion of the endowed funds represents net earnings on the original endowment, augmenting endowed capital for inflation protection. The internally restricted segment represents funds transferred at the discretion of the College to an endowed fund.

Financial instruments

The College considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The College accounts for the following as financial instruments:

- Cash
- Accounts receivable
- Investments
- Accounts payable
- Funds held for others

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value and financial assets or liabilities obtained in related party transactions are measured at their exchange amount.

At each reporting date, the College measures its financial assets and liabilities at amortized cost with the exception of investments, which are measured at fair value. Fair value of the investments are determined using active market quoted rates. Unrealized gains and losses arising from the change in the fair value of the investments are recorded as part of the excess of revenue over expenses for the year.

Inventory

Inventory is recorded at the lower of cost and net realizable value and is depleted using the weighted average cost method. Inventory expensed during the year is recorded in the statement of operations as dining and catering and college programmes expense.

Investments

Investments of the College and The Quadrangle Fund are managed as a single portfolio. Earnings (loss) on investments and investment management fees are allocated to the Quadrangle Fund and the College's invested funds in proportion to the weighted average balance of each fund. Investment management fees are included in general and administrative expenses.

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment is recorded in the Capital Fund at cost. The College amortizes the cost of property and equipment on a straight-line basis over its estimated useful life as follows:

Building improvements	- 30 years
Furniture and equipment	- 5 years
Air conditioning	- 10 years
Computer hardware and software	- 5 years

The College records a half year of amortization in the year the property or equipment is acquired and put into use.

Both the College's art collection and rare books collection are presented in the statement of financial position at a nominal amount. During the fiscal year, the College received and received an amount of \$37,845 (2016 - \$212,625) in the form of a rare books donation.

Revenue recognition

Donations are recognized as revenue in the year received or receivable except restricted donations recorded in the Operating Fund, which are deferred and recognized in the year in which the related expenses are incurred. Unrestricted donations are recognized as revenue of the Operating Fund in the year received or receivable.

The College recognizes term fees, Visiting Scholar's and rental income, residents' meals, catering and other meals and other revenue in the period in which the services are provided and collectability is reasonably assured. Payments from the University are recognized as revenue when received or receivable.

Contributed goods and property, art, rare books and services

Contributed goods and property are recorded at their fair value as appraised by independent third parties where the value of goods and property are greater than one thousand dollars. Where contributed goods and property are valued at less than one thousand dollars, the appraisal is performed internally. Contributed art and rare books are recognized at a nominal value. Contributed services are not recorded in the accounts of the College.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. The items requiring the use of significant estimates include the estimated useful lives of property and equipment and accrued liabilities. Actual results could differ from these estimates.

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

2. Summary of significant accounting policies (continued)

Controlled not-for-profit organization

Massey College is deemed to fully control The Quadrangle Fund since the directors of The Quadrangle Fund are also members of Massey College. The College follows the disclosure approach to reporting the results of the Quadrangle Fund (Note 6) and accordingly, the financial results are not consolidated with those of the College. Accounting policies followed by The Quadrangle Fund are consistent with those of Massey College.

3. Investments

a) Investments held, and the allocation between Massey College and The Quadrangle Fund, are as follows:

	<u>2017</u>	<u>2016</u>
Canadian equities	\$ 7,243,878	\$ 6,541,006
Bonds	5,381,663	4,763,412
Foreign equities	2,543,902	2,633,624
Cash and cash equivalents held for investment purposes	<u>1,443,546</u>	<u>873,681</u>
	<u>\$ 16,612,989</u>	<u>\$ 14,811,723</u>
Investments allocation by entity		
Massey College	\$ 11,960,891	\$ 10,356,923
The Quadrangle Fund (Note 6)	<u>4,652,098</u>	<u>4,454,800</u>
	<u>\$ 16,612,989</u>	<u>\$ 14,811,723</u>

b) Earnings (loss) on investments of Massey College, consists of the following:

	<u>2017</u>	<u>2016</u>
Realized and unrealized gains (losses)	\$ 646,055	\$ (414,375)
Dividend income	210,122	277,202
Interest income	<u>118,456</u>	<u>95,506</u>
	<u>\$ 974,633</u>	<u>\$ (41,667)</u>

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

4. Property and equipment

			<u>2017</u>	<u>2016</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building improvements	\$ 5,260,202	\$(3,415,880)	\$ 1,844,322	\$ 1,932,834
Furniture and equipment	2,069,042	(2,026,768)	42,274	39,624
Air conditioning	910,542	(887,636)	22,906	28,711
Computer hardware and Software	114,237	(95,416)	18,821	26,820
Art collection	1	-	1	1
Rare books collection	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
	<u>\$ 8,354,025</u>	<u>\$(6,425,700)</u>	<u>\$ 1,928,325</u>	<u>\$ 2,027,991</u>

The College building is on land donated by the University in 1961. As the land cannot be sold by the College and reverts to the University in the case of the dissolution of the College, there is no value reported for the land and original building cost.

5. Accounts payable and accrued liabilities

Accounts payable include government liabilities of \$11,003 (2016 - \$3,000).

6. The Quadrangle Fund

The Quadrangle Fund was incorporated without share capital under the Corporations Act (Ontario), and is a Registered Charity under the terms of the Income Tax Act (Canada). Its objective is to receive and maintain funds for the benefit of Massey College. The following represents a financial summary of The Quadrangle Fund.

	<u>2017</u>	<u>2016</u>
Assets		
Investments	<u>\$ 4,652,098</u>	<u>\$ 4,454,800</u>
Liabilities		
Accrued liabilities	\$ 4,102	\$ 4,812
Fund balance	<u>4,647,996</u>	<u>4,449,988</u>
	<u>\$ 4,652,098</u>	<u>\$ 4,454,800</u>
Revenue and expenses		
Earnings (loss) on investments	\$ 403,836	\$ (18,797)
Donation to Massey College	(154,586)	(135,405)
Investment management fees	<u>(51,242)</u>	<u>(52,380)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 198,008</u>	<u>\$ (206,582)</u>

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

7. Transactions with the University of Toronto

With the approval of the Governing Board in prior years, endowed funds in the amount of \$1,285,400 were paid to the University under a programme of matching contributions which tripled the original amount. These funds are held for the benefit of students who are members of Massey College, in compliance with the Ontario Student Opportunity Trust Funds. All funds held by the University for the benefit of members of Massey College are endowed and invested in the University's Long-Term Capital Appreciation Pool, which, as at April 30, 2017 amounted to a fair value of \$5,579,652 (2016 - \$5,009,601).

Annual distributions from earnings of these funds is determined by the University. In fiscal 2017, the distribution was \$190,840 (2016 - \$190,840) which is reflected as part of the restricted funds received from the University of \$421,408 (2016 - \$327,728). The amount of \$421,408 is reflected as term fees (2017 - \$92,914; 2016 - \$92,914), residents' meals (2017 - \$92,914; 2016 - \$92,914) with the balance (2017 - \$235,580; 2016 - \$141,900) recorded as payments from the University of Toronto. This latter amount is used to support the Journalism, Scholars at Risk and other programmes at the College.

In addition, the University paid for office space at the College in the amount of \$125,000 (2016 - \$125,000), which is included as part of the Visiting Scholar's and rental income.

During fiscal 2017, Massey College incurred costs from the University for pension plan premiums in the amount of \$180,709 (2016 - \$189,277), for maintenance and college programs in the amount of \$34,949 (2016 - \$28,114), which have been accounted for in general administrative expenses in the amount of \$22,237 (2016 - \$21,607), in residence expenses in the amount of \$6,537 (2016 - \$Nil) and in dining and catering expenses in the amount of \$6,175 (2016 - \$6,507).

Also during fiscal 2017, the University was contracted by the College to complete building improvements in the amount of \$4,747 (2016 - \$9,905), which have been capitalized to property and equipment (Note 4).

In accordance with an agreement between the University and the College, certain costs associated with maintenance and operations of the premises are borne by the University, including basic utilities and capital improvements related to safety. University funds are not provided for upgrades and renovations.

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

8. Objectives, policies and processes for managing capital

Massey College's capital consists of the net fund balances of the Operating, Restricted, Capital and Endowed funds.

Operating fund

The Audit Committee's (the "Committee") objective is to maintain an Operating Fund balance sufficient to meet both the annual operating requirements and the annual maintenance of property and equipment. Discrepancies from budget are discussed with the appropriate staff of the College, and where applicable, are further discussed with the Committee.

Restricted funds

Depending on the nature of each Restricted fund, appropriate staff of the College are assigned with the responsibility of carrying out the objectives of each fund. The Bursar's Office provides reporting to the appropriate staff of the College responsible for each fund. Excess funds not required in the short term are invested in accordance with the policy established by the Committee.

Capital fund

The College invests in property and equipment to provide a home for the Massey community, and to maintain the heritage site within the grounds of the University. The Committee and officers of the College are responsible for this investment, directing the procedures to be followed to ensure the smooth functioning of the building and its maintenance. The Capital Fund provides for building maintenance and additions not funded by the University (Note 7). The Head of College, in consultation with the officers and members of the Committee, determines investments to be made. Funds are raised by the Head of College to meet the financing requirements. Significant capital additions are planned for and approved by the Committee who, in turn, report to Governing Board for approval of budgeted additions and improvements.

Endowed funds

The preservation of Endowed funds held by the College is the responsibility of both the Committee and members of Governing Board. The funds provide for the multi-dimensional programs that exist at the College including student bursaries, a journalism program, a unique library as well as an annual contribution to operations. The College's investment manager invests the funds, providing quarterly statements and monthly performance summaries. In addition, the investment manager meets with the Committee annually, reviewing benchmarks and goals to ensure safekeeping of the funds. The objective of the investment policy over the long-term is to preserve the capital of the funds with an allowance for inflation.

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

9. Interfund transfers

The expendable portion of the Endowed funds is calculated as 3.5% (2016 - 3.5%) of the five year trailing fair market value average of each endowment. The expendable portion of Endowed funds are transferred annually from the externally restricted portion of the Endowed funds (Schedule 3) to the externally restricted portion of the Restricted funds (Schedule 2), and made available for expenditure. In fiscal 2017, this transfer amounted to \$259,809 (2016 - \$242,779). In addition, each Endowed and Restricted fund held in the form of investments are charged an annual management fee calculated as 0.5% (2016 - 0.5%) of the five year trailing fair market value average of the respective invested funds. During fiscal 2017, the management fee transfer to the Operating Fund amounted to \$45,579 (2016 - \$40,885) including \$37,115 (2016 - \$34,684) from the externally restricted portion of Endowed funds and \$8,464 (2016 - \$6,201) from the Restricted funds. The rates have been set at the discretion of the Committee and are reassessed on an annual basis using inputs including long-term investment performance, preservation of capital and other fund restrictions and programme support requirements.

Transfers from the Restricted Capital Improvements Fund (Schedule 2) to the Capital Fund in the amount of \$40,444 (2016 - \$24,993) represent funding for capital additions as allowed for by the fund's restrictions and as approved during the College's budgeting process.

Transfers from the Operating Fund to the Restricted Funds includes a transfer of \$235,000 (2016 - \$100,000) that represents an internally restricted transfer for the funding of future capital maintenance.

10. Financial instruments

The College's financial instrument risks are as follows, and are unchanged from the prior year.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of unfavourable changes in foreign exchange rates. An amount of \$2,543,902 (2016 – \$2,633,624), comprising approximately 15.3% (2016 – 17.8%) of the investments held between the College and The Quadrangle Fund are denominated in US dollars. These amounts have been converted into Canadian dollars at the prevailing foreign exchange rate as of April 30, 2017. Consequently, these financial assets are exposed to foreign exchange fluctuations. The College manages its currency risk by maintaining in Canadian dollars both cash and cash equivalents sufficient to meet its annual cash flow requirements.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment to the College. The College's main credit risks relate to its accounts receivable and its fixed income investments. The College has investments of high quality that are not expected to default. As at April 30, 2017, the allowance for doubtful accounts is \$804 (2016 - \$5,793).

The Master and Fellows of Massey College

Notes to the Financial Statements

April 30, 2017

10. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting the obligations associated with its financial liabilities. The College is exposed to liquidity risk mainly in respect of its accounts payable and funds held for others.

The College manages its liquidity risk by forecasting cash flows from operations and investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Market risk

The College's financial instruments expose it to market risk, in particular interest rate risk and other price risk, resulting from its investment activities. The College's investments exposes the College to price risks as equity investments are subject to price changes in an open market. The College's fixed income investments are subject to interest rate price risk. The College does not use derivative financial instruments to offset the effects of these risks.

11. Contractual obligations

The College has an agreement to purchase advisory consulting services in the amount of \$30,000 per annum for a period ending July 31, 2024.

The College has an agreement for website development costs in the amount of \$93,677. Of this amount, \$23,419 was incurred by the College as at April 30, 2017.

The Master and Fellows of Massey College

Schedule 1 - Schedule of Expenses – Operating fund

Year ended April 30

	2017	2016
Residence		
Salaries, wages and benefits	\$ 205,750	\$ 222,195
Repairs and maintenance	42,560	33,701
Other costs	18,709	17,696
Contract cleaning	10,217	4,448
	277,236	278,040
Dining and catering		
Salaries, wages and benefits	599,746	579,946
Food and beverage	273,146	255,407
Supplies and maintenance	40,460	41,379
Catering staff	40,160	54,172
Other costs	21,728	18,470
	975,240	949,374
College programmes	164,611	167,523
General and administrative		
Salaries, wages and benefits	704,199	723,335
Professional fees	48,440	47,853
Office expenses	46,569	43,317
Financial and other costs	31,540	40,831
	830,748	855,336
Library		
Salaries, wages and benefits	35,282	32,653
Other costs	18,173	16,997
Books and subscriptions	1,936	3,556
	55,391	53,206
Total operating expenses	\$ 2,303,226	\$ 2,303,479

The Master and Fellows of Massey College

Schedule 2 – Schedule of Revenue, Expenses and Changes in Fund Balances – Restricted funds

Year ended April 30

	General Endowment	Capital and Betterment Fund	Journalism Funds	Bursary Funds	Discretionary Funds	Library Funds	Other Funds	Total	
								2017	2016
Revenue									
Miscellaneous donations	\$ 65,893	\$ 1,600	\$ 85,405	\$ 62,964	\$ 269,247	\$ 18,500	\$ 196,650	\$ 700,259	\$ 687,267
Payments from the University of Toronto (Note 7)	-	-	147,606	63,474	-	-	24,500	235,580	141,900
Earnings (loss) on investments	<u>6,783</u>	<u>13,899</u>	<u>11,271</u>	<u>7,299</u>	<u>112,214</u>	<u>2,860</u>	<u>28,788</u>	183,114	(6,769)
	<u>72,676</u>	<u>15,499</u>	<u>244,282</u>	<u>133,737</u>	<u>381,461</u>	<u>21,360</u>	<u>249,938</u>	1,118,953	<u>822,398</u>
Expenses									
College programmes	171	28,619	-	13,045	75,384	6,994	231,395	355,608	180,255
General and administrative	929	1,731	1,463	915	74,826	321	3,756	83,941	19,110
Library	-	-	-	-	-	105,284	-	105,284	77,901
Journalism programmes	-	-	90,559	-	-	-	-	90,559	115,086
Bursaries and awards	-	-	<u>184,300</u>	<u>200,969</u>	-	-	-	385,269	<u>332,787</u>
	<u>1,100</u>	<u>30,350</u>	<u>276,322</u>	<u>214,929</u>	<u>150,210</u>	<u>112,599</u>	<u>235,151</u>	1,020,661	<u>725,139</u>
Excess (deficiency) of revenue over expenses	<u>71,576</u>	<u>(14,851)</u>	<u>(32,040)</u>	<u>(81,192)</u>	<u>231,251</u>	<u>(91,238)</u>	<u>14,787</u>	98,291	<u>97,259</u>
Fund balances, beginning of year	27,084	184,613	101,993	93,551	1,154,529	80,836	305,376	1,947,982	1,493,400
Interfund transfers (Note 9)									
Expendable portion of									
Endowed funds	27,188	-	77,426	62,857	8,457	35,659	48,222	259,809	242,779
Restricted funds	-	-	5,000	-	(19,925)	23,133	(8,208)	-	-
Capital fund	-	(40,444)	-	-	-	-	-	(40,444)	(24,993)
Operating fund	22,000	235,000	-	-	84,236	650	-	341,886	145,738
Operating fund	<u>(118)</u>	<u>(802)</u>	<u>(443)</u>	<u>(408)</u>	<u>(5,014)</u>	<u>(352)</u>	<u>(1,327)</u>	(8,464)	<u>(6,201)</u>
Fund balances, end of year	<u>\$ 147,730</u>	<u>\$ 363,516</u>	<u>\$ 151,936</u>	<u>\$ 74,808</u>	<u>\$ 1,453,534</u>	<u>\$ 48,687</u>	<u>\$ 358,850</u>	\$ 2,599,061	<u>\$ 1,947,982</u>

The Master and Fellows of Massey College

Schedule 3 - Schedule of Revenue, Expenses and Changes in Fund Balances – Endowed funds

Year ended April 30

	Master Fraser General Endowment	Robertson Davies Library Fund	William Southam Journalism Funds	Ostry Tovell Funds	Gordon Lectures Series	Quarter Century Fund	Lockhead, Jackman and Other Bursaries	Total	
								2017	2016
Revenue									
Miscellaneous donations	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 250,000	\$ 350,000	\$ 600,000
Earnings (loss) on investments	81,174	106,466	231,161	132,855	15,730	25,249	198,884	791,519	(34,898)
	<u>81,174</u>	<u>106,466</u>	<u>231,161</u>	<u>232,855</u>	<u>15,730</u>	<u>25,249</u>	<u>448,884</u>	<u>1,141,519</u>	<u>565,102</u>
Expenses									
General and administrative	10,369	13,600	29,529	17,328	2,010	3,225	25,888	101,949	97,159
Excess of revenue over expenses	70,805	92,866	201,632	215,527	13,720	22,024	422,996	1,039,570	467,943
Fund balances, beginning of year	894,521	1,173,230	2,547,335	1,413,325	173,346	278,241	2,068,080	8,548,078	8,357,598
Interfund transfers (Note 9)									
Expendable portion of Endowed funds	(27,188)	(35,659)	(77,423)	(42,956)	(5,269)	(8,457)	(62,857)	(259,809)	(242,779)
Operating fund	<u>(3,884)</u>	<u>(5,094)</u>	<u>(11,060)</u>	<u>(6,137)</u>	<u>(753)</u>	<u>(1,208)</u>	<u>(8,979)</u>	<u>(37,115)</u>	<u>(34,684)</u>
Fund balances, end of year	\$ <u>934,254</u>	\$ <u>1,225,343</u>	\$ <u>2,660,484</u>	\$ <u>1,579,759</u>	\$ <u>181,044</u>	\$ <u>290,600</u>	\$ <u>2,419,240</u>	\$ <u>9,920,724</u>	\$ <u>8,548,078</u>

The Master and Fellows of Massey College

Schedule 4 – Schedule of Changes in Components of Fund Balances – Endowed funds

Year ended April 30

	Master Fraser General Endowment	Robertson Davies Library Fund	William Southam Journalism Funds	Ostry Tovell Funds	Gordon Lectures Series	Quarter Century Fund	Lockhead, Jackman and Other Bursaries	Total	
								2017	2016
Endowed capital, beginning of year	\$ 797,273	\$ 420,966	\$ 2,045,195	\$ 1,100,000	\$ -	\$ 132,000	\$ 1,577,942	\$ 6,073,376	\$ 5,473,376
Interfund transfer	-	-	-	-	-	-	20,749	20,749	-
Endowed donations	-	-	-	100,000	-	-	250,000	350,000	600,000
Endowed capital, end of year	\$ 797,273	\$ 420,966	\$ 2,045,195	\$ 1,200,000	\$ -	\$ 132,000	\$ 1,848,691	\$ 6,444,125	\$ 6,073,376
Externally restricted beginning of year	\$ 97,248	\$ 752,264	\$ 502,140	\$ 313,325	\$ 173,346	\$ 101,651	\$ 490,138	\$ 2,430,112	\$ 2,839,632
Revenue Earnings (loss) on investments	81,174	106,466	231,161	132,855	15,730	25,249	198,884	791,519	(34,898)
Expenses General and administrative	(10,369)	(13,600)	(29,529)	(17,328)	(2,010)	(3,225)	(25,888)	(101,949)	(97,159)
Interfund transfers	(31,072)	(40,753)	(88,483)	(49,093)	(6,022)	(9,665)	(92,585)	(317,673)	(277,463)
Externally restricted, end of year	\$ 136,981	\$ 804,377	\$ 615,289	\$ 379,759	\$ 181,044	\$ 114,010	\$ 570,549	\$ 2,802,009	\$ 2,430,112
Internally restricted, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,590	\$ -	\$ 44,590	\$ 44,590
Internally restricted, end of year	-	-	-	-	-	44,590	-	44,590	44,590
Fund balances, end of year	\$ 934,254	\$ 1,225,343	\$ 2,660,484	\$ 1,579,759	\$ 181,044	\$ 290,600	\$ 2,419,240	\$ 9,290,724	\$ 8,548,078