Board of Governors

Agenda and Supporting Documents

Board of Governors

Tuesday, November 24, 2015

NOTE LOCATION

EPICentre Workshop Meeting Room,

2nd floor of the Joyce Entrepreneurship Centre

(Southwest corner of California & Wyandotte)

Please use the entrance on the west side of California just south of Wyandotte Street.

Please review all documents prior to the Board of Governors meeting.

All documents for this meeting are contained in the one PDF file for easy reading/printing.

If you are unable to attend, please notify Carol Perkes at carol7@uwindsor.ca

BG151124A

NOTICE OF MEETING
There will be a meeting of the
Board of Governors
Tuesday, November 24, 2015
4:00 pm
JOYCE ENTREPRENEURSHIP CENTRE, EPICentre, Board Workshop Room, 2nd floor

AGENDA

ITEM	**DESCRIPTION**	**DOCUMENT # & ACTION**
	Declaration of conflict of interest	
1	**Approval of the Agenda**	
2	**Minutes of the meeting of October 27, 2015 (under separate cover)**	Approval **BG151027M**
3	**Business arising from the minutes**	
4	**Outstanding Business/New Business**	
	4.1 Reports:	
	4.1.1 Remarks from the Chair	**MacKinnon**-Information
	4.1.2 President's Report	**Wildeman**-Information
	4.1.2.1 Principles on Indigenous Education (Universities Canada)	
	4.1.2.2 Principles on Student Experience	
	4.1.2.3 Website and Marketing Materials	
	4.1.2.4 Annual Report 2015	
	4.2 Audit Committee	
	4.2.1 Draft Audited Financial Statements of the University of Windsor Pension Plans for the Year-ended June 30, 2015 (p4,5,22)	**Farmer/Bassman**-Approval **BG151124-4.2.1a** **BG151124-4.2.1b**
	4.3 Executive Committee	
	4.4 Governance Committee	
	4.5 Investment Committee	
	4.5.1 Phillips, Hager and North – Long Bond Pension Fund Trust (p39)	**Allison**-Approval **BG151124-4.5.1**
	4.5.2 Foyston, Gordon and Payne – Universe Bond Fund and Long Term Bond Fund (p42)	**Allison**-Approval **BG151124-4.5.2**
	4.6 Pension Committee *(see Item 4.2.1 above)*	

4.7 Resource Allocation Committee

4.7.1 2015/2016 Operating Budget Mid-year Review (p47) — **Willis-**Information

BG151124-4.7.1

5 In Camera

6 Adjournment

[Bylaw 1, Section 2.6 – Consent Agenda: Items that normally do not require debate or discussion either because they are routine, standard, or noncontroversial, shall be "starred" (identified by an asterisk (*)) on the agenda. "Starred" items will not be discussed during a meeting unless a member specifically requests that a "starred" agenda item be 'unstarred', and therefore open for discussion/debate. A request to "unstar" an agenda item can be made at any time before (by forwarding the request to the Secretary) or during the meeting. By the end of the meeting, agenda items which remain "starred" (*) will be deemed approved or received by the Board, as the case may be. No individual motion shall be required for the adoption of "starred" agenda items.]

University of Windsor
Board of Governors

4.2.1(a&b): **Audited Financial Statements of the University of Windsor Pension Plans for the year ended June 30, 2015**

Forwarded by: **Audit Committee/Pension Committee**

Item for: **Approval**

MOTION 1: That the Board approve the Audited Financial Statements of the University of Windsor Retirement Plan for Faculty and Certain Employees for the year ended June 30, 2015.

MOTION 2: That the Board approve the Audited Financial Statements of the University of Windsor Employees' Retirement Plan for the year ended June 30, 2015.

Rationale:

The audited financial statements for the Pension Plans are special purpose statements. These financial statements present the Net Assets Available for Benefits as of June 30, 2015 and the Change in Net Assets Available for Benefits for the year then ended.

These financial statements have been prepared for the sole purpose of providing information to the Trustee of the University of Windsor Pension Plans and the Financial Services Commission of Ontario for compliance with regulations.

Clean audit reports have been issued by the University's external auditors, KPMG.

Fund Financial Statements of

UNIVERSITY OF WINDSOR RETIREMENT PLAN FOR FACULTY AND CERTAIN EMPLOYEES

Registration Number: 0366849
Year ended June 30, 2015

DRAFT

KPMG

KPMG LLP
618 Greenwood Centre
3200 Deziel Drive
Windsor ON N8W 5K8
Canada

Telephone (519) 251-3500
Telefax (519) 251-3530
(519) 251-3540
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Trustee of University of Windsor Retirement Plan for Faculty and Certain Employees

We have audited the accompanying financial statements of the University of Windsor Retirement Plan for Faculty and Certain Employees, which comprise the statement of net assets available for benefits as at June 30, 2015, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 76 of the Regulations to the Pension Benefits Act (Ontario), 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 an 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 our 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, we 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 net assets available for benefits of the University of Windsor Retirement Plan for Faculty and Certain Employees as at June 30, 2015, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions Section 76 to the Regulations to the Pension Benefits Act (Ontario).

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the University of Windsor Retirement Plan for Faculty and Certain Employees to meet the requirements of the Financial Services Commission of Ontario. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trustee of the University of Windsor Retirement Plan for Faculty and Certain Employees and the Financial Services Commission of Ontario and should not be used by parties other than the University of Windsor Retirement Plan for Faculty and Certain Employees and the Financial Services Commission of Ontario.

Chartered Professional Accountants, Licensed Public Accountants

Approval Date

Windsor, Canada

UNIVERSITY OF WINDSOR
RETIREMENT PLAN FOR FACULTY AND CERTAIN EMPLOYEES

(REGISTRATION Number: 0366849)

Statement of Net Assets Available for Benefits

(in thousands of dollars)

Year ended June 30, 2015, with comparative information for 2014

		2015	2014
		$	$
Assets			
Investments	note 4	451,436	424,387
Other Assets		32	551
Total Assets		451,468	424,938
Liabilities			
Accrued liabilities		624	455
Net Assets Available for Benefits		450,844	424,483

See accompanying notes to the financial statements.

_______________________ Administrator

_______________________ Administrator

UNIVERSITY OF WINDSOR
RETIREMENT PLAN FOR FACULTY AND CERTAIN EMPLOYEES

(REGISTRATION Number: 0366849)

Statement of Changes in Net Assets Available for Benefits

(in thousands of dollars)

Year ended June 30, 2015, with comparative information for 2014

		2015 $	2014 $
Increase in net assets:			
Investment income	note 6	15,801	10,764
Net realized gain on sale of investments		30,823	24,982
Current period increase in market values of investments		-	35,743
Contributions:			
Employee		5,989	6,060
Employer:			
Current service		8,085	8,181
Special		4,662	5,385
Total Employer Contributions		12,747	13,566
		65,360	91,115
Decrease in net assets:			
Current period decrease in market values of investments		15,133	-
Benefit payments		20,054	18,619
Transfers to other plans		1,640	3,845
Administrative expenses	note 7	2,172	1,973
		38,999	24,436
Increase in net assets		26,361	66,679
Net assets available for benefits, beginning of year		424,483	357,804
Net assets available for benefits, end of year		450,844	424,483

See accompanying notes to financial statements.

UNIVERSITY OF WINDSOR RETIREMENT PLAN FOR FACULTY AND CERTAIN EMPLOYEES

(Registration Number: 0366849)
Notes to Fund Financial Statements
(in thousands of dollars, unless otherwise noted)
Year ended June 30, 2015

1. DESCRIPTION OF PLAN

The following description of the University of Windsor Faculty and Certain Employees Retirement Plan (the "Faculty Plan") is a summary only. For more complete information, reference should be made to the Faculty Plan's text.

(a) General

The University of Windsor ("the University") sponsors two pension plans, the Retirement Plan for Faculty and Certain Employees ("the Faculty Plan") and the Employees' Retirement Plan ("the Employees' Plan"). The Board of Governors of the University is the Administrator of the University's pension plans ("Administrator"). The Faculty Plan is a money purchase plan with a defined benefit minimum guarantee. The Employees' Plan is a defined benefit plan.

The Master Trust Fund (the "Fund") holds the assets for both the Faculty Plan and the Employees' Plan. Although the Plans are distinct and separate, the assets are invested jointly under a Master Trust Agreement in order to maximize investment income while minimizing administrative costs and management fees.

(b) Funding policy

The Faculty Plan is a money purchase plan with a defined benefit minimum guarantee covering full-time members of the faculty and certain administrative employees of the University. Members are required to contribute to the Money Purchase Component Account an amount equal to 8% of Pensionable Earnings from January 1, 2016 to June 30, 2016, and 9% of Pensionable Earnings after July 1, 2016. The University is required to contribute 6% of Member Pensionable Earnings.

The Pension Benefits Act (Ontario) ("Act") requires that the University must fund the benefits determined under the Faculty Plan. The determinations of the value of these benefits are made on the basis of a triennial actuarial valuation and any current legislative requirements.

The most recent actuarial valuation for funding purposes was prepared as at July 1, 2014 by William M. Mercer Limited. A copy of the valuation was filed with the Financial Services Commission of Ontario, Pension Plans Branch as required by the Pension Benefits Act (Ontario).

(c) Benefits

Each member who retires from active service with the University will receive a pension in such amount as can be provided from the total balance in the money purchase component to the member's credit, calculated based on actuarial tables. In addition, each member will receive the minimum guaranteed benefit, calculated as 1.5% of the member's best average earnings not in excess of the average Canada pension plan base plus 2.0% of the member's best average earnings

1. DESCRIPTION OF PLAN (cont'd)

in excess of the average Canada pension plan base, together multiplied by the member's pensionable service. The normal retirement age of a member is 65.

(d) Income taxes

The Faculty Plan is a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes.

(e) Investment policy

The Faculty Plan invests, together with the Employees' Plan, in the Fund. The Fund's trustee is Northern Trust ("Trustee"). The unit value of the Fund is calculated based on the fair value of the underlying investments of the Fund. Each of the University's pension plans' interest in the Fund is calculated monthly by the Trustee based on the units held by each of the pension plans.

2. BASIS OF PREPARATION

(a) Basis of presentation

As permitted by the Financial Services Commission of Ontario ("FSCO"), the Faculty Plan may prepare financial statements in accordance with Canadian accounting standards for pension plans or prepare fund financial statements in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit.

The Faculty Plan has prepared fund financial statements in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans require the Faculty Plan to comply (on a consistent basis) with either International Financial Reporting Standards ("IFRS") or the Canadian accounting standards for private enterprises. The Faculty Plan has chosen to comply on a consistent basis with IFRS.

These fund financial statements have been prepared to assist the Administrator of the Faculty Plan to comply with the requirements of the FSCO under Section 76 of Regulation 909 of the Act. As a result, the fund financial statements may not be suitable for another purpose.

These fund financial statements of the Faculty Plan do not purport to show the adequacy of the Faculty Plan's assets to meet its pension obligation. Such an assessment requires additional information, such as the Faculty Plan's actuarial reports and information about the University's financial health.

These fund financial statements have been prepared in accordance with the significant accounting policies set out below.

2. BASIS OF PREPARATION (cont'd)

(b) Basis of measurement

The fund financial statements have been prepared on the historical cost basis, except for investments which are measured at fair value through the Statement of changes in net assets available for benefits.

(c) Use of estimates and judgements

The preparation of the fund financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the Statement of net assets available for benefits and the reported amounts of changes in net assets during the year. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Faculty Plan adopted the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"). As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Faculty Plan uses closing market price as a practical expedient for fair value measurement.

When available, the Faculty Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Faculty Plan establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Fair value measurement (cont'd)

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Within the Faculty Plan, all changes in fair value, other than interest and dividend income, are recognized in the Statement of changes in net assets available for benefits as part of the current period change in market values of investments.

Fair values of investments are determined as follows:

Pooled fund investments are valued at the unit values supplied by the Trustee, which represent the Faculty Plan's proportionate share of underlying net assets at fair values, determined using closing market prices.

Bonds and equities not held in pooled funds are valued at year-end quoted market prices where available. Where quoted prices are not available, estimated fair values are calculated using comparable securities.

Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.

Guaranteed investment certificates, term deposits maturing after a year and mortgages are valued at the present value of estimated future cash flows discounted at interest rates in effect on the last business day of the year for investments of a similar type, quality, and maturity.

(b) Financial assets and financial liabilities

(i) Non-derivative financial assets

Financial assets are recognized initially on the trade date, which is the date that the Faculty Plan becomes a party to the contractual provisions of the instrument. Financial assets are subsequently measured at fair value through the Statement of changes in net assets available for benefits.

All other non-derivative financial assets including contributions receivable are measured at amortized cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial assets and financial liabilities (cont'd)

(ii) Non-derivative financial assets

The Faculty Plan derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Faculty Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. On de-recognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the Statement of changes in net assets available for benefits as a net realized gain (loss) on sale of investments.

(iii) Non-derivative financial liabilities

Financial liabilities are recognized initially on the trade date at which the Faculty Plan becomes a party to the contractual provisions of the instrument. The Faculty Plan derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Faculty Plan considers its accrued liabilities to be a non-derivative financial liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of net assets available for benefits when, and only when, the Faculty Plan has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(c) Net realized gain on sale of investments

The net realized gain on sale of investments is the difference between proceeds received and the average cost of investments sold.

(d) Investment recognition

Investment income, which is recorded on the accrual basis, includes interest and dividend income.

Brokers' commissions and other transaction costs are recognized in the Statement of changes in net assets available for benefits in the year incurred.

(e) Foreign currency

The functional and presentation currency of the Fund financial statements is Canadian dollars. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are then translated into Canadian dollars at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognized in the Statement of changes in net assets available for benefits as a current period increase (decrease) in market values of investments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Fund unit valuation

The Employees' and Faculty Plans are issued units in the Fund based on the unit value at the Valuation Date, prior to which a contribution was made. Capital gains and losses, plus investment income, net of agency fees, custodian fees and investment managers' fees are allocated to each participating pension plan on a pro-rata basis. The Faculty Plans' units are redeemed based on the unit value at the Valuation Date prior to which the request for redemption is made by the Faculty Plan.

4. INVESTMENTS

The following table summarizes the Fund's investments at fair value and cost:

	2015 Fair Value $	2015 Cost $	2014 Fair Value $	2014 Cost $
Cash and short-term investments	16,975	16,897	17,146	17,126
Canadian bonds and debentures	224,776	223,281	214,057	212,352
Canadian common and preferred shares	200,260	210,723	200,376	168,940
Non-Canadian common and preferred shares	220,501	130,149	190,235	119,027
	662,512	581,050	621,814	517,445

The following table summarizes the Faculty Plan's pro-rata share of the investments at fair value and cost in the Fund – 68.14% (2014 – 68.25%):

	2015 Fair Value $	2015 Cost $	2014 Fair Value $	2014 Cost $
Cash and short-term investments	11,567	11,513	11,702	11,689
Canadian bonds and debentures	153,162	152,144	146,094	144,930
Canadian common and preferred shares	136,457	143,587	136,756	115,302
Non-Canadian common and preferred shares	150,250	88,684	129,835	81,236
	451,436	395,928	424,387	353,157

5. STATUTORY DISCLOSURES

The following information is provided in respect of individual investments within the Fund with a fair value or cost in excess of 1% of the fair value or cost of the Fund, as required by the Regulation to the Pension Benefits Act (Ontario):

	2015 Fair Value $	2015 Cost $	2014 Fair Value $	2014 Cost $
Short-term investments:				
Government of Canada bonds	-	-	11,083	11,069
Pooled funds:				
FGP Short Term Investment Fund	14,120	14,042	-	-
FGP Bond Fund	61,211	60,434	-	-
PHN Core Plus Bond Fund	80,842	82,222	-	-
PHN Bond Fund	-	-	74,009	74,981
PHN Long Bond Fund	47,231	45,947	44,449	45,602
FGP Long Bond Fund	35,492	34,679	-	-
FGP Small Cap Cdn Equity Fund	10,474	8,618	10,960	7,632
FGP Cdn Equity Fund	89,311	100,796	-	-
Pyramis Canadian Equity Pool	100,475	101,309	95,953	92,550
Baillie Gifford Global Alpha Fund	114,931	64,990	94,655	57,722
Sprucegrove Global Pooled Fund	105,569	65,159	95,579	61,305
Canadian bonds and debentures:				
Canada Housing Trust	-	-	7,928	7,749
Canadian equities:				
Toronto Dominion Common	-	-	7,351	4,582
Bank of Nova Scotia Common	-	-	7,502	5,402
Royal Bank of Canada Common	-	-	6,970	4,971
	659,656	578,196	456,439	373,565

6. INVESTMENT INCOME

The following represents the investment income earned by the Fund:

	2015 $	2014 $
Cash and short term investments	6	120
Canadian bonds and debentures	7,406	7,590
Canadian common and preferred shares	12,004	4,518
Non-Canadian common and preferred shares	3,774	3,543
	23,190	15,771
Faculty Plan's Pro-rata share of Fund investment income	15,801	10,764

7. ADMINISTRATIVE EXPENSES

The following represents the administrative expenses incurred by the Faculty Plan:

	2015 $	2014 $
Investment management fees	1,575	1,407
Actuarial and investment consulting fees	316	256
Sponsor administrative and trustee fees	195	204
Pension information system fees	64	66
Audit fees	7	8
Miscellaneous	15	32
	2,172	1,973

8. FINANCIAL INSTRUMENTS

(a) Fair values

The fair value measurement of investments are as described in note 3(a). The fair values of other financial assets and liabilities, being other assets and dividends and accrued liabilities, approximate their carrying values due to the short-term nature of these financial instruments.

Fair value measurements recognized in the Statement of net assets available for benefits are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly; and
- Level 3 - inputs for assets and liabilities that are not based on observable market data. The Faculty Plan does not have financial instruments classified as Level 3.

8. FINANCIAL INSTRUMENTS (cont'd)

(a) Fair values (cont'd)

The following table illustrates the classification of the Faculty Plan's financial instruments using the fair value hierarchy as at June 30, 2015:

	Level 1 $	Level 2 $	2015 Total $
Cash and short term investments	2,855	14,120	16,975
Canadian bonds and debentures	-	224,776	224,776
Canadian common and preferred shares	-	200,260	200,260
Non-Canadian common and preferred shares	-	220,501	220,501
Total investments in Fund	2,855	659,657	662,512
Faculty Plan's share of Fund assets			451,436

	Level 1 $	Level 2 $	2014 Total $
Cash and short term investments	3,045	14,101	17,146
Canadian bonds and debentures	-	214,058	214,058
Canadian common and preferred shares	93,513	106,863	200,376
Non-Canadian common and preferred shares	-	190,234	190,234
Total investments in Fund	96,558	525,256	621,814
Faculty Plan's share of Fund assets			424,387

(b) Risk management

(i) Market risk

Market risk is the risk that value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As all of the Faculty Plan's financial instruments are carried at fair value with fair value changes recognized in the Statement of changes in net assets available for benefits, all changes in market conditions will result in an increase (decrease) in net assets available for benefits. Market risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries. The Pension Plan Fund Statement of Investment Policies and Procedures ("SIPP") determines the portfolio diversification, and sets limits on the equity holdings of the Fund. In addition, the SIPP permits the hedging of market price risk using derivative financial instruments.

8. FINANCIAL INSTRUMENTS (cont'd)

(b) Risk management (cont'd)

(i) Market risk (cont'd)

The Fund's investments in common and preferred shares are also sensitive to market fluctuations. An immediate hypothetical increase (decrease) of 10% in equity values will impact the Fund's equity investments by an approximate gain or loss of $42,076 (2014 - $39,061). The Faculty Plan's pro-rata share of this gain (loss) would be $28,671 (2014 - $26,659).

(ii) Liquidity risk

Liquidity risk is the risk that the Faculty Plan will encounter difficulty in meeting obligations associated with financial liabilities. The SIPP determines the portfolio diversification, and set limits on the fixed income investments of the Fund. In addition, the Fund's investments include pooled funds to mitigate liquidity risk.

(iii) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Faculty Plan. The Administrator does not expect any counterparties to fail to meet their obligations given their high credit ratings. The SIPP also establishes minimum credit rating requirements for such investments to mitigate this risk.

The Fund's fixed income investments are in Canadian-issued instruments and are diversified among federal, provincial, corporate and other issuers. In order to minimize the exposure of risk, a comprehensive investment policy has been developed. There were no significant concentrations of credit risk in the portfolio in either 2015 or 2014. The maximum credit risk exposure as at June 30, 2015 is $ 224,776 (2014 - $214,058).

The following table provides the breakdown of the total fixed income investments by credit rating. In addition to the table below, the Fund holds mortgages with a market value at June 30, 2015 of $8,981 (2014 - $2,317). The Faculty Plan's pro-rata share in the mortgage holdings is $6,120 (2014 - $1,580).

Credit Rating	2015 Fund Fair Value	2015 Plan's Pro-rata share by credit rating	2014 Fund Fair Value	2014 Plan's Pro-rata share by credit rating
	$	$	$	$
AAA	75,335	51,333	77,078	52,606
AA	58,631	39,951	62,416	42,599
A	45,696	31,137	49,424	33,732
BBB	30,691	20,913	22,738	15,519
BB and under	5,442	3,708	85	59
	215,795	147,042	211,741	144,515

8. FINANCIAL INSTRUMENTS (cont'd)

(b) Risk management (cont'd)

(iv) Interest rate risk

Interest rate risk is the risk that the market value of the Faculty Plan's investments will fluctuate due to the changes in the market interest rates. To properly manage the Faculty Plan's interest rate risk, appropriate guidelines on the weighting and duration for the bonds and other fixed income investments are set and monitored. The Faculty Plan's investments in fixed income are sensitive to interest rate movements. An immediate hypothetical 1% increase (decrease) in interest rates, with all other variables held constant, would impact Canadian bonds and debentures by an estimated gain (loss) of approximately $2,388 (2014 - $2,131) for the Fund. The Faculty Plan's pro-rata share of this gain (loss) would be $1,628 (2014 - $1,452).

(v) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Faculty Plan is exposed to risks that the exchange rate of the foreign currency may change in a manner that has an adverse effect on the value of the portion of the Faculty Plan's underlying assets or liabilities invested in foreign transactions. The Administrator monitors the Faculty Plan's overall currency positions and exposures on a regular basis. In addition, the SIPP permits the hedging of market price risk using derivative financial instruments The Faculty Plan's exposure to foreign currencies would not create a significant change in the fair value of the assets except for the Faculty Plan's exposure to the US dollar. If the US dollar strengthened or weakened by 5% the Fund's US dollar holdings would change by $5,600.

9. CAPITAL MANAGEMENT

The capital of the Fund is represented by the net assets available for benefits. The Fund's objective when managing the capital is to safeguard its ability to continue as a going concern and to maintain adequate assets to support pension obligations. The Administrator has adopted the SIPP, which states investment objectives, guidelines and benchmarks used in investing the capital of the plan, permitted categories of investments, asset-mix diversification and rate of return expectations. The SIPP is reviewed annually and was last amended effective June 23, 2015. The SIPP was amended to reflect the industry change of the benchmark names, to add the environmental, social and governance disclosure as required by FSCO, and to reflect changes in the investment vehicle of an investment manager.

The Faculty Plan invests in units of the Fund, which itself invests in various investment vehicles, in accordance with the SIPP and investment mandates specific to each investment manager. The Fund's investment positions expose it to a variety of financial risks which are discussed in Note 8 - Financial Instruments. The allocation of assets among various asset categories is on a monthly basis. A comprehensive review is conducted quarterly, which includes measurement of returns, comparison of returns to appropriate benchmarks, ranking of returns to appropriate universes and risk analysis.

10. RELATED PARTY TRANSACTIONS

The Faculty Plan defines its key management personnel as the University's Board of Governors and other members of senior administration responsible for planning, controlling and directing the activities of the Faculty Plan. The Faculty Plan has not paid for services provided by key management personnel.

The University provides certain administrative services to the Faculty Plan. The cost to the Faculty Plan for these services during the year ended June 30, 2015 was $130 (2014 - $132), which is included in Administrative expenses in Note 7 – Administrative Expenses.

11. COMPARATIVE FIGURES

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the current year financial statements.

Fund Financial Statements of

UNIVERSITY OF WINDSOR EMPLOYEES' RETIREMENT PLAN

Registration Number: 0310573
Year ended June 30, 2015

DRAFT

KPMG

KPMG LLP
618 Greenwood Centre
3200 Deziel Drive
Windsor ON N8W 5K8
Canada

Telephone (519) 251-3500
Telefax (519) 251-3530
(519) 251-3540
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Trustee of University of Windsor Employees' Retirement Plan

We have audited the accompanying financial statements of the University of Windsor Employees' Retirement Plan, which comprise the statement of net assets available for benefits as at June 30, 2015, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions of Section 76 to the Regulations to the Pension Benefits Act (Ontario).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 76 to the Regulations to the Pension Benefits Act (Ontario), 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 an 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 our 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, we 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 net assets available for benefits of the University of Windsor Employees' Retirement Plan as at June 30, 2015, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions Section 76 to the Regulations to the Pension Benefits Act (Ontario).

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the University of Windsor Employees' Retirement Plan to meet the requirements of the Financial Services Commission of Ontario. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Trustee of the University of Windsor Employees' Retirement Plan and the Financial Services Commission of Ontario and should not be used by parties other than the University of Windsor Employees' Retirement Plan and the Financial Services Commission of Ontario.

Chartered Professional Accountants, Licensed Public Accountants

Approval Date

Windsor, Canada

UNIVERSITY OF WINDSOR
EMPLOYEES' RETIREMENT PLAN

(REGISTRATION Number: 0310573)

Statement of Net Assets Available for Benefits

(in thousands of dollars)

Year ended June 30, 2015 with comparative information for 2014

		2015	2014
		$	$
Assets			
Investments	note 4	211,076	197,426
Other assets		16	256
Total assets		211,092	197,682
Liabilities			
Accrued liabilities		303	214
Net Assets Available for Benefits		210,789	197,468

See accompanying notes to the financial statements.

Administrator

Administrator

UNIVERSITY OF WINDSOR
EMPLOYEES' RETIREMENT PLAN

(REGISTRATION Number: 0310573)

Statement of Changes in Net Assets Available for Benefits
(in thousands of dollars)

Year ended June 30, 2015, with comparative information for 2014

		2015 $	2014 $
Increase in net assets:			
Investment income	note 6	7,388	5,007
Net realized gain on sale of investments		14,411	11,621
Current period increase in market values of investments		-	16,398
Required contributions:			
Employee		3,441	3,385
Employer		3,441	3,385
		28,681	39,796
Decrease in net assets:			
Current period decrease in market values of investments		7,118	-
Benefit payments		5,844	5,364
Transfers to other plans		1,259	778
Administrative expenses	note 7	1,139	1,019
		15,360	7,161
Increase in net assets		13,321	32,635
Net assets available for benefits, beginning of year		197,468	164,833
Net assets available for benefits, end of year		210,789	197,468

See accompanying notes to financial statements.

1. DESCRIPTION OF PLAN

The following description of the University of Windsor Employees' Retirement Plan (the "Employees' Plan") is a summary only. For more complete information, reference should be made to the Employees' Plan's text.

(a) General

The University of Windsor ("the University") sponsors two pension plans, the Retirement Plan for Faculty and Certain Employees ("the Faculty Plan") and the Employees' Retirement Plan ("the Employees' Plan"). The Board of Governors of the University is the Administrator of the University's pension plans ("Administrator"). The Faculty Plan is a money purchase plan with a defined benefit minimum guarantee. The Employees' Plan is a defined benefit plan.

The Master Trust Fund (the "Fund") holds the assets for both the Faculty Plan and the Employees' Plan. Although the Plans are distinct and separate, the assets are invested jointly under a Master Trust Agreement in order to maximize investment income while minimizing administrative costs and management fees.

(b) Funding policy

The Employees' Plan is a contributory defined benefit pension plan covering eligible employees of the University. The Employees' Plan is a fully cost shared plan, with employees contributing between 6.4% and 9.2% of earnings and the University matching all contributions.

The Pension Benefits Act (Ontario) ("Act") requires that the University must fund the benefits determined under the Employees' Plan. The determinations of the value of these benefits are made on the basis of a triennial actuarial valuation and any current legislative requirements.

The most recent actuarial valuation for funding purposes was prepared as at July 1, 2014 by William M. Mercer Limited. A copy of the valuation was filed with the Financial Services Commission of Ontario, Pension Plans Branch as required by the Pension Benefits Act (Ontario).

(c) Benefits

Retirement benefits are calculated as 1.5% of the member's best average earnings not in excess of the average Canada pension plan base plus 2.0% of the member's best average earnings in excess of the average Canada pension plan base, together multiplied by the member's pensionable service. Post-retirement indexing is applied as one-half of the excess of the Average Fund Rate of Return over the valuation interest rate, capped at 50% of the CPI for the year. The normal retirement age of a member is 65.

1. DESCRIPTION OF PLAN (cont'd)

(d) Income taxes

The Employees' Plan is a Registered Pension Trust as defined in the Income Tax Act and is not subject to income taxes.

(e) Investment policy

The Employees' Plan invests, together with the Faculty Plan, in the Fund. The Fund's trustee is Northern Trust ("Trustee"). The unit value of the Fund is calculated based on the fair value of the underlying investments of the Fund. Each of the University's pension plans' interest in the Fund is calculated monthly by the Trustee based on the units held by each of the pension plans.

2. BASIS OF PREPARATION

(a) Basis of presentation

As permitted by the Financial Services Commission of Ontario ("FSCO"), the Employees' Plan may prepare financial statements in accordance with Canadian accounting standards for pension plans or prepare fund financial statements in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit.

The Employees' Plan has prepared fund financial statements in accordance with Canadian accounting standards for pension plans excluding pension obligations and any resulting surplus or deficit.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans require the Employees' Plan to comply (on a consistent basis) with either International Financial Reporting Standards ("IFRS") or the Canadian accounting standards for private enterprises. The Employees' Plan has chosen to comply on a consistent basis with IFRS.

These fund financial statements have been prepared to assist the Administrator of the Employees' Plan to comply with the requirements of the FSCO under Section 76 of Regulation 909 of the Act. As a result, the fund financial statements may not be suitable for another purpose.

These fund financial statements of the Employees' Plan do not purport to show the adequacy of the Employees' Plan's assets to meet its pension obligation. Such an assessment requires additional information, such as the Employees' Plan's actuarial reports and information about the University's financial health.

These fund financial statements have been prepared in accordance with the significant accounting policies set out below.

(b) Basis of measurement

The fund financial statements have been prepared on the historical cost basis, except for investments which are measured at fair value through the Statement of changes in net assets available for benefits.

2. BASIS OF PREPARATION (cont'd)

(c) Use of estimates and judgements

The preparation of the fund financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the Statement of net assets available for benefits and the reported amounts of changes in net assets during the year. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Employees' Plan adopted the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"). As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Employees' Plan uses closing market price as a practical expedient for fair value measurement.

When available, the Employees' Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Employees' Plan establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Fair value measurement (cont'd)

Within the Employees' Plan, all changes in fair value, other than interest and dividend income, are recognized in the Statement of changes in net assets available for benefits as part of the current period change in market values of investments.

Fair values of investments are determined as follows:

Pooled fund investments are valued at the unit values supplied by the Trustee, which represent the Employees' Plan's proportionate share of underlying net assets at fair values, determined using closing market prices.

Bonds and equities not held in pooled funds are valued at year-end quoted market prices where available. Where quoted prices are not available, estimated fair values are calculated using comparable securities.

Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.

Guaranteed investment certificates, term deposits maturing after a year and mortgages are valued at the present value of estimated future cash flows discounted at interest rates in effect on the last business day of the year for investments of a similar type, quality, and maturity.

(b) Financial assets and financial liabilities

(i) Non-derivative financial assets

Financial assets are recognized initially on the trade date, which is the date that the Employees' Plan becomes a party to the contractual provisions of the instrument. Financial assets are subsequently measured at fair value through the Statement of changes in net assets available for benefits.

All other non-derivative financial assets including contributions receivable are measured at amortized cost.

The Employees' Plan derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Employees' Plan neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. On de-recognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the Statement of changes in net assets available for benefits as a net realized gain (loss) on sale of investments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial assets and financial liabilities (cont'd)

(ii) Non-derivative financial liabilities

Financial liabilities are recognized initially on the trade date at which the Employees' Plan becomes a party to the contractual provisions of the instrument. The Employees' Plan derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Employees' Plan considers its accrued liabilities to be a non-derivative financial liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of net assets available for benefits when, and only when, the Employees' Plan has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(c) Net realized gain on sale of investments

The net realized gain on sale of investments is the difference between proceeds received and the average cost of investments sold.

(d) Investment recognition

Investment income, which is recorded on the accrual basis, includes interest and dividend income.

Brokers' commissions and other transaction costs are recognized in the Statement of changes in net assets available for benefits in the year incurred.

(e) Foreign currency

The functional and presentation currency of the Fund financial statements is Canadian dollars. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are then translated into Canadian dollars at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognized in the Statement of changes in net assets available for benefits as a current period increase (decrease) in market values of investments.

(f) Fund unit valuation

The Employees' and Faculty Plans are issued units in the Fund based on the unit value at the Valuation Date, prior to which a contribution was made. Capital gains and losses, plus investment income, net of agency fees, custodian fees and investment managers' fees are allocated to each participating pension plan on a pro-rata basis. The Employees' Plan's units are redeemed based on the unit value at the Valuation Date prior to which the request for redemption is made by the Employees' Plan.

4. INVESTMENTS

The following table summarizes the Fund's investments at fair value and cost:

	2015 Fair Value $	2015 Cost $	2014 Fair Value $	2014 Cost $
Cash and short-term investments	16,975	16,897	17,146	17,126
Canadian bonds and debentures	224,776	223,281	214,057	212,352
Canadian common and preferred shares	200,260	210,723	200,376	168,940
Non-Canadian common and preferred shares	220,501	130,149	190,235	119,027
	662,512	581,050	621,814	517,445

The following table summarizes the Employees' Plan's pro-rata share of the investments at fair value and cost in the Fund - 31.86% (2014 – 31.75%):

	2015 Fair Value $	2015 Cost $	2014 Fair Value $	2014 Cost $
Cash and short-term investments	5,408	5,383	5,445	5,438
Canadian bonds and debentures	71,614	71,137	67,963	67,422
Canadian common and preferred shares	63,803	67,136	63,619	53,638
Non-Canadian common and preferred shares	70,251	41,466	60,399	37,791
	211,076	185,122	197,426	164,289

5. STATUTORY DISCLOSURES

The following information is provided in respect of individual investments within the Fund with a fair value or cost in excess of 1% of the fair value or cost of the Fund, as required by the Regulation to the Pension Benefits Act (Ontario):

	2015 Fair Value $	2015 Cost $	2014 Fair Value $	2014 Cost $
Short-term investments:				
Government of Canada bonds	-	-	11,083	11,069
Pooled funds:				
FGP Short Term Investment Fund	14,120	14,042	-	-
FGP Bond Fund	61,211	60,434	-	-
PHN Core Plus Bond Fund	80,842	82,222	-	-
PHN Bond Fund	-	-	74,009	74,981
PHN Long Bond Fund	47,231	45,947	44,449	45,602
FGP Long Bond Fund	35,492	34,679	-	-
FGP Small Cap Cdn Equity Fund	10,474	8,618	10,960	7,632
FGP Cdn Equity Fund	89,311	100,796	-	-
Pyramis Canadian Equity Pool	100,475	101,309	95,953	92,550
Baillie Gifford Global Alpha Fund	114,931	64,990	94,655	57,722
Sprucegrove Global Pooled Fund	105,569	65,159	95,579	61,305
Canadian bonds and debentures:				
Canada Housing Trust	-	-	7,928	7,749
Canadian equities:				
Toronto Dominion Common	-	-	7,351	4,582
Bank of Nova Scotia Common	-	-	7,502	5,402
Royal Bank of Canada Common	-	-	6,970	4,971
	659,656	578,196	456,439	373,565

6. INVESTMENT INCOME

The following represents the investment income earned by the Fund:

	2015 $	2014 $
Cash and short term investments	6	120
Canadian bonds and debentures	7,406	7,590
Canadian common and preferred shares	12,004	4,518
Non-Canadian common and preferred shares	3,774	3,543
	23,190	15,771
Employees' Plan's Pro-rata share of Fund investment income	7,388	5,007

7. ADMINISTRATIVE EXPENSES

The following represents the administrative expenses incurred by the Employees' Plan:

	2015 $	2014 $
Investment management fees	731	652
Actuarial and investment consulting fees	207	159
Sponsor administrative and trustee fees	111	114
Pension information system fees	62	71
Audit fees	3	3
Miscellaneous	25	20
	1,139	1,019

8. FINANCIAL INSTRUMENTS

(a) Fair values

The fair value measurement of investments are as described in note 3(a). The fair values of other financial assets and liabilities, being other assets and dividends and accrued liabilities, approximate their carrying values due to the short-term nature of these financial instruments.

Fair value measurements recognized in the Statement of net assets available for benefits are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly; and
- Level 3 - inputs for assets and liabilities that are not based on observable market data. The Employees' Plan does not have financial instruments classified as Level 3.

8. FINANCIAL INSTRUMENTS (cont'd)

(a) Fair values (cont'd)

The following table illustrates the classification of the Employees' Plan's financial instruments using the fair value hierarchy as at June 30, 2015:

	Level 1 $	Level 2 $	2015 Total $
Cash and short term investments	2,855	14,120	16,975
Canadian bonds and debentures	-	224,776	224,776
Canadian common and preferred shares	-	200,260	200,260
Non-Canadian common and preferred shares	-	220,501	220,501
Total investments in Fund	2,855	659,657	662,512
Employees' Plan's share of Fund assets			211,076

	Level 1 $	Level 2 $	2014 Total $
Cash and short term investments	3,045	14,101	17,146
Canadian bonds and debentures	-	214,057	214,057
Canadian common and preferred shares	93,513	106,863	200,376
Non-Canadian common and preferred shares	-	190,235	190,235
Total investments in Fund	96,558	525,256	621,814
Employees' Plan's share of Fund assets			197,426

(b) Risk management

(i) Market risk

Market risk is the risk that value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As all of the Employees' Plan's financial instruments are carried at fair value with fair value changes recognized in the Statement of changes in net assets available for benefits, all changes in market conditions will result in an increase (decrease) in net assets available for benefits. Market risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries. The Pension Plan Fund Statement of Investment Policies and Procedures ("SIPP") determines the portfolio diversification, and sets limits on the equity holdings of the Fund. In addition, the SIPP permits the hedging of market price risk using derivative financial instruments.

8. **FINANCIAL INSTRUMENTS (cont'd)**

(b) Risk management (cont'd)

(i) Market risk (cont'd)

The Fund's investments in common and preferred shares are also sensitive to market fluctuations. An immediate hypothetical increase (decrease) of 10% in equity values will impact the Fund's equity investments by an approximate gain or loss of $42,076 (2014 - $39,061). The Employees' Plan's pro-rata share of this gain (loss) would be $13,405 (2014 - $12,402).

(ii) Liquidity risk

Liquidity risk is the risk that the Employees' Plan will encounter difficulty in meeting obligations associated with financial liabilities. The SIPP determines the portfolio diversification, and set limits on the fixed income investments of the Fund. In addition, the Fund's investments include pooled funds to mitigate liquidity risk.

(iii) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Employees' Plan. The Administrator does not expect any counterparties to fail to meet their obligations given their high credit ratings. The SIPP also establishes minimum credit rating requirements for such investments to mitigate this risk.

The Fund's fixed income investments are in Canadian-issued instruments and are diversified among federal, provincial, corporate and other issuers. In order to minimize the exposure of risk, a comprehensive investment policy has been developed. There were no significant concentrations of credit risk in the portfolio in either 2015 or 2014. The maximum credit risk exposure as at June 30, 2015 is $ 224,776 (2014 - $214,058).

The following table provides the breakdown of the total fixed income investments by credit rating. In addition to the table below, the Fund holds mortgages with a market value at June 30, 2015 of $8,981 (2014 - $2,317). The Employees' Plan's pro-rata share in the mortgage holdings is $2,861 (2014 - $736).

Credit Rating	**2015 Fund Fair Value**	**2015 Plan's Pro-rata share by credit rating**	**2014 Fund Fair Value**	**2014 Plan's Pro-rata share by credit rating**
	$	$	$	$
AAA	75,335	24,002	77,078	24,472
AA	58,631	18,680	62,416	19,817
A	45,696	14,559	49,424	15,692
BBB	30,691	9,778	22,738	7,219
BB and under	5,442	1,734	85	26
	215,795	68,753	211,741	67,226

8. FINANCIAL INSTRUMENTS (cont'd)

(b) Risk management (cont'd)

(iv) Interest rate risk

Interest rate risk is the risk that the market value of the Employees' Plan's investments will fluctuate due to the changes in the market interest rates. To properly manage the Employees' Plan's interest rate risk, appropriate guidelines on the weighting and duration for the bonds and other fixed income investments are set and monitored. The Employees' Plan's investments in fixed income are sensitive to interest rate movements. An immediate hypothetical 1% increase (decrease) in interest rates, with all other variables held constant, would impact Canadian bonds and debentures by an estimated gain (loss) of approximately $2,388 (2014 - $2,131) for the Fund. The Employees' Plan's pro-rata share of this gain (loss) would be $761 (2014 - $679).

(v) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Employees' Plan is exposed to risks that the exchange rate of the foreign currency may change in a manner that has an adverse effect on the value of the portion of the Employees' Plan's underlying assets or liabilities invested in foreign transactions. The Administrator monitors the Employees' Plan's overall currency positions and exposures on a regular basis. In addition, the SIPP permits the hedging of market price risk using derivative financial instruments The Employees' Plan's exposure to foreign currencies would not create a significant change in the fair value of the assets except for the Employees' Plan's exposure to the US dollar. If the US dollar strengthened or weakened by 5% the Fund's US dollar holdings would change by $5,600.

9. CAPITAL MANAGEMENT

The capital of the Fund is represented by the net assets available for benefits. The Fund's objective when managing the capital is to safeguard its ability to continue as a going concern and to maintain adequate assets to support pension obligations. The Administrator has adopted the SIPP, which states investment objectives, guidelines and benchmarks used in investing the capital of the plan, permitted categories of investments, asset-mix diversification and rate of return expectations. The SIPP is reviewed annually and was last amended effective June 23, 2015. The SIPP was amended to reflect the industry change of the benchmark names, to add the environmental, social and governance disclosure as required by FSCO, and to reflect changes in the investment vehicle of an investment manager.

The Employees' Plan invests in units of the Fund, which itself invests in various investment vehicles, in accordance with the SIPP and investment mandates specific to each investment manager. The Fund's investments expose it to a variety of financial risks which are discussed in Note 8 - Financial Instruments. The allocation of assets among various asset categories is on a monthly basis. A comprehensive review is conducted quarterly, which includes measurement of returns, comparison of returns to appropriate benchmarks, ranking of returns to appropriate universes and risk analysis.

10. RELATED PARTY TRANSACTIONS

The Employees' Plan defines its key management personnel as the University's Board of Governors and other members of senior administration responsible for planning, controlling and directing the activities of the Employees' Plan. The Employees' Plan has not paid for services provided by key management personnel.

The University provides certain administrative services to the Employees' Plan. The cost to the Employees' Plan for these services during the year ended June 30, 2015 was $81 (2014 - $81), which is included in Administrative expenses in Note 7 – Administrative Expenses.

11. COMPARATIVE FIGURES

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the current year financial statements.

University of Windsor
Board of Governors

4.5.1: Phillips, Hager and North (PHN) – Long Bond Pension Fund Trust

Item for: **Approval**

Forwarded by: **Investment Committee**

MOTION: That the Board accept the changes to the PHN Long Bond Pension Fund Trust and that the Statement of Investment Policies and Procedures (SIPP) for the Pension Fund be amended accordingly.

Rationale:

- The Investment Committee reviewed the changes to the PHN Long Bond Pension Fund Trust and concurred that the risk-benefit analysis highly favoured accepting the changes and remaining in this fund. The alternative would be to move out of the pooled fund into a segregated fund which is more costly and, in this case, would not provide greater added value.
- *See attached.*

Mandate Profile:
PH&N Long Bond Pension Trust

PHILLIPS, HAGER & NORTH
Investment Management®

Fund type	Canadian long term fixed income		
Date of inception	Series O - April 30, 1998		
Manager & principal portfolio adviser	Phillips, Hager & North Investment Management		
Benchmark	FTSE TMX Canada Long Term Overall Bond Index		
Investment objectives	The trust seeks to provide high level of total return through exposure to a well-diversified portfolio of longer term fixed income securities issued primarily by Canadian governments and corporations.		
Strategies & approach	To achieve the trust's investment objectives, we invest primarily in fixed income securities issued primarily by Canadian governments and corporations, as well as mortgages.		
Asset mix policy	Target ranges:		
	Cash and equivalents	0% - 25%	
	Fixed income investments	75% - 100%	
Investment guidelines	The trust complies with investment restrictions set out in the federal *Pension Benefit Standards Act*, for registered Canadian pension plans.		
Permissible investments	▪ Canadian, foreign government and corporate fixed income securities		
	▪ Asset-backed securities		
	▪ Infrastructure debt		
	▪ First mortgages		
	▪ Derivatives, such as, but not limited to, swaps, options, futures, and forwards		
		Maximum	
Sector concentration	Canadian Federal & Provincial Government	100%	
	Corporate	50%	
	Foreign securities	30%	
	Non-Canadian dollar securities	20%	
	Non-hedged currency exposure	10%	
	Mortgages	10%	
	Illiquid assets	10%	
	Real return bonds & treasury inflation protected securities	10%	
Single-issuer limits	Government of Canada	100%	
	Provincials	40%	
	Foreign Sovereigns/Agencies/Supranationals	10%	
	Municipals and corporates		
	▪ A- or higher	5%	
	▪ BBB- to BBB+	2%	
	▪ BB+ and below	0%	
	Mortgages	2%	
Credit quality	A- and above	100%	
	BBB- to BBB+	20%	
	BB+ and below	0%	
Interest rate guideline	FTSE TMX Canada Long Term Overall Bond Index +/- 1 year duration.		
	Ratings are determined by reference to a recognized agency and apply at the time of purchase.		
	All cash equivalents shall be rated R-1 (low) or better (using DBRS or its equivalent).		

Please read the disclosures at the end of the document. For qualified investors only. 1
Updated September 2015.

Investment guidelines continued

	Investments in bank deposits and short-term government and commercial paper shall be limited to maturities of one year or less.
Key risks	The principal risks are associated with derivatives, interest rate and credit risks, and the trust is suitable for investors who have a moderate tolerance for risk.
Currency hedging	Unless there is a compelling foreign exchange return opportunity, the trust will hedge all foreign currency exposure.
Derivatives	The trust may use derivatives, such as swaps, options, futures and forward contracts: ▪ for hedging purposes, including to protect against fluctuations in the value of foreign currency relative to the Canadian dollar, and from changes in interest rate and market indices; and to expand the investment opportunities available and/or to achieve an intended term structure object ▪ for non-hedging purposes, including as a substitute for direct investment, to generate income or extend or reduce the duration of fixed-income investments.
Securities lending	The trust may, with six months prior notice to unitholders, enter into securities lending, repurchase and reverse repurchase transactions, as permitted by the Canadian securities regulatory authorities, to generate additional income and/or as a short-term cash management tool.
Distributions	A distribution of net income is made in March, June and September. The remaining net income and net realized capital gains are distributed in December. We automatically reinvest all distributions in additional units of the trust unless explicitly instructed to distribute in cash.
Custodian & Trustee	RBC Investor Services Trust

Disclosures

The full name of this fund is "Phillips, Hager & North Long Bond Pension Trust".

This document is confidential and has been provided by Phillips, Hager & North Investment Management (PH&N IM) for information purposes only and may not be reproduced, distributed or published without the written consent of PH&N IM. It is not intended to provide professional advice and should not be relied upon in that regard.

PH&N IM takes reasonable steps to provide up-to-date, accurate and reliable information, and believes the information to be so when printed. Information obtained from third parties is believed to be reliable, but no representation or warranty, express or implied, is made by PH&N IM, its affiliates or any other person as to its accuracy, completeness or correctness. We assume no responsibility for any errors or omissions. This information is not intended to be an offer or solicitation to buy or sell securities or to participate in or subscribe for any service.

No securities are being offered, except pursuant and subject to the respective offering documents and subscription materials, which may be provided to qualified investors only, and not to any other category of investor. This document is for general information only and is not, nor does it purport to be, a complete description of an investment in any Phillips, Hager & North (PH&N) investment funds. If there is an inconsistency between this document and the respective offering documents, the provisions of the respective offering documents shall prevail.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund's offering memorandum before investing. Mutual funds are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. The unit values of non-money market funds change frequently. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated.

Investment objectives may only be changed as permitted under the Master Trust Agreement for the fund. Investment guidelines and strategies of the fund must always be consistent with the fund's investment objectives and may be adjusted over time without prior notice.

Phillips Hager & North Investment Management is a division of RBC Global Asset Management Inc. (RBC GAM Inc.), an indirect, wholly-owned subsidiary of Royal Bank of Canada. RBC GAM Inc. is the manager and principal portfolio adviser of the Phillips, Hager & North investment funds.

RBC Global Asset Management

University of Windsor
Board of Governors

4.5.2: Foyston, Gordon and Payne (FGP) – Universe Bond Fund and Long Term Bond Fund

Item for: **Approval**

Forwarded by: **Investment Committee**

MOTION 1: That the pension and endowment funds currently invested in FGP's Bond Fund be transferred to FPG's Universe Bond Fund, and that the Statement of Investment Policies and Procedures (SIPPs) for both the Pension Fund and the Endowment Fund be amended accordingly.

Rationale:

- It is recommended that the pension and endowment funds currently invested in FGPs Bond Fund be transferred to FGP's Universe Bond Fund. The latter is a higher yield fund with the potential of higher value added compared to the benchmark.
- The Investment Committee had significant discussion regarding investments in the fund, the enhanced return expectation, and concurred that the risk-benefit analysis highly favoured moving to the Universe Bond Fund.
- If approved, the Statement of Investment Policies and Procedures for the Investment of the Pension Fund of the University of Windsor and the Statement of Policies and Goals for the Management and Investment of Endowment Funds at the University of Windsor will be revised accordingly.
- *See attached.*

MOTION 2: That the Board accept the changes to the FGP Long term Bond Fund and that the Statement of Investment Policies and Procedures (SIPPs) for the Pension Fund be amended accordingly.

Rationale:

- The Investment Committee reviewed the changes to the FGP Long Term Bond Fund and concurred that the risk-benefit analysis highly favoured accepting the changes and remaining in this fund. The alternative would be to move out of the pooled fund into a segregated fund which is more costly and, in this case, would not provide greater added value.
- *See attached.*

INVESTMENT OBJECTIVE

The FGP Universe Bond Fund (the "Fund") aims to generate an attractive total investment return through income and long-term capital appreciation primarily through investments in debt obligations and other evidences of indebtedness of Canadian, U.S., and international issuers. To achieve this, the Fund will invest in a diversified mix of fixed income securities.

INVESTMENT STRATEGY

FGP utilizes a multi-strategy approach, including: interest rate anticipation, credit sector/security selection, and yield-enhancing strategies in the context of a long-term, value-oriented approach. The portfolio managers, supported by FGP's research team, are responsible for security selection and portfolio construction within FGP's diversification and risk control guidelines.

PERFORMANCE OBJECTIVE

The Fund's objective is to exceed the return of its Performance Benchmark over five-year periods.

Performance Benchmark

FTSE TMX Canada Universe Bond Index.

PERMISSIBLE INVESTMENTS

Eligible fixed income investments include bonds, debentures, notes, coupons, residuals and other evidence of indebtedness of Canadian or foreign issuers, whether denominated and payable in Canadian dollars or a foreign currency, mortgage-backed securities, asset-backed securities, floating rate notes, private placements, real return bonds, extendible/retractable bonds, and other fixed income oriented securities. Private placements over $100 million in issue size may be included in the Fund as long as the securities have received an investment grade rating from a recognized credit rating agency, and a liquid market for the securities is maintained by a recognized broker/dealer.

Eligible cash and money market investments include cash and demand deposits, short term debt securities of Canadian government(s) and corporate issuers including treasury bills issued by the Federal, Provincial or Territorial governments or any of their agencies; bankers' acceptances, term deposits, commercial paper, the FGP Short Term Investment Fund, and any other evidences of indebtedness with terms to maturity of less than one year.

The Fund may use derivatives, such as currency forwards as permitted by Canadian securities laws, to hedge against potential currency fluctuations.

Diversification and Risk Control Guidelines

The Fund has established guidelines to ensure the investments of the Fund are diversified. The assets of the Fund are invested in a prudent fashion, with securities selected for their overall contribution to the investment objective of the Fund.

Security Level Guidelines: The number of direct and indirect holdings will typically range from 25 to 50 fixed income investments.

Investment limits for fixed income securities as a percentage of the portfolio are as follows:

TYPE OF ISSUE	GUIDELINES
Total Federal and Federally-Guaranteed Issues	Minimum: Benchmark Index weight - 20%
Total Provincial, Provincially-Guaranteed and Municipal Issues	Range: Benchmark Index weight +/- 20%
Total Corporate Issues	Maximum: Benchmark Index weight + 20%
Inflation Linked Issues	Maximum 15%
Foreign Currency Issues and Foreign Issuers	Maximum 20%
Foreign Currency Issues	Maximum 10%
Foreign Issuers – C$ pay	Maximum 20%
Corporate Issuers rated 'BBB'	Maximum: Benchmark Index weight + 15%
Single Corporate Issuer rated 'AA' or higher	Maximum 4%
Single Corporate Issuer rated 'A'	Maximum 3%
Single Corporate issuer rated 'BBB'	Maximum 2%

Cash Level Guidelines: The Fund may have maximum cash or money market holdings of 5%.

Credit Quality Guidelines: The minimum credit quality for a fixed income investment is 'BBB' as determined by a recognized credit rating agency or as assessed by FGP portfolio managers or analysts. The minimum overall credit quality for the fixed income portfolio is 'A', and the minimum credit quality for any money market investments is 'R1' or 'A'.

Duration/Term to Maturity Guidelines: The modified duration range for the fixed income portfolio is plus or minus two years around the duration of the FTSE TMX Canada Universe Bond Index.

FUND FACTS

Fund Code	1032
Fund Class	A
Performance Inception Date	TBD
Taxable Investors (Non-Registered Plans)	Eligible
Non-Taxable Investors (Registered Plans)	Eligible
Valuation Frequency	Daily
Distribution Frequency	Income – Monthly Capital Gains – Minimum Annually
Expense Ratio *	(See note)
Trustee	CIBC Mellon Trust Co.
Custodian	CIBC Mellon Trust Co.
Auditor	Deloitte LLP

The units of the Fund are issued and redeemed at the applicable net asset value per unit. The net asset value is determined daily at the close of each business day.

Net investment income and net realized gains on investments are paid to unitholders on a periodic basis as indicated. Distributions are made to unitholders of record at the close of business on the second last day of the month, pro rata to their holdings in the Fund as of that date.

Temporary variances from these investment policy guidelines will generally be corrected within 90 days.

*The Fund incurs direct expenses for services provided by the Trustee, Custodian, Registrar and Auditor. FGP does not charge management fees directly to the Fund. The intent is for the Fund's annual expense ratio not to exceed 0.10%. FGP will directly cover costs to ensure this expense ratio is not exceeded.

INVESTMENT OBJECTIVE

The FGP Long Term Bond Fund (the "Fund") aims to generate an attractive total investment return through income and long-term capital appreciation primarily through investments in debt obligations and other evidences of indebtedness of Canadian, U.S., and international issuers. To achieve this, the Fund will invest in a diversified mix of long term fixed income securities.

INVESTMENT STRATEGY

FGP utilizes a multi-strategy approach, including: interest rate anticipation, credit sector/security selection, and yield-enhancing strategies in the context of a long-term, value-oriented approach. The portfolio managers, supported by FGP's research team, are responsible for security selection and portfolio construction within FGP's diversification and risk control guidelines.

PERFORMANCE OBJECTIVE

The Fund's objective is to exceed the return of its Performance Benchmark over five-year periods.

Performance Benchmark

FTSE TMX Canada Long Term Overall Bond Index.

PERMISSIBLE INVESTMENTS

Eligible fixed income investments include bonds, debentures, notes, coupons, residuals and other evidence of indebtedness of Canadian or foreign issuers, payable in Canadian dollars, mortgage-backed securities, asset-backed securities, floating rate notes, private placements, real return bonds, extendible/retractable bonds, and other fixed income oriented securities. Private placements over $100 million in issue size may be included in the Fund as long as the securities have received an investment grade rating from a recognized credit rating agency and a liquid market for the securities is maintained by a recognized broker/dealer.

Eligible cash and money market investments include cash and demand deposits, short term debt securities of Canadian government(s) and corporate issuers including treasury bills issued by the Federal, Provincial or Territorial governments or any of their agencies; bankers' acceptances, term deposits, commercial paper, the FGP Short Term Investment Fund, and any other evidences of indebtedness with terms to maturity of less than one year.

The Fund may use derivatives, such as currency forwards as permitted by Canadian securities laws, to hedge against potential currency fluctuations.

Diversification and Risk Control Guidelines

The Fund has established guidelines to ensure the investments of the Fund are diversified. The assets of the Fund are invested in a prudent fashion, with securities selected for their overall contribution to the investment objective of the Fund.

Security Level Guidelines: The number of holdings will typically range from 25 to 50 fixed income investments.

Investment limits for fixed income securities as a percentage of the portfolio are as follows:

TYPE OF ISSUE	GUIDELINES
Total Federal and Federally-Guaranteed Issues	Minimum: Benchmark Index weight - 20%
Total Provincial, Provincially-Guaranteed and Municipal Issues	Range: Benchmark Index weight +/- 20%
Total Corporate Issues	Maximum: Benchmark Index weight + 20%
Inflation Linked Issues	Maximum 15%
Foreign Currency Issues and Foreign Issuers	Maximum 20%
Foreign Currency Issues	Maximum 10%
Foreign Issuers – C$ pay	Maximum 20%
Corporate Issuers rated 'BBB'	Maximum: Benchmark Index weight + 10%
Single Provincial or Territorial Issuer rated 'AA' or higher	Maximum 25%
Single Corporate Issuer rated 'AA' or higher	Maximum 4%
Single Provincial or Territorial Issuer rated 'A'	Maximum 15%
Single Municipal Issuer rated 'A'	Maximum 5%
Single Corporate Issuer rated 'A'	Maximum 3%
Single Provincial or Territorial Issuer rated 'BBB'	Maximum 5%
Single Corporate issuer rated 'BBB'	Maximum 2%

Cash Level Guidelines: The Fund may have maximum cash or money market holdings of 5%.

Credit Quality Guidelines: The minimum credit quality for a fixed income investment is 'BBB' as determined by a recognized credit rating agency or as assessed by FGP portfolio managers or analysts. The minimum overall credit quality for the fixed-income portfolio is 'A', and the minimum credit quality for any short term investments is 'R1' or 'A'.

Duration/Term to Maturity Guidelines: The modified duration range for the fixed income portfolio is plus or minus two years around the duration of the FTSE TMX Canada Long Term Overall Bond Index.

FUND FACTS

Fund Code	1029
Fund Class	A
Performance Inception Date	January 31, 2014
Taxable Investors (Non-Registered Plans)	Eligible
Non-Taxable Investors (Registered Plans)	Eligible
Valuation Frequency	Daily
Distribution Frequency	Income – Monthly Capital Gains – Minimum Annually
Expense Ratio *	(See note)
Trustee	CIBC Mellon Trust Co.
Custodian	CIBC Mellon Trust Co.
Auditor	Deloitte LLP

The units of the Fund are issued and redeemed at the applicable net asset value per unit. The net asset value is determined daily at the close of each business day.

Net investment income and net realized gains on investments are paid to unitholders on a periodic basis as indicated. Distributions are made to unitholders of record at the close of business on the second last day of the month, pro rata to their holdings in the Fund as of that date.

Temporary variances from these investment policy guidelines will generally be corrected within 90 days.

* The Fund incurs direct expenses for services provided by the Trustee, Custodian, Registrar and Auditor. The intent is for the Fund's annual expense ratio not to exceed 0.10%. For 2014, the expense ratio was 0.06% with all expenses covered directly by FGP.

University of Windsor
Board of Governors

4.7.1: **2015/2016 Operating Budget Update**

Item for: **Information**

Forwarded by**: Resource Allocation Committee**

Rationale:

- The process for ongoing monitoring of the Board-approved 2015/2016 operating budget includes a review of the University's spending at the mid-year point, once the final Fall enrolment numbers are in.
- As the mid-year review does not include a proposal to revise the 2015/2016 operating budget but rather provides a projection to year end, the mid-year review is provided for information only.
- *See attached.*

UNIVERSITY OF WINDSOR
2015/16 Operating Budget
Mid-Year Adjustment

	2015/16 APPROVED BASE BUDGET ($000s)	Mid-Year Adjustment ($000s)	2015/16 PROJECTION ($000s)
BASE OPERATING REVENUE			
Student Academic Fees	$ 129,568	$ (3,300)	$ 126,268
Professional Course-Based Masters' Fees	19,347	3,400	22,747
Total Student Fees	$ 148,915	$ 100	$ 149,015
Government Grants - Provincial	97,213	(280)	96,933
Government Grants - Federal	3,171	130	3,301
Investment Income	2,500		2,500
Other	2,607	145	2,752
TOTAL OPERATING REVENUE	$ 254,406	$ 95	$ 254,501
BASE OPERATING EXPENDITURES			
Faculties	$ 132,058		$ 132,058
Professional Course-Based Masters	19,347	$ 3,400	22,747
Academic & Student Services	15,465		15,465
Library	11,806		11,806
Scholarships	13,563		13,563
Research	5,286		5,286
Administration	19,265	500	19,765
International	2,070		2,070
Information Technology Services	9,264		9,264
Facility Costs	27,330	(1,005)	26,325
External Debt Costs	6,277		6,277
Institutional Overheads	(9,329)	(2,800)	(12,129)
Strategic Priority Fund	2,004		2,004
TOTAL EXPENDITURES	$ 254,406	$ 95	$ 254,501
BASE OPERATING SURPLUS/(SHORTFALL)	$ -	$ -	$ -