

# **Huron University College**

Financial Statements

**April 30, 2011**

June 23, 2011

## **Independent Auditor's Report**

### **To the Executive Board of Huron University College**

We have audited the accompanying financial statements of Huron University College, which comprise the statement of financial position as at April 30, 2011 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes including a summary of significant accounting policies.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 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 Huron University College as at April 30, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*PricewaterhouseCoopers LLP*

**Chartered Accountants, Licensed Public Accountants**

# Huron University College

## Statement of Financial Position

As at April 30, 2011

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	2011 \$	2010 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash (note 2)	2,420,310	4,769,362
Short-term investments	5,125,304	857,278
Accounts receivable	551,022	243,493
Prepaid expenses	965	44,802
Due from Huron University College Foundation	22,684	38,830
	<hr/>	<hr/>
	8,120,285	5,953,765
<b>Capital assets (note 3)</b>	14,497,917	14,765,548
	<hr/>	<hr/>
	22,618,202	20,719,313
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	920,536	1,088,720
Advanced tuition and residence deposits	805,806	739,784
Current portion of deferred revenue	180,054	189,664
Current portion of long-term debt (note 6)	49,529	46,805
	<hr/>	<hr/>
	1,955,925	2,064,973
<b>Deferred capital contributions (note 5)</b>	4,299,488	4,455,741
<b>Deferred revenue</b>	374,443	530,177
<b>Long-term debt (note 6)</b>	1,558,365	1,606,199
<b>Employee future benefits (note 7)</b>	1,216,559	983,671
	<hr/>	<hr/>
	9,404,780	9,640,761
<b>Net assets</b>		
Invested in capital assets	8,930,043	8,967,081
Internally restricted (note 15)	1,511,434	1,701,941
Unrestricted	2,771,945	409,530
	<hr/>	<hr/>
	13,213,422	11,078,552
	<hr/>	<hr/>
	22,618,202	20,719,313
	<hr/>	<hr/>

**Commitments and contingencies (note 8)**

**Approved by the Executive Board**

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# Huron University College

## Statement of Operations

For the year ended April 30, 2011

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	2011 \$	2010 \$
<b>Revenue</b>		
Student fees	7,961,600	7,626,869
Government grants	6,421,516	6,147,160
	<hr/> 14,383,116	<hr/> 13,774,029
Ancillary revenue (note 9)	2,963,397	2,922,238
External trust	57,114	64,852
Research fund	391,928	269,939
Foundation transfer (note 10)	810,853	665,485
	<hr/> 4,223,292	<hr/> 3,922,514
Other revenue (note 11)	1,413,511	1,315,925
	<hr/> 20,019,919	<hr/> 19,012,468
<b>Expenditures</b>		
Salaries and benefits - faculty	6,343,268	6,291,453
Salaries and benefits - staff	1,957,352	1,847,318
Registrarial	761,971	712,299
Academic instructional	770,504	783,782
UWO fees	1,086,477	971,075
	<hr/> 10,919,572	<hr/> 10,605,927
Ancillary expenses (note 9)	1,880,768	1,882,970
Scholarship and bursaries	1,222,927	1,295,563
Building costs - academic	703,625	562,507
General administration	1,165,869	1,265,276
Research grant expenses	447,270	312,303
Alumni development	454,959	527,558
	<hr/> 5,875,418	<hr/> 5,846,177
	<hr/> 16,794,990	<hr/> 16,452,104
<b>Excess of revenues over expenditures before undernoted</b>	3,224,929	2,560,364
Depreciation of capital assets	1,090,059	1,093,996
<b>Excess of revenues over expenditures</b>	<hr/> 2,134,870	<hr/> 1,466,368

**Huron University College**  
**Statement of Changes in Net Assets**  
**For the year ended April 30, 2011**

	2011				2010			
	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$
<b>Balance - Beginning of year</b>	8,967,081	409,530	1,701,941	11,078,552	8,857,902	741,591	12,691	9,612,184
Excess of revenues over expenditures	-	2,134,870	-	2,134,870	-	1,466,368	-	1,466,368
Depreciation of capital assets	(1,090,059)	1,090,059	-	-	(1,093,996)	1,093,996	-	-
Amortization of deferred contributions	283,010	(283,010)	-	-	283,266	(283,266)	-	-
Capital assets acquired from own funds	724,901	(724,901)	-	-	864,728	(864,728)	-	-
Interfund transfer (note 15)	-	190,507	(190,507)	-	12,691	(1,701,941)	1,689,250	-
	(82,148)	2,407,525	(190,507)	2,134,870	66,689	(289,571)	1,689,250	1,466,368
Repayment of long-term debt (note 6)	45,110	(45,110)	-	-	42,490	(42,490)	-	-
	(37,038)	2,362,415	(190,507)	2,134,870	109,179	(332,061)	1,689,250	1,466,368
<b>Balance - End of year</b>	<b>8,930,043</b>	<b>2,771,945</b>	<b>1,511,434</b>	<b>13,213,422</b>	<b>8,967,081</b>	<b>409,530</b>	<b>1,701,941</b>	<b>11,078,552</b>

# Huron University College

## Statement of Cash Flows

For the year ended April 30, 2011

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	2011 \$	2010 \$
<b>Cash provided by (used in)</b>		
<b>Cash flows from operating activities</b>		
Excess of revenues over expenditures	2,134,870	1,466,368
Items not involving cash		
Depreciation of capital assets	1,090,059	1,093,996
Amortization of deferred capital contributions	(283,010)	(283,266)
Employee future benefits	232,888	367,364
Increase in long-term accrued liabilities	-	(320,971)
(Decrease) increase in deferred revenue	(165,344)	442,730
Change in non-cash working capital items (note 12)	(349,708)	82,285
	<u>2,659,755</u>	<u>2,848,506</u>
<b>Cash flows from investing activities</b>		
Additions to capital assets	(822,428)	(988,685)
Increase in short-term investment	(4,268,026)	(554,603)
Increase in deferred capital contributions	126,757	297,124
	<u>(4,963,697)</u>	<u>(1,246,164)</u>
<b>Cash flows from financing activities</b>		
Repayment of long-term debt	(45,110)	(42,490)
	<u>(45,110)</u>	<u>(42,490)</u>
<b>Decrease (increase) in net cash for the year</b>	(2,349,052)	1,559,852
<b>Cash - Beginning of year</b>	<u>4,769,362</u>	<u>3,209,510</u>
<b>Cash - End of year</b>	<u>2,420,310</u>	<u>4,769,362</u>

# Huron University College

Notes to Financial Statements

April 30, 2011

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## 1 Purpose of the organization

Huron University College (the “University”) is a university institution with undergraduate programs in Arts and Social Sciences, and graduate programs in Theology. The University is affiliated with the University of Western Ontario (“UWO”) and closely associated with the Anglican Church of Canada. The University is incorporated under the statutes of the Province of Ontario. The University is a not-for-profit organization under the Income Tax Act.

## 2 Summary of significant accounting policies

The financial statements have been prepared in accordance with the Canadian generally accepted accounting principles and include the following significant accounting policies.

### Revenue recognition

The University follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

### Capital assets

Capital assets are carried at cost. When an asset is sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is recognized in operations for the year.

The carrying amount of a capital asset not being depreciated because it is under construction or development is classified as work-in-progress. Depreciation expense is calculated upon completion of construction and allocation of the asset to its appropriate capital asset account.

Depreciation expense is calculated on all depreciable assets based on the following methods, utilizing estimated lives according to Canadian Association of University Business Officers guidelines for Canadian colleges and universities as follows:

Buildings	5% declining balance
Equipment and furniture	10 years straight line
Computer equipment	4 years straight line
Library books	5 years straight line
Food court	5% declining balance



# Huron University College

Notes to Financial Statements

April 30, 2011

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## **Cash**

Included in cash are balances in the amount of \$884,849 (2010 - \$1,140,284) that relate to deferred revenue, deferred capital contributions, and other unspent amounts included in current liabilities.

## **Deferred capital contributions**

Effective May 1, 1997, contributions received for capital assets are deferred and amortized over the same term and on the same basis as the related capital assets. Contributions related to capital assets acquired prior to fiscal 1998 are not reasonably determined and therefore, the change in policy was applied prospectively.

## **Employee future benefits**

The University provides a Retirement Gratuity Plan, which is a defined benefit plan. Benefits from the Gratuity Plan are provided only to participants who had benefits under the London Life and/or Standard Life Group or Group Annuity plan as of December 31, 1986, only if the participant invests his/her defined contribution account in accordance with plan provisions and meets all other conditions necessary for receiving such benefits. The service cost and accrued benefit obligation of the Gratuity Plan is actuarially determined using a modified form of the projected unit credit actuarial cost method pro-rated on services. The employees of the University are also eligible to be members of the UWO Academic and Staff/Management Pension Plan, which is a defined contribution plan.

## **Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## **Financial instruments**

The University follows CICA Section 3855, Financial Instruments - Recognition and Measurements. This standard establishes the recognition and measurement criteria for financial assets, liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related-party transactions.

### *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized as soon as the University becomes a party to the contractual provisions of the financial instrument. Upon initial recognition financial instruments are measured at fair value. The fair value of a financial instrument is the estimated amount that the University would receive or pay to terminate the instrument agreement at the reporting date. The following methods and

# Huron University College

## Notes to Financial Statements

April 30, 2011

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assumptions were used to estimate the fair value of each type of financial instrument by reference to various market value data and other valuation techniques as appropriate.

Measurement in subsequent periods depends on whether the financial instrument has been classified as “held-for-trading”, “available-for-sale”, “held-to-maturity”, “loans and receivable” or “other financial liabilities” as defined by the standard.

### *Cash and short-term investments*

Cash and short-term investments consist primarily of cash on hand and certificates of deposits with an original term of up to twelve months and are classified as held for trading. These instruments have been accounted for at fair value. Carrying values approximate fair values for these instruments due to their short-term maturity.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets that represent amounts due from others with fixed or determinable payments that are not quoted in an active market including accounts receivable and due from Huron University College Foundation. After initial recognition, loans and receivables are subsequently carried at amortized cost using the effective interest method less any impairment losses, if necessary. Gains and losses are recognized in the statement of operations when the loans and receivables are derecognized or impaired. Interest effects on the application of the effective interest method are also recognized in the statement of operations.

The carrying value of accounts receivable and due from Huron University College Foundation approximates their fair values due to the short-term maturity of these financial instruments.

### *Other financial liabilities*

Other financial liabilities are non-derivative financial liabilities with fixed payments or determinable payments that are not quoted in an active market including accounts payable and accrued liabilities and long-term debt. After initial recognition, other financial liabilities are subsequently carried at amortized cost using the effective interest method. Gains and losses are recognized in the statement of operations when other financial liabilities are derecognized or impaired. Interest effects on the application of the effective interest method are also recognized in the statement of operations.

- The carrying value of accounts payable and accrued liabilities approximates their fair values due to the short-term maturity of these financial instruments.
- Long term debt is recorded at amortized cost. The fair value of the long-term debt at year-end, based on an estimate of the University’s borrowing rate as at April 30, 2010 for debt with similar terms and maturity is \$1,641,971 (2010 - \$1,688,963).

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Notes to Financial Statements

April 30, 2011

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## *Interest rate risk*

The University's exposure to interest rate risk relates to its cash and short-term investments.

## *Credit risk*

Management monitors its credit risk related to its accounts receivable balances which are primarily from student and government sources.

## *Foreign exchange risk*

The University has no significant exposure to fluctuations in the value of foreign currencies.

## **Accounting standards for not-for-profit organizations**

In December 2010, the Canadian Accounting Standards Board issued a comprehensive set of accounting standards applicable to not-for-profit organizations. The standards are effective for fiscal years beginning on or after January 1, 2012 and require retrospective application, except for certain exemptions and exceptions contained within the standards. Early adoption of the standards is permitted. The University is currently considering the impact of the adoption of these standards.

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Notes to Financial Statements

April 30, 2011

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## 3 Capital assets

	<b>2011</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	\$	depreciation	value
		\$	\$
Land	325,458	-	325,458
Building	23,360,148	11,774,455	11,585,693
Equipment and furniture	5,011,494	4,003,019	1,008,475
Computer equipment	957,625	815,759	141,866
Library books	2,090,147	1,747,407	342,740
Food court	2,367,070	1,273,385	1,093,685
	<u>34,111,942</u>	<u>19,614,025</u>	<u>14,497,917</u>

	<b>2010</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	\$	depreciation	value
		\$	\$
Land	325,458	-	325,458
Building	22,841,937	11,164,683	11,677,254
Equipment and furniture	4,928,932	3,776,785	1,152,147
Computer equipment	859,670	739,907	119,763
Library books	1,976,272	1,620,756	355,516
Food court	2,357,245	1,221,835	1,135,410
	<u>33,289,514</u>	<u>18,523,966</u>	<u>14,765,548</u>

## 4 Demand loan

The University has a credit facility in the amount of \$1,800,000 from Scotiabank. All borrowings are payable on demand and bear interest at a rate of Prime minus .25% per annum interest payable monthly. The credit facility is secured by a general security agreement constituting a first ranking security interest in all personal property of the University. As at April 30, 2011, the outstanding balance of the demand loan was \$Nil (2010 - \$Nil).

# Huron University College

Notes to Financial Statements

April 30, 2011

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## 5 Deferred capital contributions

	2011 \$	2010 \$
<b>Deferred capital contributions</b>		
Balance - Beginning of year	2,900,636	3,036,590
Facility renewal/infrastructure capital grant	35,464	54,736
Huron University College Foundation Capital contribution	18,585	13,052
Total contributions received	54,049	67,788
Amortized to operations	(200,135)	(203,742)
	<u>2,754,550</u>	<u>2,900,636</u>

	2011 \$	2010 \$
<b>Unapplied deferred capital contributions</b>		
Balance - Beginning of year	310,278	124,420
Graduate expansion capital grant	29,230	42,920
Huron University College Foundation Capital contribution	-	142,938
Balance - End of year	<u>339,508</u>	<u>310,278</u>

	2011 \$	2010 \$
<b>Deferred Superbuild capital contributions</b>		
Balance - Beginning of year	1,244,827	1,280,873
Huron University College Foundation Capital contribution	43,478	43,478
Amortized to operations	(82,875)	(79,524)
Balance - End of year	<u>1,205,430</u>	<u>1,244,827</u>
Total deferred capital contributions	<u>4,299,488</u>	<u>4,455,741</u>

Deferred contributions related to capital assets represent restricted contributions to fund capital projects.

# Huron University College

Notes to Financial Statements

April 30, 2011

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## 6 Long-term debt

	2011 \$	2010 \$
<b>Southwest residence loan</b>		
Non-revolving term bank loan bearing interest at 5.98% due January 31, 2015 with monthly blended principal and interest payments of \$11,916 required until the maturity date, with a final payment of the balance of principal and interest outstanding due on the maturity date. No specific security has been pledged but the university agrees not to encumber any real estate assets without the bank's prior written consent.	1,607,894	1,653,004
Less: Current portion	49,529	46,805
	<u>1,558,365</u>	<u>1,606,199</u>

Principal repayments on the Southwest residence loan during the year were as follows:

	2011 \$	2010 \$
Southwest residence loan	45,110	42,490

The principal repayments over the remaining term of the loan are as follows:

	\$
2012	49,529
2013	52,412
2014	55,462
2015	58,690
2016	1,391,801
	<u>1,607,894</u>

# Huron University College

Notes to Financial Statements

April 30, 2011

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## 7 Employee future benefits

The University operates a defined benefit plan and participates in a defined contribution pension plan operated by the University of Western Ontario. The University does not provide any other material post retirement non-pension benefits or post-employment benefits to its employees.

Employer contributions made to the defined contribution plan during the year amounted to \$473,060 (2010 - \$492,826)

### *Retirement Gratuity Plan*

The Retirement Gratuity Plan (the "Plan") is a defined benefit type of pension plan. Benefits under the Plan are not funded in advance, but are paid from operating revenues as benefits come due.

The accrued benefit obligation was measured as at April 30, 2011.

Information about the University's retirement gratuity plan as at April 30, is as follows:

	<b>2011</b>	<b>2010</b>
	\$	\$
<b>Funded status</b>		
Funded status - deficit	2,727,993	2,677,724
Unamortized experience losses	(1,511,434)	(1,701,941)
Unamortized transition asset	-	7,888
	<hr/>	<hr/>
Net accrued benefit liability	1,216,559	983,671
	<hr/>	<hr/>

The Retirement Gratuity Plan has no assets. There were no contributions made during the year and no settlement payments were paid out of the Plan. Benefit payments of \$202,891 (2010 - \$40,321) were paid during the year by the University.

	<b>2011</b>	<b>2010</b>
	\$	\$
<b>Change in accrued benefit obligation</b>		
Accrued benefit obligation - May 1	2,677,724	2,086,167
Current service cost	80,104	71,686
Interest cost	128,453	134,540
Actuarial loss	44,603	425,652
Benefits paid	(202,891)	(40,321)
	<hr/>	<hr/>
Accrued benefit obligation - April 30	2,727,993	2,677,724
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# Huron University College

## Notes to Financial Statements

April 30, 2011

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The University's net benefit plan expense includes the following components:

	<b>2011</b>	<b>2010</b>
	\$	\$
Current service cost	80,104	71,686
Interest cost	128,453	134,540
Amortization of actuarial loss	235,110	209,348
Amortization of transitional asset	(7,888)	(7,889)
	<hr/>	<hr/>
Net pension costs recognized	435,779	407,685

The significant assumptions used are as follows:

	<b>2011</b>	<b>2010</b>
	%	%
Accrued benefit obligation as at April 30		
Discount rate	4.42	4.82
Rate of compensation increase	3.70	3.60
Benefit costs for the year ended April 30		
Discount rate	4.82	6.32
Rate of compensation increase	3.60	2.75
Estimated average remaining service life	5.30	6.10



# Huron University College

Notes to Financial Statements

April 30, 2011

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## 8 Commitments and contingencies

### a) Commitments

The University is obligated to make payments on leases with respect to certain office equipment. The minimum lease payments are as follows:

	\$
2012	31,507

### b) Contingencies

As at April 30, 2011, the University was involved in pending litigations with a former employee. The results of the proceedings, including the amount and likelihood of any potential liability, cannot be reasonably estimated at this time.

# Huron University College

Notes to Financial Statements

April 30, 2011

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## 9 Ancillary operations

Ancillary operations include the operations of residence, conference facilities and parking facilities. The operations of these facilities are included in the statement of operations and are summarized as follows:

	<b>2011</b>	<b>2010</b>
	\$	\$
<b>Ancillary revenue</b>		
Residence fees and rentals	2,224,161	2,104,490
Conference	420,796	428,636
Parking	310,015	311,237
Food court	8,425	77,875
	<hr/>	<hr/>
	2,963,397	2,922,238
<b>Ancillary expenditures</b>		
Interest on long-term debt	97,885	100,504
Residence salary and benefits	300,136	291,713
Conference salary and benefits	67,238	66,559
Building costs	1,153,107	1,104,772
Conference food costs	113,487	127,085
Other costs	148,915	192,337
	<hr/>	<hr/>
	1,880,768	1,882,970
<b>Excess of revenue over expenditures for ancillary operations</b>	<hr/> <b>1,082,629</b>	<hr/> <b>1,039,268</b>

# Huron University College

Notes to Financial Statements

April 30, 2011

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## 10 Related party transactions

### a) Huron University College Foundation

The purpose of Huron University College Foundation ("the Foundation") is to administer money received for the benefit of the University. The Foundation was incorporated in Ontario on June 12, 1979 as a not-for-profit organization and is a registered charity under the Income Tax Act. The Foundation administers certain Trust and Endowment Funds on behalf of the University for the purposes of pooling investment funds to maximize return and minimize costs. The decision-making as to the use of the University Trust and Endowment income rests with the Executive Board of the University.

During the year, the Board of Directors of the Foundation approved the transfer to Huron University College of \$872,916 (2010 - \$864,953), which is detailed as follows:

	<b>2011</b>	<b>2010</b>
	\$	\$
Huron University College Foundation		
Trust and Endowment Fund	109,392	105,293
Foundation Fund	701,461	560,192
Foundation Superbuild	18,585	43,478
Capital contributions	43,478	155,990
	<hr/>	<hr/>
	872,916	864,953
Deferred capital contributions	<hr/> (62,063)	<hr/> (199,468)
	<hr/> 810,853	<hr/> 665,485

The University has a significant economic interest in the Foundation in that the Foundation solicits funds in the name of and with the expressed or implied approval of the University and substantially all of the funds solicited are intended by the contributor to be to the University.

### b) Huron University College Foundation U.S.A.

The purpose of the Huron University College Foundation U.S.A. ("the U.S.A. Foundation") is to administer money received for the benefit of the University. The U.S.A. Foundation was incorporated in New York on August 1, 2006 as a not-for-profit organization and is a registered charity under 501(c)(3) of the Internal Revenue Code. There was no funding related activity during the year ended April 30, 2011.

# Huron University College

## Notes to Financial Statements

April 30, 2011

The Foundation has not been consolidated in the University's financial statements. A financial summary of the Foundation as at December 31, 2010 and December 31, 2009 and for the years then ended is as follows:

	2010 \$	2009 \$
<b>Balance sheet</b>		
<b>Assets</b>		
Investments, at market	11,463,041	9,916,303
Other assets	132,801	227,656
	<u>11,595,842</u>	<u>10,143,959</u>
<b>Liabilities</b>		
	<u>99,649</u>	<u>108,430</u>
<b>Fund balances</b>		
Huron University College Trust and Endowment	1,907,459	1,857,741
Foundation	9,588,734	8,177,788
	<u>11,496,193</u>	<u>10,035,529</u>
	<u>11,595,842</u>	<u>10,143,959</u>
<b>Statement of operations</b>		
Revenue	1,794,198	1,961,091
Expenditures	(71,072)	(78,533)
	<u>1,723,126</u>	<u>1,882,558</u>
Excess of revenue over expenditures	1,723,126	1,882,558
Disbursed to Huron University College	(977,438)	(1,523,332)
Unrealized capital gain	714,976	1,266,133
	<u>1,460,664</u>	<u>1,625,359</u>

## 11 Other revenue

	2011 \$	2010 \$
Amortization of deferred contributions	283,010	283,266
Diocesan grant	102,338	95,289
Other academic revenue	298,174	293,186
Miscellaneous revenue	161,820	170,256
Summer course revenue	568,169	473,928
	<u>1,413,511</u>	<u>1,315,925</u>

# Huron University College

Notes to Financial Statements

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## 12 Changes in non-cash working capital items

	2011 \$	2010 \$
Accounts receivable	(307,529)	(23,405)
Prepaid expenses	43,837	(19,488)
Due from Huron University College Foundation	16,146	(38,100)
Accounts payable and accrued liabilities	(168,184)	283,976
Advance tuition and residence deposits	66,022	(120,698)
	<u>(349,708)</u>	<u>82,285</u>
Interest paid on long-term debt	97,885	100,504

## 13 Ontario Student Opportunity Trust Funds

The Ontario Student Opportunity Trust Funds ("OSOTF") program was established by the Government of Ontario during 1997 to encourage companies and individuals to contribute funds for Ontario's college and university students. Prior to March 31, 2000, all eligible donations made to the University were matched by the Province on a dollar for dollar basis as cash was received. The matching donations ceased as of March 31, 2000. The Huron University College Foundation allocates investment income to the fund based on its annual opening balance. Activity in this fund is included in the Huron University College Foundation.

The Ministry of Training, Colleges and Universities no longer requires institutions to submit a separate audit report with respect to the OSOTF program, however, it requires that the year-end OSOTF Report must be included in the institution's financial statements. Therefore, these OSOTF schedules have been included with the University's financial statements.

### Schedule of Changes in Endowment Fund Balance For the year ended December 31, 2010

	2010 \$	2009 \$
Fund balance - Beginning of year and end of year	<u>491,900</u>	<u>491,900</u>

### Schedule of Changes in Expendable Funds Available for Awards For the year ended December 31, 2010

	2010 \$	2009 \$
Balance - Beginning of year	(75,427)	(112,748)
Net return on investment	33,060	56,621
Bursaries awarded	<u>(17,800)</u>	<u>(19,300)</u>
Balance - End of year	<u>(60,167)</u>	<u>(75,427)</u>
Number of awards	<u>15</u>	<u>21</u>

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## 14 Trust Funds

The University is the beneficiary of the income from certain trusts administered on its behalf. The University equally shares the beneficiary of the Colonel Leonard Trust with Upper Canada College.

	2011		2010	
	Cost \$	Market value \$	Cost \$	Market value \$
Colonel Leonard	547,103	588,577	547,103	580,034
Sarah Leonard	689,679	741,357	695,162	728,021
Diocese of Huron	170,696	228,392	170,696	219,702
Trusts administered on behalf of Huron University College	1,407,478	1,558,326	1,412,961	1,527,757

## 15 Restrictions on net assets

In 2006, the University's Board of Directors restricted \$675,000 of previously unrestricted net assets of which \$75,000 is to be used for facilities renewal and \$600,000 is to be used for promotion costs. This restricted amount is not available for other purposes without approval of the board of directors. In 2011, \$Nil (2010 - \$12,691) was spent on facility renewal from the restricted fund.

In 2010, the University's Board of Directors restricted \$1,701,941 of previously unrestricted net assets for purposes of providing a reserve for the unfunded experience losses of the pension plan disclosed in note 7. This restricted amount is not available for other purposes without approval of the Board of Directors. In 2011, the interfund transfer of \$190,507 represents the change in unrecognized actuarial loss in the year.

## 16 Capital management

The University's objectives, when managing capital, are to safeguard the University's ability to continue as a going concern in order to pursue the delivery of a variety of services. In the definition of capital, the entity included the fund balances, as well as the cash and restricted cash. The entity manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the entity may consider raising additional funds or reduce expenses. In order to facilitate the management of its capital requirements, the entity prepares annual and multi-year expenditure budgets that are updated as necessary depending on various factors, including fundraising campaigns and general governmental conditions. The annual and multi-year budgets are approved by the Board of Directors.

The University has not changed its approach to capital management during the current year. The University is not subject to any external capital restrictions. The entity expects that it will be necessary to receive funds from the government during the next fiscal year to meet its budgeted operations.

# **Huron University College**

Notes to Financial Statements

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## **17 Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

