

Huron University College

Financial Statements

April 30, 2009

June 17, 2009

Auditors' Report

To the Executive Board of Huron University College

We have audited the statement of financial position of **Huron University College** (the "University") as at April 30, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the company's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2009 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, 2009

	2009 \$	2008 \$
Assets		
Current assets		
Cash (note 2)	3,209,510	1,610,022
Short-term investments	302,675	152,672
Accounts receivable	220,088	670,050
Prepaid expenses	25,314	36,613
Due from Huron University College Foundation	730	35,786
	<hr/>	<hr/>
	3,758,317	2,505,143
Capital assets (note 5)	<hr/>	<hr/>
	14,870,859	14,292,818
	<hr/>	<hr/>
	18,629,176	16,797,961
Liabilities		
Current liabilities		
Demand loan (note 6)	-	178,629
Accounts payable and accrued liabilities	804,744	688,372
Advanced tuition and residence deposits	860,482	722,317
Deferred revenue	184,271	310,292
Current portion of long-term debt (note 8)	44,333	40,023
	<hr/>	<hr/>
	1,893,830	1,939,633
Long-term accrued liabilities	320,971	144,648
Deferred capital contributions (note 7)	4,441,883	3,989,846
Deferred revenue	92,840	171,201
Long-term debt (note 8)	1,651,161	1,695,494
Employee future benefits (note 9)	616,307	497,991
	<hr/>	<hr/>
	9,016,992	8,438,813
Net Assets		
Invested in capital assets	8,857,902	8,675,503
Internally restricted (note 17)	12,691	103,117
Unrestricted	741,591	(419,472)
	<hr/>	<hr/>
	9,612,184	8,359,148
	<hr/>	<hr/>
	18,629,176	16,797,961
	<hr/>	<hr/>
Approved by Board of Directors		

Huron University College

Statement of Operations

For the year ended April 30, 2009

	2009 \$	2008 \$
Revenue		
Student fees	6,717,072	6,006,605
Government grants	5,797,999	5,377,502
	<hr/> 12,515,071	<hr/> 11,384,107
Ancillary - net (note 11)	1,011,054	994,082
External trust	60,040	56,662
Research fund	229,052	162,714
Foundation transfer (note 12)	849,360	950,234
	<hr/> 2,149,506	<hr/> 2,163,692
Other revenue (note 13)	1,171,197	1,016,510
	<hr/> 15,835,774	<hr/> 14,564,309
Expenditures		
Salaries and benefits - faculty	5,856,300	5,520,912
Salaries and benefits - staff	1,981,677	1,867,024
Registrarial	710,016	547,392
Academic instructional	622,410	684,701
UWO fees	897,362	849,209
	<hr/> 10,067,765	<hr/> 9,469,238
Scholarship and bursaries	1,253,870	1,069,868
Building costs - academic	543,571	557,969
General administration	906,074	794,788
Research grant expenses	235,023	162,714
Alumni development	480,738	427,207
	<hr/> 3,419,276	<hr/> 3,012,546
	<hr/> 13,487,041	<hr/> 12,481,784
Excess of revenues over expenditures before undernoted	2,348,733	2,082,525
Depreciation	1,095,697	1,072,247
Excess of revenues over expenditures	<hr/> 1,253,036	<hr/> 1,010,278

Huron University College
Statement of Changes in Net Assets
For the year ended April 30, 2009

	2009				2008			
	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$
Balance, beginning of year	8,675,503	(419,472)	103,117	8,359,148	8,729,317	(1,753,776)	373,329	7,348,870
Excess of revenues over expenditures	-	1,253,036	-	1,253,036	-	1,010,278	-	1,010,278
Depreciation of capital assets	(1,095,697)	1,095,697	-	-	(1,072,247)	1,072,247	-	-
Amortization of deferred contributions	288,860	(288,860)	-	-	218,243	(218,243)	-	-
Capital assets acquired from own funds	749,730	(749,730)	-	-	563,264	(563,264)	-	-
Interfund transfer (note 17)	20,854	69,572	(90,426)	-	12,607	257,605	(270,212)	-
	(36,253)	1,379,715	(90,426)	1,253,036	(278,133)	1,558,623	(270,212)	1,010,278
Repayment of long-term debt (note 8)	40,023	(40,023)	-	-	37,711	(37,711)	-	-
Repayment of demand loan (note 6)	178,629	(178,629)	-	-	186,608	(186,608)	-	-
	182,399	1,161,063	(90,426)	1,253,036	(53,814)	1,334,304	(270,212)	1,010,278
Balance, end of year	8,857,902	741,591	12,691	9,612,184	8,675,503	(419,472)	103,117	8,359,148

Huron University College

Statement of Cash Flows

For the year ended April 30, 2009

	2009 \$	2008 \$
Cash flows from operating activities		
Excess of revenues over expenditures	1,253,036	1,010,278
Items not involving cash:		
Depreciation of capital assets	1,095,697	1,072,247
Amortization of deferred capital contributions	(288,860)	(218,243)
Employee future benefits	118,316	66,940
Increase in long-term accrued liabilities	176,323	144,648
Decrease (increase) in deferred revenue	(204,382)	45,028
Change in non-cash working capital items (note 14)	750,854	403,428
	<u>2,900,984</u>	<u>2,524,326</u>
Cash flows from investing activities		
Additions to capital assets	(1,673,738)	(1,075,832)
Increase in short-term investment	(150,003)	(152,672)
Increase in deferred capital contributions	740,897	383,467
	<u>(1,082,844)</u>	<u>(845,037)</u>
Cash flows from financing activities		
Repayment of long-term debt	(40,023)	(37,711)
Repayment of demand loans	(178,629)	(186,608)
	<u>(218,652)</u>	<u>(224,319)</u>
Increase in net cash for the year	1,599,488	1,454,970
Cash - beginning of year	<u>1,610,022</u>	<u>155,052</u>
Cash - end of year	<u>3,209,510</u>	<u>1,610,022</u>

Huron University College

Notes to Financial Statements

April 30, 2009

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, 2009

Cash

Included in cash are balances in the amount of \$600,936 (2008 - \$649,693) 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 by 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

On May 1, 2007, the University adopted 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, 2009

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, demand loans 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.
- The carrying value of the demand loan in 2009 approximated its fair value given its variable interest rate and short-term maturity.
- 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, 2009 for debt with similar terms and maturity is \$1,683,947 (2008 - \$1,688,509).

Huron University College

Notes to Financial Statements

April 30, 2009

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.

3 Change in accounting policies in the current year

The University adopted the following recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook:

Section 1535, *Capital Disclosures*. This Section requires the disclosure of any entity's objectives, policies and processes for the management of capital, information about what the entity regards as capital, whether the entity has complied with any capital requirements and the consequences of not complying with capital requirements. Note 18 to the financial statements contain the required disclosures.

4 Future changes in accounting policies

Section 4400, *Financial Statement Presentation by Not-for-profit Organizations*. This section has been amended to eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and instead, permit such an amount as a category of internally restricted net assets. The amended section requires that all revenues and expenses be presented on a gross basis when a not-for-profit organization is acting as a principal in transactions. Additionally, the amended section requires that the statement of cash flows be prepared in accordance with Section 1540, *Cash Flow Statements*. This section will be applicable to financial statements relating to fiscal years beginning on or after January 1, 2009.

Section 4460, *Disclosure of Related Party Transactions by Not-for-profit Organizations*. This section established disclosure standards for related party transactions in the financial statements of not-for-profit organizations. The section has been amended to be consistent with the disclosure requirements of Section 3840, *Related Party Transactions*. This section will be applicable to financial statement relating to fiscal years beginning on or after January 1, 2009.

Section 4470, *Disclosure of Allocated Expenses by Not-for-profit Organizations*. This new section establishes disclosure standards for non-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate. Organizations which allocate fundraising and general support expenses to other functions within the organization require disclosure of the policies for allocation of expenses, nature of the expenses being allocated and the basis on which the allocations have been made. Additionally, the amounts allocated and the functions to which they have been allocated must also be

Huron University College

Notes to Financial Statements

April 30, 2009

disclosed. This section will be applicable to financial statement relating to fiscal years beginning on or after January 1, 2009.

Section 1540, *Cash Flow Statements*. This standard requires the disclosure of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement that classifies cash flows during the period arising from operating, investing and financing activities. The standard has been amended to require that interim and annual financial statements of not-for-profit organizations be prepared in accordance with the requirements of this section effective with fiscal years beginning on or after January 1, 2009.

The University is currently evaluating the impact of the adoption of these new or amended sections on the financial statements for the year ending April 30, 2010.

5 Capital Assets

	2009		
	Cost	Accumulated	Net Book
	\$	Depreciation	Value
		\$	\$
Land	325,458	-	325,458
Building	22,303,321	10,550,091	11,753,230
Equipment and furniture	4,736,837	3,552,222	1,184,615
Computer equipment	826,165	670,122	156,043
Library books	1,856,209	1,489,964	366,245
Food court	2,252,839	1,167,571	1,085,268
	<u>32,300,829</u>	<u>17,429,970</u>	<u>14,870,859</u>

	2008		
	Cost	Accumulated	Net Value
	\$	Depreciation	Book
		\$	\$
Land	325,458	-	325,458
Building	21,505,861	9,931,500	11,574,361
Equipment and furniture	4,032,183	3,338,441	693,742
Computer equipment	779,892	595,396	184,496
Library books	1,730,860	1,358,483	372,377
Food court	2,252,837	1,110,453	1,142,384
	<u>30,627,091</u>	<u>16,334,273</u>	<u>14,292,818</u>

Huron University College

Notes to Financial Statements

April 30, 2009

6 Demand Loan

	2009	2008
	\$	\$
Unsecured demand loan bearing interest at prime (Food Court)	-	178,629

The company 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.

7 Deferred Capital Contributions

	2009	2008
	\$	\$
Deferred Capital Contributions		
Balance – beginning of year	2,383,565	2,082,118
Facility renewal/infrastructure capital grant	487,503	56,665
Facility renewal applied from prior year	286,677	403,171
Huron University College Foundation Capital contribution	73,939	-
Other Capital contributions	11,556	-
Total contributions received	859,675	459,836
Amortized to operations	(206,650)	(158,389)
	3,036,590	2,383,565

	2009	2008
	\$	\$
Unapplied deferred capital contributions		
Balance – Beginning of year	286,677	403,171
Facility renewal	-	286,677
Contributions expended during the year	(286,677)	(403,171)
Graduate expansion capital grant	24,420	-
Huron University College Foundation Capital contribution	100,000	-
Balance – End of year	124,420	286,677

Huron University College

Notes to Financial Statements

April 30, 2009

	2009	2008
	\$	\$
Deferred Superbuild capital contributions		
Balance – Beginning of year	1,319,604	1,339,333
Contributions	43,478	40,125
Amortized to operations	(82,209)	(59,854)
Balance – End of year	<u>1,280,873</u>	<u>1,319,604</u>
Total deferred capital contributions	<u>4,441,883</u>	<u>3,989,846</u>

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

8 Long-term debt

	2009	2008
	\$	\$
Southwest residence loan		
Non-revolving term bank loan bearing interest at 5.98% due January 31, 2015 with 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.	1,695,494	1,735,517
Less: Current portion	<u>44,333</u>	<u>40,023</u>
	<u>1,651,161</u>	<u>1,695,494</u>

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

	2009	2008
	\$	\$
Southwest residence loan	<u>40,023</u>	<u>37,711</u>

Huron University College

Notes to Financial Statements

April 30, 2009

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

	\$
2010	44,333
2011	46,913
2012	49,643
2013	52,532
2014	55,590
Thereafter	<u>1,446,483</u>
	<u>1,695,494</u>

9 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 \$476,977 (2008 - \$449,653)

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, 2009.

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

	2009 \$	2008 \$
Funded Status		
Funded status – deficit	2,086,167	871,113
Unamortized experience losses	(1,485,637)	(396,788)
Unamortized transition asset	<u>15,777</u>	<u>23,666</u>
Net accrued benefit liability	<u>616,307</u>	<u>497,991</u>

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 \$Nil (2008 - \$59,270) were paid during the year by the University.

Huron University College

Notes to Financial Statements

April 30, 2009

	2009	2008
	\$	\$
Change in accrued benefit obligation		
Accrued benefit obligation – May 1	871,113	892,386
Current service cost	25,728	25,626
Interest cost	47,084	42,300
Actuarial loss (gain)	1,142,242	(29,929)
Benefits paid	-	(59,270)
	<hr/>	<hr/>
Accrued benefit obligation – April 30	<u>2,086,167</u>	<u>871,113</u>

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

	2009	2008
	\$	\$
Current service cost	25,728	25,626
Interest cost	47,084	42,300
Actuarial loss (gain)	1,142,242	(29,929)
	<hr/>	<hr/>
Elements of employee future benefit costs before adjustments to recognize the long-term nature of employee future benefit costs	1,215,054	37,997
Adjustment to recognize the long-term nature of employee future benefit cost:		
Difference between actuarial (gain) loss recognized and actual actuarial loss (gain) on accrued benefit obligation	(1,088,849)	96,102
Amortization of transitional asset	(7,889)	(7,889)
	<hr/>	<hr/>
Net pension costs recognized	<u>118,316</u>	<u>126,210</u>

The significant weighted-average assumptions used are as follows:

	2009	2008
	%	%
Accrued benefit obligation as at April 30		
Discount rate	6.32	5.25
Rate of compensation increase	2.75	3.25
Benefit costs for the year ended April 30		
Discount rate	5.25	4.75
Rate of compensation increase	3.25	3.50

Huron University College

Notes to Financial Statements

April 30, 2009

10 Commitments

Lease obligation

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

	\$
2010	42,030
2011	39,305
2012	31,507
2013	-

11 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:

	2009 \$	2008 \$
Ancillary revenue		
Residence fees and rentals	2,013,290	1,872,081
Conference	633,105	504,482
Parking	327,279	296,607
Food court	217,875	222,919
	<hr/> 3,191,549	<hr/> 2,896,089
Ancillary expenditures		
Interest on long-term debt	106,433	123,283
Residence salary and benefits	457,409	418,584
Conference salary and benefits	67,743	62,524
Building costs	1,027,176	972,030
Conference food costs	277,367	229,408
Other costs	244,367	96,178
	<hr/> 2,180,495	<hr/> 1,902,007
Excess of revenue over expenditures for Ancillary Operations	<hr/> 1,011,054	<hr/> 994,082

Huron University College

Notes to Financial Statements

April 30, 2009

12 Transactions with 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.

The Board of Directors of the Foundation approved the transfer to Huron University College of \$1,066,777 (2008 - \$990,359) for the year ended April 30, which can be detailed as follows:

	2009 \$	2008 \$
Huron University College Foundation		
Trust and Endowment Fund	158,783	158,009
Foundation Fund	690,577	792,225
Foundation Superbuild	43,478	40,125
Capital contributions	173,939	-
	<hr/>	<hr/>
	1,066,777	990,359
Deferred Capital Contributions	<hr/> (217,417)	<hr/> (40,125)
	<hr/> 849,360	<hr/> 950,234

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.

Huron University College

Notes to Financial Statements

April 30, 2009

The Foundation has not been consolidated in the University's financial statements. A financial summary of the Foundation as at December 31, 2008 and December 31, 2007 and for the years then ended is as follows:

	2008 \$	2007 \$
Balance Sheet		
Assets		
Investments, at market	8,255,017	10,704,237
Other assets	188,208	170,744
	<u>8,443,225</u>	<u>10,874,981</u>
Liabilities		
	<u>33,055</u>	<u>94,873</u>
Fund balances		
Huron University College Trust and Endowment	1,729,302	2,448,259
Foundation	6,680,868	8,331,849
	<u>8,410,170</u>	<u>10,780,108</u>
	<u>8,443,225</u>	<u>10,874,981</u>
Statement of Operations		
Revenue	1,531,901	2,003,742
Expenditures	(66,118)	(67,488)
	<u>1,465,783</u>	<u>1,936,254</u>
Excess of revenue over expenditures	1,465,783	1,936,254
Disbursed to Huron University College	(1,141,947)	(909,960)
Unrealized capital (loss) gain	(2,693,774)	(364,275)
	<u>(2,369,938)</u>	<u>662,019</u>

13 Other Revenue

	2009 \$	2008 \$
Amortization of deferred contributions	288,860	218,243
Diocesan grant	104,987	99,374
Other academic revenue	258,919	181,944
Miscellaneous revenue	184,716	159,898
Summer course revenue	333,715	357,051
	<u>1,171,197</u>	<u>1,016,510</u>

Huron University College

Notes to Financial Statements

April 30, 2009

14 Changes in non-cash working capital items

	2009	2008
	\$	\$
Accounts receivable	449,962	(17,575)
Prepaid expenses	11,299	(36,613)
Due from Huron University College Foundation	35,056	(35,786)
Accounts payable and accrued liabilities	116,372	210,270
Advance tuition and residence deposits	138,165	284,397
Due to Huron University College Foundation	-	(1,265)
	<hr/>	<hr/>
	750,854	403,428
	<hr/>	<hr/>
Interest paid on long-term debt	106,433	123,283
Other interest paid	-	3,384

15 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.

Huron University College

Notes to Financial Statements

April 30, 2009

Schedule of Changes in Endowment Fund Balance For the year ended December 31, 2008

	2008 \$	2007 \$
Fund balance – Beginning of year and end of year	491,900	491,900

Schedule of Changes in Expendable Funds Available for Awards For the year ended December 31, 2008

	2008 \$	2007 \$
Balance – Beginning of year	50,943	74,286
Net return on investment	(136,288)	5,013
Bursaries awarded	(27,403)	(28,356)
Balance – End of year	(112,748)	50,943
Number of awards	17	20

16 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.

	2009		2008	
	Cost \$	Market Value \$	Cost \$	Market Value \$
Colonel Leonard	548,603	560,743	514,030	565,976
Sarah Leonard	700,412	691,743	695,002	707,381
Diocese of Huron	170,696	195,667	170,696	236,355
Trusts administered on behalf of Huron University College	1,419,711	1,448,153	1,379,728	1,509,712

17 Restrictions on net assets

In 2006, the University's board of directors restricted \$675,000 of 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 2009, \$69,572 (2008 - \$257,605) was spent on promotion and \$20,854 (2008 - \$12,607) was spent on facility renewal from the restricted fund.

Huron University College

Notes to Financial Statements

April 30, 2009

18 Capital Management

The entity's objectives, when managing capital, are to safeguard the entity's ability to continue as a going concern in order to pursue the delivery of a variety of services. In the management 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 entity has not changed its approach to capital management during the current year. The entity is not subject to any external capital restrictions. The entity expects that it will be necessary to receive funds from the government during the current fiscal year to meet its budgeted operations.

19 Comparative figures

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

