

Huron University College

Financial Statements
**April 30, 2013, April 30, 2012
and May 1, 2011**



July 11, 2013

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 statements of financial position as at April 30, 2013, April 30, 2012 and May 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended April 30, 2013 and April 30, 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

*PricewaterhouseCoopers LLP
465 Richmond Street, Suite 300, London, Ontario, Canada N6A 5P4
T: +1 519 640 8000, F: +1 519 640 8015*



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Huron University College as at April 30, 2013, April 30, 2012 and May 1, 2011 and the results of its operations and its cash flows for the years ended April 30, 2013 and April 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Huron University College

Statements of Financial Position

	April 30, 2013 \$	April 30, 2012 \$	May 1, 2011 \$
Assets			
Current assets			
Cash (note 2)	11,321,969	9,326,721	2,420,310
Short-term investments	896,049	882,160	5,125,304
Accounts receivable	767,653	402,083	551,022
Prepaid expenses	7,500	-	965
Due from Huron University College Foundation	27,018	6,036	22,684
	<hr/>	<hr/>	<hr/>
	13,020,189	10,617,000	8,120,285
Capital assets (note 3)	<hr/>	<hr/>	<hr/>
	13,628,665	13,950,869	14,497,917
	<hr/>	<hr/>	<hr/>
	26,648,854	24,567,869	22,618,202
	<hr/>	<hr/>	<hr/>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (note 15)	979,858	763,074	920,536
Advanced tuition and residence deposits	460,746	463,131	805,806
Current portion of deferred revenue	142,446	149,061	180,054
Current portion of long-term debt (note 5)	55,334	52,291	49,529
	<hr/>	<hr/>	<hr/>
	1,638,384	1,427,557	1,955,925
Deferred capital contributions (note 4)	4,064,140	4,155,441	4,299,488
Deferred revenue	161,356	241,410	374,443
Long-term debt (note 5)	1,453,831	1,507,716	1,558,365
Employee future benefits (note 6)	1,981,201	1,656,742	1,216,559
	<hr/>	<hr/>	<hr/>
	9,298,912	8,988,866	9,404,780
Net assets	<hr/>	<hr/>	<hr/>
Invested in capital assets	8,507,801	8,603,048	8,930,043
Internally restricted (note 13)	810,259	1,672,878	1,511,434
Unrestricted	8,031,882	5,303,077	2,771,945
	<hr/>	<hr/>	<hr/>
	17,349,942	15,579,003	13,213,422
	<hr/>	<hr/>	<hr/>
	26,648,854	24,567,869	22,618,202
	<hr/>	<hr/>	<hr/>
Subsequent event (note 16)			

Approved by the Executive Board

The accompanying notes are an integral part of these financial statements.

Huron University College
Statement of Operations
For the years ended April 30, 2013 and 2012

	2013	2012
	\$	\$
Revenue		
Student fees	8,557,334	8,643,966
Government grants	6,579,730	6,570,459
	<u>15,137,064</u>	<u>15,214,425</u>
Ancillary revenue (note 7)	2,674,682	2,919,606
External trust	54,701	47,407
Research fund	229,256	299,492
Foundation transfer (note 8)	840,177	698,312
	<u>3,798,816</u>	<u>3,964,817</u>
Other revenue (note 9)	1,562,287	1,450,766
	<u>20,498,167</u>	<u>20,630,008</u>
Expenditures		
Salaries and benefits - faculty	7,014,365	6,677,077
Salaries and benefits - staff	2,325,597	2,048,329
Registrarial	788,292	829,224
Academic instructional	862,587	783,171
UWO fees	1,195,032	1,140,196
	<u>12,185,873</u>	<u>11,477,997</u>
Ancillary expenses (note 7)	1,908,898	1,905,023
Scholarship and bursaries	1,362,499	1,258,571
Building costs - academic	428,530	607,212
General administration	1,151,544	1,289,726
Research grant expenses	228,045	302,346
Alumni development	424,924	379,894
	<u>5,504,440</u>	<u>5,742,772</u>
	<u>17,690,313</u>	<u>17,220,769</u>
Excess of revenues over expenditures before the undernoted	2,807,854	3,409,239
Amortization of capital assets	1,036,915	1,043,658
Excess of revenues over expenditures	<u>1,770,939</u>	<u>2,365,581</u>

The accompanying notes are an integral part of these financial statements.

Huron University College
Statements of Changes in Net Assets
For the years ended April 30, 2013 and 2012

	2013				2012			
	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$	Invested in Capital Assets \$	Unrestricted \$	Internally Restricted \$	Total \$
Balance - Beginning of year	8,603,048	5,303,077	1,672,878	15,579,003	8,930,043	2,771,945	1,511,434	13,213,422
Excess of revenues over expenditures	-	1,770,939	-	1,770,939	-	2,365,581	-	2,365,581
Amortization of capital assets	(1,036,915)	1,036,915	-	-	(1,043,658)	1,043,658	-	-
Amortization of deferred contributions	252,362	(252,362)	-	-	268,987	(268,987)	-	-
Capital assets acquired from own funds	638,464	(638,464)	-	-	399,789	(399,789)	-	-
Interfund transfer (note 13)	-	862,619	(862,619)	-	-	(161,444)	161,444	-
	(146,089)	2,779,647	(862,619)	1,770,939	(374,882)	2,579,019	161,444	2,365,581
Repayment of long-term debt (note 5)	50,842	(50,842)	-	-	47,887	(47,887)	-	-
	(95,247)	2,728,805	(862,619)	1,770,939	(326,995)	2,531,132	161,444	2,365,581
Balance - End of year	8,507,801	8,031,882	810,259	17,349,942	8,603,048	5,303,077	1,672,878	15,579,003

The accompanying notes are an integral part of these financial statements.

Huron University College
Statements of Cash Flows
For the years ended April 30, 2013 and 2012

	2013	2012
	\$	\$
Cash provided by (used in)		
Cash flows from operating activities		
Excess of revenues over expenditures	1,770,939	2,365,581
Items not involving cash		
Amortization of capital assets	1,036,915	1,043,658
Amortization of deferred capital contributions	(252,362)	(268,987)
Employee future benefits	324,459	440,183
Decrease in deferred revenue	(86,669)	(164,026)
Change in non-cash working capital items (note 10)	(179,653)	(333,585)
	<u>2,613,629</u>	<u>3,082,824</u>
Cash flows from investing activities		
Purchase of capital assets	(714,711)	(496,610)
(Increase) decrease in short-term investment	(13,889)	4,243,144
Increase in deferred capital contributions	161,061	124,940
	<u>(567,539)</u>	<u>3,871,474</u>
Cash flows from financing activities		
Repayment of long-term debt	(50,842)	(47,887)
Increase in net cash for the year	1,995,248	6,906,411
Cash - Beginning of year	<u>9,326,721</u>	<u>2,420,310</u>
Cash - End of year	<u>11,321,969</u>	<u>9,326,721</u>

The accompanying notes are an integral part of these financial statements.

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

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 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

Basis of presentation

Effective May 1, 2012, the University adopted Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied retrospectively as if these policies had always been in effect. The University has not utilized any transitional exemptions on the adoption of the ASNPO. Further, there were no adjustments to the statement of financial position, statement of operations, statement of changes in net assets or the statement of cash flows.

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.

Grants approved but not yet received at the end of an accounting period are accrued if the amount to be received can be reasonably estimated and collection is reasonably assured. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Capital assets

Capital assets are carried at cost. When an asset is sold or otherwise disposed of, the related cost and accumulated amortization 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 amortized because it is under construction or development is classified as work-in-progress. Amortization expense is calculated upon completion of construction and allocation of the asset to its appropriate capital asset account.

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

Amortization expense is calculated on all amortizable 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

Cash

Included in cash are balances in the amount of \$763,188 (2012 - \$763,467) 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 type 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 Accounting standards for not-for-profit organizations 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.

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

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 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.

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. 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 has not been determined.

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

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 Capital assets

	2013		
	Cost	Accumulated	Net book
	\$	amortization	value
	\$	\$	\$
Land	325,458	-	325,458
Building	23,917,734	12,941,196	10,976,538
Equipment and furniture	5,285,209	4,451,975	833,234
Computer equipment	1,097,279	944,735	152,544
Library books	2,328,162	1,987,810	340,352
Food court	2,369,421	1,368,882	1,000,539
	35,323,263	21,694,598	13,628,665

	2012		
	Cost	Accumulated	Net book
	\$	amortization	value
	\$	\$	\$
Land	325,458	-	325,458
Building	23,555,018	12,363,483	11,191,535
Equipment and furniture	5,121,389	4,226,535	894,854
Computer equipment	1,024,682	876,957	147,725
Library books	2,214,936	1,868,350	346,586
Food court	2,367,069	1,322,358	1,044,711
	34,608,552	20,657,683	13,950,869

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

4 Deferred capital contributions

	2013 \$	2012 \$
Deferred capital contributions		
Balance - Beginning of year	2,615,047	2,754,550
Facility renewal/infrastructure capital grant	35,464	35,464
Huron University College Foundation capital contribution	19,044	17,878
Total contributions received	54,508	53,342
Amortized to operations	(187,796)	(192,845)
	<u>2,481,759</u>	<u>2,615,047</u>
Unapplied deferred capital contributions		
Balance - Beginning of year	367,628	339,508
Graduate expansion capital grant	34,040	28,120
Huron University College Foundation capital contribution	50,774	-
Balance - End of year	<u>452,442</u>	<u>367,628</u>
Deferred Superbuild capital contributions		
Balance - Beginning of year	1,172,766	1,205,430
Huron University College Foundation capital contribution	21,739	43,478
Amortized to operations	(64,566)	(76,142)
Balance - End of year	<u>1,129,939</u>	<u>1,172,766</u>
Total deferred capital contributions	<u>4,064,140</u>	<u>4,155,441</u>

Deferred contributions related to capital assets represent restricted contributions to fund capital projects. As at April 30, 2013, \$452,442 of total deferred capital contribution are unspent (2012 - \$367,628).

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

5 Long-term debt

	2013 \$	2012 \$
Southwest residence loan		
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.	1,509,165	1,560,007
Less: Current portion	<u>55,334</u>	<u>52,291</u>
	<u>1,453,831</u>	<u>1,507,716</u>

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

	2013 \$	2012 \$
Southwest residence loan	<u>50,842</u>	<u>47,887</u>

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

	\$
2014	55,334
2015	<u>1,453,831</u>
	<u>1,509,165</u>

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 0.25% 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, 2013 and 2012, no amounts were drawn on this credit facility.

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

6 Employee future benefits

The University operates a retirement gratuity plan and participates in a defined contribution pension plan operated by UWO. 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 \$522,409 (2012 - \$516,846)

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. Benefit payments are disbursed if a shortfall exists between the pension benefit received by a member from the defined contribution pension plan and that which is required by the Plan.

The accrued benefit obligation was measured as at April 30, 2013.

Information about the Plan as at April 30 is as follows:

	2013 \$	2012 \$
Funded status		
Funded status - deficit	2,791,460	3,329,620
Unamortized experience losses	(810,259)	(1,672,878)
	<hr/>	<hr/>
Net accrued benefit liability	1,981,201	1,656,742

The 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 (2012 - \$Nil) were paid during the year by the University.

	2013 \$	2012 \$
Change in accrued benefit obligation		
Accrued benefit obligation - May 1	3,329,620	2,727,993
Current service cost	73,937	82,265
Interest cost	104,871	124,213
Actuarial (gain) loss	(716,968)	395,149
	<hr/>	<hr/>
Accrued benefit obligation - April 30	2,791,460	3,329,620

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

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

	2013	2012
	\$	\$
Current service cost	73,937	82,265
Interest cost	104,871	124,213
Amortization of actuarial loss	145,651	233,706
	<hr/>	<hr/>
Net pension costs recognized	324,459	440,184
	<hr/>	<hr/>

The significant assumptions used are as follows:

	2013	2012
	%	%
Accrued benefit obligation as at April 30		
Discount rate	3.00	3.85
Rate of compensation increase	3.20	3.30
Benefit costs for the year ended April 30		
Discount rate	3.85	4.42
Rate of compensation increase	3.30	3.70
Estimated average remaining service life	4.00 years	5.30 years

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

7 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:

	2013	2012
	\$	\$
Ancillary revenue		
Residence fees and rentals	2,106,221	2,240,571
Conference	265,440	369,952
Parking	294,546	300,608
Food court	8,475	8,475
	<hr/>	<hr/>
	2,674,682	2,919,606
Ancillary expenditures		
Interest on long-term debt	92,152	95,106
Residence salary and benefits	308,417	303,804
Conference salary and benefits	75,019	70,784
Building costs	1,198,305	1,185,184
Conference food costs	41,729	108,530
Other costs	193,276	141,615
	<hr/>	<hr/>
	1,908,898	1,905,023
Excess of revenue over expenditures for ancillary operations	<hr/>	<hr/>
	765,784	1,014,583

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

8 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 the University of \$880,960 (2012 - \$759,668), which is detailed as follows:

	2013 \$	2012 \$
Huron University College Foundation		
Trust and Endowment Fund	92,648	91,120
Foundation Fund	747,529	607,192
Foundation Superbuild	21,739	43,478
Capital contributions	69,818	17,878
	<hr/> 931,734	<hr/> 759,668
Deferred capital contributions	(91,557)	(61,356)
	<hr/> <hr/> 840,177	<hr/> <hr/> 698,312

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 has been no funding related activity since inception.

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

The Foundation has not been consolidated in the University's financial statements. A financial summary of the Foundation as at December 31, 2012 and December 31, 2011 and for the years then ended is as follows:

	2012 \$	2011 \$
Balance sheet		
Assets		
Investments, at market	15,110,649	13,167,204
Other assets	214,598	133,701
	<u>15,325,247</u>	<u>13,300,905</u>
Liabilities		
	<u>107,061</u>	<u>70,249</u>
Fund balances		
Huron University College Trust and Endowment	2,799,218	1,826,446
Foundation	12,418,968	11,404,210
	<u>15,218,186</u>	<u>13,230,656</u>
	<u>15,325,247</u>	<u>13,300,905</u>
Statement of operations		
Donations & investment income	2,638,122	2,941,671
Expenditures	(76,312)	(81,362)
	<u>2,561,810</u>	<u>2,860,309</u>
Excess of revenue over expenditures	2,561,810	2,860,309
Disbursed to Huron University College	(908,601)	(858,102)
Net realized and unrealized capital gain (loss)	334,321	(267,744)
	<u>1,987,530</u>	<u>1,734,463</u>

9 Other revenue

	2013 \$	2012 \$
Amortization of deferred contributions	252,362	268,987
Diocesan grant	99,874	99,193
Other academic revenue	284,491	300,127
Miscellaneous revenue	257,098	267,566
Summer course revenue	668,462	514,893
	<u>1,562,287</u>	<u>1,450,766</u>

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

10 Changes in non-cash working capital items

	2013	2012
	\$	\$
Accounts receivable	(365,570)	148,939
Prepaid expenses	(7,500)	965
Due from Huron University College Foundation	(20,982)	16,648
Accounts payable and accrued liabilities	216,784	(157,462)
Advance tuition and residence deposits	(2,385)	(342,675)
	<u>(179,653)</u>	<u>(333,585)</u>
Interest paid on long-term debt	92,152	95,106

11 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 Foundation allocates investment income to the fund based on its annual opening balance. Activity in this fund is included in the 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, 2012

	2013	2012
	\$	\$
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, 2012

	2013	2012
	\$	\$
Balance - Beginning of year	(78,546)	(60,167)
Net return on investment	17,453	(1,517)
Bursaries awarded	<u>(16,858)</u>	<u>(16,862)</u>
Balance - End of year	<u>(77,951)</u>	<u>(78,546)</u>
Number of awards	<u>12</u>	<u>9</u>

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

12 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.

	2013		2012	
	Cost \$	Market value \$	Cost \$	Market value \$
Colonel Leonard	549,711	623,448	547,103	613,025
Sarah Leonard	680,278	794,838	685,928	770,566
Diocese of Huron	170,696	223,262	170,696	212,523
Trusts administered on behalf of Huron University College	1,400,685	1,641,548	1,403,727	1,596,114

13 Restrictions on net assets

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 6. This restricted amount is not available for other purposes without approval of the Board of Directors. The interfund transfer of \$862,619 (2012 - \$161,444) represents the change in the unrecognized actuarial loss in the year.

14 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 University included the fund balances, as well as the cash and restricted cash. The University 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 University may consider raising additional funds or reduce expenses. In order to facilitate the management of its capital requirements, the University 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 University expects that it will be necessary to receive funds from the government during the next fiscal year to meet its budgeted operations.

15 Government remittances

Included in accounts payable and accrued liabilities are statutory remittances of \$nil as at April 30, 2013 (2012 - \$19,677), which includes Employee Health Tax, CPP, EI and employee tax deductions. There were no remittances in arrears as at April 30, 2013 or April 30, 2012.

Huron University College

Notes to Financial Statements

April 30, 2013 and 2012

16 Subsequent event

Effective June 1, 2013, the University became a member of a self-insurance co-operative in association with other Canadian universities to provide property and general liability insurance coverage. Under this arrangement referred to as the Canadian Universities Reciprocal Insurance Exchange (C.U.R.I.E), the University will be required to share in any net losses experienced by C.U.R.I.E.

