

# **ANNUAL FINANCIAL STATEMENTS**

**APRIL 30, 2009**

**Nipissing University**  
**April 30, 2009**  
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# Nipissing University

## STATEMENT OF FINANCIAL POSITION

[in thousands]

As at April 30	2009	2008
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	18,096	42,886
Accounts receivable	2,882	2,974
Accrued interest	911	103
Other assets	467	299
	<b>22,356</b>	<b>46,262</b>
Cash held in trust – student levies [note 5]	1,295	1,729
Investments [note 3]	30,287	13,545
Capital assets, net [note 4]	78,590	67,631
	<b>132,528</b>	<b>129,167</b>
<b>LIABILITIES, DEFERRED CONTRIBUTIONS AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	9,046	9,609
Student levies held in trust [Note 5]	1,295	1,729
Accrued sick leave obligation	282	262
Deferred revenue	4,909	5,092
Current portion of long-term debt [note 6]	1,003	1,508
	<b>16,535</b>	<b>18,200</b>
<b>Long-term obligations</b>		
Long-term debt [note 6]	33,122	33,984
Interest rate swap payable [notes 2 and, 6]	7,145	4,686
Deferred contributions [note 7]	265	265
Deferred capital contributions [note 8]	61,667	49,973
	<b>102,199</b>	<b>88,908</b>
	<b>118,734</b>	<b>107,108</b>
<b>Net assets</b>		
Unrestricted	1,247	1,247
Internally restricted [Note 9]	8,308	14,061
Investment in capital assets [Note 10]	3,709	2,583
Interest rate swaps	(7,145)	(4,686)
Endowments [Note 11]	7,675	8,854
	<b>13,794</b>	<b>22,059</b>
	<b>132,528</b>	<b>129,167</b>

Commitments see note 14

Subsequent event see note 15

See accompanying notes

Signed on behalf of the

Board of Governors

\_\_\_\_\_  
Governor

\_\_\_\_\_  
Governor

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# Nipissing University

## STATEMENT OF OPERATIONS

[in thousands]

Year ended April 30	2009	2008
	\$	\$
<b>REVENUE</b>		
Student fees	26,166	23,761
Government grants	21,963	24,118
Sales and services	5,471	5,467
Other	4,070	3,895
Amortization of deferred capital contributions	2,561	2,182
Investment	283	774
Donations	541	217
Scholarship fund	56	65
	<b>61,111</b>	<b>60,479</b>
<b>EXPENSES</b>		
Academic	32,241	28,950
Administrative services	6,115	5,367
Plant	5,241	3,266
Amortization of capital assets	3,854	3,272
Academic support	3,161	3,471
Student services	2,966	2,879
Interest	2,435	2,458
Scholarship and bursaries	2,387	2,090
Research	1,894	1,745
Other	1,882	2,105
Alumni and development	1,809	1,801
Library	1,753	1,681
	<b>65,738</b>	<b>59,085</b>
<b>Excess (deficiency) of revenues over expenses before the undernoted</b>	<b>(4,627)</b>	<b>1,394</b>
Change in fair value of interest rate swaps	(2,459)	(1,359)
<b>Excess (deficiency) of revenues over expenses for the year</b>	<b>(7,086)</b>	<b>35</b>

*See accompanying notes*

# Nipissing University

## STATEMENT OF CHANGES IN NET ASSETS

[in thousands]

Year ended April 30	2009					2008	
	Unrestricted \$	Internally restricted \$	Investment in capital assets \$	Interest rate swaps \$	Endowments \$	Total \$	Total \$
<b>Net assets, beginning of year</b>	1,247	14,061	2,583	(4,686)	8,854	22,059	20,872
Excess (deficiency) of revenues over expenses	(5,793)	-	(1,293)	-	-	(7,086)	35
Net change in investment in capital assets <i>[Note 10]</i>	(2,419)	-	2,419	-	-	-	-
Restricted contribution of land <i>[Note 4]</i>	-	-	-	-	-	-	1,075
Transfer of fair value change of interest rate swaps <i>[Note 6]</i>	2,459	-	-	(2,459)	-	-	-
Transfer of internally restricted funds <i>[Note 9]</i>	5,753	(5,753)	-	-	-	-	-
Endowment contributions (net)	-	-	-	-	(1,179)	(1,179)	77
<b>Net assets, end of year</b>	1,247	8,308	3,709	(7,145)	7,675	13,794	22,059

*See accompanying notes*

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# Nipissing University

## STATEMENT OF CASH FLOWS

[in thousands]

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Year ended April 30

2009  
\$

2008  
\$

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**Cash provided by (used in):****Operations:**

Excess (deficiency) of revenues over expenses	(7,086)	35
Items not involving cash:		
Amortization of capital assets	3,854	3,272
Amortization of deferred capital contributions	(2,561)	(2,182)
Change in fair value of interest rate swaps	2,459	1,359
Change in non-cash operating working capital:		
Accounts receivable	92	199
Accrued interest	(808)	(64)
Other assets	(168)	(48)
Accounts payable and accrued liabilities	(563)	3,801
Student levies held in trust	(434)	683
Accrued sick leave obligation	20	9
Deferred revenue	(183)	(302)
	(5,378)	6,762

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**Financing and investing:**

Net endowment contributions	(1,179)	77
Proceeds of long-term debt	-	3,966
Long-term debt principal repayments	(1,367)	(802)
Purchase of capital assets	(14,813)	(10,261)
Investments, net	(16,742)	(379)
Cash held in trust	434	(683)
Deferred capital contributions	14,255	26,205
	(19,412)	18,123

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**Net increase(decrease) in cash and short-term investments during the year**

(24,790) 24,885

Cash and short-term investments, beginning of year

42,886 18,001

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**Cash and short-term investments, end of year**

18,096 42,886

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*See accompanying notes*

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### **1. DESCRIPTION**

Nipissing University [the 'University'] was incorporated as a university in 1992 under the laws of the Province of Ontario. Its mission is to provide undergraduate programs in Liberal Arts, Science, Business and undergraduate and graduate programs in Education. The University aspires to fulfil the best traditions of scholarship and to provide an environment committed to the ideals of free inquiry and expression. As a university with predominantly undergraduate programming and roots in teacher education, the University places priority on the highest ideals of instructional excellence.

These financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all of the operations and organizations controlled by the University. Accordingly, these financial statements include the academic, administrative and other operating expenditures funded by fees, grants and other general revenue; restricted purpose endowment funds; and the ancillary operations, such as residences.

The University is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles within the framework of the accounting policies summarized below:

#### **Revenue recognition**

The University follows the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted donations are recorded on a cash basis since pledges are not legally enforceable claims. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets. Endowment contributions are recognized as direct increases in net assets in the year in which they are received. Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at point of sale or when the service has been provided.

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Cash and short-term investments

Cash and short-term investments consist of cash and short term money market funds with maturities of less than three months from their date of acquisition.

#### Financial instruments

The University accounts for its financial assets and liabilities in accordance with Canadian generally accepted accounting principles.

The financial instruments are classified into one of three categories: held-for-trading, loans and receivables or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables and other financial liabilities which are measured at amortized cost. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in the statement of operations.

In accordance with Canadian generally accepted accounting principles, the University has undertaken the following:

- (i) Cash and short-term investments, investments, and interest rate swap payable are designated as held-for-trading, being measured at fair value.
- (ii) Accounts receivable are classified as loans and receivables, which are measured at amortized cost.
- (iii) Accounts payable and accrued liabilities, accrued sick leave obligation, and long-term debt are classified as other financial liabilities, which are measured at amortized cost.

No financial recognition is given to embedded derivatives or non-financial contracts with derivative characteristics.

The University also complies with CICA 3861, "Financial Instruments – Disclosure and Presentation", for the presentation and disclosure of financial instruments and non-financial derivatives.

The fair value of investments is determined as follows:

Publicly traded bonds and equities are determined based on quoted market values based on the latest bid prices. Investments in pooled funds are valued at their unit values.



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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, is recorded as follows:

Unrestricted investment income is recognized as revenue in the statement of operations in the year it is earned.

Externally restricted investment income(loss) designated for endowments (referred to as capital protection) is recognized as a direct increase(decrease) of endowments in net assets.

Externally restricted investment income, other than that designated for endowments (referred to as capital protection), is recognized as revenue in the statement of operations, when the related expenses are incurred. All externally restricted investment income, other than that designated for endowments, which is in excess of related expenses incurred, is recorded as deferred contributions.

Investment income that is internally restricted is recorded as a transfer from unrestricted to internally restricted net assets in the statement of changes in net assets.

Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are capitalized at fair market value at the date of contribution. Capital assets are amortized on a straight-line basis over the estimated useful lives as follows:

Buildings	40 years
Equipment and furnishings	5-10 years
Library books	5 years

Costs of construction in progress, including interest, are capitalized. Amortization is not recognized until project completion.

#### **Internally restricted net assets**

The University restricts use of portions of its operating assets for specific future uses. These internally restricted amounts are not available for other purposes without approval of the Board of Governors.

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

#### **Interest rate swaps**

The University is party to interest rate swap agreements used to manage the exposure to market risks from changing interest rates. The University's policy is not to utilize derivative financial instruments for trading or speculative purposes.

The University has not hedged these agreements and the change in the net value of the swaps is reflected in the statement of operations.

#### **Employee future benefits**

Contributions to a multi-employer defined benefit plan are expensed when due.

#### **Contributed materials and services**

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed materials and services are not recognized in these financial statements.

#### **Use of estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles require 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 revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation allowances for accounts receivable; and, accounts payable and accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

#### **Capital disclosures**

Effective May 1, 2008, the University adopted the CICA Handbook Section 1535, Capital Disclosure which establishes standards for disclosing an entity's capital and how it is managed. Adoption of these recommendations had no material impact on the financial statements for the year ended April 30, 2009.

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 3. INVESTMENTS

Investments consist of the following:

	<b>2009</b>	<b>2008</b>
	<b>(\$000)</b>	<b>(\$000)</b>
Bonds and Short-term Pooled Funds	<b>24,112</b>	533
Sceptre Pooled Funds	<b>6,175</b>	13,012
	<b>30,287</b>	13,545

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Investments consist of funds held in pooled investment funds managed by Sceptre Investment Counsel Limited, and selected government and corporate bonds.

# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

April 30, 2009

### 4. CAPITAL ASSETS

Capital assets consist of the following:

	2009			2008		
	Cost (\$000)	Accumulated amortization (\$000)	Net book value (\$000)	Cost (\$000)	Accumulated amortization (\$000)	Net book value (\$000)
Land	3,533	—	3,533	1,882	—	1,882
Buildings - Operating	45,155	9,696	35,459	35,527	8,552	26,975
- Residence	29,355	5,188	24,167	29,355	4,454	24,901
Equipment and furnishings:						
- Operating	18,918	13,351	5,567	16,484	12,098	4,386
- Residence	2,710	1,982	728	2,710	1,705	1,005
Library books	8,546	7,560	986	8,180	7,114	1,066
Construction in Progress	8,150	—	8,150	7,416	—	7,416
	<b>116,367</b>	<b>37,777</b>	<b>78,590</b>	101,554	33,923	67,631

The increase in net book value of capital assets is due to the following:

	2009 (\$000)	2008 (\$000)
Balance, beginning of year	67,631	59,567
Restricted contributions – donated land	—	1,075
Purchase of capital assets internally and debt financed	—	3,897
Purchase of capital assets funded by deferred capital contributions	14,813	6,364
Less: amortization of capital assets	(3,854)	(3,272)
Balance, end of year	<b>78,590</b>	67,631

### 5. STUDENT LEVIES HELD IN TRUST

Student levies have been collected in advance of construction of a proposed expanded student centre. These funds, totalling \$1,295,000 (2008 - \$1,729,000) as at year end, are maintained in a segregated cash fund and are shown as Student levies held in trust and are to be used toward the project costs.

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 6. LONG-TERM DEBT

Long-term debt consists of the following:

	<b>2009</b>	<b>2008</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<hr/>		
Founders House Student Residence:		
Term loan bearing interest at a variable rate of 0.63% as at April 2009 repayable in blended monthly instalments of \$44,500, unsecured due July 2022. The effective interest rate on this loan is 6.82%.	<b>4,579</b>	4,791
Chancellors House Student Residence:		
Term loan bearing interest at a variable rate of 0.63% as at April 2009 repayable in blended monthly instalments of \$72,000, unsecured due August 2026. The effective interest rate on this loan is 7.05%.	<b>8,530</b>	8,782
Chancellors House Student Residence Expansion:		
Term loan bearing interest at a variable rate of 0.63% as at April 2009 repayable in blended monthly instalments of \$25,400, unsecured due September 2028. The effective interest rate on this loan is 6.74%.	<b>3,250</b>	3,332
Nipissing University Student Athletic Centre:		
6.45% renewable term loan with monthly blended payments of principal and interest of \$23,527 and original principal of \$3,500,000 issued July 30, 2002. Payments were calculated over a 25 year term. This unsecured loan matures July 30, 2010.	<b>2,838</b>	2,934
Governors House Student Residence:		
Term loan bearing interest at a variable rate of 0.64% as at April 2009 repayable in blended monthly instalments of \$ 71,000, unsecured due August 2030. The effective interest rate on this loan is 6.27%.	<b>10,336</b>	10,565
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Subtotal Long-term debt	<b>29,533</b>	30,404

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 6. LONG-TERM DEBT (cont'd)

	<b>2009</b>	<b>2008</b>
	<b>(\$000)</b>	<b>(\$000)</b>
Subtotal carried forward	<b>29,533</b>	30,404

#### Brantford Campus Financing:

The University has entered into a ten-year, term loan agreement with a Canadian Chartered Bank in the amount of \$1.2 million to be amortized over twenty-five years. The interest rate for the ten years will be 4.56%. Monthly blended payments of principal and interest will be approximately \$6,700 and commenced July 31, 2005. This unsecured loan matures June 30, 2015.

	<b>1,092</b>	1,122
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#### City of Brantford Financing:

In July 2007, the City of Brantford advanced \$2.1 million to the University to assist the University with the renovations of the premises at 50 Wellington Street in Brantford. The advance was made in two parts. The first is an interest-free forgivable loan of \$ 600,000 repayable July 1, 2009. This part of the loan is forgivable once the University has completed certain improvements to the premises. As at April 30, 2009, these improvements were completed and the loan forgiven. The second part of the advance was an interest-free loan of \$1,500,000. The loan was discounted at a rate of 5.11% approximating the market borrowing rate for the University. This loan is to be repaid in three annual instalments of \$150,000 commencing July 1, 2010 and six annual instalments of \$175,000 commencing July 1, 2013.

	<b>1,223</b>	1,666
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Subtotal Long-term debt	<b>31,848</b>	33,192
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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 6. LONG-TERM DEBT (cont'd)

	2009 (\$000)	2008 (\$000)
Subtotal carried forward	31,848	33,192
Bracebridge Campus Financing:		
In January, 2008 the University borrowed in the form of a debenture from Ontario Infrastructure Projects Corporation, the principal sum of \$ 2,300,000 with an interest rate of 5.11% calculated semi-annually for a term of 25 years. The Bracebridge campus loan was undertaken to finance the construction of dedicated space for Nipissing University Student Union ('NUSU') included in the new building. The University has entered into a formal agreement with NUSU for the University to collect an ancillary student building fee to be applied to the interest and principal payments on this loan as long as the obligation remains outstanding. The University has agreed to repay this unsecured loan in semi-annual blended principal and interest payments of \$81,987 commencing July 15, 2008.	2,277	2,300
Total long-term debt	34,125	35,492
Less current portion	1,003	1,508
Long-term debt	33,122	33,984

The University has entered into interest rate derivative agreements to manage the volatility of interest rates. The University converted its variable rate term loans to a fixed rate of interest ranging from 6.27% to 7.05%. The related derivative agreements are in place until the maturity of the associated debt.

The following are the minimum annual debt principal repayments due over the next five years and thereafter:

Years ended April 30,	(\$000)
2010	1,003
2011	3,849
2012	1,172
2013	1,244
2014	1,340
Thereafter	25,517
	34,125

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Total interest expense for the year ended April 30, 2009 was \$2,435,000 [2008 -\$2,373,000].

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 7. DEFERRED CONTRIBUTIONS

Deferred contributions represent the unspent amount of externally restricted donations and grants received for research and other restricted purposes. The change in the deferred contribution balance is as follows:

	<b>2009</b>	<b>2008</b>
	<b>(\$000)</b>	<b>(\$000)</b>
Balance, beginning of year	<b>265</b>	265
Add: contributions received during the year	<b>1,714</b>	2,142
Less: amount recognized as revenue	<b>(1,714)</b>	(2,142)
Balance, end of year	<b>265</b>	265

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### 8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized and unspent amounts of donations, student contributions and grants received for the purchase of capital assets. The amortization of deferred capital contributions, which commence once an asset is put into service, is recorded as revenue in the statement of operations. The change in the deferred capital contribution balance is as follows:

	<b>2009</b>	<b>2008</b>
	<b>(\$000)</b>	<b>(\$000)</b>
Balance, beginning of year	<b>49,973</b>	25,950
Add: contributions received in the year	<b>14,255</b>	26,205
Less: amortization of deferred capital contributions	<b>(2,561)</b>	(2,182)
Balance, end of year	<b>61,667</b>	49,973
Comprised of:		
Capital contributions - expended	<b>40,756</b>	29,556
Capital contributions - unspent	<b>20,911</b>	20,417
	<b>61,667</b>	49,973

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 9. INTERNALLY RESTRICTED NET ASSETS

Details of internally restricted funds are as follows:

	2009 (\$000)	2008 (\$000)
Infrastructure upgrades	1,250	1,250
Scholarship funds	1,061	1,032
Capital projects	2,103	9,197
Native Education program	121	121
Ancillary operations	3,773	2,461
	<b>8,308</b>	<b>14,061</b>

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Restricted funds for capital projects include the research wing expansion and vacated space retrofitting projects.

During the year, the Board of Governors restricted funds of \$1,312,000 to be used for ancillary operations and drew down of \$7,094,000 of capital project funds to assist in the financing for the completion of the Muskoka and Brantford campuses, infrastructure projects and the Research wing. In 2008, \$2,139,000 was restricted for the completion of various capital projects.

These internally restricted amounts are not available for other purposes without approval by the Board of Governors.

### 10. INVESTMENT IN CAPITAL ASSETS

The investment in capital assets consists of the following:

	2009 (\$000)	2008 (\$000)
Capital assets (net)	78,590	67,631
Less amounts financed by:		
Debt	(34,125)	(35,492)
Deferred capital contributions <i>[note 8]</i>	(40,756)	(29,556)
	<b>3,709</b>	<b>2,583</b>

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 10. INVESTMENT IN CAPITAL ASSETS (cont'd)

Change in net assets invested in capital assets is calculated as follows:

	<b>2009</b>	<b>2008</b>
	<b>(\$000)</b>	<b>(\$000)</b>
Excess of revenues over expenses:		
Amortization of deferred contributions related to capital assets	<b>2,561</b>	2,182
Amortization of capital assets	<b>(3,854)</b>	(3,272)
	<b>(1,293)</b>	(1,090)
Net change in investment in capital assets:		
Purchase of capital assets	<b>14,813</b>	10,261
Amounts funded by:		
Deferred capital contributions	<b>(13,761)</b>	(6,364)
Proceeds of debt	-	(3,966)
Repayment of debt	<b>1,367</b>	802
	<b>2,419</b>	733

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### 11. ENDOWMENTS

Endowments consist of externally restricted donations received by the University. The endowment principal is required to be maintained intact. The investment income generated from endowments must be used in accordance with the various purposes established by donors. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The Government of Ontario established the Ontario Student Opportunity Trust Fund (OSOTF) and the Ontario Trust of Student Support (OTSS) programs to encourage individuals and companies to contribute and endow funds to support post-secondary students. Externally restricted endowments include grants provided by the Government of Ontario from the OSOTF and OTSS matching program. The University established three funds – OSOTF - Phase 1 in fiscal 1997; OSOTF - Phase 2 in fiscal 2004; and OTSS in fiscal 2005. Investment income earned on these funds is used to finance awards to qualified students in need of financial aid.

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 11. ENDOWMENTS (cont'd)

<b>OSOTF - Phase 1</b>	<b>2009</b>	<b>2008</b>
	<b>(\$000)</b>	<b>(\$000)</b>
<b>Ontario Student Opportunity Trust Fund balance, beginning and end of year</b>	<b>3,535</b>	<b>3,535</b>
Other endowments, balance beginning of year	<b>2,739</b>	1,224
Donations and contributions	<b>97</b>	1,515
Other endowments, balance end of year	<b>2,836</b>	2,739
	<b>6,371</b>	6,274
<b>Expendable balance, beginning of year</b>	<b>933</b>	1,124
Realized investment income, net of direct investment-related expenses	<b>152</b>	220
Unrealized investment loss	<b>(715)</b>	(257)
Bursaries awarded (2009 – 125 bursaries, 2008 – 123 bursaries)	<b>(155)</b>	(154)
<b>Expendable balance, end of year</b>	<b>215</b>	933
<b>OSOTF – Phase 2</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Endowment balance, beginning and end of year</b>	<b>689,242</b>	689,242
<b>Expendable balance, beginning of year</b>	<b>239,275</b>	257,172
Realized investment income, net of direct investment-related expenses	<b>29,335</b>	42,405
Unrealized investment loss	<b>(262,721)</b>	(49,552)
Bursaries awarded (2009 – 15 bursaries, 2008 – 14)	<b>(12,000)</b>	(10,750)
<b>Expendable balance, end of year</b>	<b>(6,111)</b>	239,275

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 11. ENDOWMENTS (cont'd)

OTSS	2009 \$	2008 \$
<b>Endowment balance, March 31, 2008</b>	<b>682,914</b>	491,648
Cash donations received within annual matching ceiling	<b>33,566</b>	95,633
Matching funds received or receivable from MTCU	<b>33,566</b>	95,633
<b>Endowment balance, March 31, 2009</b>	<b>750,046</b>	682,914
Cash donations received April	<b>3,237</b>	4,741
<b>Endowment balance, April 30, 2009</b>	<b>753,283</b>	687,655
<b>Expendable balance, beginning of year</b>	<b>31,411</b>	9,813
Realized investment income, net of direct investment-related expenses	<b>28,899</b>	28,898
Bursaries awarded (2009 – 4 bursaries, 2008 – 4)	<b>(3,800)</b>	(7,300)
<b>Expendable balance, end of year</b>	<b>56,510</b>	31,411
<b>Outstanding donations pledged</b>	<b>15,276</b>	16,976

### 12. EMPLOYEE FUTURE BENEFITS

The majority of the University's employees are members of the Nipissing University Retirement Pension Plan, a defined contribution plan. Certain faculty are members of the Ontario Teacher Pension Plan, a multi-employer defined benefit plan. Contributions to the multi-employer defined benefit plan are expensed when due.

Total pension costs incurred for the year were \$1,848,000 [2008 - \$1,570,000].

### 13. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Fair value:

The carrying values of the University's cash and short-term investments, accounts receivable, accounts payable and accrued liabilities, student levies held in trust, and accrued sick leave obligation

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 13. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (cont'd)

approximate their fair values due to the relatively short periods to maturity of these items because they are receivable or payable on demand.

Information concerning investments is provided in Note 3; the fair value approximates the carrying value.

The fair values of the interest rate swaps and related long-term debt approximate their carrying value.

(b) Credit and interest rate risk:

The University's financial instruments do not expose the University to a significant concentration of credit risk.

The University's long-term debt instruments bearing fixed interest rates that are subject to renegotiation as the instruments mature. The University's investments do not expose the University to significant interest rate risks.

### 14. COMMITMENTS

The University had one capital project underway as at year end. The total remaining obligation under the contract issued for this project as at year end was \$1,300,000 and is to be financed by internally restricted funds and planned debt issue.

### 15. SUBSEQUENT EVENT

In July 2009, Canadore College and Nipissing University issued a fixed price contract for the construction of the Learning Library. The contract was issued for \$18,600,000 plus applicable taxes. The project is financed by government grants, donations and operating funds.

### 16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

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# Nipissing University

## NOTES TO FINANCIAL STATEMENTS

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April 30, 2009

### 17. SUPPLEMENTAL INFORMATION

In addition to the information presented in the statement of operations, presented below is a Schedule of Expenses classified by object of expense.

Year ended April 30	2009 (\$000)	2008 (\$000)
<b>EXPENSES</b>		
Employee salaries and benefits	40,712	36,939
Academic supplies and services	6,380	5,895
Plant and operating expenditures	9,968	8,431
Scholarships and bursaries	2,387	2,090
Interest	2,435	2,458
Amortization of capital assets	3,854	3,272
	<b>65,736</b>	<b>59,085</b>

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