

Council of the College of Emmanuel and St. Chad

Financial Statements
June 30, 2010

November 23, 2010

Auditors' Report

**To the Members of
Council of the College of Emmanuel and St. Chad**

We have audited the statement of financial position of the **Council of the College of Emmanuel and St. Chad** as at June 30, 2010 and the statements of operations, fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Council'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 Council as at June 30, 2010 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

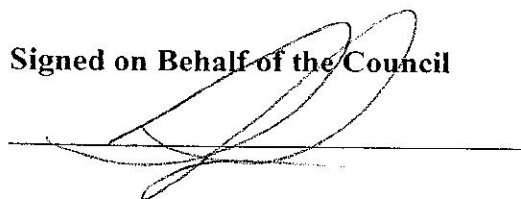
Council of the College of Emmanuel and St. Chad

Statement of Financial Position

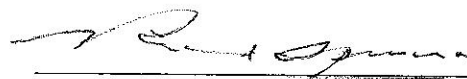
As at June 30, 2010

	2010			2009	
	Operating Fund \$	Ahab Spense Native Education Fund \$	Endowment Fund \$	Total \$	Total \$
Assets (note 5)					
Current assets					
Cash and cash equivalents	48,470	-	-	48,470	93,875
Receivables	29,344	-	-	29,344	33,698
Prepaid expenses	3,560	-	-	3,560	3,329
	81,374	-	-	81,374	130,902
Investments (note 3)	217,506	63,418	2,706,957	2,987,881	3,081,886
Cash surrender value of life insurance policy	4,364	-	-	4,364	6,123
Equipment (note 4)	2,554	-	-	2,554	3,502
	305,798	63,418	2,706,957	3,076,173	3,222,413
Liabilities and Fund Balances					
Current liabilities					
Payables	40,084	-	-	40,084	40,815
Deferred revenue	2,275	-	-	2,275	17,676
Debt (note 5)	65,169	-	-	65,169	104,195
	107,528	-	-	107,528	162,686
Fund balances					
Unrestricted	198,270	-	-	198,270	338,788
Externally restricted	-	63,418	-	63,418	58,474
Endowment - general	-	-	1,802,896	1,802,896	1,807,897
Endowment - bursaries (note 6)	-	-	904,061	904,061	854,568
	198,270	63,418	2,706,957	2,968,645	3,059,727
	305,798	63,418	2,706,957	3,076,173	3,222,413

Signed on Behalf of the Council



Councillor



Councillor

Council of the College of Emmanuel and St. Chad

Statement of Changes in Fund Balances

For the year ended June 30, 2010

	2010			2009	
	Operating Fund \$	Ahab Spence Native Education Fund \$	Endowment Fund \$	Total \$	Total \$
Balance – Beginning of year	338,788	58,474	2,662,465	3,059,727	3,583,727
Surplus (deficiency) of revenue over expenses for the year	(136,798)	(3,776)	49,492	(91,082)	(563,806)
Increase in endowment bursaries (note 6)	-	-	-	-	39,806
Inter-fund transfer	201,990 (3,720)	54,698 8,720	2,711,957 (5,000)	2,968,645 -	3,059,727 -
Balance – End of year	198,270	63,418	2,706,957	2,968,645	3,059,727

Council of the College of Emmanuel and St. Chad

Statement of Operations

For the year ended June 30, 2010

	2010			2009	
	Operating Fund \$	Ahab Spense Native Education Fund \$	Endowment Fund \$	Total \$	Total \$
Revenue					
Investments	210,864	2,943	58,262	272,069	(91,452)
Donations	158,505	2,000	15,330	175,835	240,450
Tuition and fees	84,031	-	-	84,031	72,092
Provincial aid	57,200	-	-	57,200	54,240
Diocesan grants	18,029	-	-	18,029	22,899
Other	1,107	-	-	1,107	30,685
Native education	-	146	-	146	2,100
	529,736	5,089	73,592	608,417	331,014
Expenses					
Program	329,174	8,865	24,100	362,139	525,346
Administrative	172,240	-	-	172,240	202,931
Development	80,280	-	-	80,280	73,416
Library	57,986	-	-	57,986	52,530
Registrar	25,906	-	-	25,906	33,505
Amortization	948	-	-	948	972
	666,534	8,865	24,100	699,499	888,700
Surplus (deficiency) of revenue over expenses	(136,798)	(3,776)	49,492	(91,082)	(557,686)
Loss on sale of asset	-	-	-	-	(6,120)
Surplus (deficiency) of revenue over expenses for the year	(136,798)	(3,776)	49,492	(91,082)	(563,806)

Council of the College of Emmanuel and St. Chad

Statement of Cash Flows

For the year ended June 30, 2010

	2010 \$	2009 \$
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses for the year	(91,082)	(563,806)
Items not affecting cash		
Amortization	948	972
Loss on sale of assets	-	6,120
	(90,134)	(556,714)
Net change in non-cash working capital		
Decrease (increase) in receivables	4,354	(11,318)
Increase (decrease) in prepaid expenses	(231)	318
Decrease in payables	(731)	(19,942)
Increase (decrease) in deferred revenue	(15,401)	17,126
	(102,143)	(570,530)
Investing activities		
Proceeds on disposal of asset	-	8,550
Purchase of asset	-	(806)
Proceeds of investments	94,005	471,873
Decrease (Increase) in cash surrender value of life insurance policy	1,759	(1,225)
	95,764	478,392
Financing activities		
Increase (decrease) in debt	(39,026)	89,815
Increase in endowment - bursaries (note 6)	-	39,806
	(39,026)	129,621
Increase (decrease) in cash	(45,405)	37,483
Cash – Beginning of year	93,875	56,392
Cash – End of year	48,470	93,875

Council of the College of Emmanuel and St. Chad

Notes to Financial Statements

June 30, 2010

1 General

The Council was established by Statute of The University of Emmanuel College and its principal activities include the operation of a theological college and the administration of trust funds for scholarships, bursaries and prizes.

2 Significant accounting policies

a) 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 amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

b) Basis of presentation

The Council follows the restricted fund method of accounting for contributions.

c) Fund accounting

The Operating Fund accounts for the Council's program delivery including the administration and development of the Council, fundraising and operation of facilities.

The Ahab Spence Native Education Fund represents net assets designated for the support and training of First Nations theological students. Income and expenses relating to the Ahab Spence Native Education Fund are reflected in the funds statement of operations.

The Endowment Fund represents general and bursary contributions to the Council designated as endowments. Income earned on the general endowment contributions is reflected as revenue in the operating funds.

Endowment – bursaries represent restricted contributions received that are to be invested with the earnings from those investments paid out in the form of scholarships, bursaries, prizes and administration costs. These activities are reflected in the Endowment Fund's statement of operations.

d) Investments

Pursuant to the requirements of the Canadian Institute of Chartered Accountants' Handbook Section 3855, Financial Instruments – Recognition and Measurement, the Council has designated all of its investments as held for trading and carries them at fair value in the statement of financial position. Changes in fair value,

Council of the College of Emmanuel and St. Chad

Notes to Financial Statements

June 30, 2010

including both realized and unrealized gains and losses, are reported as investment income in the statement of operations.

e) Equipment

Equipment purchases are recorded at cost. Contributed assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. When a capital asset no longer contributes to the Council's ability to provide services, its carrying amount is written down to its residual value.

Assets are amortized using the following method and annual rates:

Computer hardware	30% declining balance
Office equipment	20% declining balance

f) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Operating grants are recorded as revenue in the period in which they relate. Grants are recognized as receivable 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 that subsequent period.

Investment income earned on Endowment – general funds is recognized in the Operating Fund.
Investment income earned on Endowment – bursary funds is recognized in the Endowment fund.

Revenue from tuition and fees and residence are recognized when services are provided.

Donations are recognized as cash is received.

Council of the College of Emmanuel and St. Chad

Notes to Financial Statements

June 30, 2010

3 Investments

	2010 Market \$	2009 Market \$
Federal and provincial bonds	2,323,180	2,176,288
Mutual funds and trust units	572,601	652,235
Common equities	92,100	253,363
	<u>2,987,881</u>	<u>3,081,886</u>

4 Equipment

	2010		2009	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer hardware	4,405	2,673	1,732	2,475
Office equipment	1,426	604	822	1,027
	<u>5,831</u>	<u>3,277</u>	<u>2,554</u>	<u>3,502</u>

5 Debt

	2010 \$	2009 \$
Loan payable to RBC, on demand, bearing interest at 4.09%, due January 2012, blended monthly payments of \$3,548; a general security agreement pledged as security	65,169	104,195
Less: Current portion of debt	<u>65,169</u>	<u>104,195</u>
	<u>-</u>	<u>-</u>

Estimated principal repayment of debt for each of the next two years is as follows:

	\$
2011	40,664
2012	<u>24,505</u>
	<u>65,169</u>

Council of the College of Emmanuel and St. Chad

Notes to Financial Statements

June 30, 2010

6 Endowment – bursaries

Endowment - bursaries represent monies donated from the bursary donors plus any undistributed investment income that are endowed by the endowment bursary agreements. The activity in the endowment bursary fund are included in the statement of operations for the year ended June 30, 2010. This represents a change in presentation from the previous year.

7 Commitment

The Council rents facilities under a long-term operating lease which matures on August 14, 2014.

The following lease payments are due over the next four years as follows:

	\$
2011	67,113
2012	68,456
2013	69,825
2014	71,221
	<hr/>
	276,615
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8 Pensions costs and obligations

The Council makes contributions, on behalf of its staff, to the Anglican Church Pension Plan (the "Plan"), which is a multi employer plan. The Plan is a defined benefit pension plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the Plan for 2010 was \$32,539 (2009 – \$34,635) for current service and is included as an expense in the statement of operations.

At June 30, 2010, there is no liability for past service under the Plan.

9 Financial instruments

The carrying value of cash, receivables and payables approximates their fair value because of the relatively short period to maturity of the instruments.

The fair value of investments were determined using quoted market rates.

10 Comparative figures

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

Council of the College of Emmanuel and St. Chad

Schedule of Operations

For the year ended June 30, 2010

	2010		2009
	Budget \$	Actual \$	Actual \$
Revenue			
Investments	144,119	272,069	(91,452)
Donations	265,000	175,835	240,450
Tuition and fees	73,000	84,031	72,092
Provincial aid	56,500	57,200	54,240
Diocesan grants	15,000	18,029	22,899
Other	-	1,107	30,685
Native education	2,195	146	2,100
	555,814	608,417	331,014
Expenses			
Program	337,978	362,139	525,346
Administrative	170,885	172,240	202,931
Development	69,600	80,280	73,416
Library	55,216	57,986	52,530
Registrar	24,750	25,906	33,505
Amortization	-	948	972
	658,429	699,499	888,700
Deficiency of revenue over expenses	(102,615)	(91,082)	(557,686)
Loss on sale of asset	-	-	(6,120)
Deficiency of revenue over expenses for the year	(102,615)	(91,082)	(563,806)