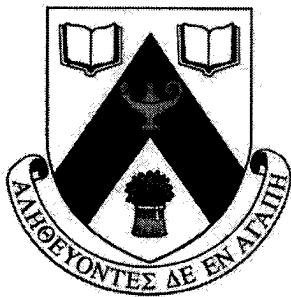


BRANDON UNIVERSITY

ANNUAL FINANCIAL REPORT

For the year ended March 31, 2009



BRANDON
UNIVERSITY

Founded 1899

BRANDON UNIVERSITY

Responsibility for Financial Statements

The Office of the Vice-President (Administration & Finance) of Brandon University is responsible for the preparation and presentation of the financial statements and accompanying notes. The financial statements are prepared in conformity with the accounting policies noted in the financial statements, and are reviewed and approved by the Board of Governors. The statements are examined by the Provincial Auditor of the Province of Manitoba, whose opinion is included herein.

To fulfil its responsibility, the University maintains internal control systems to provide reasonable assurance that relevant and reliable financial information is produced.

**ORIGINAL SIGNED BY:
LAURA MCDUGALD-WILLIAMS**

**ORIGINAL SIGNED BY:
SCOTT J.B. LAMONT**

Laura McDougald-Williams
Treasurer, Board of Governors

Scott J. B. Lamont, FCGA, MBA
Vice-President (Administration & Finance)

May 15, 2009



OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITOR'S REPORT

To the Lieutenant Governor in Council
To the Legislative Assembly of Manitoba
To the Board of Governors of Brandon University

We have audited the statement of financial position of Brandon University as at March 31, 2009, and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the University'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 March 31, 2009, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

**Original document signed by:
Carol Bellringer**

Winnipeg, Manitoba
May 15, 2009

Carol Bellringer, FCA, MBA
Auditor General

Brandon University

Statement of Financial Position as at March 31, 2009

ASSETS

| | 2009 | 2008 |
|--|----------------------|----------------------|
| Current Assets | | |
| Cash and short term investments (note 3) | \$ 13,142,217 | \$ 5,594,254 |
| Accounts receivable | 1,749,472 | 3,547,530 |
| Inventory (note 8) | 423,438 | 439,053 |
| Prepaid expenses | <u>244,510</u> | <u>256,320</u> |
| | <u>15,559,637</u> | <u>9,837,157</u> |
| Capital Assets and Collections (notes 2F and 9) | <u>42,058,128</u> | <u>43,112,450</u> |
| | <u>\$ 57,617,765</u> | <u>\$ 52,949,607</u> |

LIABILITIES & NET ASSETS

| | 2009 | 2008 |
|---|----------------------|----------------------|
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 3,196,789 | \$ 2,856,323 |
| Deferred income | 215,044 | 289,183 |
| Deferred contributions (note 10) | 2,872,174 | 3,226,643 |
| Current portion of long term debt (note 12) | <u>118,181</u> | <u>111,002</u> |
| | <u>6,402,188</u> | <u>6,483,151</u> |
| Long Term Liability | | |
| Unfunded employee future benefits (note 16) | 1,002,000 | 950,000 |
| Mortgages payable (note 12) | <u>1,196,941</u> | <u>1,315,122</u> |
| | <u>2,198,941</u> | <u>2,265,122</u> |
| Deferred Capital Contributions (note 10) | <u>4,384,488</u> | <u>-</u> |
| Unamortized Deferred Capital Contributions (note 10) | <u>31,562,664</u> | <u>32,987,937</u> |
| Net Assets | | |
| Unrestricted net assets | 3,064,778 | 1,891,465 |
| Internally restricted net assets (note 7) | 824,363 | 623,541 |
| Investment in capital assets and collections | <u>9,180,343</u> | <u>8,698,391</u> |
| | <u>13,069,484</u> | <u>11,213,397</u> |
| | <u>\$ 57,617,765</u> | <u>\$ 52,949,607</u> |

Approved by the Brandon University
Board of Governors on June 25, 2009

Brandon University

Statement of Changes in Net Assets for the year ended March 31, 2009

| | Unrestricted Net Assets | Internally Restricted Net Assets | Investment in Capital Assets and Collections | Total 2009 | Total 2008 |
|---|-----------------------------|--|--|-----------------------------|-----------------------------|
| Balance, beginning of year | \$ 1,891,465 | \$ 623,541 | \$ 8,262,026 | \$ 10,777,032 | \$ 9,704,594 |
| Restatement (note 18) | <u> </u> | <u> </u> | <u>436,365</u> | <u>436,365</u> | <u>282,240</u> |
| Restated balance, beginning of year | 1,891,465 | 623,541 | 8,698,391 | 11,213,397 | 9,986,834 |
| Excess of revenues over expenses | 1,853,152 | | | 1,853,152 | 1,220,067 |
| Direct increases to net assets | | | | | |
| Donations of capital assets | | | 2,935 | 2,935 | 6,496 |
| Transfers | | | | | |
| Internally funded | | | | | |
| Capital asset additions | (1,445,936) | | 1,445,936 | | |
| Capital asset disposals (net) | 65,677 | | (65,677) | | |
| Amortization | 1,012,244 | | (1,012,244) | | |
| Repayment of long term debt | (111,002) | | 111,002 | | |
| Allocation to internally restricted net assets | (347,489) | 347,489 | | | |
| Internally restricted net asset purchases | <u>146,667</u> | <u>(146,667)</u> | <u> </u> | <u> </u> | <u> </u> |
| Balance, end of year | <u>\$ 3,064,778</u> | <u>\$ 824,363</u> | <u>\$ 9,180,343</u> | <u>\$ 13,069,484</u> | <u>\$ 11,213,397</u> |

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

Brandon University

Statement of Operations for the Year Ended March 31, 2009

| | 2009 | 2008 |
|--|-------------------------|-------------------------|
| Revenues | | |
| Tuition fees and other student fees | \$ 8,997,478 | \$ 9,670,205 |
| Grants | | |
| Council on Post-Secondary Education | 32,152,858 | 30,373,696 |
| Province of Manitoba | 446,354 | 519,296 |
| Government of Canada | 1,804,324 | 2,200,760 |
| Sales of goods and services | 6,978,244 | 6,328,444 |
| Brandon University Foundation | 1,961,971 | 1,895,921 |
| Amortization of deferred capital contributions | 2,067,960 | 2,250,301 |
| Gain on disposal of capital assets | 94,915 | |
| Interest income | 259,352 | 249,337 |
| Miscellaneous | <u>770,379</u> | <u>1,449,205</u> |
| | <u>55,533,835</u> | <u>54,937,165</u> |
| Expenses | | |
| Salaries - academic | 18,714,007 | 18,135,906 |
| Salaries - support | 12,749,806 | 12,109,102 |
| Benefits | 5,241,585 | 4,516,366 |
| Travel | 1,831,216 | 1,597,369 |
| Supplies and consumable expenses | 6,815,987 | 8,104,433 |
| Major renovations | 742,364 | 1,925,693 |
| Property taxes | 143,911 | 139,546 |
| Utilities | 1,080,962 | 1,092,180 |
| Cost of goods sold | 1,965,131 | 1,893,074 |
| Scholarships and bursaries | 1,155,250 | 1,073,185 |
| Interest on long term debt | 105,585 | 112,306 |
| Amortization expense | 3,080,203 | 3,015,333 |
| Loss on disposal of capital assets | <u>54,676</u> | <u>2,605</u> |
| | <u>53,680,683</u> | <u>53,717,098</u> |
| Excess of revenues over expenses | <u>\$ 1,853,152</u> | <u>\$ 1,220,067</u> |

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

Brandon University

Statement of Cash Flow for the Year Ended March 31, 2009

| | 2009 | 2008 |
|---|---------------------|---------------------|
| Cash Provided By (Used In) Operating Activities | | |
| Excess of revenues over expenses | \$ 1,853,152 | \$ 1,220,067 |
| Items not affecting cash flow | | |
| Amortization of deferred capital contributions | (2,067,960) | (2,250,301) |
| Amortization of capital assets | 3,080,203 | 3,015,333 |
| Loss on disposal of capital assets | 40,247 | 2,633 |
| Increase/(decrease) in non-cash operating working capital | <u>1,789,315</u> | <u>(1,241,218)</u> |
| | <u>4,694,957</u> | <u>746,514</u> |
| Cash Provided By (Used In) Investing Activities | | |
| Capital asset additions | (2,092,410) | (2,901,603) |
| (Purchase)/sale of short term investments | (7,169,774) | 1,469,591 |
| Proceeds on disposal of capital assets | <u>26,308</u> | <u>3,257</u> |
| | <u>(9,235,876)</u> | <u>(1,428,755)</u> |
| Cash Provided By (Used In) Financing Activities | | |
| Long term debt repayments | (111,002) | (104,282) |
| Capital contributions received | <u>5,030,110</u> | <u>1,084,526</u> |
| | <u>4,919,108</u> | <u>980,244</u> |
| Increase in cash and cash equivalents | 378,189 | 298,003 |
| Cash and cash equivalents, beginning of year | <u>3,677,837</u> | <u>3,379,834</u> |
| Cash and cash equivalents, end of year | <u>\$ 4,056,026</u> | <u>\$ 3,677,837</u> |
| Cash and Cash Equivalents | | |
| Cash | \$ 3,069,327 | \$ 2,737,338 |
| Cash equivalents | <u>986,699</u> | <u>940,499</u> |
| | <u>\$ 4,056,026</u> | <u>\$ 3,677,837</u> |

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

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

1. Authority and Purpose

Brandon University operates under the authority of the Brandon University Act of the Province of Manitoba. Brandon University offers undergraduate programs in arts, science, education, music, and health studies; and offers graduate programs in education, music and rural development. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies and Reporting Practices

A. General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

B. Revenue Recognition

Operating grants are recognized as revenue in the period received. Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered or substantially rendered and collection is reasonably assured.

The University accounts for contributions using the deferral method. Deferred contributions are externally restricted non-capital contributions which are deferred and are recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for the purposes designated by external parties.

Externally restricted contributions for the acquisition of capital assets having limited lives are recorded as deferred capital contributions in the period in which they are received and, when expended, are transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

C. Capital Grants

The University entered into promissory notes with the Provincial Government, for the the construction of a capital asset and for deferred maintenance projects. These will be repaid from future funding provided by the Provincial Government through the Council on Post Secondary Education (COPSE) and are, in substance, capital grants. These grants, under the deferral method of accounting, are reflected as deferred capital contributions and unamortized deferred capital contributions in the statement of financial position. The related funding from COPSE, over the terms of the promissory notes, to offset the principal payments and interest expense is excluded from the statement of operations.

D. Short Term Investments

Short term investments are recorded at fair value and are unspent operating, capital and restricted funds that are invested to generate income used to fund general operations of the University. Short term investments are classified as held for trading. These investments are acquired principally for the purpose of selling in the near term and are part of a portfolio of identified instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking. The valuation of publicly traded investments is based on quoted market bid prices at the close of business as of March 31, 2009.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

E. Brandon University Foundation

Funds transferred from the Brandon University Foundation to the University are recorded as revenue in the period they were received by the University.

The accounts of the Brandon University Foundation do not form part of the financial statements of the University. The financial statements of the Foundation are audited on an annual basis.

F. Capital Assets and Collections

Capital assets purchased by the University are recorded at cost. Donated assets are recorded at the fair market value on the date received. On the disposition of a capital asset, both the cost and any accumulated amortization are removed from the accounts.

Capital assets are amortized on a straight line basis over the estimated useful lives of the assets. Amortization rates are as follows:

| | |
|-----------------------|----------|
| Buildings | 50 years |
| Furniture & equipment | 10 years |
| Computer equipment | 5 years |
| Vehicles | 5 years |
| Library collections | 10 years |

The capital assets include collections of works of art, gemstones and rare books which have been donated to the University. These collections are not amortized.

G. Inventories

Inventories are measured at the lower of cost and net realizable value. When circumstances which previously caused an inventory to be written down below cost no longer exists, the amount of the write-down will be reversed.

H. Pension Plan

The University contributes to the Brandon University Retirement Plan which is a trustee-administered pension plan for University employees. The pension expense is determined actuarially using the projected unit credit actuarial cost method and management's best estimates of investment performance, salary escalation, retirement ages of employees and member mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of active employees (EARSL).

The accounts of the Brandon University Retirement Plan do not form part of the financial statements of the University. The Auditor General audits the financial statements of the Plan.

I. Employee Future Benefits

The University provides severance and retiring allowance benefits based on length of service and final earnings, payable on retirement. Accounting standards require the recognition of a liability and an expense for such employee future benefits in the period in which the employee renders service in return for the benefits. The recognition date for rendered service begins on the hiring date or the date when credited service begins, and runs until the date when full eligibility is attained. The cost of these future benefits earned by employees is determined by an actuary using the projected benefit method pro rated on

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

service and management's best estimates for the discount rate for liabilities, the rate of salary escalation and the retirement ages of employees. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. There are no assets supporting the plan benefits.

The transitional obligation arising from the adoption of the accounting standard was fully recognized as at the adoption date of April 1, 2000. Subsequent actuarial gains or losses are fully recognized in the year immediately following the year in which they arise.

J. Use of Estimates

The preparation of the financial statements 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 revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the allowance for doubtful accounts, determination of useful lives of capital assets for amortization and of the liabilities for pension and severance and retiring allowances. Actual results could differ from these estimates.

K. Financial Instruments

The financial instruments of the University consist of cash and short term investments, accounts receivable, accounts payable and accrued liabilities and long-term debt.

Initially, all financial assets and liabilities must be recorded on the Statement of Financial Position at fair value. Subsequent measurement is determined by the classification of each financial asset and liability. Under this standard, all financial instruments are classified as one of: held-for-trading; loans and receivables; held-to-maturity; available-for-sale or other liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net earnings. Financial instruments classified as held-to-maturity, loans and receivables and other liabilities are measured at amortized cost. Available-for-sale financial instruments are measured at fair value, with unrealized gains and losses recognized directly in unrestricted net assets.

The University has classified its cash and short term investments as held-for-trading which is measured at fair market value, receivables as loans and receivables which are measured at amortized cost and its accounts payable and accrued liabilities and mortgages payable as other liabilities, which are measured at amortized cost.

L. Future Accounting Policy Changes

Disclosure and Presentation of Financial Instruments

The CICA has issued two new standards, Sections 3862 Financial Instruments - Disclosures and Section 3863 Financial Instruments - Presentation. These new standards are intended to enhance the abilities of users of financial statements to evaluate the significance of financial instruments to an entity, related exposures and the management of risks.

These new sections, which were effective January 1, 2008, would require additional disclosure in the financial statements. However, the CICA subsequently amended these sections to eliminate the requirement for non-publicly accountable enterprises to adopt these sections. These entities are permitted to continue to apply Section 3861 Financial Instruments - Disclosures and Presentation in place of sections 3862 and 3863. An entity that does so must disclose this fact.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

Not-For-Profit Organizations

The CICA amended a number of standards applicable to not-for-profit organizations (NFPOs) and issued new standard, CICA 4470 Disclosures of Allocated Expenses by Not-for-Profit Organizations.

CICA 4400 Financial Statement Presentation by Not-For-Profit Organizations was amended to:

- eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit a NFPO to present such an amount as a category of internally restricted net assets when it chooses to do so;
- clarify that revenues and expenses must be recognized and presented on a gross basis when a not-for-profit organization is acting as a principal in transactions;
- make Cash Flow Statements, Section 1540 applicable to NFPOs; and
- make Interim Financial Statements, Section 1751, applicable to NFPOs that prepare interim financial statements in accordance with GAAP.

CICA 4430 Capital Assets Held by Not-For-Profit Organizations was amended to provide additional guidance with respect to the appropriate use of the scope exemption for smaller entities.

CICA 4460 Disclosure of Related Party Transactions by Not-For-Profit Organizations was amended to make the language in Section 4460 consistent with Related Party Transactions, Section 3840.

New standard CICA 4470 Disclosure of Allocated Expenses by Not-For-Profit Organizations establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. The main features of the new Section are:

- A requirement for an entity that allocates its fundraising and general support expenses to other functions to disclose the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis on which such allocations have been made; and
- A requirement for an entity to disclose the amounts allocated from each of its fundraising and general support functions and the amounts and functions to which they have been allocated.

These new requirements are effective April 1, 2009 and will only require additional disclosure in the financial statements.

3. Cash and Short Term Investments

Cash and short term investments are summarized as follows:

| | 2009 | 2008 |
|------------------------|----------------------|---------------------|
| Cash | \$ 3,069,327 | \$ 2,737,338 |
| Short term investments | <u>10,072,890</u> | <u>2,856,916</u> |
| | <u>\$ 13,142,217</u> | <u>\$ 5,594,254</u> |

The fair market value of the short term investments is \$10,072,890 (2008 - \$2,856,916).

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

4. Financial Instruments

Fair Value

The fair value of cash and short term investments, accounts receivable, accounts payable and accrued liabilities approximates their carrying values due to their short term nature. The determination of the fair value of mortgages payable is not practical due to their underlying terms and conditions.

Financial Risk Management

Financial instruments are exposed to risk through the normal course of operations. These risks are managed through the University's collection procedures, investment guidelines and other internal policies, guidelines and procedures.

i) Market Risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk.

ii) Liquidity Risk

Liquidity risk is the risk that the University will encounter difficulty in having available sufficient funds to meet its commitments.

The cash flow of operating funds is prepared on a just in time basis. The short term funds of the University are invested so that maturity dates coincide with cash requirements. As well the University has access to a short-term line of credit with CIBC that is designed to ensure sufficient funds are available as required.

iii) Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at March 31 was:

| | Carrying Amount | |
|------------------------------------|---------------------|---------------------|
| | 2009 | 2008 |
| Financial assets held for trading: | | |
| Cash and short term investments | \$13,142,217 | \$ 5,594,254 |
| Loans and receivables: | | |
| Accounts receivable | <u>1,749,472</u> | <u>3,547,530</u> |
| Totals | <u>\$14,891,689</u> | <u>\$ 9,141,784</u> |

The investments of the University are purchases made with excess cash intended to be for short periods of time. Short term investments are held in high quality instruments with a guaranteed credit rating of R1 or backed by an extremely strong borrower.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

The credit risk from accounts receivable is relatively low as the majority of receivables are from students and the balance from government agencies. Credit risk from student receivables is managed through registration cancellations and by maintaining standard collection procedures.

There have been no substantive changes in the University's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

5. Capital Management

The capital of Brandon University is comprised of its deferred contributions, unamortized deferred capital contributions and net assets.

The long term objective of the University is to manage the capital in such a way as to protect the value of the investments.

Restricted contributions for non-capital and capital purposes are received with externally imposed stipulations. The University has complied with the externally imposed stipulations of any capital grants or donations received and to those placed on deferred contributions.

| | 2009 | 2008 |
|---|---------------|---------------|
| Total Liabilities | \$ 5,728,955 | \$ 5,521,630 |
| Total Net Assets & Deferred Contributions | \$ 47,504,322 | \$ 47,427,977 |
| Debt to capital ratio | 12.06 % | 11.64 % |

There have been no significant changes to the University's capital management objectives, policies and processes in the year nor had there been any changes in what the University considers to be its capital

6. Brandon University Foundation

The Brandon University Foundation operates under the authority of the Brandon University Foundation Act. The Foundation is dedicated to promoting the advancement of higher education at Brandon University and improving the quality of its facilities and activities by raising funds for future operation and capital expenditures, research and student awards.

Brandon University Foundation is not a controlled entity of Brandon University however, in the event of the dissolution of the Foundation, after the payment of all debts and liabilities, any remaining rights, property and assets of the Foundation shall be transferred or assigned to Brandon University as long as it is at that time a charitable, non-profit corporation.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

The Foundation follows the deferral method of accounting for contributions. The investments of the Foundation are recorded at fair market value. The financial position of the Foundation as at December 31 is summarized as follows:

Statement of Financial Position

| | 2008 | 2007 |
|---|----------------------|----------------------|
| Assets | <u>\$ 34,304,979</u> | <u>\$ 35,328,651</u> |
| Liabilities | <u>\$ 698,040</u> | <u>\$ 1,215,938</u> |
| Deferred contributions | <u>7,536,627</u> | <u>6,697,881</u> |
| Net Assets | | |
| Unrestricted and internally restricted net assets | 74,090 | 229,700 |
| Endowment funds | <u>25,996,222</u> | <u>27,185,132</u> |
| | <u>26,070,312</u> | <u>27,414,832</u> |
| Total Liabilities and Net Assets | <u>\$ 34,304,979</u> | <u>\$ 35,328,651</u> |

Statement of Operations

| | 2008 | 2007 |
|------------------------------|---------------------|---------------------|
| Revenue | | |
| Realized income/(loss) | \$ (65,715) | \$ 2,262,558 |
| Unrealized loss | <u>(3,616,285)</u> | <u>(2,095,233)</u> |
| Net investment income/(loss) | (3,682,000) | 167,325 |
| Donations | 5,183,577 | 1,290,106 |
| Other contributions | <u>215,845</u> | <u>145,940</u> |
| | <u>1,717,422</u> | <u>1,603,371</u> |
| Expense | | |
| Grants to Brandon University | 1,016,721 | 903,272 |
| Scholarships and bursaries | 828,343 | 802,572 |
| Campaign expenses | 9,574 | 36,854 |
| Other expenses | <u>33,090</u> | <u>51,244</u> |
| | <u>1,887,728</u> | <u>1,793,942</u> |
| Net loss for the year | <u>\$ (170,306)</u> | <u>\$ (190,571)</u> |

The net result of the transactions from January 1, 2009 to March 31, 2009 was a loss of \$205,765 (2008 - \$269,901 loss) and an unrealized investment loss of \$984,833 (2008 - \$774,738 loss).

The value of outstanding pledges to the Foundation as at March 31, 2009 is \$860,544 (2008 - \$544,109). These will be recorded as revenue in the Foundation when received.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

7. Internally Restricted Net Assets

Internally restricted net assets represent amounts set aside by the University for the following specific purposes:

| | Opening Balance | Current Provision | Purchases | 2009 Closing Balance |
|-----------------------|--------------------|----------------------|---------------------|----------------------------|
| Ancillary Services | \$ 493,222 | \$ 168,885 | \$ (1,247) | \$ 660,860 |
| Mail/Print services | (26,439) | 10,000 | | (16,439) |
| Presidential robes | | 5,976 | | 5,976 |
| Telephone replacement | 142,469 | 152,628 | (145,420) | 149,677 |
| Vehicle replacement | <u>14,289</u> | <u>10,000</u> | <u> </u> | <u>24,289</u> |
| | <u>\$ 623,541</u> | <u>\$ 347,489</u> | <u>\$ (146,667)</u> | <u>\$ 824,363</u> |

8. Inventories

Inventories are measured at the lower of cost and net realizable value. The year end carrying values and the amounts recognized as expense during the year were as follows:

| | 2009 Cost of Sales | 2008 | 2009 Carrying Values | 2008 |
|---------------|-----------------------|---------------------|-------------------------|-------------------|
| Bookstore | \$ 1,361,444 | \$ 1,312,375 | \$ 357,116 | \$ 362,067 |
| Food Services | 655,874 | 595,778 | 40,207 | 40,613 |
| Print Shop | <u>52,127</u> | <u>33,053</u> | <u>26,115</u> | <u>36,373</u> |
| | <u>\$ 2,069,445</u> | <u>\$ 1,941,206</u> | <u>\$ 423,438</u> | <u>\$ 439,053</u> |

9. Capital Assets and Collections

| | 2009 Accumulated Cost Amortization | 2009 Net Book Value | 2008 Accumulated Cost Amortization | 2008 Net Book Value |
|-----------------------|--|---------------------------|--|---------------------------|
| Land | \$ 498,680 | \$ 498,680 | \$ 498,680 | \$ 498,680 |
| Buildings | 64,358,695 | (33,692,752) | 30,665,943 | 64,275,916 |
| Furniture & equipment | (12,352,610) | 7,054,531 | 19,002,509 | (11,951,335) |
| Library collections | 9,157,221 | (6,513,894) | 2,643,327 | 8,616,921 |
| Collections | <u>1,195,647</u> | <u>1,195,647</u> | <u>1,192,712</u> | <u>1,192,712</u> |
| | <u>\$ 94,617,384</u> | <u>\$(52,559,256)</u> | <u>\$ 42,058,128</u> | <u>\$ 93,586,738</u> |
| | | | <u>\$(50,474,288)</u> | <u>\$ 43,112,450</u> |

Capital asset additions during the year included donations in kind in the amount of \$2,935 (2008- \$6,496).

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

10. Deferred Contributions and Unamortized Deferred Capital Contributions

Deferred contributions and deferred capital contributions represent contributions received for special purposes and unspent funds for restricted purposes. Unamortized deferred capital contributions represent the funded portion of capital assets which will be recognized as revenue in future periods and matched against the applicable amortization charged in that period. Changes in the deferred contributions, deferred capital contributions and unamortized deferred capital contributions balances are as follows:

| | 2009 Deferred Contributions | 2009 Unamortized Deferred Capital Contributions | 2008 Deferred Contributions | 2008 Unamortized Deferred Capital Contributions |
|--|-----------------------------------|---|-----------------------------------|---|
| Balance, beginning of year as restated (Note 18) | \$ 3,226,643 | \$ 32,987,937 | \$ 2,865,905 | \$ 34,160,208 |
| Contributions received | 11,468,862 | | 9,222,102 | |
| Transfers to revenue | | | | |
| Tuition, grants and contributions | (6,796,156) | | (7,783,334) | |
| Amortization of assets acquired from capital assets | | (2,067,960) | | (2,250,301) |
| Transferred to acquire capital assets | <u>(642,687)</u> | <u>642,687</u> | <u>(1,078,030)</u> | <u>1,078,030</u> |
| Balance, end of year | <u>\$ 7,256,662</u> | <u>\$ 31,562,664</u> | <u>\$ 3,226,643</u> | <u>\$ 32,987,937</u> |
| Balance consists of: | | | | |
| Research | \$ 2,163,827 | | \$ 2,652,952 | |
| Special programs | <u>708,347</u> | | <u>573,691</u> | |
| Deferred contributions | 2,872,174 | | 3,226,643 | |
| Deferred capital contributions | <u>4,384,488</u> | | | |
| | <u>\$ 7,256,662</u> | | <u>\$ 3,226,643</u> | |

11. Pension Plan

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established April 1, 1974 for the benefit of the employees of Brandon University. The assets of the Plan are held in trust in the name of ten Trustees - eight elected by and from the Plan membership and two appointed by the Board of Governors. The Trustees oversee the administration of the Plan and set forth the investment guidelines. Their obligations and responsibilities are defined in a trust agreement with Brandon University. An asset manager invests the Plan assets according to the terms of an agreement with the trustees and as required by law. The Plan is registered with the Pension Commission of Manitoba and meets the requirements of the Pension Benefits Act of Manitoba and the Income Tax Act (Canada). Unless otherwise stated, all Brandon University employees are eligible to become members of the Plan on their date of employment. Full-time and certain part-time employees are required to join the Plan. Membership is optional for other part-time and certain specified employees. The Plan receives its funds from the contributions of members, the required and special contributions of Brandon University and the income from investments.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

An actuarial valuation of the plan was conducted by Eckler Ltd., a firm of consulting actuaries, as at December 31, 2007. The results of this valuation have been extrapolated by them to December 31, 2008. The next actuarial valuation is required as at December 31, 2010 and will be completed in 2011.

The defined benefit obligation has been calculated pursuant to CICA Handbook section 3461, using the projected unit credit actuarial method and assumptions developed using management's best estimates of investment performance, salary escalation, retirement ages of employees and member mortality.

The University uses a December 31, measurement date for reporting plan assets and obligations.

The actuarial present value of benefits and the fair value of plan assets, as of December 31, were as follows:

| | (in thousands of dollars) | |
|--|-----------------------------|-----------------------------|
| | December 31 2008 | December 31 2007 |
| Accrued Benefit Obligation | | |
| Actuarial present value of accrued pension benefits, beginning of year | \$ 96,125 | \$ 91,657 |
| Interest accrued on benefits | 5,508 | 5,248 |
| Benefits accrued | 3,962 | 3,562 |
| Benefits paid | (4,614) | (4,342) |
| Actuarial gain | 846 | |
| Plan amendments | <u>5,814</u> | <u> </u> |
| Actuarial present value of accrued pension benefits, end of year | <u>\$ 107,641</u> | <u>\$ 96,125</u> |

| | (in thousands of dollars) | |
|--|-----------------------------|-----------------------------|
| | December 31 2008 | December 31 2007 |
| Plan Assets | | |
| Fair value, beginning of year | \$ 103,956 | \$ 103,318 |
| Actual return on plan assets (net of expenses) | (17,528) | 1,747 |
| Employer contributions | 2,139 | 1,655 |
| Employee contributions | 1,588 | 1,494 |
| Transfers from other plans | 235 | 84 |
| Benefits paid | <u>(4,614)</u> | <u>(4,342)</u> |
| Fair value, end of year | <u>\$ 85,776</u> | <u>\$ 103,956</u> |

| | (in thousands of dollars) | |
|--|-----------------------------|-----------------------------|
| | December 31 2008 | December 31 2007 |
| Pension Liability | | |
| Accrued benefit obligation | \$ (107,641) | \$ (96,125) |
| Plan assets | <u>85,776</u> | <u>103,956</u> |
| Plan surplus/(deficit) | (21,865) | 7,831 |
| Unamortized plan amendments | 5,814 | |
| Unamortized net actuarial (gains)/losses | <u>16,051</u> | <u>(7,831)</u> |
| Pension liability | <u>\$ -</u> | <u>\$ -</u> |

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

| | (in thousands of dollars) | |
|--------------------------------------|---------------------------|--------------|
| | December 31 | December 31 |
| Pension Liability | | |
| Pension liability, beginning of year | - | - |
| Employer contributions | (2,139) | (1,655) |
| Net benefit plan expense | <u>2,139</u> | <u>1,655</u> |
| Pension, Liability, end of year | <u>\$ -</u> | <u>\$ -</u> |

| | (in thousands of dollars) | |
|---|---------------------------|---------------------|
| | December 31 2008 | December 31 2007 |
| Current service cost, net of employee contributions | \$ 2,139 | \$ 1,984 |
| Interest accrued on benefits | 5,508 | 5,248 |
| Expected return on plan assets | (5,959) | (5,909) |
| Amortization of actuarial loss | 451 | 4,162 |
| Decrease in valuation allowance | <u> </u> | <u>(3,830)</u> |
| Net benefit plan expense | <u>\$ 2,139</u> | <u>\$ 1,655</u> |

| Significant Long Term Actuarial Assumptions | | |
|---|--------|--------|
| Discount rate | 5.75 % | 5.75 % |
| Expected rate of return on assets | 5.75 % | 5.75 % |
| Rate of general salary increase | 4.0 % | 4.0 % |

The unamortized net actuarial losses will be amortized over the expected average remaining service life which is 10 years, starting in the 2009-10 fiscal year.

As a result of negotiations in the collective agreement between Brandon University and the Brandon University Faculty Association (BUFA) the plan improved the normal form of the pension for members who have a spouse at retirement, increased the maximum pension from \$1722 per year of credited service to \$1975 per year of credited service and increased member contributions by 0.5% of salary. These plan amendments are reflected in the pension obligation as at December 31, 2008.

Solvency Deficiency Exemption

The Brandon University Retirement Plan is subject to the Manitoba Pension Benefits Act and Regulations. The University Pension Plans Exemption Regulation 141/2007 allows the University to make an election to be exempt from solvency and transfer deficiency payments. "2(1) an employer in relation to a university plan may, by filing an election with the plan administrator, elect to be exempt from the solvency and transfer deficiency provisions." On January 19, 2009 the University filed such an election.

Funding of Going-Concern Deficiencies

With the exemption, the Plan will continue to be subject to the going-concern funding provisions of the Act. The University will be required to fund the matching contributions, as well as the actuarial cost of the defined benefits in excess of the matching costs, if applicable, and any funding deficits will have to be funded over a maximum of 15 years. The next going-concern valuation will be performed as at December 31, 2010 and will be completed in 2011.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

12. Long Term Liabilities

| | 2009 | 2008 |
|--|---------------------|---------------------|
| <u>Mortgages Payable</u> | | |
| Darrach Hall & Flora Cowan Hall Canada Mortgage and Housing Corporation 5 1/8% mortgage, \$41,608 combined principal and interest payable semi-annually July 1 and January 1 to 2012. | \$ 263,565 | \$ 330,682 |
| McMaster Hall Canada Mortgage and Housing Corporation 8 1/4% mortgage, \$66,686 combined principal and interest payable semi-annually April 1 and October 1 to 2021. | <u>1,051,557</u> | <u>1,095,442</u> |
| | 1,315,122 | 1,426,124 |
| Current portion of long term debt | <u>118,181</u> | <u>111,002</u> |
| | <u>\$ 1,196,941</u> | <u>\$ 1,315,122</u> |
| Interest expense | <u>\$ 105,585</u> | <u>\$ 112,306</u> |

Principal payments in the next five years are as follows:

| | |
|------|------------|
| 2010 | \$ 118,181 |
| 2011 | \$ 125,852 |
| 2012 | \$ 134,050 |
| 2013 | \$ 101,217 |
| 2014 | \$ 65,745 |

13. Brandon Centennial Auditorium Corporation Inc.

Under an arrangement between the University, the Province of Manitoba and the City of Brandon, the University built an Auditorium on its property for the benefit of the citizens of Western Manitoba. The expenditures for the building and furnishings were financed from contributions by the Governments of Canada and Manitoba, the City of Brandon and citizens through fundraising campaigns.

The Auditorium has been leased to the Brandon Centennial Auditorium Corporation Inc. for a nominal consideration of \$1 under a 99 year lease which expires 2064 A.D. The University is reimbursed for services supplied to the auditorium as required by the agreement.

14. Knowles-Douglas Student Union Centre

The Knowles-Douglas Student Union Centre has been leased to the Knowles- Douglas Student Union Centre Inc. for the nominal consideration of \$1 per year under a 50 year lease which expires 2035 A.D. The University supplies certain services to the Centre as required by the lease.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

15. Contractual Obligations

An agreement between the University and the Brandon University Students' Union Inc. provides for the equal sharing of profits of the University's bookstore operations. The Students' Union share of profits amounted to \$25,349 for the year ended March 31, 2009 (2008 - \$32,752).

16. Employee Future Benefits

Brandon University provides certain severance and retiring allowance benefits payable upon retirement. An actuarial valuation, using the accrued benefit method, to determine the value of severance pay and retiring allowance benefits is carried out every four years. The most recent actuarial valuation was as at March 31, 2009 with the next valuation due at at March 31, 2013.

The accrued benefit liability for employee future benefits is reported in the University's Statement of Financial Position under accounts payable and accrued liabilities.

Information about the University's employee future benefits is as follows:

| | 2009 | 2008 |
|-----------------------------------|------------------|--------------------|
| Accrued benefit liability | \$ 1,016,000 | \$ 893,000 |
| Accrued benefit obligation | <u>1,002,000</u> | <u>950,000</u> |
| Unamortized actuarial (gain)/loss | <u>\$ 14,000</u> | <u>\$ (57,000)</u> |
| Net benefit cost | \$ 151,000 | \$ 105,000 |
| Employer's contributions | 28,000 | 93,000 |
| Benefits paid | 28,000 | (58,000) |

The significant actuarial assumptions adopted in measuring the University's accrued benefit liability and benefit costs are as follows:

| | 2009 | 2008 |
|--|-------------|-------------|
| Discount rate (accrued benefit obligation) | 7.0% | 5.5% |
| Rate of compensation increase (weighted average) | 5.3% | 5.4% |

17. Disclosure and Presentation of Financial Instruments

The University continues to apply Section 3861 Financial Instruments - Disclosure and Presentation in place of Sections 3862 and 3863.

Brandon University

Notes to the Financial Statements for the year ended March 31, 2009

18. Restatement

The calculation of building amortization has been adjusted to a 50 year straight line basis. Previously, the calculation had been a combination of straight line and declining balance. As a result of this adjustment, to restate all prior periods for a total adjustment to capital assets and collections of \$2,440,522, the following adjustments have been made retroactively:

| | Unamortized Deferred Capital Contributions | |
|--|---|---------------------|
| | 2008 | 2007 |
| Balances, as previously reported March 31 | \$30,983,780 | \$32,156,051 |
| Adjustment to unamortized deferred capital contributions | <u>2,004,157</u> | <u>2,004,157</u> |
| Restated balances, March 31 | <u>\$32,987,937</u> | <u>\$34,160,208</u> |
| | | |
| | Investment in Capital Assets | |
| | 2008 | 2007 |
| Balances, as previously reported March 31 | \$ 8,262,026 | \$ 7,259,192 |
| Adjustment to internally funded capital assets | <u>436,365</u> | <u>282,240</u> |
| Restated balances, March 31 | <u>\$ 8,698,391</u> | <u>\$ 7,541,432</u> |

19. Change in Accounting Policy

In prior years, actuarial gains and losses related to the determination of the expense for the pension liability were recognized in the year they occurred. This fiscal year, actuarial gains and losses will be deferred and amortized over the expected average remaining service life (EARSL) of active employees of active employees covered by the plan. EARSL for the Brandon University Pension Plan is 10 years. This change in accounting policy is applied prospectively as it is not practicable to determine the cumulative effect on prior periods.

20. Comparative Figures

Comparative figures for the year ended March 31, 2008 have been reclassified where necessary to conform with the presentation adopted for the year ended March 31, 2009.

Brandon University
Additional Financial Information
for the year ended March 31, 2009

The foregoing consolidated financial statements and accompanying notes to the financial statements have been audited by the Auditor General for Manitoba and are the subject of the audit report dated May 15, 2009.

The following schedules 1 through 7 have been prepared to provide additional information and are not covered in the Auditor's report. The information in schedule 6 is used for the program costing calculations.

Brandon University

Detailed Schedule of Operations - Unrestricted for the Year Ended March 31, 2009

| | General Operating | Ancillary Services | Total 2009 | Total 2008 |
|--|----------------------|-----------------------|---------------------|----------------------|
| REVENUES | | | | |
| Tuition and other student fees | \$ 8,173,538 | \$ | \$ 8,173,538 | \$ 8,465,230 |
| Grants - Council on Post-Secondary Education Government of Canada | 29,112,500 | 216,600 | 29,329,100 | 27,562,569 77,272 |
| Sales of goods and services | | 5,302,553 | 5,302,553 | 4,833,951 |
| Brandon University Foundation | 1,961,971 | | 1,961,971 | 1,895,921 |
| Amortization of deferred capital contributions | 2,067,960 | | 2,067,960 | 2,250,301 |
| External cost recoveries | 1,675,691 | | 1,675,691 | 1,494,493 |
| Gain on disposal of capital assets | | 94,915 | 94,915 | |
| Interest income | 259,352 | | 259,352 | 249,337 |
| Miscellaneous | 184,067 | | 184,067 | 276,061 |
| | <u>43,435,079</u> | <u>5,614,068</u> | <u>49,049,147</u> | <u>47,105,135</u> |
| EXPENSES | | | | |
| Salaries - academic | 17,126,993 | | 17,126,993 | 16,396,629 |
| Salaries - support | 9,581,906 | 1,155,877 | 10,737,783 | 10,134,758 |
| Benefits | 4,588,533 | 176,008 | 4,764,541 | 4,027,937 |
| Travel | 1,291,079 | | 1,291,079 | 996,849 |
| Supplies and consumable expenses | 4,187,276 | 1,073,820 | 5,261,096 | 5,388,552 |
| Major renovations | 258,135 | 170,650 | 428,785 | 1,612,114 |
| Property taxes | 143,911 | | 143,911 | 139,546 |
| Utilities | 779,697 | 301,265 | 1,080,962 | 1,092,180 |
| Cost of goods sold | | 1,965,131 | 1,965,131 | 1,893,074 |
| Scholarships and bursaries | 1,155,250 | | 1,155,250 | 1,073,185 |
| Interest on long term liabilities | | 105,585 | 105,585 | 112,306 |
| Amortization | 3,080,203 | | 3,080,203 | 3,169,458 |
| Loss on disposal of capital assets | 54,676 | | 54,676 | 2,605 |
| | <u>42,247,659</u> | <u>4,948,336</u> | <u>47,195,995</u> | <u>46,039,193</u> |
| Excess of revenues over expenses | <u>\$ 1,187,420</u> | <u>\$ 665,732</u> | <u>\$ 1,853,152</u> | <u>\$ 1,065,942</u> |

Brandon University

Detailed Schedule of Operations - Restricted
for the Year Ended March 31, 2009

| | Research & Special Projects | Special Programs | Restricted Capital | Total 2009 | Total 2008 | Deferred Contributions | | Transfer To Statement of Operations | | |
|---|--------------------------------|---------------------|-----------------------|---------------|---------------|------------------------|-------------|--|-----------|-----------|
| | | | | | | 2009 | 2008 | 2009 | 2008 | |
| Revenues | | | | | | | | | | |
| Tuition fees | \$ | 823,940 | \$ | 823,940 | \$ | 1,204,975 | \$ | 823,940 | \$ | 1,204,975 |
| Grants | | | | | | | | | | |
| COPSE | 1,230,300 | 1,880,100 | | 3,110,400 | 3,612,230 | (286,642) | (801,103) | 2,823,758 | 2,811,127 | |
| Province of Manitoba | 370,189 | | 4,740,000 | 5,110,189 | 631,448 | (4,663,835) | (112,152) | 446,354 | 519,296 | |
| Government of Canada | 1,915,868 | | | 1,915,868 | 2,610,394 | (111,544) | (486,906) | 1,804,324 | 2,123,488 | |
| Miscellaneous | 508,465 | | | 508,465 | 1,163,055 | 77,847 | 10,089 | 586,312 | 1,173,144 | |
| | 4,024,822 | 2,704,040 | 4,740,000 | 11,468,862 | 9,222,102 | (4,984,174) | (1,390,072) | 6,484,688 | 7,832,030 | |
| Expenses | | | | | | | | | | |
| Salaries - academic | | 1,587,014 | | 1,587,014 | 1,739,277 | | | 1,587,014 | 1,739,277 | |
| Salaries - support | 1,734,103 | 277,920 | | 2,012,023 | 1,974,344 | | | 2,012,023 | 1,974,344 | |
| Benefits | 206,966 | 270,078 | | 477,044 | 488,429 | | | 477,044 | 488,429 | |
| Travel | 347,958 | 192,179 | | 540,137 | 600,520 | | | 540,137 | 600,520 | |
| Supplies and other expenses | 1,323,339 | 231,552 | | 1,554,891 | 2,715,881 | | | 1,554,891 | 2,715,881 | |
| Major renovations | 313,579 | | | 313,579 | 313,579 | | | 313,579 | 313,579 | |
| | 3,925,945 | 2,558,743 | | 6,484,688 | 7,832,030 | | | 6,484,688 | 7,832,030 | |
| Excess of revenues over expenses | \$ | 145,297 | \$ | 4,984,174 | \$ | 1,390,072 | \$ | (1,390,072) | \$ | - |

Brandon University

Deferred Contributions and Unamortized Deferred Capital Contributions for the Year Ended March 31, 2009

| | Research & Special Projects | Special Programs | Restricted Capital | Total 2009 | Total 2008 | Unamortized Deferred Capital Contributions 2009 | 2008 |
|--|--------------------------------|---------------------|-----------------------|---------------|---------------|---|---------------|
| Contributions received | | | | | | | |
| Tuition and related fees | \$ 823,940 | \$ 823,940 | \$ | \$ 823,940 | \$ 1,204,975 | \$ | \$ |
| Grants | 3,516,357 | 1,880,100 | 4,740,000 | 10,136,457 | 6,854,072 | | |
| Miscellaneous | 508,465 | | | 508,465 | 1,163,055 | | |
| Expenses | (3,925,945) | (2,558,743) | (292,097) | (6,776,785) | (7,832,030) | | |
| Transfers from/to: | | | | | | | |
| Unrestricted accounts | (19,371) | | | (19,371) | 48,696 | | |
| Capital acquisitions | (568,631) | (10,641) | (63,415) | (642,687) | (1,078,030) | 642,687 | 1,078,030 |
| Amortization of deferred capital contributions | | | | | | (2,067,960) | (2,250,301) |
| | (489,125) | 134,656 | 4,384,488 | 4,030,019 | 360,738 | (1,425,273) | (1,172,271) |
| Deferred balance, beginning of year | 2,652,952 | 573,691 | | 3,226,643 | 2,865,905 | 32,987,937 | 32,156,051 |
| Prior period adjustment (note 18) | | | | | | | 2,004,157 |
| Restated deferred balance, beginning of year | 2,652,952 | 573,691 | | 3,226,643 | 2,865,905 | 32,987,937 | 34,160,208 |
| Deferred balance, end of year | \$ 2,163,827 | \$ 708,347 | \$ 4,384,488 | \$ 7,256,662 | \$ 3,226,643 | \$ 31,562,664 | \$ 32,987,937 |

Brandon University

Schedule of Investment in Capital Assets and Collections for the Year Ended March 31, 2009

| | Total 2009 | Total 2008 |
|--|-----------------------------|-------------------------|
| Balance, beginning of year, as previously reported | \$ 8,698,391 | \$ 7,259,192 |
| Prior period adjustment (note 18) | <u> </u> | <u>282,240</u> |
| Restated balance, beginning of year | 8,698,391 | 7,541,432 |
| Internally funded capital asset additions | | |
| General operating funds | | |
| Land and buildings | 143,315 | 393,207 |
| Furniture and equipment | 682,119 | 690,751 |
| Library acquisitions | 540,301 | 681,732 |
| Ancillary services | | |
| Furniture and equipment | <u>80,202</u> | <u>51,388</u> |
| | <u>1,445,937</u> | <u>1,817,078</u> |
| Non-amortizable capital asset donations | 2,935 | 6,496 |
| Disposals (net) - internally funded capital assets | (65,677) | (5,864) |
| Amortization of internally funded capital assets | (1,012,244) | (765,033) |
| Repayment of long term debt | <u>111,002</u> | <u>104,282</u> |
| Balance, end of year | <u>\$ 9,180,344</u> | <u>\$ 8,698,391</u> |

Brandon University

Schedule of Operating Revenues
for the Year Ended March 31, 2009

| | Total 2009 | Total 2008 |
|-------------------------------------|-----------------------------|-----------------------------|
| Grants | | |
| Council on Post Secondary Education | | |
| Operating | \$ 27,841,700 | \$ 26,104,600 |
| Renovations and equipment | <u>330,000</u> | <u>330,000</u> |
| | <u>28,171,700</u> | <u>26,434,600</u> |
| Tuition | | |
| Campus Manitoba | 46,781 | 40,635 |
| Faculty of Arts | 2,351,039 | 2,503,668 |
| Faculty of Education | 1,387,051 | 1,464,032 |
| Faculty of Science | 2,209,549 | 2,190,980 |
| First Nations Counselling Program | 45,195 | 54,610 |
| School of Health Studies | 935,934 | 905,849 |
| School of Music | 431,480 | 472,372 |
| Visa Premium | <u>261,227</u> | <u>291,123</u> |
| | <u>7,668,256</u> | <u>7,923,269</u> |
| Music Conservatory | <u>360,357</u> | <u>392,524</u> |
| Other student fees | <u>144,925</u> | <u>149,437</u> |
| Brandon University Foundation | <u>465,489</u> | <u>394,826</u> |
| Interest income | <u>259,352</u> | <u>249,337</u> |
| Miscellaneous | <u>118,162</u> | <u>125,501</u> |
| Total Operating Revenues | \$ <u>37,188,241</u> | \$ <u>35,669,494</u> |

BRANDON UNIVERSITY

**Detailed Schedule of Operating Expenses
for the Year Ended March 31, 2009**

| | Academic | Support | Benefits | Travel | Supplies & Other Expenses | Deduct: Cost Recoveries | Total March 31, 2009 | Total March 31, 2008 |
|---|------------------|----------------|----------------|----------------|------------------------------|----------------------------|-------------------------|-------------------------|
| Faculty of Arts | | | | | | | | |
| Office of the Dean | \$ 241,528 | \$ 176,512 | \$ 52,476 | \$ 33,082 | \$ 75,468 | \$ 1,581 | \$ 577,485 | \$ 630,964 |
| Drama | 96,351 | | 14,066 | 902 | 819 | | 112,138 | 108,230 |
| Economics | 232,624 | | 36,181 | 3,791 | 1,353 | | 273,949 | 268,127 |
| English | 486,038 | | 75,601 | 6,666 | 2,676 | 60 | 570,921 | 470,953 |
| History | 419,425 | | 60,280 | 7,213 | 3,347 | | 490,265 | 470,680 |
| Languages | 364,414 | | 56,343 | 2,661 | 1,708 | | 425,126 | 373,882 |
| Gender & Women's Studies | | 4,326 | 287 | 311 | 1,846 | | 6,770 | 1,182 |
| Philosophy | 186,421 | | 29,457 | 5,506 | 2,564 | | 223,948 | 257,593 |
| Political Science | 178,967 | | 25,417 | 4,586 | 1,121 | | 210,091 | 331,486 |
| Religion | 195,985 | | 32,557 | 3,951 | 1,683 | | 234,176 | 235,675 |
| Sociology | 388,021 | | 56,477 | 3,611 | 2,000 | | 450,109 | 396,090 |
| Native Studies | 144,317 | | 22,690 | 4,375 | 3,505 | | 174,887 | 230,392 |
| Business Administration | 250,617 | | 40,273 | 4,017 | 4,317 | | 299,224 | 201,993 |
| Fine Arts | 356,382 | 13,670 | 56,523 | 7,735 | 131,680 | 17,951 | 548,039 | 941,565 |
| Anthropology | 244,671 | | 26,207 | 2,763 | 7,834 | 120 | 281,355 | 287,383 |
| Rural Development | 293,676 | 2,310 | 43,760 | 5,598 | 4,245 | 110 | 349,479 | 319,871 |
| Archeology Field School | | | | 728 | | | 728 | 13,721 |
| Cost Recovery | <u>263,436</u> | <u>196,818</u> | <u>21,592</u> | <u>96,768</u> | <u>35</u> | <u>19,822</u> | <u>285,063</u> | <u>239,402</u> |
| | <u>4,342,873</u> | | <u>650,187</u> | | <u>246,929</u> | | <u>5,513,753</u> | <u>5,779,189</u> |
| Faculty of Science | | | | | | | | |
| Office of the Dean | 157,048 | 165,169 | 55,546 | 37,943 | 63,133 | 135 | 478,704 | 422,018 |
| Applied Disaster & Emergency Studies | | 284 | 36,466 | 13,673 | 9,465 | | 295,667 | 250,021 |
| Biology | 235,779 | 21,209 | 136,393 | 20,455 | 49,548 | 2,901 | 1,120,422 | 1,104,948 |
| Chemistry | 895,718 | 6,630 | 62,157 | 4,560 | 20,853 | 20,026 | 483,508 | 485,953 |
| Environmental Science | 409,334 | | 14,825 | 1,213 | 1,092 | | 121,259 | 115,161 |
| Geography | 104,129 | 5,011 | 76,503 | 13,522 | 16,907 | | 597,881 | 612,778 |
| Geology | 485,938 | 6,111 | 59,392 | 24,008 | 15,979 | 5,000 | 479,797 | 426,427 |
| Mathematics/Comp. Sci. | 379,307 | 19,391 | 137,976 | 9,118 | 13,049 | | 1,127,203 | 1,062,795 |
| Physics/Astronomy | 947,669 | 1,524 | 57,969 | 6,299 | 12,351 | 1,841 | 422,964 | 440,873 |
| Psychology | 346,662 | 11,012 | 105,301 | 6,900 | 10,990 | 520 | 832,408 | 806,169 |
| Cost Recovery | 698,725 | <u>2,330</u> | <u>4,614</u> | <u>947</u> | <u>1,580</u> | <u>6,225</u> | <u>54,923</u> | <u>71,442</u> |
| | <u>51,677</u> | <u>238,671</u> | <u>747,142</u> | <u>138,638</u> | <u>214,947</u> | <u>36,648</u> | <u>6,014,736</u> | <u>5,798,585</u> |
| | <u>4,711,986</u> | | | | | | | |
| School of Health Studies | | | | | | | | |
| Office of the Dean | 227,927 | 47,799 | 36,027 | 68,138 | 151,106 | 95 | 530,902 | 227,378 |
| Psychiatric Nursing | 1,435,598 | 78,641 | 242,164 | 21,677 | 151,415 | 700 | 1,928,795 | 1,997,446 |
| Bachelor of Nursing | 1,036,495 | 82,483 | 182,004 | 7,750 | 25,674 | 570 | 1,333,836 | 1,251,786 |
| Cost Recovery | 43,536 | <u>208,923</u> | <u>6,081</u> | <u>97,565</u> | <u>328,195</u> | <u>1,365</u> | <u>49,617</u> | <u>77,149</u> |
| | <u>2,743,556</u> | | <u>466,276</u> | | | | <u>3,843,150</u> | <u>3,553,759</u> |

BRANDON UNIVERSITY

**Detailed Schedule of Operating Expenses
for the Year Ended March 31, 2009**

| | Academic | Support | Benefits | Travel | Supplies & Other Expenses | Deduct: Cost Recoveries | Total March 31, 2009 | Total March 31, 2008 |
|---|-------------------|------------------|------------------|----------------|------------------------------|----------------------------|-------------------------|-------------------------|
| Faculty of Education | | | | | | | | |
| Office of the Dean | 306,737 | 122,048 | 55,817 | 50,547 | 29,470 | 17,089 | 547,530 | 504,322 |
| Field Experience | 236,615 | 51,834 | 29,231 | 20,610 | 10,143 | 7,903 | 340,530 | 315,220 |
| Teacher Education | 1,473,770 | | 190,376 | | 14,007 | 3,648 | 1,674,505 | 1,599,133 |
| Physical Education | 454,033 | | 72,714 | | 13,394 | 4,059 | 536,082 | 558,594 |
| Graduate Studies | 104,374 | 37,802 | 16,449 | 5,071 | 6,859 | 1,050 | 169,505 | 192,733 |
| Cost Recovery | 143,805 | 2,003 | 10,170 | 3,771 | 3,850 | 720 | 162,859 | 133,940 |
| | <u>2,719,334</u> | <u>213,687</u> | <u>374,757</u> | <u>79,999</u> | <u>77,703</u> | <u>34,469</u> | <u>3,431,011</u> | <u>3,303,942</u> |
| School of Music | 1,918,879 | 122,414 | 289,466 | 128,339 | 266,538 | 57,942 | 2,667,694 | 2,318,852 |
| Cost Recovery | <u>1,918,879</u> | <u>122,414</u> | <u>289,466</u> | <u>128,339</u> | <u>266,538</u> | <u>57,942</u> | <u>2,667,694</u> | <u>2,323,266</u> |
| First Nations Counselling | 198,299 | 38,303 | 34,745 | 7,020 | 26,970 | 714 | 304,623 | 345,843 |
| Cost Recovery | <u>6,803</u> | <u>38,303</u> | <u>34,745</u> | <u>7,020</u> | <u>450</u> | <u>714</u> | <u>7,253</u> | <u>12,652</u> |
| | <u>205,102</u> | <u>38,303</u> | <u>34,745</u> | <u>7,020</u> | <u>27,420</u> | <u>714</u> | <u>311,876</u> | <u>358,495</u> |
| Campus Manitoba | 32,009 | 30,790 | 3,178 | 594 | 23,872 | 1,019 | 35,187 | 30,340 |
| Music Conservatory | <u>330,820</u> | <u>30,790</u> | <u>4,303</u> | <u>594</u> | <u>23,872</u> | <u>1,019</u> | <u>389,360</u> | <u>421,780</u> |
| Total Academic | <u>17,004,559</u> | <u>1,049,606</u> | <u>2,570,054</u> | <u>548,923</u> | <u>1,185,604</u> | <u>151,979</u> | <u>22,206,767</u> | <u>21,569,356</u> |
| Library Services | | 1,211,770 | 203,719 | 17,857 | 358,369 | 147,824 | 1,643,891 | 1,474,664 |
| Student Services | | 1,065,056 | 173,106 | 33,302 | 37,010 | 12,740 | 1,295,734 | 1,684,143 |
| Student Services | | 414,009 | 58,921 | 392,066 | 172,576 | 250,283 | 787,289 | 685,062 |
| Athletic Programs | | <u>1,479,065</u> | <u>232,027</u> | <u>425,368</u> | <u>209,586</u> | <u>263,023</u> | <u>2,083,023</u> | <u>2,569,205</u> |
| Administration | | | | | | | | |
| Board of Governors | | 44,482 | 5,828 | 6,796 | 14,796 | | 71,902 | 63,420 |
| President | | 429,714 | 44,276 | 31,862 | 173,941 | | 679,793 | 602,529 |
| Vice-President (Administration & Finance) | | 206,570 | 29,073 | 8,886 | 8,724 | | 253,253 | 280,341 |
| Vice-President (Academic & Research) | | <u>274,185</u> | <u>45,838</u> | <u>47,011</u> | <u>42,995</u> | <u>11,201</u> | <u>398,828</u> | <u>419,942</u> |
| | | <u>954,951</u> | <u>125,015</u> | <u>94,555</u> | <u>240,456</u> | <u>11,201</u> | <u>1,403,776</u> | <u>1,366,232</u> |

BRANDON UNIVERSITY

Detailed Schedule of Operating Expenses
for the Year Ended March 31, 2009

| | Academic | Support | Benefits | Travel | Supplies & Other Expenses | Deduct: Cost Recoveries | Total March 31, 2009 | Total March 31, 2008 |
|------------------------------------|----------------------|---------------------|---------------------|---------------------|------------------------------|----------------------------|-------------------------|-------------------------|
| General Support | | | | | | | | |
| Chancellor | | 3,703 | 330 | 4,695 | 9,882 | | 14,577 | 632 |
| Convocation | | 806,161 | 132,628 | 5,141 | 33,047 | 2,481 | 39,740 | 32,402 |
| Information Technology Services | | 320,586 | 51,110 | 7,852 | 250,578 | 453,409 | 743,810 | 826,128 |
| Institutional Advancement | | 627,488 | 121,773 | 1,735 | 132,909 | 6,645 | 499,695 | 561,779 |
| Financial & Registration Services | | 83,422 | 10,992 | 8,947 | 115,411 | 50,984 | 822,635 | 763,725 |
| Gymnasium facility | | 418,586 | 140,872 | 2,125 | 9,786 | 11,319 | 92,881 | 80,594 |
| Human Resources | | 57,441 | 11,240 | | 315,878 | 239 | 877,222 | 595,880 |
| Institutional membership fees | | | | | 40,590 | | 40,590 | 33,550 |
| Print/Mail Services | | | | | (40,961) | | 27,720 | 14,552 |
| Professional fees | | | | | 312,277 | | 312,277 | 120,614 |
| Registrar | | 524,657 | 88,675 | 27,814 | 120,791 | 2,622 | 759,315 | 299,180 |
| | | <u>2,842,044</u> | <u>557,620</u> | <u>58,309</u> | <u>1,300,188</u> | <u>527,699</u> | <u>4,230,462</u> | <u>3,329,036</u> |
| Miscellaneous Initiatives | | | | | | | | |
| B.J. Hales Museum | | 15,481 | 3,042 | | 410 | 3,261 | 15,672 | 14,897 |
| Bran-U-Day Care subsidy | | | | | 4,581 | | 4,581 | 4,830 |
| Office of International Activities | | 54,090 | 9,359 | 18,426 | 16,168 | | 98,043 | 85,365 |
| English for Academic Purposes | | 211,511 | 18,538 | 1,786 | 25,001 | 364,844 | (108,008) | (41,907) |
| Research development/buyouts/USRA | | | | | 62,308 | | 62,308 | 66,826 |
| Other | | 41,022 | 495,842 | | 40,118 | | 576,982 | 152,647 |
| Junior Kindergarten | | 39,481 | 6,072 | | 1,323 | 30,737 | 16,139 | 9,276 |
| Recruitment & promotion | | 51,051 | 24,134 | 434 | 65,208 | | 65,208 | 45,376 |
| Rural Development | 122,434 | | | | 21,429 | | 219,482 | 179,527 |
| International Student Scholarships | | | | | 46,441 | | 46,441 | 54,746 |
| University scholarships | <u>122,434</u> | <u>412,636</u> | <u>556,987</u> | <u>20,646</u> | <u>258,374</u> | | <u>258,374</u> | <u>204,547</u> |
| | | | | | <u>541,361</u> | <u>398,842</u> | <u>1,255,222</u> | <u>776,130</u> |
| Physical Plant | | | | | | | | |
| Plant maintenance | | 730,869 | 157,009 | 14,471 | 479,493 | 94,453 | 1,287,389 | 1,166,925 |
| Buildings & grounds | | 572,535 | 155,718 | | 90,729 | | 818,982 | 678,280 |
| Insurance | | | | | 179,893 | | 179,893 | 178,114 |
| Security | | | | | 82,264 | | 82,264 | 65,483 |
| Service Contracts | | | | | 28,370 | | 28,370 | 36,390 |
| Property Taxes | | | | | 142,180 | | 142,180 | 138,472 |
| Utilities | | <u>1,303,404</u> | <u>312,727</u> | <u>14,471</u> | <u>779,697</u> | <u>80,670</u> | <u>699,027</u> | <u>700,500</u> |
| | | | | | <u>1,782,626</u> | <u>175,123</u> | <u>3,238,105</u> | <u>2,964,164</u> |
| Total Operating Expenses | \$ 17,126,993 | \$ 9,253,476 | \$ 4,558,149 | \$ 1,180,129 | \$ 5,618,190 | \$ 1,675,691 | \$ 36,061,246 | \$ 33,848,787 |

Brandon University
Detailed Schedule of Ancillary Services
for the year ended March 31, 2009

| | Bookstore | Food Services | Parking | Residence | Total 2009 | Total 2008 |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | |
| Room and board fees | \$ | 1,238,649 | \$ | 1,386,617 | \$ 2,625,266 | \$ 2,165,469 |
| Conventions | | 71,355 | | 72,550 | 143,905 | 181,528 |
| Canteen and vending machines | | 187,829 | | | 187,829 | 182,625 |
| Internal functions | | 109,767 | | | 109,767 | 96,596 |
| Other | | 36,392 | 163,549 | 179,877 | 511,145 | 503,764 |
| Book sales | <u>1,724,641</u> | <u> </u> | <u> </u> | <u> </u> | <u>1,724,641</u> | <u>1,703,969</u> |
| Total Revenues | <u>1,855,968</u> | <u>1,643,992</u> | <u>163,549</u> | <u>1,639,044</u> | <u>5,302,553</u> | <u>4,833,951</u> |
| Expenses | | | | | | |
| Salaries | 255,784 | 576,167 | 80,180 | 243,746 | 1,155,877 | 1,052,191 |
| Staff benefits | 39,225 | 92,083 | 10,634 | 34,066 | 176,008 | 162,951 |
| Cost of goods sold | 1,356,492 | 608,639 | | | 1,965,131 | 1,893,074 |
| Supplies and other expenses | 105,513 | 273,486 | 69,212 | 731,935 | 1,180,146 | 1,092,956 |
| Rent | 38,975 | | | | 38,975 | 37,753 |
| Utilities | | 79,996 | 6,262 | 215,007 | 301,265 | 322,156 |
| Students' Union share of Bookstore profit | <u>25,349</u> | <u> </u> | <u> </u> | <u> </u> | <u>25,349</u> | <u>32,752</u> |
| Total Expenses | <u>1,821,338</u> | <u>1,630,371</u> | <u>166,288</u> | <u>1,224,754</u> | <u>4,842,751</u> | <u>4,593,833</u> |
| Net Gain/(Loss) from Operations | <u>\$ 34,630</u> | <u>\$ 13,621</u> | <u>\$ (2,739)</u> | <u>\$ 414,290</u> | <u>\$ 459,802</u> | <u>\$ 240,118</u> |