

# **Maritime Provinces Higher Education Commission**

Financial Statements  
**March 31, 2006**

June 9, 2006

## **Auditors' Report**

### **To the Members of Maritime Provinces Higher Education Commission**

We have audited the balance sheet of **Maritime Provinces Higher Education Commission** (the "Commission") as at March 31, 2006 and the statements of committed funds, revenue and expenditures – grants and revenue and expenditures – administration for the year then ended. These financial statements are the responsibility of the Commission'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 Commission as at March 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*PricewaterhouseCoopers LLP*

**Chartered Accountants**

# Maritime Provinces Higher Education Commission

## Balance Sheet

As at March 31, 2006

	2006 \$	2005 \$
<b>Assets</b>		
Cash	2,052,053	2,412,340
Prepaid expenses	5,778	61,342
Amounts due from		
Government of Canada	15,038,620	10,209,681
New Brunswick	16,370,712	10,396,602
Newfoundland	210,000	-
Nova Scotia	116,790	81,870
Prince Edward Island	284,159	1,225,420
Other receivables	93,058	57,933
	<u>34,171,170</u>	<u>24,445,188</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	2,397,892	1,916,861
Amount due to the Council of Atlantic Premiers	9,238	13,108
Amounts payable to institutions		
Operating funds	1,147,919	1,711,365
Capital funds	25,665	-
Other	14,548,735	9,917,318
	18,129,449	13,558,652
Deferred revenue	96,385	319,268
	<u>18,225,834</u>	<u>13,877,920</u>
<b>Committed Funds</b>		
Operating grants	10,033,054	6,027,382
Capital grants	5,912,282	4,539,886
	<u>15,945,336</u>	<u>10,567,268</u>
	<u>34,171,170</u>	<u>24,445,188</u>

**Commitments** (note 5)

**Approved by the Board of Directors**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# Maritime Provinces Higher Education Commission

Statement of Committed Funds

For the year ended March 31, 2006

					<b>2006</b>	<b>2005</b>
	<b>New Brunswick \$</b>	<b>Nova Scotia \$</b>	<b>Prince Edward Island \$</b>	<b>Other \$</b>	<b>Total \$</b>	<b>Total \$</b>
<b>Operating grants</b>						
Balance – Beginning of year	3,676,569	149,514	2,198,799	2,500	6,027,382	5,417,601
Excess of revenue over expenditures (expenditures over revenue) for the year	4,417,281	–	(371,609)	–	4,045,672	649,781
Transfer	(3,317)	–	3,317	–	–	–
Transfer to administration	(40,000)	–	–	–	(40,000)	(40,000)
Balance – End of year	8,050,533	149,514	1,830,507	2,500	10,033,054	6,027,382
<b>Capital grants</b>						
Balance – Beginning of year	4,176,904	–	362,982	–	4,539,886	3,266,674
Excess of revenue over expenditures for the year	1,353,416	–	18,980	–	1,372,396	1,273,212
Balance – End of year	5,530,320	–	381,962	–	5,912,282	4,539,886
<b>Commitments outstanding – End of year</b>	<b>13,580,853</b>	<b>149,514</b>	<b>2,212,469</b>	<b>2,500</b>	<b>15,945,336</b>	<b>10,567,268</b>

# Maritime Provinces Higher Education Commission

Statement of Revenue and Expenditures – Grants

For the year ended March 31, 2006

	New Brunswick		Nova Scotia (note 1)		Prince Edward Island		Other		Total	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
<b>Operating grants</b>										
<b>Revenue</b>										
Grants										
Unrestricted	247,152,250	174,273,865	116,790	81,873	35,933,571	34,374,078	–	–	283,202,611	208,729,816
Restricted	8,313,400	7,947,814	–	–	634,700	1,634,700	–	–	8,948,100	9,582,514
Other	630,480	284,000	105,120	48,000	–	–	5,037,011	5,842,309	5,772,611	6,174,309
	<u>256,096,130</u>	<u>182,505,679</u>	<u>221,910</u>	<u>129,873</u>	<u>36,568,271</u>	<u>36,008,778</u>	<u>5,037,011</u>	<u>5,842,309</u>	<u>297,923,322</u>	<u>224,486,639</u>
<b>Expenditures`</b>										
Grants										
Unrestricted (Schedule A)	245,033,221	174,414,214	221,910	129,873	35,875,149	34,356,613	–	–	281,130,280	208,900,700
Restricted (Schedule B)	6,625,628	7,399,439	–	–	1,064,731	1,047,410	–	–	7,690,359	8,446,849
Other (note 2)	20,000	647,000	–	–	–	–	5,037,011	5,842,309	5,057,011	6,489,309
	<u>251,678,849</u>	<u>182,460,653</u>	<u>221,910</u>	<u>129,873</u>	<u>36,939,880</u>	<u>35,404,023</u>	<u>5,037,011</u>	<u>5,842,309</u>	<u>293,877,650</u>	<u>223,836,858</u>
<b>Excess of revenue over expenditures (expenditures over revenue) for the year</b>	<u>4,417,281</u>	<u>45,026</u>	<u>–</u>	<u>–</u>	<u>(371,609)</u>	<u>604,755</u>	<u>–</u>	<u>–</u>	<u>4,045,672</u>	<u>649,781</u>
<b>Capital grants</b>										
<b>Revenue</b>	2,500,000	2,500,000	–	–	720,500	536,500	–	–	3,220,500	3,036,500
<b>Expenditures (Schedule C)</b>	1,146,584	1,239,908	–	–	701,520	523,380	–	–	1,848,104	1,763,288
<b>Excess of revenue over expenditures for the year</b>	<u>1,353,416</u>	<u>1,260,092</u>	<u>–</u>	<u>–</u>	<u>18,980</u>	<u>13,120</u>	<u>–</u>	<u>–</u>	<u>1,372,396</u>	<u>1,273,212</u>

# Maritime Provinces Higher Education Commission

Statement of Revenue and Expenditures – Administration

For the year ended March 31, 2006

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	2006 \$	2005 \$
<b>Revenue</b>		
Contributions		
New Brunswick	478,000	416,427
Nova Scotia	594,697	518,513
Prince Edward Island	86,944	75,806
Transfers from operating reserves		
New Brunswick	40,000	40,000
Project revenue	266,964	214,005
	<hr/> 1,466,605	<hr/> 1,264,751
<b>Expenditures</b>		
Salaries and benefits	874,640	664,228
Office rent	85,980	79,775
Professional services	33,433	39,158
Travel		
Board members	11,956	13,379
Other	31,359	33,382
Per diem allowance	5,925	5,111
Special projects (note 3)	278,012	302,369
Office supplies, telephone and postage	48,664	38,445
Office furniture and equipment	12,128	17,714
Publications	63,868	25,939
Other	17,511	37,765
	<hr/> 1,463,476	<hr/> 1,257,265
<b>Excess of revenue over expenditures for the year (note 4)</b>	<hr/> <b>3,129</b>	<hr/> <b>7,486</b>

# Maritime Provinces Higher Education Commission

Notes to Financial Statements

For the year ended March 31, 2006

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## 1 Significant accounting policies

### Content of these financial statements

In accordance with the Maritime Provinces Higher Education Commission Acts (Section 18, New Brunswick and Prince Edward Island; Section 19, Nova Scotia), the provinces have the option of paying grants to the institutions, either directly or through the Commission. Since the Province of Nova Scotia makes direct payments to Nova Scotia institutions, these financial statements include only the operating and capital grant payments to New Brunswick and Prince Edward Island institutions.

### Management estimate

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those reported.

### Financial instruments

The carrying value of cash, grants receivable, other receivables and accounts payable and accrued liabilities is considered to approximate fair value due to their short-term maturities.

### Property, plant and equipment

The Commission expenses capital assets in the year of acquisition. Had the Commission capitalized and amortized its capital assets, its balance sheet would reflect office equipment and furniture, computer hardware and software and leasehold improvements with a net book value of approximately \$102,148 (2005 - \$124,053).

# Maritime Provinces Higher Education Commission

Notes to Financial Statements

For the year ended March 31, 2006

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## 2 Other activities

During the year, the Commission disbursed funds on behalf of the following:

	<b>2006</b>	<b>2005</b>
	\$	\$
Government of Canada – contribution to institutions under the Canada/New Brunswick Official Languages in Education Agreement	4,560,459	2,693,858
Government of Canada/Province of New Brunswick – contribution to institutions under the Canada – New Brunswick Special Agreement on Investment Measures for the Development of French Language Postsecondary Education	–	3,200,000
Province of New Brunswick – Golden Jubilee Scholarships	20,000	20,000
Province of Prince Edward Island – rehabilitation program seats	166,250	166,250
Province of Prince Edward Island – Victoria General Hospital	100,302	97,201
Province of Newfoundland and Labrador – rehabilitation program seats	210,000	312,000
	<u>5,057,011</u>	<u>6,489,309</u>

## 3 Special projects

	<b>2006</b>	<b>2005</b>
	\$	\$
Graduate Follow-up Surveys	222,883	74,793
Maritime Information Framework Project	–	133,168
MPHEC Conference/Workshop/Collaboration	11,666	32,437
Other	43,463	61,971
	<u>278,012</u>	<u>302,369</u>

## 4 Revenue and expenditures – Administration

The excess of revenue over expenditures for the year for Administration is considered to be part of the Consolidated Fund and, accordingly, has been included in the amount due to the Council of Atlantic Premiers.



# Maritime Provinces Higher Education Commission

Notes to Financial Statements

For the year ended March 31, 2006

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## 5 Commitments

### Office facilities

Future minimum annual lease commitments under a long-term lease for office facilities are as follows:

	\$
Year ending March 31, 2007	81,209
2008	85,173
2009	85,173
2010	85,173
2011	85,173

# Maritime Provinces Higher Education Commission

Schedule of Unrestricted Grants Expenditures

For the year ended March 31, 2006

Schedule A

	2006 \$	2005 \$
<b>New Brunswick</b>		
Institutions		
Maritime College of Forest Technology	1,732,266	1,732,266
Mount Allison University	14,767,061	14,200,837
St. Thomas University	7,706,892	7,333,872
Université de Moncton	51,712,908	46,856,113
University of New Brunswick	84,519,916	80,943,188
One time grant to the above Universities	60,000,000	-
University of Prince Edward Island – Atlantic Veterinary College	4,125,680	3,917,240
	<u>224,564,723</u>	<u>154,983,516</u>
Interprovincial transfers		
Province of Newfoundland and Labrador	950,000	950,000
Province of Nova Scotia	3,446,200	3,779,900
Province of Ontario	11,633	18,449
Province of Québec	6,142,013	5,385,674
	<u>10,549,846</u>	<u>10,134,023</u>
Grants in lieu of Municipal Real Property Taxes	<u>9,618,652</u>	<u>8,996,675</u>
Other	<u>300,000</u>	<u>300,000</u>
	<u>245,033,221</u>	<u>174,414,214</u>
<b>Nova Scotia</b>		
Interprovincial transfers		
Province of Québec	<u>221,910</u>	<u>129,873</u>
<b>Prince Edward Island</b>		
Institutions		
Holland College	10,907,900	10,407,900
University of Prince Edward Island	20,793,771	19,820,771
	<u>31,701,671</u>	<u>30,228,671</u>
Interprovincial transfers		
Province of Nova Scotia	4,118,000	4,044,200
Province of Ontario	-	5,816
Province of Québec	55,478	77,926
	<u>4,173,478</u>	<u>4,127,942</u>
	<u>35,875,149</u>	<u>34,356,613</u>
	<u>281,130,280</u>	<u>208,900,700</u>

# Maritime Provinces Higher Education Commission

Schedule of Restricted Grants Expenditures

For the year ended March 31, 2006

Schedule B

	2006 \$	2005 \$
<b>New Brunswick</b>		
Maritime College of Forest Technology	69,379	76,487
Mount Allison University	843,600	804,080
St. Thomas University	246,298	209,881
Université de Moncton	2,040,088	2,187,432
University of New Brunswick	2,697,321	3,434,795
Joint Project – Computer Network	728,942	686,764
	<hr/> 6,625,628	<hr/> 7,399,439
<b>Prince Edward Island</b>		
Holland College	384,600	384,600
University of Prince Edward Island	594,664	604,334
Joint Project – Computer Network	85,467	58,476
	<hr/> 1,064,731	<hr/> 1,047,410
	<hr/> 7,690,359	<hr/> 8,446,849

# Maritime Provinces Higher Education Commission

Schedule of Capital Grants Expenditures

For the year ended March 31, 2006

Schedule C

	2006 \$	2005 \$
<b>New Brunswick</b>		
Mount Allison University	237,652	–
St. Thomas University	500,000	500,000
Université de Moncton	325,774	288,569
University of New Brunswick	83,158	451,339
	<hr/>	<hr/>
	1,146,584	1,239,908
<b>Prince Edward Island</b>		
University of Prince Edward Island	701,520	523,380
	<hr/>	<hr/>
	1,848,104	1,763,288
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