

Maritime Provinces Higher Education Commission

Financial Statements
March 31, 2007

June 20, 2007

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, 2007 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, 2007 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, 2007

	2007 \$	2006 \$
Assets		
Cash	3,402,306	2,052,053
Prepaid expenses	146,941	5,778
Amounts due from		
Government of Canada	12,928,327	15,038,620
New Brunswick	16,921,858	16,370,712
Newfoundland	204,000	210,000
Nova Scotia	123,369	116,790
Prince Edward Island	35,614	284,159
Other receivables	126,521	93,058
	<u>33,888,936</u>	<u>34,171,170</u>
Liabilities		
Accounts payable and accrued liabilities	32,275	18,742
Amount due to the Council of Atlantic Premiers	6,999	7,548
Amounts payable to institutions		
Operating funds	3,905,869	3,528,759
Capital funds	2,265,764	25,665
Other	13,794,444	14,548,735
	<u>20,005,351</u>	<u>18,129,449</u>
Deferred revenue	309,109	96,385
	<u>20,314,460</u>	<u>18,225,834</u>
Committed Funds		
Operating grants	10,065,092	10,033,054
Capital grants	3,509,384	5,912,282
	<u>13,574,476</u>	<u>15,945,336</u>
	<u>33,888,936</u>	<u>34,171,170</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, 2007

					2007	2006
	New Brunswick \$	Nova Scotia \$	Prince Edward Island \$	Other \$	Total \$	Total \$
Operating grants						
Balance – Beginning of year	8,050,533	149,514	1,830,507	2,500	10,033,054	6,027,382
Excess of revenue over expenditures (expenditures over revenue) for the year	633,615	–	(119,292)	–	514,323	4,045,672
Transfer for MCFT	(3,784)	–	3,784	–	–	–
Transfer to capital	–	–	(442,285)	–	(442,285)	–
Transfer to administration	(40,000)	–	–	–	(40,000)	(40,000)
Balance – End of year	8,640,364	149,514	1,272,714	2,500	10,065,092	10,033,054
Capital grants						
Balance – Beginning of year	5,530,320	–	381,962	–	5,912,282	4,539,886
Excess of revenue over expenditures (expenditures over revenue) for the year	(2,350,393)	–	(494,790)	–	(2,845,183)	1,372,396
Transfer from capital	–	–	442,285	–	442,285	–
Balance – End of year	3,179,927	–	329,457	–	3,509,384	5,912,282
Commitments outstanding – End of year	11,820,291	149,514	1,602,171	2,500	13,574,476	15,945,336

Maritime Provinces Higher Education Commission

Statement of Revenue and Expenditures – Grants

For the year ended March 31, 2007

	New Brunswick		Nova Scotia (note 1)		Prince Edward Island		Other		Total	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Operating grants										
Revenue										
Grants										
Unrestricted	204,226,279	247,152,250	123,369	116,790	38,071,493	35,933,571	–	–	242,421,141	283,202,611
Restricted	8,565,815	8,313,400	–	–	939,057	634,700	–	–	9,504,872	8,948,100
Other	–	630,480	–	105,120	–	–	7,603,889	5,037,011	7,603,889	5,772,611
	<u>212,792,094</u>	<u>256,096,130</u>	<u>123,369</u>	<u>221,910</u>	<u>39,010,550</u>	<u>36,568,271</u>	<u>7,603,889</u>	<u>5,037,011</u>	<u>259,529,902</u>	<u>297,923,322</u>
Expenditures`										
Grants										
Unrestricted (Schedule A)	204,436,160	245,053,221	123,369	221,910	38,001,386	35,875,149	–	–	242,560,915	281,150,280
Restricted (Schedule B)	7,722,319	6,625,628	–	–	1,128,456	1,064,731	–	–	8,850,775	7,690,359
Other (note 2)	–	–	–	–	–	–	7,603,889	5,037,011	7,603,889	5,037,011
	<u>212,158,479</u>	<u>251,678,849</u>	<u>123,369</u>	<u>221,910</u>	<u>39,129,842</u>	<u>36,939,880</u>	<u>7,603,889</u>	<u>5,037,011</u>	<u>259,015,579</u>	<u>293,877,650</u>
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>633,615</u>	<u>4,417,281</u>	<u>–</u>	<u>–</u>	<u>(119,292)</u>	<u>(371,609)</u>	<u>–</u>	<u>–</u>	<u>514,323</u>	<u>4,045,672</u>
Capital grants										
Revenue	2,500,000	2,500,000	–	–	1,749,505	720,500	–	–	4,249,505	3,220,500
Expenditures (Schedule C)	4,850,393	1,146,584	–	–	2,244,295	701,520	–	–	7,094,688	1,848,104
Excess of revenue over expenditures (expenditures over revenue) for the year	<u>(2,350,393)</u>	<u>1,353,416</u>	<u>–</u>	<u>–</u>	<u>(494,790)</u>	<u>18,980</u>	<u>–</u>	<u>–</u>	<u>(2,845,183)</u>	<u>1,372,396</u>

Maritime Provinces Higher Education Commission

Statement of Revenue and Expenditures – Administration

For the year ended March 31, 2007

	2007 \$	2006 \$
Revenue		
Contributions		
New Brunswick	485,688	478,000
Nova Scotia	604,752	594,697
Prince Edward Island	88,414	86,944
Transfers from operating reserves		
New Brunswick	40,000	40,000
Project revenue	107,622	266,964
	<hr/> 1,326,476	<hr/> 1,466,605
Expenditures		
Salaries and benefits	911,297	874,640
Office rent	91,511	85,980
Professional services	42,031	33,433
Travel		
Board members	16,536	11,956
Other	5,025	31,359
Per diem allowance	28,471	5,925
Special projects (note 3)	118,259	278,012
Office supplies, telephone and postage	36,043	48,664
Office furniture and equipment	27,262	12,128
Publications	2,686	63,868
Other	46,587	17,511
	<hr/> 1,325,708	<hr/> 1,463,476
Excess of revenue over expenditures for the year (note 4)	<hr/> 768	<hr/> 3,129

Maritime Provinces Higher Education Commission

Notes to Financial Statements

For the year ended March 31, 2007

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 \$101,156 (2006 - \$102,148).

Maritime Provinces Higher Education Commission

Notes to Financial Statements

For the year ended March 31, 2007

2 Other activities

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

	2007 \$	2006 \$
Government of Canada – contribution to institutions under the Canada/New Brunswick Official Languages in Education Agreement	6,344,954	4,560,459
Government of Canada – contribution program to improve access to health services for official languages minority communities	786,105	–
Province of Prince Edward Island – rehabilitation program seats	154,375	166,250
Province of Prince Edward Island – Victoria General Hospital	114,455	100,302
Province of Newfoundland and Labrador – rehabilitation program seats	204,000	210,000
	<hr/> 7,603,889	<hr/> 5,037,011

3 Special projects

	2007 \$	2006 \$
Graduate Follow-up Surveys	40,932	222,883
MPHEC Conference/Workshop/Collaboration	4,007	11,666
Other	73,320	43,463
	<hr/> 118,259	<hr/> 278,012

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, 2007

5 Commitments

Office facilities

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

	\$
Year ending March 31, 2008	85,173
2009	85,173
2010	85,173
2011	85,173
2012	85,173

6 Reclassification

Certain prior year amounts have been reclassified to conform with presentation changes adopted by the Commission in the current year.

Maritime Provinces Higher Education Commission

Schedule of Unrestricted Grants Expenditures

For the year ended March 31, 2007

Schedule A

	2007 \$	2006 \$
New Brunswick		
Institutions		
Maritime College of Forest Technology	1,825,424	1,732,266
Mount Allison University	9,355,093	14,767,061
St. Thomas University	5,056,718	7,706,892
Université de Moncton	35,131,676	51,712,908
University of New Brunswick	59,001,596	84,519,916
One time grant to the above Universities	68,000,000	60,000,000
University of Prince Edward Island – Atlantic Veterinary College	4,125,680	4,125,680
	<hr/> 182,496,187	<hr/> 224,564,723
Interprovincial transfers		
Province of Newfoundland and Labrador	950,000	950,000
Province of Nova Scotia	3,712,200	3,446,200
Province of Ontario	11,633	11,633
Province of Québec	6,803,251	6,142,013
	<hr/> 11,477,084	<hr/> 10,549,846
Grants in lieu of Municipal Real Property Taxes	<hr/> 10,022,889	<hr/> 9,618,652
Other	<hr/> 440,000	<hr/> 320,000
	<hr/> 204,436,160	<hr/> 245,053,221
Nova Scotia		
Interprovincial transfers		
Province of Québec	<hr/> 123,369	<hr/> 221,910
Prince Edward Island		
Institutions		
Holland College	11,657,900	10,907,900
University of Prince Edward Island	22,016,771	20,793,771
	<hr/> 33,674,671	<hr/> 31,701,671
Interprovincial transfers		
Province of Nova Scotia	4,303,020	4,118,000
Province of Ontario	6,816	–
Province of Québec	16,879	55,478
	<hr/> 4,326,715	<hr/> 4,173,478
	<hr/> 38,001,386	<hr/> 35,875,149
	<hr/> 242,560,915	<hr/> 281,150,280

Maritime Provinces Higher Education Commission

Schedule of Restricted Grants Expenditures

For the year ended March 31, 2007

Schedule B

	2007 \$	2006 \$
New Brunswick		
Maritime College of Forest Technology	–	69,379
Mount Allison University	868,900	843,600
St. Thomas University	665,154	246,298
Université de Moncton	2,017,492	2,040,088
University of New Brunswick	3,387,989	2,697,321
Joint Project – Computer Network	782,784	728,942
	<hr/> 7,722,319	<hr/> 6,625,628
Prince Edward Island		
Holland College	384,600	384,600
University of Prince Edward Island	671,014	594,664
Joint Project – Computer Network	72,842	85,467
	<hr/> 1,128,456	<hr/> 1,064,731
	<hr/> 8,850,775	<hr/> 7,690,359

Maritime Provinces Higher Education Commission

Schedule of Capital Grants Expenditures

For the year ended March 31, 2007

Schedule C

	2007 \$	2006 \$
New Brunswick		
Mount Allison University	563,500	237,652
St. Thomas University	500,000	500,000
Université de Moncton	2,034,616	325,774
University of New Brunswick	1,752,277	83,158
	<hr/>	<hr/>
	4,850,393	1,146,584
Prince Edward Island		
University of Prince Edward Island	2,244,295	701,520
	<hr/>	<hr/>
	7,094,688	1,848,104
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