CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

THE UNIVERSITY OF WINNIPEG

WINNIPEG, MANITOBA, CANADA

THE UNIVERSITY OF WINNIPEG

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2008

The University of Winnipeg
Report on the Consolidated Financial Statements
Report of the Vice-President Finance & Administration

The University of Winnipeg's consolidated financial statements contain the financial results of the University of Winnipeg's operations and the operations of the University of Winnipeg Educational Housing Corporation. The financial results of the University of Winnipeg Foundation and the University of Winnipeg Community Renewal Corporation are included by means of a note to the consolidated financial statements for purposes of disclosure.

The University's operations include the University undergraduate and graduate credit programs, Continuing Education Division, the Collegiate, Campus Services, Academic Enterprises, sponsored research & designated funds, and trust funds.

The University has completed a productive year of operations with continuing progress on several major capital projects and the introduction of new academic programs.

While enrollment remained strong, total enrollment dropped slightly for the first time in recent years. This unexpected flattening of revenues, combined with increased costs for facilities and salaries has given rise to a deficit in the year.

Capital expansion continued with the completion in the year of the Portage Commons project and the new Duckworth fitness centre. Other projects including the CanWest Center for Theatre and Film and Wesley Hall renovation made significant progress in the year, and work was done to set the stage for development to begin at the Richardson College for the Environment and United Army Surplus sites in the coming year.

These projects have been funded through grants provided by the Provincial Government and private donations, as well as by limited financing sThe0capital 7.4murogremurogm0.0urde5is5.26ng tderwayliTc[id)5.(2(ed thnd)53

Unrestricted Net Assets decreased to $332,000 as a result of the deficit and capital investments made in the year, including the completion of the Student Information System (SIS), which moved funds from Unrestricted Net Assets to Investment in Capital Assets. Internally Restricted Net Assets decreased to $751,000 primarily as a result of investment in certain strategic initiatives, again including the completion of SIS. The changes within the Net Assets listed in Statement III include:

1. Internally funded transfers in respect to net capital asset additions of $1,926,000 amortization of

UNIVERSITY OF WINNIPEG

MANAGEMENT REPORT

The accompanying consolidated financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. These accounting principles have been applied on a basis consistent with the prior year. In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to ensure the assets of the University are properly safeguarded.

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba

[illegible]

[illegible] statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. [illegible] Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated 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.

[illegible] financial position of the University as at March 31, [illegible], and the results of its operations and its [illegible]

Original document signed by:
Carol Bellringer

Winnipeg, Manitoba
[illegible]

Carol Bellringer, FCA, MBA
[illegible]

THE UNIVERSITY OF WINNIPEG **Statement II**
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended March 31, 2008
(with comparative figures for 2007)

THE UNIVERSITY OF WINNIPEG **Statement III**
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2008
(with comparative figures for 2007)

	2008					2007
	UNRESTRICTED NET ASSETS $000	**INTERNALLY RESTRICTED NET ASSETS (Note 13) $000**	**ENDOWMENTS (Note 14) $000**	**INVESTMENT IN CAPITAL ASSETS $000**	**TOTAL $000**	**TOTAL $000**
BALANCE, BEGINNING OF YEAR	$2,101	$1,395	$2,684	$10,579	$16,759	$16,620
Deficiency of Revenue Over Expenses	(1,465)				(1,465)	ve98cref1.7oE(y)irecte

THE UNIVERSITY OF WINNIPEG **Statement IV**
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2008
(with comparative figures for 2007)

	2008 $000	2007 $000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from:		
Government Grants	$44,987	$45,352
Student Academic Fees	28,024	27,823
Gifts, Grants and Bequests	1,080	2,109
Investment Income	1,745	1,676
Sales of Services and Products	4,705	4,575
Other Revenues	5,878	5,594
Cash Paid for:		
Salaries and Benefits	(59,776)	(56,934)
Supplies, Services and Other Expenses	(14,010)	(13,803)
Cost of Sales	(3,025)	(2,938)
Building, Utility and Related Expenses	(6,442)	(6,610)
Provincial and Municipal Taxes	(1,151)	(1,099)
Scholarships and Awards	(2,658)	(2,610)
Gifts to Related Parties	(833)	(995)
	(1,476)	2,140
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Purchase of Capital Assets	(22,624)	(4,581)
	(22,624)	(4,581)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash Contributions Received for Endowment	0	222
Long Term Debt Repayments on Mortgages	(843)	(234)
Long Term Debt – Building Purchase	4,400	0
Cash Received for Deferred Capital Contributions	14,557	8,125
	18,114	8,113
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		

1. Authority and Purpose

The University of Winnipeg (the University) operates under the authority of the University of Winnipeg Act of the Province of Manitoba. The primary role of the University is to provide post secondary education and research in Arts, Sciences and Education. The University also operates the Collegiate, an independent high school and a number of other education related activities. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

A) Contributions

The University has chosen to use the deferral method of accounting for contributions. Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Restricted contributions are stipulations imposed that specify how resources must be used. External restrictions are imposed from outside the organization, usually by the contributor of the resources. Restrictions on contributions may only be externally imposed.

B) Revenue Recognition

Operating grants are recognized as revenue in the period received or receivable. Revenues received for tuition fees and sales of goods and services are recognized in the period in which the goods are received or the services rendered or substantially rendered.

Deferred contributions are externally restricted non-capital and non-endowment contributions which are deferred and are recognized as revenue in the period in which the related expenses are incurred.

Debt owing to the Province of Manitoba is reflected as deferred capital contributions in the statement of financial position. The related revenue earned from the Council on Post Secondary Education to offset the interest expense and the interest expense are both excluded from the statement of operations and changes in fund balances.

Externally restricted contributions for the acquisitions of capital assets having limited lives are recorded as deferred capital contributions in the period in which they are received. Amortization of deferred capital contributions is recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

Endowment contributions are recorded as direct increases in net assets in the period in which they are received.

C) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid temporary money market instruments convertible to cash within three months or less. Bank borrowings are considered to be financing activities.

D) Investments

Investments are recorded at fair value with the exception of a donated equity investment in certain properties, which is recorded at estimated fair value on the date received and designated as available for sale.

E) Inventories

Bookstore and Printing inventories are valued at the lower of cost or net realizable value.

F) Capital Assets

Capital assets and collections purchased by the University are recorded at cost. Collections include Art Work and Rare Books recorded at fair value derived by independent appraisal at the time of acquisition or donation. Donated assets are recorded at estimated fair market value on the date received. Land, collections of rare books and works of art are not amortized. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings, Additions and Improvements	60 years
Leasehold Improvements	Term of Lease
Library Acquisitions	10 years
Furnishings and Equipment	10 years
Major System Computer Software	10 years
Computer Equipment and Software	5 years
Vehicles	5 years
Equipment under Capital Lease	Term of Lease

G) Use of Estimates

In preparing the University's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, the disclosure of contingent assets and

Except for held-for trading designated financial instruments, transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities are accounted for as part of the respective asset or liability's carrying value at inception and amortized over the expected life of the financial instrument using the effective interest method. For held-for trading financial assets and liabilities, transaction costs are recorded in the statement of operations as incurred.

The adoption of the standard on April 1, 2007 had no material impact on net assets.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

	2008 $000	2007 $000
Operating Funds	$5,295	$10,229
Sponsored Research and Designated Funds	2,675	2,561
	7,970	12,790
Special Purpose and Trust Funds	4,821	5,987
	$12,791	$18,777

Trust funds are restricted funds held for deferred contributions - $2,148 (2007 - $2,870) and endowments - $1,118 (2007 - $1,118). Special purpose funds are comprised of internally restricted net assets - $479 (2007 - $661), due to operating - $673 (2007 - $1,252) and due to related party - $403 (2007 - $86).

5. Long Term Investments

Long term investments are comprised of endowment funds (Note 14):

	2008 $000	2007 $000
Fixed Term Instruments	$600	$600
Investment Shares	50	50
Equity investment in properties	916	916
	$1,566	$1,566

Long term investments are recorded at fair value with the exception of the equity investment in properties of which market information is not readily available.

(AMOUNTS IN THOUSANDS)

6. Capital Assets

	2008			2007
	Cost $000	Accumulated Amortization $000	Net Book Value $000	Net Book Value $000
Land	$8,060	$0	$8,060	$2,211
Buildings, Additions and Improvements	66,318	19,649	46,669	42,407
Library Acquisitions	12,879	10,853	2,026	1,905
Furnishings and Equipment	27,698	21,240	6,458	5,964
Collections	1,239	0	1,239	1,221
Buildings Under Construction	11,443	0	11,443	2,159

8. Staff Benefits

The balance of staff benefits is comprised of accrued vacation pay of $1,496 (2007 - $1,382).

11. Long Term Liabilities

	2008 $000	2007 $000
Promissory Notes	$4,488	$792
Mortgage Payable	174	204
UWEHC Mortgages Payable	564	589
Supplementary Pensions Payable	546	630
	5,772	2,215
Less: Current Portion	(1,129)	(801)
	$4,643	$1,414

The promissory notes represent unsecured loans from the Province of Manitoba. The loans were used to finance the properties listed below:

	2008 $000	2007 $000
509 Ellice and 433 Young Street Interest rate 4.45%, due April 15, 2015	$694	$792
CanWest Centre for Theatre and Film Interest rate 4.00%, due March 31, 2011	1,800	0
Duckworth Athletic Complex Expansion Interest rate 5.55%, due October 31, 2047	1,994	0
	$4,488	$ 792

Annual principal payments on the notes during the next five years are: 2009 - $712; 2010 - $713; 2011 - $715; 2012 - $115; 2013 - $116.

The mortgage payable, secured by Graham Hall, is payable to Canada Mortgage and Housing at 5 3/8% due October 1, 2012. The Council on Post-Secondary Education annual operating grant provides for the $40 annual mortgage payment. Principal payments on this mortgage during the next five years are: 2009 - $31; 2010 - $33; 2011 - $35; 2012 - $37; 2013 - $38.

UWEHC mortgages are secured by Balmoral Street and Spence Street properties and are payable to the Assiniboine Credit Union. The mortgage payable on the Balmoral Street properties is a variable term mortgage and has a floating interest rate at prime. The four individual mortgages payable on the Spence Street properties are due April 1, 2012 and have an interest rate of 6.55%. Principal payments on these mortgages during the next five years are: 2009 - $302; 2010 - $13; 2011 - $14; 2012 - $15 2013 - $220.

Supplementary pensions payable represents payments to past Presidents for services performed and are based on an actuarial calculation. The amount due in 2009 is $84.

Interest paid during the year on long term liabilities totalled $126 (2007 - $89).

12. Deferred Capital Contributions

Deferred capital contributions represent unamortized external contributions related to the purchase of capital assets in the amount of $59,739 (2007 - $43,713) and funds held for future capital project expenditures in the amount of $309 (2007 - $4,508). The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations.

	2008 $000	2007 $000
Balance, Beginning of Year	$48,221	$40,936
Contributions Received	9,386	1,228
Contributions from University of Winnipeg Foundation Specified Fund	4,106	7,696
Mortgage Principal Contributions	30	29
Amortization of Deferred Capital Contributions	(1,695)	(1,668)
Balance, End of Year	$60,048	$48,221

13. Internally Restricted Net Assets

Internally restricted net assets balance at March92.2( )-3263i9i h4874 Tn an actIt]TJ1n14(Inte3S14(Int9 TD08A

The strategic provisions provide for:

	March 31, 2007 $000	Reductions $000	March 31, 2008 $000
Infrastructure			
Student Information System	384	(384)	0
Academic Equipment	100	0	100
Building Renovations	53	(2)	51
Strategic Development			
Internal Research Grants	69	(10)	59
Project Development	129	(67)	62

15. University of Winnipeg Pension Plan (the Plan)

Defined Contribution Obligation

The obligation for pension benefits under the defined contribution segment of the Plan will always be equal to the net assets in each member's account. Therefore, no surplus or deficiency arises from fluctuations in the investment market.

The defined contribution segment of the Plan consists of:

	December 31 2007 $000	December 31 2006 $000
Balance, Beginning of Year	$16,561	$13,681
Contributions	2,110	1,870
Refunds and transfers *	(486)	(846)
Net Investment Return *	375	1,856
Balance, End of Year	$18,560	$16,561

* The amounts at December 31, 2006, have been reclassified to reflect the investment return net of all expenses. The amounts shown for Refunds and transfers no longer include Plan expenses.

Defined Benefit Obligation

In accordance with the Pension Benefits Act, an actuarial valuation of the defined benefit segment of the Plan is required at least every 3 years. An actuarial valuation of the Plan was prepared effective December 31, 2007 by Eckler Ltd., a firm of consulting actuaries.

(AMOUNTS IN THOUSANDS)

Change in Plan Assets

	December 31 2007 $000	December 31 2006 $000
Fair Value of Plan Assets, January 1	$123,236	$113,374
Actual Return on Plan Assets, Net of Expenses	(235)	14,072
Employer Contributions	1,748	1,750
Employee Contributions	935	970
Benefits and Refunds Paid	(9,199)	(6,930)
Fair Value of Plan Assets, December 31	$116,485	$123,236

Reconciliation of Accrued Benefit Asset

	March 31 2008 $000	March 31 2007 $000 2008 2
Accrued Benefit Asset (Obligation)	($7,699)	($2,715)
Employer Contributions After December 31	423	288
Unamortized Transitional Asset	(3,188)	(3,644)
Unamortized Net Actuarial Loss	11,160	6,448
Accrued Benefit Asset, Before Valuation Allowance	696	377
Valuation Allowance	(696)	(377)
Accrued Benefit Asset, Net of Valuation Allowance	$ 0	$ 0

Components of Pension Expense
$000

(AMOUNTS IN THOUSANDS)

Significant actuarial assumptions used in the determination of the 2007 pension expense were:

Discount Rate	- pre and post-retirement	5.00%
Rate of salary increase	- 2007	4.00%
	- thereafter	4.00%

Significant actuarial assumptions used in the determination of the defined benefit obligation at December 31, 2007 were:

Discount Rate	- pre and post-retirement	5.35%
Rate of salary increase	- 2008 and 2009	2.50%
	- thereafter	4.00%

In accordance with CICA Handbook Section 3461, as the amortization of the pension expense is less than 10% of the benefit obligation it is not recorded in the financial statements.

Funding Obligation

In the event that the actuarial valuation of the Plan determines that the Plan is not fully funded, the University is responsible for providing adequate funding levels in accordance with the *Pension Benefits Act of Manitoba*.

The actuarial valuation at December 31, 2007 reported that the defined benefit segment of the Plan has a solvency deficiency of $20,665.

The University would normally be required under the *Pension Benefits Act* to make additional contributions to amortize the solvency deficiency over a five year period. However, the Provincial Government has provided universities in Manitoba with an opportunity to be permanently exempted from the usual solvency funding requirements, while the Plan continues on a going-concern basis. The University Pension Plan's exemption regulation (regulation 141/2007) was registered October 15, 2007. The University has complied with all requirements to be entitled to the permanent exemption.

As part of the discussions with government in the period leading up to the exemption regulation, it was contemplated that the annual funding requirement for the going-concern deficiency revealed in the 2004 valuation be continued until that deficiency is eliminated. The going-concern deficiency at December 31, 2004 was $3,746 and the annual funding payments were $386. While the remaining going-concern deficiency has declined to $2,384 at December 31, 2007, the University will continue to make annual contributions of $386 until the deficiency is eliminated.

In addition, because of the going-concern deficiency at December 31, 2007, the University is required to make additional contributions of $304 in 2008, $295 in 2009, $291 in 2010 to cover the current service shortfall.

During 2005, amendments were made to the *Pension Benefits Act* which will affect the benefits payable from the Plan. These amendments have yet to be proclaimed and the corresponding regulations have yet to be published but, based on a preliminary interpretation, the Plan's Actuary has estimated that these changes will add approximately $1,100 to the actuarial present value of accrued benefits at December 31, 2004 and would have increased the annual special funding payments by approximately $110 per year at that time. The 2005 amendments have not yet come

The agreements with The University of Winnipeg Foundation are as follows:

(a) Coordination, Cooperation and Funding Agreement

The University and the Foundation have jointly agreed that all future fund raising activities directed to the general public shall generally be conducted by the Foundation. However, certain fund raising activities, such as the Wesmen Booster Club and direct gifts to libraries, will continue on an agency basis through the University.

During 2006-2007 budget discussions and as approved by the University's Board of Regents and the Foundation's Board of Directors, the University agreed to increase the annual

(d) Endowment Fund Agreement

The University and the Foundation entered into an Agreement that provided for the transfer of existing endowment funds from the University to the Foundation, with an effective date of April 1, 2004.

This Agreement states that the Foundation will assume responsibility for the Endowment Fund effective April 1, 2004. In accordance with the Endowment Agreement, the Foundation has a commitment to provide the University with an amount equal to the agreed percentage multiplied by the current year's beginning balance of the contributed capital. The agreed percentage is established by the Foundation and the University between September and December of each year.

The University and the Foundation have agreed that the amount will be determined by applying the agreed percentage (4.05% for 2007-2008) to the prior year beginning balance of the contributed capital plus a pro-rated percentage of the agreed percentage for those gifts received in each quarter of the previous year. (ie. ¾ of 4.05% for those gifts received in the first quarter, ½ of 4.05% in the second quarter and ¼ of 4.05% for those gifts received in the third quarter). Based on this formula, the Foundation provided the University with $1,000 in 2007-2008.

The Foundation is entitled to an annual administration fee equal to ½ of 1% of the Endowment Fund capital of the previous year (or such other higher percentage as the University may agree to from time to time). On November 29, 2004, the University agreed to increase this fee to 2% retroactive to April 1, 2004 for a four-year period, ending March 31, 2008. On April 24, 2008, the University confirmed its continued support of the Foundation by providing that the Foundation may continue to retain an annual administration fee of 2% each year for the duration of the Capital Campaign.

The financial information of the Foundation is not consolidated in the University's financial statements and is provided within this note and note 20 on Related Party Transactions and Balances. The Foundation is a controlled entity of

The financial information of the Foundation, shown above, reflects the adoption of two new CICA Handbook sections on financial instruments (section 3855 and section 3861). As of March 31, 2007, these sections were applied retroactively without restatement of comparative financial information. As a result of the adoption, the Foundation recorded a non-cash credit of $1,028 in the endowment fund.

Restrictions are placed upon expenditures within Funds including:

i) The Operating Fund reflects the administrative and overhead costs of undertaking the Foundation's activities.

ii) The Unrestricted Fund records the receipt of donations received in the year that are identified by the donor to go to the area of greatest need.

iii) The Building and Program Fund is specifically intended to record the receipt of all donations intended for University programs and capital projects.

iv) The Specified Fund consists of the initial funding of $14,000 transferred to the Foundation from the University, pursuant to the "Specified Fund Agreement".

v) The Funds held pending Terms of Reference includes donations received for capital gifts, endowment gifts, and other restricted purposes not yet allocated pending donor wishes.

vi) The Endowment Fund reports the receipt of funds established from gifts by donors, which are designated to remain under the Foundation's management in perpetuity for endowment purposes.

In the Coordination Cooperation and Funding Agreement, the University has agreed to provide the Foundation with a $300 per annum operating grant, reducing by $30 per annum commencing in 2010-2011. This funding commitment will end in 2013-2014.

The University is required to make annual payments over the next 5 years and thereafter as follows:

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18. University of Winnipeg Community Renewal Corporation

The University of Winnipeg Community Renewal Corporation ("UWCRC") was incorporated by Articles of Incorporation, wo

The financial position of UWCRC at March 31 is summarized as follows:

	2008 $000	2007 $000
Statement of Financial Position:		
Assets:		
Cash	$198	$105
Investment, at Equity	900	762
Other	89	7
	$1,187	$ 874

Liabilities and Net Assets:

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19. Contingencies

a) The University is named as a defendant in litigations where legal action has commenced or is anticipated. While the ultimate outcomes of these proceedings cannot be predicted at this time, management and its legal counsel are of the opinion that, either the outcomes will not have a material effect on the financial position of the University, or the outcomes are not determinable. No provision has been made in the financial statements in respect of these claims, as of March 31, 2008.

b) On December 8, 2006, the Superintendent of Pensions of Manitoba issued an Order requiring the University to develop and implement a written governance framework, and pay a lump sum amount of $6,454, plus interest net of adjustments of approximately $1,644, into the Plan, for the benefit of defined benefit members, in relation to the undistributed portion of their proportionate share of the Plan's surplus, as determined by the Plan Actuary in 1999, which surplus later ceased to exist, as a result of the market downturn in the Fall/Winter of 2001/02.

   The University appealed the Superintendent's decision to the Manitoba Pension Commission, and the Commission's decision was made on April 23, 2008. The decision upheld the Superintendent's order, and the University intends to further appeal to the Manitoba Court of Appeal. The appeal is likely to be heard during the Winter of 2009, and the decision of the Court of Appeal will, in all likelihood, be final. No payment, pursuant to the Order has been made, and no provision has been made for such future payment in the financial statements of the University as the outcome of the appeal is undeterminable.

20. Related Party Transactions and Balances

The University of Winnipeg Foundation (Foundation) and the University of Winnipeg Community Renewal Corporation (UWCRC) are controlled entities of the University. The University of Winnipeg Pension Plan is also a related party.

The University charges benefit administration costs to the Pension Plan. The charge for 2007-2008 was $56 (2006-2007 - $55). In addition, the University incurred a pension expense of $2,827 (2007 - $2,713) that is paid to the Pension Plan. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(AMOUNTS IN THOUSANDS)

During the year ending March 31, the University incurred transactions as follows:

		2008 $000	2007 $000
From the University to the Foundation:			
i)	Operating grant	$575	$575
ii)	Gifts for endowment	$1,004	$818
iii)	Transfer of Science Complex funding	$0	$5,000
iv)	Transfer of income allocation	$920	$0
From the Foundation to the University:			
i)	Transfer of specified funds	$2,417	$2,724
ii)	Transfer of annual donations	$3,095	$1,425
iii)	Income allocation	$1,000	$953
iv)	Transfer of Science Complex funding	$0	$5,000
From the University to UWCRC			
i)	Consulting fees	$475	$309

At the end of the year, the amounts due to and from related parties are as follows:

	2008 $000	2007 $000
Due from Related Parties		
Specified Fund – Foundation	$52	$1,084
Operating – UWCRC	83	139
	135	1,223
Due to Related Party		
Operating – Foundation	301	179
	$ 301	$ 179

21. Financial Instruments

a) Fair value

The carrying amounts of short term financial assets and liabilities approximate their fair values due to the short term maturity of these instruments. Short term financial assets are comprised of cash and cash equivalents and accounts receivable. Short term financial liabilities are comprised of accounts payable and accrued liabilities. The fair value of obligations under capital leases and long term liabilities also approximate their carrying value as the rates are consistent with market rates. The fixed term instruments included in long term investments are recorded at fair value based on period end quoted market prices. The fair value of the properties included in long term investments is not determinable as it is not readily available. The fair value of the investment shares shown in long term investments are not determinable as these shares are not publicly traded and no market price is readily available.

b) Credit Risk

The University is subject to credit risk through receivables. Receivables are with numerous organizations and individuals which reduces the concentration of credit risk. Reviews are made of the credit worthiness of accounts and reserves established as required.

c) Interest Rate and Foreign Exchange Risk

Interest rates, maturities and security affect the interest rate risk of certain of the University's financial assets and liabilities.

The University is subject to foreign exchange risk because a portion of its financial instruments are denominated in foreign currencies.

The financial risk is the risk to the University's earnings that arises from fluctuations in interest rates and foreign exchange rates and the degree of volatility of these rates. The University does not use derivative instruments to reduce its exposure to interest rate and foreign exchange risk.

22. Reclassification of Comparative Figures

Certain 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2008.

23. Richardson College for the Environment & Science Complex

The University has commenced the development and design of the Richardson College for the Environment and Science Complex to be completed in September 2010. The University signed a Definitive Agreement with Laureate Developments Inc. (the Developer) to assemble and transfer lands to the University that will become the site for the University's Science Complex, develop and build the Science Building Complex for the University on a turnkey basis and assist the University in attracting partners to the project for the purposes of fund-raising.

The University has received a commitment from the Provincial Government to provide funding of $25,000 to contribute to the funding of the Science Building Complex. The University has received payments of $5,000 and $5,311 from the Provincial Government. The advances have been recorded as deferred capital contributions. The advances are secured by promissory notes payable to the Province of Manitoba in the amount of $5,000 and $5,311 bearing interest at 5.15% and 5.80% respectively. The notes are repayable over a term of 40 years with funding from the Province of Manitoba.

The first $10,311 has been unconditionally advanced to the University. The remaining $14,689 will be advanced to the University on the basis of $1.00 advance for every $2.00 raised on the University of Winnipeg Foundation's Capital Campaign.