The Confederation College
of Applied Arts and Technology
Financial Statements
For the year ended March 31, 2007

Contents

BDO

BDO Dunwoody Limited
Trustee in Bankruptcy

1095 Barton Street
Thunder Bay Ontario Canada P7B 5N3
Telephone: (807) 625-4444
Telefax: (807) 623-8460
Homepage: http://www.bdothunderbay.com

www.bdo.ca

Auditors' Report

To the Chairman and Board of Governors of
The Confederation College of Applied Arts and Technology

We have audited the balance sheet of The Confederation College of Applied Arts and Technology as at March 31, 2007 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the College'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 College as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario
May 25, 2007

The Confederation College of Applied Arts and Technology
Balance Sheet

March 31	2007	2006
Assets		
Current		
Cash (Note 2)	$ **9,514,887**	$ 5,835,858
Grants receivable	**1,082,571**	2,927,839
Accounts receivable (Note 3)	**5,212,676**	3,510,363
Inventories	**48,634**	51,390
Prepaid expenses	**419,593**	233,710
Current portion of notes and loans receivable	**37,660**	41,602
	16,316,021	12,600,762
Notes and loans receivable	**45,374**	47,329
Investment portfolio (Note 4)	**4,455,015**	4,264,010
Sinking fund investments (Note 5)	**1,962,739**	1,792,782
Capital (Note 6)	**40,343,269**	42,067,702
	$ **63,122,418**	$ 60,772,585
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 7)	$ **3,895,780**	$ 3,510,039
Accrued vacation pay (Note 8)	**2,180,599**	1,995,243
Deferred revenue and contributions (Note 9)	**7,640,982**	7,223,666
Current portion of long term debt	**750,820**	594,100
Current portion of obligations under capital leases	**184,872**	276,668
	14,653,053	13,599,716
Employee future benefits (Note 8)	**783,643**	975,923
Accrued sick leave liability (Note 8)	**1,012,656**	1,029,457
Long term debt (Note10)	**6,278,704**	6,628,457
Obligations under capital leases (Note 11)	**158,803**	343,410
Deferred capital contributions (Note 12)	**28,504,187**	29,220,388
	51,391,046	51,797,351
Net assets		
General unrestricted	**3,048,285**	495,529
Employee future benefits unrestricted (Note 8)	**(3,976,898)**	(4,000,623)
Internally restricted	**683,601**	46,601
Externally restricted (Note 13)	**1,033,909**	1,187,364
Investment in capital assets (Note 14)	**6,472,073**	6,843,492
Endowments restricted (Note 15)	**4,470,402**	4,402,871
	11,731,372	8,975,234
	$ **63,122,418**	$ 60,772,585

On behalf of the Board:

President

Chair, Board of Governors

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Confederation College of Applied Arts and Technology
Statement of Changes in Net Assets

For the year ended March 31							2007	2006
	General Unrestricted	Employee Future Benefits Unrestricted	Internally Restricted	Externally Restricted	Investment In Capital Assets	Endowments Restricted	Total	Total
		(Note 8)		(Note 13)	(Note 14)	(Note 15)		
Balance, beginning of year	$ 495,529	$ (5,224,543)	$ 46,601	$ 1,187,364	$ 6,843,492	$ 4,402,871	$ 7,751,314	$ 3,683,421
Prior period adjustment (Note 18)	-	1,223,920	-	-	-	-	1,223,920	1,022,427
Balance beginning of year, restated	495,529	(4,000,623)	46,601	1,187,364	6,843,492	4,402,871	8,975,234	4,705,848
Excess of revenue over expenditure for the year	2,732,095	-	-	-	-	-	2,732,095	3,628,588
Change in tuition set aside for student assistance	-	-	-	(43,488)	-	-	(43,488)	26,894
Change in other restricted net assets	109,967	-	-	(109,967)	-	-	-	-
Transfer to restricted from unrestricted	(23,725)	23,725	-	-	-	-	-	-
Transfer to internally restricted from unrestricted	(637,000)	-	637,000	-	-	-	-	-
Change in investment in capital assets	371,419	-	-	-	(371,419)	-	-	-
Endowment contributions and investment income, net of awards	-	-	-	-	-	67,531	67,531	613,904
Net change for the year	2,552,756	23,725	637,000	(153,455)	(371,419)	67,531	2,756,138	4,269,386
Balance, end of year	$ 3,048,285	$ (3,976,898)	$ 683,601	$ 1,033,909	$ 6,472,073	$ 4,470,402	$ 11,731,372	$ 8,975,234

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Confederation College of Applied Arts and Technology
Statement of Operations

For the year ended March 31	2007	2006
Revenue		
Grants and reimbursements (Schedule 1)	**$ 34,639,628**	$ 33,332,263
Student tuition (Schedule 1)	**7,896,677**	7,516,919
Other academic activities (Schedule 1)	**11,342,443**	10,408,441
Ancillary operations (Schedule 7)	**3,467,547**	3,261,065
Supplementary (Schedule 8)	**2,953,890**	3,293,620
Amortization of deferred capital contributions (Note 12)	**3,096,866**	3,459,925
Donations and fundraising	**513,014**	676,536
Other operating revenue	**1,579,052**	495,744
	65,489,117	62,444,513
Expenditure		
Academic (Schedule 2)	**25,230,613**	24,231,513
Other academic activities (Schedule 3)	**9,062,355**	8,428,795
Education resources and student services (Schedule 4)	**4,561,324**	4,583,357
Administrative (Schedule 5)	**7,002,560**	6,113,882
Plant and property (Schedule 6)	**4,369,753**	4,493,368
Ancillary operations (Schedule 7)	**3,275,055**	3,307,545
Supplementary (Schedule 8)	**2,982,061**	3,518,534
Amortization of capital assets	**5,674,045**	4,847,847
Scholarships, donations and fundraising	**622,981**	462,413
Change in employee future benefits	**(192,280)**	(987,000)
Change in accrued vacation pay and sick leave liability	**168,555**	(184,329)
	62,757,022	58,815,925
Excess of revenue over expenditure for the year	**$ 2,732,095**	$ 3,628,588

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Confederation College of Applied Arts and Technology
Statement of Cash Flows

For the year ended March 31	2007	2006
Cash flows from operating activities		
Excess of revenue over expenditure for the year	$ 2,732,095	$ 3,628,588
Items not involving cash		
Amortization of deferred capital contributions	(3,096,866)	(3,459,925)
Amortization of capital assets	5,984,485	5,163,117
Change in employee future benefits	(192,280)	(987,000)
Change in accrued sick leave liability	(16,801)	(158,709)
	5,410,633	4,186,071
Change in non-cash working capital balances (Note 19)	948,241	(687,813)
	6,358,874	3,498,258
Cash flows from investing activities		
Decrease in notes and loans receivable	5,897	23,930
Increase in investment portfolio	(191,005)	(470,297)
Purchase of capital assets	(4,260,052)	(3,689,976)
Decrease in tuition set aside for student assistance	(43,488)	(44,762)
Increase in endowments, net of awards	67,531	613,904
	(4,421,117)	(3,567,201)
Cash flows from financing activities		
Long term debt advances	291,533	992,850
Repayment of long term debt	(484,566)	(624,927)
Repayment of capital lease obligations	(276,403)	(440,008)
Deferred capital contributions	2,210,708	1,262,653
	1,741,272	1,190,568
Increase in cash for the year	3,679,029	1,121,625
Cash, beginning of year	5,835,858	4,714,233
Cash, end of year	$ 9,514,887	$ 5,835,858

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Confederation College of Applied Arts and Technology
Summary of Significant Accounting Policies

March 31, 2007

Basis of Accounting

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles as set out for not-for-profit organizations, the most significant as outlined below.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments

Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out basis.

Investments

The investment portfolio is recorded at cost plus accrued interest and dividends receivable. The sinking fund investments are recorded at cost plus accumulated investment income.

Capital Assets

Purchased capital assets are recorded at cost. Contributed assets are recorded at fair value at the date of contribution. Amortization is provided as follows:

Site improvements	-	5	year straight line basis
Buildings	-	40	year straight line basis
Leasehold improvements	-	10	year straight line basis
Furniture and equipment	-	5	year straight line basis
Library books	-	5	year straight line basis
Major equipment	-	10	year straight line basis

Projects in progress relate to capital projects that are incomplete as at March 31, 2007. Amortization will be recorded upon substantial completion at the applicable rates noted above.

Deferred Capital Contributions

Capital grants and contributions are deferred and amortized over the useful life of the assets purchased/contributed.

The Confederation College of Applied Arts and Technology
Summary of Significant Accounting Policies (cont'd)

March 31, 2007

Revenue Recognition	The College follows the deferral method of accounting for contributions, which include donations and government grants.
	Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
	Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized.
	Endowment contributions are recognized as direct increases in net assets in the period in which they are received.
	Tuition is recognized as revenue when courses and seminars are held.
	Student fees are recognized as revenue when courses and seminars are held.
	Sales and services revenue is recognized at point of sale or when the service has been provided.
	Pledges are recorded when the amount to be received is reasonably estimated and ultimate collection is reasonably assured.
Cost Allocation	Direct costs are charged to programs and courses on an actual basis wherever possible and elsewhere allocated on the basis of full-time equivalent students.
Employee Future Benefits	Commencing April 1, 2000, the College adopted the new method of accounting for, and disclosing employee future benefits as outlined in Section 3461 of the Handbook of the Canadian Institute of Chartered Accountants.
	The College maintains deferred benefit plans providing other retirement and post-employment benefits to most of its employees. The benefits include ongoing premiums for basic life insurance, extended health/vision/hearing care, and dental care provided they were in effect on the date of retirement. The College has recorded the liability for these benefits.

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

1. Nature of Operations

The Confederation College of Applied Arts and Technology was established as a College under the Ministry of Colleges and Universities Act as a corporation in 1967 under the laws of the Province of Ontario. The College is a publicly-funded, post-secondary institution serving education needs in Northwestern Ontario and beyond. The College offers a full range of programs and educational services including full-time post-secondary programs, part-time credit and non-credit courses, specialty programs for business and industry, pre-employment and skills training programs, apprenticeship and cooperative/workplace training programs.

The College is a not-for-profit organization and as such is exempt from income taxes under Section 149 of the Income Tax Act (Canada).

The College has an economic interest in The Confederation College of Applied Arts and Technology Foundation. The Foundation was incorporated without share capital on February 18, 2005 under the Ontario Corporations Act. The operations of the Foundation are not included in these financial statements. The objectives of the Foundation are to empower the long-term vision, mission and success of the College through continued financial support and resources.

2. Cash

The College's bank accounts are held at one chartered bank. The bank accounts earn interest at prime less 1.75%.

3. Accounts Receivable

	2007	2006
Students	$ 1,442,548	$ 685,560
The Confederation College of Applied Arts and Technology Foundation	622,840	-
General	3,147,288	2,824,803
	$ 5,212,676	$ 3,510,363

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

4. Investment Portfolio

The College's investment portfolio is comprised of a number of different securities carrying a variety of terms and conditions. Investments consist of the following:

	2007		2006	
	Cost	**Market**	Cost	Market
Endowed				
Canadian Equities	**$ 497,487**	**$ 610,398**	$ 365,476	$ 435,499
Canadian Bonds	**1,939,447**	**1,952,707**	2,058,628	2,058,827
Foreign Equities	**1,713,954**	**1,979,899**	2,110	2,110
Cash Account	**304,127**	**304,127**	1,837,796	1,837,796
	$ 4,455,015	**$ 4,847,131**	$ 4,264,010	$ 4,334,232

The cash account earns interest at 3.44%. Canadian bonds are comprised of a number of different bonds, with varying maturity dates, and yield an average of 4.95% over the term of the investments.

5. Sinking Fund Investments

Sinking fund investments are comprised of Ontario Hydro bonds, maturing at $3,100,000 in the year 2012 and yielding 9.48% over the term of the investment.

	2007	2006
Cost	**$ 558,234**	$ 558,234
Accumulated investment income	**1,404,505**	1,234,548
	$ 1,962,739	$ 1,792,782

The market value of the bonds at March 31, 2007 is approximately $2,509,919 (2006 - $2,369,179). At maturity, the proceeds of the investment will be used to retire the $3,100,000 Ontario Ministry of Housing mortgage described in Note 10.

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

6. Capital Assets

	2007		2006	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 295,057**	**$ -**	$ 295,057	$ -
Site improvements	**2,014,986**	**2,014,986**	2,014,986	2,014,986
Buildings	**55,142,561**	**26,954,064**	55,142,561	25,575,501
Leasehold improvements	**333,188**	**279,838**	333,188	266,388
Furniture and equipment	**53,613,324**	**45,836,202**	49,564,676	41,766,941
Library books	**20,000**	**20,000**	20,000	20,000
Major equipment	**5,232,096**	**1,356,919**	2,779,032	833,710
Projects in progress	**154,066**	**-**	2,395,728	-
	$116,805,278	**$ 76,462,009**	$112,545,228	$ 70,477,526
Net book value		**$ 40,343,269**		$ 42,067,702

Assets held under capital lease totaling $1,284,485 (2006 - $1,284,485) with related accumulated amortization in the amount of $709,327 (2006 - $505,670) are included in capital assets.

7. Accounts Payable and Accrued Liabilities

	2007	2006
Trade accounts payable	**$ 1,345,005**	$ 2,090,345
Accrued liabilities	**428,139**	667,648
Accrued salaries and employees' deductions	**2,075,033**	752,046
The Confederation College of Applied Arts and Technology Foundation	**47,603**	-
	$ 3,895,780	$ 3,510,039

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

8. Accrued Vacation Pay, Accrued Sick Leave Liability and Employee Future Benefits

	2007	2006
Accrued vacation pay	**$ 2,180,599**	$ 1,995,243
Accrued sick leave liability	**$ 1,012,656**	$ 1,029,457
Employee future benefits		
Non-pension post-retirement benefits	**$ 446,000**	$ 492,000
Post-employment benefits		
Premium waiver during long term disability	**64,000**	163,000
Contribution of medical and dental benefits during long term disability	**310,000**	310,000
WSIB future benefits	**71,643**	126,923
	891,643	1,091,923
Value of Assets		
Post-employment benefits	**108,000**	116,000
	$ 783,643	$ 975,923
	$ 3,976,898	$ 4,000,623

The major actuarial assumptions employed for the valuations are as follows:

a) *Interest (Discount) Rate*

The present value as at March 31, 2007 of the future benefits was determined using a discount rate of 4.85% (2006 - 5.0%).

b) *Drug Costs*

Drug costs were assumed to increase at a 9% rate for 2007 and decrease proportionately thereafter to an ultimate rate of 5% in 2010.

c) *Hospital and Other Medical*

Hospital and other medical costs were assumed to increase at 5% per annum.

d) *Dental Costs*

Dental costs were assumed to increase at 4% per annum.

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

9. Deferred Revenue and Contributions

	2007	2006
Canadian International Development Agency		
Ukraine Regional Networks	$ -	$ 97,119
Ontario Ministry of Training, Colleges and Universities		
Aboriginal Education and Training Fund	-	35,000
Aboriginal Educational and Training Strategy	**360,000**	360,000
Apprenticeship training	**869,548**	212,894
Apprenticeship (one time grant)	-	1,057,512
Bursaries	**171,738**	785,173
Campus safety	**39,417**	96,476
Capital Equipment (one time grant)	-	323,561
Collaborative nursing	**1,386,290**	1,012,330
Employment programs	**165,798**	366,620
Facilities Renewal	-	621,927
Lease grant	**117,851**	24,300
Centre for Applied Media Production	**1,967,741**	-
Contract training	**204,619**	239,317
Miscellaneous	**808,625**	101,186
Centre for Continuing Education	**233,568**	270,469
College service fee	**146,818**	145,289
Forestry Strategic Skills Investment and Living Legacy	-	231,865
Student IT fee	**21,447**	65,216
Student tech fee	**156,969**	100,953
IT residence infrastructure	**20,382**	47,379
Special needs tutoring	**38,201**	72,834
Registered Practical Nurses Association of Ontario research project	-	33,165
Full-time post secondary tuition deferral	**931,970**	923,081
	$ 7,640,982	$ 7,223,666

The Confederation College
of Applied Arts and Technology
Notes to Financial Statements

March 31, 2007

10. Long Term Debt

	2007	2006
Royal Bank mortgage on Sibley Hall, repayable $6,924 monthly including interest at 4.75% due 2009	**$ 213,790**	$ 284,872
Ontario Ministry of Housing mortgage on Sibley Hall, repayable $142,135 semi-annually, interest only at 9.17%, due 2012	**3,100,000**	3,100,000
Toronto Dominion Bank term loan financing Honeywell HVAC system, repayable $20,916 monthly including interest at prime (currently 5.5%) less 0.75%, due March 2011	**994,318**	1,245,021
Toronto Dominion Bank term loan financing Banner ISIS computer system, repayable $36,723 monthly including interest at 4.69%, due March 2013	**2,300,000**	2,300,000
Royal Bank demand loan for Banner ISIS computer system, repayable at $3,916 monthly plus interest at prime (currently 6.0%) less 1.0%, due 2012	**235,000**	150,000
Royal Bank demand loan for CRM project, repayable at $2,365 monthly including interest at 5.16%, due 2012	**125,000**	109,500
Royal Bank loan for film van, repayable at $1,176 monthly including interest at 4.75%, due 2008	**20,383**	33,164
Royal Bank loan for plant tractor, repayable at $776 monthly including interest at 5.16%, due 2012	**41,033**	-
	7,029,524	7,222,557
Current portion	**750,820**	594,100
	$ 6,278,704	$ 6,628,457

Principal payments due in the next five years and thereafter are as follows:

Date	Amount
2008	$ 750,820
2009	768,040
2010	765,050
2011	717,520
2012	3,598,440
Thereafter	429,654
	$ 7,029,524

In addition, the College has an approved operating line of credit with the Royal Bank of $1,500,000 with interest at prime less 0.6%.

The Royal Bank loans have been advanced through the lease line of credit referred to in Note 11.

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

11. Obligations under Capital Leases

	2007	2006
Royal Bank capital leases, repayable $16,891 monthly, including interest at rates from 5.08% - 7.914%, due March 2008 to March 2011.	$ **343,675**	$ 620,078
Current portion	**184,872**	276,668
	$ **158,803**	$ 343,410

Obligations under capital leases are secured by certain plant and office equipment. The future minimum lease payments for the next four years are as follows:

Date	Amount
2008	$ 202,696
2009	93,968
2010	47,118
2011	22,191
	365,973
Less imputed interest	22,298
	$ 343,675

The above Royal Bank capital leases are part of an approved lease equipment line of credit with the Royal Bank in the amount of $1,650,000. Of this amount, $1,197,614 was in use at March 31, 2007 to cover the capital leases and additional Royal Bank loans included in Note 10.

12. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations and is calculated on the same basis as the amortization expense related to the acquired capital assets. The changes in the deferred capital contributions balance are as follows:

	2007	2006
Balance, beginning of year	$ **29,220,388**	$ 31,262,405
Add contributions for capital purposes	**2,210,708**	1,262,653
Add sinking fund investment income	**169,957**	155,255
Less amortization of deferred capital contributions	**(3,096,866)**	(3,459,925)
Balance, end of year	$ **28,504,187**	$ 29,220,388

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

13. Net Assets - Externally Restricted

Externally restricted net assets are funds committed for specific purposes as follows:

	Balance beginning of year	Revenue/ Reallocation in year	Expenditure in year	**Balance end of year**
Tuition set aside for student assistance	$ 460,539	$ -	$ 43,488	**$ 417,051**
Scholarships and bursaries	23,207	179,213	109,797	**92,623**
Contributions for capital expenditures	572,278	333,801	513,184	**392,895**
Proceeds on sale of College property directly funded by Provincial government	131,340	-	-	**131,340**
	$ 1,187,364	$ 513,014	$ 666,469	**$ 1,033,909**

The Ministry of Training, Colleges and Universities requires a certain portion of the additional tuition fee revenue generated by announced fee increases to be set aside for student assistance.

14. Net Assets - Investment in Capital Assets

	2007	2006
Capital assets, net book value	**$ 40,343,269**	$ 42,067,702
Less amounts financed by:		
Working capital	**43,451**	46,031
Long term debt	**(7,029,524)**	(7,222,557)
Obligations under capital lease	**(343,675)**	(620,078)
Deferred capital contributions	**(28,504,187)**	(29,220,388)
Add sinking fund investments	**1,962,739**	1,792,782
Invested in capital assets, end of year	**$ 6,472,073**	$ 6,843,492

The Confederation College
of Applied Arts and Technology
Notes to Financial Statements

March 31, 2007

15. Net Assets - Endowments Restricted

Contributions restricted for endowment consist of restricted donations received by the College under the umbrella of the Ontario Student Opportunity Trust Fund ("OSOTF") Phase I and II and the Ontario Trust for Student Support ("OTSS") programs and other such restricted contributions that were not matched. The externally restricted endowments include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund and the Ontario Trust for Student Support matching program to award student aid as a result of raising an equal amount of endowed donations. The endowment principal is required to be maintained intact. The investment income generated from endowments must be used in accordance with the OSOTF and the OTSS guidelines. The College ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The College has recorded the following amounts under the programs:

OSOTF I

	2007	2006
Schedule of Changes in Endowment Fund Balance		
Fund balance, beginning of year	**$ 3,510,984**	$ 3,509,919
Cash donations received	**1,340**	1,065
Fund balance, end of year	**3,512,324**	3,510,984
Schedule of Changes in Expendable Funds Available for Awards		
Fund balance, beginning of year	**338,381**	45,265
Realized investment income net of direct investment-related expenses and preservation of capital contributions	**146,943**	435,842
Bursaries awarded (2007 = 378, 2006 = 375)	**(198,674)**	(142,726)
Expendable fund balance, end of year	**286,650**	338,381
Total Endowment fund balance, end of year	**$ 3,798,974**	$ 3,849,365
Market value of fund, end of year	**$ 4,119,118**	$ 3,721,805

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

15. Net Assets - Endowments Restricted (cont'd)

OSOTF II Second Phase

		2007		2006
Schedule of Changes in Endowment Fund Balance				
Fund balance, beginning of year	$	**223,666**	$	223,666
Cash donations received		**-**		-
Preservation of capital (where applicable)		**-**		-
Fund balance, end of year		**223,666**		223,666
Schedule of Changes in Expendable Funds Available for Awards				
Fund balance, beginning of year		**20,130**		10,117
Realized investment income net of direct investment-related expenses and preservation of capital contributions		**14,184**		13,413
Bursaries awarded (2007 = 6, 2006 = 3)		**(2,250)**		(3,400)
Fund balance, end of year		**32,064**		20,130
Total endowment fund balance, end of year	$	**255,730**	$	243,796
Market value of fund, end of year	$	**277,281**	$	289,960

OTSS

		2007		2006
Cash donations matched	$	**54,287**	$	142,403
Schedule of Changes in Endowment Fund Balance				
Fund balance, beginning of year	$	**294,463**	$	-
Eligible cash donations received		**46,558**		151,097
Ineligible donations		**(963)**		963
Matching funds received from MTCU		**54,287**		142,403
Fund balance, end of year		**394,345**		294,463
Schedule of Changes in Expendable Funds Available for Awards				
Fund balance, beginning of year		**15,247**		-
Realized investment income net of direct investment-related expenses and preservation of capital contributions		**11,706**		15,247
Bursaries awarded (2007 = 10, 2006 = 0)		**(5,600)**		-
Fund balance, end of year		**21,353**		15,247
Total endowment fund balance, end of year	$	**415,698**	$	309,710
Market value of fund, end of year	$	**450,732**	$	304,697

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

15. Net Assets - Endowments Restricted (cont'd)

Report of OTSS awards issued for the period of April 1, 2006 to March 31, 2007:

Status of Recipients	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-Time	2	$1,500	8	$4,100	10	$5,600
Part-Time	n/a	n/a				
Total	2	$1,500	8	$4,100	10	$5,600

Grand total of endowment funds, end of year	**$ 4,470,402**	$ 4,402,871

16. Pension Plans

Employees are participants in the contributory retirement pension plans administered by the Colleges of Applied Arts and Technology Plan, a multi-employer defined benefit plan. Under this arrangement, the College makes contributions to these plans equal to those of the employees. For the year ended March 31, 2007, charges to expenditure for these plans amounted to approximately $2,119,450 (2006 - $2,002,432).

17. Commitments

The College has leased realty for the Aviation Centre of Excellence at an annual rental of approximately $67,000 with an expiry date of 2053.

The College has leased other realty at a total annual rental of approximately $154,000 with expiry dates to 2012.

18. Prior Period Adjustment

During the year, the College changed the method of calculating accrued vacation pay. This change has been applied on a retroactive basis. As a result of this change, the opening deficiency in employee future benefits unrestricted net assets has been reduced by $1,223,920 and $1,022,426 in 2007 and 2006 respectively. The impact on the prior year statement of operations was to decrease the change in accrued vacation pay and sick leave liability and increase the excess of revenue over expenditure by $201,493.

The Confederation College of Applied Arts and Technology Notes to Financial Statements

March 31, 2007

19. Statement of Cash Flows

The change in non-cash working capital balances consists of the following:

	2007	2006
Grants receivable	$ 1,845,268	$ 1,075,754
Accounts receivable	(1,702,313)	(691,763)
Inventories	2,756	(8,559)
Prepaid expenses	(185,883)	496,365
Accounts payable and accrued liabilities	385,741	85,880
Accrued vacation pay	185,356	(25,620)
Deferred revenue and contributions	417,316	(1,619,870)
	$ 948,241	$ (687,813)

20. Comparative Figures

Certain prior years figures have been reclassified to conform with current year's presentation.

21. Reporting Entity Project Funding

The total costs expended at March 31, 2007 were $66,003 ($8,635 at March 31, 2006). This was expended in accordance with the Ministry of Training, Colleges and Universities agreement Schedule 1 "eligible costs." The balance unspent together with the announced 2006/07 grants will be needed to design and implement local processes and procedures to produce more timely and more reliable information for consolidation purposes.

22. Lottery Activity

		2007		2006
Revenue				
Nevada proceeds	$	8,845	$	11,195
Seller commission		(1,639)		(2,694)
Net proceeds - Nevada		7,206		8,501
Raffle proceeds		6,850		12,583
		14,056		21,084
Expenditure				
Tickets		1,523		1,584
Gaming services supplier commission		21		1,226
Licence fee		722		999
Management fee		1,490		-
Provincial fee		1,785		1,379
Prize purchases		-		2,500
Advertising		-		31
		5,541		7,719
Net proceeds		8,515		13,365
Fund balance, beginning of year		20,634		16,858
Distributions, scholarships and bursaries		(561)		(9,589)
Fund balance, end of year	$	28,588	$	20,634

The Confederation College of Applied Arts and Technology
Schedule 1 - General Operating Revenue

For the year ended March 31	2007	2006
Grants and reimbursements		
Post secondary	$ 31,256,432	$ 29,757,515
Apprenticeship training	2,377,961	2,165,902
Facilities renewal	1,005,235	1,408,846
	$ 34,639,628	$ 33,332,263
Student tuition		
Full-time post secondary	$ 5,813,268	$ 5,657,103
Part-time post secondary	665,885	531,284
Student services fees	1,417,524	1,328,532
	$ 7,896,677	$ 7,516,919
Other Academic Activities		
Provincially funded direct training grants	$ 3,144,170	$ 2,747,817
Contract training - Federal domestic	1,168,565	953,942
- Other contract training	4,395,725	2,948,944
- International	533,669	1,330,383
	6,097,959	5,233,269
Other academic services and projects	2,100,314	2,427,355
	$ 11,342,443	$ 10,408,441

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Confederation College of Applied Arts and Technology
Schedule 2 - Academic Expenditure

For the year ended March 31	2007	2006
Salaries		
Instructional officers and staff	**$ 1,605,250**	$ 1,520,033
Full-time teaching	**11,006,981**	10,477,011
Part-time teaching	**3,483,933**	2,786,392
Support staff	**2,982,392**	2,903,820
Employee benefits	**3,283,423**	3,077,534
	22,361,979	20,764,790
Advertising	**104,500**	178,348
Computing and telecommunication costs	**391,170**	292,158
Contracted services - other	**7,522**	392,002
Non capital furniture & equipment	**1,052**	8,110
Equipment maintenance	**101,520**	409,277
Field work	**78,826**	51,655
Instructional equipment rental	**81,314**	94,035
Instructional supplies	**1,150,315**	1,309,911
Insurance	**149,860**	118,955
Memberships	**22,280**	18,829
Office, supplies and miscellaneous	**314,919**	264,499
Premise rentals	**15,086**	19,911
Professional development	**41,956**	27,064
Professional fees	**17,502**	20,543
Staff employment	**6,071**	894
Travel	**359,546**	237,134
Vehicle expense	**25,195**	23,398
	2,868,634	3,466,723
	$ 25,230,613	$ 24,231,513

The Confederation College of Applied Arts and Technology
Schedule 3 - Other Academic Activities Expenditure

For the year ended March 31	2007	2006
Salaries		
Instructional officers and staff	$ 965,944	$ 1,168,049
Full-time teaching	675,209	620,799
Part-time teaching	1,607,937	1,430,783
Support staff	1,756,616	1,561,438
Employee benefits	773,832	789,487
	5,779,538	5,570,556
Advertising	264,570	115,675
Bad debts	184,600	-
Computing and telecommunication costs	174,794	99,434
Contracted services - other	696,405	1,214,039
Non-capital furniture & equipment	3,194	24,155
Equipment maintenance	8,165	3,704
Field work	43,381	10,476
Instructional equipment rental	146,674	160,340
Instructional supplies	600,003	271,807
Insurance	1,793	-
Office, supplies and miscellaneous	600,549	461,142
Professional development	24,537	23,463
Professional fees	26,466	50,754
Special project costs	9,165	2,910
Travel	498,521	420,340
	3,282,817	2,858,239
	$ 9,062,355	$ 8,428,795

The Confederation College of Applied Arts and Technology
Schedule 4 - Education Resources and Student Services Expenditure

For the year ended March 31	2007	2006
Salaries	$ 2,538,953	$ 2,740,531
Employee benefits	521,053	585,069
Advertising and recruitment	107,456	103,759
Computing and telecommunication costs	87,239	34,336
Equipment maintenance	25,406	2,549
Instructional supplies	47,335	42,928
Library resource materials	192,926	155,592
Office, supplies and miscellaneous	155,108	145,422
Professional development	13,095	7,493
Professional fees	37,700	30,683
Tuition set aside for student assistance	750,786	676,785
Travel	84,267	58,210
	$ 4,561,324	$ 4,583,357

The Confederation College of Applied Arts and Technology
Schedule 5 - Administrative Expenditure

For the year ended March 31	2007	2006
Salaries	$ 3,181,721	$ 2,540,064
Employee benefits	670,501	496,829
Advertising and promotion	211,634	168,773
Bad debts (recovery)	(7,628)	142
Bank charges	115,558	123,534
Banner ERP computer systems	500,000	470,981
Computing and telecommunication costs	512,440	379,222
Contracted services - other	118,336	125,077
Customer relationship management system	31,705	24,684
Insurance	253,474	217,415
Memberships and dues	52,003	72,887
Office, supplies and miscellaneous	302,074	310,207
Professional development	72,824	65,609
Professional fees	213,547	200,756
Staff employment and expense	33,936	86,823
Staff reorganization	249,339	442,860
Telephone	225,675	146,358
Travel	265,421	241,661
	$ 7,002,560	$ 6,113,882

The Confederation College of Applied Arts and Technology
Schedule 6 - Plant and Property Expenditure

For the year ended March 31	2007	2006
Salaries	$ 1,349,454	$ 1,204,893
Employee benefits	337,900	293,331
Building and equipment repairs and alterations	982,077	1,347,110
Cleaning supplies	28,232	26,343
Contracted services	273,238	156,236
Grounds maintenance	40,587	179,734
Other premise rental	45,552	32,325
Professional fees	34,113	37,926
Property and plant expense and supplies	67,015	55,701
Travel	7,333	8,926
Utilities	1,018,317	965,217
Vehicle expense	37,514	37,393
Approved premise rental	148,421	148,233
	$ 4,369,753	$ 4,493,368

The Confederation College of Applied Arts and Technology
Schedule 7 - Ancillary Operations Revenue and Expenditure

For the year ended March 31	2007	2006
Revenue	**$ 3,467,547**	$ 3,261,065
Expense		
Salaries	**1,215,953**	1,226,924
Employee benefits	**321,016**	280,278
Administrative costs	**210,627**	319,127
Cost of resale items sold	**256,039**	168,538
Interest on long term debt	**296,277**	261,422
Plant costs	**657,746**	736,000
Amortization of capital assets	**310,440**	315,270
Travel	**6,957**	(14)
	3,275,055	3,307,545
Excess (deficiency) of revenue over expenditure on ancillary operations for the year	**$ 192,492**	$ (46,480)

The Confederation College of Applied Arts and Technology
Schedule 8 - Supplementary Revenue and Expenditure

For the year ended March 31		2007		2006
Revenue	**$**	**2,953,890**	$	3,293,620
Expenditure				
Scholarship		**2,030,174**		1,868,407
Termination gratuities		**-**		452,068
Wage subsidies - flow through		**737,912**		985,126
Property taxes		**213,975**		212,933
		2,982,061		3,518,534
Deficiency of revenue over expenditure for the year	**$**	**(28,171)**	$	(224,914)