

2009-2010
ANNUAL
REPORT

Niagara College Canada



**Niagara
College
Canada**

APPLIED DREAMS.

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Message from the Chair of the Board

I am pleased to present Niagara College's 2009-2010 Annual Report. In 2008-2009 we laid the foundations for our future with a new Strategic Plan and launch of our comprehensive master plan. 2009-10 was a year of building on those strong foundations to ensure Niagara College continues to be among the best colleges in the country, with a relentless focus on student success, unprecedented investment in educational infrastructure and exceptional brand recognition.

We are very proud of our robust culture of customer service and continuous improvement. Maintaining our number one ranking in student satisfaction for six consecutive years is truly exemplary. Clearly our students recognize and appreciate our commitment to their success. Further, our strong and improved graduation rate is concrete evidence that our efforts are having positive results in our students' lives. The long list of Niagara College students and alumni achieving provincial, national and international recognition (listed below) is further evidence that Niagara College continues to enrich lives and fulfill dreams.

The \$90 million investment in capital expansion and educational infrastructure will not only ensure a strong sustainable future for Niagara College but is having a significant economic impact in our local communities. This year saw the completion of the Technology Centre expansion and the Academic Wing in Welland, as well as the official opening of the Wine Visitor and Education Centre in Niagara-on-the-Lake. We have also made substantial progress on the Master Plan including the Student Centre and Athletic Centre in Welland, and culinary expansion and brewery in Niagara-on-the-Lake. We take great pride in having one of the most vibrant learning environments and extraordinary campus settings in the Canadian college system.

With the launch of our new brand and logo in fall 2009, Niagara College continues to achieve national and international recognition and attention. We were delighted to be honoured with visits by two high profile dignitaries last fall. In October, Prime Minister Stephen Harper attended the Welland Campus for the official ground breaking of the Applied Health Institute, and in November His Royal Highness, the Prince of Wales, officially opened the Wine Visitor and Education Centre at the Niagara-on-the-Lake Campus. The national spot light will again shine on Niagara College this June as we host the Association of Canadian Community Colleges Annual Conference.

On behalf of the Board of Governors, I would like to express our gratitude for the dedicated faculty and staff, who make an impact on people's lives every day, and exceptional management team that has positioned us as leader among the best colleges in Canada, as well as the many volunteers and supporters, such as my fellow governors, who are key to our success. With such a talented team of committed individuals, and guided by our Strategic Plan, I look forward to another exciting year ahead.



Len Crispino
Chair, Niagara College Board of Governors

Message from the College President

2009-2010 has truly been a historic year for Niagara College. As we witnessed the remarkable transformation of the Welland Campus, proudly launched our new brand and visual identity, and celebrated our #1 ranking in student satisfaction for an astounding 6th consecutive year, we have never been prouder to be part of such a vibrant and success institution. (or never been prouder of our College)

Our efforts and achievements are guided by our Strategic Plan and Annual Goals. As outlined in this year's performance report and report on College Goals, we have exceeded most of our performance targets and have achieved all of our performance goals for 2009-2010. The ultimate measure of our students' success is in the number who graduate and their subsequent employment. Our aggressive retention strategies over the past several years have resulted in our graduate rate remaining over 65% for the past three years, up from 60% four years ago, and above the provincial average. Eighty-six percent of Niagara College graduates are employed six months after graduation, up from the provincial average in spite of the fact that the Niagara Region was one of the hardest hit by the recent economic downturn. Student satisfaction results were down provincially as a result of the pressures created by enrolment increases, and Niagara College was no exception. However, our results on all capstone questions remained in the top three and garnered us the number one spot for another year.

Below are but a few examples, testimony to the tremendous success of Niagara College students and graduates:

- Photonics Research Assistants, Jeff Brown and Mike Taras, placed 2nd in the Unmanned Aerial Vehicles (UAV) Competition in New Brunswick. The Niagara College students placed first in Phase 1 of the competition which required the submission of a technical paper.
- Second-year Police Foundations Student, Joshua Merrill, was recognized as a top Police Foundations student in the province, receiving the Prep Scholarship.
- For the fourth year in a row, a Niagara College Hairstylist Apprentice has captured a medal at the Skills Canada - Ontario competition. Lisa Caputo of Niagara Falls won gold at the competition held in Waterloo, and represented Niagara College at the Skills Canada National Competition.
- Canada's Trevor Ritchie, a former student at Niagara College in the Cook Apprentice program, was named winner of the Hans Bueschgens Junior Culinary Challenge at the 34th biannual Congress of the World Association of Chefs Societies (WACS), at the Casa Piedra Convention Centre in Santiago, Chile. This competition is held for the best young chefs in 16 countries every two years at the World Conference. Trevor is being called the "World's Best Young Chef" and he is presently working at Queens Landing in Niagara-on-the-Lake.
- Baker Lewis, a second-year Culinary Management student, took first-place at this year's 'Making the Grade: Rising Chef Citrus Cook-Off' competition at the Winterlicious 2010 event held in Toronto, defeating top students representing some of Canada's leading culinary schools.
- Pillitteri Estates Winery called upon the expertise of Niagara College's wine, business, and graphic design students to develop a new brand for its signature product, Icewine. "Iceworks," a brand concept developed by students Jessica Kueh and Jillian Grenier, incorporates a label depicting red and white fireworks and the tagline "A toast to the world from Canada." The brand will be used for Pillitteri's Vidal Icewine, which is produced mainly for the Asian market. Pillitteri Estates indicated they will be using all the brands developed at some point in the future.
- Niagara College's Students in Free Enterprise (SIFE) team claimed the 2010 TD SIFE Entrepreneurship Challenge National Championship at the 2010 Advancing Canadian Entrepreneurship (ACE) National Exposition. The SIFE Niagara College team claimed the national title with dedication to underprivileged cooperatives in developing countries, aspiring student entrepreneurs and current business owners
- Our students were very successful at Skills Canada once again this year, taking home 3 gold medals (Adam Verdromin – AST Automotive, Julia Falvo – Hairstyling and Kevin Pionno – Web Development) and 3 silver medals (Ruth Bleijerveld – Baking, Courtney Campagna – Hairstyling and Adam Mousley – Web Development). The Gold Medalists have joined Team Ontario to represent the College/Province at the National Skills Competition. Alex Stott, a Niagara College culinary apprenticing working at the Royal York Hotel, captured gold at the Concours International des Jeunes Chefs Rôtisseurs, a competition for working apprentices in Ontario.

- Katie Farr, a graduating student in the Public Relations Graduate Certificate program, was awarded the Student Award of Excellence by the Canadian Public Relations Society (CPRS) Hamilton Branch.

Strategic Enrolment Management, including new program development and the alignment of the College's marketing and student recruitment activities, continues to be a critical strength. Niagara College again achieved record enrolments for 2009-10, with an 8.5% increase over the previous year. International enrolments also continued to grow substantially, with a 33% increase from 2008-09 and a 25% increase in international revenue. International students now represent 9.2% of our total enrolment, placing Niagara College fourth in the province (as a percentage of overall enrolment) and significantly supporting our revenue diversification efforts.

Niagara College is emerging as a national leader in applied research as one of only six colleges across Canada to receive funding under the new College and Community Innovation Program. The overall goal of Niagara College grant is to augment the capacity of the College to support innovation in land use technologies in the Niagara Region. The first year of the project was completed in December, 2009, and provided the College with \$500,000 in research funding. Additional funds of approximately \$50,000 were received from industry and community partners. In total, 51 projects were launched with industry partners resulting in the development of 12 new products, 10 new processes, 2 new technologies, and 7 prototypes. Forty-one faculty and staff from the College were involved in these projects, as well as 527 students from a wide variety of programs, including technology, business, environment, horticulture/greenhouse, viticulture, and computer programming. A new course (Research 101) was developed and piloted. Learning from the various research projects has been incorporated into at least 10 existing college courses.

Niagara College has taken a lead role in working with community and business leaders to reposition and revitalize the Niagara economy. All the major economic plans within the region have outlined a prominent role for both the College and Brock University. Niagara College has responded quickly to the economic needs with Second Career enrolments reaching 280 last fall and more flexible program deliveries (5 new May-start programs and 7.6% increase in January-start enrolments). Further, through funding secured from the federal government, we provided direct human resource management support to local SMEs through our Workplace Development Services (WDS). By the project end date, January 31, 2010, WDS had served 198 businesses throughout the Niagara region, and thereby exceeded its initial target by 20%. Over the past three years WDS has provided integrated and innovative skills development advice, strategies and tools that support the quality and productivity goals of regional SMEs by assisting employers to develop the talents and performance of their workforce. The WDS team has designed and developed innovative tools and workplace consulting services directed at meeting the human resource needs of businesses in order to maintain their competitiveness in a challenging economy.

Niagara College continues to be best in class with respect to our financial position and financial results. Our ability to invest in quality education initiatives is a direct result of our sound fiscal policies. Through effective advocacy efforts, and by leveraging our \$16.6 million in savings, we were able to attract a higher than average proportion of federal and provincial infrastructure funding. On the operating side, we close the year with an operating surplus of \$4.8 million, of which \$1 million is a planned contribution to reserves; \$1.8 million is due to funding received late in the year and carried forward to 2010-2011, and the remaining \$2 million as a result of higher domestic and international enrolments and responsible financial management. Prudent capital spending and investment of cash reserves has enabled the college to defer debt financing for this fiscal year at a time when capital expenditures have exceeded \$34 million.

One of the key success factors for Niagara College has been our extraordinary faculty and staff. Teaching and learning are at the heart of what we do. One of the ways Niagara College ensures its faculty and staff continue to excel and remain at the leading edge of pedagogical and service techniques, is through our first rate professional development program, delivered by our Centre for Education and Professional Development. The centre assists faculty with curriculum development, program mapping and hybrid course development, and provides coaching and consulting services to faculty and program staff, as well as providing a large array of workshops and professional development opportunities to all college staff and faculty.

As you know, the college plays an important role in the community through the impact we have on the lives of our students and on the local economy. The Many Hands projects organized by our Events Management students, the role our students play in the local Habitat for Humanity project, the Shiny Smiles for All initiative, the tremendous support by staff to the United Way campaign and the annual Rankin Run for Cancer, are but a few examples of our impact in the community.

Other highlights of the past year:

- Successful launch of two new diploma programs and two new apprenticeship programs, resulting in 88% increase in apprenticeship funding.
- Received a Global Best Honourable Mention Award, in the Building Learning Communities category for the Knowfire production, an innovative partnership between Niagara College, Brock University and Niagara's local fire departments.
- The Seafood Gala once again attracted more than 600 participants and raised \$132,000, which will increase to \$275,000 when the matching formula is applied by the Ontario Trust for Student Support. This money will be added to the College's endowment fund principal that is at more than \$8 million. The annual interest provides scholarships and bursaries to help students pursue their dreams.
- The Building Futures Campaign continues to be successful despite the current economic challenges of the Niagara region, with a further \$2 million raised over the past year through individual and private sector donations, as well as support from the City of Welland and special events. With the addition of the student contribution of \$10 million, more than \$14 million has now been raised toward the \$16.5 million goal in support of the Master Plan, new equipment, learning resources, scholarships and bursaries, and applied research.
- Hosted Niagara's Inter-professional Health Symposium that brought together health care professionals and educators and experts from all aspects of patient care including emergency care, family health care, long-term care and out-patient care.

These are but a few examples of how Niagara College has positioned itself as a leader among the best colleges in Canada. The work by the total college team, including the leadership of our Board of Governors, demonstrates extraordinary and exceptional accomplishments throughout the year. Our focus of putting students first, continues to be the driving force of all we do as a collective.



Dan Patterson, Ph.D.
President, Niagara College

VISION

Enriching lives and fulfilling dreams

MISSION

Providing outstanding applied education and training for a changing world

OUR VALUES

Our values form the guiding principles of all that we do – for our students, our employers, our communities.

- ❖ A priority on student success and satisfaction
- ❖ Working as a community
- ❖ Respect for diversity and inclusivity
- ❖ Sustainability
- ❖ Fostering and demonstrating entrepreneurship
- ❖ Creating a culture of innovation in our programs, services, applied research, and our learning environments

2009-2010 College Goals - Final Report

Goal	Indicator / Metric	Results
Improve access to college education and ensure continuous improvement in the quality of programs and the student experience by:		
➤ Maintaining high satisfaction, employment, graduation and retention rates	2010 KPI and CPI results meet or exceed College standards (see Performance Standards attached)	Met or exceeded most standards Performance Report • #1 in student satisfaction • Above or at provincial average for all KPI indicators • Retention rate up 4% from last year
➤ Establishing a Second Career Centre to provide improved access and services to mature learners	Second Career Centre established, increase in number of second career students applying and enrolled	Achieved Performance Report
➤ Defining common program outcomes (English, math, general education, essential skills, global and environmental awareness) for certificate, diploma, advanced diploma and graduate certificate programs	Program outcomes updated for 20% of programs, course mapping and gap analysis planned and early adopters supported	Exceeded 30% completed
➤ Providing students with greater flexibility in program entry points	Initiate summer intake through offer of 6 programs with May start Continue to grow January-start offerings	Achieved Performance Report • Increase of 44% in Jan-start applications • 7.6% increase in Jan-start enrolment
➤ Providing international work/study opportunities for students to acquire global understanding and competencies	Table report profiling international student experiences	Completed
Ensure program offerings support economic and regional needs and provide pathways for students to further education through:		
➤ Successfully launching Civil Technician Diploma, OTA/PTA diploma, call centre apprenticeship and cabinet maker apprenticeship	Enrolments: Diplomas – Day 10 Fall Apprenticeships – audited enrolment #	Achieved Performance Report
➤ Increasing articulations with Brock University	Successful completion of joint game development programs Successful completion of joint journalism project	College portion completed Completed and implemented

Goal	Indicator / Metric	Results
➤ Strengthening ties with economic development organizations and leaders through formalized dialogue, including a symposium on new program development	Symposium on new program development – successful event with participation by key economic development and community stakeholders	Achieved modified result Hosted Niagara's Inter-professional Health Symposium
Support economic development through applied research, Human Resources Canada and employer services:		
➤ Increase the level of applied research activity, particularly in areas that support the development of new industries in strategic economic sectors of the Region	Meet year 1 goals for NSERC College and Community Innovation Project	Achieved
➤ Sustain and grow VSMEs and SMEs by providing consulting services related to human resource strategies to support economic growth	Successful completion of the Services Canada Workplace Development Initiative project	Achieved and exceeded targets by 20%
Ensure strong community linkages by:		
➤ Supporting projects and activities of community partners through the engagement of College students, faculty and staff	Number and range of community organizations and activities supported through the College	Achieved
➤ Enhancing the role of College campuses as hubs of community activities through expanded visitor opportunities to the learning enterprises and increased on-campus community events	Report outlining on-campus events and activities bringing the community to the College	Achieved
➤ Developing a Student Leadership and Community Involvement Strategy	Table report outlining goals, benchmarks and key activities of the strategy	Achieved
Ensure strategic investment in our intellectual capital and physical infrastructure through:		
➤ Implementing initiatives that demonstrate environmental stewardship, improve efficiency and reduce costs	Installation of an energy consumption management system on all buildings and introduction of alternative energy sources	Achieved Implemented through Master Plan
➤ Implementing 2008 Climate Survey Action Plan	Successful implementation of internal communications plan "Innovation" Program in place to support innovation initiatives	Achieved Deferred to 2010-2011 due to budget constraints
➤ Providing strategic investment in professional development of faculty and staff	Table report profiling PD activities and outcomes	Achieved
➤ Improving learning environments and resources	Improved wireless access for students and installation of multimedia centralized systems Increase self-service functionality for staff and students	Achieved Achieved
➤ Implementing the Campus Master Plan in a manner to support the occupancy timelines	Completion of the Wine Education Visitors Centre and the Academic Wing Contract awarded and construction initiated on remainder of Phase I, including the Athletics/ Learning Commons and Students Centre	Completed – opened October 2009 Completed – scheduled completion Sept 2010

Goal	Indicator / Metric	Results
Ensure strategic enrolment and strong fiscal management by:		
➤ Aligning marketing, recruitment and admissions activities to achieve enrolment targets for new and existing programs, as well as international and mature students	Domestic and International Enrolment Targets Achieved Domestic: 2009F 6,700 Yr Av: 7,000 International: 2009F 338 Yr Av: 380	Targets exceeded Performance Report Domestic: 12% above target International: 33% above target
➤ Through the Building Futures Campaign, raising funds to support new and expanded facilities, improved learning resources and increased student scholarships and bursaries	Achievement of Year 2 campaign objectives	Goal of \$2 million Achieved
➤ Sound fiscal planning and management	Achieve balanced or positive financial results for 2009-2010 fiscal year	Achieved \$4.8 million surplus
	Board Approved 2010-2011 Business Plan and Budget	Achieved
➤ Revenue diversification by increasing revenues from international projects, learning enterprises, research and infrastructure grants and other entrepreneurial activities	Report on non-postsecondary grant revenue sources	Achieved 88% increase in apprenticeship 25% increase international tuition 35% increase research grants

**APPENDIX A: KEY PERFORMANCE INDICATORS REPORT
2009-2010**

Part I – Quality Indicators

PROVINCIAL KPIs				
INDICATOR	NIAGARA STANDARD	NIAGARA 2009/10	PROVINCE 2009/10	NIAGARA 2008/09
Student Satisfaction	80%	83.1%	76.3%	85.2%
Graduate Employment	85%	86.2%	84.8%	88.9%
Graduate Satisfaction	80%	79.0%	79.8%	80.7%
Employer Satisfaction	90%	93.2%	93%	94.8%
Graduation Rate	60%	65.8%	65.1%	65.2%

COLLEGE PERFORMANCE INDICATORS			
INDICATOR	NIAGARA STANDARD	NIAGARA 2009/10	NIAGARA 2008/09
Retention Rate (Yr 1 to Yr 2)	75%	74% (83%)*	78.9%
Work Placement Rate	95%	95%	97.9%
Program and Learning Quality	90%	88.7%	89.1%
Service and Facility Quality	80%	77.5%	81.2%

*change in methodology resulting lower result (result using original methodology)

Part II – Application and Enrolment Indicators

COLLEGE ENROLMENT REPORT					
INDICATOR	NIAGARA TARGET		NIAGARA 2009/10		NIAGARA 2008/09
	2009F	Yr Av	2009F	Yr Av	2008F
F/T domestic enrolment in post-secondary programs	6,700	7,000	7,168	7,856	6,776
International student enrolment	338	380	419	507	329
Civil Technician Diploma			32	29	New
OTA/PTA diploma			25	24	New
Second Career enrolments	Increase		280	337	9
Apprenticeship`			Training Days		
Call centre apprenticeship			47,714		New
Cabinet maker apprenticeship			182		New
May starts	Increase		2009S – Term 1 85		2008/09 0
January starts	Increase		2010W – Term 1 750		2009W – Term 1 697

APPENDIX B

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2010

Consolidated Financial Statements of

**NIAGARA COLLEGE OF APPLIED ARTS
AND TECHNOLOGY**

Year ended March 31, 2010

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Financial Statements

Year ended March 31, 2010

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AUDITORS' REPORT TO THE GOVERNORS

We have audited the consolidated statement of financial position of Niagara College of Applied Arts and Technology as at March 31, 2010 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

St. Catharines, Canada
May 19, 2010

March 31, 2010, with comparative figures for 2009

	2010	2009
Assets		
Current assets:		
Cash and short-term investments	\$ 39,096,969	\$ 38,504,932
Post secondary and other grants recoverable (note 4)	3,246,570	5,133,582
Accounts receivable	2,414,865	4,150,852
Current portion of pledges receivables (note 6)	1,765,308	1,393,222
Inventories	789,752	720,617
Prepaid expenses and other assets	460,230	425,295
	<u>47,773,694</u>	<u>50,328,500</u>
Restricted assets:		
Cash	757,941	694,891
Investments (note 5)	8,557,705	7,143,525
	<u>9,315,646</u>	<u>7,838,416</u>
Pledges receivables (note 6)	9,450,503	1,660,247
Capital assets (note 7)	104,082,634	75,222,412
	<u>\$ 170,622,477</u>	<u>\$ 135,049,575</u>

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

March 31, 2010, with comparative figures for 2009

	2010	2009
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,223,814	\$ 6,175,523
Accrued payroll and employee deductions	5,307,333	3,730,988
Accrued vacation (note 3)	3,018,524	3,161,539
Deferred revenue:		
Specific purpose grants deferred and repayable	5,771,399	3,721,526
Tuition and related fees	7,621,533	5,876,741
Awards and bursaries	379,871	333,443
Other	846,125	777,129
Current portion of long-term debt (note 8)	552,423	519,983
	<u>36,721,022</u>	<u>24,296,872</u>
Long-term debt (note 8)	11,013,484	11,565,907
Future employee benefits (note 3)	1,921,800	2,110,582
Deferred capital contributions (note 9)	80,125,140	62,439,731
Interest rate swaps (note 8)	2,142,714	3,466,685
Net assets:		
Unrestricted	3,368,396	3,029,017
Vacation and future employment benefits (note 3)	(4,940,324)	(5,272,121)
Fair value of interest rate swaps	(2,142,714)	(3,466,685)
Foundation	146,561	139,155
Centre for Advanced Visualization	(391,440)	(86,281)
	<u>(3,959,521)</u>	<u>(5,656,915)</u>
Internally restricted for future expense (note 10)	4,277,076	21,857,187
	<u>317,555</u>	<u>16,200,272</u>
Endowments (note 11)	8,638,208	7,317,247
Investment in capital assets (note 12)	29,742,554	7,652,279
	<u>38,698,317</u>	<u>31,169,798</u>
Contingent liabilities (note 13)		
Commitments (note 16)		
	<u>\$ 170,622,477</u>	<u>\$ 135,049,575</u>

See accompanying notes to financial statements.

Approved by the Board

 Governor

 Governor

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Grants and reimbursements	\$ 59,609,517	\$ 51,790,215
Student tuition and fees	32,639,084	29,048,317
Ancillary operations	8,160,709	7,800,203
Other	5,333,471	6,127,787
Amortization of deferred contributions related to capital assets	4,106,602	3,887,230
Total revenue	109,849,383	98,653,752
Expenses:		
Salaries and benefits	66,700,559	60,110,519
Non-salary expenditures	29,550,051	24,875,811
Flow through funds to third parties	3,455,616	3,128,195
Amortization of capital assets	5,259,570	4,909,720
Total expenses	104,965,796	93,024,245
Excess of revenue over expenses	\$ 4,883,587	\$ 5,629,507

See accompanying notes to financial statements.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2010, with comparative figures for 2009

	Unrestricted	Vacation and future employee benefits	Fair value of Interest rate swaps	Internally restricted for future expense	Foundation	Centre for Advanced Visualization	Endowments	Investment in capital assets	2010	2009
Net assets, balance beginning of year	\$ 3,029,017	\$ (5,272,121)	\$ (3,466,685)	\$ 21,857,187	\$ 139,155	\$ (86,281)	\$ 7,317,247	\$ 7,652,279	\$ 31,169,798	\$ 26,501,220
Excess of revenue over expenses (expenses over revenue)	1,157,622	331,797	-	4,844,889	7,406	(305,159)	-	(1,152,968)	4,883,587	5,629,507
Endowments	-	-	-	-	-	-	1,139,249	-	1,139,249	1,002,257
Change in unrealized investment income	-	-	-	-	-	-	181,712	-	181,712	(439,152)
Change in fair value of interest rate swaps	-	-	1,323,971	-	-	-	-	-	1,323,971	(1,524,034)
Net change in investment in capital assets	(818,243)	-	-	(22,425,000)	-	-	-	23,243,243	-	-
Balance, end of year	\$ 3,368,396	\$ (4,940,324)	\$ (2,142,714)	\$ 4,277,076	\$ 146,561	\$ (391,440)	\$ 8,638,208	\$ 29,742,554	\$ 38,698,317	\$ 31,169,798

See accompanying notes to financial statements.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 4,883,587	\$ 5,629,507
Items not involving cash:		
Amortization of deferred contributions related to capital assets	(4,106,602)	(3,887,230)
Amortization of capital assets	5,259,570	4,909,720
Change in future employee benefits	(188,782)	(40,043)
Change in accrued vacation	(143,015)	236,126
Change in non-cash operating working capital:		
Post secondary and other grants recoverable	1,887,012	(1,639,558)
Accounts receivable	1,735,987	(2,366,452)
Inventories	(69,135)	(205,338)
Prepaid expenses and other assets	(34,935)	281,815
Accounts payable and accrued liabilities	7,048,291	495,151
Accrued payroll and employee deductions	1,576,345	70,725
Deferred revenue	3,910,089	1,825,815
	21,758,412	5,310,238
Investing activities:		
Investments	(1,414,180)	(1,225,645)
Endowments	1,320,961	563,105
Purchase of capital assets	(34,119,792)	(9,975,802)
	(34,213,011)	(10,638,342)
Financing activities:		
Pledges receivables	(8,162,342)	(581,633)
Deferred capital contributions	21,792,011	8,975,187
Principal payments on long-term debt	(519,983)	(489,467)
	13,109,686	7,904,087
Increase in cash and short-term investments	655,087	2,575,983
Cash and short-term investments, beginning of year	39,199,823	36,623,840
Cash and short-term investments, end of year	\$ 39,854,910	\$ 39,199,823
Cash and short-term investments are represented by:		
Cash and short-term investments - unrestricted	\$ 39,096,969	\$ 38,504,932
Cash - restricted	757,941	694,891
	\$ 39,854,910	\$ 39,199,823

See accompanying notes to financial statements.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2010

1. Significant accounting policies and disclosure:

(a) Basis of presentation:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of Niagara College of Applied Arts and Technology, its wholly owned subsidiaries, Centre for Advanced Visualization and Niagara College Foundation. All inter-organization assets, liabilities, revenues and expenditures have been eliminated.

(b) Revenue recognition:

The College follows the deferral method of accounting for contributions which include donations and government grants. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the depreciation rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable.

Donations of assets are recorded at fair value when a fair value can be reasonably estimated. Pledges receivable for capital assets are recorded as an asset in the accompanying financial statements when the amount to be received can be reasonably estimated and collection is reasonably assured. Pledges receivable include donations and a commitment from students for capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Endowment funds are for awards and bursaries. Endowment contributions are recognized as direct increases in endowment net assets.

(c) Cash and short term investments:

Cash and short terms investments include guaranteed investment certificates with a term of less than one year.

(d) Inventories:

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

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

1. Significant accounting policies and disclosure (continued):

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following rates:

Site improvements	10 years
Buildings	40 years
Building betterments	10-20 years
Major equipment (value > \$25,000)	10 years
Leased Assets	Evenly over the life of the lease or the asset
Furniture and equipment	5 years
Information Technology	3-5 years
Vehicles	5 years
Computer software	3-5 years

Construction costs are capitalized as work progresses and amortization commences as work is substantially completed.

(f) Vacation pay:

Vacation pay or sabbatical leave obligations are accrued in the financial statements.

(g) Student organizations:

These financial statements do not reflect the assets, liabilities and results of operations of the Niagara College Student Administrative Council.

(h) Employee future benefits:

The College is liable to pay 50% of an employee's accumulated sick leave credit on termination or retirement after ten years' service.

The College maintains defined benefit plans providing other retirement and post-employment benefits to most of its employees. These benefits include ongoing premiums for Basic Life Insurance, Extended Health care/Vision/Hearing care and Dental care provided they were in effect on the last working day prior to retirement. The maximum number of years of coverage under this plan is five years from the date of retirement. Canadian generally accepted accounting principles requires the liability related to these benefits to be recorded. The College has recorded this liability.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

1. Significant accounting policies and disclosure (continued):

(i) Derivative financial instrument and hedge accounting:

The College is party to interest rate swap agreements used to manage the exposure to market risks from changing interest rates. The College's policy is not to utilize derivative financial instruments for trading or speculative purposes.

The College formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. This process includes linking the interest rate swaps to specific long-term debt on the statement of financial position. The College also formally assesses, both at the hedge's inception and on an on-going bases, whether the interest rate swaps that are used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged items.

For the interest rate swap agreements, the difference between the swap interest rate and the actual interest rate on the long-term debt is recognized as an adjustment to interest expense on long-term debt.

(j) Measurement uncertainty:

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, valuation allowances for receivables, valuation of derivative financial instruments, and assets and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

1. Significant accounting policies and disclosure (continued):

(k) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value. They are subsequently valued at fair value or amortized cost depending on the classification selected for the financial instrument. Financial assets are classified as either "held-for-trading", "held-to-maturity", "available-for-sale", or "loans and receivables" and financial liabilities are classified as either "held-for trading" or "other liabilities". Financial assets and liabilities classified as held-for-trading are measured at fair value with the change in fair value recorded in the statement of operations. Financial assets classified as held-to-maturity or loans and receivables and financial liabilities classified as other liabilities are subsequently measured at amortized costs using the effective interest method. Available-for-sale financial assets that have a quoted price in an active market are measured at fair value with the change in fair value recorded in net assets. Such gains or losses are reclassified to the statement of operations when the related financial asset is disposed of or when the decline in value is considered to be other-than-temporary.

The College has classified its' financial instruments as follows:

Cash	Held-for-trading
Short-term investments	Held-to-maturity
Post secondary and other grants recoverable	Loans and receivable
Accounts receivable	Loans and receivable
Investments	Held-for-trading
Pledges receivable	Loans and receivable
Accounts payable and accrued liabilities	Other liabilities
Accrued payroll and employee deductions	Other liabilities
Accrued vacation	Other liabilities
Current and long-term debt	Other liabilities

The College has continued to disclose and present financial instruments under Handbook Section 3861, "Financial Instruments - Disclosure and Presentation" for the year ended March 31, 2010.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

2. Change in accounting policies:

Effective April 1, 2009, the College adopted the CICA amendments to the 4400 Sections of the CICA Handbook. These amendments eliminate the requirement to show net assets invested in capital assets as a separate component of net assets, clarify the requirement for revenue and expenses to be presented on a gross basis when the not-for-profit organization is acting as principal and require a statement of cash flow. Adoption of these recommendations had no significant impact on the consolidated financial statements for the year ended March 31, 2010.

Effective April 1, 2009, the College adopted the CICA amendments to the section 1000 of the CICA Handbook. These amendments clarified the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching of revenue and expense items. Adoption of these recommendations had no effect on the consolidated financial statements for the year ended March 31, 2010.

Effective April 1, 2009, the College adopted the CICA amendment to the section 3064 of the CICA Handbook. The amendment to this standard states that in determining whether an asset that incorporates both intangible and tangible elements, the College must assess which element is more significant. Computer software that is not an integral part of the related hardware is treated as an intangible asset. Adoption of this recommendation had no significant impact on the consolidated financial statements for the year ended March 31, 2010.

3. Accrued vacation and future employee benefits:

Accrued vacation and future employee benefits comprise the following:

	2010	2009
Vacation	\$ 3,018,524	\$ 3,161,539
Future employee benefits		
Sick leave	1,259,800	1,443,582
Other post-employment benefits	662,000	667,000
	1,921,800	2,110,582
	\$ 4,940,324	\$ 5,272,121

Vacation

The accrual for vacation represents the liability for earned but unpaid vacation entitlements.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

3. Accrued vacation and future employee benefits (continued):

Future employee benefits

Sick Leave

Under the accumulated sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the College's employment.

Other future employee benefits

The College maintains defined benefit and defined contribution plans providing other retirement and future employee benefits to most of its employees.

The costs of other post-employment benefits (including medical benefits, dental care, life insurance, and certain compensated absences) related to the employees' current service is charged to income annually. The cost is computed on an actuarial basis using the projected benefit method estimating the usage frequency and cost of services covered and management's best estimates of investment yields, salary escalation, and other factors. Plan assets are valued at fair value for purposes of calculating the expected return on plan assets.

The fair values of plan assets and accrued benefit obligations were determined by independent actuaries on behalf of the College System as a whole as at March 31, 2008 for the majority of the obligations set out below.

Information about the College's post employment benefits other than sick leave as at March 31, 2010 is as follows:

	2010	2009
Liability for future employee benefits	\$ 814,000	\$ 789,000
Fair value of plan asset	152,000	122,000
Funded status – plan deficit	\$ 662,000	\$ 667,000

The accrued benefit obligations accrued at March 31, 2010 amounted to \$895,000 (2009 - \$883,000). The net unamortized actuarial loss is \$81,000 (2009 - \$94,000). Benefit plan interest and current service (costs) gain recorded in the year were \$67,000 (2009 - \$70,000) and the amortization of actuarial gain of \$nil (2009 - \$nil). The benefits paid out in the year were \$72,000 (2009 - \$91,000). These amounts represent the results of the actuarial valuation completed in March 2008.

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligation include a discount rate of 4.75% (2009 - 5.50%). The average retirement age in the College System is assumed to be 61 and the liability has been recalculated as a result of a separation of the benefit pool for retirees and those on long-term disability from active employees.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

3. Accrued vacation and future employee benefits (continued):

For measurement purpose, the annual rate of increase in the per capita cost of covered health care benefits was assumed as follows:

		Other benefit plans
Drug	9.5% (grading to 4.5% in 2020)	
Hospital		4.5%
Other medical		4.5%
Dental	7.0% (grading to 4.5% in 2023)	

4. Operating grants:

Operating grants may be subject to adjustment pending a final review by the Ministry of Training, Colleges and Universities of the various programs operated by the College for the year ended March 31, 2010. Any adjustment required would be expected to be accounted for as a charge or credit to revenue in the period in which adjustment occurs.

5. Investments:

	2010	2009
Fixed income securities	\$ 6,529,707	\$ 5,559,130
Common shares	552,322	431,964
Mutual funds	1,475,676	1,152,431
	\$ 8,557,705	\$ 7,143,525

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

6. Pledges receivables:

	2010	2009
Student Centre receivables	\$ 9,148,002	\$ 1,429,291
Other	2,067,809	1,624,177
	11,215,811	3,053,469
Current portion of pledges receivable	1,769,308	1,393,222
	\$ 9,450,503	\$ 1,660,247

Aggregate maturities of pledges receivable for each of the five years subsequent to March 31, 2010, are as follows: 2011 - \$1,769,308; 2012 - \$1,015,664; 2013 - \$1,039,325; 2014 - \$1,025,676 and 2015 - \$1,190,257.

Student Centre receivables:

Niagara College's Student Administrative Council (SAC) has entered into an agreement with the College to provide funding totaling \$10 million representing its commitment towards the total cost of the construction of the new Student Centre and Athletic building. SAC is raising these funds by way of an annual Student Centre Levy which is expected to be sufficient to satisfy the annual principal and interest due when debt will be incurred in the summer of 2010. This amount has been discounted at a rate of 2.25% and the current amount receivable is \$9,148,002.

Other pledges receivable:

Other pledges receivable, in the amount of \$2,067,809, have been discounted at a rate of 2.25%.

7. Capital assets:

	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Land	\$ 3,881,762	\$ -	\$ 3,881,762	\$ 3,881,762
Site improvements	5,836,615	4,620,875	1,215,740	417,325
Buildings	91,716,470	33,096,869	58,619,601	56,431,714
Building betterments	11,205,537	7,631,168	3,574,369	3,589,510
Furniture and equipment	59,031,104	50,624,887	8,406,217	6,044,843
Equipment under capital leases	321,407	321,407	-	-
Resource centre	1,322,622	1,322,622	-	-
Computer software	2,981,450	2,981,450	-	3,113
Construction in progress	28,384,945	-	28,384,945	4,854,145
	\$ 204,681,912	\$ 100,599,278	\$ 104,082,634	\$ 75,222,412

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

8. Long-term debt:

	2010	2009
Swap loan for Glendale residence bearing interest at a variable rate, payable in monthly installments of approximately \$52,000 of principal and interest, with balance payable at maturity. The interest rate has been fixed at 6.99% through an interest rate swap contract which matures October 1, 2025	\$ 5,980,197	\$ 6,190,703
Swap loan for Welland residence bearing interest at a variable rate, payable in monthly installments of approximately \$43,000 principal and interest, with balance payable at maturity. The interest has been fixed at 6.17% through an interest rate swap contract which matures December 1, 2021	4,235,353	4,478,718
Swap loan for Glendale Vineyard bearing interest at a variable rate, payable in monthly installments of approximately \$11,000 principal and interest, with balance payable at maturity. The interest has been fixed at 4.70% through an interest rate swap contract which matures April 1, 2014	1,350,357	1,416,469
	11,565,907	12,085,890
Current portion of long-term debt	552,423	519,983
	\$ 11,013,484	\$ 11,565,907

The security for the loans includes a promissory note in the amount of the loan and an assignment of all risk insurance of the College.

Aggregate maturities of long-term debt for each of the five years subsequent to March 31, 2010, are as follows: 2011 - \$552,423; 2012 - \$586,914; 2013 - \$623,584; 2014 - \$662,572 and 2015 - \$1,673,040.

The College has entered into interest rate swap agreements to manage the volatility of interest rates. The College converted a net notional of \$15.075 million of floating rate long-term debt relating to the two residences and the vineyard. The fixed rates received under the interest rate swaps range from 4.7% to 6.99%. The maturity dates of the interest rate swaps are the same as the maturity dates of the associated long-term debts ranging from 2014 to 2025.

The fair value of the interest rate swaps at March 31, 2010 are in a net unfavourable position of \$2,142,714 (2009 - \$3,466,685) which is recorded on the statement of financial position. The current year impact of the change in fair value of the interest rate swap is an increase (reduction) to net assets by \$1,323,971 (2009 - (\$1,524,034)).

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

9. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized and unspent amounts of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2010	2009
Balance, beginning of year	\$ 62,439,731	\$ 57,351,774
Additional contributions received	21,792,011	8,975,187
Less amounts amortized to revenue	(4,106,602)	(3,887,230)
	<u>\$ 80,125,140</u>	<u>\$ 62,439,731</u>

The balance of deferred capital contributions related to capital assets consists of the following:

	2010	2009
Unamortized capital contributions used to purchase assets	\$ 62,965,838	\$ 56,716,129
Unspent capital contributions included in pledges receivable	11,024,146	1,821,583
Unspent capital contributions	6,135,156	3,902,019
	<u>\$ 80,125,140</u>	<u>\$ 62,439,731</u>

10. Restrictions on net assets:

The Board has approved a transfer of \$4,844,889 (2009 - \$4,752,258) restricted for capital expenditures designated for the Masterplan. The balance of \$4,277,076 (2009 - \$21,857,187) has been presented as net assets internally restricted for future expenses relating to WSIB of \$1,122,000 (2009 - \$1,122,000), Peoplesoft Upgrade of \$500,000 (2009 - \$500,000), Utilities of \$700,000 (2009 - \$700,000), International of \$769,029 (2009 - \$736,625) and future capital expenditures of \$1,186,047 (2009 - \$18,798,562).

11. Endowments:

Total investment income, in the amount of \$245,725 (2009 - \$113,491), was received on endowment funds (including Non-OSOTF; OTSS) during the year. Cumulative unspent investment income for endowment funds amounted to \$459,831 (2009 - \$362,145) which has been included in deferred revenue – awards and bursaries as the use of this income is restricted for awards and bursaries.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

12. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2010	2009
Capital assets	\$ 104,082,634	\$ 75,222,412
Amounts financed by:		
Unamortized capital contributions used to purchase assets	(62,965,838)	(56,716,129)
Pledges receivable excluding amounts included in unspent deferred capital contributions	191,665	1,231,886
	(62,774,173)	(55,484,243)
Long-term debt	(11,565,907)	(12,085,890)
	\$ 29,742,554	\$ 7,652,279

(b) Change in net assets invested in capital assets is calculated as follows:

	2010	2009
Excess of expenses over revenue:		
Amortization of deferred contributions related to capital assets	\$ 4,106,602	\$ 3,887,230
Amortization of capital assets	(5,259,570)	(4,909,720)
	\$ (1,152,968)	\$ (1,022,490)

	2010	2009
Net change in investment in capital assets:		
Purchase of capital assets	\$ 34,119,792	\$ 9,975,802
Amounts funded by:		
Deferred contributions	(10,356,311)	(10,755,792)
Repayment of long-term debt on residence	453,871	426,386
Repayment of long-term debt on Vineyard	66,112	63,081
Receipt of pledges receivable	(1,040,221)	(787,551)
	\$ 23,243,243	\$ (1,078,074)

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

13. Contingent liabilities:

The nature of the College's activities are such that there may be litigation pending or in prospect at any time. With respect to claims at March 31, 2010 administration believes that the College has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, administration believes that such claims are not expected to have a material effect on the College's financial position. No provision has been accrued in these financial statements in respect of the above litigation.

14. Financial instruments:

Risk management activities:

The College has entered into interest rate swaps as described in note 8 to reduce its exposure to fluctuations in interest expense.

Fair values:

The carrying values of cash and short-term investments, post secondary and other grants recoverable, accounts receivable, accounts payable and accrued liabilities and accrued payroll and employee deductions approximate their fair value due to the relating short periods to maturity of the instruments.

The fair value of the long-term debt amounts to approximately \$13.7 million (2009 - \$15.6 million) as compared to its carrying amount of \$11.566 million (2009 - \$12.086 million). The fair value of the mortgage instrument was calculated using the future cash flows (principal and interest) of the actual outstanding debt instrument, discounted at current market rates available to the College for a similar instrument.

Pledges receivable are recorded at fair value.

15. Pension plans:

Employees are participants in the contributory retirement pension plans administered by the Colleges of Applied Arts and Technology pension plan and the Ontario Teachers' Superannuation Fund. Under this arrangement, the College makes contributions to these plans equal to those of the employees. There is no liability for past service and provision has been made for any actuarial deficiencies of the plan. Pension expense for 2010 is \$4,523,408 (2009 - \$3,853,554).

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

16. Commitments:

As at March 31, 2010, the estimated costs to complete approved capital and renovation projects are approximately \$28,114,205, which will be funded by government grants, donations and internally restricted net assets for future expenses.

17. Ontario Student Opportunity Trust Fund (OSOTF):

The Ontario Student Opportunity Trust Fund program was created to provide financial assistance to qualifying students from the investment income earned on these funds. Contributions to OSOTF ended on March 31, 2007. A new fund was created on April 1, 2007 called Ontario Trust for Student Support.

	Endowment Fund	Expendable Funds
<u>Phase 1</u>		
Fund balance, beginning of year	\$ 988,010	\$ 71,075
Cash donations received	-	-
Funds receivable from the Ministry	-	-
Funds received from the Ministry	-	-
Investment income	-	26,062
Bursaries awarded (51 awards)	-	(25,900)
<u>Fund balance, end of year</u>	<u>\$ 988,010</u>	<u>\$ 71,237</u>

	Endowment Fund	Expendable Funds
<u>Phase 2</u>		
Fund balance, beginning of year	\$ 1,542,196	\$ 112,741
Unmatched donations transferred to OTSS for matching	-	-
Cash donations received	-	-
Funds receivable from the Ministry	-	-
Funds received from the Ministry	-	-
Investment income	-	60,908
Bursaries awarded (51 awards)	-	(36,700)
<u>Fund balance, end of year</u>	<u>\$ 1,542,196</u>	<u>\$ 136,949</u>

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2010

18. Ontario Trust for Student Support:

Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Trust for Student Support ("OTSS") matching program, to award student aid as a result of raising an equal amount of endowed donations. This fund was created on April 1, 2007. The following information relates to the Trust fund for year ended March 31, 2010.

Schedule of Changes in Endowment Balance:

Endowment balance, beginning of year	\$ 4,029,026
Cash donations received	438,109
Funds receivable from the Ministry	631,195
Endowment balance, end of year	\$ 5,098,330

Schedule of Changes in Expendable Funds Available for Awards:

Expendable funds available for awards, beginning of year	\$ 135,471
Investment income eligible for expenditures	137,348
Bursaries awarded (85 awards)	(48,800)
Expendable funds available for awards, end of year	\$ 223,019

Cash donations matched between April 1, 2009 and March 31, 2010	\$ 436,105
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19. Comparative figures:

Certain comparative figures have been reclassified to conform with the presentation of the current year.



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AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

We have audited and reported separately herein the consolidated financial statements of Niagara College of Applied Arts and Technology as at and for the year ended March 31, 2010.

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Chartered Accountants, Licensed Public Accountants

St. Catharines, Canada
May 19, 2010

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Revenue

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Grants and reimbursements:		
General Purpose Operating Grant (GPOG)	\$ 37,304,504	\$ 37,410,083
Special purpose grants	3,496,263	3,462,272
Services Canada	1,019,975	1,186,635
Apprenticeship training	5,052,594	2,674,582
Job Connect and Summer Jobs Service	2,707,593	2,204,172
Literacy and Basic Skills	1,798,607	1,391,231
Second Careers	2,055,289	176,306
Provincial bursaries	818,507	743,057
Niagara Region day care grant	760,331	815,856
Other provincial and federal funding	3,418,131	1,935,838
	58,431,794	52,000,032
Capital grants	6,835,876	5,691,782
Less: contributions related to capital	(5,658,153)	(5,901,599)
	59,609,517	51,790,215
Student tuition and fees:		
Full-time domestic	22,613,719	20,470,435
Part-time domestic	3,684,923	3,481,760
International post secondary	4,649,794	3,719,240
International ESL	1,690,648	1,376,882
	32,639,084	29,048,317
Ancillary operations:		
Residence	3,130,546	3,054,130
Parking	857,077	747,934
Athletics	605,892	531,619
Campus store	487,739	455,810
Facilities rentals	276,570	425,835
Tourism Industry Development Centre	380,930	501,148
Day care fees	100,191	130,835
Restaurant	967,346	1,005,958
Greenhouse	216,301	226,595
Winery	583,287	432,956
Commissions	406,909	104,071
Vineyard	147,921	183,312
	8,160,709	7,800,203
Other:		
Contract training	746,613	1,303,491
Sale of course materials and service charges	1,857,588	1,650,709
International special projects	710,714	1,256,012
Investment income	753,123	1,224,430
Other donations, net	124,454	(74,015)
Donations – awards and bursaries	247,603	170,041
Foundation	267,449	242,849
Other revenue	625,927	354,270
	5,333,471	6,127,787
Amortization of deferred contributions related to capital assets	4,106,602	3,887,230
	\$ 109,849,383	\$ 98,653,752

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Expenditures

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Salaries and benefits:		
Academic salaries and benefits	\$ 27,391,592	\$ 25,494,212
Support salaries and benefits	15,379,456	13,987,575
Administration salaries and benefits	10,012,929	8,682,177
Part-time teaching, sessional and partial load salaries and benefits	7,244,150	5,820,220
Part-time support salaries and benefits	7,004,229	5,930,252
Post employment, vacation and sick leave	(331,797)	196,083
	66,700,559	60,110,519
Non-salary expenditures:		
Instructional supplies and field work	4,168,250	3,721,546
Supplies	3,968,928	2,776,252
Office expense and insurance	1,494,574	1,122,118
Professional development	690,111	920,982
Travel	1,170,181	1,425,378
Marketing and promotions	2,090,752	1,806,250
Equipment maintenance and rentals	902,861	1,064,900
Debt charges and banking fees	1,080,400	992,127
Contracted services and professional fees	7,241,368	4,878,021
Building and grounds maintenance	3,397,688	2,933,649
Utilities and telecommunications	2,211,365	2,493,947
Disbursements – awards and bursaries	247,603	170,041
Foundation	260,043	216,330
Other	625,927	354,270
	29,550,051	24,875,811
Flow through funds to third parties:		
Provincial bursaries	1,483,905	1,457,090
Participant stipends and allowances	1,475,361	1,198,380
Municipal taxes-in-lieu	496,350	472,725
	3,455,616	3,128,195
Amortization of capital assets	5,259,570	4,909,720
	\$ 104,945,796	\$ 93,024,245

APPENDIX C

MULTI-YEAR ACCOUNTABILITY AGREEMENT RESULTS

To be added December, 2010