

This report documents the success of Canadore College in achieving its objectives as outlined in the President's Annual Workplan, the Canadore College Three-year Strategic Plan and the Multi-year Accountability Agreement approved by the Ministry of Training, Colleges and Universities. A separate document is available outlining progress on the goals in the Multi-year Accountability Agreement. The Board of Governors approved six main performance goals for the 2008/09 academic year. Each performance goal is identified in this report as well as the performance measures for that goal and the measureable outcomes. The audited financial statement for 2008/09 is also included.

This report is posted on the college web site. In order to reduce its use of paper and in line with the college's commitment to lower its printing costs, no print run of this report has been produced. A print copy will be provided if requested from the president's office at Canadore College.

Goal #1

Performance Goal

Ensure accessibility to academic programs through ongoing assessment of potential new programs, identification and elimination of barriers to participation and provision of appropriate academic and personal supports for students.

New programs approved and offered in 2008/09 include:

- Medical Transcription Certificate Program,
- Nursing Unit Clerk Certificate Program,
- Client and Customer Relations Certificate Program,
- Transition to Preparatory Health Sciences Certificate Program,
- Accounting Certificate Program (approved in April as the March Board meeting was canceled due to lack of quorum).

Note: some of the above programs are delivered through Ontario Learn and/or in an eLab environment to provide maximum flexibility and providing access in all the communities.

Throughout the 2008/09 fiscal year the college continued to work to recruit underrepresented groups through the elimination of barriers and the provision of academic and personal supports for students. Highlights of this work include:

- Establishing a Second Career co-ordinator to ensure that displaced workers and agencies serving them had a clear and easily accessible point of contact with the college,
- Using Access to Opportunity funding to develop a Transition to Pre health program which is particularly focused on the needs of Aboriginal learners,
- Implementing the CRM (Customer Relationship Management) software to ensure timely and accurate responses to potential applicants,
- Using myCANADORE.ca to significantly increase the level of services and information provided to prospective students e.g. a budget calculator, Ask a Question with a 24 hour turn around, sections for mature students, Aboriginal students and Second Career students,
- Significantly improving the fall 2008 semester start-up so that wait lines and general confusion were minimized,
- Responding faster than any other Ontario college in sending out offers to students,
- Offering mature student information sessions in North Bay, Mattawa, Parry Sound and West Nipissing to provide information to those requiring retraining and needing information about programs, services and funding through Second Career,
- Researching the data provided through the Student Satisfaction KPI through the KPI Steering Committee to analyze and address student concerns,
- Using a series of focus groups to identify student views on orientation and how it can be improved.

Performance Measures

Recruitment and retention strategies for under represented groups continue (see points above) and are in addition enhanced by the following:

- Increasing profile in the smaller communities through activities such as the Parry Sound and Mattawa convocations in summer 2008, much higher earned media coverage in Parry Sound through partnership with the West Parry Sound Health Centre, development of a submission for a new West Parry Sound campus strongly supported by the municipalities and First Nations of the region, links through involvement in activities such as the Parry Sound Chamber of Commerce AGM, speaking to groups such as the Parry Sound Rotary Club, and ongoing advocacy through meetings with regional mayors, chiefs, M.P.P.s and M.P.s,

- Providing continuous intake and flexible delivery, including through the Contact North network across northern Ontario, for all programs in the School of Recreation and Leisure Services through an innovative new student centred delivery model,
- Presenting the Revitalization Reports for the Schools of Aviation, Health Sciences, Information technology/Office Administration and Law and Justice to the Board in February and back for approval at the April Board meeting (would have back for approval in March but the meeting was cancelled due to lack of quorum).

Measurable Outcomes

- Graduate employment rate of 87.8% (target of 87%0)
- Employer satisfaction rate of 95.5% (target of 93.5%)
- Graduate satisfaction rate of 86.3% (target of 85%)
- Student satisfaction rate of 75.3% (target of 77.5%)
- Overall retention rate of 79% (target of 79.8%)
- Aboriginal retention rate of 64.6% (target of 70.1%)
- Special Needs retention rate of 83.8% (target of 85%+)
- November 1, 2008 enrolment of 3,207 FTE (target of 3,119 FTE)
- Graduate # of 1,030 grads (target of 1,100 graduates)

Goal #2

Performance Goal

Ongoing implementation of I.T. and instructional capital plans and development of a facilities plan including a space utilization plan.

There has been ongoing implementation of the Information Technology and Instructional Capital Plans at the level that can be supported given current funding constraints. This has slowed down the pace of enhancements e.g. less new smart classrooms coming on-line than planned, however the general direction of the plans is moving ahead.

The development of the Facilities Plan has involved several components that add to the Master Land Use Plan approved by the Board in 2007. These include:

- Capital projects submission to the Ministry of Training, Colleges and Universities (MTCU) in September 2008 which allowed up to five proposals per college and in which Canadore College submitted the Centre for all Media, the Parry Sound Campus, the Aviation campus expansion, the First Peoples' Centre and the joint Athletics Complex expansion with Nipissing University,

- The Deferred Maintenance proposal of \$14 million for enhanced energy efficiency responding to a request from MTCU in December,
- Detailed proposals for federal and provincial infrastructure funding for the Centre for all Media, the Parry Sound Campus and the deferred maintenance submitted on March 30th and subsequent funding of \$3.1 million from the Federal Government's Knowledge Infrastructure Plan and \$3.1 million from the provincial government to build a Parry Sound Campus.
- Identification in the School of Health Sciences Revitalization Report of the need for an identified Health Sciences wing which will co-locate the programs in the School in order to facilitate shared labs and equipment as well as in support of the Interprofessional Health Education initiative,
- Development of a space utilization strategy framework which addresses classroom use, identifiable school/department space and profile, office space, storage space and archiving requirements (this document is at the draft stage with consultation through College Council which has produced recommendations for the president; with the intention to bring back a full document for College Council review in September with roll-out following).

Performance Measures

Instructional Capital projects included:

- \$60,000 to support the new CSI program
- \$36,000 for upgrades to the Dental Lab,
- \$31,000 for lab equipment for the Environmental Protection and Biotechnology programs,
- \$20,000 for digital library resources for the Nursing and Trades programs.

Apprenticeship Enhancement Funding included:

- \$80,000 for welders, precision measurement tools, scan tools, surface grinders, plate bending machine – supporting all apprenticeship trades programs,
- \$68,000 for electrical and safety upgrades in the shops, hoist and diagnostic software, and electronic classrooms and equipment for cook apprenticeship.

Information Technology Projects included:

- Five new electronic classrooms were completed bringing the total to 41 rooms with varying levels of multi-media capacity,
- The Customer Relationship Management (CRM) application has been implemented allowing direct communication with potential students,
- A new Emergency Public Address System has been installed at all North Bay campuses which allows all campus or individual campus alerts to be broadcast,
- Server virtualization resulting in 13 servers being replaced by three virtual servers,
- Two new firewalls were implemented improving security and providing enhanced monitoring and control of student, administrative and wireless networks.

Facilities Projects included:

- Completed renovations of the new School of Recreation and Leisure Services in the former Child Care Centre,
- Upgrade of the Registrar's Office,
- Upgrades to the Commerce Court Campus entrance,
- Upgrades to the Education Centre and Commerce Court cafeterias,
- New wide screen TVs for announcements at the Education Centre and Commerce Court,
- New electrical sub-station in service.

Measurable Outcomes

Reports on Information Technology and Instructional Capital were brought to the Board in June 2009 and the Space Utilization Plan will be brought to the Board in October 2009.

Goal #3

Performance Goal

Ensure the development of a superior working environment.

In order to develop a superior working environment the president, vice-presidents and senior administrators worked to provide the college community with ongoing updates on new initiatives, the college financial situation and enrolment trends throughout the year. The college also continued with professional and social activities such as:

- Opening of **The Learning Centre**, a virtual and physical space dedicated to providing tools, information and resources that promote employee professional development and training,

- Launching of the iCan employee portal,
- Mounting the 2009 Innovations Canadore internal PD conference,
- Offering the highly successful Seasonal Social organized by the Social Committee in December 2008,
- The 2009 Board of Governors' Awards of Excellence and Service Recognition Awards,
- The 2009 Self Renewal Week, Employee Barbecue and Canadore's Got Talent events.

Performance Measures

The Annual Employee Survey was conducted between May 12th and July 18th, 2008 and was presented to the Board of Governors in October.

Measurable Outcomes

- Response rate of 75% exceeded the target of 60%,
- The overall communications positive target of 50% was not met with 37% good and very good, however 39% were satisfied,
- Awareness of the Strategic Plan was at 71% (target 70%) but awareness of school/dept plan was at 61% (target 70%),
- In vision/future a positive rating of 49% did not meet the target of 60%,
- Total good rating for the college as a place to work was at 78% (target 80%) with another 17% at satisfactory,
- Overall working conditions good and very good rating was at 61% which did not meet the target of 65%, a further 3% rated overall working conditions as satisfactory,
- Assessment of positive morale among co-workers was at 24% well below the target of 50%.

Goal #4

Performance Goal

Actively work with the municipalities and First Nations of northeastern Ontario to support their social, cultural and economic sustainability.

The college has continued to build and strengthen its links and relationships with the First Nations and municipalities of northeastern Ontario. This year Canadore has been very active in Parry Sound and positive feedback from the community is growing.

Performance Measures

This year's performance measures were to develop strategic plans for sustainable activity in West Nipissing and the Almaguin Highlands, modeled on the plans developed last year for West Parry Sound and Mattawa. When the president made her progress report on her annual workplan to the Board in November she requested that the plan for the Almaguin Highlands be deferred until the new Almaguin Secondary School is built as there are currently no appropriate facilities in the region to allow the delivery of post secondary programming and to proceed with community consultations at this stage will raise expectations that the college cannot fulfill.

A draft of the West Nipissing Plan was presented to the Board in February, finalization of the plan has been slower than anticipated partly due to the presence of College Boreal in the community and the need to co-ordinate planning for program delivery with them, as well as the history of Canadore's presence in that community. Work is ongoing and a final plan will be developed for the October 2009 Board meeting.

Measurable Outcomes

The college continues to offer Literacy and Basic Skills in West Nipissing and also successfully offered a number of continuing education courses in the community during 2008/09.

Goal #5

Performance Goal

Meet fundraising targets to support the Centre for All Media, the Learning Library, equipment donations and scholarships and bursaries.

Fundraising to reach the targets for the Learning Library, the Centre for all Media, scholarships and bursaries, and equipment donations were set to support the college's institutional viability and its position as a community college.

Performance Measures

The college continued to build its endowment funds for scholarships and bursaries, and this year was able to reach the threshold for 3:1 matching of endowed funds by the provincial government.

The campaign for the Centre for all Media has stalled at \$750,000 range and in November the president reported to the Board that the college would attempt to secure federal and provincial economic stimulus funding for \$11.5 million with another \$250,000 target for fundraising in 2009/10 to achieve the goal of \$12.5 million. The college was not successful in securing this funding.

The Learning Library campaign has been very successful and at the end of the fiscal year \$6.3 million had been raised. This included \$1 million for the Northern Ontario Heritage Fund which had been confirmed but was not announced until May, \$700,000 in interest, and \$4.6 million in donations.

The target of \$16 million in provincial funding was in fact achieved in January 2008 when Ministers Smith and Milloy announced \$18 million in funding for the Learning Library.

Measurable Outcomes

- \$207,895 was raised for scholarships and bursaries (exceeding the target of \$100,000) and with matching funds from the province came to a total of \$482,532,
- Equipment donations of \$210,577 were raised falling short of the target of \$500,000,
- The target of \$6.25 million for the Centre for all Media was not met and the stalling of this campaign and refocus on federal and provincial funding was discussed as a change in the target at the November Board meeting,
- \$6.3 has been secured for the Learning Library exceeding the target of \$6 million,
- \$18 million was secured in provincial funding for the Learning Library in the 2007/08 fiscal year.

Goal #6

Performance Goal

Achieve enrolment targets (ensuring that programs provide excellent opportunities for graduates) and achieve revenue targets that contribute to Canadore's fiscal health and institutional viability.

Considerable progress was made in working toward a sustainable operating budget over a three-year period, using the framework and principles discussed with the Board of Governors over the past year. A review of International Activity was completed by a consultant and as many of his recommendations that are affordable at this time have been implemented. The Continuing Education Strategic and Operational Plan is being implemented and resulted in an over 90% increase in Ontario Learn activity in 2008/09 over 2007/08. Improvements in response time to applicants led to a double digit increase in first year enrolment.

Performance Measures

The three-year budget recovery period that the college is negotiating with the Ministry of Training, Colleges and Universities will span 2009/10 to 2011/12. However as per the workplan, many of the strategies to achieve a balanced budget by 2011/12 were implemented in 2008/09. This included an Early Leave Incentive Plan, some layoffs, and seeking proposals for third-party provision of campus shop and cleaning services. The college also closed its Child Care Centre at the end of the first quarter of the year.

Measurable Outcomes

- Enrolment increase in existing programs leading to a net improvement of \$300,000 was targeted and a gross increase of \$606,681 was achieved in tuition fees, assuming that on average this cost the college a maximum of 50% in increased delivery costs (rough average of recent revitalization program costing reports) the objective was achieved
- Residence and Campus Shop had a target of increasing net profit by \$17,000 and were able to achieve a net increase of \$87,000 (residence \$78,937 and campus shop \$9,052).
- Continuing Education had a target of increasing net profit by \$83,000 but was only able to increase by \$14,000.
- Contract training had a target of a net improvement of \$50,000 and was able to achieve a net improvement of \$422,489.
- Growth in International student enrolment was targeted to provide an additional \$40,000 net improvement over the previous year – the gross revenue grew by \$186,220 and using the same 50% delivery cost estimate as that used for domestic students this results in a net improvement of \$93,110
- Travel costs were to be cut by \$25,000 but increased by \$10,082
- Postage costs were to be cut by \$25,000 but actually increased by \$268
- The three-year deficit recovery plan was tabled with the Board in February 2009 and was approved at the June Board meeting. It was submitted to the Ministry of Training, Colleges and Universities by the June 30th deadline.

2008/09 Audited Financial Statement

**Canadore College of Applied
Arts and Technology
Financial Statements
For the year ended March 31, 2009**

Canadore College of Applied Arts and Technology
Financial Statements
For the year ended March 31, 2009

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Auditors' Report

To the Board of Governors of Canadore College of Applied Arts and Technology

We have audited the statement of financial position of Canadore College of Applied Arts and Technology as at March 31, 2009 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, 2009 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

North Bay, Ontario
May 7, 2009

Canadore College of Applied Arts and Technology Statement of Financial Position

March 31	2009	2008
Assets		
Current		
Cash and cash equivalents (Note 1)	\$ -	\$ 2,241,949
Grants and accounts receivable (Note 2)	4,782,991	4,511,681
Inventory	200,320	191,259
Prepaid expenses	135,020	295,287
	5,118,331	7,240,176
Restricted cash and investments (Notes 3 and 6)	14,747,161	4,851,546
Investments (Note 4)	5,166,177	4,732,645
Other receivables (Note 5)	489,459	489,459
Capital assets (Note 6)	44,322,423	45,439,355
	\$ 69,843,551	\$ 62,753,181
Liabilities and Net Assets		
Current		
Bank indebtedness (Note 1)	\$ 1,697,295	\$ -
Accounts payable and accrued liabilities (Note 7)	5,095,651	4,247,605
Current portion of long-term debt (Note 8)	1,731,189	475,657
Current portion of obligation under capital lease (Note 9)	327,275	280,505
Deferred tuition fees	853,330	692,344
	9,704,740	5,696,111
Long-term debt (Note 8)	13,744,346	15,475,243
Obligation under capital lease (Note 9)	273,927	272,027
Employment related obligations (Note 10)	4,279,214	4,253,356
Deferred contributions (Note 11)	1,578,590	2,114,080
Deferred library campaign contributions and related investment income (Note 12)	9,166,312	-
Deferred capital contributions (Note 13)	23,675,500	23,917,694
	62,422,629	51,728,511
Contingencies (Note 14)		
Commitments (Note 15)		
Net Assets		
Unrestricted (deficiency):		
Operating	(3,891,549)	231,018
Employment related (Note 10)	(4,279,214)	(4,253,356)
	(8,170,763)	(4,022,338)
Invested in capital assets (Note 16)	10,182,024	10,195,462
Restricted - externally and internally (Note 17)	5,409,661	4,851,546
	7,420,922	11,024,670
	\$ 69,843,551	\$ 62,753,181

On behalf of the Board:

_____ Chair

_____ President

Canadore College of Applied Arts and Technology Statement of Changes in Net Assets

For the year ended March 31				2009	2008
	Unrestricted	Invested in Capital Assets	Restricted	Total	Total
Net assets (deficiency), beginning of year	\$ (4,022,338)	\$ 10,195,462	\$ 4,851,546	\$ 11,024,670	\$ 11,102,405
Excess (deficiency) of revenues over expenses	(2,130,827)	(2,503,198)	1,030,277	(3,603,748)	(77,735)
Interfund transfer (Note 16)	(2,017,598)	2,489,760	(472,162)	-	-
Net assets (deficiency), end of year	\$ (8,170,763)	\$ 10,182,024	\$ 5,409,661	\$ 7,420,922	\$ 11,024,670

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

Canadore College of Applied Arts and Technology Statement of Operations

For the year ended March 31				2009	2008
	Unrestricted	Invested in Capital Assets	Restricted	Total	Total
Revenues					
Grants and reimbursements	\$ 31,940,282	\$ -	\$ -	\$ 31,940,282	\$ 31,495,645
Student fees	7,599,519	-	-	7,599,519	6,904,835
Other	5,507,571	-	-	5,507,571	5,204,066
Ancillary	7,883,422	-	-	7,883,422	7,477,835
Restricted (Note 17)	-	-	2,261,127	2,261,127	2,056,843
Amortization of deferred capital contributions	-	1,622,589	-	1,622,589	1,455,659
Investment income	-	434,608	-	434,608	404,654
	52,930,794	2,057,197	2,261,127	57,249,118	54,999,537
Expenses					
Operating					
Salaries and benefits	35,188,996	-	-	35,188,996	31,873,109
Trainee allowances and incentives	21,816	-	-	21,816	30,793
Instructional supplies and field work	857,695	-	-	857,695	952,504
Utilities and plant services	3,031,803	-	-	3,031,803	2,580,297
Contracted and professional services	4,823,366	-	-	4,823,366	4,258,589
General expenditures and supplies	2,509,300	-	-	2,509,300	2,110,068
Information technology, furniture and equipment purchases and rentals	890,748	-	-	890,748	839,985
Scholarship, bursaries and awards	1,073,412	-	-	1,073,412	928,604
Ancillary	6,664,485	-	-	6,664,485	5,633,083
Restricted (Note 17)	-	-	1,230,850	1,230,850	1,095,731
Interest on long-term debt	-	1,081,480	-	1,081,480	1,117,423
Interest on obligation under capital lease	-	18,978	-	18,978	19,769
Loss on disposal of capital assets	-	56,064	-	56,064	117,700
Amortization	-	3,403,873	-	3,403,873	3,519,617
	55,061,621	4,560,395	1,230,850	60,852,866	55,077,272
Deficiency of revenues over expenses for the year	\$ (2,130,827)	\$ (2,503,198)	\$ 1,030,277	\$ (3,603,748)	\$ (77,735)

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

Canadore College of Applied Arts and Technology Statement of Cash Flows

For the year ended March 31	2009	2008
Cash provided by (used in)		
Operating activities		
Deficiency of revenues over expenses for the year	\$ (3,603,748)	\$ (77,735)
Items not involving cash		
Amortization of capital assets	3,403,873	3,519,617
Amortization of deferred capital contributions	(1,622,589)	(1,455,659)
Loss on disposal of capital assets	56,064	117,700
Provision for employment related obligations	25,858	498,781
	<u>(1,740,542)</u>	2,602,704
Changes in non-cash working capital balances		
Grants and accounts receivable	(271,310)	(867,386)
Inventory	(9,061)	(38,020)
Prepaid expenses	160,267	70,959
Accounts payable and accrued liabilities	848,046	1,016,316
Deferred tuition fees	160,986	(137,294)
	<u>(851,614)</u>	2,647,279
Investing activities		
Purchase of capital assets	(2,343,211)	(3,965,526)
Increase in investments	(433,532)	(394,891)
Proceeds on sale of capital assets	-	222,956
	<u>(2,776,743)</u>	(4,137,461)
Financing activities		
Repayment of long-term debt	(475,366)	(1,566,793)
Repayment of obligation under capital lease	(328,169)	(366,970)
Increase in obligation under capital lease	377,046	460,967
Decrease in deferred contributions	(535,490)	(589,653)
Increase in deferred capital contributions	1,380,395	2,930,751
Increase in deferred library campaign contributions and related investment income	9,166,312	-
Increase in bank indebtedness	1,697,295	-
	<u>11,282,023</u>	868,302
Increase (decrease) in cash and cash equivalents during the year	7,653,666	(621,880)
Cash and cash equivalents, beginning of year	7,093,495	7,715,375
Cash and cash equivalents, end of year	\$ 14,747,161	\$ 7,093,495
Represented by		
Cash and cash equivalents	\$ -	\$ 2,241,949
Restricted cash and short-term investments	14,747,161	4,851,546
	<u>\$ 14,747,161</u>	<u>\$ 7,093,495</u>
Supplementary Cash Flow Information		
Interest paid	\$ 1,100,458	\$ 1,137,192

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

Canadore College of Applied Arts and Technology

Summary of Significant Accounting Policies

March 31, 2009

Nature of Business

Canadore College of Applied Arts and Technology ("Canadore" or the "College") 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 primary purpose of Canadore College of Applied Arts and Technology is to educate students enrolled in full-time and part-time studies. As well, the College operates the Campus Shop, Student Residence, Paid Parking, and the Children's Learning Centre, and administers various other restricted funds related to student services.

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

Basis of Accounting

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

Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. The unrestricted fund accounts for transactions related to the current operations. The capital fund accounts for capital assets and the transactions related to their acquisitions, disposal, debt commitments and amortization. Restricted Funds consist of externally restricted and internally restricted funds (see Note 17) administered by the College. Restricted contributions are recognized as revenue of the appropriate restricted fund in the year they are received or receivable.

The Ancillary Funds (Campus Shop, Student Residence, Paid Parking and the Children's Learning Centre) are administered by the College. Campus Shop and Paid Parking serve both Canadore College and Nipissing University.

Canadore College of Applied Arts and Technology Summary of Significant Accounting Policies

March 31, 2009

Revenue Recognition

The College accounts for contributions under the deferral method of accounting as follows:

Operating grants are recorded as revenue in the period to which they relate. Grant amounts relating to future periods are deferred and recognized in the subsequent period when the related activity occurs. Grants approved but not received are accrued.

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

Tuition fees are recorded as revenue in the period to which they apply.

Sales and services revenue is recognized at point of sale or when the service has been provided.

Pledges are not recognized as revenue or increases in deferred contributions until they are received.

Inventory

Inventory is stated at the lower of cost and replacement value. Cost is generally determined on a first-in, first-out basis.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Buildings	- 40 years straight-line basis
Furniture and equipment	- 5 years straight-line basis
Computer equipment	- 5 years straight-line basis
Equipment (cost greater than \$25,000)	- 10 years straight line basis
Computers under capital lease	- 3-5 years straight-line basis
Construction in progress	- to be amortized once in use

Canadore College of Applied Arts and Technology

Summary of Significant Accounting Policies

March 31, 2009

Financial Instruments

The College classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired or liability incurred. The College's accounting policy for each category is as follows:

Held-for-trading

Financial instruments classified as held-for-trading are reported at fair value at each balance sheet date, and any changes in fair value is recognized in net income (loss) in the period during which the change occurs. Transactions costs are expensed when incurred.

Cash and cash equivalents have been classified as held-for-trading.

Held-to-maturity investments, loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables, held-to-maturity investments and other financial liabilities are carried at amortized cost using the effective interest method. Interest income or expense is included in net income (loss) over the expected life of the instrument. Transaction costs are expensed when incurred.

Investments have been classified as held-to-maturity.

Grants and accounts receivable and other receivables have been classified as loans and receivables.

Accounts payable and accrued liabilities and long-term debt have been classified as other financial liabilities.

Canadore College of Applied Arts and Technology

Summary of Significant Accounting Policies

March 31, 2009

Employment Related Obligations

The College, effective April 1, 2000, has 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.

Employment related obligations, which include vacation pay, certain non-pension and post employment benefits and vested sick-leave benefits (Note 10) are accrued.

The College maintains deferred benefit plans providing other retirement and post employment benefits to academic, administrative and support staff.

The cost of post employment benefits offered to employees are actuarially determined using the projected benefit method based services rendered and assumptions that reflect management's best estimate regarding a number of future conditions including expected plan investment performance, salary escalation, employee retirement ages, mortality rates and expected health care costs.

The current services cost for the period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period.

Past service costs from plan amendments are amortized on a straight line basis over the average remaining service period of the employees active at the date of the amendment.

The excess of the net actuarial gains (losses) over 10% of the accrued benefit obligation are amortized into expenses on a straight line basis over the average remaining service period of active employees to full eligibility.

Nipissing University Portion of Ancillary Fund Net Assets

The estimated value of ancillary fund net assets that is owing to Nipissing University has been accrued at year end.

Student Organization

These financial statements do not reflect the assets, liabilities and results of the operations of the various student organizations including Canadore Student Representative Council.

Canadore College of Applied Arts and Technology Summary of Significant Accounting Policies

March 31, 2009

Cost Allocation

The College has followed the cost allocation plan approved by the Committee of Finance Officers and the Committee of Presidents of the Colleges of Applied Arts and Technology and endorsed by the Ministry of Training, Colleges and Universities.

Accordingly, direct costs are charged to programs and courses on an actual basis wherever possible and elsewhere allocated on the basis of student contact hours.

Contributed Material and Services

Contributions and services are recognized as both revenue and expenses when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the College's operations and would otherwise have been purchased.

Use of Estimates

The preparation of the financial statements in conformity with Canadian 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. Actual results could differ from those estimates.

The more significant financial statement areas requiring the use of estimates are accounts receivable, deferred tuition fees and employee future benefits, all of which are reported based on amounts expected to be recovered or incurred based on management's estimates. In addition the amounts recorded for amortization of capital assets and related deferred capital contributions are based on estimates of useful service lives.

Canadore College of Applied Arts and Technology

Summary of Significant Accounting Policies

March 31, 2009

New Accounting Pronouncements

Financial instruments – Disclosures and Presentation

CICA Handbook Section 3862, Financial Instruments - Disclosure, increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. CICA Handbook Section 3863, Financial Instruments – Presentation, replaces the existing requirements on the presentation of financial instruments, which have been carried forward unchanged. These standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The College is currently evaluating the impact of the adoption of these changes on the disclosure and presentation within its financial statements.

Financial Statement Presentation by Not for Profit Organizations

Section 4400 has been amended for the treatment of net assets invested in capital assets and for the presentation of revenues and expenses. The new standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The College is currently assessing the impact of the new standard.

Canadore College of Applied Arts and Technology

Notes to Financial Statements

March 31, 2009

1. Cash and Cash Equivalents / Credit Facility Agreement

The College maintains cash and cash equivalents with its financial institution in excess of federally insured limits and therefore is exposed to the credit risk from this concentration of cash and cash equivalents. The interest rate on the bank account is prime less 1.60%.

The College has an operating loan under a credit facility agreement with a Canadian chartered bank. The maximum draw permitted under this agreement is \$3,000,000 and the interest rate is prime less 0.75%. At year end, the outstanding balance under this credit facility agreement was \$Nil (2008 - \$Nil). Bank indebtedness at the end of the year consists of outstanding cheques including amounts outstanding to the restricted fund.

2. Grants and Accounts Receivable

	<u>2009</u>	<u>2008</u>
Ministry of Training, College and Universities	\$ 1,111,123	\$ 1,179,807
Goods and service tax receivable	8,600	76,170
Other accounts receivable	1,831,389	2,317,520
Accrued interest receivable	2,041	18,058
Nipissing University	1,829,838	920,126
	<u>\$ 4,782,991</u>	<u>\$ 4,511,681</u>

3. Restricted Cash and Investments

Restricted cash and investments consist of cash balances of \$1,549,396 (2008 - \$1,643,961) restricted for scholarship and bursary purposes, other cash balances and outstanding deposits from the operating account of \$2,243,709 (2008 - \$1,768,535) and restricted investments and accrued interest balances of \$10,954,056 (2008 - \$1,439,050). The investments consist of a number of bonds with interest rates ranging from 3.6% to 5.13%, maturing at various dates from October 2009 to May 2011 and term deposits with an interest rate of 4.5% maturing from July 2009 to July 2011. The market value of the bonds at year end was \$1,610,194 (2008 - \$1,426,705) and the market value of the term deposits approximates carrying value as the term deposits are carried at amortized cost.

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

4. Investments

	2009	2008
Student Residence (Sinking Funds)		
Ontario Hydro Bond yielding 9.47%, maturing in 2011. By Board resolution, the maturity value of \$4,000,000 will be used to retire the 9.81% student residence mortgage (see Note 8).	\$ 3,539,849	\$ 3,235,504
Newfoundland Residuals Bond yielding 9.07%, maturing in 2012. By Board resolution, the maturity value of \$2,032,000 will be used to retire the 9.17% student residence mortgage (see Note 8).	1,582,534	1,452,270
	5,122,383	4,687,774
Restricted Fund - Canadore College Alumni Association		
Guaranteed Investment Certificate	37,166	36,748
Manulife Mutual Funds	6,628	8,123
	\$ 5,166,177	\$ 4,732,645
Fair market value	\$ 5,873,019	\$ 5,515,958

5. Other Receivables

The College, in conjunction with Nipissing University, entered into an agreement with the Corporation of the City of North Bay whereby the City would construct sewer and water services on behalf of the Education Centre. Project funding was provided by the Northern Ontario Heritage Fund Corporation and is repayable when the funds are received from the City (see Note 8).

As at March 31, the following amounts remained outstanding:

	2009	2008
Accounts receivable from City of North Bay repayable from future lot levies for water and sewer connections (see Note 8).	\$ 489,459	\$ 489,459

The fair value of other receivables is not determinable as the cash flow streams are unknown.

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

6. Capital Assets

	2009		2008	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,901,279	\$ -	\$ 1,901,279	\$ -
Buildings	64,975,584	28,014,269	64,586,888	26,394,660
Furniture and equipment	19,510,322	17,843,691	19,188,320	17,147,679
Computer equipment	8,510,924	7,967,668	8,876,388	8,134,700
Equipment (cost greater than \$25,000)	4,037,601	2,451,724	3,971,619	2,130,755
Computers under capital lease (i)	2,608,299	1,952,619	2,407,043	1,684,388
Construction in progress (ii)	1,008,385	-	-	-
	\$102,552,394	\$ 58,229,971	\$100,931,537	\$ 55,492,182
Net book value		\$ 44,322,423		\$ 45,439,355

- (i) Amortization of computers under capital lease of \$268,231 (2008 - \$313,429) is included in the accumulated amortization. Additions during the year under capital leases were \$201,256 (2008 - \$460,967).
- (ii) Construction in progress includes the College's portion of all costs incurred to date relating to the development and construction of a new Learning Library in the amount of \$577,944 (see Note 13). This \$25 million project is a joint undertaking with Nipissing University, who is acting as the Paymaster. The project is to be funded \$18 million from the Ministry of Training, Colleges and Universities and the remaining \$7 million is being raised by the two organizations. In its capacity as Paymaster, Nipissing has received funding and incurred expenditures that are attributable to the College's share of the construction costs. These financial statements have been adjusted to reflect the College's portion of this funding and these expenditures. Restricted cash and investments includes \$9,337,500 (2008 - \$Nil) in investments (see Note 3) to be used specifically for this project. It is expected that this undertaking will be complete in July of 2011.

7. Accounts Payable and Accrued Liabilities

	2009	2008
Accrued salaries and employee benefits	\$ 547,690	\$ 498,603
Nipissing University	1,584,891	1,342,968
Other accounts payable and accrued liabilities	2,963,070	2,406,034
	\$ 5,095,651	\$ 4,247,605

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

8. Long-term Debt

	2009	2008
Student Residence		
9.17% Mortgage, payable in semi-annual interest instalments of \$100,870, maturing July 1, 2012.	\$ 2,200,000	\$ 2,200,000
9.81% Mortgage, payable in semi-annual interest instalments of \$195,918, maturing May 1, 2011.	3,994,250	3,994,250
7.25% Mortgage, payable in semi-annual instalments of \$48,479, including principal and interest, maturing January 1, 2023.	843,914	877,834
7.5% Mortgage, payable in semi-annual instalments of \$5,554, including principal and interest, maturing January 1, 2023.	95,271	99,021
5.45% Mortgage, payable in monthly instalments of \$42,406, including principal and interest, maturing October 27, 2014.	6,335,445	6,499,941
Capital IT Financing		
2.93% Fixed rate term loan, payable in monthly instalments of \$16,779 including principal and interest, maturing March 15, 2010.	935,341	1,100,460
Aviation Campus Construction Loan		
2.93% Fixed rate term loan, payable in monthly instalments of \$11,109 including principal and interest, maturing February 12, 2010.	581,855	689,935
Infrastructure Upgrades		
Interest free incentive term loan payable to Northern Ontario Heritage Fund Corporation to be repaid from proceeds received from the City of North Bay for future lot levies for water and sewer connections (see Note 5).	489,459	489,459
	15,475,535	15,950,900
Less amounts due within one year included in current liabilities	1,731,189	475,657
	\$ 13,744,346	\$ 15,475,243

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

8. Long-term Debt (continued)

Principal repayments for the next five years and thereafter are as follows:

2010	\$ 1,731,189
2011	226,523
2012	239,798
2013	253,865
2014	268,770
Thereafter	<u>12,755,390</u>
	<u>\$ 15,475,535</u>

The Aviation Campus Construction Loan and the 2.93% Capital IT Financing debt are scheduled to mature February 12, 2010 and March 15, 2010 respectively. The College intends to refinance the obligations on a long-term basis.

The Ministry of Training, Colleges and Universities has provided Nipissing University with residence operating subsidies of \$1,820,000 receivable on a declining balance basis from 1991 to 2015. Portions of these grants are transferred from Nipissing University to Canadore College of Applied Arts and Technology and are used to subsidize the mortgage payment for residence.

The fair values of these different long-term liabilities are not practical to determine due to the specific nature and terms of these debts and assumptions that would be required. In addition, two of the Student residence mortgages are supported by sinking fund investments (see Note 4).

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

9. Obligation Under Capital Lease

The College has entered into various three year capital leases for computer equipment with effective interest rates in the range of 4% and future minimum lease payments as follows:

	2009	2008
Year ending March 31:		
2009	\$ -	\$ 295,439
2010	343,627	220,249
2011	182,102	58,726
2012	71,994	-
2013	15,169	-
2014	15,169	-
	628,061	574,414
Less amount representing interest	26,859	21,882
	601,202	552,532
Less amount due within one year included in current liabilities	327,275	280,505
	\$ 273,927	\$ 272,027

Obligations under capital lease are secured by certain computer equipment.

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

10. Employment Related Obligations

	2009	2008
Employee future benefits (i)	\$ 741,071	\$ 763,588
Accrued vacation pay	2,958,047	2,838,556
Vested sick leave benefits	580,096	651,212
	\$ 4,279,214	\$ 4,253,356

(i) Benefits provided under the non-pension defined benefit plan 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. Information about the College's plan including significant assumptions used are as follows:

a. Interest (Discount) Rate

The obligation at year end, of the present value of future liabilities and the expense for the year ended, were determined using a discount rate of 5.50% (2008 - 5.50%). The discount rate for 2009 reflects the assumed long term yield on high quality bonds as at March 31, 2009 (most recent valuation date).

b. Drug Costs

Drug costs were assumed to increase at a rate of 10.5% in 2008, and decrease proportionately thereafter to an ultimate rate of 4.5% in 2020.

c. Dental Costs

Dental costs were assumed to increase at a rate of 7.5% per annum in 2008, and decrease proportionately thereafter to an ultimate rate of 4.5% in 2014.

d. Hospital and Other Medical

Hospital and other medical costs were assumed to increase at 8.0% per annum in 2008, and decrease proportionately thereafter to an ultimate rate of 4.5% in 2020.

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

11. Deferred Contributions

	2009	2008
Balance , beginning of year	\$ 2,114,080	\$ 2,703,733
Contributions received	31,404,792	33,742,580
Amounts recognized to revenue or deferred capital	(31,940,282)	(34,332,233)
Balance , end of year	\$ 1,578,590	\$ 2,114,080

12. Deferred Library Campaign Contributions and Related Investment Income

Deferred capital contributions related to the Library Campaign represent the unamortized balances of donations and grants received for the purpose of constructing the new Learning Library (see Note 6).

Details of the continuity of these funds are as follows:

	2009	2008
Balance , beginning of year	\$ -	\$ -
Contributions received	9,406,756	-
Interest earned on contributions during the year	337,500	-
Amounts transferred to deferred capital contributions	(577,944)	-
Balance , end of year	\$ 9,166,312	\$ -

13. Deferred Capital Contributions

Deferred capital contributions related to capital assets represent the unamortized balances of donations and grants received for capital asset acquisitions.

Details of the continuity of these funds are as follows:

	2009	2008
Balance , beginning of year	\$ 23,917,694	\$ 22,442,602
Contributions received	1,380,395	2,930,751
Amounts amortized to revenue	(1,622,589)	(1,455,659)
Balance , end of year	\$ 23,675,500	\$ 23,917,694

Included in deferred capital contributions is \$577,944 (2008 - \$NIL) in unamortized capital funding relating to the construction of the new Learning Library (see Note 6).

Canadore College of Applied Arts and Technology

Notes to Financial Statements

March 31, 2009

14. Contingencies

In the normal course of operations the College is in the process of dealing with a number of grievances that may go to arbitration. As of the date of financial statement preparation the likelihood and impact of these grievances on the College's financial statements is unknown. Should any costs be incurred as a result of the arbitration process, such costs will be expensed in the year of settlement.

In the normal course of operations the College is involved in certain legal matters and litigations, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

15. Commitments

a. Equipment leases

The College leases various equipment under operating leases, the longest of which expires in 2014. The minimum annual lease payments for the next five years are as follows:

2010	\$	146,461
2011		62,562
2012		18,342
2013		12,183
2014		4,157

b. Premise leases

The College leases space under operating leases, of which, at the time of financial statement preparation, two were under re-negotiation and are on a month-to-month basis.

The College leases space under a three year operating lease, which expires in January 2011. The minimum annual lease payments are \$31,500.

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

16. Invested in Capital Assets

a. The invested in capital assets is calculated as follows:

	2009	2008
Capital assets	\$ 44,322,423	\$ 45,439,355
Amounts financed by:		
Investments (Sinking Funds)	5,122,383	4,687,775
Deferred capital contributions	(23,675,500)	(23,917,694)
Net long-term liabilities	(14,986,080)	(15,461,442)
Obligations under capital lease	(601,202)	(552,532)
	\$ 10,182,024	\$ 10,195,462

b. The inter fund transfer is calculated as follows:

	2009	2008
Purchase of capital assets	\$ 2,343,211	\$ 3,965,526
Principal payment of long-term debt	476,118	1,464,106
Principal payment of obligations under capital lease	327,415	355,784
Interest on long-term debt	1,081,480	1,117,423
Interest on obligations under capital lease	18,978	19,769
Less: proceeds on disposal of fixed assets	-	(222,956)
Less: amount financed by obligations under capital lease	(377,046)	(449,781)
Less: amounts financed by deferred capital contributions	(1,380,396)	(2,930,751)
	\$ 2,489,760	\$ 3,319,120

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

17. Externally and Internally Restricted Funds

	Balance - beginning of year	Revenue	Expenses	Inter fund transfer	Total 2009
External					
Endowment:					
Bursary and Awards	\$ 712,622	\$ 114,068	\$ (150,645)	\$ -	\$ 676,045
Ontario Student Opportunity Trust Fund (Note 20)	2,004,932	60,833	(72,403)	-	1,993,362
Ontario Trust for Student Support (Note 21)	762,894	483,232	(29,739)	-	1,216,387
Canadore College Alumni Association	80,150	139,127	(112,053)	-	107,224
Emergency Student Loan	42,946	1,260	-	-	44,206
Employment Stability Academic	123,943	2,901	-	-	126,844
Employment Stability Administrative	15,655	334	(3,078)	-	12,911
Employment Stability Support	85,947	2,008	(3,246)	-	84,709
Native Students Association	3,540	1,495	(6,530)	-	(1,495)
Student Athletics	7,807	285,385	(277,480)	-	15,712
Student Centre Building	487,678	572,360	(344,634)	-	715,404
Student Fundraising	68	-	-	-	68
Student Financial Assistance	154,160	530,566	(536,388)	-	148,338
Internal					
Centre for All Media Library and Learning Centre	363,213	67,558	(166,816)	-	263,955
	5,991	-	-	-	5,991
	4,851,546	2,261,127	(1,703,012)	-	5,409,661
Capital asset adjustment	-	-	472,162	(472,162)	-
	\$ 4,851,546	\$ 2,261,127	\$ (1,230,850)	\$ (472,162)	\$ 5,409,661

Canadore College of Applied Arts and Technology

Notes to Financial Statements

March 31, 2009

18. Economic Dependence

The College received approximately 55% (2008 - 57%) of its revenues from the Ministry of Training, Colleges and Universities.

19. Pensions

Substantially all of the employees of the College are members of the Colleges of Applied Arts and Technology ("CAAT") Pension Plan (the "Plan"), which is a multi-employer plan available to all eligible employees of the participating members of the CAAT. Under this arrangement, the College makes contributions to this plan equal to those of the employees. The Plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees and members will receive benefits based on the length of service and rates of pay. The College follows defined contribution accounting for its portion of the multi-employer plan. The pension is administered by the College of Applied Arts and Technology Board of Trustees and the most recent audited financial statements of the Plan available at the time of financial statement preparation were as at December 31, 2007. The results disclosed total actuarial liabilities of \$5,452 million in respect of benefits accrued for service with actuarial assets at that date of \$5,612 million indicating an actuarial surplus of \$160 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of member organizations and their employees. As a result, the College does not recognize any share of the Plan's pension surplus or deficit. The employer portion of pension contributions for the year was \$2,398,105 (2008 - \$1,975,053), and has been included in the statement of operations.

20. Restricted Fund - Ontario Student Opportunity Trust Fund (OSOTF)

The Ontario Student Opportunity Trust Fund (OSOTF) program was established by the Government of Ontario whereby the Province on a dollar for dollar basis matched all eligible donations made to an institution's OSOTF. Investment income from the funds must be used to assist academically qualified students who for financial reasons would not otherwise be able to attend college.

Canadore College of Applied Arts and Technology Notes to Financial Statements

March 31, 2009

20. Restricted Fund - Ontario Student Opportunity Trust Fund (OSOTF) (continued)

Details of the OSOTF are as follows:

Phase One of the OSOTF

**Schedule of Changes in Endowment Fund Balance
for the year ended March 31, 2009**

Balance , beginning and end of year	<u>\$ 1,713,852</u>
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**Schedule of Changes in Expendable Funds Available for Awards
for the period of April 1, 2008 to March 31, 2009**

Balance , beginning of year	\$ (280)
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Realized investment income, net of direct investment related expenses	52,033
Bursaries awarded (total number for 2009: 87)	<u>(10,802)</u>

Balance , end of year	<u>\$ 40,951</u>
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Market value of the endowment fund as at March 31, 2009	<u>\$ 1,703,050</u>
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Phase Two of the OSOTF

**Schedule of Changes in Endowment Fund Balance
for the year ended March 31, 2009**

Balance , beginning and end of year	<u>\$ 275,743</u>
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**Schedule of Changes in Expendable Funds Available for Awards
for the period of April 1, 2008 to March 31, 2009**

Balance , beginning of year	\$ 15,621
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Realized investment income, net of direct investment related expenses	8,799
Bursaries awarded (total number for 2009: 235)	<u>(9,849)</u>

Balance , end of year	<u>\$ 14,571</u>
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Market value of the endowment fund as at March 31, 2009	<u>\$ 290,314</u>
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Canadore College of Applied Arts and Technology

Notes to Financial Statements

March 31, 2009

21. Restricted Fund - Ontario Trust for Student Support (OTSS)

The Ontario Trust for Student Support (OTSS) program was established by the Government of Ontario whereby the Province will match on a dollar for dollar basis eligible donations up to the annual ceiling and on a three to one basis on eligible donations on the stretch portion of the ceiling. Investment income from the funds must be used to assist academically qualified students who for financial reasons would not otherwise be able to attend college.

Details of the OTSS are as follows:

Phase One of the OTSS

Schedule of Changes in Endowment Fund Balance for the year ended March 31, 2009

Schedule of Donations Received

between April 1, 2008 to March 31, 2009

Total cash donations matched between April 1, 2008 to March 31, 2009	\$ 180,528
Total cash donations not matched between April 1, 2008 to March 31, 2009	2,835
	<u>183,363</u>
Total cash donations	<u>\$ 183,363</u>

Schedule of Changes in Endowment Funds Balance for the period of April 1, 2008 to March 31, 2009

Balance , beginning of year	<u>\$ 741,218</u>
Eligible cash donations received between April 1, 2008 and March 31, 2009 in compliance with the November 2005 Program Guidelines and Reporting Requirements.	183,363
Matching funds received/receivable from MTCU in 2008-2009	<u>274,774</u>
	<u>458,137</u>
Balance , end of year	<u>\$ 1,199,355</u>

Schedule of Changes in Expendable Funds Available for Awards for the period of April 1, 2008 to March 31, 2009

Balance , beginning of year	\$ 21,677
Realized investment income, net of direct investment related expenses	21,396
Bursaries awarded (total number for 2009: 197)	<u>(26,039)</u>
Balance , end of year	<u>\$ 17,034</u>

Canadore College of Applied Arts and Technology

Notes to Financial Statements

March 31, 2009

22. Financial Instruments

a. Fair Values

The College's financial instruments are comprised of cash and cash equivalents, grants and accounts receivable, investments, other receivables, accounts payable and accrued liabilities and long-term debt.

Cash and cash equivalents is reported at fair value on the statement of financial position. Grants and accounts receivable and accounts payable and accrued liabilities are reported at amortized cost which approximates fair value due to their short-term nature.

The fair values of investments, other receivables and long-term debt are disclosed in respective notes to the financial statements.

b. Risks arising from Financial Instruments

Credit Risk

The College's cash and cash equivalents are all held at a major financial institution. The College's grants receivable are made up of a small number of large balances from the Ministry of Training, Colleges and Universities. Accounts receivables are made up of a large number of small balances from students.

Interest Rate Risk

The College manages its portfolio investments based on its cash flow needs and with a view to optimizing its interest income.

The effective interest rate on short-term investments during the year varied from 3.60% to 5.13% (2008 - 5.1% to 6.10%). The average interest rate at the end of the year was 4.37% (2008 - 5.73%) with investments maturing between four months and two years.

The College is subject to interest rate risk on its long-term debt. The interest rates on these debts are fixed and therefore the College is not exposed to fluctuations in short-term interest rates, however, due to the fixed rates, the College is locked into interest rates that may be higher or lower than the market rates at any given time.

Canadore College of Applied Arts and Technology

Notes to Financial Statements

March 31, 2009

23. Capital Disclosures

The College considers its capital to be the balance retained in net assets, which is generally the difference between its assets and its liabilities as reported on the statement of financial position and includes unrestricted net assets and net assets invested in capital assets. The College receives funding from the provincial government for the delivery of its programs. These funds are maintained and disbursed under the terms of the funding agreements and management is responsible for adhering to the provisions of these agreements.

The College's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its programs to the public. Unrestricted net asset balances consist of operating and employment related balances. It is the College's intention to break even in operating each year.

The College is not subject to any externally imposed capital requirements.

Management maintains its capital by ensuring that annual operating and capital budgets are developed and approved by both the Board of Governors and the Ministry of Training, Colleges and Universities based on both known and estimated sources of funding and financing available each year. These budgets are shared with all management to ensure that the capital of the College is maintained.