

2011-2012 ANNUAL REPORT

Mission

Confederation College inspires learners to succeed in their lives and careers in northwestern Ontario and beyond.

Vision

Confederation College will enrich lives through learning.

2011-2012 ANNUAL REPORT

Message from the Chair of the Board

This past year can best be portrayed as one of renewal and profound change. As the new Chair of the Board of Governors for the 2011/12 academic year for Confederation College I, along with my colleagues, welcomed 5 new members to the Board who brought renewed energy, insights and perspectives. Together, we engaged in a governance revitalization process to meet the College's changing needs and environment.

With the demographic realities of our current catchment communities, the Board tackled many strategic initiatives including ongoing enrolment, meeting learners' needs, and strategic deployment and engagement at all levels of the organization. All of this will serve as a hallmark for the College's future directions.

We also welcomed a new President this year and with him came new insights that will move, grow and sustain a vibrant College throughout the northwest for many years to come.

From a personal perspective, I was truly honoured to be a part of the Confederation College community for two terms and to serve as Chair for this last year. I applaud the Board of Governors for their commitment and the staff for their unwavering loyalty to the organization and its mantra, Change Lives through Learning. Above all, I'm inspired by the students who offer new perspectives and who have an opportunity to be impactful, global citizens. They are truly the College's raison d'être.

Confederation College will continue to be a cornerstone of neighbourhood that is the northwest. I am thankful to have played a small part.

Gwen DuBois-Wing
Chair

2011-2012 ANNUAL REPORT

Message from the President

The academic year of 2011/12 has been one of firsts. As the new President to Confederation College, I have had the opportunity to view, learn and grow from our students, employees and communities about the value of our institution to the fabric of the northwest and the opportunity to continue and build upon the history and good work.

We saw our first student cohort enter, learn and use the fantastic new facilities within the Regional Education Alliance for Community Health (REACH) building that is envied by many in the field of health and education. This facility is viewed as leading in today's rapidly changing technology and yet it is balanced by a design that is respectful to our aboriginal ancestry and our dependence on the resources of the landscape.

We saw the beginning of a new biomass facility that will not only heat our main building using sustainable and renewable residual wood sources from a local sawmill, but will also serve as a research, education and training facility that could have enormous impacts on our neighbouring communities that are, on the most part, reliant on outdated fuels and technologies.

We saw the introduction of an environmental education facility that uses the newest green technologies of wind and solar as we engage this new energy and prepare the new workforce.

Confederation moved even further in to the international arena as we welcomed students from around the globe and we continued to reinforce and promote our sustainable and environmentally responsible practices at all our campuses and within all our communities.

We developed a comprehensive academic plan that was celebrated and promoted within our College community as an example of academic rigor, a path for the future and a result of the collective energy and expertise that lies within Confederation College.

After only one year, I see so much has been done and I continue to be awed as I look to the opportunity that lies before us. I have been honoured to serve this first year and look forward to the future as President for this institution, its people and its communities.

Jim Madder
President

2011-2012 ANNUAL REPORT

Board of Governors

Chair Gwen DuBois-Wing	Thunder Bay
Vice-Chair Dennis Wallace	Kenora
Vice-Chair Paula Sdao	Thunder Bay
Member-at-Large Leona Scanlon,	Thunder Bay
Marilyn Gouthro, Past Chair	Thunder Bay
Glenn Brassard	Thunder Bay
Don Campbell	Thunder Bay
Chris Fralick	Thunder Bay
Meagan Gibson (<i>Student Representative</i>)	Thunder Bay
Anne Krassilowsky	Dryden/Red Lake/Sioux Lookout
Jean-Paul (J.P.) Levesque	Thunder Bay
Susan Prezio (<i>Support Staff Representative</i>)	Thunder Bay
Paul Noonan	Rainy River District
Doris Rossi	Thunder Bay
John St. Amand	Geraldton/Marathon/Wawa
William (Bill) Trochimchuk (<i>Administrative Representative</i>)	Thunder Bay
Cheryl L. Vaccher (<i>Academic Staff Representative</i>)	Thunder Bay
President Jim Madder	Thunder Bay

2011-2012 ANNUAL REPORT

Strategic Plan

Strategic Plan

ENDS POLICY 1 - Diverse learners acquire knowledge, skills and attitudes for success.

President's Interpretations

"Diverse Learners" is interpreted as individuals whose differences encompass and reflect Canadian and global society.

"Success" is interpreted as completion of a Confederation College credential.

E1.1 – Learners access pathways that are supportive, flexible and meet their individual learning needs.

President's Interpretations

"Pathways" is interpreted as learner-centred educational opportunities that enable learners to realize their educational goals.

"Supportive" is interpreted as the services that Confederation College provides, directly or through referral, to respond to learners' educational needs.

"Flexible" is interpreted as learner-centred educational opportunities. It includes delivery formats, time, place, prior learning recognition, and appropriate accommodation. It also includes learning styles which is interpreted as the various preferences and methods employed by learners in the process of learning.

E1.2 – Graduates exceed recognized performance indicators of knowledge, skills, and attitudes.

President's Interpretations

"Exceed" means above the provincial average.

"Recognized performance indicators" include the following:

The credential completion / graduation rate
Employers' satisfaction Key Performance Indicators (KPI)

"Attitudes" is interpreted as being a set of behaviours that are exhibited by successful employees and citizens.

ENDS POLICY 2 - Aboriginal learners experience success in their learning journeys.

President's Interpretations

"Aboriginal" is interpreted as First Nations, Métis and Inuit peoples.

E2.1 – Aboriginal learners increase their participation in Confederation College education and training, and achieve increased program completion.

President's Interpretations

"Participation" is interpreted as the number of Aboriginal learners enrolled in post-secondary, non post-secondary, and training programs.

"Program completion" is interpreted as the number of Aboriginal learners completing post-secondary and non post-secondary, and training credentials.

2011-2012 ANNUAL REPORT

Strategic Plan

ENDS POLICY 3 (new) - Diverse communities have access to a skilled and knowledgeable workforce.

President's Interpretations

"Diverse communities" is interpreted as all northwestern Ontario communities.

"Access" is interpreted as workforce development and training which meets employer needs.

E3.1 – Education and training meets the identified employment needs of northwestern Ontario communities and beyond.

President's Interpretations

"Education" is interpreted as articulated in the Confederation College "Profile of a Graduate" (to be defined in the 2010-2013 Academic Plan).

"Training" is interpreted as specific workforce development programs tailored to sectoral or specific employer needs.

"Employment needs" is interpreted as education and training needs of businesses, communities, and organizations in northwestern Ontario.

"and beyond" is interpreted as communities outside of northwestern Ontario including international communities.

E3.2 – Learners and communities benefit from Applied Research

President's Interpretations

"Benefit" is interpreted as applied research projects where learners gain practical applied research experience, working alongside business and establishing key contacts in industry.

"Applied Research" is interpreted as the creation and study of practical solutions for a variety of sectors in northwestern Ontario and beyond.

AS CONFEDERATION COLLEGE EMPLOYEES, COMMITTED TO EXCELLENCE IN EVERYTHING WE DO, WE:

Are empowered and engaged;

Work collaboratively, celebrating each other's achievements; and

Contribute to a healthy and safe work environment.

2011-2012 ANNUAL REPORT

Analysis of Operational Performance

2011/12 represented significant change for Confederation College, beginning with the appointment of a new Chair of the Board, five new members of the Board and a new President. One of the President's first priorities was to visit local and regional partners of the College including 19 regional visits by the end of the fiscal year. Discussions with internal stakeholders within Thunder Bay and regional campus communities helped form the President's vision for the development of the College's next business and strategic plan. Stakeholder meetings have begun to discuss the three 'pillars' identified as a result of his consultations: Confederation as a northwestern Ontario college; Aboriginal Learning; and Access and Success of Students.

Further to the 2011 Health and Safety Audit conducted by an external agency, health and safety activities during 2011 and the first quarter of 2012 were focused on key activities recommended by the auditors. In addition a comprehensive risk control assessment survey and a risk analysis was completed. All recommendations will be addressed by August 31, 2012. Eighteen different health and safety training related programs were delivered to 802 internal participants.

Further to the amendments to the Occupational Health and Safety Act (OHSA) which added workplace harassment and workplace violence to the legislation (Bill 168), Confederation undertook an Employee Workplace Harassment / Workplace Violence (WHWV) Risk Assessment and Survey in spring, 2011. All employees completed workplace surveys and managers are in the midst of review.

As a result of the 2011 Employee Survey, Confederation College undertook an extensive re-launch of communications tools aimed at improving intra-departmental and cross-College communication. Staff News (electronic newsletter) has become the main communications tool; announcements are posted daily informing staff of upcoming events, staff changes, good news stories and information about meetings such as the town halls with the President. The College also posts a President's News article on the intranet site, updating the College employees about the President's activities and/or developments affecting the broader college community.

A significant re-organization, which included a new structure and senior team configuration as well as an Early Retirement Incentive was initiated. The College created a "Re-org" website to inform staff of the reorganization updates as it unfolded. Documents, such as the town hall power point presentations, reorganization principles and an Environmental Scan commissioned by the President, are published on the site as well as updates of staffing changes and a Q&A forum.

In order to integrate existing policies, a Code of Conduct policy was initiated as an "umbrella" policy outlining the responsibilities of all employees to work collaboratively and respectfully; mandatory training accompanied the roll out of the Policy.

2011-2012 ANNUAL REPORT

Analysis of Operational Performance - continued

The topic of this year's speaker's series for professors, staff and students was on the issues of diversity, respect and mental health. The Teaching and Learning Centre department (TLC) programming activity for the past calendar year included 245 individual registrations for 67 faculty professional development sessions as well as 14 webinars and 12 drop-in lunch and learns. The Human Resources Services Department sponsored 3 webinars attended by a total of 31 staff. The College established a Professional Development Personal Spending Account (PSA) for full time employees in 2010. In 2011, the second year of the PSA, 17% of employees used some or all of their allocation, which is an increase from 11% in 2010.

In 2011 the College's budget for professional development was equal to 1% of full time payroll.

Confederation College also officially opened REACH (Regional Education Alliance for Community Health) building in the late summer of 2011 providing for a new venue and workspace for students in the community and health services fields. This new building has become a landscape for a variety of community wide activities beyond the portfolios of health and is known as a meeting place among the broader college community.

The new Biomass Research facility construction also began in the fall of 2011 with completion scheduled for the summer of 2012 and boiler installation in the fall. This facility will heat a significant portion of the Shuniah Building (main site) using residual biomass from area sawmills and forestry operations and reduce the dependency on electricity and gas sources.

The Environmental Action Plan for Confederation College also saw significant renewal with a new identify, web site and promotional activity. This plan and organization continues to initiate and promote environmentally sustainable practices among and around college campuses throughout northwestern Ontario.

2011-2012 ANNUAL REPORT

International Activities Report

This year, the International Education Center focused its efforts on expanding student recruitment and strengthening its ESL program offerings. Significant efforts were made to establish Confederation's brand recognition in key markets, with multiple visits to meet with agents, partners and interested students. The format and curriculum of our ESL programs were also reviewed and updated and a system established to provide ongoing teacher training, professional development, class room support and evaluation. There are many positive results with several more ESL course offerings than in the past and a significant increase in international student applications for September 2012.

Student Exchange

Confederation regularly welcomes exchange students from international partner institutions. Students follow their program of study from their home college or university; credits are transferred for courses successfully completed at Confederation. In 2011-12 we hosted 14 exchange students; they came from the China, Netherlands, Finland, Korea, Brazil and Mexico

Study/Work Abroad

Confederation College provides students with several opportunities to expand their global mindset by spending some time abroad. Both education and work placement opportunities exist. In some cases, scholarships are also available. This year a total of 29 students travelled abroad to complete either a study program or a work placement, as follows:

Chile:	4 week summer study program	12 students
Taiwan:	1 week summer cultural camp	2 students
Brazil:	4 week summer study program	12 students
China:	12 week work placement	1 student
USA:	15 week work placement	2 students

In addition, our culinary students travelled with three faculty members to China, spending one week at a partner institution in Qingdao. There, they were introduced to the art of Chinese cooking and Chinese culture. They also participated in several field trips learning about the hospitality and culinary industry in China. The International Education Centre also provided some support to a faculty member who was completing research for his master's thesis on 'Culinary Tourism in China'; connections were made through our partner institution in Qingdao and a presentation given of the thesis' main findings.

2011-2012 ANNUAL REPORT

International Activities Report - continued

Language Programs

English as a Second Language (ESL): 23 students enrolled from September 2011 until June 2012, often taking multiple courses.

ESL and English for Academic Purposes (EAP) and EAP-U programs: 20 students enrolled in a 15- 17 week program, which prepared them for enrolment in post-secondary programs. This year two EAP programs were run, responding to an increase in demand for advanced English language skills.

International Students

In the 2011-2012 a total of 43 international students registered in full time programs at Confederation College. In September, 29 international students enrolled in the following programs:

Aerospace Engineering Technology	Hospitality Management
Aircraft Maintenance Engineering	Human Resources Management
Business Administration Accounting	Instrumentation Engineering Technician
Dental Assisting Level 1 & 2	Paramedic
Developmental Services Worker	Pre-Health
Electronics Engineering Technician	Recreation Therapy
	Travel & Tourism – Adventure & Ecotourism

We also had our first January intake for international students, with 14 students registered in the following programs:

Countries of origin of our international students were: Bangladesh, China, India, Mexico, Nigeria, Saudi Arabia,

General Arts & Science	International Business & Trade
Human Resources Management	Travel & Tourism

South Korea, USA, and Vietnam.

2011-2012 ANNUAL REPORT

International Activities Report - continued

Partnerships

Confederation continues to consolidate existing and generate new partnerships. In addition to established partnerships in Europe, Latin America, The Caribbean, and Asia, Confederation explored new partnerships in 2011-2012, focusing on parts of Africa and advancing its partnership with several institutes of technology in Ireland. Most partnerships continue to focus on student exchange activities; however there is an increasing emphasis on establishing formal articulation agreements and the provision of study abroad activities for our students.

Program delivery in China

Confederation participated in graduation ceremonies for more than seventy Chinese students at two partner institutions in China. Students were graduating from the Early Childhood Education, Hospitality Management, and Multimedia programs. Additional graduation ceremonies are planned for October 2012, when students will graduate from Business Accounting and Business Marketing programs.

Confederation hosted several delegations from China this past year, with both faculty and administrators from several institutions visiting our campus. Two Chinese faculty members came and studied at Confederation for an entire semester, increasing their familiarity with our academic policies, services, and teaching and evaluation methods.

2011-2012 ANNUAL REPORT

Fundraising Report

The Confederation College Foundation raised \$631,972 in 2011-12. The designations of the funds raised were primarily for financial aid and the REACH (Regional Education Alliance for Community Health) capital campaign. During the year, Confederation College also received \$194,695 in matching funds from the Province of Ontario under the Ontario Trust for Student Support (OTSS) for endowed awards and bursaries.

It is important to note that some funds raised or gifts in kind received may be reflected in the College's financial statements and not the Foundation's financial statements. The College was the direct recipient of some of the funds raised due to a variety of factors including agreements, operational efficiency if charitable tax receipts were not required, etc.

2011-2012 ANNUAL REPORT

**Key Performance Indicators -
Released April 18, 2012**

Graduate Employment Rate

Survey of 2010-11 graduates six months after graduation	Employed %
Algonquin	85.7
Boréal	80.3
Cambrian	87.0
Canadore	82.1
Centennial	72.8
La Cité collégiale	87.7
Conestoga	87.7
Confederation	90.3
Durham	83.1
Fanshawe	85.5
Fleming	82.0
George Brown	81.4
Georgian	86.8
Humber	83.1
Lambton	84.3
Loyalist	86.7
Mohawk	82.7
Niagara	85.4
Northern	89.1
St. Clair	80.1
St. Lawrence	87.9
Sault	83.3
Seneca	77.1
Sheridan	82.1
Province	83.0

Graduate Satisfaction Rate

Survey of 2010-11 graduates six months after graduation	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	80.1	11.1	8.8
Boréal	86.6	7.7	5.7
Cambrian	85.2	8.6	6.1
Canadore	76.7	13.1	10.2
Centennial	75.8	12.2	12.0
La Cité collégiale	84.2	8.4	7.4
Conestoga	80.4	10.4	9.1
Confederation	81.2	11.2	7.6
Durham	73.3	13.9	12.7
Fanshawe	79.8	11.4	8.8
Fleming	79.4	11.1	9.5
George Brown	77.6	11.9	10.5
Georgian	80.4	10.5	9.1
Humber	78.6	11.3	10.2
Lambton	78.4	10.6	11.0
Loyalist	78.8	10.9	10.3
Mohawk	78.2	11.6	10.2
Niagara	77.1	11.4	11.5
Northern	81.8	9.5	8.7
St. Clair	80.0	9.4	10.6
St. Lawrence	81.3	9.8	8.9
Sault	80.1	9.9	9.9
Seneca	78.3	13.0	8.7
Sheridan	78.7	13.1	8.2
Province	78.9	11.4	9.6

PLEASE NOTE: College-to-college comparisons (ranking) could produce misleading results, because of college size, local employment conditions, program mix and graduate demographics. The data from each college should be considered on its own.

2011-2012 ANNUAL REPORT

Key Performance Indicators -
Released April 18, 2012

Employer Satisfaction Rate

Survey of Employers who have hired 2010-11 College Graduates	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	91.1	5.9	3.0
Boréal	92.7	7.3	0.0
Cambrian	90.1	8.1	1.9
Canadore	90.3	6.5	3.2
Centennial	93.0	5.4	1.7
La Cité collégiale	90.9	5.8	3.3
Conestoga	93.8	4.0	2.2
Confederation	93.8	4.9	1.2
Durham	93.4	3.6	3.0
Fanshawe	93.4	3.6	3.0
Fleming	92.8	5.1	2.3
George Brown	91.1	6.7	2.2
Georgian	93.5	3.8	2.6
Humber	92.4	5.4	2.2
Lambton	97.5	2.5	0.0
Loyalist	94.3	5.7	0.0
Mohawk	92.6	5.6	1.9
Niagara	93.7	3.9	2.5
Northern	90.8	4.1	5.1
St. Clair	93.9	3.5	2.6
St. Lawrence	92.3	4.7	3.0
Sault	93.4	3.3	3.3
Seneca	93.5	4.4	2.1
Sheridan	93.4	5.1	1.5
Province	92.8	4.9	2.3

Student Satisfaction Rate *

Student Satisfaction Survey, June 2011, November 2011 & February 2012	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	80.3	14.5	5.2
Boréal	76.3	17.7	6.0
Cambrian	69.6	22.1	8.3
Canadore	73.5	19.5	7.0
Centennial	71.8	19.1	9.1
La Cité collégiale	81.7	12.2	6.1
Conestoga	76.3	17.4	6.2
Confederation	80.1	15.5	4.4
Durham	73.8	19.3	6.9
Fanshawe	78.9	15.7	5.4
Fleming	77.1	16.9	6.0
George Brown	70.4	19.9	9.7
Georgian	77.8	16.7	5.5
Humber	75.1	18.2	6.7
Lambton	77.1	16.7	6.3
Loyalist	79.0	15.3	5.7
Mohawk	81.9	12.5	5.6
Niagara	85.7	9.9	4.4
Northern	69.2	21.4	9.3
St. Clair	78.8	15.3	5.9
St. Lawrence	81.1	14.1	4.8
Sault	82.8	12.9	4.4
Seneca	74.0	18.5	7.4
Sheridan	75.7	18.0	6.3
Province	76.8	16.7	6.5

*This table represents the average of the four capstone questions (14, 26, 44 & 45), the results for which are provided in the following tables.

PLEASE NOTE: College-to-college comparisons (ranking) could produce misleading results, because of college size, local employment conditions, program mix and graduate demographics. The data from each college should be considered on its own.

2011-2012 ANNUAL REPORT

**Key Performance Indicators -
Released April 18, 2012**

Capstone Question 14

Overall, your program is giving you knowledge and skills that will be useful in your future career

Student Satisfaction Survey, June 2011, November 2011 & February 2012	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	89.5	7.8	2.7
Boréal	88.8	7.7	3.4
Cambrian	86.2	10.2	3.6
Canadore	87.0	10.0	3.0
Centennial	84.7	10.6	4.7
La Cité collégiale	90.4	5.9	3.7
Conestoga	88.1	8.6	3.3
Confederation	91.4	6.5	2.1
Durham	86.4	9.5	4.0
Fanshawe	86.8	9.6	3.6
Fleming	86.8	9.0	4.2
George Brown	85.2	10.0	4.8
Georgian	86.5	9.8	3.7
Humber	86.8	9.6	3.6
Lambton	84.9	9.3	5.8
Loyalist	89.3	7.4	3.3
Mohawk	89.1	7.1	3.8
Niagara	91.1	5.6	3.4
Northern	87.3	9.7	3.0
St. Clair	89.6	7.4	3.0
St. Lawrence	90.4	6.5	3.1
Sault	92.1	5.8	2.1
Seneca	85.4	10.5	4.1
Sheridan	86.5	9.9	3.7
Province	87.4	8.9	3.7

Capstone Question 26

The overall quality of the learning experiences in this program

Student Satisfaction Survey, June 2011, November 2011 & February 2012	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	82.9	12.9	4.2
Boréal	80.6	15.0	4.5
Cambrian	78.8	15.4	5.8
Canadore	81.9	13.7	4.5
Centennial	76.4	17.1	6.5
La Cité collégiale	84.1	10.7	5.2
Conestoga	80.3	15.0	4.7
Confederation	86.9	10.6	2.5
Durham	78.1	16.4	5.5
Fanshawe	80.4	14.6	5.0
Fleming	80.5	14.1	5.4
George Brown	76.7	16.6	6.7
Georgian	81.3	14.1	4.6
Humber	80.2	14.8	5.0
Lambton	81.2	13.2	5.7
Loyalist	82.2	13.4	4.4
Mohawk	83.3	11.6	5.2
Niagara	86.6	8.7	4.7
Northern	76.4	16.2	7.4
St. Clair	83.6	12.3	4.1
St. Lawrence	84.1	11.6	4.3
Sault	86.7	10.2	3.1
Seneca	77.7	16.6	5.7
Sheridan	81.8	13.8	4.4
Province	80.8	14.1	5.1

2011-2012 ANNUAL REPORT

**Key Performance Indicators -
Released April 18, 2012**

Capstone Question 44

The overall quality of the facilities / resources in the college

Student Satisfaction Survey, June 2011, November 2011 & February 2012	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	74.9	18.0	7.0
Boréal	65.8	26.1	8.1
Cambrian	55.4	31.4	13.3
Canadore	61.5	27.0	11.5
Centennial	64.3	23.7	12.0
La Cité collégiale	75.4	17.5	7.1
Conestoga	69.6	21.3	9.1
Confederation	72.0	21.2	6.8
Durham	66.7	24.1	9.2
Fanshawe	75.7	17.9	6.4
Fleming	72.1	20.8	7.1
George Brown	60.2	25.5	14.3
Georgian	72.1	21.1	6.8
Humber	67.5	23.1	9.4
Lambton	71.2	22.2	6.6
Loyalist	72.6	19.2	8.2
Mohawk	78.4	14.9	6.7
Niagara	83.6	12.0	4.4
Northern	54.1	30.9	15.0
St. Clair	71.0	20.2	8.9
St. Lawrence	75.8	18.1	6.1
Sault	77.2	16.4	6.4
Seneca	67.6	22.5	9.9
Sheridan	67.8	23.4	8.7
Province	70.1	21.1	8.8

Capstone Question 45

The overall quality of the services in the college

Student Satisfaction Survey, June 2011, November 2011 & February 2012	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	73.8	19.2	7.0
Boréal	70.0	21.9	8.1
Cambrian	57.9	31.6	10.5
Canadore	63.8	27.2	8.9
Centennial	61.7	25.1	13.2
La Cité collégiale	76.7	14.8	8.5
Conestoga	67.5	24.7	7.8
Confederation	70.1	23.5	6.3
Durham	64.0	27.3	8.7
Fanshawe	72.7	20.8	6.5
Fleming	69.1	23.7	7.1
George Brown	59.4	27.6	13.0
Georgian	71.3	22.0	6.7
Humber	66.0	25.3	8.7
Lambton	71.1	22.0	6.9
Loyalist	72.0	21.2	6.8
Mohawk	76.9	16.5	6.7
Niagara	81.7	13.3	5.0
Northern	59.1	28.9	11.9
St. Clair	70.8	21.4	7.7
St. Lawrence	74.2	20.0	5.9
Sault	75.1	19.1	5.8
Seneca	65.5	24.6	9.9
Sheridan	66.8	25.0	8.1
Province	68.8	22.8	8.4

2011-2012 ANNUAL REPORT

**Key Performance Indicators -
Released April 18, 2012**

Graduation Rate *

2011-12 KPI (2010-11 Graduates)

Algonquin	64.2%
Boréal	74.2%
Cambrian	67.9%
Canadore	64.9%
Centennial	61.3%
La Cité collégiale	63.0%
Conestoga	68.1%
Confederation	63.9%
Durham	68.0%
Fanshawe	69.3%
Fleming	66.5%
George Brown	67.0%
Georgian	62.6%
Humber	63.5%
Lambton	68.8%
Loyalist	64.2%
Mohawk	60.8%
Niagara	65.7%
Northern	64.3%
St. Clair	69.9%
St. Lawrence	70.8%
Sault	64.0%
Seneca	54.6%
Sheridan	70.9%

Province 65.0%

* The 2011-12 KPI Graduation Rate is based on students who started one-year programs in 2009-10, two-year programs in 2007-08, three-year programs in 2005-06, and four-year programs in 2004-05, and who had graduated by 2010-11.

2011-2012 ANNUAL REPORT

Analysis of College's Financial Performance

The Confederation College of Applied Arts and Technology Statement of Operations

For the year ended March 31	2012	2011
Revenue		
Grants and reimbursements (Schedule)	\$ 35,108,829	\$ 37,685,326
Student tuition (Schedule)	11,128,047	10,084,620
Other academic activities (Schedule)	15,241,780	16,069,054
Ancillary operations	3,287,195	3,486,034
Supplementary	1,735,753	1,851,596
Amortization of deferred capital contributions (Note 13)	4,488,362	3,309,125
Donations and fundraising	322,347	309,480
Other operating revenue	2,201,299	2,081,922
	73,513,612	74,877,157
Expense		
Academic	31,055,602	30,174,397
Other academic activities	13,327,608	13,351,607
Education resources and student services	5,796,690	5,100,122
Administrative	8,175,496	8,226,874
Plant and property	4,565,414	4,497,387
Ancillary operations	3,171,334	3,207,161
Supplementary	1,735,717	1,851,374
Restructuring initiatives expense	1,253,827	-
Amortization of property, plant and equipment	5,384,541	4,609,044
Scholarships, donations and fundraising	301,942	450,498
Change in employee future benefits	6,000	(54,000)
Change in accrued vacation pay and sick leave liability	128,214	117,358
	74,902,385	71,531,822
Excess (deficiency) of revenue over expense for the year	\$ (1,388,773)	\$ 3,345,335

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

March 31, 2012

22. The Confederation College Foundation

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

Financial Position

	2012	2011
Total assets	\$ 629,892	\$ 568,329
Total liabilities	\$ 447,054	\$ 243,634
Total net assets	182,838	324,695
	\$ 629,892	\$ 568,329

Results of Operation and Net Assets

	2012	2011
Total revenue	\$ 631,972	\$ 742,436
Total expense	44,987	162,223
Net revenue available for donations	586,985	580,213
Donations made to the Confederation College of Applied Arts and Technology	(728,842)	(603,151)
Deficiency of revenue over expense	(141,857)	(22,938)
Net assets, beginning of year	324,695	347,633
Net assets, end of year	\$ 182,838	\$ 324,695

**The Confederation College
of Applied Arts and Technology
Financial Statements**
For the year ended March 31, 2012

	<u>Contents</u>
Independent Auditor's Report	2
Financial Statements	
Balance Sheet	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Schedule 1 - General Operating Revenue	26
Schedule 2 - First Generation Project	27



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BDO Canada LLP
1095 Barton Street
Thunder Bay ON P7B 5N3 Canada

2

Independent Auditor's Report

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

We have audited the accompanying financial statements of The Confederation College of Applied Arts and Technology, which comprise the balance sheet as at March 31, 2012, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario
June 22, 2012


BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

3


**The Confederation College
of Applied Arts and Technology
Balance Sheet**

March 31	2012	2011
Assets		
Current		
Cash (Note 3)	\$ 1,783,015	\$ 13,449,819
Temporary investment (Note 4)	8,000,000	5,000,000
Grants receivable	3,323,404	1,583,894
Accounts receivable (Note 5)	6,293,159	5,247,049
Inventories	532,637	495,700
Prepaid expenses	334,514	275,712
Current portion of notes and loans receivable	26,566	35,787
Sinking fund investments (Note 7)	<u>3,088,579</u>	-
	23,381,874	26,087,961
Notes and loans receivable	26,929	48,783
Sinking fund investments (Note 7)	-	2,820,449
Investment portfolio - endowments restricted (Notes 6 and 16)	6,402,971	5,981,272
Property, plant and equipment (Note 8)	<u>53,827,841</u>	<u>49,495,900</u>
	\$ 83,639,615	\$ 84,434,365
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 6,067,712	\$ 8,110,007
Accrued vacation pay (Note 10)	2,991,230	2,736,799
Deferred revenue and contributions (Note 11)	6,051,900	7,656,706
Current portion of long term debt	<u>3,702,571</u>	<u>1,088,823</u>
	18,813,413	19,592,335
Accrued sick leave liability (Note 10)	795,334	921,551
Employee future benefits (Note 10)	659,000	653,000
Long term debt (Note 12)	70,884	3,773,955
Deferred capital contributions (Note 13)	<u>47,536,997</u>	<u>42,204,494</u>
	<u>67,875,628</u>	<u>67,145,335</u>
Net assets		
General unrestricted	6,773,054	7,714,920
Employee future benefits unrestricted (Note 10)	(4,445,564)	(4,311,350)
Internally restricted	1,216,043	1,458,530
Externally restricted (Note 14)	565,139	725,152
Investment in capital assets (Note 15)	5,149,991	5,240,602
Endowments restricted (Note 16)	<u>6,505,324</u>	<u>6,461,176</u>
	<u>15,763,987</u>	<u>17,289,030</u>
	\$ 83,639,615	\$ 84,434,365

On behalf of the Board:



President



Chair, Board of Governors

The accompanying notes are an integral part of these financial statements.

2011-2012 ANNUAL REPORT

Audited Financial Statements

4

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

For the year ended March 31

2012 2011

	General Unrestricted	Employee Future Benefits Unrestricted (Note 10)	Internally Restricted	Externally Restricted (Note 14)	Investment In Capital Assets (Note 15)	Endowments Restricted (Note 16)	Total	Total
Balance, beginning of year	\$ 7,714,920	\$ (4,311,350)	\$ 1,458,530	\$ 725,152	\$ 5,240,602	\$ 6,461,176	\$ 17,289,030	\$ 12,807,652
Excess (deficiency) of revenue over expense for the year	(1,388,773)	-	-	-	-	-	(1,388,773)	3,345,335
Change in tuition set aside for student assistance	-	-	-	(180,418)	-	-	(180,418)	(26,388)
Change in other restricted net assets	(20,405)	-	-	20,405	-	-	-	-
Change in internally restricted net assets	242,487	-	(242,487)	-	-	-	-	-
Transfer from restricted to unrestricted	134,214	(134,214)	-	-	-	-	-	-
Change in investment in capital assets	90,611	-	-	-	(90,611)	-	-	-
Endowment contributions and investment income, net of awards	-	-	-	-	-	44,148	44,148	1,162,431
Net change for the year	(941,866)	(134,214)	(242,487)	(160,013)	(90,611)	44,148	(1,525,043)	4,481,378
Balance, end of year	\$ 6,773,054	\$ (4,445,564)	\$ 1,216,043	\$ 565,139	\$ 5,149,991	\$ 6,505,324	\$ 15,763,987	\$ 17,289,030

The accompanying notes are an integral part of these financial statements.

2011-2012 ANNUAL REPORT

Audited Financial Statements

5

**The Confederation College
of Applied Arts and Technology
Statement of Operations**

For the year ended March 31	2012	2011
Revenue		
Grants and reimbursements (Schedule)	\$ 35,108,829	\$ 37,685,326
Student tuition (Schedule)	11,128,047	10,084,620
Other academic activities (Schedule)	15,241,780	16,069,054
Ancillary operations	3,287,195	3,486,034
Supplementary	1,735,753	1,851,596
Amortization of deferred capital contributions (Note 13)	4,488,362	3,309,125
Donations and fundraising	322,347	309,480
Other operating revenue	2,201,299	2,081,922
	<u>73,513,612</u>	<u>74,877,157</u>
Expense		
Academic	31,055,602	30,174,397
Other academic activities	13,327,608	13,351,607
Education resources and student services	5,796,690	5,100,122
Administrative	8,175,496	8,226,874
Plant and property	4,565,414	4,497,387
Ancillary operations	3,171,334	3,207,161
Supplementary	1,735,717	1,851,374
Restructuring initiatives expense	1,253,827	-
Amortization of property, plant and equipment	5,384,541	4,609,044
Scholarships, donations and fundraising	301,942	450,498
Change in employee future benefits	6,000	(54,000)
Change in accrued vacation pay and sick leave liability	128,214	117,358
	<u>74,902,385</u>	<u>71,531,822</u>
Excess (deficiency) of revenue over expense for the year	\$ (1,388,773)	\$ 3,345,335

The accompanying notes are an integral part of these financial statements.

6

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

For the year ended March 31	2012	2011
Cash flows from operating activities		
Excess of revenue over expense for the year	\$ (1,388,773)	\$ 3,345,335
Items not involving cash		
Amortization of deferred capital contributions	(4,488,362)	(3,309,125)
Amortization of property, plant and equipment	5,660,361	4,887,170
Change in employee future benefits	6,000	(54,000)
Change in accrued sick leave liability	(126,217)	(26,423)
	<u>(336,991)</u>	<u>4,842,957</u>
Change in non-cash working capital balances (Note 20)	(6,274,029)	1,342,493
	<u>(6,611,020)</u>	<u>6,185,450</u>
Cash flows from investing activities		
(Increase) decrease in notes and loans receivable	31,075	44,670
Increase in investment portfolio - Endowment Restricted	(421,699)	(682,527)
Purchase of property, plant and equipment	(9,992,302)	(18,139,310)
Increase (decrease) in tuition set aside for student assistance	(180,418)	(26,388)
Purchase of temporary investment	(3,000,000)	-
Increase in endowments, net of awards	44,148	1,162,431
	<u>(13,519,196)</u>	<u>(17,641,124)</u>
Cash flows from financing activities		
Long term debt advances	-	475,675
Repayment of long term debt	(1,089,323)	(1,299,965)
Repayment of capital lease obligations	-	(21,541)
Deferred capital contributions	9,552,735	16,969,821
	<u>8,463,412</u>	<u>16,123,990</u>
Increase (decrease) in cash for the year	(11,666,804)	4,668,316
Cash, beginning of year	13,449,819	8,781,503
Cash, end of year	\$ 1,783,015	\$ 13,449,819

The accompanying notes are an integral part of these financial statements.

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

March 31, 2012

1. Nature of Operations

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

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

2. Significant Accounting Policies

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

Use of Estimates The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Items requiring the use of significant estimates include, the useful life of tangible capital assets, rates for amortization, provision for doubtful accounts and employee future benefit estimates.

Financial Instruments The College recognizes and measures financial assets and financial liabilities on the balance sheet when they become a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a settlement date basis. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as held for trading, loans and receivables, held to maturity, available for sale or other financial liabilities.

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

March 31, 2012

2. Significant Accounting Policies (cont'd)

**Financial Instruments Held for Trading
(cont'd)**

Financial instruments are classified under this category if they are:

- (i) acquired principally for the purpose of selling or repurchasing in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- (iii) a derivative, except for a derivative that is a financial guarantee contract or a designated effective hedging instrument; or
- (iv) designated at fair value using the fair value option ("FVO")

Financial instruments cannot be transferred into or out of the held for trading category after inception. For designation at fair value using the FVO option, reliable fair values must be readily available. These instruments are recognized initially at fair value and transaction costs are taken directly to the statements of operations.

They are subsequently measured at fair value and gains and losses arising from changes in fair value of these instruments are recorded in the statement of operations.

Cash and temporary investments have been classified as held for trading by the College.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable repayment dates, usually with interest, that are not debt securities or instruments classified as held for trading on initial recognition. These instruments are initially recognized at fair value including direct and incremental transactions costs. They are subsequently valued at amortized cost using the effective interest method less any provision for impairment.

Grants, accounts, notes and loans receivable have been classified as loans and receivables.

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

March 31, 2012

2. Significant Accounting Policies (cont'd)

**Financial Instruments Available for Sale
(cont'd)**

Available for sale assets are non-derivative financial assets that are designated as available for sale or are not categorized into any of the other categories described above. They are initially recognized at fair value. Transaction costs are expensed as incurred. They are subsequently held at fair value with gains and losses arising from changes in fair value being recognized in other comprehensive income in the statement of comprehensive income when they have a quoted market price in an active market. Where a decline in the fair value is determined to be other than temporary, the amount of the loss is removed from other comprehensive income and recognized in the statement of operations. Investments in equity instruments classified as available for sale that do not have a quoted market price in an active market are measured at cost less any provision for impairment.

The investment portfolio has been classified as available for sale.

Other Financial Liabilities

Other financial liabilities are non-derivative financial liabilities and include accounts payable and accrued liabilities. These instruments are initially recognized at fair value including direct and incremental transaction costs. They are subsequently measured at amortized cost using the effective interest method.

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

Held to Maturity

Held to maturity investments include financial assets with fixed or determinable payments that the College's management has the intention and ability to hold to maturity. They are initially recognized at fair value including direct and incremental transaction costs. They are subsequently valued at amortized cost using the effective interest method less any provision for impairment.

Sinking fund investments have been classified as held to maturity.

Inventories

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

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

March 31, 2012

2. Significant Accounting Policies (cont'd)

Property, Plant and Equipment	<p>Purchased property, plant and equipment are recorded at cost. Contributed assets are recorded at fair value at the date of contribution. Amortization is provided as follows:</p> <table border="0"> <tr> <td>Site improvements</td> <td>- 5 year straight line basis</td> </tr> <tr> <td>Buildings</td> <td>- 40 year straight line basis</td> </tr> <tr> <td>Leasehold improvements</td> <td>- 10 year straight line basis</td> </tr> <tr> <td>Furniture and equipment</td> <td>- 5 year straight line basis</td> </tr> <tr> <td>Library books</td> <td>- 5 year straight line basis</td> </tr> <tr> <td>Major equipment</td> <td>- 10 year straight line basis</td> </tr> </table> <p>Projects in progress relate to capital projects that are incomplete as at March 31, 2012. Amortization will be recorded upon substantial completion at the applicable rates noted above.</p>	Site improvements	- 5 year straight line basis	Buildings	- 40 year straight line basis	Leasehold improvements	- 10 year straight line basis	Furniture and equipment	- 5 year straight line basis	Library books	- 5 year straight line basis	Major equipment	- 10 year straight line basis
Site improvements	- 5 year straight line basis												
Buildings	- 40 year straight line basis												
Leasehold improvements	- 10 year straight line basis												
Furniture and equipment	- 5 year straight line basis												
Library books	- 5 year straight line basis												
Major equipment	- 10 year straight line basis												
Deferred Capital Contributions	<p>Capital grants and contributions are deferred and amortized over the useful life of the assets purchased/contributed.</p>												
Revenue Recognition	<p>The College follows the deferral method of accounting for contributions, which include donations and government grants.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized.</p> <p>Operating grants from the Ministry of Training, Colleges and Universities and other government agencies are recorded as revenue in the year to which they relate. Grants approved but not received at the end of the fiscal year are accrued. Where a portion of a grant relates to a future year it is deferred and recognized in the subsequent year.</p> <p>Endowment contributions are recognized as direct increases in net assets in the period in which they are received.</p> <p>Tuition is recognized as revenue when courses and seminars are held. Tuition fees are deferred to the extent that the related courses extend beyond the fiscal year of the College.</p> <p>Student fees are recognized as revenue when courses and seminars are held.</p>												

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

March 31, 2012

2. Significant Accounting Policies (cont'd)

Revenue Recognition (cont'd)	Sales and services revenue is recognized at point of sale or when the service has been provided. Pledges are recorded when the amount to be received is reasonably estimated and ultimate collection is reasonably assured.
Cost Allocation	Direct costs are charged to programs and courses on an actual basis wherever possible and elsewhere allocated on the basis of full-time equivalent students.
Employee Future Benefits	The College maintains deferred benefit plans providing other retirement and post-employment benefits to most of its employees. The benefits include ongoing premiums for basic life insurance, extended health/vision/hearing care, and dental care provided they were in effect on the date of retirement. The College has recorded the liability for these benefits.

3. Cash and Credit Facilities

The College's bank accounts are held at one chartered bank and as a result it is exposed to the credit risk arising from this concentration to the extent that account balances exceed federally insured limits. The bank accounts earn interest at prime less 1.75%.

The College's credit facilities include an approved operating line of credit with the Royal Bank of \$1,500,000 with interest at bank prime less 0.6%. At year end the outstanding balance under this credit facility agreement was \$nil (2011 - \$nil).

In addition, the College has an approved revolving credit facility with the Royal Bank in the amount of \$1,650,000. Of this amount, \$243,794 (2011 - \$923,149) was outstanding with respect to the Royal Bank loans described in Note 12.

4. Temporary Investment

The temporary investment consists of a Guaranteed Investment Certificate bearing interest at 1.59% and maturing September 25, 2012.

5. Accounts Receivable

	2012	2011
Students and sponsors	\$ 1,816,475	\$ 1,239,918
General	4,029,580	3,763,447
The Confederation College Foundation	447,104	243,684
	<u>\$ 6,293,159</u>	<u>\$ 5,247,049</u>

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

March 31, 2012

6. Investment Portfolio - Endowments Restricted

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

	2012		2011	
	Market	Cost	Market	Cost
Endowed				
Canadian equities	\$ 869,638	\$ 799,167	\$ 1,027,130	\$ 824,941
Canadian bonds	2,560,147	2,464,782	2,456,942	2,381,903
Foreign equities	2,660,393	2,613,105	2,188,732	2,326,376
Foreign bonds	36,187	34,965	36,848	34,964
Cash account	276,606	276,139	271,620	271,446
	\$ 6,402,971	\$ 6,188,158	\$ 5,981,272	\$ 5,839,630

The cash account does not earn interest. Canadian and foreign bonds are comprised of a number of different bonds, with maturity dates ranging from June 2012 to June 2036, and yield an average of 4.6% (2011 - 4.5%) over the term of the investments.

7. Sinking Fund Investments

Sinking fund investments are comprised of Ontario Hydro bonds, maturing April 2012 at \$3,100,000 yielding 9.49% over the term of the investment.

	2012	2011
Cost	\$ 558,234	\$ 558,234
Accumulated investment income	2,530,345	2,262,215
	\$ 3,088,579	\$ 2,820,449

The market value of the bonds at March 31, 2012 is approximately \$3,098,760 (2011 - \$3,044,434). At maturity, the proceeds of the investment will be used to retire the \$3,100,000 Ontario Ministry of Housing mortgage described in Note 12.

13

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

March 31, 2012

8. Property, Plant and Equipment

	2012		2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 295,057	\$ -	\$ 295,057	\$ -
Site improvements	2,014,986	2,014,986	2,014,986	2,014,986
Buildings	73,780,196	33,339,737	55,645,353	31,699,710
Leasehold improvements	333,188	333,188	333,188	333,188
Furniture and equipment	71,098,864	63,026,226	65,216,994	59,529,102
Library books	20,000	20,000	20,000	20,000
Major equipment	5,232,096	3,972,967	5,232,096	3,449,758
Projects in progress	3,760,558	-	17,784,970	-
	\$ 156,534,945	\$ 102,707,104	\$ 146,542,644	\$ 97,046,744
Net book value		\$ 53,827,841		\$ 49,495,900

Projects in progress

Projects in progress consist of two construction projects. The first project relates to a renewable energy solution project, the Bio-Energy Learning and Research Centre Project, on which \$3,286,071 (2011 - \$817,907) has been spent to date. This \$5,225,998 project has been undertaken to design and install a biomass wood waste burning heat system combined with the use of other green technologies, such as, thermal energy capture and a green roof. This project, funded by various federal and provincial grants, donations, and financing, is scheduled for completion in the next fiscal year.

The second is a building upgrade project, the Thunder Bay Student Residence Retrofit project, on which \$474,487 has been spent to date. This \$1,700,000 project will be funded primarily by debt financing and is scheduled for completion in the next fiscal year.

During the current year, the Regional Education Alliance for Community Health project was completed. The amount relating to this project that was included in construction in progress in the prior year is now included in buildings.

14

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

March 31, 2012

9. Accounts Payable and Accrued Liabilities

	2012	2011
Trade accounts payable	\$ 3,237,043	\$ 5,967,256
Accrued liabilities	304,481	234,680
Accrued salaries and employees' deductions	2,526,188	1,908,071
	<u>\$ 6,067,712</u>	<u>\$ 8,110,007</u>

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

	2012	2011
Accrued vacation pay	\$ 2,991,230	\$ 2,736,799
Accrued sick leave liability	\$ 795,334	\$ 921,551
Employee future benefits		
Non-pension post-retirement benefits	\$ 273,000	\$ 301,000
Post-employment benefits		
Premium waiver during long term disability	64,000	63,000
Contribution of medical and dental benefits during long term disability	433,000	404,000
	<u>770,000</u>	<u>768,000</u>
Value of Assets		
Post-employment benefits	111,000	115,000
	<u>\$ 659,000</u>	<u>\$ 653,000</u>
	<u>\$ 4,445,564</u>	<u>\$ 4,311,350</u>

The major actuarial assumptions employed for the valuation of employee future benefits are as follows:

a) *Interest (Discount) Rate*

The present value as at March 31, 2012 of the future benefits was determined using a discount rate of 4.20% (2011 - 4.75%).

15

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

March 31, 2012

10. Accrued Vacation Pay, Accrued Sick Leave Liability and Employee Future Benefits (cont'd)

b) Drug Costs

Drug costs were assumed to increase at a 10.5% rate for 2011 and decrease proportionately thereafter to an ultimate rate of 4.5% in 2026.

c) Hospital and Other Medical

Hospital and other medical costs were assumed to increase at 4.5% per annum.

d) Dental Costs

Dental costs were assumed to remain at 4.5% per annum.

11. Deferred Revenue and Contributions

	2012	2011
Ontario Ministry of Training, Colleges and Universities		
Aboriginal Educational and Training Strategy	\$ 11,120	\$ 284,351
Apprenticeship training	119,692	211,037
Bursaries	123,770	225,767
Campus safety	44,825	21,935
Campus Renewal Program	-	23,418
Collaborative nursing	1,173,006	1,282,228
College Equipment Renewal Fund	-	17,304
Employment programs	355,365	359,226
Lease grant	-	6,793
Second career	140,765	501,422
Special needs and tutoring	47,862	96,791
Centre for Applied Media Production	-	83,068
Centre for Continuing Education	-	36,597
College service fee	22,197	46,814
Contract training	1,283,895	134,188
Full-time post secondary tuition deferral	868,558	723,104
Miscellaneous contracts and projects	944,545	770,328
Regional Alliance for Community Health Project	-	1,863,184
School College Work Initiative	608,993	185,149
Student IT fee	19,195	21,726
Student tech fee	241,324	156,852
Trades and Technology Project	46,788	605,424
	\$ 6,051,900	\$ 7,656,706

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

March 31, 2012

12. Long Term Debt

	2012	2011
Ontario Ministry of Housing mortgage on Sibley Hall, repayable \$142,135 semi-annually, interest only at 9.17%, due 2012	\$ 3,100,000	\$ 3,100,000
Royal Bank demand loan for Banner ISIS computer system, repayable at \$2,507 monthly plus interest at 5.68%, due 2013	29,183	56,755
Toronto Dominion Bank term loan financing Banner ISIS computer system, repayable \$36,723 monthly including interest at 4.69%, due 2013	429,661	839,629
Royal Bank loan for Banner Project #2, repayable at \$3,728 monthly including interest at 4.5%, due 2013	43,670	85,422
Royal Bank loan for Fitness Centre flooring, repayable at \$4,288 monthly including interest at 4.5%, due 2013	55,999	103,761
Royal Bank loan for welding equipment, repayable at \$1,116 monthly including interest at 5.09%, due 2013	31,389	42,871
Royal Bank loan for garbage compactor, repayable at \$602 monthly including interest at 3.45%, due 2014	14,730	21,139
Royal Bank loan for region cars, repayable at \$2,814 monthly including interest at 3.45%, due 2014	68,823	98,767
Royal Bank demand loan for CRM project	-	27,610
Royal Bank loan for plant tractor	-	9,064
Royal Bank loan for motorcycles	-	2,085
Royal Bank loan for Bio-Energy Learning and Research Centre project	-	475,675
	<u>3,773,455</u>	<u>4,862,778</u>
Current portion	<u>3,702,571</u>	<u>1,088,823</u>
	<u>\$ 70,884</u>	<u>\$ 3,773,955</u>

Principal payments are due as follows:

Date	Amount
2013	\$ 3,702,571
2014	58,521
2015	12,363
	<u>\$ 3,773,455</u>

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

March 31, 2012

13. Deferred Capital Contributions

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

	2012	2011
Balance, beginning of year	\$ 42,204,494	\$ 28,299,560
Add contributions for capital purposes	9,552,735	16,969,821
Add sinking fund investment income	268,130	244,238
Less amortization of deferred capital contributions	(4,488,362)	(3,309,125)
Balance, end of year	\$ 47,536,997	\$ 42,204,494

14. Net Assets - Externally Restricted

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

	Balance beginning of year	Revenue/ Reallocation in year	Expense in year	Balance end of year
Tuition set aside for student assistance	\$ 486,822	\$ -	\$ 180,418	\$ 306,404
Scholarships and bursaries	61,858	66,733	49,626	78,965
Contributions for capital expenditures	176,472	255,614	252,316	179,770
	<u>\$ 725,152</u>	<u>\$ 322,347</u>	<u>\$ 482,360</u>	<u>\$ 565,139</u>

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

15. Net Assets - Investment in Capital Assets

	2012	2011
Capital assets, net book value	\$ 53,827,841	\$ 49,495,900
Less amounts financed by:		
Working capital	(455,977)	(8,475)
Long term debt	(3,773,455)	(4,862,778)
Deferred capital contributions	(47,536,997)	(42,204,494)
Add sinking fund investments	3,088,579	2,820,449
Invested in capital assets, end of year	\$ 5,149,991	\$ 5,240,602

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

March 31, 2012

16. Net Assets - Endowments Restricted

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

The College has recorded the following amounts under the programs:

OSOTF I

	2012	2011
Schedule of Changes in Endowment Fund Balance		
Fund balance, beginning of year	\$ 3,663,155	\$ 3,663,155
Unrealized gain (unrealized loss)	-	-
Cash donations received	-	-
Fund balance, end of year	3,663,155	3,663,155
Schedule of Changes in Expendable Funds Available for Awards		
Fund balance, beginning of year	309,162	230,524
Unrealized gain (loss)	(62,841)	254,648
Realized investment income (loss) net of direct investment-related expenses and preservation of capital contributions	-	-
Bursaries awarded (2012 = 336, 2011 = 523)	(153,215)	(176,010)
Expendable fund balance, end of year	93,106	309,162
Total endowment fund balance, end of year	\$ 3,756,261	\$ 3,972,317
Market value of fund, end of year	\$ 3,756,261	\$ 3,972,317

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

March 31, 2012

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

OSOTF II Second Phase

	2012	2011
Schedule of Changes in Endowment Fund Balance		
Fund balance, beginning of year	\$ 252,078	\$ 252,078
Endowed donations (shares)	-	-
Fund balance, end of year	252,078	252,078
Schedule of Changes in Expendable Funds Available for Awards		
Fund balance, beginning of year	45,826	17,449
Unrealized gain (loss)	(4,854)	17,627
Realized investment income (loss) net of direct investment-related expenses and preservation of capital contributions	-	-
Bursaries awarded (2012 = 9, 2011 = 17)	(2,900)	10,750
Expendable fund balance, end of year	38,072	45,826
Total endowment fund balance, end of year	\$ 290,150	\$ 297,904
Market value of fund, end of year	\$ 290,150	\$ 297,904
OTSS		
Cash donations matched	\$ -	\$ 423,915
Schedule of Changes in Endowment Fund Balance		
Fund balance, beginning of year	\$ 2,146,035	\$ 1,108,859
Unrealized gain (unrealized loss)	-	-
Eligible cash donations received	167,898	318,381
Matching funds from MTCU	194,695	718,795
Fund balance, end of year	2,508,628	2,146,035
Schedule of Changes in Expendable Funds Available for Awards		
Fund balance, beginning of year	44,920	26,680
Realized investment income (loss) net of direct investment-related expenses and preservation of capital contributions	(40,700)	74,265
Bursaries awarded (2012 = 88, 2011 = 98)	(53,935)	(56,025)
Fund balance, end of year	(49,715)	44,920
Total endowment fund balance, end of year	\$ 2,458,913	\$ 2,190,955
Market value of fund, end of year	\$ 2,458,913	\$ 2,190,955

20

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

March 31, 2012

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

Report of OTSS awards issued for the period of April 1, 2011 to March 31, 2012:

Status of Recipients	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-Time	34	\$24,790	54	\$29,145	88	\$53,935
Part-Time	n/a	n/a	n/a	n/a	n/a	n/a
Total	34	\$24,790	54	\$24,145	88	\$53,935

	2012	2011
Grand total of endowment funds, end of year	<u>\$ 6,505,324</u>	<u>\$ 6,461,176</u>
Total market value of fund assets, end of year	<u>\$ 6,505,324</u>	<u>\$ 6,461,176</u>

17. Pension Plans

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 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 Plan 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, 2011. The results disclosed net assets available for benefits with a market value of \$5,627 million. The latest actuarial valuation filed with the Financial Services Commission of Ontario on January 1, 2012 indicated a plan surplus of \$154 million (\$88 million - January 1, 2011) on a going-concern basis. 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 included in the statement of operations for the year was \$3,638,103 (2011 - \$3,465,574).

21

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

March 31, 2012

18. Commitments

The College has leased realty for the Aviation Centre of Excellence at an annual rental of approximately \$70,000, with annual increases of 2.5%, and an expiry date of 2053.

The College has leased other realty at a total annual rental of approximately \$98,000 in 2013, \$4,500 in 2014, \$4,500 in 2015, \$4,500 in 2016 and \$4,500 in 2017.

19. Contingencies

In the normal course of operations, the College is involved in a number of grievances and disputes. As of the date of this financial statement preparation, the likelihood and impact of these matters on the College's financial statements is unknown. Should any costs be incurred as a result of these matters, they will be expensed in the year of settlement.

20. Statement of Cash Flows

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

	2012	2011
Grants receivable	\$ (1,739,510)	\$ (218,196)
Accounts receivable	(1,046,110)	(1,752,348)
Inventories	(36,937)	(4,298)
Prepaid expenses	(58,802)	(140,246)
Accounts payable and accrued liabilities	(2,042,295)	2,947,760
Accrued vacation pay	254,431	143,781
Deferred revenue and contributions	(1,604,806)	366,040
	<u>\$ (6,274,029)</u>	<u>\$ 1,342,493</u>

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

March 31, 2012

21. Capital Disclosures

The College considers its capital to be the balance retained in net assets, which is generally the difference between its assets and liabilities as reported on the balance sheet and includes general unrestricted net assets, employee future benefits unrestricted net assets, internally restricted net assets, externally restricted net assets, investment in capital assets and restricted endowment net 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. Colleges are required under the current Ministry guidelines, to balance their budgets each year through a combination of managing expenses and utilizing reserves. Any in-year deficit not covered by reserves (accumulated deficits) must be recovered within two successive years under the Ministry's deficit recovery procedures.

Management maintains its capital by ensuring that annual operating and capital budgets are developed and approved by the Board of Governors 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 and are also published on the College's website or distributed to the public in hard copy upon request.

23

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

March 31, 2012

22. The Confederation College Foundation

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

Financial Position

	2012	2011
Total assets	\$ 629,892	\$ 568,329
Total liabilities	\$ 447,054	\$ 243,634
Total net assets	182,838	324,695
	\$ 629,892	\$ 568,329

Results of Operation and Net Assets

	2012	2011
Total revenue	\$ 631,972	\$ 742,436
Total expense	44,987	162,223
Net revenue available for donations	586,985	580,213
Donations made to the Confederation College of Applied Arts and Technology	(728,842)	(603,151)
Deficiency of revenue over expense	(141,857)	(22,938)
Net assets, beginning of year	324,695	347,633
Net assets, end of year	\$ 182,838	\$ 324,695

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

March 31, 2012

23. Financial Instruments

a) Fair Values

The College's financial instruments are comprised of cash, temporary investments, grants, accounts, notes and loans receivable, the investment portfolio - endowments restricted, accounts payable and accrued liabilities and long term debt.

The fair values of cash, temporary investments, grants, accounts, notes and loans receivable, and accounts payable approximate their carrying value because of the short term nature of these instruments. The fair value of the investment portfolio - endowments restricted is determined using published fair market values of the individual investments as at the balance sheet date. The fair values of long term debt instruments approximate carrying value due to their short term maturity.

b) Risks arising from Financial Instruments

Credit Risk

Credit risk is the risk of financial loss to the College if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the College's accounts and grants receivable and investments in bonds. The College mitigates its potential credit risk from accounts receivable through credit evaluation, approval and monitoring processes. Furthermore, it evaluates the collectibility of accounts receivable and records an allowance for doubtful accounts, which reduces the receivables to the amount management reasonably believes will be collected. Credit risk with respect to investments in bonds is managed through the investment policies noted below.

Market Risk

Market risk arises from the College's investment portfolio, which contains various Canadian, U.S. and international fixed income and equity instruments. It is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in interest rates or other market factors affecting equity prices. The College mitigates its market risk through the use of investment policies and managers, whose objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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

March 31, 2012

24. Future Accounting Changes

The Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) have issued new standards for government (public sector) not-for-profit organizations (NPOs). For years beginning on or after January 1, 2012, government NPOs have a choice of:

1. Public Sector Accounting standards supplemented by PS 4200 - 4270 for government not-for-profit organizations; or
2. Public Sector Accounting standards

The College has chosen to follow Public Sector Accounting standards supplemented by PS 4200 - 4270 for government not-for-profit organizations. The College, jointly with the other colleges of Ontario, have determined the following to be key transitional issues for colleges:

Unvested sick leave: Currently colleges accrue vested sick leave in their financial statements, however they do not accrue sick leave that accumulates but does not vest. Under PSAB, accruing unvested sick leave is a requirement. This will lead to a significant increase in liabilities and decrease in net assets on transition.

Employee future benefits: Currently, the discount rates used to calculate the liability for employee future benefits is the market yield on high quality corporate bonds. Under PSAB, the rate used must be either the cost of borrowing or the plan asset earnings.

Financial Instruments: PSAB has introduced a financial instruments standard that has differences in the measurement, recognition and disclosure in comparison to current GAAP. From a recognition point of view, there should not be any changes for the College. However, from a disclosure point of view there is one change. PSAB introduces a new statement called the "Statement of Remeasurement Gains and Losses." All fair value changes to the College's financial instruments (investments, interest rate swap) will be recorded through this statement, as opposed to being recorded through a separate fund in the statement of net assets.

25. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

2011-2012 ANNUAL REPORT

Audited Financial Statements

26

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

For the year ended March 31	2012	2011
Grants and reimbursements		
Post secondary	\$ 33,481,936	\$ 34,422,279
Apprenticeship training	1,324,918	1,157,258
Facilities renewal	301,975	2,105,789
	<u>\$ 35,108,829</u>	<u>\$ 37,685,326</u>
Student tuition		
Full-time post secondary	\$ 8,212,328	\$ 8,039,267
Part-time post secondary	727,613	552,803
Student services fees	2,188,106	1,492,550
	<u>\$ 11,128,047</u>	<u>\$ 10,084,620</u>
Other academic activities		
Provincially funded direct training grants	\$ 4,607,343	\$ 4,584,149
Contract training - Federal domestic	-	894,600
- Other contract training	6,263,576	4,558,612
- International	882,174	740,396
	<u>7,145,750</u>	<u>6,193,608</u>
Other academic services and projects	3,488,687	5,291,297
	<u>\$ 15,241,780</u>	<u>\$ 16,069,054</u>

The accompanying notes are an integral part of these financial statements.