Confederation COLLEGE

2012-2013 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.

Confederation
COLLEGE

2012-2013 ANNUAL REPORT

Message from the Chair of the Board

Confederation College has had a banner year in 2012 – 2013.

The Confederation College Board of Governors is proud to be part of helping to position northwestern Ontario for a positive economic future.

Through most of 2012, internal and external consultations were conducted in support of the development and Board approval of the 2013-16 Strategic Plan Wiicitaakewin. The plan sets the course for the college for the next three years. It will help respond to changing economic and social circumstances in northwestern Ontario.

Mining, forestry and service sectors have begun a strong return after a number of years of economic malaise. Confederation College is a key partner in ensuring that northwestern Ontario First Nations and communities are prepared with necessary skills to access jobs and develop new businesses.

We have partnerships with northern Ontario colleges to offer a broader range of courses, including mining, to meet the needs of industry.

Working with First Nations, we have agreements for training that will advantage communities for employment and business development over the next several years. They will be ready to benefit from a strengthening northwestern Ontario economy.

Our international student population has more than tripled in the past twelve months. This enriches the culture of the college and adds to quality of life in Thunder Bay.

With organizational change and new direction, we have a sharp focus on developing unique policies for First Nation and Aboriginal education. Further, we are part of a process to assist Dennis Franklin Cromarty High School in achieving improved education outcomes by planning for a student residence on Confederation College property. Young people deserve to have safe, secure and education-enriched places to live when they study away from home.

We have strengthened our relationships with northwestern Ontario school boards with initiatives such as dual credits for over 1,000 high school students who can obtain credit for college courses offered in their regular school and summer school programs. By giving high school students a college experience, an increasing number of students are choosing to continue their studies, and do so with us.

Our Board membership is representative of our region with five regional Governors. The Board of Governors is focused on direction, risk management and having Governors with the necessary skills to be able stewards. This protects the sustainability of the institution well into the future. We believe that Confederation College belongs to all citizens in northwestern Ontario. Further, we feel that the quality of our programs and services make us attractive to students from the region, Ontario, Canada and beyond.

Confederation College is fiscally sound, well led and ably serves northwestern Ontario. The Board of Governors will ensure that this is a constant.

Dennis Wallace

Chair

2012-2013 ANNUAL REPORT

Message from the President

Reflecting on the 2012-13 academic year, one word really sums up the progress and achievements at Confederation College – partnership. Partnerships have enabled us to start discussions on improving student access through the shared delivery of programs from other colleges, providing job-ready training programs to Aboriginal people, and helping students connect with career services.

In January 2013, we signed a pan-northern memorandum of understanding (MOU) with five other colleges in northern Ontario. The agreement reinforces a collaborative approach for increasing student access to programming and services. Under this agreement, Northern College's highly reputable Haileybury School of Mines Mining Engineering Technician program will be delivered at our Thunder Bay campus commencing in the fall of 2013. We also created a partnership with three other northern colleges to collaborate on the delivery of programs in the environmental and natural resources fields. By combining our resources, we can provide a broader range of options for students pursuing a career in these fields.

At our career fair in February, we launched an interactive job bank for our students, made possible through a major private/public sector partnership between the college and Workbay. Through Workbay, students can track employment opportunities and access educational modules to earn additional courses to enhance their skillset.

There was much national and international interest in an alliance we formed with Matawa First Nations Management's Kiikenomaga Kikenjigewen Employment and Training Services (KKETS) and Noront Resources Ltd. The Ring of Fire Aboriginal Training Alliance (RoFATA) was announced at the Prospectors and Developers Association of Canada Annual Convention in March 2013. The alliance is committed to work together to develop a highly-skilled Aboriginal workforce for mining activity associated with Noront's Eagle's Nest project in the Ring of Fire. As the education partner, we look forward to developing and delivering the training programs to meet the needs of Matawa First Nations members and the industry commencing the fall of 2013.

Negahneewin Council has been expanded to include nine external members and is being redeveloped to influence the strategic direction of Confederation College in regards to Aboriginal learning. As well, a new operationally focused group called the Negahneewin Education Circle will be supporting the realization of the vision of Aboriginal learning at Confederation College. Negahneewin, meaning "Leading the Way", is a philosophy at the heart of Confederation College.

Continued on following page

Message from the President - continued

Other highlights and successes throughout the year included:

- the redevelopment of our Tourism - Travel and Eco-Adventure, Pre-Technology, Hospitality Foundations, Native Child and Family Services and Interactive Media programs to meet the changing needs of the employers in these sectors.
- the implementation of the Community Integration through Cooperative Education program supporting learners with a wide variety of abilities.
- long-term accreditations for our dental hygiene, dental assisting and medical radiation technology programs, signifying that we effectively prepare graduates to work in these fields.
- a growth in international students to more than 140 from 18 countries, who are enrolled in 18 programs here at the college.
- the renewal of technology-enabled learning equipment and simulation equipment at our smaller campuses to support the growth of our health care programming.
- approval to deliver a new cohort of the community based Bachelor of Science in Nursing program, in partnership with Lakehead University, starting in the fall 2014.

It is an honour to be President of this institution, which is leading the way in providing enhanced services to students and expanding access to programming and post-secondary education.

Jim Madder

President

Confederation COLLEGE

2012-2013 ANNUAL REPORT

Board of Governors

Chair	
Dennis Wallace	Kenora
Vice-Chair	
Chris Fralick	Thunder Bay
Vice-Chair	
Leona Scanlon	Thunder Bay
Member-at-Large	
William (Bill) Trochimchuk *(Administrative Staff Representative)*	Thunder Bay
Marlene Bearinger *(Student Representative)*	Thunder Bay
Glenn Brassard	Thunder Bay
Don Campbell	Thunder Bay
Rodney Dyce *(Support Staff Representative)*	Thunder Bay
Darlene Furlong	Dryden/Sioux Lookout/Red Lake
Anne Krassilowsky	Dryden/Sioux Lookout/Red Lake
Jean-Paul (J.P.) Levesque	Thunder Bay
Paul Noonan	Rainy River District
Doris Rossi	Thunder Bay
Eric Rutherford	Geraldton/Marathon/Wawa
Paula Sdao	Thunder Bay
Cheryl L. Vaccher *(Academic Staff Representative)*	Thunder Bay
President	
Jim Madder	Thunder Bay

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, Metis, 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 self-identified Aboriginal learners enrolled in post-secondary, non post-secondary, and training programs.

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

ENDS POLICY 3 - 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" (as 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.

Analysis of Operational Performance

Wiicitaakewin is an Anishinaabe word that describes the concept of the process of helping or assisting others and identifies our 2013-2016 Strategic Plan. Development of the Strategic Plan encompassed the following:

- 29 employees representing faculty, staff and administration participated in an all-day strategic planning event;
- 32 external partners and 16 employees participated in strategic planning focus groups;
- 42 regional stakeholders provided input through consultations in the western and eastern regional campuses;
- meetings were held with regional staff, the support staff and faculty Local Executive Committees, OCASA's executive, and the SUCCI Board for their perspectives on our next Strategic Plan; and
- 105 employees responded to an online questionnaire.

People were passionate about the communities in northwestern Ontario and equally as committed to provide meaningful responses for the College's strategic direction. Developing partnerships toward innovation and applied research came out strongly. The need for college-based, applied learning that is responsive to changing needs of northern economies was clear. Accessibility through diverse student supports, enhanced information technology and assisting with transitions to post-secondary education were significant themes. As well, a College that not only understands Aboriginal learning but is also able to improve and advance it to develop a new vision that provides leadership for Aboriginal-centred learning was evident in the dialogues.

Based on these discussions and an environmental scan, three strategic directions for the College for 2013-2016 emerged:

1. Improving Access to Education and Supporting the Success of the Student Population,
2. Supporting and Advancing Aboriginal Learning, and
3. Building Partnerships and Serving Northwestern Ontario.

With Board of Governors approval of the 2013-2016 Strategic Plan, management is now developing Logic Models through the forum of the Strategic Leadership Team. These Logic Models define initiatives under each Strategic Plan objective that will achieve the objective and detail the leadership assigned and timelines established.

Analysis of Operational Performance - continued

Highlights of the KPI data for Confederation College this year include:

- An employer satisfaction rate that has increased this year to a number one ranking across the province (97.5% versus 93.8% last year versus 93.4% provincial average)
- A graduate employment rate that is tied for second-highest in the province (with Conestoga) and well above the provincial average; #1 among northern colleges (88.9% versus 90.3% last year versus 83.6% provincial average)
- A graduate satisfaction rate that has increased to #2 in the province and leading all northern colleges, exceeding the provincial average (85.5% versus 81.2% last year versus 80% provincial average)
- A stable student satisfaction rating that is above average for the province and second among northern colleges (79.4 % versus 80.1% last year versus 77.1% provincial average)
- In reference to Graduation Rate, this percentage experienced a decrease this year, lagging behind the provincial average and northern colleges (58.0% versus 63.9% last year versus 64.8% provincial average). Confederation College continues to perform above the provincial average for one-year and three-year programs. We perform below average in two-year and one-year post diploma programs (51.5% versus 62.6%/74.1 versus 85.8%). Retention rate is one area we will focus on as a strategic plan of action in the coming year.

The College hosted a special Town Hall presentation, "Connecting to Students in the 21st Century" presented by an acknowledged leader in innovation policy, Dr. Stephen Murgatroyd. Dr. Murgatroyd explored opportunities for community colleges in light of the current revolutions of the 21st century and their significance in today's world. We heard how technology, global economics, demographics, and other factors are going to impact education in the future.

The Health and Safety area sponsored a first level violent threat assessment conference with a leading consultant in the field. The College invited other regional participants as the first step to promoting regional planning.

Analysis of Operational Performance - continued

An employee engagement survey was undertaken and reported to the Board of Governors. Senior Team will undertake action on key response themes.

The privacy of student, employee and college data was reviewed and staff training sessions undertaken. The college is expanding into data retention guidelines for all college information.

The financial results were in line with budget projections. While enrolment of domestic students declined (8,800), we saw an offsetting impact from an increase in international students (159).

The College undertook an audit of academic equipment in the Trades and Technology area with regard to safety, for example machine guarding. Because of the review, the College initiated upgrades to existing equipment or replaced equipment depending on the appropriate action.

In the interests of technology, four enabled-learning video conference rooms were set up or upgraded to the new standard at the Thunder Bay campus. This enhancement will benefit our students' learning experience.

In the Residence, our partner, Campus Living Centre, completed $1.7 million in renovations and refurbishing over two summers, ending in 2013. Our cafeteria partner, Sodexo Inc., focused on refurbishing the Shuniah kitchen and Dorion, McIntyre and Aviation Centre satellite locations. In 2013-2014, their focus will shift to updating the Shuniah servery and dining hall.

The conversion of electric perimeter heating was completed in 2013 in the Shuniah building, which allowed heating by natural gas as an interim step. The installation of the new biomass boilers in 2013-2014 will complete the conversion from heating sourced by electricity to biomass fuel. The learning and research components also progressed and will be completed in sync with the biomass heating boilers.

International Activities Report

In addition to further increasing brand awareness and consolidating its presence in key international markets, in 2012-2013, the International Education Centre (IEC) expanded recruitment activities by entering into some new markets. It also devoted considerable efforts to strengthening its marketing material, updating its electronic platform and establishing a solid social media presence. Specific activities included the following:

- The launch of a locally (and alumni) produced international student recruitment video, starring our own international students. This has been very favourably received and shared around the world with more than 2000 views.
- A complete restructuring of the International Education Centre website to make it more robust, navigable and viewer friendly.
- The production of a series of six short video documentaries, produced by 3rd year Broadcasting students, and created to inform future students about common inquiries and concerns such as Life in Thunder Bay, Quality of Education, and Student Support at Confederation College. These videos are now available on You Tube and have been imbedded within the International Education Centre website.
- The creation of an active and successful Facebook page (with over 370 fans) that serves as a lively discussion forum and has become an important communications resource to both future and current students, and alumni.

Capitalizing on the previous year's recruitment efforts, in 2012-2013, Confederation experienced the largest number of international students ever registering in post-secondary and English programs at the college. In September 2012, a total of 120 international students were registered. Registrations for the winter semester were also higher than the previous year. By the end of January 2013, 159 international students were on campus. Of these, 147 were registered in post-secondary programs and twelve students were enrolled in English programs (many of whom will continue on to post-secondary education in September 2013). The students came from 16 countries, with India, Bangladesh, Nigeria, China and Korea accounting for the majority.

As in past years, Confederation College welcomed scholarship and exchange students in the September and January semesters; these came from partner institutions in Brazil, Korea, Mexico and the Netherlands.

With a large number of international students on campus, the IEC expanded its resources to ensure that the students received the support they needed to be successful. It worked closely with other departments at the college and helped international students access existing support services. In response to unique needs, the IEC complemented these services by offering customized assistance to international students with workshops and training sessions on employment preparation, resume writing, interview skills and job search. These services were greatly appreciated by the 55 international students who graduated in June 2013.

The cutback in international travel grants for Canadian students had a significant effect on the number of students travelling abroad. Only three students completed an international practicum or study abroad experience in 2012-2013; one completed a work placement in Australia and two participated in cultural summer camp at a partner institution in Taiwan.

Fundraising Report

The Confederation College Foundation raised $560,601 in 2012-13. These funds were primarily dedicated to the completion of the campaign for the Regional Education Alliance for Community Health (REACH) project as well as scholarships and bursaries.

A number of events were held over the year that generated income to the Foundation. These included, but were not limited to, the annual Scholarship Golf Tournament ($27,000) dedicated to scholarships and bursaries as well as the annual Community Partners' evening ($28,000) that was dedicated to the Community Integration through Cooperative Education (CICE).

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 as a result of pre-existing agreements as well as operational efficiency if charitable tax receipts were not required.

Graduate Employment Rate

Survey of 2011-12 graduates six months after graduation	Employed %
Algonquin	84.8
Boréal	84.3
Cambrian	87.1
Canadore	84.1
Centennial	74.3
La Cité collégiale	85.4
Conestoga	88.9
Confederation	**88.9**
Durham	83.7
Fanshawe	85.8
Fleming	84.3
George Brown	81.2
Georgian	88.1
Humber	82.8
Lambton	86.3
Loyalist	87.0
Mohawk	83.4
Niagara	85.2
Northern	87.5
St. Clair	81.1
St. Lawrence	90.5
Sault	84.5
Seneca	79.0
Sheridan	82.2
Province	83.6

Graduate Satisfaction Rate

Survey of 2011-12 graduates six months after graduation	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	78.9	12.2	8.9
Boréal	87.7	6.6	5.7
Cambrian	85.0	10.1	4.9
Canadore	80.6	12.8	6.6
Centennial	76.9	11.2	11.9
La Cité collégiale	79.7	11.4	8.8
Conestoga	83.0	10.0	7.1
Confederation	**85.5**	**9.4**	**5.2**
Durham	75.8	12.3	11.8
Fanshawe	81.1	11.8	7.2
Fleming	79.9	10.8	9.3
George Brown	77.8	12.1	10.0
Georgian	81.6	10.6	7.8
Humber	79.4	11.2	9.4
Lambton	81.3	10.0	8.7
Loyalist	83.5	9.4	7.2
Mohawk	80.8	10.3	9.0
Niagara	81.1	10.0	8.9
Northern	84.0	6.7	9.3
St. Clair	80.3	10.8	8.9
St. Lawrence	84.1	10.0	5.9
Sault	80.8	11.2	8.0
Seneca	78.7	12.3	9.0
Sheridan	77.7	12.8	9.5
Province	80.0	11.2	8.8

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.

Confederation COLLEGE

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Key Performance Indicators - Released April 17, 2013

Employer Satisfaction Rate

Survey of employers who have hired 2011-12 college graduates	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	94.1	4.6	1.3
Boréal	85.7	8.6	5.7
Cambrian	93.3	4.7	2.1
Canadore	89.8	4.5	5.7
Centennial	94.1	4.5	1.4
La Cité collégiale	92.5	6.5	0.9
Conestoga	92.1	5.4	2.5
Confederation	**97.5**	**0.8**	**1.7**
Durham	95.0	1.4	3.6
Fanshawe	91.7	5.8	2.6
Fleming	93.8	4.7	1.6
George Brown	92.0	5.0	3.0
Georgian	93.3	3.6	3.1
Humber	94.3	4.2	1.5
Lambton	96.3	2.8	0.9
Loyalist	93.8	4.5	1.8
Mohawk	94.3	3.7	2.0
Niagara	92.3	4.4	3.3
Northern	97.2	2.8	0.0
St. Clair	91.0	6.1	2.8
St. Lawrence	93.6	3.4	2.9
Sault	89.4	7.6	3.0
Seneca	94.7	2.7	2.7
Sheridan	94.7	4.2	1.1
Province	93.4	4.3	2.3

Student Satisfaction Rate *

Student Satisfaction Survey, June 2012, November 2012 & February 2013	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	81.5	13.2	5.3
Boréal	83.4	13.2	3.4
Cambrian	75.2	18.8	6.0
Canadore	72.2	20.2	7.7
Centennial	72.7	18.2	9.1
La Cité collégiale	83.3	9.9	6.8
Conestoga	76.7	17.9	5.4
Confederation	**79.4**	**15.7**	**5.0**
Durham	73.8	19.1	7.1
Fanshawe	80.0	15.7	4.3
Fleming	76.9	16.7	6.4
George Brown	70.9	20.3	8.8
Georgian	78.8	16.1	5.1
Humber	74.9	18.3	6.8
Lambton	77.2	16.6	6.2
Loyalist	79.0	15.8	5.2
Mohawk	78.0	15.9	6.0
Niagara	85.4	9.9	4.7
Northern	70.2	21.1	8.7
St. Clair	79.4	14.9	5.7
St. Lawrence	81.3	14.2	4.5
Sault	83.8	10.6	5.6
Seneca	74.3	18.6	7.0
Sheridan	76.5	17.6	6.0
Province	77.1	16.6	6.3

*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.

2012-2013 ANNUAL REPORT

Key Performance Indicators - Released April 17, 2013

Capstone Question 14

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

Student Satisfaction Survey, June 2012, November 2012 & February 2013	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	88.5	7.6	3.9
Boréal	91.7	6.3	2.1
Cambrian	89.5	7.9	2.6
Canadore	86.3	9.7	4.0
Centennial	84.8	10.4	4.9
La Cité collégiale	91.1	4.4	4.5
Conestoga	88.0	8.8	3.3
Confederation	**90.6**	**6.9**	**2.5**
Durham	85.9	9.9	4.2
Fanshawe	87.6	9.0	3.4
Fleming	85.9	9.7	4.4
George Brown	84.1	11.5	4.4
Georgian	87.0	9.1	3.8
Humber	86.4	9.9	3.6
Lambton	87.4	8.8	3.8
Loyalist	88.4	7.8	3.8
Mohawk	87.4	8.8	3.8
Niagara	90.9	5.5	3.6
Northern	85.9	9.2	4.9
St. Clair	90.1	6.5	3.4
St. Lawrence	90.0	7.3	2.7
Sault	91.1	5.0	3.9
Seneca	84.9	10.9	4.3
Sheridan	86.8	9.8	3.4
Province	87.2	9.0	3.8

Capstone Question 26

The overall quality of the learning experiences in this program

Student Satisfaction Survey, June 2012, November 2012 & February 2013	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	81.9	12.3	5.8
Boréal	85.6	11.5	3.0
Cambrian	81.9	13.9	4.1
Canadore	79.6	14.4	5.9
Centennial	76.5	17.0	6.5
La Cité collégiale	85.1	8.9	6.0
Conestoga	80.9	15.1	4.0
Confederation	**84.6**	**11.8**	**3.6**
Durham	76.9	16.7	6.4
Fanshawe	81.6	14.1	4.3
Fleming	79.5	14.3	6.2
George Brown	75.7	17.5	6.8
Georgian	82.3	13.6	4.2
Humber	80.1	14.8	5.1
Lambton	82.5	12.9	4.6
Loyalist	83.0	11.9	5.1
Mohawk	81.0	14.0	5.0
Niagara	85.7	9.6	4.7
Northern	77.1	16.8	6.1
St. Clair	84.4	11.2	4.4
St. Lawrence	83.2	12.8	3.9
Sault	86.2	8.7	5.1
Seneca	77.6	16.7	5.8
Sheridan	80.9	14.9	4.2
Province	80.5	14.3	5.2

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.

Capstone Question 44

The overall quality of the facilities / resources in the college

Student Satisfaction Survey, June 2012, November 2012 & February 2013	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	79.1	15.4	5.5
Boréal	76.4	19.4	4.3
Cambrian	63.1	27.7	9.2
Canadore	60.8	27.6	11.6
Centennial	66.0	21.7	12.4
La Cité collégiale	78.3	13.5	8.2
Conestoga	69.5	22.7	7.8
Confederation	**71.9**	**21.6**	**6.5**
Durham	66.6	24.2	9.2
Fanshawe	76.4	19.0	4.6
Fleming	72.2	20.4	7.4
George Brown	62.6	24.8	12.6
Georgian	73.9	19.7	6.4
Humber	66.8	23.2	10.0
Lambton	69.9	21.8	8.2
Loyalist	72.7	21.3	5.9
Mohawk	72.6	19.7	7.8
Niagara	83.3	11.2	5.4
Northern	56.6	29.1	14.2
St. Clair	71.8	20.5	7.6
St. Lawrence	76.5	17.9	5.6
Sault	79.4	14.0	6.6
Seneca	68.7	22.3	9.0
Sheridan	69.8	21.8	8.5
Province	71.0	20.7	8.3

Capstone Question 45

The overall quality of the services in the college

Student Satisfaction Survey, June 2012, November 2012 & February 2013	Very Satisfied / Satisfied %	Neither Satisfied / Nor Dissatisfied %	Very Dissatisfied / Dissatisfied %
Algonquin	76.5	17.5	5.9
Boréal	80.0	15.6	4.3
Cambrian	66.3	25.7	8.0
Canadore	62.0	28.8	9.2
Centennial	63.4	23.8	12.7
La Cité collégiale	78.9	12.7	8.4
Conestoga	68.4	25.2	6.4
Confederation	**70.4**	**22.4**	**7.2**
Durham	65.7	25.6	8.7
Fanshawe	74.5	20.6	4.9
Fleming	69.8	22.6	7.6
George Brown	61.2	27.5	11.3
Georgian	71.9	22.0	6.1
Humber	66.4	25.3	8.4
Lambton	68.9	22.9	8.2
Loyalist	72.0	22.0	6.1
Mohawk	71.2	21.3	7.5
Niagara	81.8	13.3	4.9
Northern	61.2	29.1	9.6
St. Clair	71.2	21.6	7.3
St. Lawrence	75.5	18.8	5.7
Sault	78.3	14.8	6.9
Seneca	66.2	24.7	9.1
Sheridan	68.4	23.8	7.8
Province	69.7	22.5	7.8

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.

Graduation Rate *	2012-13 KPI (2011-12 Graduates)
Algonquin	64.0%
Boréal	79.1%
Cambrian	67.6%
Canadore	71.8%
Centennial	63.1%
La Cité collégiale	68.2%
Conestoga	65.3%
Confederation	**58.0%**
Durham	65.7%
Fanshawe	69.9%
Fleming	65.7%
George Brown	66.6%
Georgian	63.0%
Humber	63.0%
Lambton	70.6%
Loyalist	58.9%
Mohawk	62.1%
Niagara	65.8%
Northern	69.5%
St. Clair	57.3%
St. Lawrence	67.5%
Sault	62.0%
Seneca	59.4%
Sheridan	72.3%
Province	64.8%

* The 2012-13 KPI Graduation Rate is based on students who started one-year programs in 2010-11, two-year programs in 2008-09, three-year programs in 2006-07, and four-year programs in 2005-06, and who had graduated by 2010-11.

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.

The Confederation College of Applied Arts and Technology Statement of Operations

For the years ended March 31		2013		2012
Revenue				
Grants and reimbursements	$	43,259,532	$	45,248,683
Tuition revenue		13,478,593		11,896,793
Contract training		8,024,226		6,161,474
Amortization of deferred capital contributions		3,896,106		4,488,362
Other income		3,487,209		2,108,758
Donations and fundraising		164,694		322,347
Ancillary operations		3,619,048		3,287,195
		75,929,408		73,513,612
Expenses				
Salaries and benefits		48,735,120		47,883,953
Operating expenses		20,225,779		15,407,903
Plant and property maintenance		2,862,123		2,956,812
Amortization of capital assets		5,142,490		5,660,361
Bursaries and scholarships		920,016		932,748
Donations and fundraising		250		301,942
Ancillary operations		1,832,945		1,596,883
		79,718,723		74,740,602
Deficiency of revenue over expenses for the year	$	(3,789,315)	$	(1,226,990)

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

March 31, 2013

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

	2013	2012
Total assets	$ 435,542	$ 629,892
Total liabilities	$ 244,456	$ 447,054
Total net assets	191,086	182,838
	$ 435,542	$ 629,892

Results of Operation and Net Assets

	2013	2012
Total revenue	$ 646,017	$ 631,972
Total expense	30,780	44,987
Net revenue available for donations	615,237	586,985
Donations made to the Confederation College of Applied Arts and Technology	(606,989)	(728,842)
Deficiency of revenue over expense	8,248	(141,857)
Net assets, beginning of year	182,838	324,695
Net assets, end of year	$ 191,086	$ 182,838

The Confederation College of Applied Arts and Technology
Financial Statements
For the year ended March 31, 2013

Contents

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

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 statement of financial position as at March 31, 2013 and the statements of operations, changes in net financial assets, remeasurement gains and losses, 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 public sector accounting standards, 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, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO

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Independent Auditor's Report (cont'd)

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that The Confederation College of Applied Arts and Technology adopted Canadian public sector accounting standards on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011, and the statements of operations, changes in net financial assets, remeasurement gains and losses and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario
June 6, 2013

The Confederation College
of Applied Arts and Technology
Statement of Financial Position

	March 31, 2013	March 31, 2012	April 1, 2011
Assets			
Current			
Cash	$ 494,209	$ 1,783,015	$ 13,449,819
Accounts receivable (Note 5)	7,488,342	6,293,159	5,247,049
Temporary investments (Note 4)	7,000,000	8,000,000	5,000,000
Inventory	569,060	532,637	495,700
Current portion of notes receivable	60,915	26,566	35,787
Grants receivable	710,402	3,323,404	1,583,894
Prepaid expenses	194,580	334,514	275,712
Sinking fund investments	-	3,098,760	-
	16,517,508	23,392,055	26,087,961
Investment portfolio - endowments restricted (Note 6)	6,996,785	6,402,971	5,981,272
Sinking fund investments	-	-	3,044,434
Notes and long-term receivable	16,440	26,929	48,783
Construction in progress (Note 7)	4,860,026	3,760,558	17,784,970
Capital assets (Note 8)	46,132,348	50,067,283	31,710,930
	$ 74,523,107	$ 83,649,796	$ 84,658,350
Liabilities			
Current			
Accounts payable and accrued liabilities (Note 9)	$ 4,688,574	$ 6,067,712	$ 8,110,007
Deferred revenue (Note 10)	3,771,866	6,051,900	7,656,706
Vacation pay	2,850,095	2,991,230	2,736,799
Current portion of long term debt (Note 11)	379,131	3,702,571	1,088,823
	11,689,666	18,813,413	19,592,335
Post-employment benefits and compensated absences (Note 12)	2,880,000	3,074,000	3,356,000
Deferred capital contributions (Note 13)	40,851,003	44,196,600	27,684,450
Deferred capital contributions relating to construction in progress (Note 13)	4,860,231	3,286,071	14,520,044
Long term debt (Note 11)	1,673,699	70,884	3,773,955
	61,954,599	69,440,968	68,926,784
Net assets			
Unrestricted			
Operating	6,737,914	6,762,873	7,714,920
Post-employment benefits and compensated absences	(2,880,000)	(3,074,000)	(3,356,000)
Vacation pay	(2,850,095)	(2,991,230)	(2,736,799)
	1,007,819	697,643	1,622,121
Invested in capital assets (Note 14)	3,246,816	5,214,498	5,240,602
Internally restricted (Note 15)	540,697	1,216,043	1,458,530
Externally restricted (Note 16)	776,391	565,139	725,152
Endowments restricted (Note 17)	6,996,785	6,505,324	6,461,176
	12,568,508	14,198,647	15,507,581
Accumulated remeasurement gains	-	10,181	223,985
	12,568,508	14,208,828	15,731,566
	$ 74,523,107	$ 83,649,796	$ 84,658,350

On behalf of the Board:

President

Dennis Wallace

Chair, Board of Governors

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

The Confederation College of Applied Arts and Technology Statement of Operations

For the years ended March 31		2013		2012
Revenue				
Grants and reimbursements	$	43,259,532	$	45,248,683
Tuition revenue		13,478,593		11,896,793
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Other income		3,487,209		2,108,758
Donations and fundraising		164,694		322,347
Ancillary operations		3,619,048		3,287,195
		75,929,408		73,513,612
Expenses				
Salaries and benefits		48,735,120		47,883,953
Operating expenses		20,225,779		15,407,903
Plant and property maintenance		2,862,123		2,956,812
Amortization of capital assets		5,142,490		5,660,361
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Donations and fundraising		250		301,942
Ancillary operations		1,832,945		1,596,883
		79,718,723		74,740,602
Deficiency of revenue over expenses for the year	$	(3,789,315)	$	(1,226,990)

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

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

For the year ended March 31

	Unrestricted	Capital	Restricted: Internally Restricted	Restricted: Externally Restricted	Restricted: Endowments Restricted	2013 Total	2012 Total
Balance, beginning of year	$ 697,643	$ 5,214,498	$ 1,216,043	$ 565,139	$ 6,505,324	$ 14,198,647	$ 15,507,581
Reclassification of unrealized gain (loss)	10,181	(8,941)	-	-	-	1,240	54,326
Transfer from restricted to unrestricted - PSAB restatement	1,619,667	-	-	-	-	1,619,667	-
Endowments received during the year	-	-	-	-	491,461	491,461	44,148
Change in tuition set aside for student assistance	-	-	-	46,808	-	46,808	(180,418)
Change in externally restricted scholorships and bursaries	(164,444)	-	-	164,444	-	-	-
Change in internally restricted net assets	675,346	-	(675,346)	-	-	-	-
Deficiency of revenues over expenses	(3,789,315)	-	-	-	-	(3,789,315)	(1,226,990)
Investment in capital assets	1,958,741	(1,958,741)	-	-	-	-	-
Balance, end of year	$ 1,007,819	$ 3,246,816	$ 540,697	$ 776,391	$ 6,996,785	$ 12,568,508	$ 14,198,647

The Confederation College of Applied Arts and Technology
Statement of Remeasurement Gains and Losses

	March 31, 2013	March 31, 2012
Accumulated remeasurement gains at beginning of year	$ 10,181	$ 223,985
Realized fair value changes to sinking fund	(10,181)	(213,804)
Accumulated remeasurement gains at end of year	$ -	$ 10,181

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

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

For the year ended March 31	2013	2012
Net inflow (outflow) of cash related to the following		
Operating		
Excess of revenue over expenditure	$ (3,789,315)	$ (1,226,990)
Items not involving cash:		
Amortization of deferred capital contributions	(3,896,106)	(4,488,362)
Amortization of property, plant and equipment	5,142,490	5,660,361
Other - PSAB restatement	1,619,667	-
Change in employee future benefits	(5,000)	24,000
Change in accrued sick leave liability	(189,000)	(306,000)
	(1,117,264)	(336,991)
Change in non-cash working capital balances (Note 20)	(2,278,977)	(6,274,029)
	(3,396,241)	(6,611,020)
Financing		
Long term debt advances	1,981,944	-
Repayment of long term debt	(3,702,569)	(1,089,323)
	(1,720,625)	(1,089,323)
Capital		
Deferred capital contributions	2,114,488	9,552,735
Construction in progress	(1,099,468)	14,024,412
Purchase of capital assets	(1,207,555)	(24,016,714)
	(192,535)	(439,567)
Investing		
(Increase) decrease in notes and loans receivable	(23,860)	31,075
Increase in investment portfolio - Endowment Restricted	(593,814)	(421,699)
Proceeds from sinking fund investment	3,100,000	-
Increase (decrease) in tuition set aside for student assistance	46,808	(180,418)
Purchase of temporary investment	1,000,000	(3,000,000)
Increase in endowments, net of awards	491,461	44,148
	4,020,595	(3,526,894)
Net cash outflow	(1,288,806)	(11,666,804)
Cash, beginning of year	1,783,015	13,449,819
Cash, end of year	$ 494,209	$ 1,783,015

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, 2013

1. Significant Accounting Policies

Description of Organization

The Confederation College of Applied Arts and Technology established in 1967, is an Ontario college of applied arts and technology duly established pursuant to Ontario regulation 34/03 made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The College is an agency of the Crown and 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).

Basis of Presentation

The financial statements of the College have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

Revenue Recognition

The College follows the deferral method of accounting for contributions, which include donations and government grants.

Tuition fees and contract training revenues are recognized as income to the extent that the related courses and services are provided within the fiscal year of the College.

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.

Ancillary revenues including parking, bookstore, residence and other sundry revenues are recognized when products are delivered or services are provided to the student or client, the sales price is fixed and determinable, and collection is reasonably assured.

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.

Externally restricted contributions and restricted investment income are recognized as revenue in the year in which the related expenses are incurred.

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

March 31, 2013

1. Significant Accounting Policies (cont'd)

Revenue Recognition (cont'd)

Capital grants and restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in endowed net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Restricted investment income that must be maintained as an endowment is credited to net assets. Unrestricted investment income is recognized as revenue when earned.

Cash and Cash Equivalents

Cash is defined as cash and short-term investments with maturity dates of less than 90 days.

Inventory

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

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Buildings	-	40 years
Major equipment	-	10 years
Leasehold improvements	-	10 years
Site improvements	-	5 years
Furniture and equipment	-	5 years
Library books	-	5 years

Construction in progress relates to capital projects that are incomplete as at March 31, 2013. Amortization will be recorded upon substantial completion at the applicable rates noted above.

1. Significant Accounting Policies (cont'd)

Retirement and Post Employment Benefits and Compensated Benefits

The College provides defined retirement and post employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vesting sick leave and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

(i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis

(ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

(iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

(iv) The discount rate used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

Financial Instruments

The College classifies its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

Fair value

This category includes derivatives and equity instruments quoted in an active market. The College has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the College manages and reports performance of it on a fair value basis.

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

1. **Significant Accounting Policies** (cont'd)

Financial Instruments (cont'd)

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized cost

This category includes accounts receivable, notes and long-term receivable, accounts payable and accrued liabilities, bank loans and term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

Management Estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Areas of key estimation include determination of fair value for long-term investments, allowance for doubtful accounts, the useful life of capital assets and actuarial estimation of post-employment benefits and compensated absences liabilities.

2. First Time Adoption of Public Sector Accounting Standards

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

1. Public sector accounting standards including 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 including PS 4200 - 4270 for government not-for-profit organizations.

Effective April 1, 2012, the College adopted the requirements of the new accounting framework, Canadian Public Sector Accounting Standards for Not-for-Profit Organizations (PSAB for Government NPOs). These are the College's first financial statements prepared in accordance with this framework and the transitional provisions of Section 2125, First-time Adoption by Government Organizations have been applied. Section 2125 requires retroactive application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in the Summary of Significant Accounting Policies have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening PSAB for Government NPOs balance sheet at the date of transition of April 1, 2011 with the exception of PS 2601 - Foreign Currency Translation and PS 3450 - Financial Instruments, which has been applied with an effective date of April 1, 2012 (see Note 3 - Change in Accounting Policy).

The College issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by the CICA Handbook - Accounting Part V - Pre-changeover Accounting Standards. The adoption of PSAB for Government NPOs resulted in adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the College. An explanation of how the transition from pre-changeover Canadian GAAP to PSAB for Government NPOs has affected the College's financial position, operations, changes in net assets and cash flows is set out in the following notes and tables.

2. First Time Adoption of Public Sector Accounting Standards (cont'd)

The following exemptions and exceptions were used at the date of transition to Canadian public sector accounting standards for government not-for-profit organizations:

Optional exemptions

Actuarial Gains and Losses

Pre-changeover GAAP allowed the College to only recognize actuarial gains and losses that exceeded certain prescribed amounts ("the corridor approach"). PSAB for Government NPOs requires the amortization of actuarial gains and losses on post-employment benefit obligations and compensated absences to be amortized over the estimated average remaining service life of employees. Retroactive application of this approach would require the College to split the cumulative actuarial gains and losses from the inception of the plan until the date of transition to PSAB for Government NPOs into a recognized portion and an unrecognized portion. The College has elected to recognize all cumulative actuarial gains and losses as the date of transition to PSAB for Government NPOs directly in net assets. Actuarial gains and losses subsequent to the date of transition to PSAB for Government NPOs are accounted for in accordance with *PS 3250 - Retirement Benefits*.

Mandatory exceptions

Estimates

The estimates previously made by the College under pre-changeover Canadian GAAP were not revised for the application of PSAB for Government NPOs except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the College has not used hindsight to revise estimates.

Reconciliation of net assets and excess of revenue over expenses

In preparing these financial statements, management has amended certain accounting policies previously applied in the pre-changeover Canadian GAAP financial statements to comply with PSAB for Government NPOs. The comparative figures for March 31, 2012 were restated to reflect these adjustments. The following reconciliations and explanatory notes provide a description of the effect of the transition from pre-changeover Canadian GAAP to PSAB for Government NPOs on net assets and excess of revenues over expenses:

2. First Time Adoption of Public Sector Accounting Standards (cont'd)

Statement of Financial Position as at April 1, 2011 - Transition Date

	Pre-changeover Canadian GAAP	Transitional Adjustments Adj. (i)	Adj. (ii)	Adj. (iii)	PSAB for Government NPOs
Liabilities					
Post-employment benefits and compensated absences					
Vesting sick leave	$ 921,551	$ -	$ -	$ (175,551)	$ 746,000
Non-vesting sick leave	-	1,971,000	-	-	1,971,000
Retirement benefits	653,000	-	(74,000)	60,000	639,000
	$ 1,574,551	$ 1,971,000	$ (74,000)	$ (115,551)	$ 3,356,000
Net Assets					
Post-employment benefits and compensated absences	$(1,574,551)	$(1,971,000)	$ 74,000	$ 115,551	$ (3,356,000)

Statement of Financial Position for the year-ended March 31, 2012

	Pre-changeover Canadian GAAP	Transitional Adjustments Adj. (i)	Adj. (ii)	Adj. (iii)	PSAB for Government NPOs
Liabilities					
Post-employment benefits and compensated absences					
Vesting sick leave	$ 795,334	$ -	$ -	$ (260,334)	$ 535,000
Non-vesting sick leave	-	1,876,000	-	-	1,876,000
Retirement benefits	659,000	-	-	4,000	663,000
	$ 1,454,334	$ 1,876,000	$ -	$ (256,334)	$ 3,074,000
Net Assets					
Post-employment benefits and compensated absences	$(1,454,334)	$ (1,876,000)	$ -	$ 256,334	$ (3,074,000)

2. First Time Adoption of Public Sector Accounting Standards (cont'd)

Statement of Operations for the year-ended March 31, 2012

	Sub-note	Pre-changeover Canadian GAAP	Adjustments	PSAB for Government NPOs
Expenses				
Operating expenses	(i), (ii), (iii)	$ 74,902,385	$ (161,783)	$ 74,740,602
Deficiency of revenue over expenses	(i), (ii), (iii)	$ (1,388,773)	$ 161,783	$ (1,226,990)

Statement of Cash Flows for the year-ended March 31, 2012

The transition to PSAB for Government NPOs had no impact on total operating or financing activities on the statement of cash flows. The change in excess of revenues over expenses for year-ended March 31, 2012 has been offset by adjustments to operating activities. The transition to PSAB for Government NPOs resulted in the reclassification of cash receipts and outflows relating to the acquisition of capital assets from investing activities to capital activities. The capital section of the statement of cash flows did not exist prior to the transition to PSAB for Government NPOs.

Explanations for Adjustments to PSAB for Government NPOs

(i) Non-vesting Sick Leave

PSAB for Government NPOs requires the recognition of a liability for sick leave benefits that accumulate, but do not vest, which was not required under pre-changeover GAAP. As a result, the College has recognized a liability and charge to net assets as described in the tables above.

(ii) Amortization of Actuarial Gains/Losses

As discussed in Note 2 - First Time Adoption of Public Sector Accounting Standards, Optional Exemptions, the College has elected to recognize actuarial gains and losses at the date of transition to PSAB for Government NPOs directly in net assets. As a result, the College has recognized an increased liability and a charge to net assets as described in the tables above.

2. First Time Adoption of Public Sector Accounting Standards (cont'd)

(iii) Discount Rate Used to Calculate Post-Employment Benefits and Compensated Absences Liabilities

PSAB for Government NPOs requires these liabilities to be calculated with a discount rate that is equal to either the College's rate of borrowing or the rate of return on the plan assets. Pre-changeover GAAP required the discount rate to be equal to the yield on high quality corporate bonds. The College has chosen to discount these liabilities using its internal rate of borrowing. The change in the discount rate resulted in changes to the related liabilities and charges to net income as described in the tables above.

3. Change in Accounting Policy

On April 1, 2012, the College adopted Public Accounting Standards PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the College's accounting policy choices (see Note 1 - Significant Accounting Policies).

Currently, the College does not have any financial instruments that need to be remeasured In accordance with the provisions of this new standard.

4. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2013		
	Fair Value	Amortized Cost	Total
Cash	$ 494,209	$ -	$ 494,209
Accounts receivable	-	7,488,342	7,488,342
Temporary investments	7,000,000	-	7,000,000
Notes and long-term receivable	-	77,355	77,355
Accounts payable and accrued liability	-	4,688,573	4,688,573
	$ 7,494,209	$ 12,254,270	$ 19,748,479

4. **Financial Instrument Classification** (cont'd)

The College's bank accounts are held at one chartered bank and as a result is exposed to the credit risk arising from this concentration to the extent that the account balances exceed the 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 (2012 - $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, $366,986 (2012 - $243,794) was outstanding with respect to the Royal Bank loans described in Note 11.

Temporary investments consist of Guaranteed Investment Certificates with a Trust Company, comprised of one GIC investment for $5,000,000 bearing interest at 1.65%, maturing January 4, 2014, and another for $2,000,000 bearing interest at 1.63% maturing May 6, 2013.

Maturity profile of Guaranteed Investment Certificates held is as follows:

	2013				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying value	$ 7,000,000	$ -	$ -	$ -	$ 7,000,000
Percent of total	100%	0%	0%	0%	

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. Financial Instrument Classification (cont'd)

	2013			
	Level 1	Level 2	Level 3	Total
Cash	$ 494,209	$ -	$ -	$ 494,209
Temporary investments	7,000,000	-	-	7,000,000
	$ 7,494,209	$ -	$ -	$ 7,494,209

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2013 and 2012. There were also no transfers in or out of Level 3.

5. Accounts Receivable

Accounts receivable are comprised of balances receivable from students, Sponsoring agencies and corporate clients for contract training. Credit risk is mitigated to some extent by requiring that payment be received before a student is allowed to register, unless they have certain pre-qualified conditions, such as funding through the Ontario Student Assistance Program, sponsorship funding, or split fee tuition fee option.

	2013	2012
Students and sponsors	$ 1,538,590	$ 1,816,475
Due from The Confederation College Foundation	244,456	447,104
General	5,705,296	4,029,580
	$ 7,488,342	$ 6,293,159

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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:

	2013		2012	
	Market	Cost	Market	Cost
Endowed				
Canadian equities	$ 1,175,043	$ 1,042,640	$ 869,638	$ 799,167
Canadian bonds	3,915,631	3,792,075	2,560,147	2,464,782
Foreign equities	520,064	459,424	2,660,393	2,613,105
Foreign bonds	115,277	116,184	36,187	34,965
Cash and equivalents account	1,270,770	1,269,705	276,606	276,139
	$ 6,996,785	$ 6,680,028	$ 6,402,971	$ 6,188,158

The cash account does not earn interest. Canadian and foreign bonds are comprised of a number of different bonds, with maturity dates ranging from 2014 to 2023, and yield an average of 3.7% (2012 - 4.6%) over the term of the investments.

7. Construction in Progress

Construction in progress represents costs incurred to date on the construction of a renewable energy solution project, the Bio-Energy Learning and Research Centre Project, on which $4,860,026 (2012 - $3,286,071) 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 and commissioning in the next fiscal year.

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8. Capital Assets

	2013		2012	
	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	34,938,868	73,780,196	33,339,737
Leasehold improvements	333,188	333,188	333,188	333,188
Furniture and equipment	72,306,398	66,046,354	71,098,864	63,026,226
Library books	20,000	20,000	20,000	20,000
Major equipment	5,232,096	4,496,177	5,232,096	3,972,967
	$ 153,981,921	$107,849,573	$152,774,387	$102,707,104
Capital Assets Net book value		$46,132,348		$ 50,067,283

9. Accounts Payable and Accrued Liabilities

	2013	2012
Trade	$ 2,559,050	$ 3,237,043
Accrued liabilities	345,929	304,481
Accrued salaries and employees' deductions	1,783,595	2,526,188
	$ 4,688,574	$ 6,067,712

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10. Deferred Revenue

	2013	2012
Ontario Ministry of Training, Colleges and Universities		
Aboriginal Educational and Training Strategy	$ 106,940	$ 23,812
Apprentice training	77,370	82,702
Campus safety	32,406	44,825
Capital TNT	-	46,788
Capital BioEnergy Project	349,396	-
Collaborative nursing	749,188	1,081,784
Employment programs	149,622	282,575
Other MTCU	56,974	26,934
Ontario MTCU bursaries	114,987	123,770
Second career	233,610	140,765
Special needs and tutoring	47,139	47,862
CODE SCWI	479,845	608,993
College service fee	86,610	46,878
Contract training	430,537	718,283
Full-time post secondary tuition deferral	-	868,558
IT residence infrastructure	27,145	20,408
Miscellaneous contracts and projects	552,946	1,557,333
Student IT fee	48,304	19,195
Student tech fee	228,847	310,435
	$ 3,771,866	$ 6,051,900

11. Long Term Debt

	2013	2012
Ontario Financing Authority loan for Residence retrofit repayable at $131,559 semi-annually at 2.405%, due 2020	$ 1,685,844	$ -
Royal Bank loan for aircraft and fuel tank, repayable at $6,433 monthly including interest at 2.76%, due 2015	220,000	-
Royal Bank loan for camera repayable at $2,205 monthly including interest at 2.76% due 2015	76,100	-
Royal Bank loan for Fitness Centre flooring, repayable at $4,288 monthly including interest at 4.5%, due 2013	6,045	55,999
Royal Bank loan for welding equipment, repayable at $1,116 monthly including interest at 5.09%, due 2013	19,309	31,389
Royal Bank loan for garbage compactor, repayable at $602 monthly including interest at 3.45%, due 2014	8,027	14,730
Royal Bank loan for region cars, repayable at $2,814 monthly including interest at 3.45%, due 2014	37,505	68,823
Ontario Ministry of Housing mortgage on Sibley Hall	-	3,100,000
Toronto Dominion Bank term loan financing Banner ISIS	-	429,661
Royal Bank demand loan for Banner ISIS computer system	-	29,183
Royal Bank loan for Banner Project #2	-	43,670
Total	2,052,830	3,773,455
Current portion	379,131	3,702,571
	$ 1,673,699	$ 70,884

The scheduled principal amounts repayable within the next five years and thereafter are as follows:

Date	Amount
2014	$ 379,131
2015	341,094
2016	334,878
2017	240,560
2018	246,380
Thereafter	510,787
	$ 2,052,830

12. Post-Employment Benefits and Compensated Absences Liability

The following tables outline the components of the College's post-employment benefits and compensated absences liabilities and the related expenses.

2013	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 774,000	$ 1,825,000	$ 416,000	$ 3,015,000
Value of plan assets	(95,000)	-	-	(95,000)
Unamortized actuarial losses	(21,000)	(21,000)	2,000	(40,000)
	$ 658,000	$ 1,804,000	$ 418,000	$ 2,880,000

2012	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 786,000	$ 1,965,000	$ 548,000	$ 3,299,000
Value of plan assets	(111,000)	-	-	(111,000)
Unamortized actuarial losses	(12,000)	(89,000)	(13,000)	(114,000)
	$ 663,000	$ 1,876,000	$ 535,000	$ 3,074,000

2013	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 22,000	$ 102,000	$ 22,000	$ 146,000
Interest on accrued benefit obligation	5,000	44,000	11,000	60,000
Amortized actuarial losses	2,000	10,000	4,000	16,000
	$ 29,000	$ 156,000	$ 37,000	$ 222,000

2012	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 57,000	$ 92,000	$ 21,000	$ 170,000
Interest on accrued benefit obligation	7,000	59,000	19,000	85,000
	$ 64,000	$ 151,000	$ 40,000	$ 255,000

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology pension plan, a multi-employer plan, described below.

12. Post-Employment Benefits and Compensated Absences Liability (cont'd)

Retirement Benefits

CAAT Pension Plan

A majority of the College's employees are participants in the defined benefit contributory retirement pension plan of the Colleges of Applied Arts and Technology. The plan is a multi-employer plan and therefore the College's contributions are accounted for as if the plan were a defined contribution plan with the College's contributions being expensed in the period they come due. Any unfunded liability is to be paid directly by the Ministry of Training, Colleges and Universities. Contributions by the College on account of current service pension costs amounted to $3,931,138 (2012 - $3,638,103). The most recent actuarial valuation filed with pension regulators as at January 1, 2013 indicated an actuarial surplus of $347 million.

Post-Employment Benefits

The College extends post employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

a) Discount rate

The present value as at March 31, 2013 of the future benefits was determined using a discount rate of 2.10% (2012 - 2.25%).

b) Drug Costs

Drug costs were assumed to increase at a 10.5% rate per annum (2012 - 10.5%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2026 (2012 - 4.5%).

c) Hospital and other medical

Hospital and other medical costs were assumed to increase at 4.0% per annum (2012 - 4.5%).

Medical premium increases were assumed to increase at 8.0% per annum (2012 - 8.0%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2026 (2012 - 4.5%).

d) Dental costs

Dental costs were assumed to increase at 4.0% per annum (2012 - 4.5%).

Compensated Absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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12. Post-Employment Benefits and Compensated Absences Liability (cont'd)

Non-Vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leave are the College's best estimates of expected rates of:

	2013	2012
Wage and salary escalation	1.95%	1.95%
Discount rate	2.10%	2.25%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 39.2% and 0 to 19.3 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

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:

	2013	2012
Balance, beginning of year	$ 47,482,671	$ 42,204,494
Add contributions for capital purposes	2,114,488	9,552,735
Add realized sinking fund investment income	10,181	213,804
Less amortization of deferred capital contributions	(3,896,106)	(4,488,362)
Balance, end of year	45,711,234	47,482,671
Deferred capital contributions relating to construction in progress, end of year	4,860,231	3,286,071
Deferred capital contributions balance, end of year	$ 40,851,003	$ 44,196,600

14. Net Assets - Investment in Capital Assets

	2013	2012
Capital assets, net book value	$ 50,992,374	$ 53,827,841
Less amounts financed by:		
Working capital	18,504	(455,977)
Long term debt (Note 11)	(2,052,830)	(3,773,455)
Deferred capital contributions (Note 13)	(45,711,234)	(47,482,671)
Add sinking fund investments	-	3,098,760
Invested in capital assets, end of year	$ 3,246,814	$ 5,214,498

15. Net Assets - Internally Restricted

Internally restricted net assets represents money set aside by College senior management for various strategic initiatives. During the year, $675,346 was spent on these strategic initiatives, resulting in a balance at March 31, 2013, of $ 540,697 remaining unspent internally restricted funds. This balance consists of $250,000 for Board approved funding for the Applied Research department, $205,000 for the employee professional development spending account, and $85,697 for Phase 2 of the Bio-Energy Research Project.

16. 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	$ 306,404	$ 46,808	$ -	$ 353,212
Scholarships and bursaries	78,965	7,488	250	86,203
Contributions for capital expenditures	179,770	157,206	-	336,976
	$ 565,139	$ 211,502	$ 250	$ 776,391

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.

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17. Net Assets - Endowments Restricted

Externally restricted net assets include restricted donations received by the College where the endowment principal is required to be maintained intact. The investment income generated from these endowments must be used in accordance with the various purposes established by donors. 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.

Externally restricted endowment funds include grants provided by the Government of Ontario from 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. Under these government programs, the government matches funds raised by the College. The purpose of the programs is to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College. The investment income generated from endowments must be used in accordance with the OSOTF and the OTSS guidelines.

The College has recorded the following amounts under the programs:

OSOTF I

	2013	2012
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	93,106	309,162
Realized gain	62,843	-
Realized investment income (loss) net of direct investment-related expenses and preservation of capital contributions	121,057	(62,841)
Bursaries awarded (2013 = 277, 2012 = 336)	(108,515)	(153,215)
Expendable fund balance, end of year	168,491	93,106
Total endowment fund balance, end of year	$ 3,831,646	$ 3,756,261
Market value of fund, end of year	$ 3,831,646	$ 3,756,261

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

OSOTF II Second Phase

	2013	2012
Schedule of Changes in Endowment Fund Balance		
Fund balance, beginning of year	$ 252,078	$ 252,078
Eligible cash donations received	-	-
Fund balance, end of year	252,078	252,078
Schedule of Changes in Expendable Funds Available for Awards		
Fund balance, beginning of year	38,072	45,826
Realized gain	4,854	-
Realized investment income (loss) net of direct investment-related expenses and preservation of capital contributions	9,351	(4,854)
Bursaries awarded (2013 = 7, 2012 = 9)	(2,300)	(2,900)
Expendable fund balance, end of year	49,977	38,072
Total endowment fund balance, end of year	$ 302,055	$ 290,150
Market value of fund, end of year	$ 302,055	$ 290,150

OTSS

	2013	2012
Schedule of Changes in Endowment Fund Balance		
Fund balance, beginning of year	$ 2,508,628	$ 2,146,035
Eligible cash donations received	338,023	167,898
Matching funds from MTCU	-	194,695
Fund balance, end of year	2,846,651	2,508,628
Schedule of Changes in Expendable Funds Available for Awards		
Fund balance, beginning of year	(49,715)	44,920
Realized gain	40,700	-
Realized investment income (loss) net of direct investment-related expenses and preservation of capital contributions	79,723	(40,700)
Bursaries awarded (2013 = 98, 2012 = 88)	(54,275)	(53,935)
Fund balance, end of year	16,433	(49,715)
Total endowment fund balance, end of year	$ 2,863,084	$ 2,458,913
Market value of fund, end of year	$ 2,863,084	$ 2,458,913

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

Report of OTSS awards issued for the period of April 1, 2012 to March 31, 2013:

Status of Recipients	OSAP Recipients Number	OSAP Recipients Amount	Non-OSAP Recipients Number	Non-OSAP Recipients Amount	Total Number	Total Amount
Full-time	165	$67,390	217	$97,700	382	$165,090
Part-time	n/a	n/a	n/a	n/a	n/a	n/a
Total	165	$67,390	217	$97,700	382	$165,090

	2013	2012
Grand total of endowment funds, end of year	$ 6,996,785	$ 6,505,324

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.

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:

	2013	2012
Grants receivable	$ 2,613,002	$ (1,739,510)
Accounts receivable	(1,195,183)	(1,046,110)
Inventories	(36,423)	(36,937)
Prepaid expenses	139,934	(58,802)
Accounts payable and accrued liabilities	(1,379,138)	(2,042,295)
Accrued vacation pay	(141,135)	254,431
Deferred revenue and contributions	(2,280,034)	(1,604,806)
	$ (2,278,977)	$ (6,274,029)

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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, 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.

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

	2013	2012
Total assets	$ 435,542	$ 629,892
Total liabilities	$ 244,456	$ 447,054
Total net assets	191,086	182,838
	$ 435,542	$ 629,892

Results of Operation and Net Assets

	2013	2012
Total revenue	$ 646,017	$ 631,972
Total expense	30,780	44,987
Net revenue available for donations	615,237	586,985
Donations made to the Confederation College of Applied Arts and Technology	(606,989)	(728,842)
Deficiency of revenue over expense	8,248	(141,857)
Net assets, beginning of year	182,838	324,695
Net assets, end of year	$ 191,086	$ 182,838

23. Financial Instrument Risk Management

Credit Risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, debt holdings in its investment portfolio, long-term receivable and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up $300,000 (2012 - $300,000).

The College's investment policy operates within the constraints of the investment guidelines issued by the MTCU and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of A or better, or corporate investments having a rating of A (R-1) or better.

Accounts receivable are ultimately due from students, sponsors or corporate agencies. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population, and other internal controls built into the registration process.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The College's investment policy operates within the constraints of the investment guidelines issued by the MTCU. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize risk. The Policy limits the investment in any one corporate issuer to a maximum of 10% of the College's total fixed income bonds.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Currency risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign College levels when adverse changes in foreign currency College rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

23. Financial Instrument Risk Management (cont'd)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The College is exposed to this risk through its interest bearing investments, bank loans and term debt.

The College mitigates interest rate on investments by limiting them to short terms, and loans and term debt are at fixed interest rates.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2013, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of $150,000. Equities represent approximately 22% of the College's endowed investments, which is held for long term investment gains, which mitigates the impact to market fluctuations on the value of the equities.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining guaranteed investment certificate investments that may be converted to cash in the near-term if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

24. Comparative Figures

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