

Financial Statements of

**NORTHERN COLLEGE OF
APPLIED ARTS AND TECHNOLOGY**

Year ended March 31, 2012



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INDEPENDENT AUDITORS' REPORT

To Governors of Northern College of Applied Arts and Technology

We have audited the accompanying financial statements of **Northern College of Applied Arts and Technology** which comprise the statement of financial position as at March 31, 2012, the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our 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, we consider 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 Northern College of Applied Arts and Technology as at March 31, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

June 12, 2012
Sudbury, Canada

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

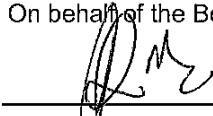
Statement of Financial Position

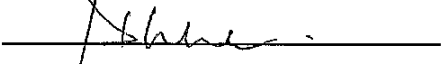
March 31, 2012, with comparative figures for 2011

	2012	2011
Assets		
Cash	\$ 8,863,238	\$ 12,077,921
Accounts receivable	1,253,956	997,430
Grants receivable	1,969,026	1,828,749
Inventories and prepaid expenses	127,498	106,058
Investments - portfolio	4,335,361	4,277,413
- sinking fund	4,325,325	-
	<u>20,874,404</u>	<u>19,287,571</u>
Sinking fund investments	-	3,956,813
Capital assets (note 2)	32,799,453	32,689,901
	<u>\$ 53,673,857</u>	<u>\$ 55,934,285</u>
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 3,644,483	\$ 3,730,643
Vacation and leave payable (note 4)	2,144,945	2,113,565
Current portion of long-term debt (note 5)	4,439,000	-
	<u>10,228,428</u>	<u>5,844,208</u>
Post-employment and sick leave (note 4)	977,583	1,007,460
Long-term debt (note 5)	-	4,439,000
Deferred contributions (note 7)	2,958,819	4,947,915
Deferred capital contributions (note 8)	27,087,692	28,397,321
Net assets:		
Operating	1,353,850	1,337,541
Employment-related	(3,122,528)	(3,121,025)
Capital (note 9)	5,598,086	4,179,247
Restricted and endowment	8,591,927	8,902,618
	<u>12,421,335</u>	<u>11,298,381</u>
Commitments (note 11)		
Contingency (note 13)		
Guarantees (note 14)		
	<u>\$ 53,673,857</u>	<u>\$ 55,934,285</u>

See accompanying notes to financial statements.

On behalf of the Board:


 _____ Chair, Board of Governors


 _____ President

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Operations and Changes in Net Assets

March 31, 2012, with comparative figures for 2011

	Operating		Equity in capital assets	Restricted and Endowment	Total 2012	Total 2011
	Current operations (Schedules)	Employment- related				
Revenue:						
Grants and reimbursements	\$ 28,796,990	-	-	-	28,796,990	30,670,714
Tuition fees	4,868,924	-	-	-	4,868,924	4,944,462
Ancillary sales and services	2,444,947	-	-	-	2,444,947	2,510,382
Other	5,034,380	-	-	-	5,034,380	4,276,910
Amortization of deferred capital contributions (note 8)	-	-	2,006,293	-	2,006,293	1,462,355
Restricted	-	-	-	342,754	342,754	899,473
Investment income	97,003	-	368,511	103,619	569,133	646,467
	41,242,244	-	2,374,804	446,373	44,063,421	45,410,763
Expenses:						
Academic	21,272,872	-	-	-	21,272,872	22,511,074
Administration	6,151,841	-	-	-	6,151,841	6,122,273
Student services	3,924,071	-	-	-	3,924,071	3,807,751
Plant and property	2,642,202	-	-	-	2,642,202	1,843,131
Community services	578,154	-	-	-	578,154	647,054
Employment training programs	2,967,721	-	-	-	2,967,721	2,811,991
Ancillary	2,532,802	-	-	-	2,532,802	2,675,105
Amortization of capital assets	-	-	2,422,888	-	2,422,888	1,719,123
Restricted	-	-	-	767,519	767,519	927,638
Post-employment and vacation	-	1,503	-	-	1,503	125,674
	40,069,663	1,503	2,422,888	767,519	43,261,573	43,190,814
Excess (deficiency) of revenue over expenses	1,172,581	(1,503)	(48,084)	(321,146)	801,848	2,219,949
Net assets, beginning of year	1,337,541	(3,121,025)	4,179,247	8,902,618	11,298,381	8,945,405
Ontario Trust for Student Support	-	-	-	321,106	321,106	133,027
Transfer of capital assets	(755,262)	-	1,466,923	(711,661)	-	-
Transfer to restricted funds	(401,010)	-	-	401,010	-	-
Net assets, end of year	\$ 1,353,850	(3,122,528)	5,598,086	8,591,927	12,421,335	11,298,381

See accompanying notes to financial statements.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Cash Flows

March 31, 2012, with comparative figures for 2011

	2012	2011
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 801,848	\$ 2,219,949
Adjustments for:		
Amortization of deferred capital contributions (note 8)	(2,006,293)	(1,462,355)
Amortization of capital assets	2,422,888	1,719,123
Decrease in post-employment and sick leave	(29,877)	(21,320)
	1,188,566	2,455,397
Changes in non-cash working capital (note 12)	(473,023)	214,762
	715,543	2,670,159
Cash flows from financing activities:		
Endowment contributions	321,106	133,027
Deferred contributions	(1,989,096)	197,315
	(1,667,990)	330,342
Cash flows from investing activities:		
Purchase of capital assets	(2,532,440)	(12,694,732)
Deferred capital contributions	696,664	11,829,532
Change in value of portfolio investments	(57,948)	(162,282)
Increase in value of sinking fund	(368,512)	(337,115)
	(2,262,236)	(1,364,597)
Net increase (decrease) in cash	(3,214,683)	1,635,904
Cash position, beginning of year	12,077,921	10,442,017
Cash position, end of year	\$ 8,863,238	\$ 12,077,921

See accompanying notes to financial statements.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

1. Significant accounting policies:

(a) Fund accounting:

The accounts are maintained in accordance with the principles of fund accounting. The operating fund accounts for transactions related to current operations. The capital fund accounts for capital assets and the transactions related to their acquisition, disposal, debt commitments and amortization. Restricted and endowment funds consist of scholarships and bursaries for future students of the College and other special projects whose funds are administered by the College as well as endowments from the Ontario Student Opportunity Trust Funds and Ontario Trust for Student Support Funds which report the resources contributed under these matching programs.

(b) Revenue recognition:

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

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

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

Externally restricted contributions, other than endowment contributions, are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

Contributions received for endowment are reported as an increase in the endowment fund balance. Interest income earned on the resources of this endowment fund is reported in the restricted fund. Unrestricted investment income is recognized as revenue when earned.

Tuition fees are recognized as revenue based on the number of teaching days within the period.

(c) Investments:

Portfolio investments are recorded at market value.

Sinking-fund investment is recorded at amortized cost.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

1. Significant accounting policies (continued):

(d) Capital assets:

Capital asset purchases are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution when the fair value is reasonably determinable. Otherwise, contributed capital assets are recorded at a nominal value. Repairs and maintenance costs are charged to expenditures. Betterments, which extend the estimated life of a capital asset, are capitalized. Amortization of capital assets is recorded on the straight-line basis over the following periods:

Buildings	40 years
Site improvements and parking lots	20 years
Leasehold improvements	over the term of the lease
Furniture and equipment	5 years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to estimate undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment change is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(e) Employment-related obligations:

Vacation entitlements are accrued for as entitlements are earned (note 4).

Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the College (note 4).

For the post-employment benefits (continuation of life, medical and dental during LTD), these benefits are accounted for on a terminal basis, in comparison to the non-pension post-retirement benefit which is accounted on an accrual basis. This means that the liability for the post-employment benefit is accrued only when a LTD claim occurs. For these benefits, the full change in the liability is being recognized immediately as an expense in the year (note 4).

The College is an employer member of the Colleges of Applied Arts and Technology Pension Plan, which is a multi-employer defined benefit pension plan. The College has adopted defined contribution account principles for this Plan because insufficient information is available to apply defined benefit accounting principles.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

1. Significant accounting policies (continued):

(f) Use of estimates:

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

(g) Capital disclosures:

The College manages its capital primarily through its investments and adheres to the College's investment policies.

(h) Financial instruments:

The College accounts for its financial assets and liabilities in accordance with Canadian generally accepted accounting principles.

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the statement of financial position at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings.

In accordance with Canadian generally accepted accounting principles, the College has undertaken the following:

- (i) Designated cash and portfolio investments as held-for-trading, being measured at fair value.
- (ii) The sinking-fund investments are designated as held-to-maturity, which is measured at amortized cost.
- (iii) Accounts receivable and grants receivable are classified as loans and receivables, which are measured at amortized cost.
- (iv) Accounts payable and accrued liabilities, vacation payable and long-term debt are classified as other financial liabilities, which are measured at amortized cost.

The College continues to disclose financial instruments under CICA Handbook Section 3861.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

2. Capital assets:

	2012		2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 369,570	–	369,570	–
Buildings	48,478,123	21,302,310	47,390,423	20,422,750
Construction in progress	–	–	253,479	–
Site improvements and parking lots	310,892	297,743	310,892	289,758
Leasehold improvements	866,897	650,260	866,897	596,101
Furniture and equipment	18,931,775	13,907,491	17,376,620	12,569,371
	68,957,257	36,157,804	66,567,881	33,877,980
Less accumulated amortization	36,157,804		33,877,980	
	\$ 32,799,453		32,689,901	

Amortization for the current year totaled \$2,422,888 (2011 - \$1,719,123).

3. Accounts payable and accrued liabilities:

	2012	2011
Trade and other	\$ 2,837,185	\$ 2,849,965
Payroll related liabilities	807,298	880,678
	\$ 3,644,483	\$ 3,730,643

4. Employment related obligations:

	2012	2011
Vacation payable	\$ 2,144,945	\$ 2,113,565
Non-pension post-employment obligations	\$ 567,000	\$ 572,000
Sick leave benefits	410,583	435,460
	\$ 977,583	\$ 1,007,460

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

4. Employment related obligations (continued):

The benefit obligations accrued at March 31, 2012 amounted to \$386,000 (2011 - \$391,000). Benefit plan interest and current service costs recorded in the year were \$6,000 (2011 - \$11,000) and the amortization of actuarial gain of \$Nil (2011 - \$Nil). The benefits paid out in the year were \$22,000 (2011 - \$24,000). These amounts represent the results of the actuarial valuation completed in March 2012.

Effective September 1, 2005, the cost of the early retiree benefits is no longer subsidized by the College as a result of the separation of the early retirees' benefit premium rate from the active employees' benefit premium rate. Two exceptions to this change are as follows:

- Existing early retirees and employees who retired on or before August 31, 2005 will continue to be experience rated with active employees and pay subsidized premium rates until age 65; and
- Academic early and normal retirees will continue to pay the same premium rate as the active employees for the Life Insurance benefits to age 75, as outlined in the collective agreement.

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimates. The following represents the true significant assumptions made:

	2012	2011
Discount rate	4.2%	4.75%
Health Care Trend Rates		
- Drugs (updated in 2012, reducing to 4.5% in 2026)	10.5%	10.5%
- Hospital and other medical	4.5%	4.5%
- Dental cost	4.5%	6.9%

The College is liable to pay 50% of certain faculty members' accumulated sick leave credits on termination or retirement. The Ministry of Training, Colleges and Universities ("MTCU") currently undertakes the annual funding of these expenditures.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

5. Long-term debt:

The long-term debt of \$4,439,000 is a loan payable to the Ontario Mortgage and Housing Corporation. The loan bears a fixed interest rate of 9.17% and is secured by a first mortgage on the student residence at the Porcupine campus. Under the terms of the loan agreement, interest payments of \$203,528 are made semi-annually and the principal amount will be repaid on July 1, 2012. As such, the balance is current. By Board resolution, a 9.5% Province of Ontario sinking-fund investment will be used at maturity to retire this loan payable.

6. Bank borrowing facilities:

The College's bank borrowing facilities provide for the following:

- i) \$1,000,000 operating line of credit bearing interest at prime less 0.5%
- ii) \$1,000,000 lease line of credit for equipment financing, with the interest rate determined at time the financing is drawn

There have been no amounts drawn on either line of credit noted above at March 31, 2012 (2011 - \$Nil). The bank borrowing facilities are secured by a general security agreement.

7. Deferred contributions:

Details of the continuity of these funds are as follows:

	2012	2011
Balance, beginning of year	\$ 4,947,915	\$ 4,750,600
Additional contributions received	3,014,977	3,663,736
Amounts taken into revenue	(5,044,073)	(3,466,421)
Balance, end of year	\$ 2,918,819	\$ 4,947,915

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized and unspent balances of donations and grants received for capital asset acquisitions. Details of the continuity of these funds are as follows:

	2012	2011
Balance, beginning of year	\$ 28,397,321	\$ 18,030,145
Additional contributions received	696,664	11,829,531
Amounts amortized into revenue	(2,006,293)	(1,462,355)
Balance, end of year	\$ 27,087,692	\$ 28,397,321

The balance of unamortized and unspent funds consists of the following:

	2012	2011
Unamortized deferred capital contributions	\$ 27,087,692	\$ 28,028,467
Unspent contributions	-	368,854
Balance, end of year	\$ 27,087,692	\$ 28,397,321

9. Capital fund:

a) The equity in capital assets is calculated as follows:

	2012	2011
Capital assets	\$ 32,799,453	\$ 32,689,901
Amounts financed by:		
Unamortized deferred capital contributions	(27,087,692)	(28,028,467)
Long-term debt, net of sinking-fund investment (note 5)	(113,675)	(482,187)
	\$ 5,598,086	\$ 4,179,247

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

9. Capital fund (continued):

b) Transfer for capital assets:

	2012	2011
Purchase of capital assets	\$ 2,532,440	\$ 12,694,732
Amounts funded by deferred capital contributions	(1,065,517)	(12,397,021)
	\$ 1,466,923	\$ 297,711

10. Pension plan:

Contributions made by the College during the year amounted to approximately \$2,006,040 (2011 - \$1,937,914).

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 defined benefit pension plan available to all eligible employees of the participating members of the CAAT. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the highest five consecutive years prior to retirement, termination or death. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing Plan assets in trust and through the Plan investment policy.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension asset and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2012 indicated an actuarial surplus of \$154 million.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

11. Commitments:

- (a) The College has a ten year lease with the Attorney General for a section of its Kirkland Lake campus for a courthouse at \$147,003 per year. The lease expires November 2013.
- (b) The College has entered into agreements to lease certain premises and equipment.

The total annual minimum lease payments to maturity are approximately as follows:

2013	\$ 349,895
2014	214,483
2015	160,003
2016	130,106
2017	–
	<u>\$ 854,487</u>

12. Changes in non-cash working capital:

	2012	2011
Increase in accounts receivable	\$ (256,526)	\$ (206,252)
Decrease (increase) in grants receivable	(140,277)	343,481
Increase in inventories and prepaid expenses	(21,440)	(16,279)
Decrease in accounts payable and accrued liabilities	(86,160)	(53,182)
Increase in vacation and leave payable	31,380	146,994
	<u>\$ (473,023)</u>	<u>\$ 214,762</u>

13. Contingency:

As at March 31, 2012, certain legal actions are pending against the College. An estimate of the contingency cannot be made since the outcome of these matters is indeterminate. Should any loss result from the resolution of these matters, such loss would be charged to operations in the year of disposition.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

14. Guarantees:

The College's primary guarantees are as follows:

- a) Indemnity has been provided to all directors and/or officers of the College for various items including, but not limited to, all settled suits or actions due to association with the College, subject to certain restrictions. The College has purchased director's and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as governor, director or officer to the College. The maximum amount of any potential future payment cannot be reasonably estimated.
- b) In the normal course of business, the College has entered into agreements that include indemnities in favour of third parties, such as student work placement agreements, purchase and sale agreements, confidentiality agreements, engagement letters with advisor and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the College to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of a potential reimbursement cannot be reasonably estimated.

15. Financial instruments:

- a) Fair value of financial assets and financial liabilities:

The carrying values of cash, accounts receivable, grants receivable, portfolio investments and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items.

Market value of sinking-fund investments is \$4,419,025 (2011 - \$4,321,367).

The fair value of the current portion of long-term debt amounts to approximately \$4.479 million (2011 - \$4.730 million) as compared to its carrying amount of \$4.439 million (2011 - \$4.439 million). The fair value of the mortgage instrument was calculated using the future cash flows (principal and interest) of the actual outstanding debt instrument, discounted at current market rates available to the College for a similar instrument.

- b) Concentrations of credit risk:

The College is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. Credit exposure is minimized by dealing with credit worthy counterparties such as government agencies and public companies. The College also enforces approved collection policies for student accounts.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2012

16. Capital disclosures:

The College considers its operating capital to consist of current portion of long-term debt, net assets invested in capital assets, internally restricted net assets and unrestricted net assets. The College's overall objective for its capital is to fund capital assets, future projects and ongoing operations. The College manages its capital by appropriating amounts to internally restricted net assets for anticipated future projects, contingencies and other capital requirements.

The College also considers its endowments, as part of its capital. The College's objective with regards to endowments is to grow the endowment principal and maximize investment income to increase funding for student aid.

The College may not incur a deficit without the approval of the Minister of Training, Colleges and Universities of Ontario. The College would be required to eliminate any accumulated deficit within a prescribed period of time.

The College is not subject to any other externally imposed capital requirements and its approach to capital management remains unchanged from the prior year.

17. Comparative figures:

Certain 2011 comparative figures have been reclassified to conform to the presentation adopted in 2012.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule of Continuity of Restricted and Endowment Funds

March 2012, with comparative figures for 2011

Restricted Funds

	Balance, beginning of year	Additions	Scholarships and other disbursements	Balance, end of year
Board of Governors Entrance Scholarship	\$ 31,836	333	7,000	\$ 25,169
J.H. Drysdale Award	74,763	988	1,000	74,751
Other	957,385	625,417	697,941	884,861
Ontario Student Opportunity and Trust Disbursements Fund	126,239	99,635	117,395	108,479
Capital	3,730,047	121,010	655,844	3,195,213
	\$ 4,920,270	847,383	1,479,180	\$ 4,288,473

Endowment Funds

	Balance, beginning of year	Additions		Balance, end of year
Ontario Student Opportunity Trust Fund 1	\$ 2,748,800	-	-	\$ 2,748,800
Ontario Student Opportunity Trust Fund 2	570,897	-	-	570,897
Ontario Trust for Student Support Fund	662,651	321,106	-	983,757
	\$ 3,982,348	321,106	-	\$ 4,303,454
Total restricted and endowment funds	\$ 8,902,618	1,168,489	1,479,180	\$ 8,591,927

See accompanying notes to financial statements.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule of Operating Fund Revenues

March 31, 2012, with comparative figures for 2011

	2012	2011
Grants and reimbursements:		
Post Secondary:		
General operating grant	\$ 8,050,148	\$ 8,261,932
Special support grants	9,153,332	9,290,493
Grant for municipal taxation	96,900	100,350
Rental add-on grant	270,612	74,409
	<u>17,570,992</u>	<u>17,727,184</u>
Industrial Skills and Adult Training:		
Federal Programs	3,041,735	1,555,319
Apprenticeship per diem grant	1,629,720	1,860,461
Literacy and Basic Skills/Emerging Skills	1,462,430	3,374,015
Employment programs	3,483,447	3,128,707
	<u>9,617,332</u>	<u>9,918,502</u>
Special Purpose Grants:		
Aboriginal projects	300,000	301,042
Plant	78,762	1,366,240
Special needs	370,987	334,678
Day care and social services funding	536,583	579,028
Termination/sick leave buyout recovery	-	65
OSAP special bursaries	282,533	343,632
Other	39,801	100,343
	<u>1,608,666</u>	<u>3,025,028</u>
	<u>\$ 28,796,990</u>	<u>\$ 30,670,714</u>
Tuition fees:		
Post-secondary	\$ 4,840,010	\$ 4,890,876
Industrial skills and adult training	28,914	53,586
	<u>\$ 4,868,924</u>	<u>\$ 4,944,462</u>
Other revenue:		
Daycare fees	\$ 53,966	\$ 79,060
Special employment programs	50,571	50,794
Rents	199,992	199,992
Excluded activity fees	2,940,934	2,359,820
Other fees	1,133,513	1,156,299
Miscellaneous	655,404	430,945
	<u>\$ 5,034,380</u>	<u>\$ 4,276,910</u>

See accompanying notes to financial statements.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule of Operating Expense by Cost Object

March 31, 2012, with comparative figures for 2011

	Academic	Administration	Student Services	Plant and Property	Community Services	Employment Training Programs	Total 2012	Total 2011
Academic salaries	\$ 11,653,385	47,788	65,702	-	-	-	\$ 11,766,875	\$ 11,715,384
Administration salaries	786,742	1,118,718	182,093	44,171	27,848	263,959	2,423,531	2,152,778
Support salaries	1,843,622	2,219,173	1,772,152	606,198	315,452	1,369,965	8,126,562	8,148,630
Stipends and allowances	18,152	8,531	613,952	-	-	615,762	1,256,397	1,403,096
Fringe benefits	2,642,152	809,876	455,115	123,719	80,408	343,733	4,455,003	4,412,330
Instructional supplies	1,587,658	4,543	172,301	-	4,415	33,123	1,802,040	2,559,030
Field work	22,530	-	-	-	18,318	-	40,848	68,737
Staff employment	-	65,050	-	-	-	-	65,050	53,387
Professional development	4,777	167,836	-	-	5,748	9,394	187,755	118,534
Travel	304,301	121,166	141,228	1,163	2,018	19,028	588,904	788,791
Promotion and advertising	110,193	32,637	348,615	-	-	39,698	531,143	472,098
Equipment maintenance	66,712	56,717	135	24,865	-	35,884	184,313	142,054
Telecommunications	41,529	199,225	10,027	482	-	40,569	291,832	269,143
Office supplies	155,849	304,892	96,693	1,497	-	22,763	581,694	653,762
Janitorial	-	19,937	-	59,931	6,123	-	85,991	80,966
Facilities maintenance	-	-	-	569,837	87,824	-	657,661	134,930
Vehicle	-	-	-	7,749	-	-	7,749	10,796
Insurance	-	300,393	-	-	-	-	300,393	280,591
Interest	80,601	60,882	-	-	-	-	141,483	213,513
Professional fees	78,738	225,979	635	-	-	7,200	312,552	191,467
Contracted services	1,416,098	445,249	41,335	48,640	-	5,000	1,956,322	2,120,837
Utilities	-	-	-	1,057,050	-	-	1,057,050	725,599
Municipal taxation	-	-	-	96,900	-	-	96,900	100,350
Rentals	459,833	122,229	24,088	-	30,000	161,643	797,793	926,471
Bad debt (recoveries)	-	(178,980)	-	-	-	-	(178,980)	-
	\$ 21,272,872	6,151,841	3,924,071	2,642,202	578,154	2,967,721	37,536,861	37,743,274
Ancillary expense							2,532,802	2,675,105
Total expense							\$ 40,069,663	\$ 40,418,379

See accompanying notes to financial statements.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule of Ancillary Revenue and Expenses

March 31, 2012, with comparative figures for 2011

	2012	2011
Bookstore Operations		
Revenue	\$ 158,537	\$ 146,875
Operating expense	47,931	29,140
Excess of revenue over expense	\$ 110,606	\$ 117,735
Student Residence Operations		
Revenue:		
Rent	\$ 432,002	\$ 388,562
Service charges	60,351	59,479
	492,353	448,041
Expense:		
Operating	418,830	365,390
Interest	407,056	407,056
	825,886	772,446
Deficiency of revenue over expense	\$ (333,533)	\$ (324,405)
Parking Grounds Operations		
Revenue	\$ 114,790	\$ 70,765
Operating expense	121,772	96,331
Deficiency of revenue over expense	\$ (6,982)	\$ (25,566)
Ancillary Facilities Operations		
Revenue	\$ 1,679,267	\$ 1,844,702
Operating expense	1,537,213	1,777,188
Excess of revenue over expense	\$ 142,054	\$ 67,514

See accompanying notes to financial statements.