CONRAD GREBEL UNIVERSITY COLLEGE

FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2013

April 30, 2013
Contents

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING
APRIL 30, 2013

The accompanying financial statements and all other information contained in this annual report are the responsibility of the management of Conrad Grebel University College. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, and have been approved by the Board of Governors.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of Conrad Grebel University College. Management maintains a system of internal accounting and administration controls which are designed to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial information. Such information also includes data based on management's best estimates and judgments. Management has determined that the enclosed financial statements are presented fairly and on a consistent basis with prior years, in all material respects.

The Board of Governors reviews and approves the annual financial statements. In addition, the Finance and Development Committee meets with the financial officers of Conrad Grebel University College and the external auditors, and reports to the Board of Governors thereon. The Finance and Development Committee also reviews the annual report in its entirety.

The financial statements have been audited by the external auditors, Graham Mathew Professional Corporation, Chartered Accountants authorized to practice public accounting by The Institute of Chartered Accountants of Ontario, in accordance with Canadian generally accepted auditing standards. The external auditors have full and free access to management, the Finance and Development Committee and the Board of Governors.

The Independent Auditors' Report, dated September 3, 2013, expresses their unqualified opinion on the 2013 financial statements.

Susan Schultz Huxman
President

Sara Cressman
Director of Finance

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Graham Mathew

INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
Conrad Grebel University College

We have audited the accompanying financial statements of **Conrad Grebel University College**, which comprise the statement of financial position as at April 30, 2013, and the statements of operations and changes in fund balances 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 accounting standards for not-for-profit organizations, 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 **Conrad Grebel University College** as at April 30, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Graham Mathew Professional Corporation

Cambridge, Ontario
September 3, 2013

CHARTERED ACCOUNTANTS, authorized to practice public accounting by The Institute of Chartered Accountants of Ontario

Statement of Financial Position
As at April 30, 2013

	Operating Fund	Scholarship and Bursary Fund	Reserve Fund	Capital Fund	Endowment Fund	2013 Total	2012 Total (note 16)
	$	$	$	$	$	$	$
Assets							
Cash and short-term deposits (note 9)	1,150,600	-	-	1,119,012	860,093	3,129,705	2,614,757
Accounts receivable	121,209	-	-	720	19,380	141,309	81,938
Interfund receivables	-	145,701	2,090,990	-	142,938	2,379,629	2,534,032
Inventory	16,315	-	-	-	-	16,315	17,366
Prepaid expenses	31,614	-	-	-	-	31,614	51,983
Investments (note 3)	150,912	-	-	-	-	150,912	150,912
Current assets	1,470,650	145,701	2,090,990	1,119,732	1,022,411	5,849,484	5,450,988
Investments (note 3)	2,213,379	-	148,926	-	4,039,413	6,401,718	6,476,498
Capital assets (note 4)	-	-	-	9,026,266	-	9,026,266	6,332,514
	3,684,029	145,701	2,239,916	10,145,998	5,061,824	21,277,468	18,260,000
Liabilities							
Accounts payable and accrued liabilities (note 5)	1,752,002	-	-	-	-	1,752,002	1,000,995
Interfund payables	1,187,563	-	-	1,192,066	-	2,379,629	2,534,032
Deferred revenue	297,999	-	-	-	-	297,999	273,443
Loans payable, unsecured and non-interest bearing	-	-	-	20,000	-	20,000	20,000
Current portion of mortgages payable (note 8)	-	-	-	150,912	-	150,912	150,912
Current liabilities	3,237,564	-	-	1,362,978	-	4,600,542	3,979,382
Post-employment benefit obligation (note 10)	-		2,506,755			2,506,755	2,019,000
Mortgage payable (note 8)	-	-	-	2,213,379	-	2,213,379	2,364,291
Deferred contributions (notes 6 and 7)	409,706	145,701	-	5,673,209	-	6,228,616	4,656,180
Total liabilities	3,647,270	145,701	2,506,755	9,249,566	-	15,549,292	13,018,853
Fund balances							
Invested in capital assets	-	-	-	896,432	-	896,432	847,640
Externally restricted	-	-	-	-	5,061,824	5,061,824	4,631,251
Internally restricted	-	-	(266,839)	-	-	(266,839)	(269,299)
Unrestricted	36,759	-	-	-	-	36,759	31,555
	36,759	-	(266,839)	896,432	5,061,824	5,728,176	5,241,147
	3,684,029	145,701	2,239,916	10,145,998	5,061,824	21,277,468	18,260,000

Approved on behalf of the Board Susan Jaques **Director** **Director**

The explanatory notes form an integral part of these financial statements.

Statement of Operations and Changes in Fund Balances
Year Ended April 30, 2013

	Operating Fund Budget (unaudited)	Operating Fund Actual	Scholarship and Bursary Fund	Reserve Fund	Capital Fund	Endowment Fund	2013 Total	2012 Total (note 16)
	$	$	$	$	$	$	$	$
Revenue								
Academic	4,112,506	4,278,221	-	-	-	-	4,278,221	3,876,911
Residence	1,682,800	1,741,653	-	-	-	-	1,741,653	1,635,868
Sale of services	252,180	278,933	-	-	-	-	278,933	278,426
Constituent conference support	154,171	154,171	-	-	-	-	154,171	154,171
Donations	325,000	339,669	49,940	-	-	119,827	509,436	498,519
Rental	58,200	62,712	-	-	-	-	62,712	72,625
Investment income (note 12)	88,241	90,163	-	11,240	-	289,410	390,813	83,605
Other	52,050	49,754	-	-	-	-	49,754	53,360
Deferred contributions included in income (note 7)	196,018	175,233	-	-	170,030	-	345,263	312,849
	6,921,166	7,170,509	49,940	11,240	170,030	409,237	7,810,956	6,966,334
Expenditure								
Academic (page 17)	4,630,037	4,486,230	-	487,755	-	-	4,973,985	5,014,536
Residential (page 17)	1,664,030	1,636,618	-	-	-	-	1,636,618	1,639,136
Other (page 17)	74,387	75,171	-	6,399	-	-	81,570	59,554
Scholarships and bursaries	-	-	178,230	-	-	-	178,230	220,970
Fundraising and development	23,000	21,994	-	-	-	-	21,994	23,347
Amortization of capital assets	-	-	-	-	431,530	-	431,530	446,474
	6,391,454	6,220,013	178,230	494,154	431,530	-	7,323,927	7,404,017
Excess (deficiency) of revenue over expenditure	529,712	950,496	(128,290)	(482,914)	(261,500)	409,237	487,029	(437,683)
Fund balances, beginning of year	-	31,555	-	(269,299)	847,640	4,631,251	5,241,147	5,678,830
Interfund transfers	(529,712)	(945,292)	128,290	485,374	310,292	21,336	-	-
Fund balances, end of year	-	36,759	-	(266,839)	896,432	5,061,824	5,728,176	5,241,147

The explanatory notes form an integral part of these financial statements.

Statement of Cash Flows
Year Ended April 30, 2013

	Operating Fund $	Scholarship and Bursary Fund $	Reserve Fund $	Capital Fund $	Endowment Fund $	2013 Total $	2012 Total (note 16) $
Cash provided by (used in)							
Operating activities:							
Excess (deficiency) of revenue over expenditure	950,496	(128,290)	(482,914)	(261,500)	409,237	487,029	(437,683)
Interfund transfers	(945,292)	128,290	485,374	310,292	21,336	-	-
Amortization of capital assets	-	-	-	431,530	-	431,530	446,474
Net change in post-employment benefit obligation	-	-	487,755	-	-	487,755	723,000
Net change in deferred revenue	24,556	-	-	-	-	24,556	32,569
Net change in non-cash working capital:							
Accounts receivable	(54,025)	-	-	(502)	(4,844)	(59,371)	(5,169)
Inventory	1,051	-	-	-	-	1,051	(570)
Prepaid expenses	20,369	-	-	-	-	20,369	(21,562)
Interfund payables/receivables	(1,346,464)	(464,076)	(68,966)	1,882,901	(3,391)	4	-
Accounts payable	751,004	-	-	-	-	751,004	46,709
	(598,305)	(464,076)	421,249	2,362,721	422,338	2,143,927	783,768
Financing activities:							
Deferred contributions related to capital assets	(4,667)	51,637	-	1,525,465	-	1,572,435	1,128,559
Mortgage principal repayments, net	-	-	-	(150,912)	-	(150,912)	(150,912)
	(4,667)	51,637	-	1,374,553	-	1,421,523	977,647
Investing activities:							
Purchase of capital assets	-	-	-	(3,125,282)	-	(3,125,282)	(980,999)
Proceeds from (purchase of) investments - net	150,912	-	(8,810)	-	(67,322)	74,780	373,152
	150,912	-	(8,810)	(3,125,282)	(67,322)	(3,050,502)	(607,847)
Net increase in cash position	(452,060)	(412,439)	412,439	611,992	355,016	514,948	1,153,568
Cash and short-term deposits, beginning of year	1,602,660	-	-	507,020	505,077	2,614,757	1,461,189
Cash and short-term deposits, end of year	1,150,600	(412,439)	412,439	1,119,012	860,093	3,129,705	2,614,757

The explanatory notes form an integral part of these financial statements.

1. Purpose of the Organization

Conrad Grebel University College ("the College") is a liberal arts college founded by the Mennonite Church and affiliated with the University of Waterloo. The mission and programs of the College are rooted in and inspired by its Christian identity and its Mennonite heritage. Conrad Grebel University College receives approximately 50% of its funding from government grants and tuition for the teaching it does for the University of Waterloo. The College is a registered charity and is therefore exempt from income taxes.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting

To ensure observation of restrictions placed on the use of resources available to Conrad Grebel University College, the accounts are maintained in accordance with the principles of fund accounting. The resources are classified for accounting and reporting purposes into the following funds which have been established according to their nature and purpose:

Operating Fund

The Operating Fund accounts for the costs of academic, residential, administrative and other operating expenditures of the College funded by fees, grants and other general income.

Scholarship and Bursary Fund

The Scholarship and Bursary Fund accounts for monies specifically for scholarships, awards and bursaries.

Reserve Fund

The reserve fund, as approved by the Board of Governors, consists of the following:

Capital Reserves

Capital replacements, repairs and capital projects purchased by the College may be charged to the fund.

Pension Reserves

This fund was created to fund expenses related to the Pension Fund and to fund the costs of extended health benefits for retired employees.

Operational Reserve

This fund accounts for monies set aside by the College to ensure the fiscal stability of the College and may be used to address fiscal changes and program opportunities.

Capital Fund

The Capital Fund accounts for the cost of capital assets owned by the College.

Endowment Fund

The Endowment Fund accounts for monies received for specific purposes. Under the terms of certain endowments, only the income earned on the funds is expended for specific purposes. Other endowments are fully expendable at the discretion of the Board of Governors.

2. Summary of Significant Accounting Policies (Continued)

(b) Revenue recognition

The College follows the deferral method of accounting for contributions whereby restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

The general operating grants from the Province of Ontario received via the University of Waterloo are recorded in the fiscal year to which they apply.

Tuition fees are recorded as revenue when the programs and courses have commenced within the fiscal year. Tuition fees received prior to the commencement of programs and courses are recorded as deferred contributions.

(c) Financial instruments

Investments are shown on the statement of financial position at their fair values at the year-end date, with changes in fair value recognized in the statement of operations. All other financial assets and liabilities are recorded at amortized cost less any discovered impairment.

(d) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(e) Contributed services and materials

Donations of materials and services are not reflected in these financial statements because of the impracticality of the record keeping and valuation of them.

(f) Capital assets

Purchased capital assets are recorded in the Capital Fund at cost. Contributed capital assets are recorded in the Capital Fund at fair value at the date of the contribution.

Capital assets are amortized over their estimated useful lives on the straight-line basis using the following rates:

Furnishings and equipment	3, 5 or 10 years
Library books	5 years
Computers	3 years
Fibre-optics/Network	3 or 5 years
Buildings	40 years
Building additions	10 years
Parking lot	10 years

Amortization expense is reported in the Capital Fund. Significant collections of art work are not amortized.

The College capitalizes interest charges associated with significant construction projects until construction is completed.

2. Summary of Significant Accounting Policies (Continued)

(g) Inventory

Inventory of food and supplies is stated at the lower of cost and replacement cost on the first-in, first-out basis.

(h) Pension costs

The employees of the College are participants in the defined benefit pension plan administered by the University of Waterloo. Under this plan, the College's contributions are limited to a rate established by the University of Waterloo annually. Currently, the College makes contributions to the plan equal to 1.1% (2012 - 1.1%) of yearly maximum pensionable earnings and in 2013 the College's contributions amounted to $367,441 (2012 - $340,634).

Supplemental Pension Costs

In 2002 the College approved a plan to provide supplemental pension benefits in excess of CRA guidelines to qualifying employees. In the current year, the pension expense associated with this plan amounted to $28,755.

Post-Employment Benefits

The College has a defined benefit plan that provides post-employment benefits in the form of medical and life insurance coverage to retirees. The cost of the employee future benefit is determined using the immediate recognition method and is formulated using management's best estimates regarding assumptions about retirement age, termination rates, mortality rates and expected health care costs. The accrued post-employment benefit obligation net of the fair value of the plan assets is shown on the statement of financial position and all related costs are recognized in income during the year.

(i) Archives

Archive material purchased by, or donated to, the College are expensed as received. During the year, no amounts were expensed for archive materials.

(j) Budget figures - Operating Fund

Budget figures for the Operating Fund are included for comparative purposes only and are unaudited.

3. Investments

	2013			2012
		Net Transfers and Purchases	**Investment Gain (loss)**	
	$	**$**	**$**	$
Current portion				
Mortgage, internal (see note 8)	**150,912**	**-**	**-**	150,912
Long-term portion				
Canadian bond funds	**-**	**(502,952)**	**4,647**	498,305
Canadian equity funds	**1,387,276**	**48,830**	**66,301**	1,272,145
International equity funds	**937,124**	**16,072**	**94,384**	826,668
Long-term term deposits	**760,150**	**178,495**	**-**	581,655
Mortgage, internal (see note 8)	**2,213,379**	**(150,912)**	**-**	2,364,291
U.S. equity funds	**1,103,789**	**18,362**	**151,993**	933,434
	6,401,718	**(392,105)**	**317,325**	6,476,498

4. Capital Assets

	2013			
	Cost $	Accumulated Amortization $	Net Book Value $	Net Additions for Year $
Land and site improvements	**35,641**	**-**	**35,641**	**-**
Academic building	**5,085,544**	**1,062,457**	**4,023,087**	**4,653**
Residence building	**1,390,490**	**1,078,475**	**312,015**	**7,284**
Building addition - 1993	**2,107,921**	**1,106,658**	**1,001,263**	**-**
Furnishings and equipment	**1,307,752**	**1,008,247**	**299,505**	**85,873**
Library books	**516,384**	**444,066**	**72,318**	**58,394**
Computers	**234,980**	**209,117**	**25,863**	**28,180**
Fibre-optics/Network	**99,909**	**99,909**	**-**	**-**
Parking lot expansion	**175,904**	**175,863**	**41**	**-**
Building expansion projects	**4,445,061**	**1,214,492**	**3,230,569**	**2,940,864**
Art work	**25,964**	**-**	**25,964**	**-**
	15,425,550	**6,399,284**	**9,026,266**	**3,125,248**

5. Accounts Payable and Accrued Liabilities

There were no amounts payable with respect to government remittances as of the year end date.

6. Deferred Contributions

Deferred contributions reported in the Operating Fund relate to restricted operating funding received in the current period that is related to the subsequent period. Deferred contributions reported in the Scholarship and Bursary Fund relate to the unspent portion of certain scholarships, bursaries and awards. Deferred contributions included in the income of the Operating Fund and the Scholarship and Bursary Fund represent monies deferred in the prior year, which were spent on their intended purpose.

7. Deferred Contributions Related to the Capital Fund

Deferred contributions reported in the Capital Fund include the unamortized amounts of grants, donations and investment income received and used for the purchase of capital assets. The amortization of deferred capital contributions is recorded in income on the Statement of Operations.

The changes for the year are as follows:

	2013 **$**	2012 $
Balance, beginning of year	**4,147,744**	2,940,680
Restricted contributions	**1,695,495**	1,377,601
Amounts amortized into revenue	**(170,030)**	(170,537)
Balance, end of year	**5,673,209**	4,147,744

8. Mortgage Payable

	2013	2012 (note 16)
	$	$
Internal mortgage payable, maturing January 2029, repayable in monthly instalments of $12,576 (see note 3)	**2,364,291**	2,515,203
Current portion due within one year	**150,912**	150,912
	2,213,379	2,364,291

Principal repayable during the next five years, under the terms of the mortgage, is as follows:

2014	**150,912**
2015	**150,912**
2016	**150,912**
2017	**150,912**
2018	**150,912**
	754,560

9. Cash

Bank operating loans, currently unused, are available to a maximum of $1,700,000, bearing interest at the bank's prime rate per annum and secured by an all purpose collateral mortgage. There is also a term loan, currently unused, available to a maximum of $3,800,000, bearing interest at the bank's prime rate per annum and secured by an all purpose collateral mortgage. The term loan, if used, will require interest only payments for the first 12 months and then blended monthly payments of $40,200 after the first 12 months.

10. Post-Employment Benefit Obligation

The College has a defined benefit plan that provides employment benefits in the form of extended health care and life insurance coverage. The latest actuarial valuation for the retirement benefit plan was performed as of April 30, 2013. The College measures its accrued benefit obligation for accounting purposes as at April 30th of each year.

The retirement benefit expense for the year is $492,000 ($753,000 in 2012).

Information about the College's defined benefit plan at April 30th is as follows:

Accrued post-employment benefit obligation	**(2,506,755)**	(2,019,000)

The significant assumptions adopted in measuring the College's accrued benefit obligation and benefit costs are as follows:

Accrued benefit obligation discount rate	**4.15%**	4.85%

For measurement purposes a 9% (9.0% in 2012) annual rate of increase in the per capita cost of covered health care benefits was assumed for 2013. The rate of increase was assumed to decrease gradually to 4.5% in 2021 and remain at that level thereafter.

The College contributed $33,000 ($30,000 in 2012) to the defined benefit plan in 2013.

11. Commitments

The College has entered into various agreements to acquire repair and maintenance services and for the use of office equipment. The commitments of the College for the next five years regarding these agreements are as follows:

	$
2014	**42,024**
2015	**5,942**
2016	**4,320**
2017	**4,320**
2018	**1,620**

During 2012, the College entered into a contract with Nith Valley Construction in the amount of $6,132,973 as the contractor for the construction of the new Academic building at the College. Construction is expected to be completed by January 2014.

12. Investment Income

Investment income earned is reported as follows:

	2013 $	2012 $
Income earned on unrestricted resources	**17,651**	13,381
Income earned on internally restricted resources	**55,838**	168,624
	73,489	182,005
Increase (decrease) in fair market value of investments during year	**317,324**	(98,400)
Total investment income recognized as revenue	**390,813**	83,605

13. Ontario Student Opportunity Trust Funds - Endowment Fund

The following are the transactions related to the Phase One Ontario Student Opportunity Trust Fund:

Schedule of Changes in Endowment Fund Balance

	2013 $	2012 $
Fund balance, beginning and end of year	**94,900**	94,900

Schedule of Changes in Expendable Funds Available for Awards

	2013 $	2012 $
Fund balance, beginning of year	**1,610**	4,242
Investment income, net of related expenses and preservation of capital	**2,404**	2,433
Bursaries awarded (total number 5 (6 in 2012))	**(3,000)**	(5,065)
Fund balance, end of year	**1,014**	1,610

14. Mennonite Foundation of Canada Endowment Funds

The Mennonite Foundation of Canada has received endowment funds on behalf of the College that are not reported in the financial statements. The funds are held by the Mennonite Foundation of Canada under the agreement that as long as the College exists, the earnings on these funds are to be paid to the College. The amount of funds the College received and disbursed was $16,428 in 2013 (2012 - $7,592). The fair market values of the endowment funds held by the Mennonite Foundation of Canada on behalf of the College totalled $347,386 as at April 30, 2013 and $346,081 as at April 30, 2012.

15. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the reporting date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk mainly in respect of its post-employment benefit liability.

Credit risk

The entity is exposed to credit risk with respect to the accounts receivable. The entity provides credit to its clients in the normal course of its operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to currency risk and other price risk.

Currency risk

Some assets are exposed to foreign exchange fluctuations. As at April 30, 2013, cash of $158,634 ($127,022 in 2012) originated in US dollars and was converted into Canadian dollars at the year-end rate of exchange.

Interest rate risk

The entity is exposed to interest rate risk on its floating interest rate financial instruments. Floating-rate instruments, such as the operating line would subject to a cash flow risk. However, as the bank operating line is unused currently there is no significant exposure to interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The entity is exposed to other price risk through its investments.

16. Adoption of Accounting Standards for Not-for-Profit Organizations

These financial statements are the first financial statements for which the organization applied Canadian accounting standards for not-for-profit organizations. The financial statements for the year ended April 30, 2013 were prepared in accordance with the accounting principles and provisions set out in Section 1501, First-time Adoption by Not-for-Profit Organizations, for first-time adopters of this basis of accounting.

The impact of adopting these standards was accounted for in net assets at May 1, 2011, the date of transition. As permitted by section 1501, the College has elected to use a transitional exemption to recognize all accumulated actuarial gains and losses in opening net assets at date of transition.

Statement of Financial Position at May 1, 2011 - Transition Date

May 1, 2011	Pre-changeover Canadian GAAP $	Adjustments $	Canadian accounting standards for not-for-profit organizations $
ASSETS			
Cash and short-term deposits	1,461,189		1,461,189
Accounts receivable	76,838		76,838
Interfund receivables	1,867,199		1,867,199
Inventory	16,796		16,796
Prepaid expenses	30,421		30,421
Investments	150,912		150,912
Current assets	3,603,355		3,603,355
Investments	6,849,650		6,849,650
Capital assets	5,797,919		5,797,919
	16,250,924		16,250,924
LIABILITIES			
Accounts payable and accrued liabilities	954,284		954,284
Interfund payables	1,867,199		1,867,199
Deferred revenue	240,874		240,874
Loans payable, unsecured and non-interest bearing	20,000		20,000
Current portion of mortgages payable	150,912		150,912
Current liabilities	3,233,269		3,233,269
Post-employment benefit liability	1,358,000	(62,000)	1,296,000
Mortgage payable	2,515,203		2,515,203
Deferred contributions	3,527,622		3,527,622
Total liabilities	10,634,094	(62,000)	10,572,094
Fund balances			
Invested in capital assets	795,873		795,873
Externally restricted	4,608,982		4,608,982
Internally restricted	177,394	62,000	239,394
Unrestricted	34,581		34,581
	5,616,830	62,000	5,678,830
	16,250,924		16,250,924

16. Adoption of Accounting Standards for Not-for-Profit Organizations (Continued)

Statement of Financial Position at April 30, 2012

April 30, 2012	Pre-changeover Canadian GAAP $	Adjustments $	Canadian accounting standards for not-for-profit organizations $
ASSETS			
Cash and short-term deposits	2,614,757		2,614,757
Accounts receivable	81,938		81,938
Interfund receivables	2,534,032		2,534,032
Inventory	17,366		17,366
Prepaid expenses	51,983		51,983
Investments	150,912		150,912
Current assets	5,450,988		5,450,988
Investments	6,476,498		6,476,498
Capital assets	6,332,514		6,332,514
	18,260,000		18,260,000
LIABILITIES			
Accounts payable and accrued liabilities	1,000,995		1,000,995
Interfunds payables	2,534,032		2,534,032
Deferred revenue	273,443		273,443
Loans payable, unsecured and non-interest bearing	20,000		20,000
Current portion of mortgages payable	150,912		150,912
Current liabilities	3,979,382		3,979,382
Post-employment benefit liability	1,449,000	570,000	2,019,000
Mortgage payable	2,364,291		2,364,291
Deferred contributions	4,656,180		4,656,180
Total liabilities	12,448,853	570,000	13,018,853
POLICYHOLDER'S EQUITY			
Invested in capital assets	847,640		847,640
Externally restricted	4,631,251		4,631,251
Internally restricted	300,701	(570,000)	(269,299)
Unrestricted	31,555		31,555
	5,811,147	(570,000)	5,241,147
	18,260,000		18,260,000

16. Adoption of Accounting Standards for Not-for-Profit Organizations (Continued)

Statement of Operations for the year ended April 30, 2012

April 30, 2012	Pre-changeover Canadian GAAP $	Adjustments $	Canadian accounting standards for not-for-profit organizations $
Revenue			
Academic	3,876,911		3,876,911
Residence	1,635,868		1,635,868
Sale of services	278,426		278,426
Constituent conference support	154,171		154,171
Donations	498,519		498,519
Rental	72,625		72,625
Investment income	83,605		83,605
Other	53,360		53,360
Deferred contributions included in income	312,849		312,849
	6,966,334		6,966,334
Expenditure			
Academic	4,382,536	632,000	5,014,536
Residential	1,639,136		1,639,136
Other	59,554		59,554
Scholarships and bursaries	220,970		220,970
Fundraising and development	23,347		23,347
Amortization of capital assets	446,474		446,474
	6,772,017	632,000	7,404,017
Excess (deficiency) of revenue over expenditure	194,317	(632,000)	(437,683)
Fund balance, beginning of year	5,616,830	62,000	5,678,830
Fund balances, end of year	5,811,147	(570,000)	5,241,147

Explanations for the adjustments are as follows:

Post-employment benefit obligation

Under pre-change over Canadian GAAP the College accounted for post-employment benefit costs using the projected benefit method prorated on services and management's best estimates regarding assumptions about retirement age, termination rates, mortality rates and expected health care costs. Under this method, the transition asset or obligation and prior service costs were amortized on a straight-line basis over the expected average remaining service lifetime (EARSL). In addition, the unamortized gains and losses in excess of 10% of the accrued benefit obligation were amortized on a straight-line basis over EARSL.

At the transition date, the College transitioned to using the Immediate Recognition method to account for its post-employment benefits. This method requires the recognition of the accrued benefit obligation net of the fair value of the plan assets on the Statement of Financial Position, with all related costs recognized in income during the year.

16. Adoption of Accounting Standards for Not-for-Profit Organizations (Continued)

The impact of this transitional change has been applied retrospectively, and the financial statements at the May 1, 2011 transition date and the comparative figures for 2012 have been restated. On May 1, 2011 the post-employment benefit obligation decreased by $62,000 and the internally restricted fund balance increased by $62,000. For the year ended April 30, 2012 the post-employment benefit obligation increased by $570,000. The related academic expense increased by $632,000. The combined impact of the adjustments noted resulted in an increase of $632,000 to the deficiency of revenue over expenditures for 2012, which also decreased the internally restricted fund balance by $632,000 at the end of 2012.

Schedule of Fund Expenses
Year Ended April 30, 2013

	Operating Fund Budget (unaudited)	Operating Fund Actual	Scholarship and Bursary Fund	Reserve Fund	Capital Fund	Endowment Fund	2013 Total	2012 Total (note 16)
	$	$	$	$	$	$	$	$
Academic								
General academic	1,415,551	1,374,993	-	487,755	-	-	1,862,748	1,987,220
Peace and Conflict Studies	514,465	508,309	-	-	-	-	508,309	562,604
Music	1,144,574	1,110,889	-	-	-	-	1,110,889	1,025,743
Library	161,309	163,019	-	-	-	-	163,019	156,586
Archives	77,823	81,565	-	-	-	-	81,565	76,821
Administration	961,820	921,028	-	-	-	-	921,028	889,642
Physical plant	257,771	259,718	-	-	-	-	259,718	248,124
Seniors and Spirituality	96,724	66,709	-	-	-	-	66,709	67,796
	4,630,037	4,486,230	NIL	487,755	NIL	NIL	4,973,985	5,014,536
Residential								
Administrative	459,522	453,542	-	-	-	-	453,542	462,235
Physical plant	323,174	318,607	-	-	-	-	318,607	323,089
Dietary	881,334	864,469	-	-	-	-	864,469	853,812
	1,664,030	1,636,618	NIL	NIL	NIL	NIL	1,636,618	1,639,136
Other								
Conrad Grebel Review	31,642	29,606	-	-	-	-	29,606	31,396
Community education programs	17,500	13,339	-	-	-	-	13,339	12,123
Portfolio management	-	-	-	6,399	-	-	6,399	6,681
Other	25,245	32,226	-	-	-	-	32,226	9,354
	74,387	75,171	NIL	6,399	NIL	NIL	81,570	59,554