

Financial Statements of

**DOUGLAS COLLEGE**

Year ended March 31, 2010



## Report of the Auditor General of British Columbia

*To the College Board of  
Douglas College, and*

*To the Minister of Advanced Education and Labour Market Development  
Province of British Columbia:*

I have audited the statement of financial position of *Douglas College* as at March 31, 2010, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Douglas College* as at March 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures as at March 31, 2009, and for the year then ended were reported upon by a firm of chartered accountants who expressed an opinion without reservation in their report dated May 21, 2009.

*Victoria, British Columbia  
June 17, 2010*

John Doyle, MBA, CA  
Auditor General

# DOUGLAS COLLEGE

## Statement of Financial Position

Year ended March 31, 2010

	2010	2009
		(restated - note 3)
<b>Assets</b>		
Cash and cash equivalents	\$ 26,938,754	\$ 33,821,577
Short term investments	5,000,000	-
Accounts receivable	3,449,072	3,043,582
Prepaid expenses	673,764	395,515
Inventory	579,687	518,194
	36,641,277	37,778,868
Other investments	6,000,000	-
Capital assets (note 4)	112,922,318	110,669,502
<b>TOTAL ASSETS</b>	<b>\$ 155,563,595</b>	<b>\$ 148,448,370</b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued liabilities	\$ 3,390,372	\$ 3,167,704
Salaries and wages payable	2,194,054	1,845,660
Accrued vacation pay	6,236,444	6,077,241
Deferred revenue	5,550,581	5,443,649
	17,371,451	16,534,254
Deferred contributions (note 5)	424,284	840,388
Deferred capital contributions (note 6)	93,611,835	93,350,338
	111,407,570	110,724,980
<b>Net Assets</b>		
Unrestricted	203,004	119,060
Internally restricted (note 7)	30,878,982	26,362,407
Invested in capital assets (note 8)	19,310,483	17,319,164
Unfunded vacation pay	(6,236,444)	(6,077,241)
	44,156,025	37,723,390
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 155,563,595</b>	<b>\$ 148,448,370</b>

Pension plans (note 9)  
Contingencies (note 12)

See accompanying notes to financial statements.

Approved by the Board:

P W

Chair

K Maynes

Vice President, Finance & Administration

# DOUGLAS COLLEGE

## Statement of Operations

Year ended March 31, 2010

	2010	2009
Revenue:		(restated – note 3)
Ministry		
Annual grant	\$ 58,437,274	\$ 54,384,801
Annual capital allowance	1,263,436	2,057,716
Tuition fees	26,190,574	22,668,759
Contracts, contributions and other grants	13,734,453	13,587,519
Amortization of deferred capital contributions	5,223,503	4,953,957
Ancillary	5,395,004	5,009,539
Interest and recoveries	299,200	836,667
Sundry	1,583,846	1,380,244
Student Union Building fees	-	17,135
	112,127,290	104,896,337
Expenses:		
Instruction	63,129,285	58,437,065
Support	29,202,148	28,205,109
Special Purposes service delivery	4,103,782	4,963,259
Cyclical repairs and maintenance	1,471,082	1,260,848
Amortization of capital assets	7,023,358	6,230,025
Contribution to Douglas College Foundation	765,000	545,000
Interest on debt	-	17,135
	105,694,655	99,658,441
Excess of revenue over expenses from operations	\$ 6,432,635	\$ 5,237,896

See accompanying notes to financial statements.

# DOUGLAS COLLEGE

## Statement of Changes in Net Assets

Year ended March 31, 2010

	Unrestricted	Internally restricted	Invested in capital assets (note 8)	Unfunded vacation pay	2010 Total	2009 Total
Balance, beginning of year:						
As previously reported	\$ 119,060	\$ 25,905,573	\$ 17,319,164	\$ (6,077,241)	\$ 37,266,556	\$ 32,485,494
Prior period adjustment (note 3)	-	456,834	-	-	456,834	-
As restated	119,060	26,362,407	17,319,164	(6,077,241)	37,723,390	32,485,494
Excess (deficiency) of revenue over expenses	8,232,490	-	(1,799,855)	-	6,432,635	5,237,896
Net change in invested in capital assets	(3,791,174)	-	3,791,174	-	-	-
Transfers	(4,357,372)	4,516,575	-	(159,203)	-	-
Balance, end of year	\$ 203,004	\$ 30,878,982	\$ 19,310,483	\$ (6,236,444)	\$ 44,156,025	\$ 37,723,390

See accompanying notes to financial statements.

# DOUGLAS COLLEGE

## Statement of Cash Flows

Year ended March 31, 2010

	2010	2009
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 6,432,635	\$ 5,237,896
Items not involving cash:		
Amortization of capital assets	7,023,358	6,230,025
Amortization of deferred capital contributions	(5,223,503)	(4,953,957)
Earnings on sinking fund investments	-	(17,306)
Changes in non-cash operating working capital:		
Accounts receivable	(405,490)	(1,052,214)
Prepaid expenses	(278,249)	17,283
Inventory	(61,493)	113,291
Accounts payable and accrued liabilities	222,668	(2,833,726)
Salaries and wages payable	348,394	(225,973)
Accrued vacation pay	159,203	491,093
Deferred revenue	106,932	478,411
Deferred contributions	(416,104)	840,388
	7,908,351	4,325,211
Investments:		
Acquisition of short term GICs	(5,000,000)	-
Acquisition of long term GICs	(6,000,000)	-
Acquisition of capital assets	(9,276,174)	(4,154,699)
Proceeds on sinking fund investments	-	1,395,272
	(20,276,174)	(2,759,427)
Financing:		
Deferred capital contributions received (note 6)	5,485,000	(49,258)
Repayment of debt	-	(1,485,000)
	5,485,000	(1,534,258)
(Decrease) increase in cash and cash equivalents	(6,882,823)	31,526
Cash and cash equivalents, beginning of year	33,821,577	33,790,051
Cash and cash equivalents, end of year	\$ 26,938,754	\$ 33,821,577

See accompanying notes to financial statements.

# DOUGLAS COLLEGE

Notes to Financial Statements

Year ended March 31, 2010

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## 1. Operations:

Douglas College is a post-secondary educational institution incorporated under the College and Institute Act of British Columbia, and is principally funded by the Province of British Columbia (the "Province") through the Ministry of Advanced Education & Labour Market Development (the "Ministry"). The College is exempt from income tax under the Income Tax Act.

## 2. Significant accounting policies:

### (a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for not-for-profit organizations.

### (b) Fund accounting:

The College follows fund accounting whereby available resources and their related expenses are recorded in separate funds in accordance with determinations made by the Board and limitations and restrictions imposed by sources outside the College. The funds used and their purposes are as follows:

*Operating:* Revenue and expenses related to the general operations of the College.

*Ancillary:* Revenue and expenses relating to the bookstore, parking, cafeteria and vision centre operations.

*Capital:* Receipts and disbursements for acquisition of capital assets.

*Special Purposes:* Contracts for the provision of special services to government and other organizations, grants designated to specific projects and administration of monies designated for other specified purposes. The special purposes fund balance represents the balance of internally restricted funds held pending disbursement.

### (c) Cash and cash equivalents:

Cash and cash equivalents are defined to include highly liquid securities with original terms to maturity of three months or less when purchased.

### (d) Short term investments:

Short term investments is comprised of a Guaranteed Investment Certificate where the maturity date is one year or less.

### (e) Inventory:

Inventory is valued at the lower of cost and net realizable value.

### (f) Other investments:

Other investments are comprised of Guaranteed Investment Certificates where the maturity dates are longer than one year. Currently, the College holds certificates that mature within two and three years.

# DOUGLAS COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 2. Significant accounting policies (continued):

(g) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. On disposal, cost, accumulated amortization and remaining deferred contributions are written down and proceeds taken into the capital fund.

(h) Capital assets:

Capital assets are amortized on a straight-line basis over the following periods which approximate the useful life of the assets:

Asset	Period
Buildings	40 years
Furniture and equipment	5 years

(i) Operating fund net assets internally restricted:

The College is committed to using all resources available to it in furtherance of the College's mission. This includes accumulating and retaining an internally restricted balance to safeguard future operations from unplanned fiscal shortfalls and contingencies. Any use of this balance requires College Board approval. Interest realized on this balance is paid semi-annually to the Douglas College Foundation for distribution as Student Aid.

(j) Deferred revenue:

Deferred revenue – operating fund consists of tuition fees related to the April portion of the winter semester as well as the upcoming summer and fall semesters. Deferred revenue – special purposes fund consists of revenue related to contracts and specific externally funded projects for which costs are yet to be incurred.

(k) Revenue recognition:

Tuition fees and operating grants are recorded as revenue as they are earned through the delivery of courses.

The College follows the deferral method of accounting for contributions. Accordingly, externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets. Unrestricted operating grants are recorded in the period when receivable.

Unrestricted investment income is recognized as revenue when earned.

Contract revenues are recognized in the period in which the related activities are performed. The zero profit margin method is used when a contract's financial outcome is not reasonably determinable. This method of accounting requires that revenue be recognized equal to the related expenses that are incurred under the terms of the contract, until the financial outcome of a contract can be reasonably estimated. When it is determined that a loss under contract is anticipated, revenue is adjusted to fully provide for the loss.



# DOUGLAS COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 2. Significant accounting policies (continued):

### (k) Revenue recognition (continued):

Revenue in the Ancillary Fund is recognized when goods are delivered and services provided.

### (l) Use of estimates:

The preparation of financial statements 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 date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of an allowance for doubtful accounts receivable, the determination of useful lives for purposes of amortization of capital assets and deferred capital contributions and provisions for contingencies. Actual amounts may ultimately differ from these estimates.

### (m) Financial instruments:

The College classifies its financial instruments as held-to-maturity, available-for-sale, held for trading, loans and receivables, or other financial liabilities. All instruments are initially recorded at fair value and are subsequently recorded as follows:

(i) Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost.

(ii) Available-for-sale financial instruments are measured at fair value with unrealized gains and losses recognized in the statement of operations.

(iii) Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized in the statement of operations.

The College classifies its cash and cash equivalents as available-for-sale, its accounts receivable as loans and receivables, its short-term and other investments as held-to-maturity and its accounts payable and accrued liabilities and accrued vacation payable as other liabilities.

Derivative instruments are recorded on the balance sheet at fair value with changes in fair value recognized in the statement of operations. As at March 31, 2010, the College did not have any derivative instruments outstanding that would require recognition.

It is management's estimate that the College is not exposed to significant interest rate, currency or credit risk arising from the financial instruments.

The College has chosen to continue to apply CICA Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*, rather than adopting CICA Handbook Section 3862, *Financial Instruments – Disclosures* and CICA Handbook Section 3863, *Financial Instruments – Presentation* as permitted in these sections for not-for-profit organizations.

# DOUGLAS COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 2. Significant accounting policies (continued):

(n) Future accounting changes:

### Changes in accounting framework:

The College's current financial reporting is based on the CICA Handbook's private entity standards which include the section 4400 series on not-for-profit accounting standards. In March 2010, the Public Sector Accounting Board released an Exposure Draft "Financial Reporting for Government Not-for-Profit Organizations", in which they propose that organizations like the College utilize the Public Sector Accounting Handbook with incorporation of the existing 4400 series of standards. The proposed change would apply beginning in the College's fiscal year ending March 31, 2013 with comparative figures to be provided on that basis for the preceding fiscal year.

## 3. Prior Period Adjustments:

(a) During the prior year the College received a one-time-only grant from the Ministry. The College recorded the grant as deferred revenue. It has since been determined that this grant should be recorded as an operating grant in the prior year. As a result, the College determined the following adjustments were needed to its accounts as at April 1, 2008:

- Ministry, annual grant increased \$456,834;
- Internally restricted net assets increased \$456,834;
- Deferred revenue decreased \$456,834.

(b) Effective April 1, 2008, the College changed its accounting policy to commence amortizing capital asset additions at the time the assets are put into use. The College undertook an analysis to determine the cumulative impact on capital assets, deferred capital contributions and invested in capital assets of previously not amortizing capital assets in the year of acquisition. The College's accounts were adjusted accordingly as at April 1, 2007. Upon further analysis, in the current year, it has been determined that the following adjustments were needed:

- Deferred capital contributions increased \$485,661;
- Accumulated amortization decreased \$485,661;
- Net book value of capital assets increased \$485,661.

# DOUGLAS COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 4. Capital assets:

			2010	2009
	Cost	Accumulated amortization	Net book value	Net book value (restated – note 3)
Land	\$ 4,939,558	\$ -	\$ 4,939,558	\$ 4,939,558
Buildings	146,250,345	48,818,381	97,431,964	95,501,988
Furniture and equipment	25,934,960	17,579,512	8,355,448	7,951,299
Student Union Building	3,211,198	1,015,850	2,195,348	2,276,657
	\$ 180,336,061	\$ 67,413,743	\$ 112,922,318	\$ 110,669,502

## 5. Deferred contributions:

Deferred contributions represent the unspent amount of grants received for the Special Purposes Fund.

	2010	2009
Balance forward from previous year	\$ 840,388	\$ 700,672
Additional contributions received	4,388,538	6,301,717
Amounts recognized as revenue	(4,804,642)	(6,162,001)
	\$ 424,284	\$ 840,388

# DOUGLAS COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 6. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purpose of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2010	2009
		(restated – note 3)
Balance forward from previous year	\$ 93,350,338	\$ 98,353,553
Additional contributions received	5,485,000	(49,258)
Amounts amortized to revenue	(5,223,503)	(4,953,957)
	<u>\$ 93,611,835</u>	<u>\$ 93,350,338</u>

## 7. Internally restricted:

Net assets internally restricted result from operation of the following funds:

	2010	2009
Operating	\$ 2,379,000	\$ 3,466,989
Ancillary	844,000	864,000
Capital	21,666,902	16,972,683
Special purposes	5,989,080	5,058,735
	<u>\$ 30,878,982</u>	<u>\$ 26,362,407</u>

# DOUGLAS COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 8. Net assets invested in capital assets:

(a) Net assets invested in capital assets is calculated as follows:

	2010	2009
		(restated – note 3)
Capital assets, net of accumulated amortization	\$ 112,922,318	\$ 110,669,502
Amounts financed by:		
Deferred capital contributions	(93,611,835)	(93,350,338)
	\$ 19,310,483	\$ 17,319,164

(b) Deficiency of revenues over expenses:

	2010	2009
Amortization of deferred capital contributions	\$ 5,223,503	\$ 4,953,957
Less: amortization of capital assets	(7,023,358)	(6,230,025)
	\$ (1,799,855)	\$ (1,276,068)

(c) Net change in invested capital assets:

	2010	2009
Purchase of capital assets	\$ 9,276,174	\$ 4,154,699
Amounts funded by deferred capital contributions	(5,485,000)	49,258
Change in unspent deferred capital contributions	-	(189,063)
Sinking fund earnings	-	17,306
Proceeds on repayment of sinking fund investments	-	(1,395,272)
Repayment of long-term debt	-	1,485,000
	\$ 3,791,174	\$ 4,121,928

# DOUGLAS COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 9. Pension plans:

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory defined benefit pension plans. The College Pension Plan has approximately 12,000 active members from college senior administration and instructional staff and approximately 3,900 retired members. The Municipal Pension Plan has about 158,000 active members, with approximately 5,400 from colleges.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The most recent valuation for the College Pension Plan as at August 31, 2006 indicated an unfunded liability of \$54 million for basic pension benefits. The next valuation will be as at August 31, 2009 with results available in 2010. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The College paid \$5,098,276 (2009 - \$4,746,928) for employer contributions to the plans in fiscal 2009/2010.

## 10. Related party:

The College is responsible for Douglas College Foundation's (the "Foundation") liabilities and, in fact, key staff in the Foundation are employees of Douglas College; therefore, although the Foundation has a separate Board, the College has significant influence over the Foundation. The Foundation was established to advance education and community services and other charitable activities beneficial to the College. The Foundation is a registered charity under the provisions of the Income Tax Act of Canada. The assets of the Foundation total \$11,313,737 (2009 - \$9,396,861), of which \$10,650,006 (2009 - \$8,884,091) is held as endowments with distribution of donated principal prohibited. All of the remaining funds are held pending distribution in accordance with the donors' terms of reference.

The net assets and results from operations of the Foundation are not included in the statements of the College, but are reported on separately.

Transactions between the College and the Foundation are as follows:

- (a) The Foundation received \$12,775 in 2010 (2009 - \$12,700) for use by Douglas College's Institute of Urban Ecology. These funds are forwarded to the College as received by the Foundation.
- (b) The College contributed \$869,104 (2009 - \$647,885) to the Foundation to support student financial aid. Of this amount, \$765,000 is a direct contribution to Foundation.

# DOUGLAS COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 11. Capital disclosures:

The College is regulated by the Province of British Columbia under the College and Institute Act and, as such, reports to the Ministry. The College is considered a Government Not-for-Profit entity with the Province of B.C. government reporting entity. The College is focused on managing operations within the longstanding resource constraints resulting from inflationary increases, changes to the operating grants, and softened enrolments. The College is working to manage these resource constraints while maintaining appropriate investment spending in physical plant, technology infrastructure, organizational development and program renewal. Given the constraints, any revenues in excess of expenses are retained and reinvested in the operations and technical infrastructure of the College. The College also manages its funds to segregate operating funds from restricted funds and capital funds. This ensures that funds designated for a specified purpose are spent accordingly.

## 12. Contingencies:

There are claims pending in which the College is involved arising in the ordinary course of business. It is considered that the potential claims against the College resulting from such litigation would not materially affect the financial statements of the College. Any difference between the liability accrued by the College related to the claims and the amounts ultimately settled will be recorded in the period in which the claim is resolved.

## 13. Contractual obligations:

The College is undertaking significant construction and restoration activities in the coming year including the construction of the Aboriginal Gathering Place, restoration of the roof decks, washrooms and underground parking at the College. As part of the construction plans, the College has entered into contracts worth \$2,854,000 for fiscal 2011.

In addition, the College has nine property rental leases relating to six locations. Future operating lease payments are as follows:

- Fiscal 2011 \$632,063
- Fiscal 2012 \$375,323
- Fiscal 2013 \$ 83,264
- Fiscal 2014 \$ 88,272

## 14. Comparative figures:

Certain of the 2009 comparative figures have been reclassified to conform with the 2010 financial statement presentation.



## Comments on Supplementary Financial Information

*To the College Board of  
Douglas College, and*

*To the Minister of Advanced Education and Labour Market Development  
Province of British Columbia*

I have audited and reported separately herein on the financial statements of *Douglas College* as at and for the year ended March 31, 2010.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of the College taken as a whole. The current year's supplementary information included in Schedules A through D is presented for purposes of additional analysis and is not a required part of the basic financial statements.

To the extent figures in the supplementary financial information reconcile to figures in the basic financial statements, they have been subjected to the auditing procedures applied in the audit of the basic financial statements. However, I have not otherwise audited or reviewed figures as presented in the supplementary information and, accordingly, I do not express an opinion on the financial information as presented in Schedules A through D.

*Victoria, British Columbia  
June 17, 2010*

John Doyle, MBA, CA  
Auditor General



# DOUGLAS COLLEGE

Operating Fund (Unaudited)

Schedule A

Year ended March 31, 2010

	2010 Budget	2010 Actual	2009 Actual
<b>Revenue:</b>			
Ministry	\$ 56,686,000	\$ 56,770,395	\$ 52,199,036
Tuition fees:			
General credit	15,160,000	16,041,945	14,886,551
International education	5,822,000	7,561,003	5,641,752
Continuing education course fees and grants	2,112,000	2,587,626	2,140,456
The Training Group grants and contracts	7,890,000	8,952,690	7,450,449
Interest	65,000	96,892	233,047
Sundry	1,392,000	1,583,846	1,380,242
Transfer from Ancillary Fund	-	180,811	177,667
	<u>89,127,000</u>	<u>93,775,208</u>	<u>84,109,200</u>
<b>Disbursements:</b>			
Instruction:			
General credit	47,410,400	47,569,349	44,857,053
Continuing education	2,112,000	2,281,216	2,040,183
The Training Group	7,654,000	8,715,615	7,275,197
International education	4,123,000	4,403,902	3,773,539
Support:			
General instruction	6,188,900	6,266,183	6,056,620
Student	6,846,700	6,922,049	6,921,565
Administrative	6,341,400	6,307,706	5,992,942
Facilities	4,877,600	5,199,129	5,027,140
Unallocated	1,964,000	-	-
Transfer to Capital Fund	798,000	798,000	950,000
Transfer to Capital Fund – playing fields	30,000	30,000	30,000
Transfer to Special Purposes Fund:			
The Training Group	236,000	237,075	175,252
Continuing education	-	306,410	100,273
Transfer to Douglas College Foundation	545,000	545,000	445,000
	<u>89,127,000</u>	<u>89,581,634</u>	<u>83,644,764</u>
Change in fund balance		4,193,574	464,436
Fund balance, beginning of year		3,466,989	3,002,553
Transfer to Capital Fund		<u>(5,281,563)</u>	-
Fund balance, end of year		<u>\$ 2,379,000</u>	<u>\$ 3,466,989</u>

# DOUGLAS COLLEGE

Ancillary Fund (Unaudited)

Schedule B

Year ended March 31, 2010

	2010	2009
Bookstore sales	\$ 4,801,751	\$ 4,407,942
Expenses:		
Cost of sales	3,564,844	3,297,205
Salaries	694,494	663,769
Other	61,921	53,578
	<u>4,321,259</u>	<u>4,014,552</u>
Bookstore (net)	480,492	393,390
Other revenue:		
Parking (net)	143,393	202,795
Cafeteria (net)	217,869	165,361
Vision Centre (net)	46,169	41,153
Ancillary operations before interest and recoveries	<u>887,923</u>	<u>802,699</u>
Interest and recoveries	<u>20,832</u>	<u>23,860</u>
Excess of revenue over expenses	908,755	826,559
Transfer:		
Operating Fund	180,811	177,667
Capital fund	444,000	613,000
Douglas College Foundation	220,000	100,000
	<u>844,811</u>	<u>890,667</u>
Change in fund balance	63,944	(64,108)
Fund balance, beginning of year	<u>867,364</u>	<u>931,472</u>
Fund balance, end of year	\$ <u>931,308</u>	\$ <u>867,364</u>
Fund balance consists of:		
Appropriated:		
Legal, severance and early retirement	\$ 150,000	\$ 150,000
Replacement equipment:		
Ancillary services	44,000	44,000
Emergent and insurance	50,000	50,000
Operating capital	500,000	400,000
Douglas College Foundation	100,000	220,000
	<u>844,000</u>	<u>864,000</u>
Unappropriated	<u>87,308</u>	<u>3,364</u>
	\$ <u>931,308</u>	\$ <u>867,364</u>

# DOUGLAS COLLEGE

Capital Fund (Unaudited)

Schedule C

Year ended March 31, 2010

	2010	2009
Revenue:		
Ministry:		
Annual grant	\$ 1,644,000	\$ 1,704,000
Annual capital allowance	1,263,436	1,813,685
Certificates of approval	5,485,000	-
Economic downturn grant	-	456,834
Interest and recoveries	181,476	579,760
Student Union building fees	-	156,941
Transfer from Ancillary Fund	444,000	613,000
Transfer from Operating Fund – playing fields	30,000	30,000
Transfer from Operating Fund – new programs	48,000	200,000
Transfer from Operating Fund – Major Capital Reserve	750,000	-
Transfer from Operating Fund – Renovations Reserve	-	750,000
Transfer from Special Purposes Fund	314,000	-
	<u>10,159,912</u>	<u>6,304,220</u>
Disbursements:		
Capital assets acquired:		
Building additions and renovations	5,558,394	1,171,782
Furniture and equipment	3,717,780	2,982,917
Principal payment – Student Union Building Sinking Fund	-	107,035
Interest on Student Union Sinking Fund	-	17,135
Cyclical repairs and maintenance expense	<u>1,471,082</u>	<u>1,260,848</u>
	<u>10,747,256</u>	<u>5,539,717</u>
Change in fund balance	(587,344)	764,503
Fund balance, beginning of year	16,972,683	16,208,180
Transfer from Operating Fund	<u>5,281,563</u>	<u>-</u>
Fund balance, end of year	<u>21,666,902</u>	<u>16,972,683</u>
Cunnings Field Turf Replacement Reserve	106,142	75,355
Cyclical Maintenance Reserve	4,536,814	4,702,344
Capital Expansion Reserve	14,274,765	8,157,993
Knowledge Infrastructure Program	1,279,843	-
Renovations Reserve	546,309	2,212,331
Internally Committed Funds <sup>(1)</sup>	923,029	1,474,660
David Lam Campus Expansion Reserve	<u>-</u>	<u>350,000</u>
	<u>\$ 21,666,902</u>	<u>\$ 16,972,683</u>

(1) This balance includes funds committed for 2010/11 Operating Capital Budget and funds for future capital projects.

# DOUGLAS COLLEGE

Special Purposes Fund (Unaudited)

Schedule D

Year ended March 31, 2010

	2010	2009
Revenue:		
Ministry:		
Annual grant	\$ 22,879	\$ 24,931
Other grants	1,172,469	1,049,894
Contracts, contribution and other grants	3,609,294	5,087,176
Transfers from Operating Fund	<u>543,485</u>	<u>275,525</u>
	<u>5,348,127</u>	<u>6,437,526</u>
Disbursements:		
Project salaries and benefits	2,350,939	3,087,448
Other disbursements	1,752,843	1,875,811
Transfer to Capital Fund	<u>314,000</u>	<u>-</u>
	<u>4,417,782</u>	<u>4,963,259</u>
Change in fund balance	930,345	1,474,267
Fund balance, beginning of year	<u>5,058,735</u>	<u>3,584,468</u>
Fund balance, end of year	<u>\$ 5,989,080</u>	<u>\$ 5,058,735</u>