

College of New Caledonia
Financial Statements
For the year ended March 31, 2007

**College of New Caledonia
Financial Statements
For the year ended March 31, 2007**

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Auditors' Report

**To the Board of
College of New Caledonia**

We have audited the Balance Sheet of the College of New Caledonia as at March 31, 2007 and the Statements of Operations and Fund Balances and Cash Flows for the year then ended. These financial statements are the responsibility of the College's management. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Vancouver, British Columbia
May 11, 2007

March 31, 2007	Operating	Self-Funded Programs
Assets		
Current		
Cash and short-term deposits	\$ 6,676,104	\$ 883,995
Accounts receivable	1,050,055	-
Inventory	-	-
Prepaid expenses	119,281	-
	<u>7,845,440</u>	<u>883,995</u>
Investments (Note 1)	-	-
Property and Equipment		
Long-term usage rights	-	-
Building and equipment (Note 2)	-	-
	<u>7,845,440</u>	<u>883,995</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 3,516,237	\$ 26,830
Accrued leave entitlement	2,177,034	-
Accrued sick leave	2,193,756	-
Deferred revenue - restricted	1,752,176	-
Deferred revenue - unrestricted	2,148,661	225,584
Current portion of long-term debt (Note 4)	-	-
	<u>11,787,864</u>	<u>252,414</u>
Long-term Liabilities		
Deferred capital grants (Note 3)	-	-
Deferred capital revenue - debt repayment (Note 3)	-	-
Long-term debt (Note 4)	-	-
	<u>11,787,864</u>	<u>252,414</u>
Net Assets		
Investment in Property and equipment	-	-
Internally restricted fund balances (Note 7)	1,979,600	-
Fund balances	(5,922,024)	631,581
	<u>(3,942,424)</u>	<u>631,581</u>
	<u>\$ 7,845,440</u>	<u>\$ 883,995</u>

Approved on behalf of the Board:

_____ Chairman of the Board _____ Bursar

**College of New Caledonia
Balance Sheet**

Capital	Specific Projects Funds	Ancillary Services Funds	2007	2006
\$ 1,125,145	\$ 1,995,742	\$ 950,449	\$ 11,631,435	\$ 7,760,619
-	6,622	94,351	1,151,028	2,409,883
-	-	278,574	278,574	266,142
-	65	-	119,346	203,961
1,125,145	2,002,429	1,323,374	13,180,383	10,640,605
-	2,382,909	-	2,382,909	2,240,629
93,328	-	-	93,328	99,995
48,216,130	-	-	48,216,130	50,109,016
\$ 49,434,603	\$ 4,385,338	\$ 1,323,374	\$ 63,872,750	\$ 63,090,245
\$ -	\$ 450	\$ 48,695	\$ 3,592,212	\$ 4,651,624
-	-	-	2,177,034	2,111,706
-	-	-	2,193,756	2,282,349
733,677	-	-	2,485,853	1,138,469
-	2,101	18,645	2,394,991	2,769,737
22,730	-	-	22,730	22,730
756,407	2,551	67,340	12,866,576	12,976,615
25,294,928	-	-	25,294,928	26,723,583
12,264,126	-	-	12,264,126	12,909,606
2,160,610	-	-	2,160,610	2,205,023
40,476,071	2,551	67,340	52,586,240	54,814,827
8,567,064	-	-	8,567,064	8,348,069
-	-	-	1,979,600	-
391,468	4,382,787	1,256,034	739,846	(72,651)
8,958,532	4,382,787	1,256,034	11,286,510	8,275,418
\$ 49,434,603	\$ 4,385,338	\$ 1,323,374	\$ 63,872,750	\$ 63,090,245

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

For the year ended March 31, 2007	Operating Fund	Self - Funded Programs
Revenue		
Ministry of Advanced Education	\$ 26,948,499	\$ -
Industry Training Authority	3,497,163	-
Amortization of deferred grants (Note 3)	-	-
Tuition fees	6,084,411	1,475,312
Sinking fund earnings	-	-
Other	4,766,649	138,551
	<u>41,296,722</u>	<u>1,613,863</u>
Expenditures		
Salaries and benefits	30,627,136	852,325
Other	7,092,149	567,561
Leases	305,449	-
Cost of sales	-	-
Amortization	-	-
Interest	-	-
	<u>38,024,734</u>	<u>1,419,886</u>
Interfund transfers for capital expenditures	<u>3,271,988</u>	<u>193,977</u>
	(1,292,291)	-
Excess of (deficiency) revenue before change in leave entitlement accrual	1,979,697	193,977
Decrease in leave and sick leave accrual	<u>107,768</u>	<u>-</u>
Excess (deficiency) revenue over expenditures	2,087,465	193,977
Endowment donations, matching grants and adjustments	-	-
Fund balances, beginning of year	(6,029,889)	437,604
Interfund transfers	-	-
Fund balances, end of year	<u>\$ (3,942,424)</u>	<u>\$ 631,581</u>

College of New Caledonia
Statement of Operations and Fund Balances

Capital Fund	Specific Projects Fund	Ancillary Services Fund	2007	2006
\$ -	\$ -	\$ -	\$ 26,948,499	\$ 25,429,702
-	-	-	3,497,163	3,752,212
3,490,968	-	-	3,490,968	3,174,616
-	-	-	7,559,723	7,075,067
21,683	-	-	21,683	19,235
35,860	415,836	2,935,276	8,292,172	9,523,118
3,548,511	415,836	2,935,276	49,810,208	48,973,950
-	(16,449)	624,304	32,087,316	33,074,467
-	312,353	167,107	8,139,170	7,759,987
-	-	-	305,449	516,885
-	-	1,747,799	1,747,799	1,791,200
4,502,593	-	-	4,502,593	4,020,226
-	-	231,750	231,750	231,750
4,502,593	295,904	2,770,960	47,014,077	47,394,515
(954,082)	119,932	164,316	2,796,131	1,579,435
1,292,291	-	-	-	-
338,209	119,932	164,316	2,796,131	1,579,435
-	-	-	107,768	68,732
338,209	119,932	164,316	2,903,899	1,648,167
-	107,193	-	107,193	127,204
8,597,593	4,155,662	1,114,448	8,275,418	6,500,047
22,730	-	(22,730)	-	-
\$ 8,958,532	\$ 4,382,787	\$ 1,256,034	\$ 11,286,510	\$ 8,275,418

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

College of New Caledonia
Statement of Cash Flows

For the year ended March 31, 2007

2007

2006

Cash provided by (used in)

Operating activities

Excess of revenue (expenditures):

Operating fund	\$ 3,271,988	\$ 1,042,222
Self-funded programs	193,977	79,174
Capital fund	(954,082)	225,590
Specific projects	119,932	24,599
Ancillary services	<u>164,316</u>	<u>207,850</u>
	2,796,131	1,579,435
Non-cash items:		
Amortization	4,502,593	4,020,226
Actuarial loss on employee future benefits	173,096	(19,273)
Change in deferred capital grants less amortization	(2,074,135)	7,297,458
Net change in non-cash working capital items	<u>1,155,671</u>	<u>(1,749,341)</u>
	6,553,356	11,128,505

Investing activities

Property and equipment additions	(2,603,040)	(12,549,132)
Purchase of prescribed long-term securities	<u>(142,280)</u>	<u>(61,236)</u>
	(2,745,320)	(12,610,368)

Financing activities

Debt principal payments	(44,413)	(41,965)
Endowment donations, matching grants and adjustments	<u>107,193</u>	<u>127,204</u>
	62,780	85,239

Net cash inflow (outflow) for year **3,870,816** **(1,396,624)**

Cash, beginning of year **7,760,619** **9,157,243**

Cash, end of year **\$ 11,631,435** **\$ 7,760,619**

College of New Caledonia
Summary of Significant Accounting Policies

March 31, 2007

Fund Accounting Although it follows the deferral method of recording restricted contributions, the College segregates activities and balances into funds. The resources, operations and transactions of the College, for accounting and financial reporting and control purposes, are segregated into various funds, each being treated as a separate entity and each complying with the purposes for which it was established.

The following briefly describes each of the funds:

- Operating Fund includes the general operating and administrative activities of the College.
- Self Funded programs reflects activities that are self-funded. International Education activities are recorded in this fund.
- Capital reports the College's investment in property and equipment as well as related financing activities.
- Ancillary Services reports activities relating to the College Store, Food Services, Student Residence, and Parking Services.
- Specific projects reports receipts and disbursements for specific externally restricted purposes such as scholarships and bursaries and trusts funds.

Revenue The College follows the deferral method of accounting for contributions. Restricted grants for capital acquisitions are deferred and amortized to income at the same rate as the underlying asset acquired. In the 1999 fiscal year, a substantial portion of the College's long-term debt was assumed by the Province of British Columbia. The amount of debt assumed has been treated as a contribution from the Province and is being amortized over the average remaining useful life of property and equipment.

Inventory Inventory held for resale is valued at the lower of actual cost and net realizable value. Other inventory, held for consumption, is charged as an expense in the year in which it is acquired.

Investments Investments are recorded at cost. Where management has determined that there is a permanent impairment in the value of an investment it is written down to its market value.

The market values of the investments for the years presented are not significantly different from the cost amounts reported.

**Interest on
Debenture Debt** Interest on debenture debt is recorded on the accrual basis.

College of New Caledonia
Summary of Significant Accounting Policies (continued)

March 31, 2007

Property and equipment

Property and equipment are recorded at cost, or in the case of donated assets, at their fair market value. Long-term usage rights are amortized on a straight line basis over the term of the rights. Buildings and equipment are amortized at the following rates:

Site improvements	-	straight-line basis over 10 years
Buildings, wood frame	-	straight-line basis over 20 years
Buildings, concrete/steel	-	straight-line basis over 40 years
Furniture fixtures and equipment	-	straight-line basis over 5 years
Computer equipment	-	straight-line basis over 2-5 years

Amortization commences in the year subsequent to acquisition or completion of the asset.

Annual Leave

Annual leave entitlement for employees are accrued as they are earned by the employees.

Employee Future Benefits

Sick leave payable on retirement is accrued as earned on a discounted basis based upon estimates of ultimate usage. Sick leave payable on retirement is paid out to three different employee groups to a maximum of 60 days per employee. Employees in two of the employee groups have their sick days eligible for this payout frozen so that no further days can be accumulated. The annual expense is included in salaries and benefits expense and totals \$347,862 for the year (2006 - \$196,123).

Significant assumptions made in the calculation of the value of this liability include:

Average retirement age - 60 yrs (2006 - 60 yrs)
Rate of salary escalation - 2% per annum (2006 - 2% per annum)
Discount rate - 5.4% per annum (2006 - 5.4% per annum)

Deficit Position and Continued Operations

The College and Institute Act of British Columbia does not permit colleges to incur deficits resulting from operations. However, the College is in a significant operating deficit position of \$ 5,922,024 (2006 - \$6,029,889).

This is due, in part, to the funding for accrued leave and sick leave amounts which total \$ 4,370,790 (2006 - \$4,394,055). These amounts will be funded by the Ministry of Advanced Education when paid rather than when accrued. The Ministry therefore has the opinion that accrued entitlement can be added back for purposes of determining the net position from operations.

The continued operation of the College is dependent upon continued support from the Ministry.

College of New Caledonia
Summary of Significant Accounting Policies (continued)

March 31, 2007

Status of College	The College is designated as a post-secondary educational institution under the College and Institute Act of British Columbia (the "Act"), and as such is subject to the terms and conditions of the Act.
Financial Instruments	The College's financial instruments consist of cash and short term deposits, accounts receivable, investments, accounts payable and long term debt. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.
Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

College of New Caledonia
Notes to Financial Statements

March 31, 2007

1. Investments

	2007	2006
Prince George Community Foundation	\$ 231,840	\$ 203,050
Vancouver Foundation	335,000	335,000
Prescribed long-term securities	1,816,069	1,702,580
Total long-term investments	2,382,909	2,240,630
 The following items in the Specific Project Fund also relate to the endowment fund:		
Interest bearing bank account	1,216,380	1,180,499
Accounts receivable less accounts payable	(12,883)	(21,807)
	\$ 3,586,406	\$ 3,399,322

The College has established a permanent endowment fund to provide income from which scholarships and bursaries can be awarded to students at the College. The capital of the fund is provided partly from designated funds, partly through donations from third parties and partly by matching government or other grants; the capital cannot be used for any other purpose.

Long-term investments are comprised mainly of Federal, Provincial and Municipal bonds. Effective interest rates on the bonds are between 2.9% and 6.5% (2006 - 2.7% and 7.3%) with maturities between 2008 and 2017.

2. Property and Equipment

	2007		2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Site improvements	\$ 227,113	\$ 181,688	\$ 45,425	\$ 68,134
Buildings	56,684,510	17,296,871	39,387,639	27,513,985
Furniture and equipment	16,582,766	8,441,600	8,141,166	8,347,142
Land	641,900	-	641,900	641,900
Work-in-progress	-	-	-	13,537,855
	\$ 74,136,289	\$ 25,920,159	\$ 48,216,130	\$ 50,109,016

College of New Caledonia
Notes to Financial Statements

March 31, 2007

3. Deferred Capital Grants

	2007	2006
Deferred capital grants, balance beginning of year	\$ 26,723,583	\$ 18,780,645
Capital grants used to finance acquisition of assets	1,416,834	10,472,074
Amortization to revenue	(2,845,489)	(2,529,136)
Deferred capital grants, balance end of year	\$ 25,294,928	\$ 26,723,583
Deferred capital revenue - debt repayment, balance beginning of year	\$ 12,909,606	\$ 13,555,086
Amortization to revenue	(645,480)	(645,480)
Deferred capital revenue - debt repayment, balance, end of year	\$ 12,264,126	\$ 12,909,606

4. Long-term Debt

The following schedules long-term debt outstanding as at the end of the fiscal year:

	2007	2006
Student residence sinking fund debenture	\$ 2,575,000	\$ 2,575,000
Accumulated sinking fund balances	(391,660)	(347,247)
	2,183,340	2,227,753
Less current portion	(22,730)	(22,730)
	\$ 2,160,610	\$ 2,205,023

The student residence loan bears interest at 9.0% per annum and matures in August 2024. Sinking fund payments required in the next five years are \$22,730 per annum.

College of New Caledonia
Notes to Financial Statements

March 31, 2007

5. Commitments

(a) Operating Leases

The College is committed to total minimum rentals, under operating leases, for office premises for each of the following fiscal years:

2008	126,341
2009	86,460
2010	86,460
2011	<u>57,640</u>
	<u>\$ 356,901</u>

(b) Purchase Orders

Purchase orders outstanding for goods and services not received prior to the fiscal year end total:

	<u>2007</u>	<u>2006</u>
Operating fund	\$ 412,962	\$ 225,082
Capital fund	181,793	45,363
Other funds	<u>23,290</u>	<u>11,311</u>
	<u>\$ 618,045</u>	<u>\$ 281,756</u>

March 31, 2007

6. Pension Plan

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 multiemployer contributory pension plans. Basic pension benefits provided are defined. The College Pension Plan has about 11,000 active members from college senior administration and instructional staff and approximately 3,200 retired members. The Municipal Pension Plan has about 130,000 active members, with approximately 4,900 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, 2003 indicated an unfunded liability of \$50 million for basic pension benefits. The next valuation will be as at August 31, 2006 with results available in 2007. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. Contributions made to the plans for the year by the College totaled \$1,875,511 (2006 - \$1,872,228) and by employees totaled \$1,817,219 (2006 - \$1,800,750).

7. Internally Restricted Fund Balance

The restricted fund balance reflects funds that have been internally restricted by the Board of Directors for specific activities.

College of New Caledonia
Schedule 1
Operating Fund Revenue
(Unaudited)

For the year ended March 31, 2007	2006/2007 Budget	2006/2007 Actual	2005/2006 Actual
Regular programs			
Ministry of Advanced Education and ITA	\$ 27,224,528	\$ 30,287,708	\$ 28,937,413
Tuition	4,898,410	4,749,387	4,639,767
Other			
Technology fees	150,000	130,973	57,480
Daycare	95,500	94,929	99,680
Dental Clinic	21,000	26,072	22,087
Interest	155,700	315,175	167,865
Printroom	45,620	36,296	38,191
Registration fees	186,885	169,274	175,987
Resource Centre	24,800	27,602	26,916
Room rentals	37,650	48,550	48,069
Student services	16,490	20,634	24,169
Sundry	96,540	315,645	443,377
	830,185	1,185,150	1,103,821
	32,953,123	36,222,245	34,681,001
Special and Temporary Programs			
Ministry of Advanced Education	-	157,954	244,501
Tuition	1,397,980	1,335,024	1,116,335
Contract Services	3,164,073	3,230,804	3,436,869
Other	149,569	350,695	213,346
	4,711,622	5,074,477	5,011,051
Total revenue	\$ 37,664,745	\$ 41,296,722	\$ 39,692,052

College of New Caledonia
Schedule 2
Operating Fund Expenditures
(Unaudited)

For the year ended March 31, 2007	2006/2007 Budget	2006/2007 Actual	2005/2006 Actual
Regular Programs			
Instructional - Direct			
Vice President Academic	\$ 1,087,458	\$ 900,635	\$ 1,060,923
Arts and Science	3,804,342	3,724,970	3,738,663
Business and Technologies	2,376,849	2,464,966	2,815,987
College Foundations	2,561,620	2,564,348	2,271,894
Community, Industry, & Business Initiatives	235,902	208,505	268,267
Health Sciences and Social Services	3,216,996	3,038,413	2,794,210
Student Support Services	321,784	305,067	510,781
Trades	3,400,827	3,460,255	2,950,134
	<u>17,005,778</u>	<u>16,667,159</u>	<u>16,410,859</u>
Instructional - Regions			
Burns Lake	1,192,633	1,294,135	1,178,497
Mackenzie	660,507	696,098	610,969
Nechako	523,396	509,687	580,585
Quesnel	1,995,787	2,088,871	2,054,399
Valemount	209,803	218,648	207,821
Other regional	22,356	23,316	21,345
	<u>4,604,482</u>	<u>4,830,755</u>	<u>4,653,616</u>
Instructional - Support			
Information Technology Services	1,630,325	1,351,355	1,491,534
Resource Centre	1,008,375	1,034,913	1,061,739
Sports and Recreation	181,958	180,465	188,070
Student Services	1,768,501	1,807,607	1,848,575
	<u>4,589,159</u>	<u>4,374,340</u>	<u>4,589,918</u>
Administration			
Facility Services	2,889,410	3,013,725	2,909,696
College Board	87,650	94,527	68,759
Financial Services	907,685	969,548	916,307
Fundraising	57,510	91,891	53,540
Human Resources	1,670,606	1,734,268	2,792,791
President	511,243	405,726	456,023
Purchasing	280,396	282,302	255,458
Marketing and Enrollment Services	580,197	643,027	445,469
	<u>6,984,697</u>	<u>7,235,014</u>	<u>7,898,043</u>
Balance carried forward	\$ 33,184,116	\$ 33,107,268	\$ 33,552,436

College of New Caledonia
Operating Fund
Schedule 2 - Departmental Expenditures - Continued
(Unaudited)

For the year ended March 31, 2007	2006/2007 Budget	2006/2007 Actual	2005/2006 Actual
Balance brought forward	\$ 33,184,116	\$ 33,107,268	\$ 33,552,436
Special and Temporary Programs			
Contract Services	2,352,602	2,776,834	3,173,879
Continuing Education	818,480	857,632	634,186
General Interest	26,766	45,466	42,685
Other	147,569	154,758	158,028
Administration	1,134,118	1,082,776	1,088,616
	<u>4,479,535</u>	<u>4,917,466</u>	<u>5,097,394</u>
Operating fund capital contributions	<u>-</u>	<u>1,292,291</u>	<u>1,040,546</u>
Total expenditures before leave entitlement accrual	37,663,651	39,317,025	39,690,376
Increase (decrease) in annual leave and sick leave accrual	<u>-</u>	<u>(107,768)</u>	<u>(68,732)</u>
Total expenditures	<u>\$ 37,663,651</u>	<u>\$ 39,209,257</u>	<u>\$ 39,621,644</u>

For the year ended March 31, 2007

	Special Program
Revenue	
Ministry of Advanced Education	\$ 17,863
Donations	16,160
Other	<u>47,246</u>
	<u>81,269</u>
Expenditures	
Scholarships and bursaries	-
Salaries and benefits	(16,449)
Sundry	<u>107,818</u>
	<u>91,369</u>
Excess of revenue over expenditures	(10,100)
Endowment donations and matching grants	-
Funds at beginning of year	<u>561,859</u>
Funds at end of year	<u>\$ 551,759</u>

College of New Caledonia
Specific Projects Fund
Schedule 3 - Statement of Revenue and Expenditures
(Unaudited)

	Special Employment Programs	Scholarship and Bursaries	Endowment Fund	Emergency Student Loan Fund	2007	2006
\$	-	\$ 87,961	\$ -	\$ -	\$ 105,824	\$ 61,668
	-	78,325	54,856	-	149,341	76,422
	-	2,610	218,008	-	267,864	492,104
	-	168,896	272,864	-	523,029	630,194
	-	75,107	85,780	-	160,887	182,005
	-	-	-	-	(16,449)	91,635
	-	42,948	-	700	151,466	331,955
	-	118,055	85,780	700	295,904	605,595
	-	50,841	187,084	(700)	227,125	24,599
	-	-	-	-	-	127,204
	(1,141)	150,753	3,399,322	44,869	4,155,662	4,003,859
\$	(1,141)	\$ 201,594	\$ 3,586,406	\$ 44,169	\$ 4,382,787	\$ 4,155,662

Further description of Endowment Fund transactions is provided on Schedule 4.

College of New Caledonia
Endowment Fund
Schedule 4 - Statement of Revenue and Expenditures
(Unaudited)

For the year ended March 31, 2007	2006/2007 Capital	2006/2007 Income	2006/2007 Total
Revenue			
Interest	\$ -	\$ 165,671	\$ 165,671
Other	-	-	-
	<u>-</u>	<u>165,671</u>	<u>165,671</u>
Expenditure			
Scholarships and bursaries	-	85,780	85,780
	<u>-</u>	<u>85,780</u>	<u>85,780</u>
Excess of revenue over expenditure	-	79,891	79,891
Endowment contributions			
College Matching Funds	48,717	-	48,717
Donations	58,476	-	58,476
Fund balance, beginning of year	3,256,093	143,229	3,399,322
Fund transfer	<u>69,461</u>	<u>(69,461)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,432,747</u>	<u>\$ 153,659</u>	<u>\$ 3,586,406</u>

Note: The capital of the Endowment Fund is held in perpetuity for the purpose of generating income out of which scholarships and bursaries can be paid. Income in excess of the amounts so paid is added to the capital from time to time. See Note 1 of the financial statements which deals with the investments of the Endowment Fund.