

Consolidated Financial Statements of

CAPILANO COLLEGE

Year ended March 31, 2008



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AUDITORS' REPORT

To the Board of Directors
Capilano College

We have audited the consolidated statement of financial position of Capilano College as at March 31, 2008 and the consolidated statements of operations and net assets, changes in net assets 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.

Except as explained in the following paragraph, 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 common with many non-profit organizations, the College derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the College and we were not able to determine whether any adjustments might be necessary to donations, gifts in kind, excess of revenues over expenses, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations as outlined in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2008 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, Canada

May 30, 2008

CAPILANO COLLEGE

Consolidated Statement of Financial Position

March 31, 2008, with comparative figures for 2007

	General Fund	Operating Sponsored Fund	Special Designation Fund	Ancillary Services Fund	Capital Fund	Foundation	Total	
							2008	2007
Assets								
Current assets:								
Cash and cash equivalents	\$ 14,898,522	\$ -	\$ -	\$ -	\$ -	\$ 2,815,648	\$ 17,714,170	\$ 27,762,161
Accounts receivable	2,110,861	-	-	13,572	-	19,693	2,144,126	4,195,382
Inventory	-	-	-	638,897	-	-	638,897	526,569
Prepaid expenses	75,315	-	-	-	-	-	75,315	185,661
Total current assets	17,084,698	-	-	652,469	-	2,835,341	20,572,508	32,669,773
Investments (note 3)	14,827,874	-	-	-	-	3,303,758	18,131,632	3,185,156
Capital assets (note 5)	-	-	-	-	59,743,963	-	59,743,963	61,191,662
Interfund	(18,686,513)	12,802,924	551,548	2,717,378	3,144,427	(529,764)	-	-
Total assets	\$ 13,226,059	\$ 12,802,924	\$ 551,548	\$ 3,369,847	\$ 62,888,390	\$ 5,609,335	\$ 98,448,103	\$ 97,046,591
Liabilities and Net Assets								
Current liabilities:								
Accounts payable and accrued liabilities (notes 6 and 7)	\$ 10,796,964	\$ -	\$ -	\$ 1,334	\$ 265,972	\$ -	\$ 11,064,270	\$ 12,749,402
Deferred revenue (note 6)	2,899,176	1,367,249	-	-	1,385,701	645,527	6,297,653	4,085,034
Total current liabilities	13,696,140	1,367,249	-	1,334	1,651,673	645,527	17,361,923	16,834,436
Deferred capital contributions (note 8)	-	-	-	-	42,799,871	-	42,799,871	46,000,576
Net assets:								
Invested in capital assets (note 5)	-	-	-	-	16,944,092	-	16,944,092	15,191,086
Internally restricted	-	-	551,548	-	-	-	551,548	3,616,739
Endowment	-	-	-	-	-	5,204,648	5,204,648	4,245,182
Unrestricted	(470,081)	11,435,675	-	3,368,513	1,492,754	(240,840)	15,586,021	11,158,572
Total net assets	(470,081)	11,435,675	551,548	3,368,513	18,436,846	4,963,808	38,286,309	34,211,579
Total liabilities and net assets	\$ 13,226,059	\$ 12,802,924	\$ 551,548	\$ 3,369,847	\$ 62,888,390	\$ 5,609,335	\$ 98,448,103	\$ 97,046,591

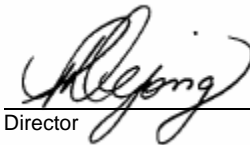
(Restated
- note 6)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:



Director



Director

CAPILANO COLLEGE

Consolidated Statement of Operations and Net Assets

Year ended March 31, 2008, with comparative figures for 2007

	General Fund	Operating Sponsored Fund	Special Designation Fund	Ancillary Services Fund	Capital Fund	Foundation	Total	
							2008	2007
								(Restated - note 6)
Revenue:								
Grants from the Province of British Columbia	\$ 37,554,892	\$ 1,984,436	\$ -	\$ 1,981	\$ -	\$ -	\$ 39,541,309	\$ 37,429,525
Amortization of deferred capital contributions	-	-	-	-	3,200,705	-	3,200,705	4,537,695
Tuition fees	16,324,128	6,855,438	-	-	-	-	23,179,566	22,738,589
Project revenue, other fees and revenue	620,918	3,860,079	-	27,500	-	4,347	4,512,844	4,396,659
Investment income	1,424,434	68	-	-	-	228,194	1,652,696	1,132,254
Sales of goods	-	-	-	2,523,324	-	-	2,523,324	2,687,720
Parking, daycare and theatre	-	408,783	-	1,225,619	-	-	1,634,402	1,568,115
Donations and gifts in kind (note 9)	-	-	-	-	-	816,613	816,613	628,157
	55,924,372	13,108,804	-	3,778,424	3,200,705	1,049,154	77,061,459	75,118,714
Expenses:								
Salaries and benefits	47,154,020	5,330,134	-	1,024,837	-	-	53,508,991	53,847,748
Cost of goods sold	-	-	-	1,854,044	-	-	1,854,044	1,874,815
Buildings and grounds maintenance	2,242,015	-	-	-	424,041	-	2,666,056	2,997,835
Student support activities	200,416	696,767	-	-	-	367,500	1,264,683	1,250,241
International program expenses	-	861,827	-	-	-	-	861,827	1,260,965
Other operating expenses	5,981,167	1,837,900	-	191,286	-	46,347	8,056,700	7,268,875
Amortization of capital assets	-	-	-	-	4,774,428	-	4,774,428	5,097,502
	55,577,618	8,726,628	-	3,070,167	5,198,469	413,847	72,986,729	73,597,981
Excess (deficiency) of revenue over expenses	346,754	4,382,176	-	708,257	(1,997,764)	635,307	4,074,730	1,520,733
Net assets, beginning of year:								
As previously reported	1,620,589	8,307,509	3,616,739	3,304,471	15,220,724	3,808,333	35,878,365	34,290,842
Adjustment for timing of recognition of international tuition and exceptional fees for spring term (note 6)	(380,731)	(616,055)	-	-	-	-	(996,786)	(929,996)
Adjustment for payroll benefits accrual (note 6)	(670,000)	-	-	-	-	-	(670,000)	(670,000)
As restated	569,858	7,691,454	3,616,739	3,304,471	15,220,724	3,808,333	34,211,579	32,690,846
Transfers between funds	(1,386,693)	(637,955)	(3,065,191)	(644,215)	5,213,886	520,168	-	-
Net assets, end of year	\$ (470,081)	\$ 11,435,675	\$ 551,548	\$ 3,368,513	\$ 18,436,846	\$ 4,963,808	\$ 38,286,309	\$ 34,211,579

See accompanying notes to consolidated financial statements.

CAPILANO COLLEGE

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2008, with comparative figures for 2007

	Unrestricted	Internally restricted	Endowment	Invested in capital assets (note 5)	Total	
					2008	2007 (Restated - note 6)
Net assets, beginning of year:						
As previously reported	\$ 12,825,358	\$ 3,616,739	\$ 4,245,182	\$ 15,191,086	\$ 35,878,365	\$ 34,290,842
Adjustment for timing of recognition of international tuition and exceptional fees for spring term (note 6)	(996,786)	-	-	-	(996,786)	(929,996)
Adjustment for payroll benefits accrual (note 6)	(670,000)	-	-	-	(670,000)	(670,000)
As restated	11,158,572	3,616,739	4,245,182	15,191,086	34,211,579	32,690,846
Excess (deficiency) of revenue over expenses	4,688,987	-	959,466	(1,573,723)	4,074,730	1,520,733
Transferred out of restricted	3,065,191	(3,065,191)	-	-	-	-
Investment in capital assets	(3,326,729)	-	-	3,326,729	-	-
Net assets, end of year	\$ 15,586,021	\$ 551,548	\$ 5,204,648	\$ 16,944,092	\$ 38,286,309	\$ 34,211,579

See accompanying notes to consolidated financial statements.

CAPILANO COLLEGE

Consolidated Statement of Cash Flows

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Cash and cash equivalents provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 4,074,730	\$ 1,520,733
Items not involving cash:		
Amortization of capital assets	4,774,428	5,097,502
Amortization of deferred capital contributions	(3,200,705)	(4,537,695)
Unrealized gain on financial instruments	(206,826)	-
Net change in non-cash working capital	2,576,761	1,433,539
	8,018,388	3,514,079
Financing:		
Deferred capital contributions received	-	2,654,948
Investments:		
Capital asset acquisitions	(3,326,729)	(3,565,363)
Purchase of investments (net of dispositions)	(14,739,650)	(107,740)
	(18,066,379)	(3,673,103)
Increase (decrease) in cash and cash equivalents	(10,047,991)	2,495,924
Cash and cash equivalents, beginning of year	27,762,161	25,266,237
Cash and cash equivalents, end of year	\$ 17,714,170	\$ 27,762,161

See accompanying notes to consolidated financial statements.

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

1. Operations:

Capilano College (the "College") is a post-secondary educational institution funded by the Provincial Government and incorporated under the College and Institute Act of British Columbia. The College is registered as a charitable organization under the Income Tax Act and is exempt from income tax.

These consolidated financial statements incorporate the financial position and results of operations and changes in net assets and cash flows of the College and its controlled society, the Capilano College Foundation (the "Foundation"). The purpose of the Foundation is to raise funds for student financial assistance, capital need, and program development at Capilano College. The Foundation is registered as a charitable organization under the Income Tax Act and is exempt from income taxes.

2. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the College have been prepared by management in accordance with Canadian generally accepted accounting principles.

(b) Fund accounting:

The resources and operations of the College have been segregated for accounting and financial reporting purposes into the following funds:

- (i) General Fund - includes general instructional, administrative and other operational activities of the College.
- (ii) Operating Sponsored Fund - reflects revenues and direct expenses associated with running projects funded by outside sponsors for specific purposes and revenues and direct expenses associated with tuition from international students and projects funded by outside sponsors for specific purposes.
- (iii) Special Designation Fund - reflects funds from various sources that have been internally restricted by the Board of Directors for specific activities.
- (iv) Ancillary Services Fund - reflects transactions undertaken for the on-going operation of the College's ancillary activities including bookstore, day care, and parking.
- (v) Capital Fund - reflects transactions of a capital nature including acquisition, disposal, financing and amortization of capital assets.
- (vi) Foundation - represents the accounts and funds of the Foundation, which include: the Capilano College Foundation Endowment Fund, which consists of amounts donated to the Foundation with the restriction that the capital portion be held in perpetuity; the Capilano College Foundation Restricted Fund, which represents amounts donated to the Foundation which are not to be held intact in perpetuity but for which the donor has requested certain specific uses; and the Capilano College Foundation Unrestricted Fund, which represents donations that can be spent at the discretion of the Foundation. Income earned on the Endowment Fund is restricted for specific distributions and recorded as deferred revenue until disbursed.

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

2. Significant accounting policies (continued):

(c) Revenue recognition:

Tuition fees are deferred to the extent that they relate to courses that will be held in the next fiscal year.

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

Unrestricted contributions are recorded as revenue in the period they are received.

Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred or the restrictions are met.

Externally restricted capital contributions are recorded as deferred revenue in the Capital Fund until the amount is invested in capital assets. Contributions for capital assets that will be amortized are transferred to unamortized deferred capital contributions in the period the asset is acquired. Contributions for capital assets that will not be amortized, such as land, are not transferred to unamortized deferred capital contributions or recognized as revenue, but are recorded as direct increases in net assets in the period the asset is acquired. Capital donations of depreciable assets that would otherwise be purchased are accounted for as deferred capital contributions at fair value when a fair value can be reasonably estimated.

Deferred capital contributions are recognized as revenue on the same basis as the related capital assets are amortized to indicate how the amortization expense has been funded. Unamortized deferred capital contributions relating to capital assets disposed of are recognized as revenue in the period of disposal, provided all restrictions have been complied with.

Government grants are accounted for as unrestricted contributions or externally restricted contributions in accordance with the terms of funding.

Project revenue and expenses are recognized as 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 equal amounts of revenue and expense be recognized until the financial outcome of a contract can be reasonably estimated. Provision for anticipated losses is made in the period in which they become evident.

(d) Cash and cash equivalents:

Cash and cash equivalents consist of cash and short-term instruments with a maturity date of less than ninety days from acquisition.

(e) Inventory:

Inventory, consisting of books and materials held in the bookstore for sale, is recorded at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out basis. Acquisition of supplies used in operations is charged as an expense at the time of purchase.

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

2. Significant accounting policies (continued):

(f) Investments:

Investments are classified as held for trading (note 2(l)) and are recorded at market value.

(g) Capital assets:

Capital assets are stated at cost less accumulated amortization. Amortization begins at the estimated date of acquisition and is provided on a straight-line basis over their estimated useful lives as follows:

Buildings, concrete/steel	40 years
Buildings, wood frame	20 years
Computer equipment	4 years
Furniture, fixtures and equipment	5 years
Library books	10 years
Public works	10 years
Software	3 years
Vehicles	4 years

(h) Fund transfers and interfund balances:

Fund transfers are approved by the College Board. Interfund balances do not bear interest and are without specific terms of repayment.

(i) 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Specific areas of estimate include the rate of amortization of capital assets and the related deferred capital contributions, the timing of recording contract revenue and the valuation of accounts receivable. Actual results could differ from those estimates.

(j) Comparative figures:

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

2. Significant accounting policies (continued):

(k) Adoption of new accounting standards:

On April 1, 2007, the College adopted CICA Handbook Section 3855, *Financial Instruments - Recognition and Measurement* and Section 3861, *Financial Instruments - Disclosure and Presentation*. Financial instruments are defined as a contractual right to either receive or deliver cash or another financial instrument to another party.

Section 3861 establishes standards for disclosure and presentation of financial instruments and non-financial derivatives. Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet, and the amount at which these items should be recorded. Under the new standard, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale or other financial liabilities.

As required, these standards have been applied prospectively. There was no impact on opening net assets at April 1, 2007.

(l) Financial instruments:

Held for trading:

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 *Financial Instruments - Recognition and Measurement*. The College has designated cash and long-term investments as held for trading. These instruments are initially recognized at cost. Upon adoption of the new financial instruments accounting standard, they are recognized at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income. Net gains and losses arising from changes in fair value are recognized immediately in income.

Loans and receivables:

The College has classified accounts receivable as loans and receivables. This asset is initially recognized at its fair value. Fair value is approximated by the instruments initial cost in a transaction between unrelated parties.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

Other financial liabilities:

The College has classified accounts payable and accrued liabilities as other financial liabilities. This liability is initially recognized at its fair value. Fair value is approximated by the instruments initial cost in a transaction between unrelated parties.

Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

2. Significant accounting policies (continued):

(m) Future changes in accounting standards:

(i) Financial instruments:

Commencing with the fiscal year beginning April 1, 2008, the College will be adopting CICA Handbook Section 3862, "Financial Instruments - Disclosures" and Section 3863, "Financial Instruments - Presentation". These standards revise the current standards on financial instruments disclosure and presentation and place an increased emphasis on disclosures regarding the risks associated with both recognized and unrecognized financial instruments and how these risks are managed.

(ii) Inventories:

The CICA issued Section 3031, "Inventories", which will replace Section 3030, "Inventories". This new standard is effective for fiscal years beginning on or after July 1, 2007, and hence will be effective for the College on April 1, 2008. Section 3031 provides more extensive guidance on measurement, and expands disclosure requirements transparency.

Management is currently determining the impact of the adoption of these standards on the financial statements for the 2009 fiscal year.

3. Investments:

Investments as at March 31 are comprised as follows:

	2008	2007	
	Market	Cost	Market
Long-term portfolio	\$ 18,301,301	\$ -	\$ -
Amount held in cash	(3,473,427)	-	-
	14,827,874	-	
Pooled Funds:			
Money Market Fund	3,303,758	3,185,156	3,181,187

Pooled funds consist of investments held and managed by CIBC Private Wealth Management and HSBC Asset Management (Canada) Ltd. The long term portfolio was established February 1, 2008 and is managed by Genus Capital Management.

4. Investment income:

Included in investment income is an unrealized gain of \$206,826 resulting from the measurement of held for trading financial instruments as at March 31, 2008.

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

5. Capital assets and net assets invested in capital assets:

Summary of cost and net book value:

			2008	2007
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 8,049,327	\$ -	\$ 8,049,327	\$ 8,049,327
Buildings	77,668,579	33,056,891	44,611,688	46,303,662
Computer equipment	4,825,662	2,595,212	2,230,450	1,803,548
Library books	1,554,627	900,477	654,150	725,569
Media equipment	306,644	181,038	125,606	117,606
Other furniture and equipment	3,823,485	1,958,030	1,865,455	1,701,329
Public works	4,599,221	2,987,715	1,611,506	2,071,427
Software	1,212,400	632,592	579,808	391,134
Vehicles	71,140	55,167	15,973	28,060
	\$ 102,111,085	\$ 42,367,122	\$ 59,743,963	\$ 61,191,662

Net assets invested in capital assets is calculated as follows:

	2008	2007
Capital assets, net of accumulated amortization	\$ 59,743,963	\$ 61,191,662
Amounts funded by:		
Deferred capital contributions	(42,799,871)	(46,000,576)
	\$ 16,944,092	\$ 15,191,086

Changes in net assets invested in capital assets is calculated as follows:

	2008	2007
Excess of revenue over expenses:		
Amortization of deferred capital contributions	\$ 3,200,705	\$ 4,537,695
Amortization of capital assets	(4,774,428)	(5,097,502)
	(1,573,723)	(559,807)
Net change in investment in capital assets:		
Capital asset acquisitions	3,326,729	3,565,363
Capital contributions spent from deferred revenue	-	(2,654,948)
	3,326,729	910,415
	\$ 1,753,006	\$ 350,608

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

6. Prior year adjustments:

(a) Tuition revenue:

The College has changed its policy over the timing of recognition of revenue relating to international and exceptional tuition fees. Previously, the full amount of the spring term tuition revenue was recognized upon registration.

In the current year, the College has changed this policy to defer the revenue not yet earned as at March 31.

(b) Payroll benefits accrual:

The College has changed its policy over the inclusion of certain benefits in the calculation and accrual of vacation and overtime payable. Previously, there was no benefit amount accrued with respect to vacation and overtime payable. In the current year, the College has changed this policy to include payments for Municipal and College Pension, Canada Pension Plan, Employment Insurance, and Workers Compensation.

As a result of this change, opening net assets in fiscal 2007 decreased and accounts payable and accrued liabilities increased by \$670,000 over the amounts previously reported. The impact on the operating results for 2008 and 2007 is not material.

The changes noted in (a) and (b) above have been applied retrospectively and have the following impact to the 2007 financial statements.

(i) Deferred revenue:

As previously reported	\$ 3,088,248
Adjustment	996,786
<u>As restated</u>	<u>\$ 4,085,034</u>

(ii) Total net assets:

March 31, 2006, as previously reported	\$ 34,290,842
Adjustment related to deferred tuition	(929,996)
Adjustment related to payroll benefits accrual	(670,000)
<u>March 31, 2006, as restated</u>	<u>32,690,846</u>
Excess of revenue over expenses for the year ended March 31, 2007, as previously reported	1,587,523
Adjustment related to deferred tuition	(66,790)
<u>Excess of revenue over expenses for the year ended March 31, 2007, as restated</u>	<u>1,520,733</u>
<u>Net assets, March 31, 2007, as restated</u>	<u>\$ 34,211,579</u>

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

7. Accrued vacation:

As at March 31, 2008, accrued vacation and related benefits payable is approximately \$3,800,000 (2007 - \$3,600,000) and is included in general fund accounts payable. The expense related to the accrual is unfunded.

8. Deferred capital contributions:

Deferred capital contributions represent unamortized external funding that was restricted for the purchase of capital assets. Unamortized amounts which will be recognized as revenue in future periods are as follows:

	2008	2007
Balance, beginning of year	\$ 46,000,576	\$ 47,883,323
Capital contributions spent from deferred revenue	-	2,654,948
Amounts amortized to revenue	(3,200,705)	(4,537,695)
Balance, end of year	\$ 42,799,871	\$ 46,000,576

9. Gifts in kind:

Gifts in kind represent physical assets and services donated to the Foundation to support College programs. Gifts in kind are recorded at the estimated fair market value at date of receipt.

10. Land purchase and remediation obligation:

During the year ended March 31, 2005, the College purchased land with a total recorded cost of \$1,878,444. The Ministry of Advanced Education contributed \$1,646,038 in cash towards this acquisition. The acquisition price of the land was reduced by \$295,000 representing required remediation costs approximating this amount. The difference was recorded as a liability due to the legal requirement to perform the remediation. As remediation costs are incurred, this liability will be reduced accordingly. As of March 31, 2008, \$29,488 of remediation costs have been incurred. The remaining \$265,512 will be incurred as development of the land is undertaken. The timing of the development is uncertain.

11. 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 pension plans. Basic pension benefits provided are defined. The College Pension Plan has about 11,245 active members from college senior administration and instructional staff and approximately 3,500 retired members. The Municipal Pension Plan has about 145,000 active members, with approximately 5,000 from colleges.

CAPILANO COLLEGE

Notes to Consolidated Financial Statements

Year ended March 31, 2008

11. Pension plans (continued):

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.

Contributions made to the plans by Capilano College for the year totaled \$3,363,943 (2007 - \$3,124,116).