



NORTHERN LAKES COLLEGE



ANNUAL REPORT 2014-15



Northern
Lakes
College

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INSTITUTIONAL CONTEXT

MISSION

With respect for cultures and the needs of communities, Northern Lakes College provides quality educational programs and services which enable adults to continue their education, to improve their employment opportunities, and to enhance their quality of life.

VISION

Northern Lakes College will be recognized as a first choice community-based college with the most accessible programs and services in Alberta.

VALUES

- **Community:** Students and the College receive guidance from the community. Community capacity grows from the success of students. Engagement with community stakeholders contributes to increased access, quality, and sustainability.
- **Respect:** Northern Lakes College values and honours cultural diversity. Students and employees are entitled to learning services that respect their culture, abilities and circumstances.
- **Accessibility:** Accessible education and support services provide opportunities for students and employees to succeed in their learning, employment, and personal endeavours. Access includes a variety of program entrance options and program laddering to further education.
- **Collaboration:** Working together with stakeholders is fundamental to the success of our students and our college.
- **Excellence:** Quality services contribute to employee and student excellence.
- **Lifelong Learning:** Within communities and organizations, lifelong learning is essential to the development of students, employees, and families.

INSTITUTIONAL CONTEXT

MANDATE STATEMENT

Northern Lakes College is a public, board governed college operating as a Comprehensive Community Institution under the authority of the Post-secondary Learning Act of Alberta.

Northern Lakes College is a dynamic college that contributes to continuous improvement in the lives of students in rural communities. Innovative program and service delivery models are designed to overcome access challenges for students in remote communities. As a member of Campus Alberta, Northern Lakes College offers and facilitates programs and educational services in a large rural region of Northern Alberta that includes many First Nations and Métis communities. Working within the framework of Campus Alberta allows Northern Lakes College to provide opportunities from other educational institutions, to reach out to other regions where requested, share services, improve transfer options for students, and participate in applied research, typically with partner institutions.

The College contributes to community development, leadership capacity, and vibrant communities through a unique partnership with a network of local Community Education Committees. The Board recognizes the Council of Community Education Committees as the principal advisory body of the College through a Statement of Mutual Respect. The committees and their council identify program and service needs for their communities and regions, support individual students, and advise each other about best practices in community education. The College plays an important role in the communities by providing facilities, leadership, and activities that contribute to the educational, social, cultural, recreational, and economic development of the region.

The College offers certificates and diplomas leading to careers in health and human services, education, information technology, technical occupations, culinary arts, business, creative fine arts, and resource-based industries. The College also offers pre-employment programs and apprenticeship training. A University Studies diploma is offered which leads to degree completion opportunities in partnership with degree granting institutions. Preparatory programs include second language instruction, adult basic education, adult high school, life management, and employability preparation. Preparatory programs are a key factor in preparing students for post-secondary education and long-term meaningful employment.

The College also responds to workforce development and cultural awareness needs. Non-credit offerings include supervisory and safety-related certificates, contract and in-service training, and customized employability programs. The College sponsors Aboriginal cultural events and offers educational programming from the Native Cultural Arts Museum.

The College is committed to student support services that reflect the communities served and the needs of local students. Student success is encouraged by providing a supportive learning environment and strong counselling services in Community Learning Centres and regional campuses. All sites are equipped with technology for on-line learning and additional student support. Family support is available when the College delivers education close to home or in regional campuses where student housing is available. As a partner in Alberta-North, student support infrastructure extends across northern Alberta and into the Northwest Territories.

INSTITUTIONAL CONTEXT

As a Comprehensive Community Institution within the post-secondary system, Northern Lakes College is a regional steward with a defined role: to provide or facilitate access to a range of adult learning services and opportunities across the College's geographic service area. The College collaborates with industry, agencies, community groups, local governments, school divisions and post-secondary institutions to provide access to quality programs, services, and courses. This collaboration includes post-secondary programs offered through Campus Alberta partners and high school courses offered jointly with public schools. The College is a member of the Woodland Operations Learning Foundation, an industry-driven partnership which aims to standardize quality training for forest occupations.

ACCOUNTABILITY STATEMENT

The Northern Lakes College Annual Report for the year ended June 30, 2015 was prepared under the Board's direction in accordance with the Fiscal Management Act and ministerial guidelines established pursuant to the Fiscal Management Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

[Original signed by Daniel Vandermeulen, Chair, Northern Lakes College Board of Governors]

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

Northern Lakes College's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report including the financial statements, performance results, and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded. The Annual Report has been developed under the oversight of management as well as approved by the Board of Governors and is prepared in accordance with the Fiscal Management Act and the Post-secondary Learning Act. The Auditor General of the Province of Alberta, the institution's external auditor appointed under the Auditor General Act, performs an annual independent audit of the consolidated financial statements in accordance with generally accepted auditing standards.

[Original signed by Ann Everatt, President and CEO]

BOARD OF GOVERNORS

MEMBERS OF THE BOARD OF GOVERNORS



Daniel Vandermeulen
Public Member
(Chair)



Dan Fletcher
Public Member
(Vice-Chair)



Earl Laboucan
Public Member



Inier Cardinal
Public Member



Amber Armstrong
Public Member



Fern Welch
Public Member



Ray Stern
Public Member



Shona Hommy-Bugarin
Faculty-nominated
Member



Odessa Ptashnyk
Staff-nominated Member



Joyce Boucher
Student-nominated
Member



Ann Everatt
President & CEO

SENIOR MANAGEMENT TEAM

Ann Everatt
President and CEO

Madeline McVey
Vice President,
Academic

Robert LeSage
Vice President,
Corporate Services
and CFO

Dana Hynes
Senior Director,
Human Resources

MESSAGE FROM THE PRESIDENT

THE ANNUAL REPORT for Northern Lakes College is responsive to the goals, performance measures and outcomes as described in the Comprehensive Institutional Plan for 2014-17.

Northern Lakes College takes great pride in providing local access to preparatory and post-secondary education throughout our expansive service region. We are innovators in distance education and therefore enhancing our infrastructure to align with ever-changing technology consistently remains at the forefront. Being responsive to consultation with communities as well as business and industry, assessing skill shortages, aligning resources and providing college programs on the basis of regional and provincial workforce demand were key determinants to the success we experienced this year.

The College experienced much needed growth in infrastructure during the 14/15 year:

The opening of two new facilities – the Gift Lake Campus and the Northern Lakes College Shell Canada Power Engineering & Technology Centre in Peace River, both of which are the result of partnerships developed with corporate/municipal and First Nations.

A dual-credit introductory trades program for secondary school divisions in the region saw the construction of a multi-trades lab in the community of Wabasca in the fall of 2014. The lab was utilized during the winter months offering a trades preparation program with further training events planned.

Modernization of College facilities continued with an expansion to the Fort Vermilion campus as well as updates to the Valleyview and Slave Lake Campuses.

Mobile Trades Training Units that will be mobilized to provide access to dual credit, pre-employment and trades training throughout Northwestern Alberta.

At Northern Lakes College we are looking to the future as a time of great opportunity to enhance the programs available to our learners and our communities and to improve the services we are able to provide to our learners.

ANN EVERATT, President & CEO

MESSAGE FROM THE BOARD CHAIR

THE SHARED FOCUS of our Board of Governors is the continuous improvement of accessibility and experience for the learners of Northern Lakes College. We are proud of Northern Lakes College's track record of excellence that is continuously evidenced by our students' achievements. We are particularly proud of the retention and success rates of our students as they complete external accreditation exams. Much of the success of our students is attributable to being able to remain in their own communities.

Northern Lakes College is unique amongst Alberta's colleges in providing access to foundational learning and post-secondary programming to residents in 37 communities throughout a geographic region of approximately 164,000 square kilometers. Northern Lakes College has accomplished this by using technology to ensure that residents in Northwestern Alberta are able to pursue their academic aspirations in their home community. However, the use of technology is also complemented with services for our students to ensure that we are providing our students with the supports they need to be successful.

Northern Lakes College is connected to our communities in a unique way by having Community Education Councils in each of these communities that are the chief advisory body to the Board of Governors. These councils meet regularly with the Executive of the College and the Board to identify challenges and needs of the students and employers. As well, the College undertakes consultation with our community, student, staff and business and industry stakeholders as we develop our Institutional and strategic plans that will guide the development of programs and services.

The executive, faculty and staff of Northern Lakes College are to be complemented in their unrelenting dedication to building better lives and contributing in a very real way to community development.

DANIEL VANDERMEULEN, Board Chair

MAP OF NORTHERN LAKES COLLEGE SERVICE REGION



**Serving the largest CCI planning region in the Province of Alberta
and 37 distinct communities.**

Note: eCampus Alberta course offerings are also available at any College campus. Campus Alberta participation also creates program sites outside of the service region in partnership with other post-secondary institutions.



STRATEGIC DIRECTIONS

Goal 1: Rationalize college programs on the basis of regional and provincial workforce demand

- Review College programs to ensure viability, relevance and responsiveness to learner needs.
 - Assess skills shortages in our region, responding through the implementation of new programs.
 - Align resources to integrate new programming in appropriate regions based on economic development plans and forecasts.
 - Develop learning pathways and ladders for all programs.
 - Program options will be available to all learners which will ladder into career paths or post-secondary programs.
-
- An established curriculum ever-greening schedule was achieved through the normal course renewal process. During this process courses are updated annually or semi-annually to reflect changes in content, updated text editions, and new information to ensure students are learning material which is viable, relevant and responsive
 - Academic Upgrading Faculty members participate in curriculum development committees and communities of practice.
 - The Community Health Promotion Program saw the development of two main courses (ANPY & PATH) into asynchronous offerings. These courses can be utilized across health programs, providing increased accessibility to students.
 - New programs developed in response to the region's needs was completed with the approval from Advanced Education in June 2015 to offer the Early Learning and Child Care Diploma program.
 - Approval was received from the Alberta College of Paramedics to develop and deliver a Paramedic Program. A proposal was submitted to Advanced Education and is currently awaiting approval. An application for accreditation was also submitted to the Alberta College of Paramedics. Letters of support for the development/delivery of a Paramedic Program have been received from Alberta Health Services and private industry.
 - In 2014-15 Northern Lakes College was granted delivery for 1st Period Mobile Crane Program, which saw its first official delivery launch in the spring of 2015. Approval has been granted by Apprenticeship and Industry Training to deliver the 3rd Period Mobile Crane Program in 2015-16.
 - University Studies continued to offer courses to support diploma programs and the current degree transfer programs (Aboriginal Teacher Education Program and Bachelor of Social Work).
 - Academic Upgrading also modularized some courses to meet the learning needs of individuals not wanting to take entire courses, but who want to upgrade in order to move into a particular field.

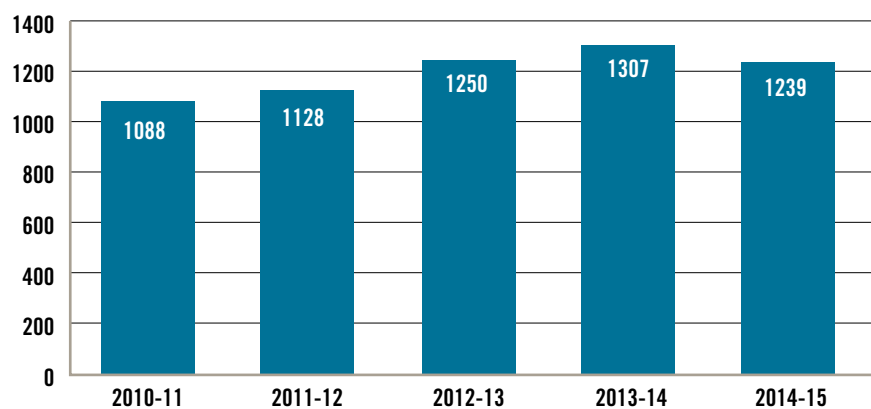
STRATEGIC DIRECTIONS – GOAL 1

- Business industry partners were engaged in advising post-secondary programs in the Office and Business Administrative programs through the completion of surveys and telephone interviews with advisory members in the spring of 2015.
- Collaborations with Health Canada continued to ensure that the expectations of the contribution agreement have been met. The Addiction Services Worker program numbers increased by 10%.
- The Atoske group and Bigstone Health Commission provided funding for nine students attending Academic Upgrading courses the 2014-15 year with hopes that this leads to continued post-secondary education.
- In January 2015, the Northern Lakes College Shell Canada Power Engineering & Technology Centre construction project was completed and the facility opened. The Oilfield Operator Training program moved from Slave Lake into the Peace River facility in June to provide support to potential employees of the Peace Oil Sands and provide future new programming opportunities such as a Heavy Oil Program.
- Water and Wastewater training was identified as a business and industry need across the region so discussions began with a private engineering firm to develop online curriculum; a partnership was formed and online training will occur in 2016.
- The Pathways Project with Northland School Division was completed during 2014-15 with five students participating
- eCampusAlberta continues to be promoted and supported throughout the College. Work continues with program areas dedicated to increase course offerings on eCampusAlberta. As a result, ten courses were reviewed by the eCampusAlberta Quality Team during 2014-15. The Chair, Centre for Teaching and Learning chairs the eCampusAlberta Operation Committee. Academic Upgrading has completed 12 courses during the year to meet eCampusAlberta standards
- An introductory trades program for secondary school divisions in the region saw the construction of a multi-trade lab in the community of Wabasca during the fall of 2014. This lab was utilized during the winter months offering a trades' preparation program with 13 students enrolled.
- In June of 2015, the TOLKO project was completed. Over a three year period, this facility was used to deliver trades related training primarily to high school dual credit students.
- Recordings and updated lessons for on-line delivery were completed for the 3rd Class Power Engineering Program, in addition to developing new curriculum for the 4th class Power Lab program.
- Bids for two mobile trades' trailers were accepted during the year for the construction and delivery in 2015-16.
- Awareness of Academic Standards is provided to students in the program handbooks.
- New student awards saw the implementation of the Shell Canada Aboriginal Education Advancement Fund Award 2014. A number of additional awards are currently under development for 2015-16.

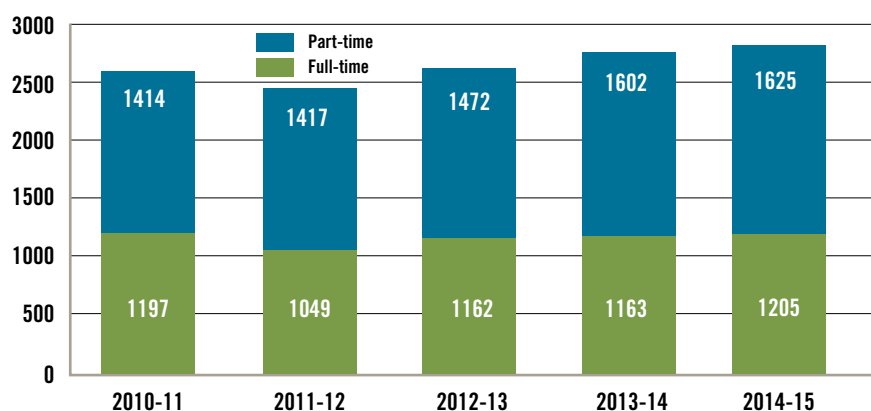
Performance Measure	Status
An established curriculum ever-greening schedule which ensures all courses are viable, relevant and responsive will be developed by December, 2014.	Achieved
New programs will be developed annually in response to region's needs.	Achieved
Business industry partners will be engaged in advising post-secondary programs.	Achieved
The percentage of College programming offered through eCampusAlberta will increase by 10% per year.	Achieved
An introductory trades program for secondary school divisions in the region will be developed by June 2015 and offered during the 2015-2016 Academic year.	Achieved
A Local Open Online Course (LOOC) focused on Academic Standards will be developed by June 2016. By September 2017, all Northern Lakes College learners will be required to take this course.	Not Achieved
At least one new, ongoing student award implemented each year for the next three years.	Achieved

STRATEGIC DIRECTIONS – GOAL 1

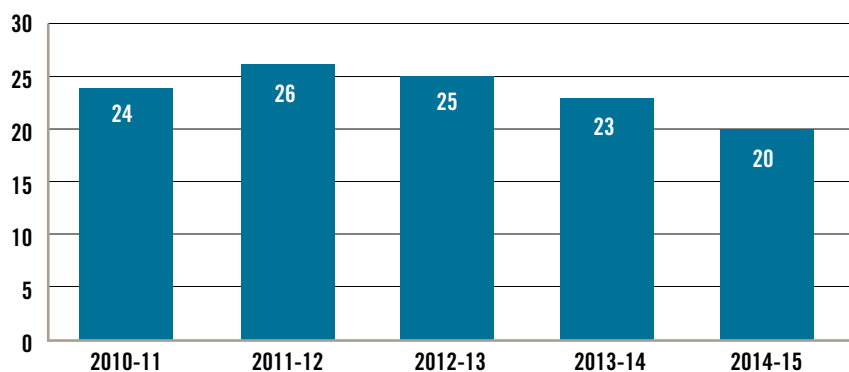
Full Load Equivalent (FLE)



Number of Students in Credit Programs (Headcount)



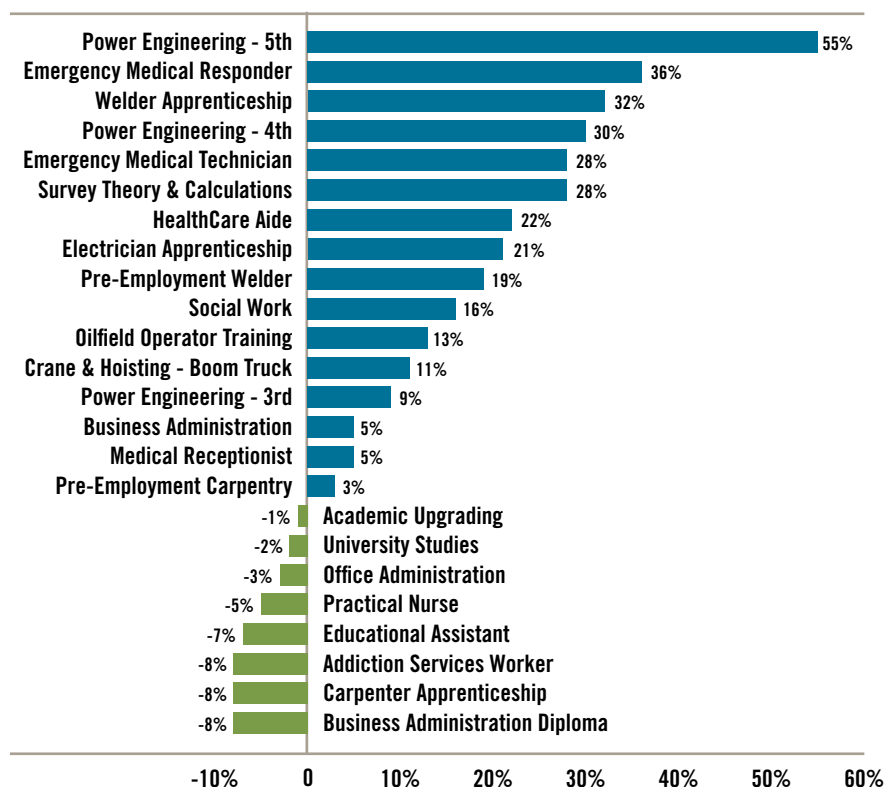
Communities Served with Credit Courses in the Region



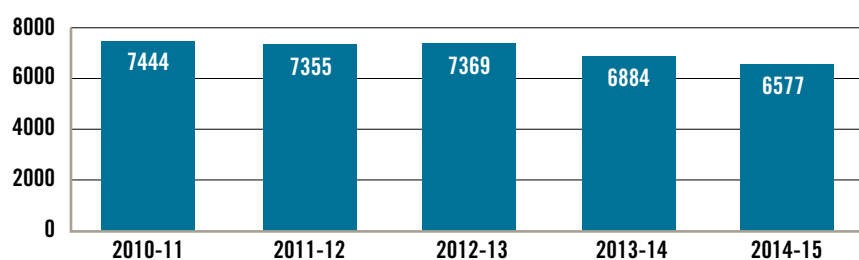
*Does not include Barrhead, Grande Prairie, or Hay River.

STRATEGIC DIRECTIONS – GOAL 1

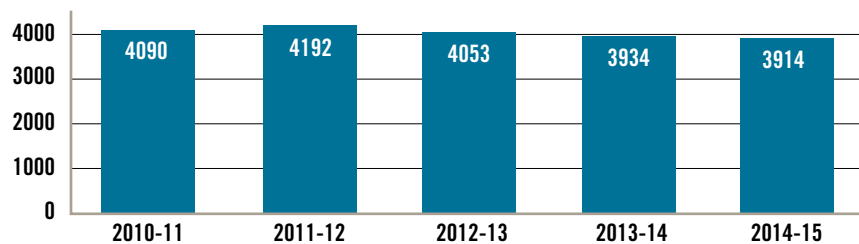
% Enrollment Change – Last 4 Years



Total Number of Registrations in Non-Credit Courses



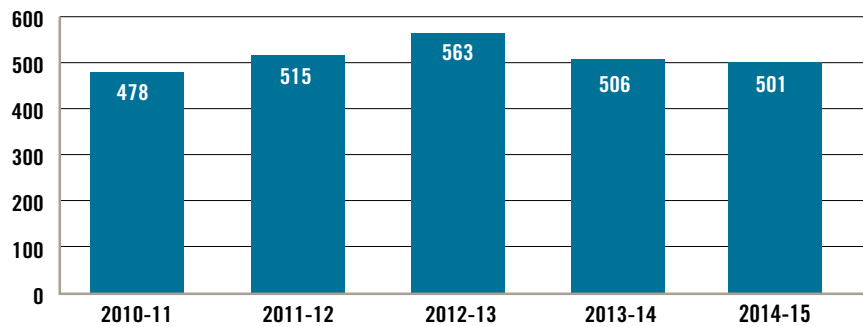
Unique Students Enrolled in Non-Credit Courses



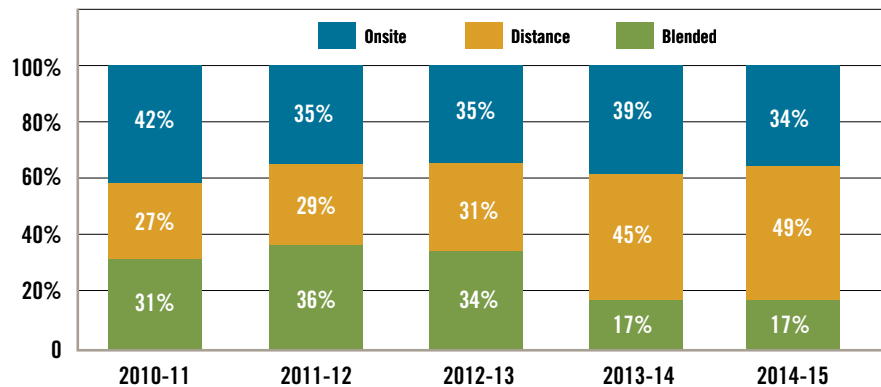
Unique student = Individual student (may have multiple course enrollments)

STRATEGIC DIRECTIONS – GOAL 1

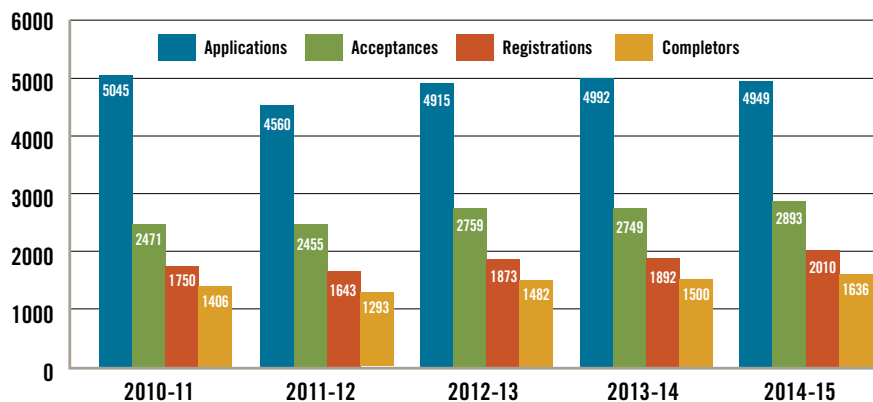
Number of Non-Credit Courses Available



Percent of Student Contact Hours Delivered via Distance Delivery



Conversion Rates of Student Applications



*In the 2013-14 Academic Year there was a change to the definitions of Blended and Distance delivery.



STRATEGIC DIRECTIONS

Goal 2: Enhance the student experience at Northern Lakes College

- **Develop an online application and registration process.**
- **Include experiential learning and entrepreneurship opportunities for all learners.**
- **Review and enhance services provided to learners with disabilities.**
- **Implement an Elders Program at all campuses.**
- **Create an Employment Services program to generate employment opportunities for our leaders and create a job website for business and industry.**
- **Undertake a facilities renewal program to create community learning spaces.**
- **Introduce a student wellness program that is accessible to all learners.**
- Work continues towards the development of an online application system. In the short term, the college website provides student access to the Apply Alberta site.
- Strengthening communications with students is under development. New automated processes were developed and implemented using Agresso which assists with the registration process in addition to providing more timely responses to student inquiries and information distribution.
- Enhanced communication processes also included students receiving a number of automated notifications designed to send timely email notifications, keeping them informed and up to date.
- Increases to experiential learning and entrepreneurship opportunities is underway. A new Trades & Technology Department was created in the fall of 2014. This included hiring of a Dean and restructuring of staffing and operations.
- In supporting students needing accommodations, the use of technology and tools to support them in achieving equity in the learning environment has been partially achieved through providing audio recordings on all exams/quizzes.
- In determining the most significant student' accommodation needs, new metrics have been established and utilized for pre-term startup resulting in accommodations for students being in place prior to course start dates
- Baseline data on student wellness needs has been completed through conducting a needs assessment survey during the winter of 2015 providing data to support student wellness strategic goals

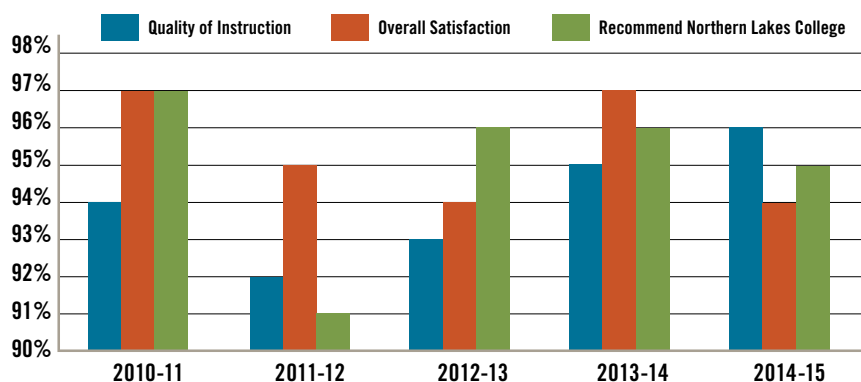
STRATEGIC DIRECTIONS – GOAL 2

- Faculty members have been trained to utilize new technology, tools and knowledge in order to support learners in need of learning accommodations. Part of this achievement included the Academic Upgrading department hosting two professional development days on topics that support students. The Health Career program also provided staff members training with using simulators prior to class starts.
- A variety of student wellness activities were provided to students during the 2014-15 year. This included 15 sessions developed by Academic Upgrading in addition to two keynote addresses provided online during the winter and spring terms. Students are also utilizing tutoring in writing and basic mathematics through eTutor services.
- A Student Wellness Passport program pilot project, was tested for launch in the fall. This project included an interactive multi-campus invitation to a recreation challenge held in early summer.
- Student Wellness Committee members have been invited to participate as members on the Academic Upgrading Professional Development Committee.
- Work has started towards engaging faculty, staff and learners in orientation programs designed to support mental health awareness and support. This process has started with the revision of the Student Conduct procedure. The review was completed to ensure that students at risk would be well supported alongside other students and college staff. This revision was needed prior to developing the orientation program for mental health and early intervention.
- College representatives attend a variety of committees and boards across the region including: Economic Development, Chamber of Commerce and Community Futures, further enhancing the college image and looking for opportunities to support businesses with training.
- Technology has been utilized to expand access and support through students to asynchronous, part time and eCampusAlberta offerings in part through upgrading the Gift Lake campus. Work was done to upgrade the internet wiring, allowing for ample internet connections, wireless and plugin capabilities.
- Exam policies and procedures for asynchronous courses were reviewed to ensure consistency.
- Ongoing collaboration with the Information Technology department continues to investigate challenges with technology platforms. This ensures our college technology platforms are current, up to date, and meet the needs of our students
- Instructor training materials were updated as required to meet new technology demands. Continued research and testing of new educational technologies is ongoing.
- Self-service opportunities for students to access information and support services through the web and mobile technology is currently in progress. One initiative includes, approximately 50% of Academic Upgrading students accessing the Academic Upgrading Hub and checking out the bi-annual newsletter.
- Changes to the student satisfaction survey software, resulted in the loss of some data. As a result the findings were inconclusive. A more representative sample will be available for 2015-16.

STRATEGIC DIRECTIONS – GOAL 2

PERFORMANCE MEASURE	STATUS
Within three years, online applications and registrations will exceed paper based applications and registrations.	Partially Achieved
The student application and registration processes will be streamlined to provide immediate and relevant communications with prospective learners contributing to an overall increase of 5% in applicant conversion.	Partially Achieved
Programs will be reviewed, a base-line established, and goals created and implemented to increase experiential learning and entrepreneurship opportunities by 5% each successive year.	Partially Achieved
Learners needing accommodations will have the opportunity to utilize the most current technology and tools to support them to achieve equity in the learning environment resulting in increased persistence towards educational goal completion.	Partially Achieved
A determination of the most significant student accommodation needs will be made to establish baseline data to support resource planning so that accommodations align with term start.	Achieved
Baseline data on student wellness needs will be established in 2015.	Achieved
All faculty will be trained to utilize new technology, tools and knowledge so they can support learners in need of learning accommodations.	Achieved
A minimum of three student wellness activities, as identified by the Student Wellness Committee, will be launched and evaluated in 2015. All learners will have opportunities to participate in wellness activities.	Achieved
Faculty, staff and learners will engage in orientation programs re: student mental health awareness and support. A multi-response system to identify and address early indicators of student distress will be developed in 2015.	Partially Achieved
Technology will be utilized to expand access and support for learners to asynchronous, part time and eCampusAlberta offerings. Benchmarks to be established in 2015.	Partially Achieved
Self-service opportunities for learners to access information and support services through the web and mobile technology will be established by 2016.	Partially Achieved
Student Satisfaction Surveys will indicate an increased satisfaction with services and supports for learners.	Not Achieved

Student Satisfaction Survey





STRATEGIC DIRECTIONS

Goal 3: Enhance and update facilities and technology infrastructure

- **Develop a Campus Development Master Plan aligned to program needs and skill shortages in each community.**
- **Explore the integration of additional technology at all sites to improve the teaching and learning experience.**
- **Develop a Student Housing Master Plan where there is demand.**
- Preparation of a Facilities Master Plan is under development.
- College is looking into the feasibility of combining all Slave Lake facilities on existing owned property, this includes building a business case and conceptual diagrams for campus expansion to include space for trades training, and flexible learner spaces.
- Feasibility studies are being conducted to consider combining all High Prairie facilities on existing owned property.
- Major upgrades to the building exterior to improve drainage and the building envelope was completed at the Slave Lake campus. Upgrades to the heating, ventilation and air conditioning was completed at the campus in Valleyview.
- Expanded Ft. Vermilion facility using a modular facility that can be expanded or reduced to meet student enrollment. Meets government facility planning initiatives by using modular building design which lends itself to flexible learning spaces.
- Capital funding was received for the development of a new campus in Peerless/Trout Lake, Mobile Trades trailers, Boom Truck and Hoist Program and Health programs. These programs are scheduled to start in 2015-16.
- In preparation for year end, finance reviewed all balances for Tangle Capital Assets and Deferred Revenue. This required investigation in detail, with research often going back more than ten years. These were areas that, in prior year ends, had caused audit issues. As result of this work the 2014-15 audit had no Tangle Capital Asset or Deferred Revenue issues.
- The Supernet bandwidth to all communities was increased in late 2014. The college is currently pricing out additional bandwidth to provide support in Slave Lake and Grouard in order to assist with video streaming and additional bandwidth intensive uses for the next few years.
- Informational Technology completed updates to over 800 computers college wide.
- The College's Advisory Committee on Educational Technology and Information Technology Service have assess technology needs at all College campuses and developed a plan to address these needs by December 2016.

STRATEGIC DIRECTIONS – GOAL 3

- An Information Systems Management Committee has been created to work with all college areas, centralizing the requests and approval of Information Technology needs. The Advisory Committee on Educational Technology provides recommendation.
- Researched external online service providers to provide cloud services which would allow online email accounts to be stored off the main server thereby making it easier for the college to keep in touch with alumni.
- Phone system upgrade allows for one number connectivity for staff across multiple devices – phone, cell and desktop. This allows the college to see the availability of staff.
- A DocuShare system has been installed for storing, accessing and securing electronic documents, including contracts.
- Stores inventory process was changed to streamline internal transfers of books. Books are now charged directly to programs for which they were ordered.
- Building plans have been solidified for the development of student housing in Peace River. The College continues to lobby to have property in Peace River given or sold to the College. For the short term, student housing has been acquired in Peace River to provide accommodation for power engineering students in a hard to find rental market.
- All faculty use one changed technology activity in their course. Some of these projects undertaken this year include: construction and start-up of the Peace River Power Engineering Lab, and setup of the Oil Field Operator Lab in Peace River. Development of the new Trades facility in Wabasca, and the movement/set up of Modus trailers in Fort Vermilion.

PERFORMANCE MEASURE	STATUS
Campus Master Plan will be developed before the end of 2016.	Partially Achieved
Bandwidth to communities with limited access to broadband will be increased by December 2015.	Achieved
The College's Advisory Committee on Educational Technology and Information Technology Services will assess technological needs at all College campuses and plan to address these needs by December 2016.	Achieved
A Student Housing Master Plan will be developed by December 2017.	Partially Achieved
Instructors will implement one technology based learning activity each term for the next three years and document results.	Achieved



STRATEGIC DIRECTIONS

Goal 4: Implement employee development process to support strategic directions

- **Performances Management processes are aligned to strategic goals and plan.**
- **Develop a Succession Plan and integrate into Strategic Plan.**
- **Develop Professional Development Program for Management, Faculty and Staff. Maximize the use of in-house professional development opportunities.**
- **Develop a staff recruitment strategy – linked to college branding.**
- **Create an on-boarding process to maximize successful integration into NLC.**
- The Employee Performance Management process is currently under review. Part of this initiative has included identifying high performers, in consultation with the management team, and moving them into positions when available.
- A number of professional development opportunities for staff have been offered throughout the year.
- Faculty participated in a minimum of two in house professional development sessions per term, and an in house training day was held for Allied Health faculty and administrative staff. Brown Bag educational sessions continue to be offered three times per month, in addition to quarterly Coffee Shop sessions on a variety of topics.
- Managers attended training on WCB.
- Several staff members are enrolled in Master's programs, and one enrolled in a Baccalaureate Degree program.
- College wide professional development activities have included: Freedom of Information and Privacy (FOIP) and Occupational Health and Safety (OH&S) training for all staff.
- A mentoring program is available for staff to access.
- An internal professional development Moodle site was developed and maintained this year. This is an open site shared with all eCampusAlberta member institutions (26 in total).
- The College website recruitment page was updated in addition to extending advertising of positions to other websites. An HR Generalist was present on each interview panel.
- Position descriptions have been reviewed to ensure consistency with instructional technologies and job requirements. Initial plans are underway to develop succession planning.
- HR's on-boarding process have been supported and reinforced at the department level through a variety of initiatives including the use of checklists, follow up with staff after commencement, notifying IT of additions or changes to employee positions, and the introduction of new employees to their unit.
- A review of commencement documentation and processes is currently under review.

STRATEGIC DIRECTIONS – GOAL 4

PERFORMANCE MEASURE	STATUS
The Employee Performance Management process will be reviewed, revised and implemented by 2015.	Partially Achieved
All employees will participate in at least one professional development or training opportunity each year.	Achieved
Annual professional development activities focusing on college wide training and development initiatives will be offered annually.	Achieved
HR templates, recruitment documents and processes will be reviewed for quality assurance and College branding in 2015.	Achieved
HR's on-boarding process will be supported and reinforced at the department level.	Achieved
All commencement documentation and processes will be reviewed by December 2016.	Achieved

THANK YOU

Strong partnerships are key to the success of Northern Lakes College. Our partners include other educational institutions, first nations, métis settlements, municipalities, as well as business and industry. Some partnerships are specific to a project and others are on-going. These partnerships are diverse and offer significant advantages to both our students and our clients.

In 2014-2015, Northern Lakes College was fortunate to receive support from the following:

Shell Canada	Red Deer College
MyShak Sales & Rentals	Olds College
D & D Well Services	Vanderwell Contractors (1971) Ltd.
Capstan Hauling Ltd.	Tolko Industries Ltd.
Artic Crane Services	Northern Sunrise County
Medicine Hat College	Town of Peace River
Line Find Group	Penn West Petroleum
Cars RV	BVL Construction
Town of Hinton	MD of Opportunity
Grande Prairie Regional College	Max Fuel Distributors
Heartland Industries	Student Association of NLC
Road Train Oilfield Transport Ltd.	Schroder Oilfield Services
Sterling Crane	Athabasca County
	County of Big Lakes

** and any others that may have been missed



STRATEGIC DIRECTIONS

Goal 5: Maximize College effectiveness, quality and funding to ensure our learners are prepared for employment or further education

- **Develop and maintain program quality standards including the development of a program outcomes framework and a program review process.**
 - **Expand alternate funding – dual credit, workforce development, fundraising and partnerships.**
 - **Develop and monitor Key Performance Indicators for the College.**
 - **Further develop a Community Engagement/Stakeholder engagement plan, including enhancing the role of the CEC, implementing student recruitment activities.**
 - **Develop a college environmental sustainability plan.**
-
- The program outcomes framework and program review process includes annual program reviews with regulatory bodies. Curriculum outcomes map for key courses are also underway.
 - A partnership with Northland School Division was re-established in Academic Upgrading, with their students taking high school courses through Academic Upgrading. This agreement concluded at the end of the 2014-2015 academic year with the students' completion of the courses.
 - The College offered a Community Health Promotion program with Lethbridge College.
 - Collaborating with Bigstone Band to create access for First Nations/Métis student funding.
 - Funds raised through alternate sources did not meet the target goal of 5% in 2014-15.
 - New opportunities for Dual Credit programs are being explored. This includes four courses within the Educational Assistant and Early Learning and Childcare Certificate Programs being offered as Dual Credit courses. Discussions are underway to implement dual credit programming with Academic Upgrading that is transferrable into University and Career programs, along with exploring dual credit opportunities between Office Administration and Career & Technology Studies.
 - In response to northern communities clean water management needs, the College & ATAP Infrastructure Management LTD have a five-year agreement in place to offer Water and Wastewater Level 1 & 2 training LIVE Online commencing September 2016.
 - The demand for business and industry safety and compliance training needs met through Continuing Education and Corporate Training, declined this year due to a decline in the oil/gas service region.
 - An increase in credit program FLEs was achieved in University Studies, Business and Office Administration. Academic Upgrading numbers remained steady. Two programs (Human Resource Management Diploma and Medical Receptionist) were cancelled due to low enrollment and a cap was placed on resource programs due to faculty capacity.

STRATEGIC DIRECTIONS – GOAL 5

- To increase laddering opportunities for our students, the Early Learning and Childcare Diploma Program contains five courses that are transferable to the University of Alberta's Aboriginal Teacher Education Program (ATEP).
- Approval was received from the Alberta College of Paramedics to increase the Emergency Medical Technologist Program to full time by adding six credits to the existing program. A proposal has been submitted to Advanced Education and is currently awaiting approval.
- Where applicable, part time and full time course offerings are being merged to increase opportunities to courses. The Office Administration program has successfully combined full-time and part-time programming.
- Four Community/Stakeholder Engagement meetings took place throughout the year focusing on enhancing the role of the CEC and student recruitment opportunities.
- The College developed an Environmental Sustainability Plan which included a variety of initiatives undertaken in 2014-15. For example:
 - All campuses had lighting converted to low energy, high efficient florescence lighting. New facilities (Gift Lake) are being constructed to Leeds Silver efficiency.
- The swimming pool attached to the Slave Lake campus saw the installation of LED lights in addition to the installation of solar panels (5Kw system) in order to supplement energy costs for pool. To date these changes have generated over 11 mwh of power.
- Building automation system (Copper Analytics) have installed data logging software and equipment enabling the college to analyze energy consumption and modify to maximize off peak usage.
- Purchasing technology that uses significantly less power. For example: the college purchases Micro Desktop computers, LCD and LED monitors. Investments in Virtual server technology, allows for more effective use of server systems and a reduction in overall power consumption and reduced cooling needs.
- Satisfaction surveys are conducted each term within Academic Upgrading, Business Administration, Health Programs and Office Administration. Results are shared with faculty for goal setting, quality control and improvements.

PERFORMANCE MEASURE	STATUS
A program outcomes framework and program review process will be created before the end of 2016. The goal will be to meet or exceed established benchmarks for all programs.	Achieved
One new partnership will be created per year for the next three years.	Achieved
Funds raised through alternate sources will increase 5% per year for the next three years.	Not Achieved
The number of Dual Credit agreements will expand to include two additional regional school districts and one out-of-region school district annually.	Achieved
Dual Credit FLEs will increase by 10% annually.	Partially Achieved
Northern communities clean water management needs will be supported with the help of sister institutions by developing and implementing training programs by June 2015.	Achieved
Business and industry safety and compliance training needs will be met through Continuing Education and Corporate Training as evidence by increased revenue targets of 15% per annum	Not Achieved
Credit program FLE targets will increase annually by an average of 3% through the recruitment, retention and transition of our learners to further education and employment in their chosen field.	Not Achieved
A Community/Stakeholder Engagement Plan will be developed which includes enhancing the role of the CEC and student recruitment opportunities. This plan will be developed (and shared) with the CECs.	Achieved
A College Environmental Sustainability Plan be will developed and implemented by December 2016.	Achieved
Learners will be surveyed each year in regards to their satisfaction with College services. Benchmarks will be established and goals identified for improvement.	Achieved
A College representative will attend all regional economic development meetings.	Achieved

STRATEGIC DIRECTIONS

Goal 6: Enhance the NLC Brand and Image

- **Develop new logo and create the Northern Lakes College brand through positive media relations.**
- **Website redesign – modern, user friendly, positive image.**
- **Modernize our facilities – over time.**
- **Develop and build our alumni and sponsor relationships.**
- Work continues on an internal and external communications plan focused on the College's re-branding.
- The new website was launched in May with a fresh new look. Phase Two of the project will be completed in the next year.
- Policy, Procedures and Regulations are now accessible to external users on the College website.
- The College is staying connected through the use of Facebook, Twitter, Instagram and LinkedIn. Facebook advertising is generating good returns, sending users to the College website and increasing college awareness and branding.
- Six CTV Television commercials were produced including: five Alberta Learning One Minute Connectors the Business Administration – Human Resources, Carpentry, Practical Nurse, Oilfield Operator, Emergency Medical Responder and Emergency Medical Technician programs and one 30 second general commercial titled "We are Northern Lakes College". The commercials aired 370 times on Access Television over a six month period across the Edmonton and northern region.
- Program-specific target marketing plans for each program was developed in 2014-15.
- A Trades Entrance Awards marketing plan called Apprentices Wanted was executed. This was launched in April geared towards First Period Carpentry, Welding and Electrical Apprentices. Metrics gathered from Facebook showed great exposure to the campaign (over 53,000 views).
- Modernization of College facilities included: new Gift Lake, funding for Peerless/Trout, Modulares in Fort Vermilion, heating, ventilation and air conditioning in Valleyview. Peace River Power Engineering Lab, Peace River Oil Field Operator, building envelope in Slave Lake and labs in Wabasca.
- The College partnered with the Regional Environmental Action Committee (REAC) to install solar panels on the roof of the Slave Lake Campus. The grand opening was celebrated on Earth Day raising awareness and promoting sustainability within the region.

PERFORMANCE MEASURE	STATUS
An internal and external communications plan focused on the College's re-branding initiative will be developed in 2015.	Partially Achieved
A marketing plan, including social media and media will be integrated in 2015.	Achieved
Program-specific target marketing plans for each program will be developed by the end of 2015.	Achieved

STRATEGIC DIRECTIONS

Goal 7:

- Support scholarly research activities with a focus on teaching and learning.
- Participate as a research partner with Campus Alberta institutions.

- Participated in a research project “Exploring the Impact of Health Care Aide Training in the Rural Workplace” with Norquest College.
- The Chair of University Studies and Business, also Chairs the internal Research and Ethics Committee. Three internal research ethic reviews have been approved for internal research
- Upon approval from the Ethics Committee, the Academic Coordinator conducted a Photovoice research project for supporting foundational students. The project involved online adult basic education students and instructors taking pictures of their learning environment and commenting on what they saw. The Coordinator compiled the comments and identified learning opportunities and barriers. Findings were presented at Alberta Colleges Institutes Faculty Association and the Literacy and Learning Symposium. The project concluded in June 2015.
- The College participated in a Laptop project to investigate the combined use of e-books and laptops to meet the needs of postsecondary business students. The initial planning stage started in 2014, with senior managers and stakeholders from various departments meeting to discuss roles and responsibilities, and desired project outcomes. The first implementation phase of the pilot was launched in September 2015, with two students and instructors using the technology. In the second and final phase, student participation will be increased. The project will conclude at the end of the 16-17 academic year with a written report of findings.



PERFORMANCE MEASURE	STATUS
The College will partner with other institutions on applied research projects, when and where appropriate.	Achieved
The College will support internal research projects that focus on teaching and learning.	Achieved

NORTHERN LAKES COLLEGE PROGRAMS

Trades and Apprenticeship

Carpenter - period 1, 2, 3, & 4
Crane & Hoisting Equipment Operator:
Boom Truck - period 1
Mobile Crane - period 1 & 3
Electrician - period 1, 2, 3, & 4
Welder - period 1, 2, & 3

Foundational Learning

Academic Upgrading:
High School
Adult Basic Education
College and Career Preparation
Life Skills

Certificate Programs

Addiction Services Worker
Business Administration
Early Learning and Child Care
Educational Assistant
Emergency Medical Responder
Emergency Medical Technician
Health Care Aide
Office Administration
Oilfield Operator Training
Pre-employment Trades
Carpentry - period 1
Electrical - period 1
Millwright - period 1
Welding - period 1
Power Engineering – class 5, 4 & 3
Survey Theory and Calculations
University Studies

Diploma Programs

Business Administration – Accounting
Business Administration – Management
Early Learning & Child Care (new)
Practical Nurse
Social Work
University Studies

Continuing Education and Corporate Training

Advanced Skills for Leadership
Class 1 & Class 3 Driver Training
Drone Ground School
Essential Skills for Administrative Professionals
Essential Skills for Supervisors
Forest Operations
GED Preparation
Introduction to your Woodland Environment
Life Skills
Maintenance Management Professional (MMP) Certification Program
Pre-Technical Training
Safety Leadership Essentials
Wildland Firefighter





IN THE NEWS

Northern Lakes College hosts Million Dollar Hole-In-One Golf Tournament

Northern Lakes College hosted its 4th Annual Million Dollar Hole-in-One Golf Tournament in August, 2014 at the beautiful Eagle Point Golf Course in Wabasca, Alberta. The tournament, played in a traditional best-ball format, included 72 golfers from all over the province, making up 18 teams. All of the proceeds raised at the tournament support Northern Lakes College student awards, and this year's event raised over \$14,000.00.

Growth in Trades and Technology training at Northern Lakes College leads to Appointment of new Dean

Northern Lakes College has experienced major growth in demand for trades and technology programs over the last few years. To accommodate this growth, the college has appointed Nelson Lutz to the new role of Dean, Trades and Technology. Apprenticeship and Technology programs offered by NLC are closely linked to the local economy. Northern Lakes College has grown its trades and apprenticeship offerings in recent years by continually meeting provincial standards as demonstrated by hundreds of successful students each year. The growth and stewardship of trades and technology training is both a huge challenge and a huge opportunity, and building capacity to take advantage of local job opportunities is critical to the success of NLC.

ATEP graduate receives Edwin Parr award

Deborah Gladue-McLeod, a graduate from the University of Alberta and Northern Lakes College Aboriginal Teacher Education Program (ATEP) is the 2014 recipient of the Alberta School Boards Association Zone 1 Edwin Parr Teacher award. This prestigious award recognizes first-year teachers who have gone above and beyond their job expectations. Deborah currently teaches grade one at St. Theresa School in Wabasca, where she worked part-time while she pursued her bachelor of education (B.Ed.) through Northern Lakes College at the Wabasca campus.

First Nation Reclamation Project breaks ground in Driftpile

Representatives from Northern Lakes College, Shell Canada, Woodland Operations Learning Foundation (WOLF) and the Driftpile Cree Nation met in Driftpile, Alberta to break ground on this unique land reclamation project in November, 2014. The project aims to reclaim land disturbed by oil and gas activity with plants traditionally used by First Nations people in the area. The partners have been working together with elders, youth and council members from the Driftpile community to identify traditional plants that could be used to reclaim the land. Representatives from all partners involved in the project were on site where specialized machinery churned the densely compacted earth, preparing the ground for planting in the spring.

Northern Lakes College Shell Canada Power Engineering and Technology Centre grand opening

The Northern Lakes College Shell Canada Power Engineering and Technology Centre opened in February, 2015 in Peace River, Alberta. The grand opening was a celebration of the successful completion and a thank you to donors for their support. Major donors included Shell Canada, Penn West Exploration, Western Economic Diversification, the Town of Peace River and Northern Sunrise County. Northern Lakes College announced the project in 2012 with the goal of raising \$2 M to create a power engineering lab in hopes of closing the gap between the high demand and low supply of power engineers in northern Alberta. Industry consultation indicated that one of the largest obstacles to training power engineers is the challenge of obtaining the necessary steam time for certification. The power engineering lab will provide the necessary steam time for over 80 students a year, as well as dual credit high school students, to become third and fourth class power engineers.

Northern Lakes College Opens Trades Training Centre at the Wabasca Campus

Community leaders and supporters joined Northern Lakes College in April to celebrate the official opening of the Northern Lakes College Trades and Training Centre at Wabasca's Stony Point Campus. The newly renovated lab was recently outfitted to offer welder, carpenter, millwright, pipefitting and electrical training. The Trades Training Centre will be used to introduce students to different types of trades training by offering dual credit programming and pre-employment courses to enhance various skill sets. The long term goal is to provide individuals with an understanding of what skills are required for a career in the trades, and prepare them for future apprenticeship training. The College plans to work with school divisions to offer dual-credit training allowing students to earn credit for high school and post-secondary simultaneously, and partner with community organizations to provide customized training.

Northern Lakes College and Métis Education Foundation create \$200,000 Educational Endowment

In May, 2015 Northern Lakes College and the Métis Education Foundation created a \$200,000 Special Purpose Fund for Métis students attending Northern Lakes College. The gift from the Métis Education Foundation along with a contribution from NLC will allow the fund to distribute awards and bursaries over a 15 year period to Métis students. Representatives from the two institutions signed an agreement to officially signify the establishment of this special purpose fund.

Northern Lakes College Prepares for Growth and Enhanced Programming

Northern Lakes College has passed a balanced budget that is focused on improving and expanding the services provided to their service region. Funding challenges over the past few years, including cuts to the operating grant and inflationary increases have resulted in a complete review of the capacity of the college to provide regional access and quality service delivery for our students. Some of the measures undertaken include the suspension of two low enrolment programs and the closure of two campuses that have been experiencing low enrolment. The College will continue to support these communities and provide access to students through a Community Access Centre. There was also a restructure to various departments to ensure that NLC is operating more efficiently while maintaining the quality of service and programming to our students. The budget allows for the investment in new programming and an enhanced quality of service delivery.

Business Was ‘Booming’ For Northern Lakes College at Provincial Skills Alberta Competition

For the second year in a row, Northern Lakes College was well represented at the Provincial Skills Canada Competition, an annual Competition and Hands-on Career and Education Fair that features nearly 50 trade and technology events. This event is the largest of its kind in Alberta and brings together over 700 competitors and 10,000 spectators. The NLC Try-a-Trade booth was the busiest exhibit in the fair and over the span of two days was visited by over 8,000 and featured a Spider Crane, donated by long time NLC supporter Myshak Sales and Rentals Ltd. In the carpentry competition, NLC was represented by one of the youngest dual credit students, 16 year old Travis Wakefield and in the welding competition, dual credit student Bradyn Callio. Both students placed well and had a great experience.

Northern Lakes College Alumni Wins Prestigious Alberta Literary Award

Northern Lakes College alumni Katie [Mulholland] Bickell is quickly establishing herself as one of Alberta's distinguished writers. Her fiction piece, *But for the Streetlamps and the Moon* and all of the Stars was recently short-listed for the Howard O'Hagan Award, and on May 23rd, was announced as the winning selection by Writer's Guild of Alberta. This recognition is a testament to Katie's drive, determination and dedication; attributes that she cultivated as a teen in her home town of Slave Lake, Alberta. After graduating from high school a year early, Katie decided to pursue a Bachelor of Education and was accepted into the University of Alberta but instead chose Northern Lakes College.

Northern Lakes College Celebrates Largest Graduating Class

Northern Lakes College is experiencing unprecedented growth in many areas, and that was showcased at the convocation held in June, 2015 at the Baytex Energy Centre, Peace River. Families, friends and Northern Lakes College representatives gathered to celebrate the achievements of the 950 students graduating in 2015. This year marked the highest number of students graduating at the College.

2015 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(IN \$ THOUSANDS)

1. Total Net Assets

Total net assets (total assets less total liabilities) have decreased by \$144. The decrease in net assets is accounted for by the following:

Increase in total assets:	\$	2,498
Increase in total liabilities:		2,642
Decrease in total net assets	\$	<u>144</u>

The decrease in total net assets occurred as a result of changes in the following:

	Balance 30-Jun-14 (Restated)	Change	Balance 30-Jun-15
Accumulated Surplus			
Accumulated operating surplus	\$ 7,770	\$ (789)	\$ 6,981
Investment in tangible capital assets	7,439	533	7,972
Internally restricted surplus	3,100	(100)	3,000
Remeasurement gain/loss	511	201	712
Total accumulated surplus	<u>18,820</u>	<u>(155)</u>	<u>18,665</u>
Endowments	1,652	11	1,663
Total net assets	<u>\$ 20,472</u>	<u>\$ (144)</u>	<u>\$ 20,328</u>

Accumulated Surplus is more fully described in Note 14 to the consolidated financial statements. Additional information regarding the 2014 Restatement can be found in Note 4 to the consolidated financial statements.

2. Total Assets

As stated in (1), total assets have increased by \$2,498, or approximately 4.3%, which is comprised of the following:

a. Cash and cash equivalents

A decrease in cash and cash equivalents is explained in the Consolidated Statement of Cash Flows and summarized as follows:

Cash provided from operations	\$	5,565
Cash used to purchase investments		(940)
Cash used to purchase capital assets		<u>(4,922)</u>
Net decrease in cash and cash equivalents	\$	<u>(297)</u>

2015 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(IN \$ THOUSANDS)

b. Portfolio investments

NLC's portfolio investments include short-term and long-term investments. The net increase of \$1,201 in the overall portfolio is due to an injection of money from the college from the operating cash account and an increase in unspent grant money. Further information on portfolio investments is in Notes 6 and 7 to the consolidated financial statements.

c. Accounts receivable

A decrease in accounts receivable of \$ (235) is detailed in Note 8 to the consolidated financial statements.

d. Inventories and prepaid expenses

A decrease in inventories and prepaid expenses of \$ (138) is shown on the consolidated statement of financial position.

e. Tangible capital assets

The net increase in tangible capital assets is as follows:

Tangible capital assets purchased	\$	5,145
Amortization of tangible capital assets		(2,913)
Net book value of assets disposed		(265)
Net increase in tangible capital assets	\$	<u>1,967</u>

Further information on tangible capital assets is disclosed in Note 9 to the consolidated financial statements. The overall accumulated amortization is 42.9% of the total cost of assets. The College has committed in its capital plans to continue to replace old facilities and equipment, though this remains a challenge.

2015 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(IN \$ THOUSANDS)

3. Total liabilities

Total liabilities have increased by \$2,642 or approximately 7.1%.

a. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities increased \$124 or 2.7% due to the following:

- The College's vacation liability increased by \$147 due to a number of employees not fully utilizing their entitlement.

b. Employee future benefit liabilities

As disclosed in Note 10, Employee future benefit liabilities increased by \$283 or 54.8% due to the following:

- The long-term disability liability was determined by an actuary in 2015. Due to small changes in the assumptions used the overall liability increased by \$283.

c. Deferred revenue

This balance represents grants and donations the College receives that have conditions of use and therefore will be recognized as revenue in the future when the College meets the stated conditions. Deferred revenue increased \$2,209 or approximately 6.9% as disclosed in Note 11.

d. Liability for contaminated sites

This balance represents the college's liability for contaminated sites and is required to be reported as per Public Sector Accounting Standard PS 3260 which became effective for fiscal years beginning on or after April 1, 2014. Liability for contaminated sites increased \$26 as disclosed in Note 12.

2015 CONSOLIDATED STATEMENT OF OPERATIONS

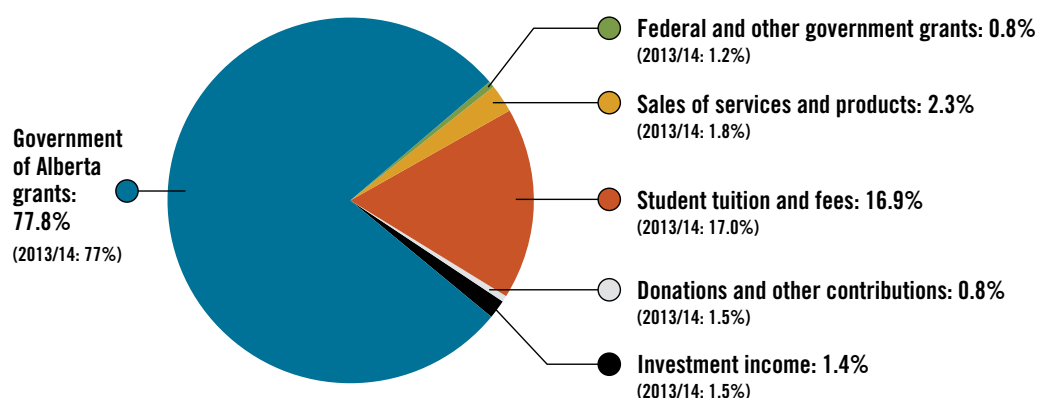
(IN \$ THOUSANDS)

1. Revenue

Total revenue decreased by \$173 (0.4%) from \$42,148 in 2013/14 (as restated) to \$41,975 in 2014/15.

The distribution of total revenue between revenue sources for the 2014/15 fiscal year is presented in the chart below. A comparative percentage for the previous restated year is also shown.

Revenue Comparison



The key revenue highlights are:

- Government of Alberta operating grants, which include the Campus Alberta Grant and a number of conditional and one-time grants, increased by \$196 from the prior year (as restated). A brief summary is as follows:
 - Campus Alberta grant as a proportion of total revenue is 65.2% compared to the previous year's level of 64.9% (\$27,350 from \$27,351).
 - Conditional grants have increased by \$47 or 1.3% (\$3,711 from \$3,664).
- Federal and other government grants decreased as a percentage of total revenue from 1.2% to 0.8% representing a decrease in actual revenues from programs.
- Sales of services and products increased as a percentage of total revenue to 2.3% compared to 1.8% in the prior year. The College does not operate a bookstore or any cafeterias. The ancillary revenue is driven mostly through residential rental income.
- Student tuition and fees remained constant as a percentage of revenue from 17.0% to 16.9%.
- Donations and other contributions decreased slightly as a percentage of total revenue from 1.5% to 0.8%. This revenue includes the scholarships, bursaries and other expenses that were funded by donations.
- Investment income remained constant as a percentage of total revenues from 1.5% to 1.4%. This income does not include the accumulated remeasurement gain in net assets.

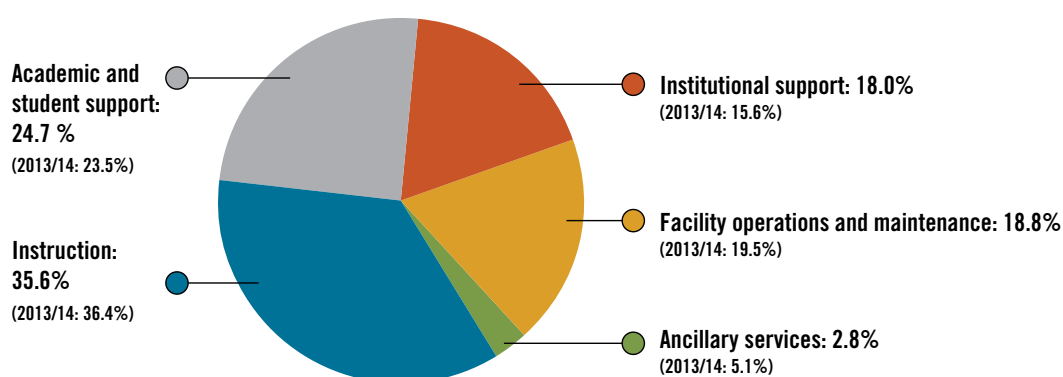
2015 CONSOLIDATED STATEMENT OF OPERATIONS

(IN \$ THOUSANDS)

2. Expenses

Total actual expenses increased by \$2,778 (7.0%), from \$39,553 in 2013/14 (as restated) to \$42,331 in 2014/15.

The distribution of total expenses by objects of expenditure for the 2014-15 fiscal year is presented in the following chart.



The key expense highlights are:

- Instruction expense increased in dollar by \$676, but decreased as a percentage of total expenses from 36.4% (\$14,397) in 2013/14 to 35.6% (\$15,073) in 2014/15. The increase in salaries and benefits was \$308 and the increase in operational costs was \$368.
- Academic and student support expenses increased by \$1,161 (12.5%) from \$9,299 in 2013/14 to \$10,460 in 2014/15. The increase in salaries and benefits was \$1,535; this was offset by a decrease in operational costs of \$373.
- Institutional support expenses increased by \$1,470 (23.9%) from \$6,156 in 2013/14 to \$7,626 in 2014/15. The increase in salaries and benefits was \$1,293; there was also an increase in operational costs of \$178.
- Facility operations and maintenance expenses increased in dollar by \$279 (3.6%), but decreased as a percentage of total expenses from 19.5% (\$7,697) in 2013/14 to 18.8% (\$7,976) in 2014/15. The decrease in salaries and benefits was \$101; this was offset by an increase in operational costs of \$380.
- Ancillary services decreased by \$808 (40.3%) from \$2,004 in 2013/14 to \$1,196 in 2014/15. Salaries and benefits had a slight decrease of \$10. There was also a decrease in operational costs of \$798.

2015 CONSOLIDATED STATEMENT OF OPERATIONS

(IN \$ THOUSANDS)

3. Accumulated Surplus

Accumulated surplus comprises accumulated operating surplus, internal restricted surplus and investment in capital assets. The accumulated surplus decreased by \$356 from \$18,309 in 2014 (as restated) to \$17,953 and is further disclosed as:

a. Accumulated Operating Surplus

The accumulated operating surplus is the net result of life-to-date operating surpluses, net of transfers to internal restricted surpluses and amounts invested in tangible capital assets. Positive operating results provide the College the flexibility to support emerging academic needs and future campus developments and respond to imminent deferred maintenance requirements. Prior year's accumulated surplus is used to offset the operating deficit of current year. Further information on changes in accumulated operating surplus is disclosed in Note 14 to the consolidated financial statements.

b. Internal Restricted Surplus

Internal restricted surplus decreased by \$100 due to the acquisition of tangible capital assets \$ (700) and Board appropriations of \$600 during the year. Further information on changes in internal restricted surplus is disclosed in Note 14 to the consolidated financial statements.

c. Investment in Tangible Capital Assets

The amount of \$7,972 invested in tangible capital assets relates to total tangible capital assets in the following manner:

Internally funded (invested in tangible capital assets)	\$	7,972
Externally funded (spent capital contributions – Note 11)		23,448
Net book value of tangible capital assets	\$	<u>31,420</u>

See Note 9 to the consolidated financial statements for more information on tangible capital assets and Note 14 for more information on the transfer to/from accumulated operating surplus invested in tangible capital assets.

4. Endowments

Endowments have increased \$11 to reflect the College's new policy to capitalize realized gains on endowments to the principal balance. See Note 13 to the consolidated financial statements for more information on endowments.



NORTHERN LAKES COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015

Independent Auditor's Report



To the Board of Governors of Northern Lakes College

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Northern Lakes College, which comprise the consolidated statement of financial position as at June 30, 2015, and the consolidated statements of operations, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Northern Lakes College as at June 30, 2015, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

October 21, 2015

Edmonton, Alberta

STATEMENT OF MANAGEMENT RESPONSIBILITY

The consolidated financial statements of Northern Lakes College have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements present fairly the financial position of the College as at June 30, 2015 and the results of its operations for the year then ended June 30, 2015.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

The Board of Governors is responsible for reviewing and approving the consolidated financial statements, and overseeing management's performance of its financial reporting responsibilities.

The Board of Governors carries out its responsibility for review of the consolidated financial statements principally through its Audit and Finance Committee. The majority of the members of the Audit and Finance Committee are not employees of the College. The Audit and Finance Committee meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit and Finance Committee, with and without the presence of management.

These consolidated financial statements have been reported on by the Auditor General of Alberta, the auditor appointed under the Post-secondary Learning Act. The Independent Auditor's Report outlines the scope of the audit and provides the audit opinion on the fairness of presentation of the information in the consolidated financial statements.

[Original signed by Dan Vandermeulen]

Chair, Board of Governors

[Original signed by Ann Everatt]

President and CEO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2015
(THOUSANDS OF DOLLARS)

	2015	2014 (restated Note 4)
Assets		
Cash and cash equivalents (Note 5)	\$ 13,501	\$ 13,798
Portfolio investments (Note 6)	13,753	12,552
Accounts receivable (Note 8)	703	938
Inventories and prepaid expenses	630	768
Tangible capital assets (Note 9)	31,421	29,454
	<u>\$ 60,008</u>	<u>\$ 57,510</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 4,757	\$ 4,633
Employee future benefit liabilities (Note 10)	799	516
Deferred revenue (Note 11)	34,098	31,889
Liability for contaminated sites (Note 12)	26	–
	<u>39,680</u>	<u>37,038</u>
Net Assets		
Endowments (Note 13)	1,663	1,652
Accumulated operating surplus (Note 14)	17,953	18,309
Accumulated remeasurements gains and losses	712	511
	<u>20,328</u>	<u>20,472</u>
	<u>\$ 60,008</u>	<u>\$ 57,510</u>

Contingent liabilities and contractual obligations (notes 15 and 16)

APPROVED BY THE BOARD OF GOVERNORS:

[Original signed by Dan Vandermeulen]

Chair, Board of Governors

[Original signed by Ann Everatt]

President and CEO

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED JUNE 30, 2015
(THOUSANDS OF DOLLARS)

	Budget 2015 (Note 22)	Actual 2015	Actual 2014 (restated see Note 4)
Revenue			
Government of Alberta grants (Note 21)	\$ 33,203	\$ 32,666	\$ 32,470
Federal and other government grants	455	339	507
Sales of services and products	2,139	949	748
Student tuition and fees	7,536	7,080	7,150
Donations and other contributions	26	344	641
Investment income (Note 17)	263	597	632
	<u>43,622</u>	<u>41,975</u>	<u>42,148</u>
Expense			
Instruction	16,499	15,073	14,397
Academic and student support	8,354	10,460	9,299
Institutional support	11,566	7,626	6,156
Facility operations and maintenance	5,337	7,976	7,697
Ancillary services	1,866	1,196	2,004
	<u>43,622</u>	<u>42,331</u>	<u>39,553</u>
Operating (deficit) surplus	-	(356)	2,595
Accumulated operating surplus at beginning of year	-	18,309	15,714
Accumulated operating surplus at end of year (Note 14)	<u>\$ -</u>	<u>\$ 17,953</u>	<u>\$ 18,309</u>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

(THOUSANDS OF DOLLARS)

	2015	2014 (restated see Note 4)
Operating transactions		
Operating (deficit) surplus	\$ (356)	\$ 2,595
Add (deduct) non-cash items:		
Amortization of tangible capital assets	2,913	2,312
Loss (gain) on disposal of tangible capital assets	19	(2)
Expended capital recognized as revenue	(1,890)	(1,485)
Change in employee future benefit liabilities	283	(76)
	969	3,344
Decrease in accounts receivable	235	1,261
Decrease (increase) in inventories and prepaid expenses	138	(173)
Increase (decrease) in accounts payable and accrued liabilities	124	(488)
Increase in deferred revenue	4,099	3,223
Cash provided by operating transactions	5,565	7,167
Investing transactions		
Purchases of portfolio investments, net of sales	(1,000)	(3,274)
Endowment investment earnings	60	71
Cash applied to investing transactions	{940}	(3,203)
Financing transactions		
Debt repayment	-	(43)
Cash provided by (applied to) financing transactions	-	(43)
Capital transactions		
Acquisition of tangible capital assets	(5,145)	(1,522)
Proceeds on sale of tangible capital assets	223	163
Cash applied to capital transactions	{4,922}	(1,359)
(Decrease/increase) in cash and cash equivalents	(297)	2,562
Cash and cash equivalents at beginning of year	13,798	11,236
Cash and cash equivalents at end of year	\$ 13,501	\$ 13,798

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)

YEAR ENDED JUNE 30, 2015

(THOUSANDS OF DOLLARS)

	2015	2014
Accumulated remeasurement gains (losses) at beginning of year	\$ 511	\$ 203
Unrealized gains attributable to:		
Portfolio investments	201	308
Accumulated remeasurement gains at end of year	<u>\$ 712</u>	<u>\$ 511</u>

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015
(THOUSANDS OF DOLLARS)

1. Authority and Purpose

The Board of Governors of Northern Lakes College is a corporation which manages and operates Northern Lakes College ("the College") under the *Post-Secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Innovation and Advanced Education, with the exception of the President, who is an *ex officio* member. Under the *Post-Secondary Learning Act*, Campus Alberta Sector Regulation, the College is a comprehensive community institution offering diploma and certificate programs as well as a full range of continuing education programs and activities. The College is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax.

2. Summary of Significant Accounting Policies and Reporting Practices

a. General - Public Sector Accounting Standards and Use of Estimates

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS). The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The College's management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of capital assets and the revenue recognition for expended capital are the most significant items based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

b. Basis of Consolidation

These consolidated financial statements use the line-by-line method to record the accounts of the controlled entity, Council of Community Education Committees Society of Northern Lakes College ("the CCEC"). The CCEC is incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act.

c. Net Debt Model Presentation

Canadian public sector accounting standards require a net debt presentation for the consolidated statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as net debt or net financial assets as an indicator of future revenues required to pay for past transactions and events. The College operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these consolidated financial statements do not report a net debt indicator.

d. Valuation of Financial Assets and Liabilities

The College's financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Amortized cost
Portfolio investments	Fair Value
Fixed income investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Unrealized gains and losses from changes in the fair value of unrestricted financial instruments are recognized in the consolidated statement of remeasurement gains (losses). Upon settlement, the cumulative gain or loss is reclassified from the consolidated statement of remeasurement gains (losses) and recognized in the consolidated statement of operations.

Unrealized gains and losses from changes in the fair value of restricted financial instruments are recognized as a liability under deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The College does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the College's normal purchase, sale or usage requirements are not recognized as financial assets or liabilities. The College does not have any embedded derivatives.

e. Revenue Recognition

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

i. Government grants, non-government grants and donations

Government transfers are referred to as government grants.

Restricted grants and donations are recognized as deferred revenue if the terms for the use, or the terms along with the College's actions and communication as to the use, create a liability. These grants and donations are recognized as revenue as the terms are met. If the grants and donations are used to acquire or construct tangible capital assets, revenue will be recognized over the useful life of the tangible capital asset.

Government grants without terms for the use for the grant are recorded as revenue when the College is eligible to receive the funds. Unrestricted non-government grants and donations are recorded as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured.

In kind donations of services, materials and tangible capital assets are recorded at fair value when such value can reasonably be determined. Transfers of tangible capital assets from related parties are recorded at the carrying value. While volunteers as well as College staff contribute a significant amount of time each year to assist the College in carrying out its mission the value of their services are not recognized in the consolidated financial statements because fair value cannot be reasonably determined.

ii. Grants and donations related to land

Grants and donations for the purchase of land are recognized as deferred revenue when received and recognized as revenue when the land is purchased.

The College recognizes in kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the College cannot determine the fair value, it records such in-kind contributions at nominal value.

iii. Endowments

Donations that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable. Investment income and unrealized gains and losses attributable to restricted portfolio investments are recognized as deferred revenue.

iv. Investment income

Investment income includes dividend and interest income, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments that are from unrestricted grants and donations are recognized in the consolidated statement of accumulated remeasurement gains and losses until settlement. Once realized, these gains or losses are recognized as investment income in the consolidated statement of operations.

Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when the terms of the grant or donation are met.

f. Inventories

Inventories held for resale are valued at the lower of cost and expected net realizable value and are determined using the weighted average method. Inventories held for consumption are valued at cost.

g. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

Buildings	10 - 40 years
Land improvements	10 - 40 years
Furniture and equipment	5 - 10 years
Computer hardware and software	4 - 5 years
Library	2 - 5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the College's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Intangible assets are expensed when acquired and not recognized as tangible capital assets.

h. Employee Future Benefits

i. Pension

The College participates with other employers in the Public Service Pension Plan (PSPP) and the Management Employees Pension Plan (MEPP). These pension plans are multi-employer defined benefit pension plans that provide pensions for the College's participating employees based on years of service and earnings.

The College does not have sufficient plan information on the PSPP or MEPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recorded for the PSPP or MEPP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

ii. Long-term disability

The cost of providing non-vesting and non-accumulating employee future benefits for compensated absences under the College's long-term disability plans is charged to expense in full when the event occurs which obligates the College to provide the benefits. The cost of these benefits is actuarially determined using the accumulated benefit method, a market interest rate and administration's best estimate of the retirement ages of employees, expected health care costs and the period of employee disability. Actuarial gains or losses on the accrued benefit obligation are amortized over the average expected period the benefits will be paid.

i. Expense by Function

The College uses the following categories of functions on its consolidated statement of operations

Instruction

Expenses directly relating to the delivery of programming and training within the College, whether for credit or non-credit programs.

Academic and student support

Expenses relating to activities directly supporting the academic functions of the College. This includes items such as libraries and expenses for Deans. Academic and student support also includes expenses for centralized functions that support individual students or groups of students.

Institutional support

Includes expenses for centralized College-wide administration including executive management, external relations, corporate insurance premiums, corporate finance, human resources and network and data communications.

Facility operations and maintenance

Expenses relating to maintenance and renewal of facilities that house the teaching, research and administrative activities within the College. These include utilities, facilities administration, building maintenance, custodial services, landscaping and grounds keeping, as well as major repairs and renovations.

Ancillary services

Expenses relating to services and products provided to the College community and to external individuals and organizations. Services include the staff and student residences.

j. Funds and Reserves

Certain amounts, as approved by the Board of Governors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to / from funds and reserves are an adjustment to the respective fund when approved.

k. Future Accounting Changes

In March 2015 the Public Sector Accounting Board issued PS 2200- Related party disclosures and PS 3420- Inter-entity transactions. In June 2015 the Public Sector Accounting Board issued PS 3210 Assets, PS 3320 Contingent assets, PS 3380 Contractual rights and PS 3430 Restructuring transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017, with the exception of PS 3430 which is effective for fiscal years starting on or after April 1, 2018.

PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.

PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

PS 3210 - Assets provides guidance for applying the definition of assets set out in PS 1000, Financial statement concepts, and establishes general disclosure standards for assets.

PS 3320 - Contingent assets defines and establishes disclosure standards for contingent assets.

PS 3380 - Contractual rights defines and establishes disclosure standards for contractual rights.

PS 3430 - Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

Management is currently assessing the impact of these standards on the financial statements.

3. Changes in accounting policy

In June 2010 the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The Institution adopted this accounting standard retroactively as of July 1, 2014 but without restatement prior period results.

4. Correction of errors

During the year the College noted a number of errors in its reporting of certain figures. These errors were as a result of system issues that have been identified and resolved in the current fiscal period. The errors were in inventories, payroll benefits, capital assets and deferred revenue. The inventory errors related to the College not previously booking any inventory obsolescence allowance as well as incorrectly accounting for some accounts payable related to these inventories. The payroll benefit error related to the College not setting up an accounts receivable for a return of benefit premiums from one of its providers. The capital assets errors related to the College incorrectly expensing some capital assets. In addition, the College further refined the error in its amortization of capital assets that was first disclosed in the 2014 consolidated financial statements. The deferred revenue error was as a result of the College recognizing revenue in the incorrect accounting period. There was also classification errors of some transactions that have been restated retroactively.

The impact on the prior year's financial statements as a result of these errors is as follows:

	As previously recorded	Adjustment recorded	As restated
Increase (decrease) in:			
Statement of Financial Position			
Accounts receivable	\$ 715	\$ 223	\$ 938
Inventories and prepaid expenses	779	(11)	768
Tangible capital assets	29,680	(226)	29,454
Accounts payable and accrued liabilities	4,074	559	4,633
Deferred revenue	32,241	(352)	31,889
Accumulated operating surplus	18,530	(221)	18,309
Statement of Operations			
Government of Alberta grants	31,588	882	32,470
Federal and other government grants	1,570	(1,063)	507
Sales of services and products	2,248	(1,500)	748
Student tuition and fees	5,580	1,570	7,150
Donations and other contributions	372	269	641
Instruction	14,722	(325)	14,397
Academic and student support	9,092	207	9,299
Institutional support	6,017	139	6,156
Facility operations and maintenance	8,149	(452)	7,697
Ancillary services	1,573	431	2,004
Accumulated operating surplus, beginning of year	\$ 16,093	\$ (379)	\$ 15,714

5. Cash and Cash Equivalents

	2015	2014
Cash	\$ 9,201	\$ 12,026
Money market funds, short-term notes and treasury bills	4,300	1,772
	<u>\$ 13,501</u>	<u>\$ 13,798</u>

Cash equivalents include short term investments with a short maturity less than three months from the date of acquisition.

6. Portfolio Investments

The composition, fair value, and annual market yields on portfolio investments are as follows:

	2015			
	Level 1	Level 2	Level 3	Total
Investments at Fair Value				
Bonds				
Canadian Bonds	\$ -	\$ 2,598	\$ -	\$ 2,598
Mutual Funds	4,568	6,587	-	11,155
Total Investments	<u>\$ 4,568</u>	<u>\$ 9,185</u>	<u>\$ -</u>	<u>\$ 13,753</u>
	2014			
	Level 1	Level 2	Level 3	Total
Investments at Fair Value				
Bonds				
Canadian Bonds	\$ -	\$ 1,207	\$ -	\$ 1,207
Mutual Funds	3,570	7,775	-	11,345
Total Investments	<u>\$ 3,570</u>	<u>\$ 8,982</u>	<u>\$ -</u>	<u>\$ 12,552</u>

The fair value measurements are those derived from:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Market-based inputs other than quoted prices that are observable for the asset or liability either directly as prices or indirectly derived from prices;

Level 3 -Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

7. Financial risk management

The College is exposed to a variety of financial risks, including market risks (price risk, currency risk and interest rate risk), credit risk, and liquidity risk. To manage these risks, the College invests in a diversified portfolio of investments that is guided by established investment policies that outline risk and return objectives. The long term objective of the College's investment policies is to achieve a long term real rate of return in excess of fees and expenses and maintain the real value of the fund.

The College is exposed to the following risks:

Market risk

The College is exposed to market risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affected all securities. To manage this risk, the College has established an investment policy with a target mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk. The College president has the delegated authority for oversight of the College's investments. The College's management for risk has not changed from prior year.

At June 30, 2015, the impact of a change in the rate of return on the investment portfolio is as follows:

- a 16.26% increase in fixed income securities would have a \$947 increase (2014- 7.94% change would have a \$290 increase)

Foreign currency risk

The College is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The College does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The College's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

Liquidity risk

The College maintains a short-term line of credit that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner. This short-term line of credit has a \$2,000 (2014 - \$2,000) limit with interest paid monthly at an interest rate of Prime plus 0.3% (2014- Prime plus 0.3%). As at June 30, 2015, no draws (2014- no draws) have been made from this available line of credit.

Credit risk

The College is exposed to credit risk on investments arising from the potential failure of a counter-party, debtor or issuer to honor its contractual obligations. To manage this risk the College has established an investment policy with required minimum credit quality standards and issuer limits. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors.

The credit risks on investments held as a percentage of total bond portfolio are as follows:

Credit Rating	2015	2014
Bonds		
AAA	21.68 %	55.80 %
AA	29.68 %	8.40 %
A	26.89 %	35.80 %
BBB	21.58 %	- %
Not Rated	0.17 %	- %
	<hr/> 100.00 %	<hr/> 100.00 %

Interest rate risk

Interest rate risk is the risk to the College's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the College holds.

The maturity of interest bearing investments are as follows :

	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Cash and cash equivalents	100.00 %	- %	- %	1.05 %
Canadian corporate bonds	- %	19.60 %	80.40 %	2.83 %
Canadian government bonds	15.86 %	72.01 %	12.13 %	3.62 %
Provincial government bonds	29.70 %	70.30 %	- %	3.24 %

8. Accounts Receivable

	2015	2014 (restated see Note 4)
Accounts receivable	\$ 779	\$ 1,046
Less allowance for doubtful accounts	(76)	(108)
	<u>\$ 703</u>	<u>\$ 938</u>

Accounts receivable are unsecured and non-interest bearing.

9. Tangible capital assets

	2015							2014 (restated see Note 4)
	Land	Buildings	Land Improve- ments	Equip- ment ¹	Computer Hardware & Software	Library	Total	Total
Cost								
Beginning of year	\$ 1,255	\$ 42,028	\$ 723	\$ 5,840	\$ 1,677	\$ 763	\$ 52,286	\$ 54,711
Acquisitions	-	3,792	-	989	364	-	5,145	1,522
Disposals	(37)	(834)	-	(627)	(142)	(763)	(2,403)	(3,947)
Transfers	48	(48)	-	-	-	-	-	-
	<u>1,266</u>	<u>44,938</u>	<u>723</u>	<u>6,202</u>	<u>1,899</u>	<u>-</u>	<u>55,028</u>	<u>52,286</u>
Accumulated Amortization								
Beginning of year	\$ -	\$ 17,259	\$ 314	\$ 3,410	\$ 1,353	\$ 496	\$ 22,832	\$ 24,266
Amortization expense	-	1,844	19	726	262	62	2,913	2,312
Effects on disposals, including write-downs	-	(1,011)	-	(426)	(143)	(558)	(2,138)	(3,746)
	<u>-</u>	<u>18,092</u>	<u>333</u>	<u>3,710</u>	<u>1,472</u>	<u>-</u>	<u>23,607</u>	<u>22,832</u>
Net book value at June 30, 2015	<u>\$ 1,266</u>	<u>\$ 26,846</u>	<u>\$ 390</u>	<u>\$ 2,492</u>	<u>\$ 427</u>	<u>\$ -</u>	<u>\$ 31,421</u>	<u>\$ -</u>
Net book value at June 30, 2014	\$ 1,255	\$ 24,769	\$ 409	\$ 2,430	\$ 324	\$ 267	\$ 29,454	\$ -

Cost include work-in-progress at June 30, 2015 totaling \$2,369 (2014 - \$1,581) comprised of buildings \$2,135 (2014 - \$909), computer hardware and software \$234 (2014- \$8) and equipment \$nil (2014- \$664), which are not amortized as the assets are not in service.

No interest was capitalized by the College in 2015 (2014 - nil).

¹Equipment includes vehicles, equipment, office equipment and furniture.

10. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2015	2014
Long term disability	\$ 799	\$ 516

A. Defined benefit plan accounted for on a defined benefit basis

Long term disability (LTD) benefits

The College provides long-term disability defined benefits to its employees. The long-term disability plan provides pension and non-pension benefits after employment, but not before the employee's normal retirement date. The College had the LTD benefits valued by an actuary for the first time as at July 1, 2015. The comparative figures are management's estimates.

	2015	2014 ⁽¹⁾
Accrued benefit obligation:		
Balance, beginning	\$ 516	\$ 592
Interest cost	10	13
Benefits paid	(223)	(182)
Actuarial (gain) loss	\$ 799	\$ 516

The significant actuarial assumptions used to measure the LTD accrued benefit obligation are as follows:

	2015	2014 ⁽¹⁾
Accrued benefit obligation:		
Discount rate	2.5 %	2.5 %
Long-term average compensation increase	- %	- %
Alberta inflation (year 1)	1.7 %	2.6 %
Estimated average remaining service life	6	8

⁽¹⁾The 2014 figures have not been actuarially valued and are management's estimates .

B. Defined benefit accounted for on a defined contribution basis

Management Employees Pension Plan (MEPP)

The MEPP is a multi-employer contributory defined benefit pension plan for managers at the College and is accounted for on a defined contribution basis. At December 31, 2014, the MEPP reported an actuarial surplus of \$75,805 (2013- \$50,457). An actuarial valuation of the MEPP was carried out as at December 31, 2012 and was then extrapolated to December 31, 2014. The pension expense recorded in these financial statements is \$307 (2014- \$257).

Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2014 , the PSPP reported an actuarial deficiency of \$803,299 (2013 - deficiency of \$1,254,678). An actuarial valuation of the PSPP was carried out as at December 31, 2013 and was then extrapolated to December 31, 2014. The pension expense recorded in these financial statements is \$2,473 (2014 - \$2,451). The PSPP's deficit is being discharged through additional contributions from both employees and employers until 2025. Other than the requirement to make additional contributions, the College does not bear any risk related to the PSPP deficiency.

11. Deferred Revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement:

2015					
	Restricted			Tuition and other fees	Total
	Deferred Research and Special purpose	Unspent capital contributions	Spent capital contributions		
Balance, beginning of year	\$ 7,451	\$ 2,249	\$ 22,017	\$ 172	\$ 31,889
Grants, tuition, donations received during the year	5,212	2,520	-	7,208	14,940
Restricted investment income (Note 17)	87	1	-	-	88
Capital acquisitions	(1,690)	(1,631)	3,321	-	-
Recognized as revenue	(3,859)	(27)	(1,890)	(7,080)	(12,856)
Unrealized gains	37	-	-	-	37
Balance, end of year	<u>\$ 7,238</u>	<u>\$ 3,112</u>	<u>\$ 23,448</u>	<u>\$ 300</u>	<u>\$ 34,098</u>

2014 (restated see Note 4)					
	Restricted			Tuition and other fees	Total
	Deferred Research and Special purpose	Unspent capital contributions	Spent capital contributions		
Balance, beginning of year	\$ 5,442	\$ 2,246	\$ 22,290	\$ 173	\$ 30,151
Grants, tuition, donations received during the year	8,054	-	-	7,149	15,203
Restricted investment income (Note 17)	80	3	-	-	83
Capital acquisitions	(1,212)	-	1,212	-	-
Recognized as revenue	(5,004)	-	(1,485)	(7,150)	(13,639)
Unrealized gains	91	-	-	-	91
Balance, end of year	<u>\$ 7,451</u>	<u>\$ 2,249</u>	<u>\$ 22,017</u>	<u>\$ 172</u>	<u>\$ 31,889</u>

12. Liability for Contaminated Sites

The College has accepted responsibility to perform remediation work at one of the residences the College owns. The residence has black mold and as such is not occupied. The College's plan for remediation is to use local contractor within the next 12 months. The liability estimate was arrived at by obtaining quotes from local contractors in the area.

13. Endowments

Endowments consist of externally restricted donations received by the Institution and internal allocations by the College's Board of Governors, the principal of which is required to be maintained intact in perpetuity.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors.

Under the *Post-secondary Learning Act*, the College has the authority to alter the terms and conditions of endowments to enable:

- income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment.
- encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment if, in the opinion of the Board of Governors, the encroachment benefits the Institution and does not impair the long-term value of the fund.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the cumulative capitalized investment income. However, for individual endowment funds without sufficient cumulative capitalized income, unrestricted accumulated operating surplus is used in that year.

The composition of endowments is as follows:

	2015	2014
Balance, beginning of year	\$ 1,652	\$ 1,614
Investment gain - realized (Note 17)	11	38
Balance, end of year	<u>\$ 1,663</u>	<u>\$ 1,652</u>

14. Accumulated Operating Surplus

The funds and reserves are established to show a breakdown of accumulated operating surplus. The composition of accumulated operating surplus is as follows:

	Accumulated surplus from operations	Investment in tangible capital assets	Internally restricted surplus	Total accumulated surplus
Balance as at 2013 (restated Note 4)	\$ 5,920	\$ 8,157	\$ 1,637	\$ 15,714
Operating surplus	2,595	-	-	2,595
Acquisition of tangible capital assets	(308)	308	-	-
Amortization of internally funded tangible capital assets	873	(873)	-	-
Net book value of asset disposals	153	(153)	-	-
Net Board appropriation to internally restricted surplus	(1,463)	-	1,463	-
Balance as at 2014 (restated Note 4)	7,770	7,439	3,100	18,309
Operating deficit	(356)	-	-	(356)
Acquisition of tangible capital assets	(1,235)	1,935	(700)	-
Amortization of internally funded tangible capital assets	1,276	(1,276)	-	-
Net book value of assets disposals	126	(126)	-	-
Board appropriation to internally restricted surplus	(600)	-	600	-
Balance as at June 30, 2015	<u>\$ 6,981</u>	<u>\$ 7,972</u>	<u>\$ 3,000</u>	<u>\$ 17,953</u>

Investment in tangible capital assets represents the amount of the institution's accumulated operating surplus that has been invested in the institution's capital assets.

Internally restricted surpluses represent amounts set aside by the College's Board of Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them.

15. Contingent Liabilities

The College has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the Institution may be required to take appropriate remediation procedures to remove the asbestos. As the Institution has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligations for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

16. Contractual Obligations

The College has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met.

The estimated aggregate amount payable for the unexpired terms of these contractual obligations are as follows:

	Information Systems and Technology	Long-term Leases	Total
2016	\$ 169	\$ 264	\$ 433
2017	169	226	395
2018	169	226	395
2019	84	149	233
2020	-	43	43
	<u>\$ 591</u>	<u>\$ 908</u>	<u>\$ 1,499</u>

17. Investment Income

	2015	2014
Income on investments held for endowments	\$ 71	\$ 109
Income on other investments	625	644
	<u>696</u>	<u>753</u>
Amounts deferred (Note 11)	(88)	(83)
Capitalized to endowment principal (Note 13)	(11)	(38)
Total investment income	<u>\$ 597</u>	<u>\$ 632</u>

18. Expenses by Object

The following is a summary of expenses by object.

	2015		2014 (restated Note 4)
	Budget (Note 22)	Actual	Actual
Salaries and benefits	\$ 26,796	\$ 28,289	\$ 25,293
Materials, supplies and services	11,640	8,886	8,683
Scholarships and bursaries	96	120	115
Maintenance and repairs	334	290	262
Utilities	1,457	1,174	1,322
Amortization of capital assets	2,091	2,913	2,312
Cost of goods sold	1,208	659	1,566
	<u>\$ 43,622</u>	<u>\$ 42,331</u>	<u>\$ 39,553</u>

19. Funds Held on Behalf of Others

The College holds the following funds on behalf of others over which the Board has no power of appropriation. Accordingly, these funds are not included in the consolidated financial statements.

	2015	2014
Northern Alberta Development Council	\$ 54	\$ 48
Others	-	1
	<u>\$ 54</u>	<u>\$ 49</u>

20. Salary and Employee Benefits

Under the authority of the *Fiscal Management Act*, the President of Treasury Board and Minister of Finance requires the disclosure of certain salary and employee benefits information.

	2015				2014
	Base salary ⁽³⁾	Other cash benefits ⁽⁴⁾	Other non-cash benefits ⁽⁵⁾	Total	Total
Governance⁽¹⁾					
Chair of the Board of Governors ⁽²⁾	\$ -	\$ 7	\$ -	\$ 7	\$ 2
Members of the Board of Governors	-	19	-	19	22
Executive					
President ⁽⁶⁾	217	7	37	261	280
Vice-Presidents:					
Vice-President Academic	167	21	37	225	201
Vice-President Corporate Services ⁽⁷⁾	156	9	39	204	255
Other					
Senior Director, External Relations	114	50	32	196	165
Director, Human Resources	116	-	33	149	144
Director, Advancement ⁽⁸⁾	20	-	4	24	-

¹ The Chair and Members of Board of Governor receive no remuneration for their participation on the Board. Board members receive honoraria for participation in Board meetings; these are included in other cash benefits.

² This position was held by two individuals during the 2014 year.

³ Base salary includes pensionable base pay.

⁴ Other cash benefits include wellness pay-outs, health spending accounts, vacation payments and other lump sum payments, including severance.

⁵ Other non-cash benefits include the College's share of all employee benefits including Canada Pension Plan, Employment Insurance, pensions, supplementary health care, dental plan, group life insurance, accidental death and dismemberment insurance and long-term disability plans.

⁶ In 2014 both the outgoing and the current president overlapped employment in the first 2 months of the year.

⁷ In 2014 this position was previously called Vice-President College Services. These positions were held by two individuals during the 2014 year.

⁸ The Director, Advancement started reporting to the President of the College effective April 30, 2015

21. Related Party Transactions and Balances

The College operates under the authority and statutes of the Province of Alberta. Transactions and balances between the College and the Government of Alberta (GOA) are measured at the exchange amount and summarized below.

	2015	2014 (restated Note 4)
Grants from Government of Alberta		
Innovation and Advanced Education:		
Operating	\$ 27,349	\$ 26,982
Other	3,850	5,699
Total Innovation and Advanced Education	\$ 31,199	\$ 32,681
Other Post-secondary Institutions	\$ -	\$ 24
Total contributions received	31,199	32,705
Restricted expended capital recognized as revenue	1,890	1,485
Less: deferred contributions	(423)	(1,720)
	<u>\$ 32,666</u>	<u>\$ 32,470</u>
Accounts receivable		
Other Government of Alberta departments and agencies	1	-
Other Post-secondary Institutions	16	-
	<u>\$ 17</u>	<u>\$ -</u>
Accounts payable		
Other Post-secondary Institutions	\$ 9	\$ -

22. Budget Figures

Budgeted figures have been provided for comparison purposes and have been derived from the College's Comprehensive Institutional Plan as approved by the Board of Governors.

23. Comparative Figures

Certain comparative figures have been restated where necessary to conform with current period presentation.

24. Approval of Financial Statements

The consolidated financial statements were approved by the Board of Governors of Northern Lakes College.



