



Northern Lakes College

ANNUAL REPORT 2011-2012



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Front cover photo: Colin Ross, Northern Lakes College Employee

Vision Statement

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

Mission Statement

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.

Values

To achieve our mission and vision, we share values that guide our practices and behaviours. We value:

- **COMMUNITY:** Students and the College receive support from the community. Community capacity grows from the success of the students. Engagement with community stakeholders contributes to increased access, quality, and sustainability.
- **RESPECT:** Adults are entitled to learning services that respect their culture, abilities and circumstances. Northern Lakes College celebrates diversity and values the celebration of Aboriginal history, cultures, and languages.
- **ACCESSIBILITY:** Students and employees will succeed in their learning, employment, and personal endeavours when provided with accessible and effective educational services and supports.
- **COLLABORATION:** Working together with community, businesses and educational partners is fundamental to the success of our learners and our college.
- **QUALITY:** Learners will participate and succeed if they receive fair, reliable services and relevant, timely and credible programs.
- **LIFELONG LEARNING:** Lifelong learning is essential to the growth of students, employees, families, communities, and organizations.

Did you know?

Communities and Community Learning Centres

Northern Lakes College is a community-based college that has served the communities of north-central Alberta since it opened its doors for business in 1970. Our principal business is delivering post-secondary options close to home and work in all parts of the College region. Access to learning close to home is through services provided at Community Learning Centres. The College was an early adopter of distance education. Most students receive courses in our Community Learning Centres in a highly supportive environment. Each year communities have a different selection to choose from. In most of the communities served the College is the portal for adult education access and student support. Community Education Committees came into official existence on May 14, 1971 and from the beginning their role has been to advise the College in each community. Representatives regularly meet as the Council of the Community Education Committees to advise the President on the overall operation of the College.

Board of Governors



Archie Cunningham
Chair



Gerald Cunningham
Vice Chair



Scott Biggin
Faculty Member



Colin Kelly
Public Member



Jordan Koski
Student Member



Jennifer Moore
Public Member



Rick Neidig
*President & CEO,
Ex officio*



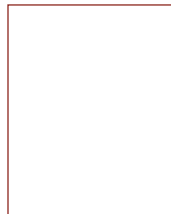
Colin Ross
Staff Member



Wilf Willier
Public Member



Sandra Willing
Public Member



Vacant
Public Member

Accountability Statement

The Northern Lakes College Annual Report for the year ended June 30, 2012 was prepared under the Board's direction in accordance with the *Government Accountability Act* and ministerial guidelines established pursuant to the *Government Accountability 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:
Archie Cunningham
Chair

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 Centers and regional campuses. All sites are equipped with technology for online 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.

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.

Achievement Report

The achievements in this Annual Report were guided by the outcomes and initiatives identified in the 2012-2015 College Plan. Students and communities are at the centre of College business. Key outcomes are structured around the services we must deliver for students and communities. Achieving the outcomes requires College operations that pay attention to partnerships, externally determined regulations, internal processes, sustainable finances, and our ability to change and improve. The major headings contained in this report represent this overall balance of perspective and some achievements for priority initiatives in each area of attention.

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 *Government Accountability 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 accounting principles.

Original signed by:

Rick Neidig

President & CEO

Message from the President



Fiscal year 2011-12 was characterized by an array of program changes and renewals, the challenge of recruiting a new Chief Financial Officer, recovery from the northern wildfires of May 2011, increased collaboration with school jurisdictions, ongoing internal process improvements, and strong staff development investments.

Program related activity offered the usual breadth of activity found at Comprehensive Community Institutions (CCIs). Alberta Education and Alberta Enterprise & Advanced Education continued to provide strong support for the Aboriginal Teacher Education program. The Apprenticeship Branch sustained Apprenticeship programs at previous year levels. Industry partners continued to donate to Boom Truck offerings. Daishowa Marubeni Inc. in Peace River and Shell Canada continued to work with the College on advancing our Power Engineering program. An Early Childhood Education program was approved with the offering taking place in September 2011. A memorandum of understanding with Portage College, and subsequent program approval in May 2012, led to plans for shared course delivery in the second year of the Business program and sharing specialties within the second year across both College regions. One of the newest offerings at the College, the Medical Receptionist Program, saw the completion and celebration of the first group of graduates. The program, in partnership with Health Canada, provides training for health centre personnel on reserves.

Many of the College's strategic plans are in implementation stage. Work continues with the Grouard Historical Society and the Municipal District of Big Lakes to meet the needs of all three organizations in relation to a historical project for Grouard. Trades and industrial programming continued to move forward. A \$2 million fundraising campaign was launched for the creation of a power engineering lab in Peace River. Health programs progressed with new accreditations; new Canadian Medical Association approval for Emergency Medical Technician (EMT) and the 5 year renewal of the Practical Nurse accreditation. The success of the Practical Nurse accreditation was a significant accomplishment given that, in partnership with three other colleges, we developed and presented a brand new collaborative curriculum.

The strategic direction of seeking shared purpose facilities in small communities had mixed results. On the down side, the Province cancelled the College presence in the High Prairie hospital development after it was announced the year prior. More progress was achieved in other communities; the Business Plan for the Peerless/Trout project was started and the collaborative Gift Lake Learning Centre was in design phase.

Increasing educational achievement through greater collaboration with K-12 schools was an identified direction in the prior year. Dual credit work moved ahead with the hiring of a dual credit coordinator. Projects such as the Gift Lake Learning Centre, the Peerless Lake project and the Tolko project in High Prairie are in line with the direction of closer collaboration between the College and K-12 schools to improve educational outcomes in the region.

The College was successful in its application for \$2.845 million from Rural Alberta's Development Fund for the Tolko project based on a grant submission in partnership with Tolko and Northern Alberta Development Council (NADC). The project, named the High Prairie Regional Training and Development Centre, focuses on providing trainees with hands-on experience in an industrial and practical working environment to develop a skilled labour pool for the growing resource-based industry in northern Alberta. This project engages Career and Technology Studies (CTS) students in grades 10 to 12 enrolled in dual-credit high school/college programming for electrician, welder, millwright, and power engineering. This project is an important step toward meeting both present and emerging skilled labor shortages in the region.

Ongoing recruitment challenges in Finance continued to contribute to delays in completion of annual financial statements. A new CFO was hired in February 2012 filling a vacancy that had not been adequately filled since June 2010. BDO Accounting was contracted in 2011 to assist with financial statements. The 2009-10 statements were audited in 2011-12 and the audit exit interview was scheduled for September 7th, 2012; a date based on auditor availability.

International accounting practices changed recently and non-profit organizations are in transition to comply with new accounting standards for 2012-13. Public Sector Accounting Board (PSAB) standards, with some provincially determined

implementation requirements, will be used. The College has reviewed the standards and adapted the Agresso Financial system to accommodate the 2012 transition requirement.

An Audit and Finance Committee of the Board was established. With the appointment of a new CFO and the change in accounting standards, historical financial controls are under review. A concerted effort was undertaken to have documented financial regulations and controls. This work will continue into 2012-13. Online Budget Officer training was in early stages of development to further enhance knowledge of financial control processes.

The 2011-12 budget for staff development was \$196,000, an increase of \$46,000 over three years prior. There were 503 applications for training in 2011-12, (up from 408 in 2010-11). The most recent (2010) Employee Satisfaction Survey indicated that of 231 respondents, 84.8% of participants agreed or strongly agreed that adequate opportunities are provided for professional growth.

There was a continued emphasis on Health and Safety in 2011-12. The Occupational Health & Safety (OH&S) Committee prepared an online OH&S Orientation and Quiz. Orientation provided a brief overview of provincial and federal OH&S legislation and how it applies to employees working at the College.

Process improvement is ongoing. A new application was completed for Master Program Plans (MPPs) to improve the effectiveness and efficiency of setting up programs. The integrity of this information is vital to communication processes with students, funders, and government. The MPP project is unique in its design given the audit and management functionality of the database. There are few institutions who have implemented such an innovative, interactive database design which creates a relationship between our student information system and the College's program planning requirements.

The College provided continued support for the community of Slave Lake after the emergency of May 2011. The Town of Slave Lake and the Red Cross were provided with space at the College well after the fires. Employees were provided accommodation in Student Housing until they could rebuild their homes. Housing shortages in Slave Lake made it difficult for students to find accommodation at Slave Lake which impacted enrollments. A presentation was made to the ACCC President's

Academy on lessons learned from the Slave Lake disaster. The audience was made up of College Presidents from across the country. Disruption from the fires created year-long impacts.

Reallocation of resources from low enrollment sites to active communities continued. The decision was made to close the Faust learning centre. Swan Hills, Loon River and Manning were changed from full service sites to reduced service based on enrollments.

In December 2011 a Board retreat occurred in Peace River. The retreat was organized on the topic of community engagement and renewal. The Community Education Committee (CEC) workshop, in the Spring of 2012, followed up on this retreat. Other forms of Community engagement over the year included continuing involvement with the Woodland Operations Learning Foundation (WOLF), leadership on the Alberta Rural Development Network (a partnership of 21 institutions) and participation in the Peace Oil Sands conference in Peace River.

Daycare service available at the Slave Lake campus since opening day in 1991 came to an end in 2011-12. The Slave Lake Childcare Society consolidated two daycare operations into one off-campus location. The Society has no plans for returning.

Despite the challenges of 2011, enrollments increased. A drop in enrollment at Slave Lake after the fire was offset significantly by enrollment growth in Peace River and High Level. Overall, full-load equivalent enrollments increased and part-time participants increased significantly.

As President, I'm extremely proud of the resilience of Northern Lakes College employees and students as demonstrated through this difficult year. Their contributions to the College and the community were commendable, and while systems were strained to the limit, the collective efforts of all moved the College back toward normal operations.

Sincerely,

Original signed by:

Rick Neidig

President and CEO

Strategic Directions

Northern Lakes College has defined five strategic directions based upon the 2012-2015 College Plan.

1. Northern Lakes College is committed to providing exemplary service to our students and their communities through:

- **Responsive and equitable community-based access to a continuum of educational programming.**
- **Quality programs and services which support personal achievement, academic growth, employment success, and community capacity building.**
- **A supportive, positive and inclusive learning environment.**
- **Strong secondary to post-secondary and post-secondary to post-secondary transitions.**

HIGHLIGHTS:

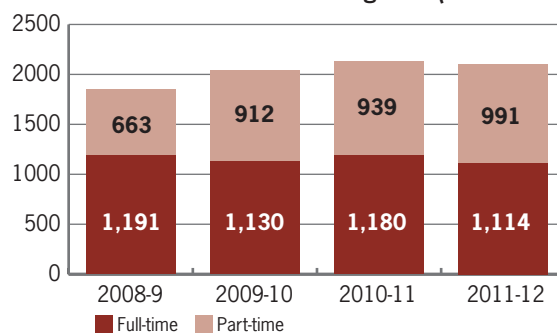
- Approximately 400 students registered in the Maintenance Management program during the 2011-2012 year.
- A dual-credit program for Health Care Aides was initiated at the end of January 2012 with six students from the Slave Lake and Kinuso area enrolled.
- The Addiction Services Worker Program had a significant increase in enrollment. Thirty-three students enrolled in the program. Fourteen of these students are from the National Native Alcohol and Drug Abuse Program.
- As of September 2011, the Teacher Assistant program doubled the number of courses available to students in the evening, allowing working students the option of completing the program faster.
- The Power Engineering program was expanded to include online offerings for 5th, 4th and 3rd class. Northern Lakes College's On-line Curriculum Development Fund (OCDF) proposal for the development of 2nd Class Power Engineering was successful in its application for \$60,000.
- Northern Lakes College hosted a Summer Trades Camp for regional youth in June with 12 participants taking part.
- The addition of the eStep part-time online delivery for employed non-certified Health Care Aides (HCA) seeking certification has contributed significantly to the number of students in the Health Care Aide program. The eStep HCA offering continues to provide non-certified HCAs an opportunity to complete their certification while working.
- The Canadian Medical Association completed a four-day onsite visit and recommended a two year accreditation for the Emergency Medical Technician Program.
- Five EMT students wrote and passed the provincial exam, showing a 100% pass rate for our first student cohort in this program.
- College counsellors acquired level one of the "Grief Counselling" course. This training provided the counsellors with new tools to enhance their effectiveness in assisting students manage grief while (when appropriate) continuing their studies.
- Dual-credit programming began in September 2011, with students enrolled in Welding, Power Engineering and the Forestry and Harvesting Technician programs. These high school students are from the High Prairie School District and the Living Waters School District.
- The Early Childhood Education program began delivery in September 2011. The program is available on a part time basis during the evenings.
- The Survey Theory and Calculations program created a new online course called "GPS for Surveyors".
- The library added resources to their Moodle site allowing students 24/7 access to resources, including any Elluminate classroom sessions on relevant topics. A digital subscription to the provincial newspapers was added to the collection during this quarter.
- Since September 2011 two new programs were made available to communities across our entire service region, Early Childhood Education program and the Medical Receptionist program.
- All 56 of our 2010-11 Practical Nurse graduates who wrote the national licensing exam in September 2011 were successful. The Alberta average passing rate is 93%; the national average is significantly lower.
- Student orientation was improved through the enhancement of communications between students and program areas. This initiative assisted in the development of positive relationships.

- New business practices were put in place to assist students with acquiring current information on transfer courses and financial plans as they seek admissions to a Northern Lakes College program.
- Students across all credit based programs were provided the opportunity to develop a completion plan with their program advisor. This plan assists the students in understanding their educational path, completion expectations and outcomes needed for success. In addition, the plan provides for relationship building, a key retention activity, with program staff.
- The Students' Association extended its listing of subsidized courses available to its members to include courses that contain a cultural component. Student Association members received a 45% discount on courses offered by the continuing education division of Workforce Development or through their local Community Adult Learning Council (CALC).
- The Students' Association obtained 43 gaming licenses through the Alberta Gaming & Liquor Commission on behalf of campus Student Union groups. More than \$15,000 was raised through licensed fundraising activities, in addition to fundraising done through non-gaming activities (potlucks, golf tournaments, garage sales). Dollars raised were used to support educational fieldtrips, assist with cultural events, and provide recreational opportunities throughout the College service region.
- A photography project encouraging students from across the region to submit photos related to "How Education Makes a Difference in Your Community" was completed during the winter. More than 90 students attending the Academic Learning Lab Days in March voted for the photo they felt best represented the theme.
- Over 200 people participated in this year's Round Dance at the end of November at the Grouard Campus. Members of First Nation's communities from as far away as Montana joined in the celebration. Twenty-eight singers came from across northern Alberta along with one group that traveled to the event from Saskatchewan.

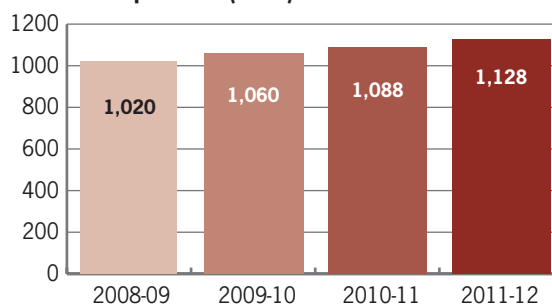
PERFORMANCE INDICATORS:

1. Number of Students in Credit Programs (head count).
2. Full Load Equivalent (FLEs).
3. Communities Served with Credit Courses in Region.
4. Non Credit Courses.
5. Individuals Taking Non-Credit Courses (head count).
6. Total Non-Credit Course Registrations.
7. Active Community Education Committees.
8. Active Student Union Groups Within the Students' Association.
9. Student Feedback Survey.

Number of Students in Credit Programs (head count)

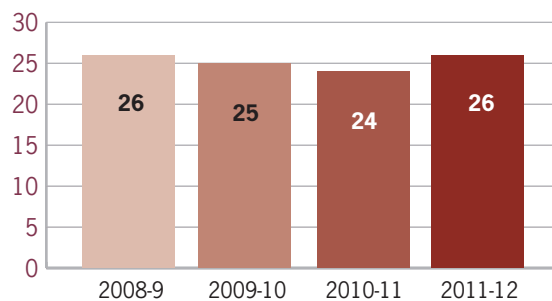


Full Load Equivalent (FLEs)

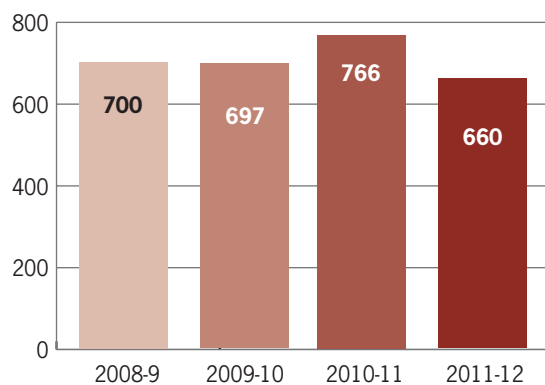


Communities Served With Credit Courses in Region

Does not include programs offered in Barrhead, Grande Prairie, Westlock and the Peace River Correctional Institute.

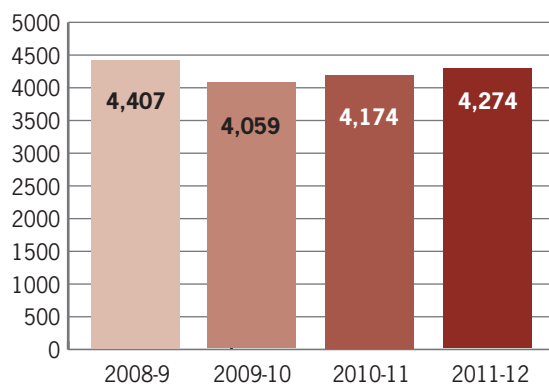


Non Credit Courses



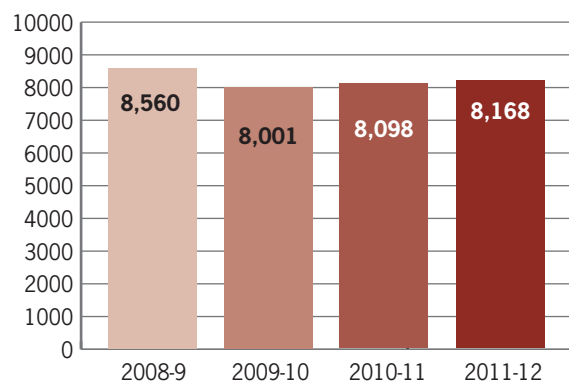
*Includes Workforce Development Courses

Individuals Taking Non-Credit Courses (head count)

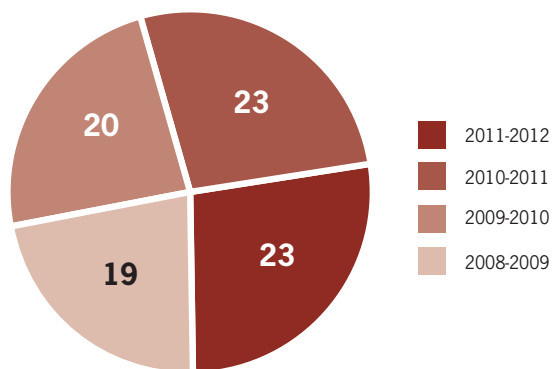


*Unduplicated offerings

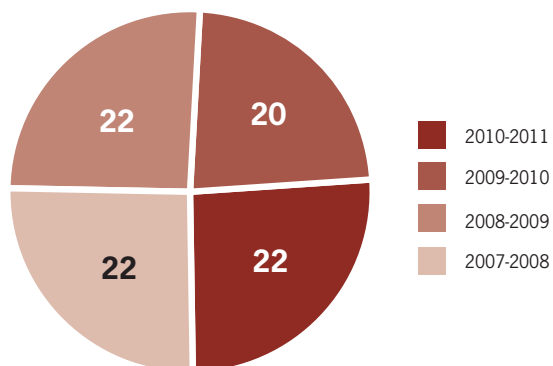
Total Non-Credit Course Registrations



Active Community Education Committees



Active Student Union Groups Within the Students' Association



Student Feedback Survey

	2008-09	2009-10	2010-11	2011-12
Quality of Instruction Rated 3 or higher on a 5 point scale	92%	96%	94%	91.5%
Overall Satisfaction Rated 3 or higher on a 5 point scale	96%	92%	97%	94.5%
Recommend Northern Lakes College Answered "Yes"	96%	96%	97%	90.7%

2. The strength of Northern Lakes College is built upon successful partnerships and innovation by:

- Maximizing opportunities with other post-secondary and secondary institutions, governments, business and industry, and related agencies.
- Strengthening our brand and visibility.
- Advocating for common strategies, and communicating mutual differences between northern Alberta and larger urban centres.
- Sharing knowledge and resources internally and between organizations.
- Fostering innovation and research relevant to northern Alberta and the College.

HIGHLIGHTS:

- Social Work faculty members participated in the Alberta College of Social Workers (ACSW). Members served on the Professional Social Work Education Board, the subcommittee for approval/re-approval of Social Work diploma programs and ACSW area coordinator for Slave Lake and surrounding communities as representatives.
- The library took advantage of the shared resources available through a partnership with The Alberta Library and the Lois Hole Digital Library. The library had an artwork display available to residents of the Slave Lake fire through the Regional Arts Council.
- The Education Standards Advisory Committee and College of Licensed Practical Nurses of Alberta completed their review of the Practical Nurse program and recommended a 5 year approval of this program.
- CTV filmed several short videos to be aired on their network and featured on their website.
- A proposal for funding the High Prairie Regional Trades and Development Centre to offer dual-credit trade programs at the Tolko High Prairie Mill was formally submitted to the Rural Alberta Development Fund (RADF) in February 2012. The proposal focused on training 160 students in the trades and power engineering programs, with a total budget of \$5.6 million. Key partners include Northern Lakes College, Tolko, The Northern Alberta Development Council (NADC), Careers the Next Generation, along with support from various communities and school districts. \$2.845 million in funding for this project was granted by RADF on March 30, 2012, with the remainder being covered by Tolko and Northern Lakes College.
- After the Slave Lake fires, the Apprenticeship and Industry Training office in Slave Lake was invited to use College space until longer term solutions could be found.
- The College supported Community Adult Learning Centres, community learning networks, and other agencies in their learning by providing space and facilities as necessary. Many non-profit organizations throughout the region were provided space at no cost.
- A Memorandum of Understanding was signed with Northland School Division to offer dual-credit welder training using their mobile lab. The mobile lab was moved to Wabasca to initiate this project.
- Project start-up meetings were held with the Gift Lake Métis Settlement, Alberta Education, Alberta Enterprise and Advanced Education, Alberta Infrastructure, the Northland School Division and consultants regarding a new shared facility in Gift Lake. The schematic design phase was completed and work was started on the working drawings and specifications.
- The feasibility of moving the Northern Lakes College Athabasca Campus into available space at the Athabasca University was discussed.
- Northern Lakes College met with key stakeholders in the forestry and oil & gas sectors. The group, that included Daishowa-Marubeni International Ltd, Shell, and PennWest, along with several smaller oil & gas distributors met in Peace River in September 2012. Discussions were held on assessing the need for power engineers in the Peace region, and to determine ways that Northern Lakes College may be able to work with industry stakeholders to help meet this need.
- A fundraising campaign to establish a power lab training facility in Peace River was announced on May 3, 2012 at the Peace Oil Sands Conference in Peace River. This lab will be located in the Phimister Building at a cost of approx. \$2 million. The success of this campaign will rely on the support of industry, business and municipal leadership. This project is scheduled to be completed by January 2014.
- Dual-credit agreements were established with Northland, High Prairie, Peace River, Living Waters, and Valleyview

school divisions. Additional discussions took place with regional Métis and First Nations communities. Power Engineering is currently being delivered to students in Peace River through this program.

- Discussions took place with Laricina Energy to build programs that will prepare Wabasca residents to obtain careers in trades and power engineering and a technical preparation program aimed at grades 10 and 11 competencies in math, science and literacy.
- A community meeting was held in Wabasca in May 2012 to determine future opportunities and related training needs of the community with relation to the expected growth in regional industry. The focus of this meeting was on training the local workforce to meet those needs.
- Northern Lakes College and Portage College agreed to jointly deliver Business Administration diploma programming with three streams or options for students enrolled in their second year starting 2012-13 to include Management Studies, Accounting, and Human Resource Management.
- The University Studies and Business Administration Programs are working with Athabasca University and others to develop a Business Administration diploma with a Human Resource Management designation. The diploma will transfer into four different business programs at Athabasca University and will provide students with the first two years toward degree completion at Athabasca University.
- Grant MacEwan University submitted a number of proposals for course transfers with Northern Lakes College related to university studies and office administration.
- The Academic Upgrading program continued to promote the First Nation Métis Inuit initiative, as endorsed by Alberta Education.
- The Social Work program was approached by several organizations to offer all or part of the program to their staff as professional development. A number of employees of the organizations have since decided to apply to the regular Social Work program for the fall of 2012.
- The Social Work program arranged for 31 practicum opportunities across our service region, including placements with government, not-for-profit organizations, and within reserves and settlements. The Addiction Services Worker program was also successful in arranging for 15 practicum opportunities at treatment centers across Alberta.
- The Aboriginal Teacher Education Program provided community based teacher training through collaboration between the College, University of Alberta, regional school divisions and the provincial government. Year three of the

Aboriginal Teacher Education Program, which is the first year of delivery by the University of Alberta for their portion of the program took place in 12 Northern Lakes College learning sites to 60 students

- In November 2012 Northern Lakes College hosted a gathering of the partners and students of the Community Based Teacher Education Program (CBTEP) and Aboriginal Teacher Education Program (ATEP). Partners in the ATEP and CBTEP programs include the University of Alberta, Alberta Education, Alberta Enterprise and Advanced Education, Bigstone Education Authority, Peace Wapiti School Division, Holy Family Catholic Regional Division, Grande Prairie Catholic School Division, High Prairie School Division No. 48, Northland School Division and Northern Lights School Division. The conference provided an opportunity for the students from Northern Lakes College, Portage College and Grande Prairie Regional College to come together with the partners for professional development sessions and workshops.
- The Stony Point campus in Wabasca hosted the Job Information Desk of Service Canada in 2010-2011.
- Discussions were held with Northland School Division about the opportunity to expand their outreach program at the Stony Point campus in Wabasca.
- Interest was expressed by North Peace Tribal Council for an offering of Early Childhood Education training for the daycare personnel within its service region.
- The College remains a partner in the Northern Alberta Development Council Clearinghouse for research of use to northern post-secondary institutions.
- The Board of Governors met with the MD of Opportunity in the fall to discuss training needs in their municipality.
- The College is currently working with Health Canada on the delivery of the Medical Receptionist program to reserve personnel.
- Northern Lakes College received \$70,000 in support from the Alberta Rural Development Network (ARDN), to create the foundational plan to develop Grouard, Alberta as a heritage site tourist destination. The project "Supporting the Development of Heritage Potential in Grouard, Alberta" is valued at one hundred and ninety-eight thousand dollars and aims to make the area a destination for local, regional, national and international visitors, creating employment and providing educational opportunities for northern school districts.
- The Board of Governors and members of the Community Education Committees (CEC) held a joint retreat in early

December to review the working relationship between the College and its communities. A new draft Terms of Reference for the CECs was one result.

- Meetings were held with town authorities in Fox Creek to discuss the development of a Community Learning Centre.
- Meetings with Chief and Council of the Dene Tha' First Nation were initiated to facilitate the opening of a campus in Chateh. Consultation continued with this group, primarily through our High Level campus, regarding the establishment of facilities and programs on reserve.
- The College continues to participate in regional economic development committees and initiatives throughout the service region.
- The College played a key role in the Provincial Academic Upgrading Committee. This committee operates under the authority of the Senior Academic Officers of Alberta Colleges and looks at a variety of issues dealing with the delivery of academic upgrading programs.
- The College was a participant on the Provincial Regional Stewardship committee, which deals with common concerns regarding the implementation and operation of stewardship requirements of the Comprehensive Community Institutions within Alberta.

Did you know?

- Northern Lakes College presented its first Honourary Diploma in Community Leadership in 2011-2012
- 74% of the College's employment, career and university programs can be completed entirely or in part online.
- Northern Lakes College partners with other colleges, universities and technical institutes to offer students hundreds of programs and thousands of courses.
- The College's service region serves an area larger than the maritime provinces combined.
- Over 30 Northern Lakes College campuses in North central Alberta provide computer access to students free of charge.

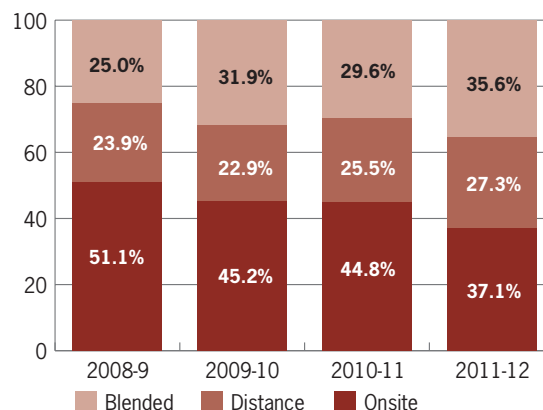
PERFORMANCE INDICATORS:

1. Number of Collaborative Program Offerings.
2. Proportion of Student Contact Hours via Distance Delivery.
3. List of Key Partners.

Number of Collaborative Program Offerings

Aboriginal Teacher Education Program	University of Alberta
Addiction Services Worker	Health Canada/First Nation and Inuit Health Branch
Business Administration – Year 2	Brokered through Portage College
Emergency Medical Responder	In partnership with Justice Institute British Columbia
Health Care Aide	Government of Alberta
Medical Receptionist	Health Canada/First Nation and Inuit Health Branch
Power Engineering 4th Class	Careers Next Generation
Social Work	University of Calgary
Welding, Carpentry, Electrical, Boom Truck	Alberta Apprenticeship Board

Proportion of Student Contact Hours via Distance Delivery



List of key partners

1. Campus Alberta.
2. eCampus Alberta.
3. Alberta Rural Development Network (ARDN).
4. Northern School Divisions.
5. Lesser Slave Lake Economic Alliance (LSLEA).
6. Peace Region Economic Development Alliance (PREDA).
7. Regional Economic Development Initiative (REDI).
8. Alberta Association of Colleges and Technical Institutes (AACTI).
9. Association of Canadian Community Colleges (ACCC).
10. Health Canada/First Nation and Inuit Health Branch.
11. Government of Alberta.
12. Council for Advancement and Support of Education (CASE).

3. Northern Lakes College will excel at internal processes and comply with all necessary external regulatory agencies by:

- Abiding with any legal requirements or government directed initiatives.
- Meeting, or whenever possible, exceeding standards set by regulatory bodies and partnership organizations.
- Continuous internal system review and improvement.

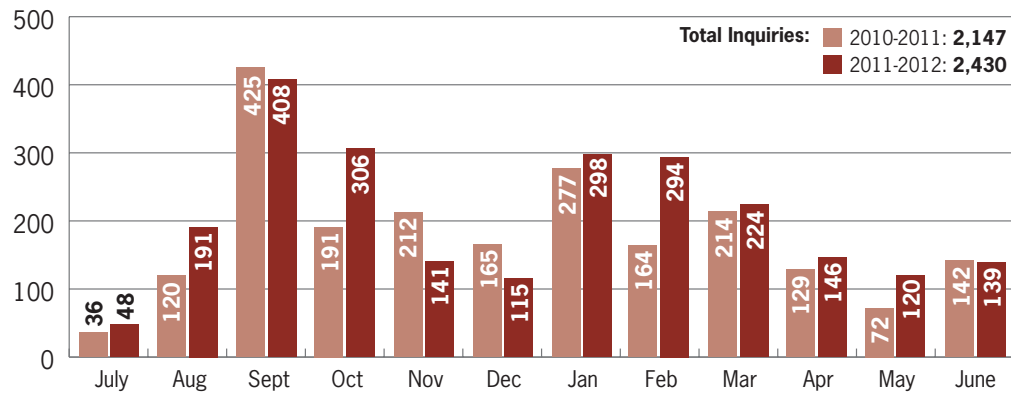
HIGHLIGHTS:

- The College continued to play a key role in a province-wide coalition aimed at developing Aboriginal Leadership and Governance training.
- Representatives from the University of Alberta's Campus Saint-Jean made a presentation to the Council for Community Education Committees in November, 2011 regarding the French language programming.
- A marketing plan template for new programs or those at critical enrollment levels was developed.
- A Master Program Plan interface was developed to significantly improve the flow of information from program plans to those who need the information through college wide systems software.
- The bursary, scholarship and endowment program was renewed in order to provide recommendations for future award fund acquisition, organization, marketing and distribution.
- An investigation of alternate placement assessment tools was initiated to facilitate a shorter time commitment, and greater accuracy with student placements. The College is currently preparing for on-line offerings of the TABE assessment.
- The College was asked to provide a leadership role on the Education Programs Advisory Group, reporting to the Alberta College of Paramedics. This committee supports the effective governance of the Alberta College of Paramedics by enabling prehospital educational experts to investigate and provide recommendations on College (ACP) governance of educational programs.
- The Social Work diploma Program Chairs and/or Coordinators from nine Alberta post-secondary institutions, including Northern Lakes College continues to meet approximately three times yearly to share information and discuss common issues.
- The College worked with the Alberta Boiler Safety Association (ABSA) to provide guidance in the process of growing Power Engineering offerings and building a 3rd and 4th class power lab in Peace River.
- Individuals from various College departments are participating in the Information and Technology Management Control Framework Provincial Project.
- Select college employees have become members of the Association of Physical Plant Administrators to increase facility management awareness, network with other institutions and keep abreast of industry trends and standards. The association has accepted a proposal from Northern Lakes College entitled "Surviving a State of Local Emergency".
- The Pre-hospital Advisory Committee Meeting held its inaugural meeting in October with strong participation from industry and education partners. This meeting helped to solidify student and industry needs with respect to EMT and EMR program outcomes.
- The College newsletter, Across the North, was transformed into an online "magazine" format to ease its distribution. The College has demonstrated the importance of social media for both internal and external communications with more than 1000 users subscribed to its Facebook page.
- A website content analysis was completed. A strategic web communication plan was initiated. Work continued on the development of on-line tools for students related to counselling services, student awards and fee payment guidelines.
- The Records and Admissions departments established business processes for the improved sharing of student file information electronically. This effort has dramatically reduced loss of paper files and improved the currency of information.

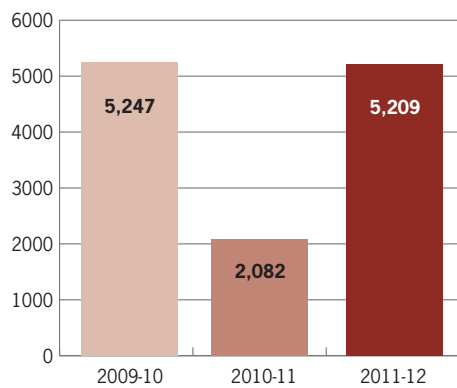
PERFORMANCE INDICATORS:

1. Number of Educational Development Centre Help Desk Inquiries.
2. Number of Information Technology Help Desk Inquiries.
3. Number of Facilities Help Desk Inquiries.
4. Conversion Rate of Student Applications to Student Enrollments.

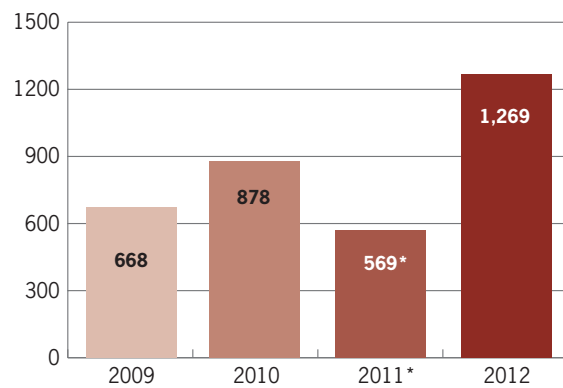
Number of Educational Development Centre Help Desk Inquiries



Number of Information Technology Help Desk Inquiries

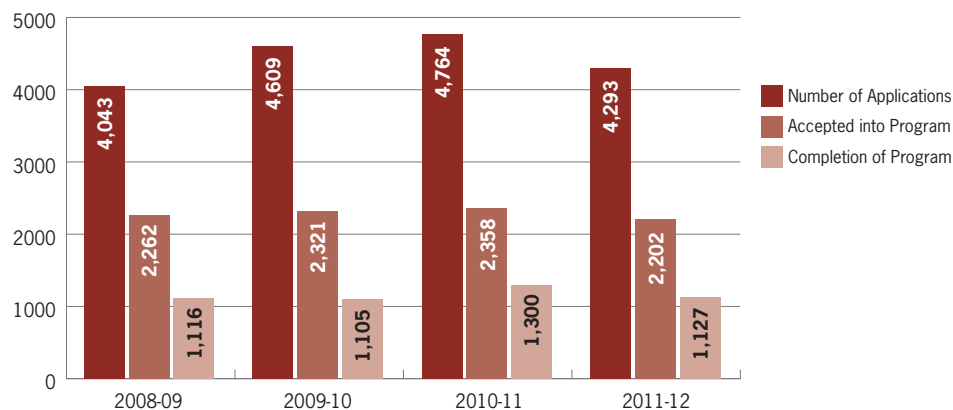


Number of Facilities Help Desk Inquiries



* 2011 interruption to data collection due to May 2011 Wild Fires

Conversion Rate of Student Applications to Student Enrollments



4. Financial and physical assets will be managed in a strategic and responsible manner through:

- The enhancement of financial and physical resources available to students, staff and the public.
- Ever-greening and modernizing infrastructure to the advantage of College operations and the environment.

HIGHLIGHTS:

- The Director of Facilities and Ancillary Services led the development of a Facilities Master Plan. The work includes information sheets on each campus facility including unique attributes that help to demonstrate diversity, along with local historical and cultural references as part of the information summary. These updates will allow for better data transfer to Alberta Infrastructure through the BLIMS and ReCapp systems.
- The Trades and Technology Building in Slave Lake has been refurbished to accommodate the Power Engineering & Maintenance Management Program division of Workforce Development. Class space has also been provided for Dual-credit High School students.
- The library continued to acquire resources that emphasized Aboriginal culture, history, and languages.
- Approximately 100 computers on the college network older than five years were replaced along with the majority of four year old computers as part of the College's technology renewal plan. All regularly used desktop computers have been upgraded to Windows 7 and Office 2010
- Nine site routers were replaced, allowing for better traffic monitoring and management and capacity increases at selected college campuses.
- Facilities and Ancillary Services reviewed the book distribution center procedures. The review has led to some improvements regarding processes and distribution center email protocol. These adjustments will help students receive books in a more timely fashion.

Did you know?



On average **1,000** students are enrolled annually

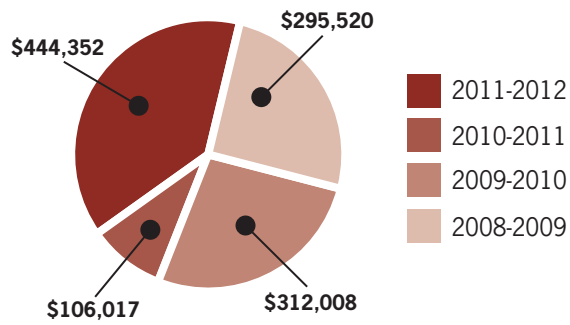
25 campuses across north central Alberta

96% of graduates recommended Northern Lakes College to their friends and family*
* of those that responded to the survey

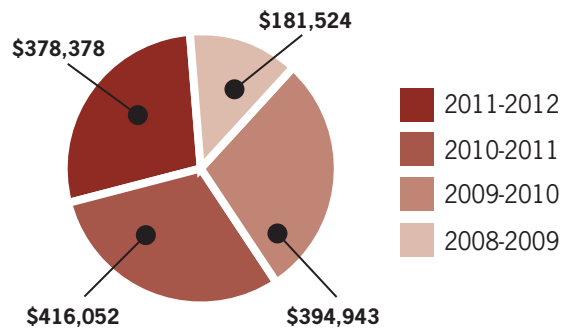
PERFORMANCE INDICATORS:

1. Investments in Furnishing and Equipment.
2. Investment in Fleet Renewal.
3. Infrastructure Maintenance Program Grant Application & Project Implementation.
4. Investment in Computer Renewal.
5. 2011-2012 Fundraising.

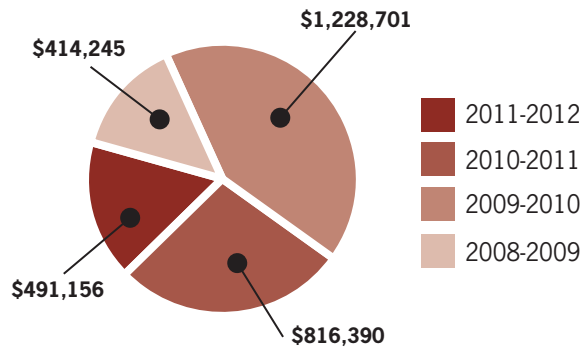
Investments in Furnishing and Equipment



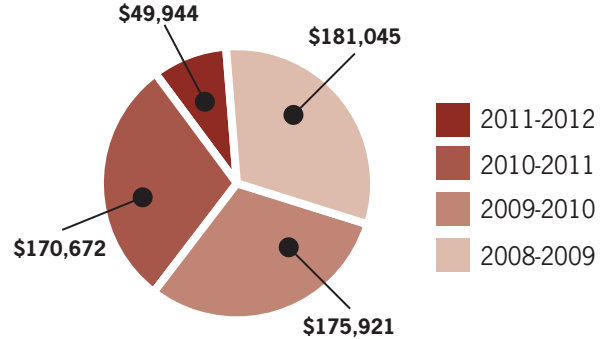
Investment in Fleet Renewal



Investment in Infrastructure Maintenance



Investment in Computer Renewal



2011-2012 Fundraising

Donors 85
 Value of receipted donations \$546,022.11

5. Northern Lakes College will be the employer of choice in the region we serve by:

- Sustaining a healthy and safe working environment.
- Developing, attracting, and retaining the best possible staff.
- Reinforcing the importance of workplace and life-long learning.

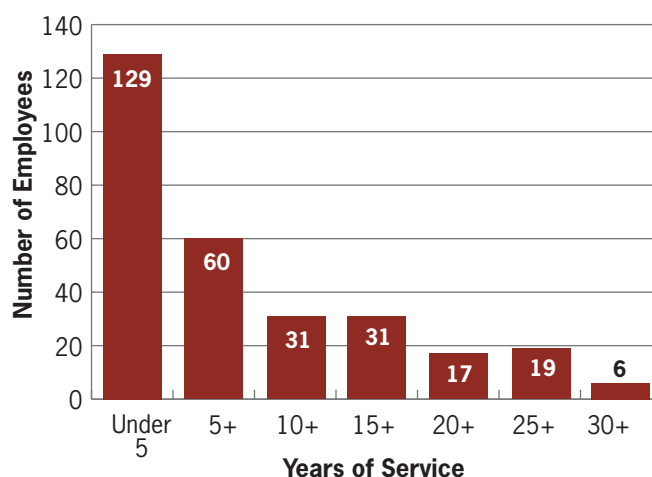
HIGHLIGHTS:

- Human Resource Services experienced an increased demand for the College's WorkStudy Program this year, which provides students with practical work experience while continuing their studies.
- The Occupational Health & Safety Committee (OH&S) rolled out an OH&S awareness quiz. Completion of this quiz was mandatory for all College employees.
- All current employee donors to the College were individually contacted and their past and future contributions discussed. A three year internal campaign to raise \$25,000 was launched, and surpassed within the first month.
- College Services held a workshop for all Budget Officers in December 2011. Training sessions were provided on the budget cycle, Agresso reporting, employee development, program report cards, information security, project initiation form, external room bookings, book distribution, and copyright.
- The Educational Development Centre (EDC) offered more than 35 Brown Bag training sessions, as well as various face to face workshops. Instructor support and Blackboard Collaborate training was provided at the Academic Upgrading Professional Development day. EDC staff provided training sessions to Access Facilitators and Social Work instructors and student orientation for the Addiction Services Worker program.
- The EDC developed an Online Instructional Skills Workshop for sessional instructors, and faculty members who commence employment with the College after the Instructional Skills Workshop that is held in August of every year. This workshop was fully implemented in August 2012.
- Academic Upgrading and Community Learning Centre faculty members, along with Counselling staff, attended professional development days at the Slave Lake campus in November and May.
- Throughout the year enhancements to the College newsletter, website, and a greater social media presence, have helped to promote timely and accessible communication and overall institutional awareness among College employees and volunteers.

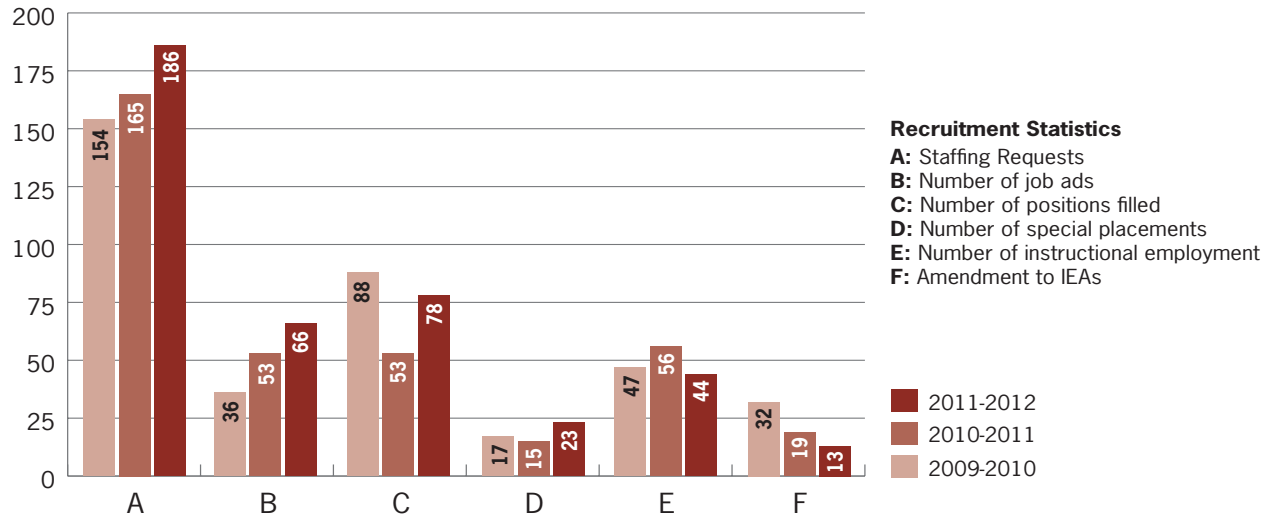
PERFORMANCE INDICATORS:

1. Employee Experience Distribution.
2. Recruitment Statistics.
3. Institutional Investment in Professional Development.

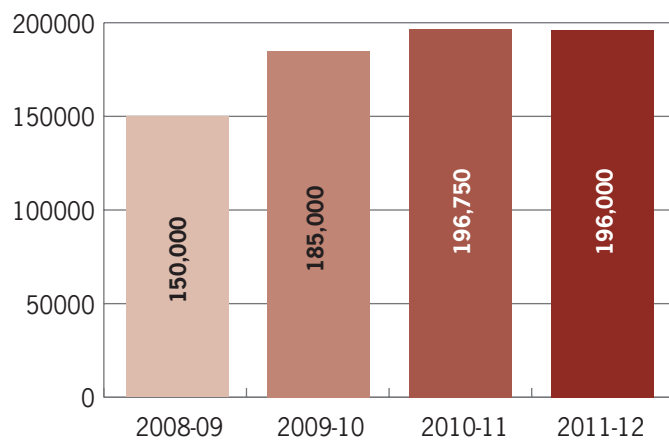
Employee Experience Distribution



Recruitment Statistics



Institutional Investment in Professional Development (\$)





Northern Lakes College Consolidated Financial Statements

JUNE 30, 2012

Consolidated Statement of Operations and Changes in Net Assets

Independent Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Statement of Consolidated Changes in Net Assets

Consolidated Statement of Cash Flow

Notes to the Consolidated Financial Statements

Consolidated Statement of Operations and Changes in Net Assets

1. Revenue

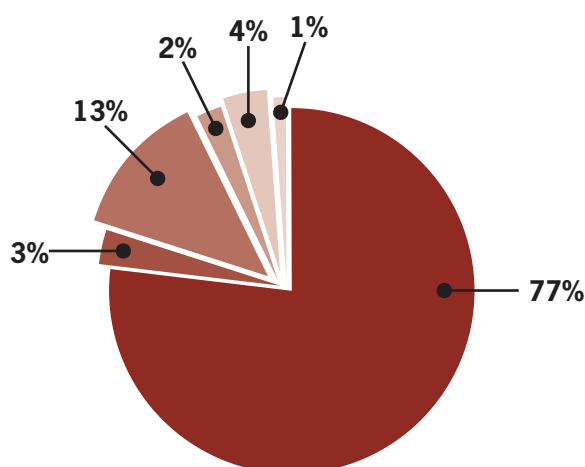
Total actual revenue decreased by \$1,708 (4.1%), from \$ 41,617 in 2010-2011 to \$ 39,909 in 2011-2012.

The distribution of total revenue between revenue sources for the 2011-2012 fiscal year is presented in the chart below. Other revenue includes donations and other contributions, and investment income. A comparative percentage for the previous restated year is also shown.

Northern Lakes College Revenue

2011/12	\$39,909
2010/11	\$41,617

Revenue Comparison



Government of Alberta Grants	(4.0% decrease from 10/11)
Amortization of deferred capital contributions	(22.1% decrease from 10/11)
Tuition and other fees	(3.4% decrease from 10/11)
Federal and other Government grants	(94.1% increase from 10/11)
Sales of services and products	(9.4% decrease from 10/11)
Other Revenue	(3.2% increase from 10/11)

The key revenue highlights are:

- Although the college received an increase in Government of Alberta annual funding, some conditional grants available in 2011 were not available in 2012 causing a 4.0% reduction in revenue. 2011 Amortization of deferred capital contribution included disposal of numerous assets, 2012 had fewer disposals resulting in decrease in revenue. 2012 Federal and other Government revenue included conditional grant funding from Town of Slave Lake resulting in additional funding causing most of the 94.1 % increase.

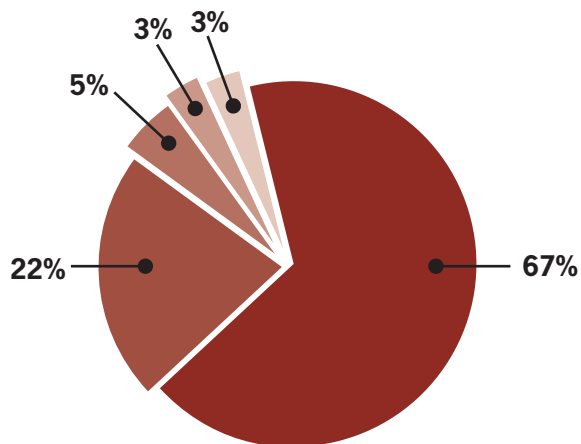
b) **Expenses**

Total actual expenses decreased by \$ 1,608 (3.9%), from \$ 41,690 in 2010-2011 to \$ 40,082 in 2011-2012.

The distribution of total expenses by objects of expenditure for the 2011-2012 fiscal year is presented in the following chart. “Other expenses” include maintenance and repairs, cost of goods sold, scholarships, bursaries, and awards.

Northern Lakes College Expense

2011/12	\$40,082
2010/11	\$41,690

Expense Comparison

Salaries and benefits	(0.9% increase from 10/11)
Materials, supplies and services	(9.3% decrease from 10/11)
Amortization	(6.7% decrease from 10/11)
Utilities	(2.6% decrease from 10/11)
Other expenses	(43% decrease from 10/11)

The key expense highlights are:

- Salaries and benefits increased 1%, this increase is due to annual increases in salaries and benefits. In 2011 materials, supplies and services were higher due to costs incurred to satisfy funding conditions of Knowledge Infrastructure Program (KIP) grants, in 2012 this program was not available and costs were not incurred. Other expenses includes Maintenance and repairs, and like Materials, supplies and services declined due to expiry of KIP funding program.

c) **Unrestricted Net Assets**

The unrestricted net asset balance increased by \$10 (0.2%), from \$4,482 in 2010/11 to \$ 4,492 in 2011/12.

Net investment in capital funded capital assets	\$ 183
Excess of revenue over expenses	(173)
Net increase	\$ 10

The unrestricted net asset balance provides Northern Lakes College with the flexibility to support academic programming needs, future campus development projects, and to respond to emerging capital asset requirements.

d) **Internally Restricted Net Assets**

Balance at beginning of year \$1,637. There were no restrictions made during the year.

e) **Accumulated Net Unrealized Gain on Investments**

Northern Lakes College's investment portfolio experienced an investment loss of \$72 during the year. As at June 30, 2012 the investment portfolio had a net unrealized gain of \$193.

f) **Invested in Capital assets**

The amount of \$32,292 invested in total capital assets are funded in the following manner:

Internally funded (investment in capital assets)	\$ 8,074
Externally funded (unamortized deferred capital contributions)	\$ 24,218
Total net book value of capital assets	\$ 32,292

g) **Endowments**

The Endowments balance experienced no change between 2010/11 and 2011/12 with the balance remaining at \$ 1,614.

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, 2012, and the consolidated statements of operations, changes in net assets 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 generally accepted accounting principles, 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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Merwan N. Saher, FCA]

Auditor General

May 7, 2013

Edmonton, Alberta

Northern Lakes College

Consolidated Statement of Financial Position

AS AT JUNE 30, 2012

(in thousands)

	2012	2011
ASSETS		
Current		
Cash	\$ 5,768	\$ 4,669
Short-term investments (note 3)	6,688	6,172
Accounts receivable	1,345	1,067
Inventories and prepaid expenses	644	770
	14,445	12,678
Long-term investments (note 3)	4,301	4,618
Capital assets and collections (note 4)	32,292	33,591
	\$ 51,038	\$ 50,887
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,416	\$ 3,904
Deferred contributions (note 6)	1,408	1,159
Deferred revenue	287	140
	\$ 6,111	\$ 5,203
Deferred contributions (note 6)	2,514	1,859
Deferred capital contributions (note 6)	2,222	2,289
Unamortized deferred capital contributions (note 7)	24,218	25,343
	\$ 35,065	\$ 34,694
Net Assets		
Unrestricted		
Accumulated excess of revenue over expenses	4,492	4,482
Accumulated net unrealized gain on investments (note 8)	156	212
Internally restricted (note 9)	1,637	1,637
Invested in capital assets and collections (note 10)	8,074	8,248
Endowments (note 11)	1,614	1,614
	\$ 15,973	\$ 16,193
	\$ 51,038	\$ 50,887

Contingent liabilities and contractual obligations (note 12 and 13)

The accompanying notes are part of these financial statements

Northern Lakes College

Consolidated Statement of Operations

FOR THE YEAR ENDED JUNE 30, 2012

(in thousands)

	BUDGET 2012 (note 14)	2012	2011
REVENUE			
Government of Alberta grants	\$ 29,445	\$ 30,580	\$ 31,855
Federal and other government grants	425	656	338
Student tuition and fees	6,041	5,116	5,294
Sales of services and products	1,751	1,749	1,931
Donations and other contributions	168	41	35
Investment income (note 15)	291	344	338
Amortization of deferred capital contributions (note 7)	1,329	1,423	1,826
	\$ 39,450	\$ 39,909	\$ 41,617
EXPENSE			
Salaries and benefits	26,550	26,875	26,646
Materials, supplies and services	9,252	8,962	9,882
Utilities	1,329	1,134	1,164
Maintenance and repairs	242	120	521
Cost of goods sold	761	780	1,075
Scholarships and bursaries	66	72	109
Amortization of capital assets	1,250	2,139	2,293
	\$ 39,450	\$ 40,082	\$ 41,690
EXCESS OF REVENUE OVER EXPENSE	\$ -	\$ (173)	\$ (73)

The accompanying notes are part of these financial statements

Northern Lakes College

Statement of Consolidated Changes In Net Assets

FOR THE YEAR ENDED JUNE 30, 2012

(in thousands)

	Unrestricted Net Assets				
	Accumulated Excess of Revenue Over Expenses	Accumulated Net Unrealized Gain on Investments (Note 8)	Internally Re- stricted Net Assets (Note 9)	Investments in Capital Assets and Collections (Note 10)	Endowments (Note 11)
NET ASSETS, June 30, 2010	\$ 4,809	\$ 80	\$ 1,137	\$ 8,536	\$ 1,614
Investment income (loss) (Note 15)	-	132	-	-	-
Transfer from unrestricted to restricted assets	(500)	-	500	-	-
Net investment in capital assets (Note 10)	246	-	-	(246)	-
Transfer to externally funded capital assets	-	-	-	(42)	-
Excess of revenue over expense	(73)	-	-	-	-
NET ASSETS, June 30, 2011	\$ 4,482	\$ 212	\$ 1,637	\$ 8,248	\$ 1,614
Investment income (loss) (Note 15)	-	(56)	-	-	-
Transfer from externally funded capital assets	-	-	-	9	-
Net investment in capital assets (Note 10)	183	-	-	(183)	-
Excess of revenue over expense	(173)	-	-	-	-
NET ASSETS, June 30, 2012	\$ 4,492	\$ 156	\$ 1,637	\$ 8,074	\$ 1,614

The accompanying notes are part of these financial statements

Northern Lakes College

Consolidated Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2012

(in thousands)

	2012	2011
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expense	\$ (173)	\$ (73)
Add (deduct) non-cash items		
Amortization of capital assets	2,139	2,293
Amortization of deferred capital contributions	(1,423)	(1,826)
Loss on disposal of capital assets	(5)	4
Total non-cash items	711	471
	\$ 1,120	\$ (1,121)
Net change in non-cash working capital (*)		
	\$ 1,658	\$ (723)
CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets and collections, net of proceeds from disposals	(844)	(583)
Sale (Purchase) of long-term investments, net of purchases (sales)	222	766
Endowment Investment earnings	63	57
	\$ (559)	\$ 240
CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		
Capital contributions	-	2,407
	-	2,407
INCREASE (DECREASE) IN CASH	1,099	1,924
CASH, BEGINNING OF YEAR	4,669	2,745
CASH, END OF YEAR	\$ 5,768	\$ 4,669
*Net change in working capital:		
Decrease (increase) in short-term investments	(516)	(1,085)
Decrease (increase) in accounts receivable	(278)	(215)
Decrease (increase) in inventories and prepaid expenses	126	(185)
(Decrease) increase in accounts payable and accrue liabilities	512	(131)
(Decrease) increase in deferred contributions	1,129	385
Increase in deferred revenue	147	110
	\$ 1,120	\$ (1,121)

The accompanying notes are part of these financial statements

Northern Lakes College

Notes to The Consolidated Financial Statements

FOR THE YEAR ENDED JUNE 30, 2012

(in thousands)

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 Enterprise and Advance 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 - GAAP and Use of Estimates

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. College management uses judgment to determine such estimates. Amortization of capital assets are the most significant item 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) Consolidated Financial Statements

These financial statements are prepared on a consolidated basis and include accounts of the following controlled entity:

Council of Community Education Committees Society of Northern Lakes College (the "CCEC")

(c) Financial Instruments

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

Financial Statement Components	Classification	Measurement
Cash and Cash Equivalents	Available for sale	Fair Value
Investments	Available for sale	Fair Value
Accounts Receivable	Loans	Cost
Accounts Payable and Accrued Liabilities	Other Liabilities	Cost

The College's financial instruments are recognized on their trade date and transaction costs related to all financial instruments are expensed as incurred. Financial assets classified as available-for-sale are measured at fair value with changes in fair values recognized in the Statement of Changes in Net Assets (or deferred contributions if appropriate) until realized, at which time the cumulative changes in fair value are recognized in the Statement of Operations.

The carrying value of cash, receivables, payables, and accruals approximate their fair value due to the relatively short periods to maturity of the instruments. The fair value of investments is market value.

When the market value of an equity type investment falls below its cost and the decline is determined to be other-than-temporary, the cumulative loss that had been recognized directly in net assets is removed and recognized directly in the Statement of Operations even though the financial asset has not been derecognized. Impairment losses recognized in the Statement of Operations for a financial instrument classified as available-for-sale are not reversed in subsequent years.

Financial instruments are exposed to market risk, credit risk, interest rate risk and commodity price risk.

Market Risk

The College is subject to market risk and interest rate risk with respect to its investment portfolio. To manage these risks, the College has established a target mix of investment type designed to achieve the optimal returns with reasonable risk tolerances.

Credit Risk

Credit risk for accounts receivables is relatively low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed through restricted enrollment activities for students with delinquent balances and maintaining standard collection procedures.

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. The risk is managed by contractually settling interest rates with banking institutions.

Commodity Price Risk

The College is exposed to commodity price risk as a result of substantial electricity and natural gas usage required to operate the institution's facilities. To mitigate these risks, the College has entered into contracts to fix the price for electricity.

(d) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value. Inventories held for consumption are valued at cost or net replacement cost. Cost is determined by weighted average.

(e) Capital Assets and Collections

Capital assets purchased are recorded at cost. In-kind contributions are recorded at fair value when a fair value can be reasonably determined. Museum collections included in Other collections are not amortized and include museum specimens, archival materials, maps, and works of art held for education, research and public exhibition purposes.

Construction in progress includes the costs directly attributable to the construction including engineering, legal fees, and interest on specific debt attributed to the construction of capital assets.

Capital assets, once placed into service, are amortized on a straight-line basis over the assets' estimated useful lives. The estimated useful lives are as follows:

Buildings, utilities, and site improvements	10 - 40 years
Furnishings, equipment, and systems	5 - 10 years
Learning resources	2 - 10 years
Vehicles	5 years

(f) **Asset Retirement Obligations**

The fair value of a liability for an asset retirement obligation is recognized in the period incurred, if a reasonable estimate of fair value based on the present value of estimated future cash flows can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the asset and amortized over its estimated useful life.

(g) **Revenue Recognition**

The financial statements record the following items as revenue - at the following times:

- Unrestricted contributions - when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- Operating grants - when received or receivable, or where a portion of the grant relates to a future period, it is deferred and recognized in the subsequent period.
- Unrestricted investment income - when earned; this includes interest, dividends, and realized gains and losses.
- Pledges - when collected.
- Revenues received for services and products - when the services or products are substantially provided and collection is reasonably assured.
- Tuition fees - when the instruction is delivered.
- Donations of materials - are recorded at fair value when a fair value can be reasonably determined and when materials would otherwise have been purchased.
- Restricted contributions - based on the deferral method as follows:

Deferral method

Contributions, including investment income on the contributions, which are restricted for purposes other than endowment or capital asset acquisitions, are deferred and recognized as revenue when the conditions of the contribution are met.

Contributions to acquire capital assets with limited lives are first recorded as deferred capital contributions when received, and when expended they are transferred to unamortized deferred capital contributions and amortized to revenue over the useful lives of the related assets.

Endowment contributions are recognized as direct increases in endowment net assets. Investment earnings, under agreements with benefactors or the Post-Secondary Learning Act allocated to endowment principal, are also recognized as direct increases in endowment net assets. Endowment investment earnings that are allocated for spending are deferred and recognized as revenue when the conditions of the endowment are met.

Contributions restricted for the acquisition of land and permanent collections are first recorded as deferred contributions when received, and when expended, they are recognized as direct increases in investment in capital assets and collections.

(h) **Foreign Currency Translation**

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. As at the end of the 2011 and 2010 years, no financial assets or liabilities denominated in foreign currencies exist. Revenues and expenses are translated at exchange rates in effect on the date of the transaction. Gains or losses from these translations are included in income. The impact of foreign currency translations is minimal.

(i) **Employee Future Benefits**

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 expenses recorded for PSPP and MEPP are comprised of employer contributions to the plan that are required for its employees during the year. The payments are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

The College has no supplemental retirement plans.

(j) Capital Disclosures

The College defines its capital as the amounts included in deferred contributions (note 6), endowments and unrestricted net assets. The College's capital is derived from funding from Alberta Enterprise and Advance Education, other government funding agencies, donations and the Institute's entrepreneurial activities. The College has investment policies (note 3), spending policies, and cash management procedures to ensure the College can meet its capital obligations.

Under the *Post-Secondary Learning Act*, the College must receive ministerial or Lieutenant Governor in Council approval for a deficit budget, mortgage and debenture borrowing and the sale of any land, other than donated land, that is held by and being used for the purposes of the College.

(k) Contributed Services

Community members as well as members of the staff of the College contribute an indeterminable number of hours per year to assist the institution in carrying out its mission. Such contributed services are not recognized in these financial statements.

(l) Future Accounting Changes

The Canadian Public Sector Accounting Board (PSAB) has issued a framework of financial reporting for government not-for-profit organizations. The framework will be effective for fiscal years beginning on or after January 1, 2012. Effective July 1, 2012, the College will adopt the Canadian Public Sector Accounting (PSA) standards without the public sector PS 4200 Series. Adopting these new standards will impact the College's financial statements. As a result, administration has identified the major differences between current and Canadian PSA accounting and reporting standards. Administration is developing a transition plan and continues to work through the remaining differences. The quantitative impact of the transition cannot be fully and reasonably determined at this time.

3. Investments

As of June 30, 2012, the composition and fair value on investments are as follows:

	2012			2011		
	Cost Base	Unrealized Gain (Loss)	Market Value	Cost Base	Unrealized Gain (Loss)	Market Value
Cash, money market funds	\$ 3,057	\$ -	\$ 3,057	\$ 2,188	\$ -	\$ 2,188
Canadian bonds	2,679	122	2,801	3,752	135	3,887
Canadian equity	5,060	71	5,131	4,585	130	4,715
	\$ 10,796	\$ 193	\$ 10,989	\$ 10,525	\$ 265	\$ 10,790
Short-term investments	\$ 6,711	\$ (23)	\$ 6,688	\$ 6,186	\$ (14)	\$ 6,172
Long-term investments	4,085	216	4,301	4,339	279	4,618
	\$ 10,796	\$ 193	\$ 10,989	\$ 10,525	\$ 265	\$ 10,790

Terms to maturity of fixed income investments and annual market yield are as follows:

- Money market funds have no maturity date and an effective yield of 1.53 %.
- Canadian government and corporate bonds have a term ranging from 155 days to 4.4 years with an average term to maturity of 2.3 years (2011 – 2.4 years). The average effective yield is 4.32% (2011 – 4.34%).

The College's investment policy is dedicated to optimizing the return on investment while ensuring that the assets of the College are at all times prudently invested in addition to minimizing the potential for loss on capital. Specific Guidelines have been established with respect to asset mix, diversification, security, and performance measurement as well as quality, liquidity and term constraints.

4. Capital Assets and Collections

	2012			2011		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Buildings and improvements	\$ 42,024	\$ 14,497	\$ 27,527	\$ 42,116	\$ 13,187	\$ 28,929
Furnishings, equipment and systems	7,178	5,094	2,084	6,751	4,610	2,141
Learning resources	2,883	2,499	384	2,830	2,459	371
Land	1,257	-	1,257	1,257	-	1,257
Vehicles	1,853	924	929	1,475	699	776
Other permanent collections	111	-	111	117	-	117
	\$ 55,306	\$ 23,014	\$ 32,292	\$ 54,546	\$ 20,955	\$ 33,591

Other collections also include Aboriginal artifacts gifted to the College, which are reported at nil. The appraised value of this collection as at July 15, 2008 was \$280.

Included in buildings is \$150 (2011 - \$242) recorded as construction in progress, which is not amortized as the assets are not yet available for use.

5. Employee Future Benefit Liabilities

The Public Service Pension Plan (PSPP) is a multi-employer contributory defined benefit pension plan for Government of Alberta and Alberta public service positions, excluding management positions, and is accounted for on a defined contribution basis. At December 31, 2011, the PSPP reported an actuarial deficiency of \$1,790 (2010 - \$2,067 deficiency). An actuarial valuation of the PSPP was carried out as at December 31, 2010 and was then extrapolated to December 31, 2011. The pension expense recorded on these financial statements is \$2,121 (2011 - \$2,017).

The Management Employees Pension Plan (MEPP) is a multi-employer contributory defined benefit pension plan for managers within the Alberta provision public service, approved agencies, boards and commissions and is accounted for on a defined contribution basis. At December 31, 2011 the MEPP reported an actuarial deficiency of \$518 (2010 – 397 deficiency). An actuarial valuation of the MEPP was carried out as at December 31, 2009 and was then extrapolated to December 31, 2011. The pension expense recorded in the financial statements is \$200 (2010 - \$190).

6. Deferred Contributions

Deferred contributions represent unspent externally restricted grants and donations. Changes in the deferred contributions balances are as follows:

	2012		2011	
	Capital	Other	Capital	Other
Balance, beginning of the year	\$ 2,289	\$ 3,018	\$ -	\$ 2,791
Grants and donations received	-	4,563	2,407	5,240
Investment Income	-	58	-	61
Recognized as revenue	-	(3,461)	-	(4,859)
Change in unrealized gains (losses) on investments	-	(16)	-	68
Transferred to unamortized deferred capital contributions	(67)	(240)	(118)	(283)
Balance, end of year	2,222	3,922	2,289	3,018
Less amounts included in current liabilities	-	(1,408)	-	(1,159)
	\$ 2,222	\$ 2,514	\$ 2,289	\$ 1,859

7. Unamortized Deferred Capital Contributions

Unamortized deferred capital contributions represent the unamortized grants and donations received to fund capital acquisitions. The amortization of unamortized deferred capital contributions is recorded as revenue in the statement of operations. The changes in the unamortized deferred capital contributions balance are as follows:

	2012	2011
Balance, beginning of the year	\$ 25,343	\$ 26,768
Additions from deferred contributions	307	401
Transfer to Internally Funded Capital Assets	(9)	-
Amortization to revenue	(1,423)	(1,826)
Balance, end of the year	\$ 24,218	\$ 25,343

8. Net Unrealized Gains on Available-For-Sale Investments

	2012	2011
Net gain (loss) on available for sale investments	\$ 95	\$ 158
Net investment loss (gain) realized on available for sale investments during the year and reported in Statement of Operations	23	42
Increase (decrease) in unrealized gain on available for sale investments	(72)	200
Balance, beginning of year	265	635
Balance, end of year	\$ 193	\$ 265

Presented as:

	2012			2011		
	Endowment net assets, recorded in deferred contributions	Other net assets	Total	Endowment net assets, recorded in deferred contributions	Other net assets	Total
Balance, beginning of year	\$ 53	\$ 212	\$ 265	\$ (15)	\$ 80	\$ 65
Increase (decrease) during year	(16)	(56)	(72)	68	132	200
Balance, end of year	\$ 37	\$ 156	\$ 193	\$ 53	\$ 212	\$ 265

9. Internally Restricted Net Assets

Internally restricted net assets 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. Internally restricted net assets are summarized as follows:

	Balance at beginning of year	Appropriations from unrestricted net assets	Balance at end of year
Capital appropriations:	\$ 1,000	\$ -	\$ 1,000
Trout/Peerless Campus			
Operating appropriations:			
Scholarships / Bursaries	12	-	12
Alberta Blue Cross	125	-	125
Peace River/High Level Region Projects	500	-	500
	\$ 1,637	\$ -	\$ 1,637

10. Investment in Capital Assets and Collections

Net assets invested in capital assets and collections represent the carrying amount (net book value) of capital assets and collections less unamortized deferred capital contributions and any related debt.

	2012	2011
Capital assets and collections at net book value (Note 4)	\$ 32,292	\$ 33,591
Less: Unamortized deferred capital contributions (Note 7)	24,218	25,343
Investment in capital assets	8,074	8,248
Changes during the year are as follows:		
Balance, beginning of year	8,248	8,536
Acquisition of capital assets and collections	579	582
Transfers from Externally Funded Capital Assets	9	-
Less: Net book value of asset disposals	(71)	(150)
Less: Amortization of investment in capital assets	(691)	(720)
Decrease in investment in Capital Assets	(174)	(288)
Balance, end of year	\$ 8,074	\$ 8,248

11. Endowments

Endowments consist of externally restricted donations received by the College 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 College and does not impair the long-term value of the fund.

The composition of endowments is as follows:

	2012	2011
Balance, beginning of year	\$ 1,614	\$ 1,614
Endowment contributions	-	-
Balance, end of year	\$ 1,614	\$ 1,614

12. 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 College may be required to take appropriate remediation procedures to remove the asbestos. As the College 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.

The College, in the conduct of its normal activities, is named defendant in three legal proceedings. While the ultimate outcome of these proceedings cannot be reasonably estimated at this time, the College believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the College. Administration has concluded that none of the claims meet the criteria for being recorded under GAAP.

13. 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.

	2012	2011
Service contracts	\$ 48	\$ 80
Information systems and technology	654	710
Long-term leases	295	376
	\$ 997	\$ 1,166

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

	Service Contracts	Information Systems & Technology	Long-term Leases	Total
2013	\$ 19	\$ 190	\$ 174	\$ 383
2014	19	190	114	323
2015	10	140	7	157
2016	-	134	-	134
	\$ 48	\$ 654	\$ 295	\$ 997

14. Budget comparison

The College's 2011-12 budget was approved by the Board of Governors and was presented to the Minister of Enterprise and Advance Education as part of the College's submission of its 2011-2014 Comprehensive Institutional Plan. Certain budget figures from the College's Comprehensive Institutional Plan have been reclassified to conform to the presentation adopted in the 2012 financial statements.

15. Investment income

Investment Income is comprised of:

	2012	2011
Investment Income on investments held for endowments	\$ 62	\$ 57
Investment Income on other investments	340	342
	402	399
Amounts Deferred	(58)	(61)
Investment income	\$ 344	\$ 338

16. 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

	2012	2011
Contributions from GOA		
Enterprise and Advanced Education:		
Operating grants	\$ 28,373	\$ 28,069
Capital grants	-	2,363
Access to the Future Fund (matching grants)	-	909
Other	2,179	2,309
Total Enterprise and Advanced Education	30,552	33,650
Other GOA departments and agencies grants:		
Alberta Human Services	221	305
Alberta Culture	13	25
Other	335	268
Total other GOA departments and agencies	569	598
Total contributions received and receivable	31,121	34,248
Less deferred contributions	(541)	(2,393)
	\$ 30,580	\$ 31,855
Accounts receivable		
Enterprise and Advanced Education	-	103
Other GOA departments and agencies	121	264
	\$ 121	\$ 367
Accounts payable		
Other GOA departments and agencies	63	32
	\$ 63	\$ 32

The College also works with the following organizations to increase access to post-secondary learning opportunities:

eCampusAlberta (Alberta On-line Learning Association) – is a society of collaborative Alberta post-secondary institutions delivering online e-learning to Albertans. The objectives are to:

- Increase access to online courses, programs and services across member institutions.
- Develop awareness of online learning opportunities to ensure all Albertans have access to flexible learning opportunities that enable them to reach their full potential.
- Build provincial, community and institutional capacity by increasing the quantity and workforce applicability of online courses, credentials and student services.
- Enable collaboration between institutions in ways that engage members and strengthen the consortium.
- Improve quality across course offerings and learner support services in support of best practices in online learning.

The eCampus annual report is available online at www.ecampusalberta.ca/members/member-resources/annual-reports.

Northern Lakes College paid an annual membership fee to eCampusAlberta of \$17. Business, legal and financial risks are minimal.

Alberta Association in Higher Education for Information Technology (AHEIT) – The College has membership in a consortium of institutions for the purpose of saving money on software licenses. Annual payment is determined by the menu of software licenses participating institutions utilize. For 2011-12 the cost was \$4. Business, legal and financial risks are minimal.

Alberta Association of Colleges and Technical Institutes (AACTI) – The College is a member of the Alberta Association of Colleges and Technical Institutes. The annual membership fee for 2011-12 was \$19. Business, legal and financial risks are minimal.

Alberta Rural Development Network Society (ARDN) – The College is a member of the Alberta Rural Development Network Society. At present there is no membership fee. The ARDN was funded under a proposal to the Rural Alberta Development Fund for \$5,000 over three years (extended to December 2012). The Alberta Rural Development Network (ARDN) is a partnership of Alberta's 21 publicly-funded, publicly-governed colleges, universities, and technical institutes, working together to support and enhance rural development. Community engagement and collaboration with other institutions and organizations to meet identified needs is central to the purpose. Business, legal and financial risks are minimal.

Apply Alberta – The province funded the creation of a common application system known as Apply Alberta with the understanding that institutions (collectively) would own and manage the system created. This was accomplished through the formation of a society (Alberta Post-Secondary Application System Society). The annual fee in 2011-12 was \$35 and for future years the fee is based on the number of applications received. In addition to the central project, each institution was responsible (with some Government funding) for changing internal IT systems to facilitate the receipt of online applications from students. The capital cost of internal system development at Northern Lakes College was \$349. The provincial portion funded was \$282.

Skills Investment Program – The Alberta Government provided significant funding to students for income support and tuition.

17. **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.

	2012	2011
Northern Alberta Development Council	\$ 46	\$ 24
Others	-	2
Total	\$ 46	\$ 26

18. Salary and Employee Benefits

Treasury Board Directive 12-98 under the *Financial Administration Act* of the Province of Alberta requires the disclosure of certain salary and employee benefits information.

	2012				2011
	Base salary (1)	Other cash benefits (2)	Other non-cash benefits (3) (4)	Total	Total
Governance					
Members of the Board of Governors	\$ 30	\$ 0	\$ 1	\$ 31	\$ 32
Executive					
President ⁽⁴⁾	168	44	23	235	225
Vice-Presidents:					
Vice-President Academic	140	35	30	205	183
Vice-President College Services	143	20	32	195	187
Deans					
Academic and Community Learning	127	1	29	157	150
Health Career and Program Development	128	1	31	160	154
Business, Industry & Human Service Careers	114	1	49	164	166
Student Services	117	1	27	145	142
Senior Directors					
Finance Services, CFO	73	25	22	120	76
External Relations	128	1	31	160	150

(1) Base salary includes pensionable base pay except for the Board who are not subject to pension benefits.

(2) Other cash benefits include wellness pay-outs, health spending accounts, vacation payments and lump sum payments.

(3) 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 LTD plan.

(4) The President has been provided with an automobile by the College for which no amount is included in the other non-cash benefits

19. Subsequent Events

Fire destroyed the Kisemanito building at the Grouard campus in April 2011. In December 2012, the college decided not to rebuild the building and will use the \$235 proceeds on other college facilities.

In October 2012, during a scheduled inspection, structural damage was discovered at the Slave Lake Pool. The damage was of seriousness that the Pool was closed to the public. The college has an agreement to manage the pool facility for the Town of Slave Lake. The cost to repair is \$76, of which \$53 is provide by a restricted grant from the Town of Slave Lake.

For more information about this Annual Report contact:

Brad Hestbak

Senior Director External Relations

Northern Lakes College

1201 Main Street SE

Slave Lake, AB T0G 2A3

Phone: (780) 849-8619

Email: hestbakb@northernlakescollege.ca

www.northernlakescollege.ca



Toll Free Number:

1-866-N⁶L⁵C²-3456
www.northernlakescollege.ca