



Northern
Lakes
College

ᐃᐅᐅᐅᐅᐅᐅ ᐅᐅᐅᐅᐅᐅ

40 Years

Celebrating achievements. Inspiring futures.

CELEBRATING ACHIEVEMENTS.
INSPIRING FUTURES.



Northern Lakes College

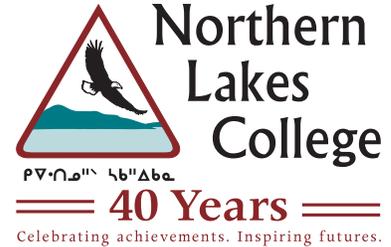
ANNUAL REPORT 2010-2011

www.northernlakescollege.ca



Contents

Vision Statement	2
Mission Statement	2
Values	2
Board of Governors	3
Accountability Statement	3
Mandate Statement	4
Achievement Report	5
Management’s Responsibility for Reporting	5
Message from the President	6
Strategic Directions	8
Northern Lakes College is committed to providing exemplary service to our students and their communities	8
The strength of Northern Lakes College is built upon successful partnerships and innovation:	10
Northern Lakes College will excel at internal processes and comply with all necessary external regulatory agencies	12
Financial and physical assets will be managed in a strategic and responsible manner	14
Northern Lakes College will be the employer of choice in the region we serve	16
Consolidated Financial Statements	19



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 believe in:

- **LEARNING:** Lifelong learning is essential to the growth of individuals, families, communities, and organizations.
- **PARTNERSHIP:** Working together with community, business and educational partners is fundamental to the success of our learners and our college.
- **RESPECT:** Adults are entitled to learning services that respect their culture, abilities and circumstances. Northern Lakes College values the celebration of Aboriginal history, cultures, and languages.
- **SUCCESS:** Adults will succeed in their learning, employment, and personal endeavours when provided with accessible and effective educational services and supports.

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



Back Row, Left-Right: Scott Biggin, *Faculty Member*; Colin Ross, *Staff Member*; Gerald Cunningham, *Vice Chair*; Archie Cunningham, *Chair*; Colin Kelly, *Public Member*; Andy Assaf, *Public Member*.

Front Row, Left-Right: Sandra Willing, *Public Member*; Jennifer Moore, *Public Member*; Victory Seatter, *Student Member*; Rick Neidig, *President & CEO, Ex Officio*.



Wilf Willier,
Public Member
(Not available for
group photo)

Accountability Statement

The Northern Lakes College Annual Report for the year ended June 30, 2011 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 2011-2014 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



The 2010-11 year proved to be challenging for our staff, students, and many of our communities. The unexpected turnover in the Chief Financial Officer required the contracting of assistance to complete the 2009-10 year end reports. Additionally, several factors including hiring difficulties, significantly delayed the preparation of financial statements. The successful recruitment of a new CFO was not completed by the year-end for 2010-11 and did not occur until February 2012.

The 40th anniversary of the College was quietly celebrated. Each campus displayed large banners to celebrate this significant milestone and the 40 year involvement of our communities in College decision making was gratefully acknowledged. It was noted that even though the role of Community Education Committees has changed over time, they continue to play an important role in advising the College. The anniversary was also a time to remember the historic role of the Sunrise Foundation, a society created to support the delivery of University Studies in 1983 with funding support from Bigstone Cree Nation, Lesser Slave Lake Indian Regional Council, Alberta Vocational Centre Grouard and Community Vocational Centres. University Studies eventually became part of the College mandate and the society assets were contributed to a College endowment; the largest single donation in our College history at that time. Collaborative activities continue to be at the root of College success.

In October 2010 we signed a Power Engineering agreement with Daishowa-Marubeni (DMI) and Shell Canada (Peace River) which funded a Power Engineering instructor in Peace River for two years, access and orientation to the operations of these two companies, and an industry steering committee to guide the work. Also in October, the new Addiction Services Worker program began with students as far south as Calgary and as far north as Ft. Chipewyan. Program delivery sites were primarily on-reserve. The program was funded through a three-year, \$1.2 million agreement with Health Canada and the National Native Alcohol and Drug Abuse Program (NNADAP).

In December, a memorandum of understanding was reached with Northland School Division, the Gift Lake Métis Settlement and the College. The memorandum was aimed at providing better educational outcomes for the community and shared facilities for improved efficiency. A Business Plan was submitted to Alberta Infrastructure. Other plans for a new Peerless Lake/ Trout Lake Learning Centre were delayed as the community indicated they would not be ready until post 2012-13.

For the first time in recent years, our Workforce Development fall calendar included online, non-credit courses thereby increasing access in our smaller communities. Credit courses have been delivered on line since the early 1980's.

It was a successful year for matching grants arising from fundraising, \$909,000 was received from the Province of Alberta's Access to the Future Fund. The matching program was suspended by the Province in the final quarter of 2010-11 and so this amount represents the last payment from this

source. The funds received were directed toward scholarships and bursaries, developing and enhancing health career programs, development of mobile trades training and industry training equipment.

At the end of March 2011, the Slave Lake Job Corps facilities in Slave Lake, High Level and Wabasca were officially turned over to Northern Lakes College. The High Level and Wabasca facilities were already located in Northern Lakes College facilities. In Slave Lake, the College trades programs had already been using the Job Corps space since 2005.

The year ended with the Northern wildfires of May 2011, including the incredible devastation in Slave Lake. The campus at Slave Lake was integral to the work of the Emergency Operations Centre during the fire and after. Twenty four individuals from the Slave Lake campus lost their homes. The Grouard campus also housed evacuees from the Gift Lake and Atikameg fires in the same period of time. To reach evacuated college employees and students, communications were supported through emails, Facebook notices and a revised emergency home page on the website. College employees from across the region demonstrated tremendous commitment in challenging times and they are to be commended.

At the end of the 2010-11 year, Alberta North consolidated operations within eCampus Alberta. Northern Lakes College was a founding member of Alberta North and continues to be a member of eCampus Alberta. The consolidation helps move the system toward the vision of Campus Alberta and shares the Alberta North expertise on learning supports for small communities over a larger geographical region. Community Access Point (CAP) coordinator training created within Alberta North will continue under the new combined entity.

On behalf of our faculty, staff and community stakeholders, I am pleased to offer the 2010-11 Annual Report for Northern Lakes College.

Sincerely,

Original signed by:

Rick Neidig

President and CEO

Strategic Directions

Northern Lakes College has defined five strategic directions based upon the 2011-2014 Business Plan.

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

- A focus upon community based learning.
- Developing and sustaining educational programs that support personal achievement, academic success, and employability.
- Establishing and maintaining positive and inclusive learning and workplace environments.
- Building the social and economic capacity of our communities.

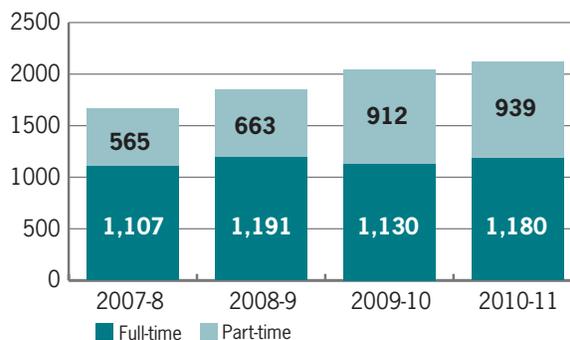
HIGHLIGHTS:

- The first Summer Trades Camp was held in Grouard in July, 2010, introducing fifteen (15) participants to carpentry, welding, electrical and boom truck careers.
- The first course in the Addiction Services Worker Program was offered to twenty (20) students in October, 2010.
- The Education Standards Advisory Committee for the Practical Nurse program received the first of the newly developed curriculum materials for the Curriculum Commons project. The materials and the concept for the shared curriculum were approved on January 26, 2011.
- The Health Careers Learning Centre in High Prairie operated at full capacity with nineteen (19) students completing the Practical Nurse Preparation / Health Care Aide Program, in partnership with the Métis Association Strategic Development Initiative. Graduates exited this program with a Health Care Aide Certificate and the entrance requirements for the Practical Nurse program.
- The College received more seats for the Boom Truck Program from Alberta Apprenticeship and Industry Training (AIT), while seats available in the other trades remained comparable to previous years.
- A strategic advisory committee on student awards was struck to focus on the development, promotion, and distribution of bursaries and scholarships.

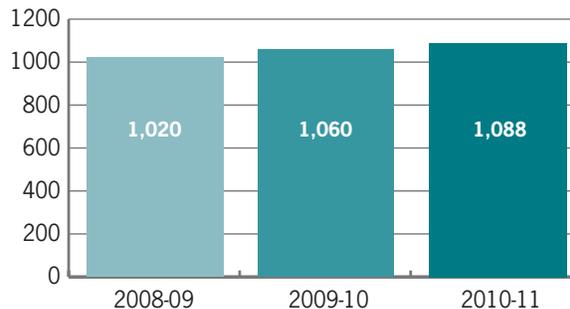
PERFORMANCE INDICATORS:

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)

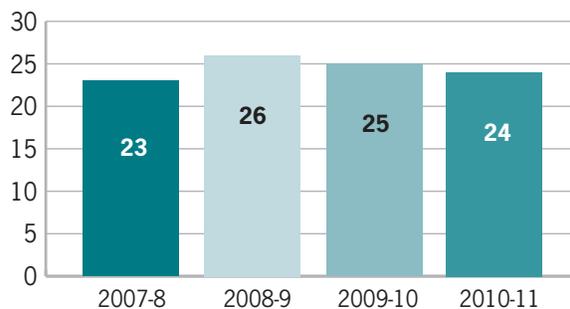


Full Load Equivalent (FLEs)

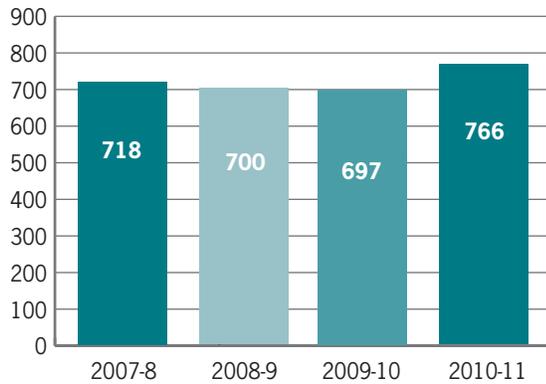


Communities Served With Credit Courses in Region

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

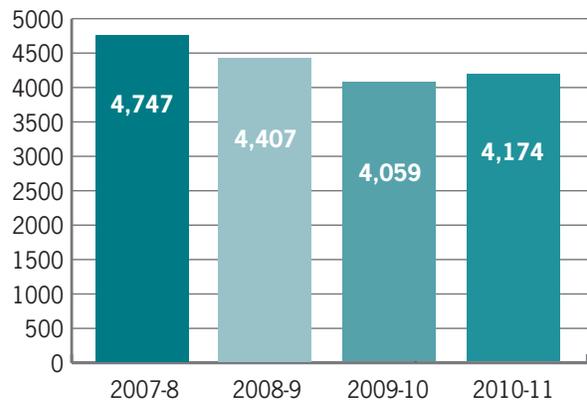


Non-Credit Courses*



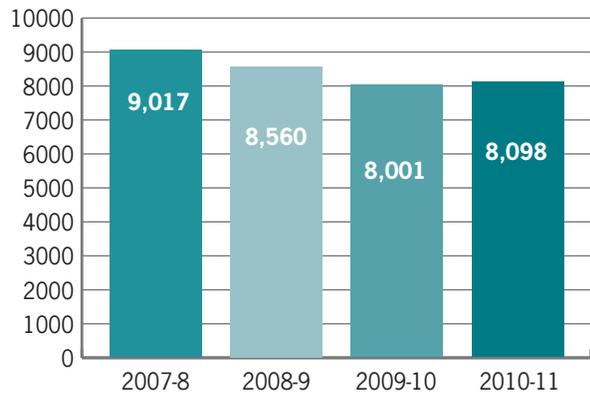
*Includes Workforce Development Courses.

Individuals Taking Non-Credit Courses (head count)*



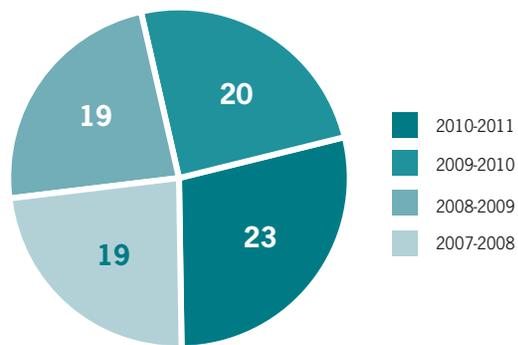
*Includes Workforce Development Courses.
2008 recession impacted 2008-09 and 2009-10.

Total Non-Credit Course Registrations*

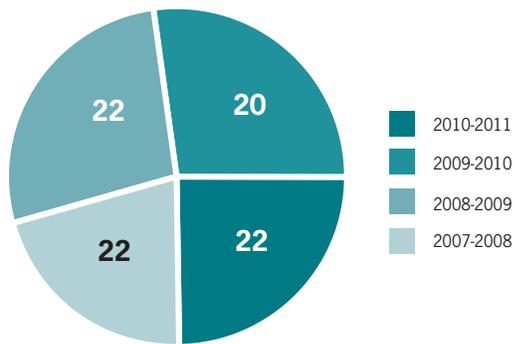


*Includes Workforce Development Courses

Active Community Education Committees



Active Student Union Groups Within the Students' Association



Student Feedback Survey

	2006-07	2007-08	2008-09	2009-10	2010-11
Quality of Instruction Rated 3 or higher on a 5 point scale	91%	92%	92%	96%	94%
Overall Satisfaction Rated 3 or higher on a 5 point scale	88%	92%	96%	92%	97%
Recommend Northern Lakes College Answered "Yes"	94%	98%	96%	96%	97%

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:

- The College signed a three year transfer agreement with the University of Calgary in June 2011, for the Social Work Program.
- Daishowa-Marubeni International and Shell Canada entered into an agreement with Northern Lakes College and Careers the Next Generation to engage Peace River high school students in Power Engineering training.
- The University of Alberta announced a three year rotation cycle for the offering of years three (3) and four (4) of the Aboriginal Teacher Education Program (ATEP) at Northern Lakes College sites.
- The province approved the redevelopment of the Gift Lake Campus within the Northland School Division's new school planned for construction in that community.
- A formal agreement was established with the High Prairie School Division for the delivery of five (5) dual credit programs within their jurisdiction.
- Office Administration, Teacher Aide, and Business Administration was marketed to Edson, Whitecourt, Hinton, and Jasper through the umbrella of Campus Alberta.
- The College participated in Athabasca University's Community Learning Project which focused on access to post-secondary education in selected aboriginal communities within our service region.
- The College participated as members in regional economic authorities, chambers of commerce, and a variety of initiatives driven by municipalities, band councils and local governments.

Peace River, October 21, 2010.
Northern Lakes College signed a memorandum of understanding with Daishowa-Marubeni International Ltd and Shell Canada to provide Power Engineering training to High School students in the area.

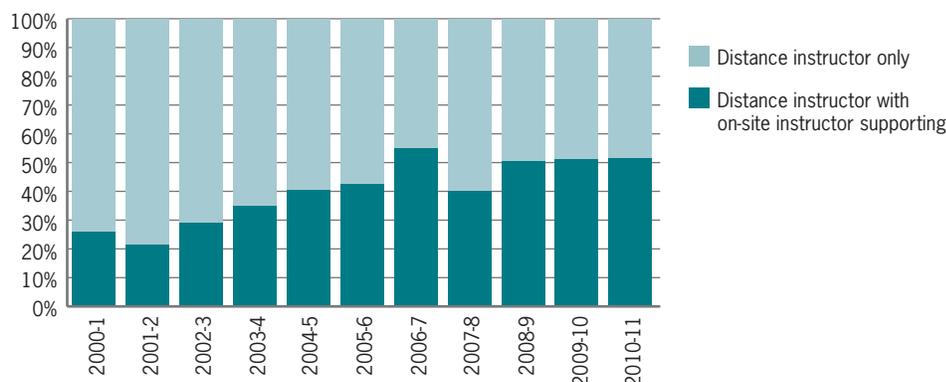


PERFORMANCE INDICATORS:

1. Number of Collaborative Program Offerings.
2. Proportion of Student Contact Hours via Distance Support by Faculty.
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
Woodland Equipment Operator Program	Woodland Operation Learning Foundation
Welding, Carpentry, Electrical, Boom Truck	Alberta Apprenticeship Board

Proportion of Student Contact Hours Provided 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.

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 new Alberta Education curriculum in Mathematics, Social Studies, and Career and Technology Studies was implemented.
- The College took steps to improve several compliance standards including: enacting a criminal record check regulation for new hires; improvements in the management of counselling case documents and protocols; implementing a centralized student attendance and progress tracker; and revising intervention practises for both student support and retention.
- The Provincial Approach to Student Information prep (PASI) was implemented.
- The College supported the Association of Canadian Community Colleges (ACCC) in its position regarding the on-going copyright issue with Access Copyright. The College Library developed a procedure for instructors to ensure compliance with current legislation.
- The wild fires in the region this past spring provided a real-time, full-scale enactment of the College's Business Continuity Plan and system recovery protocols with resounding success.
- The merger of Alberta-North with eCampusAlberta, in the spirit of Campus Alberta, better coordinated the efforts of post-secondary institutions within the province.
- The Advisory Committee on Education Technology (ACET) developed design and delivery standards for asynchronous course delivery as a benchmark for all courses using Moodle.

Did you know?

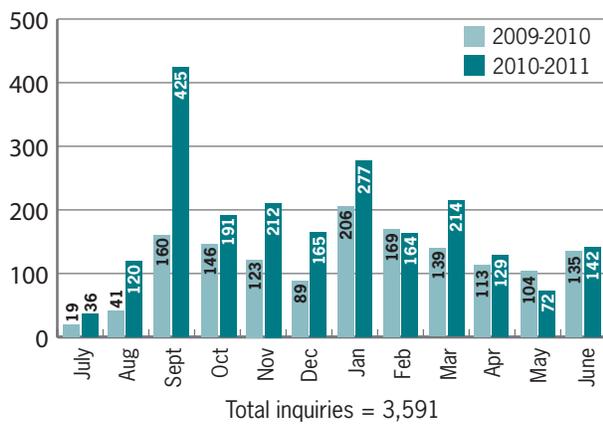
The largest overall number of Northern Lakes College learners (4233 individuals) are involved in short Workforce Development Courses and range in age from 13 to 87 with an average age of 39.



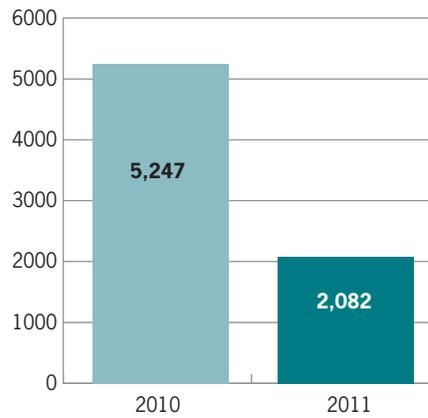
PERFORMANCE INDICATORS:

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 Enrolments.

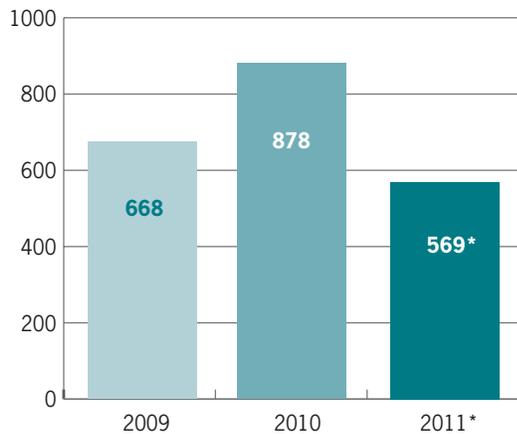
Number of Educational Development Centre Help Desk Inquiries



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 Enrolments



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:

- A \$1.4 million Federal and Provincial Knowledge Infrastructure Plan (KIP) grant was used to modernize fire and security alarms in our campuses throughout the region. \$420,000 from the Infrastructure Maintenance Program (IMP) funded projects at various campuses including lighting and roofing upgrades, floor replacements and a variety of other small projects. A three hundred and twenty-five thousand dollar (\$325,000) grant from the Universal Accessibility Program was used for renovating washrooms and widening doors to improve the physical accessibility into several of our campuses.
- A centralized purchasing protocol has harmonized the procurement of College furniture and building materials.
- Fundraising efforts garnered more than nine hundred thousand (\$900,000) in Access to the Future matching dollars that will help fund student bursaries, health studies program development, trades and industry training, and the Gift Lake Campus project.
- A Student Life Committee was established to encourage and assist students to stay connected with their colleagues and to find opportunities that support academic perseverance and enjoyment.
- Several projects were implemented to reduce the environmental impact of the College including: the utilization of secure paper recycling bins at all campuses, the purchase of Energy Star compliant computers along with the establishment of virtual servers, and the retrofitting of energy saving light fixtures at selected locations.

As part of its ongoing effort to “go green”, Northern Lakes College Board of Governors has decided to go paperless. The board now uses iPads to help complement meetings and discussions.

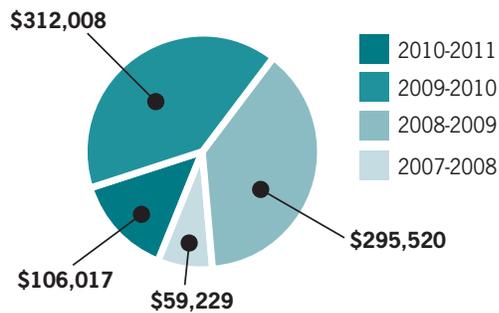


Photo, left to right: Sandra Willing, Public Member; Scott Biggin, Faculty Nominated Member; Andy Assaf, Public Member; Colin Ross, Staff Nominated Member; Archie Cunningham, Chair; Wilf Willier, Public Member; Gerald Cunningham, Vice Chair; Rick Neidig, President & CEO
Missing: Colin Kelly, Public Member; Jennifer Moore, Public Member; Victory Seatter, Student Representative.

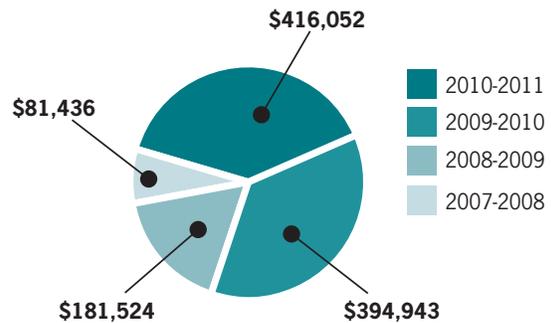
PERFORMANCE INDICATORS:

1. Investments in Furnishing and Equipment.
2. Investments in Fleet Renewal.
3. Infrastructure Maintenance Program Grant Application & Project Implementation.
4. Investment in Computer Renewal.
5. 2010-2011 Fundraising.

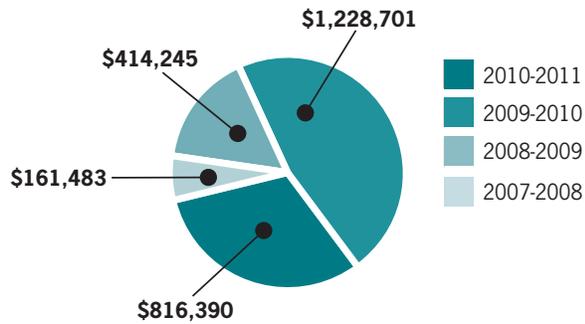
Investments in Furnishing and Equipment



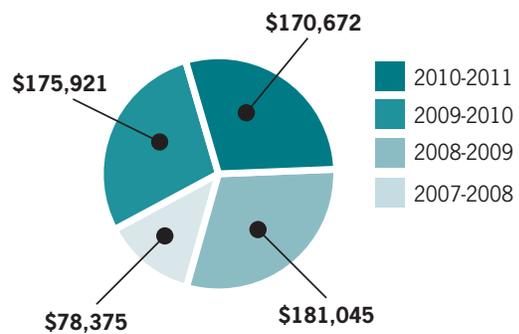
Investment in Fleet Renewal



Investment in Infrastructure Maintenance



Investment in Computer Renewal



2010-2011 Fundraising

Dollars raised before matching \$375,000

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.

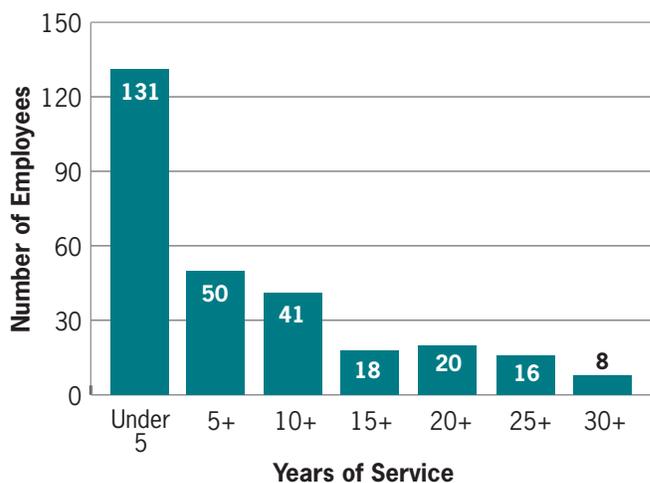
HIGHLIGHTS:

- The Slave Lake Campus underwent a total air balancing program to improve air flow and quality and new air filters were tested in relation to capturing more airborne particulate.
- New on-site safety centres were installed providing a single point of contact for all health and safety information and supplies at each campus.
- An employee satisfaction survey was delivered to employees in October, 2010. The results were sent out to all staff and reviewed by management teams.
- Professional development for instructors was the focus of The Apple Express newsletter distributed by the Educational Development Centre. Human Resource Services developed and distributed handbooks summarizing collective agreements and related HR regulations and procedures.
- The College newsletter, Across the North, was launched and distributed via email to all staff.
- A comprehensive marketing plan with a focus on student testimonials was assembled with input from all departments, and implemented throughout the region.

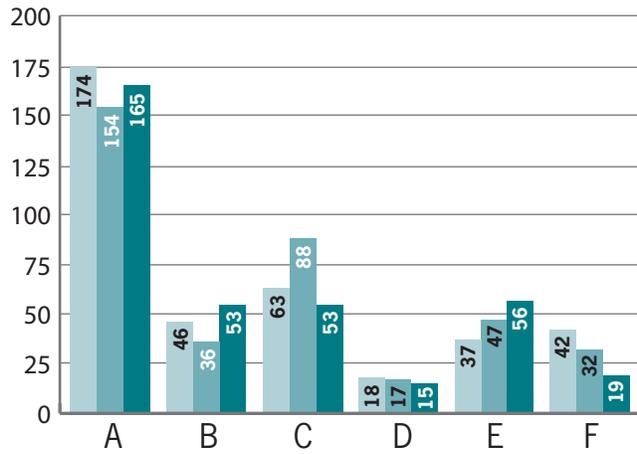
PERFORMANCE INDICATORS:

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

Employee Experience Distribution



Recruitment Statistics

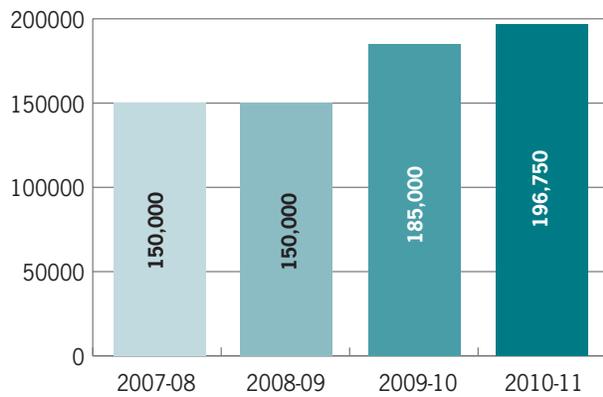


Recruitment Statistics

- A:** Staffing Requests
- B:** Number of job ads
- C:** Number of positions filled
- D:** Number of special placements
- E:** Number of instructional employment
- F:** Amendment to IEAs



Institutional Investment in Professional Development \$



Northern Lakes College Consolidated Financial Statements

JUNE 30, 2011

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

a) Revenue

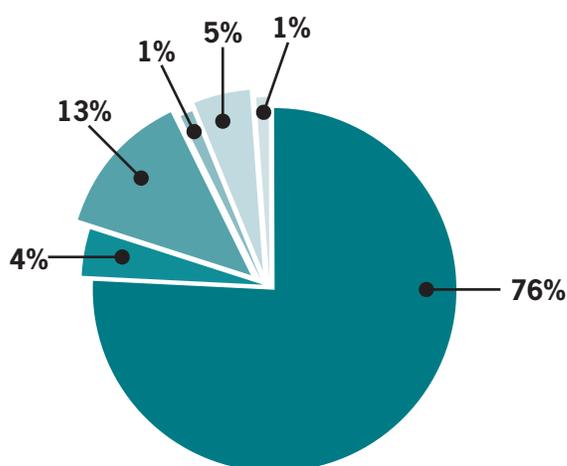
Total actual revenue decreased by \$ 1,853 (-4.3%), from \$ 43,470 in 2009-2010 to \$ 41,617 in 2010-2011.

The distribution of total revenue between revenue sources for the 2010-2011 fiscal year is presented in the chart below. Other revenue includes donations and other contributions, and investment income. A comparative percentage for the previous year is also shown.

Northern Lakes College Revenue

2010/11	\$41,617
2009/10	\$43,470

Revenue Comparison



- Government of Alberta Grants (4.1% decrease from 09/10)
- Amortization of deferred capital contributions (16.6% increase from 09/10)
- Tuition and other fees (7.5% decrease from 09/10)
- Federal and other Government grants (10.8% decrease from 09/10)
- Sales of services and products (14.1% increase from 09/10)
- Other Revenue (57.9% decrease from 09/10)

The key revenue highlights are:

- There was an increase in Government of Alberta Operating Grant funding in 2011 over 2010, but this additional funding was offset by declines in conditional grants recognized in revenue during the year resulting in 4.1% decrease. The increase in Amortization of Deferred capital is due to disposals of assets during 2011. Sales and service increased 14.1% largely due to higher book sales and completion of Slave Lake student housing and high utilization with housing shortage from fires.

b) Expenses

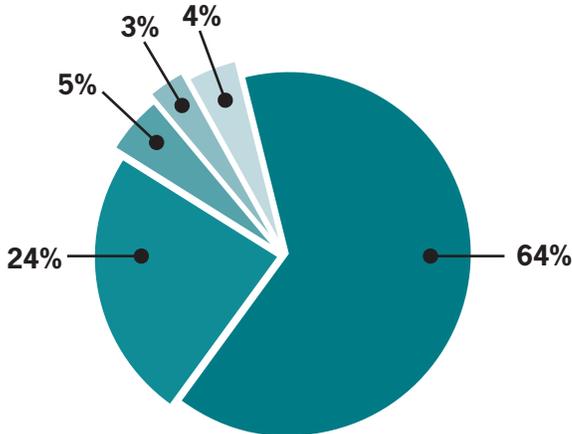
Total actual expenses decreased by \$ 283 (0.7%), from \$ 41,973 in 2009-2010 to \$ 41,690 in 2010-2011.

The distribution of total expenses by objects of expenditure for the 2010-2011 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

2010/11	\$41,690
2009/10	\$41,973

Expense Comparison



- Salaries and benefits (5.0% increase from 09/10)
- Materials, supplies and services (15.6% decrease from 09/10)
- Amortization (1.2% decrease from 09/10)
- Utilities (1.5% increase from 09/10)
- Other expenses (18.8% increase from 09/10)

The key expense highlights are:

- 2011 increase in salaries and benefits due to increased costs for wages and benefits. Materials supplies and services were higher in 2010 due to more conditional grants available, which were used for extensive renovations projects.

c) **Unrestricted Net Assets**

The unrestricted net asset balance decreased by \$327 (6.8%), from \$4,809 in 2009/10 to \$ 4,482 in 2010/11.

Transfer from unrestricted to restricted assets	\$ (500)
Net investment in capital assets	246
Excess of revenue over expenses (< 1% of total revenue)	(73)
Net decrease	\$ (327)

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**

The restricted net assets increase by \$500 reserved for the development of a new Peace River/High Level Region Projects.

Operating Activities

Transfer from unrestricted to restricted assets	\$ 500
Increase in Unrestricted Net Assets	\$ 500

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

Northern Lakes College's investment portfolio experienced an increase in unrealized gain of \$200 during the year. As at June 30, 2011 the investment portfolio had a net unrealized value of \$265.

f) **Invested in Capital assets**

The amount of \$33,591 invested in total capital assets are funded in the following manner:

Internally funded (investment in capital assets)	\$ 8,248
Externally funded (unamortized deferred capital contributions)	\$ 25,343
Total net book value of capital assets	\$ 33,591

g) **Endowments**

The Endowments balance experienced no change between 2009/10 and 2010/11, 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, 2011, 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, 2011, 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, 2011

(in thousands)

	2011	2010
ASSETS		
Current		
Cash	\$ 4,669	\$ 2,745
Short-term investments (note 3)	6,172	5,087
Accounts receivable	1,067	852
Inventories and prepaid expenses	770	585
	12,678	9,269
Long-term investments (note 3)	4,618	5,226
Capital assets and collections (note 4)	33,591	35,304
	\$ 50,887	\$ 49,799
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,904	\$ 4,034
Deferred contributions (note 6)	1,159	635
Deferred revenue	140	30
	\$ 5,203	\$ 4,699
Deferred contributions (note 6)	1,859	2,156
Deferred capital contributions (note 6)	2,289	-
Unamortized deferred capital contributions (note 7)	25,343	26,768
	\$ 34,694	\$ 33,623
Net Assets		
Unrestricted		
Accumulated excess of revenue over expenses	4,482	4,809
Accumulated net unrealized gain on investments (note 8)	212	80
Internally restricted (note 9)	1,637	1,137
Invested in capital assets and collections (note 10)	8,248	8,536
Endowments (note 11)	1,614	1,614
	\$ 16,193	\$ 16,176
	\$ 50,887	\$ 49,799

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, 2011

(in thousands)

	BUDGET 2011 (note 14)	2011	2010
REVENUE			
Government of Alberta grants	\$ 28,359	\$ 31,855	\$ 33,219
Federal and other government grants	565	338	379
Student tuition and fees	5,226	5,294	5,726
Sales of services and products	2,183	1,931	1,693
Donations and other contributions	25	35	531
Investment income (note 15)	393	338	356
Amortization of deferred capital contributions (note 7)	1,385	1,826	1,566
	\$ 38,136	\$ 41,617	\$ 43,470
EXPENSE			
Salaries and benefits	25,223	26,646	25,366
Materials, supplies and services	8,571	9,882	11,704
Utilities	1,266	1,164	1,147
Maintenance and repairs	354	521	431
Cost of goods sold	730	1,075	894
Scholarships and bursaries	67	109	110
Amortization of capital assets	1,925	2,293	2,321
	\$ 38,136	\$ 41,690	\$ 41,973
EXCESS OF REVENUE OVER EXPENSE	\$ -	\$ (73)	\$ 1,497

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, 2011

(in thousands)

	Unrestricted Net Assets				
	Accumulated Excess of Revenue Over Expenses	Accumulated Net Unrealized Gain on Investments (Note 8)	Internally Restricted Net Assets (Note 9)	Investments in Capital Assets and Collections (Note 10)	Endowments (Note 11)
NET ASSETS, June 30, 2009	\$ 4,685	\$ 56	\$ 1,012	\$ 7,258	\$ 1,614
Investment income (loss)	-	24	-	-	-
Transfer from unrestricted to restricted assets	(125)	-	125	-	-
Net investment in capital assets	(1,248)	-	-	1,248	-
Excess of revenue over expense	1,497	-	-	-	-
Contribution of assets not subject to amortization	-	-	-	30	-
NET ASSETS, June 30, 2010	\$ 4,809	\$ 80	\$ 1,137	8,536	\$ 1,614
Investment income (loss)	-	132	-	-	-
Transfer from unrestricted to restricted assets	(500)	-	500	-	-
Net investment in capital assets	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

The accompanying notes are part of these financial statements

Northern Lakes College

Consolidated Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2011

(in thousands)

	2011	2010
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expense	\$ (73)	\$ 1,497
Add (deduct) non-cash items		
Amortization of capital assets	2,293	2,321
Amortization of deferred capital contributions	(1,826)	(1,566)
Loss on disposal of capital assets	4	190
Total non-cash items	\$ 471	\$ 945
Net change in working capital(*)	\$ (1,121)	\$ (4,391)
	(723)	(1,949)
CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets and collections, net of proceeds from disposals	(583)	(4,805)
Sale (Purchase) of long-term investments, net of purchases (sales)	766	2,234
Endowment investment earnings	57	30
	\$ 240	\$ (2,541)
CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		
Capital contributions	2,407	2,179
	2,407	2,179
INCREASE (DECREASE) IN CASH	1,924	(2,311)
CASH, BEGINNING OF YEAR	2,745	5,056
CASH, END OF YEAR	\$ 4,669	\$ 2,745
*Net change in working capital:		
Decrease (increase) in short-term investments	(1,085)	(2,685)
Decrease (increase) in accounts receivable	(215)	1,073
Decrease (increase) in inventories and prepaid expenses	(185)	76
Decrease (increase) in accounts payable and accrue liabilities	(131)	(1,587)
Decrease (increase) in deferred contributions	385	(1,292)
Increase in deferred revenue	110	24
	\$ (1,121)	\$ (4,391)

The accompanying notes are part of these financial statements

Northern Lakes College

Notes to The Consolidated Financial Statements

FOR THE YEAR ENDED JUNE 30, 2011

(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. Other permanent 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, 2011, the composition and fair value on investments are as follows:

	2011			2010		
	Cost Base	Unrealized Gain (Loss)	Market Value	Cost Base	Unrealized Gain (Loss)	Market Value
Cash, money market funds	\$ 2,188	\$ -	\$ 2,188	\$ 891	\$ -	\$ 891
Canadian bonds	3,752	135	3,887	4,974	179	5,153
Canadian equity	4,585	130	4,715	4,383	(114)	4,269
	\$ 10,525	\$ 265	\$ 10,790	\$ 10,248	\$ 65	\$ 10,313
Short-term investments	\$ 6,186	\$ (14)	\$ 6,172	\$ 5,082	\$ 5	\$ 5,087
Long-term investments	4,339	279	4,618	5,166	60	5,226
	\$ 10,525	\$ 265	\$ 10,790	\$ 10,248	\$ 65	\$ 10,313

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 1.43 %.
- Canadian government and corporate bonds have a term ranging from 6 days to 5.4 years with an average term to maturity of 2.4 years (2010 – 2.5 years). The average effective yield is 4.34% (2010 – 4.5%).

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

	2011			2010		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Buildings and improvements	\$ 42,116	\$ 13,187	\$ 28,929	\$ 42,686	\$ 12,314	\$ 30,372
Furnishings, equipment and systems	6,751	4,610	2,141	6,696	4,152	2,544
Learning resources	2,830	2,459	371	2,756	2,309	447
Land	1,257	-	1,257	1,283	-	1,283
Vehicles	1,475	699	776	1,220	685	535
Other permanent collections	117	-	117	124	-	124
	\$ 54,546	\$ 20,955	\$ 33,591	\$ 54,765	\$ 19,461	\$ 35,304

Other permanent 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 \$242 (2010 - \$113) 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, 2010, the PSPP reported an actuarial deficiency of \$2,067 (2009 - \$1,729 deficiency). An actuarial valuation of the PSPP was carried out as at December 31, 2009 and was then extrapolated to December 31, 2010. The pension expense recorded on these financial statements is \$2,017 (2010 - \$1,713).

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, 2010 the MEPP reported an actuarial deficiency of \$397 (2009 – 483 deficiency). An actuarial valuation of the MEPP was carried out as at December 31, 2009 and was then extrapolated to December 31, 2010. The pension expense recorded in the financial statements is \$190 (2010 - \$184).

6. Deferred Contributions

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

	2011		2010	
	Capital	Other	Capital	Other
Balance, beginning of the year	\$ -	\$ 2,791	\$ 427	\$ 4,083
Grants and donations received	2,407	5,240	2,179	4,310
Investment Income	-	61	-	14
Recognized as revenue	-	(4,859)	-	(5,636)
Change in unrealized gains (losses) on investments	-	68	-	20
Transferred to unamortized deferred capital contributions	(118)	(283)	(2,606)	
Balance, end of year	2,289	3,018		2,791
Less amounts included in current liabilities	-	(1,159)	-	(635)
	\$ 2,289	\$ 1,859	\$	\$ 2,156

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:

	2011	2010
Balance, beginning of the year	\$ 26,768	\$ 25,771
Additions from deferred contributions	401	2,606
Transfer to investment in capital assets and collections	-	(30)
Amortization to revenue	(1,826)	(1,578)
Balance, end of the year	\$ 25,343	\$ 26,768

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

	2011	2010
Net gain (loss) on available for sale investments	\$ 158	\$ 63
Net investment loss (gain) realized on available for sale investments during the year and reported in Statement of Operations	42	(19)
Increase (decrease) in unrealized gain on available for sale investments	200	43
Balance, beginning of year	65	22
Balance, end of year	\$ 265	\$ 65

Presented as:

	2011			2010		
	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	\$ (15)	\$ 80	\$ 65	\$ (35)	\$ 56	\$ 21
Increase (decrease) during year	68	132	200	20	24	4
Balance, end of year	\$ 53	\$ 212	\$ 265	\$ (15)	\$ 80	\$ 65

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
	\$ 1,137	\$ 500	\$ 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.

	2011	2010
Capital assets and collections at net book value (Note 4)	\$ 33,591	\$ 35,304
Less: Unamortized deferred capital contributions (Note 7)	25,343	26,768
Investment in capital assets and collections, end of year	8,248	8,536
Changes during the year are as follows:		
Balance, beginning of year	8,536	7,258
Acquisition of capital assets and collections	582	2,181
Less: Net book value of asset disposals	150	178
Less: Amortization of investment in capital assets	720	755
Net investment in Capital Assets	(288)	1,248
Contributions of assets not subject to amortization	-	30
Balance, end of year	\$ 8,248	\$ 8,536

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:

	2011	2010
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.

	2011	2010
Service contracts	\$ 80	\$ 73
Information systems and technology	710	847
Long-term leases	376	583
	\$ 1,166	\$ 1,503

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

	Service Contracts	Information Systems & Technology	Long-term Leases	Total
2012	\$ 32	\$ 190	\$ 201	\$ 423
2013	19	190	105	314
2014	19	190	70	279
2015	10	140	-	150
	\$ 80	\$ 710	\$ 376	\$ 1,166

14. Budget comparison

The College's 2010-11 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 2010-2013 Business Plan. Certain budget figures from the College's Business Plan have been reclassified to conform to the presentation adopted in the 2011 financial statements.

15. Investment income

Investment Income is comprised of:

	2011	2010
Investment Income on investments held for endowments	\$ 57	\$ 30
Investment Income on other investments	342	340
	399	370
Amounts Deferred	(61)	(14)
Investment income	\$ 338	\$ 356

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.

	2011	2010
Contributions from GOA		
Enterprise and Advanced Education:		
Operating grants	\$ 28,069	\$ 27,806
Capital grants	2,363	1,073
Access to the Future Fund (matching grants)	909	297
Other	2,309	3,335
Total Enterprise and Advanced Education	33,650	32,511
Other GOA departments and agencies grants:		
Human Services	305	316
Alberta Culture	25	-
Other	268	1,325
Total other GOA departments and agencies	598	1,641
Total contributions received and receivable	34,248	34,152
Less deferred contributions	(2,393)	(933)
	\$ 31,855	\$ 33,219
Accounts receivable		
Enterprise and Advanced Education	103	121
Other GOA departments and agencies	264	21
	\$ 367	\$ 142
Accounts payable		
Other GOA departments and agencies	32	69
	\$ 32	\$ 69

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

Alberta North (Northern Alberta Post-Secondary Institutions Society) - is a society of northern Alberta postsecondary institutions and Aurora College in the NWT. The society aims to support northern learners through common technology infrastructure, research, professional development, community access points and increased awareness of available course offerings. Business, legal and financial risks are minimal. On July 1, 2011 the Alberta North operations were transferred to eCampusAlberta.

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 <http://www.ecampusalberta.ca/members/member-resources/annual-reports>.

Northern Lakes College paid an annual membership fee to eCampusAlberta of \$10. 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 2010-11 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 2010-11 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 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 2010-11 was \$23 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.

	2011	2010
Northern Alberta Development Council	\$ 24	\$ 38
Others	2	16
Total	\$ 26	\$ 54

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.

	2011				2010
	Base salary (1)	Other cash benefits (2)	Other non-cash benefits (3) (4)	Total	Total
Governance					
Members of the Board of Governors	\$ 32	\$ -	\$ -	\$ 32	\$ 31
Executive					
President (4)	160	30	35	225	217
Vice-Presidents:					
Vice-President Academic	133	22	28	183	171
Vice-President College Services	136	21	30	187	160
Deans					
Academic and Community Learning	122	1	27	150	142
Health Career and Program Development	123	2	29	154	147
Business, Industry & Human Service Careers (5)	134	1	31	166	153
Student Services	113	1	28	142	115
Senior Directors					
Finance Services, CFO (5)	47	18	11	76	136
External Relations	119	2	29	150	136

(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

(5) Dean, Business, Industry and Human Service Careers had two incumbents. Senior Director, Finance Services, CFO had two incumbents and was vacant for 7 months.

19. Canada – Alberta Knowledge Infrastructure Program

The Canada – Alberta Knowledge Infrastructure Program (KIP) was established to provide funding in support of capital projects at post-secondary institutions in order to offset the impact of the global economic recession by providing employment opportunities. Eligible KIP projects can receive up to 50% of its funding from Government of Canada contributions through direct payments made by the Province. The remaining portion of funding for KIP projects is made up of internal resources, provincial contributions and research grants. The KIP program supports eligible costs incurred from February 24, 2009 to March 31, 2011. Amounts received from the Province of Alberta representing Government of Canada contributions and total eligible costs incurred on KIP projects are as follows:

	July 1, 2010 to March 31, 2011	July 1, 2009 to June 30, 2010	February 24, 2009 to June 30, 2009	Total
Contributions	\$ -	\$ 715	\$ -	\$ 715
Total Eligible Costs	\$ 619	\$ 848	\$ 1	\$ 1,468

There were no contractual obligations remaining after March 31, 2011.

20. Comparative Figures

Certain 2010 comparative figures have been reclassified to conform to the presentation adopted in the 2011 financial statements.

21. Subsequent Events

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

In September 2011, the Board of Governors moved to begin a process of disposal for the Faust campus. The gain or loss on disposal is undetermined at this time. Net book value at June 30, 2011 was \$361.

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 funded 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