

NORTHERN LAKES COLLEGE

ANNUAL REPORT 2013–14

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INSTITUTIONAL CONTEXT

MISSION

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

VISION

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

VALUES

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

INSTITUTIONAL CONTEXT

MANDATE STATEMENT

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

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

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

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

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

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

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

ACCOUNTABILITY STATEMENT

The Northern Lakes College Annual Report for the year ended June 30, 2013 was prepared under the Board's direction in accordance with the Fiscal Management Act and ministerial guidelines established pursuant to the Fiscal Management Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

[Original signed by Archie Cunningham, Chair, Northern Lakes College Board of Governors]

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

[Original signed by Ann Everatt, President and CEO]

MEMBERS OF THE BOARD OF GOVERNORS



Archie Cunningham
Chair



Gerald Cunningham
*Public Member and
Vice Chair*



Dan Fletcher
Public Member



Earl Laboucan
Public Member



Jennifer Moore
Public Member



Wilf Willier
Public Member



Sandra Willing
Public Member



Shona Hommy-Bugarin
*Faculty-nominated
Member*



Odessa Ptashnyk
*Staff-nominated
Member*



Joyce Boucher
*Student-nominated
Member*



Ann Everatt
President & CEO

SENIOR MANAGEMENT TEAM

Ann Everatt
President and CEO

Madeline McVey
*Vice President,
Academic*

Robert LeSage
*Vice President,
Corporate Services and
CFO*

Cyndy Lorincz
*Dean, Student Services
and Registrar*

Julia Melnyk
Dean, Learner Services

Glenn Mitchell
Dean, Learner Services

William Bedard
*Senior Director,
Financial Services*

Dana Hynes
*Senior Director,
Human Resource
Services*

Brad Hestbak
*Senior Director,
External Relations*

MESSAGE FROM THE PRESIDENT

The 2013-14 Northern Lakes College Annual Report is responsive to the goals and measurements of success described in the Comprehensive Institutional Plan.

NLC continued to work strategically to offer the best service to students and communities in our geographic region, worked diligently to ensure we had effective and efficient college operations and focused on measureable achievements related to Campus Alberta outcomes. These efforts have strengthened individuals, families and communities through learning related to employment opportunities and helped to meet the demand for a skilled workforce across northern Alberta.

Our efforts to provide local access to preparatory and post-secondary education, reduce barriers, provide student support close to home, increase possibility of local employment and enhanced the opportunity to enroll in a broader range of technology enhanced programming have been successful. Overall post-secondary enrollments this year increased more than 4% from the previous year due to increased opportunities to obtain certificate, diploma, trades and apprenticeship and university studies. As well, focus was enhanced this year on the development and delivery of non-credit programming through Continuing Education and Corporate training initiatives. Collaborations with regional school districts, economic alliances, communities, industry and other post-secondary partners and accreditation bodies leveraged our ability for success throughout the region including:

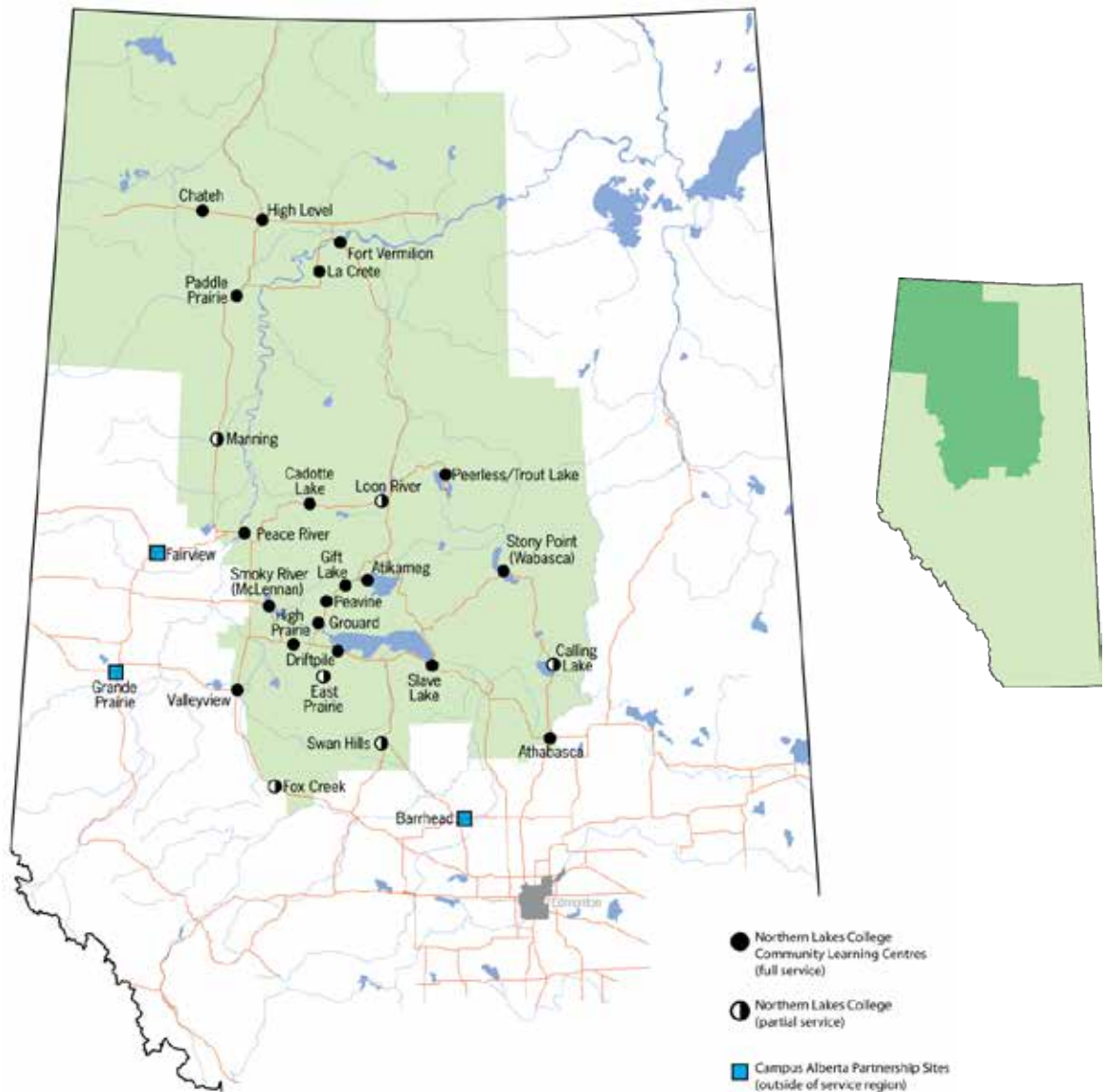
- An unprecedented six year accreditation from the Canadian Medical Association from the Emergency Medical Technology (EMT) program
- \$2 million in funding for the construction of a Power Engineering Steam Lab in Peace River
- An NLC business student winning an international business simulation competition out of more than 34,000 students from 32 countries
- Achievements in 2013-2014 culminated in the convocation of more than 800 students in June of 2014.

Extensive consultation throughout our region, including our Community Education Committees, provides the basis of our strategic plan and focus as we move into 2014-15. The expansion of the Peace and Athabasca Oil Sands and the resurgence in the Forestry sector as well as the expressed need and demand by all of our communities for training in the trades and other programs leading to employment continues to test our ability to manage expectations and to optimize the efficient use of existing college resources. Moving forward our strategic plans will be carefully aligned to meet these needs of our region. I am proud of what Northern Lakes College has been able to accomplish this past year and I am confident that we will be prepared to meet the challenges of the years to come.

Sincerely,

Ann Everatt, President & CEO

MAP OF NORTHERN LAKES COLLEGE SERVICE REGION



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

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

STRATEGIC DIRECTIONS

Goal 1: Serving Students and 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**

Through partnership with Aboriginal Health Centres and Health Canada the Medical Receptionist program continued to reach out to practicing medical receptionists and health centre employees by providing training and professional development accessible from their place of work. The program also provided an avenue for people not currently working in the field to enter the program resulting in a larger pool of available skilled labor in the region.

Enrollment across all Health Career Programs remained strong with more than 300 students enrolled in four programs: Practical Nurse, Health Care Aide, Emergency Medical Responder and Emergency Medical Technician. Additionally, the Emergency Medical Responder program grew by approximately 50% to 70 students, partially due to growth in both Grande Prairie and High Level.

\$1.2 million in funding was secured from Health Canada for the Addiction Services Worker Program (\$400,000/year until 2016).

The Human Resource Management Certificate program was approved providing additional programming and practicum opportunities for students to better fill the HR needs of industry in the region.

The College partnered with Atikameg School to provide high school students with dual-credit Pre-employment Carpentry training. Additionally, NLC worked with the High Prairie School Division to provide business courses to augment their dual-credit Cosmetology program at three regional high schools. A contract-based Trades Preparation/Life Skills program ran from January through March 2014 in conjunction with Bigstone Cree Nation Social Services at the Wabasca campus.

Funding from Shell Canada provided Northern Lakes College with the opportunity to develop facilities at the Fox Creek School for dual-credit Welder training. A contracted offering of Life Skills commenced in Chateh October 2013. In the second term, three contract-based Life Skills offerings are being offered in Meander River (with Dene Tha First Nation), Loon River (with Loon River First Nation) and Sturgeon Lake (Sturgeon Lake Cree Nation).

The upgrading of the Power Engineering curriculum to include Class 3 was completed. More than 200 Power Engineering students registered in the program this year.

STRATEGIC DIRECTIONS

GOAL 1: SERVING STUDENTS AND COMMUNITIES

Career fairs in High Prairie, Wabasca and Slave Lake highlighted the opportunities for high school students in dual credit trades and post-secondary opportunities with NLC.

The Shell Canada Aboriginal Advancement Awards for First Nations' students provided for 97 awards to support retention and access to NLC programs.

The Academic Upgrading program offered Conversational Cree over the lunch hours one day per week in May as part of the program's Student Development sessions.

A variety of new Aboriginal-based resources have been implemented in the BEL (Basic Education Level) program including novels, reading and writing comprehension and essential skills/social studies. The Library continues to purchase and provide access to digital and print resources that focus on Aboriginal culture.

2014 May and June Historical Village Educational Programming had over 400 attendees from schools throughout the NLC service region such as High Prairie, Kinuso, Peavine, Grouard, Cadotte Lake, Slave Lake, McLennan, Red Earth Creek, Keg River and Wabasca.

The Student Wellness Committee has begun work on the implementation of a strategic plan to support student health and wellness at NLC. The Student Association members on this committee share responsibility in the implementation of the strategic goals. The Business Manager for the Students Association will assist with the coordination of student life activities and programs. A Student Awards Coordinator is now in place to oversee the distribution of awards and student aid as well as assisting students in understanding how to reduce their financial barriers.

With the intention of creating a virtual campus and a sense of community the Academic Upgrading Moodle Homepage continues to increase the breadth and depth of information provided. Access to student handbooks, wellness initiatives and program announcements are included. Student communications in Admissions services has moved towards a fully automated letter for students at each status of their enrollment process.

The Academic Upgrading online orientation was well attended and included "Keys to Success", "Plagiarism" and a Library information session. The "Keys to Success" initiative held ongoing student development sessions throughout the term. The library held numerous Information Literacy sessions delivered through Collaborate for distance students to help with citation, research and writing skills.

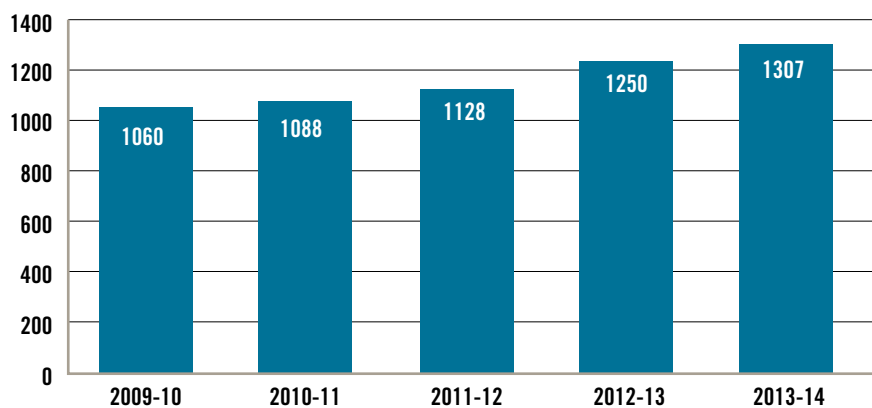
The college participated in the e-Tutor pilot project with e-Campus Alberta from February to June 2014. Northern Lakes College was one of the initial participants in this online collaborative program. Student participation was encouraging and will continue through the Fall term of 2014.

Counselling began providing live counselling services via Skype. A set of guidelines was developed and we are anticipating increased use of this technology as Skype is implemented on more campuses.

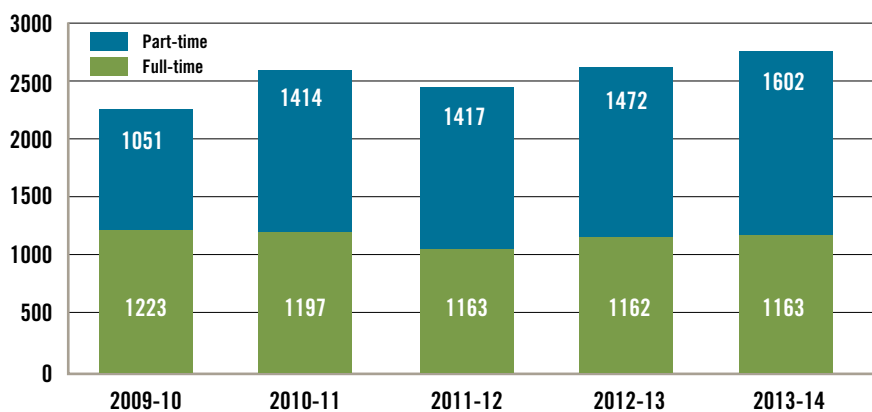
Performance Measures

- Increased regional participation in post-secondary education
- Evidence of post-secondary graduates working to build capacity in northern Communities
- Increased retention related to course and program completion

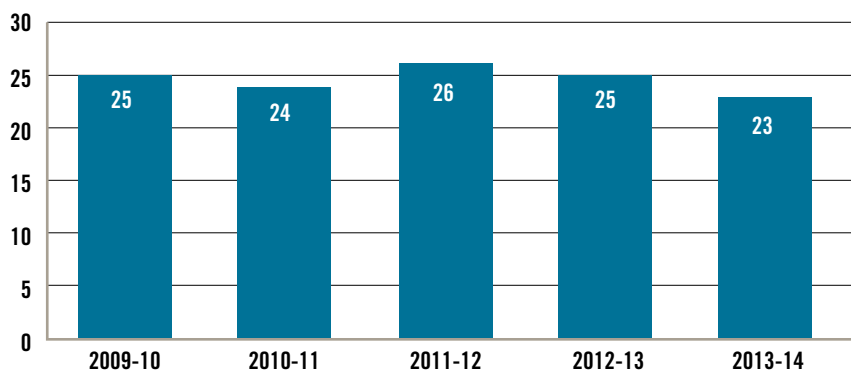
Full Load Equivalent (FLE)



Number of Students in Credit Programs (Headcount)



Communities Served with Credit Courses in the Region

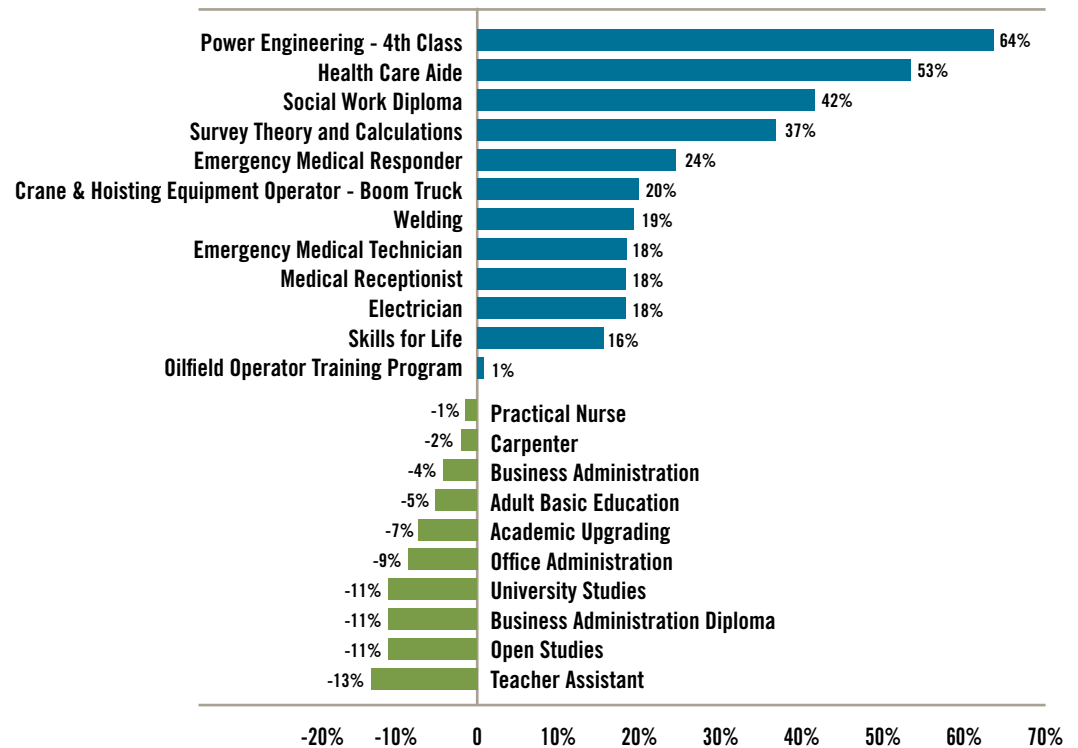


*Does not include Barrhead, Grande Prairie, or Hay River.

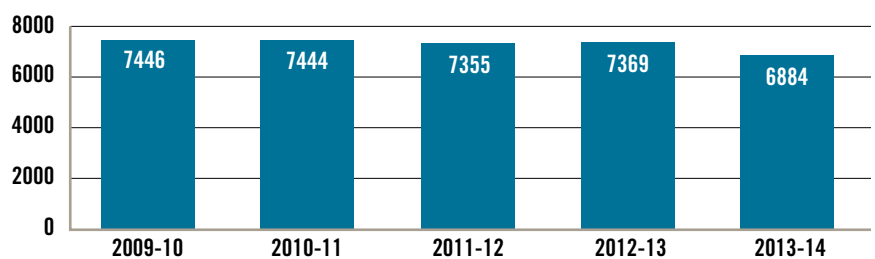
STRATEGIC DIRECTIONS

GOAL 1: SERVING STUDENTS AND COMMUNITIES

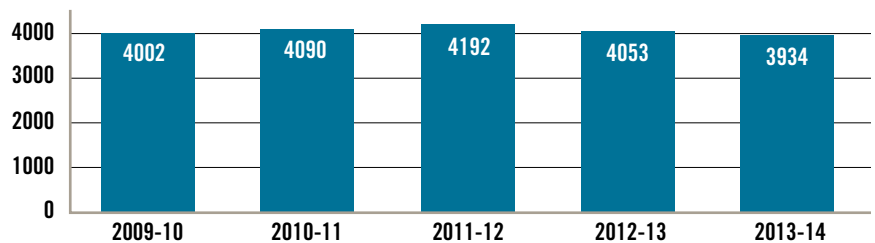
% Enrollment Change (Four Year Average)



Total Number of Registrations in Non-Credit Courses



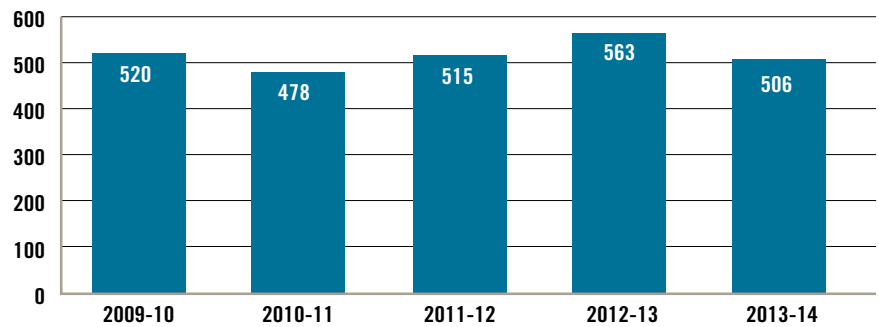
Unique Students Enrolled in Non-Credit Courses



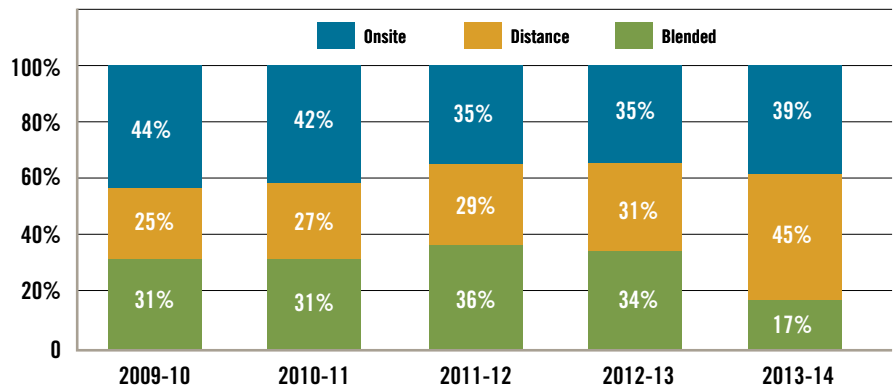
Student Satisfaction Survey

	2009-10	2010-11	2011-12	2012-13	2013-14
Quality of Instruction	96%	94%	92%	93%	95%
Overall Satisfaction	97%	97%	95%	94%	97%
Recommend Northern Lakes College	96%	97%	91%	96%	96%

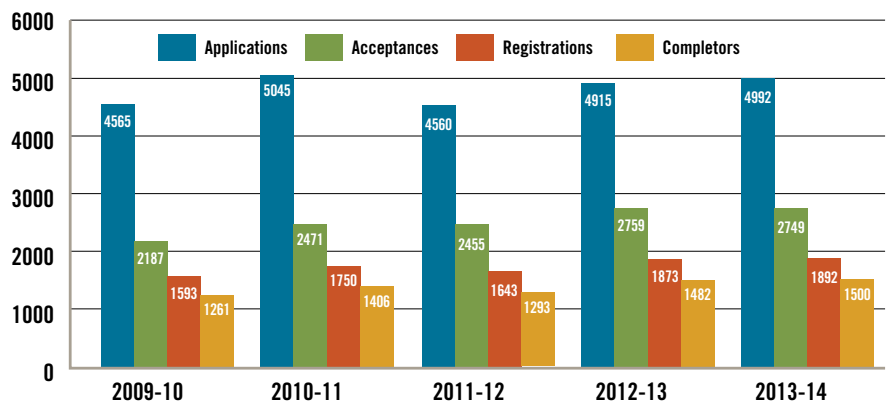
Number of Non-Credit Courses Available



Percent of Student Contact Hours Delivered via Distance Delivery



Conversion Rates of Student Applications



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

STRATEGIC DIRECTIONS

Goal 2: Sustaining Healthy College Operations by:

- **excelling at internal processes**
- **expanding Campus Alberta collaborations where efficiencies can be achieved**
- **meeting or exceeding standards set by regulatory bodies**
- **effectively managing College financial and physical resources**
- **renewing assets and infrastructure**
- **attracting and retaining qualified people**
- **maintaining a positive and safe working environment**
- **enhancing internal communications**
- **ensuring legislative compliance review is in place**

Additional efficiencies were added in the student management system to provide electronic sharing of pertinent documents such as transcripts, completion plans and formal letters assigned to a student record. Through this easy to access information tab program advisors, admissions and records staff may view the documents to assist with timely decision making and student support.

Admissions standards and documentation have been standardized between NLC and Portage for students of the collaborative business program. Regardless of which courses a student is intending to take, they may register at either partnership college utilizing the same admission, registration and waiver forms. The students also pay common fees and may do so at either college.

Streamlining the admissions, financial and transcription processes created seamless support for students and enhanced conversion.

Students can receive their Statement of Marks directly from their NLC email accounts. This new functionality provides students with timely information of their term progress.

Additional enrollment enhancements include automated application email acknowledgement, direct invoicing to student NLC account and letters regarding status changes post-term.

The Human Resource Management Certificate program was approved this spring providing additional programming and practicum opportunities for students to better fill the HR needs of industry in the region.

Northern Lakes College was successful in partnership with Lethbridge College and Red Crow College in its proposal to Health Canada to design, develop and deliver the Community Health Promotion Worker Program. This program is intended to address the learning needs of health care workers who focus on community health education in First Nation Communities.



Discussions resumed between Grande Prairie Regional College, Keyano College, Lakeland College and Northern Lakes College to develop a sustainable model of collaboration for the Practical Nurse program.

The collaboration in Business programming continued with Portage College allowing both institutions to offer diplomas in Human Resources, Management Studies and Accounting to students in both college regions. Together Portage College and NLC submitted a blended team to the Alberta Deans of Business Case Competition. Our blended team from the previous year won the competition competing against big schools like NAIT and SAIT. Neither of these opportunities would be available for students if not for the collaboration.

A Transfer agreement with Faculty of Social Work at the University of Calgary was renewed in spring 2014. This allows a two year transfer directly into the BSW program at the University of Calgary. An agreement with Athabasca University provides Early Learning and Child Care graduates with 30 credits towards the University's Bachelor of Professional Arts degree.

Three university transfer courses were added to our Educational Assistant and Early Learning and Child Care certificate programs. A block transfer agreement is in place for Early Learning and Child Care certificate graduates into Portage Colleges' Early Learning and Child Care diploma.

The Academic Upgrading program participated in a research project for Aboriginal literacy assessments with Bow Valley College, used in the creation of "Sharing the Journey with Adult Indigenous Learners: A Teaching/Reading Strategies Guide". The Adult Basic Education program is participating in a pen-pal exchange with UCEP students from Maskwacis Cultural College.

Our Workforce Development division (now Continuing Education and Corporate Training) entered into a partnership with the Rural Alberta Business Centre in Slave Lake to deliver small business training.

STRATEGIC DIRECTIONS

GOAL 2: SUSTAINING HEALTHY COLLEGE OPERATIONS

The College partnered with PEMAC (Plant Engineering and Maintenance Association of Canada) to deliver Maintenance Management Program information sessions and PEMAC Lunch & Learn sessions across Canada.

Northern Lakes College received an unprecedented six year accreditation status from the Canadian Medical Association that will expire in April 2018. Additionally, the College received a five year accreditation status from the College of Licensed Practical Nurses of Alberta that will expire in March 2017.

Our monthly newsletter, The Apple Express, produced by the Educational Development Centre expanded to include sections on Open Educational Resources as well as eCampusAlberta Quality Standards 2.0.

The College completed the generation of a six and nine month financial forecasts and a first draft of the 2014-15 Budget. Financial Services reviewed status of funds, capital spending and major cash receipts with the Capital and Finance Committee on a monthly basis.

Online Brown Bag sessions focused on employee development were offered three times per month. Sessions included: Making the Most out of Moodle Reports, Effectively Using Text Chat in Collaborate, Using Tables in Microsoft Word, Supporting Students at a Distance, Supporting Students in Moodle and Collaborate, Blackboard Collaborate Crash Course, What are Open Educational Resources, What is a MOOC?, How to Interpret OER Licenses, Benefits of Discussion Forums in Moodle, The Self-Reflective Teacher, All About Learning Objectives, Introduction to Vovici, Microsoft Word: SmartArt and WordArt, StudyMate in a Nutshell.

Online Coffee Shop sessions were offered bi-monthly and included topics such as Constructivism: Creating Order Out Of Chaos, Online Communication, and The Wisdom of the Crowds, Power Laws and the Changing Role of Institutions.

The Academic Upgrading program held an online Professional Development day in November 2013 for faculty with speakers from Medicine Hat College, Lethbridge College, LearnAlberta, University of Calgary and the founder of the University of Te Wananga, New Zealand's first indigenous university.

Academic Upgrading newsletter continues to receive student and staff support for the enhancement of informal learning opportunities and community building within the program.



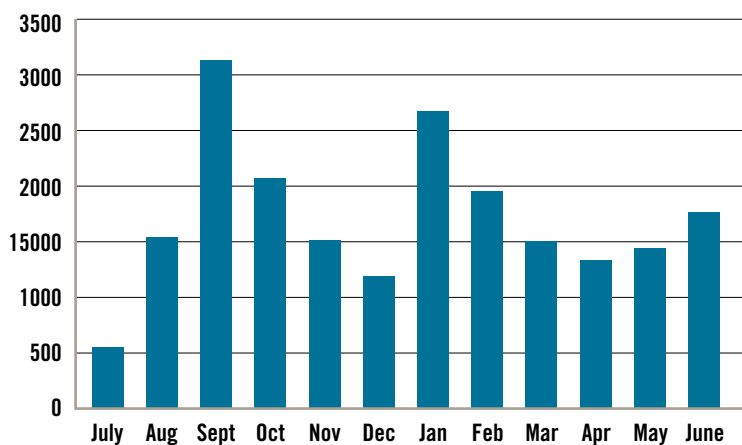
Performance Measures

- Increase access to apprenticeship programming in regional campuses
- Develop a Northern Lakes College sustainability plan
- Quarterly financial reviews

Staff profile

5 years or less of service:	113
6-10 years of service:	52
11-15 years of service:	33
16-20 years of service:	27
21-25 years of service:	10
26-30 years of service:	9
31-35 years of service:	3
35+ years of service:	1

Education Development Centre HelpDesk Tickets



EDC staff completed 2,060 HelpDesk Tickets from July 1, 2013 to June 30, 2014:

Curriculum Development

EDC staff completed 31 projects.

Professional Development

32 sessions for staff and faculty (including Brown Bags, Coffee Shop Sessions, and department specific in-service training)

10 student sessions

STRATEGIC DIRECTIONS

Goal 3: Providing Regional Stewardship by:

- **Increasing opportunities for regional input and participation**
- **Collaboration with other education providers to meet needs in the region**
- **Increase breadth of programs in communities where resources and facility capacity allow**

NLC worked with the Peace River Power Engineering Group to deliver a number of refresher and preparatory courses. Continuing Education offerings to support 3rd Class and 2nd Class power engineers in the region to challenge their ABSA exams.

The College worked with C2H (Closer to Home, Alberta Water/Waste Water Operator's Association AWWOA) Initiative around Water/Waste Water Operations in communities throughout NLC region.

The College held consultations and regular monthly meetings with Community Education Councils.

Northern Lakes College was a signatory on the Memorandum of Understanding with the northern CCIs, Athabasca University and NAIT.

Collaborative Program Offerings

1. **Aboriginal Teacher Education Program (ATEP)** – University of Alberta
2. **Addiction Services Worker** – Health Canada/ First Nation and Inuit Health Branch
3. **Health Care Aide** – Government of Alberta
4. **Medical Receptionist** – Health Canada/First Nation and Inuit Health Branch
5. **Business Administration Diploma in Management and Accounting** – Portage College
6. **Power Engineering 4th Class Dual Credit** – Careers Next Generation
7. **Social Work Diploma** – University of Calgary, Athabasca University, Thompson Rivers University
8. **Crane and Hoisting Boom Truck, Carpentry, Electrical, Millwright, Welding** – Alberta Apprenticeship Board





Northern Lakes College continued to partner with groups to provide online workshops focused on areas of particular interest to our region and which showcases our region including: the Boreal Centre for Bird Conservation, Lesser Slave Forest Education Society, Woodland Operations Learning Foundation, and the FireSmart Regional Action Team for Lesser Slave Lake.

- WOLF has worked directly with NLC on the First Nation Reclamation Project funded by Shell Canada and focused on the traditional ecosystem knowledge of the South Shore aboriginal communities
- NLC and WOLF have been collaborating on the creation of the *Driving Change in the Forest Conference* to be held on the NLC Slave Lake Campus, May 28-29, 2015

The College collaborated with Community Adult Learning Councils to provide opportunities to enhance student learning, including literacy and continuing education. The Academic Upgrading Coordinator sits on the Community Learning Network's Board of Directors, allowing NLC to participate in the new strategic directions occurring within the area of literacy.

In May and June our Historical Village Educational Programming attracted 400 attendees from schools throughout the NLC service region such as High Prairie, Kinuso, Peavine, Grouard, Cadotte Lake, Slave Lake, McLennan, Red Earth Creek, Keg River and Wabasca. Educational tours and activities for students (Off-season September 2013 to March 2014) serviced 323 students through private museum bookings (tours, art activities, classroom presentations).

STRATEGIC DIRECTIONS

GOAL 3: PROVIDING REGIONAL STEWARDSHIP

Performance Measures

- New programs are developed or brokered to meet regional demand
- Develop a planning process for Community Education Committees to identify key course and program delivery requirements
- Implement a community/college committee to focus on programming opportunities for Wabasca region
- Develop additional courses to be offered through eCampusAlberta

Active Community Education Committees in 15 Communities

Community Education Committees meet in their individual communities up to 8 times per year. A representative of each committee takes part in the Council of Community Education Committees. The Council met 4 times in 2013-14 to inform the College of post-secondary education needs in their community.

Athabasca	Grouard	Peerless Lake
Atikameg	High Prairie	Slave Lake
Cadotte Lake	La Crete	Smoky River
Fort Vermilion	Peace River	Stony Point
Gift Lake	Peavine	Valleyview

Fundraising at Northern Lakes College promotes the philosophy that every gift makes an impact, no matter what the amount. We believe that when donors contribute to Northern Lakes College, they make a difference in the lives of our students and our communities. We build relationships that connect current and potential donors with opportunities to give to an area that reflects their individual or corporate values. The following is a brief summary of our fundraising activities:

- Program Support through In-Kind Donations
- Staff and Faculty Giving Campaign
- Peace River Regional Power Engineering Project
- Student Awards

Peace River Regional Power Engineering Steam Lab

In May, 2012 the Peace River Regional Power Engineering Steam Lab campaign was officially launched at the Peace Oil Sands (POS) Conference. The capital campaign was aimed at raising \$2 million for the construction of a steam lab in Peace River. This exciting initiative was created in response to strong industry demand for Power Engineers. Through research and consultation, it was revealed that one of the largest obstacles to training new power engineers, and advancing those who are already in the occupation, was the challenge of obtaining the necessary steam time to earn certification. The new power engineering steam lab will provide over 80 students a year, as well as high school dual credit students, the necessary steam time to become 4th and 3rd class power engineers.

In 2012, Shell Canada became the largest corporate sponsor donating \$500,000 and earned the naming rights to the facility. In the same year, Penn West recognized the benefits of the project and generously donated \$100,000. A proposal was submitted to Western Diversification for \$1 million dollars and the college received notification in June, 2013 that the proposal was successful. The remaining \$200,000 was donated by the Town of Peace River and Northern Sunrise County in June, 2014.

The Phimister Building was purchased in the fall of 2013 and detailed design drawings began. The steam and electrical equipment was also ordered. In the late spring of 2014, a call for tenders was sent out and in July the tender was awarded to a Medicine Hat company for renovations to the building.

Staff Donations

In March 2012, the External Relations Department launched the Staff and Faculty Giving Campaign, a three year campaign, with a goal of raising \$25,000. After 26 months, the campaign raised \$42,962.41. Of these funds, 85% have been directed by the donor to go towards Area of Greatest Need and Student Awards.

The campaign exceeded all expectations and we are extremely proud of all the staff and faculty that stepped up and gave so generously. The end result has made a tremendous impact in the lives of our students.

Breakdown:

YEAR ONE: \$18,401.73 (starting on March 15, 2012)

YEAR TWO: \$18,241.48

YEAR THREE: \$6,319.20 (closing off on Sept. 30, 2014)

Crane & Hoisting Equipment Operator – Boom Truck Program

Program Support through In-Kind Donations

Northern Lakes College is one of the largest training providers of Crane & Hoisting Equipment Operator – Boom Truck program in the province. The success of this program is a direct result of key partnerships with industry. Our unique mobile boom truck operator program helps address training needs locally and provincially by traveling across northern and southern Alberta to where cohorts of students are working. The Crane & Hoisting Equipment Operator program has five offerings per year in various locations with 120 students completing the program. The program has made a significant impact on addressing the labour shortages in the oil and gas industry.

During the 2013-14 year, in kind donations of over \$156,030.00 supported the delivery of this program. External Relations recognized the donors with thank you letters along with newspaper ads. A series of web pages was also created recognizing donors, advertising the program and posting photos of students, donors and student testimonials which was well received by the donors. External Relations also attend the sponsor recognition lunches at the conclusion of all five program offerings. This is an opportunity to develop and establish strong relationships with the donors of the program. It is also a great opportunity to meet and talk to the 25 students about the program and promote the college.

NORTHERN LAKES COLLEGE PROGRAMS

Apprenticeship

Carpenter Apprenticeship First Period
Carpenter Apprenticeship Second Period
Carpenter Apprenticeship Third Period
Carpenter Apprenticeship Fourth Period
Crane & Hoisting Equipment Operator -
Boom Truck
Electrician Apprentice First Period (2)
Electrician Apprentice Second Period
Electrician Apprentice Third Period
Electrician Apprentice Fourth Period
Pre-Employment Carpentry
Pre-Employment Electrician
Pre-Employment Millwright
Pre-Employment Welder
Welder Apprentice First Period
Welder Apprentice Second Period
Welder Apprentice Third Period

University Transfer

Aboriginal Teacher Education Program
College and Career Preparation Program
University Studies

Workforce Development - Certificate

Advanced Skills for Leadership
Essential Skills for Administrative Professionals
Essential Skills for Supervisors
Maintenance Management Professional (MMP)
Certification Program
Safety Skills for Supervisors
Class 1 & Class 3 Driver Training

Foundational Learning

Academic Upgrading
Life Skills Training

Diploma and Certificate

Addiction Services Worker Certificate
Business Administration Certificate
Business Administration Diploma - Accounting
Human Resource Management Diploma
Business Administration Diploma - Management
Business Administration Certificate
Early Learning and Child Care Certificate
Educational Assistant - full time (Evening)
Emergency Medical Responder
Emergency Medical Technician
Health Care Aide
Health Care Aide - Employed Student Tutored
Education (eSTEP)
Health Care Aide - Prior Learning Assessment
and Recognition
Medical Receptionist
Office Administration
Oilfield Operator Training
Power Engineering 3rd Class
Power Engineering 4th Class
Power Engineering 5th Class
Practical Nurse Diploma
Social Work Diploma
Survey Theory and Calculations

IN THE NEWS

EMT program receives a six-year national accreditation

Northern Lakes College has received a six year accreditation award from the Canadian Medical Association (CMA) for the Emergency Medical Technology (EMT) Program.

Accreditation is the public recognition that an educational program has met national standards. Through accreditation, the Canadian Medical Association ensures that all educational institutions across Canada hold their programs to the highest standard and are therefore enabling their students to become competent health care practitioners. This is the highest level of accreditation currently awarded by the CMA.

Economic study shows Northern Lakes College is vital to the regional economy

A recent study demonstrates that Northern Lakes College makes a very significant impact on the college's service region, adding \$72.8 million to the economy in 2011-2012. The study shows that investing in Northern Lakes College is beneficial to students, communities and the province as a whole. Taxpayers receive a good return on their investment, demonstrated by higher lifetime earnings for college graduates, and increased output for businesses.

Northern Lakes College signs agreement to enhance northern education opportunities

Northern Lakes College and six other post-secondary educational institutions signed an innovative Memorandum of Action (MOA) at Keyano College in Fort McMurray, intended to improve access to post-secondary education delivered across Alberta. The groundwork for the new collaborative initiative followed discussions among northern post-secondary presidents about ways to create seamless student transfer and mobility, better access to quality education, and enhance the scope of programming available in rural and remote areas throughout northern Alberta.

Sharp Increase in student enrollment for 2013/2014 academic year

Northern Lakes College has seen a sharp increase in student enrollments for the 2013/2014 academic year. Higher student numbers this year follows a trend at the college over the past few years. The increase in full-time student equivalents for the 2013/2014 academic year is more than 4%, with a total of over 2,900 students (headcount) enrolled in credit programs. The Power Engineering, Social Work, and Crane and Hoisting programs have shown significant growth over the past few years; the Power Engineering program grew from a headcount of 316 students in 2012/2013 to 405 students in 2013/14. The Social Work program has almost doubled since 2011/2012, from 37 students to 62 in the 2013/2014 academic year.

IN THE NEWS

Northern Lakes College students compete in provincial skills competition

Northern Lakes College sent two talented students, Kylar Schamp and Troy Beaudoin, to compete in the Provincial Skills Canada competition March 14-15, 2014, at the Edmonton Expo Centre. With over 10,000 spectators, Kylar competed in Welding and Troy in Carpentry. The Skills Competition is Alberta's largest trade and technology exhibition.

Northern Lakes College business student wins international business simulation competition

Northern Lakes College business administration student Thomaskutty Thomas won an international business simulation competition called GLO-BUS while taking a collaborative business administration program from Northern Lakes College and Portage College. GLO-BUS is a popular simulation in business schools. Over the last 12 months, the simulation has been used by 34,738 students at 321 post-secondary institutions in 32 different countries. As part of the business administration program curriculum, students participate in this online strategy game where they gain experience in running a business in a global market arena.

Thomas and the company he created competed head-to-head on an international level against companies run by other students.

Northern Lakes College Convocation 2014

Families, friends and Northern Lakes College representatives gathered to celebrate the achievements of the more than 800 students graduating in 2014. The convocation ceremony was held at the Gordon Buchanan Recreation Centre and many friends and families were in attendance to support those graduating. Greetings and congratulations were imparted by Bev New, President, Metis Nation of Alberta; Linda Cox, Mayor, Town of High Prairie; and William Kostiw, CAO, MD of Big Lakes. Archie Cunningham spoke at the convocation for the last time as Chair of the Board of Governors after 40 years of service with the college. Audrey Anderson, Principal of the Peerless Lake School, was the keynote speaker and the first recipient of the Northern Lakes College distinguished alumni award.

Northern Lakes College receives major funding for mobile trades training facilities

Northern Lakes College has received \$3.05 million in Targeted Enrollment Expansion funding from the Ministry of Innovation and Advanced Education for Mobile Trades Training facilities. These mobile units will allow the college to offer various Trades programs in communities that otherwise may not have access to such facilities. In addition to the \$3.05 million for the mobile units, the college will receive \$523,000 annually to support program delivery. The college submitted the project in response to the Ministry's July 2013 request for proposals that would increase access for learners in high demand programs. Pending manufacturing timelines, Northern Lakes College plans to offer programming out of the mobile units during the 2014-15 academic year.

Western Economic Diversification provides \$1 million in funding for Northern Lakes College

Northern Lakes College has received \$1 million in funding from Western Economic Diversification. The federal funding will allow the college to purchase specialized equipment needed for the new power engineering steam lab. The power engineering lab will give students the opportunity to gain the steam time necessary for certification as a power engineer.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(IN \$ THOUSANDS)

1. Total Net Assets

Total net assets (total assets less total liabilities) have increase by \$2,783. The increase in net assets is accounted for by the following:

Increase in total assets:	\$	3,491
Increase in total liabilities:		708
Increase in total net assets	\$	<u>2,783</u>

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

	Balance 30-Jun-13	Change	Balance 30-Jun-14
Accumulated Surplus			
Accumulated operating surplus	\$ 5,981	\$ 1,730	\$ 7,711
Investment in tangible capital assets	8,475	(756)	7,719
Internally restricted surplus	1,637	1,463	3,100
Remeasurement gain/loss	203	308	511
Total accumulated surplus	<u>16,296</u>	<u>2,745</u>	<u>19,041</u>
Endowments	<u>1,614</u>	<u>38</u>	<u>1,652</u>
Total net assets	<u>\$ 17,910</u>	<u>\$ 2,783</u>	<u>\$ 20,693</u>

Accumulated Surplus is more fully described in Note 12 to the consolidated financial statements.

2. Total Assets

As stated in (1), total assets have increased by \$3,491, or approximately 6.5%, which comprises the following:

a. Cash and cash equivalents

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

Cash provided from operations	\$	6,844
Cash used to purchase investments		(3,194)
Cash used to purchase capital assets		(1,045)
Cash used to extinguish debt		(43)
Net increase in cash and cash equivalents	\$	<u>2,562</u>

b. Portfolio investments

NLC's portfolio investments include short-term and long-term investments. The net increase of \$3,582 in the overall portfolio is due to an injection of money from the college from the operating cash account and an increase in unspent grant money. Further information on portfolio investments is in Notes 5 and 6 to the consolidated financial statements.

c. Tangible capital assets

The net decrease in tangible capital assets is as follows:

Tangible capital assets purchased with internal funds	\$	302
Tangible capital assets purchased with external funds		906
Amortization of tangible capital assets		(2,356)
Net book value of assets disposed		(201)
Net decrease in tangible capital assets	\$	<u>(1,349)</u>

Further information on tangible capital assets is disclosed in Note 8 to the consolidated financial statements. The overall accumulated amortization is 42.8% of the total cost of tangible capital assets. The College has committed in its capital plans to continue to replace old facilities and equipment, though this remains a challenge.

3. Total liabilities

Total liabilities have increased by \$708 or approximately 2.0%.

a. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities decreased by \$1,042 or 20.4% due to the following:

- Provision for restructuring decreased by \$570 as there was less costs incurred in the current year
- Vacation liabilities decreased by \$450 as the College focused on ensuring the staff took their vacation breaks

b. Deferred revenue

This balance represents grants and donations the College receives that have conditions of use and therefore will be recognized as revenue in the future when the College meets the stated conditions. Deferred revenue increased by \$1,826 or approximately 6.0% as disclosed in Note 10.

CONSOLIDATED STATEMENT OF OPERATIONS

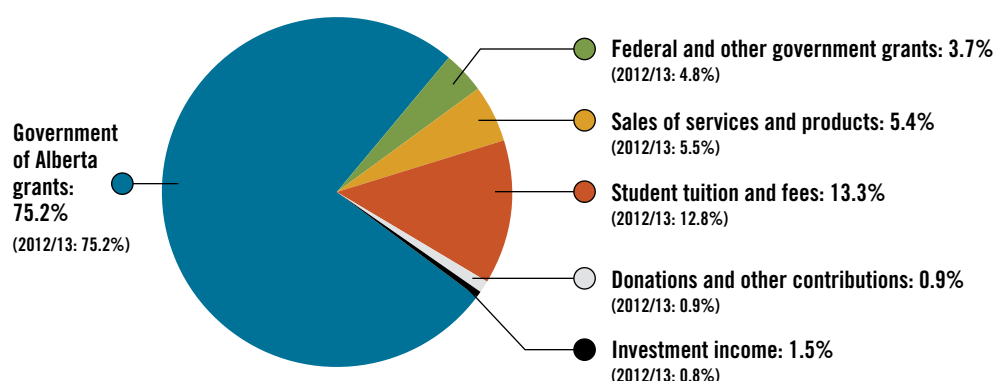
(IN \$ THOUSANDS)

1. Revenue

Total revenue decreased by \$3,178 (7.0%) from \$45,168 in 2012/13 to \$41,990 in 2013/14.

The distribution of total revenue between revenue sources for the 2013/14 fiscal year is presented in the chart below. A comparative percentage for the previous restated year is also shown.

Revenue Comparison



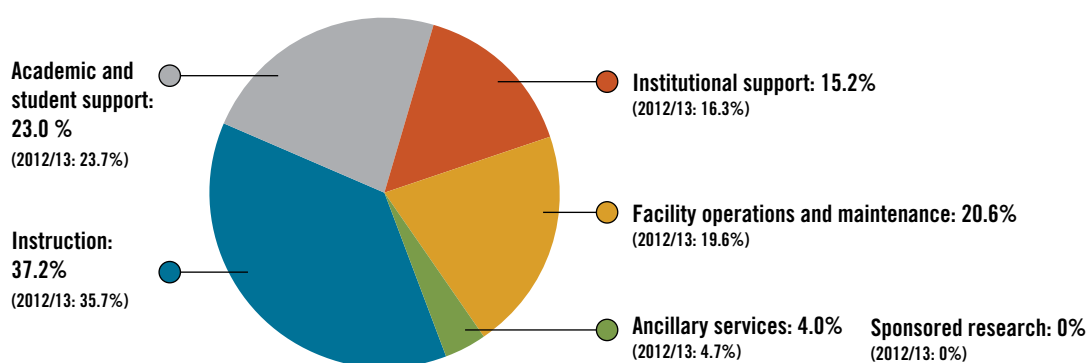
The key revenue highlights are:

- Government of Alberta operating grants, which include the Campus Alberta Grant and a number of conditional and one-time grants, remained constant from the prior year. A brief summary is as follows:
 - Campus Alberta grant as a proportion of total revenue is 63.3% compared to the previous year's level of 63.5% (\$26,599 from \$28,685).
 - Conditional grants have increased to 11.9% compared to 11.7% in the previous year, primarily as a result of increased conditional funding for apprenticeship training.
- Federal and other government grants decreased as a percentage of total revenue from 4.8% to 3.7% representing a decrease in actual revenues from programs.
- Sales of services and products remained constant as a percentage of total revenue at 5.4% compared to 5.5% in the prior year. The College does not operate a bookstore or any cafeterias. The ancillary revenue is driven mostly through residential rental income.
- Student tuition and fees increased as a percentage of revenue from 12.8% to 13.3%. This modest increase can be attributed to higher enrollment in the College.
- Donations and other contributions remained constant as a percentage of total revenue at 0.9% in both periods. This revenue includes the scholarships, bursaries and other expenses that were funded by donations.
- Investment income almost doubled as a percentage of total revenues from 0.8% to 1.5%. This income does not include the accumulated remeasurement gain in net assets. The increase in income is due to the increase in the portfolio holdings and a strong performance of the assets.

2. Expenses

Total actual expenses decreased by \$3,823 (8.8%), from \$43,376 in 2012/13 to \$39,553 in 2013/14.

The distribution of total expenses by objects of expenditure for the 2013-14 fiscal year is presented in the following chart.



The key expense highlights are:

- Instruction expense decreased by \$770 (5.0%) from \$15,492 in 2012/13 to \$14,722 in 2013/14. The decrease in salaries and benefits was \$849 due to program restructuring; this was offset by an increase in operational costs of \$79.
- Academic and student support expenses decreased by \$1,183 (11.5%) from \$10,275 in 2012/13 to \$9,092 in 2013/14. The decrease in salaries and benefits was \$774 due to organizational restructuring; there was also a decrease in operational costs of \$409.
- Institutional support expenses decreased by \$1,045 (14.8%) from \$7,062 in 2012/13 to \$6,017 in 2013/14. The decrease in salaries and benefits was \$889 due to organizational restructuring; there was also a decrease in operational costs of \$156.
- Facility operations and maintenance expenses decreased by \$369 (4.3%) from \$8,518 in 2012/13 to \$8,149 in 2013/14. The decrease in salaries and benefits was \$123 due to organizational restructuring; there was also a decrease in operational costs of \$246.
- Ancillary services decreased by \$449 (22.2%) from \$2,022 in 2012/13 to \$1,573 in 2013/14. The increase in salaries and benefits was \$24 due to cost of living increases and increases of benefits; this was offset by a decrease in operational costs of \$473.

CONSOLIDATED STATEMENT OF OPERATIONS

(IN \$ THOUSANDS)

3. Accumulated Surplus

Accumulated surplus comprises accumulated operating surplus, internal restricted surplus and investment in capital assets. The accumulated surplus increased by \$2,437 from \$16,093 in 2013 to \$18,530 and is further disclosed as:

a. Accumulated Operating Surplus

The accumulated operating surplus is the net result of life-to-date operating surpluses, net of transfers to internal restricted surpluses and amounts invested in tangible capital assets. Positive operating results provide the College the flexibility to support emerging academic needs and future campus developments and respond to imminent deferred maintenance requirements. Further information on changes in accumulated operating surplus is disclosed in Note 12 to the consolidated financial statements.

b. Internal Restricted Surplus

Internal restricted surplus increased by \$1,463 primarily as a result of new appropriations of \$1,600 during the year, primarily to ensure appropriate funds are available for the purchase of student residences in Peace River. See Internally Restricted Surplus table in Note 13 to the consolidated financial statements for more information on the appropriations and disbursements of these surpluses.

c. Investment in Tangible Capital Assets

The amount of \$7,719 invested in tangible capital assets relates to total tangible capital assets in the following manner:

Internally funded (invested in tangible capital assets)	\$	7,719
Externally funded (spent capital contributions – Note 10)		21,961
Net book value of tangible capital assets	\$	<u>29,680</u>

See Note 8 to the consolidated financial statements for more information on tangible capital assets and Note 12 for more information on the transfer to/from accumulated operating surplus invested in tangible capital assets.

4. Endowments

Endowments have increased by \$38 to reflect the College's new policy to capitalize realized gains on endowments to the principal balance. See Note 11 to the consolidated financial statements for more information on endowments.



NORTHERN LAKES COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014, and the consolidated statements of operations, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Northern Lakes College as at June 30, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

October 16, 2014

Edmonton, Alberta

STATEMENT OF MANAGEMENT RESPONSIBILITY

The consolidated financial statements of Northern Lakes College have been prepared by management in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements present fairly the financial position of the College as at June 30, 2014 and the results of its operations for the year then ended June 30, 2014.

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

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

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

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

[Original signed by Archie Cunningham]

Chair, Board of Governors

[Original signed by Ann Everatt]

President and CEO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2014	2013 (restated Note 3)
Assets		
Cash and cash equivalents (Note 4)	\$ 13,798	\$ 11,236
Portfolio investments (Note 5)	12,552	8,970
Accounts receivable (Note 7)	715	2,199
Inventories and prepaid expenses	779	599
Tangible capital assets (Note 8)	29,680	31,029
	<u>\$ 57,524</u>	<u>\$ 54,033</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 4,074	\$ 5,116
Employee future benefit liabilities (Note 9)	516	592
Deferred revenue (Note 10)	32,241	30,415
	<u>36,831</u>	<u>36,123</u>
Net Assets		
Endowments (Note 11)	1,652	1,614
Accumulated operating surplus (Note 12)	18,530	16,093
Accumulated remeasurements gains and losses	511	203
	<u>20,693</u>	<u>17,910</u>
	<u>\$ 57,524</u>	<u>\$ 54,033</u>

Contingent liabilities and contractual obligations (notes 14 and 15)

APPROVED BY THE BOARD OF GOVERNORS:

[Original signed by Archie Cunningham]

Chair, Board of Governors

[Original signed by Ann Everatt]

President and CEO

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

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	Budget 2014	Actual 2014	Actual 2013 (restated Note 3)
	(Note 21)		
Revenue			
Government of Alberta grants	\$ 30,124	\$ 31,588	\$ 33,961
Federal and other government grants	400	1,570	2,158
Sales of services and products	1,896	2,248	2,462
Student tuition and fees	5,106	5,580	5,779
Donations and other contributions	36	372	426
Investment income (Note 16)	300	632	382
	<u>37,862</u>	<u>41,990</u>	<u>45,168</u>
Expense			
Instruction	13,709	14,722	15,492
Academic and student support	8,401	9,092	10,275
Institutional support	6,775	6,017	7,062
Facility operations and maintenance	7,600	8,149	8,518
Ancillary services	1,377	1,573	2,022
Sponsored research	-	-	7
	<u>37,862</u>	<u>39,553</u>	<u>43,376</u>
Operating surplus	-	2,437	1,792
Accumulated operating surplus at beginning of year	-	16,093	14,301
Accumulated operating surplus at end of year (Note 12)	<u>\$ -</u>	<u>\$ 18,530</u>	<u>\$ 16,093</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

(THOUSANDS OF DOLLARS)

	2014	2013 (restated Note 3)
Operating transactions		
Operating surplus	\$ 2,437	\$ 1,792
Add (deduct) non-cash items:		
Amortization of tangible capital assets	2,356	2,523
(Gain) on disposal of tangible capital assets	(2)	(38)
Expended capital recognized as revenue	(1,499)	(1,633)
Change in employee future benefit liabilities	(76)	21
	<u>3,216</u>	<u>2,665</u>
(Increase) decrease in accounts receivable	1,484	(853)
(Increase) decrease in inventories and prepaid expenses	(180)	46
Increase (decrease) in accounts payable and accrued liabilities	(1,001)	657
Increase in deferred revenue	3,325	2,191
Cash provided by operating transactions	<u>6,844</u>	<u>4,706</u>
Investing transactions		
Purchases of portfolio investments, net of sales	(3,265)	(1,023)
Endowment investment earnings	71	66
Cash applied to investing transactions	<u>(3,194)</u>	<u>(957)</u>
Financing transactions		
Debt repayment	(43)	-
Debt - new financing	-	43
Cash provided by (applied to) financing transactions	<u>(43)</u>	<u>43</u>
Capital transactions		
Acquisition of tangible capital assets	(1,208)	(1,514)
Proceeds on sale of tangible capital assets	163	133
Cash applied to capital transactions	<u>(1,045)</u>	<u>(1,381)</u>
Increase in cash and cash equivalents	2,562	2,411
Cash and cash equivalents at beginning of year	11,236	8,825
Cash and cash equivalents at end of year	<u>\$ 13,798</u>	<u>\$ 11,236</u>

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

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)

YEAR ENDED JUNE 30, 2014
(THOUSANDS OF DOLLARS)

	2014	2013
Accumulated remeasurement gains (losses) at beginning of year	\$ 203	\$ -
Adjustment for adoption of new accounting standards	-	156
Unrealized gains attributable to:		
Portfolio investments	308	47
Accumulated remeasurement gains at end of year	<u>\$ 511</u>	<u>\$ 203</u>

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2014
(THOUSANDS OF DOLLARS)

1. Authority and Purpose

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

2. Summary of Significant Accounting Policies and Reporting Practices

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

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

b. Non-use of Net Debt Model Format

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

c. Valuation of Financial Assets and Liabilities

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

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

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

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

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

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

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

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

d. Revenue Recognition

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

i. Government grants, non-government grants and donations

The College recognizes government grants, donations and other contributions as follows:

Government transfers

Government transfers are referred to as government grants.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the College's actions and communications as to the use of the transfer create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the College complies with its communicated use of the transfer.

Government transfers without terms for the use of the transfer are recorded as revenue when the College is eligible to receive the funds.

Donations and non-government contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or restricted for operating or capital purposes or research purposes.

Unrestricted donations and non-government contributions are recorded as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured.

Restricted donations, non-government contributions, realized and unrealized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with the College's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the College complies with its communicated use.

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

ii. Grants and donations related to land

The College recognizes transfers and donations to buy land as a liability when received and as revenue when the College buys the land. The College recognizes in kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the College cannot determine the fair value, it records such in-kind contributions at nominal value.

iii. Endowments

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

iv. Investment income

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

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

e. Inventories

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

f. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

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

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

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

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

Contributed capital assets are recorded as revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at the carrying value.

Intangible assets, works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets.

g. Employee Future Benefits

i. Pension

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

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

ii. Long-term disability

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

h. Basis of consolidation

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

i. Funds and Reserves

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

j. Future Accounting Changes

In June 2010 the Public Sector Accounting Board issued PS 3260 Liability for Contaminated Sites effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The College would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the financial statements in the next fiscal period.

3. Correction of Errors

In the preparation of the June 30, 2014 consolidated financial statements the College discovered that its accounting system was incorrectly calculating amortization on some of the assets included in the building category since July 1, 2012.

The College also noted that it had been incorrectly accounting for unrestricted donations in the deferred revenue accounts.

In accordance with the Public Sector Accounting Standard 2120 Accounting Changes, the changes have been accounted for retroactively and the consolidated financial statements have been restated as follows:

	As previously recorded	Adjustment recorded	As restated
Tangible capital assets	\$ 31,374	\$ (345)	\$ 31,029
Deferred revenue	31,637	(1,222)	30,415
Accumulated surplus	15,216	877	16,093
Government of Alberta grants	33,662	299	33,961
Donations and other contributions	282	144	426
Facility operations and maintenance	8,173	345	8,518
Accumulated operating surplus - opening	3,921	779	4,700

4. Cash and Cash Equivalents

	2014	2013
Cash	\$ 12,026	\$ 8,834
Money market funds, short-term notes and treasury bills	1,772	2,402
	<u>\$ 13,798</u>	<u>\$ 11,236</u>

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

5. Portfolio Investments

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

	2014			
	Level 1	Level 2	Level 3	Total
Investments at Fair Value				
Bonds				
Canadian Bonds	\$ -	\$ 1,207	\$ -	\$ 1,207
Mutual Funds	3,570	7,775	-	11,345
Total Investments	<u>\$ 3,570</u>	<u>\$ 8,982</u>	<u>\$ -</u>	<u>\$ 12,552</u>

	2013			
	Level 1	Level 2	Level 3	Total
Investments at Fair Value				
Bonds				
Canadian Bonds	\$ -	\$ 2,099	\$ -	\$ 2,099
Mutual Funds	2,610	4,261	-	6,871
Total Investments	<u>\$ 2,610</u>	<u>\$ 6,360</u>	<u>\$ -</u>	<u>\$ 8,970</u>

The fair value measurements are those derived from:

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

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

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

As at June 30, 2014, the effective yields and the terms to maturity are as follows:

- Government of Canada bonds have a weighted average term to maturity of 2.9 years (2013 - 1.4 years) and stated interest rate of 4.13% (2013 - 2.00%). The effective yield on these securities is 3.80% (2013 - 1.97%).

- Provincial bonds have a weighted average term to maturity of 1.5 years (2013 - 2.8 years) and stated interest rate of 4.65% (2013 - 4.40%). The effective yield on these securities is 4.35% (2013 - 4.12%).
- Corporate bonds have a weighted average term to maturity of 2.6 years (2013 - 0.8 years) and stated interest rate of 4.12% (2013 - 4.78%). The effective yield on these securities is 3.97% (2013 - 4.62%).

Unrealized gains and losses on restricted funds	2014	2013
Net unrealized gains / losses, beginning of year	\$ 53	\$ 37
Unrealized gains / losses attributable to:		
Portfolio investments	91	16
Net unrealized gains / losses, end of year recorded in deferred revenue	\$ 144	\$ 53

6. Financial risk management

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

The College is exposed to the following risks:

Market risk

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

The College assesses its portfolio sensitivity to a percentage increase or decrease in market price. The sensitivity rate is determined using the historical annualized standard deviation for the total portfolio over a 3 year period. At June 30, 2014, if market prices had a 7.94% (2013 - 7.55%) increase or decrease, with all other variables held constant, the increase or decrease in net assets for the year would be \$290 (2013 -\$211).

Foreign currency risk

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

Liquidity risk

The College maintains a short-term line of credit that is designed to ensure that funds are available to meet current and forecasted financial requirements in the most cost effective manner. This short-term line of credit has a \$2,000,000 (2013 - \$2,000,000) limit with interest paid monthly at an interest rate of Prime plus 0.3% (2013 - Prime plus 0.3%). As at June 30, 2014, no draws (2013 - no draws) have been made from this available line of credit.

Credit risk

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

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

Credit Rating	2014	2013
Bonds		
AAA	55.80 %	18.50 %
AA	8.40 %	45.60 %
A	35.80 %	25.10 %
BBB	- %	9.30 %
Below BBB	- %	1.50 %
	100.00 %	100.00 %

Interest rate risk

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

The maturity of interest bearing investments are as follows:

	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Cash and cash equivalents	100.00 %	- %	- %	1.29 %
Canadian corporate bonds	59.00 %	- %	41.00 %	3.84 %
Canadian government bonds	- %	100.00 %	- %	3.81 %
Provincial government bonds	- %	100.00 %	- %	4.23 %

7. Accounts Receivable

	2014	2013
Accounts receivable	\$ 823	\$ 2,227
Less allowance for doubtful accounts	(108)	(28)
	<u>\$ 715</u>	<u>\$ 2,199</u>

Accounts receivable are unsecured and non-interest bearing.

8. Tangible capital assets

	2014							2013 (Restated Note 3)
	Land	Buildings	Land Improve- ments	Equip- ment ¹	Computer Hardware & Software	Library	Total	Total
Cost								
Beginning of year	\$ 1,255	\$ 41,911	\$ 723	\$ 5,059	\$ 4,095	\$ 1,667	\$ 54,710	\$ 53,956
Acquisitions	-	-	-	1,193	15	-	1,208	1,514
Disposals	-	(190)	-	(412)	(2,441)	(904)	(3,947)	(760)
	<u>1,255</u>	<u>41,721</u>	<u>723</u>	<u>5,840</u>	<u>1,669</u>	<u>763</u>	<u>51,971</u>	<u>54,710</u>
Accumulated Amortization								
Beginning of year	\$ -	\$ 15,482	\$ 294	\$ 2,976	\$ 3,608	\$ 1,321	\$ 23,681	\$ 21,775
Amortization expense	-	1,338	20	733	185	80	2,356	2,523
Effects on disposals, including write-downs	-	(100)	-	(301)	(2,440)	(905)	(3,746)	(617)
	<u>-</u>	<u>16,720</u>	<u>314</u>	<u>3,408</u>	<u>1,353</u>	<u>496</u>	<u>22,291</u>	<u>23,681</u>
Net book value at June 30, 2014	<u>\$ 1,255</u>	<u>\$ 25,001</u>	<u>\$ 409</u>	<u>\$ 2,432</u>	<u>\$ 316</u>	<u>\$ 267</u>	<u>\$ 29,680</u>	<u>\$ -</u>
Net book value at June 30, 2013	\$ 1,255	\$ 26,429	\$ 429	\$ 2,083	\$ 487	\$ 346	\$ 31,029	\$ -

Cost include work-in-progress at June 30, 2014 totaling \$1,266 (2013 - \$678) comprised of buildings \$602 (2013 - \$602) and equipment \$664 (2013 - \$76), which are not amortized as the assets are not in service.

The College holds a collection including art, cultural and historical properties. Due to the subjective nature of these assets they are not included in the values shown on the consolidated financial statements.

No interest was capitalized by the College in 2014 (2013 - nil).

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

9. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2014	2013
Long term disability	\$ 516	\$ 592

The College provides long term disability defined benefits to employees. The long term disability plan provides pension and non-pension benefits after employment, but before the employee's normal retirement date. Salary costs are covered by an insurance plan.

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

Management Employees Pension Plan (MEPP)

The MEPP is a multi-employer contributory defined benefit pension plan for managers at the College and is accounted for on a defined contribution basis. At December 31, 2013, the MEPP reported an actuarial surplus of \$50 (2012 - \$303 deficiency). An actuarial valuation of the MEPP was carried out as at December 31, 2012 and was then extrapolated to December 31, 2013. The pension expense recorded in these financial statements is \$257 (2013 - \$205).

Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members. An actuarial valuation of the PSPP was carried out as at December 31, 2012 and was then extrapolated to December 31, 2013. At December 31, 2013, the PSPP reported an actuarial deficiency of \$1,255 (2012 - \$1,645 deficiency). The pension expense recorded in these financial statements is \$2,451 (2013 - \$2,418). Other than the requirement to make additional contributions, the College does not bear any risk related to the PSPP deficiency.

10. Deferred Revenue

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

	2014				
	Deferred Research and Special purpose	Unspent capital contributions	Spent capital contributions	Tuition and other fees	Total
Balance, beginning of year	\$ 5,442	\$ 2,246	\$ 22,554	\$ 173	\$ 30,415
Grants, tuition, donations received during the year	8,054	-	-	5,807	13,861
Restricted investment income (Note 16)	80	3	-	-	83
Unrealized gains	91	-	-	-	91
Capital acquisitions	(906)	-	906	-	-
Recognized as revenue	(4,902)	-	(1,499)	(5,808)	(12,209)
Balance, end of year	\$ 7,859	\$ 2,249	\$ 21,961	\$ 172	\$ 32,241

	2013 (Restated Note 3)				
	Deferred Research and Special purpose	Unspent capital contributions	Spent capital contributions	Tuition and other fees	Total
Balance, beginning of year	\$ 3,142	\$ 2,222	\$ 24,218	\$ 286	\$ 29,868
Grants, tuition, donations received during the year	8,770	-	-	5,666	14,436
Restricted investment income (Note 16)	64	27	-	-	91
Capital acquisitions	39	-	(31)	-	8
Recognized as revenue	(6,589)	(3)	(1,633)	(5,779)	(14,004)
Unrealized gains	16	-	-	-	16
Balance, end of year	\$ 5,442	\$ 2,246	\$ 22,554	\$ 173	\$ 30,415

11. Endowments

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

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors as well as Institution policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income.

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

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

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the cumulative capitalized investment income. However, for individual endowment funds without sufficient cumulative capitalized income, endowment principal is used in that year. This amount is expected to be recovered by future investment income.

The composition of endowments is as follows:

	2014	2013
Balance, beginning of year	\$ 1,614	\$ 1,614
Investment gain - realized (Note 16)	38	-
	<u>\$ 1,652</u>	<u>\$ 1,614</u>

12. Accumulated Operating Surplus

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

	Accumulated Operating Surplus	Investment in Tangible Capital Assets	Internal Restricted Surplus	Accumulated Operating Surplus
Balance as at June 30, 2012 (restated Note 3)	\$ 4,700	\$ 7,964	\$ 1,637	\$ 14,301
Operating surplus (deficit)	1,792	-	-	1,792
Amortization of internally funded tangible capital assets	940	(940)	-	-
Net book value of asset disposals	94	(94)	-	-
Acquisition of tangible capital assets	(1,545)	1,545	-	-
 Balance as at June 30, 2013 (restated Note 3)	 5,981	 8,475	 1,637	 16,093
Operating surplus (deficit)	2,437	-	-	2,437
Acquisition of tangible capital assets	(300)	300	-	-
Amortization of internally funded tangible capital assets	903	(903)	-	-
Net book value of assets disposals	153	(153)	-	-
Operating expenses funded from internally restricted surplus	137	-	(137)	-
Net Board appropriation to internally restricted surplus	(1,600)	-	1,600	-
Balance as at June 30, 2014	<u>7,711</u>	<u>7,719</u>	<u>3,100</u>	<u>18,530</u>
Remeasurement gain/losses	511	-	-	511
Total Accumulated Surplus	<u>\$ 8,222</u>	<u>\$ 7,719</u>	<u>\$ 3,100</u>	<u>\$ 19,041</u>

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

13. Internally Restricted Surplus

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

Internally restricted surpluses is summarized as follows:

	Balance at beginning of year	Appropriations from unrestrict- ed net assets	Spent during year	Balance at end of year
Appropriations for Capital Activities				
Trout/Peerless Campus	\$ 1,000	\$ -	\$ -	\$ 1,000
Peace River Student Residences	-	1,000	-	1,000
Peace River, Land	-	400	-	400
Infrastructure Replacement	-	200	-	200
Appropriations for Operating Activities				
Scholarships / Bursaries	12	-	(12)	-
Alberta Blue Cross	125	-	(125)	-
Peace River / High Level Region Projects	500	-	-	500
	<u>\$ 1,637</u>	<u>\$ 1,600</u>	<u>\$ (137)</u>	<u>\$ 3,100</u>

14. Contingent Liabilities

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

15. Contractual Obligations

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

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

	Capital Projects	Information Systems and Technology	Total
2015	\$ 169	\$ 214	\$ 383
2016	169	168	337
2017	169	161	330
2018	169	161	330
2019	56	80	136
	<u>\$ 732</u>	<u>\$ 784</u>	<u>\$ 1,516</u>

16. Investment Income

	2014	2013
Income on investments held for endowments	\$ 109	\$ 66
Income on other investments	644	407
	753	473
Amounts deferred (Note 10)	(83)	(91)
Capitalized to endowment principal (Note 11)	(38)	-
Total investment income	\$ 632	\$ 382

17. Expenses by Object

The following is a summary of expenses by object.

	2014		2013 (restated Note 3)
	Budget	Actual	Actual
	(Note 21)		
Salaries and benefits	\$ 25,153	\$ 25,413	\$ 28,026
Materials, supplies and services	8,589	8,995	9,917
Scholarships and bursaries	68	115	82
Maintenance and repairs	247	262	276
Utilities	942	1,322	1,302
Amortization of capital assets	2,112	2,356	2,523
Cost of goods sold	751	1,090	1,250
	\$ 37,862	\$ 39,553	\$ 43,376

18. 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.

	2014	2013
Northern Alberta Development Council	\$ 48	\$ 40
Others	1	6
	\$ 49	\$ 46

19. Salary and Employee Benefits

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

	2014				2013
	Base salary ⁽²⁾	Other cash benefits ⁽³⁾	Other non-cash benefits ⁽⁴⁾	Total	Total
Governance⁽¹⁾					
Chair of the Board of Governors	\$ -	\$ 2	\$ -	\$ 2	\$ 8
Executive					
President ⁽⁵⁾⁽⁶⁾	235	2	43	280	243
Vice-Presidents:					
Vice-President Academic	149	18	34	201	206
Vice-President Corporate Services ⁽⁷⁾	207	27	21	255	195
Other					
Senior Director, External Relations	130	1	34	165	163
Director, Human Resources	113	-	31	144	118

¹ The Chair and Members of Board of Governor receive no remuneration for their participation on the Board.

² Base salary includes pensionable base pay.

³ Other cash benefits include wellness pay-outs, health spending accounts, vacation payments and other lump sum payments, including severance.

⁴ Other non-cash benefits include the College's share of all employee benefits including Canada Pension Plan, Employment Insurance, pensions, supplementary health care, dental plan, group life insurance, accidental death and dismemberment insurance and long-term disability plans.

⁵ The President has been provided with an automobile by the College for which no amount is included in the other non-cash benefits.

⁶ Both the outgoing and the current president overlapped employment in the first 2 months of the year.

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

20. 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.

	2014	2013 (restated Note 3)
Grants from Government of Alberta		
Innovation and Advanced Education:		
Operating	\$ 26,982	\$ 29,065
Other	5,699	3,708
Total Innovation and Advanced Education	\$ 32,681	\$ 32,773
Other Post-secondary Institutions	\$ 24	\$ 499
Other Government of Alberta departments and agencies		
Alberta Human Services	-	107
Alberta Culture	-	12
Alberta Education	-	35
Other	-	31
Total other Government of Alberta departments and agencies	-	185
Total contributions received	32,705	33,457
Restricted expended capital recognized as revenue	1,499	1,633
Less: deferred contributions	(2,616)	(1,129)
	\$ 31,588	\$ 33,961
Accounts receivable		
Innovation and Advanced Education	-	1
Other Government of Alberta departments and agencies	-	13
	\$ -	\$ 14
Accounts payable		
Other Government of Alberta departments and agencies	-	9
	\$ -	\$ 9

21. Budget Figures

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

22. Comparative Figures

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

23. Approval of Financial Statements

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

