

Northern Lakes College

2009-2010 ANNUAL REPORT



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Vision Statement

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

Mission Statement

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

Values (currently under development)

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

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

Accountability Statement

Northern Lakes College Annual Report for the year ended June 30, 2010 was prepared under the Board's direction in accordance with the *Government Accountability Act* and ministerial guidelines established pursuant to the Accountability Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Original signed by:

Trevor Gladue

Chair

Board of Governors



Trevor Gladue
Chair



Archie Cunningham
Vice Chair



Andy Assaf
Public Member



Maddy Daniels
Public Member



Fred Willier
Public Member



Wilf Willier
Public Member



Sandra Willing
Public Member



Jule Asterisk
Student Member



Scott Biggin
Faculty Member



Colin Ross
Staff Member



Rick Neidig
*President & CEO,
Ex officio*

Mandate Statement

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

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

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

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

secondary education and long-term meaningful employment.

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

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

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

Approved by the Minister of Advanced Education, June 24, 2010.

Achievement Report

The achievements in this Annual Report were guided by the outcomes and initiatives identified in the 2010-2013 Business Plan. Students and communities are at the centre of College business. Key outcomes are structured around the services we must deliver for students and communities. Achieving the outcomes requires College operations that pay attention to partnerships, externally determined regulations, internal processes, sustainable finances, and our ability to change and improve. The major headings stated under Strategic Directions represent this overall balance of perspective and some achievements for priority initiatives in each area of attention.

Management's Responsibility for Reporting

Northern Lakes College's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report including the financial statements, performance results, and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of management as well as approved by the Board of Governors and is prepared in accordance with the Government Accountability Act and the Post-secondary Learning Act. The Auditor General of the Province of Alberta, the institution's external auditor appointed under the Auditor General Act, performs an annual independent audit of the consolidated financial statements in accordance to generally accepted accounting principles.

Original signed by:

Rick Neidig

President & CEO

Message from the President



2010 was another exciting year at Northern Lakes College. May marked the beginning of our 40th anniversary year as a College. As a member of a network of Campus Alberta partners, we continue to collaborate, enhance services and programs, and prepare for the future.

The College continued to increase opportunities and enhance accessibility in a variety of ways. Some of the highlights for the year include:

- Trades and Apprenticeship training continued to be an area of emphasis. The Industry Training Annex was opened in Slave Lake to house the Electrical and Oilfield Operator programs. Learning aids for lab work were assembled for 4th period Electrician in preparation for delivery of the first offering in 2010-11. The Oilfield Operator lab was moved to Wabasca for an offering in the fall of 2009. The Boom truck program, with the support of Applied Industrial Technologies (AIT), continues to be in strong demand. Carpentry and Welding seats were not entirely filled this year due to the economic downturn.
- The Student Housing project in Slave Lake was completed and opened in February 2010 with 52 beds.

The High Prairie Health Learning Centre opened for student use in January with the grand opening celebration taking place in February. Health program offerings continued to evolve. Health Care Aide curriculum was renewed for alignment with the Alberta Health and Wellness provincial curriculum. The Emergency Medical Technician program received Health Disciplines Board approval and became ready for delivery. The College entered into partnerships with Health Canada (First Nations and Inuit Health-Alberta Branch), for the delivery of two new programs: Medical Receptionist, and Addiction Services Worker.

Partnerships of all types continued to be an essential component of program planning and delivery. The Board

of Governors hosted a successful stakeholder meeting in Peace River in the fall of 2009. The Alberta-North Access Symposium was hosted by the College in May 2010 at our Peace River campus. Significant progress was made on the standardization of a Learning Management System (Moodle) among Alberta-North partners. Preliminary groundwork was completed for increasing dual-credit offerings with public schools throughout the region. Campus Alberta partnerships flourished. A significant highlight was the completion of the first full-year of the community based cohort in the Aboriginal Teacher Education Program. This was a special cohort of school paraprofessionals from northern communities who were provided with extra support to enter into the teaching profession. This project would not have been possible if it had not been for the extraordinary support from Alberta Education, Advanced Education & Technology, the University of Alberta and the Northland School Division.

Extensive renovations were undertaken to improve the look and enhance the feel of several College facilities. Special funding also helped improve universal accessibility. Significant funding was received from the Knowledge Infrastructure Program for fire alarm and security system upgrades and a substantial portion of this work was completed in 2009-10. In the area of OH&S, an emergency broadcast system was created using the VOIP telephone system. Our purchase criteria for new vehicles was updated to require all wheel drive and front, side and side curtain airbags in all new vehicles.

Extensive resources continue to be invested on external compliance issues related to risk management, ITM control framework, Business Continuity Plans, Information Technology resumption plans and controls.

On behalf of our faculty, staff and many stakeholders, I am pleased to offer the 2009-10 Annual Report for Northern Lakes College.

Original signed by:

Rick Neidig

President and CEO

Strategic Directions

Northern Lakes College has defined five strategic directions based upon the 2010-2013 Business Plan.

NORTHERN LAKES COLLEGE IS COMMITTED TO PROVIDING EXEMPLARY SERVICE TO OUR STUDENTS AND THEIR COMMUNITIES THROUGH:

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

Related Initiatives:

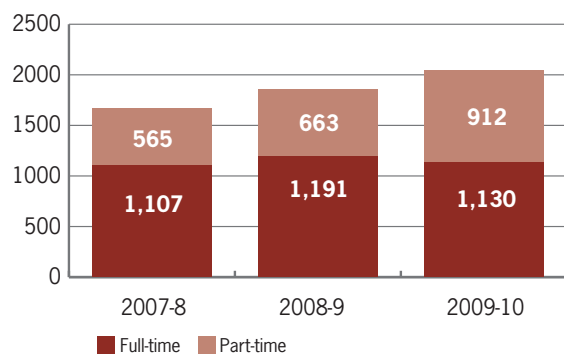
- The College offered the first Sterile Processing Program offering in September. The program delivery structure is suited to serving small communities.
- The Wabasca offering of the Oilfield Operator Training (OOT) program began in September and ran until February. The spring delivery of OOT in Slave Lake was completed in early June, with students accepting practicum placements with various companies in the region.
- A cohort of Crane and Hoisting Equipment Operator (Boom Truck) students finished their program on October 30 in Slave Lake with 13 students completing. A similar offering in Bonnyville ended in December, with an additional 11 students completing the program.
- The annual Round Dance (November) and Métis Celebration (February) were held at the Grouard campus. Work continued with the Alberta Rural Development Network on supporting the Grouard and Area Historical Society and the related development of an interpretive centre.
- In November, the College was approached by the Lesser Slave Lake Indian Regional Council to provide preparation and apprenticeship programming for 20 first and second period carpenter apprentices. Training began in April, at the Grouard campus. The Atikameg Pre-employment Carpentry program, in partnership with Alberta Employment and Immigration (AEI) and Whitefish Lake First Nation, began in August, with 11 students completing their training with the Whitefish Lake First Nation Construction Assistant Program.
- In March, the College offered a Pre-employment Welder program in Slave Lake, with 12 students enrolled.
- University Studies were made available in a number of new communities including Peerless Lake, Calling Lake, Paddle Prairie and Cadotte Lake.
- Over 275 students from across Canada enrolled in the Maintenance Management Program (MMP). Northern Lakes College is the only institution approved to offer this non-credit program via distance delivery.
- Celebration events for facility openings of the Health Learning Centre in High Prairie and the Industry Training Annex in Slave Lake provided further opportunities to emphasize the collaborative potential of our programs and facilities.

Strategic Directions continued...

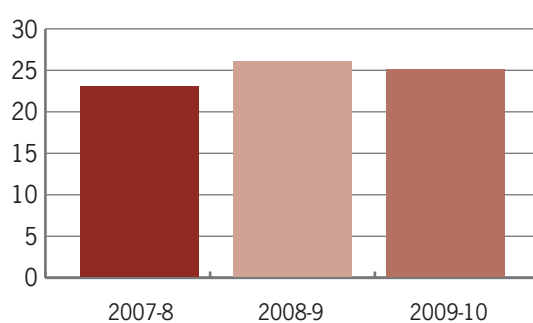
Performance Indicators:

1. Number of students full & part-time.
2. Number of communities served with credit courses within our service region.
3. Number of non-credit course registrations, including WorkForce Development courses.
4. Number of active Community Education Committees and Student Union groups.

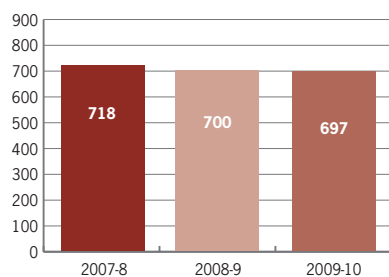
Full-time & Part-time Students



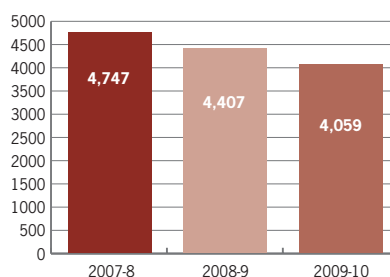
Communities Served With Credit Courses in Region



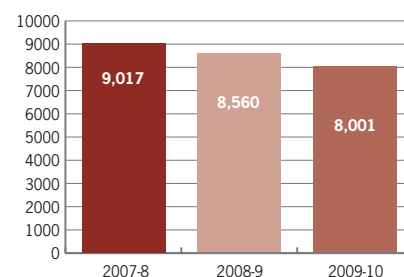
Non-Credit Course Registrations*



Individuals Taking Non-Credit Courses*

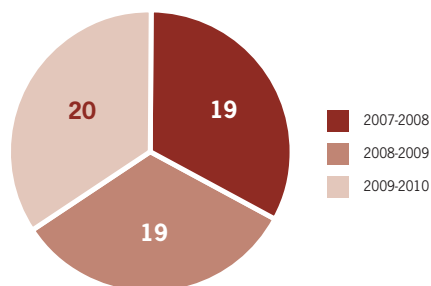


Total Non-Credit Course Registrations*

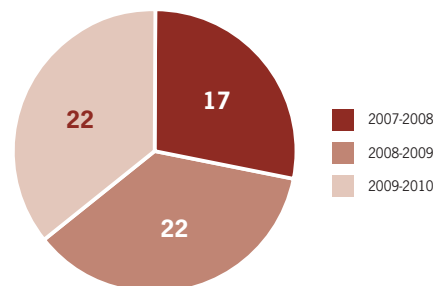


*Includes Workforce Development Courses

Active Community Education Committees



Active Student Union Groups Within the Students' Association



THE STRENGTH OF NORTHERN LAKES COLLEGE IS BUILT UPON SUCCESSFUL PARTNERSHIPS AND INNOVATION BY:

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

Related Initiatives:

- Northern Lakes College continues to work with Portage College on the development of a Health Facilities Cooking program in response to the needs of Alberta Health.
- The College entered into partnerships with Heath Canada (First Nations and Inuit Health-Alberta Branch) for the delivery of two new programs: Medical Receptionist and Addiction Services Worker.
- The Emergency Medical Technician program received full approval from the Alberta College of Paramedics in 2009, and from the Health Disciplines Board at their January 2010 meeting. The College will proceed with the first cohort of students in September 2010.
- The Educational Development Centre (EDC) worked on a project with the Woodland Operations Learning Foundation (WOLF) to convert courses for online delivery. As of June, 13 courses were converted. EDC agreed to complete an additional 10 courses for WOLF by the end of December, 2010.
- The Solicitor General renewed the annual contract for inmate education in Peace River.
- 30 students were added to the Aboriginal Teacher Education Program (ATEP) through the support of the University of Alberta, Northland School Division, High Prairie School Division, Peace-Wapiti School Division, Holy Family Regional School Division, Treaty 8 First Nations of Alberta, and the ministries of Alberta Education and Advanced Education and Technology.
- University and Professional Studies worked to achieve a number of transfer agreements with receiving institutions, including the University of Alberta, University of Lethbridge, Grant MacEwan University, Athabasca University, and Thompson Rivers University.
- The College received an Alberta Association of Colleges & Technical Institutes (AACTI) research grant of \$100,000 to evaluate effectiveness of equipment simulators for forest harvesting training. Local students and contractors participated in the research.
- The 52 bed Mouallem Student Housing Complex opened in Slave Lake in November. This project was made possible through a partnership between Northern Lakes College and the Town of Slave Lake, which received a grant for 70% of the cost through the Province's Affordable Housing Program.
- A Stakeholders retreat in Peace River, hosted by our Board of Governors was held in November. Northern Lakes College hosted the Alberta-North Access Symposium at the same location in May.
- A marketing plan targeting high school students and younger adults was implemented with a focus on career programs, university studies, and trades and apprenticeship training. A revamped Northern Lakes College website was launched along with *Facebook* and *Twitter* accounts to enhance the College's online presence.
- Information sessions about the Alberta Rural Development Network (ARDN) were held in Grouard, Slave Lake, and regionally via Centra.

Strategic Directions continued...

- Several small businesses contributed to the Boom Truck Apprenticeship program. Their contributions were eligible for matching dollars from the Province of *Alberta's Access to the Future* fund. Additionally, large corporate donors continued to be interested in existing and future College development.
- The Joe and Fay Mouallem family of Slave Lake made a significant contribution to the Student Housing project.



Left to right: Board Chair Trevor Gladue, Fay Mouallem, President & CEO Rick Neidig, Melane Mouallem, MLA Pearl Calahasen, Joe Mouallem, Mayor Karina Pillay-Kinnee, Joey Mouallem

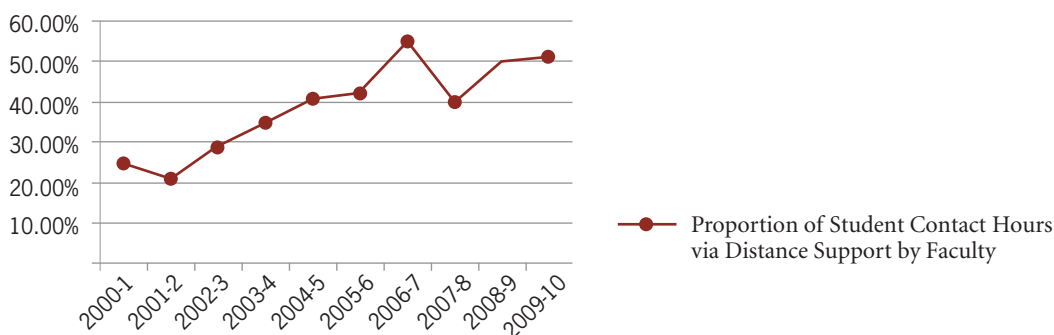
Performance Indicators:

1. Number of collaborative program offerings.
2. Proportion of student contact hours via distance support by faculty.
3. List of key partners.

Number of Collaborative Program Offerings:

Aboriginal Teacher Education Program	University of Alberta
Business Administration – Year 2	Brokered through NAIT
Emergency Medical Responder	In partnership with Justice Institute of British Columbia
First Nations, Métis & Inuit Community Liaison	Brokered from Bow Valley College
Health Care Aide	Government of Alberta
Social Work	University of Calgary
Woodland Equipment Operator Program	Woodland Operation Learning Foundation
Welding, Carpentry, Electrical, Boom Truck	Alberta Apprenticeship Board

Proportion of Student Contact Hours via Distance Support by Faculty



List of Key Partners:

1. Alberta-North.
2. eCampusAlberta.
3. Council for Advancement and Support of Education (CASE).
4. Alberta Rural Development Network (ARDN).
5. Campus Alberta.
6. Community Futures.
7. Lesser Slave Lake Economic Alliance (LSLEA), Peace Region Economic Development Alliance (PREDA), Regional Economic Development Initiative (REDI).
8. Association of Canadian Corporations in Translation and Interpretation (ACCTI).
9. Association of Canadian Community Colleges (ACCC).
10. Alberta Education.

Strategic Directions continued...

NORTHERN LAKES COLLEGE WILL EXCEL AT INTERNAL PROCESSES AND COMPLY WITH ALL NECESSARY EXTERNAL REGULATORY AGENCIES BY:

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

Related Initiatives:

- The annual Skills Investment Report was submitted to the Ministry of Employment and Immigration. As part of the Accountability Framework Agreement, this report is a follow-up with learners who finished studies with Northern Lakes College, 3-6 months after their completion.
- Work continued with the Office of the Auditor General on a 5-year plan pertaining to Information Technology (IT) risk assessment.
- The College implemented the new Alberta Education High School Social Studies curriculum.
- The College's emergency procedure was reviewed and improved. Information Technology (IT) created documentation and training manuals.
- The College Library led the development of a copyright procedures package for all College staff, which was posted, on Moodle.
- The Library acquired access to the EBSCO system to allow searching of various databases and the Library catalogue at the same time. This has increased access to the database included in the federated search.
- The Book Distribution Centre developed automated forms to facilitate more efficient ordering and tracking of student resource materials.
- In March, the Academic Upgrading Learning Lab Day was held in regional groupings in order to decrease student travel time. Successful events were held in both Slave Lake and Peace River.
- The Educational Development Centre continued to show increased faculty utilization by more than tripling the numbers of successfully completed instances of help from November 2008 to November 2009.

DID YOU KNOW

Northern Lakes College library has access to:

- 45,987 Books
- 3,987 Audio & Video
- 66 Online databases
- 17 Online journals
- 178 Print journals
- 34,295 e-books



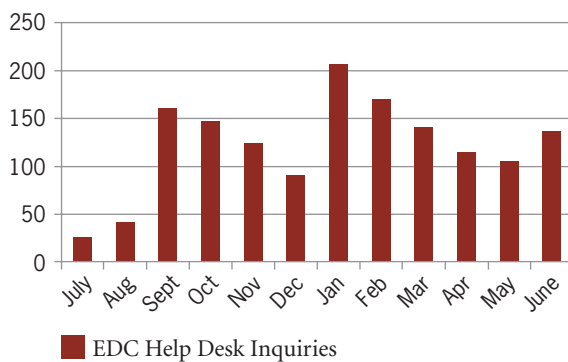
**Northern
Lakes
College**



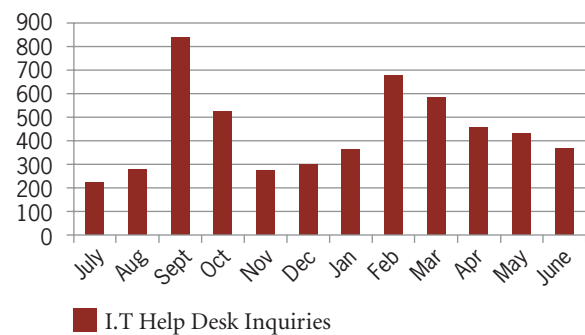
Performance Indicators:

1. Number of help desk inquiries put through the Educational Development Centre and Information Technology.
2. Conversion rate of student applications to student enrolments.

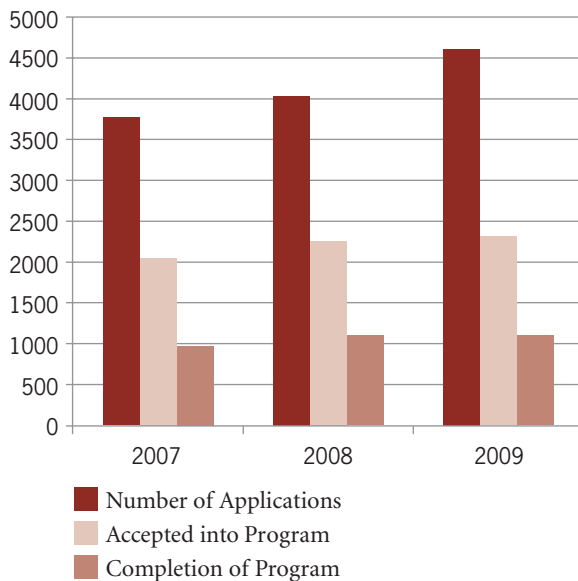
Number of Educational Development Centre Help Desk Inquiries.



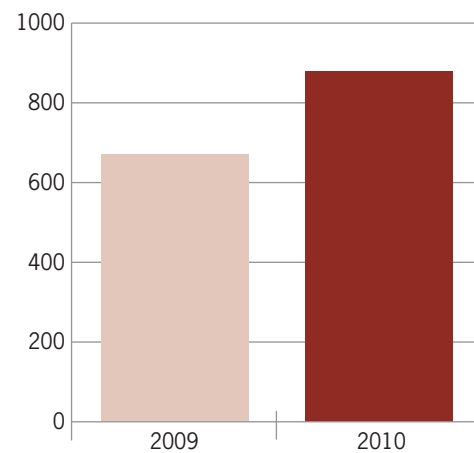
Number of Information Technology Help Desk Inquiries.



Conversion Rate of Student Applications to Student Enrolments.



Number of Facilities Help Desk Inquiries



Strategic Directions continued...

FINANCIAL AND PHYSICAL ASSETS WILL BE MANAGED IN A STRATEGIC AND RESPONSIBLE MANNER THROUGH:

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

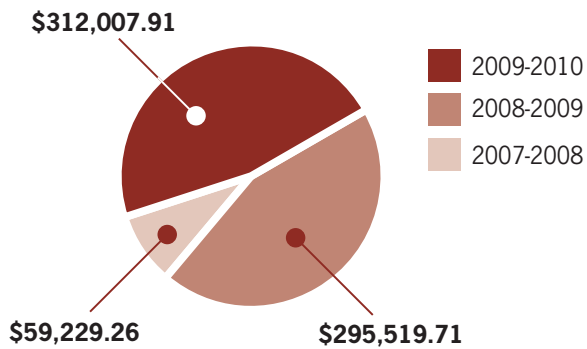
Related Initiatives:

- The Library made available 34,295 electronic books and 3,987 audio & video resources from the Library catalogue. The Library website was updated to accommodate recent changes to the databases.
- Facilities investigated the use of solar panels as a supplementary system for swimming pool heating and domestic hot water production.
- Desk-side recycle bins were distributed to all campuses to promote paper recycling. Secure shredding services were expanded to ensure that all shredded paper material is recycled.
- Recycled rubber flooring continued to be the product of choice for floor replacement. New flooring was installed at the Loon River campus and new furniture has been installed at the Loon River, Cadotte Lake, Gift Lake, Atikameg, High Level, Peace River, and East Prairie campuses.
- Lighting retrofits at the Slave Lake campus involved the green disposal of all bulbs and ballasts, while emphasizing an overall reduction of the College's power consumption.
- All new furniture purchased is Green Guard approved, ensuring that off gassing from new materials and glues are non-VOC (Volatile Organic Compounds).
- 12 new vehicles were purchased to replace aging fleet vehicles. Purchase criteria were revised to require all wheel drive (AWD) and full front, side, and side curtain airbags. Commitments to use winter tires, computer assisted traction control, and to maintain fuel economy of at least 12 litres/100 km were established.
- Slave Lake campus swimming pool renovations were completed to upgrade the safety level in and around the pool. As part of the Knowledge Infrastructure Program (KIP), fire alarm systems were upgraded and recertified in several campuses.
- The Manning campus roof and siding project, the Wabasca roof replacement project, and the Police Point Housing and Buffalo Bay Centre roofing projects were completed.
- Barrier free ramps were installed at Calling Lake, Loon Lake, Cadotte Lake, Peerless Lake, Gift Lake, Manning and Paddle Prairie campuses.

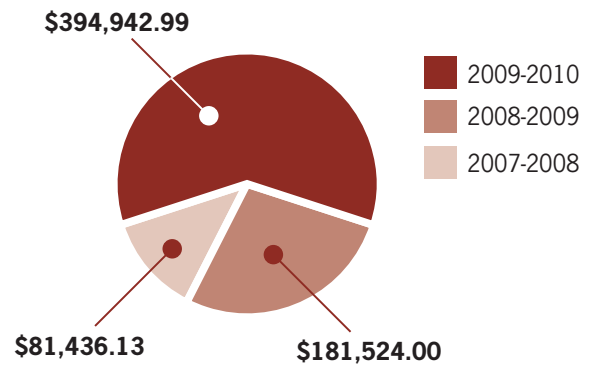
Performance Indicators:

1. Investment in technology renewal.
2. Investment in furnishings renewal.
3. Investment in fleet renewal.
4. Value of Infrastructure Maintenance Program grants.
5. Number of donors in 2009 and dollars fundraised.

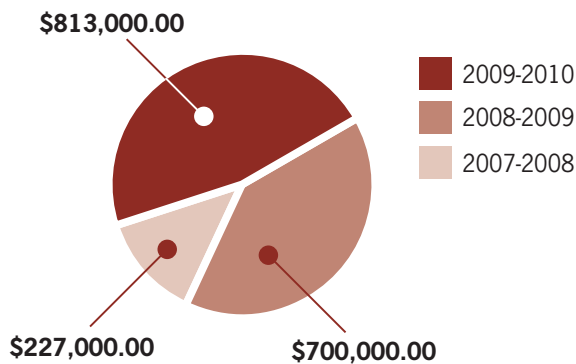
Investments in Furniture Renewal



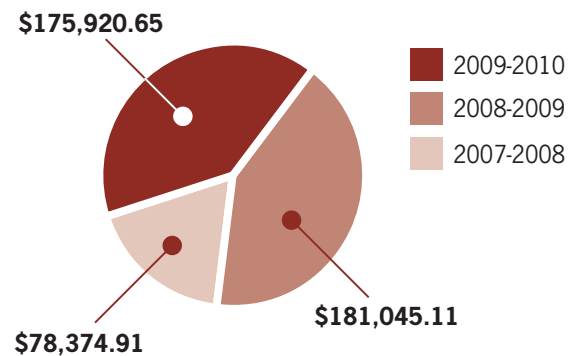
Investments in Fleet Renewal



Infrastructure Maintenance Program Grant Application & Project Implementation



Investment in Computer Renewal*



* Reflects the amount invested for the renewal of desktop computers and laptops only.

2009 Fundraising

2009 Donors	66
Dollars Raised	\$332,639.37

Strategic Directions continued...

NORTHERN LAKES COLLEGE WILL BE THE EMPLOYER OF CHOICE IN THE REGION WE SERVE BY:

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

Related Initiatives:

- The campus security and working alone policy was enhanced. Testing is ongoing of 2 types of personal GPS locators and closed circuit (CCTV) monitoring. All external padlocks were changed and mastered to the new key system. \$1.4 Million was approved for fire safety and security upgrades through the Knowledge Infrastructure Program (KIP).
- All leased buildings underwent a 3-year review for health and safety. Remedial work was prioritized for action in the coming months.
- All staff completed a Hazard Assessment Survey in 2010.
- A plan was put in place to maintain operations and programming in the event of a flu pandemic. The joint OH&S committee as well as additional staff from Facilities attended training on COR certification.
- The College was short listed for the 2009-2010 Canada Top 100 Employers.
- Human Resource Services has started a handbook for salaried and wage employees. All new Board members received orientation.
- The staff development budget was increased from \$150,000 to \$180,000 for 2009/10.
- Learning Facilitators (LFs) orientation took place in August and a professional development (PD) day was held for Access Facilitators in September. In addition, four regional PD days were held for Academic Upgrading faculty throughout the year.
- Educational Development Centre increased “brown bag” information sessions from 2 to 3 per month, and the schedule for the fall semester was distributed to all faculty and staff.

DID YOU KNOW

Northern Lakes College's service region of approximately 164,000 square kilometers is larger than Prince Edward Island, Nova Scotia and New Brunswick combined at 133,852 square kilometers.



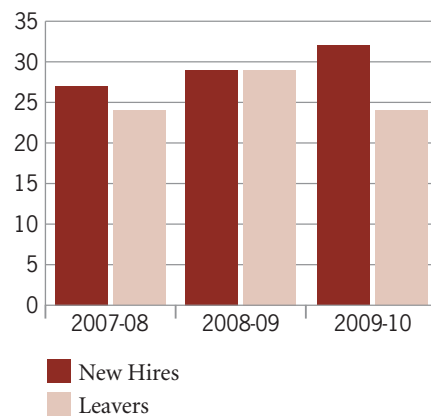
Performance Indicators:

1. Numbers of staff and years with the College.
2. Staff renewal, including leavers and new hires.
3. Institutional investment in professional development.

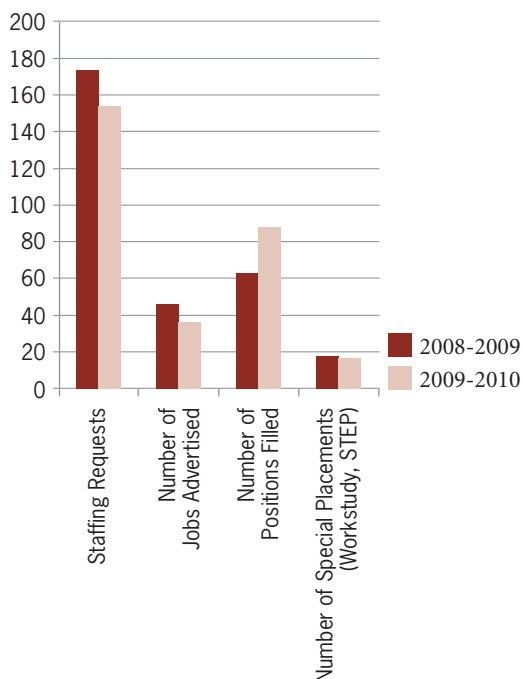
Years of Employment with Northern Lakes College



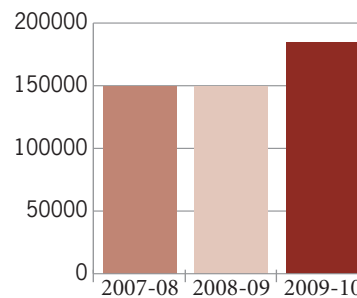
New Hires v Leavers



Recruitment Statistics



Institutional Investment in Professional Development





Northern Lakes College Consolidated Financial Statements

JUNE 30, 2010

Consolidated Statement of Operations and Changes in Net Assets

Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Changes in Net Assets

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Consolidated Statement of Operations and Changes in Net Assets

1. Revenue

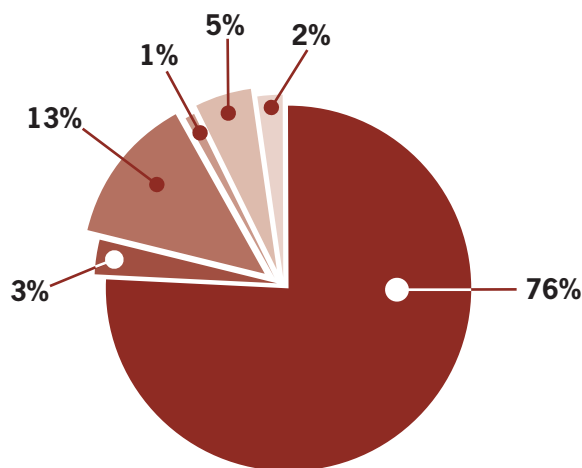
Total actual revenue increased by \$ 5,542,000 (15%), from \$ 37,928,000 in 2008-2009 restated value to \$ 43,470,000 in 2009-2010.

The distribution of total revenue between revenue sources for the 2009-2010 fiscal year is presented in the chart below. Other revenue includes donations and other contributions, and investment income. A comparative percentage for the previous restated year is also shown.

Northern Lakes College Revenue

2009/10	\$43,470,000
2008/09 Restated	\$37,928,000

Revenue Comparison



- Government of Alberta Grants (22% increase from 08/09 restated)
- Amortization of deferred capital contributions (13% increase from 08/09 restated)
- Tuition and other fees (11% increase from 08/09 restated)
- Federal and other Government grants (82% decrease from 08/09 restated)
- Sales of services and products (9% increase from 08/09 restated)
- Other Revenue (91% increase from 08/09 restated)

The key revenue highlights are:

- Effective July 1, 2009, the College assumed program delivery and stewardship for students in northwest Alberta previously carried out by Northern Alberta Institute of Technology (NAIT) in Peace River and High Level.
- Federal and other conditional grants decreased by \$1,768,000 (82%), from \$2,148,000 in 2008/2009 restated to \$379,000 in the current year. This is a result of higher than normal grants being received for the Peace River Correctional Centre and trades training growth experienced in 2008/09.
- Other revenues, including donations and other contributions, along with investment income experienced a \$423,000 (76%) increase, from \$464,000 in 2008/2009 restated to \$887,000 in the current year. This is a result of a donation in kind received from the World Skills Competition.

b) Expenses

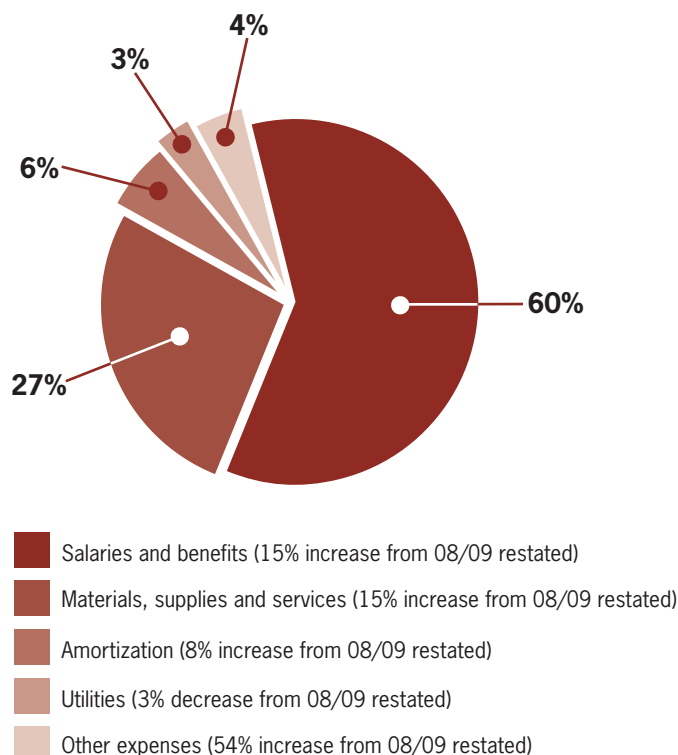
Total actual expenses increase by \$ 5,584,000 (15%), from \$ 36,389,000 in 2008-2009 restated value to \$ 41,973,000 in 2009-2010.

The distribution of total expenses by objects of expenditure for the 2009-2010 fiscal year is presented in the following chart. "Other expenses" include maintenance and repairs, cost of goods sold, scholarships, bursaries, and awards.

Northern Lakes College Expense

2009/10	\$41,973,000
2008/09	\$36,389,000

Expense Comparison



The key expense highlights are:

- Effective July 1, 2009, the College assumed program delivery and stewardship for students in northwest Alberta previously carried out by Northern Alberta Institute of Technology (NAIT) in Peace River and High Level.
- Salary and benefits increased by \$3,363,000 (15%), from \$22,003,000 in 2008/09 restated to \$25,366,000 in the current year. Included in the total is the actual salary rate increases for all staff, as well as increases in benefit costs and merit increment, and increased staffing required to deliver the growth in apprenticeship training.
- Maintenance and Repairs, included within "Other Expenses" in the chart above increased by \$514,000 (157%), from \$328,000 in 2008/09 restated to \$842,000 in 2009/10. Many College campuses received repairs and upgrades with funding received through the Knowledge Infrastructure Program grant.

c) **Unrestricted Net Assets**

The unrestricted net asset balance increased by \$124,000 (3%), from \$4,685,000 in 2008/09 restated to \$ 4,809,000 in 2009/10.

Excess of revenue over expenses (3% of total revenue)	\$	1,497,000
Net increase arising from operating expenses	\$	1,497,000

Capital Activities

Transfer from unrestricted to restricted assets	\$	(125,000)
Net investment in capital assets	\$	(1,248,000)
Net decrease arising from capital activities	\$	(1,373,000)
Increase in Unrestricted Net Assets	\$	(124,000)

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

d) **Internally Restricted Net Assets**

The restricted net assets increase by \$1,012,000 as a result of \$1,000,000 reserved for the development of a new Trout/Peerless Lake campus, and an increase of \$12,000 received in bursaries in 2009/10.

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

Northern Lakes College's investment portfolio experienced an increase gain of \$80,000 (2009 restated \$56,000) during the year, and a decrease of \$15,000 (2009 restated \$35,000) in endowments. As at June 30, 2010 the investment portfolio had a net unrealized increase of \$ 65,000.

f) **Invested in Capital assets**

The amount of \$ 8,536,000 invested in capital assets related to total capital assets are arrived at in the following manner:

Internally funded (invested in capital assets)	\$	8,536,000
Externally funded (unamortized deferred capital contributions)	\$	26,768,000
Total net book value of capital assets	\$	35,304,000

g) **Endowments**

The Endowments balance experienced no change between 2008/09 restated and 2009/10, with the balance remaining at \$ 1,614,000.

Consolidated Financial Statements Auditor's Report



To the Board of Governors of Northern Lakes College

I have audited the consolidated statement of financial position of Northern Lakes College as at June 30, 2010 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by:
Merwen N. Saher, FCA
Auditor General

Edmonton, Alberta
July 31, 2012

Northern Lakes College

Consolidated Statement of Financial Position

AS AT JUNE 30, 2010

(in thousands)

	2010	2009 restated
ASSETS		
Current		
Cash	\$ 2,745	\$ 5,056
Short-term investments (note 4)	5,087	2,402
Accounts receivable	852	1,925
Inventories and prepaid expenses	585	661
	9,269	10,044
Long-term investments (note 4)	5,226	7,460
Capital assets and collections (note 5)	35,304	33,029
	\$ 49,799	\$ 50,533
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,034	\$ 5,621
Deferred contributions (note 6)	635	1,068
Deferred revenue	30	6
	4,699	6,695
Deferred contributions (note 6)	2,156	3,015
Deferred capital contributions (note 6)	-	427
Unamortized deferred capital contributions (note 7)	26,768	25,771
	\$ 33,623	\$ 35,908
Net Assets		
Unrestricted		
Accumulated excess of revenue over expenses	4,809	4,685
Accumulated net unrealized gain on investments (note 8)	80	56
Internally restricted (note 9)	1,137	1,012
Invested in capital assets and collections (note 10)	8,536	7,258
Endowments (note 11)	1,614	1,614
	16,176	14,625
	\$ 49,799	\$ 50,533

Contingent liabilities and contractual obligations (note 12 and 13)

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

Northern Lakes College

Consolidated Statement of Operations

FOR THE YEAR ENDED JUNE 30, 2010

(in thousands)

	Budget 2010 (note 14)	2010	2009 restated
REVENUE			
Government of Alberta grants	\$ 29,216	\$ 32,903	\$ 26,939
Federal and other government grants	140	379	2,148
Student tuition and fees	4,749	5,726	5,155
Sales of services and products	1,876	2,009	1,838
Donations and other contributions	16	531	142
Investment income (note 15)	332	356	322
Amortization of deferred capital contributions (note 7)	1,404	1,566	1,384
	\$ 37,733	\$ 43,470	\$ 37,928
EXPENSE			
Salaries and benefits	23,763	25,366	\$ 22,003
Materials, supplies and services	8,916	11,293	9,849
Utilities	1,439	1,147	1,187
Maintenance and repairs	827	842	328
Cost of goods sold	730	894	777
Scholarships, bursaries and awards	45	110	93
Amortization of capital assets	2,013	2,321	2,152
	37,733	41,973	36,389
EXCESS OF REVENUE OVER EXPENSE	\$ -	\$ 1,497	\$ 1,539

Northern Lakes College

Statement of Changes in Net Assets

FOR THE YEAR ENDED JUNE 30, 2010

(in thousands)

	Unrestricted Net Assets		Internally Restricted Net Assets (Note 9)	Investments in Capital Assets and Collections (Note 10)	Endowments (Note 11)	Totals
	Accumulated Excess of Revenue Over Expenses	Accumulated Net Unrealized Gain on Investments (Note 8)				
NET ASSETS, June 30, 2008 (as previously reported)	\$ 3,563	\$ 39	\$ 1,012	\$ 5,782	\$ 1,415	\$ 11,811
Adjustment to prior period (note 3)	221	-	-	838	128	1,187
NET ASSETS, June 30, 2008 (restated)	3,784	39	1,012	6,620	1,543	12,998
Investment income	-	17	-	-	-	17
Endowment contributions	-	-	-	-	71	71
Net investment in capital assets	(638)	-	-	638	-	-
Excess of revenue over expense	1,539	-	-	-	-	1,539
NET ASSETS, June 30, 2009 restated	4,685	56	1,012	7,258	1,614	14,625
Investment income (loss)	-	24	-	-	-	24
Transfer from unrestricted to restricted assets	(125)	-	125	-	-	0
Net investment in capital assets	(1,248)	-	-	1,248	-	0
Excess of revenue over expense	1,497	-	-	-	-	1,497
Contribution of assets not subject to amortization	-	-	-	30	-	30
NET ASSETS, June 30, 2010	\$ 4,809	\$ 80	\$ 1,137	\$ 8,536	\$ 1,614	\$ 16,176

Northern Lakes College

Consolidated Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2010

(in thousands)

	2010	2009 restated
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expense	\$ 1,497	\$ 1,539
Add (deduct) non-cash items		
Amortization of capital assets	2,321	2,152
Amortization of deferred capital contributions	(1,566)	(1,384)
Loss on disposal of capital assets	190	1
Total non-cash items	945	769
Net change in working capital(*)	(1,706)	162
	735	2,470
CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES		
Purchase of investments, net of sales	(451)	(4,129)
Purchase of capital assets and collections, net of proceeds from disposals	(4,805)	(4,504)
Endowment investment earnings	30	45
	(5,226)	(8,588)
CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		
Endowment contributions	-	71
Capital contributions	2,179	3,131
Long-term liabilities - new financing, net of repayments	-	(26)
	2,179	3,176
DECREASE IN CASH	(2,312)	(2,942)
CASH, BEGINNING OF YEAR	5,056	7,998
CASH, END OF YEAR	2,745	5,056
*Net change in working capital:		
Decrease (increase) in accounts receivable	1,073	(989)
Decrease (increase) in inventories and prepaid expenses	76	(268)
Decrease (increase) in accounts payable and accrue liabilities	(1,587)	1,044
Decrease (increase) in deferred contributions	(433)	372
Increase in deferred revenue	24	3
(Decrease) in deferred non-capital contributions	(859)	-
	\$ (1,706)	\$ 162

Northern Lakes College

Notes to the Consolidated Financial Statements

JUNE 30, 2010

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 Advanced Education and Technology, with the exception of the President, who is an ex officio member. Under the Post-secondary Learning Act, Campus Alberta Sector Regulation, the College is a comprehensive community institution offering diploma and certificate programs as well as a full range of continuing education programs and activities. The College is a registered charity, and under section 149 of the Income Tax Act (Canada), is exempt from the payment of income tax.

2. Summary of Significant Accounting Policies and Reporting Practices

(a) General - GAAP and Use of Estimates

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. College management uses judgment to determine such estimates. Amortization of capital assets are the most significant item based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

(b) Consolidated Financial Statements

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

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

(c) Financial Instruments

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

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

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

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

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

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

Market Risk

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

Credit Risk

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

Interest Rate Risk

Interest rate risk is the risk to the College's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. The risk is managed by contractually settling interest rates with banking institutions.

Commodity Price Risk

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

(d) Inventories


Inventories held for resale are valued at the lower of cost and net realizable value. Inventories held for consumption are valued at cost or net replacement cost.

(e) Capital Assets and Collections

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

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

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



Buildings and improvements	10 - 40 years
Furnishings, equipment, and systems	5 - 10 years
Learning resources	5 years
Vehicles	5 years
Library collections	2 – 10 years
Other collections	Nil – 5 years

(f) **Asset Retirement Obligations**

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

(g) **Revenue Recognition**

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

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

Deferral method

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

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

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

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

(h) **Foreign Currency Translation**

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. As at the end of the 2010 and 2009 years, no financial assets or liabilities denominated in foreign currencies exist. Revenues and expenses are translated at exchange rates in effect on the date of the transaction. Gains or losses from these translations are included in income. The impact of foreign currency translations is minimal.

(i) **Employee Future Benefits**

Pension

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

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

Pension expense recorded in these financial statements is \$1,896 (2009: \$1,474).

(j) **Capital Disclosures**

The College defines its capital as the amounts included in deferred contributions (note 6), endowments and unrestricted net assets. The College's capital is derived from funding from Alberta Advanced Education and Technology, other government funding agencies, donations and the Institute's entrepreneurial activities. The College has investment policies (note 4), spending policies, and cash management procedures to ensure the College can meet its capital obligations.

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

(k) **Contributed Services**

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

(l) **Future Accounting Changes**

The Canadian Public Sector Accounting Board (PSAB) has issued a framework of financial reporting for government not-for-profit organizations. The framework will be effective for fiscal years beginning on or after January 1st, 2012.

Effective July 1st, 2012, the College will adopt the Canadian Public Sector Accounting (PSA) accounting without the public sector PS4200 series. Adopting these new standards will impact the College's financial statements. As a result, administration has identified the major differences between current and Canadian PSA accounting and reporting standards. Administration is developing a transition plan and continues to work through the remaining differences. The quantitative impact of the transition cannot be fully and reasonably determined at this time.

3. Acquisition of Northwest Alberta Operations from Northern Alberta Institute of Technology

Effective July 1, 2009, the College assumed program delivery and stewardship for students in northwest Alberta previously carried out by Northern Alberta Institute of Technology (NAIT) in Peace River and High Level. The June 30, 2009 assets, liabilities, net assets, revenue and expenses associated with this transfer are as follows:

	As at June 30, 2009	Amounts transferred to NLC	As at June 30, 2009, as restated
ASSETS			
Current			
Cash	\$ 4,286	\$ 770	\$ 5,056
Short-term investments	2,402	-	2,402
Accounts receivable	1,925	-	1,925
Inventories and prepaid expenses	660	1	661
	9,273	771	10,044
Non-current cash			
Long-term investments	7,460	-	7,460
Capital assets and collections	31,790	1,239	33,029
	\$ 48,523	\$ 2,010	\$ 50,533
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 5,558	\$ 63	\$ 5,621
Deferred contributions	1,068	-	1,068
Deferred revenue	2	4	6
	6,628	67	6,695
Deferred contributions	2,940	75	3,015
Deferred capital contributions	427	-	427
Unamortized deferred capital contributions	25,264	507	25,771
	35,259	649	35,908
Net Assets			
Unrestricted			
Accumulated excess of revenue over expenses	4,185	500	4,685
Accumulated net unrealized gain on investments	56	-	56
Internally restricted	1,012	-	1,012
Invested in capital assets and collections	6,525	733	7,258
Endowments	1,486	128	1,614
	13,264	1,361	14,625
	\$ 48,523	\$ 2,010	\$ 50,533

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Acquisition of Northwest Alberta Operations from Northern Alberta Institute of Technology (cont.)

	As at June 30, 2009	Amounts transferred to NLC	As at June 30, 2009, as restated
REVENUE			
Government of Alberta grants	\$ 26,336	\$ 603	\$ 26,939
Federal and other government grants	2,148		2,148
Student tuition and fees	5,155		5,155
Sales of services and products	1,783	55	1,838
Donations and other contributions	142		142
Investment income	322		322
Amortization of deferred capital contributions	1,346	38	1,384
	\$ 37,232	\$ 696	\$ 37,928
EXPENSE			
Salaries and benefits	22,003		22,003
Materials, supplies and services	9,600	249	9,849
Utilities	1,058	129	1,187
Maintenance and repairs	328		328
Cost of goods sold	777		777
Scholarships, bursaries and awards	93		93
Amortization of capital assets	2,008	144	2,152
	\$ 35,867	\$ 522	\$ 36,389
EXCESS OF REVENUE OVER EXPENSE	\$ 1,365	\$ 174	\$ 1,539

4. **Investments**

As of June 30, 2010, the composition and fair value on investments are as follows:

	2010				2009		
	Cost Base	Unrealized Gain (Loss)	Market Value		Cost Base	Unrealized Gain (Loss)	Market Value
Cash, money market funds	\$ 891	\$ -	\$ 891		\$ 1,895	\$ -	\$ 1,895
Canadian bonds	4,974	179	5,153		5,581	220	5,801
Canadian equity	4,383	(114)	4,269		2,365	(199)	2,166
	\$ 10,248	\$ 65	\$ 10,313		\$ 9,841	\$ 21	\$ 9,862
Short-term investments	\$ 5,082	\$ 5	\$ 5,087		\$ 2,389	\$ 13	\$ 2,402
Long-term investments	5,166	60	5,226		7,452	8	7,460
	\$ 10,248	\$ 65	\$ 10,313		\$ 9,841	\$ 21	\$ 9,862

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

- Money market funds have no maturity date and an effective yield of 0.67%.
- Canadian government and corporate bonds have a term ranging from 1 year to 6.5 years with an average term to maturity of 2.5 years. The average effective yield is 4.5% (2009 – 4.43%).

The unrealized gain of \$65 (short term plus long term investments) consists of a gain of \$80 (2009-\$56) in investments and a loss of \$15 (2009-\$35) in endowments.

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

5. Capital Assets and Collections

	2010				2009 Restated		
	Cost	Accumulated amortization	Net book Value		Cost	Accumulated amortization	Net book Value
Buildings & improvements	\$ 42,686	\$ 12,314	\$ 30,372		\$ 39,658	\$ 11,055	\$ 28,603
Furnishings, equipment & systems	6,695	4,153	2,542		6,896	4,704	2,192
Learning resources	1,239	1,172	67		1,279	1,137	142
Land	1,283	-	1,283		1,253	-	1,253
Vehicles	1,220	685	535		927	593	335
Library collections	1,466	1,085	381		1,383	1,009	374
Other collections	176	52	124		176	45	131
	\$ 54,765	\$ 19,461	\$ 35,304		\$ 51,572	\$ 18,543	\$ 33,029

Acquisitions during the year include net in-kind contributions in the amount of \$256 (2009 - \$nil) from a World Skills event. Other collections also include Aboriginal artifacts gifted to the College, which are reported at nil. The appraised value of this collection as at July 15, 2008 was \$280.

6. Deferred contributions

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

	2010		2009 Restated	
	Capital	Non-capital	Capital	Non-capital
Balance, beginning of year	\$ 427	\$ 4,083	\$ 427	\$ 3,785
Grants and donations received	-	6,489	-	7,102
Investment Income	-	14	-	48
Recognized as revenue	-	(5,636)	-	(3,677)
Change in unrealized gains (losses) on investments	-	20	-	(44)
Transferred from Non-capital to Capital	2,179	(2,179)	3,131	(3,131)
Transfer to unamortized deferred capital contributions	(2,606)	-	(3,131)	-
Balance, end of year	\$ -	\$ 2,791	\$ 427	\$ 4,083
Less amounts included in current liabilities	-	(635)	-	(1,068)
	\$ -	\$ 2,156	\$ 427	\$ 3,015

7. Unamortized Deferred Capital Contributions

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

	2010	2009 Restated
Balance, beginning of the year	\$ 25,771	\$ 24,025
Additions from deferred contributions	2,606	3,131
Transfer to investment in capital assets and collections	(30)	-
Less: Net book value of asset disposals	(13)	(1)
Amortization to revenue	(1,566)	(1,384)
Balance, end of the year	\$ 26,768	\$ 25,771

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

	2010	2009 Restated
Balance, beginning of year	\$ 56	\$ 39
Unrealized Investment income for the year	24	17
Balance, end of year	\$ 80	\$ 56

9. Internally Restricted Net Assets

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

	Balance at beginning of year	Appropriations from unrestricted net assets	Balance at end of year
Capital appropriations:			
Trout/Peerless Campus	\$ 1,000	\$ -	\$ 1,000
Operating appropriations:			
Scholarships / Bursaries	\$ 12	-	\$ 12
Alberta Blue Cross	-	125	\$ 125
	\$ 1,012	\$ 125	\$ 1,137

10. Investment in Capital Assets and Collections

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

	2010	2009 Restated
Capital assets and collections at net book value	\$ 35,304	\$ 33,029
Less: Unamortized deferred capital contributions	(26,768)	(25,771)
Investment in capital assets and collections	8,536	7,258
Changes during the year are as follows:		
Balance, beginning of year	7,258	6,620
Acquisition of capital assets and collections	2,181	1,419
Long term liabilities - repayment	-	26
Less: Net book value of asset disposals	(178)	(47)
Less: Amortization of investment in capital assets	(755)	(760)
Net investment in capital assets	1,248	638
Contributions of assets not subject to amortization	30	
Increase for the year	1,278	638
Balance, end of year	\$ 8,536	\$ 7,258

11. Endowments

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

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

	2010	2009 Restated
Balance, beginning of year	\$ 1,614	\$ 1,543
Gifts of endowment principal	-	71
Balance, end of year	\$ 1,614	\$ 1,614

12. Contingent Liabilities

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

The College, in the conduct of its normal activities, is named defendant in two legal proceedings. While the ultimate outcome of these proceedings cannot be reasonably estimated at this time, the College believes that any settlement will not have a material adverse effect on the College.

13. Contractual obligations

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

	2010	2009
Service contracts	\$ 73	\$ 183
Information systems & technology	847	907
Long-term leases	583	836
	\$ 1,503	\$ 1,926

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

	Service Contracts	Information Systems & Technology	Long-term Leases	Total
2011	\$ 61	\$ 179	\$ 207	\$ 447
2012	12	178	201	391
2013	-	178	105	283
2014	-	178	70	248
2015	-	134	-	134
Thereafter	-	-	-	-
	\$ 73	\$ 847	\$ 583	\$ 1,503

14. Budget comparison

The College's 2009-10 budget was Approved by the Board of Governors and was presented to the Minister of Advanced Education and Technology as part of the College's submission of its 2009-2012 Business Plan. Certain budget figures from the College's Business Plan have been reclassified to conform to the presentation adopted in the 2010 financial statements.

15. Investment income


Investment Income is comprised of:

	2010	2009
Investment income on investments held for endowments	\$ 50	\$ 1
Investment Income on other investments	364	342
	\$ 414	\$ 343
Less unrealized (gains) losses on investments	(44)	27
Amounts deferred	(14)	(48)
Investment income	\$ 356	\$ 322

16. Related party transactions and balances

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

	2010	2009 Restated
Contributions from GOA		
Advanced Education & Technology		
Operating grants	\$ 26,994	\$ 24,880
Capital grants	-	182
Maintenance grants	1,885	2,202
Access to the Future Fund (matching grants)	297	150
Other	3,335	478
Total Advanced Education & Technology	\$ 32,511	\$ 27,892
Other GOA departments and agencies		
Alberta Employment & Immigration	\$ -	\$ 19
Alberta Health Services	-	5
Other	1,325	1,905
Total Other GOA departments and agencies	\$ 1,325	\$ 1,929
Total contributions received and receivable	\$ 33,836	\$ 29,821
Accounts receivable		
Advanced Education & Technology	\$ -	\$ 319
Other GOA departments and agencies	21	91
	\$ 21	\$ 410
Accounts payable		
Advanced Education & Technology	\$ -	\$ 173
Other GOA departments and agencies	69	72
	\$ 69	\$ 245



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

Alberta North (Northern Alberta Post-Secondary Institutions Society) – is a society of northern Alberta post-secondary institutions and Aurora College in the NWT. The society aims to support northern learners through common technology infrastructure, research, professional development, community access points and increased awareness of available course offerings. Member institutions pay an annual membership fee to cover shared operating expenses. Provincial grants to Alberta North supplement the aims of the society. The 2009-10 annual report is available online at <http://www.alberta-north.ca/about-us/>. The membership expense for 2009-10 was \$20. The College achieved a few extra hours of Community Access Point (CAP) site support from Alberta North in 2009-10 in John D'Or Prairie, Peace River, and East Prairie, a small amount of tuition revenue was generated from students outside of the region and \$18 was received for technology. Business, legal and financial risks are minimal. On July 1, 2011 the Alberta North operations were transferred to eCampusAlberta.

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

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

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

Northern Lakes College paid an annual membership fee to eCampusAlberta of \$10. The College received \$30 from the Online Curriculum Development Fund of eCampus. Business, legal and financial risks are minimal.

Alberta Association in Higher Education for Information Technology (AHEIT) – The College has membership in a consortium of institutions for the purpose of saving money on software licenses. Annual payment is determined by the menu of software licenses participating institutions utilize. For 2009-10 the cost was \$3. Business, legal and financial risks are minimal.

Alberta Association of Colleges and Technical Institutes (AACTI) – The College is a member of the Alberta Association of Colleges and Technical Institutes. The annual membership fee for 2009-10 was \$18. Business, legal and financial risks are minimal.

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

Apply Alberta – The province funded the creation of a common application system known as Apply Alberta with the understanding that institutions (collectively) would own and manage the system created. This was accomplished through the formation of a society (Alberta Post-Secondary Application System Society). The annual fee in 2009-10 was \$27 and for future years the fee is based on the number of applications received. In addition to the central project, each institution was responsible (with some Government funding) for changing internal IT systems to facilitate the receipt of online applications from students. The capital cost of internal system development at Northern Lakes College was \$349. The provincial portion funded was \$282.

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

17. Funds held on behalf of others

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

	2010	2009
Northern Albnerta Development Council	\$ 38	\$ 52
Others	16	21
Total	\$ 54	\$ 73

18. Salary and Employee Benefits

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

	2010			2009	
	Base salary (1)	Other cash benefits (2)	Other non- cash benefits (3) (4)	Total	Total
Governance					
Members of the Board of Governors	\$ 31	\$ -	\$ -	\$ 31	\$ 32
Executive					
President (4)	156	33	28	217	228
Vice-Presidents:					
Vice-President Academic	129	11	31	171	149
Vice-President College Services	132	-	28	160	149
Deans					
Academic Upgrading	118	1	23	142	136
University and Health Professions	119	1	27	147	140
Business, Industry & Human Service Careers	125	-	28	153	150
Student Services	77	21	17	115	144
Senior Directors					
Finance Services	109	1	26	136	132
External Relations	109	1	26	136	131

- (1) Base salary includes pensionable base pay except for the Board who are not subject to pension benefits.
- (2) Other cash benefits include wellness pay-outs, health spending accounts, vacation payments, long term disability payments, lump sum payments and any cash disbursements with respect to vehicle allowances.
- (3) Other non-cash benefits include the College's share of all employee benefits including Canada Pension Plan, Employment Insurance, pensions, health care, dental coverage, group life insurance and accidental death and dismemberment insurance.
- (4) The President has been provided with an automobile by the College for which no amount is included in the other non-cash benefits

19. Comparative Figures

Certain 2009 figures have been reclassified to conform to the presentation adopted in the 2010 financial statements.

20. Subsequent Events

The Province of Alberta approved a capital campus replacement project for the College's Gift Lake location. In 2010-11, the Province provided a total of \$2,005. The Board approved total for this project is \$2,441 with the expectation that unrestricted net assets will cover any shortfall after the grant and donations are used. A donation of \$90 was received for this project. Construction begins in 2012 and occupancy is planned for September 2014.


Fire destroyed the Kisemanito building at the Grouard campus in April 2011. Insurance loss value is estimated at \$380 under the assumption of rebuilding on the same property.

The Alberta Job Corps (Alberta Employment & Immigration) suspended operations in three locations affecting Northern Lakes College. In Wabasca and High Level this resulted in reduced lease revenue to the College. In Slave Lake the College now has access to a facility for exclusive use. In all three locations operating costs become the responsibility of the College. Some equipment is expected to transfer from Alberta Employment & Immigration (now the Human Services Ministry) in consultation with Service Alberta. Net book value for equipment left behind has not been provided to the College as of February 5, 2012 and the transfer has not occurred.

The wildfires of May 2011 had a significant impact on the community of Slave Lake. Revenue for 2011-12 is expected to be impacted in part because Student Housing is partially occupied by employees who lost homes and partially because enrollments are impacted at this location. Expenses incurred during the emergency assistance effort will be reimbursed through provincial emergency relief funds. The final cost is in negotiation.

In September 2011, the Board of Governors moved to begin a process of disposal for the Faust campus. The gain or loss on disposal is undetermined at this time. Net book value at June 30, 2011 was \$411.

Received a letter from Minister of Enterprise and Advanced Education dated May 29th, 2012 indicating a 2% Campus Alberta Grant increase for 2012/2013 and the introduction of predictable funding for 2013/2014 and 2014/2015.



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