

2017-2018

ANNUAL REPORT

NEW BEGINNINGS.
ENDLESS
POSSIBILITIES.



NORTHERN LAKES
COLLEGE

OUR VISION, VALUES, AND MISSION



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

VALUES — To achieve our mission and vision, we share values that guide our practices and behaviors. We value: Community, Respect, Accessibility, Collaboration, Excellence, and Lifelong Learning.

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.



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ACCOUNTABILITY STATEMENT

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The Northern Lakes College Annual Report for the year ending June 30, 2018 was prepared under the Board's direction in accordance with the Fiscal Planning and Transparency Act and ministerial guidelines established pursuant to the Post-Secondary Learning Act. All material economic, environmental, or fiscal implications of which we are aware have been considered in the preparation of this report.

Original Signed by Daniel Vandermeulen
Chair, Board of Governors

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, are executed in accordance with all relevant legislation, regulations, and policies, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Annual Report has been developed under the oversight of the institution audit committee, as well as approved by the Board of Governors, and is prepared in accordance with the Fiscal Planning and Transparency Act and the Post-Secondary Learning Act.

The Auditor General of Alberta, the institution's external auditor appointed under the Auditor General Act, performs an annual independent audit of the consolidated financial statements which are prepared in accordance with Canadian public sector accounting standards.

Original Signed by Ann Everatt
President and CEO

BOARD *of* GOVERNORS



Daniel Vandermeulen
Public Member (Chair)



Fern Welch
Public Member



Ray Stern
Public Member



Inier Cardinal
Public Member



Candice Calliou
Public Member



Ernie Grach
Public Member



Marie Dyck
Public Member



Tim Murphy
Faculty-nominated Member



Edith Mackenzie
Staff-nominated Member



Gloria Fierro
Student-nominated Member



Ann Everatt
President and CEO

SENIOR LEADERSHIP *Team*

Ann Everatt, President and CEO

Madeline McVey, Vice President, Academic

Robert LeSage, Vice President, Corporate Services and CFO

Dana Hynes, Executive Director, Human Resources and Health & Safety

Bruce D' Sena, Chief Information Officer



MESSAGE FROM THE BOARD CHAIR

Northern Lakes College is a multi-campus college, serving students from 23 campuses and five community access points, throughout northwestern Alberta. The service region includes 15 First Nations and four Métis Settlements. Our College has a strong economic impact on the service region, with the most recent figures indicating that NLC, its students, and its alumni added \$104.7 million to the service region's economy in 2015-2016.

Our graduates are obtaining the credentials necessary to find rewarding careers, earn a reasonable living, and provide for themselves and their families. Graduates are establishing careers in diverse fields including health care, education, social services, forestry, and oil and gas. Demand for our programs is strong.

Northern Lakes College is a leader in distance learning. Our supported, distributed delivery model allows us to make our programs accessible not only throughout our service region, but throughout the province and the nation. Northern Lakes College is responsive and innovative, as illustrated by the addition of relevant programs such as the Primary Care Paramedic Upgrading and Advanced Care Paramedic Upgrading programs, and the expansion of program collaborations such as Dual Credit and Community Adult Learning Programs.

As we approach our 50th anniversary in 2020, we are proud that we have always maintained our focus on serving our communities and students. With community as one of its core values, Northern Lakes College was a comprehensive community institution before the concept was born, with Community Education Committees operating in our communities since our inception.

Northern Lakes College understands the importance of providing students with suitable learning spaces. The Board of Governors has made it a priority to obtain capital funding to enhance our campuses. In October 2018, we broke ground on the new High Prairie campus and celebrated our co-location into the Athabasca University campus. In June, construction began on the consolidated Peerless-Trout building, which is a partnership and co-location between Peerless Trout First Nation and NLC. Access to suitable spaces in which to obtain post-secondary education and learning in their home community is very important for our students. The Board will continue to lobby for capital funding for campus improvements in multiple communities.

The Northern Lakes College Board of Governors also understands the fundamental importance of the technological backbone on which the College's distributed educational programming relies. Learning Management Systems and Student Information Systems that support access, quality, and excellence are imperative as we move into a new era of enhanced technology. The Board has aligned resources to update teaching and learning technology to meet the needs of students.

The Board of Governors would like to thank the team of dedicated staff, faculty, and executives for the continued delivery of high-quality educational programs and services to students, business, industry, and communities across the region. Northern Lakes College is successful because of the hard work and commitment of this dedicated team.

Daniel Vandermeulen, Chair, Board of Governors



MESSAGE FROM THE PRESIDENT

Community. Respect. Accessibility. Collaboration. Excellence. Lifelong Learning. These are the core values guiding the development of our Institutional Plan and the decisions made for and by our communities and learners. To Northern Lakes College, ensuring accessibility means maximizing the technological tools available to distribute educational programming throughout our vast region. Our infrastructure not only includes capital projects involving bricks and mortar, but also integral is a robust technological backbone that can ensure distribution of our programs and services to all of our students throughout our region, the province, and beyond.

Collaboration has served us well throughout our history and we are committed to pursuing ongoing opportunities for further collaboration. Programs like the Aboriginal Teacher Education Program (ATEP) in partnership with the University of Alberta and the Bachelor of Social Work program in partnership with the University of Calgary are just two examples. The value of collaboration is at the heart of our partnerships with other provincial institutions, such as Keyano College, Lakeland College, and our Community Adult Learning Programs (CALPs). Northern Lakes College is providing Academic Upgrading and the Practical Nurse program at Lakeland College, ensuring Lakeland can fulfill local training needs without incurring the costs of program development. In turn, Northern Lakes College will be collaborating with Lakeland to bring their environmental programming to our communities. By providing the Early Learning and Child Care Diploma program at Keyano, Northern Lakes College is ensuring that the employment demands in this field in the Regional Municipality of Wood Buffalo are met. Northern Lakes College will continue to find opportunities to collaborate and explore new and innovative approaches to maximize efficiencies, minimize duplication, and optimize resources within the Alberta system to increase financial sustainability for all CCLs.

Northern Lakes College maintains a strong and direct link to each of our communities through our community engagement model of Community Education Committees (CECs). Our dedication to

the values of lifelong learning and community result in projects such as the REDI Business Bootcamp, a unique opportunity for entrepreneurs, managers, and aspiring entrepreneurs to acquire essential business skills. Northern Lakes College collaborated with the Regional Economic Development Initiative (REDI) and Community Futures Northwest to launch the REDI Business Bootcamp in the Mackenzie Region. The series of free courses helps build capacity and meets the specific training needs in the Mackenzie Region. Northern Lakes College will continue to seek community and stakeholder engagement to ensure the unique regional training needs are recognized and that all learner needs are met.

In the communities we serve, we know that having full access to quality educational opportunities is important. We are committed to providing opportunities for our students who wish to remain in their home communities to pursue their dreams. As Northern Lakes College approaches its 50th year, we are proud of the excellence that we have achieved in creating an innovative distance-learning environment. Not only has the College excelled in using distance-learning technologies, we have also developed a 'wraparound' system providing a highly-supportive learning environment with staff located at each campus to assist, counsel, and provide specialized learning assistance. The 'wraparound' system includes a strong, engaged focus on mental health for our students and staff.

Northern Lakes College also meets the needs of students throughout the province and nationally. Distance learning has no physical boundaries. In June of 2018, for example, an Educational Assistant graduate from Victoria, British Columbia attended convocation. Our collaboration with Training Works to provide our online Primary Care Paramedic (PCP) program in Newfoundland and Labrador illustrates not only inter-provincial collaborative opportunities, but also the excellence of our PCP program.

Within the context of Alberta's Comprehensive Community Institutions, Northern Lakes College is committed to collaboration to achieve the goals and objectives (Adult Learning System Principles) of Alberta Advanced Education. Increasing participation and graduate rates through regional access and affordability are at the core of the dual credit agreements we have in place with 13 school divisions, the *Campus Athabasca: PK to PhD* Memorandum of Action, and the expansion of Community Adult Learning Programs.

Ann Everatt, President and CEO

MANDATE

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 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.

APPLICABLE LEGISLATION AND REGULATIONS

The Board has responsibilities under, and is subject to, a number of statutes and regulations including the:

- Post-secondary Learning Act;
- Alberta Public Agencies Governance Act;
- Financial Administration Act;
- Government Accountability Act;
- Freedom of Information and Protection of Privacy Act;
- Lobbyists Act;
- Workers' Compensation Act;
- Labour Relations Code;
- Occupational Health and Safety Code;
- Public Service Employee Relations Act;
- Alberta Public Agencies Governance Act;
- Results Based Budgeting Act;
- Public Interest Disclosure (Whistleblower Protection) Act; and
- Canada Income Tax Act and Regulations.

The Post-Secondary Learning Act provides the primary legislation for public post-secondary institutions in the province of Alberta. Regulations enacted under the PSLA include:

- Alternative Academic Council Regulation;
- Campus Alberta Sector Regulation;
- Model Provisions Regulation;
- Programs of Study Regulation; and
- Public Post-secondary Institutions' Tuition Fee Regulation.

PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

The Board of Governors for Northern Lakes College originally approved the Safe Disclosure Policy (Whistleblower) in October 2014. In 2018, a review of the Safe Disclosure Policy was performed, and changes were made to meet recent legislative changes.

The goal of this policy is to make it the responsibility of all College Community members to report concerns about violations of Northern Lakes College's governing policies, procedures, regulations or suspected violations of laws that govern the College's operations. This policy would foster an environment where all members of the College community can report wrongdoings or suspected wrongdoings without reprisal. This policy has been communicated and made available to all employees on the Northern Lakes College website.

In fiscal year 2017-2018 the College received no safe disclosure policy complaints.

NORTHERN LAKE COLLEGE CAMPUSES AND COMMUNITY ACCESS POINTS



PROGRAMS AND COURSES

ACADEMIC UPGRADING

Adult Basic Education

Academic Upgrading

BUSINESS & ADMINISTRATIVE STUDIES

Business Administration

Business Administration - Accounting

Human Resource Management

Office Administration

HEALTH CAREERS

Advanced Care Paramedic

Community Health Promotion

Emergency Medical Responder

Health Care Aide

Health Care Aide – Prior Learning Assessment and Recognition

Health Care Aide Employed Student Tutored Education Program (eSTEP)

Practical Nurse

Primary Care Paramedic

HUMAN SERVICE CAREERS

Addiction Services Worker

Addictions Counselling

Early Learning and Child Care Certificate

Early Learning and Child Care Diploma

Educational Assistant

Social Work

TRADES & RESOURCE TECHNOLOGY

Carpenter Apprenticeship

Crane & Hoisting Equipment Operator – Boom Truck

Crane & Hoisting Equipment Operator – Mobile Crane Apprenticeship

Electrician Apprenticeship

Introduction to Surveying

Oilfield Operator Training

Power Engineering 3rd Class

Power Engineering 4th Class

Power Engineering 4th Class Lab Certification

Power Engineering 5th Class

Pre-employment Carpenter

Pre-employment Electrician

Pre-employment Millwright (Industrial Mechanic)

Pre-employment Welder

Survey Theory & Calculations

Welder Apprenticeship

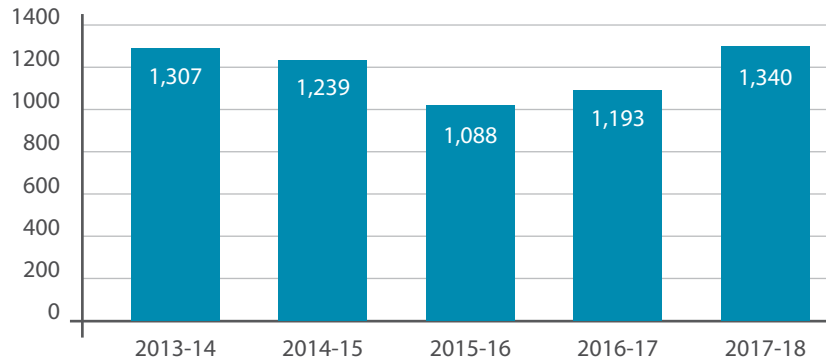
UNIVERSITY STUDIES

College and Career Preparation

University Studies

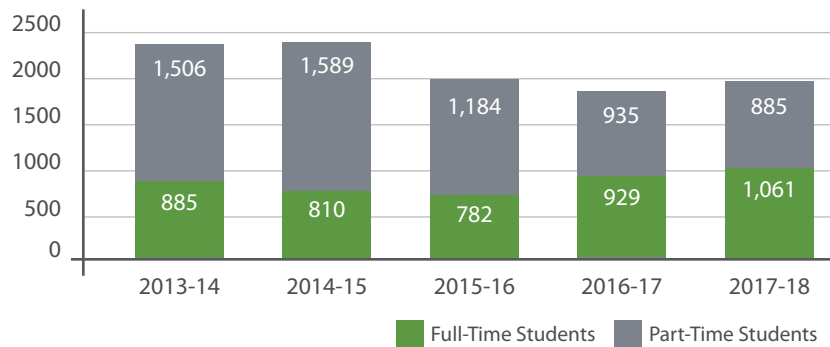
OPERATIONAL OVERVIEW

FULL LOAD EQUIVALENT (FLE)

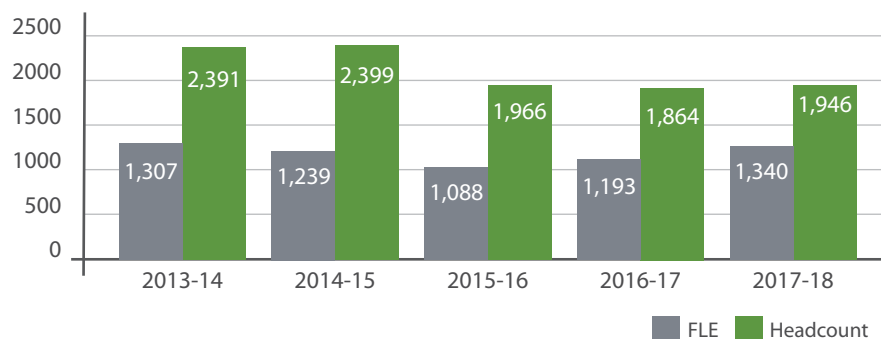


 **12%** enrolment growth from 2016-17 to 2017-18

NUMBER OF STUDENTS IN CREDIT PROGRAMS (Unique Headcount)



STUDENT ENROLMENTS - 5 YEAR (FLE vs Unique Headcount)

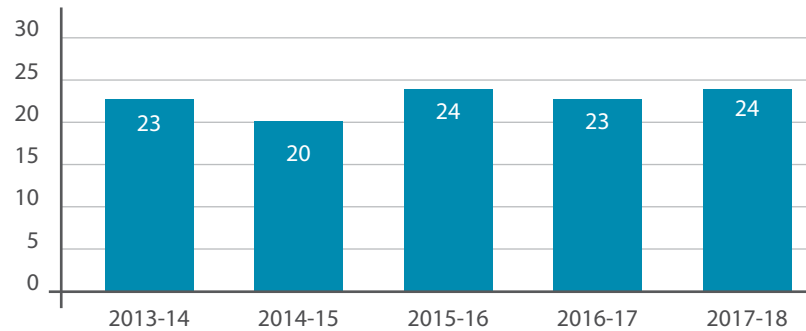


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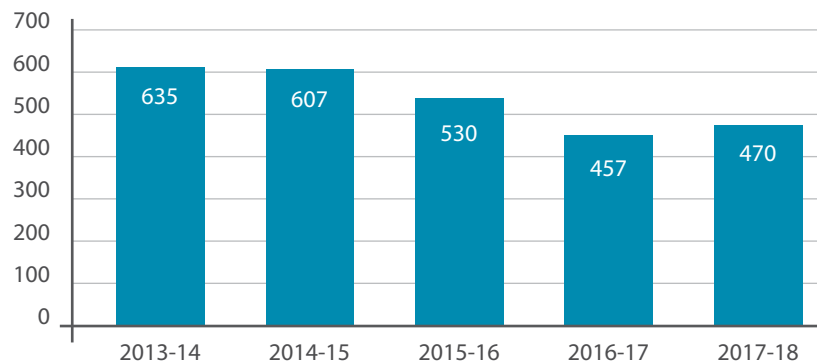
Enrolment decline in shorter programs such as Trades programming and the EMR program resulted in lower FLEs.

OPERATIONAL OVERVIEW

COMMUNITIES WITH CAMPUSES AND CAP SITES



NUMBER OF GRADUATES BY YEAR



Note:

Low enrolment in Trades programming, particularly Boom Truck and Mobile Crane, Emergency Medical Responder, and Power Engineering has resulted in a decrease in the overall number of graduates.



OPERATIONAL OVERVIEW

FULL LOAD EQUIVALENT BY PROGRAM

	2015-16 Actuals	2016-17 Actuals	2017-18 Projected	2017-18 Actuals	Change in FLEs from 2016-17
Basic and Preparatory Programs					
Academic Upgrading (HS and ABE Combined)	398.769	439.175	500	549.625	110.5
Basic and Preparatory Programs Totals	398.769	439.175	500	549.625	110.5
Business and Administrative					
Business Administration	21.399	34.898	26	25.566	-9.3
Business Administration - Accounting ¹	N/A	N/A	4	3.800	N/A
Business Administration - Management Studies Collaborative ²	5.000	N/A	N/A	N/A	N/A
Human Resource Management	0.000	5.500	10	13.100	7.6
Office Administration	24.982	30.150	25	24.881	-5.3
	51.381	70.548	65	67.347	-3.2
Health					
Advanced Care Paramedic	N/A	19.576	39	37.511	17.9
Community Health Promotion	3.400	6.970	6	6.400	-0.6
Emergency Medical Responder	19.908	4.631	1	1.263	-3.4
Health Care Aide	73.496	107.319	112	87.419	-19.9
Practical Nurse	98.465	110.802	145	209.211	98.4
Primary Care Paramedic	17.422	28.921	28	25.192	-3.7
	212.691	278.219	331	366.996	88.8
Human Services					
Addiction Services Worker	23.205	25.430	6	5.661	-19.8
Addictions Counselling ³	N/A	N/A	14	13.700	N/A
Early Learning and Child Care Certificate	24.828	33.958	23	22.361	-11.6
Early Learning and Child Care Diploma	9.564	11.997	11	11.330	-0.7
Educational Assistant	13.541	15.241	25	25.311	10.1
Social Work	32.731	45.797	54	53.354	7.6
	103.869	132.423	134	131.717	-0.7

OPERATIONAL OVERVIEW

FULL LOAD EQUIVALENT BY PROGRAM	2015-16 Actuals	2016-17 Actuals	2017-18 Projected	2017-18 Actuals	Change in FLEs from 2016-17
Trades and Resource Technology					
Boom Truck	8.851	3.841	7	6.346	2.5
Carpenter 1st, 2nd, 3rd, and 4th Year	4.539	5.073	5	5.340	0.3
Electrician 1st, 2nd, 3rd, and 4th Year	18.417	12.142	9	9.607	-2.5
Introduction to Surveying ⁴	N/A	N/A	1	1.267	N/A
Mobile Crane	17.600	8.800	6	6.600	-2.2
Oilfield Operator Training	11.120	5.573	4	3.738	-1.8
Power Engineering 3rd, 4th, and 5th Class	151.302	126.635	93	83.773	-42.9
Pre-Employment: Carpentry, Electrician, Millwright, Welding	5.252	10.186	5	5.167	-5.0
Survey Theory and Calculations	43.178	21.797	17	18.120	-3.7
Welder 1st, 2nd, and 3rd Year	10.146	6.141	7	8.010	1.9
	270.405	200.188	156	147.968	-52.2
University Studies					
College and Career Preparation	12.500	13.700	12	11.300	-2.4
Open Studies	0.900	2.534	6	2.333	-0.2
University Studies	37.600	56.700	65	62.300	5.6
	51.000	72.934	83	75.933	3.0
Total Official Full Load Equivalent (FLE)	1088.115	1193.487	1269	1339.586	146
International Students (Headcount)	16	10	3	3	-7

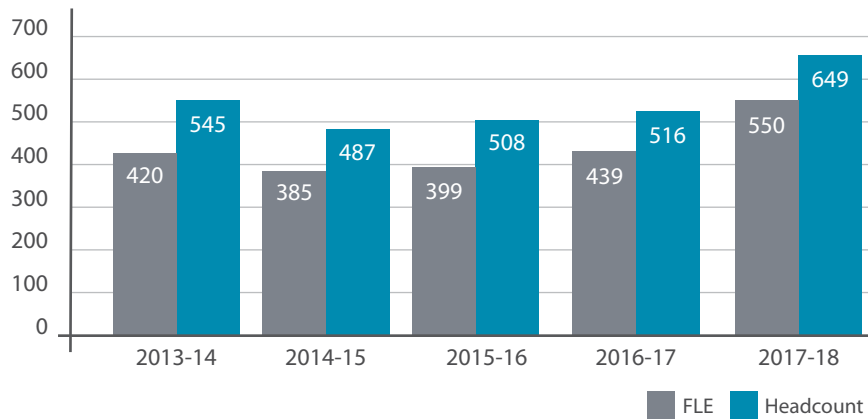
^{1,3,4} New programs introduced for the 2017-18 academic year

ENROLMENT TRENDS BY PROGRAM AREA

Source: Advanced Education Data Collection and Reporting - LERS

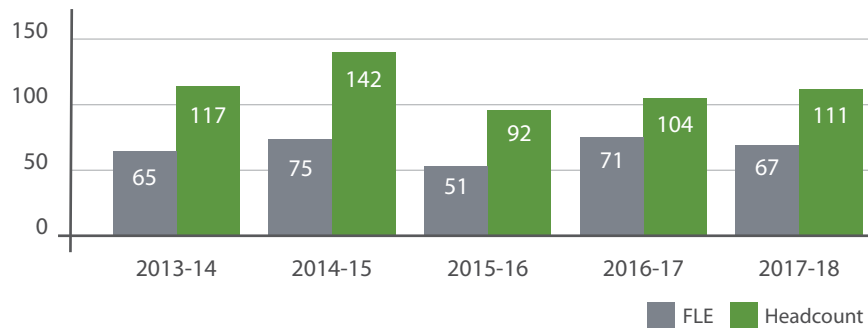
ACADEMIC UPGRADING PROGRAMS

(FLE and Unique Headcount)



BUSINESS PROGRAMS

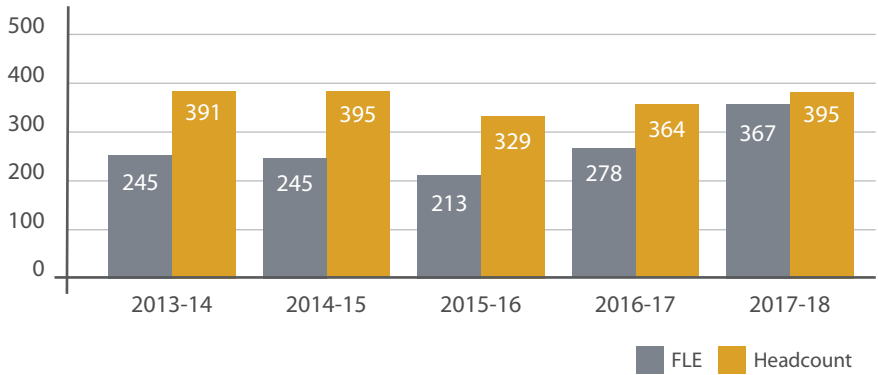
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OPERATIONAL OVERVIEW

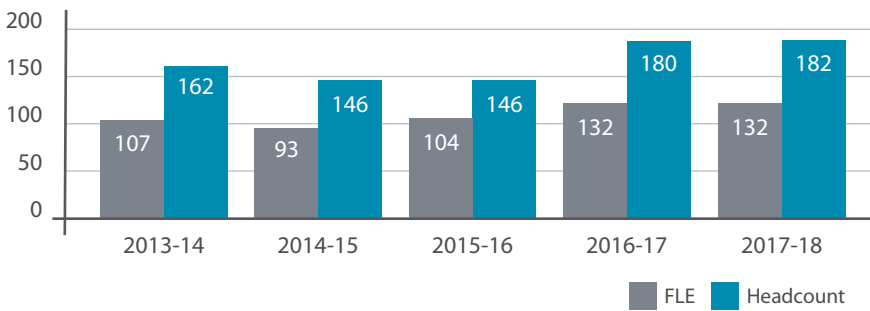
HEALTH CAREER PROGRAMS

(FLE and Unique Headcount)



HUMAN SERVICES PROGRAMS

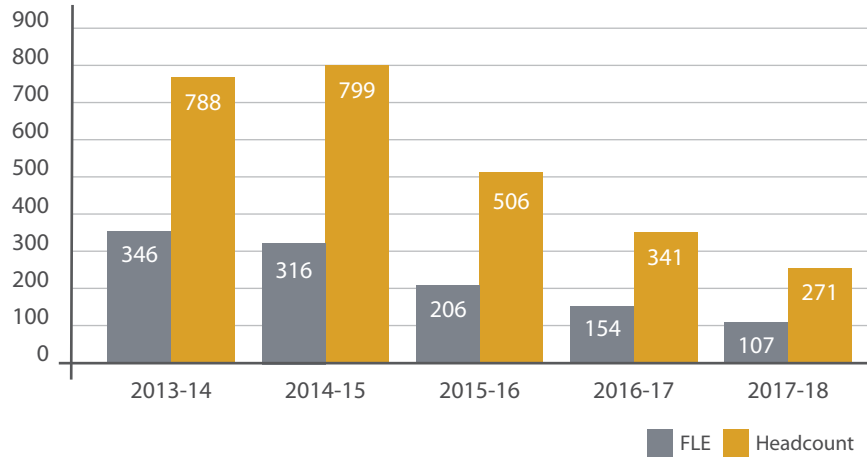
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OPERATIONAL OVERVIEW

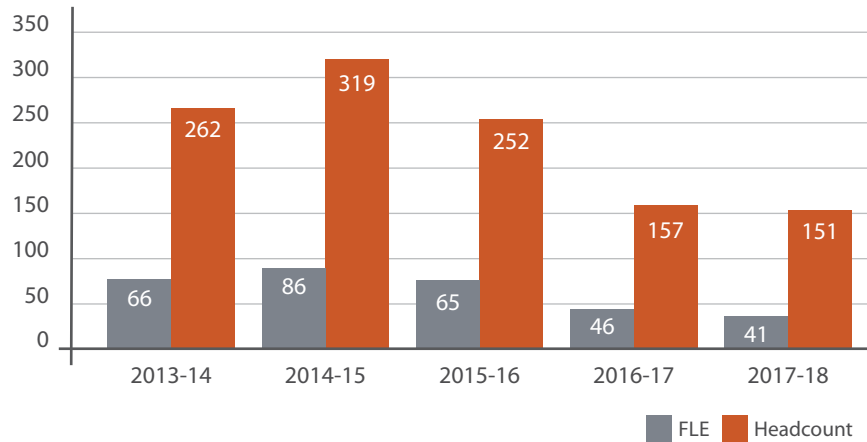
RESOURCE TECHNOLOGY PROGRAMS

(FLE and Unique Headcount)



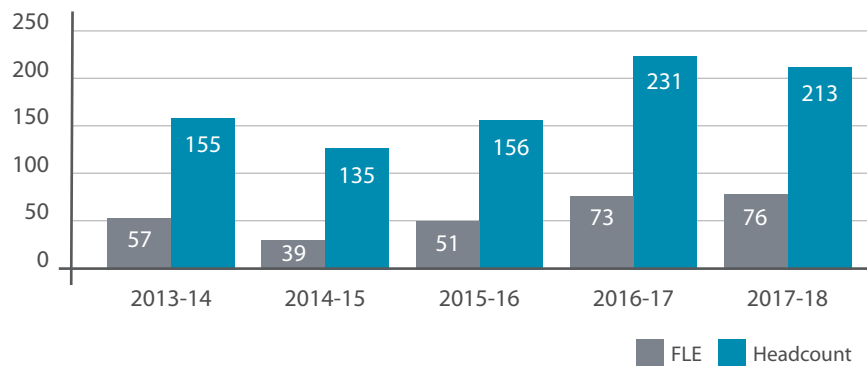
TRADES PROGRAMS

(FLE and Unique Headcount)



UNIVERSITY STUDIES PROGRAMS

(FLE and Unique Headcount)





KEY CHANGES TO ENROLMENT

Overall College enrolment grew significantly from 2015-2016 to 2017-2018, by 251.5 FLEs, and is reflective of significant shifts within the labour market. However, unique headcount did not grow proportionately. This is due to a change in the student's enrolment pace and program demand. In the two-year span, the number of full-time students increased while the number of part-time students decreased. Full-time students earned a higher FLE when compared to their part-time counterparts in the same program. Additionally, enrolment decline in shorter programs such as Trades programming and the EMR program, resulted in lower FLEs.

ACADEMIC UPGRADING

Demand for Academic Upgrading programming continued to be strong. This may be attributed to the sluggish economy and increased availability of student funding. Partnerships also contributed to the significant increase of 110.5 FLEs over the previous year to reach 549.6 FLEs.

The program's online delivery model made partnership projects possible. These partnerships included Academic Upgrading offerings to the Loon River First Nation, and to students at both Lakeland College and Aurora College.

The four Community Adult Learning Programs administered by the College also contributed to growth, with CALP students enrolling in the College's Adult Basic Education programming. Most CALP students registered as full-time students, due to the availability of financial support on a per course basis. CALP students sometimes continued into high school-level study, further contributing to growth.

BUSINESS AND ADMINISTRATIVE STUDIES

Overall numbers remained consistent in Business and Administrative programming, with a change of -3.2 FLEs. A trend emerged where an increasing number of students elected to attend on a part-time basis. This, combined with modest enrolment numbers, prompted the College to transition the Business Administration – Accounting Diploma and Human Resources Diploma to part-time delivery starting in 2019-2020. The Certificate programs will continue to be delivered both part-time and full-time.

HEALTH CAREERS

Labour market demand continued to be strong for Health Careers programming, with the exception of the industry-driven Emergency Medical Responder program.

The most significant impact to FLEs in Health Careers was the increase in FLE value for the Practical Nurse program, from 1.0 FLE to 1.47 for Year 1 students and 1.40 for Year 2 students, which took effect on July 1, 2017. The increase in FLE value by Advanced Education was made to reflect the program's credit worth. A second factor to program growth was the addition of the Lloydminster program site through a partnership with Lakeland College.

The Advanced Care Paramedic program saw an increase in 17.9 FLEs, which was the result of the program's first offering of Year 2. The Advanced Care Paramedic program was new in 2016-2017, making 2017-2018 the first year that Year 2 was offered.



Decreased funding opportunities led to the decrease of 19.9 FLEs in the Health Care Aide program. Alberta Works ceased to fund Health Care Aide students beginning in the 2017-2018 academic year.

The Emergency Medical Responder program experienced a dramatic decrease in FLEs from 2015-2016 through to 2017-2018. This was due to increased program entrance requirements introduced for the 2016-2017 academic year, as well as no longer being a pre-requisite for entrance to the Primary Care Paramedic program. As a result, this program was recommended for suspension at the end of the 2017-2018 academic year.

HUMAN SERVICES

The most significant changes in enrolment in the Human Services programming category were to the Addiction Services Worker and Addictions Counselling Diploma programs.

The 19.8 FLE decrease experienced in the Addiction Services Worker program was directly due to the termination of Health Canada funding for that program. As of September 2017, this program was offered solely to students working in National Native Alcohol and Drug Abuse Programs. The newly launched Addictions Counselling Diploma program compensated for the FLE reduction in the Addictions Service Worker program with 13.7 FLEs.

TRADES AND RESOURCE TECHNOLOGY

Trades and Resource Technology enrolments continued to be impacted by the most recent economic downturn. The most significant decline occurred in Power Engineering programming, with a 42.9 decrease in FLEs. Enrolments in programs like Power Engineering, Electrician Apprenticeship, and Survey Theory and Calculations continued to decline, while programs like Apprenticeship Welding and Mobile Crane showed modest increases. Economy-related impacts were felt province-wide by institutions with Trades and Resource Technology programs.

UNIVERSITY STUDIES

University Studies enrolments were stable with a modest overall increase of 3.0 FLEs. Enrolment is subject to demand for service courses from other College programming areas, as well as the Aboriginal Teacher Education Program.





Turning *Your Life Around*

Chris Yellowbird is from Alexander First Nation and his background story is a recollection of trauma, abuse, and misuse. Yellowbird shares, "I have an interesting story, because I used to be a client at the Footprints Healing Centre in Alexander First Nation. I am about 21 months sober now [at time of writing]. After I finished there as a client, an opportunity opened up and I asked for a job. I started as night staff. I just knew I had to start somewhere; it was a way for me to get my foot in the door." While working at the healing centre, Yellowbird started looking into accredited training. He researched his educational options and landed on the Addictions Counselling Diploma program.

Yellowbird worked as a casual support worker for Footprints while completing the Addictions Counselling Diploma program as a full-time, home-based student. Yellowbird was able to do his courses online through the blended delivery methods of NLC Anytime, Anywhere and NLC LIVE Online™.

Yellowbird has chosen to use his past as a tool to help others on their journey to recovery. Recently, Yellowbird had the opportunity to work as a full-time facilitator for four weeks. "That was a great experience for me. I got to use my instincts because many of my strengths in this field stem from my own personal experiences, but I was able to combine it with the knowledge I learned from my educational experiences."

The program can be taken full-time or part-time and offers a high ratio of student-to-instructor time. Graduates of the program have the skills to provide counselling to individuals, groups, and families. Yellowbird's advice to others, "If you're getting into the addictions field, always remind yourself of what sparked that passion to be in this field. Don't be complacent and make sure you take care of yourself, too. The instructors at Northern Lakes College have a way of keeping you engaged and witnessing their passion ignites that in yourself."

"To come where I came from, to be a student with NLC today, to feel accepted, and to be encouraged in my educational journey is something I am still getting used to. It is a good feeling, and it is a real motivator for me," reflects Yellowbird.

Today, Yellowbird is a counsellor and lives on an acreage with his wife and three children.

“

To come where I came from, to be a student with NLC today, to feel accepted, and to be encouraged in my educational journey is something I am still getting used to. It is a good feeling, and it is a real motivator for me.”



GOAL 01

Enhance access through **technology upgrades** to support our model of teaching and learning, **focusing** on mobile technologies and self-service models

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Conduct a business process review and develop a strategic enrolment management plan	Achieved	2018	Conducted an independent business process review, resulting in increased efficiencies, shorter registration timelines, and closure of gaps in information flow to students.	2018
	Achieved		Developed a Strategic Enrolment Management Plan focused on student engagement best practices to enhance retention and successful completion rates.	
	Achieved		Completed the integration of Moodle with the Student Information System to reduce manual work and increase system integration.	
Implement an integrated, mobile-ready student portal	In Progress	2019	Formed a partnership with Athabasca University and Portage College to integrate a new Student Information System that will enhance mobile and online self-serve functions.	2019
	In Progress		Developed NLC Connect, a mobile application launched in 2018, designed to increase engagement and communication with students, faculty, and staff.	
Enhance the use of digital learning resources and explore the integration of mobile technologies	Achieved	2019	Implemented Collaborate Ultra as NLC's new synchronous platform.	2018
	Achieved	2018	Ensured Moodle and Collaborate Ultra are accessible on mobile devices.	2018
	In Progress	2019	Completed the first year of the Mobile Device Pilot Project with positive results and expansion is expected in year two of the pilot.	2019

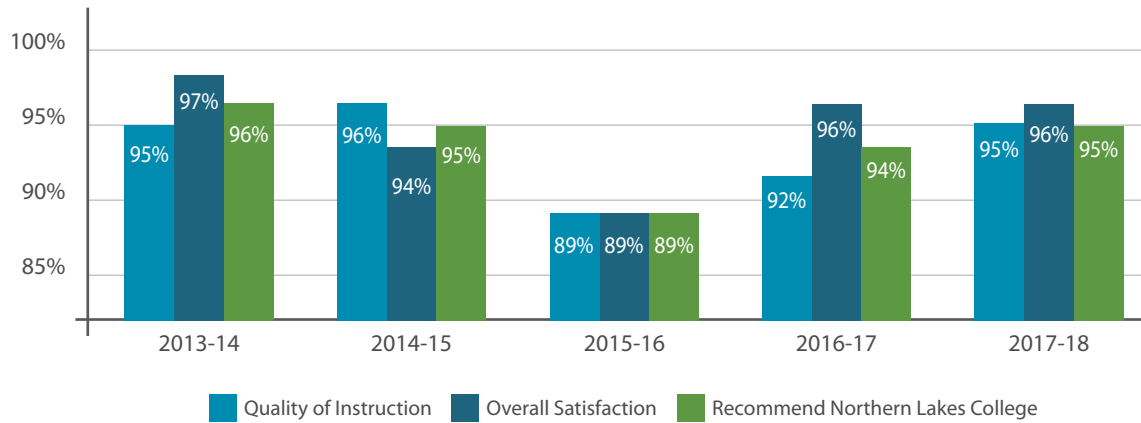


12% increase **1340** in 2017-18
in total FLE enrolment
from 2016-17 to 2017-18

GOALS AND PRIORITY INITIATIVES

STUDENT SATISFACTION SURVEY 2013 - 2018

Overall Satisfaction Indicators





Expanding Dual Credit Opportunities

Northern Lakes College has expanded its Dual Credit partnership to 13 school divisions. The 2018 partnership expansion includes Peace Wapiti School Division, Peace River School Division, Grande Prairie Public School District, Grande Prairie Catholic School District, Kee Tas Kee Now Tribal Council Education Authority, Fort Vermilion School Division, and Northern Gateway School Division. Provincial funding received by the school divisions to increase dual credit offerings has created this partnership opportunity.

The College also has established and successful dual credit collaborations with Aspen View Public Schools, Elk Island Public Schools, Holy Family Catholic Regional Division, High Prairie School Division, Living Waters Catholic School Division, and Northlands School Division.

Dual Credit programming helps students transition from high school to post-secondary and apprenticeship programs. Jeff Thompson, Supervisor of Teaching and Learning from the Peace River School Division says, "Alberta Education's Dual Credit Program provides an excellent opportunity for high school students to access post-secondary programs while simultaneously earning credits to meet high school graduation requirements." Students also gain valuable, hands-on experiences that link learning to future careers.

"By expanding the number of learner pathways, we anticipate that high school students will be able to enhance their

learning and work towards completing their high school diploma while gaining advancement towards a NLC post-secondary credential," comments Cyndy Lorincz, Dean, Student Services at Northern Lakes College.

Darren Young, Assistant Superintendent from the Peace Wapiti School Division, comments, "Our schools face challenges in finding qualified applicants to fill educational assistant positions. The Educational Assistant program is ideal for those wishing to work with children in a school setting. We see this Dual Credit program as a great opportunity to meet our own staffing needs and to provide our rural schools with the ability to offer a variety of programs to our students."

Kimberly Frykas, Director of Instruction for Grades 7-12 at Grande Prairie Public School District, says the Introduction to Survey program will provide students with a solid foundation of survey theory and the confidence to perform routine surveying tasks. "Graduates will qualify for entry-level surveying positions where they can continue to expand their knowledge and career opportunities."

"This Dual Credit partnership will give many students the chance to earn certification and skills that will set them on a path for success in our local region," comments Jacques LeCerc, Off-Campus Education Coordinator, Grande Prairie Catholic School District.

GOAL 02

Create additional pathways for students

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Introduce an Addictions Counselling Diploma program to meet regional demand	Achieved	2019	Offered the first year of the Addictions Counselling Diploma in 2017-18 with year two beginning in September 2018.	2018
Provide communities with trades and pre-trades programming through expanded use of the mobile training labs (often called transformers)	Achieved	2019	Offered "Introduction to Trades" to four cohorts of students in partnership with the Peace River School Division.	2018
	Achieved		Deployed the second Mobile Trades Lab to Fort McMurray in partnership with the Government of Alberta and three post-secondary institutions.	2018
	Achieved		Completed design of a Mobile Health Lab submitted for approval.	2018
	In Progress		Developed several Pre-Employment Trades offerings that were cancelled due to low enrolment. This initiative will continue into 2018-19 with a new marketing strategy.	2019
Explore partnerships to provide enhanced degree completion opportunities within the service region	Achieved	2020	Worked in partnership with the University of Alberta to accept 25 students into the Aboriginal Teacher Education Program, with face-to-face classes in the Fort Vermilion, Peace River, and Slave Lake campuses.	2018
	In Progress		Pursued a partnership with Little Red River Cree Nation to explore offering 60 credits towards the University of Alberta's Aboriginal Teacher Education Program.	2020
	In Progress		Initiated discussion with NAIT regarding degree-granting opportunities for Advanced Care Paramedic diploma students.	2020

GOALS AND PRIORITY INITIATIVES

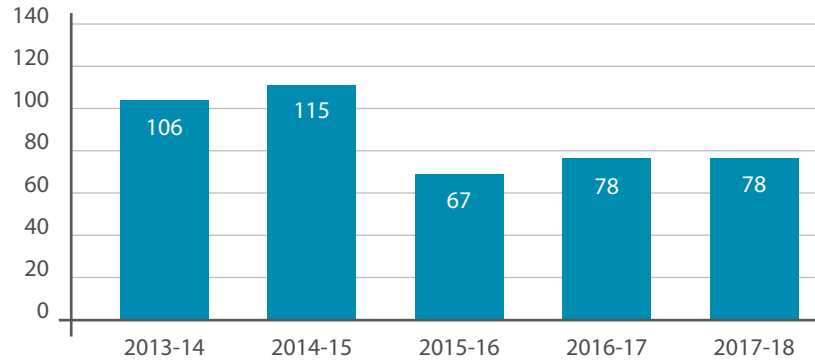
PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Develop a curriculum pathway to ladder Health Care Aide to Practical Nurse	In Progress	2020	Participated on the steering committee tasked with the development of the new Health Care Aide (HCA) curriculum to support the new HCA profile released by Alberta Health. The new curriculum will provide opportunity for laddering into the Practical Nurse program.	2020
			Monitored and updated all Health programming curriculum to meet accreditation standards on an ongoing basis.	
Create additional dual credit opportunities through collaborative partnerships with school divisions	Achieved	2020	Expanded Dual Credit opportunities through new learner pathways in collaboration with five school divisions that received the Alberta Education Dual Credit Start-up Funding Grant. New pathways include: <ul style="list-style-type: none"> - Health Care Aide with Fort Vermilion School Division, Peace River School Division, and Northlands School Division. - Emergency Medical Responder with High Prairie School Division. - Dual Credit Trades options with Peace River School Division. - Introduction to Surveying and Water and Wastewater Operator Preparation Program Level 1. - Oilfield Operator Training with Northern Gateway School Division. 	2018
	Achieved		Participated in the new High School Transitions module in support of sharing information on Dual Credit courses offered in Alberta. This new practice has provided for better planning with school districts.	



GOALS AND PRIORITY INITIATIVES

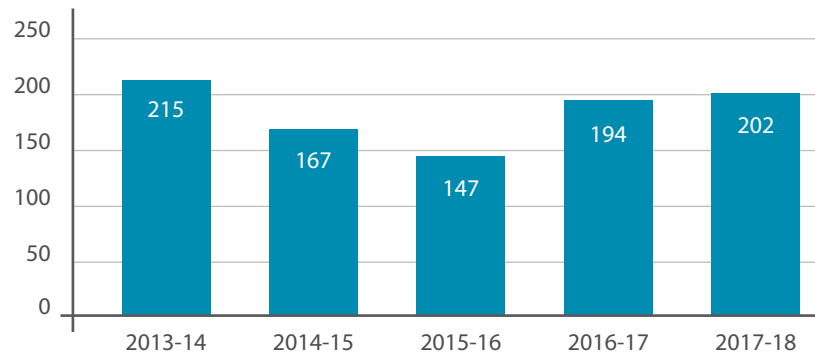
DUAL CREDIT STUDENTS

(Unique Headcount - 5 Year Trend)



NLC STUDENTS TRANSITIONING FROM ACADEMIC UPGRADING TO POST-SECONDARY

(Unique Headcount)



4% increase

in NLC students transitioning from Academic Upgrading to post-secondary from 2016/17 to 2017/18

8/26 CALP learner registrations

in Adult Literacy transitioned to high school-level English

15/43 CALP learner registrations

in Numeracy transitioned to high school-level Math



GOAL 03

Develop and implement relevant programs, student support services, and delivery models to mitigate student barriers with **focus on learning** accommodation

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Enhance student access to financial aid and debt management tools and information	Achieved	2019	Integrated debt management information into orientation during online sessions focused on financial aid and awards.	2018
	Achieved		Ensured all new program intakes are provided with financial aid information sessions either one-on-one or through an online module.	
Increase web-based resources for student awards to address financial barriers	Achieved	2019	Student awards have been added across most programs to assist with financial need. With the new awards, there was an increase in the value of awards distributed by 5% over the prior year.	2018
	Achieved		Redesigned presentation of student award information on the website for ease of use. Students are able to search by program for awards available during specific times of the year.	
Create a Centre for Student Success incorporating tutoring services, counselling appointment system, and an online student mentorship program	In Progress	2019	Identified and reviewed online academic tutoring resources against student needs in order to adequately plan for expanded tutoring support.	2019
	Achieved	2018	Integrated a new counselling appointment system that provides timely access to counselling based on student need.	2018

EMPLOYMENT RATE OF NORTHERN LAKES COLLEGE GRADUATES		
2014-15	2015-16	2016-17
89%	91%	96%

GOALS AND PRIORITY INITIATIVES

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Ensure programs continue to be accessible throughout our service region, where possible	Achieved	2019	Introduced a new delivery model for the Social Work Diploma program to expand online access throughout the province.	2018
	In Progress		Established an evergreening process to ensure all programs and courses are reviewed for relevance and quality assurance.	
	Achieved		Developed Continuing Education courses for health practitioners, delivered throughout the province and approved by the Alberta College of Paramedics.	2018
Improve support services for students with barriers to learning through enhanced processes	Achieved	2019	Incorporated Universal Design for Learning into accommodation practices to support more complex adjustments in learning design for student success. Responded to an 18% increase in students with diagnosed disability, from 57 to 67, as well as a 39% increase in students with psychiatric needs from 16 to 21.	2018
	Achieved		Updated instructional guides for faculty teaching students with accommodations in an online environment.	
Design and offer blended delivery apprenticeship programs available for remote and mobile labs	Achieved	2019	Completed design of blended delivery 1st Period Electrician.	2018
	Achieved		Requested curriculum funding to apply blended delivery model to 1st Period Welder to be offered in 2018-19.	
Implement Universal Design for Learning (UDL)	Achieved	2020	Familiarized new instructors to Universal Design for Learning concepts.	2018
	Achieved		Provided all students with access to technological applications to improve their learning whether a diagnosis is held or not.	
Integrate information competencies into the curriculum by offering an information literacy program	Achieved	2020	Developed and offered online Information Literacy sessions to support students and faculty. In the 2017-2018 academic year 15 classes were offered with 427 attendees.	2018

APPLICANT TO REGISTRANT CONVERSION RATE		
2015-16	2016-17	2017-18
35%	34%	35%



WALK 100 KM IN 100 DAYS



NLC Student Wellness Facilitator, Kyle Paulson, launched “Walk 100 km in 100 Days” as part of the Student Wellness Program. Almost 150 students and staff took part in the activity. Over a three-month period, staff and students walked a total of 14,700 kilometres. That is the equivalent of walking from Hay River to Calgary then back to Edmonton. Some individuals achieved the astounding figure of walking 900 km in 100 days.



GOAL 04

Develop a comprehensive *student wellness program* focused on *mental health*

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Ensure all learners have both online and face-to-face access to culturally-relevant, student-centered, counselling services	Achieved	2019	Expanded student care as a priority of Counselling Services with a focus on wellness and support initiatives for students.	2018
	Achieved		Developed a centralized counselling booking system available by phone or email, providing timely support to students by level of need.	2018
	In Progress		Developed professional development opportunities related to care interventions, treatment modalities, and multicultural counselling competency.	2019
Enhance opportunities for learners to access prevention-based wellness resources and engagement activities that encourage help-seeking behavior and contribute to personal resiliency	In Progress	2020	Enhanced access to community recreation by collaboratively implementing the Wellness Passport with the Student Association and providing reduced fee or no fee use of community recreation facilities.	2020
	In Progress		Expanded the Student Wellness web page to include resources for suicide intervention, prevention, and survivor support. Additional resources are in development with a view to provide awareness training for students and staff.	
Implement training opportunities for faculty to assist students with mental health, cognitive, and learning disabilities	In Progress	2019	Developed transition protocols on accommodation supports at post-secondary with the regional school districts.	2019
			Reviewed the College's academic readiness assessment against student perseverance in their course resulting in either no, or minor, adjustments to admissions scores.	

RETENTION RATE		
2015-16	2016-17	2017-18
82%	84%	85%

GOALS AND PRIORITY INITIATIVES

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Implement a comprehensive “Student Care” framework to ensure students-at-risk are identified and supported	In Progress	2020	Commenced development of a new student care and support procedure alongside changes to existing procedures that reference student concerns. Training resources will be created as an expected outcome of the best practices inherent in these procedures.	2020
	In Progress		Engaged in the revised triage system for identifying the levels of student risk both face-to-face and at a distance. This new system has improved communications among those affected, alongside a consistently informed approach for student access to support.	
	In Progress		Identified gaps through constant monitoring of the formal referral system against the informal self-referral contacts to ensure that prospective student information is identified for contact by supports.	



GOAL 05

Recruit, retain, develop, and *celebrate our people*

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Ensure professional development opportunities are available to all NLC employees to achieve advanced credentials	Achieved	2018	Developed a new Professional Development policy and procedure that outline enhanced funding opportunities to support staff to pursue advanced credentials.	2018
	Achieved		Approved 270 professional development applications in 2017-18. Continuing Education & Corporate Training courses saw 116 staff participants and 12 staff participated in post-secondary credit programming.	
	Achieved		Supported staff from all departments to undertake external professional development such as: - Transportation Safety, Load Securement, Confined Space, and Fall Arrest training - Unit4 Conference - Cybersecurity training.	
Establish a mentorship program to ensure faculty have the support of a peer mentor	In Progress	2018	Developed a faculty mentorship program connecting first year faculty with experienced faculty, slated to begin in Fall 2019.	2019
Develop a succession planning framework for all departments	In Progress	2020	Implemented and continued cross training within departments to assist with succession planning.	2020
	Achieved		Ensured staff is trained in areas needed to advance within the organization. Opportunities for staff to be placed in seconded positions are considered for all vacancies.	2018
	Achieved		Encouraged staff to consider their career path with their supervisor and to identify professional development opportunities in their annual performance appraisals.	2018
	Achieved		Hired a plumbing apprentice and anticipate the addition of a carpentry apprentice to build capacity in areas with anticipated attrition.	2018

GOALS AND PRIORITY INITIATIVES

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Strengthen onboarding process at the department level	Achieved	2020	Created a new and enhanced onboarding procedure. Developed a checklist for all supervisors to meet with new staff and ensure all materials are covered in the onboarding process.	2018
	Achieved		Required training and policy reviews are completed at time of hire.	2018
	In Progress		Acquired a new system, Tools4Ever, to assist with onboarding workflow and nearing implementation phase.	2020
Offer relevant in-house professional development opportunities to support growth and retention	Achieved	2020	Offered investigation training for all management.	2018
	Achieved		Provided cyber security training at the annual general meeting.	
	Achieved		Implemented WHIMIS training, Occupational Health and Safety Training, and FOIP training for all new staff.	
	Achieved		Arranged for Community Adult Learning Program staff to provide professional development on CALP programs and portal for College personnel. CALP staff participated in College-offered professional development opportunities.	
	Achieved		Ensured College staff participated in local Business Support Network and interagency meetings.	
	Achieved		Offered annual two-day nursing and paramedicine symposium for faculty.	
	Achieved		Supported faculty to access courses and work towards their certificate in Continuing Education & Corporate Training's "Essential Skills for Instructors".	





Community Contributions

through service learning projects

Students from the Educational Assistant program were asked to commit a minimum of 10 hours planning or participating in an activity that would give back to their community in a personally meaningful manner. Melissa Gray chose to help with the annual Spaghetti Supper and Loonie Auction in support of Red Earth Creek School, an annual event organized by the RECESS Society. Not only did Melissa work with other volunteers to facilitate the function, she also made flyers, gathered support and donations from local business, and worked tirelessly leading up to the event to make sure it went off without a hitch. Much to her delight, Melissa and the team of volunteers attracted over 190 people to the event in the community of Red Earth and raised a total of \$10,587.00 to support educational initiatives for the local school. "I was in awe of the community support, the graciousness of the local businesses, and how everyone united to support our school. Overall, our fundraiser was a huge success," enthuses Melissa Gray.

"It was really interesting to see the projects that the students came up with and how they found and filled gaps within their communities. They each did something meaningful to them, and many of them contributed well over their 10 required hours. As an instructor, I was proud to receive all of the wonderful feedback we got from their communities during my practicum visits. We are so lucky to have such amazing graduates," comments instructor Alisha David.

Melissa's involvement with this exceptional event was only one of the sixteen outstanding contributions NLC's Educational Assistant program students made to their communities while participating in their practicum. Students chose to commit their time to a multitude of causes ranging from developing fitness clubs, offering ESL support, teaching the traditional art of beading, and much more.

The following is a listing of the other 15 service learning projects:

- developing a running club
- volunteering with a "Kids in the Kitchen" program
- donating time to a local business to help train new staff
- volunteering at a local Friendship Centre to provide breakfast and lunch
- participating in a community clean up and BBQ
- teaching grades 7-12 students the traditional art of beading
- donating time to improve the sound system of St. James Cathedral in Peace River
- organizing a dart night for seniors
- volunteering with a local animal shelter
- organizing a community Easter scavenger hunt
- organizing a fitness and wellness program for school staff
- organizing a Gun and Sportsmen Show
- organizing a kindergarten graduation
- volunteering at a seniors' literacy camp.

GOAL 06

Build capacity in teaching, *learning technologies*, and *distributed learning*

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Research and communicate best practices in online teaching, learning, and alternate learning technologies	In Progress	2019	Investigated opportunities to present NLC's distance learning model at conferences.	2019
Provide faculty training on implementing College-supported educational technologies in the classroom	Achieved	2020	Hosted monthly training sessions for faculty on various educational technologies topics.	2018
	Achieved		Developed NLC Connect, a new mobile application to be launched in 2018-19 was designed to increase engagement and communication with students, faculty and staff.	
Provide faculty training on supporting student needs in a distributed learning environment	Achieved	2020	Offered multiple Collaborate Ultra sessions to accommodate the adoption of a new synchronous teaching platform.	2018
	Achieved		Conducted the annual Instructional Skills Workshop for all new faculty.	
	Achieved		Added faculty resources for teaching in a distributed learning environment, hosted on Moodle.	



GOAL 07

Create opportunities for **service learning** in programs where applicable

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Explore service learning opportunities in program areas to link our students to community	Achieved	2018	Implemented assessments in the Educational Assistant and Early Learning and Child Care programs that included community involvement projects such as: - Develop and facilitate clubs and community events - Volunteer time to various organizations & events - Help local business train new staff - Teach the traditional art of beading.	2018
	Achieved		Created a Health Lab in partnership with the Atoske Action Group at the Wabasca Campus to support the Pre-employment, Practical Nurse, and Health Care Aide programs.	
Create practicum and experiential learning opportunities where feasible	In Progress	2019	Integrated practicums, both mandatory and optional, in all Human Services, Business, and Health programs with placements in various local agencies and businesses.	2019
	Achieved		Presented the Mind Over Metal Welding Camp and the third annual Indigenous Career Explorers' Camp with 22 participants, which assists young adults to discover their career paths. The camps were supported by industry, business, and community organizations.	2018
Integrate practicums into existing and new programs as appropriate	Achieved	2019	Included practicum components in all programs where appropriate.	2018

Northern Lakes College ***Elder-in-Residence Program***

Organized by the College's Truth and Reconciliation Committee, the Elders-in-Residence program responds to the Truth and Reconciliation Commission of Canada's Calls to Action. In keeping with the College's inclusive delivery methods, the Elders in Residence Program provides service to students in face-to face meetings and by phone.

Students are encouraged to contact Elders when seeking personal or professional cultural advice or guidance, with questions about Indigenous protocol or languages, or just to have a casual conversation or to say hello. The Native Cultural Arts Museum provided the design and exhibiting of artifacts in the Elder's rooms.



GOAL 08

Continue to *enhance the role* of the Community Education Committees (CECs) and *work in collaboration* with the Community Adult Learning Programs (CALPs)

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Create opportunities to strengthen the relationship between NLC and the CALPs to enhance the entire adult learning continuum	Achieved	2018	Established partnership agreements with three Community Adult Learning Programs to share space and resources.	2018
			Invited CALP staff to participate in NLC professional development opportunities.	
			Hosted two NLC/CALP partnership meetings to review the partnership plan.	
			Ensured attendance and full participation in the annual Literacy and Learning Symposium.	
Partner with the CALPs to provide foundational adult learning and preparatory education for existing and prospective NLC students	Achieved	2018	Established partnership agreements with three Community Adult Learning Programs to support foundational adult learners.	2018
	Achieved		Engaged CALP partners to present lunch and learn sessions regarding study skills during student orientation.	
	Achieved		Offered employability training, as well as academic and computer literacy tutoring, in partnership with the CALPs at several locations.	
Support each CEC to create an annual strategic plan for each community	Achieved	2019	Created strategic and financial plans to support the unique needs of each community.	2018
	Achieved	2018	Consulted each CEC regarding labour market demands and economic trends with their communities.	2018

GOALS AND PRIORITY INITIATIVES

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Provide professional development for all CEC members, focusing on a theme of significance within the service region	Achieved	2020	Presented the annual CCEC Workshop to CEC members and community partners in April 2018 with an economic development theme. The two-day workshop featured Doug Griffiths, author of <i>13 Ways to Kill Your Community</i> .	2018
Ensure the CEC members are in leadership or educational roles within their communities	Achieved	2020	Recruited and oriented several new CEC members in communities across the region ensuring engagement and robust consultation.	2018



12% increase

in preparatory program enrolments from 2016/17 to 2017/18



25% increase in Academic Upgrading

program enrolments from 2016/17 to 2017/18



4 New Community Adult Learning Programs

established by NLC in 2017-18

GOAL 09

Implement the *Truth and Reconciliation* Commission's (TRC) Calls to Action for post-secondary institutions

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Engage local community elders to create an Elders' program to provide student support	Achieved	2020	Established Elders' spaces in Grouard and High Level to ensure Indigenous students have access to culturally-appropriate support.	2018
	In Progress		Established an Elders-in-Residence program to ensure Elders are available to students once a week either in person or online, with expansion in progress.	2020
Offer non-credit programs in Indigenous languages	Achieved	2020	Offered online Conversational Cree courses through the Continuing Education & Corporate Training department with participation from throughout the province.	2018
Provide staff and students with information sessions on the TRC's Calls to Action	Achieved	2020	Offered the KAIROS Blanket Exercise in three regional campuses with staff and student participation.	2018
Provide access to relevant Indigenous learning resources for instructors and students	Achieved	2020	Acquired Indigenous-learning resources for faculty and students where appropriate with plans to add to the collection.	2018
Develop partnerships to provide Indigenous cultural programming to enhance student learning, health, and well-being	Achieved	2020	Presented an Indigenous speaker during student orientation using traditional storytelling to convey teaching about resilience and wellness.	2018
	In Progress		Further partnerships are being explored to offer Indigenous cultural programming to students.	2020

GOALS AND PRIORITY INITIATIVES

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Programs will include curriculum dealing with Indigenous topics, where appropriate	Achieved	2020	Added Indigenous content to all curriculum and faculty have attended cultural seminars and the blanket exercise.	2018
Provide professional development opportunities in intercultural competency, conflict resolution, human rights, and anti-racism	Achieved	2020	Offered KAIROS Blanket Exercise workshops in High Level, Slave Lake, and Peace River for staff and students.	2018
	In Progress		Developed professional development plan for staff and students to be implemented in the 2018/19 academic year.	2019





GOAL 10 Ensure the College is recognized as a *sustainable organization*

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Build additional revenue through entrepreneurial activities and fundraising events	Achieved	2019	Augmented NLC Awards and Bursaries by \$100,000 in 2017-18.	2018
	Achieved		Implemented a new Student Emergency Fund through the Employee Giving Program and community donors, raising in excess of \$65,000.	2018
	Achieved		Introduced a new \$375,000 Rupertsland Education Endowment for Métis student awards.	2018
	In Progress		Developed the High Prairie Campus Capital Campaign, to be launched in 2018-19.	2019
	In Progress		Announced an NLC Gala fundraiser scheduled for January 2019.	2019
Ensure that facilities are safe and regularly maintained and teaching and learning equipment is current	Achieved	2019	Developed a working-alone strategy.	2018
	Achieved		Enhanced security at campuses with more cameras and monitoring devices.	
	Achieved		Provided SPOT to staff working in remote areas.	
	Achieved		Recruited a new Health and Safety Manager and Health and Safety Officer.	
	Achieved		Completed the new Facilities Master Plan, approved by the Board of Governors, to guide facility replacements and renewals.	
	Achieved		Worked with consultants to update the capital inventory in the Building and Land Information Management System (BLIMS) to identify high priority items and ensure accuracy of current information.	

GOALS AND PRIORITY INITIATIVES

PRIORITY INITIATIVES	Status	Expected Completion Date (CIP)	Progress made in the last 12 months	Revised Expected Completion
Improve sustainability through the implementation of environmentally-friendly business practices	Achieved	2019	Received a \$2.7 million electrical grant to replace lighting with high efficiency, long-lasting LED lights. This initiative has resulted in measurable and positive impact on energy costs.	2018
	Achieved		Designed the new High Prairie Campus to Net-Zero Ready specifications.	
	Achieved		Identified baseline greenhouse gas emissions to inform the development of an Institutional Energy Strategy.	
Maintain effective and efficient financial processes with controls to generate timely, accurate reporting	Achieved	2020	Implemented quarterly financial reviews with Budget Officers to ensure accuracy of reporting.	2018
	In Progress		Initiated a review of accounts receivable procedures and regulations to improve timeliness of accounts receivable balances.	2019



Community Outreach and Underrepresented Learners

COMMUNITY EDUCATION COMMITTEES

For nearly 50 years, the Council of Community Education Committees has met with the President and senior management on a regular basis. Northern Lakes College contributes to community development, leadership capacity, and vibrant communities through this unique partnership. There is a Community Education Committee (CEC) in every community we serve. Each CEC is represented by a member to cumulatively form the Council of Community Education Committees (CCEC). The NLC Board of Governors recognizes the CCEC as the principal advisory body of the College.

Community Education Committee (CEC) members are nominated by local organizations and appointed by the College. The President, Executive staff, and Regional Managers of the College regularly meet with the Council of Community Education Committees and have the opportunity to present NLC's goals and priority initiatives for discussion and input.

The committees and their council identify program and service needs for their communities and regions, support

individual learners, and advise each other about best practices in community education. Local decision-making is enabled through Community Program Funds provided to each CEC. These funds are utilized to enhance student success through activities such as community education, student awards, and student recruitment and retention initiatives.

PARTNERSHIP WITH COMMUNITY ADULT LEARNING PROGRAMS

The College works collaboratively with Community Adult Learning Programs (CALP) and CALP coordinators often serve as CEC members. NLC provides CALPs with complimentary space for literacy and adult learning programming. The collaboratively-developed NLC/CALP Partnership Plan outlines initiatives intended to enhance literacy, computer literacy, essential, and foundational skills. In the 2017-18 academic year, the partners met twice to review accomplishments and modify the plan.



GOALS AND PRIORITY INITIATIVES

COMMUNITY ENGAGEMENT

The College President consults with municipal councils, municipal districts, counties, Métis Settlements, and First Nation councils within the service region. The consultations provide an overview of key accomplishments and the strategic direction of the College, and council members are able to provide feedback.

NLC regularly engages in community consultation with a broad set of stakeholders including school divisions, Community Adult Learning Programs, Chambers of Commerce, business, and industry. College personnel represent the College on a variety of community organizations, which currently includes the Peace Region Economic Development Alliance, the Rural Economic Development Initiative, and multiple Chambers of Commerce.

The NLC Open House Roadshow series continued into 2017-18 and visited every campus. The community at large was invited to enjoy a barbeque, participate in wellness activities, learn about programs, participate in an interactive consultation exercise, and tour the campus. The Open House Roadshow attracted hundreds of community members throughout the service region.

DUAL CREDIT

NLC entered into partnership agreements to provide dual credit offerings with 13 school divisions within the service region.

NLC continued to utilize Mobile Trades Labs to offer introductory trades programming in rural and remote communities in partnership with First Nations, Métis Settlements, School Divisions, and the Province of Alberta.



INDIGENOUS LEARNERS

College programming and operations are grounded in a profound respect for diverse cultures. In 2017-18, 51% of Northern Lakes College students self-declared as Indigenous.

The NLC Indigenous Advisory Council has developed strategic initiatives in response to the Truth and Reconciliation Commission of Canada's Calls to Action for post-secondary institutions. Specific 2017-18 accomplishments include:

- Cultural awareness training for staff,
- Indigenous language classes,
- Indigenous learning resources,
- Indigenous content in curriculum,
- Elders-in-Residence Program.

CULTURAL LEARNING AND CELEBRATION

NLC demonstrated a commitment to local Indigenous cultures through the ongoing operation of the Native Cultural Arts Museum located at the Grouard Campus. The museum educates school groups, local residents, and tourists to the area. Additionally, NLC hosted two major cultural events in 2017-18. The Métis Celebration in Grouard and the Round Dance in Slave Lake brought the region together to celebrate Indigenous cultures and recognize the significant role of Indigenous peoples in the area.

3D Bird's-Eye View of *High Prairie Campus*



Northern Lakes College has priority capital projects that underscore the importance of suitable learning spaces for its students and of the technological backbone on which the College's successful distributed educational programming relies.

CAPITAL REPORT

CAPITAL REPORT							
Type	Description	Funding Sources	Progress of Funding Collections	Expected Completion Date (from CIP)	Status	Progress Made in Last 12 Months	Revised Expected Completion Date
Priority Projects							
Expansion	High Prairie Campus	Government of Alberta \$21.6 million College \$2.4 million in restricted accumulated surplus	Government of Alberta \$882,000 for planning College restricted accumulated surplus \$2.4 million	November 2020	In Progress	\$472,000 spent Planning and design nearing completion	
New	Peerless/Trout Community Learning Centre Replacement	Government of Alberta \$1.7 million College \$1.0 million in restricted accumulated surplus	Received College restricted accumulated surplus \$1.0 million	September 2020	In Progress	\$13,000 spent Legal agreements Project is proceeding as co-build with Peerless Trout First Nation	
New	Community Learning Centre Replacements Phase 2	Assigned to the Government of Alberta's unfunded capital list	The following campuses are identified as nearing the end of their useful lifecycle and remain in the Capital Plan: Peavine, Athabasca, and Valleyview	Undetermined, funding not yet available		In discussions with Athabasca University to co-locate on Athabasca University campus A lease between institutions and move expected to be completed in 2018	
Expansion	Slave Lake Trades and Resource Technology Facility	College has applied for funding Board has allocated \$1 million in restricted accumulated surplus		Undetermined, funding not yet available			
New	Information Technology Upgrades	Internally funded	Received	June 2018	In Progress	\$505,000 spent Wireless, hubs, screens, switches, and servers	Ongoing

CAPITAL REPORT

CAPITAL REPORT							
Type	Description	Funding Sources	Progress of Funding Collections	Expected Completion Date (from CIP)	Status	Progress Made in Last 12 Months	Revised Expected Completion Date
Other							
New	Peace River Campus	College \$1.5 million in restricted accumulated surplus				\$8,000 spent Business case for purchase of land	New
Renewal	Facilities Infrastructure Renewal	Internally Funded	Received	June 2018	In Progress	\$235,000 spent Doors, windows, renovations, siding, roofing, sidewalks, and septic	June 2019
New	Facilities Equipment	Internally Funded	Received	June 2018	Complete	\$450,000 spent Vehicles, bobcat, and toolcat	
	External Relations	Internally Funded	Received	June 2018	Complete	\$13,000 spent Displays and storage cabinets	
	Student Services	Internally Funded	Received	June 2018	Complete	\$17,000 spent Student fitness equipment	
	Trades Equipment	Internally Funded	Received	June 2018	Complete	\$167,000 spent Vehicle, bobcat, and router table	
	Practical Nursing Equipment	Internally Funded	Received	June 2018	Complete	\$153,000 spent Cardiac monitor, nursing simulators, and infusion pump	
	Allied Health Equipment	Internally Funded	Received	June 2018	Complete	\$194,000 spent Driving simulator, patient monitor tablet, wireless pump, and defibrillator	
	Trades Equipment	Government of Alberta grant - Mobile Trades Labs repurposed	Received	June 2018	Complete	\$44,000 spent Vortex Trainer Operator and Vortex Edge	

CAPITAL REPORT

CAPITAL REPORT							
Type	Description	Funding Sources	Progress of Funding Collections	Expected Completion Date (from CIP)	Status	Progress Made in Last 12 Months	Revised Expected Completion Date
Other							
Maintenance	Upgrades to sanitation, HVAC, roofing, gym, foundation, lighting, and chemical treatment system	Government of Alberta IMP \$1.6 million (includes carry forward of \$570,000 from prior year)	Received	June 2019	In Progress	\$496,000 spent Sanitation service upgrade Fort Vermilion Slave Lake HVAC repair High Level HVAC Grouard roofing upgrade Slave Lake gym upgrade Grouard foundation and wall repair Valleyview lighting upgrade Cooling tower chemical treatment system	
Renewal	Electrical Preservation Grant	Government of Alberta grant \$2.7 million (received in 2017)	Received	March 2019	In Progress	\$1.2 million spent Grouard electrical main service/sub panel upgrades Slave Lake BMS upgrade Slave Lake breaker/emergency power upgrade Slave Lake pool MCC project Wabasca electrical upgrade LED Upgrades: Grouard Phase I, Grouard Phase II, Smoky River, Peace River, Slave Lake, and Wabasca	
Renewal	Building Envelope	Government of Alberta grant \$3.3 million	Received	March 2020	In Progress	\$23,000 spent Grouard Water Infiltration Remediation	



INFORMATION TECHNOLOGY REPORT

SUSTAINABILITY THROUGH COLLABORATION

Northern Lakes College is committed to developing sustainable collaborative partnerships that enhance access to post-secondary education and improve student outcomes. The College has worked closely with Portage College to successfully complete several major system changes related to the Apply Alberta service and in February 2018, the College announced a joint initiative with Athabasca University and Portage College to evaluate and select a new Student Information System. Related activities have been ongoing through the year and joint implementation of the new system is targeted for 2019.

The College has also participated in various activities organized by Alberta Advanced Education, the Alberta Association in Higher Education for Information Technology (AAHEIT), Cybera, and Colleges and Institutes Canada. The College is actively collaborating with local community leaders and representatives from the Northern Alberta Development Council and local Economic Development Councils to improve Broadband access in the region. A joint paper supporting a combined business case for post-secondary education and broadband has been produced, and various partnership opportunities with local communities to improve Broadband are being explored.

STRATEGIC ENHANCEMENTS THAT SUPPORT GROWTH AND STUDENT RETENTION

A new mobile application for iOS and Android phones “NLC Connect” has been launched and has been warmly received by Students and Staff with over 1200 downloads and 800 registrations within just two months of launch. The app will help harmonize staff and student interactions across various applications and mobile devices, and allow users to easily follow important activities, classes, deadlines and College news. The integration of the College’s online student application facilities was completed in early 2018 and over 90% of admission applications are now received online. This shift has improved timeliness and reduced acceptance and registration bottlenecks. Enhanced workflows and new

self-serve features in the new Student Information System are expected to further improve efficiencies in this area. The College is currently working on text-to-speech and other accessibility functions for its web site and expects to launch these features before the end of the year.

The College has completely migrated its full portfolio of credit and non-credit course offerings to a single Moodle Learning Management System and the older platform will be retired at the end of 2018 once courses that are currently in progress complete. The new upgraded system provides better integration with the existing student information system, expediting student enrollment and more timely input of marks. The move to this single LMS platform also serves to provide a common baseline as the College starts to explore more advanced learning management alternatives and further enhances its learning technologies to support its blended distance delivery model.

Late 2017 also marked the College’s standardization of the Blackboard Collaborate Ultra learning system, and the integration and broad deployment of Microsoft Skype technologies which are mobile friendly, intuitive to use, and simpler to support than prior systems. The College’s Council Chambers have been renovated and new Microsoft Surface Hub technologies installed as an exploratory alternative to legacy video conferencing and video presentation systems.



ANALYTICS AND ADMINISTRATIVE SYSTEM IMPROVEMENTS

Timely access to enrollment and retention information allows the college to be more responsive to student needs and provides critical insights for planning and operational management activities. In early 2018, the College has added support for non-credit continuing education to its visual analytics platform and is exploring the use of dashboards for various applications such as Accounts Receivables, Governance, and IT Service Desk Optimization activities. The College's new analytics system has been used to provide insights in support of community partnerships aligned around common goals. One such example was the use of aggregate data to support the Town of Valleyview, AB in the preparation of a business case and proposal to compete in the federal Smart Cities Challenge.

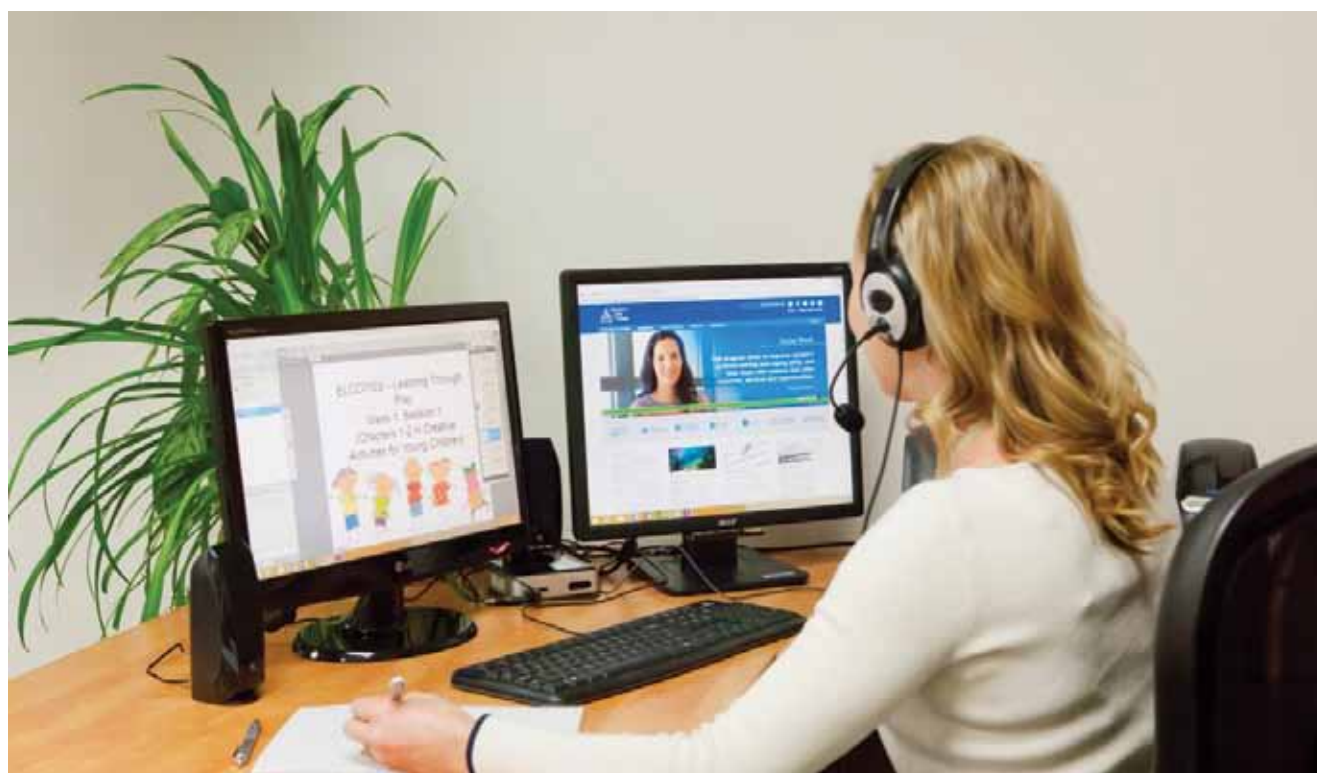
The College has commissioned budget planning and forecasting enhancements to its financial systems and is working to digitize various administrative workflows such as expense handling, payment handling and staff onboarding. The College has also continued its conversion of paper archives to digital format through 2017 and 2018, and an initiative to better integrate online digital document management within departmental operations. As part of this process more than 2,000 boxes of paper files and over

13,000 student records have been indexed and scanned into the College's Electronic Records Management System, with the focus now shifting to the conversion of archives from the Human Resources, Finance, and other administrative areas.

ADVANCES IN SAFETY MANAGEMENT

The College has in the past relied heavily on manual processes and excel worksheets to support its workplace safety management needs. The deployment of a new Occupational Health and Safety System is ongoing and expected to be in place by early 2019. This system will provide enhanced workflows to improve responsiveness and allow better reporting and tracking of hazards, incidents, inspections, corrective measures and audits. The system will also help better manage safety training, meetings and related documentation.

The College is in the process of installing backup options for external phonelines in the event of a network, IP phone system or power failure, and its emergency notification systems have been upgraded with improved accessibility and administration capabilities. An independent external consultancy group has been hired to review and update the College's IT Disaster Recovery Plans, and the College intends to follow up the same with Business Continuity Plan updates in 2019.



INFRASTRUCTURE TO SUPPORT A RICH, SEAMLESS DIGITAL EXPERIENCE

The College is experiencing dramatic shifts in network traffic trends due to the increased use of online collaboration, presentation and streaming services and the shift to Cloud based applications. Many of the College's students live in remote locations without reliable broadband access and rely on the College's own wireless network to complete their courses. These usage models place high demands on the College's core network, servers and internet connections, requiring optimal use of available resources. In 2018, Northern Lakes College commenced a phased upgrade of its core network switches, servers and storage clusters, many of which were already past their vendor support lifecycles. The new equipment provides higher levels of performance, reliability, security and capacity, as well as the needed traffic, demand and service management capabilities to address the College's evolving needs.

The College has adopted an eco-friendly, green computing approach. Approximately 650 computers have been replaced with low-footprint, energy efficient Intel NUC workstations over the last three years, supported by a transition to increased server virtualization and Cloud services. Electronic equipment past their useful lifetime continue to go through a secure data removal process and are professionally recycled in a cost effective, environmentally friendly manner.

The College has also added 200 computers to the IT network to support student needs and through the year, the College's IT department has supported various joint course delivery activities and initiatives with Lakeland College, Grand Prairie Regional College, and others. A pilot program that uses laptops in Academic Upgrading will continue into its second year, with devices being assigned to off campus students enrolled at the College's Lakeland location. Data and feedback collected from the user groups associated with the program are helping the College improve its program offerings as well it's IT support capabilities.



REINFORCED CYBERSECURITY CAPABILITIES

The College has seen a significant increase in targeted phishing, vishing and other forms of electronic attacks over the last couple of years and in 2017 had to deal with multiple targeted attacks. To help mitigate such risks, the College has reinforced its Cybersecurity capabilities with two-factor authentication, enhanced password management, improved security segmentation and other related upgrades. Major updates were made to the College's mail servers, spam filtering and mobile device management platforms, and the College's Internet systems updated with new features to address a growing number of malware, phishing, and botnet attacks.

The College continuously promotes Cybersecurity awareness across its user base. Quick reference guides have been made available to users and Cybersecurity and FOIP training are provided at the time of onboarding and at regular intervals. Alerts on security risks such as escalated phishing or vishing activity are also sent out on a regular basis. Updates to related policies, procedures and regulations have occurred in parallel and a new Identity Management System is being rolled out to improve user provisioning, access governance and onboarding effectiveness.

IT OPERATIONAL PLANNING

Development of IT capabilities remains a strategic priority as the College goes through a period of intense transformation, where significant changes must be managed without compromising user productivity and operational continuity. In the period 2017-2018, the College has carried out Lean process reviews and Kaizen improvement events in many areas including admissions, budgeting, finance, human resources, archival process, security design and mobile app development. The College has added business analyst, project co-ordination, technical support and user training positions to its existing IT workforce, although the sourcing and retention of skilled staff continues to be a challenge due to the College's remote campus locations.

The total number of tickets received by IT has increased by 1.7% from the prior year as security changes are implemented and major system upgrades continue take place. The introduction of self-serve facilities for some routine support functions are helping manage seasonal trends and offset some of this increase. Overall IT service desk productivity is improving with a 12% increase in the monthly average of the number of tickets closed and a resolution rate of 83%.

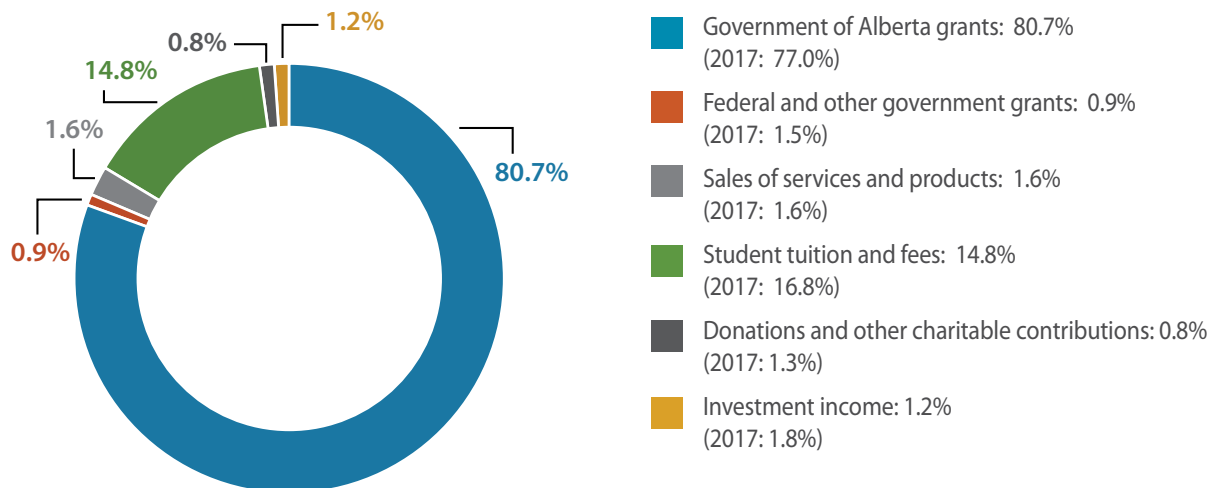


FINANCIAL RESULTS

1. Revenue (in 000's)

Total revenue increased by \$515 (1.2%) from \$44,511 in 2017 to \$45,026 in 2018.

The distribution of total revenue between revenue sources for the 2018 fiscal year is presented in the chart below. A comparative percentage for the previous year is also shown.



	REVENUE		
	Budget	2018	2017
Government of Alberta grants	\$ 33,970	\$ 36,369	\$ 34,266
Federal and other government grants	400	403	679
Sales of services and products	867	714	718
Student tuitions and fees	7,708	6,658	7,474
Donations and other contributions	887	347	576
Investment income	605	535	798
Total	\$ 44,437	\$ 45,026	\$ 44,511

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

Government of Alberta operating grants (GoA) represent the College's single largest source of funding for College activities. The GoA has increased the Campus Alberta (base operating) grant by 2%. Government of Alberta revenue was greater than budgeted mainly due to the fact that the Foundational Learning Supports Grant of \$1,049 was budgeted as Student Tuition and Fees, but the Government of Alberta changed its' funding model this year and provided a grant directly to the College.

As a result of this change, Student Tuition and Fees is less than the budget by the same amount. This decrease was offset by increases in enrolment, primarily in Academic Upgrading.

Federal and other government grants were not materially different than the budget. The College does not receive a large number of federally-funded grants.

Sales of services and products are generated by Ancillary Services. In providing services to the communities, students and staff, the College continued to develop funding for College operations and strategic initiatives. Sales of services were not materially different than the budget.

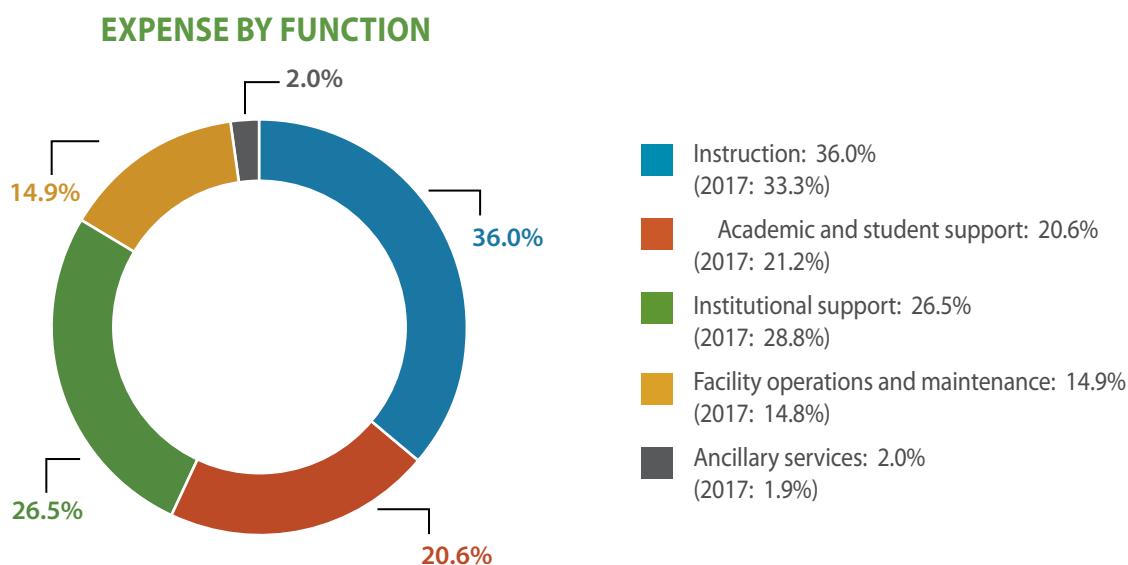
Donations and other contributions support many College activities. Donations and other contribution revenue were not materially different from the budget.

Investment income was under budget due to trades made by the investment manager. This income does not include the accumulated remeasurement gain in net assets.

2. Expenses (in 000's)

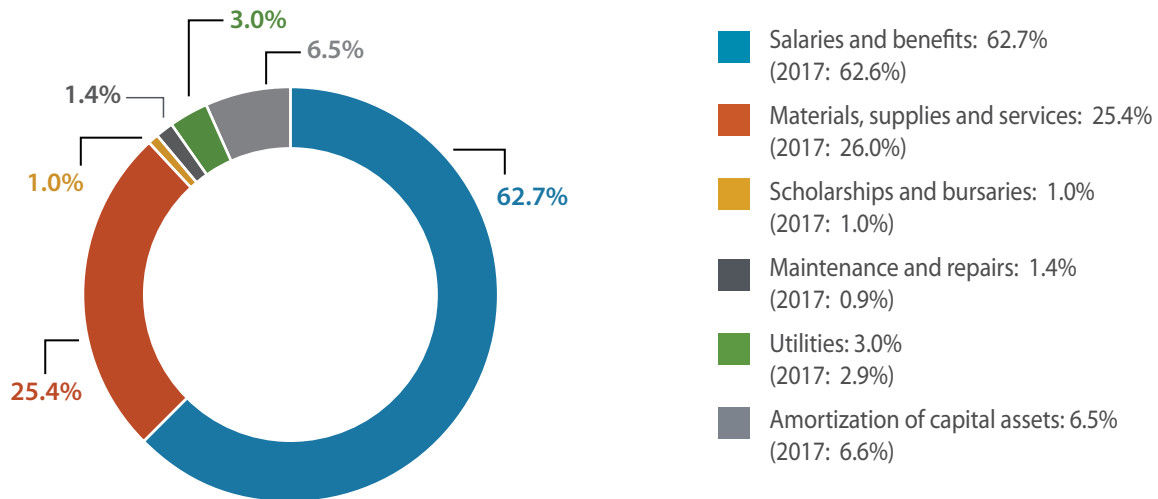
Total actual expenses increased by \$2,222 (5.4%), from \$41,529 in 2017 to \$43,751 in 2018.

The distribution of total expenses for the 2017-18 fiscal year is presented in the following two charts.



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

EXPENSE BY OBJECT



	EXPENSES		
	Budget	2018	2017
Salaries and benefits	\$ 28,058	\$ 27,408	\$ 26,029
Materials, supplies and services	11,829	11,104	10,790
Scholarships and bursaries	370	423	417
Maintenance and repairs	224	624	354
Utilities	1,306	1,329	1,198
Amortization of capital assets	2,650	2,863	2,741
Total	\$ 44,437	\$ 43,751	\$ 41,529

The key expense highlights are:

Salaries and benefits are less than the budget by \$650. This is mainly due to conservative budgeting. The increase of actual expenses from prior years reflects the adding of new positions to the College, paid severances and retro payment negotiated with the union.

Materials, supplies and services exceed the budget by \$725. Maintenance and Repair, in turn, are less than the budget by \$400. These variances have to be considered together. On a net basis, these expenses are comparable to the budget.

Other remaining expenses are comparable to the budget as well.

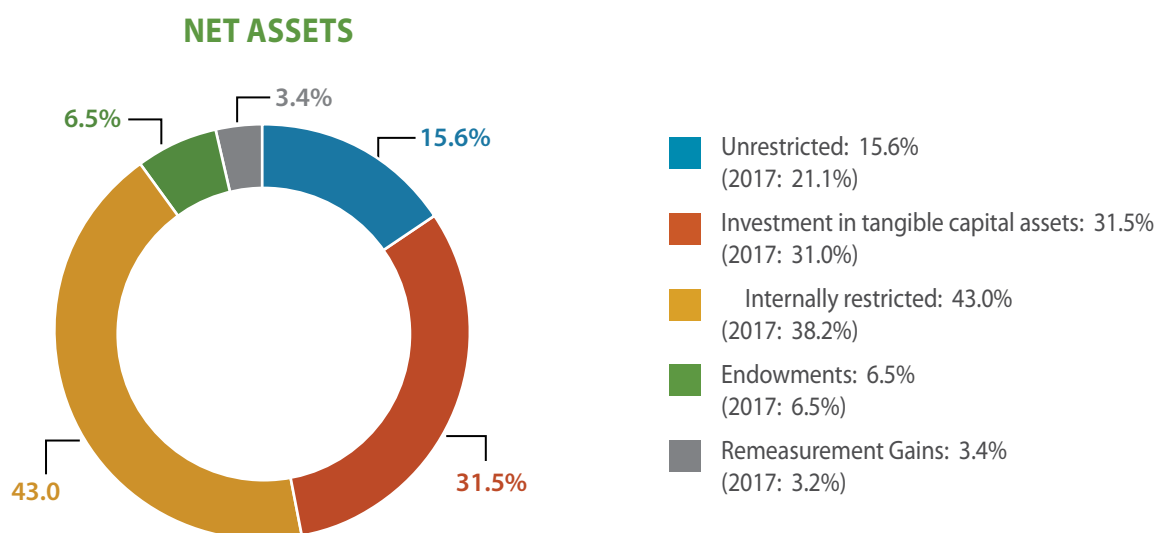
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

3. Net Assets (in 000's)

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

	NET ASSETS		
	2017	Change	2018
Accumulated operating surplus	\$ 5,564	\$ (1,201)	\$ 4,363
Investment in tangible capital assets	8,200	576	8,776
Internally restricted surplus	10,100	1,900	12,000
Endowments	1,725	77	1,802
Total accumulated surplus	25,589	1,352	26,941
Accumulated remeasurement gains	843	107	950
Total net assets	\$ 26,432	\$ 1,459	\$ 27,891

Net assets are more fully described in Note 13 to the Consolidated Financial Statements.



4. Net Financial Assets (in 000's)

The College's liquidity needs are met primarily through operating cash flows, working capital balances and capital expansion funding received through grants or long-term debt. Net financial assets is a measure of an organization's ability to use its' financial assets to cover liabilities and fund future operations. The College presents the net financial assets indicator as directed by the Controller of the Province of Alberta.

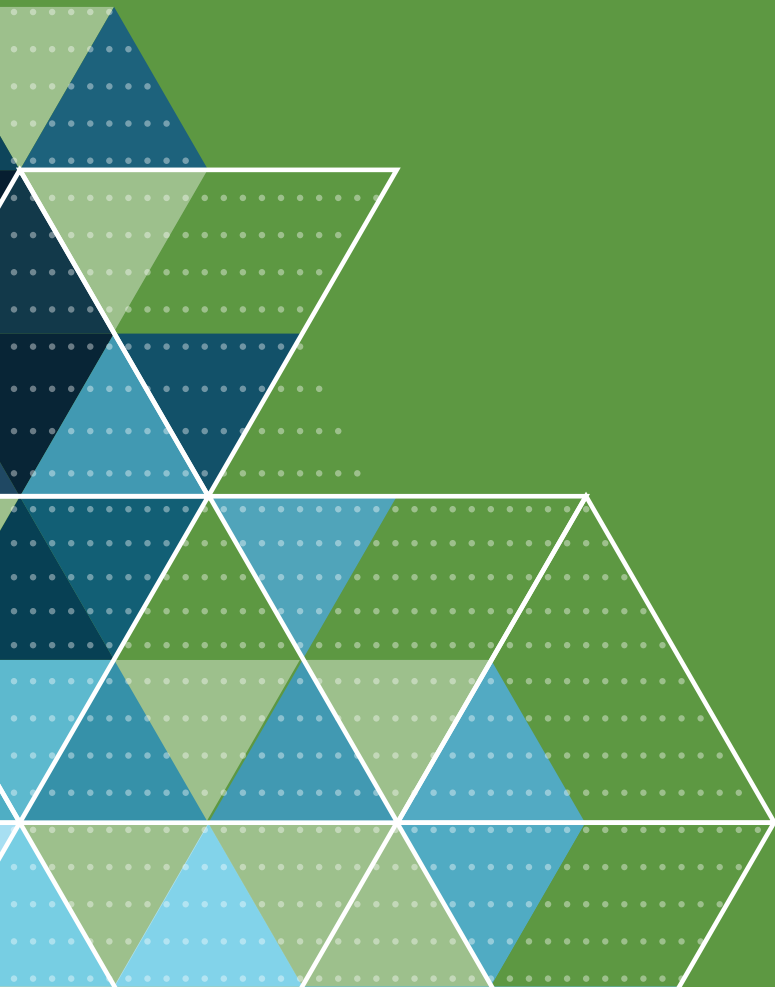
The College's presentation of net financial assets includes \$2,265 of portfolio investments that are restricted for endowments. Endowment restricted investments represent contributions from donors that are required to be maintained in tact in perpetuity, as well as capitalized investment income that is also required to be maintained in perpetuity to protect the economic value of the endowment. Therefore these investments cannot be used to pay for liabilities or future operating or capital purchases. As a result, College management also monitors an adjusted indicator, which management believes is important in evaluating the assets the College has available for future spending.

NET FINANCIAL ASSETS		
	2018	2017
Net financial assets (as presented in the consolidated statement of financial position)	\$ 18,501	\$ 17,587
Less portfolio investments - restricted for endowments	(2,265)	(2,112)
Adjusted net financial assets	\$ 16,236	\$ 15,475

During the year the Adjusted Net Financial Asset balance increased by \$761. The College continues to have sufficient positive Adjusted Net Financial Assets, demonstrating financial strength and commitment to managing the College's financial position.

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2018



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, 2018 and the results of its operations, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended.

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

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

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

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

[Original signed by Ann Everatt]

President and CEO

[Original signed by Robert LeSage]

Vice-President and CFO (Corporate Services)



STATEMENT OF MANAGEMENT RESPONSIBILITY



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, 2018, and the consolidated statements of operations, change in net financial assets, 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, 2018, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]

Auditor General

November 30, 2018

Edmonton, Alberta

FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As at June 30, 2018
(thousands of dollars)

	2018	2017
		restated (Note 4)
Financial Assets excluding portfolio investments restricted for endowments		
Cash and cash equivalents (Note 5)	\$ 11,816	\$ 8,703
Portfolio investments – non-endowment (Note 6)	20,810	20,154
Accounts receivable	2,081	2,498
Inventories held for sale	33	30
	34,740	31,385
Liabilities		
Accounts payable and accrued liabilities	4,429	4,091
Employee future benefits liabilities (Note 8)	407	495
Debt (Note 9)	931	2,019
Deferred revenue (Note 10)	12,737	9,305
	18,504	15,910
Net financial assets excluding portfolio investments restricted for endowments	16,236	15,475
Portfolio investments – restricted for endowments (Note 6)	2,265	2,112
Net financial assets	18,501	17,587
Non-financial assets		
Tangible capital assets (Note 11)	37,004	36,286
Inventories of supplies	414	392
Prepaid expenses	199	253
	37,617	36,931
Net assets before spent deferred capital contributions	56,118	54,518
Spent deferred capital contributions (Note 12)	28,227	28,086
Net assets (Note 13)	\$ 27,891	\$ 26,432
Net assets comprised of:		
Accumulated surplus	26,941	25,589
Accumulated remeasurement gains	950	843
	\$ 27,891	\$ 26,432
Contingent liabilities and contractual obligations (Notes 14 and 16)		
Contractual rights (Note 15)		

Approved by the Board of Governors

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

[Original signed by Ray Stern]
Chair, Audit and Finance Committee

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

FINANCIAL STATEMENTS

Consolidated Statement of Operations

For the year ended June 30, 2018

(thousands of dollars)

	Budget	2018	2017
			restated (Note 4)
Revenues			
Government of Alberta grants (Note 20)	\$ 33,970	\$ 36,369	\$ 34,266
Federal and other government grants (Note 20)	400	403	679
Sales of services and products	867	714	718
Student tuition and fees	7,708	6,658	7,474
Donations and other contributions	887	347	576
Investment income	605	535	798
	44,437	45,026	44,511
Expenses			
Instruction	15,056	15,720	13,781
Academic and student support	8,648	9,030	8,820
Institutional support	13,783	11,591	11,971
Facility operations and maintenance	6,102	6,523	6,148
Ancillary services	848	887	809
	44,437	43,751	41,529
Annual operating surplus (deficit)	-	1,275	2,982
Endowment capitalized investment income (Note 13)	-	77	45
Annual surplus	-	1,352	3,027
Accumulated surplus, beginning of year	-	25,589	22,562
Accumulated surplus, end of year	\$ -	\$ 26,941	\$ 25,589

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

FINANCIAL STATEMENTS

Consolidated Statement of Change in Net Financial Assets

For the year ended June 30, 2018
(thousands of dollars)

	2018	2017
		restated (Note 4)
Annual surplus	\$ 1,352	\$ 3,027
Acquisition of tangible capital assets	(3,838)	(1,549)
Proceeds from sale of tangible capital assets	357	156
Amortization of tangible capital assets	2,863	2,741
Loss (gain) on disposal of tangible capital assets	(100)	15
Change in inventories of supplies	(22)	195
Change in prepaid expenses	54	76
Change in spent deferred capital contribution	141	(1,238)
Change in accumulated remeasurement gains	107	25
Increase in net financial assets	914	3,448
Net financial assets, beginning of year	17,587	14,139
Net financial assets, end of year	\$ 18,501	\$ 17,587

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

FINANCIAL STATEMENTS

Consolidated Statement of Remeasurement Gains and Losses

For the year ended June 30, 2018

(thousands of dollars)

	2018	2017
Accumulated remeasurement gains at beginning of year	\$ 843	\$ 818
Unrealized gains (losses) attributable to:		
Portfolio investments – non-endowment	237	(265)
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments – non-endowment	(130)	290
Accumulated remeasurement gains at end of year	<u>\$ 950</u>	<u>\$ 843</u>

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

FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

Year Ended June 30, 2018

(thousands of dollars)

	2018	2017
		restated (Note 4)
OPERATING TRANSACTIONS		
Operating surplus	\$ 1,352	\$ 3,027
Add (deduct) non-cash items:		
Amortization of tangible capital assets	2,863	2,741
Gain (loss) on disposal of tangible capital assets	(100)	15
Expended capital recognized as revenue	(2,066)	(1,967)
(Decrease) increase in employee future benefit liabilities	(88)	7
Decrease in accounts receivable	417	1,519
(Increase) in inventories held for resale	(3)	(14)
Increase (decrease) in accounts payable and accrued liabilities	338	(906)
Increase in deferred revenue	3,432	2,118
(Increase) decrease in inventory of supplies	(22)	195
Decrease in prepaid expenses	54	76
Cash provided by operating transactions	6,177	6,811
INVESTING TRANSACTIONS		
Purchases of portfolio investments, net of sales	(701)	(1,368)
Cash applied to investing transactions	(701)	(1,368)
FINANCING TRANSACTIONS		
Debt repayment	(1,089)	(1,059)
Increase in spent deferred capital contributions, less expended capital recognized as revenue	2,207	729
Cash provided by (applied to) financing transactions	1,118	(330)
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(3,838)	(1,549)
Proceeds on sale of tangible capital assets	357	156
Cash applied to capital transactions	(3,481)	(1,393)
Increase in cash and cash equivalents	3,113	3,720
Cash and cash equivalents at beginning of year	8,703	4,983
Cash and cash equivalents at end of year	\$ 11,816	\$ 8,703

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

Notes to the Consolidated Financial Statements

June 30, 2018

(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 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 consolidated financial statements and, together with the following notes, should be considered an integral part of the consolidated financial statements.

b. 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 and amortized cost
Inventories held for resale	Lower of cost or net realizable value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of financial assets and liabilities are recognized in the consolidated statement of remeasurement gains and losses. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized 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 assets and liabilities 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. Investment management fees are expensed as incurred. The purchase and sale of cash and cash equivalents and portfolio investments are accounted for using trade-date accounting.

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

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.

c. 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 recognized as deferred revenue.

i. Government grants, non-government grants and donations

Government transfers are referred to as government grants.

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

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

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

ii. Grants and donations related to land

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

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

iii. Endowment donations

Endowment donations are recognized as revenue in the consolidated statement of operations in the year in which they are received and are required by donors 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 may 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.

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

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

Endowment contributions, matching contributions and associated investment income allocated for the preservation of endowment capital purchasing power are recognized in the Consolidated Statement of Operations in the period in which they are received.

iv. Investment income

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. 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.

The endowment spending allocation portion of investment income earned by endowments is recognized as deferred revenue when the terms for the use by the endowment create a liability. Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the Consolidated Statement of Operations.

d. Inventories Held for Sale

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

e. 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. Assets or disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Capital lease obligations are recorded at the present value of the future minimum lease payments at the inception of the lease, 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

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

Intangible assets are expensed when acquired and not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

f. Asset Retirement Obligations

Asset retirement obligations are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

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. Expense by Function

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

Instruction

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

Academic and student support

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

Institutional support

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

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

2. Summary of Significant Accounting Policies and Reporting Practices (continued)

Facility operations and maintenance

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

Ancillary services

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

j. Funds and Reserves

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

k. Future Accounting Changes

In June 2015, the Public Sector Accounting Board issued PS 3430 Restructuring transactions. This accounting standard is effective for fiscal years starting on or after April 1, 2018. PS 3430 Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

In March 2018, the Public Sector Accounting Board issued PS 3280 Asset Retirement Obligations. This accounting standard is effective for fiscal years starting on or after April 1, 2021. PS 3280 Asset Retirement Obligations provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Management is currently assessing the impact of this new standard on the consolidated financial statements.

3. Adoption of New Accounting Standards

The institution has prospectively adopted standards from July 1, 2017:

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.
- PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- PS 3210 - Assets provides guidance for applying the definition of assets set out in PS 1000, Financial statement concepts, and establishes general disclosure standards for assets.
- PS 3320 - Contingent assets defines and establishes disclosure standards for contingent assets.
- PS 3380 - Contractual rights defines and establishes disclosure standards on contractual rights.

The effect of adopting these standards results in changing disclosures of Note 15 and 19.

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

4. Correction of Error

During the year the College noted one error in its reporting of deferred revenue. This error was as a result of issues with tracking of expenses that have been identified and resolved in the current fiscal period. Another error was a result of coding of expenses.

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

	As previously reported	2017 adjustment recorded	As restated
Increase (decrease) in			
Statement of Financial Position			
Deferred Revenue	\$ 10,065	\$ (760)	\$ 9,305
Accumulated Surplus	24,829	760	25,589
Statement of Operations			
Government of Alberta Grants	33,603	663	34,266
Federal and other government grants	582	97	679
Annual operating surplus (deficit)	2,222	760	2,982
Annual surplus	2,267	760	3,027
Accumulated surplus, end of year	\$ 24,829	\$ 760	\$ 25,589

5. Cash and Cash Equivalents

	2018	2017
Cash	\$ 3,958	\$ 6,525
Money market funds, short-term notes and treasury bills	7,858	2,178
	<u>\$ 11,816</u>	<u>\$ 8,703</u>

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

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

6. Portfolio Investments

	2018	2017
Portfolio investments – non-endowment	\$ 20,810	\$ 20,154
Portfolio investments – restricted for endowments	2,265	2,112
	<u>\$ 23,075</u>	<u>\$ 22,266</u>

The composition of portfolio investments measured at fair value is as follows:

	2018			
	Level 1	Level 2	Level 3	Total
Portfolio investments at fair value				
Bonds				
Canadian Bonds	\$ -	\$ 6,677	\$ -	\$ 6,677
Equities				
Mutual Funds	6,808	9,533	57	16,398
Total portfolio investments	\$ 6,808	\$ 16,210	\$ 57	\$ 23,075
	30%	70%	- %	100%
	2017			
	Level 1	Level 2	Level 3	Total
Portfolio investments at fair value				
Bonds				
Canadian Bonds	\$ -	\$ 7,801	\$ -	\$ 7,801
Equities				
Mutual Funds	5,601	8,850	14	14,465
Total portfolio investments	\$ 5,601	\$ 16,651	\$ 14	\$ 22,266
	25%	75%	- %	100%

The fair value measurements are those derived from:

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

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included with level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

7. Financial risk management

The College is exposed to the following risks:

Market price risk

The College is exposed to market price 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.

At June 30, 2018, the impact of a change in the rate of return on the investment portfolio is as follows:

- a 10.24% increase in fixed income securities would have a \$1,087 increase (2017 - 11.45% change would have a \$887 increase)

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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

Liquidity risk is the risk that the College will encounter difficulty meeting obligations associated with its financial liabilities. 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 (2017 - \$2,000) limit with interest paid monthly at an interest rate of Prime plus 0.3% (2017 - Prime plus 0.3%). As at June 30, 2018, no draws (2017 - no draws) have been made from this available line of credit.

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the College. The College is exposed to credit risk on investments and 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	2018	2017
Bonds		
AAA	48.30 %	31.95 %
AA	26.90 %	30.48 %
A	16.30 %	16.58 %
BBB	8.10 %	20.00 %
Below BBB	0.40 %	0.02 %
Not Rated	- %	0.97 %
	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. Interest risk on the College's debt is managed through a fixed-rate agreement with its lender (Note 9).

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

7. Financial risk management (continued)

The maturity and effective market yield of interest bearing investments are as follows:

	Less than 1 year	1 - 5 years	Greater than 5 years	Average effective market yield
Money market funds and GICs	100.00 %	- %	- %	1.76 %
Canadian corporate bonds	- %	100.00 %	- %	2.15 %
Canadian government bonds	- %	33.49 %	66.51 %	2.04 %
Provincial government bonds	13.71 %	86.29 %	- %	2.08 %

8. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2018	2017
Long term disability	\$ 407	\$ 495

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

Long term disability (LTD) benefits

The College provides long-term disability defined benefits to its employees. The most recent actuarial valuation for these benefits was at June 30, 2018.

The long-term disability plan provides pension and non-pension benefits after employment, but not before the employee's normal retirement date.

	2018	2017
Accrued benefit obligation:		
Balance, beginning	\$ 495	\$ 488
Interest cost	12	12
Benefits paid	(52)	(56)
Actuarial (gain) loss	(57)	51
Change in actuarial assumptions	9	-
	<u>\$ 407</u>	<u>\$ 495</u>

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

	2018	2017
Accrued benefit obligation:		
Discount rate	2.5 %	2.5 %
Long-term average compensation increase	- %	- %
Estimated average remaining service life (years)	8	7

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

8. Employee Future Benefit Liabilities (continued)

B. Defined benefit accounted for on a defined contribution basis

Management Employees Pension Plan (MEPP)

The MEPP is a multi-employer contributory defined benefit pension plan for managers at the College and is accounted for on a defined contribution basis. At December 31, 2017, the MEPP reported an actuarial surplus of \$866,006 (2016 - \$402,033). An actuarial valuation of the MEPP was carried out as at December 31, 2015 and was then extrapolated to December 31, 2017. The pension expense recorded in these financial statements is \$321 (2017 - \$318).

Public Service Pension Plan (PSPP)

The PSPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. The pension expense recorded in these consolidated financial statements is \$2,314 (2017 - \$2,305).

An actuarial valuation of the PSPP was carried out as at December 31, 2016 and was then extrapolated to December 31, 2017. At December 31, 2017, the PSPP reported an actuarial surplus of \$1,275,843 (2016 - \$302,975). For the year ended December 31, 2017, PSPP reported employer contributions of \$363,748 (2016 - \$350,083) and employee contributions of \$366,706 (2016 - \$352,532). The PSPP's deficit is being discharged through additional contributions from both employees and employers until 2025. Other than the requirement to make additional contributions, the College does not bear any risk related to the PSPP deficiency.

9. Debt

Debt is measured at amortized cost and is comprised of the following:

2018				2017
	Collateral	Maturity	Interest Rate	Amortized Cost
Royal Bank lease agreement	2	May 2019	2.86 %	\$ 931
				\$ 2,019
				\$ 931
				\$ 2,019

Collateral – (1) none; (2) title to 5 cranes.

Principal repayments in each of the next five years and thereafter are as follows:

2019	\$ 931
2020	-
2021	-
2022	-
2023	-
Thereafter	-
	\$ 931

Interest expense on debt is \$43 (2017 - \$70) and is included in the consolidated statement of operations.

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

10. Deferred Revenue

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

	2018				2017
					Restated (Note 4)
	Unspent externally restricted grants and donations	Unspent deferred capital contributions	Tuition and other fees	Total	Total
Balance, beginning of year	\$ 7,025	\$ 1,975	\$ 306	\$ 9,306	\$ 7,187
Grants, tuition, donations received during the year	10,198	884	6,667	17,749	14,595
Restricted investment income	149	32	-	181	147
Unrealized gains (losses)	(63)	-	-	(63)	17
Transfers to spent deferred capital contributions	(1,722)	(485)	-	(2,207)	(729)
Recognized as revenue	(5,564)	(7)	(6,658)	(12,229)	(11,912)
Balance, end of year	\$ 10,023	\$ 2,399	\$ 315	\$ 12,737	\$ 9,305

11. Tangible capital assets

	2018						2017
	Land	Buildings	Land Improvements	Equipment ⁽¹⁾	Computer Hardware & Software	Total	Total
Cost							
Beginning of year	\$ 1,263	\$ 46,568	\$ 686	\$ 13,388	\$ 1,971	\$ 63,876	\$ 62,787
Acquisitions	-	2,260	34	1,065	479	3,838	1,549
Disposals	-	(141)	-	(556)	(167)	(864)	(460)
	1,263	48,687	720	13,897	2,283	66,850	63,876
Accumulated Amortization							
Beginning of year	\$ -	\$ 20,574	\$ 330	\$ 5,257	\$ 1,429	\$ 27,590	\$ 25,138
Amortization expense	-	1,321	19	1,386	137	2,863	2,741
Effects on disposals, including write-downs	-	(66)	-	(374)	(167)	(607)	(289)
	-	21,829	349	6,269	1,399	29,846	27,590
Net book value at June 30, 2018	\$ 1,263	\$ 26,858	\$ 371	\$ 7,628	\$ 884	\$ 37,004	\$ -
Net book value at June 30, 2017	\$ 1,263	\$ 25,994	\$ 356	\$ 8,131	\$ 542	\$ -	\$ 36,286

Cost include work-in-progress at June 30, 2018 totaling \$1,266 (2017 - \$330) comprised of buildings \$678 (2017 - \$251), computer hardware and software \$469 (2017 - \$79) and equipment \$119 (2017 - \$nil), which are not amortized as the assets are not in service.

No interest was capitalized by the College in 2018 (2017 - nil).

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

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

12. Spent deferred capital contributions

Spent deferred capital contributions is comprised of restricted grants and donations spent on tangible capital acquisitions (not yet recognized as revenue).

	2018	2017
Spent Deferred Capital Contributions		
Spent deferred capital contributions, beginning of year	\$ 28,086	\$ 29,324
Transfers from unspent deferred capital contributions	485	37
Transfers from unspent externally restricted grants and donations	1,722	692
Expended capital recognized as revenue	(2,066)	(1,967)
Spent deferred capital contributions, end of year	<u>\$ 28,227</u>	<u>\$ 28,086</u>

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

13. Net assets

The composition of accumulated operating surplus is as follows:

	Accumulated surplus (deficit) from operations	Investment in tangible capital assets	Internally restricted surplus	Endowments	Total accumulated surplus
Net assets as at June 30, 2017 (Note 4)	\$ 8,975	\$ 8,325	\$ 4,400	\$ 1,680	\$ 23,380
Operating surplus	3,027	-	-	-	3,027
Acquisition of capital assets	(821)	821	-	-	-
Capitalized investment income	(45)	-	-	45	-
Amortization of internally funded tangible capital assets	827	(827)	-	-	-
Net book value of tangible capital assets disposals	119	(119)	-	-	-
Net Board appropriation to internally restricted surplus	(5,700)	-	5,700	-	-
Change in accumulated remeasurement gains	25	-	-	-	25
Net assets, beginning of year	6,407	8,200	10,100	1,725	26,432
Operating surplus	1,352	-	-	-	1,352
Acquisition of capital assets	(1,631)	1,631	-	-	-
Capitalized investment income	(77)	-	-	77	-
Net book value of tangible capital assets disposals	178	(178)	-	-	-
Amortization of internally funded capital assets	877	(877)	-	-	-
Net Board appropriation to internally restricted surplus	(1,900)	-	1,900	-	-
Change in accumulated remeasurement gains	107	-	-	-	107
Net assets, end of year	<u>\$ 5,313</u>	<u>\$ 8,776</u>	<u>\$ 12,000</u>	<u>\$ 1,802</u>	<u>\$ 27,891</u>
Net assets is comprised of:					
Accumulated surplus	4,363	8,776	12,000	1,802	26,941
Accumulated remeasurement gains	950	-	-	-	950
	<u>\$ 5,313</u>	<u>\$ 8,776</u>	<u>\$ 12,000</u>	<u>\$ 1,802</u>	<u>\$ 27,891</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.

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

June 30, 2018

(thousands of dollars)

13. Net assets (continued)

Internally restricted accumulated surplus represent amounts set aside by the Institution'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 includes:

	2018	2017
Trout/Peerless Campus	\$ 1,000	\$ 1,000
Peace River Student Residences	1,000	1,000
Peace River, Land	500	400
High Prairie campus consolidation	3,000	1,000
Slave Lake Trades Centre	1,000	1,000
High Prairie co-build	-	200
Enterprise information system	2,500	2,500
Campus replacements	3,000	3,000
	<u>\$ 12,000</u>	<u>\$ 10,100</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 Rights

Contractual rights are right of the College to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating Leases	Capital Leases	Other Contracts	Total
2019	\$ -	\$ -	\$ 1,463	\$ 1,463
	-	-	1,463	1,463
Total at June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>

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(thousands of dollars)

16. Contractual Obligations

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

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

	Other contracts	Information Systems and Technologys	Long-term Leases	Total
2019	\$ 552	\$ 71	\$ 200	\$ 823
2020	35	-	55	90
2021	-	-	8	8
	587	71	263	921
Total at June 30, 2017	\$ 981	\$ 243	\$ 543	\$ 1,767

17. Expense by Object

The following is a summary of expense by object.

	2018		2017
	Budget	Actual	Actual
Salaries and benefits	\$ 28,058	\$ 27,408	\$ 26,029
Materials, supplies and services	11,829	11,104	10,790
Scholarships and bursaries	370	423	417
Maintenance and repairs	224	624	354
Utilities	1,306	1,329	1,198
Amortization of capital assets	2,650	2,863	2,741
	\$ 44,437	\$ 43,751	\$ 41,529

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(thousands of dollars)

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.

	2018	2017
Northern Alberta Development Council	\$ 58	\$ 73
	<u>\$ 58</u>	<u>\$ 73</u>

19. Related Parties

The College is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the institution and their close family members are also considered related parties. The institution may enter into transactions with these entities and individuals in the normal course of operations and on normal terms.

20. Government Transfers

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.

	2018	2017
		restated (Note 4)
Grants from Government of Alberta		
Advanced Education:		
Operating	\$ 29,387	\$ 28,811
Other	10,743	6,967
Total Advanced Education	<u>40,130</u>	<u>35,778</u>
Other Post-secondary Institutions	25	25
	<u>40,155</u>	<u>35,803</u>
Other Government of Alberta departments and agencies	17	-
Total contributions received	<u>40,172</u>	<u>35,803</u>
Restricted expended capital recognized as revenue	2,024	1,967
Less: deferred contributions	(5,827)	(3,504)
	<u>\$ 36,369</u>	<u>\$ 34,266</u>
Federal and other government grants		
Contributions received	\$ 372	\$ 679
Previously deferred revenue	31	-
Revenue	<u>\$ 403</u>	<u>\$ 679</u>

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21. Salary and Employee Benefits

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

	2018				2017
	Base salary ⁽²⁾	Other cash benefits ⁽³⁾	Other non-cash benefits ⁽⁴⁾	Total	Total
Governance⁽¹⁾					
Chair of the Board of Governors	\$ -	\$ 12	\$ -	\$ 12	\$ 8
Members of the Board of Governors	-	29	-	29	15
Executive					
President	224	7	32	263	265
Vice-Presidents:					
Vice-President Academic	171	22	31	224	208
Vice-President Corporate Services	167	-	32	199	205
Chief Information Officer ⁽⁵⁾	175	-	33	208	71
Other					
Senior Director, Human Resources	\$ 150	\$ 1	\$ 32	\$ 183	\$ 155

⁽¹⁾ The Chair and Members of Board of Governors receive stipends for their participation on the Board. Board members also receive honoraria for participation in Board meetings.

⁽²⁾ Base salary includes pensionable base pay.

⁽³⁾ Other cash benefits include wellness pay-outs, health spending accounts, vacation payments, car allowances, honoraria and other lump sum payments, including severance. No bonuses were paid in 2018.

⁽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 Chief Information Officer commenced March 1, 2017.

22. Budget Figures

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

23. Approval of Financial Statements

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

24. Comparative Figures

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



NORTHERN LAKES
COLLEGE

1201 Main Street SE Slave Lake, AB T0G 2A3
Ph: 780-849-8600 | Fax: 780-849-2570