



excellence  
innovation &



Lethbridge College Annual Report • 2010/11



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## Vision

To be **recognized** as one of Canada's finest comprehensive colleges providing world-class education and training through commitment to **excellence** and **innovation**

## Mission

Lethbridge College provides **high quality, innovative** programs and services enabling learners to achieve their educational and career goals.

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# accountability statement

Lethbridge College's Annual Report for the year ended June 30, 2011, was prepared under the Board's direction in accordance with the Government Accountability Act and ministerial guidelines established pursuant to the Government Accountability Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

[Original signed by R. L. (Randy) Jespersen, Dec. 1, 2011]

**R. L. (Randy) Jespersen**  
Chair, Board of Governors  
Lethbridge College



# board of governors

Mr. R. L. (Randy) Jespersen  
Ms. Dawna Coslovi  
Dr. Tracy L. Edwards  
Mr. John C. Jacobson  
Ms. Cynthia Johnston  
Mr. Scott Lehbauer

Mr. Mark Lencucha  
Dr. Douglas Myhre  
Mr. Aaron Roth  
Mr. Douglas Frank Stroh  
Ms. Veronica Weir

# management responsibility for reporting

Lethbridge 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 Finance, Audit and Risk Committee, as well as approved by the Board of Governors and is prepared in accordance with the Government Accountability Act and the Post-secondary Learning Act.

The Auditor General of the Province of Alberta, the institution's external auditor appointed under the Auditor General Act, performs an annual independent audit of the consolidated financial statements in accordance with generally accepted accounting principles.

[Original signed by Dr. Tracy L. Edwards, Dec. 1, 2011]

**Dr. Tracy L. Edwards**  
President and CEO  
Lethbridge College





# message from the president

*We've been talking and thinking a lot about **applications** this last year at Lethbridge College.*

Admission **applications** arrive by the thousands each year from those seeking to become a part of the Kodiak community, and we have waitlists for programs that attract students from Lethbridge to London to Brooks and Beijing. **Applications** for open positions working on campus have increased this last year, leaving us with a rich pool of candidates to choose from. The college has launched a new **app** for your smart phone that puts useful campus information in the palm of your hand. And faculty members are **applying** each year for millions of dollars in grants to pursue their research and then to present their findings at conferences around the world.

But the **applications** that are most satisfying to me are the kinds that happen every single day across our campuses – when students work with instructors **applying** the ideas they are learning in their classrooms. This idea – of learning by doing and **applying** real research to real life problems– is one of the most meaningful aspects of the Lethbridge College experience. It's also one that keeps us on the leading edge of innovation.

Look at instructor Karen Kennedy. She partnered with Colleen Ward to design Simleggings and Simsleeves, which allow nursing and medical students and professionals to use sight and touch to understand how to diagnose pitting edema and lymphedema, both symptoms of serious medical conditions. More than 200 Lethbridge College students as well as Lethbridge Fire and EMS professionals have already benefitted from this hands-on **application** – and the inventors have already sold their creations to more than 100 colleges and universities around the world.

Our **applied learning** opportunities don't end there. During this last year, students in our culinary careers program took the knowledge they gained cooking in the classroom in Lethbridge and **applied** it during a month-long workplace exchange in hotels and restaurants in Semmering, Austria. The feasts – and memories – they created are already shaping the chefs as they work in their Canadian kitchens.

Through the Rural Alberta Development Fund, we've expanded our International Wind Energy Academy to sites in Vulcan, Pincher Creek and Fort MacLeod. This has allowed students in rural areas to put into practice the advanced skills and techniques that will lead to jobs in the booming – an environmentally friendly – wind industry.

And Kodiak House, our newest residence, opened its doors in the fall of 2010 filled with concrete **applications** of some of the latest theories of environmental sustainability (it's also a great place for students to call home).

There are no shortages of **applied** research and learning opportunities at Lethbridge College. These experiences allow our instructors and our students to solve practical problems facing industry today. And they are just one more way to illustrate the innovative, hands-on approach to higher education that happens every day here at Lethbridge College, both in and beyond the classroom walls.

[Original signed by Dr. Tracy L. Edwards]

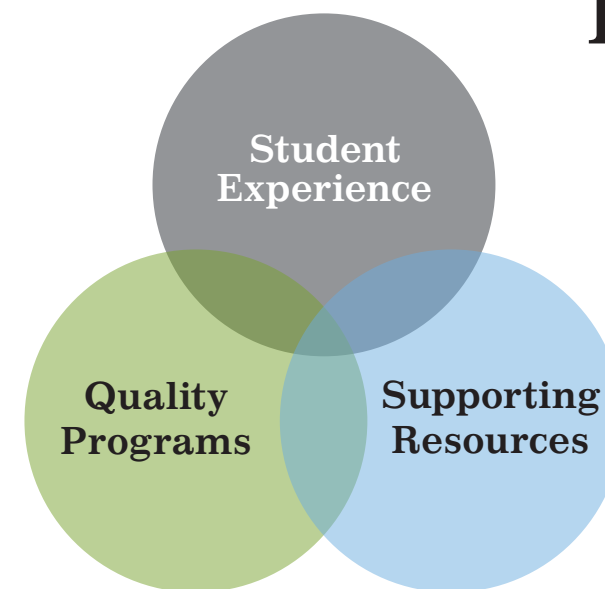
**Dr. Tracy L. Edwards**



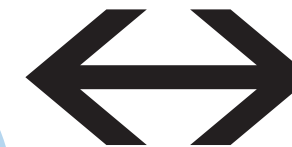
# institutional achievements

## priorities and outcomes

Lethbridge College's vision includes providing world-class education and training through commitment to excellence and innovation. This commitment falls into three key areas of focus – student experience, quality programs and supporting resources. The opportunities, challenges, achievements and outcomes of the past year can be framed into each of these three categories.



**Creating  
Futures**





# Student Experience

Student success is dependent on many factors and ultimately is a partnership between the college and the individual student. The college’s role is to provide a learning environment that is innovative, engaging and supportive of the needs of students. During the past year, the college began implementing its multi-year Strategic Enrolment Management (SEM) plan. The heart of the institution is the education provided to students; hence, the SEM plan seeks to organize information and activities that facilitate student access, transition and success. The college recognizes that the student experience is made up of a complex network of systems, processes and relationships -both internal and external. The SEM plan strives to influence a culture and environment where the college is producing a stellar student experience that inspires and empowers students to achieve their education and career goals.

Driven by changes in technology, demographics and cultural diversity, and combined with an increased number of students with disabilities, the typical learner is changing. This change brings both opportunities and challenges for the college. Diversity and technology enhance the learning environment but it is challenging to stay abreast of the changes in an environment of funding constraints. This past year alone saw an increase in excess of 50 per cent in registered users of Accessibility Services. Changes in external student funding are also providing challenges to students desiring access to higher learning.

## PERFORMANCE INDICATORS

As part of the post-secondary system in Alberta, the college participates in a biennial graduate survey. Conducted two years after graduation, participants have had time to evaluate how their educational experience served them in gaining and preparing them for employment and/or advancing into higher education. This survey is especially valuable as it provides the ability to benchmark the college’s results with other post-secondary institutions across the province. During the past year the college received the results of the 2007-08 graduates. This is what they say.

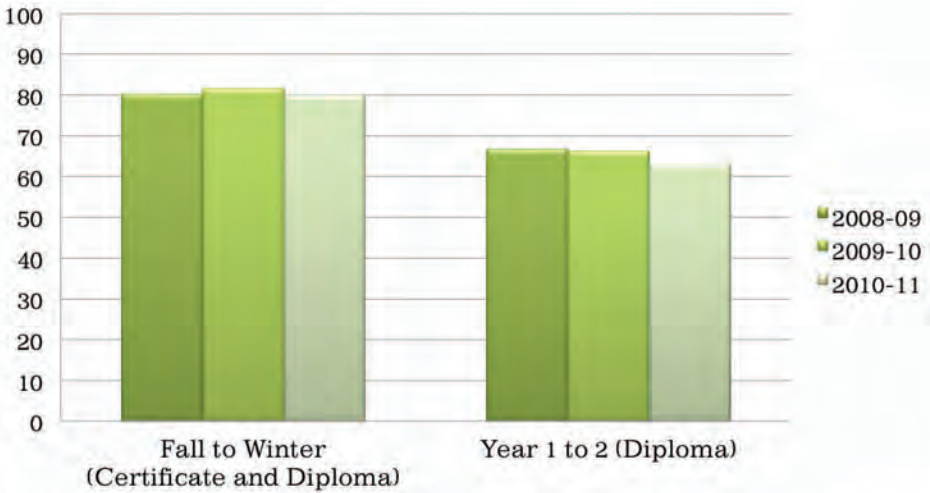
Graduate Employment and Satisfaction Survey	Lethbridge College		All Comprehensive Community Colleges	
	2005-06 Grads	2007-08 Grads	2005-06 Grads	2007-08 Grads
Graduate employment rate	96.3%	94.6%	95.5%	94.2%
Graduates employed in related jobs	76.4%	75.0%	77.6%	77.8%
Overall satisfaction with the quality of the educational experience	92.7%	93.5%	93.1%	91.9%
Would recommend the Institution to others	96.8%	96.0%	95.0%	93.7%
Satisfaction with quality of teaching in the program	91.5%	93.0%	90.5%	90.7%
Would recommend the same program of study	88.7%	88.8%	90.3%	89.3%

The college also participated for the first time in the Community College Survey of Student Engagement (CCSSE). This survey is administered to students while in college. It assesses the strengths and weaknesses in educational practices and identifies opportunities for improvement. It also provides valuable benchmarks with other participating post-secondary institutions.

Students completing the CCSSE survey evaluated their educational experience at the college as 3.24 on a 4.00 scale. This compares slightly higher to 3.16 at other colleges. Above average ratings were also received in active and collaborative learning, student effort, academic challenge and student/faculty interaction.

The college monitors student retention, an important indicator of student satisfaction, over two periods. All one-year certificate programs and two-year diploma programs are included in the fall to winter statistics. The second metric applies to the diploma programs where students are expected to return for their second year. Student retention is also a key factor in the number of students that graduate from their programs of study.

Student Retention Percentage



Source: iStrategy

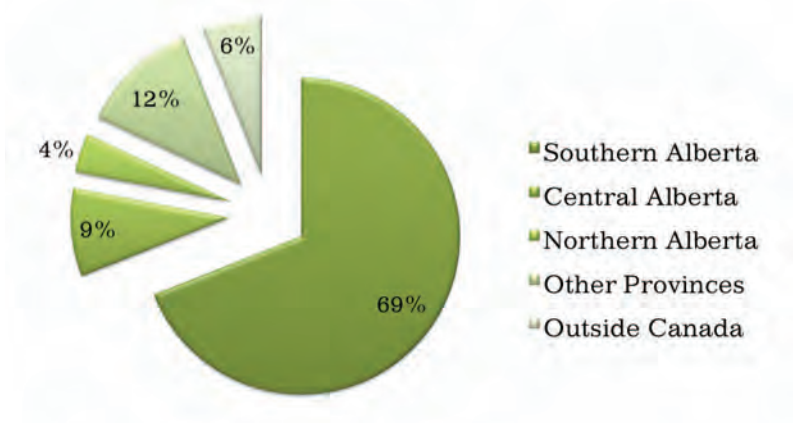
Many factors influence student retention such as financial challenges, evolving career goals and integration into campus life. Increasingly diverse student populations are adding more complex factors to the equation. The college’s focus on retention has been heightened in the past year. Lethbridge College has implemented Retention Alert, an automated system to proactively identify high risk students, and expects to experience positive results from this initiative in the coming semesters. Several programs have implemented initiatives at the program level and the college is starting to see results. As part of the SEM plan, a college-wide initiative is planned for the coming year that will address retention from a holistic perspective. Other strategies such as the Distributed Learning strategy will increase flexible learning opportunities and ultimately remove some of the barriers that students encounter around access.



STUDENT DIVERSITY

In addition to attracting students from within the regional catchment area, the college attracts a significant number of students from other parts of Alberta, from other Canadian provinces and internationally. The college is home to students from 48 countries around the world. The SEM plan and specifically the First Nations Métis Inuit (FNMI) strategy focuses on providing access and support for the FNMI population, one of the fastest growing populations in the region. Another strategic focus of the SEM plan is the recruitment of international students. Learning is enhanced by the geographic source and diversity of the student population and is especially important in a world of increasing globalization. In order to create a more inclusive and culturally rich environment for all students, the Board of Governors has identified FNMI and international students as a key enrolment focus by creating greater awareness, access and success strategies.

Geographic Source of Students



Source: Learner Enrolment Reporting System (LERS)

FNMI and International Student Headcount	2008-09	2009-10	2010-11
FNMI – self declared	335	314	328
International	205	214	225

Source: iStrategy (Domestic)

ACHIEVEMENTS AND OUTCOMES

Here are a few facts about student support services:

- The college established the Learning Services Department, which includes the Learning Café, Testing Services and Accessibility Services, to promote enhanced collaboration between areas. Other changes in Learning Services include:
  - The name of Disability Services was changed to Accessibility Services to reflect the positive changes in language and expectations about people with disabilities, and to convey the department’s role in making educational supports accessible to all students, faculty and staff;
  - The college piloted a program extending Testing Services evening hours two nights a week; and
  - The eLearning Café, which offers an online resource website and online tutoring, was launched.
- The college increased its program orientations to assist students in the transition to college life.
- The college opened Kodiak House, its newest residence, in the fall of 2010 and increased student housing by 25 per cent.
- Online services for students were increased, including student transcript orders, online awards application, a library online video repository, and the live integration with the ApplyAlberta post-secondary application system.
- The college completed and approved the FNMI plan and added an FNMI Student Advisor.
- The focus on international activities was increased including international admissions, recruitment, international partnerships and programs through staffing and realignment.
- Student Services provided over 220 students with emergency funding including emergency loans, student loan advances and grants.

Here is a glimpse of some student activities and accolades:

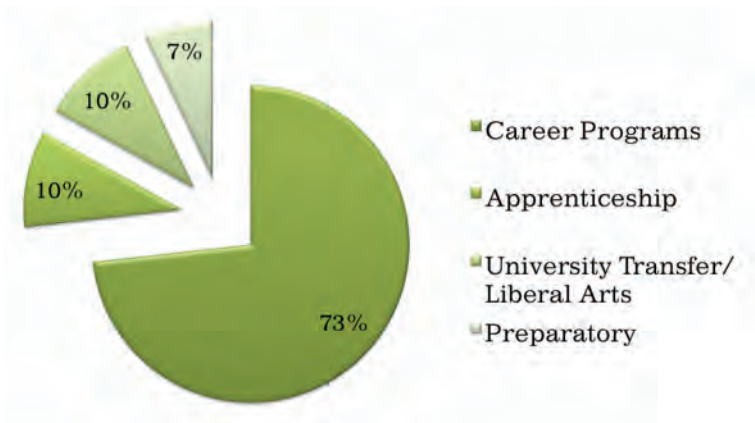
- Students in the culinary careers program participated in a month-long workplace exchange in hotels and restaurants in Austria.
- A Therapeutic Recreation - Gerontology student won a provincial student award from the Alberta Therapeutic Recreation Association. The award was given in recognition of demonstrated academic ability, promise of a contribution to the field, and work already done in the field.
- Students from massage therapy, computer information technology, business administration, culinary careers and the construction trades had the opportunity to compete in a variety of case and skills competitions ranging from the regional and the provincial levels to the national and international levels.
- The Kodiak Athletics program claimed individual and team awards including: CCAA National awards - bronze medal (women’s golf), silver medal (men’s basketball), and individual gold medal (cross country running). In addition, two coaches were named ACAC Coaches of the year.
- Events such as FNMI Awareness Days and Bridging Cultures were sponsored, providing opportunities for employees, students and the public to gain an appreciation of the various cultures across campus.



# Quality Programming

Consistent with its mandate, Lethbridge College offers programs that lead to career employment or to further education through its apprenticeship, certificate, diploma, applied baccalaureate degree and preparatory programs. Working collaboratively within Alberta’s system of public post-secondary education, Lethbridge College provides a range of educational opportunities in a variety of academic areas, including Business and Management, Design and Technology, Justice Studies, Health and Human Services, Agriculture and the Environmental Sciences, Trades, Preparatory Studies and University Transfer programs.

Distribution of Lethbridge College Credit Programs



Source: Institutional Planning and Reporting

A distinct advantage to students in Lethbridge College programs is the element of **applied learning** embedded into curricula. Applied learning is facilitated in many ways but most often takes the form of practicum and work placements, field studies and applied research. Students in some career programs such as Communication Arts and Media and Design apply their learning by taking part in activities that benefit the community at large. These activities range from production of Crime Stopper segments to airing of E-News programs on Shaw cable, Global TV and ACCESS as well as the Collide-O-Scope gala. Students also take part in applied research activities as part of applied learning. An example is the Citizen Society Research Lab, an applied learning and teaching initiative specializing in quantitative public opinion studies. These studies were cited in local and provincial news reports throughout 2010-11; topics ranged from polls about politics and upcoming elections to opinions about conservation and preservation efforts in the Castle Mountain area. This year, 127 students took part in public opinion research on issues of interest to students, faculty, and community partners.

Innovative career focused programs provide Lethbridge College graduates with a solid foundation to go forward into the work environment and help to facilitate the change that is often needed in today’s business environment. And for those students preferring to start their studies at the college level and move onto higher education, the college is continually focused on enhancing seamless laddering opportunities within the college or in collaboration with other post-secondary institutions.

The college is continually looking for opportunities to introduce new programs, and renew and refresh existing programs to keep pace with changes in industry. In 2010-11, the college received approval from Advanced Education and Technology for the following:

- to change the name of Applied Degree in Corrections to Applied Degree in Justice Studies, allowing for the development of specializations within the Justice Studies discipline
- the establishment of the Health Care Aid program

In addition, 2010-11 was the first full year of the Wind Turbine Technician credit program which operated at capacity.

This emphasis on applied learning benefits students, the college and the community. These practicums, work placements, field studies and applied research projects allow students and employers to, in a sense, try each other out. Often, these applied learning experiences lead to employment opportunities for students. In addition, the local employers enrich the learning experiences of the students through their participation in practicum and work placement relationships. And in the end, employers have the added benefit of having an experienced, well-educated pool of potential employees to draw from as a result of these career-focused programs. The following table shows graduates from Lethbridge College programs.

Graduates	2008-09	2009-10	2010-11
Certificate	149	145	191
Diploma	728	711	634
Applied Degree/ Certificate Post Basic	77	49	28
Total	954	905	853

Source: LERS

The decline in graduates in the college’s diploma and applied degree programs is related to several factors such as decreased enrolments experienced in prior years, declines in student retention and the trend towards part-time learning. Newly implemented strategies within the SEM plan that address enrolment pressures are showing positive results with the increase in enrolments. Several programs are experiencing improved retention as a result of initiatives taken. The increase in distributed learning opportunities will provide improved access for students to complete their program of study. The number of graduates is expected to increase in coming years as the college focuses its energies on providing students with more opportunities to be successful.



ACADEMIC STRATEGIC FOCUS AND QUALITY IMPROVEMENT

Academic visioning which began in 2009-10, creates a strategic direction that will move the college forward, a direction that is focused on the learner and learning. Strategies within the vision support the college goals of growing and maintaining enrolment and enhancing the student experience.

The college’s Distributed Learning (DL) Strategy is the most ambitious strategy. The world is in a state of change and this is observed vividly in the way people communicate and learn. The college recognizes the need for students to have more flexibility and control over their learning environment. Although the college has used various educational delivery methods in the past, the DL strategy strives to update methodologies, increase the use of distributed learning to address the various diverse learning styles and improve access for students. Specific achievements this year include:

- The college implemented year one of a three year DL Strategy, including blended learning projects, online course development, professional development and innovative projects. Students currently have 230 DL/online courses to choose from and many programs are completely available online.
- The eCampusAlberta online course development commitments were completed, involving 48 courses in seven programs.
- The college further developed programs and/or courses for rural delivery including the Practical Nursing Program, Unit Clerk Program, Special Needs Educational Assistant and Early Childhood Education.
- The college’s Correctional Studies diploma and Bachelor of Applied Arts in Justice Studies are completely available online.
- Twenty four of the 31 Policing diploma courses are available online and the final courses will be ready by January 2012.

A second key focus of the academic vision was the implementation of the General Program Assessment (GPA) program. The GPA is a four level assessment tool to proactively manage program health and promote student success. It begins with an annual health check for credit programs. This high level health check informs the second level where program personnel perform a deeper dive analysis leading to a third level annual program plan and finally consistent monitoring of results. Going forward, these plans will be used to inform the Comprehensive Institutional Plan.

The development of College Wide Outcomes was another key strategy of the academic vision. Phased in over the next few years, College Wide Outcomes will provide opportunities for students to incorporate knowledge and/or skills in:

- sustainability
- innovative problem solving
- communication
- information literacy and digital literacy
- lifelong learning/self-direction/personal management
- collaboration and leadership

Programs are constantly being reviewed and updated to stay current with industry standards. Where applicable, some programs have moved to a common first year in an effort to provide more flexibility to the student and better utilize program resources. The Engineering Technologies is one example of this. All three diplomas in this program begin with one common first year. Other programs such as Massage Therapy are aligning to proposed provincial and national standards. In addition to preparing students to meet proposed entry level requirements, this also facilitates the transfer of credentials between provinces.

Students in the college’s Wind Turbine Technician program are among those at Lethbridge College constantly learning the most up-to-date information available in their field. Completion of the program means students will have opportunity to take the Bildungszentrum für erneuerbare Energien e.V.(BZEE) qualification examinations to receive the BZEE certification. Ultimately, this means they will be able to use their skills for employment all over the world. In addition, as of the end of 2010, their BZEE training has received the highest industry recognition – the ISO 29990 standard, a quality management and service standard dedicated to the quality of learning services. The BZEE Training Centre is the first operation in the energy sector worldwide to be awarded the ISO 29990 certificate.

PROGRAM ENROLMENTS

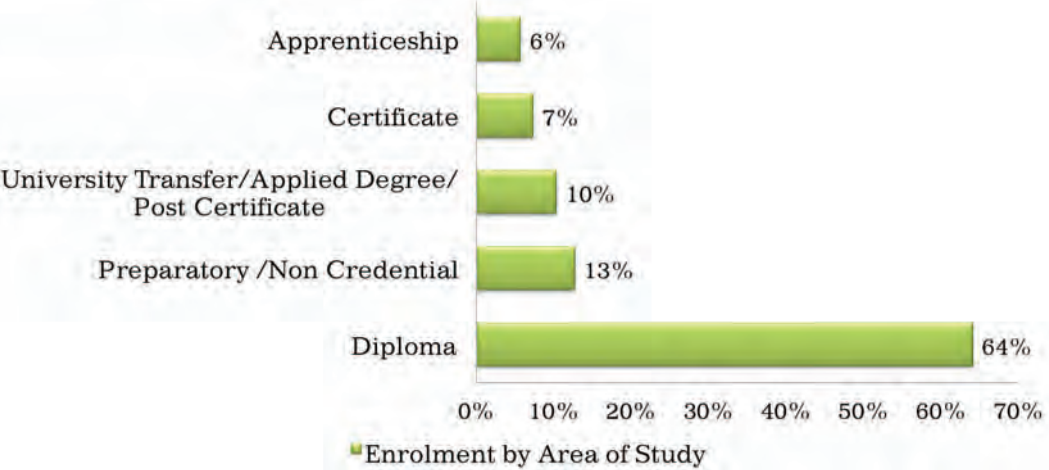
A key goal for the college in serving its stewardship region is to increase enrolments and access to learning opportunities throughout the communities it serves. This is achieved through the strategies embedded in the college’s academic vision. They include the SEM plan through its focus on recruitment and retention of students, the Distributed Learning strategy focused on providing access through flexible learning models, and the strategy for increasing learning opportunities in rural communities. The following chart, showing FLEs by location, clearly indicates the achievements in these strategies. Enrolments in programs outside Alberta are the result of contracts with outside agencies in other parts of Canada and the world and tend to fluctuate based on demand and the college’s ability to supply.

Student Full Load Equivalents (FLEs)

FLEs by Location				
Location	2008-09	2009-10	2010-11	% change 2010-11 vs. 2008-09
Lethbridge	3,369	3,553	3,575	6%
Distributed Learning and Rural	234	244	302	29%
Outside Alberta	212	326	95	(55%)
Total	3,815	4,123	3,972	4%

Source: LERS

Enrolment by Area of Study



Source: LERS

# INNOVATION AND APPLIED RESEARCH

The integration of **applied research** into college programs enhances learning by providing faculty and learners with opportunities to address immediate real world problems leading to innovative solutions for the community and industry. In October 2010, the Lethbridge Chamber of Commerce and the Business Development Bank of Canada awarded the college a Business of the Year Award for Change and Innovation. The college received the award in recognition of its commitment to excellence and innovation. The award cites Lethbridge College's partnership in the Living Home project and its patent application for SimLeggings, a medical training innovation, as two examples of innovative solutions to real world problems. Although in different ways, both of these innovations have positively influenced the quality of programming at the college and have left their mark on the greater community.

Although applied research has been a part of the college's learning environment for some time now, the college is shifting its focus to increasing its capacity for research that has real world applications. To be successful at this, the college recognized that it must be eligible to apply for funding from key funding sources which maintain extremely high criteria. Last year, the college became eligible to receive funding through the Natural Sciences and Engineering Research Council of Canada (NSERC); this year, the college also became eligible to receive funding from the Social Sciences and Humanities Research Council (SSHRC). This opens the door for submitting proposals to the Idea to Innovation program and the College and Community Innovation program, among others. If successful, these proposals would bring significant research money to the college, benefitting faculty and students in both the short and long term.

The college also recognizes the direct effect **applied research** can have on the academic environment and so it also provides internal funding for projects as well. This year a number of projects were initiated that resulted in enhanced knowledge in learning and technology; these projects ranged from international transitions, research in mobile app development, html 5 standards, virtual tours, augmented reality, and admissions placement practices, all of which provide the college with valuable insight.

And the college's applied research programs often have the benefit of involving students and faculty from a number of different programs, reflecting the coordination and adaptability that students will need to draw on in the working world. For example, in March, about 75 students from Criminal Justice, Communication Arts and the Emergency Medical Services Education programs conducted an emergency simulation activity on campus. The event simulated a response to an emergency situation and the finding of this study helps the college understand how to better prepare students for the interactions they will have with other professionals once they enter the workforce. This work will have a positive effect on the communities where these professionals serve.

Applied Research projects during the 2010-11 year engaged 225 students, 35 employees and five external partners.

# COMMUNITY AND INDUSTRY LINKAGES

Industry linkages are critical in ensuring programs stay current and relevant. Program advisory committees meet each year to provide input and advise programs on existing and future industry directions. The college is continually reviewing and updating advisory committees to ensure it has the best possible geographic and industry mix of participants for each program. Professional organizations are another source of input to programs and in some cases will recognize specific programs for accreditation; periodic reviews are required to maintain accreditation. This past year, the Geomatics and Civil Engineering programs had accreditation reviews and maintained their national accreditation.

The college provides opportunities for students, staff and industry members to network and expand their knowledge in particular topics of industry by hosting and/or attending conferences and events, and through various volunteer opportunities that programs participate in. The Tiffin Conference, an annual college-hosted agricultural event, continues to receive high ratings from all stakeholders and is especially important to the southern Alberta agricultural based community. The college hosted a provincial Fire Investigations Conference for firefighting professionals in Alberta and entered into a partnership to host the International Forensic Wildlife Conference in the summer of 2011.

The college's International Wind Energy Academy (IWEA) is taking a leadership role in the wind energy sector by providing wind energy technology, training and development programs to the "next generation" of employment in the industry. IWEA has partnered with the Rural Alberta Development Fund and works in close collaboration with rural communities, industry partners and government. As a result, the program is achieving its vision of building capacities that will transform southern Alberta into Canada's premiere training and service centre for a sustainable wind energy industry. Among the accomplishments achieved this year are:

- the traveling wind energy resource section that moves to 14 rural libraries in rural communities
- the creation of Solar 101 and Wind 101 information sessions and Landowner Toolkit to help communities become aware of readiness for development in solar or wind in their communities
- the recruitment of community liaisons to work in rural communities – Vulcan, Pincher Creek and Vauxhall/Taber areas
- the facilitating of focus groups in Vulcan, Pincher Creek and Taber areas to assess rural communities' interest in development of solar or wind
- the ongoing dialogue accomplished in meetings with German officials regarding certification in small wind turbine technology

A significant initiative for 2010-11 was the transition of the Chinook Educational Consortium to Lethbridge College operations. Three Local Advisory Committees for Rural Education (east, west and south areas) and a Regional Access Advisory Council were formed to advise and make recommendation to Lethbridge College on matters pertaining to the educational needs of the communities within the region served by the college and assist in the development of strategies to achieve these needs. The college hired a Rural Educational Coordinator whose focus will be on working collaboratively with college personnel, community adult learning providers and other stakeholders. It will also help facilitate and coordinate foundational and post-secondary education opportunities and provide learner support.





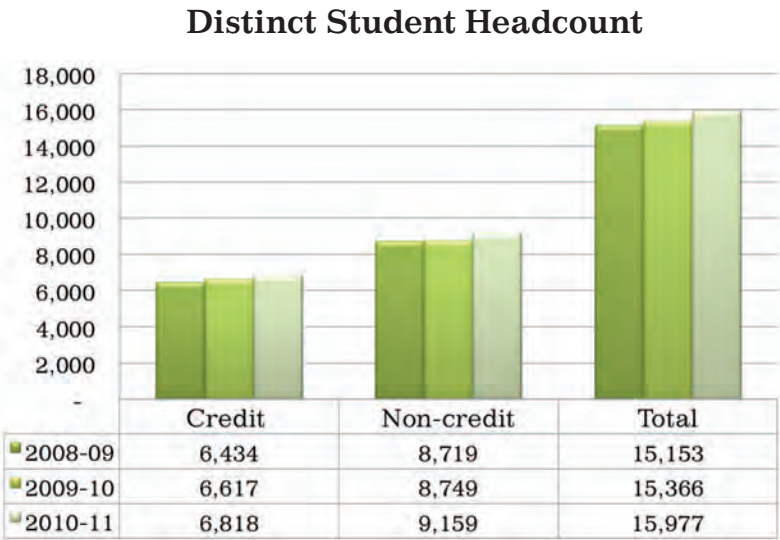
COLLABORATION

Collaboration with other learning institutions, a key objective of Campus Alberta, provides opportunities for institutions to share knowledge and resources. While the college collaborates at many levels with other institutions, the following examples provide insight into the collaborative initiative entered into this year:

- The college partnered with Bow Valley College, NAIT, NorQuest College, Northern Lakes College, Olds College, Portage College and Red Deer College on two research projects focused on elearning: Successful Practices in Supporting Students in Distributed Learning and Meeting the Needs of Diverse eLearners. These projects were funded by Alberta Advanced Education and Technology and eCampusAlberta.
- The college, with funding support from eCampusAlberta, developed the eLearning Café, a resource and learning support available to all member institutions of eCampusAlberta.
- Culinary Careers developed training modules in conjunction with SAIT and Alberta Apprenticeship.
- Articulation agreements with other post-secondary institutions were signed in the Health, Justice and Human Service areas and discussions were initiated in other program areas for potential agreements.
- The college designed a number of courses for international nursing students in conjunction with NorQuest College.
- The Liberals Arts department developed a university transfer program with the Peigan Board of Education and delivered the program in a joint venture on the reserve.
- The Applied Research and Innovation department completed an agreement to provide animal care committee services to Yukon College.

COMMUNITY TRAINING AND DEVELOPMENT  
(NON-CREDIT PROGRAMMING)

In addition to core academic credit programming, the college supports employers and local communities with non-credit programming and development. The type of training offered is dependent on industry needs and often is delivered in partnership with industry and various levels of government. The following graph shows the distinct student headcount served by the college in both the credit and non-credit programming.



Source: LERS, iStrategy

The college’s non-credit programming focuses on building relationships with community partners to advance training and professional development in their respective communities. In addition to the ongoing business, computer and industrial technical training, several new relationships have emerged that provide innovative solutions to community needs. The following are examples of relationships the college engaged in throughout the year.

- The college developed the National Aboriginal Trustee Training program in partnership with the National Aboriginal Trust Officers Association (NATOA), TD Group and Aboriginal Affairs and Northern Development Canada. The partners completed and launched the program to the public across Canada in early 2011. Discussions and initial planning on the second phase of the Trust program also began.
- Lethbridge College took part in a joint effort to create a Regional Innovation Network of Southern Alberta. Other partners are Community Futures – Lethbridge Region, National Research Council - Industrial Research Assistance Program, SouthGrow Regional Initiative, TecConnect, Economic Development Lethbridge and the University of Lethbridge. This plan is a collaborative effort that will offer entrepreneurs and small and medium enterprises with:
  - innovation support, technology transfer and commercialization programs
  - marketing, business development, training and export services
  - networking and match-making services
  - business incubation opportunities access to funding at various stages
- The college sponsored well-known guest speakers such as Stephen M.R. Covey to speak to local business people and guests in the community.

The community participates in non-credit courses across 41 subject areas (as defined by Advanced Education and Technology). In all, 65 per cent of training is delivered in five categories: Social Service, Family/Community Support (27 per cent); Sports Instruction/Training (23 per cent); Trades Related Upgrading (6 per cent); PC User Training (5 per cent); and Child Care(5 per cent). Average course duration is 22 hours.

# Supporting Resources

A number of factors support the student experience and quality programming. While employees make up the single largest contributor to the educational experience and form the largest expense, maintenance and the upgrade of facilities and instructional equipment constitute a close second. Adequate funding is required to support each of these. Funding constraints and an environment of rapid change are driving forces in the evaluation of all aspects of operations in preparing the college for long term sustainability.

## HUMAN RESOURCES

The people of Lethbridge College are its most important asset. The college’s academic vision recognizes that employees supported by a sound organizational structure are fundamental to the core business of teaching and learning. During this past year, the college reviewed roles and responsibilities for academic support staff and developed a faculty profile for faculty. The faculty profile criterion, developed in consultation with students, faculty and academic leadership at the college, informs the college’s recruitment processes and professional development activities critical to academic success.

Academic staff participated in **applied research** opportunities directly focused on enhancing the teaching and learning environment. This year, as in the past, employees presented at educational conferences and several college employees were recognized for their superior skills, commitment to students and contributions to the educational system. This is a true testament to the quality of college employees.

Lethbridge College is one of the largest employers in the community, positively influencing the Lethbridge economy. While a significant number of employees have full or near full-time employment, many come to the college to teach a course or two, bringing with them a rich base of experience to share with students. The total number of employees paid each year is significantly higher than the following graph of full-time equivalents.

Employees (Full-time Equivalent)	2008-09	2009-10	2010-11
Academic	302	302	309
Non Academic Support	346	363	351
Administrative/Managerial	65	68	68
Total	713	733	728

Source: HR internal systems

## INSTRUCTIONAL EQUIPMENT

Rapidly advancing technology is driving change in the work environment and educational providers must be diligent in keeping abreast of these changes to ensure students are adequately prepared. This past year the college updated equipment in a number of programs with equipment donations received from industry and the World Skills Competition.

In addition, the college updated equipment through its annual capital provision. This included a new state-of-the-art wheel aligner and hoist, a research standard water system, significant new training equipment in the Wind Turbine Training Centre, and a three-year ever-greening project for classroom technology.

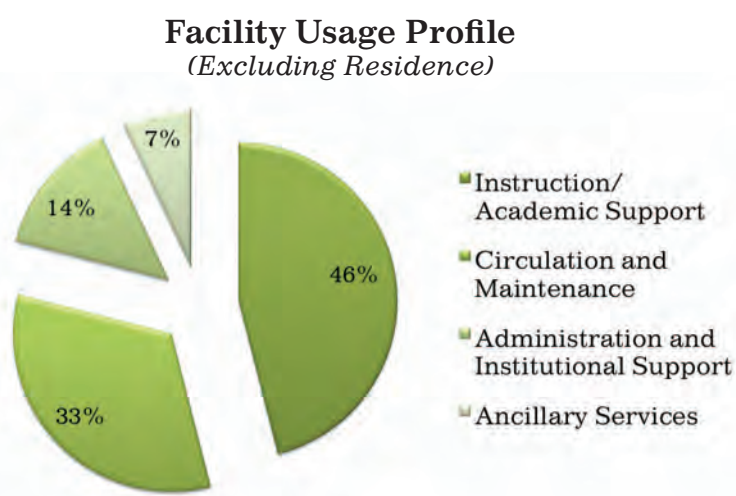
## FACILITIES

Current, updated, functional and comfortable facilities enhance the learning environment and the student’s experience. As Canada’s first publically funded college, a number of the college’s buildings are beginning to show their age. Over the years the college has been fortunate to take advantage of funding to update buildings. An example of this is the last significant capital received to renew the Cousins Building in 2007. This money allowed the college to elevate the building into a state-of-the-art science centre. The Trades and Technology Renewal and Innovation Project (TTRIP), the college’s highest capital priority, is a key focus of the capital fundraising campaign.

This year, the college completed feasibility and pre-design planning for TTRIP and the Library and Learning Innovation Project (LLIP). This phase included extensive consultation, the collection of and synthesis of data, informed decision making and consensus building. The college recently received notification from the Alberta government that it will be receiving \$1 million of planning money for the TTRIP project.

The college’s newest residence building, Kodiak House, opened in September 2010. This five-story facility includes 109 suites and a lounge on the top floor and increases total student housing by 25 per cent. In keeping with the college’s objective of becoming a sustainable campus, this building incorporates sustainable building practices throughout.

The college completed a number of major maintenance type projects this past year. The 50-year-old Trades building received a “safe, warm, and dry” facelift but this only meets the basic needs of students and staff and extends the life of the building in the short term. The technology wing received a complete upgrade of the heating, ventilation and air-conditioning systems, emergency power generator and main electrical distribution systems. The Andrews Building received a roof renewal and new air handling units were installed.

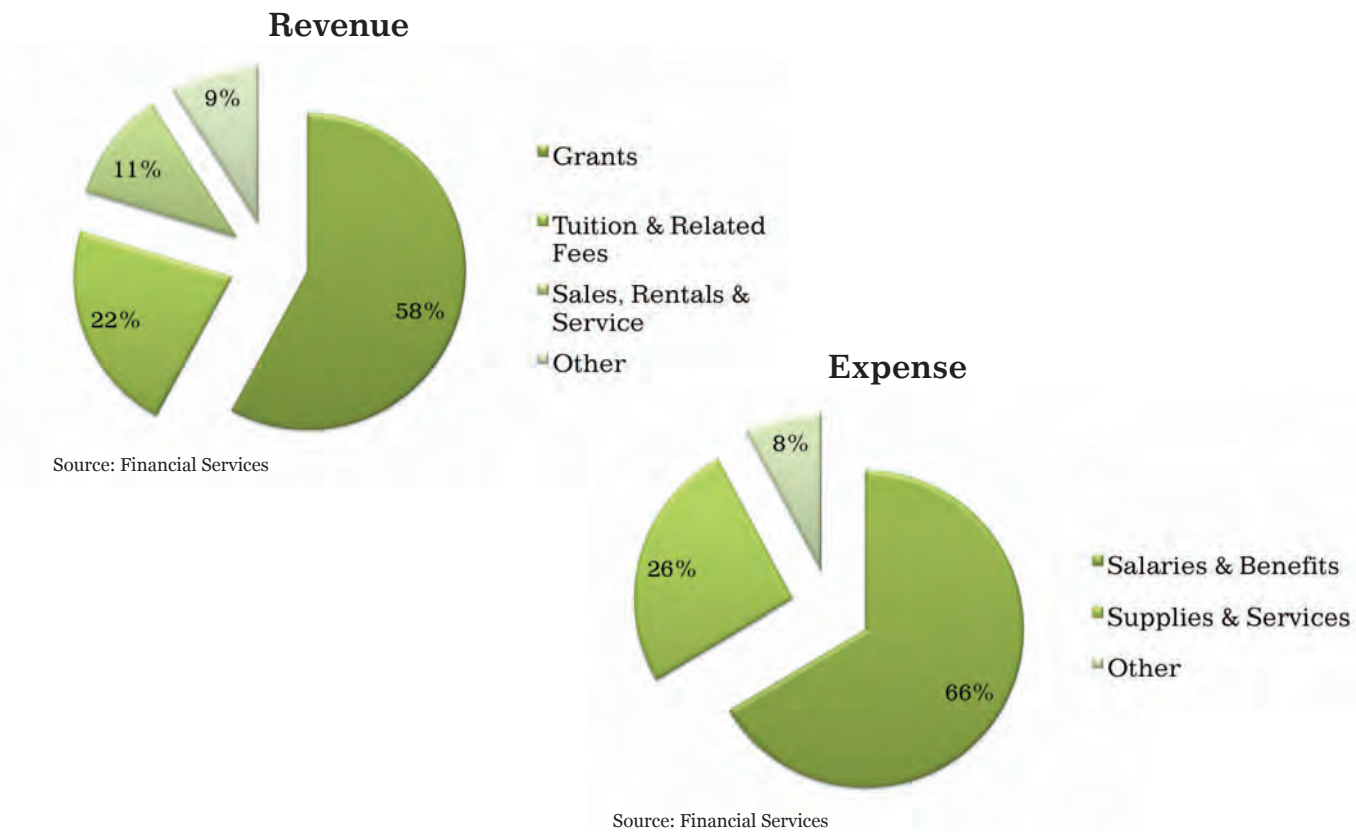


Source: Facilities Management



FINANCIAL RESOURCES

A significant challenge for the college this year was the reduction in grant funding from the Alberta government. Although the college’s plan included reduced funding, the reality of subsequent years of zero grant growth challenged the institution to seek out opportunities to reduce spending while maintaining quality programming and student support services. The 2011-12 budget process was especially rigorous and the college went to the heart of the process by developing guiding principles. The college will continue to address budgetary pressures through innovative approaches and fiscal responsibility.



Key Performance Indicators	2008-09	2009-10	2010-11
Administrative expenditures as percentage of total expenditures less ancillary expenditures	10%	11%	11%
Enterprise revenue as a percentage of government grants	20%	20%	21%

Source: Key Performance Indicators Reporting System (KPIRS)

DONORS AND FUNDRAISING

The college recognizes that providing quality programming and an excellent educational experience require support from the larger community of stakeholders. To this end, the capital campaign encompasses a number of strategic priorities for the college including the Trades and Technology Renewal and Innovation Project (TTRIP), the Library and Learning Innovation Project (LLIP), the Kodiak House residence, significantly expanded scholarship and bursary programs and expanded programming. The private sector campaign, directed towards individuals, corporate partnerships and foundation support, is currently meeting timeline and financial targets.

STRIVING FOR OPERATIONAL EXCELLENCE

Achieving operational excellence is not only a key goal of the college, but it is foundational to the college’s long term sustainability. The processes that support the college’s strategic and operational activities are central to realizing this goal. The college’s work on supporting these processes includes revamping all policies, integrating risk management through the newly adopted policy and framework, enhancing business intelligence tools, focusing on succession planning, and continually challenging the old ways of doing business. The world is changing and so must the college, to keep pace with the needs, desires and expectations of its most important stakeholder – the student.



Lethbridge Auto Dealers Association presents \$1,000,000 commitment to Dr. Tracy L. Edwards.

# management discussion & analysis



This Management Discussion and Analysis (MD&A) should be read in conjunction with the Lethbridge College annual audited consolidated financial statements and accompanying notes. The MD&A and audited consolidated financial statements are reviewed and approved by the Lethbridge College Board of Governors on the recommendation of the Lethbridge College Finance, Audit and Risk Management Committee.

In looking at the year in review, it is clear that Lethbridge College continues to build on its past successes and commitments to educational excellence and student achievement by providing quality educational services within available resources. The college has managed many challenges and achieved success in 2010-11 in meeting the diverse educational needs of its communities through its staff and partnerships.

For the year that ended June 30, 2011, Lethbridge College reported a surplus of \$2.2 million (\$3.8 million in 2010), measuring positively against a projected budgeted surplus of \$1.9 million. The year-end net asset position is \$41.5 million (\$38.1 million in 2010).

The college's total revenue decreased slightly by \$400,000 to \$81.8 million during 2011 while total expenses increased by \$1.1 million to \$79.6 million. The slight decrease in revenue was in part due to the elimination of Enrolment Planning Envelope (EPE) funding under Government of Alberta grants. The increase in expenses was influenced by increased amortization expense due to several capital projects completed in the year.

This MD&A provides an overview of the results Lethbridge College achieved in 2010-11 with a detailed discussion and analysis of the institution's:

- 1. Operating Environment**
- 2. Business Planning and Management**
- 3. Financial / Budget Information**
- 4. Progress in Capital Projects**
- 5. Areas of Significant Financial Risk**



# 1. Operating Environment

With a primary focus on learning, Lethbridge College continues to derive much of its strength from its role within the Campus Alberta post-secondary system. It is located within the City of Lethbridge and Province of Alberta and provides a range of more than 50 career-training programs, applied degrees and apprenticeships to students both at home and abroad.

Lethbridge College operates in an environment characterized by considerable political, economic, social, technological and environmental change. Meeting increased student demand over the next few years, particularly in areas of strategic priority, will be challenging since funding for planned program expansions across the Campus Alberta system is no longer available.

Investment returns recovered from the previous year and government grant and tuition revenue grew at rates less than the inflationary cost of program delivery. The resulting desire of government to target funds and regulate student fees provides evidence that the college must continue to work to achieve the appropriate balance between institutional autonomy and public accountability.

# 2. Business Planning and Management

Lethbridge College’s three-year Comprehensive Institutional Plan lays out the framework and provides the resources for the institution to achieve its teaching, research, interdisciplinary and service goals and objectives. Within this plan, the college describes its operating environment as well as the strategies it will engage in to further enhance its quality, reputation, profile and distinctive character, as the college’s vision is to become a “college of distinction.”

The development of the Academic Vision has been a significant focus for the college, which primarily focuses on learning. The vision is comprehensive in nature by addressing strategic enrolment management, college-wide learning outcomes, distributed learning strategies, program assessment, faculty profiles and organizational structures.

The college’s Distributed Learning Strategy is well under way. This is an institution-wide initiative to change instructional practice, enhance the student experience and engagement and provide for the flexible delivery of learning.

The Strategic Enrolment Management plan has the objective of maximizing institutional resources while improving accessibility and completion for qualified learners.

Fiscal responsibility is a priority; the budget process is focused on realignment of resources and belt tightening to position the college to meet the challenges in the future.

# 3. Financial/Budget Information

## REVENUES

Total revenues decreased \$400,000 to \$81.8 million. The following table shows the composition of the college’s total revenues for the 2011 fiscal year with comparative information for 2010:

Revenue by Source (in thousands)	2011	2010
Government of Alberta grants	45,937	47,736
Federal and other government grants	1,234	1,261
Student tuition and fees	17,667	16,769
Sales of services and products	9,185	8,562
Contract programs	2,297	3,118
Donations and other contributions	515	801
Investment income	1,165	706
Amortization of external capital contributions	3,800	3,268
Total Revenue	81,800	82,221

## Government Grants

The college receives 56 per cent of its revenue from the Government of Alberta. Funding decreased by \$1.8 million in 2011 as a result of the zero percent increase in provincial grant funding coupled with reductions for EPE funding.

## Student Tuition and Fees

Total student tuition and fees revenue increased by \$898,000. The Government of Alberta Tuition Policy provided for a small increase 1.5 per cent (4.1 per cent in 2010) in regulated tuition fees. Increased student enrolment resulted in additional general tuition and international fee revenue. The 2011 tuition budget provided for enrolment growth of 3.2 per cent for full load equivalent students in support of the college objective to expand access in response to population growth and market demand.

## Investment Income

The weighted average effective rate of return on investments for the year was 3.9 per cent (2.5 per cent in 2010).



EXPENSES

Total expenses increased by \$1.1 million to \$79.6 million in 2011. The following table shows the composition of the college’s total expenses for the 2011 fiscal year with comparative information for 2010:

Expense by Category (in thousands)	2011	2010
Salaries and benefits	52,895	51,528
Materials, supplies and services	10,292	11,699
Utilities	1,550	1,553
Maintenance and repairs	5,241	4,799
Cost of goods sold	3,383	3,462
Scholarships and bursaries	312	517
Interest on long-term liabilities	539	489
Amortization of capital assets	5,387	4,424
Total Expenses	79,599	78,471

Salaries and Benefits

At 66.4 per cent of total expenses (65.7 per cent in 2010), salaries and benefits represent the single largest operating expense. Salaries and benefits increased by \$1.4 million or 2.7 per cent over 2010 as a result of salary rate increases as well as an increased head count due to hiring for special projects where portions of salary costs are recovered from external sources.

Expenses for employee benefits increased by \$574,000 (8 per cent) over the prior year. This is due to an increase in employees participating in benefits as well as an increase in contribution rates.

Materials, Supplies and Services

The college’s spending on material supplies and services decreased \$1.4 million, or 12 per cent, from \$11.7 million in 2010 to \$10.3 million in 2011. As the college moves into three years of no funding increases, management will continue to consider strategies to reduce spending and to find efficiencies within the organization.

Maintenance and Repairs

The college’s spending on repairs is \$442,000 higher than last year at \$5.2 million. This is due to several large maintenance projects carried out during the year.

Amortization of Capital Assets

The college’s amortization of capital assets is higher in 2011 than 2010 by \$1.0 million. The college completed several capital projects including the addition of Kodiak House, a new 109-suite student residence which opened September 2010.

BUDGET TO ACTUAL

The 2011 actual surplus of \$2.2 million, compared to the budget surplus of \$1.9 million, is a result of overall cumulative favourable variances for both revenue and expenses. Through careful stewardship of resources, the college continues to emphasize increased efficiency and efficacy in programming and operations, comprehensive planning and strong financial management.

FINANCIAL POSITION

NET ASSETS

The college’s net assets totalled \$41.5 million on June 30, 2011. This is an increase of \$3.4 million over 2010. The net asset balance is reported in the following four major categories:

Net Assets – Unrestricted

The college’s unrestricted net assets (“equity”) at year-end are in a surplus position of \$7.8 million, an increase of \$4.3 million from the 2010 surplus of \$3.6 million. The increase is the result of the current year surplus of \$2.2 million, and the recovery of investments.

Net Assets – Internally Restricted

Internally restricted net assets represent amounts set aside by the college for specific purposes. During the current year, the new residence (Kodiak House) was completed, adding 109 suites to on campus living. Also during the year, the information systems re-architecture project got underway. The following table shows the composition of internally restricted net assets:

Net Assets – Internally Restricted (in thousands)	
Professional development	1,886
New residence (Kodiak House)	246
Trades and Technology Renewal and Innovation Project	5,889
Distance learning strategy	646
Information systems re-architecture	417
Library revitalization	183
Future commitments and strategic reinvestments	808
Total	10,075

Net Assets – Investment in Capital Assets and Collections

Investments in capital assets and collections increased from \$13 million in 2010 to \$16.5 million in 2011 net of amortization. Acquisitions of internally funded capital assets of \$4.7 million include completed construction of the new student residence, information systems re-architecture and equipment purchases.

Net Assets – Endowments

Net assets restricted for endowment purposes increased by \$174,000 to \$7.1 million. The increase is the result of new contributions and investment income.

The college endowment funds are permanent endowments received from donors with the stipulation that the principal remains intact and is invested in perpetuity to produce income to be spent for the purposes specified by the donors. The purposes are primarily the funding of scholarships.



WORKING CAPITAL

Current assets consist primarily of cash and cash equivalents, operating investments, accounts receivable, inventory and prepaid. Total current assets decreased \$7.1 million, primarily because funding for capital projects in 2010 was received in 2011.

Investments

Investments are made in short-term money markets, notes and treasury bills, Canadian bonds and Canadian and foreign equities. The college’s long-term investments increased \$2.6 million, to \$35.4 million on June 30, 2011 (\$32.8 million in 2010). This increase was primarily due to unrealized gains on investments in the value of equities.

Bond and equity investments represent a substantial component of the college’s long-term investment portfolio. The college transferred the investment gain relating to externally restricted endowments to its cumulative capitalized endowment earnings.

The college uses endowment funds to support operations to maintain a balance between generating a predictable stream of annual support for current needs and to preserve the purchasing power of the endowment funds in the future.

The college’s spending policy, which seeks to insulate college operations from expected volatility in the capital markets and provide for a stable and predictable level of spending for endowments, muted the effect of losses in the endowments.

4. Progress in Capital Projects

During 2010-11, Lethbridge College purchased \$10.1 million in capital assets, of which \$4.7 million were internally funded and \$5.4 million from external sources of funding provided by Alberta Advanced Education (including Alberta Infrastructure). Capital asset additions include the upgrade of heating, ventilation and air conditioning systems, the addition of an emergency power generator, the upgrade of the main electrical distribution systems, the replacement of equipment and the construction of facilities.

During the last year, the college has kept fast changing technology and alternative delivery models in mind as it worked to keep abreast of the constantly changing technology environment. The information systems re-architecture project was started in 2010 and is now nearing completion.

This year saw the completion of a new, \$13.5 million student residence. The Kodiak House opened in August 2010 and the college welcomed 109 additional students to campus, providing a 25 per cent increase in accommodation. The residence was funded with a blend of \$6.7 million in college funds, \$4.8 million in financing and a conditional grant from the City of Lethbridge of \$2.0 million.

Lethbridge College has embarked on a major fundraising campaign to support the Trades and Technology Renewal and Innovation Project and the Library and Learning Innovation Project.

5. Areas of Significant Financial Risk

DEFERRED MAINTENANCE

The magnitude of deferred maintenance and an aging infrastructure means emergency repairs may be unavoidable. Deferred maintenance continues to be a major issue for the college. The college spent \$1.2 million on maintenance projects within the Infrastructure Maintenance Program funded by the Province of Alberta. Based on the current Facilities Condition Index data compiled for the college, the college estimates it needs to spend approximately \$6.85 million (1.5 per cent of current replacement value) per year to properly address the capital renewal requirements of its existing buildings. The college is limited in its ability to make adequate progress on its deferred maintenance issues.

BUDGETARY PRESSURE

The college’s future finances are under pressure as a result of a number of factors, including:

- potential for operating grant funding reductions in the foreseeable future
- loss of incremental Enrolment Planning Envelope funding affecting new programming and tuition revenues
- potential for negotiated salaries in excess of funding
- a tuition policy that limits tuition to rates below inflation rates
- potential for volatility with regards to investment returns
- maintaining a positive unrestricted net asset position



Lethbridge College management continues to be committed to addressing these budgetary pressures and will work closely with the Board of Governors and the government to develop long-term strategies to ensure that the college can continue to deliver on its mandate.

Freezes in government funding, coupled with small incremental increases to tuition revenue, will not be sufficient to sustain current levels of operations. The share of funding from students, 22 per cent of total revenue, has been declining since the change in the tuition fee policy in 2006-2007. If this continues, a system that is unsustainable will result and could prevent or delay new initiatives.

Kodiak House opened August 2010, providing housing for 109 additional students.



# consolidated financial statements

## Lethbridge College Year Ended June 30, 2011

Auditor's Report  
Consolidated Statement of Financial Position  
Consolidated Statement of Operations  
Consolidated Statement of Changes in Net Assets  
Consolidated Statement of Cash Flows  
Notes to the Consolidated Financial Statements



### Independent Auditor's Report

To the Board of Governors of Lethbridge College

#### Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Lethbridge College, which comprise the statement of financial position as at June 30, 2011, and the consolidated statement of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

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

#### Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 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 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 Lethbridge College as at June 30, 2011, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Merwan N. Saher, CA]

Auditor General

October 24, 2011

Edmonton, Alberta



LETHBRIDGE COLLEGE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2011

	Note	2011 (\$000s)	2010 (\$000s)
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	3	9,575	10,851
Accounts receivable		2,482	8,695
Inventories and prepaid expenses		1,667	1,310
		13,724	20,856
Investments	4	35,423	32,775
Capital assets and collections	5	76,797	72,005
		\$ 125,944	\$ 125,636
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		4,005	7,301
Employee future benefit liabilities	6	1,229	1,207
Deferred contributions	7	6,961	4,285
Unearned revenue		1,532	1,486
Current portion of long-term liabilities	8	399	383
		14,126	14,662
Long-term liabilities	8	9,441	9,839
External capital contributions	7	10,409	14,193
Unamortized external capital contributions	9	50,486	48,832
		70,336	72,864
		84,462	87,526
<b>Net Assets</b>			
Unrestricted			
Accumulated excess of revenue over expenses		7,506	4,298
Accumulated net unrealized gain (loss) on investments	10	323	(731)
Internally restricted	11	10,075	14,659
Investment in capital assets and collections	12	16,471	12,951
Endowments	13	7,107	6,933
		41,482	38,110
		\$ 125,944	\$ 125,636
Contingent liability	14		
Contractual obligations	15		

Approved by the Board of Governors

[Original signed by R.L. (Randy) Jespersen]

R.L. (Randy) Jespersen  
Chair, Board of Governors

The attached notes form an integral part of the financial statements.

[Original signed by Dr. Tracy L. Edwards]

Dr. Tracy L. Edwards  
President and CEO

LETHBRIDGE COLLEGE  
CONSOLIDATED STATEMENT OF OPERATIONS  
YEAR ENDED JUNE 30, 2011

	Note	Budget 2011 Unaudited (note 16) (\$000s)	2011 (\$000s)	2010 (\$000s)
<b>REVENUE</b>				
Government of Alberta grants		45,213	45,937	47,736
Federal and other government grants		1,026	1,234	1,261
Student tuition and fees		17,553	17,667	16,769
Sales of services and products		9,444	9,185	8,562
Contract programs		2,218	2,297	3,118
Donations and other contributions		325	515	801
Investment income	17	912	1,165	706
Amortization of external capital contributions	9	3,772	3,800	3,268
		80,463	81,800	82,221
<b>EXPENSE</b>				
Salaries and benefits		52,289	52,895	51,528
Materials, supplies and services		10,535	10,292	11,699
Utilities		1,704	1,550	1,553
Maintenance and repairs		4,404	5,241	4,799
Cost of goods sold		3,502	3,383	3,462
Scholarships and bursaries		342	312	517
Interest on long-term liabilities		539	539	489
Amortization of capital assets		5,253	5,387	4,424
		78,568	79,599	78,471
<b>EXCESS OF REVENUE OVER EXPENSE</b>		<u>\$ 1,895</u>	<u>\$ 2,201</u>	<u>\$ 3,750</u>

The attached notes form an integral part of the financial statements.

LETHBRIDGE COLLEGE  
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS – YEAR ENDED JUNE 30, 2011

	Note	Excess (Deficiency) of Revenue Over Expenses (\$000s)	Net Unrealized Gain (Loss) on Investments (\$000s)	Internally Restricted Net Assets (\$000s)	Investment in Capital Assets and Collections (\$000s)	Endowments (\$000s)	Total (\$000s)
<b>NET ASSETS (DEFICIENCY) 2009</b>		8,805	(1,399)	9,431	10,085	6,803	33,725
Excess of revenue over expense		3,750	-	-	-	-	3,750
Investment income	17	(41)	-	-	-	41	-
Endowment contributions		-	-	-	-	89	89
Transfer to net assets internally restricted		(8,285)	-	8,285	-	-	-
Net investment in capital assets	12	(680)	-	(2,935)	3,615	-	-
Amortization of internally funded capital assets		1,184	-	-	(1,184)	-	-
Repayment of debenture		(433)	-	-	433	-	-
Payments on capital lease		(2)	-	-	2	-	-
Transfers to deferred contributions		-	-	(122)	-	-	(122)
Net realized gain on available-for-sale investments arising during the year		-	966	-	-	-	966
Reclassification adjustments for gains and losses included in excess of revenue over expense		-	(298)	-	-	-	(298)
<b>NET ASSETS (DEFICIENCY) 2010</b>		4,298	(731)	14,659	12,951	6,933	38,110
Excess of revenue over expense		2,201	-	-	-	-	2,201
Investment income	17	(57)	-	-	-	57	-
Endowment contributions		-	-	-	-	117	117
Transfer from net assets internally restricted	11	626	-	(626)	-	-	-
Net investment in capital assets	12	(777)	-	(3,958)	4,735	-	-
Amortization of internally funded capital assets		1,598	-	-	(1,598)	-	-
Repayment of debenture		(383)	-	-	383	-	-
Net realized gain on available-for-sale investments arising during the year		-	1,020	-	-	-	1,020
Reclassification adjustments for gains and losses included in excess of revenue over expense		-	34	-	-	-	34
<b>NET ASSETS 2011</b>		\$ 7,506	\$ 323	\$ 10,075	\$ 16,471	\$ 7,107	\$ 41,482

The attached notes form an integral part of the financial statements.

LETHBRIDGE COLLEGE  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2011

	Note	2011 (\$000s)	2010 (\$000s)
<b>CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>			
Excess of revenue over expense		2,201	3,750
Add (deduct) non-cash items			
Amortization of capital assets		5,387	4,424
Amortization of external capital contributions		(3,800)	(3,268)
Change in unrealized gain on investments		357	222
Total non-cash items		4,145	5,128
Net change in non-cash working capital		4,947	(1,062)
		9,092	4,066
<b>CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>			
Purchase of capital assets and collections			
Internally funded		(4,735)	(3,615)
Externally funded		(5,454)	(8,683)
Capital assets transferred from Chinook Educational Consortium		-	(22)
Funded by long-term liabilities		-	(5,210)
Proceeds from disposal of capital assets		11	30
Increase in unrealized loss on available-for-sale investments other net assets		1,054	668
Increase in long-term investments		(2,648)	(2,043)
		(11,772)	(18,875)
<b>CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>			
Endowment contributions		117	89
Capital contributions		2,419	12,103
Transfer to deferred contributions		(749)	(939)
Deferred capital assets transferred		-	(122)
Capital lease repayment		-	(2)
Transfers to capital assets		-	22
Proceeds on long-term liabilities		-	5,210
Principal repayment of long-term liabilities		(383)	(433)
		1,404	15,928
		(1,276)	1,119
		10,851	9,732
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	3	\$ 9,575	\$ 10,851
<b>Net change in non-cash working capital:</b>			
Decrease /(Increase) in accounts receivable		6,213	(6,255)
(Increase) /Decrease in inventories and prepaid expenses		(357)	446
(Decrease) /Increase in accounts payable and accrued liabilities		(3,296)	3,607
Increase in employee future benefit liabilities		22	140
Increase in deferred contributions		2,319	1,564
Increase /(Decrease) in unearned revenue		46	(564)
		\$ 4,947	\$ (1,062)

The attached notes form an integral part of the financial statements.



1. Authority and Purpose

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

2. Summary of Significant Accounting Policies and Reporting Practices

(a) General - GAAP and Use of Estimates

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, for not-for-profit organizations. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. College management uses judgment to determine such estimates. The most significant items based on estimates include employee future benefit liabilities and amortization of capital assets and collections. In management’s opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

(b) Consolidated Financial Statements

The financial statements are prepared on a consolidated basis and include the accounts of Lethbridge College Foundation. Inter-entity balances and transactions have been eliminated on consolidation.

(c) Financial Instruments

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

Financial Assets and Liabilities	Classification	Measurement
Cash and cash equivalents	Held for trading	Fair value
Investments	Available for sale	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Long-term liabilities	Other financial liabilities	Amortized cost

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

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

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

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

All derivative financial instruments of the College are classified as held for trading. The College does not use foreign currency forward contracts or any other types of derivative financial instruments for trading or speculative purposes. As permitted for not-for-profit organizations, the College has elected to not apply the standards on derivatives embedded in non-financial contracts, and the College has elected to continue to follow CICA 3861: *Disclosure and Presentation*.

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenues and expenses are recorded at the exchange rate determined by purchases of US dollars. Gains or losses from these translations are included in the Statement of Operations.

Financial statements are exposed to market risk, currency risk, liquidity risk, credit risk, interest rate risk and commodity price risk.

Market Risk

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

Liquidity Risk

The College has treasury policies in place to ensure funds are available to meet current and forecasted financial requirements as cost effectively as possible. The College has access to a line of credit for working capital purposes none of which has been drawn down.

Credit Risk

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

Interest Rate Risk

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

Commodity Price Risk

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

(d) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value. Inventories held for consumption are valued at cost or current replacement cost. Cost is determined using the weighted average method for the Bookstore and first-in, first-out method for all other inventories.

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

(e) Capital Assets and Collections

Capital assets and collections purchased are recorded at cost. In-kind contributions are recorded at fair value at the time of receipt. Permanent collections are not amortized and include works of art and museum specimens for research and public exhibition purposes.

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

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

	Useful Life
Buildings and site improvements	40 years
Furnishings and equipment	10 years
Library	10 years
Vehicles	5 years
Computer equipment and software	5 years
Audio and visual equipment	2 years
Capital projects in progress are not amortized until the project is complete.	

(f) Asset Retirement Obligations

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

(g) Revenue Recognition

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

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

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

Deferral method

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

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

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

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

(h) Employee Future Benefits

The College participates with others in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the College’s participating employees, based on years of service and earnings.

The College does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recorded for the LAPP 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. The College’s portion of the pension plans’ deficit or surplus is not recorded by the College.

(i) Capital Disclosures

The College defines its capital as the amounts included in deferred contributions (note 7), endowments (note 13) and unrestricted net assets. The College’s capital is derived from Alberta Advanced Education and Technology, other government funding agencies, donations and the institution’s entrepreneurial activities. The College has investment policies (note 4), spending policies, and cash management procedures to ensure the College can meet its capital obligations.

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

(j) Contributed Services

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

(k) Future Accounting Changes

The Public Sector Accounting Board (PSAB) has issued a framework for financial reporting by government not-for-profit organizations. The framework includes the PS 4200 series of standards for *Government Not-For-Profit Organizations*. This framework will be effective for fiscal years beginning January 1, 2012. Government not-for-profit organizations have been presented the option to apply either PS 4200 series of standards plus the PSA Handbook; or PSA handbook without the PS 4200 series of standards. The Government of Alberta has decided that Alberta Public Post-secondary Institutions, as government not-for-profit entities, will adopt the PSA handbook without the PS 4200 series of standards. The College has started to identify the differences in the standards that will impact the financial statements and will quantify the differences. The College will also determine whether any specific exemptions and exceptions applicable to the first time adoption of PSA standards by government not-for-profit organizations will be applicable to the College.



LETHBRIDGE COLLEGE  
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3. Cash and Cash Equivalents

Cash and cash equivalents, with maximum maturity of 90 days at date of purchase are as follows:

	2011 (\$000s)	2010 (\$000s)
Cash	3,493	119
Term deposits <sup>(i)</sup>	6,082	10,732
	<u>\$ 9,575</u>	<u>\$ 10,851</u>

<sup>(i)</sup> Term Deposits are with Bank of Montreal and cashable on the 15<sup>th</sup> of each month with an effective interest rate of 1.25%.

4. Investments

The composition and fair value of investments is as follows:

	2011 (\$000s)			2010 (\$000s)		
	Cost Base	Unrealized Gain (Loss)	Market Value	Cost Base	Unrealized Gain (Loss)	Market Value
Money market funds, short-term notes, and treasury bills	7,671	4	7,675	7,009	(5)	7,004
Canadian bonds	12,800	195	12,995	13,014	189	13,203
Canadian equity	8,530	257	8,787	8,386	(526)	7,860
Foreign equity	6,030	(64)	5,966	5,385	(677)	4,708
	<u>\$ 35,031</u>	<u>\$ 392</u>	<u>\$ 35,423</u>	<u>\$ 33,794</u>	<u>\$ (1,019)</u>	<u>\$ 32,775</u>

The College has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. The Vice President Corporate Services has been delegated authority for oversight of the College’s investments to regularly monitor investments, to review investment manager performance, to ensure compliance with the College’s investment policy and to evaluate the continued appropriateness of the College’s investment policy. A monitoring report is forwarded annually to the College’s Board of Governors from the President and Chief Executive Officer regarding the compliance.

5. Capital Assets and Collections

	2011 (\$000s)			2010 (\$000s)		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Buildings and site improvements	107,546	60,809	46,737	106,669	57,244	49,425
Furnishings and equipment	16,852	11,416	5,436	15,572	10,398	5,174
Land	475	-	475	475	-	475
Vehicles	1,371	1,212	159	1,311	1,127	184
Computer equipment and software	15,096	14,174	922	14,676	13,706	970
Audio and visual equipment	1,371	1,279	92	1,289	1,215	74
Library	1,354	1,063	291	1,332	1,031	301
Other permanent collections	502	-	502	502	-	502
Capital projects in progress	22,183	-	22,183	14,900	-	14,900
	<u>\$ 166,750</u>	<u>\$ 89,953</u>	<u>\$ 76,797</u>	<u>\$ 156,726</u>	<u>\$ 84,721</u>	<u>\$ 72,005</u>

There were no gift-in-kind donations during the year (2010 – \$228,000).

6. Employee Future Benefit Liabilities

Employee future benefit liabilities are comprised of the following:

	2011 (\$000s)	2010 (\$000s)
Vacation payable	1,113	1,133
Professional development	116	74
	<u>\$1,229</u>	<u>\$1,207</u>

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2010, the LAPP reported an actuarial deficiency of \$4.6 billion (2009 - \$4.0 billion deficiency). An actuarial valuation of the LAPP carried out as at December 31, 2009, was then extrapolated to December 31, 2010. The pension expense recorded in these financial statements is \$3.5 million (2010 – \$3.0 million).

7. Deferred and External Contributions

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

	2011 (\$000s)		2010 (\$000s)	
	Capital	Other	Capital	Other
Balance, beginning of the year	14,193	4,285	11,710	2,499
Grants and donations received	2,341	5,734	12,103	4,523
Investment income	78	446	39	314
Recognized as revenue	(749)	(3,860)	(939)	(3,352)
Transferred to unamortized external capital contributions (see Note 9)	(5,454)	-	(8,683)	-
Investment income on endowments and scholarships	-	232	-	119
Transfer to endowments	-	-	(15)	-
Transfer to deferred capital	-	(233)	-	-
Transfer to capital assets	-	-	(22)	(22)
Transfer to unearned revenue	-	-	-	(18)
Change in unrealized gain on investments relating to deferred contributions	-	357	-	222
Balance, end of year	\$10,409	\$6,961	\$14,193	\$4,285

8. Long-term Liabilities

	Maturity Date	Interest Rate %	2011 (\$000s)	2010 (\$000s)
Debentures payable to Alberta Capital Financing Authority:				
Debenture 1 <sup>(i)</sup>	Mar 1, 2026	6.13	5,052	5,254
Debenture 2 <sup>(ii)</sup>	Dec 15, 2039	4.67	4,685	4,763
			9,737	10,017
Finance contract <sup>(iii)</sup>	May 1, 2012	10.00	103	205
			9,840	10,222
Less current portion			(399)	(383)
			\$ 9,441	\$ 9,839

<sup>(i)</sup> & <sup>(ii)</sup> Security pledged for the debentures includes all future cash flows generated through the operation of the student residences known as 30<sup>th</sup> Avenue Residence and Kodiak House.  
<sup>(iii)</sup> The finance contract is for Oracle database licenses and is for a term of 3.5 years with an imputed interest rate of 10% and a maturity date of May 1, 2012.

8. Long-term Liabilities (continued)

The principal portion of long-term liabilities required over the next five years is as follows:

	(\$000s)
2012	399
2013	313
2014	331
2015	350
2016	370

Interest expense on long-term liabilities is \$539,000 (2010 - \$489,000). All long-term liabilities have fixed interest rates. The weighted average interest rate is 5.41% (2010 – 5.32%).

9. Unamortized External Capital Contributions

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

	2011 (\$000s)	2010 (\$000s)
Balance, beginning of the year	48,832	43,395
Additions from external capital contributions (see Note 7)	5,454	8,683
Transferred from Chinook Education Consortium	-	22
Amortization to revenue	(3,800)	(3,268)
Balance, end of year	\$ 50,486	\$ 48,832

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

	2011 (\$000s)			2010 (\$000s)
	Endowment Net Assets Recorded in Deferred Contributions	Other Net Assets	Total	Total
Balance, beginning of year	(288)	(731)	(1,019)	(1,909)
Net unrealized gain on available-for-sale investments during the year	357	1,020	1,377	1,188
Transfer of net realized gain (loss) on investments to revenue	-	34	34	(298)
Balance, end of year	\$ 69	\$ 323	\$ 392	\$ (1,019)



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11. Internally Restricted Net Assets

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

	Balance at Beginning of Year (\$000s)	Appropriations From (Returned To) Unrestricted Net Assets (\$000s)	Disbursements During the Year Operating (\$000s)	Capital (\$000s)	Balance at End of Year (\$000s)
<b>Appropriation for capital activities:</b>					
New Student Residence	2,814	-	-	2,568	246
Centre for Trades-Sustainable Technology	5,962	-	-	73	5,889
Library Revitalization	252	-	-	69	183
Residence Life	235	12	19	7	221
Wind Turbine Development	201	(151)	-	27	23
Information Technology	1,638	(31)	184	1,006	417
Other Capital Initiatives	554	53	20	201	386
	11,656	(117)	223	3,951	7,365
<b>Appropriation for operating activities:</b>					
Distance Learning Strategy	862	-	209	7	646
Professional Development	1,857	385	356	-	1,886
Web Infrastructure	100	-	68	-	32
Lethbridge College Foundation Reserves	33	-	33	-	-
Scholarships	151	2	7	-	146
	3,003	387	673	7	2,710
<b>Total</b>	<b>\$ 14,659</b>	<b>\$ 270</b>	<b>\$ 896</b>	<b>\$ 3,958</b>	<b>\$ 10,075</b>

12. Investment in Capital Assets and Collections

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

	2011 (\$000s)	2010 (\$000s)
Capital assets and collections at net book value	76,797	72,005
Unamortized external capital contributions (see Note 9)	(50,486)	(48,832)
Long-term liabilities related to capital expenditures	(9,840)	(10,222)
<b>Balance, end of year</b>	<b>\$ 16,471</b>	<b>\$ 12,951</b>

The changes during the year are as follows:

	2011 (\$000s)	2010 (\$000s)
<b>Balance, beginning of year</b>	12,951	10,085
Acquisition of capital assets and collections	4,735	8,825
Long-term liabilities – repayment	383	435
Long-term liabilities – new financing	-	(5,210)
Amortization of internally funded capital assets	(1,598)	(1,184)
Increase for the year	3,520	2,866
<b>Balance, end of year</b>	<b>\$ 16,471</b>	<b>\$ 12,951</b>

13. Endowments

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

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

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

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

13. Endowments (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 cumulative capitalized income. However, for individual endowment funds without sufficient cumulative capitalized income, endowment principal is used in that year. This amount is expected to be recovered by future investment income.

The composition of endowments is as follows:

	2011 (\$000s)	2010 (\$000s)
Balance, beginning of year	6,933	6,803
Gifts of endowment principal	117	89
Transfer to endowments	57	41
Balance, end of year	\$ 7,107	\$ 6,933
	2011 (\$000s)	2010 (\$000s)
Cumulative contributions	5,656	5,539
Cumulative capitalized income	1,451	1,394
	\$ 7,107	\$ 6,933

During the year, capitalized income of \$57,000 (2010-\$41,000) was added to the principal amount of certain endowments as the investment income generated from endowments must be used in accordance with various purposes established by the donors or the Board.

14. Contingent Liabilities

- The College is a defendant in legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the College believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the College. Administration has concluded that none of the claims meet the criteria for being recorded under GAAP.
- The College has filed voluntary disclosure with the Canadian Revenue Agency relating to the requirement to withhold and remit taxes on non-resident of Canada services. The potential liability is in the range of \$nil to \$1.2 million. While the ultimate assessment resulting from this matter is unknown at this time, the College has estimated and recorded a liability of \$339,000
- The College has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the College may be required to take appropriate remediation procedures to remove the asbestos. As the College has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligations for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

15. Contractual Obligations

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

	2011 (\$000s)	2010 (\$000s)
Capital projects	900	6,067
Long-term leases	1,340	1,349
	\$ 2,240	\$ 7,416

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

	Capital (\$000s)	Long-Term Leases (\$000s)	Total (\$000s)
2012	900	848	1,748
2013	-	431	431
2014	-	55	55
2015	-	6	6
	\$ 900	\$ 1,340	\$ 2,240

16. Budget Comparison

The College's 2010-2011 budget was approved by the Board of Governors as presented to the Minister of Advanced Education and Technology as part of the College's submission of it's 2010-2014 Business Plan. Certain budget figures from the College's 2010-2014 Business Plan have been reclassified to conform to the presentation adopted in the 2011 financial statements.

17. Investment Income

	2011 (\$000s)	2010 (\$000s)
Investment income earned	1,555	951
Investment income earned on endowment assets	(57)	(41)
Recognized as donations	(2)	(39)
Less amounts deferred:		
Capital	(78)	(39)
Endowments and scholarships	(232)	(119)
Other	(21)	(7)
	\$ 1,165	\$ 706



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18. Related Party Transactions and Balances

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

	2011 (\$000s)	2010 (\$000s)
Contributions from GOA		
Advanced Education and Technology:		
Operating grants	45,257	46,100
Capital grants	1,740	7,187
Access to the Future Fund (matching grants)	1,200	1,200
Other	18	43
Total Advanced Education and Technology	48,215	54,530
Other GOA departments and agencies grants:		
Alberta Employment and Immigration	177	589
Alberta Transportation	75	274
Persons with Developmental Disabilities South Region Community Board	221	226
Child and Family Services Authority	258	281
Other	150	113
Total other GOA departments and agencies	881	1,483
Total contributions received	49,096	56,013
Less: deferred contributions	4,477	5,933
Less: unamortized external capital contributions	-	2,697
	<u>\$ 44,619</u>	<u>\$ 47,383</u>
Accounts receivable		
Advanced Education and Technology	124	4,234
	<u>\$ 124</u>	<u>\$ 4,234</u>
Accounts payable		
Advanced Education and Technology	121	73
Other GOA departments and agencies	13	-
	<u>\$ 134</u>	<u>\$ 73</u>

The College has long-term liabilities with Alberta Finance and Alberta Capital Finance Authority as described in note 8.

19. Funds Held on Behalf of Others

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

	2011 (\$000s)	2010 (\$000s)
Lethbridge College Students’ Association	1,636	1,587
Other agencies	113	113
	<u>\$ 1,749</u>	<u>\$ 1,700</u>

20. Salaries and Benefits

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

	2011				2010
	Base Salary <sup>(1)</sup> (\$000s)	Cash Benefits <sup>(2)</sup> (\$000s)	Non-Cash Benefits <sup>(3)</sup> (\$000s)	Total (\$000s)	Total (\$000s)
<b>Governance</b>					
Chair of the Board of Governors	-	-	-	-	2
Members of the Board of Governors	10	1	-	11	10
<b>Executive</b>					
President <sup>(4)</sup>	247	61	65	373	299
Vice-Presidents:					
Academic	186	4	27	217	223
Corporate and International Services <sup>(5)</sup>	-	-	-	-	178
Corporate Services and CFO	177	4	25	206	35
Executive Director of Advancement <sup>(6)</sup>	25	-	4	29	178

- (1) Base salary includes pensionable base pay.
- (2) Cash benefits include lump sum payments, honoraria and car allowances.
- (3) Non-cash benefits include:

a. Share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberments insurance.

b. Employer’s share of the cost of additional benefits including sabbaticals or other special leave with pay and club memberships.
- (4) An executive compensation includes professional development and an automobile provided to the President.
- (5) The Vice President Corporate and International Services retired in May 2010.
- (6) The Executive Director of Advancement terminated his services with the College September 2010.

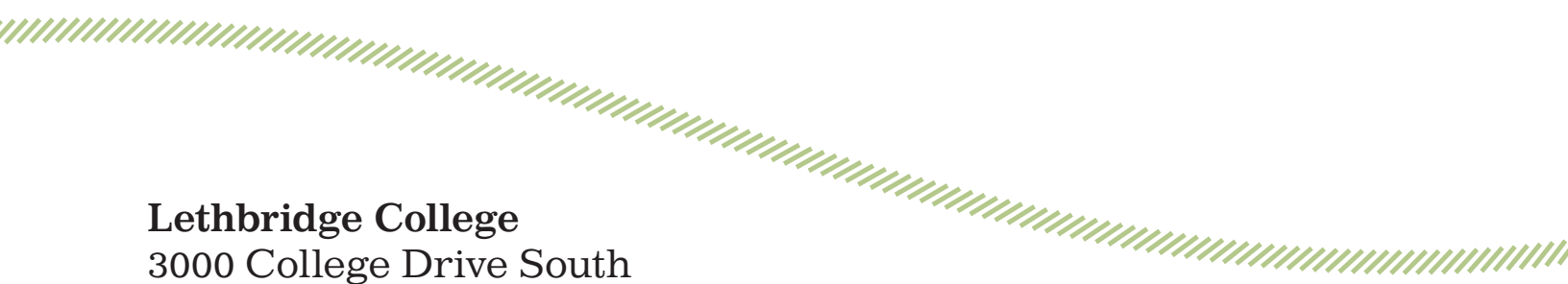
21. Comparative Figures

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









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