

# LEADERSHIP AND TRANSFORMATION

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LETHBRIDGE COLLEGE

**ANNUAL REPORT**

2012 – 2013



## ACCOUNTABILITY STATEMENT

Lethbridge College's Annual Report for the year ended June 30, 2013, 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. 12, 2013]

### **R. L. (Randy) Jespersen**

Chair, Board of Governors  
Lethbridge College

### **Board of Governors**

Mr. R. L. (Randy) Jespersen  
Dr. Paula Burns  
Ms. Sharie Cousins  
Ms. Dawna Coslovi  
Mr. Randy Dunlop  
Mr. Ethan Gelleny

Mr. John C. Jacobson  
Ms. Cynthia Johnston  
Mr. Travis Killian  
Dr. Douglas Myhre  
Mr. Douglas Frank Stroh

### MISSION

Lethbridge College  
inspires and facilitates  
learning and innovation  
to meet economic and  
social needs.

## MESSAGE FROM THE PRESIDENT

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**One of the most exciting days for Lethbridge College this past year took place on May 22 in the Enmax Centre where nearly 500 college employees had gathered. In the first ever Lethbridge College Advance, we spent the day brainstorming, sharing ideas, challenging ourselves and planning together, all in an effort to co-create the way forward for Lethbridge College.**

By the end of the day, we had a good understanding of the best of what is and what the way forward could be, having highlighted the strengths of Lethbridge College and solid foundations already in place. We also had more than 1,000 flip chart pages of notes, each one filled with dozens of ideas from employees in every unit and department across our main and regional campuses. There was so much energy in the room on that memorable day. And every day since then has been shaped by the Leadership Way at Lethbridge College and our commitment to involving all in our journey forward. We then presented the Lethbridge College Board of Governors with our new mission, vision and strategies, which the board approved in June.

**Mission:** Lethbridge College inspires and facilitates learning and innovation to meet economic and social needs.

**Vision:** Leading and transforming education in Alberta.

**Strategies:** Academic Transformation, Collaborative Partnerships, Resource Innovation, and People Development.

Our new mission, vision and strategies will guide us in creating plans and goals for the future, and this work is made easier by the strong groundwork already in place in so many areas, including a well-established commitment to





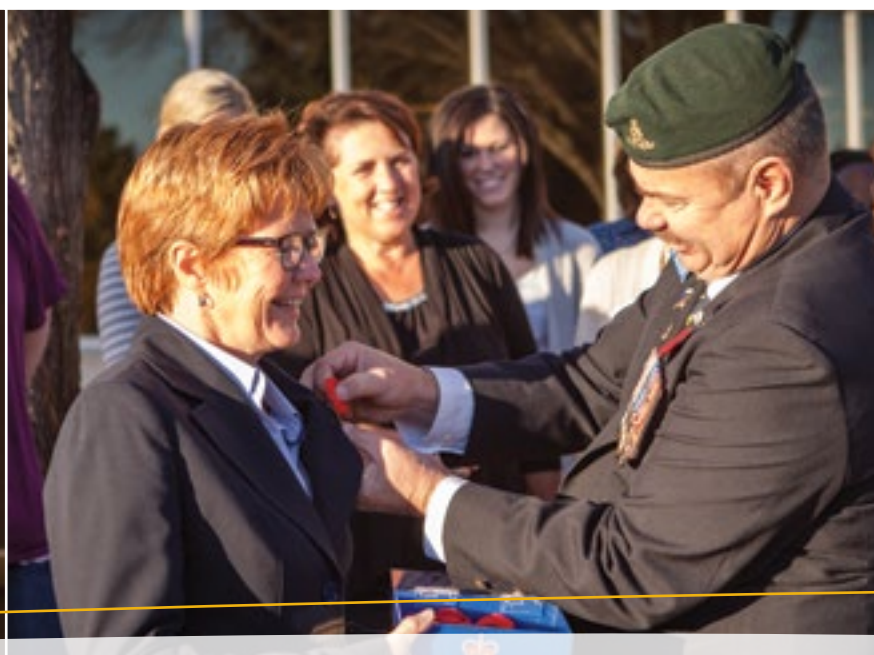
student learning, thriving partnerships with industry and the community, and an exciting agenda of applied research and innovation. We received national recognition of this commitment in 2012-13, when the Natural Sciences and Engineering Research Council of Canada awarded the college a \$200,000 Innovation Enhancement Grant over two years to advance applied research in commercial aquaponics.

Lethbridge College was founded nearly six decades ago by forward-thinking members of the community who had an innovative vision of the future of post-secondary education in southern Alberta. Throughout the college's history, and illustrated clearly this past year in the pages of this report, the dedication, commitment and hard work of the people of Lethbridge College – students, staff, alumni, industry partners and friends – have led to success. We look forward to building on this tradition next year, and for years to come.

[Original signed by Dr. Paula Burns]

**Dr. Paula Burns, MAEd, MBA**

President and CEO



# OVERVIEW

## STRATEGIC DIRECTION

**2012-13 has been a year signaling significant change for Lethbridge College. Not only have we made progress towards achieving the goals outlined in the college's Comprehensive Institutional Plan - Excellence and Innovation 2012-15, the installation of Dr. Paula Burns as the college's eighth President and CEO brought a new focus to the future of Lethbridge College.**

The board looked at the process of selecting a new president for the college as an opportunity to clearly outline the goals and direction for the college now and for years to come. Members of the board of governors established a list of key priorities they wanted to see addressed by the new president as well as key competencies the new leader should possess. In addition, the board sought feedback from all stakeholder groups, including college staff and faculty as well as industry partners, government, alumni and community members. This effort resulted in a well-defined search process and the successful selection of Dr. Burns and has set the college on a course for success for the future.

In a very short time, Dr. Burns and the College Leadership Council engaged employees in co-creating the way forward through working sessions including an all-employee Lethbridge College Advance in May that involved close to 500 employees and some student representatives.

On June 10, 2013, the Board of Governors approved our new strategic framework, one that is grounded in leadership and transformation. Within this framework the college has embraced a bold new vision of "leading and transforming education in Alberta." This vision supported by transformational strategies, a refreshed mission, solid values and principles provides the direction to take advantage of opportunities as the business of education in Alberta and the rest of the world shifts, changes and transforms itself.

The new direction doesn't change what has been a focus for the college: providing exceptional learning experiences for students; connecting with industry and community for innovation and enhanced productivity; and fostering the empowering environment that is foundational to all we do.













## COLLABORATION AND CONSULTATION

**Collaboration and consultation with our various stakeholders are critical components in achieving college goals.**

In fact, this was re-affirmed as we began to co-create the way forward for the college. Collaborative partnerships is one of the college's four transformational strategies with the lofty goal to be model collaborators focused on achieving unprecedented levels of collaboration in education. Understanding the college's strengths is a foundational piece in strategically moving forward. Collaboration was a key strength identified by the college-wide community and has been evident in practice through the many examples below and throughout this document.

There are many opportunities within the Campus Alberta community to collaborate and consult with the ministry and other post-secondary institutions on ways to enhance the learning experience for students and the business of education in general. The Post-Secondary Education Council was initiated by Enterprise and Advanced Education during the year to provide leadership and input into the future of Campus Alberta and post-secondary education. Dr. Burns sits as a lead member on this council representing not only Lethbridge College but all Comprehensive Community Institutions within Campus Alberta.



### COLLABORATION

Collaboration was a key strength identified by the college-wide community.

Another area of focus for the college is to create new external partnerships and expand existing ones, including those with industry, community, government, donors and other educational entities. The continual enrichment of the learning experience is supported through the ongoing contributions of industry and community members. Students are introduced and work with future employers through practicum experiences, applied research and other learning opportunities. Future employers and community stakeholders are engaged with the college through advisory capacities and provide insights into the skills, knowledge and attitudes required for successful careers. Examples of collaboration are highlighted as follows:

- During the year, significant progress was made on the Trades and Technology Renewal and Innovation project (TTRIP). The collaboration with government, industry, donors and employees took this project from concept phase through design to being shovel ready for civil work to begin in the spring of 2014. The support of the community is a testament to the value the college and industry partnerships create in advancing economic and social well-being within the regions we serve.
- Regional school divisions, government and the college worked together to advance dual credit opportunities for students in high school. Dual credit provides students with not only a high school diploma but the opportunity to gain credit toward a post-secondary credential at the same time.
- The launch of the new First Nations, Métis and Inuit (FNMI) Career Pathways program is another example where members of the FNMI community, government and the college participated in making this innovative program a reality for FNMI learners.
- The launch of the Power Line Technician program is another example of how industry and government are linking with the college in a way that will benefit all. The strong start of this program was directly attributed to the commitment of industry partners in material, equipment, services and expertise.
- As healthcare continues to undergo significant organizational and operational changes within the province, consultation and collaboration with various health-related community partners has become an emerging priority for our Placement Office. This effort is part of effectively managing practice-based experiences for programs at the college as well as the coordination we do on behalf of the University of Lethbridge.



- Applied research is another area where collaboration is making a difference within the community. Led by Lethbridge College, the Regional Innovation Network for Southern Alberta (RINSA) supports the development of innovation in southern Alberta through a collaborative partnership between Lethbridge College, Community Futures Lethbridge Region, SouthGrow Regional Initiative, Economic Development Lethbridge, the University of Lethbridge and the National Research Council - Industrial Research Assistance Program (NRC-IRAP). This collaboration is supported by a Technology Development Advisor from Alberta Innovates - Technology Futures.
- The college continues to seek out opportunities to provide leadership in advancing economic prosperity in the communities it serves and places great importance on the community feedback received in facilitating our role within the Campus Alberta framework. Priorities addressed through engagement with community stakeholders such as Regional Access Advisory Council, Chinook Arch Regional Library System, and Community Adult Learning Councils are helping the college fulfill our stewardship role of accessible education within the Lethbridge region.

The college would not be successful without the collaboration and consultation within our internal community of employees as well as the people who are at the centre of every decision we make – the students. Collaboration happens across departments and employee groups, and deliberately includes the student perspective for the betterment of learning and the business of education. We never lose sight of who our students are, what they need, what their experiences at Lethbridge College are like, and how they can best achieve their goals. This collaboration with students and staff is a short-term investment that guarantees the college's long-term success. By partnering with our students during their time on campus, we are creating a committed group of future alumni, donors and even industry partners. By valuing the input of our staff, we are cultivating a community of dedicated colleagues and distinguishing ourselves as a workplace of choice. A significant example of this commitment to collaboration and consultation can be illustrated by the work done at the all-employee Advance that took place in May 2013.

- A total of 473 participants attended the event, including student representatives, faculty members, student support members and corporate services staff. Leading up to this event was the engagement and development of 64 leaders from across the institution. These individuals provided their leadership and facilitation to achieve success in engaging everyone present in the co-creation of the Lethbridge College Strategic Plan.





# INSTITUTIONAL ACHIEVEMENTS – PRIORITIES AND OUTCOMES

## THE LEARNING EXPERIENCE

**The very heart of the institution is centred on providing students with a learning experience that is innovative and engages and supports student needs. This past year the following initiatives advanced the college goals of enhancing the student experience and managing enrolment.**

### **Strategic Enrolment Management (SEM) Plan**

The focus this year for the Strategic Enrolment Management (SEM) plan was on continuing the work started in 2010-11. The following is a summary of the achievements:

#### **Enrolment Planning**

We continued to make significant progress in the development of a collaborative and integrated enrolment plan. Under the direction of the SEM team, we were able to align enrolment planning and target setting with recruitment, marketing, admissions and student awards initiatives.



### EXPERIENCE

A learning experience that is innovative and engages and supports student needs.

### Cultural Diversity

The college, through our International and FNMI plans, is focused on providing opportunities for all students to develop a greater understanding of their roles in an increasingly complex, diverse and global environment and of the competencies they will need to be effective in their careers. The following highlights the continued progress made in supporting the college's diverse populations of students and in providing all students opportunities for engaging in and increasing their awareness and understanding of cultures and global societies:

- In collaboration with the RBC Foundation, the college hosted the annual FNMI Awareness Days on campus for three days in October. Events showcasing a different culture each day celebrated the pride, history and knowledge that are at the heart of First Nation, Métis and Inuit communities.
- We continue to provide FNMI learners access to personal, cultural, academic and career counselling from experienced and dedicated FNMI professionals including elders from the Inuit, Métis and First Nations communities.
- The annual International Week festival – Bridging Cultures, included entertainment, exhibits and a food fair to celebrate and bring awareness of our international students.



- Our FNMI Career Pathways program was developed to support the successful transition of FNMI learners into post-secondary career programs. Providing students with the tools to be successful, the opportunities to explore various programs and the actual course work in their chosen career program are the objectives of this program.
- International learning experiences provide our students opportunities to develop cultural awareness and global perspectives while increasing their employability in the global economy. In 2012-13, culinary arts students travelled to Semmering, Austria, to showcase Canadian cuisine and experience working in European kitchens, while a group of justice studies students travelled to Arizona to visit and learn about very different justice systems including a tent city prison in Phoenix, a Navajo justice system on the Navajo reservation, and the probation and young offender facilities operated in Los Angeles, California.
- While the number of international students has remained stable over the past three years, we have seen a steady increase in our FNMI student population both at the post-secondary and apprenticeship levels.

### Student Success

We know that students' experiences within the first few weeks of entering college are a critical factor in their success and that the classroom environment is another strong influencer. Fall and Winter New Student Orientations continue to grow and we are experiencing many successful initiatives at the program level. Removing barriers through flexible learning is another initiative that is contributing to student success. A three per cent improvement in fall to winter retention over the previous year and a five per cent improvement in year one to two of our two-year programs are evidence that our efforts to support student success are effective.

## Graduate Outcomes

As part of the post-secondary system in Alberta, the college participates in a biennial graduate survey. The survey is conducted two years after graduation and is a measure of graduate satisfaction and employment. The last survey conducted in the spring of 2012 of grads from the 2009-10 class reflected an increase in all areas. Graduates from the 2011-12 class will be surveyed in the spring of 2014.

### Graduate Employment and Satisfaction

	2005-06	2007-08	2009-10
Graduate employment rate	96.3%	94.6%	95.4%
Graduates employed in related jobs	76.4%	75.0%	79.0%
Overall satisfaction with the quality of the educational experience	92.7%	93.5%	96.3%
Would recommend the institution to others	96.8%	96.0%	96.6%
Satisfaction with quality of teaching in the program	91.5%	93.0%	94.5%
Would recommend the same program of study	88.7%	88.8%	91.4%

Working collaboratively within the Campus Alberta system, 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. Innovative career-focused programs provide Lethbridge College graduates with a solid foundation to go forward into the working world and help to facilitate the change that is often needed in today's business environment.

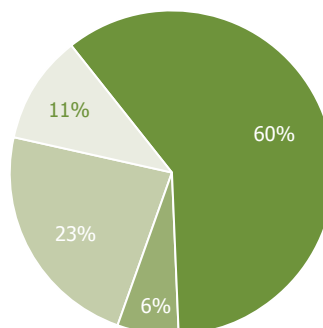
### Distribution of Full Load Equivalents in Credit Programs 2012-13

■ Career Programs

■ Apprenticeship

■ University Transfer/Liberal Arts

■ Preparatory



**The college is continually looking for opportunities to introduce new programs and to renew and refresh existing programs to keep pace with changes in industry. The following is a reflection of the progress in key initiatives:**

### **Advanced Degree in Environmental Sciences**

The proposal submitted to the Ministry of Enterprise and Advanced Education to launch a Bachelor of Technology Degree in Environmental Sciences was not approved by the Ministry in its current form.

The impetus for this proposal came from industry with an expressed need for graduates with more advanced technical training. While the ministry's decision has not shifted our focus on meeting the needs of industry, it has shifted how we meet those needs. Building on our strengths of collaboration and excellence in environmental programming, we are exploring viable options to meet industry and student needs.

### **First Nations, Métis and Inuit (FNMI) Career Pathways**

This program, which has already been mentioned for its collaboration and contribution to cultural diversity, was approved by Alberta Enterprise and Advanced Technology in 2012-13. The program will focus on providing the skills, support and pathways to successfully prepare students for careers in their chosen fields.

### **Justice Studies**

The Criminal Justice Policing and Corrections diploma programs are both now fully available online, significantly increasing access for students within our region and globally. Program reviews were conducted on all programs within the Justice Studies discipline with plans in place to implement recommendations, including enhancing the online delivery of the Bachelor of Applied Arts – Justice Studies program.




### **Trades and Technology**

As Alberta continues to grow, shift and change, the need for skilled trades and technology workers is expected to rise. In response to a need identified by industry, the college launched the Power Line Technician program in January. This program would not have been possible without the commitment and support of multiple industry partners.

### **Learning Pathways**

A key focus in enhancing our programming is to develop and/or expand learning pathways for students – those who are entering college programs, those who are transferring from one college program to another and those who are transferring into programs at other post-secondary institutions. Over the past year significant progress was made in these areas:

- Approval of the new FNMI Career Pathways program will increase access for the FNMI population and create a pathway to several college programs.
  - Working in collaboration with school divisions within the region and respective government departments, plans are in place to deliver the Health Care Aide program in a dual credit format at the high school level in the of fall of 2013. Students will not only receive a high school diploma and a post-secondary credential, but they will be prepared to meet a growing need within the health care industry.
  - Block transfer protocols were established from the Police Recruit Training and Commercial Vehicle Enforcement Programs into the Criminal Justice – Policing diploma.
  - Ongoing discussions with provincial and national justice agencies (i.e. RCMP, police services) have taken place to create protocols recognizing in-service training and experience towards a post-secondary education.
  - The college continues to focus on creating or enhancing strategic partnerships through articulation agreements to provide increased options for students.
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### Flexible Learning

The Distributed Learning (DL) Plan, in its final year, is providing more options and increasing access to quality post-secondary education for more students. At the core of this plan is the goal to have a blended learning component contained within every course offered by the college. Students have more flexibility to access courses that fit their learning style, schedule and life circumstances. As a result, we continue to see significant growth in online course registrations. In addition, access to learning and learner support services are more available to students in a variety of formats, i.e. online, face-to-face, teleconference and web-conferencing. This is especially beneficial to meeting the needs of students in rural communities and supports the college's goal of providing access to rural learners in the most effective way. Although not an exhaustive list, the following outcomes are examples of how our flexible learning initiatives are removing barriers to education in our communities.

- We signed a partnership agreement with the Peigan Board of Education in Brocket to offer the Early Childhood Education diploma face-to-face starting in the fall of 2013.
- We put all of the plans and support in place to allow us to start delivering the Health Care Aide program in the fall of 2013 in collaboration with regional school divisions in a dual credit format.
- The number of flexible delivery course registrations continues to grow with a 19 per cent increase over 2011-12. Since 2009-10, there has been a 46 per cent increase in the number of flexible delivery course registrations.
- The Mobile Learning initiative, a natural progression of the Distributed Learning Plan, was approved and started during the year. This initiative will help to create a relevant learning environment for the 21st century by providing learners with an environment that takes advantage of the interactive learning opportunities offered by mobile technologies.
- Many other developments within the year have further enhanced the teaching and learning environment to support increased levels of flexibility, such as the active learning lab, tablet projects and an upgraded wireless system.

### Credential Framework

This project, known as the 30-60-120 project, focuses on creating a standardized measure of learning that is understood by post-secondary institutions worldwide. This will help to ensure that students receive fair recognition of their qualifications, increasing their access to learning pathways provincially, nationally and internationally. These principles are articulated in the Bologna Accord (1999), which is the foundation of this project. Phase one conversion of the “*learning credit*,” was completed this year with the conversion of all courses for the 2013-14 academic year. Substantial work was also done on the second phase, which includes program redesign and a review of affected administrative processes and systems.

### College-wide Outcomes

This project recognizes the importance of ensuring that all learners obtain a set of outcomes that are necessary for ongoing future success in the 21st century. Once fully implemented, all students who receive a credential from Lethbridge College will achieve outcomes in the following six areas:

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

This will help to ensure that students receive fair recognition of their qualifications, increasing their access to learning pathways provincially, nationally and internationally.



These outcomes will provide students with the foundation to contribute to the sustainability of society, the economy and the environment through active engagement in the wider community. These outcomes will also allow students to recognize problems and apply systematic methods or processes to solve them or create improvements and create meaning by listening, writing, speaking and reading effectively using a variety of media and technological tools. Finally, these outcomes will direct students to use existing and emerging sources of information to gain knowledge, communicate and distribute information, recognize and take responsibility for their own learning and development, and develop an awareness of their role in society and corresponding effect. They will be lifelong learners who are able to adjust to a changing world, which is critical to their continued success throughout their lives.

Over the past two years, the project has focused on documenting the extent to which programs have already integrated these outcomes into their curricula. The next phase of the project will integrate these skills throughout their curriculum.

## Enrolments

A key goal for the college in serving our stewardship region is to increase access/enrolments to learning opportunities throughout the communities we serve. This is achieved through the initiatives embedded in the Strategic Enrolment Management (SEM) Plan, which focuses on recruitment and retention of students and the initiatives supporting flexible learning models.

We continue to see high demand in the nursing programs. Student full load equivalents (FLEs) in the Practical Nursing and Bachelor of Nursing programs were eight per cent higher in 2012-13 compared to the previous year. Apprenticeship is another area of growth, with a nine per cent increase over the prior year. Our College and University Preparation program continues to decline as funding sources for students entering into the program have decreased over the past few years.

The following chart shows an overall six per cent decrease in FLEs with enrolments in off-campus contract programs being the driving factor. These contracts with outside agencies in other parts of Canada and the world tend to fluctuate based on demand and the college's ability to supply.

### Student Full Load Equivalents

	2010-11	2011-12	2012-13	2011-12 vs.2012-13
Lethbridge Campus, Distributed Learning and Rural	3,877	3,904	3,862	(1%)
Off-campus Contract	95	273	72	(74%)
Total	3,972	4,177	3,934	(6%)

Source: Enterprise and Advanced Education Learner Enrolment Reporting System (LERS)







## INDUSTRY AND COMMUNITY CONNECTED

### Community and Industry Linkages

Industry linkages are critical in ensuring programs stay current and relevant. All programs have advisory committees that 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.

The following reflects examples of how external stakeholders influence the direction of education and how the college is meeting the needs of our various stakeholders.

- The new First Nations, Métis and Inuit (FNMI) Career Pathways program was created with input from the FNMI community. Alberta Enterprise and Advanced Education shared our vision and provided its support in making this innovative program a reality.
- Multiple industry partners came together with the college to build the Power Line Technician program. This program, launched in January with significant commitment from industry, filled industry's need for the availability of high quality training within the region.
- The three-year plan that provides the framework for supporting vibrant communities through sustainable rural educational programming was created in consultation with our stakeholders in rural education including community adult learning organizations (local and regional), rural school divisions, rural economic development officers and employment service organizations.
- Planning for the proposed advanced degree in environmental sciences was a direct response to feedback received from industry-led advisory committees, industry leaders, graduates and professional bodies such as the Alberta Society of Professional Biologists and the Alberta Institute of Agrologists.
- The partnership that began in 2010 with the National Aboriginal Trust Officers Association (NATOA) to develop a training program to enhance Aboriginal fund management strategies and processes has been successfully delivered to close to 200 participants across Canada. The partnership has been extended to complete the remaining phases of a trust training program with the prospect of eventually laddering into a professional designation and a post-secondary credit.



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; in addition, programs participate in various volunteer opportunities each year. The college engaged in the following activities this past year:

- 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. Speakers from global organizations presented on topics that centred on the uncertainty in the 21st century of agriculture in relationship to the red meat industry.
- The college, in collaboration with the Alberta Rural Development Network, hosted the inaugural Social in the South social media conference. The conference brought together some of Alberta's most innovative social media experts to educate small business entrepreneurs, non-profit organizations and individuals in southern Alberta on effective strategies for integrating social media into everyday business practices.
- Lethbridge College and the Alberta Prion Research Institute jointly hosted a public lecture featuring Jay Ingram on the topic of prion and protein misfolding diseases. These diseases, such as mad cow disease and chronic wasting disease, have an impact on our food supply, environment and the economy.
- Canada's second annual Canadian BMO KidWind Challenge was hosted by the Lethbridge College in collaboration with KidWind, an international project for engaging teachers and students in clean energy science. Teams of students from southern Alberta high schools competed against each other in the design of two-foot-tall small wind turbines.

### **Innovation and Applied Research**

Our focus on applied research is aligned to government priorities and the four key goals: economic diversification and competitiveness; environmental stewardship; social well-being and health; and talent and skills. The Alberta government recognizes that the role of institutions as catalysts of innovation is critical to Alberta's ability to grow, change and meet the challenges of a rapidly developing world. Lethbridge College's key research objectives are to:

- provide an atmosphere conducive to research and scholarly activities in general;
- improve the educational experience of our students through the integration of research and teaching;
- build on our existing and emerging strengths to achieve excellence in applied research; and
- transfer knowledge gained through applied research in the manner most likely to benefit our partners and society.

Throughout the year, we have continued to work on expanding capacity and advancing excellence in research. The following projects, although not comprehensive, provide insight into the types of activities and expected benefits from the various partnerships and research projects underway at Lethbridge College:


The college is the lead agency for the Regional Innovation Network for Southern Alberta (RINSA), which is first mentioned in the collaboration and consultation section of this report. It encompasses an area from south of Calgary to the Canada/United States border, and from roughly the Town of Taber to the Alberta/British Columbia border. The purpose of RINSA is to offer entrepreneurs and small and medium enterprises (SMEs):

- innovation support, technology transfer and commercialization programs;
- marketing, business development, training and export development services;
- networking and match-making services;
- business incubation opportunities;
- access to funding at various stages (vouchers, angel investment, venture capital); and
- access to funding through Community Futures' lending services for start-up and/or expansion.



Through this project, representatives and advisors from the Industrial Research Assistance Program (IRAP) and the Alberta Innovates–Technology Futures (AITF) program are resident on campus and provide valuable expertise and insight in identifying the needs of local SMEs and funding opportunities.

The Aquaculture Centre of Excellence (ACE) conducts research primarily dealing in the aquatic realm, particularly aquaculture, aquatic ecosystem health, water quality and fish disease. With our bio-secure isolation facilities, our water recirculation technologies, our greenhouse operations, and our water quality testing and molecular lab capabilities, ACE provides a solid base to conduct a wide variety of aquatic-based research. We have partnered with many private, government and non-profit organizations. Activities included:

- A project sponsored by the Oldman Watershed Council in collaboration with municipal and the provincial government monitored storm-water for contaminants.
  - In collaboration with the Ministry of Environment and Sustainable Resource Development (ESRD), we provided quarantining of fish for Bow Habitat Station.
  - During the year, the college was awarded an Innovation Enhancement Grant from the Natural Sciences and Engineering Research Council of Canada (NSERC) to advance applied research in the area of commercial aquaponics. Funding from this award will be used to support a unique project that will assist aquaponics producers to make technical improvements to their systems and to overcome policy obstacles to aquaponics. To complete the research, the college will partner with Trimark Engineering Ltd., Alberta Agriculture and Rural Development and the Alberta Aquaculture Association.
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- We continued to collaborate with industry on developing and commercializing novel methods of biotransformation of algae. The collaboration included an industry scientist working full-time at the college, which benefited students through employment opportunities in addition to exposure on solving real-world issues.
- In response to industry requests, we submitted a letter of intent to NSERC and Canada Foundation for Innovation to develop a bio-products characterization lab.
- Work was also done in collaboration with Cairo University and the University of Botswana on a research proposal for development of aquaponics for rural Africa.

Funding was received from the Canola Council of Canada through Agriculture and AgriFoods Canada for the detection and identification of canola cutworms. As part of a larger, multi-disciplinary research program, cutworm specimens in southern Alberta will be collected and reared in the laboratory to obtain species, specimen development, and parasitism data to be correlated with field and environmental data.

In collaboration with community partners, we continue to run polls through our Citizen Society Research Lab (CSRL) to measure public opinion on a variety of issues that are of interest to our students, faculty and community partners. As the CSRL has been doing this type of research for a number of years, they are able to interpret trends as part of the results. In recognition of its quality, results are routinely quoted in provincial and national news outlets.

We also encourage internal research projects that enhance teaching and learning. A grammar and punctuation smartphone application to supplement in-class learning was developed and tested in Lethbridge College classrooms. We expect to make the application available to all our students.

As education evolves, a new reality is emerging. The linkages between education and industry are becoming more and more critical in preparing learners for productive and rewarding careers and in partnering with industry and the community to solve problems.

### Donors and Fundraising

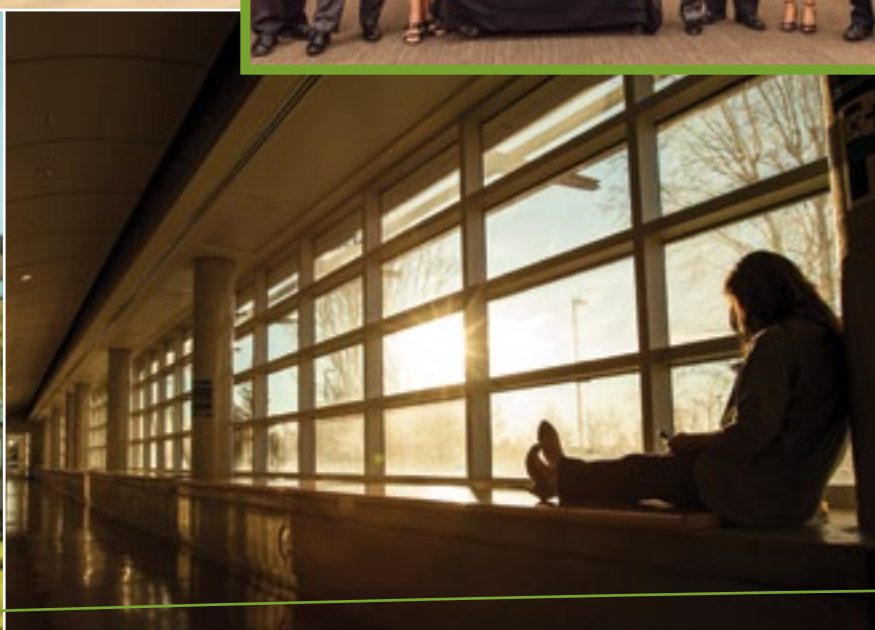
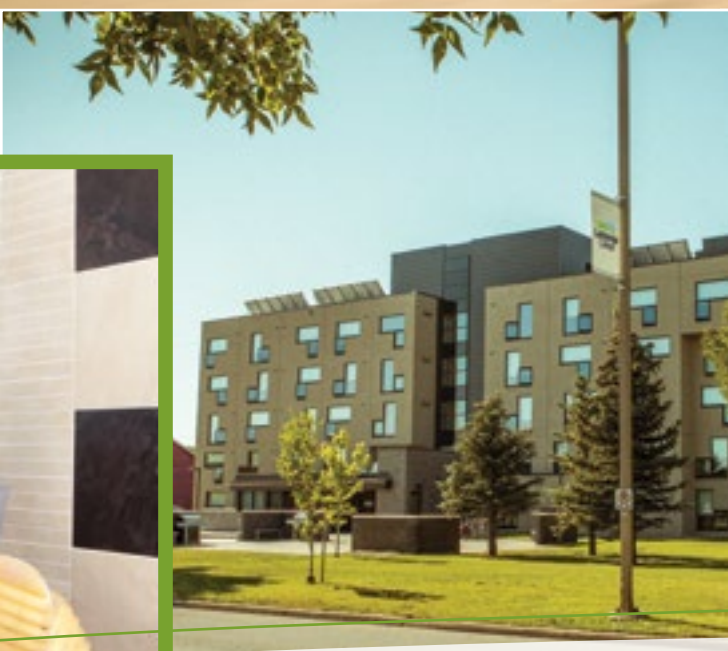
In May, we publically launched our most ambitious fundraising campaign in the college's 57-year history. The campaign targets our efforts to renew the college's aging trades and technologies facilities, to support the environmentally-innovative Kodiak House residence, to reimagine our library and learning space, to increase access to student awards and to focus on emerging priorities in programming excellence.

"The Possibilities are Endless" campaign has already raised \$13.3 million of its private sector goal of \$25 million. The total project cost for this campaign is \$103 million. The college will now move into the active, public phase of its fundraising effort. All five targeted areas will benefit from the support given by members of the community, alumni and industry partners.

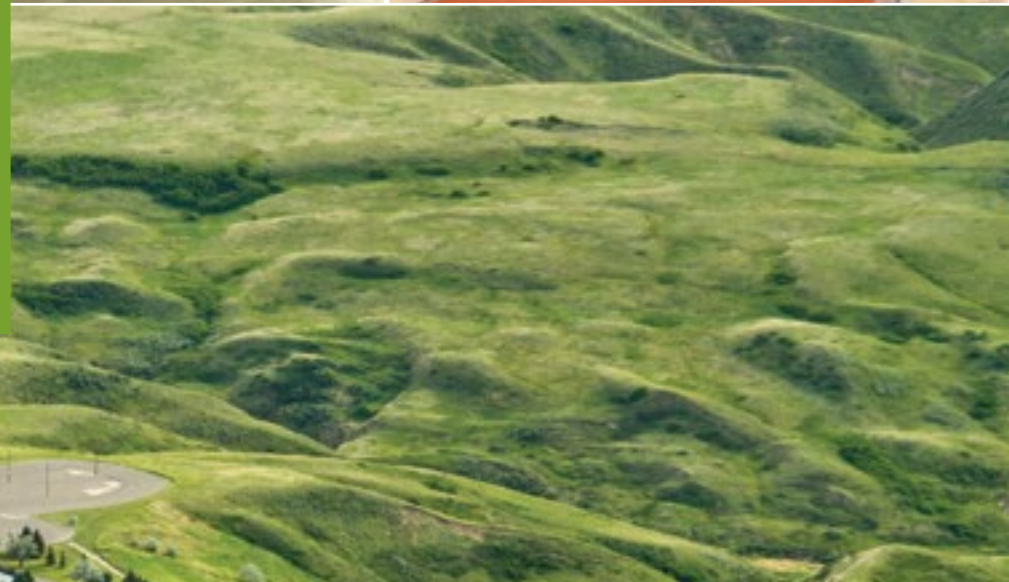
"The Possibilities are Endless" campaign has already raised \$13.3 million of its private sector goal of \$25 million.













## EMPOWERING ENVIRONMENT

### People

The employees of Lethbridge College are critical to our success. We have focused on fostering an environment of innovation, collaboration and strong leadership at all levels where people can be their best and contribute to a mission that is inherently rewarding. In May, our all-employee Advance engaged nearly 500 of our employees in defining the future direction for the college. The ideas and input gathered at that event will continue to inform our direction as we move forward with our bold vision of “leading and transforming education in Alberta.”

People Development is one of four strategies moving forward with a focus on maximizing the strengths and passion of our people for collective success.

The following table summarizes the full-time equivalent employees. Lethbridge College is one of the largest employers in the community with employees working in various capacities from full-time to part-time to casual.

Employees (Full-time Equivalent)			
	2010-11	2011-12	2012-13
Academic	309	309	308
Non-Academic Support	351	334	343
Administrative/Managerial	68	69	70
<b>Total</b>	<b>728</b>	<b>712</b>	<b>721</b>

Source: Financial Services



### PEOPLE

We have focused on fostering an environment of innovation, collaboration and strong leadership at all levels.



## Facilities

Current, updated, functional and comfortable facilities enhance the learning environment and the student experience. The Trades and Technology Renewal and Innovation Project (TTRIP), our highest capital priority, is now moving ahead with a \$55.6 million funding commitment from the Alberta Government and with community support through the capital fundraising campaign. The TTRIP funding commitment has allowed the planning committee to formally engage the TTRIP design team and move forward the concept design to completion of design documents (expected in early 2014). Each of these milestones in TTRIP planning moves us closer to being “shovel ready” for all phases of the project in spring 2014. A key component of TTRIP is the flexibility of space to meet changing labour force needs and to support new programming in the decades to come. Capacity within the trades and technologies disciplines will increase and position the college to meet the evolving needs of Albertans and industry in the area of trades and technology education and training.

A number of major maintenance projects were completed this past year in an effort to support the learning experience, employees and the long-term sustainability of the college. The ongoing renewal of Cullen block residences, the upgrading of classroom and hall flooring and the completion of high voltage loop and security system upgrade projects have positively affected the students’ and employees’ experience. Significant upgrades were completed to elevators, library flooring and lighting, with updated furnishings in the library commons. Accessibility to washrooms was enhanced and a complete facelift was realized at the DA Electric Barn.

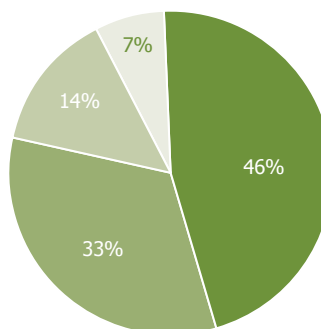
### Facility Usage Profile (Excluding Residence)

■ Instruction/Academic Support

■ Circulation and Maintenance

■ Administration and Institutional Support

■ Ancillary Services



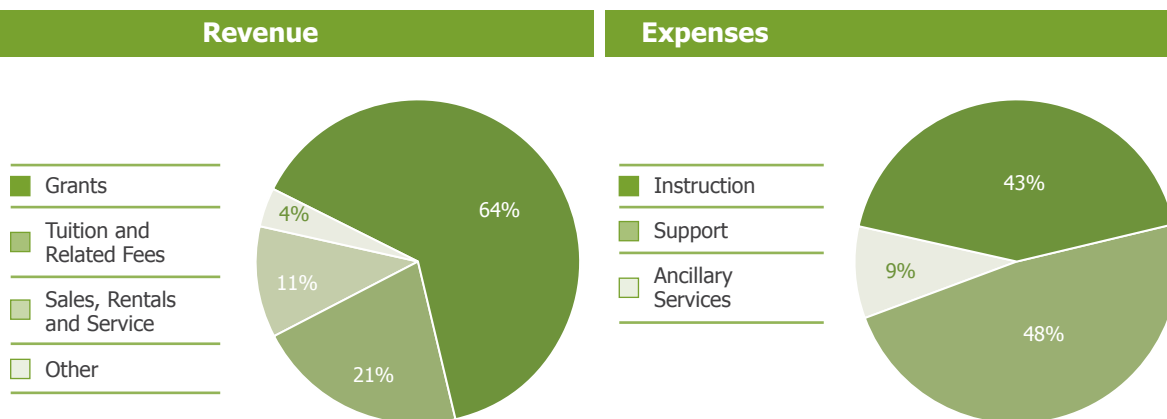
Source: Facilities Management

### Information Technology Systems

The focus of our information technology was on infrastructure renewal to support the administrative and learning systems. During the year we replaced our wireless access points throughout the entire campus and our virtualization hardware and storage area network, and we implemented a new service management and inventory system.

### Financial Resources

Our financial position at the end of the year was better than expected with a \$1.2 million surplus being posted. The significant reductions to post-secondary funding announced in the government of Alberta's budget for 2013-14 has and will continue to present challenges as we plan for future years.



Source: Financial resources

### Key Performance Indicators

	2010-11	2011-12	2012-13
Administrative expenditures as percentage of total expenditures less ancillary expenditures	11%	10%	9%
Enterprise revenue as a percentage of government grants	21%	22%	20%

Source: Enterprise and Advanced Education Key Performance Indicators Reporting System (KPIRS)





# MANAGEMENT DISCUSSION AND ANALYSIS

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

This MD&A provides an overview of the results Lethbridge College achieved in 2012-13 with a detailed discussion and analysis of the institution's:

1. operating environment
2. business planning and management
3. financial information
4. progress in capital projects
5. areas of significant financial risk

## 1. Operating Environment

With a primary focus on adult learning, Lethbridge College continues to derive much of our strength from our role within the Campus Alberta post-secondary system. We are located within the City of Lethbridge and Province of Alberta and provide a range of educational opportunities in a variety of career-focused programs in business and management, design and technology, justice studies,

### RESULTS

The MD&A and audited financial statements are reviewed and approved by the Lethbridge College Board of Governors



health and human services, agriculture and the environment, and trades. These programs lead to career employment or to further education through foundational learning, upgrading, university transfer, apprenticeship programs, certificates and diplomas, applied degrees and baccalaureate degrees.

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. The announcement by the Government of Alberta of a reduction in operating grants of 7.3 per cent to the post-secondary sector and reduction in Infrastructure Maintenance Program funding has presented challenges to the college. A balanced budget was accomplished for the 2013-14 fiscal year; however, with the inflation of expenditures exceeding the grant increase, future years will be a balancing act. The college will continue to look at opportunities to reach our strategic goals and fiscal responsibility.

## **2. Business Planning and Management**

Lethbridge College's three-year Comprehensive Institutional Plan (CIP) provides the framework for the institution to achieve our strategic goals and objectives. Performance measures identified in the CIP monitor and communicate progress to the college's provincial, national and international stakeholders.

The college prepares its annual financial capital and operating plans using zero based budgeting. This enables the college to plan over an extended timeframe and gives a better level of understanding of the future financial position. Resources are directed at those strategic priorities that the college has determined to be crucial in the achievement of our goals. Budgets are monitored by management on a monthly basis and any variations from the plan are adjusted to ensure the required year-end results are achieved.

The 2012-13 year saw many changes for Lethbridge College including the installation of a new president and CEO, Dr. Paula Burns. Over the past months, the college has developed a new strategic framework and a new vision "leading and transforming education in Alberta." The college developed a scorecard that reflects transition to the new strategic plan to monitor and measure progress of targeted milestones and predetermined outcomes.

### 3. Financial Information

Commencing July 1, 2012, the college adopted Canadian Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board. These financial statements are the first financial statements for which the college has applied Canadian PSAS.

#### Statement of Financial Position

For the year ended June 30, 2013, the college reported a \$1.2 million operating surplus (\$3.4 million - 2012).

#### Revenues

Total revenues increased in 2012-13 to \$85.0 million from \$82.4 million in 2012. The following table shows the composition of the college's total revenues (in thousands of dollars) for the 2013 fiscal year with comparative information for 2012:

REVENUE BY SOURCE (in thousands)	2013	2012
Government of Alberta grants	52,683	49,838
Federal and other government grants	1,419	1,202
Sales of services and products	9,168	9,233
Contract programs	2,151	1,915
Student tuition and fees	17,598	18,292
Donations and other grants	810	736
Investment income	1,127	1,187
<b>Total Revenue</b>	<b>84,956</b>	<b>82,403</b>

### Government of Alberta Grants

The college receives 60 per cent of our revenue from Alberta Enterprise and Advanced Education. The base operating grant increased by two per cent in 2012-13. During the year, several infrastructure projects were completed that were funded by the infrastructure maintenance program and recognized as revenue.

### Student Tuition and Fees

Instructional fees are set within the guidelines of the Post-secondary Institutions Tuition Fee Regulation. All fees are set to reflect a reasonable balance of fiscal responsibility between students and taxpayers. The maximum allowable increase is based on the change of the average monthly Alberta Consumer Price Index in the previous fiscal year. The setting of fees is done in consultation with the Lethbridge College Students' Association. Reduced contracted partnership tuition revenue accounts for the majority of the decrease in 2013 compared to 2012.

### Expenses

The adoption of PSAS in 2012-13 requires expenses to be reported by function in the Statement of Operations, a change from previous years where expenses were reported by object. Note 18 disclosed of the financial statements disclose expenses by object. Total expenses increased from \$78.9 million in 2012 to \$83.7 million in 2013. The following table shows the composition of the college's total expenses (in thousands of dollars) for 2013 with comparative information for 2012:

EXPENSE BY FUNCTION (in thousands)	2013	2012
Instruction	35,697	32,966
Academic and student support	14,668	14,145
Institutional support	12,253	11,813
Sponsored research	212	191
Facility operations and maintenance	13,205	12,072
Ancillary operations	7,676	7,755
<b>Total Expenses</b>	<b>83,711</b>	<b>78,942</b>



### Instruction

Instruction expenses represent 43 per cent of the total cost of the organization. Included in this area are costs related to all programming and/or training within the college, whether for credit or non-credit. Expenses in this area increased from \$33.0 million in 2012 to \$35.7 million in 2013. Salaries and benefits are a major contributor of the increase in this function, as wages increased by an average of 2.5 per cent. Other expenditures remained stable with the exception of areas supported by special purpose funding.

### Facility Operations and Maintenance

This area represents 16 per cent of the total expenditures of the organization. Included in this area are expenditures relating to maintenance and renewal of facilities that house teaching, research, administrative and common areas within the college. These include utilities, facilities administration, building maintenance, custodial services, grounds keeping as well as major repairs and renovations. The increase expenditure is a result of several infrastructure maintenance projects completed during the year. Some of these projects included barrier-free doors, flooring replacements and washroom upgrades where funding was provided by the infrastructure maintenance program.

## OPERATIONS

Facility operations and maintenance represents 16 per cent of the total expenditures of the organization.

## Financial Position

### Net Assets

The college's net asset position is an important indicator of financial health. Through diligent financial planning and decision-making, combined with increased endowment contributions from donors, the college's net assets increased by \$3.4 million compared to the previous year.

Included in net assets are funds set aside by the college for specific purposes. The following table shows the composition of these funds:

INTERNALLY RESTRICTED SURPLUS (in thousands)	
Professional development	1,217
Trades and technology renewal and innovation project (TTRIP)	5,377
Future commitments and strategic reinvestments	1,983
<b>Total</b>	<b>8,577</b>

### Endowments

Endowments increased by \$1.7 million to \$10.3 million in 2013. During the year, aggregate capitalized income of \$0.2 million for the current year and \$1.5 million of gifts were added to the principal amount of endowments.

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 used for the purposes specified by the donors. The purposes are primarily the funding of scholarships.

## 4. Progress in Capital Projects

During the fiscal year 2012-13, Lethbridge College purchased \$6.0 million in capital assets, of which \$1.8 million was funded from internal funds and \$4.2 million from external sources of funding provided by Alberta Enterprise and Advanced Education (including Alberta Infrastructure).

Capital asset acquisitions include equipment purchases, infrastructure maintenance projects, high voltage loop renewal, a security alarm upgrade and the Trades and Technology Renewal and Innovation project (TTRIP), of which significant progress was made during the year.

## 5. Areas of Significant Financial Risk

### Deferred Maintenance

For the fiscal year 2012-13, the college spent \$4 million from carryover of Infrastructure Maintenance Program (IMP) funds on maintenance projects identified within the IMP funded by the Province of Alberta. Although a significant amount of deferred maintenance was accomplished for the fiscal year ending June 30, 2013, the existing Trades facility, slated for replacement under the TTRIP project, remains a challenge. IMP funding has been reduced significantly over the past two years, creating a challenge for renewing and upgrading older existing facilities.

### Budgetary Pressure

The provincial budget for 2013-14 called for a 7.3 per cent reduction to the post-secondary institutions' operating grants, which equates to a cut of \$3.2 million for the college and a 70 per cent reduction to infrastructure maintenance funding over the past two years equating to \$1 million. These reductions had and continue to have a large impact on college operations and several adjustments have had to be made to staffing and other expenditures. The college is looking for new revenue opportunities and seeking more efficiency within the college. During the year, operational adjustments were made to achieve a balanced budget in 2014; however, future finances are under pressure as a result of a number of factors, including:

- operating grant funding reductions in the foreseeable future
- deferred maintenance and IMP funding reductions
- 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

The demand for new program offerings, staff and technological improvements are never ending. The college workforce continues to age and future labour contracts put strain on the existing resources. The college is dedicated to the delivery of quality education and continues to be committed to addressing these budgetary pressures. We will work closely with the Board of Governors and the government to develop long-term strategies to ensure that we can continue to deliver on our mandate.

The cap on tuition fee increases limits the college's ability to close the funding gap through more traditional means. Consequently, the college continues to search for and implement efficiencies, while pursuing revenue generation activities.





# CONSOLIDATED FINANCIAL STATEMENTS

- Independent Auditor's Report
- Management's Responsibility for Reporting
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Remeasurement Gains and Losses
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements



FINANCIALS

Lethbridge  
College  
year ended  
June 30, 2013



## 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 consolidated statements of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011 and the consolidated statements of operations and cash flows for the years ended June 30, 2013 and June 30, 2012, and the consolidated statement of remeasurement gains and losses for the year ended June 30, 2013 and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained in my audits 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, 2013, June 30, 2012 and July 1, 2011 and the results of its operations and its cash flows for the years ended June 30, 2013 and June 30, 2012, and its remeasurement gains and losses for the year ended June 30, 2013, in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

October 29, 2013

Edmonton, Alberta

October 29, 2013

## Management's Responsibility for Reporting

For the Year Ended June 30, 2013

Lethbridge College's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the College's financial position as at June 30, 2013 and the results of its operations for the year then ended.

The financial statements have been prepared in accordance with Canadian public sector accounting standards. The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Board of Governors carries out its responsibilities for review of the financial statements principally through its Finance, Audit and Risk Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Finance, Audit and Risk Committee with and without the presence of management. The Board of Governors of Lethbridge College has approved the financial statements.

The financial statements for the year ended June 30, 2013 have been reported on by the Auditor General of the Province of Alberta, the auditor appointment under *The Post-secondary Learning Act*. The independent Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.

[Original signed by Simon Griffiths]

Simon Griffiths  
Vice-President, Corporate Services and CFO

[Original signed by Dr. Paula Burns]

Paula Burns  
President and CEO

The accompanying notes are part of these financial statements.



**LETHBRIDGE COLLEGE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT**  
**(thousands of dollars)**

	Note	June 30 2013	June 30 2012 (Note 2)	July 1 2011 (Note 2)
<b>ASSETS</b>				
Cash and cash equivalents	5	\$ 16,311	\$ 25,345	\$ 17,250
Portfolio investments	6	37,944	28,909	27,748
Accounts receivable	8	1,877	1,951	2,477
Inventories and prepaid expenses		1,781	1,802	1,672
Tangible capital assets	9	74,118	74,087	76,292
		<u>\$132,031</u>	<u>\$132,094</u>	<u>\$125,439</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities		\$ 6,328	\$ 5,417	\$ 4,005
Employee future benefit liabilities	10	1,255	1,185	1,229
Debt	11	9,128	9,441	9,840
Deferred revenue	12	66,252	70,388	69,388
		<u>82,963</u>	<u>86,431</u>	<u>84,462</u>
<b>NET ASSETS</b>				
Accumulated surplus				
Accumulated operating surplus	14	38,253	37,008	33,547
Accumulated remeasurements gains and losses		539	-	-
Accumulated net unrealized gain (loss) on investments		-	43	323
Endowments	13	10,276	8,612	7,107
		<u>49,068</u>	<u>45,663</u>	<u>40,977</u>
		<u>\$132,031</u>	<u>\$132,094</u>	<u>\$125,439</u>
Contingent liability	15			
Contractual obligations	16			

Approved by

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

R.L. (Randy) Jespersen  
Chairman of the Board

[Original signed by Dr. Paula Burns]

Dr. Paula Burns  
President and CEO

The accompanying notes and schedules are part of these consolidated financial statements.

**LETHBRIDGE COLLEGE**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**YEARS ENDED JUNE 30**  
**(thousands of dollars)**

	Note	2013 Budget Unaudited (Note 22)	2013	2012 (Note 2)
<b>REVENUE</b>				
Government of Alberta grants		\$ 50,769	\$ 52,683	\$ 49,838
Federal and other government grants		1,093	1,419	1,202
Sales of services and products		9,500	9,168	9,233
Contract programs		1,673	2,151	1,915
Student tuition and fees		17,995	17,598	18,292
Donations and other grants		775	810	736
Investment income		1,250	1,127	1,187
		<u>83,055</u>	<u>84,956</u>	<u>82,403</u>
<b>EXPENSE</b>				
	18			
Instruction		34,911	35,697	32,966
Academic and student support		14,598	14,668	14,145
Institutional support		13,608	12,253	11,813
Sponsored research		255	212	191
Facility operations and maintenance		11,849	13,205	12,072
Ancillary services		7,540	7,676	7,755
		<u>82,761</u>	<u>83,711</u>	<u>78,942</u>
Operating surplus		294	1,245	3,461
Accumulated operating surplus from operations, beginning of years		<u>37,008</u>	<u>37,008</u>	<u>33,547</u>
Accumulated operating surplus from operations, end of years		<u>\$ 37,302</u>	<u>\$ 38,253</u>	<u>\$ 37,008</u>

The accompanying notes and schedules are part of these consolidated financial statements.

**LETHBRIDGE COLLEGE**  
**CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**YEARS ENDED JUNE 30**  
**(thousands of dollars)**

	Note	2013
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES)</b>		
<b>AT BEGINNING OF YEAR</b>		\$ -
Adoption of new accounting standards	3	43
Unrealized gains (losses) attributable to:		
Portfolio Investments		496
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES)</b>		
<b>AT END OF YEAR</b>		<u>\$539</u>

The accompanying notes and schedules are part of these consolidated financial statements.

**LETHBRIDGE COLLEGE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEARS ENDED JUNE 30**  
**(thousands of dollars)**

	Note	2013	2012
<b>OPERATING ACTIVITIES</b>			
Operating surplus		\$ 1,245	\$ 3,461
Add (deduct) non-cash items			
Expended capital contributions recognized as revenue		(3,799)	(3,701)
Amortization of tangible capital assets		5,971	5,588
Change in employee future benefit liabilities		70	(44)
Total non-cash items		2,242	1,843
 (Increase) decrease in accounts receivable		74	526
(Increase) decrease in inventories and prepaid expenses		21	(130)
Increase (decrease) in accounts payable and accrued liabilities		911	1,412
Increase (decrease) in deferred revenue		(337)	4,701
		4,156	11,813
<b>INVESTING ACTIVITIES</b>			
Purchase of portfolio investments, net of sales		(9,035)	(1,161)
Unrealized gain (loss) on portfolio investments		496	(280)
		(8,539)	(1,441)
<b>FINANCING ACTIVITIES</b>			
Endowment contributions		1,664	1,505
Debt retirement		(313)	(399)
		1,351	1,106
<b>CAPITAL ACTIVITIES</b>			
Acquisition of tangible capital assets – internally funded		(1,786)	(1,125)
Acquisition of tangible capital assets – externally funded		(4,245)	(2,300)
Proceeds on sale of tangible capital assets		29	42
		(6,002)	(3,383)
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(9,034)	8,095
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEARS</b>		25,345	17,250
 <b>CASH AND CASH EQUIVALENTS, END OF YEARS</b>	5	\$ 16,311	\$ 25,345

The accompanying notes and schedules are part of these consolidated financial statements.



**LETHBRIDGE COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**  
**(thousands of dollars)**

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

**2. Conversion to Public Sector Accounting Standards**

Commencing July 1, 2012, the college adopted Canadian Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board. In accordance with PSA Handbook Section 2125 (First-time Adoption), the date of transition to PSAS is July 1, 2011, and the college has prepared and presented an opening statement of financial position at the date of transition. These financial statements are the first financial statements for which the college has applied Canadian PSAS. The impact of the conversion to PSAS is presented in Schedule 1.

In accordance with the requirements of PSAS Handbook Section 2125, the accounting policies set out in note 4 have been consistently applied to all years presented. Adjustments resulting from the adoption of PSAS have been applied retrospectively excluding cases where optional exemptions available under Section 2125 have been applied and as required by Section 2601 Foreign Currency Translation and Section 3450 Financial Instruments as these standards specifically prohibit retroactive application. The college has elected to adopt the exemption available under section 2125 for prospective application of the tangible capital assets impairment rules.

**3. Adoption of new accounting standards**

**(a) Financial instruments**

As of July 1, 2012, the college adopted PSAS Handbook Section 3450, Financial Instruments. This new standard provides guidance for recognition, measurement and disclosure of financial instruments. The transitional provisions in the standard state that when a government organization applies this standard in the same year it adopts PSAS for the first time, this standard cannot be applied retroactively. Comparative amounts are presented in accordance with the accounting policies applied by the college immediately preceding the adoption of PSAS, whereby financial instruments were recognized on their trade date and transaction costs related to all financial instruments were expensed as incurred. Unrealized gains and losses reported in the Statement of Financial Position for July 1, 2011, and June 30, 2012, remain as accumulated net unrealized gains and losses on investments.

The college had previously disclosed risks related to financial instruments in Note 2 of the June 30, 2012, GAAP financial statements, now found in Note 7, financial risk management.

**LETHBRIDGE COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**  
**(thousands of dollars)**

**(b) Portfolio investments, foreign currency, and financial statement presentation**

As of July 1, 2012, the college adopted PSA Handbook Section 3041, Portfolio Investments. This section establishes standards on how to account for and report portfolio investments, transactions denominated in foreign currencies and the disclosure of information in financial statements. This standard is applicable to the fiscal year in which PSA Handbook Sections 2601, Foreign Currency Translation, 3450, Financial Instruments and 1201, Financial Statement Presentation are adopted. The standard refers to 3450, Financial Instruments for recognition and measurement of investments held by the college. Other than previously stated in this Note, there were no significant impacts of adopting this standard for the year ended June 30, 2013.

The transitional provisions in Section 2601 state that when a government applies this standard in the same year it adopts PSAS for the first time, this standard cannot be applied retroactively. Comparative amounts are presented in accordance with the accounting policies applied by the college immediately preceding the adoption of PSAS, whereby financial assets and liabilities denominated in foreign currencies were translated to Canadian dollars at the year-end exchange rate (Note 7).

**(c) Government transfers**

As of July 1, 2012, the college retroactively applied PSAS Handbook Section 3410, Government Transfers. This revised standard establishes standards on how to account for and report government transfers to individuals, organizations, and other governments from both the transferring government and a recipient government perspectives. The college has elected to apply the requirements of this revised standard on a retroactive basis. These financial statements were not impacted by the adoption of this standard.

**4. Summary of Significant Accounting Policies and Reporting Practices**

**(a) General - PSAS and Use of Estimates**

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

**(b) Non-use of Net Debt Model Format**

PSAS requires a net debt presentation for the statement of financial position in the summary financial statements to governments. Net debt presentation reports the difference between assets and financial liabilities as net debt or net financial assets as an indicator of the future revenues required to pay for past transaction events. The college operates within the government reporting entity, and does not finance all expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

**LETHBRIDGE COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**  
**(thousands of dollars)**

**(c) Valuation of Financial Assets and Liabilities**

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

**Financial Assets and Liabilities**

**Measurement**

Cash and cash equivalents

Amortized Cost

Portfolio Investments

Fair Value and Amortized Cost

Accounts receivable

Amortized Cost

Accounts payable and accrued liabilities

Amortized Cost

Debt

Amortized Cost

Cash and cash equivalents include short-term highly liquid investments held for the purpose of meeting short-term commitments.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Remeasurement Gains and Losses except for the restricted portions which would be recognized as a liability under deferred revenue. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations.

All financial assets are assessed annually for impairment. Impairment losses are recognized as a decrease in revenue, except for the restricted amount which is recognized as a decrease in deferred revenue or a decrease in endowment net assets. A write-down to reflect a loss in value is not reversed for a subsequent increase in value for assets measured at amortized cost. Reversals of a write-down to reflect a value for assets measured at fair value are recorded in the statement of Remeasurement Gains and Losses.

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

Administration evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the college's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities. Prior to the adoption of Section 3450, the college elected to not apply the standards on derivatives embedded in non-financial contracts. The college elects to do this on a prospective basis.

**(d) Revenue Recognition**

All revenues are recorded on an accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue. The college recognizes government grants, donations and other contributions as follows:

**Government transfers**

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

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

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**Donations and non-government contributions**

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

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

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

In-kind donations of services and materials are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the college the value of their services are not recognized as revenue and expense in the financial statements because fair value cannot be reasonably determined.

**Grants and donations related to land**

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

**Endowments**

Donations, government transfers and non-government contributions that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable. Realized gains and losses attributable to portfolio investments that also must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable.

**Investment income**

Investment income includes dividends and interest income, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments from unrestricted grants and donations are recognized in accumulated remeasurement gains and losses until the related investments are sold. Once realized, these gains and losses are recognized as revenue. Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability, and is recognized as revenue when the terms of the grant or donation are met.

**(e) 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 lower of cost or market for all other inventories.



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**(f) Tangible Capital Assets**

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

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

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs such as insurance and maintenance costs. The discount rate used to determine the present value of the lease payments is the lower of the college rate for incremental borrowing or the interest rate implicit in the lease.

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

<b>Asset Category</b>	<b>Estimated Useful Life</b>
Buildings and site improvements	40 years
Equipment	2-10 years
Computer hardware and software	5 years

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

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

Works of art, historical treasures and collections are not recognized in the financial statements but are disclosed in Note 9.

**(g) Asset Retirement Obligations**

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

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**(h) Foreign Currency Translation**

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenues and expenses are translated at purchase date rate. In the period of settlement realized gains or losses from these translations are included in investment income. Unrealized gains and losses are recognized in the Statement of Remeasurement Gains and Losses. Comparative amounts are presented in accordance with the accounting policies applied by the college immediately preceding the adoption of PSAS, whereby financial assets and liabilities denominated in foreign currencies were translated to Canadian dollars at the year-end exchange rate.

**(i) Employee Future Benefits**

The college participates 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. The college's employee compensation allows for employees to accumulate vacation time, this liability is recorded as employees earn it on a monthly basis.

**(j) Internally Restricted**

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

**5. Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash on hand and short-term highly liquid investments held for the purpose of meeting short-term commitments.

	2013	2012	July 1, 2011
Cash	\$ 10,088	\$ 19,189	\$ 11,168
Term deposits	6,223	6,156	6,082
	<u>\$ 16,311</u>	<u>\$ 25,345</u>	<u>\$ 17,250</u>

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**6. Portfolio Investments**

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

	Cost		2013 Total
<b>Amortized Cost</b>			
Guaranteed income certificates	\$ 3,000		\$ 3,000
	Level 1	Level 2	2013 Total
<b>Fair value</b>			
Equities listed in active markets			
Canadian equity	\$ 10,515	\$ -	\$ 10,515
Foreign equity	8,500	-	8,500
Other designated to fair value category			
Bonds	15,887	-	15,887
Other	-	42	42
	<u>\$ 37,902</u>	<u>\$ 42</u>	<u>\$ 37,944</u>
	Level 1	Level 2	2012 Total
<b>Fair value</b>			
Equities listed in active markets			
Canadian equity	\$ 8,644	\$ -	\$ 8,644
Foreign equity	6,771	-	6,771
Other designated to fair value category			
Bonds	13,452	-	13,452
Other	-	42	42
	<u>\$ 28,867</u>	<u>\$ 42</u>	<u>\$ 28,909</u>
	Level 1	Level 2	July 1, 2011
<b>Total</b>			
<b>Fair value</b>			
Equities listed in active markets			
Canadian equity	\$ 8,787	\$ -	\$ 8,787
Foreign equity	5,966	-	5,966
Other designated to fair value category			
Bonds	12,953	-	12,953
Other	-	42	42
	<u>\$ 27,706</u>	<u>\$ 42</u>	<u>\$ 27,748</u>

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

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

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

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The average effective yields and the terms to maturity are as follows:

- Money market funds, treasury bills, notes, bonds, debentures, and other debt obligation securities, of Canadian issuers: 1.30 % (2012 -1.20 %); average maturity: 90 days or less.
- Canadian government and corporate bonds: 2.35 % (2012 – 2.09 %); terms to maturity: average term 4.53 years.

The long-term investment portfolio includes endowment assets as well as the portion of non-endowment assets that will not be required for spending in the short-term. The primary objective of this portfolio is a rate of return that, in real terms, exceeds the endowment spending allocation at an acceptable risk level. The college has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. Bond investments must have a rating of BBB-plus or better and the short-term portfolio must be rated at least R-1, mid (or equivalent) as per the Dominion Bond Rating Service. 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.

**Unrealized gains/losses on restricted funds**

Unrealized gains (losses), beginning of year  
 Unrealized gains (losses), attributed to:

Amounts reclassified to statement of operations  
 Portfolio investments

**Unrealized gains (losses), end of years**

**Amounts related to:**

Endowment

**Restricted unrealized gains (losses), end of years**

	2013	2012
Unrealized gains (losses), beginning of year	\$ 33	\$ 69
Unrealized gains (losses), attributed to:		
Amounts reclassified to statement of operations	(3)	-
Portfolio investments	110	(36)
<b>Unrealized gains (losses), end of years</b>	<b>\$ 140</b>	<b>\$ 33</b>
<b>Amounts related to:</b>		
Endowment	140	33
<b>Restricted unrealized gains (losses), end of years</b>	<b>\$ 140</b>	<b>\$ 33</b>

## 7. Financial Risk Management

The institution is exposed to the following risks:

### Market risk

The institution is exposed to market-risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. To manage these risks, the college has established an investment policy with a target mix that is diversified by asset class with individual issuer limits and is designed to achieve long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

The following details the college's portfolio sensitivity to a per cent increase or decrease in market prices. At June 30, 2013, if market prices had a 2.5 % (2012 - 2.5 %; 2011 - 2.5 %) increase or decrease with all other variables held constant, the increase or decrease in remeasurement gains and losses and endowment net assets – externally restricted contributions for the year would have been a total of \$873 (2012 -\$722; 2011 - \$694).



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**Foreign currency risk**

The college is exposed to foreign exchange risk on investments that are denominated in foreign currencies. The college does not use foreign currency forward contracts or any other type of derivative financial instrument for trading or speculative purposes.

The impact on excess revenue over expense of a change in value of various foreign currencies is shown below:

	Fair Value	Decrease 2.5%	Decrease 1.0%	Increase 1.0%	Increase 2.5%
United States dollar (\$000s)	\$ 3,877	\$ (97)	\$ (39)	\$ 39	\$ 97

**Liquidity risk**

The college maintains a short-term line of credit with the Bank of Montreal of \$2 million that is designed to ensure sufficient funds are available to meet current and forecasted financial requirements in the most cost effective manner. There are no amounts outstanding on the line of credit at June 30, 2013 (2012 - \$nil; 2011 - \$nil).

**Credit risk**

The college is exposed to credit risk for accounts receivable that 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. Credit risk on investments is mitigated by placing investments with high credit quality counterparties, limiting exposure through any one counterparty and debt instruments are with a minimum of BBB-plus rating issuers.

**Interest rate risk**

Interest rate risk is the risk to the college's earnings that arise from the fluctuation in interest rates and the degree of volatility of these rates. The risk is managed by contractually setting interest rates with banking institutions and investment policies that limit the term to maturity of certain fixed income securities that the college holds. Interest risk on the college's debt is managed through fixed risk agreements with Alberta Capital Finance Authority (Note 11).

The impact on excess revenue over expense of a change in interest rates for various instruments is shown below:

	Fair Value	Decrease 2.5%	Decrease 1.0%	Increase 1.0%	Increase 2.5%
GIC	\$ 3,800	\$ -	\$ -	\$ -	\$ -
Bonds	15,887	-	-	(287)	(287)

**8. Accounts Receivable**

	2013	2012	July 1, 2011
Accounts receivable	\$ 1,263	\$ 1,517	\$ 1,969
Accrued interest	137	106	94
Other receivable	679	634	464
Allowance for doubtful accounts	(202)	(306)	(50)
	<u>\$ 1,877</u>	<u>\$ 1,951</u>	<u>\$ 2,477</u>

Accounts Receivable are unsecured and non-interest bearing.

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**9. Tangible Capital Assets**

	Land	Buildings and Site Improvements	Equipment	Computer Hardware and Software	2013	2012
<b>Cost (a)</b>						
Beginning of years	\$ 476	\$ 130,471	\$ 22,046	\$ 16,435	\$ 169,428	\$ 166,247
Additions (b)	-	5,015	839	177	6,031	3,425
Disposals and write downs	-	-	(277)	(4)	(281)	(244)
	476	135,486	22,608	16,608	175,178	169,428

**Accumulated amortization**

Beginning of years	-	64,304	16,192	14,845	95,341	89,954
Amortization expense	-	3,646	1,654	662	5,962	5,626
Disposal and write down effect	-	-	(239)	(4)	(243)	(239)
	-	67,950	17,607	15,503	101,060	95,341
Net Book value, end of years	\$ 476	\$ 67,536	\$ 5,001	\$ 1,105	\$ 74,118	\$ 74,087

	Land	Buildings and Site Improvements	Equipment	Other	2012	July 1, 2011
<b>Cost (a)</b>						
Beginning of years	\$ 476	\$ 128,720	\$ 20,977	\$ 16,074	\$ 166,247	\$ 156,220
Additions (b)	-	1,751	1,310	364	3,425	10,191
Disposals and write downs	-	-	(241)	(3)	(244)	(164)
	476	130,471	22,046	16,435	169,428	166,247

**Accumulated amortization**

Beginning of years	-	60,809	14,970	14,175	89,955	84,721
Amortization expense	-	3,495	1,459	672	5,625	5,390
Disposal and write down effect	-	-	(237)	(2)	(239)	(156)
	-	64,304	16,192	14,845	95,341	89,955
Net Book value, end of years	\$ 476	\$ 66,167	\$ 5,854	\$ 1,590	\$ 74,087	\$ 76,292

- a) Historic cost includes work in progress for building renovations and equipment of \$3,607 (2012 - \$1,792), which is not amortized as the assets are not yet available for use.
- b) During the year, acquisitions included in-kind contributions (equipment) in the amount of \$12 (2012 - \$2).

The college holds a collection including works of art, cultural and historical properties and treasures that are not recorded in these statements as a reasonable estimate of the future benefits associated with such assets cannot be made. At June 30, 2013, this collection had an estimated value of \$515 (2012 - \$515).

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**10. Employee Future Benefit Liabilities**

Employee future benefit liabilities are comprised of the following:

	2013	2012	July 1, 2011
Vacation payable	\$ 1,255	\$ 1,185	\$ 1,229

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, 2012, the LAPP reported an actuarial deficiency of \$5.0 billion (2011 - \$4.6 billion deficiency). An actuarial valuation of the LAPP carried out as at December 31, 2010 and was then extrapolated to December 31, 2011. The pension expense recorded in these financial statements is \$4,002 (2012 - \$3,697). The college is not responsible for the liability other than through increased contributions.

**11. Long-term Liabilities**

	Maturity Date	Interest Rate %	2013	2012	July 1, 2011
Debentures payable to Alberta Capital Financing Authority:					
Debenture 1 (i)	Mar 1, 2026	6.13	\$ 4,609	\$ 4,838	\$ 5,052
Debenture 2 (ii)	Dec 15, 2039	4.67	4,519	4,603	4,685
Finance contract			-	-	103
			<u>\$ 9,128</u>	<u>\$ 9,441</u>	<u>\$ 9,840</u>

(i) & (ii) Collateral consists of future cash flows generated through the operation of the student residence.

The principal portion of long-term debt repayments required over the next five years and thereafter is as follows:

2014	\$ 331
2015	350
2016	370
2017	392
2018	414
Thereafter	7,271

Interest expense on long-term obligations is \$505 (2012 - \$523) and is included in Statement of Operations. All long-term obligations have fixed interest rates. The weighted average interest rate is 5.40% (2012 - 5.41%).

**LETHBRIDGE COLLEGE**  
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**12. Deferred Revenue**

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

	Research and other restricted	Restricted unspent capital contributions	Spent capital contributions	Operating fees	2013	2012
Balance, beginning of years	\$ 5,494	\$ 13,917	\$ 49,080	\$ 1,897	\$ 70,388	\$ 69,388
Grants, tuition, donations received	3,952	1,536	-	1,620	7,180	9,614
Investment income	447	112	-	-	559	559
Capital acquisitions funded from contributions	2,010	(6,240)	4,230	-	-	-
Transfer to endowments	(1,069)	-	-	-	(1,069)	(1,165)
Recognized as revenue	(5,144)	-	(3,799)	(1,897)	(10,840)	(8,111)
Unrealized gain on restricted funds	106	-	-	-	106	103
Balance, end of years	\$ 5,796	\$ 9,325	\$ 49,511	\$ 1,620	\$ 66,252	\$ 70,388

	Research and other restricted	Restricted unspent capital contributions	Spent capital contributions	Operating fees	2012	July 1, 2011
Balance, beginning of years	\$ 6,961	\$ 10,409	\$ 50,486	\$ 1,532	\$ 69,388	\$ 68,796
Grants, tuition, donations received	1,879	5,838	-	1,897	9,614	9,607
Investment income	459	100	-	-	559	524
Capital acquisitions funded from contributions	68	(2,363)	2,295	-	-	-
Transfer to endowments	(1,165)	-	-	-	(1,165)	-
Recognized as revenue	(2,811)	(67)	(3,701)	(1,532)	(8,111)	(9,895)
Unrealized gain on restricted funds	103	-	-	-	103	356
Balance, end of years	\$ 5,494	\$ 13,917	\$ 49,080	\$ 1,897	\$ 70,388	\$ 69,388



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**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.

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:

	2013	2012	July 1, 2011
Balance, beginning of the year	\$ 8,612	\$ 7,107	\$ 6,933
Gifts of endowment principal	1,501	413	117
Capitalized income	163	1,092	57
Balance, end of year	<u>\$ 10,276</u>	<u>\$ 8,612</u>	<u>\$ 7,107</u>
Cumulative contributions	\$ 8,253	\$ 6,752	\$ 6,339
Cumulative capitalized income	2,023	1,860	768
	<u>\$ 10,276</u>	<u>\$ 8,612</u>	<u>\$ 7,107</u>

During the year, capitalized income of \$163 (2012-\$1,092) 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.

**LETHBRIDGE COLLEGE**  
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**14. Accumulated Surplus**

The college's accumulated surplus balance contains amounts already spent, amounts allocated to specific purpose and amounts not allocated. Investments in capital assets represents the amount of funding that has been spent on tangible capital assets offset by debt related to those net assets. Those amounts are not available for other purposes without the approval of the board. Unrestricted surplus includes an accumulated operating surplus since the inception of the college.

	2013	2012
Unrestricted	\$ 14,212	\$ 11,680
Investment in tangible capital assets	15,465	15,566
Internally restricted	8,577	9,762
	<u>\$ 38,254</u>	<u>\$ 37,008</u>

**Investment in tangible capital assets**

	2013	2012
Investment in tangible capital assets, beginning of years	\$ 15,566	\$ 15,969
Acquisition of tangible capital assets	1,786	1,122
Long-term liabilities – repayment	313	399
Net book value of assets disposals	(41)	54
Amortization of investment in tangible capital assets	(2,159)	(1,978)
Net investment in tangible capital assets, end of years	<u>(101)</u>	<u>(403)</u>
Investment in tangible capital assets, end of years	<u>\$ 15,465</u>	<u>\$ 15,566</u>

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**Internally Restricted Surplus**

Internally restricted net assets are summarized as follows:

	Balance at Beginning of Year	Appropriations From (Returned To) Unrestricted Net Assets	Disbursements During the Year Operating	Capital	Balance at End of Year
<b>Capital activities:</b>					
Centre for trades-sustainable technology	\$ 5,962	\$ -	\$ -	\$ 585	\$ 5,377
Library revitalization	182	8	-	-	190
Information technology	173	-	29	90	54
Other capital initiatives	455	15	55	87	328
	<u>6,772</u>	<u>23</u>	<u>84</u>	<u>762</u>	<u>5,949</u>
<b>Operating activities:</b>					
distance learning strategy	393	-	203	-	190
Professional development	1,153	393	329	-	1,217
Scholarships	143	4	7	-	140
Billion dollar green challenge	250	-	-	-	250
Other operating initiatives	1,051	(198)	22	-	831
	<u>2,990</u>	<u>199</u>	<u>561</u>	<u>-</u>	<u>2,628</u>
<b>Total</b>	<u>\$ 9,762</u>	<u>\$ 222</u>	<u>\$ 645</u>	<u>\$ 762</u>	<u>\$ 8,577</u>

**15. 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 PSAS.
- 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 \$1,200. While the ultimate assessment resulting from this manner is unknown at this time, the college has estimated and recorded a liability of \$339.
- The college has identified potential asset retirement obligations related to the existence of asbestos in a number of 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.

**LETHBRIDGE COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**  
**(thousands of dollars)**

**16. Contractual Obligations**

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

	2013	2012
Capital projects	\$ 4,306	\$ 109
Long-term leases	1,518	1,000
	<u>\$ 5,824</u>	<u>\$ 1,109</u>

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

	Capital	Long-term leases	Total
2014	\$ 2,488	\$ 770	\$ 3,258
2015	909	504	1,413
2016	727	123	850
2017	182	121	303
	<u>\$ 4,306</u>	<u>\$ 1,518</u>	<u>\$ 5,824</u>

Additionally, the college entered into a four year contract to manage its exposure to volatility in the electrical industry at a fixed cost of 7.0 cents per kilowatt hour. The contract expires December 31, 2014. Based on management's estimate, the annual costs for the year ending June 30, 2014 are expected to be approximately \$1,189.

The college has entered into a five year exclusivity service contract which expires October 31, 2013. In addition, the college currently has service and information technology support contracts which are renewed annually.



**LETHBRIDGE COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**  
**(thousands of dollars)**

**17. Expense by Function**

The college uses the following categories as functions on its statement of operations:

**Instruction**

Expenses relating to all programming and/or training within the institution, whether for credit or non-credit.

**Academic costs and student support**

Expenses relating to directly supporting the academic functions of the institution. This includes items such as libraries and centralized functions that support the individual students or groups of students. This includes student service administration, student recruitment, records and admissions, counseling and career services, financial aid administration, athletics and scholarship awards.

**Institutional support**

Expenses relating to the executive management, public relations, alumni relations/development, corporate insurance premiums, corporate finance, human resources, computing, network, data communications and other centralized institution wide administrative services.

**Sponsored research**

Expenses for all sponsored research activities specifically funded by restricted grants and donations.

**Facility operations and maintenance**

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

**Ancillary services**

Expense relating to the college's business enterprises that provide services and products to the college community and to external individuals and organizations. This function includes the bookstore, housing, food and parking.

**18. Expense by Object**

	Budget	2013	2012
Salaries	\$ 47,479	\$ 48,238	\$ 44,938
Employee benefits	9,076	8,639	8,047
Materials, supplies and services	9,663	8,723	8,541
Utilities	1,630	1,652	1,621
Maintenance and repairs	4,738	6,553	6,061
Scholarships and bursaries	683	599	513
Interest on long-term liabilities	539	505	523
Cost of goods sold	3,215	2,831	3,110
Amortization of tangible capital assets	5,738	5,971	5,588
	<u>\$ 82,761</u>	<u>\$ 83,711</u>	<u>\$ 78,942</u>

**LETHBRIDGE COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**  
**(thousands of dollars)**

**19. 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.

	2013	2012
Contributions from GOA		
Enterprise and Advanced Education:		
Operating grants	\$ 44,310	\$ 43,237
Capital grants	3,431	3,325
Accessibility Services	256	-
Other	1,322	1,283
Total Enterprise and Advanced Education	49,319	47,845
Other GOA departments and agencies grants:		
Alberta Sport, Recreation and Wildlife	54	78
Justice and Solicitor General	96	165
Persons with Developmental Disabilities		
South Region Community Board	173	343
Child and Family Services Authority	201	199
Alberta Health Services	65	45
Other	191	243
Total other GOA departments and agencies	780	1,073
Total contributions received	50,099	48,918
Deferred revenue	2,584	920
	\$ 52,683	\$ 49,838
Accounts receivable		
Alberta Transportation	\$ 91	\$ 104
Enterprise and Advanced Education	11	3
Other GOA departments and agencies	59	159
	\$ 161	\$ 266
Accounts payable		
Other GOA departments and agencies	\$ -	\$ 16

The college has long-term liabilities with Alberta Finance and Alberta Capital Finance Authority as described in note 11.

During the year, the college conducted business transactions with other public colleges and universities. The revenues and expenses incurred for these business transactions have been included in the Statement of Operations but have not been separately quantified. These transactions were entered into the same business terms as those with non-related parties and are recorded at fair values.

**LETHBRIDGE COLLEGE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2013**  
**(thousands of dollars)**

**20. 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.

	2013	2012
Lethbridge College Students' Association	\$ 1,570	\$ 1,695
Other agencies	168	164
	<u>\$ 1,738</u>	<u>\$ 1,859</u>

**21. 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.

	2013				2012
	Base salary(1)	Cash benefits(2)	Non-cash benefits (3)	Total	Total
<b>Governance</b>					
Members of the Board of Governors	\$ -	\$ 11	\$ 1	\$ 12	\$ 9
<b>Executive</b>					
President(4)	117	28	17	162	370
Vice-Presidents:					
Academic and CLO	222	339	30	591	225
Corporate Services and CFO	199	4	28	231	224

(1) Base salary includes pensionable base pay.

(2) Cash benefits include lump sum payments, incentives and vehicle 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 other special leave with pay and club memberships.

(4) President's position was vacant July 2012 to January 2013.

**22. Budget Comparison**

The college's 2012-13 budget was approved by the Board of Governors and was presented to the Minister of Enterprise and Advanced Education as part of the college's submission of the 2012-13 to 2014-15 Comprehensive Institutional Plan. Certain budget figures from the college 2012-13 to 2014-15 Comprehensive Institutional Plan have been reclassified to conform to the presentation adopted in the 2013 financial statements.

**23. Approval of Financial Statements**

These financial statements have been approved by the Board of Governors of Lethbridge College.

**LETHBRIDGE COLLEGE**  
**SCHEDULE 1 – TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS**  
**RECONCILIATION OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2013**  
**(thousands of dollars)**

	July 1, 2011 CGAAP	Deferred revenue (presentation) (1)	Accumulated surplus (presentation) (2)	Disallowed amounts (collections) (3)	Total adjustments	July 1, 2011 PSAS
<b>Assets</b>						
Cash and cash equivalents	\$ 17,250	\$ -	\$ -	\$ -	\$ -	\$ 17,250
Portfolio investments	27,748	-	-	-	-	27,748
Accounts receivable	2,477	-	-	-	-	2,477
Inventories and prepaid expenses	1,672	-	-	-	-	1,672
Tangible capital assets	76,797	-	-	(505)	(505)	76,292
	<u>\$ 125,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (505)</u>	<u>\$ (505)</u>	<u>\$ 125,439</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	4,005	-	-	-	-	4,005
Employee future benefit liabilities	1,229	-	-	-	-	1,229
Debt	9,840	-	-	-	-	9,840
Deferred contributions	17,370	(17,370)	-	-	(17,370)	-
Unamortized deferred capital contributions	50,486	(50,486)	-	-	(50,486)	-
Unearned revenue	1,532	(1,532)	-	-	(1,532)	-
Deferred revenue	-	69,388	-	-	69,388	69,388
	<u>84,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,462</u>
<b>Net Assets</b>						
Endowments	7,107	-	-	-	-	7,107
Investment in capital assets	16,471	-	(16,471)	-	(16,471)	-
Internally restricted	10,075	-	(10,075)	-	(10,075)	-
Unrestricted	7,506	-	(7,506)	-	(7,506)	-
Accumulated net unrealized gain (loss) on investments	323	-	-	-	-	323
Accumulated surplus	-	-	34,052	(505)	33,547	33,547
	<u>\$ 125,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (505)</u>	<u>\$ (505)</u>	<u>\$ 125,439</u>

- 1) Reclassify deferred contributions and unamortized deferred capital contributions to deferred revenue.
- 2) Reclassify investment in capital assets, internally restricted and unrestricted net assets into new Accumulated Surplus category.
- 3) Remove art and collection assets (\$505) as they are not recognized as assets under PSAS.



**LETHBRIDGE COLLEGE**  
**SCHEDULE 1 – TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS**  
**RECONCILIATION OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2013**  
**(thousands of dollars)**

	June 30, 2012 CGAAP	Deferred revenue (presentation) (1)	Accumulated surplus (presentation) (2)	Disallowed amounts (collections) (3)	Total adjustments	June 30, 2012 PSAS
<b>Assets</b>						
Cash and cash equivalents	\$ 25,345	\$ -	\$ -	\$ -	\$ -	\$ 25,345
Portfolio investments	28,909	-	-	-	-	28,909
Accounts receivable	1,951	-	-	-	-	1,951
Inventories and prepaid expenses	1,802	-	-	-	-	1,802
Tangible capital assets	74,602	-	-	(515)	(515)	74,087
	<u>\$ 132,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (515)</u>	<u>\$ (515)</u>	<u>\$ 132,094</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	5,417	-	-	-	-	5,417
Employee future benefit liabilities	1,185	-	-	-	-	1,185
Debt	9,441	-	-	-	-	9,441
Deferred contributions	19,411	(19,411)	-	-	(19,411)	-
Unamortized deferred capital contributions	49,090	(49,090)	-	-	(49,090)	-
Unearned revenue	1,897	(1,897)	-	-	(1,897)	-
Deferred revenue	-	70,398	-	(10)	70,388	70,388
	<u>86,441</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>(10)</u>	<u>86,431</u>
<b>Net Assets</b>						
Endowments (note 15)	8,612	-	-	-	-	8,612
Investment in capital assets	16,071	-	(16,071)	-	(16,071)	-
Internally restricted	9,762	-	(9,762)	-	(9,762)	-
Unrestricted	11,680	-	(11,680)	-	(11,680)	-
Accumulated net unrealized gain (loss) on investments	43	-	-	-	-	43
Accumulated surplus	-	-	37,513	(505)	37,008	37,008
	<u>\$ 132,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (515)</u>	<u>\$ (515)</u>	<u>\$ 132,094</u>

1) Reclassify deferred contributions and unamortized deferred capital contributions to deferred revenue.

2) Reclassify investment in capital assets, internally restricted and unrestricted net assets into new Accumulated Surplus category.

3) Remove art and collection assets (\$505) as they are not recognized as assets under PSAS.

**LETHBRIDGE COLLEGE**  
**SCHEDULE 1 – TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS**  
**RECONCILIATION OF CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(thousands of dollars)**

	June 30, 2012 CGAAP	Amortization of deferred capital contributions (presentation) (1)	Tangible capital assets (presentation) (2)	Total adjustments	June 30, 2012 PSAS
<b>Revenue</b>					
Government of Alberta grants	\$ 46,458	\$ 3,370	\$ 10	\$ 3,380	\$ 49,838
Federal and other government grants	1,152	50	-	50	1,202
Sales of services and products	9,233	-	-	-	9,233
Contract programs	1,915	-	-	-	1,915
Student tuition and fees	18,292	-	-	-	18,292
Donations and other grants	455	281	-	281	736
Investment income	1,187	-	-	-	1,187
Amortization of deferred capital contributions	3,701	(3,701)	-	(3,701)	-
	<u>82,393</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>82,403</u>
<b>Expenses</b>					
Instruction	32,966	-	-	-	32,966
Academic and student support	14,135	-	10	10	14,145
Institutional support	11,813	-	-	-	11,813
Sponsored research	191	-	-	-	191
Facility operations and maintenance	12,072	-	-	-	12,072
Special purpose	-	-	-	-	-
Ancillary services	7,755	-	-	-	7,755
	<u>78,932</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>78,942</u>
Operating surplus	3,461	-	-	-	3,461
Accumulated operating surplus, beginning of year	33,547	-	-	-	33,547
Accumulated operating surplus, end of year	<u>\$ 37,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,008</u>

- 1) Reallocate amortization of deferred capital contributions of Government of Alberta grants, Federal grants, and donations and other grants.
- 2) Record revenue and expense (\$10) related to collections as these cannot be recorded as tangible capital assets under PSAS.

**LETHBRIDGE COLLEGE**  
**SCHEDULE 1 – TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS**  
**RECONCILIATION OF OPENING CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(thousands of dollars)**

	June 30, 2012 CGAAP	Tangible capital assets (1)	Deferred revenue (2)	Total adjustments	June 30, 2012 PSAS
<b>Cash provided from (used in) operating activities</b>					
Excess revenue over expense	\$ 3,461	\$ -	\$ -	\$ -	\$ 3,461
Add (deduct) non-cash items					
Amortization of capital assets	5,588	-	-	-	5,588
Amortization of deferred capital contributions	(3,701)	-	-	-	(3,701)
Change in employee future benefit liabilities	(44)	-	-	-	(44)
<b>Total non-cash items</b>	<b>5,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,304</b>
Decrease in accounts receivable	526	-	-	-	526
Decrease (increase) in inventory and prepaid expenses	(130)	-	-	-	(130)
(Decrease) increase in accounts payable and accrued liabilities	1,412	-	-	-	1,412
(Decrease) increase in deferred contributions	(1,430)	-	1,430	1,430	-
Increase in deferred revenue	4,029	-	672	672	4,701
	<b>4,407</b>	<b>-</b>	<b>2,102</b>	<b>2,102</b>	<b>6,509</b>
	<b>9,711</b>	<b>-</b>	<b>2,102</b>	<b>2,102</b>	<b>11,813</b>
<b>Cash provided from (used in) investing activities</b>					
Purchase of long-term investments, net of sales	(1,441)	-	-	-	(1,441)
	<b>(1,441)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,441)</b>
<b>Cash provided from (used in) financing activities</b>					
Endowment contributions	1,505	-	-	-	1,505
Capital contributions	5,813	(10)	(5,803)	(5,813)	-
Debt repayment	(399)	-	-	-	(399)
	<b>6,919</b>	<b>(10)</b>	<b>(5,803)</b>	<b>(5,813)</b>	<b>1,106</b>
Cash provided from (used in) capital activities					
Acquisition of tangible capital assets					
– internally funded	(1,125)	-	-	-	(1,125)
Acquisition of tangible capital assets					
– externally funded	(2,310)	10	-	10	(2,300)
Proceeds on disposition of tangible capital assets	42	-	-	-	42
	<b>(3,393)</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>(3,383)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>11,796</b>	<b>-</b>	<b>(3,701)</b>	<b>(3,701)</b>	<b>8,095</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>17,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,250</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 29,046</b>	<b>\$ -</b>	<b>\$ (3,701)</b>	<b>\$ (3,701)</b>	<b>\$ 25,345</b>

- 1) Remove externally funded art assets as they are not recognized as assets under PSAS
- 2) Reclassify amortization of deferred capital contributions, change in deferred contributions and capital contributions to deferred revenue.

## LEADERSHIP AND TRANSFORMATION

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**Our new mission, vision and strategies will guide us in creating plans and goals for the future.**

**Mission:** Lethbridge College inspires and facilitates learning and innovation to meet economic and social needs.

**Vision:** Leading and transforming education in Alberta.

**Strategies:** Academic Transformation, Collaborative Partnerships, Resource Innovation, and People Development.



View this report online at  
[www.lethbridgecollege.ca/about-us/goals-plans](http://www.lethbridgecollege.ca/about-us/goals-plans)



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