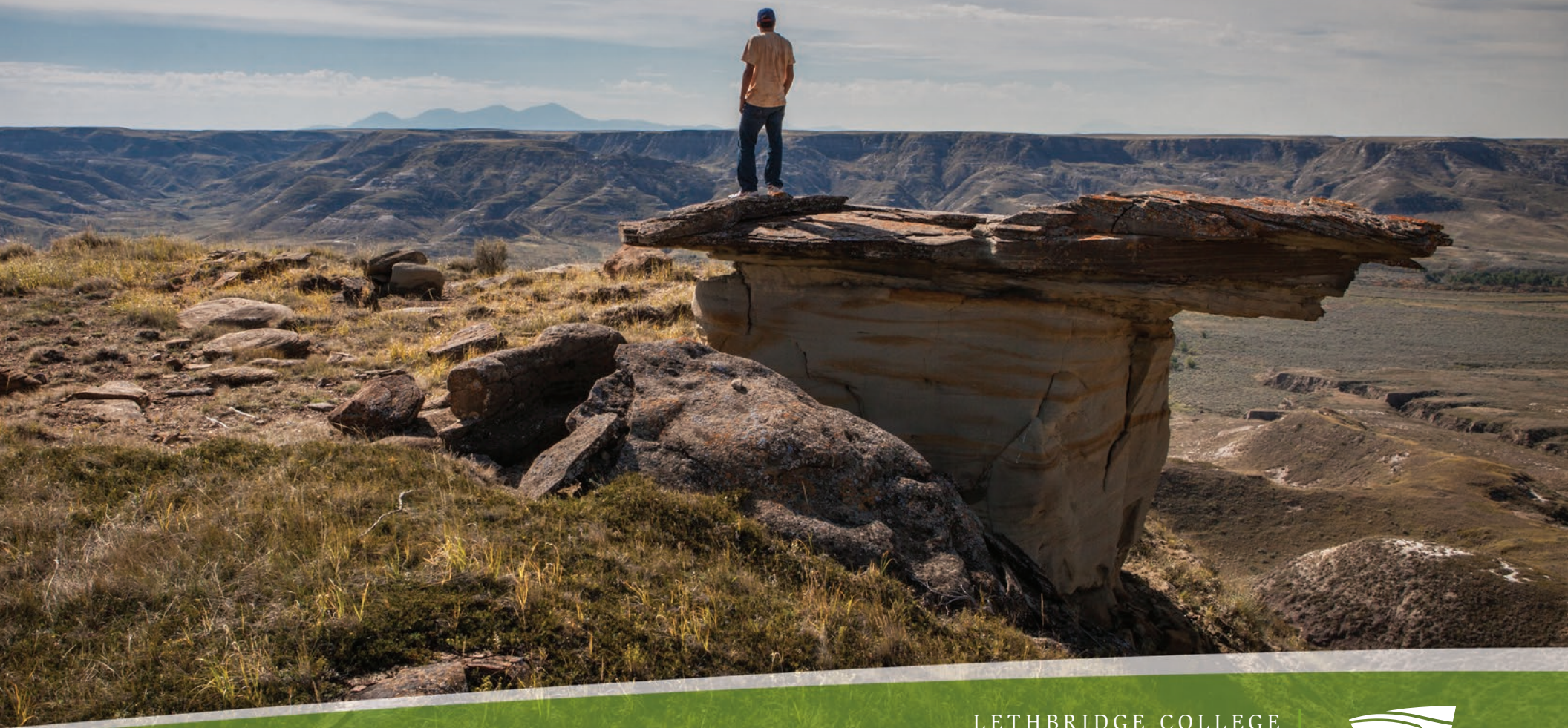


LEADERSHIP AND TRANSFORMATION



LETHBRIDGE COLLEGE
ANNUAL REPORT
2013-14



LEADERSHIP AND TRANSFORMATION

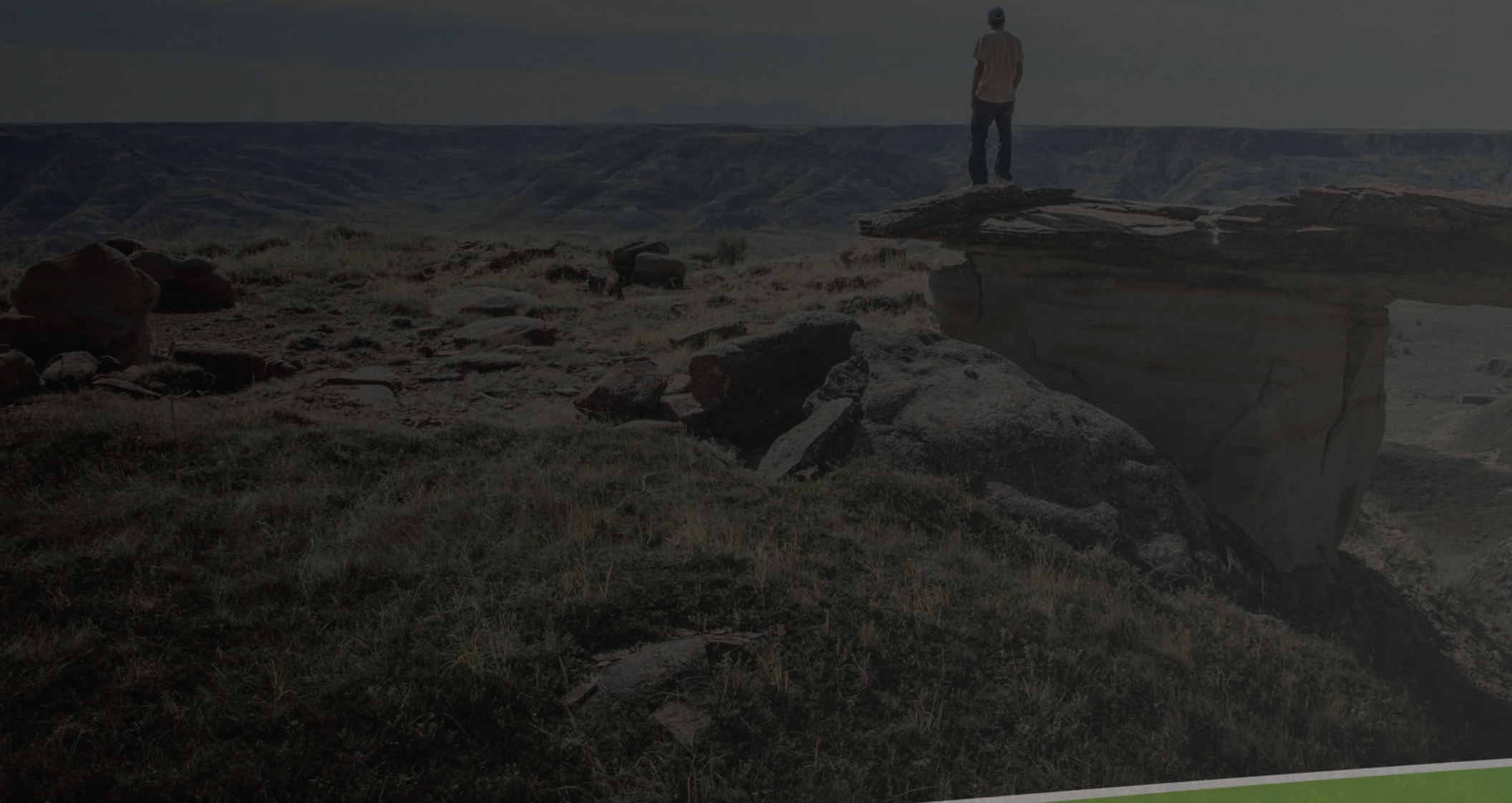


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ACCOUNTABILITY STATEMENT

Lethbridge College's Annual Report for the year ended June 30, 2014, 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. 11, 2014]

R. L. (Randy) Jespersen

Chair, Board of Governors

Lethbridge College



BOARD OF GOVERNORS



**R.L. (Randy) Jespersen,
Board Chair**

Randy is the retired president and CEO of Terasen Inc., the primary natural gas utility and alternative energy services provider in British Columbia and was appointed Board Chair in September 2010.



**Dr. Paula Burns,
President and CEO**

Dr. Paula Burns has served as the 8th president and CEO of Lethbridge College since February 2013. Her leadership style is highly collaborative and she is a sought-after speaker on change leadership and meaningful collaborations.



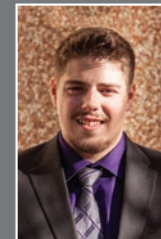
Dawna Coslovi

Dawna is currently the CEO of the Green Acres Foundation and has served on the board since March 2009.



Randy Dunlop

Randy is President of Dunlop Western Star and is a co-owner of Dunlop Ford Sales Limited; he has served on the board since January 2012.



Ethan Gelleny

Ethan is the student representative on the Board. He convoked from the Criminal Justice-Policing Diploma Program in April 2013 and is enrolled in the Bachelor of Applied Arts in Justice Studies in September.



**John Jacobson,
Board Vice Chair**
John is currently Sales and Marketing Manager of Galko Homes Master Builder and was appointed to a three-year term in March 2009



Cynthia Johnston
Cynthia is the Executive Vice President of Corporate Services for TransAlta Corporation and was appointed to a three-year term in May 2011.



Stephen Neis
Stephen Neis is the academic representative on the board and has been an instructor in the Carpentry Department at Lethbridge College since July 2007.



Jo-Anne Wilson
Jo-Anne is the non-academic representative on the Board and works as the Resident and Guest Services Coordinator at Lethbridge College.



Tracy Zappone
Tracy Zappone has practiced family law in Lethbridge for the past 25 years and was appointed to the board in April 2014.

** One vacancy*

MESSAGE FROM THE BOARD CHAIR



It is a pleasure to present this report of the collaboration, transformation and innovation that has taken place at Lethbridge College during the 2013-14 year. In the following pages, you will read about collaborative partnerships that range from students working with their instructors on applied research projects to our unique new enterprise with the University of Lethbridge creating the Cor Van Raay Southern Alberta Agribusiness program. You will see details of the literal transformation of our campus that occurred at the ground breaking for our new trades and technologies facility as well as the academic transformation that is happening in all of our programs and classrooms. You will be presented with examples and illustrations of the many ways and methods Lethbridge College has embraced as it works on its mission of inspiring and facilitating learning and innovation to meet economic and social needs.

It has been an exciting year for the college, and I would like to recognize the tireless efforts and many outstanding achievements of Lethbridge College employees, and of the leadership team in particular. I would also like to celebrate the steady progress the college has made toward building a performance-based culture focussed on the desired outcomes. I am not alone in taking pride in the advancement of our many learners, both past and present.

The support, cooperation and funding received from the Government of Alberta continues to be foundational to Lethbridge College's ability to serve our many stakeholders well. We look forward to future collaboration and assure them that taxpayer dollars are being invested well.

Finally, I would like to take a moment to thank the members of the Lethbridge College Board of Governors for the service and guidance they have provided to the college and for the diversity of experiences they have brought to our work. In particular, I wish to recognize those who completed their terms of service during the 2013-14 year, including Doug Stroh, Doug Myhre, Cynthia Johnston, Sharie Cousins and Travis Killian, and I warmly welcome new board members Tracy Zappone, Stephen Neis and Jo-Anne Wilson. We thank all members of the board for their service to the college and the community and we look forward to working with our current board in the coming years as Lethbridge College strives towards its vision of leading and transforming education in Alberta.

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

R. L. (Randy) Jespersen

Chair, Board of Governors

MESSAGE FROM THE PRESIDENT

I always enjoy the opportunity to reflect back on previous accomplishments and the 2013-14 year at Lethbridge College is no exception. While we achieved some significant outcomes which you will read about in this report, I think one of the things we are most proud of is our commitment to engagement and the work we have done to include the perspectives of many in what is required of Lethbridge College in the future.

First, we engaged with our internal and external communities more than ever before as we continued our work developing the college's strategic plan – leading and transforming education in Alberta. That included five community roundtable sessions, three external stakeholder sessions, a student roundtable session and our second annual all-staff “Advance” that brought 486 full-time, part-time, contract, instructional, support and administrative staff members together to continue our work planning for Lethbridge College's future.

Second, we engaged with our internal and external communities as we planned and celebrated the ground-breaking of our new trades and technologies facility last April. The event brought together current students and alumni, local and provincial government officials, staff members from across the college, future students (including those who will be the first to enrol when the building is complete in 2017), industry and community partners, educational collaborators and more. All joined in cheering as then-Premier Dave Hancock took his turn at the controls of a powerful excavator to break ground on this project that will significantly change the campus landscape and demonstrates the college's commitment to training and education in trades and technology-related fields.



Just two months later, our engagement within the community was again celebrated at the announcement of a historic \$5 million joint gift from Cor Van Raay to Lethbridge College and the University of Lethbridge. The gift will be used to support the Cor Van Raay Southern Alberta Agribusiness Program, a joint program offered by the college and the university that will focus on agriculture-related education opportunities. Agriculture has long been a strength at Lethbridge College, and this new partnership will allow it to grow and thrive in the areas of ag-economics, business development, entrepreneurship, finance, commodity and futures trading, and leadership with a focus on agricultural innovation.

And finally, our engagement with students has never been stronger. We had record numbers of students at New Student Orientation and Convocation, and strong involvement with students throughout the year at activities ranging from our exciting three-day First Nations, Métis and Inuit Days celebration, to our “Doggy De-Stress” room for students to take advantage of during final exams, to our Bridging Cultures international celebration, to our thrilling Kodiaks athletics programs. In addition, students were engaged throughout the academic year in hands-on work with instructors in their classrooms, practicums and applied research projects.

We are pleased to celebrate this year of engagement with all of our stakeholders, and we look forward to more opportunities to work together in the year ahead and for years to come.

[Original signed by Dr. Paula Burns]

Dr. Paula Burns, MAEd, MBA

President and CEO

OPERATIONAL OVERVIEW



STRATEGIC DIRECTION

The journey that began in 2013 with the development and approval of the college's strategic framework continued to be a journey of enquiry, engagement, collaboration and co-creation throughout 2013-14. This past year has been a year of deep learning for the institution. A leadership group of more than 70 employees has been immersed in the learning and leadership of change. The longer term strategic plan has evolved as we defined the future through our strategies of academic transformation, collaborative partnerships, resource innovation and people development.

Our direction is becoming clearer as we research what the students and employees of the future will look like, future industries in Alberta, the trends in collaboration and resource innovation, and how top companies develop their people. Through a future-focused lens, we are starting to see a very different system of education emerging.

Completion of the strategic implementation plan was one of 10 outcomes identified in the following Lethbridge College Scorecard, Comprehensive Institutional Plan (CIP) 2013-16. This was achieved and in fact we reached excellence by initiating the plan and achieving three implementation milestones prior to June 30, 2014. Specific references to other scorecard measures and achievements are discussed further throughout the report.



LETHBRIDGE COLLEGE SCORECARD 2013-14

Category	Outcome	Threshold	Target	Excellence	Achievement
Strategic	TTRIP (Trades and Technology Renewal and Innovation Project)	Construction to begin by July 1, 2015, for completion prior to fall of 2018.	Construction to begin prior to July 1, 2015, for completion prior to fall of 2018.	Construction to begin by July 1, 2014, for completion prior to fall of 2017.	✓
	Implementation of Strategic Plan	80% of the implementation plan completed by Dec. 1, 2013.	100% of the implementation plan complete by Dec. 1, 2013.	Implementation initiated by Feb 1, 2014 and three or more implementation milestones achieved.	✓
	Business Development and Industry Training	New centre to post profit loss that is less than the salary cost of new director in 2013-14.	New centre to meet budget (profit margin of 10%) in 2013-14.	New center to exceed budgeted profit by 5% in 2013-14.	●
Operations	Strategic Enrolment Management	70% of metrics and targets set by Oct. 1, 2013.	80% of metrics and targets set by Oct. 1, 2013.	100% of metrics and targets set by Oct. 1, 2013.	✓
	Teaching and Learning	Two new learning experiences (programs) developed and submitted to EAE for approval by June 30, 2014.	Three new learning experiences (programs) developed and submitted to EAE for approval by June 30, 2014. Note: one must be the BTech in Environmental Science.	Four new learning experiences (programs) developed and submitted to EAE for approval by June 30, 2014. Note: one must be the BTech in Environmental Science	✓
	Financial	Post no more than 1% deficit. (If deficit occurs reserves will be used to meet balanced budget)	End 2013-14 fiscal year with a balanced budget.	Post a 1% surplus.	✓
Key Internal Processes	Applied Research	Increase grant funding by 8% and set a minimum of one additional indicator with measures and targets by Jan. 1, 2014.	Increase grant funding for applied research by 10% and set a minimum of three additional indicators with measures and targets by Jan. 1, 2014.	Increase grant funding by 12% and set a minimum of five additional indicators with measures and targets by Jan. 1, 2014.	●
	Capital Campaign "The Possibilities are Endless."	Achieve 80% of goal for 2013-14 to bring total private dollars raised to \$17.3 million.	Achieve 100% of goal for 2013-14 to bring total private dollars raised to \$18.3 million.	Achieve 120% of goal for 2013-14 to bring total private dollars raised to \$19.3 million.	✓
People	People Development	People Plan complete by Jan. 1, 2014, and all College Leadership Council members enrolled and participating in the Performance Management Plan by May 1, 2014.	People Plan complete by Jan. 1, 2014, and all Management Forum members enrolled and participating in the Performance Management Plan by May 1, 2014.	People Plan complete by Jan. 1, 2014, and all Management Forum members plus 20% of full time employees enrolled and participating in Performance Management Plan by May 1, 2014.	✓
	Leadership Capacity	Target achieved for 7/9 score card measures and a minimum of threshold achieved on remaining two.	Target achieved for 9/9 of other scorecard outcomes.	Excellence achieved on two or more of the other nine scorecard outcomes.	✓

Key

Excellence Achieved	✓
Target Achieved	●
Target Not Achieved	●

COLLABORATION AND CONSULTATION

Richard Axelrod in his book *Terms of Engagement* said “Engagement is an open conversation of possibilities.”¹ Hearing the voice of our stakeholders and understanding their diverse perspectives is fundamental to all we do. Over the past year we engaged stakeholders through formal community sessions in many of the rural communities in our region and in Lethbridge and through formal and informal means. During the spring alone, we received input into our strategic plan through sessions with college employees and external stakeholders representing perspectives of industry partners, employers, community services, government (all levels), First Nations, Métis and Inuit (FNMI) community partners, education K-12, and other post-secondary institutions. Current students were also invited to provide input from their perspective through a survey. We heard and recorded the perspectives of 486 college employees, 171 external stakeholders and 511 students for a total of 1,168 individuals providing input. As we move forward in our planning, this level of engagement will continue. The input and feedback we get from our stakeholders is an integral component not only to maintaining quality in existing programs and services but also for defining a future state that is flexible and nimble in serving the needs of future learners, industry and communities for generations to come.

Specific examples of engagement and collaboration with stakeholders are demonstrated throughout this report. Collaboration is one of the college’s five principles and one of four strategies in the achievement of our vision.

1. Axelrod, R (2010). *Terms of Engagement*. San Francisco, US. Berrett-Koehler Publishers, Inc.

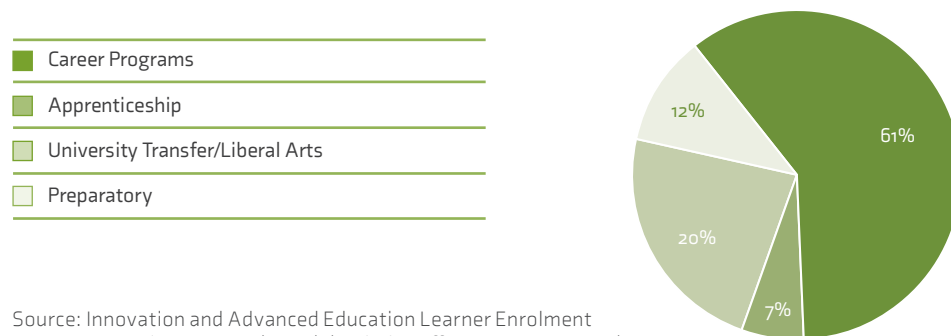


PROGRAMMING

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.

The following graph provides an overview of the type of programming the college offers.

Distribution of Full Load Equivalents in Credit Programs - 2013-14



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. Lethbridge College's mission is to inspire and facilitate learning and innovation to meet economic and social needs. This mission is predicated on the fact that we are continually listening and responding to our stakeholders and their needs. Our stakeholders bring many perspectives including students, industry, community services, government, education K-12, and other institutions within Campus Alberta and it is through these diverse perspectives that we fulfill our mission.



The Lethbridge College Scorecard, included an outcome that addresses this priority. A teaching and learning target was established for new learning experiences to be developed and submitted to Innovation and Advanced Education for approval within the year. The target was set at submitting three new learning experiences and excellence at four or more. Excellence was achieved with the submission of a Bachelor of Applied Science in Resource Management and Restoration degree, diplomas in Fashion Design and Sustainable Production and Digital Communications and Media and the expansion of the college's apprenticeship offering to include an Agricultural Equipment Technician apprenticeship program. Three of the four programs submitted received approval prior to year end with the fourth being moved forward to Campus Alberta Quality Council for the final quality review for degree programs.

The college's programming is delivered through four academic centres. The following summary of each centre highlights the collaboration, engagement and outcomes that inspire and facilitate learning and innovation to meet social and economic needs.

Centre for Justice Studies and Human Services

Accessibility has been and continues to be a priority for the Centre for Justice Studies and Human Services with a specific focus on initiatives that are created in collaboration with stakeholders. On-line access and collaborative initiatives expands access throughout the college's stewardship region.

Programs within the School of Justice Studies have continued to increase access and grow through on-line and directed field studies initiatives delivering justice programs to a wide variety of off-campus learners including students in rural areas. The majority of programs within the area of justice studies are completely available through an online format.

Based on increased demand for programming, the School of Justice Studies has been exploring options for additional justice and public safety programming in Alberta, including recruit training, professional development opportunities, applied research, and other potential initiatives. An opportunity analysis will be conducted to provide a larger data pool and more specific (narrowed down) answers to verify which opportunities Lethbridge College should pursue.

During the year, the School of Human Services worked on a collaboration project with the Peigan Board of Education to deliver the Early Childhood Education Diploma program via face-to-face delivery in Brocket, Alberta, in the fall 2014 term. In addition, Kainai High School, in partnership with the college's Early Childhood Education program, submitted an application for dual credit in the spring to offer two of the Early Childhood Education certificate courses to high school students beginning January 2015. This proposal was accepted and plans are underway to begin the partnership as proposed. This partnership is unique in that an element of the proposal is to bring two high school teachers into the Early Childhood Education faculty team at the college so that they will be able to offer the Lethbridge College dual credit courses on an ongoing basis to students at Kainai High School.

Five local school districts approached the college requesting a course on Autism Spectrum Disorder Education for their staff. In partnership with members from the school districts and additional industry partners, the college facilitated the development of the course for fall 2014 delivery in a blended delivery format, with ongoing online delivery available as of the winter term 2015.

Curriculum changes that were recommended from prior reviews for programs in Disability and Community Services, Fetal Alcohol Spectrum Disorder Education and Child and Youth Care came into effect for the fall 2013 term resulting in enhanced quality for students. In addition, revisions to the Disability and Community Services certificate and Fetal Alcohol Spectrum Disorder Education certificate provide an opportunity for students to complete both credentials.

The Child and Youth Care (CYC) program, in collaboration with the CYC programs at Lakeland College, MacEwan University and Medicine Hat College, has undertaken an applied research project to show the varied facets of professional practice. All institutions contributed video interviews of graduates in various employment settings with the intent of creating a single video of “the many faces of CYC.”

The revised Educational Assistant certificate program was successfully launched in the fall of 2013. This program, offered completely on-line, provides students with a certificate at the end of year one and the opportunity of continuing into the Educational Assistant diploma program which will be offered for the first time in the fall of 2014. By offering both programs on-line, students have greater flexibility and access.



Centre for Applied Management

A significant amount of work was completed throughout the year within the Centre for Applied Management that resulted in program redesigns, new programs and program enhancements.

The Office Administration certificate (OAC) was redesigned into an Administrative Office Professional (AOP) certificate. Outcomes from the OAC program were updated and enhanced with some outcomes from the suspended Office Administration diploma program. In addition, the new AOP program will incorporate mobile learning when it is launched in the fall of 2014.

The new Fashion Design and Sustainable Production diploma approved by Innovation and Advanced Education (IAE), replaces the suspended Fashion Design certificate and the Fashion Design and Marketing diploma programs. In addition to the focus on sustainability, students and potential employers are enthusiastic about the 200-hour internship, unique in western Canada to this two-year diploma. The new program will begin in the fall of 2014.

The new Digital Communications and Media diploma, approved by IAE for a fall 2014 launch, replaces three communication arts programs: the Advertising and Public Relations diploma, Broadcast Journalism diploma and Print Journalism diploma. The new program is part of the mobile learning initiative providing students with 24/7 access to industry-standard software which will allow them to advance their skills more quickly in comparison to learners in a desktop-dependent model.

Approval was received from IAE for the Agriculture Equipment Technician apprenticeship program which will be implemented in the winter of 2015.

Program reviews involving significant consultation with industry, students, and faculty were started for the Business Administration diploma, Multimedia Production diploma, and the Wind Turbine Technician programs. Input from these consultations inform the next phase of the program review process of incorporating recommendations into program changes.

The Computer Information Technology diploma program went through an accreditation review by the Canadian Information Processing Society. Accreditation was renewed for the program through to 2017. Minor recommendations for changes were made and are being implemented. This accreditation by Canada's Association of Information Technology Professionals is a testament to the quality of the program.

Apprenticeship as well as pre-employment trade certificate training continues to enjoy strong enrolment again this year. Electrician, Heavy Equipment Technician and Welder represent the largest areas of demand in the Lethbridge region with 324, 240 and 216 seats respectively. Overall, 2013-14 apprenticeship seat requests increased 18 per cent over the previous year. Our Automotive Systems and Agricultural and Heavy Equipment certificate programs each filled to their capacity with waitlists for both.



Centre for Health and Wellness

The Centre for Health and Wellness was active throughout the year on collaborative initiatives that enhanced programming and aligned the objectives of employers, other Campus Alberta institutions, and school divisions.

Lethbridge College, in partnership with Northern Lakes College and Red Crow Community College and in collaboration with Health Canada, Alberta Division, Treaty 6, 7, 8, Alberta Innovation and Advanced Education, and Alberta Health Services, took the lead in the design of a new Community Health Services Worker program. The goal of all parties was to develop a community-based health education program that is foundationally grounded utilizing First Nation methodologies on wellness and holistic health. The concept of holistic health is based on health prevention and the health promotion model. This view is foundational on how the program and stakeholders initiate and maintain partnerships with other potential stakeholders. The treaty organizations have a firm stakeholder position in the program as they have a vested interest in current and future First Nations, Métis and Inuit learners and their success in the program.

The outcome of this initiative is to have a well-rounded one-year certificate program submitted to IAE for approval with a first cohort start on January 2016. This will be followed by a two-year diploma shortly thereafter.

A collaborative initiative between Alberta Health Services, Lethbridge College, MacEwan University and Grande Prairie Regional College resulted in block transfer agreements between the three institutions to offer the Operating Room Nurses Association of Canada (ORNAC) – approved post-diploma perioperative programming to meet the growing need in the healthcare industry of perioperative nurses. In addition, the three institutions worked collaboratively on a Memorandum of Understanding that was signed with Alberta Health Services. Further discussion regarding funding for south zone students has also been initiated.

Dual credit program partnerships with Horizon School Division No. 67, Westwind School Division No. 74 and Holy Spirit Roman Catholic Separate Regional Division No. 4 facilitated the delivery of the Health Care Aide program to students within each of the divisions during 2013-14. During the year, additional collaborations with the Lethbridge School District No. 51, Palliser Regional Division No. 26, the Livingstone Range School Division No. 68 and Alberta Innovation and Advanced Education developed into new partnerships that will expand dual credit delivery of the Health Care Aide program into six school divisions and 18 high schools in future years. Through this work, the college contributed to the development of Alberta Education's Provincial Dual Credit Health Care Aide Pathway.

The college continues to collaborate with Covenant Health to facilitate delivery of the Health Care Aide program to their staff in their facility. The college's updated hi-fidelity SPHERE (Simulated Patient Health Environment for Research and Education) simulation lab was active throughout the year in identifying opportunities for providing more in-depth experience in the hi-fidelity setting. A specific focus for the college is in expanding the opportunity for inter-professional learning pathways within this active learning environment. Multidisciplinary program areas of the college are taking advantage of interdisciplinary opportunities to learn in this environment and discussions with external stakeholders such as Medicine Hat College and Alberta Health Services are ongoing. The collaborative initiative with the Rural Physicians Assistance Program (RPAP) was highly successful and student feedback very positive.

The Therapeutic Recreation – Gerontology program continues to take an active approach to ensure that curriculum meets the highest standards. During the year, a review was conducted by the National Council for Therapeutic Recreation Certification (NCTRC), a non-profit, international organization dedicated to professional excellence for the protection of consumers through certification of Recreation Therapists. All therapeutic recreation specific courses submitted for review met the NCTRC's standards. This certification increases opportunities for transfer agreements to the University of Lethbridge and Dalhousie University. It also provides opportunities for therapeutic recreation working professionals through a special registration process to seek professional membership with the Alberta Therapeutic Recreation Association (ARTA) and/or application for professional eligibility with the NCTRC. The college remains active in committees focused on pursuing ARTA's 2010 application to have Therapeutic Recreation become a regulated health profession under the Alberta Health Professions Act.

The Bachelor of Nursing and Practical Nursing programs continue to see high results with national exams. Overall success rates for students writing the 2013 Canadian Registered Nurse Examination (CRNE) were 92 per cent for the four year program and 97 per cent for the After Degree program. Students from the Practical Nursing program writing the 2013 Canadian Practical Nurse Registration Examination (CPNRE) achieved an overall success rate of 94 per cent which was higher than both the provincial and national rates.

As part of a provincial initiative to look at work-force planning and industry/practice connections, the college's Placement Office is actively representing the college on the HSPnet-AB Data Quality working group to identify gaps, opportunities, and trends within health science placements. The college's Placement Office supports both Lethbridge College and the University of Lethbridge as they relate to health and wellness practice-based experience management. During the year the Placement Office shared its highly successful business model with another Campus Alberta institution.

Centre for Applied Arts and Sciences

Agriculture is a significant economic driver within southern Alberta. Our agriculture programming is an area of strength for the college and has supported this sector for several decades. Changes within the agriculture sector are creating opportunities for the region, province and country. An Economic Analysis and Market Intelligence study was conducted by Lethbridge College to provide a comprehensive picture of the agriculture sector in our region that provides clear evidence to: (1) inform our agricultural programming, including our applied research and industry engagement efforts; (2) provide clarity on sharing opportunities within the college and municipalities, supporting institutions and funding agencies that support agriculture in southern Alberta; and (3) assist Lethbridge College in developing a deliberate and intentional path forward regarding agricultural programming strategies. The project has provided coherent information and clear evidence on how the college's strengths fit with current and emerging opportunities in agriculture in the southern Alberta region. This project is informing future plans for leveraging our strengths in college programming (including in agricultural, business, environmental technology, trades and apprenticeship, etc.) to establish an integrated Collaborative Centre of Excellence. In June, the college announced the Cor Van Raay Southern Alberta Agribusiness Program in partnership with the University of Lethbridge. This program to be offered jointly by the college and university will focus on agriculture related education opportunities in the areas of Ag-economics, business development, entrepreneurship, finance, human resource management, commodity and futures trading, and general management and leadership with a focus on agricultural innovation.

In response to strong industry and student demand and with strong local support and endorsement, the college submitted a proposal to Innovation and Advanced Education for a Bachelor of Applied Science degree in Resource Management and Restoration. This proposal builds on our strengths in existing environmental programming. This new proposed Bachelor of Applied Science degree is two years in duration with concentrations in Environmental Assessment and Restoration, Natural Resource Management and a general stream. Students will be able to enter the degree upon completion of their Environmental Assessment and Restoration and Renewable Resource Management diplomas. The degree will meet current and future industry demand for qualified graduates in the environmental sector, particularly in the rapidly expanding fields of environmental assessment and natural resource management. Our ongoing dialogue with industry clearly illustrates the need for employees with technical and field skills and this will be a focus of the degree. The degree, delivered in collaboration with Athabasca University, will be a unique and in-demand credential in the Alberta and western Canadian post-secondary sector and it will complement existing theoretical, multidisciplinary, or applied degrees with a degree that has a significant focus on technology and applied skills. Curriculum will be strongly focused on industry-relevant technical and field skills, environmental science concentrations that are unique to the system, and interdisciplinary coursework and projects. In addition, students will acquire certifications in non-credit, industry relevant, environmental field skills.

During the year, comprehensive program reviews for the Bachelor of Applied Science in Conservation Enforcement degree and the Natural Resource Compliance diploma program provided sound rationale that resulted in approved changes to the curriculum that will be in place for the fall 2014 semester. Changes in the curriculum and outcomes rationalized student workload and removed overlap and duplication present in the curriculum. Our industry partners provided valuable feedback on the employability of our students and how we could create enhanced employment opportunities. Students in the Conservation Enforcement applied degree will now have the option to focus their studies on an additional concentration of courses. Students wanting to focus on environmental monitoring and compliance will now take electives in Environmental Impact Assessment, Water Quality and Contaminant Management while students wanting to focus on fish, wildlife and parks will take electives in Parks and Protected Areas, Problem Wildlife Management, and Cultural Diversity in Conservation Enforcement. The environmental monitoring and compliance focus was requested by industry and will give students the opportunity to access new career opportunities upon graduation.

Students entering the Conservation Enforcement applied degree from transfer institutions were often required to complete bridge programming depending on the program they transferred from. Previously, this bridge work (four to five courses) was completed while working on third-year coursework. This created many challenges for students, faculty, and the college, but most importantly it was a detriment to student success. The re-designed curriculum allows for the harmonized entry of our transfer students into the program by offering the bridge semester to them in the winter term prior to fall entry. This component of the program changes will be developed with delivery beginning in the fall of 2015.

In the fall of 2013, the college successfully launched the First Nations, Métis, Inuit (FNMI) Career Pathways certificate program. This program provides students with the tools they need to be successful in post-secondary education and the opportunity to explore their chosen career program. Courses taken in the Career Pathways program of their choice reduce the load when students enter the program the following year. The first graduates from this certificate program took part in the college's spring convocation ceremony. Career exploration pathways available to this first cohort of students were Business Administration, Child and Youth Care, Computer Information Technology, Early Childhood Education, Natural Resource Compliance, Criminal Justice Policing, Corrections and General Studies.

Programming in English as a Second Language and Languages Instruction for New Canadians (LINC) continues to grow with the growth in the immigrant population in the city and province. An administrative reorganization combining College and University Preparation programming and the college's English Language Centre facilitates the building of synergies between the two programming areas preparing students for further opportunities in career programs.

General Program Initiatives

Throughout the year, through varied means of stakeholder engagement, we continually heard of the growing need for students to have what we have identified as 21st century learning skills. This is an ongoing project for the college and an integral part of student success. The skills, already incorporated into many of our programs, 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 and to create improvements and construct 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, to communicate and distribute information, to recognize and take responsibility for their own learning and development and to develop an awareness of their role in society and corresponding effect. They will be life-long learners able to adjust to a changing world; this skill is critical to their continued success throughout their lives.



The results of our Distributed Learning (DL) plan that ended in June 2013 along with initiatives throughout the year such as the upgraded wireless system, the Active Learning Lab and the tablet project have enhanced the teaching and learning environment to support increased levels of flexibility. The mobile learning initiative is a natural next step in the progression toward creating a relevant learning environment for 21st century learners.

During the year, the college planned and prepared for a new Learning Management System (LMS) to be implemented for the fall 2014 term. This system is a foundational component for providing flexible learning opportunities to a diverse student population. The number of registrations in online courses has steadily increased since 2005 and in 2013-14, we had 4,362 registrations in online courses. Having a reliable, easy to use LMS is foundational to 21st century teaching and learning priorities and to the academic transformation strategy by increasing flexibility and choices for students, including blended and online learning; supporting innovative approaches to teaching and learning; and meeting needs and expectations of our typical learners.



STRATEGIC ENROLMENT MANAGEMENT

Strategic Enrolment Management (SEM) is a campus-wide process that looks at understanding the needs of stakeholders such as learners, industry, employers, community members, government, and other educational institutions in determining the best fit of college resources and strengths (programming and services) in support of student and college success.

Recognizing the importance of SEM, the college scorecard included an outcome for a comprehensive set of measures and targets to enhance previous work focused on supporting student and college success. The outcome was achieved at the excellence level with measures and targets defined for all aspects of SEM including enrolments, student success, satisfaction and employment. As SEM is integral to all we do, accomplishments are captured throughout this annual report in areas such as programming, enrolments, graduate satisfaction and employment. The following activities highlight the work that is being done to support our First Nations, Métis, Inuit and international students.

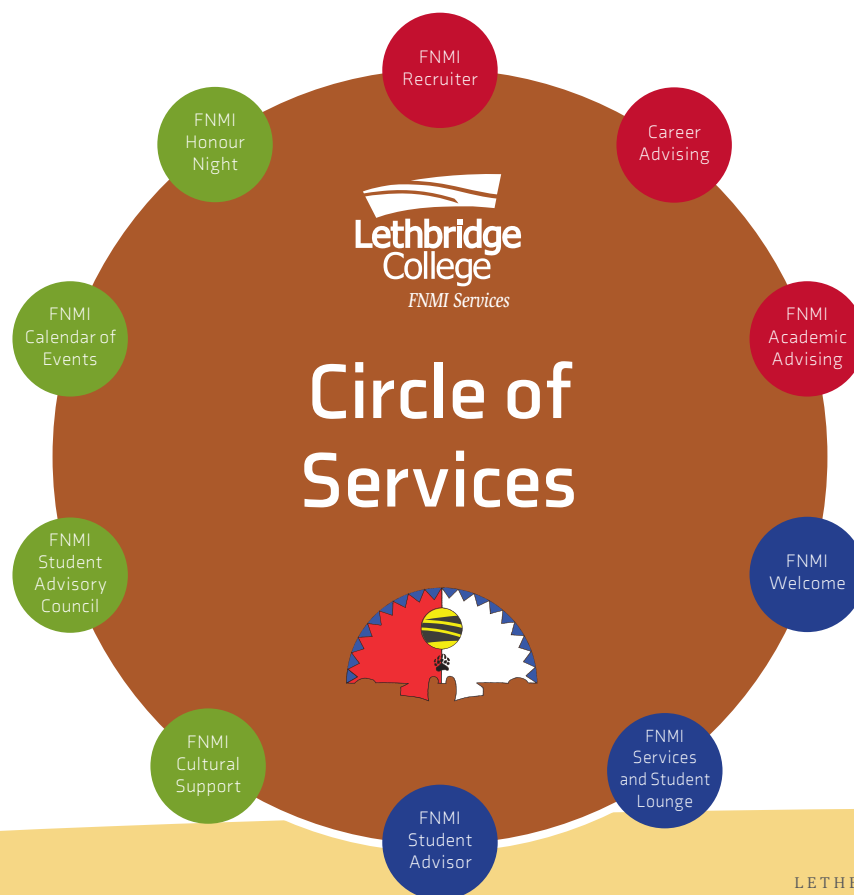


First Nations, Métis, Inuit

A significant part of the Strategic Enrolment Management Plan is increasing access and support to the FNMI population within our region. Lethbridge College recognizes that it is situated in traditional Blackfoot territory and has an Aboriginal Framework policy that reads:

“The Blackfoot people welcome Aboriginal and non-Aboriginal peoples to share in their rich heritage and culture. Lethbridge College is dedicated to providing high-quality education and support services with close links to the community through partnerships and being a fully engaged member of the local community.”

Lethbridge College is committed to providing FNMI students with a successful student experience. FNMI Services offers a “Circle of Services” to assist our FNMI learners and help them be successful on their journey of pursuing a post-secondary education.



It is the institutional goal of Lethbridge College to grow and maintain enrolments and enhance the student experience. This will be achievable for the FNMI population if retention strategies are having a positive effect on the barriers that these learners face. The FNMI population faces a situation of multiple barriers with one substantial blockade being at the forefront – a sense of belonging.

Through the dedication and collaboration of FNMI Services and our larger institution as a whole, we have made significant inroads to ensure that FNMI students have the cultural support, the appropriate new student orientation and an opportunity to celebrate diversity and inclusion. The following are examples of events that enhanced the student experience for not only our FNMI student population but also provided the opportunity for all students to learn and experience another culture.

FNMI Awareness Days took place on Oct. 22 to 24, 2013. This annual event is designed to celebrate the pride, history and knowledge of FNMI cultures to build stronger relationships on campus and to increase understanding and awareness of how it relates to the well-being and success of FNMI students. Each of the three days represented one of the three categories of First Nations, Métis and Inuit, acknowledging the importance of respecting the differences of individual groups within the FNMI group as a whole. FNMI Awareness Days included: tipi raising, opening ceremonies with greetings from our major supporter of this event, the Royal Bank of Canada, traditional drumming and dancing, Métis cultural dancers, entertainment by National Aboriginal Music Awards winners Young Medicine, the Métis Scholar Awards presentation and a hand drum contest.

The FNMI Cultural Support Program provides students, staff and faculty with access to community Elders, spiritual advisors, leaders and role models. Through this program, students have an opportunity to interact with Elders and benefit from their support, traditional knowledge and guidance. For the 2013-14 Academic Year, the program was made up of three primary Elders: a Blackfoot Elder, a Métis Elder and an Inuk Elder. Having Elders available from all three categories of First Nations, Métis and Inuit peoples is seen as an exemplary practice from the FNMI community and promotes inclusiveness while respecting the individual differences within these groups. Throughout the year, the Elders made regular weekly visits to the FNMI Services and Student Lounge where they shared their cultural knowledge and provided encouragement and support to our learners. One-on-one visits with students were available upon request. The Elders attended FNMI events, including the FNMI Welcome, FNMI Days and FNMI Honour Night, where they provided the opening prayers, displayed information booths that educated learners about their culture and history, as well as provided support and guidance to both students and staff. The Elders also provided support to faculty throughout the year as guest speakers in numerous classrooms.





International

The college is committed to providing international students a successful student experience through support in many areas such as the application and registration process, campus and community resources, academic support and social and cultural development. To develop an awareness of Canadian and international culture, students participate in several events throughout the year. These cross-cultural events are designed to build knowledge and understanding for students, and to increase capacity and development of students, faculty and staff.

Lethbridge College has supported and will continue to support and encourage student and faculty exchanges. For example, we currently have exchanges in program areas such as culinary, business administration and conservation enforcement. Faculty incorporate international exchanges as part of the curriculum designed to provide global awareness and global experiences. During the 2013-14 year, the college signed an exchange agreement with the Université Catholique de Lyon, France. This adds to agreements already in place with colleges and universities in eight countries: Finland, Japan, South Korea, France, Australia, Austria, Scotland, and the United States. Exchanges are selected based on a number of criteria including reciprocal exchange agreements with students and faculty, the selection of institutions and countries aligned with curriculum, cultural development, and safe travel practices.

In addition to academic exchanges, Lethbridge College supports and encourages international athletic team travel where students and coaches experience international competition, intercultural development and international travel. Students fundraise for these events on an annual basis as a part of their community engagement events. In 2013-14, the women's basketball travelled to the United States to participate in an international competition and the men's soccer took part in an international competition in Portugal.

The English Language Centre and English as a Second Language programs on campus assist international students with socio-cultural development, engagement in community events, and development of academic plans that are inclusive of employment and career opportunities in Alberta. Summer programs are hosted in July and August.

Lethbridge College staff has engaged and will continue to engage in Trade Fair missions. Ongoing participation in events like this enables college staff to build networks and partner with other post-secondary institutions, Government of Alberta international representatives, student prospects, international agents and community members. In 2014 the college joined the Alberta Government and EduFairs Canada on a trip to Mexico. These trips provides the college the opportunity to gather program areas of interest and to distribute Lethbridge College marketing materials. During the 2014 Mexico Fair a total of 592 view books were distributed to potential students and garnered 297 inquiries to the college.





REGIONAL STEWARDSHIP

During the year engagement and information sessions were held in a number of communities within the college's stewardship region, including Crowsnest Pass, Taber, Vulcan and Claresholm as well as in Lethbridge. Sessions hosted by Dr. Paula Burns, President and CEO, and other members of college leadership were well attended by a diverse representation of stakeholders within each of the communities and surrounding areas. The focus of these sessions was on sharing with our community partners the college's vision for the future and to further understand the unique needs of stakeholders within each of the communities and how we can work collaboratively to meet those needs.



At the programming level, our academic programs and regional stewardship areas are working collaboratively to evaluate alternate delivery models and programming opportunities that will best serve the needs of our rural communities in a sustainable manner. The 2013- 14 academic year saw the launch of our first dual credit opportunity. Our Health Care Aide dual credit opportunity was developed in collaboration with our region's school divisions and resulted in 22 students across three rural school divisions completing the first year of a two-year program leading to a Health Care Aide Certificate while registered in high school. Plans were also developed for a second Health Care Aide intake to include additional school divisions, and a collaboration with Kainai High School on a dual credit opportunity in Early Childhood Education. We continued to offer a rural Practical Nurse program within the Claresholm campus.

Plans are in development to transform our Crowsnest Pass regional campus to a more cost-effective and sustainable operating model that will continue to meet the needs of the community. Dialogue and engagement with the community's municipal council have resulted in a commitment from the Municipality of the Crowsnest Pass to partner with us and the Crowsnest Pass Adult Learning Association in a shared facility and services agreement. Collaborative development of the plan is still on-going, with anticipated implementation of the new model in January 2015.

APPLIED RESEARCH AND SCHOLARLY ACTIVITIES

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. The college's applied research plan, which was developed in alignment with the Government of Alberta's Research and Innovation plan (2012), enables us to contribute to local innovation through the following key objectives:

- provide an atmosphere conducive to applied 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 for increased performance in industry-driven applied research that solves real-world problems
- effectively transfer knowledge gained through applied research to benefit our partners and society
- demonstrate how applied research can add value to the innovation and productivity of industry partners through the leveraging of the Regional Innovation Network of Southern Alberta (RINSA) funding

Through our partnership with RINSA, 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 with identifying the needs of local SMEs and funding opportunities.

In 2013-14 we increased support for applied research, both internally and externally by:

- maintaining an internal research and scholarly activity fund;
- leveraging the \$100,000 received through RINSA directed towards connecting industry with faculty and students to address innovation and productivity issues;
- educating faculty and staff of the benefits of applied research and supported their research endeavors;
- continuing to explore funding opportunities, including maintaining eligibility for Tri-Council funding;
- building partnerships with industry and the community in applied research projects; and
- providing learners with opportunities to address real-world problems and to develop innovative problem-solving skills.

In addition, we have significantly enhanced our organizational research capacity through the restructuring of our applied research services area leading to the establishment of the Center for Applied Research and Innovation (CARI) and leadership position in the Dean, Applied Research and Innovation. CARI's focus will be on capacity building through aggressive fund raising, partnership development and internal education.

Recognizing that the college's applied research potential is within its academic areas, each academic centre has established centre applied research plans which highlight the strengths and opportunities of their areas and identify three to four areas of focus. This will provide focus for the college's applied research agenda and clarity for CARI in their activities relating to fund raising and partnership development around projects.

The college has allocated a 7,000 square feet in space within its forthcoming trades and technologies building to provide faculty, staff, students and industry with the access to space and resources to expand current applied research initiatives and create new opportunities for industry and community needs in ways that integrate with student learning.

As a result of our efforts, we are pleased to report that we have exceeded our target (Scorecard) measures by increasing grant funding by 10.3 per cent by focusing on the following areas of strength:



Environmental Stewardship

Early Detection of Late Potato Blight

In collaboration with Alberta Crop Industry Development Fund Ltd. (ACIDF) and the Potato Growers of Alberta (PGA), our researchers studied the early warning, monitoring and prevention of late blight and other air-borne pathogens negatively affecting potato crops in southern Alberta.

Detection, identification and control strategies for management of cutworms

In cooperation with the Canola Council of Canada, this research addresses three issues that hamper efforts to successfully manage cutworms in field crops. First, it develops a molecular method (DNA “multiplex-PCR”) that can be used in service labs for quick and accurate species identification of cutworms at any life stage; second, it uses field surveys in different regions of the prairies to identify which life stages are present for different cutworm species at different times of the year; and third, it identifies the role of natural enemies in reducing cutworm populations. The research team will summarize key findings and prepare the results in a readily available format for canola producers.

Advancing Alberta's Commercial Aquaponics Industry

Our Natural Sciences and Engineering Research Council – College and Community Innovation (NSERC – CCI) award (Spring 2013) continues to progress in positive ways by assisting Aquaponics producers to overcome technical and policy-related barriers to market. Is it our intention to pursue additional funding opportunities that will first align with our agriculture strategy; second build capacity for applied research and innovation in the Integrated Fish and Plant Systems (IFPS) field; and third establish long-term partnerships with industry to grow IFPS in southern Alberta.

Enhancing Bioproducts Production

The college and the Alberta Advanced Education Research Capacity Program provided funding (approximately \$200,000) towards the following equipment: SFT-110 Supercritical Fluid Extractor, a Qiagen QIAxcel Advanced System-for RNA/DNA analysis, a microplate reader, a gas chromatograph and a near infrared radiation. This equipment will be a great value to industry and provide skills development opportunities for faculty and students.

Storm Water Contamination

The Oldman Watershed Council together with Alberta Environment and Sustainable Resource Development, the City of Lethbridge and Agriculture and Agri-Food Canada continue to support the monitoring of storm sewer outputs in the City of Lethbridge.

Public Opinion Polling

In collaboration with community partners, we continue to run public opinion polls through our Citizen Society Research Lab (CSRL) on a variety of issues, including public safety, urban drilling and water quality. In 2013-14, the CSRL expanded to include research opportunities for over 150 students enrolled in eight liberal arts courses being taught by five School of Liberal Arts faculty members. Other activities included the principals writing and presenting a conference paper about the CSRL to the 2013 Prairie Political Science Association Annual General Meeting as well as assorted ad hoc consulting with various Lethbridge College faculty and departments about research matters. The CSRL continues to work with our Information Technology department to enhance the student research experience and final applied research product.

Other outcomes include:

- 16 faculty engaged in applied research activities
- 49 faculty participating in Scholarship of Teaching and Learning applied research activities
- 14 industry partners engaged and/or contributing to applied research activities
- 252 students engaged in applied research activities



While scholarly activity in all areas is strongly encouraged and supported, specific applied research opportunities having distinct competitive advantage will continue to be identified. Ultimately, the goal is to leverage existing capacity, direction and opportunity with a focused effort to develop core applied research direction and then to expand it into a cluster, engaging more researchers, students and industry partners.

Lethbridge College is leading and transforming education in Alberta. Applied Research is an integral part of the college's strategy and plays a significant role in providing opportunities for faculty and students to partner with industry and community to the benefit of our economy and society, with the primary focus being on learners and enhancing their learning experience.

ADVANCEMENT: EXTERNAL RELATIONS, FUNDRAISING AND MARKETING

Following on its commitment from earlier in the year, the Government of Alberta officially announced a \$56 million contribution to the college's Trades and Technologies Renewal and Innovation Project in December 2013. A very well-attended joint announcement event was organized in collaboration with the University of Lethbridge – which also received significant funding from the province – as well as with the provincial and municipal governments. This announcement was a reflection of the college's commitment to unprecedented levels of collaboration and increased civic engagement.

The College Home Project, a unique five-year partnership between the Canadian Home Builders' Association Lethbridge Region (CHBA) and the college, was launched in July 2013. This project involves two CHBA builders each year who work with their suppliers and tradespeople and commit to building two homes per year, with the proceeds from the sales to go towards the Trades and Technologies Renewal and Innovation Project. More than 70 different suppliers and tradespeople were involved in the building of these first two homes. In March, Ashcroft Master Builder and Galko Master Builder, along with their building teams, announced a \$231,084 donation to Lethbridge College.

In June, the college announced the establishment of the Cor Van Raay Southern Alberta Agribusiness Program, a joint agribusiness program with University of Lethbridge. This initiative was made possible by a donation of \$2.5 million each to the college and university.

As of June 30, 2014, *the Possibilities Are Endless* campaign – the college's most ambitious fundraising campaign in its history, launched in May 2013 – had raised \$19.72 million (79 per cent) of its private sector goal of \$25 million thanks to the guidance of the Campaign Cabinet and the tremendous support of industry partners, the community and alumni. The amount raised thus ensured that *excellence* was achieved for this scorecard item for the 2013-14 fiscal year. Key initiatives in the campaign include energy smart buildings like the trades and technologies facility and Kodiak House. Students also benefit from new student awards and resourcing focused upon emerging priorities for program excellence.



Also in June 2014 the college's inaugural government relations plan was presented to the Board of Governors. Goals of the college's government relations efforts include:

- Increasing internal awareness of the importance and role of concerted and comprehensive government relations initiatives, as well as external awareness of the college's interests, contributions, programs and services.
- Supporting efforts to secure the resources necessary for the college to deliver on its mandate and implement its strategic orientations, including applied research activities.
- Supporting efforts to secure required program approvals.

The marketing department launched and ran the successful "Extreme Career Makeover" campaign in 2013-14. More than 400 people from across Canada applied and in April 2014, the college announced the two winners of this marketing and recruitment initiative, with each winner receiving up to two years of tuition and books, as well as accommodations in residence for both years. More than 60,000 votes were cast over a two-week period for the top 10 finalists. Votes came from around the world with over 80 different countries represented in the voting demographic. The college received an incredible amount of interest and publicity surrounding this event, with measureable spikes in contacts and applications aligned with the contest's media coverage.

Lethbridge College's magazine, *Wider Horizons*, was named the best community college magazine in the international CASE Circle of Excellence award competition in June 2014. The awards, presented by the Council for Advancement and Support of Education, recognize outstanding work in communications, publishing and marketing at colleges, universities, independent schools and nonprofits from around the world. *Wider Horizons* also received a bronze award in the CASE District VIII competition for General Interest magazines (circulation 35,000 to 74,999). This is the third time in the last decade the college has received an award in the CASE District VIII Communication Awards competition, which includes submissions of marketing and communications pieces from colleges and universities of all sizes in British Columbia, Alberta, Saskatchewan, Manitoba, Northwest Territories, Yukon and Nunavut as well as the states of Alaska, Washington, Oregon, Idaho, Montana. The college has previously won bronze awards for its website and for its viewbook.

PEOPLE

People Development is one of four strategies in achieving our vision of leading and transforming education in Alberta. The strategy is simply defined as “we will develop our people to realize their highest potential.” Two key priorities were identified with respect to people in the Lethbridge College Scorecard. The first targeted outcome was the completion of a people plan with all Management Forum members enrolled and participating in the supporting Performance Management Plan. Excellence was further defined to include an additional 20 per cent of employees enrolled and participating. The second outcome in the people category of the scorecard related to leadership capacity with a target that assumes that achievement of the other nine scorecard outcomes would require increased leadership capacity within its people. Both of these outcomes were achieved to the excellence level.

Building leadership capacity was a strong focus during the year. A group of more than 70 Management Forum leaders participated in “change leadership” education throughout the year. The education was built on the model of extreme action learning. The education prepared leaders in facilitating input and feedback sessions with stakeholders and provided leaders with opportunities to apply what they learned and reflect on the application of the learning. Leaders were also immersed in the co-creation of Lethbridge College’s future that evolved through the exploration of emerging developments and trends and input from multiple stakeholder perspectives.

At the heart of the people strategy is the development of a Collaborative Centre of Excellence for People Development. Although our plans for how we will develop this is still to be determined, it is clear that for the college to transform into the future, it will need to be underpinned with excellence in our people.

During 2013-14, there were many examples to support a shift in culture and in the environment that is evolving that allows a strategy of people development to flourish. Providing opportunities for all employees to be engaged in the co-creation of the college’s future and primarily filling vacant positions internally by investing in our people who have the desire and passion to grow and evolve are two examples that have taken root within the college.

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. The reduction in staffing reflects opportunities and efficiencies initiated throughout the institution to support a balanced budget.

Employees (Full-time Equivalent)	2011-12	2012-13	2013-14
Academic	309	308	291
Non-Academic Support	334	343	336
Administrative/Managerial	69	70	67
Total	712	721	694

Source: Financial Services



FACILITIES

Current, updated, functional and comfortable facilities enhance the learning environment and the student experience. In the spring of 2014, we broke ground on the Trades and Technology Renewal and Innovation Project (TTRIP), our highest capital priority and one of 10 scorecard outcomes. With construction well underway prior to the fiscal year end, the college achieved a scorecard rating of excellence. The realization of this project could only be done with the collaborative efforts of many including the Alberta Government and supporters within our local community.

Trades and technologies remain a vital part of southern Alberta's economic success and are a key area of focus and strength for the college. These disciplines have continuously evolved, as has Lethbridge College's delivery of these programs, resulting in an ever-increasing reliance on technological innovation with a focus on sustainability. This project will bring together many of our existing trades and apprenticeship training programs together with emerging technologies such as wind energy. The Civil Engineering, Geomatics, Design and Drafting, and Interior Design Technology programs will also be located in the new facility to take advantage of multiple-use lab/innovation/applied research spaces and the increasing industry links between the trades and technology expertise.



Consistent with the direction of Campus Alberta and 21st century teaching and learning, this facility will be highly functional, flexible and designed for optimum utilization. Capacity within the trades and technologies disciplines will increase, positioning the college to meet the evolving needs of Albertans and industry in the area of trades and technology education and training. This need is best demonstrated in the emerging wind energy sector where industry capacity in southern Alberta is expected to more than double in the next decade. This will result in significant growth for the college's wind programming.

A number of other 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 completion of the high voltage electrical grid and the security system upgrade projects have positively affected the students' and employees' experience.

Space planning and utilization was another focus for the college. A task force has been formed under the direction of the Physical Resources Management Committee with the mandate to meet or exceed provincial guidelines. The work of the task force will continue into 2014-15. Space planning and utilization is an integral piece supporting the college's academic transformation strategy.

Facility Usage Profile (Excluding Residence)

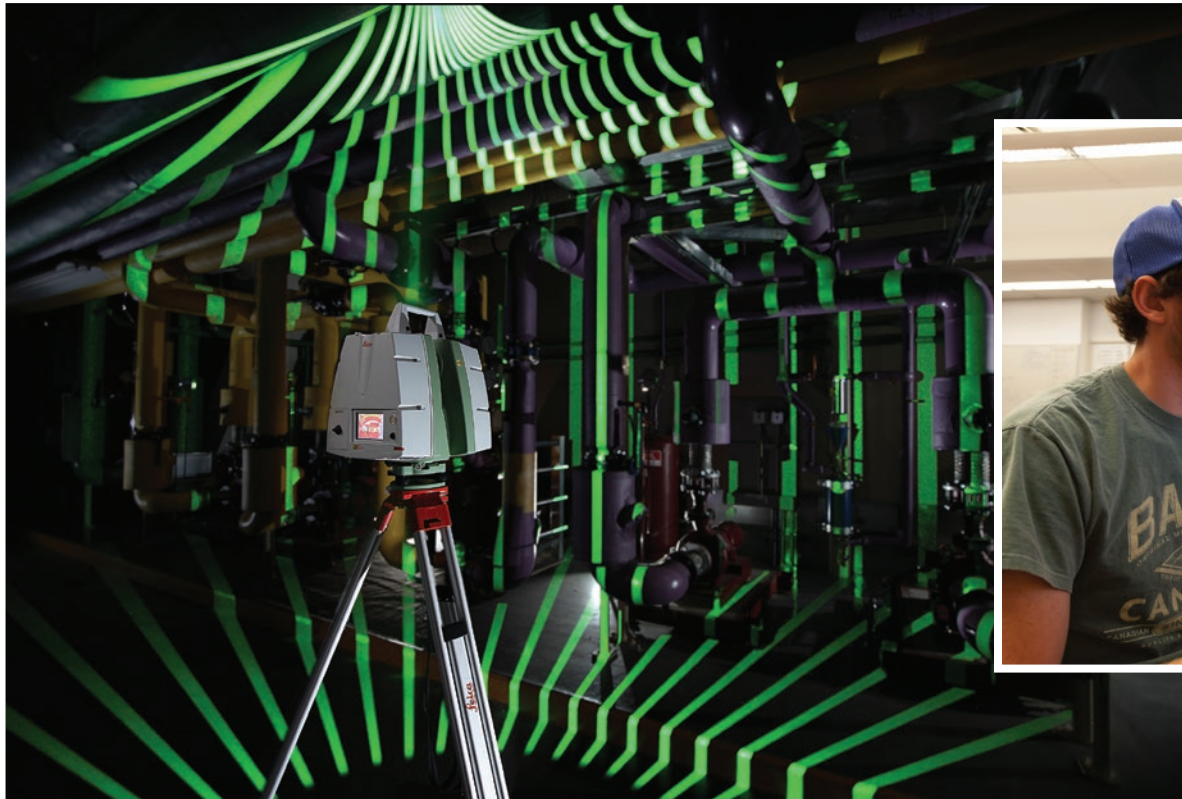


Source: Facilities Management



INFORMATION TECHNOLOGY SYSTEMS

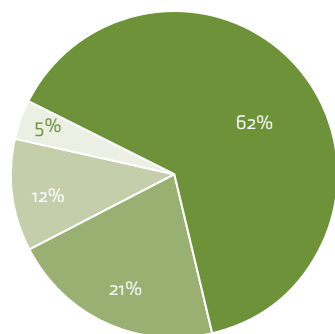
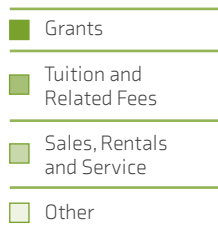
The college began implementing several new cloud-based services for staff and students. The value of cloud-based services is that the user has greater access to improved services through a wide variety of devices. The cloud tools that were pursued are a new Learning Management System called Canvas by Instructure and a new productivity and collaboration tool called Office 365 by Microsoft. As well, the college began the implementation of a student mobile app called Ellucian Go that provides quick and easy access to the most important information that students need.



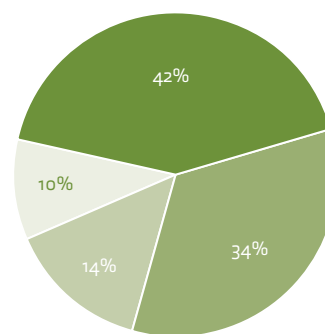
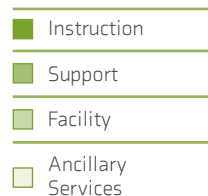
FINANCIAL RESOURCES

Our financial position at the end of the year was better than expected with a \$1.5 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. That is why one of four strategies within the strategic plan is resource innovation. This strategy not only addresses new and innovative funding opportunities but also the use and optimization of college resources. The scorecard identifies two measures relating to fiscal resources. The first is a balanced budget with excellence achieved at a one per cent surplus. The second relates to increased revenues through business development and industry training. The creation of a centre, leadership and profit targets supports the fiscal sustainability priority. The college did end the year with a surplus, thus achieving excellence on that measure, and target was achieved for the Business Development and Industry Training outcome. The following is an overview of revenue and expenses for the year.

Revenue



Expense



Source: Financial resources

GOALS, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

LETHBRIDGE COLLEGE SCORECARD 2013-14

As presented in the Operational Overview section of this report, the Lethbridge College Scorecard for 2013-14 is a balanced scorecard reflecting the transition to a new strategic direction and other key priorities for the year. In addition to providing focus and direction to employees, the scorecard was used by the board to monitor the progress of the college and the performance of the President and CEO through quarterly reports. Excellence was achieved on all but two of the 10 scorecard outcomes. Further detail on each of the outcomes and achievements have been addressed throughout previous sections of the report.





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. Preliminary results from the 2014 survey of grads from the 2011-12 class shows the college consistently achieving results of 90 per cent or higher. An exception is in the number of graduates in jobs related to their program of study. While this percentage is normally lower with the results experienced at the college and across the province, the responses have consistently increased by four percentage points with each survey since the 2007-08 graduates and is at an all-time high of 83 per cent for the college with the graduating class of 2011-12. While a number of factors such as employment success, compensation levels and student debt factor into satisfaction, it is notable that the highest percentage attained was in graduates that would recommend the institution to others.

Graduate Employment and Satisfaction			
Graduating class - surveyed	2007-08	2009-10	2011-12
Graduate employment rate	94.6%	95.4%	92.6%
Graduates employed in related jobs	75.0%	79.0%	83.0%
Overall satisfaction with the quality of the educational experience	93.5%	96.3%	94.1%
Would recommend the institution to others	96.0%	96.6%	97.1%
Satisfaction with quality of teaching in the program	93.0%	94.5%	92.8%
Would recommend the same program of study	88.8%	91.4%	89.9%



ENROLMENTS

The following chart shows an overall two per cent decrease in student full load equivalents (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				
	2011-12	2012-13	2013-14	2012-13 vs. 2013-14
Lethbridge Campus, Distributed Learning and Rural	3,904	3,862	3,853	0%
Off-campus contract	273	72		
Total	4,177	3,934	3,853	(2%)

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

While overall FLEs remain relatively static, there are some notable offsetting factors. Apprenticeship programs continue to grow with a year-over-year increase of 15 per cent. The Practical Nursing and Bachelor of Nursing programs were at capacity. A planned reduction in capacity for the Bachelor of Nursing program resulted in a 10 per cent reduction in FLEs year-over-year. International students were down five per cent year-over-year due to Government of Canada processing issues. The decline we have seen in recent years in College and University Upgrading appears to have stabilized with total numbers consistent with 2012-13. FNMI enrolments continue to grow with an 11 per cent increase year-over-year. As mentioned earlier in the report, on-line learning continues to grow with a 24 per cent increase in course registrations year-over-year. While this doesn't directly contribute to additional FLEs, increases in flexible learning often correlate into more part-time students.



OTHER KEY PERFORMANCE INDICATORS

The following measures continue to remain relatively static. The college continues to focus on other sources of revenue to supplement grants and student tuition and in keeping administrative expenditures within an acceptable range.

Key Performance Indicators	2011-12	2012-13	2013-14
Administrative expenditures as percentage of total expenditures less ancillary expenditures	10%	9%	10%
Enterprise revenue as a percentage of government grants	22%	20%	21%

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

CONCLUSION

The 2013-14 year has been full of accomplishments focused on our mission of inspiring and facilitating learning and innovation to meet economic and social needs. Grounded in our values, principles and strengths, the work of the past year is laying the foundation for a very exciting future.





FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

PREFACE

The following is our discussion and analysis of the financial condition and financial performance for Lethbridge College as at June 30, 2014. This discussion and analysis should be read in conjunction with our audited financial statements and related notes for the years ended June 30, 2014, and June 30, 2013. These documents and additional information including the 2013-16 *Comprehensive Institutional Plan – Leadership and Transformation* are available on the Lethbridge College web site.

This Financial Statement Discussion and Analysis provides an overview of the results Lethbridge College achieved in 2014 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

Lethbridge College has embraced a bold new vision: *Leading and Transforming Education in Alberta*. This is supported by four transformational strategies: Academic Transformation, Collaborative Partnerships, Resource Innovation and People Development. Campus Alberta Planning Resource (CAPR) identifies three priority directions for post-secondary institutions: support Alberta's economic and social progress, focus on outcomes and enhance system collaboration and partnerships. Our bold new vision and strategic framework aligns with these priorities.

In the 2014 fiscal year, the government grant was reduced by 7.3 per cent which resulted in approximately \$3.2 million being removed from our base grant. The college received additional in-year funding of \$1.1 million from the Government of Alberta which served to mitigate, in part, the \$3.2 million reduction.

2. BUSINESS PLANNING AND MANAGEMENT

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

In 2014 the college developed a scorecard to serve as a framework to translate strategic directions into performance measures that help indicate how well the college is doing. The scorecard incorporates measures from all aspects of the business and includes both long and short-term indicators.

Resources are directed towards those strategic priorities identified in the scorecard that reflect measurable performance outcomes to enable the college to measure the achievement of its goals. Budgets are monitored by management on a monthly basis to ensure the required year-end results are achieved.

3. FINANCIAL INFORMATION

The following provides an overview of our financial performance and operational results for the year ended June 30, 2014.

Financial Results

With revenue of \$83.3 million, the college ended the year with an operating surplus of \$1.5 million largely due to unbudgeted income of \$1.1 million. Net assets increased by \$4.4 million; the operating surplus of \$1.5 million and the increase in remeasurement gains of \$2.2 million represent the majority of this increase.

Revenues

Total revenues decreased by \$1.6 million to \$83.3 million in 2014. The following table shows the composition of the college's total revenues in \$000s for the 2014 fiscal year with comparative information for 2013 and the 2014 budget:

Revenue by Source	Budget 2014 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Government of Alberta grants	49,902	50,775	52,603
Federal and other government grants	840	1,023	850
Sales of services and products	9,811	9,730	9,168
Contract programs	1,650	1,910	2,800
Student tuition and fees	17,817	17,385	17,598
Donations and other grants	794	853	810
Investment income	1,300	1,617	1,127
Total Revenue	82,114	83,293	84,956

Government of Alberta Grants

The college receives approximately two-thirds of its revenue from Alberta Innovation and Advanced Education. Infrastructure projects funded by the Infrastructure Maintenance Program (IMP) grant were lower in 2014.

Sales of Services and Products

Ancillary services include the gross revenues of the bookstore, student residence, parking and food services.

Expenses

Total expenses decreased by \$1.9 million to \$81.8 million in 2014. The following table shows the composition of the college's total expenses, in \$000s, for 2014 with comparative information for 2013 and the 2014 budget.

Expense by Function	Budget 2014 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Instruction	34,618	34,011	35,697
Academic and student support	14,640	15,452	14,668
Institutional support	12,874	11,839	12,253
Sponsored research	270	287	212
Facility operations and maintenance	11,811	12,008	13,205
Ancillary operations	7,901	8,224	7,676
Total Expenses	82,114	81,821	83,711

Instruction

Instruction expenses represent 42 per cent of the total cost of the organization. Included in this area are costs related to programming and training within the college. Expenses decreased by \$1.7 million in 2014, as a result of staffing vacancies. Other expenditures remained stable with the exception of areas supported by special purpose funding.

Academic and Student Support

This area includes the expenses directly supporting the academic functions and students of the college. Alternative delivery models for day care and student counseling were implemented in the current year which resulted in additional one-off costs.

Facility Operations and Maintenance

This area represents 15 per cent of the total expenditure of the organization. Included in this area are expenditures relating to utilities, facilities administration, building maintenance, custodial services, and grounds keeping as well as repairs and renovations. Reduced IMP projects in the current year contributed significantly to the decrease in 2014 expenditure.

Financial Position

Cash and Cash Equivalents

Cash and cash equivalents increase was due in large part to receiving the first funding installment of \$11.0 million as part of the \$55.6 million commitment from Alberta Innovation and Advanced Education to support the construction of the Trades and Technology Renewal and Innovation Project (TTRIP). The college also received two large donations in excess of \$5.0 million.

Net Assets

The college's net asset position is an important indicator of financial health. Net assets include accumulated surpluses from operations, investment in tangible capital assets, internally restricted surpluses, accumulated remeasurement gains and endowments.

Through diligent financial planning and decision-making combined with increased endowment contributions from donors, the college's net assets increased by \$4.4 million compared to the previous year. The operating surplus of \$1.5 million and increased remeasurement gains of \$2.2 million represent the majority of this increase.

The following table shows the composition of funds internally restricted by the Lethbridge College Board of Governors for specific purposes:

INTERNALLY RESTRICTED SURPLUS (in \$000s)	
Faculty professional development	1,317
TTRIP	3,112
Other	1,080
Total	5,509

Endowments

Endowments increased by \$0.7 million to \$11.0 million in 2014. During the year, capitalized income of \$0.2 million for the current year and \$0.5 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 remain intact and invested in perpetuity to produce income expended for the purposes specified by the donors, primarily the funding of scholarships.

4. PROGRESS IN CAPITAL PROJECTS

April 24, 2014, marked the official ground breaking for the new trades and technologies facility at Lethbridge College. Funded by Alberta Innovation and Advanced Education, the college's capital campaign and the college's own reserves, the facility will enable the college to continue its work of preparing highly-skilled graduates in southern Alberta for employment in trades and technology-related fields.

The new facility will measure more than 15,000 square meters, providing nearly three football fields' worth of space. It will accommodate an additional 880 students, increasing overall capacity to 2,300 students who will get hands-on experience in skilled trades, as well as in existing and emerging technologies.

The new trades and technologies facility will house skilled apprentices in electrical, welding, agriculture equipment, automotive service, parts, and heavy equipment as well as students studying to work as technicians and technologists in wind turbine technology, engineering design, interior design, geomatics, and civil engineering.

During the year Lethbridge College invested in \$8.3 million in capital assets, which included \$2.9 million from internal funds and \$5.4 million from external sources of funding provided by the Government of Alberta. Capital asset acquisitions include equipment purchases, infrastructure maintenance projects, high voltage loop renewal, security alarm upgrade and the trades and technologies facility.

5. AREAS OF SIGNIFICANT FINANCIAL RISK

The college operates in a dynamic and changing environment subject to a variety of risks which are managed through its integrated enterprise risk management framework. Some areas of significant financial risk are as follows:

Deferred Maintenance

During the 2013-14 year the college expended \$0.5 million from the IMP grant on priority one maintenance projects. The existing trades facility, slated for replacement with TTRIP in 2017, remains a challenge to operate and maintain as the new facility is constructed for occupancy. IMP funding has been reduced significantly over the past three years, creating a challenge for maintaining, renewing and upgrading older existing facilities.

Provincial Funding

The Government of Alberta Campus Alberta grant was reduced in 2014 along with a reduction to infrastructure maintenance funding. These reductions had and continue to have a significant effect on the college operations. As a result of provincial funding uncertainty, coupled with mandated ceilings on tuition increases and inflationary cost increases, the college is looking for new revenue opportunities, operational efficiencies and cost containment within the college. During the year operational adjustments were made to achieve a balanced budget; however, future finances are under pressure and remain a significant risk for the college's strategic direction.

Unfunded Pension Liability

Employees of the college participate in the Local Authorities Pension Plan (LAPP). Due to a large number of employers participating in LAPP and the complexities in calculating accurate information relating to each participant's share of any unfunded liability, employers are unable to identify their portion of the total actuarial deficiency at Dec. 31, 2013, of \$4.9 billion (2012-\$5.0 billion). This unfunded liability represents a risk that both employer and employee contribution rates could increase in the future.



CONSOLIDATED FINANCIAL STATEMENTS

LETHBRIDGE COLLEGE YEAR ENDED JUNE 30, 2014

Auditor's Report

Management's Responsibility for Reporting

Statement of Financial Position

Statement of Operations

Statement of Cash Flows

Statement of Remeasurement Gains and Losses

Notes to the Financial Statements

Independent Auditor's Report

To the Board of Governors of Lethbridge College



Report on the Financial Statements

I have audited the accompanying financial statements of Lethbridge College, which comprise the statement of financial position as at June 30, 2014, and the statements of operations, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

[Original signed by Merwan N. Saher, FCA]

Auditor General

October 28, 2014

Edmonton, Alberta

Management's Responsibility for Reporting

For the Year Ended June 30, 2014

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, 2014 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. Financial statements are not precise, since they 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 maintained 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 Board of Governors and 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, 2014 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
STATEMENT OF FINANCIAL
POSITION AS AT JUNE 30
(thousands of dollars)

	Note	2014	2013
ASSETS			
Cash and cash equivalents	3	\$ 31,487	\$ 16,311
Portfolio investments	4	40,137	37,944
Accounts receivable	6	1,414	1,877
Inventories and prepaid expenses		1,605	1,781
Tangible capital assets	7	77,218	74,118
		<u>\$ 151,861</u>	<u>\$ 132,031</u>
LIABILITIES			
Accounts payable and accrued liabilities		\$ 10,333	\$ 7,583
Debt	9	8,796	9,128
Deferred revenue	10	79,299	66,252
		<u>98,428</u>	<u>82,963</u>
NET ASSETS			
Accumulated surplus			
Accumulated operating surplus	12	39,725	38,253
Accumulated remeasurements gains		2,744	539
Endowments	11	10,964	10,276
		<u>53,433</u>	<u>49,068</u>
		<u>\$ 151,861</u>	<u>\$ 132,031</u>
Contingent liability	13		
Contractual obligations	14		

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 financial statements.

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

	Note	Budget (Note 19)	2014	2013
REVENUE				
Government of Alberta grants	16	\$ 49,902	\$ 50,775	\$ 52,603
Federal and other government grants		840	1,023	850
Sales of services and products		9,811	9,730	9,168
Contract programs		1,650	1,910	2,800
Student tuition and fees		17,817	17,385	17,598
Donations and other grants		794	853	810
Investment income		1,300	1,617	1,127
		<u>82,114</u>	<u>83,293</u>	<u>84,956</u>
EXPENSE				
	15			
Instruction		34,618	34,011	35,697
Academic and student support		14,640	15,452	14,668
Institutional support		12,874	11,839	12,253
Sponsored research		270	287	212
Facility operations and maintenance		11,811	12,008	13,205
Ancillary services		7,901	8,224	7,676
		<u>82,114</u>	<u>81,821</u>	<u>83,711</u>
Operating surplus		-	1,472	1,245
Accumulated operating surplus from operations, beginning of years		38,253	38,253	37,008
Accumulated operating surplus from operations, end of years	12	<u>\$ 38,253</u>	<u>\$ 39,725</u>	<u>\$ 38,253</u>

The accompanying notes and schedules are part of these financial statements

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

	Note	2014	2013
OPERATING ACTIVITIES			
Operating surplus		\$ 1,472	\$ 1,245
Add (deduct) non-cash items:			
Expended capital contributions recognized as revenue		(3,815)	(3,799)
Amortization of tangible capital assets		5,185	5,971
Total non-cash items		1,370	2,172
Decrease in accounts receivable		463	74
Decrease in inventories and prepaid expenses		176	21
Increase in accounts payable and accrued liabilities		2,750	981
Increase (decrease) in deferred revenue		16,862	(337)
		23,093	4,156
INVESTING ACTIVITIES			
Purchase of portfolio investments		(2,193)	(9,035)
Unrealized gain on portfolio investments		2,205	496
		12	(8,539)
FINANCING ACTIVITIES			
Endowment contributions		688	1,664
Debt retirement		(332)	(313)
		356	1,351
CAPITAL ACTIVITIES			
Acquisition of tangible capital assets – internally funded		(2,894)	(1,786)
Acquisition of tangible capital assets – externally funded		(5,433)	(4,245)
Proceeds on sale of tangible capital assets		42	29
		(8,285)	(6,002)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		15,176	(9,034)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEARS		16,311	25,345
CASH AND CASH EQUIVALENTS, END OF YEARS	3	\$ 31,487	\$ 16,311

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

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

	2014	2013
ACCUMULATED REMEASUREMENT GAINS AT BEGINNING OF YEAR	\$ 539	\$ -
Adoption of new accounting standards	-	43
Unrealized gains attributable to:		
Portfolio investments	2,205	496
ACCUMULATED REMEASUREMENT GAINS AT END OF YEAR	<u>\$2,744</u>	<u>\$ 539</u>

The accompanying notes and schedules are part of these financial statements

1 Authority and Purpose

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

2 Summary of Significant Accounting Policies and Reporting Practices

(a) General – Canadian Public Sector Accounting Standards (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. Management uses judgment to determine such estimates. Amortization of tangible capital assets is the most significant item 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 a government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

(c) Valuation of Financial Assets and Liabilities

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

<u>Financial Assets and Liabilities</u>	<u>Measurement</u>
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. A reversal of a write-down to reflect a value for assets measured at fair value is recorded in the statement of Remeasurement Gains and Losses.

For financial assets and liabilities 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 instruments measured at cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value. Investment management fees are expensed as incurred.

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

(d) Revenue Recognition

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

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

Government transfers

Government transfers are referred to as government grants.

Government transfers and the associated externally restricted 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.

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 unrestricted 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.

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

Restricted donations, restricted 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 is 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 deferred revenue when received, and as revenue when the college purchases 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.

(f) Tangible Capital Assets

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

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

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs 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:

<u>Asset Category</u>	<u>Estimated Useful Life</u>
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 7.

(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.

(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.

(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.

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

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 expenses recorded for the LAPP are 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 employee compensation allows for employees to accumulate vacation time; this liability is recorded as employees earn it on a monthly basis.

(j) Funds and Reserves

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

(k) 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 and student support

Expenses relating to directly supporting the academic functions and students of the institution. This includes libraries and centralized functions including student service administration, student recruitment, records and admissions, counseling and career services, financial aid administration, student 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 and grounds keeping as well as major repairs and renovations.

Ancillary services

Expense relating to services and products provided to the college community and to external individuals and organizations. This function includes the bookstore, housing, food and parking.

(I) Future Accounting Changes

Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination by a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard being introduced into air, soil, water, or sediment. The college would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management is currently performing an assessment of this accounting change and has not yet determined the impact on the financial statements.

3 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.

	2014	2013
Cash	\$ 31,487	\$ 10,088
Term deposits	-	6,223
	<u>\$ 31,487</u>	<u>\$ 16,311</u>

4 Portfolio Investments

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

	2014		
	Level 1	Level 2	Total
Fair value			
Equities listed in active markets			
Canadian equity	\$ 12,090	\$ -	\$ 12,090
Foreign equity	10,537	-	10,537
Other designated to fair value category			
Bonds	17,484	-	17,484
Other	-	26	26
Total investments	\$ 40,111	\$ 26	\$ 40,137
	2013		
	Level 1	Level 2	Total
Fair value			
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
Total investments	34,902	42	34,944
Amortized cost			
Guaranteed income certificates	3,000	-	3,000
Total investments	\$ 37,902	\$ 42	\$ 37,944

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.

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: 1.29% (2013 – 1.30 %); average maturity: 90 days or less.
- Canadian government and corporate bonds: 1.97 % (2013 – 2.35 %); terms to maturity: average term 4.25 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

	2014	2013
Unrealized gains, beginning of year	\$ 140	\$ 33
Unrealized gains (losses), attributable to:		
Amounts reclassified to statement of operations	-	(3)
Portfolio investments	728	110
Unrealized gains, end of years	\$ 868	\$ 140

Amounts related to:

Endowment	868	140
Restricted unrealized gains, end of years	\$ 868	\$ 140

5 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 percentage increase or decrease in market prices. At June 30, 2014, if market prices had a 2.5% (2013 - 2.5%) increase or decrease with all other variables held constant, the increase or decrease in re-measurement gains and losses and endowment net assets – externally restricted contributions for the year would have been a total of \$1,003 (2013 - \$873).

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	\$4,023	\$(101)	\$(40)	\$40	\$101

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, 2014 (2013 - \$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 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 9).

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

	Maturity			Average effective market rate
	Less than 1 year	1 to 5 years	Greater than 5 years	
	%	%	%	%
Money markets	100.0	-	-	1.3
Canadian government bonds corporate bonds	-	70.0	30.0	2.0

6 Accounts Receivable

	2014	2013
Accounts receivable	\$ 1,332	\$ 1,942
Accrued interest	82	137
Allowance for doubtful accounts receivable	-	(202)
	<u>\$ 1,414</u>	<u>\$ 1,877</u>

Accounts Receivable are unsecured and non-interest bearing.

7 Tangible Capital Assets

	2014					2013
	Land	Buildings and Site Improvements	Equipment	Computer Hardware and Software	Total	Total
Cost (a)						
Beginning of year	\$ 476	\$ 135,486	\$ 22,608	\$ 16,608	\$ 175,178	\$ 169,428
Additons (b)	-	7,298	844	185	8,327	6,031
Disposals and write downs	-	-	(724)	(12)	(736)	(281)
	476	142,784	22,728	16,781	182,769	175,178
Accumulated amortization						
Beginning of year	-	67,950	17,606	15,504	101,060	95,341
Amortization expense	-	3,674	1,016	467	5,157	5,962
Disposal and write down effect	-	-	(655)	(11)	(666)	(243)
	-	71,624	17,967	15,960	105,551	101,060
Net book value at June 30, 2014	\$ 476	\$ 71,160	\$ 4,761	\$ 821	\$ 77,218	\$ -
Net book value at June 30, 2013	\$ 476	\$ 67,536	\$ 5,001	\$ 1,105	\$ -	\$ 74,118

- a) Historic cost includes work in progress for building, renovations and equipment of \$10,500 (2013 - \$3,607), which is not amortized as the assets are not yet available for use.
- b) During the year, acquisitions included in-kind contributions in the amount of nil (2013 - \$12).

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, 2014, this collection had an estimated value of \$515 (2013 - \$515).

8 Employee Future Benefit Liabilities

The LAPP is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At Dec. 31, 2013, the LAPP reported an actuarial deficiency of \$4.9 billion (2012 - \$5.0 billion deficiency). An actuarial valuation of the LAPP carried out as at Dec. 31, 2012 was then extrapolated to Dec. 31, 2013. The pension expense recorded in these financial statements is \$4,114 (2013 - \$4,000). The college is not responsible for the liability other than through increased contributions.

9 Debt

	Collateral	Maturity date	Interest rate %	2014	2013
Debentures payable to Alberta Capital Financing Authority					
Debenture 1 - Student residence	(i)	Mar 1, 2026	6.13	\$ 4,367	\$ 4,609
Debenture 2 - Student residence	(ii)	Dec 15, 2039	4.67	4,429	4,519
				<u>\$ 8,796</u>	<u>\$ 9,128</u>

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

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

2015	\$ 350
2016	370
2017	392
2018	414
2019	438
Thereafter	6,832

Interest expense on long-term obligations is \$487 (2013- \$505) and is included in Statement of Operations. All long-term obligations have fixed interest rates. The weighted average interest rate is 5.39% (2013 - 5.40%).

10 Deferred Revenue

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

	2014				
	Restricted				
	Research and other restricted	Unspent capital contributions	Spent capital contributions	Operating fees	Total
Balance, beginning of year	\$ 5,796	\$ 9,325	\$ 49,511	\$ 1,620	\$ 66,252
Grants, tuition, donations received	6,377	12,378	-	1,831	20,586
Investment income	557	112	-	-	669
Capital acquisition funded from contributions	(152)	(5,251)	5,403	-	-
Transfer to endowments	(165)	-	-	-	(165)
Recognized as revenue	(2,506)	(845)	(3,816)	(1,620)	(8,787)
Unrealized gain on restricted funds	728	-	-	-	728
Other	(14)	-	30	-	16
Balance, end of year	<u>\$ 10,621</u>	<u>\$ 15,719</u>	<u>\$ 51,128</u>	<u>\$ 1,831</u>	<u>\$ 79,299</u>

	2013				
	Restricted				
	Research and other restricted	Unspent capital contributions	Spent capital contributions	Operating fees	Total
Balance, beginning of year	\$ 5,494	\$ 13,917	\$ 49,080	\$ 1,897	\$ 70,388
Grants, tuition, donations received	3,952	1,536	-	1,620	7,108
Investment income	447	112	-	-	559
Capital acquisition funded from contributions	2,010	(6,240)	4,230	-	-
Transfer to endowments	(1,069)	-	-	-	(1,069)
Recognized as revenue	(5,145)	-	(3,799)	(1,897)	(10,841)
Unrealized gain on restricted funds	107	-	-	-	107
Balance, end of year	<u>\$ 5,796</u>	<u>\$ 9,325</u>	<u>\$ 49,511</u>	<u>\$ 1,620</u>	<u>\$ 66,252</u>

11 Endowments

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

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

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

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

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

The composition of endowments is as follows:

	2014	2013
Balance, beginning of year	\$ 10,276	\$ 8,612
Gifts of endowment principal	541	1,501
Capitalized income	147	163
Balance, end of year	<u>\$ 10,964</u>	<u>\$ 10,276</u>
Cumulative contributions	\$ 8,794	\$ 8,253
Cumulative capitalized income	2,170	2,023
	<u>\$ 10,964</u>	<u>\$ 10,276</u>

During the year, capitalized income of \$147 (2013-\$163) 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 of Governors.

12 Accumulated Surplus

The college's accumulated surplus balance contains amounts already spent, amounts allocated for specific purposes 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 of Governors.

	Accumulated surplus from Operations	Investment in tangible capital assets	Internally restricted surplus	Total accumulated operating surplus
Balance as at 2012	\$ 11,680	\$ 15,566	\$ 9,762	\$ 37,008
Operating surplus	1,245	-	-	1,245
Amortization of internally funded tangible capital assets	2,159	(2,159)	-	-
Net Book value of assets disposals	41	(41)	-	-
Debt repayment	(313)	313	-	-
Internally funded acquisition of tangible capital assets	(1,024)	1,786	(762)	-
Operating expenses funded from internally restricted surplus	423	-	(423)	-
Balance as at 2013	\$ 14,211	\$ 15,465	\$ 8,577	\$ 38,253
Operating surplus	1,472	-	-	1,472
Amortization of internally funded tangible capital assets	1,341	(1,341)	-	-
Net Book value of assets disposals	70	(70)	-	-
Debt repayment	(332)	332	-	-
Internally funded acquisition of tangible capital assets	(411)	2,907	(2,496)	-
Operating expenses funded from internally restricted surplus	572	-	(572)	-
Balance as at 2014	\$ 16,923	\$ 17,293	\$ 5,509	\$ 39,725

13 Contingent Liabilities

- (a) 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.
- (b) 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 matter is unknown at this time, the college has estimated and recorded a liability of \$339.
- (c) The college has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the college may be required to take appropriate remediation procedures to remove the asbestos. As the college has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation, with the exception of the Trades Building, cannot be reasonably estimated due to the indeterminate timing and scope of the removal. The asset retirement obligations for these assets will be recorded in the period in which there is certainty that the capital project will proceed and there is sufficient information to estimate fair value of the obligation.

The Trades Building is scheduled for demolition as part of the Trades and Technologies Renewal and Innovation Project, and the estimated cost of remediation procedures to remove the asbestos is \$845. This amount has been recorded as a liability in the financial statements.

14 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.

	2014	2013
Capital projects	\$ 44,508	\$ 4,306
Service contracts	1,754	919
Long-term leases	1,187	1,518
	<u>\$ 47,449</u>	<u>\$ 6,743</u>

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

	Capital	Service Contracts	Long-term Leases	Total
2015	\$ 18,684	\$ 992	\$ 640	\$ 20,316
2016	24,143	377	390	24,910
2017	1,681	385	83	2,149
2018	-	-	74	74
	<u>\$ 44,508</u>	<u>\$ 1,754</u>	<u>\$ 1,187</u>	<u>\$ 47,449</u>

Capital projects include the Trades and Technology Renewal and Innovation Project projected to be completed by fall of 2017.

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 Dec. 31, 2014. Based on management's estimate, the annual costs for the year ending June 30, 2015 are expected to be approximately \$1,091.

Service contracts include service and information technology support contracts which are renewed annually.

15 Expense by Object

	Budget	2014	2013
Salaries	\$ 46,271	\$ 47,093	\$ 48,238
Employee benefits	9,198	8,804	8,639
Materials, supplies and services	10,129	8,267	8,723
Utilities	1,657	1,668	1,652
Maintenance and repairs	5,221	6,811	6,553
Scholarships and busaries	622	438	599
Interest on long-term debt	487	487	505
Cost of goods sold	3,061	3,068	2,831
Amortization of tangible capital assets	5,468	5,185	5,971
	<u>\$ 82,114</u>	<u>\$ 81,821</u>	<u>\$ 83,711</u>

16 Related Party Transactions and Balances

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

	2014	2013
Contributions from GOA		
Innovation and Advanced Education:		
Operating grants	\$ 43,360	\$ 44,310
Capital grants	4,676	4,183
Accessibilty services	256	256
Other	1,479	1,322
Total Innovation and Advanced Education	49,771	50,071
Other GOA departments and agencies grants:		
Alberta Sport, Recreation and Wildlife	95	54
Persons with Developmental Disabilities	192	173
Child and Family Services Authority	148	201
Agriculture and Rural Development	92	94
Alberta Health Services	45	65
Other	46	113
Total other GOA departments and agencies	618	700
Total contributions received	50,389	50,771
Deferred revenue	386	1,832
	<u>\$ 50,775</u>	<u>\$ 52,603</u>

The college has long-term liabilities with Alberta Capital Finance Authority as described in Note 9.

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.

17 Funds Held on Behalf of Others

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

	2014	2013
Lethbridge College Student Association	\$ 1,757	\$ 1,570
Other agencies	120	168
	<u>\$ 1,877</u>	<u>\$ 1,738</u>

18 Salaries and Benefits

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

	Base Salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non-cash benefits ⁽³⁾	Total 2014	Total 2013
Governance⁽⁴⁾					
Members of the Board of Governors	13	-	1	14	12
Executive					
President and CEO ⁽⁵⁾	283	79	43	405	162
Vice - Presidents:					
Academic and COO ⁽⁶⁾	123	29	23	175	-
Academic and CLO	-	-	-	-	591
Corporate Services and CFO	206	29	30	265	231
Executive Directors: ⁽⁷⁾					
Executive Director, Public Relations and Communications ⁽⁸⁾	110	20	22	152	-
Executive Director, Human Resources	164	25	30	219	-
Executive Director, Planning	162	25	30	217	-

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include lump sum payments, incentives and vehicle allowances.

(3) Other non-cash benefits include 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. Additional non-cash benefits include other special leave with pay and club memberships.

(4) Some members of the Board of Governors elected to waive remuneration for participation on the Board.

(5) Position was vacant July 2012 to January 2013.

(6) Position was vacant until November 2013.

(7) The Executive Leadership Team was restructured to include Executive Director positions in July 2013.

(8) Position was vacant until November 2013.

19 Budget Comparison

The college's 2014 budget was approved by the Board of Governors and was presented to the Minister of Innovation and Advanced Education as part of the college's submission of its 2013 to 2016 Comprehensive Institutional Plan. Certain budget figures from the college 2013 to 2016 Comprehensive Institutional Plan have been reclassified to conform to the presentation adopted in the 2014 financial statements.

20 Comparative Figures

Certain 2013 figures have been reclassified to conform with the presentation adopted in the 2014 financial statements.

21 Approval of Financial Statements

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

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