



# LEADERSHIP AND TRANSFORMATION

LETHBRIDGE COLLEGE  
ANNUAL REPORT  
2015-16





# LEADERSHIP AND TRANSFORMATION

*Students head through the main entrance of campus to their classes on a sunny spring day.*

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# ACCOUNTABILITY STATEMENT

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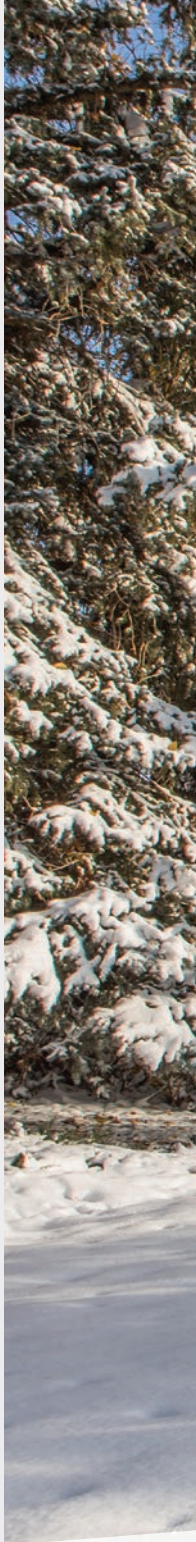
Lethbridge College's Annual Report for the year ended June 30, 2016, was prepared under the board's direction in accordance with the Fiscal Planning and Transparency Act and ministerial guidelines established pursuant to the Post-Secondary Learning Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

**[Original signed by R.L. (Randy) Jespersen, Dec. 2, 2016]**

**R.L. (Randy) Jespersen, ICD.D.**

Chair, Board of Governors

Lethbridge College







*Winter blankets the campus  
with snow, but doesn't keep  
students from their classes.*



# 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 eighth president and CEO of Lethbridge College since February 2013. Her leadership style is highly collaborative and she currently serves on the Board of Directors for Colleges and Institutes Canada and Economic Development Lethbridge.



**Brenda Brindle**

Brenda Brindle, appointed to the board for a three-year term effective February 26, 2015, recently retired from working as an Executive Director with Alberta Agriculture and Rural Development. Previously, she held the position of General Manager of the Alberta Grain Commission.



**Daniel Dubinski**

Daniel Dubinski is the student representative on the board and was appointed for a 1-year term effective May 2016. Daniel is in the Criminal Justice- Policing program and upon graduation, he plans to continue his studies in the Justice Studies Degree program at Lethbridge College.



**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.





#### **Rita Halma**

Rita Halma is the academic representative on the board and has been an instructor in the Business Administration program since 1989. Rita was appointed for a two-year term effective June 27, 2016.



#### **Kari Holmes**

Kari Holmes is the non-academic representative on the board and was appointed for a two-year term effective June 27, 2016. Kari is the Alumni Relations Coordinator at Lethbridge College.



#### **Tom McKenzie**

Recently retired as Chief of Police from the Lethbridge Police Service, Tom McKenzie was appointed to a three-year term on the board effective Nov. 13, 2014. Tom is a 2008 Distinguished Alumnus of the college (Criminal Justice '76).



#### **Calvin Scott**

Calvin Scott, who was appointed to a three-year term to the board effective Nov. 13, 2014, serves as Board Vice Chair and as Chair of the Finance, Audit and Risk Committee. Calvin is a chartered professional accountant, chartered accountant and partner with Avail Chartered Professional Accountants.



#### **Richard Stamp**

Richard Stamp, appointed to the board for a three-year term effective Feb. 26, 2015, is a first generation, award-winning farmer (Canada's Outstanding Young Farmer '98). He owns and operates Stamp Farms and Stamp Seeds which he established with his wife, Marian, in 1978.



#### **Tracy Zappone**

Tracy, who was appointed to the board for a three-year term beginning April 30, 2014, serves as Board Vice Chair and as Chair of the Governance and Human Resources Committee. Tracy has practiced family law in Lethbridge for the past 25 years and is a partner and senior associate at MacLachlan McNab Hembroff.

# MESSAGE FROM THE BOARD CHAIR

**I would like to take a moment to thank former and present members of the Lethbridge College Board of Governors who have so generously given their time and talent to moving the mission and vision of Lethbridge College forward these last years.** Special thanks go out to Aaron Haugen, Stephen Neis and Jo-Anne Wilson who retired in 2016.

This is also my last year as board chair, and I have been honoured and humbled to serve in this role the past six years. I have endeavoured to encourage the board of governors, the leadership team and our employees to act with the greatest of integrity and to be bold in moving Lethbridge College forward while pursuing excellence in achieving aggressive target results that were in full alignment with the needs of our students, their prospective employers and the priorities of the Government of Alberta. Through this six-year term, the board has adopted what we believe to be best-in-class governance practices (based on external measures) with a philosophy of “nose in, fingers out excepting when intervention is warranted.” They have been diligent and committed to ensuring Lethbridge College’s future success.



*Randy Jespersen congratulates a graduating student at Lethbridge College's spring 2016 convocation.*



As you will read in Dr. Burns' message, much has been accomplished at Lethbridge College that many stakeholders have contributed to and should be proud of, most importantly our learners.

- The Lethbridge College Students' Association executive has successively demonstrated outstanding leadership and role modelling to help enable student experience and success.
- Our employees are passionately dedicated to student success and are fully committed to teaching and service excellence, often times with great personal sacrifice.
- The Government of Alberta, past and present, and staff of the various ministries we engage with deserve special recognition for their trust, encouragement and support allowing Lethbridge College to play a vital role in our region and the province.
- Paula and her executive members have worked tirelessly and acted with humility through turbulent times, leading to results that have truly taken Lethbridge College to a higher plain.
- And lastly, the many people of southern Alberta have dedicated their time and resources to serve as champions for Lethbridge College in numerous and various different ways.

Thank you for allowing me the opportunity to serve.

**[Original signed by R.L. (Randy) Jespersen, Dec. 2, 2016]**

**R.L. (Randy) Jespersen, ICD.D.**

Chair, Board of Governors

Lethbridge College



# MANAGEMENT'S RESPONSIBILITY FOR REPORTING





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

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

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

**[Original signed by Paula Burns, Dec. 2, 2016]**

**Paula Burns, PhD, MBA**

President and CEO

Lethbridge College









# MESSAGE FROM THE PRESIDENT

**With confetti, a red convertible and a raucous crowd, Lethbridge College marked the opening of the first phase of our ambitious new trades and technologies facility in style on Sept. 30, 2015.**

The event was a celebration of more than a decade of planning, collaborating and fundraising capped by 16 months of construction. The end result – a state-of-the-art, 41,317-square-foot facility – has quickly become “home” for the students and instructors in the Automotive Service Technician, Parts Technician and Agricultural and Heavy Equipment Technician programs and is a welcome addition to campus.

*Dr. Paula Burns and staff from the college welcomed visitors from Anyang City, China, in June 2016 to discuss education exchanges and opportunities for international students at Lethbridge College. The delegation stopped by the Aquaculture Centre of Excellence to see where staff conduct research into aquatic ecosystem health, water quality and fish disease.*

This grand opening, which we look forward to following up on in 2017 when the entire building is complete, was one of many highlights of the 2015-16 year at Lethbridge College. We have had a lot to celebrate during this busy period. A few notable events include:

- receiving a bronze award for Innovation in Applied Research Excellence from Colleges and Institutes Canada for our Citizen Society Research Lab
- raising the Pride flag on campus for the first time in the college's history
- our men's and women's cross country teams winning gold medals at provincials and silver and bronze at nationals
- the successful launch of our new Plumber Apprenticeship and Agriculture Business Risk Management programs and Bachelor of Applied Science in Ecosystem Management degree
- receiving many significant gifts as we approached the end of our Possibilities are Endless campaign, including a one-of-a-kind gift from Western Tractor
- being the first post-secondary institute in Canada to sign an AGCO Advantage Partnership agreement, which provides components and equipment used as training aids at no cost to the college's Ag and Heavy Equipment students
- congratulating the first class of students in our unique Power Line Technician/Power System Electrician program offered specifically to First Nations, Métis and Inuit students
- hiring our first Applied Research Chair in Irrigation, which was made possible through a donation to the college
- and so much more.

It has also been a year filled with hard work and planning by staff members throughout the college. With a deliberate focus on creating a consolidated, three-year Comprehensive Institutional Plan with overarching goals, Lethbridge College has been able to focus on meeting our mission of inspiring and facilitating learning and innovation to meet economic and social needs while striving towards a vision of leading and transforming education in Alberta. We are thankful for stable funding from the government and the recognition of the value of post-secondary education in contributing to a diversified economy. We are grateful to all staff and faculty for diligence and attention to our fiscal realities, enabling us to continue to provide programs and services to our students.

We also made employee engagement a priority during 2015-16. Our faculty and staff members completed an extensive employee engagement survey in March and the feedback from that has helped shape our plans for the years ahead. The survey let us see the areas we need to work on (which are outlined in this report) as well as areas where we are excelling, including in the areas of employee empowerment, of creating a positive working environment, of nurturing strong coworker relationships and of work/life balance.

*As we approach our 60th anniversary in 2017, we are taking time to reflect on our past, including our proud history as Canada's first publicly funded community college.*

And as always, we remain committed to focusing on every aspect of the college experience that contributes to student success. This focus is vast; it includes everything from making cutting-edge professional development opportunities available to our instructors to offering “Doggie De-Stress” days for students during final exams. We continue to be dedicated to making sure a Lethbridge College education remains accessible and affordable to our students. Finally, all of us here at Lethbridge College remain steadfast in our efforts to provide a relevant, high-quality education to students from all backgrounds in this rapidly-changing world.

As we approach our 60<sup>th</sup> anniversary in 2017, we are taking time to reflect on our past, including our proud history as Canada's first publicly-funded community college. We are also looking forward to a bright future for our community and province thanks to the hard work and dedication of our students, faculty, staff, alumni and partners. In between these two is the present, and the vibrant work we are doing now. Those successes, challenges and stories are reflected in the pages of this year's Annual Report, which we respectfully submit for your review.

**[Original signed by Paula Burns]**

**Paula Burns, PhD, MBA**

President and CEO

Lethbridge College

*Dr. Burns led a tour for Lethbridge MP Rachael Harder through the campus on Jan. 13 and stopped by the Heavy Equipment shop of the Automotive and Heavy Equipment facility.*





PUBLIC INTEREST  
DISCLOSURE  
(WHISTLEBLOWER  
PROTECTION) ACT

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The Public Interest Disclosure (Whistleblower Protection) Act is applied to provincial government departments, offices of the Legislature and to public entities. Public entities include any agency, board, commission, Crown Corporation or other entity designated in the regulations.

The purposes of the Act are to:

- Facilitate the disclosure and investigation of significant and serious matters an employee believes may be unlawful, dangerous or injurious to the public interest;
- Protect employees who make a disclosure;
- Manage, investigate and make recommendations respecting disclosures or wrongdoings and reprisals; and
- Promote public confidence in the administration of the departments, Legislated offices and public entities.

As per Section 32(1)(3) of the Act, the following is a report from the Lethbridge College chief officer on all disclosures that have been made to the designated officer during the 2015-16 year:

1. The number of disclosures received, acted on and not acted on.

- There were no disclosures received, acted on or not acted on during the 2015-16 year.

2. The number of investigations commenced.

- There were no investigations commenced.

3. A description of any wrongdoing found and any recommendations made or corrective measures taken regarding the wrongdoing or the reasons why no corrective measure was taken.

- As there were no investigations commenced nor any investigations in progress, there is nothing to report.

**[Original signed by Paula Burns]**

Chief Officer

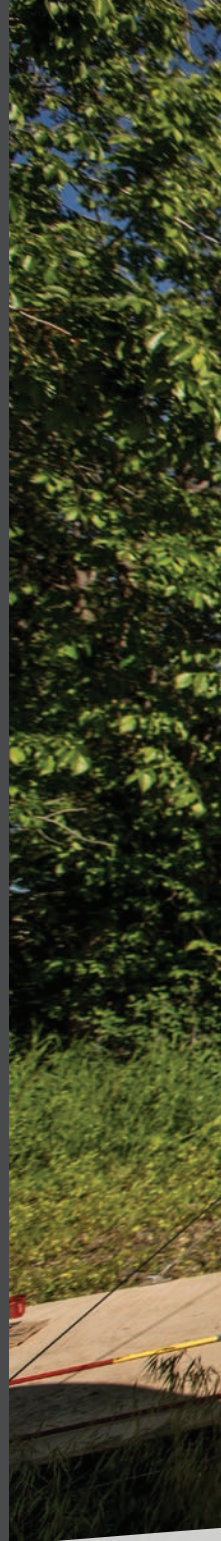
Dr. Paula Burns

# OPERATIONAL OVERVIEW

**As in past years, 2015-16 continued to be a year of significant accomplishments for the college.** Our priorities for the year were shaped by the work of the previous year and focused on laying the foundation for future years through the achievement of specific milestones including the revision of the Academic Transformation Strategy. In addition, changes in the economic, social and political environment provided both opportunities and challenges and helped inform our priorities.

In September 2015, Lethbridge College celebrated a major accomplishment. With the incredible support of the community and Alberta Advanced Education and the commitment from faculty and staff, we officially opened the first phase of our new, state-of-the-art trades and technologies facility. The Crooks School of Transportation, a 41,317-square-foot building and the first phase of a three-year construction project, opened its doors to students in the Automotive Service Technician, Parts Technician, and Agricultural and Heavy Equipment Technician programs. The college is also on track to meet its targeted completion of the entire new trades facility by September 2017.

The downturn in the oil and gas sector significantly changed the economic landscape in Alberta. For post-secondary education, this presents both opportunities and challenges. Generally, the demand for further education and training programs increases as an economy declines. The college experienced an increase in demand but often in programs that were oversubscribed. The southern Alberta economy has not been as affected by the oil and gas sector as demonstrated in the strength for trades training, which usually runs cyclical to the economy.





*Wildlife biologist and instructor Shane Roersma works with Environmental Science students on a bird banding assignment in the field.*







*Fashion Design and Sustainable Production student Elise Wheat gets hands-on practice both in the sewing lab and in the computer lab as part of her program.*

On the political front, a new government focused on investing in adult education as a key role in developing a sustainable and diversified economy was a positive change. Providing a two per cent increase in the base grant for 2015-16 and ensuring the same stability for 2016-17 was a welcome relief. The 2016-19 Alberta Advanced Education's Business Plan states "to support Alberta's social and economic prosperity, Advanced Education strives to make affordable and high-quality educational opportunities available to all Albertans." Freezing tuition levels is one action taken in making education affordable. However, this does present challenges to institutions as we strive to maintain high-quality learning opportunities in an environment where costs continue to increase.

The current provincial, national and international attention that is being given to the importance of students' mental health in post-secondary institutions elevated the college's response to health and wellness. This was a cornerstone in the development of a Student Relationship Model for the holistic success of students (Scorecard Outcome - Leadership and Transformation Strategic Plan). The post-secondary environment is becoming recognized as not only a place for education but as an environment in which to develop healthy and engaged people.



The priority work completed during the year in developing the Student Health and Wellness Plan will contribute to shaping and influencing the development of an overarching Organizational Health and Wellness Plan for employees and students and an institutional framework and vision for a healthy campus. This work is expected to be ongoing across a three-year plan. Critical to the success of the plan is the training and professional development that supports the framework and vision by educating, creating awareness, building capacity and developing resources for employees and students.

Lethbridge College is continually collaborating with stakeholders, including industry and community partners as well as current and potential students, to develop and/or enhance programming that builds on the strengths of the college, and that increases access, affordability and quality within the Campus Alberta learning system. These goals are inherent in the following programming initiatives and achievements during the year:

### **Agriculture Business Risk Management certificate**

As part of the collaborative Cor Van Raay Southern Alberta Agribusiness initiative, our board-approved Agriculture Business Risk Management credential of academic achievement was launched September 2015 as a pilot project. During the year, Alberta Advanced Education received and approved our proposal for the program to be recognized as a full-credit certificate effective 2016-17, enhancing mobility for graduates and student loan eligibility for students.

The program is unique in that it utilizes a new delivery method where courses are delivered in an on-line modular format. Each module is one month in length. This form of delivery increases access and affordability, especially for those individuals who are working in industry as it provides them the flexibility with respect to timing and relevant programming that meet their specific needs.

*The post-secondary environment is becoming recognized as not only a place for education but as an environment in which to develop healthy and engaged people.*

## **Bachelor of Applied Science in Ecosystem Management**

Approved by Innovation and Advanced Education in May 2015, year one of this two-year post-diploma degree was launched in the fall of 2015. The second year launched in the fall of 2016. This program responds to industry demand, builds on the college's strengths in environmental programming and is in alignment with renewed provincial, national and global initiatives with respect to environmental stewardship.

A testament to the quality of the program occurred in May 2016, when Lethbridge College was the first college in Alberta to have its Ecosystem Management program recognized by the province's professional biology regulatory organization – the Alberta Society of Professional Biologists. Graduates of the program will have the criteria needed to apply for a Biologist in Training designation, the first step in becoming a Professional Biologist, which is the highest possible designation in the province.

## **Trades training**

Lethbridge College added to its portfolio of apprenticeship programs with the launch of the first year of Plumber training in 2015-16. This new program addresses the demand for this type of training from both apprentices and their employers within the region.

After a successful pilot of the Agriculture Equipment Technician apprenticeship program in 2014-15, the college ran a second intake in 2015-16 and prepared for the introduction of a third period in 2016-17.

Saamis Aboriginal Employment and Training Association (SAETA) and Lethbridge College formed a partnership to support a Power Line Technician program intake specifically for the Aboriginal community. Thirteen students graduated from the program in February 2016. SAETA secured funding from Rupertsland Institute, Community Futures Treaty Seven and Alberta Works to support students in this program.

## **Cadet training program**

A first-of-its-kind-in-Alberta cadet training program was developed through the collaborative partnership between Medicine Hat Police Service (MHPS), Canadian Pacific Police Service (CPPS) and Lethbridge College. The 17-week training program is unique as although a traditional classroom environment played an important role, much of the learning and assessment took place in real-life settings throughout the community. In addition, the MHPS cadets enrolled in the program were required to successfully demonstrate the knowledge and skills they acquired in training before being offered a policing position. In late summer 2015, 19 cadets graduated from the program.





*Hands-on learning is one of the hallmarks of a Lethbridge College education, whether in the lab or in the field.*

## **Program transfers**

As of January 2016, the college transferred two of its certificate programs – Fetal Alcohol Spectrum Disorder Education and Disability and Community Rehabilitation – to Bow Valley College. Bow Valley College has strengths in these areas with strong subject matter expertise, full-time faculty and industry connections. The focus they can bring to each of these programs will benefit students and enhance the programs moving forward. The college provided extra support for those students who were in the midst of their program at the Lethbridge College campus.

## **Accreditation initiatives**

After an extensive multi-year review, the Nursing Education in Southwestern Alberta (NESA) program, which is delivered collaboratively by Lethbridge College and the University of Lethbridge, has met the national standards for nursing schools and obtained accreditation by the Canadian Association of Schools of Nursing (CASN). Students will have a CASN-accredited program recognized across Canada supporting their access into graduate programming in nursing as well as international opportunities.

The Child and Youth Care program completed the review process for accreditation by the Child and Youth Care Educational Accreditation Board of Canada. Lethbridge College was the first program in Canada to undertake this new accreditation process and is awaiting a decision.

## **Business development/corporate training**

While the college had planned to further diversify its funding portfolio with increased business development revenue, several factors affected the accomplishment of this goal. A change in leadership, reconsideration of the business development model and a shift to corporate and continuing education with more community engagement, in addition to the economic downturn, all contributed to reduced activity levels.

Collaboration is one of Lethbridge College's four strategies as well as one of five college principles, and it continued to be a focus for the college in support of enhanced programming and increased student success. While there were many accomplishments in this area, the following exemplifies how programming is enhanced through outstanding partnerships:

In November 2015, the University of Lethbridge and Lethbridge College signed a memorandum of understanding (MOU) designed to further linkages between the southern Alberta institutions in the delivery of agriculture-related programming. The agreement is a commitment between the university and college to collectively advance learning and research opportunities in agriculture and agribusiness, including the development of the Centre for Agricultural Research and Agribusiness Innovation (CARAI) and the implementation of the Cor Van Raay Southern Alberta Agribusiness program. It also calls for the formalization of initiatives that will bring together the mandates of other agencies and organizations in the region, such as Agriculture and Agri-Food Canada, Alberta Agriculture and Forestry as well as relevant producer and agriculture industry companies and organizations. In addition, the Government of Alberta announced their support of the partnership by investing \$5 million towards the new program.



In January 2016, Lethbridge College was the first post-secondary institute in Canada to sign an AGCO Advantage Partnership agreement with AGCO Corporation and Hanlon Ag Centre Ltd. The AGCO Advantage was developed in the United States and is currently implemented at eight different colleges in the U.S. The multi-faceted, non-exclusive partnership includes support of the program by AGCO Corporation providing components and equipment used as training aids at no cost to the college's Ag and Heavy Equipment apprenticeship and certificate programs. AGCO will also provide Factory Training for the instructors and training materials associated with current AGCO products, giving students the opportunity to learn about the state-of-the-art technologies used on AGCO equipment.

In the spring, Western Tractor Company Inc. came on board with a multi-faceted philanthropic gift comprising financial and in-kind contributions (including a five-year agreement to supply a lab with industry-leading technology and John Deere agricultural equipment to the Agricultural and Heavy Equipment Technician apprenticeship programs).

And finally, with the incredible support of the community and after six years, the "Possibilities are Endless" campaign exceeded its target of \$25 million. While some additional efforts are still being directed at reaching the individual target for the new trades and technologies facility, this campaign, the largest in the college's history, is a significant accomplishment for the institution, its students and employers and community partners throughout the province.

In addition to the above, there are many more highlights and accomplishments that contribute to our goal of providing high-quality, accessible and affordable post-secondary education, that can be found in the following sections of the report.

*Lethbridge College is proud to celebrate a wide variety of industry and community partnerships, including with AGCO Corp. and Hanlon Ag Centre (below) and Western Tractor (right).*







# STRATEGIC FRAMEWORK

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Lethbridge College's goals, priority initiatives and expected outcomes are founded within the strategic framework that was approved by the Board of Governors in June 2013. The vision, mission and strategies for the college are grounded in the college's values, principles and strengths.

## Vision

*Leading and transforming education in Alberta.*

## Strategies

### ***Academic Transformation***

We will collaboratively create innovative and creative learning experiences that meet the diverse and integrated needs of learners, the economy and society.

### ***Collaborative Partnerships***

We will be model collaborators focused on achieving unprecedented levels of collaboration in education.

### ***Resource Innovation***

We will create entrepreneurial business models and expand revenue sources.

### ***People Development***

We will develop our people to realize their highest potential.

## Values

### ***People - We value people by:***

- promoting trust and respect among all stakeholders
- supporting their professional development
- celebrating their accomplishments

### ***Excellence - We do things well by:***

- providing exceptional instruction
- offering effective learner support services
- remaining responsive and innovative

### ***Success - We promote learner success by:***

- offering current and relevant programs
- using instructional technology creatively
- employing flexible delivery systems

## Mission

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

## Principles

***Sustainability:*** to cultivate a college environment that is positive, collaborative and sustaining.

***Accessibility:*** to create and maintain flexible learning pathways that enable students to achieve their educational and career goals.

***Quality:*** to ensure the highest standards of performance and innovation in all areas of the institution, including programs, services, applied research and scholarly activity.

***Diversity:*** to provide educational opportunities for a diverse population of learners, including Aboriginal and international students.

***Collaboration:*** to develop strategic alliances with business, industry, government, agencies and other post-secondary institutions to enhance student learning, mobility and employment.



## INSTITUTIONAL LEVEL OUTCOMES

The Lethbridge College strategic plan is driven by our mission of inspiring and facilitating learning and innovation to meet economic and social needs and our vision of leading and transforming education in Alberta. Lethbridge College endeavours to achieve the following strategic outcomes that have been endorsed by the respective stakeholder groups:

### ***Learner Perspective:***

- Employment/employability
- Access to relevant, timely, transportable, affordable learning
- Outstanding learning experience

### ***Employer Perspective:***

- Competent, productive employees

### ***Community Partner Perspective:***

- Enhanced viability and desirability of southern Alberta

### ***Business, Community and Industry Perspective:***

- Best-of-class value proposition

### ***Government of Alberta perspective:***

- Economic growth and diversification in Alberta
- Leadership in culture and practice of collaboration
- Optimal use of resources



*The Lethbridge College women's basketball team was undefeated in the regular season in 2015-16.*



# GOALS PRIORITY INITIATIVES EXPECTED OUTCOMES AND PERFORMANCE MEASURES

The Lethbridge College Scorecard – 2015-16, as identified in the Comprehensive Institutional Plan 2015-18, is a framework that translates strategic directions and other priority initiatives into key outcomes. While most outcomes will be discussed in this section, some, such as financial and capital projects, will be discussed in the relevant sections of the report. The complete Lethbridge College Scorecard 2015-16 and associated performance measures can be found in Appendix B.



## ACCESS AND QUALITY

Guided by the principles of quality, access, diversity, collaboration and sustainability, the college is firmly grounded in providing high-quality experiences for today's learners. In addition, we continually strive to be future focused and responsive to the emerging and shifting needs of learners, the economy and society. During the year, the college focused its efforts on achieving the following goals and outcomes as identified in the Lethbridge College Scorecard 2015-16.

### **Goal: Leadership and Transformation Plan: Achieve all milestones in the implementation plan for 2015-16.**

The Leadership and Transformation Plan approved by the Board of Governors in June 2015 consists of the following five milestones:

#### ***Finalize a revised Academic Transformation Strategy.***

Status: This milestone was achieved through the initiation of an Excellence in Teaching and Learning Council.

Outcome: Lethbridge College's Academic Transformation Strategy is responsive to shifts and changes happening in post-secondary education, the economy and society in Alberta and beyond. This strategy is an important tool that solidifies and builds upon an already strong foundation in teaching and learning and enables us to contribute to student success by providing exemplary learning experiences.

The strategy and the academic plan, Achieving Academic Transformation through Excellence in Teaching and Learning, provides the framework to help all employees, including instructors, staff and administrators, focus on student success and student learning.

*We are a student-centered institution that fosters, celebrates and supports students' success.*

***Develop a Student Relationship Model for the holistic success of students.***

Status: This milestone was achieved with the development of the framework and four actionable plans: Recruitment Plan, Retention Plan, Health and Wellness Plan and First Nations, Métis and Inuit (FNMI) (Indigenous) Plan.

Outcome: Lethbridge College's Student Relationship Model is at the forefront of all interactions throughout the student life cycle. Institutional commitment is fundamental, when trust, satisfaction and perceived quality is evident, the result will lead to student loyalty. Students shape and define their experiences and have final responsibility in their success. We are a student-centered institution that fosters, celebrates and supports students' success.

Our approach to the Student Relationship Model is holistic, integrated and student-centered, taking into account the learner's intellectual, mental and emotional, social, physical and spiritual well-being while also developing diversity and cultural sensitivity. This is achieved by means of multiple learning opportunities that are fully integrated in the college experience.

The Student Relationship Model is a universal design that is embraced within Student Services. The goal is to support students in many ways to allow for students to actualize their optimal experience. This model is an institutional model whereby student centeredness and student success are foundational.



***Complete a minimum of three pilot projects in a customized curriculum format.***

Status: This milestone was achieved.

Outcome: The following three pilot projects were conducted through the year:

Agriculture Business Risk Management (AgBRM): This program was developed and approved by the Board of Governors on Sept. 1, 2015, as a board-approved credential of academic achievement. The multi-year project, offering a modular program developed with industry, took its first intake of students in October 2015. The project goals were met including target numbers and the development of a successful proposal submitted to Advanced Education to recognize the program as a government-approved certificate program.

Justice Studies Competency-Based Education (CBE) project: This multi-year project was initiated during the 2015-16 year and has progressed as planned. The project will transition the existing Justice Studies curriculum to a competency-based model that aligns with the Police Sector competency-based requirements.

eText book project: This project, launched in January, piloted the use of eText books in a course. A significant number of students took part in the pilot. The pilot provided many insights on both the benefits and challenges of using eText books in the delivery of the curriculum.

***Secure a Partner in Excellence for the Agriculture Collaborative Centre of Excellence.***

Status: A relationship model for Partners in Excellence had been developed in the prior year within the framework of the previous Academic Transformation work. However, it was determined that a new model would need to be developed that aligned with the revised Academic Transformation Strategy once work on the latter was complete. As well, work continues on defining the collaborative centre of excellence model.

Outcome: College staff continued identifying and fostering relationships with potential partners including Western Tractor Company Inc., which came on board with a multi-faceted philanthropic gift comprising financial and in-kind contributions. In addition, Lethbridge College became the first college in Canada to sign an AGCO Advantage Partnership agreement with AGCO Corporation and Hanlon Ag Centre Ltd. Discussions are ongoing with other agricultural sector potential partners.



***Develop an International Plan with an entrepreneurial business model.***

Status: Target was achieved in this multi-year project.

Outcome: The work in 2015-16 was mostly fact-finding and research-based. It consisted of a scoping project that included input from stakeholders and other resources, an internal and external environmental scan, and professional development. This foundational work has culminated into final reports of findings together with recommendations and next steps for the plan development.

**Goal: Student Progression and Satisfaction: Achieve target on all measures from the Student Progression and Stakeholder Satisfaction section of the Strategic Enrolment Management (SEM) scorecard.**

Status: Overall the targeted outcome was not achieved although the threshold was achieved.

Outcome: For the individual SEM measures in this section, course completion rates achieved target (88 per cent), year one to year two retention rates exceeded target at 80.3 per cent (target 79.5 per cent) and while the percentage of programs meeting their fall-to-winter retention rates improved, they were below the target of 80 per cent. Other metrics include graduate employment and satisfaction, apprentice satisfaction and employer satisfaction. The surveys measuring these metrics are done on a biennial basis and were not conducted in 2015-16.

The Student Relationship Model and associated action plans – Recruitment Plan, Retention Plan, Student Health and Wellness Plan and the FNMI (Indigenous) Plan – provide the framework for achieving student progression and satisfaction outcomes.

# ENROLMENT PLAN

Full-load equivalents by credential	Actual 2013-14	Actual 2014-15	Actual 2015-16	Target 2015-16
<b>Apprenticeship</b>				
Agricultural Equipment Technician	-	1	1	3
Automotive Service Technician	16	17	20	19
Carpenter	37	38	31	29
Cook	9	11	12	11
Electrician	84	95	109	92
Heavy Equipment Technician	53	60	55	49
Parts Technician	9	10	11	9
Plumber	-	-	3	3
Welder	62	55	44	40
<b>Apprenticeship total</b>	<b>270</b>	<b>287</b>	<b>286</b>	<b>255</b>
<b>Certificate</b>				
Administrative Office Professional	35	31	31	32
Agricultural and Heavy Equipment Technician	23	22	21	22
Automotive Systems	24	24	22	24
Commercial Vehicle Enforcement	-	19	28	15
Disability and Community Rehabilitation	23	17	5	16
Early Childhood Education	76	80	74	81
Educational Assistant	17	43	65	37
Fetal Alcohol Spectrum Disorder Education	10	6	3	9
Fish and Wildlife Technology	7	7	-	1
General Studies - FNMI Career Pathways	14	16	14	16
Health Care Aide Training	39	43	34	22
Medical Device Reprocessing	7	8	7	7
Perioperative Nursing	2	3	3	3
Unit Clerk Training	19	18	12	12
Wind Turbine Technician	45	44	35	41
Certificate programming no longer offered	24	-	-	-
<b>Certificate total</b>	<b>365</b>	<b>381</b>	<b>354</b>	<b>338</b>
<b>Degree</b>				
Conservation Enforcement	53	56	30	54
Ecosystem Management	-	-	7	24
Justice Studies	87	71	92	62
<b>Degree total</b>	<b>140</b>	<b>127</b>	<b>129</b>	<b>140</b>

Full-load equivalents by credential	Actual 2013-14	Actual 2014-15	Actual 2015-16	Target 2015-16
<b>Diploma</b>				
Agricultural Sciences	88	98	98	99
Business Administration	315	329	284	300
Child and Youth Care	68	74	63	69
Civil Engineering Technology	53	56	57	53
Computer Information Technology	65	76	76	75
Correctional Studies	116	115	100	98
Criminal Justice Policing	315	364	390	374
Culinary Careers	22	43	43	46
Digital Communications and Media	87	40	55	70
Early Childhood Education	20	20	21	13
Educational Assistant	13	7	5	6
Engineering Design and Drafting Technology	39	53	49	54
Environmental Assessment and Restoration	51	48	46	51
Exercise Science	51	45	39	46
Fashion Design and Sustainable Production	-	11	18	30
General Studies	407	439	450	463
Geomatics Engineering Technology	25	34	30	40
Interior Design Technology	23	23	23	31
Massage Therapy	46	41	41	48
Multimedia Production	38	47	48	52
Natural Resource Compliance	73	77	77	76
Practical Nursing	190	196	193	195
Renewable Resource Management	48	47	69	49
Therapeutic Recreation - Gerontology	69	73	76	73
Diploma programming no longer offered	23	29	-	-
<b>Diploma total</b>	<b>2,245</b>	<b>2,385</b>	<b>2,351</b>	<b>2411</b>
<b>Non-credential</b>				
College and University Preparation	209	221	199	216
English As a Second Language	222	187	173	221
Open Studies	57	51	54	59
Lakeshore Supplemental	23	34	31	23
Pre-Employment	9	10	30	18
Nursing Collaborative Baccalaureate	313	243	214	233
<b>Non-credential total</b>	<b>833</b>	<b>746</b>	<b>701</b>	<b>770</b>
<b>Total full-load equivalents</b>	<b>3,853</b>	<b>3,926</b>	<b>3,821</b>	<b>3914</b>



## International enrolment

International full-load equivalents by credential	Actual 2013-14	Actual 2014-15	Actual 2015-16	Target 2015-16
<b>Certificate</b>				
Early Childhood Education	1	1	4	2
Other certificate programming (less than 3 FLE)	4	5	4	4
<b>Certificate total</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>6</b>
<b>Diploma</b>				
Business Administration	26	24	19	25
Computer Information Technology	7	10	11	10
Criminal Justice Policing	2	2	4	4
Culinary Careers	3	2	5	2
Engineering Design and Drafting Technology	1	5	7	3
General Studies	38	56	65	53
Geomatics Engineering Technology	-	4	3	1
Multimedia Production	1	2	4	4
Practical Nursing	18	18	15	18
Therapeutic Recreation - Gerontology	-	-	3	2
Other diploma programming (less than 3 FLE)	7	7	12	7
<b>Diploma total</b>	<b>103</b>	<b>130</b>	<b>148</b>	<b>129</b>
<b>Non-credential</b>				
College and University Preparation	1	2	4	4
English As a Second Language	21	25	25	25
Other non-credential programming (less than 3 FLE)	9	6	7	6
<b>Non-credential total</b>	<b>31</b>	<b>33</b>	<b>36</b>	<b>35</b>
<b>Total international full-load equivalents</b>	<b>139</b>	<b>169</b>	<b>192</b>	<b>170</b>
<b>International FLEs as a percentage of total FLEs</b>	<b>3.6%</b>	<b>4.3%</b>	<b>5.0%</b>	<b>4.3%</b>

*Tera-Beth Ann Gausvik, a 2016 Fashion Design and Sustainable Production graduate "actualizes amazing ideas" while building her fashion design business.*

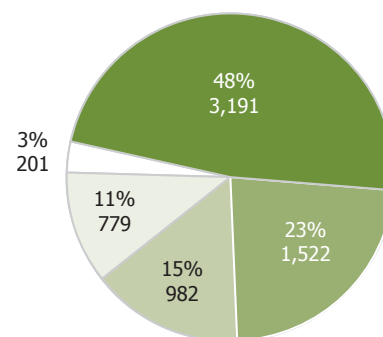


## Unique student enrolment

While the above enrolment plan measures students by full load equivalent, it understates the actual number of students (6,588) that the college serves each year. The following chart shows the distribution of students by credential:

**2015-16 Unique students by credential**

- Diploma
- Non-credential
- Apprenticeship
- Certificate
- Degree



# APPLIED RESEARCH AND SCHOLARLY ACTIVITIES

Applied research is a key component of our Academic Transformation Strategy. Our integrated approach optimizes learning by providing students and faculty with opportunities to address immediate real-world problems, leading to innovative solutions that benefit our industry and community partners.

Lethbridge College's key research objectives are:

- providing an environment that facilitates applied research and scholarly activities;
- improving the educational experience of our students through the integration of applied research into the teaching and learning experience;
- delivering applied research that is built upon our existing and emerging strengths and aligning those to benefit our external community, including industry and society; and
- leveraging internal resources and external partnerships, including the Regional Innovation Network of Southern Alberta (RINSA).

The college's Centre for Applied Research and Innovation (CARI) enables and supports the growth of applied research by working directly with (1) academic centres to implement their respective applied research plans and (2) the Centre for Teaching, Learning and Innovation (CTLI) to provide training in applied research skills.

CARI also pursues resource acquisition, funding opportunities and industry engagement to ensure sustainability, and it manages an internal innovation fund that serves to build capacity in applied research and scholarly activities. Scholarly activity is strongly encouraged and supported as a means to enhance professional development, share knowledge and strengthen our academic capabilities regionally, nationally and internationally. Strategic collaborations with Campus Alberta institutions, Alberta Innovates (RINSA network) and other organizations are established to maximize the benefits of applied research relationships and outcomes. Collaborative partnerships also enhance learning opportunities and serve as a catalyst for knowledge transfer within and beyond our college community. The following are highlights and key accomplishments:



## Irrigation science

Lethbridge College is developing a deliberate and intentional path forward regarding agricultural programming and applied research strategies. A new position, the Mueller Applied Research Chair in Irrigation Science, has significantly augmented the college's opportunities to engage in Variable Rate Irrigation technology.

## Integrated Fish and Plant Systems (IFPS)

Our Aquaculture Centre of Excellence continues to be successful in providing opportunities for students to engage in research activities while meeting industry needs in IFPS research. Now in its second year, the Natural Sciences and Engineering Research Council – College and Community Innovation (NSERC-CCI) award of \$2.2 million has enabled researchers to study bioreactor technology that will convert solid fish effluents into marketable, stable nutrient solutions for use in plant production; conduct sensory testing of fish and plant products grown in IFPS; and develop an economic simulator prototype that will allow commercial producers to make evidence-based decisions on a variety of business models. CARI also hosted its first IFPS Showcase where over 40 participants learned about IFPS solutions, shared ideas and networked with industry and community partners.

*Dr. Willemijn Appels, the college's first Mueller Applied Research Chair in Irrigation Science, is developing a research program to study and improve water use management.*



## Environmental sciences

Expertise in environmental sciences is a known strength at Lethbridge College. For example, the college received a \$25,000 NSERC-CCI award to partner with Envirospan and the City of Lethbridge to study the effects of a Culvert System on aquatic life in Six Mile Coulee Creek. The installation created a permanent stream crossing for a public hiking trail as well as an ongoing testing and training site for the college.

## Criminal Justice program assessment and evaluation

Lethbridge College has emerging expertise in conducting program assessments and evaluations to determine best practices in fields related to justice studies. For example, with the assistance of Dr. Chad Nilson, the college partnered with Medicine Hat Police Service and Women's Shelter Society to determine the efficiency of its Safe Families Intervention Team program.

## Outdoor play

In partnership with Okanagan College, the college received funding from the Lawson Foundation to participate in the development of an online course for early childhood educators on outdoor play. Lethbridge College deans, CARI and the Centre for Justice and Human Services have also led in the completion of a design for the construction of an outdoor play demonstration site on campus to conduct applied research and further develop curriculum on outdoor play.



## Citizen polling and analysis

In May 2016, Dr. Faron Ellis, research chair at the college's Citizen Society Research Lab (CSRL), received the prestigious Colleges and Institutes Canada (CICan) *Innovation in Applied Research Excellence* bronze award. Each year, CSRL provides omnibus polling and analysis services to industry and community partners. Students acquire applied research skills and are actively engaged in the polling process. The results of this impressive work helps inform industry, governments and community groups with understanding public opinion leading to the development of more effective and relevant policies that benefit our society. In the current year, the CSRL has doubled its student engagement.

## The Centre for Applied Research and Innovation Fund (CARIF)

The following Applied Research and Scholarship of Teaching and Learning (SoTL) projects received CARIF funding in 2015-16:

- Jeff Hamilton, Centre for Applied Arts and Sciences  
“College and University Prep: Engaging Students in a Flipped vs. Traditional Classroom”
- Chris Grignard, Centre for Applied Arts and Sciences  
“Dry Lips Oughta Move to Lethbridge College: A Theatre Initiative to Create New Ways to Teach and Learn in the FNMI Career Pathways Program”
- Jennifer Davis and Shaylene Wall, Centre for Applied Arts and Sciences  
“Effect of Personality on Program Choice and Likelihood of Retention in a College Setting”
- Liz Cernigoy and Sheri Wright, Centre for Health and Wellness  
“Bachelor of Nursing Students’ Involvement in Simulation during Specialty Nursing Practice”
- Brent Cottle, Centre for Applied Arts and Sciences  
“The informed Pop Music Consumer in the Digital Age”

CARIF is an internal funding program at Lethbridge College that is open to all employees and provides funding to successful applicants to engage in applied research and Scholarship of Teaching and Learning activities. The fund is designed to develop and build internal capacity by providing funding for release or backfill time for applicants, student stipends and associated project costs.

*Lethbridge College has emerging expertise in conducting program assessments and evaluations to determine best practices in fields related to justice studies.*





## **Research skills development and mentoring**

Applied research, SoTL and scholarship are integral activities that support college programming, industry partnerships, community engagement and student employability. To build the capacity of these activities, CARI and CTLI have collaborated to provide faculty and staff opportunities to access professional development, training and mentoring resources for the purpose of:

- developing research skills required to conduct applied research, SoTL and scholarship;
- increasing the capacity of college faculty, staff and students to conduct research;
- increasing the output and quality of research activity at the college; and
- supporting and encouraging the submission of proposals for both internal and external funding organizations.

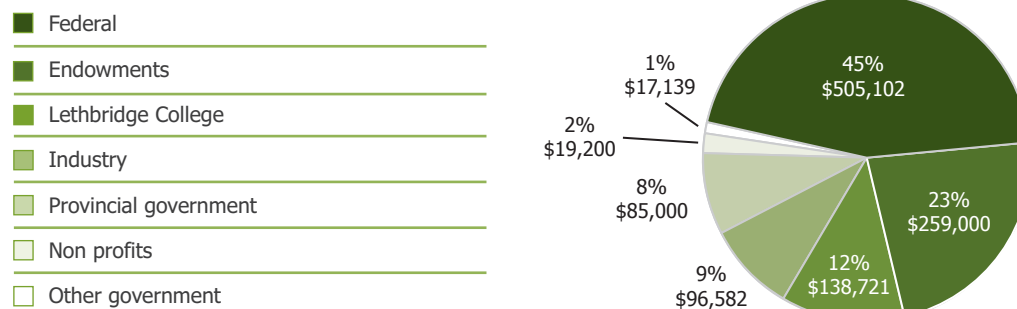
*Social Sciences instructor Faron Ellis, who leads the college's Citizen Society Research Lab, received a Lethbridge College Students' Association/Faculty Association teaching award in 2016.*

## Entrepreneurship

The college led in a successful funding proposal to Alberta Innovates Technology Futures totaling \$1million over three years on behalf of RINSA to help entrepreneurs and small and medium enterprises develop ideas through to successful commercialization. RINSA hosted its first student entrepreneurship training and mentoring program in early 2016 culminating with a pitch competition. Lethbridge College students won first, second and third place.

## Metrics

### \$1,120,744 Applied Research Contributions



**Highlights** ↑112% Student Engagement ↑73% Training Participants ↑45% Faculty Engagement

Continued alignment with institutional goals, the outcomes and priorities articulated in the Alberta Research and Innovation Plan and the Advanced Learning System Outcomes Framework will guide us as we evolve our applied research strategy to enhance the social, cultural and economic well-being of our community.

# COMMUNITY AND REGIONAL STEWARDSHIP

As a Comprehensive Community Institution under the authority of the Post-Secondary Learning Act of Alberta, Lethbridge College plays a stewardship role for adult learning within our geographic service region. As a member of Campus Alberta, the college works with other post-secondary institutions, community organizations, school districts, employers and other partners to enhance access to programs and services throughout the region. Through our commitment to a variety of educational delivery methods including face-to-face, online and blended learning, Lethbridge College strives to address diverse learning styles and needs to increase access for students. In addition, a broad range of student support services is designed to enhance learner success for both on- and off-campus learning.

In consultation with Community Adult Learning Councils/Literacy Programs, regional school divisions, rural economic development officers and local employers, the college focused on the following activities during the year with the goal of achieving responsive learning solutions for community, business and industry.

## **Learner Support Services project**

Funded by Alberta Advanced Education, the purpose of this project is to develop stronger relationships with Community Adult Learning Councils. The college collaborated with Medicine Hat College and Taber Community Adult Learning to develop a learner support services model for rural communities within Region Seven of the Community Learning Network.

Under the direction of a steering committee, of which the college is a member, the developed model was piloted in three of our rural communities during the fall of 2015 – Taber, Pincher Creek and Coaldale.

This project concluded in June. Development of the learner services model was very successful and will serve as the foundation for future campus development across our region. The project highlighted the importance of partnerships for a holistic approach to supporting learners in their communities and furthering their educational goals. Although simple, the model is strong because it was developed by community partners in a way that allows for flexibility in its implementation and can be enhanced and built upon within specific communities based on their needs.

Lethbridge College is planning to expand the learner services model as a basis for future regional campus development. Campus models are being developed in conjunction with newly formed community advisory councils, based on the learner support service model and collaboratively developed resources for program delivery. Any community within our service region is welcome to participate in a campus development plan through participation in the community advisory council process.

A community advisory council has been established for the Town of Pincher Creek, along with preliminary plans for development of a community campus to be announced in the fall of 2016. The formation of councils for the Town of Claresholm and Vulcan County is also underway to support further development of the regional campuses already present in those communities.



## Dual-credit initiatives

Providing access through dual credit in collaboration with regional school divisions remained a priority during the year. The second intake of students in the Health Care Aide dual-credit program completed their program during the year. In addition, the college launched a unique program in 2015 between Lethbridge College and Kainai High School. The dual-credit Early Childhood Education (ECE) program proved to be very successful in helping students build a solid foundation for life after graduation. The program, which sees grade 11 and 12 students undertake two of the college's ECE introductory courses, has given those enrolled a head start on building a successful career path; so far, 29 students have successfully completed the course offerings.

Lethbridge College offered Experiential Learning Week in May 2016, in collaboration with Matthew Halton High School and St. Michael's School in Pincher Creek. Approximately 30 students spent a week on the college's main campus and, while living in student residence, participated in a week of classes in one of the college's Justice Studies, Digital Communications and Media, or Interior Design programs. Another group of students spent the week exploring the wilderness in the Pincher Creek area while taking a field study camp run by the School of Environmental Sciences. The programming was designed to give a simulated college experience, and the students earned high school CTS credit for their work. In addition to their formal subject curriculum, students also participated in career and post-secondary planning as well as student recreation activities.

The college continues to be engaged with provincial coordination of dual-credit programming by participating in development activities with Alberta Education and as a member of the Dual Credit Articulation Committee – a committee of the Alberta Council on Admissions and Transfer (ACAT). The college actively participated in extensive provincial data collection and reporting on dual credit activities.

## Other projects under consideration

The college continues to explore a number of community-driven projects that deal with specific challenges such as community revitalization, career and technology training, and community broadband initiatives. We are seeing an increase in community engagement with the college as we develop stronger relationships across the region and as our communities see us as a source of expertise and/or potential partner. Many projects involve economic development, are labour market driven and involve social issues.





*FNMI Days is a welcome annual event each fall at Lethbridge College. "FNMI Days gives us the opportunity each year to welcome the community and to showcase the talent of our First Nations, Métis and Inuit cultures," says Marcia Black Water, FNMI student advisor and coordinator, FNMI services. "The event is a celebration of the social part of FNMI culture, with activities that everyone can partake in."*



## FIRST NATIONS, MÉTIS AND INUIT

Lethbridge College is a signatory institution supporting the Indigenous Education Protocol for Colleges and Institutes developed by College and Institutes Canada (CICan). As a signatory institution to this protocol, the college recognizes that Indigenous people include First Nations, Métis and Inuit (FNMI) peoples, and that they have distinct cultures, languages, histories and contemporary perspectives. Indigenous education emanates from the intellectual and cultural traditions of Indigenous peoples in Canada.

Indigenous education will strengthen colleges' and institutes' contributions to improving the lives of learners and communities. In agreement with the CICan Indigenous Education Protocol, Lethbridge College has applied the following seven principles, as evidenced by the work completed in the development of the Niitsitapi Indigenization Plan (2016-19). The seven principles were used as overarching goals within the plan aligned with the Truth and Reconciliation Calls to Action.

*Indigenous education will strengthen colleges' and institutes' contributions to improving the lives of learners and communities.*



## **1. Commit to making Indigenous education a priority.**

- FNMI Elders and stakeholders have been, and continue to be, a critical perspective in the college's strategic planning process. Included in Lethbridge College's Comprehensive Institutional Plan goals for 2016-19, is to, "Improve the lives of learners and communities through the recognition and respect for the distinct cultures, languages, histories and contemporary perspectives of Indigenous people and Indigenous-centred education."

## **2. Ensure governance structures recognize and respect Indigenous peoples.**

- Lethbridge College supports this protocol with current Indigenous members on the college's Alumni Advisory Council and on the Regional Access Advisory Council.
- In the development of the Niitsitapi Indigenization Plan (2016-19), two committees were formed: the President's Indigenous Council and the FNMI Committee. The importance of consultation and collaboration is at the forefront of these discussions to ensure recommendations for structures and participation on committees, boards and college leadership be included in the Niitsitapi Indigenization Plan. The President's Council, comprised of Indigenous grandparents, Elders, leaders, community agencies and friends, meets four times a year to provide advice, guidance and direction. The FNMI Committee is an internal committee with Elder engagement that will action and plan recommendations for the Niitsitapi Indigenization Plan and from the President's Council.
- There are additional Niitsitapi Indigenization Plan recommendations for greater inclusion and engagement at many levels within the college for future strategic directions and initiatives.

## **3. Implement intellectual and cultural traditions of Indigenous peoples through curriculum and learning approaches relevant to learners and communities.**

- The college continues to offer FNMI-specific recruitment, career advising and academic advising services to educate and assist prospective FNMI learners about the programs and support services offered at the college.
- Kainai High School dual-credit partnerships are underway.
- The FNMI Career Pathways certificate program is offered to assist FNMI learners in the transition to the post-secondary learning environment and help them to be successful. A program review has been approved; results of the research and findings will proceed with a multi-disciplinary approach with numerous stakeholders including community members, Elders, students, support services, and funding agency representatives. The goal is to enhance the program and to increase student enrolment and student retention through a great student experience.
- *College and institute curriculum:* The partnership continues between Lethbridge College and Red Crow Community College to offer the Eminent Scholar program where Blackfoot Elders are invited on campus for speaker series, panel discussions and classroom presentations to educate our students and staff on Blackfoot history, traditions, culture and values, and incorporate these into our curriculum.

#### 4. Support students and employees to increase understanding and reciprocity among Indigenous and non-Indigenous peoples.

- Continue to acknowledge that we reside on traditional Blackfoot territory and integrate the use of Blackfoot language at events, ceremonies and meetings. Additional funding has been received from an external provider, enabling plans to be made to include Indigenous representation on campus. This is a beginning process with additional plans for a complete campus plan development that includes Indigenous presence.
- Include traditional ways of doing and being in the processes associated with institutional functioning (i.e. opening prayer at institutional events, FNMI Calendar of Events including Elder visits, Eminent Scholar speaker series and sharing circles).
- Staff and faculty are offered training on Indigenous history, intercultural training including experiential, hands-on learning activities and land- and place-based learning.
- Planning for cultural awareness training for employees of Lethbridge College.

#### 5. Commit to increasing the number of Indigenous employees with ongoing appointments throughout the institution, including Indigenous senior administrators.

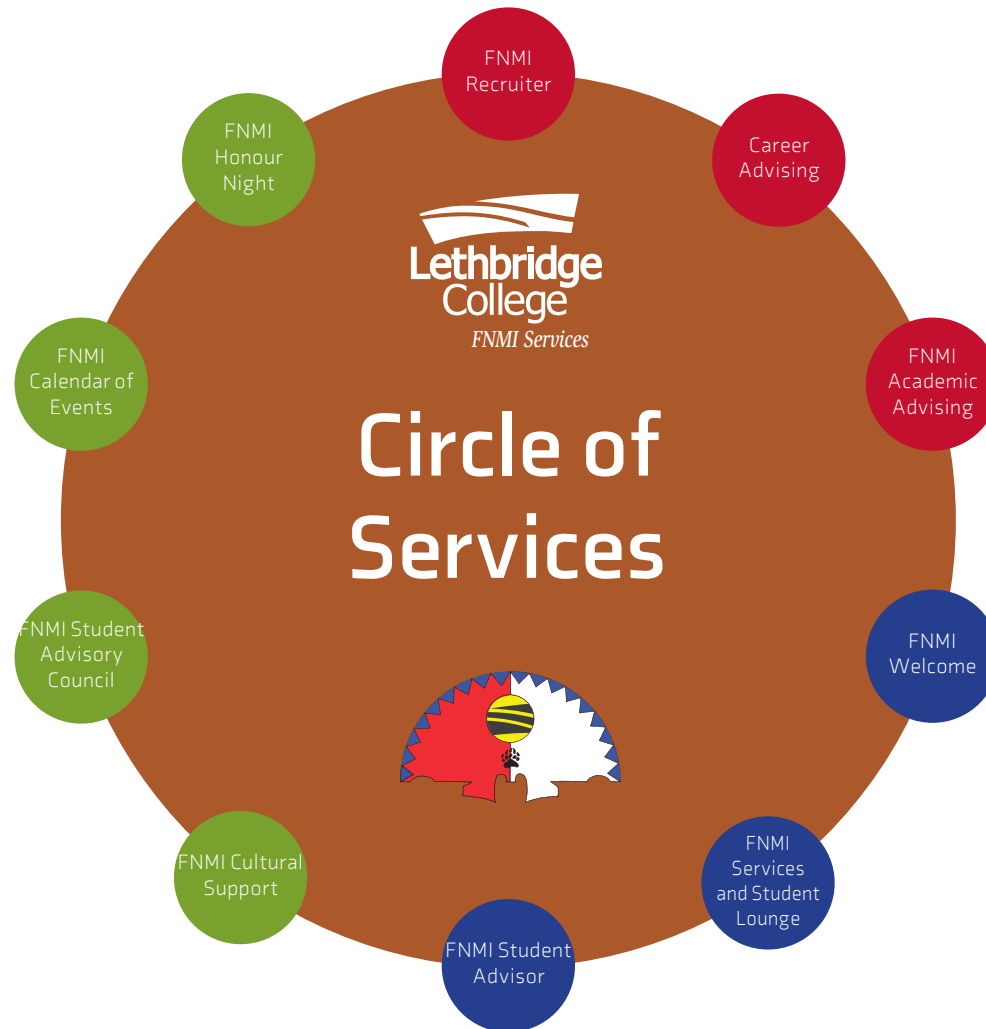
- Cultural Support Program (Blackfoot, Métis and Inuit Elders).
- Eminent Scholars Program.



*Peter Weasel Moccasin (centre), a member of the Blood Tribe and Elder at Lethbridge College, leads the smudging ceremony at the Enmax Centre before Convocation.*

## 6. Establish Indigenous-centred holistic services and learning environments for learner success.

- The college's FNMI Services continues to offer and enhance our "Circle of Services" to assist our FNMI learners and help them be successful on their journey of pursuing a post-secondary education. FNMI staff attended an Indigenous symposium sponsored by Colleges and Institutes Canada where the Circle of Services was presented as a best practice. As well, FNMI staff attended the Canadian Association of Colleges and Universities Student Services national conference to explore other models and to share and engage in national Indigenous networks.





## 7. Build relationships and be accountable to Indigenous communities in support of self-determination through education, training and applied research.

- FNMI Presidents Council
- New partnerships have been explored with Blood Tribe Economic Development to identify new collaborative projects
- Collaboration with Lethbridge College Business Development in developing support services for non-credit programming with the FNMI

*Each Lethbridge College graduate who identifies as First Nations, Métis or Inuit receives a hand-painted and decorated eagle feather at Convocation.*



# PEOPLE DEVELOPMENT

People are, and continue to be, the driver behind the college's success. As one of our core values, our people are key contributors toward the success of our students. Their success is our success. People Development is one of four strategies – processes and actions – identified as required to achieve desired outcomes. The strategy, simply defined, states “we will develop our people to realize their highest potential.”

The future development of a Collaborative Centre of Excellence for People Development continues to be a key goal to building a foundation of excellence in our people. One of three performance categories contained within the Lethbridge College Scorecard is “People.” During the year, the college focused its efforts on achieving the following goals and outcomes as identified in the 2015-16 Scorecard.

**Goal: Complete development of learning modules identified for 2015-16. Leaders responsible for leading components of the strategic plan implementation achieve the identified learning outcomes.**

Status: Target was achieved on this scorecard outcome.

Outcome: A number of learning modules have been developed and/or piloted with a continued focus on high-priority leadership training initiatives for 100 per cent of the leaders responsible for leading components of the strategic plan implementation. In some cases, participation has been expanded to include other employee groups such as managers/supervisors.

**Goal: Complete development of the self-assessment phase of Talent Management. Complete assessment for all leaders responsible for leading components of the strategic plan.**

Status: Target was achieved on this scorecard outcome.

Outcome: The development of definitions identified as key to the self-assessment process was completed. Information gathered through a survey provided the information needed to finalize the questionnaire to be used for self-assessment. The self-assessment questionnaire was distributed to all senior leaders and Management Forum members (approximately 90 executive/deans/directors/managers/academic chairs across the institution).

## CAPITAL CAMPAIGN

The college recognizes that providing quality programming and an excellent educational experience requires support from the larger community of stakeholders. In May 2013, Lethbridge College launched its *Possibilities are Endless* capital fundraising campaign with a private sector goal of \$25 million. The campaign targets its efforts to a number of priorities such as the renewal of the college's aging trades and technologies facilities, increasing student access to awards and emerging priorities in programming excellence. We are grateful for the community and government's enthusiastic support and investment, knowing that an investment in Lethbridge College today is an investment in the future. The campaign wrapped up at the end of June 2016 exceeding the overall goal of \$25 million. This important priority for Lethbridge College is one of the outcomes identified in the Lethbridge College Scorecard 2015-16.

**Goal: Capital Campaign – The Possibilities are Endless: Achieve 100 per cent of the annual goal to bring total private dollars raised to \$25 million.**

Status: Target was achieved on this scorecard outcome.

Outcome: On June 30, 2016, the Possibilities are Endless Campaign closed at \$25.4 million (101 per cent of goal). The trades and technologies facility (TTRIP) achieved 95 per cent of the projected target with a total of \$9.5 million raised to date and \$500,000 still outstanding at the close of the fiscal year. The college will continue to pursue funding for TTRIP as it continues to follow through on fundraising opportunities in progress. However, the economic downturn in Alberta is creating challenges.



Student Awards and Emerging Priorities both overachieved their projected goals by \$2.1 million and \$4.9 million, respectively. The Learning Commons (TLC) was “paused” by the Executive Leadership Team because of the need to be clear on the Learning and Academic Transformation strategy and how it would impact infrastructure. There is a small outstanding balance on Kodiak House. After six years, the campaign has officially concluded.

The official campaign wrap-up occurred in late fall. The second phase of the trades and technologies facility will officially open in the fall of 2017 during Lethbridge College's 60<sup>th</sup> Anniversary celebrations.



# FINANCIAL AND BUDGET INFORMATION

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Lethbridge College's Financial Statements as presented are in accordance with Public Sector Accounting Board Standards (PSAS) and approved by the Lethbridge College Board of Governors. The financial highlights should be read in conjunction with our audited financial statements (Appendix A) and related notes for the year ended June 30, 2016.

For further information on the college's goals and objectives please refer to the following document: 2015-18 Comprehensive Institutional Plan (CIP), Leadership and Transformation.

## **Change in accounting policy**

For the year ending 2016, the college adopted a change in accounting policy using the Net Debt Model (with reclassification of comparatives). Endowment contributions and associated capitalized investment income are recognized in the statement of operations in the period in which they are received. In prior years, these transactions were recognized as direct increase to the endowment net assets.

## **Financial results**

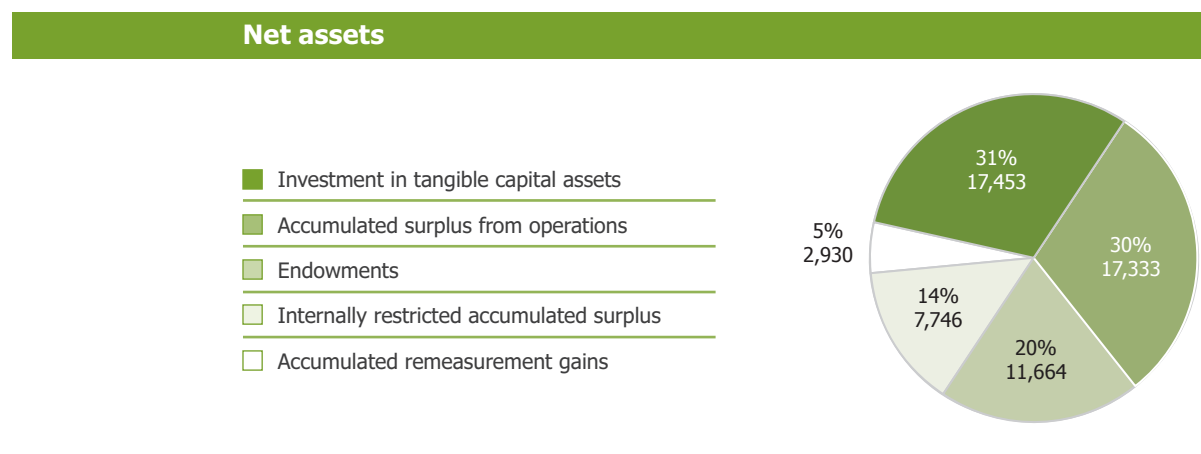
The college ended its 2016 year with net financial assets of \$30.1 million (2015 - \$27.6 million), an annual operating surplus of \$1.6 million (2015 - \$1.3 million) and an annual surplus of \$2.3 million (2015 - \$1.3 million), which compares to a balanced budget projected in the CIP. The 2016 surplus is a result of additional base funding of two per cent from the Government of Alberta coupled with continuous cost control over expenditures.

## Net financial assets

Net financial assets (net debt) is a measure of an organization's ability to use its financial assets to cover liabilities and fund future operations. The college is reporting a strong net-financial-asset position for June 30, 2016, of \$30.1 million (2015 - \$27.6 million). Net financial assets include portfolio investments- restricted for endowments that cannot be used for operations or capital expenditures.

## Net assets

The college's net assets increased by \$2.2 million compared to the previous year. The annual operating surplus of \$1.6 million, endowment contributions and capitalized interest represent the majority of this increase. Net assets are comprised of the following:



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

Internally restricted accumulated surplus	000's
Faculty professional development	1,501
Trades and technology renewal and innovation project	5,196
Other	1,049
<b>Total</b>	<b>7,746</b>

## Capital acquisitions

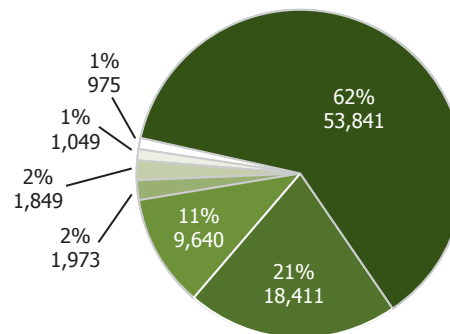
The college expended \$20.9 million on construction and other tangible capital assets (2015 - \$23.2 million). The most significant capital acquisition in 2016 was expenditures on the new trades and technologies building of \$19.4 million. Other acquisitions included expenditures relating to the infrastructure maintenance program projects and equipment renewal.

In fall 2015, phase one of the new trades and technologies facility was completed, and now houses the Crooks School of Transportation, which includes the Automotive Service Technician, Parts Technician, Heavy Equipment Technician and Agricultural Equipment Technician apprenticeship programs. Construction of phase two is under way and will be home to apprenticeship training programs for welders, electricians and plumbers, and emerging technologies such as the Wind Turbine Technician certification program and International Wind Energy Academy. Civil Engineering Technology, Geomatics Engineering Technology, Engineering Design and Drafting Technology and Interior Design Technology programs will also be located in the new facility. The existing trades facility, slated for replacement with the new trades and technologies facility in 2017, has been partially demolished and phase two is both on schedule and budget for occupancy in August 2017.

## Revenue

### Revenue by source

GOA grants
Student tuition and fees
Sales of services and products
Contract programs
Federal and other grants
Donations and other grants
Investment income





Total 2016 revenues of \$87.7 million increased from \$83.6 million in 2015. The following table shows the composition of the college's total revenues in millions for the 2016 fiscal year, with comparative information for 2015 and budget for 2016:

Revenue by source	Budget 2016 \$000S	Actual 2016 \$000S	Actual 2015 \$000S
Government of Alberta grants	50,195	53,841	49,949
Federal and other government grants	1,449	1,849	1,342
Sales of services and products	9,883	9,640	10,294
Contract programs	3,119	1,973	1,741
Student tuition and fees	18,634	18,411	18,322
Donations and other grants	1,202	1,049	895
Investment income	1,250	975	1,067
<b>Total revenue</b>	<b>85,732</b>	<b>87,738</b>	<b>83,610</b>

### Government of Alberta grants

The college receives 62 per cent of its revenue from Alberta Advanced Education. The base operating grant was budgeted with a reduction in funding for 2016; however, the college received a two per cent cost of living increase. Construction of phase two of the trades and technologies building commenced in fall of 2015, and as a result a portion of the existing trades building was demolished in 2016. The remaining book value was recorded here with an equal amount recorded as amortization expense under facility operations and maintenance. Additional amortization of capital assets acquired also contributes to the variance.

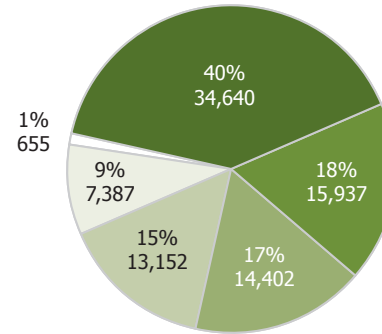
### Contract programs

This area has increased slightly over 2015, however it is lower than the 2016 budget. The economic decline has given challenges to the area of business development and corporate training in the ability to realize revenue from non-credit programming. These areas also reflect lower expenditures in areas of staffing and supplies, mainly in the instructional area. Revenue generation services and initiatives continue to be explored.

## Expenses

### Expense by function

- Instruction
- Academic and student support
- Facility operations and maintenance
- Institutional support
- Ancillary services
- Sponsored research



Total expenses increased from \$82.3 million in 2015 to \$86.2 million in 2016 and are slightly higher than budget expenses for 2016 as set out in the CIP. The college continues to strategically align expenditures with available resources. The following table shows the composition of the college's total expenses for 2016 with comparative information for 2015 and budgeted amounts for 2016.

Expense by function	Budget 2016 \$000S	Actual 2016 \$000S	Actual 2015 \$000S
Instruction	36,227	34,640	34,085
Academic and student support	15,150	15,937	14,722
Institutional support	13,316	13,152	12,513
Sponsored research	887	655	297
Facility operations and maintenance	12,733	14,402	12,888
Ancillary operations	7,419	7,387	7,819
<b>Total expenses</b>	<b>85,732</b>	<b>86,173</b>	<b>82,324</b>

## Instruction

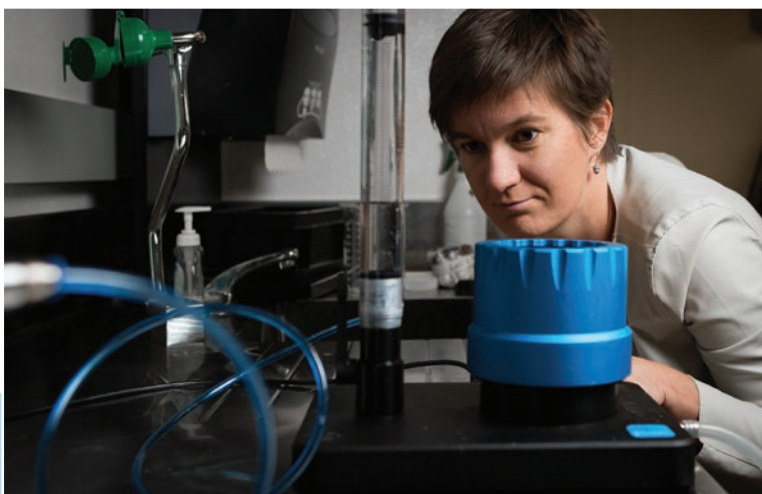
Instruction expenses represent 40 per cent of the total cost of the organization. Included in this area are costs related to programming and training within the college. Expenses are up slightly compared to 2015 and less than budgeted by \$1.6 million. The economic decline presented challenges with business development and corporate training programs which are the major contributor to fewer expenditures in the area of staffing and supplies. General operating and instructional supplies tracked under budget as the college continues to find efficiencies and at the same time, ensure delivery of quality programs.

## Academic and student support

Expenses in this category relate directly to supporting the academic functions and students of the college. This includes centralized functions such as student services administration, student recruitment, records and admissions, counseling and career services, financial awards and student awards. Many smaller variances contribute to the variance, as well as externally funded activities that occurred after the budget was approved. These activities are offset by revenue reported in various categories above.

## Facility operations and maintenance

This area represents 17 per cent of the total expenditures 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. Demolition of a portion of the existing trades building resulted in remaining amortization being expenses, an equal amount was reported under revenue – Government of Alberta grants as the funds were originally provided by the Government of Alberta.



*Our seasoned researchers and academic specialists, including our new Mueller Applied Research Chair in Irrigation Science Dr. Willemijn Appels, come to our state-of-the-art facilities from a variety of different areas of specialization to provide a rich and fertile ground for emerging and exciting research.*





*Work on the college's new trades and technologies facility began in 2014 and dramatically changed the look of the south end of campus.*

## **Areas of significant financial risk**

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

### ***Provincial funding***

The Campus Alberta base grant was increased by two per cent in 2016, and for the next year, 2017. As provincial funding represents 62 per cent of our revenue source, any future reductions will present budgetary pressures. The college recognizes the need to generate revenue from other sources and is continuing to pursue initiatives in the non-credit arena and expand its international enrolment initiatives.

### ***Deferred maintenance***

During the year, the college expended \$900,000 from the Infrastructure Maintenance Program (IMP) grant on priority one maintenance projects. Uncertainty of IMP funding creates a challenge for the planning process for maintaining, renewing and upgrading older existing facilities.

### ***Information technology***

As the demands for information technology to support student and staff needs increase, the cost and risks associated with these demands rise. Cyber security and breaches are an increasing concern.

## ***Employees***

### **Pension**

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, 2015 of \$923.5 million (2014 - \$2.4 billion). This unfunded liability represents a risk that both employer- and employee-contribution rates could increase in the future.

### **Bargaining units**

The province is in the process of developing essential service legislation for the Alberta Public Sector that aligns with the Supreme Court decision on the right to strike. This new legislation will apply to academic and non-academic employees at post-secondary institutions and will have an impact on future negotiations, although implementation is likely to occur over a period of time.



### ***Students***

The demand for education continues to grow and learner needs are changing as more diversity in student demographics and cultures arise. As a result, the need for delivery of services is essential. Developing job-specific skills increases the demand for new program offerings, staff and technological improvements. Mental health and affordability of a post-secondary education are concerns. The government is committed to ensure quality, affordable and accessible post-secondary education and is in the process of determining a new tuition fee model. In the shorter term, the Government of Alberta introduced an initiative to hold tuition and mandatory non-instructional fees at the 2014-15 rates.



# INTERNATIONALIZATION



*Students from 39 countries  
around the world are enrolled in  
classes at the college this year.*



*The college is committed to providing international students a successful student experience.*

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Lethbridge College's international student population continues to grow, both in numbers and in percentage of the student population. In 2015-16, international students represent five per cent of the total enrolment (full-load equivalents) as compared to 4.3 per cent in 2014-15 and 3.6 per cent in 2013-14. The college is committed to providing international students a successful student experience. Engaging students with ongoing support and relationship building is an important initiative for the college. Students have the opportunity to collaborate with faculty, administration and international support staff and guidance is provided in many areas, including application and registration process, campus and community resources, academic supports, and social and cultural development. As a result, we see the creation of new friendships, connections with communities, exposure to Albertan and Canadian culture, the development of academic support and an awareness and understanding of employment and career opportunities in Canada.

Lethbridge College supports and encourages student and faculty exchanges. Faculty incorporate international exchanges as part of the curriculum designed to provide global awareness and global experiences. Lethbridge College has nine official Memoranda of Agreements 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 team travel where students, faculty and coaches experience international competition, intercultural development and international travel. The college continues to collaborate with the Nippon Institute of Technology to provide a quality two-year experience for Japanese students in Canada.

One of five strategic milestones for the current year was the development of an International Plan for the college that incorporates an entrepreneurial approach. The work accomplished this year on this multi-year project is foundational and will provide direction for planning international activities moving forward. Initial observations indicate there are many international jurisdictions that the college could pursue and many ways in which we could create new partnerships (e.g. recruiting students, delivering content abroad, applied research, etc.). There are also many business models for pursuing international opportunities (e.g. partnering with brokers, foreign institutions, provincial or federal agencies).



# INFORMATION TECHNOLOGY

During the 2015 – 16 academic year, the Information Technology Services department worked closely with several business units to complete three key enterprise projects. These projects were focused on providing services with an anywhere, anytime, any device philosophy. The goal was to build robust and scalable tools that would allow users to turn data into knowledge for evidence-informed decision making.

Lethbridge College has invested in several cloud-based systems for collaboration, data analytics and infrastructure. They include:

## **Customer Relationship Management**

The college undertook an exhaustive process for choosing a Customer Relationship Management tool that would meet specific requirements for student recruitment, admissions and retention. The primary goal of the project was to provide a streamlined communication approach with prospects, applicants and enrolled students via the mobile devices they most commonly use. As well, the business needs within other departments such as Advancement, Business Development, Applied Research and Institutional Reporting were strongly considered during the decision-making process. Implementation of the tool has begun with a focus on student recruitment.

## **Talent management**

The college selected a Talent Management system as a component of the People Development strategy. This new tool provides for an efficient job application process (Applicant Tracking) along with a mechanism for onboarding new employees to acquire important information they need to perform their roles effectively. Installation began in the 2015-16 year with completion to occur in 2016-17.

## **Business intelligence**

The college upgraded its Business Intelligence tool. This new system has been of great benefit in accessing and analyzing the college's data. Considerable work has been done in creating reports that help stakeholders make informed decisions on how best to support students.

Information Technology Services continues to be a valued partner with those departments and schools that are embracing enterprise systems that bring efficiencies to the operations and provide our students with a better learning experience here at the college.

*Multimedia Production student Daniel Petker works with state-of-the-art equipment and programs to put into practice the lessons he learns in the classroom.*



# CAPITAL PLAN

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## **New trades and technologies facility**

A major focus for the college is the renewal and expansion of the existing Trades 1900/2900 Building. 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.

The new trades and technologies facility is a critical infrastructure project for the college. The project began with ground breaking in April 2014. Phase one, which includes programs in the Crooks School of Transportation, opened for students in September 2015. Construction of phase two began immediately after and is expected to be complete by September 2017. This important priority for Lethbridge College is one of the outcomes identified in the Lethbridge College Scorecard 2015-16.

**Goal: New trades and technology facility: Phase two is completed as per the plan and achieves more than 50 LEED points. Construction costs are on budget of \$28.5 million.**

Status: Excellence was achieved on this scorecard outcome.

Outcome: Phase two schedule was completed as planned and more than 50 LEED points were achieved. Actual and projected costs for phase two are currently at \$22.4 million.



The following table provides an update on the progress made on all of the college's capital projects over the past year.

Type	Description	Status	Expected Completion	Progress Made in Last 12 Months
<b>Priority Projects</b>				
Expansion	Trades and Technologies Renewal and Innovation Project (TTRIP)	In progress	September 2017	Phase one completed and occupied in August 2015. Phase two is on target for occupancy in August 2017. The project is on schedule and budget.
Expansion	The Learning Commons	Pending funding	Unknown	
Renewal	Security System Upgrade Initiative	In progress	August 2017	The scope associated with phase two of the TTRIP project is on target.
Renewal	Andrews Building Renewal	Pending funding	Unknown	
Renewal	Paterson Renewal	Pending funding	Unknown	
Renewal	Natural Gas Utility Distribution	Pending funding	Unknown	
Renewal	Storm Water Retention Ponds	Pending funding	Unknown	



# FINANCIAL STATEMENTS

## LETHBRIDGE COLLEGE YEAR ENDED JUNE 30, 2016

Independent Auditor's Report

Statement of Management's Responsibility

Statement of Financial Position

Statement of Operations

Statement of Change in Net Financial Assets

Statement of Cash Flows

Statement of Remeasurement Gains and Losses

Notes to the Financial Statements

*The 59th annual Convocation took place on April 22, 2016. More than 1,600 students received certificates, diplomas and degrees at the end of this academic year.*









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, 2016 and the statements of operations, change in net financial assets, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the 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, 2016, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**[Original signed by Merwan N. Saher FCPA, FCA]**

Auditor General

October 25, 2016

Edmonton, Alberta

# STATEMENT OF MANAGEMENT'S RESPONSIBILITY

For the Year Ended June 30, 2016

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, 2016 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 and in regards to the net financial assets (net debt) indicator, as directed by the controller of the Province of Alberta. 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. The presentation of net financial assets (net debt) includes portfolio investments that are restricted for endowments which cannot be used to pay for liabilities of future expenditures.

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, 2016 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 Chief Financial Officer

[Original signed by Paula Burns]

**Paula Burns**

President and Chief Executive Officer

The accompanying notes are part of these financial statements.

LETHBRIDGE COLLEGE  
STATEMENT OF FINANCIAL  
POSITION AS AT JUNE 30, 2016  
(thousands of dollars)

	2016	2015
		(note 3 restated)
<b>Financial assets</b>		
Cash and cash equivalents (note 4)	\$36,608	\$28,064
Portfolio investments – non-endowment (note 5)	28,712	28,445
Portfolio investments – restricted for endowments (note 5 and note 13)	12,886	12,953
Accounts receivable (note 7)	1,629	1,276
Inventories for resale	534	561
	<u>\$80,369</u>	<u>\$71,299</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	12,571	14,166
Debt (note 10)	8,076	8,446
Deferred revenue (note 11)	29,666	21,033
	<u>50,313</u>	<u>43,645</u>
<b>Net financial assets</b>	<u>\$30,056</u>	<u>\$27,654</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 8)	107,521	94,388
Inventories of supplies	17	15
Prepaid expenses	1,523	1,281
	<u>109,061</u>	<u>95,684</u>
<b>Net assets before spent deferred capital contributions</b>	<u>\$139,117</u>	<u>\$123,338</u>
Spent deferred capital contributions (note 12)	81,991	68,442
<b>Net assets</b>	<u>\$57,126</u>	<u>\$54,896</u>
<b>Net assets is comprised of:</b>		
Accumulated surplus (note 13)	54,196	51,929
Accumulated remeasurement gains	2,930	2,967
	<u>\$57,126</u>	<u>\$54,896</u>
Contingent liabilities and contractual obligations (note 14 and note 15)		

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



LETHBRIDGE COLLEGE  
STATEMENT OF OPERATIONS  
YEAR ENDED JUNE 30, 2016  
(thousands of dollars)

	Budget	2016	2015
	(note 20)		(note 3 restated)
<b>Revenue</b>			
Government of Alberta grants (note 19)	\$50,195	\$53,841	\$49,949
Federal and other government grants	1,449	1,849	1,342
Sales of services and products	9,883	9,640	10,294
Contract programs	3,119	1,973	1,741
Student tuition and fees	18,634	18,411	18,322
Donations and other grants	1,202	1,049	895
Investment income	1,250	975	1,067
	85,732	87,738	83,610
<b>Expense (note 16)</b>			
Instruction	36,227	34,640	34,085
Academic and student support	15,150	15,937	14,722
Institutional support	13,316	13,152	12,513
Sponsored research	887	655	297
Facility operations and maintenance	12,733	14,402	12,888
Ancillary services	7,419	7,387	7,819
	85,732	86,173	82,324
Annual operating surplus	-	1,565	1,286
Endowment contributions and capitalized investment income (note 13)		702	199
Endowments transferred to deferred revenue		-	(201)
Annual surplus	-	2,267	1,284
Accumulated surplus, beginning of year		51,929	50,689
Disposal of contributed land		-	(44)
Accumulated surplus, end of year	-	\$54,196	\$51,929

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

LETHBRIDGE COLLEGE  
STATEMENT OF CHANGE IN  
NET FINANCIAL ASSETS  
YEAR ENDED JUNE 30, 2016  
*(thousands of dollars)*

	2016	2015
		(note 3 restated)
Annual surplus	\$2,267	\$1,284
Acquisition of tangible capital assets	(20,885)	(23,161)
Proceeds from sale of tangible capital assets	147	348
Amortization of tangible capital assets	6,042	5,316
Loss on sale of tangible capital assets	1,563	240
Disposition of contributed land	-	44
Change in inventories of supplies	(2)	9
Change in prepaid expenses	(242)	(252)
Change in spent deferred capital contributions (note 12)	13,549	17,313
Net accumulated remeasurement (losses) gains	(37)	223
Increase in net financial assets	2,402	1,364
Net financial assets, beginning of year	27,654	26,290
Net financial assets, end of year	\$30,056	\$27,654

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

LETHBRIDGE COLLEGE  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2016  
*(thousands of dollars)*

	2016	2015 (note 3 restated)
<b>Operating activities</b>		
Annual surplus	\$2,267	\$1,284
Add (deduct) non-cash items:		
Amortization of tangible capital assets	6,042	5,316
Loss on disposal of tangible capital assets	1,563	240
Disposition of contributed land	-	44
Expended capital recognized as revenue	(6,223)	(4,240)
Unrealized (loss) gain on portfolio investments	(37)	223
(Increase) decrease in accounts receivable	(353)	138
Decrease (increase) in inventories for resale	27	(9)
(Decrease) increase in accounts payable and accrued liabilities	(1,595)	3,833
Increase (decrease) in deferred revenue	8,633	(7,138)
Increase in spent deferred capital contributions, less expended capital recognized as revenue	19,772	21,553
(Increase) decrease in inventories of supplies	(2)	9
(Increase) in prepaid expenses	(242)	(252)
<b>Cash provided by operating transactions</b>	29,852	21,001
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(20,885)	(23,161)
Proceeds on sale of tangible capital assets	147	348
<b>Cash applied to capital transactions</b>	(20,738)	(22,813)
<b>Investing transactions</b>		
Purchase of investments	(8,203)	(7,829)
Proceeds on sale of investments	8,003	7,343
<b>Cash applied to investing transactions</b>	(200)	(486)
<b>Financing transactions</b>		
Debt - repayment	(370)	(350)
<b>Cash applied to financing transactions</b>	(370)	(350)
<b>Increase (decrease) in cash and cash equivalents</b>	8,544	(2,648)
<b>Cash and cash equivalents, beginning of year</b>	28,064	30,712
<b>Cash and cash equivalents, end of year</b>	\$36,608	\$28,064

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



LETHBRIDGE COLLEGE  
STATEMENT OF REMEASUREMENT  
GAINS AND LOSSES  
YEAR ENDED JUNE 30, 2016  
*(thousands of dollars)*

	2016	2015
		(note 3 restated)
<b>Accumulated remeasurement gains, beginning of year</b>	\$2,967	\$2,744
Unrealized gains attributable to:		
Portfolio investments – non-endowment	12	273
Amounts reclassified to the Statement of Operations:		
Portfolio investments – non-endowment	(49)	(50)
<b>Accumulated remeasurement gains, end of year</b>	<b>\$2,930</b>	<b>\$2,967</b>

The accompanying notes are an integral 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 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 and revenue recognition for expended capital are the most significant items based on estimates. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

### (b) Valuation of Financial Assets and Liabilities

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

<u>Financial Statement Component</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 deferred revenue. Upon settlement, the cumulative gain or loss is reclassified from accumulated remeasurement gains and losses and recognized as revenue or expense.

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

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 of an investment 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 loss in value for assets measured at fair value are 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. The college elected to do this on a prospective basis. The college does not have any embedded derivatives.

### (c) Revenue Recognition

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

#### **Government grants, non-government grants and donations**

Government transfers are referred to as government grants.

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

Government grants without terms for the use of the grant are recorded as revenue when the college is eligible to receive the funds. Unrestricted non-government grants and donations 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.

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



### **Grants and donations related to land**

Grants and donations for the purchase of land are recognized as deferred revenue when received, and recognized as revenue when the land is purchased. The college recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the college cannot determine the fair value, it records such in-kind contribution at nominal value.

### **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:

- Investment 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.

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

### **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 settlement. Once realized, these gains and losses are recognized as investment income. 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.

Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the Statement of Operations as a component of endowment contributions and capitalized investment income.

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

### *(d) Inventories*

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

### *(e) Tangible Capital Assets*

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development. 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	20-40 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.

Works of art, historical treasures and collections are expensed when acquired and not recognized as tangible capital assets.

***(f) Asset Retirement Obligations***

Asset retirement obligations are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal 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 determining the results of operations.

***(g) Foreign Currency Translation***

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar amount at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the Statement of Financial Position date. Unrealized gains and losses are recognized in the Statement of Remeasurement Gains and Losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the Statement of Operations, and the cumulative amount of remeasurement gains and losses is reversed in the Statement of Remeasurement Gains and Losses.

***(h) Employee Future Benefits***

**Pension**

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

The college does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension 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.



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

### *(i) 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 and non-sponsored research.

#### **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 and 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, 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.

### *(j) Funds and Reserves*

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

***(k) Future Accounting Changes***

In March 2015 the Public Sector Accounting Board issued PS 2200 – Related party disclosures and PS 3420 – Inter-entity transactions. In June 2015, the Public Sector Accounting Board issued PS 3210 Assets, PS 3320 Contingent assets, PS 3380 Contractual rights, and PS 3430 Restructuring transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2018.

- PS 2200 - Related party disclosures defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members.
- PS 3420 - Inter-entity transactions, establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- PS 3210 - Assets provides guidance for applying the definition of assets set out in PS 1000, financial statement concepts, and establishes general disclosure standards for assets.
- PS 3320 - Contingent assets defines and establishes disclosure standards on contractual rights.
- PS 3430 – Restructuring transactions defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

Management is currently assessing the impact of these new standards on the financial statements. The college discloses transactions and balances related to the Government of Alberta in note 19.

### 3 Change in Accounting Policies and Comparative Figures

#### *(a) Adoption of the Net Debt Model*

The net debt model (with reclassification of comparatives) has been adopted for the presentation of financial statements. Net financial assets or net debt is measured as the difference between the college's financial assets and liabilities.

The effect of this change results in changing the presentation of the Statement of Financial Position and adding the Statement of Change in Net Financial Assets.

#### *(b) Endowment contributions and capitalized income*

Effective July 1, 2015 endowment contributions, matching contributions, and associated investment income allocated for the preservation of endowment capital purchasing power are recognized in the Statement of Operations in the period in which they are received. In prior years, such transactions were recognized as direct increases to endowments, not through income in the Statement of Operations, in the period they were received. This change in accounting policy is applied retroactively with restatement of comparatives.

	2015		
	As previously recorded	Adjustment recorded	As restated
<b>Increase in Statement of Operations</b>			
Endowment contributions and investment income	\$ -	\$199	\$199
Endowment transfer to deferred revenue <sup>(1)</sup>	\$ -	(201)	(201)

<sup>(1)</sup> Due to change of intention by the donor

#### *(c) Comparative Figures*

The net financial assets (net debt) model with reclassifications of comparatives has been adopted for the presentation of the June 30, 2016 financial statements. In addition, certain other 2015 comparative figures have been reclassified to conform to the 2016 presentation.

#### 4 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.

	2016	2015
Cash	\$29,580	\$17,954
Term Deposits	7,028	10,110
	<u>\$36,608</u>	<u>\$28,064</u>

Term deposits consist of short-term redeemable guaranteed investment certificates maturing within one year yielding an effective interest rate of .95 per cent.



## 5 Portfolio Investments

	2016	2015
Portfolio investments – non-endowment	\$28,712	\$28,445
Portfolio investments – restricted for endowments	12,886	12,953
	<u>\$41,598</u>	<u>\$41,398</u>

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

	2016			2015		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Fair Value						
Equities listed in active markets						
Canadian equity	\$12,840	\$ -	\$12,840	\$11,760	\$ -	\$11,760
Foreign equity	11,091	-	11,091	11,529	-	11,529
Other designated to fair value category						
Bonds	17,645	-	17,645	18,074	-	18,074
Other	-	22	22	13	22	35
Total Investments	<u>\$41,576</u>	<u>\$22</u>	<u>\$41,598</u>	<u>\$41,376</u>	<u>\$22</u>	<u>\$41,398</u>

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

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

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: .95 per cent (2015 -.96 per cent); average maturity: 90 days or less.
- Canadian government and corporate bonds: 1.46 per cent (2015 – 1.55 per cent); terms to maturity: average term 4.62 years.

The long-term portfolio investments includes endowment assets as well as the portions of non-endowment assets that will not be required for spending in the short-term. 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.

	2016	2015
<b>Unrealized gains, beginning of year</b>	\$961	\$868
Unrealized gains attributed to:		
Portfolio investments	(18)	93
<b>Unrealized gains, end of year</b>	<b>\$943</b>	<b>\$961</b>
Amounts related to:		
Endowments	943	961
<b>Restricted unrealized gains, end of year</b>	<b>\$943</b>	<b>\$961</b>

## 6 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 a 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, 2016, if market prices had a 2.5 per cent (2015 - 2.5 per cent) 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 \$1,288 (2015 -\$1,034).

### Foreign currency risk

The college is exposed to foreign exchange risk on investments that are denominated in foreign currencies, specifically U.S. dollars. The college does not use foreign currency forward contracts or any other type of derivative financial instrument for trading or speculative purposes. The college's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

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

	<b>Fair Value</b>	<b>Decrease 2.5%</b>	<b>Decrease 1%</b>	<b>Increase 1%</b>	<b>Increase 2.5%</b>
United States dollar	\$4,147	\$(104)	\$(41)	\$41	\$104

### **Credit risk**

The college is exposed to credit risk on investments arising from the potential failure of a counterparty, debtor or issuer to honor its contractual obligations. To manage this risk the college has established an investment policy with required minimum credit quality standards and issuer limits. The credit risk from accounts receivable is low as the majority of balances are due from government agencies and corporate sponsors. 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.

### **Liquidity risk**

The college maintains a portfolio of short-term investments maturing within one year to manage short-term cash requirements. The college maintains a short-term line of credit to ensure sufficient funds are available to meet current and forecasted financial requirements. In 2016, the line of credit was not drawn upon.

### **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 10).

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

	<b>Maturity</b>			<b>Average yield to maturity</b>
	<b>Less than 1 year</b>	<b>1 - 5 Years</b>	<b>Greater than 5 years</b>	
Government bonds and corporate bonds	\$522	\$10,534	\$7,968	1.5%



## 7 Accounts Receivable

Accounts receivable  
Accrued interest

2016	2015
\$1,537	\$1,172
92	104
<b>\$1,629</b>	<b>\$1,276</b>

Accounts receivable are unsecured and non-interest bearing.

## 8 Tangible Capital Assets

	2016				2015
	Land	Buildings and site improvements	Equipment <sup>(b)</sup>	Computer hardware and software	Total
<b>Cost <sup>(a)</sup></b>					
Beginning of year	\$432	\$164,385	\$23,115	\$16,844	\$204,776
Additions	-	19,960	848	77	20,885
Disposals and write downs	-	(4,275)	(157)	(4)	(4,436)
	432	180,070	23,806	16,917	221,225
<b>Accumulated Amortization</b>					
Beginning of year	-	75,254	18,755	16,379	110,388
Amortization expense	-	4,542	1,140	360	6,042
Disposal and write down effect	-	(2,654)	(69)	(3)	(2,726)
	-	77,142	19,826	16,736	113,704
<b>Net book value, end of year</b>	<b>\$432</b>	<b>\$102,928</b>	<b>\$3,980</b>	<b>\$181</b>	<b>\$107,521</b>

(a) Historic cost includes work in progress for buildings, renovations and equipment of \$16,962 (2015 - \$28,294), which is not amortized as the assets are not yet available for use.

(b) Equipment includes vehicles, heavy equipment, office furniture and other equipment.

The college holds a collection including works of art, cultural and historical properties and treasures. These collections are expensed and therefore not included in tangible capital assets.

## 9 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, 2015, the LAPP reported an actuarial deficit of \$923.5 million (2014 - \$2.4 billion deficit). An actuarial valuation of the LAPP was carried out as at July 2015. The pension expense recorded in these financial statements is \$4,627 (2015 - \$4,457). Other than the requirement to make additional contributions, the college does not bear any risk related to the LAPP deficit.

## 10 Debt

	Collateral	Maturity Date	Interest Rate %	2016	2015
Debentures payable to Alberta Capital Financing Authority					
Debenture 1 – Student Residence	(i)	Mar 1, 2026	6.13	\$3,837	\$4,110
Debenture 2 – Student Residence	(i)	Dec 15, 2039	4.67	4,239	4,336
				<u>\$8,076</u>	<u>\$8,446</u>

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

Principal and interest repayments are as follows:

	Principal	Interest	Total
2017	\$392	\$432	\$824
2018	414	409	823
2019	438	385	823
2020	463	360	823
2021	490	333	823
Thereafter	5,879	2,273	8,152
	<u>\$8,076</u>	<u>\$4,192</u>	<u>\$12,268</u>

Interest expense on long-term obligations is \$447 (2015 - \$468) and is included in Statement of Operations. All long-term obligations have fixed interest rates. The weighted average interest rate is 5.36 per cent (2015 - 5.38 per cent).

## 11 Deferred Revenue

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

	2016				2015
	Research and other restricted	Unspent capital contributions	Tuition and other fees	Total	Total
Balance, beginning of year	\$16,343	\$3,053	\$1,637	\$21,033	\$28,171
Grants, tuition, donations received	2,703	28,801	1,742	33,246	17,943
Investment income	812	74	-	886	843
Capital acquisitions from contributions	(207)	(19,565)	-	(19,772)	(21,553)
Transfer (to) from endowments	(667)	-	-	(667)	41
Recognized as revenue	(3,396)	-	(1,637)	(5,033)	(4,499)
Unrealized (losses) gains	(18)	-	-	(18)	93
Other	(9)	-	-	(9)	(6)
Balance, end of year	\$15,561	\$12,363	\$1,742	\$29,666	\$21,033

## 12 Spent Deferred Capital Contributions

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

	2016	2015
Balance, beginning of year	\$68,442	\$51,129
<b>Net Change for the year</b>		
Transfers from unspent deferred capital contributions	19,565	23,533
Transfers from (to) deferred research and special purpose	207	(1,980)
Expended capital recognized as revenue	(6,223)	(4,240)
Net Change for the year	13,549	17,313
Balance, end of year	\$81,991	\$68,442

### 13 Accumulated Surplus

The composition of accumulated surplus is as follows:

	Accumulated surplus from operations	Investment in tangible capital assets	Internally restricted accumulated surplus	Endowments	Total accumulated operating surplus
<b>Balance as at 2014</b>	<b>\$16,923</b>	<b>\$17,293</b>	<b>\$5,509</b>	<b>\$10,964</b>	<b>\$50,689</b>
Annual surplus	1,284	-	-	-	1,284
Transfer to endowments	(199)	-	-	199	-
Transfer to deferred revenue	201	-	-	(201)	-
Amortization of internally funded tangible capital assets	1,415	(1,415)	-	-	-
Disposal of contributed land	-	(44)	-	-	(44)
Debt repayment	(350)	350	-	-	-
Internally funded acquisition of tangible capital assets	(363)	1,314	(951)	-	-
Operating expenses funded from internally restricted surplus	(3,730)	-	3,730	-	-
<b>Balance as at 2015</b>	<b>\$15,181</b>	<b>\$17,498</b>	<b>\$8,288</b>	<b>\$10,962</b>	<b>\$51,929</b>
Annual surplus	2,267	-	-	-	2,267
Transfer to endowments	(702)	-	-	702	-
Amortization of internally funded tangible capital assets	1,529	(1,529)	-	-	-
Debt repayment	(370)	370	-	-	-
Internally funded acquisition of tangible capital assets	(506)	1,114	(608)	-	-
Operating expenses funded from internally restricted surplus	(66)	-	66	-	-
<b>Balance as at 2016</b>	<b>\$17,333</b>	<b>\$17,453</b>	<b>\$7,746</b>	<b>\$11,664</b>	<b>\$54,196</b>



### 13 Accumulated Surplus (continued)

**Total value of endowments is comprised of:**

Endowment component of accumulated surplus  
Endowment component of deferred revenue  
Portfolio investments – restricted for endowments

2016	2015
\$11,664	\$10,962
1,222	1,991
\$12,886	\$12,953

Investment in tangible capital assets represents the amount of the college's accumulated operating surplus that has been invested in the college's capital assets.

Internally restricted accumulated surplus represents the amount set aside by the college's Board of Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them.

Internally restricted accumulated surplus includes:

**Capital activities**

Trades and technologies renewal and innovation project  
Other capital initiatives  
Total capital activities

2016	2015
\$5,196	\$5,742
660	673
5,856	6,415

**Operating activities**

Faculty professional development  
Billion dollar green challenge  
Scholarships  
Total operating activities  
Total internally restricted accumulated surplus

1,501	1,485
250	250
139	138
1,890	1,873
\$7,746	\$8,288

## 14 Contingent Liabilities

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

## 15 Contractual Obligations

The college has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met. The estimated aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Service contracts	Capital projects	Information systems and technology	Long-term leases	Total
2017	\$439	\$25,728	\$523	\$328	\$27,018
2018	-	2,541	-	242	2,783
2019	-	-	-	161	161
2020	-	-	-	139	139
	\$439	\$28,269	\$523	\$870	\$30,101

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

Additionally, the college entered into a five-year contract to manage its exposure to volatility in the electrical industry at a fixed cost of 5.2 cents per kilowatt hour. The contract expires Jan. 31, 2020. Based on management's estimate, the annual costs for the year ending June 30, 2017 are expected to be approximately \$977.

## 16 Expense by Object

	Budget	2016	2015
Salaries	\$48,728	\$47,923	\$46,441
Employee benefits	9,503	9,597	9,092
Materials, supplies and services	10,440	9,695	9,540
Utilities	1,588	1,559	1,706
Maintenance and repairs	6,147	5,753	5,938
Scholarships and bursaries	592	589	437
Interest on long-term debt	447	447	468
Cost of goods sold	3,017	3,005	3,146
Amortization of tangible capital assets	5,270	6,042	5,316
Loss on disposal of tangible capital assets	-	1,563	240
	<b>\$85,732</b>	<b>\$86,173</b>	<b>\$82,324</b>

## 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.

	2016	2015
Lethbridge College Students' Association	\$1,689	\$1,559
Other agencies	320	143
	<b>\$2,009</b>	<b>\$1,702</b>

## 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 <sup>(1)</sup>	Other cash benefits <sup>(2)</sup>	Other non-cash benefits <sup>(3)</sup>	Total 2016	Total 2015
Governance <sup>(4)</sup>					
Members of the Board of Governors	18	-	1	19	19
Executive					
President and CEO	290	81	32	403	413
Vice-Presidents:					
Academic and COO	206	212	32	450	258
Corporate Services and CFO	210	36	35	281	273
Executive Directors:					
Advancement and External Relations	164	24	32	220	212
Human Resources	164	29	32	225	217
Institutional Planning	164	26	32	222	215

(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.



## 19 Government of Alberta 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.

	2016	2015
Contributions from GOA		
Advanced Education:		
Operating Grants	\$45,372	\$43,565
Capital Grants	33,541	12,926
Accessibility Services	256	256
Other	1,481	4,011
Total Advanced Education	80,650	60,758
Other GOA departments and agencies grants:		
Alberta Technology Futures	-	107
Alberta Health Services	22	265
Other	396	573
Total other GOA departments and agencies	418	945
Total contributions received	81,068	61,703
Less: deferred contributions	(27,227)	(11,754)
	<u>\$53,841</u>	<u>\$49,949</u>
Accounts Receivable		
Advanced Education	370	36
Other Government of Alberta departments and agencies	35	22
Other post-secondary institutions	87	7
	<u>\$492</u>	<u>\$65</u>
Accounts Payable		
Advanced Education	-	-
Other Government of Alberta departments and agencies	-	-
Other post-secondary institutions	50	98
	<u>\$50</u>	<u>\$98</u>

The college has long-term liabilities with Alberta Capital Finance Authority as described in note 10.

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.

## **20 Budget Comparison**

The college's 2016 budget was approved by the Board of Governors and was presented to the Minister of Advanced Education as part of the college's submission of its 2015 to 2018 Comprehensive Institutional Plan. Certain budget figures from the college 2015 to 2018 Comprehensive Institutional Plan have been reclassified to conform to the presentation adopted in the 2016 financial statements.







## **21 Comparative Figures**

Certain 2015 figures have been reclassified to conform to the presentation adopted in the 2016 financial statements.





## **22 Approval of Financial Statements**

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

# LETHBRIDGE COLLEGE SCORECARD 2015-16

Category	Outcome	Threshold	Target	Excellence	Achievement
Strategic	<b>Leadership and Transformation Strategic Plan:</b> Achieve all milestones in the implementation plan for 2015-16.**	Achieve 80% of the milestones in the implementation plan for 2015-16.	<b>Achieve 100% of the milestones in the implementation plan for 2015-16.**</b>	Achieve 100% of milestones for 2015-16 and achieve additional milestones as identified for 2016-17.	
	<b>Student Progression and Satisfaction:</b> Measures from the Student Progression and Stakeholder Satisfaction section of the Strategic Enrollment Management (SEM) scorecard achieve target.	Achieve target on 80% of the measures identified in the Student Progression and Stakeholder Satisfaction categories of the SEM scorecard.	Achieve target on 100% of the measures identified in the Student Progression and Stakeholder Satisfaction categories of the SEM scorecard.	Achieve excellence on 20% of the measures identified in the Student Progression and Stakeholder Satisfaction categories of the SEM scorecard.	
Operations	<b>New trades and technologies facility:</b> Phase two (demolition of existing facility, new site services, super structure and roof) is complete by June 30, 2016. Achieve more than 50 LEED points (medium silver). Construction costs for phase two are on budget of \$28.5 million.	Phase two outcome is completed by June 30, 2016. Achieve at least 50 LEED points. Construction costs for phase two exceed budget by no more than 1 per cent.	<b>Phase two outcome is completed by June 30, 2016. Achieve more than 50 LEED points. Construction costs for phase two are on budget of \$28.5 million.</b>	Phase two outcome is completed by June 30, 2016. Achieve more than 50 LEED points. Construction costs for phase two are below the budget of \$28.5 million.	
	<b>Financial:</b> The budget is balanced for 2015-16 while meeting or exceeding the mission, mandate and expectations of the college.	Post no more than 0.5 per cent deficit.*	<b>End 2015-16 fiscal year with a balanced budget.</b>	Post a 0.5 per cent surplus.	
	<b>Business Development:</b> Achieve the identified Business Development profit target of \$700,000.	Achieve profit of \$560,000.	<b>Achieve a profit target of \$700,000.</b>	Achieve profit of \$840,000.	
	<b>Capital Campaign – (The Possibilities are Endless):</b> Achieve the stated fundraising targets for the capital campaign.	<b>Achieve \$24.6 million total private dollars raised.</b>	Achieve 100% of annual goal for 2015-16 to bring total private dollars raised to \$25 million.	Achieve \$27 million total private dollars raised.	

## Key

Excellence Achieved	
Target Achieved	
Threshold Achieved	
Target Not Achieved	

Category	Outcome	Threshold	Target	Excellence	Achievement
People	<b>People Development:</b> Complete development of learning modules identified for 2015-16.  Leaders responsible for leading components of the strategic plan implementation achieve the identified learning outcomes.	Complete development of learning modules identified for 2015-16.  80% of leaders responsible for leading components of the strategic plan implementation achieve the identified learning outcomes.	<b>Complete development of learning modules identified for 2015-16.</b>  <b>100% of leaders responsible for leading components of the strategic plan implementation achieve the identified learning outcomes.</b>	Complete development of learning modules identified for 2015-16.  20% of other employees achieve the identified learning outcomes.	●
	<b>Talent Management:</b> Complete development of the self-assessment phase.  Complete assessment for all leaders responsible for leading components of the strategic plan.	Development of self-assessment phase is complete.	<b>Development of the self-assessment phase is complete.</b> <b>Assessment complete for all leaders responsible for leading components of the strategic plan.</b>	Assessment complete for an additional 20% of employees.	●
	<b>Leadership Capacity</b> Achieve target on scorecard outcomes.	Target achieved for 6/8 scorecard measures and a minimum of threshold achieved on remaining two.	<b>Target achieved for 8/8 of other scorecard outcomes.</b>	Excellence achieved on two or more of the other eight scorecard outcomes.	▲

## Key

Excellence Achieved	✓
Target Achieved	●
Threshold Achieved	▲
Target Not Achieved	◆



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