



College of the North Atlantic

Annual Report 2016-17

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Message from the Board Chair

September 26, 2017

On behalf of the Board of Governors, I am very pleased to present the 2016-17 Annual Report for College of the North Atlantic. Our 2016-17 initiatives reflect a continued emphasis towards a publicly-funded college system for the province that is focused on student and employer needs and expectations. The college and its stakeholders share a vision of delivering training and supports which prepare students for provincial, national and international workforces.

This report outlines the third year of progress on that vision and includes reporting on the indicators outlined in the Strategic Plan 2014-17. Despite reaching the end of this reporting period, we continue to build targeted capacity with our employer and community partners who are seeking flexible, real-time solutions to their future workforce requirements. We also continue to work with our faculty and staff to find ways, in a time of fiscal restraint, to provide the supports, tools and resources they need to excel.

The college will continue to focus on student services, retention and success, and through the continued support of the Provincial Government, we will achieve our goal of establishing various centres of excellence throughout the province. These centres will provide students with the ability to learn on state-of-the-art equipment and in purpose built facilities.

I wish to acknowledge all of the volunteer members of the Board of Governors for their dedication in 2016-17 and for their contribution in completing the third and final year of the strategic plan. The board has continued to reinforce accountability, efficiency and good governance at the college and has remained focused on providing valuable oversight of the institution's ongoing development.

College of the North Atlantic is a category one public body under the *Transparency and Accountability Act*. This annual report was prepared in accordance with requirements under the *Act*. As the Board of Governors, we are accountable for the actual results contained herein.

A handwritten signature in black ink, appearing to read 'A. O'Rielly'.

Alastair O'Rielly, Chair
Board of Governors, College of the North Atlantic

College Overview

In 1963, post-secondary education in Newfoundland and Labrador expanded with the opening of Trades and Vocational School campuses throughout the Province. Over the last 50+ years, college education has evolved and responded to the education and training needs of this Province. Today, College of the North Atlantic (CNA) has multiple campuses and delivers programs and services to almost 30,000 students a year here and abroad. Its geographic reach includes a significant number of students taking its courses and programs in China and Qatar. The college also recently ramped up its educational development outreach partnering with other institutions to bring Canadian standards, curriculum and instructional approaches in trades education, to developing countries in both hemispheres.

Our Programs

Within the Province, CNA offers more than 100 full-time programs and more than 300 part-time courses across five schools: Academics, Applied Arts and Tourism; Business and Information Technology (IT); Engineering Technology and Natural Resources; Health Sciences; and Industrial Trades.

Our Students

The college graduates approximately 2,700 individuals annually from its certificate, diploma and advanced diploma offerings in the Province. In addition, CNA serves approximately 1,700 apprentices a year, providing block training that enables them to advance through their apprenticeship program and prepare to write their journeyman certification examination.

CNA's international development projects and education partnerships currently span several regions – China, the Middle East, South America, and South East Asia. The college's largest international presence is in Qatar where we provide the CNA brand of technical, trades, English as a Second Language training, access and related programming through the State Technical College in Doha.

The college serves approximately 4,000 students of international origin a year, with 60 in NL and the remainder at College of the North Atlantic-Qatar (CNA-Qatar) and partnering locations abroad such as China, Guyana and Vietnam.

Our Campus Locations:

- Baie Verte
- Bay St. George
- Bonavista
- Burin
- Carbonear
- Clareville
- Corner Brook
- Gander
- Grand Falls-Windsor
- Happy Valley-Goose Bay
- Labrador West
- Placentia
- Port aux Basques
- Prince Philip Drive
- Ridge Road
- Seal Cove
- St. Anthony

International Partnership:

- Doha, Qatar



Key Statistics

2015-16 Annual Enrolment - NL Campuses					
Final Data - Regular Programming ¹					
School	Number Registered			Female	Male
	Full-Time	Part-Time	Total		
Academics, Applied Arts & Tourism	865	897	1,762	1,216	546
Business & Information Technology	1,207	435	1,642	1,225	417
Engineering Technology & Natural Resources	1,144	169	1,313	396	917
Health Sciences	690	119	809	708	101
Industrial Trades	3,441	11	3,452	531	2,921
College Total	7,347	1,631	8,978	4,076	4,902

Final Data - Contract Training & Continuing Education ²		
Continuing Education	Course Registrations	Total Number of Hours
Non-credit Courses & Contracts	14,898	166,026
Credit Courses	24	137
College Total	14,922	166,163

1. Inclusive of students registered between September 1, 2015 and August 31, 2016. The 2016-17 academic year is not complete until August 2017; therefore, 2015-16 enrolment data is provided.

2. Gender breakdown not available.

2015-16 Annual Enrolment - CNA-Qatar			
Final Data - Full-time Registrations			
CNA-Qatar Enrolment	Female	Male	Total
Registered	1,029	1,775	2,804

Inclusive of all Schools, Industrial Trades, Language Studies and Access program registrants in full-time programs only.

2016-17 Employee Data by Gender and Position Type – NL Employees					
Final Data - Fiscal Year 2016-17					
	Support Staff	Faculty	Management	Non Union Non Management	Total
Females	340	291	53	12	696
Males	124	395	42	1	562
Total	464	686	95	13	1,258

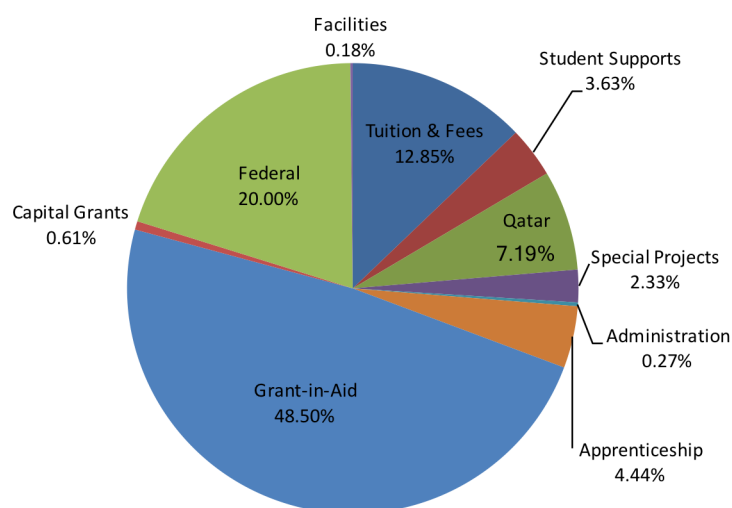
Inclusive of active employees, employees on leave; **Not Included:** Continuous Education instructors, student employees, invigilators, casual workers.

Financial Summary

College of the North Atlantic recorded gross expenditures of \$129.5 million in 2016-17, the majority (\$75.4 million, 58.2 per cent) in support of instructional programs, followed by Student Supports (\$16.4 million, 12.7 per cent) and Administration (\$15.8 million, 12.2 per cent). The largest source of revenue (\$65.4 million, 48.5 percent) was the annual grant-in-aid provided by the Provincial Government, with the next three main sources consisting of Federal (\$27 million, 20 percent), Tuition and Fees (\$17.3 million, 12.8 per cent) and International/Projects (\$12.8 million, 9.5 per cent).

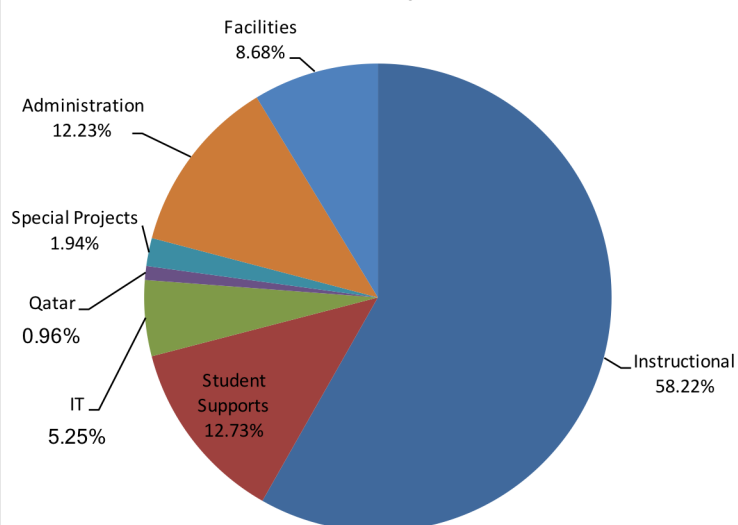
Details on the College's 2016-17 finances are provided in the Audited Financial Statements (appendix 1, pages 23-42).

2016-17 Revenue



Total: \$ 135,041,551

2016-17 Expense



Total: \$ 129,551,411

Note: charts do not add up to 100 per cent due to rounding.

Highlights and Partnerships

Progress toward the strategic goals and objectives of CNA does not occur in isolation. The college counts on the involvement of its many stakeholders, and gratefully acknowledges the contribution of its public and private partners, who together help support student focused initiatives and ensure the delivery of high quality education and training services.

Government, community organizations, employers, and industry and professional associations all play an important role in our delivery of accessible, responsive and quality program offerings in support of the goals and objectives of the Department of Advanced Education, Skills and Labour (AESL).

Individual Achievements

There were six trips to the podium for CNA students at the 22nd Skills Canada National Competition in Moncton, New Brunswick. This follows a record-setting performance by CNA students at the provincial Skills Canada competition, when they were awarded 51 medals – 21 gold, 18 silver and 12 bronze. National medal winners for CNA included, gold for Brandon Drover (Prince Philip Drive campus) in Autobody Repair (Drover also won the gold in Autobody Repair in 2015); gold for Katherine Gallant (Corner Brook campus) in IT Office Software Solutions; gold for Mike Newhook (Clareville campus) in Carpentry; gold for Jason Harnum (Bay St. George campus) in Heavy Equipment Service; bronze for William Paul (Ridge Road campus) in Architectural Technology & Design; and a bronze for Daniel Thorne (Ridge Road campus) in Electronics. Twenty one of the 44 Team NL competitors were from CNA. The event had over 500 competitors from the 10 provinces and three territories compete in 40 competition areas including; employability, construction, information technology, manufacturing, service and transportation sectors.

CNA was well represented in the outstanding company of nominees and winners at the MusicNL Awards Gala. Sound Recording & Production student, Jordan Coaker, won the Rising Star of the Year award with his band Waterfront Fire; two Music: Performance, Business & Technology alumni, Brandon Hopkins and Josh Noble, won Alternative Recording of the Year and also took home Music Video of the Year with their band Cabbages & Kings (in a co-win with the band Repartee); while Graphic Design alumna Tara Thompson won for Graphic Artist of the Year.

Graphic Design students Michael Hollahan, Jay-Michael Canning, Holly Tait, Karly Barker, Hazel Eckert, Jerry Stamp, Nadine Hodder, Meghan Fudge and Melanie Adams took home 22 awards in the student category from the International Association of Business Communicators (IABC) Newfoundland and Labrador Pinnacle Awards. The students were presented with nine Awards of Excellence and 13 Awards of Merit for their designs, all this in addition to developing the marketing materials for the event, including a program booklet, backdrop designs and signage.

CNA alumnus Alex Hennifent was recognized as one of 10 regional winners in The Globe and Mail's national Small Business Challenge contest – beating out more than 3,400 entrants. His business, VOLTUSE, is a successful Newfoundland-based headwear and clothing brand he started when he was just 14-years-old as a way to promote local snowboarding in his hometown of Grand Falls-Windsor. After graduating from CNA's two-year Business Administration (Marketing) program, Alex took advantage of the college's transfer agreement with Memorial University's Grenfell Campus and enrolled in the Bachelor of Business Administration program.

Enactus Clareville received the 2016 National Spirit Award for their efforts at the Enactus Canada National Exposition in Toronto, Ontario. The award is presented to teams that have demonstrated a great impact in their community while working within the Enactus judging criterion in each league. Team

Captain, Alexandra Philips was presented with the Enactus Gold Community Service Leadership Award which recognizes hard working students for the time and effort they have invested in Enactus activities. The Grand Falls-Windsor team was presented with the team Spirit Award for their division.

Grand Falls-Windsor and St. John's Enactus teams headed to the podium five times at the 2016 Enactus Canada Atlantic Regional Exposition in Halifax, NS. The Grand Falls-Windsor team were one of only three teams to place in all four challenges. The team took home second in the Capital One Financial Education Challenge, and third for the Scotiabank EcoLiving Green Challenge, the Scotiabank Youth Empowerment Challenge, and the TD Entrepreneurship Challenge. CNA's St. John's Enactus placed second in the Scotiabank Youth Empowerment Challenge for their project called Independent You, where they developed and delivered financial education presentations to high school students in rural Newfoundland.

Blended Solutions, a Business Case team made up of students from Prince Philip Drive and Ridge Road campuses, won the International Business Case Competition hosted by CNA-Qatar. The team, which beat out eight other institutions from the Middle East region, was made up of Melanie Pumphrey, Tiffany Swain, Peter Smith and Tyler Power.

CNA's Student Council President, Erin Everard, was presented with a Silver Award of Excellence for Student Leadership from Colleges and Institutes Canada. She was recognized with the award for her exceptional contribution to CNA, student life and to her community.

First-year Textiles: Craft Apparel & Design student, Bruno Eduardo Vinhas De Almeida, of Brazil, won a first place award from Colleges and Institutes Canada's 2016 Art Showcase. He was presented with first place in the Textile/Mixed Media category.

Accolades Received by College Staff and Representatives in 2016-17

Faculty members, Susanne Ivey and Deidre Strowbridge received the John Dobson Enactus Fellows of the Year Award at the Enactus Canada National Exposition in Toronto, Ontario. This award recognizes those who made an outstanding contribution in the past academic year as a mentor and coach to students involved in the Enactus team on their campus.

The Marketing and Communications Department took home an Award of Excellence at the International Association of Business Communicators NL Pinnacle Awards for the college's Indispensable Videos, as well as Awards of Merit for the CNAstories.ca microsite and for the student-led provincial event Mental Health Matters.

Culinary Arts instructor, Roger Andrews, returned from the 2016 International Culinary Art Exhibition in Erfurt, Germany (the IKA/Culinary Olympics) with silver and bronze medals as a member of a regional team representing Atlantic Canada on Team Nova Scotia.

Cheryl Stagg, Chair of CNA's Board of Governors during the 2016-17 fiscal year, was presented with the prestigious Order of Newfoundland and Labrador.

In addition to celebrating individual excellence and achievement, these awards and distinctions demonstrate the calibre of CNA's staff, faculty and students and the emphasis they place on not just being exceptionally skilled, but also effective in transferring their skills and knowledge to others. The college salutes the achievements of all students, faculty and staff in 2016-17.

College Highlights

In an effort to provide extra incentive for secondary and post-secondary students competing in Skills Canada provincial and national competitions, CNA, in partnership with Skills Canada – Newfoundland and Labrador, announced an awards program which would provide entrance scholarships for secondary students and financial support to current CNA students who win medals at Skills Canada events.

The Fry Family Foundation again demonstrated its unwavering support for CNA students by announcing \$595,000 for student scholarships over the next seven years. This amount is in addition to the more than \$400,000 already donated to CNA by the Foundation during the past decade, bringing the total commitment from the Fry Family to nearly \$1 million to date. Over 160 students have benefited from the generosity of the Foundation thus far, and with this most recent announcement an additional 221 students will receive awards and scholarships over the next seven years.

CNA and the State of Qatar announced the signing of a new three-year service agreement. The signing represents the continuation of the largest international post-secondary agreement ever awarded to a Canadian post-secondary institution. The contract was finalized at a formal signing ceremony at the Qatar Embassy in Ottawa. Both the college and representatives from the State of Qatar expressed their pride in CNA-Qatar and its role as that country's premier technical college and are looking forward to working together in the future while contributing to the Qatar's National Vision. CNA-Qatar has been an incredibly successful model of international partnership and the agreement formalizes the continuation of that collaboration until 2019.

The School of Business and Information Technology was awarded re-accreditation of all Business Administration, Business Management and Office Administration programs at all campuses where the programs are offered. The re-accreditation was issued by the Accreditation Council for Business Schools and Programs (ACBSP), the leading international specialized accreditation association for business programs which supports, celebrates and rewards teaching excellence. As a quality assurance process, the re-accreditation enabled the college to highlight areas where it is exceeding and areas which required improvement. Among the comments from the accreditors were notes on the quality of the faculty who are deeply committed to their students; there were numerous findings of student-faculty-industry connections (including excellent opportunities for experiential learning through various competitions), and that students are proud to be attending CNA and see positive futures as Business Administration, Business Management and Office Administration graduates.

Cougar Helicopters donated a main rotor blade to the Non-Destructive Testing Technician program at the Port aux Basques campus. The blade was removed from one of Cougar's Sikorsky S-92 aircraft and has a replacement value of approximately USD \$500,000. Students enrolled in the program will use the main rotor blade to conduct a number of tests and inspections, including Liquid Penetrant Inspections, which helps to recognize surface flaws in components that appear as a result of capillary action. Ultrasonic Testing will require the students to use high frequency sound energy to conduct examinations and make measurements to determine surface or internal cracks or flaws, while Radiography Testing will look deeper into the material through the use of radioactive energy (X-ray) to determine whether or not there are internal flaws or cracks.

During 2016-17, CNA, in partnership with the Department of Advanced Education, Skills and Labour, completed a comprehensive review of its operations and in keeping with the province's *Way Forward: A Vision for Sustainability and Growth in Newfoundland and Labrador*. The results of the review, *Modernization Plan 2019*, were released in April 2017.

Report on Performance

Issue 1: Superior and Engaged Learning

Student expectations in 2016-17 are vastly different from what they were at the college's creation. Technology has fundamentally changed how people act, interact, engage with and expect to access services, including education and training. The college's students connect with each other and the world, through new forms of interaction in a fast paced, changing environment. Communities and industries are competing for workers in a labour market that is now globally connected and increasingly competitive; and the pace of change is now so rapid, that what is current today will likely be replaced by next generation technology 12 months from now. Today, the college recognizes it is part of a global network of citizens, industries and communities and that to remain relevant, its programming will be challenged to keep pace if graduates are going to be ready for the world that awaits them.

The college has enjoyed significant success in many programs as indicated by graduate results in national occupational examinations over the past few years. The challenge now is enhancing the conditions for superior and engaged learning to occur across all programs. Over the three years of the 2014-17 Strategic Plan, CNA has been focusing its teaching and learning improvement efforts in two key areas: enhancing student engagement, retention and success to form a true student centered learning experience; and improving the planning, structures and technology supporting exemplary teaching and learning.

Performance Reporting

Goal 1: By March 31, 2017 CNA will have the components in place to support a superior and engaged learning experience.

Measure: Components are in place to support a superior and engaged learning experience.

Indicators (Planned for 2014-15 to 2016-17)	Actual Performance for 2014-15 to 2016-17
A college-wide Teaching and Learning Plan has been developed.	<p>While not fully developed, the college made significant strides towards advancing the teaching and learning agenda of the institution. Within this domain, the following accomplishments were achieved in conjunction with various internal and external planning partners during the reporting period:</p> <ul style="list-style-type: none">• Centre of Excellence in Motive Power announced for Bay St. George campus; a federal/provincial Strategic Investment Fund (SIF) partnership.• Centre of Excellence in Energy and Thermal Systems announced for Corner Brook campus; a federal/provincial SIF partnership.• Organizational redesign to further support student engagement, retention and support.• Significant advancement in data analytics and related processes to inform decision making for program development, delivery and support.• Investments in program development for online learning.• Development of new approaches to academic IT support for program delivery and student support.• Advancement in quality assurance processes for course development and review including external validation protocol.

	<ul style="list-style-type: none"> • Integration of expanded and enhanced modes of teaching and learning for program delivery: blended, experiential, multi-site, online, competency-based and technology-enhanced. • Enhanced approach to Applied Research and Innovation, and industry engagement linked to program outcomes, student learning and direct industry need. • <i>College Act</i> amended to include authority to offer applied degrees. • Strong college participation in provincial and national Skills Canada competitions which have direct links to program outcomes and student learning. • Ongoing evaluation of course delivery and related feedback to faculty and administration to ensure continuous improvement in the teaching/learning environment. • Partnership with the Canadian National Institute for the Blind, particularly focused on student learning outcomes for eye safety in lab and shop environments (transferable skills to industry).
Strategic Enrolment Management structure has been created and resourced.	<p>Over the 2014-15 to 2016-17 period, a Strategic Enrolment Management (SEM) structure has been created and resourced, which includes the following:</p> <ul style="list-style-type: none"> • Restructure of CNA to create a Division of SEM (includes the Offices of Student Recruitment, Registrar and Admissions, and Institutional Research). • Establishment of the Associate Vice President, Strategic Enrolment Management. • Establishment of the SEM Team which includes representation from Academics, Student Services, Campus Operations, Registrar's Office, Institutional Research, Finance, Human Resources and Marketing. • Development of admissions, enrolment and graduation metrics and reports to support the SEM Team in strategic, evidence-based enrolment decisions. • Use of SEM processes to direct recruitment, admission, enrolment and retention activities at provincial and campus levels.
Academic planning has been linked to student and industry need.	<p>Academic planning has been linked to student and industry need over the reporting period:</p> <ul style="list-style-type: none"> • Evidence-based processes, and significant data analytics, were applied to academic planning decision processes. • Program capacity adjustments were made taking into account student and industry need. • Program relocations were implemented to match graduate outcomes with strong local labour market demand. • Program enhancements and revisions were undertaken to ensure curricular alignment with industry/occupational need. • Participation of the college in curriculum harmonization activity led by AESL for specific industrial trades program areas. • Capital investments for programming focused on supporting priority safety, accreditation and program delivery requirements. • Continued partnership with the Department of Health and Community Services, CNA and College of Licensed Practical Nurses NL in the delivery of occupational specific training (e.g., Practical

	Nurse and Personal Care Attendant) to meet Regional Health Authority requirements.
Teaching supports, inclusive of the appropriate use of educational technologies, have been identified.	<p>Teaching supports, inclusive of the appropriate use of educational technologies, have been identified, which include:</p> <ul style="list-style-type: none"> • A learning management system, Desire2Learn (D2L) was successfully connected to the PeopleSoft Information System (PS) for student registration and course gradebooks. This means that all faculty in all programs now have a D2L course shell at the beginning of each term. Faculty can add content and grades to the course to enhance the student learning experience. Students can view their grades and progress electronically throughout the semester which is relevant to the students. This process is now automated through the PS registration system. • Distributed Learning (DL) has provided continuous training workshops to faculty, both on-campus and online (through videoconferencing), to support their teaching using D2L. • In 2016-17, three instructors started using a Wacom tablet. This technology allows them to grade assignments electronically with an electronic pen and write comments directly on the page without having to print and/or scan. • Responded to campus and individual student needs for teaching supports through the following: replaced computers, provided braille textbooks, provided sign language interpreters, etc. • Purchased iPad's for each Accessibility Services Coordinator (total of eight) to explore how iPad's could be used as an assistive technology. This was in response to the apparent increase in their use in the school system and that applications for iPad's are often at a lower cost than those for computer systems. They are useful in demonstrating specific assistive technologies and have applications that target specific disabilities (e.g., autism). • Developed and conducted campus-based training regarding disabilities to support students with disabilities, and to support faculty in their teaching. • Worked with the Apprenticeship Division of the Department of AESL to design and implement a collaborative and more seamless process to meet the needs of Block students with disabilities (in particular for exams). • Videoconferencing supports within the School of Academics, Applied Arts and Tourism have enabled quality teaching and learning across campuses (e.g., videoconferencing utilized within the CAS Transfer: College-University program). • The blended delivery model of CAS Transition (utilizing a combination of online, videoconferencing and live course delivery) has enabled a multi-campus cooperative model to effectively and efficiently deliver the CAS Transition courses/program at six campus locations (Burin, Clarendville, Gander, Labrador West, Port aux Basques and St. Anthony).

Objective: By March 31, 2017, the College will have created diverse engagement opportunities with learners and faculty as per the teaching and learning strategy framework.

Measure: Created diverse engagement opportunities with learners and faculty.

Indicators (Planned for 2016-17)	Actual Performance for 2016-17
<p>Introduced new and enhanced learning engagement opportunities for students and faculty.</p>	<p>CNA introduced new and enhanced learning engagement opportunities for students and faculty in 2016-17. Examples of such opportunities include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Over 60 students within the Welding Engineering Technician, Welder and Non-Destructive Testing (NDT) Technician programs actively participated in the construction and quality control testing of the wave energy pump in collaboration with the Wave Energy Research Centre. This provided students with a new, hands-on learning experience. • Through the college's Industry Engagement Unit, Engineering Technology students across multiple campuses have been heavily engaged with industry representatives through applied research initiatives. • The college has been working with industry to provide real-life opportunities for students engaged in capstone projects. Students assist industry with solving a problem while completing course requirements. One such example is a Memorandum of Understanding signed with MarineTraffic – the world's leading global ship tracking intelligence provider based out of London, UK – which will see GIS Applications Specialist (Post Diploma) students complete capstone projects in Mapping Canadian Port Vessel Densities using MarineTraffic data. • Students and faculty attended numerous events, seminars, conferences and workshops such as: NL Association of Technology Industries Summit, Respectful Workplace Training, an Introduction to Mental Illness for Front-line Workers, Chair Academy Leadership Development workshop, etc. • Students from various programs participated in the Pitch 101 Workshop and Competition hosted by the Genesis Centre in St. John's. These events teach students the fundamentals of a one-minute pitch of a business idea, and is an opportunity for entrepreneurs to hone the skills needed to promote their ideas to various funding and partner agencies. • Numerous campuses offering Business Administration/Management-Accounting programs in 2016-17 began offering public tax clinics to help seniors, new Canadians, single parents, etc. with their tax returns. In addition to giving back to the community, these clinics give students enhanced, hands-on learning experiences. • CNA's DL Service has received certification from Quality Matters (QM) for a course offering in the Office Administration program. QM is an international, non-profit organization widely recognized as a leader in quality assurance for online education. The certification is

	<p>the first of its kind for a post-secondary institution in NL, and represents CNA's commitment to continuous improvement, openness and excellence.</p> <ul style="list-style-type: none"> • The Central Regional Health Authority donated two pieces of laboratory equipment to the Medical Laboratory Sciences program, providing enhanced learning opportunities to students. • The School of Academics, Applied Arts and Tourism and the Prince Philip Drive campus created new opportunities for student learning and industry engagement. Guests from industry were engaged in program visits, as well as guest lectures/presentations. Further, students and faculty were able to visit industry locations, seeing first-hand the application of learning in real-life workplace settings. • Hosted the Business Case Competition at the Grand Falls-Windsor campus. Students and faculty have the chance to interact with industry professionals on a formal and informal basis, and is an opportunity for personal and academic growth.
<p>Improved the support environment for students and faculty through the creation of a wider teaching and learning support function within the college.</p>	<p>CNA improved the support environment for students and faculty through the creation of a wider teaching and learning support function within the college, which include:</p> <ul style="list-style-type: none"> • The School of Industrial Trades have introduced new educational support software for the Automotive Service Technician and Construction/Industrial Electrician programs. • Faculty from the Corner Brook campus have been allocated time in the Student Success Centre as part of their workloads to be available for individual and group tutorial sessions in academic and core programming. • The Navigate Entrepreneurship Centre has been expanded at the Corner Brook campus to provide networking space, and assistance to students and graduates who wish to pursue their own business. • The CAS Transfer program and the Grand-Falls Windsor campus established a Virtual Writing Centre to provide additional support for students. This was used by a variety of students in all program areas. • Implemented a blended learning delivery model for the Office Administration program between three campuses, Bay St. George, St. Anthony and Port aux Basques, which enabled students in all three locations to learn simultaneously with the same instructor. • The St. Anthony campus set up a DL Centre to accommodate students involved in DL/blended learning programs/courses. • Renovations are being completed to the library space at various campuses (e.g., Burin, Corner Brook) to modernize them as a learning commons for students. The new spaces will be equipped with the latest technology, charging stations, as well as group and individual meeting space. These areas will provide students with a wide variety of study areas suited to their learning styles. • The Happy Valley-Goose Bay campus hired an Aboriginal Support Coordinator and Aboriginal Resource Specialist to support Indigenous students. • Approximately 60 faculty and staff from across CNA began a year-long training and leadership opportunity, the Chair Academy. This

	<p>program provides support for all participants in addition to supporting growth of leadership skills from within the organization.</p> <ul style="list-style-type: none"> • Faculty have improved their use of SharePoint by uploading teaching resources, allowing increased resource sharing between campuses. • The college has participated in the development of Harmonized Plans of Training for several trades in the Atlantic Provinces by allowing release time for instructors to participate in course and assessment development workshops.
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Discussion of Results

Over the 2014-15 to 2016-17 reporting period, CNA ensured components were in place to support a superior and engaged learning experience. In order to do this, several steps were taken. The college made significant strides towards advancing the teaching and learning agenda of the institution by establishing centres of excellence, and making advancements in data analytics to inform decision-making. A SEM structure was created and resourced, leading to strategic, evidence-based decisions regarding recruitment, admissions, enrolment and retention activities across the college. Further, teaching supports have been identified, which are inclusive of the appropriate use of educational technologies (e.g., D2L, blended delivery of select programs, training opportunities, etc.).

Over the 2016-17 period in particular, CNA created diverse engagement opportunities for learners and faculty. Two areas were the focus of this initiative: 1) introducing new and enhanced learning engagement opportunities for students and faculty; 2) improving the support environment for students and faculty through the creation of a wider teaching and learning support function within the college. Significant progress was made in both of these areas over the past year, leading to both students and faculty having more and diverse engagement opportunities. CNA will continue to build on the steps taken over the past three years when its *Modernization Plan 2019* is released in the next fiscal year.

Issue 2: Industry and Community Engagement

The public, as well as students, expect the college to be able to respond to the economic changes in this Province and elsewhere, and the implications for the institution are enormous. The challenge of staying in front of industry developments including technology changes, forecasting and matching program offerings to a constantly shifting labour market, responding to globalization and the increased competition for employees (including CNA faculty and staff), and supporting the business community through innovation in applied research and technology adaptation, are necessitating fundamental shifts in many aspects of the college's operations.

CNA's partners, including provincial and Atlantic region employers, are telling the college its role is not just to meet current needs, but also to help them look into and prepare three to five years into the future. The college has responded by creating flexible capacity to address immediate training priorities and by implementing a new structure to lead industry and community engagement. The Office of the Vice President, Industry and Community Engagement, will also provide strategic guidance to the college's external revenue generating activities including contract research, international education and development, and fundraising with a focus on improving financial sustainability in the long term.

Performance Reporting

Goal 2: By March 31, 2017 CNA will have established an industry and community engagement function to lead international development activities and industry and community partnerships.

Measure: Established an industry and community engagement function.

Indicators (Planned for 2014-15 to 2016-17)	Actual Performance for 2014-15 to 2016-17
Office of Industry and Community Engagement has been established.	The Vice President Industry and Community Engagement was successfully recruited in 2014-15 and the Office of Industry and Community Engagement was officially established in February 2015 at the college's Prince Philip Drive campus. Organization of the Office of the Vice President was finalized in 2015-16 with the completion of the unit's organizational structure, this included the oversight of one division which incorporated existing key leadership and management positions responsible for entrepreneurship and innovation, applied research, strategic partnerships, international education, and major business development projects.
Industry and Community Engagement strategy has been designed.	An Industry and Community Engagement strategy was designed over the last three years, which began with defining engagement models in 2015-16: <ul style="list-style-type: none">• The college completed an extensive review and realignment process to ensure its engagement models are supportive of community and agency priorities and working in concert with key economic drivers at the industry and community level.• To better inform the college of engagement models used in other jurisdictions the Vice President, Industry and Community Engagement, met with representatives and exchanged information on approaches in place at colleges and universities in Ireland.• CNA, has for the first time, developed a college-wide model for supporting innovation and entrepreneurship at the campus and community level through a study funded by ACOA (Atlantic Canada

	<p>Opportunities Agency), and completed by KPMG. <i>A Strategy for Entrepreneurship and Innovation</i>, is a document that outlined several recommendations that could aid CNA in increasing its entrepreneurship and innovation.</p> <ul style="list-style-type: none"> • Relationships were strengthened with the provincial Research Development Corporation and implementation of alumni engagement and fundraising strategies are underway. • At the operational level, the college piloted development of its first engagement-focused strategic and operational plan with the School of Business. The result is a two-pronged model linking school-specific engagement activities with college-wide engagement objectives. <p>Resources were then identified to implement the strategy (i.e., a budget was allocated to support engagement strategy implementation; existing staff that have been transitioned from the old college structure were assigned duties in support of college engagement; and organization of the Office of the Vice President was finalized incorporating key leadership positions).</p> <p>Subsequently, engagement was initiated with target groups. For example, with the announcement of CNA's Centre of Excellence in Media Arts, the college initiated industry discussions designed to strengthen local and national connections, identify practical partnership opportunities, gain insight and industry guidance for the Centre's continued development and ensure robust participation in program review and development activities into the future. In addition, community discussions were initiated which focused on aligning college programming and other related decisions with community opportunities and regional priorities.</p> <p>The college continues to work with the Department of AESL on development of Provincial Plans of Training for Apprentices and continues to support many other departments with their provincial initiatives, including a partnership with the Craft Council of Newfoundland and Labrador in contributing to the development of a new provincial craft industry strategic plan. This new collaborative initiative of the Council will help set strategic directions for the craft industry and include activities which will serve to collect, update and analyze data to help identify areas of potential growth and future opportunities. Involvement in this collaborative initiative is strategically timed with a program review of the college's Textiles: Craft & Apparel program and will better inform revision, updates and future directions of the program to best meet the needs of this important and culturally significant industry.</p> <p>Initiatives undertaken to further develop/design CNA's engagement strategy include:</p> <ul style="list-style-type: none"> • Developed a strategy, <i>Increasing College of the North Atlantic Projects with the Atlantic Canada Opportunities Agency</i>, to help guide the advancement of projects with ACOA. • Developed a plan, <i>Prepare Development Priorities for College of the North Atlantic</i>. • Ketchum Canada Forward Thinking (KCI) developed and presented a plan, <i>CNA Advancement Plan – Alumni Engagement and Fundraising</i>, to CNA Executive and the Board. The plan included
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	<p>recommendations for implementation and suggested an operational structure.</p> <ul style="list-style-type: none"> • Each campus identified priority areas for potential development including innovation, entrepreneurship, applied research and community support. • Relationships were strengthened with the provincial Department of Tourism, Culture, Industry and Innovation (TCII) as evidenced by the departments Regional Innovation Systems (RIS) Pilot project. This project will provide an opportunity to identify new synergies such as using CNA's available technology to connect firms and partners in one region, to resources and expertise in another region.
<p>Projects have been initiated with industry and community partners.</p>	<p>Projects have been initiated with industry and community partners between 2014-15 and 2016-17. The following are examples of some of these projects:</p> <ul style="list-style-type: none"> • Motive Power Centre of Excellence (Bay St. George) – \$18.5M project which includes the construction of a new training and applied research facility, upgrades to a practical field site, and renovations of the existing heavy equipment garage. Planning is currently underway for equipment procurement/sponsorship. • Centre for Energy and Thermal Systems (Corner Brook) - \$4.3M project involving facility redevelopment and enhancements to accommodate the Centre. Planning is currently underway for equipment procurement/sponsorship. • Campus Renewal and Modernization Project (14 campuses) - \$6.8M project to address various campus maintenance issues such as heating, ventilation and air conditioning upgrades. • Centre of Excellence for Mining Support, Innovation and Industrial Research (Labrador West) – conducted a comprehensive feasibility study with extensive stakeholder engagement of key industry, government, community, post-secondary, agency and association groups. The college received a successful grant from ACOA and the Department of Tourism, Culture, Industry and Innovation (TCII) to purchase an underground mining simulator to facilitate training for Vale underground mine operations, and continued discussions with Labrador Aboriginal Training Partnership. • Ongoing discussions with the Town of Gander, Gander Chamber of Commerce, consultants, industry, and the department of TCII to establish a regional aerospace innovation hub with expanded education and training programs, corporate training, applied research, development and innovation in support of the sector. • Ongoing discussions to expand program options, applied research and innovation to support a growing NDT industry need. • Workforce Innovation Centre (WIC) (Corner Brook) - in partnership with the Department of AESL, CNA will administer the WIC, which provides a coordinated, central point of access to engage government, career and employment service providers, skills development organizations and stakeholders in the business and community sectors. Its goal is to help research and test new and innovative workforce development models that facilitate labour force participation, attachment and increase workforce productivity.

	<p>The Centre is supported by a \$1.8M investment from the Canada-NL Labour Market Development Agreement.</p> <ul style="list-style-type: none"> • Skills Scholarship Program - CNA initiated a Skills Canada NL Provincial and National Competition awards program for CNA students, and for NL Secondary Students who medal at the Provincial and National Skills Canada Annual Competitions. • The VP Industry and Community Engagement represents CNA on a number of provincial and national governance boards.
International Strategy has been designed.	<p>A detailed international strategy has not been finalized. However, significant components of the strategy have been developed, including:</p> <ul style="list-style-type: none"> • Policies and procedures with respect to admissions for international students. • Policies and procedures are drafted for faculty and student mobility, cultural orientation, pre-departure training and checklist for international travel, emergency contact lists, risks, etc. • Geographic areas of focus are identified, including the Caribbean, South East Asia and Africa. <p>The detailed international strategy will be finalized by 2019, in keeping with the <i>CNA Modernization Plan 2019</i> document; specifically, a comprehensive business plan which will address the following:</p> <ul style="list-style-type: none"> • Internationalizing CNA policies and procedures and renewing international student admission policies. • Leveraging best practices and learnings from existing operations (e.g., Qatar). • Collaborating with stakeholders (including Memorial University, Grenfell Campus, Marine Institute, Association for New Canadians, etc.) to determine best offerings (e.g., English as an Additional Language) and avoid duplication in programming areas.
Feasibility of establishing a College Foundation has been assessed.	<p>The feasibility of establishing a College Foundation was considered between 2014-15 and 2016-17. KCI have since developed and presented a plan, <i>CNA Advancement Plan – Alumni Engagement and Fundraising</i>, to CNA Executive and the Board which included recommendations for implementation and a suggested operational structure. The plan is currently under consideration by CNA's Executive.</p>

Objective: By March 31, 2017, the College will have a comprehensive international strategy designed.

Measure: International strategy is designed.

Indicators (Planned for 2016-17)	Actual Performance for 2016-17
Analyzed and identified markets for international student recruitment.	<p>CNA analyzed and identified markets for international student recruitment which include the following:</p> <ul style="list-style-type: none"> • Key partner schools were identified through the college's CARICOM Education for Employment Program projects offering similar programming and marketed local programs at the NL campuses.

	<ul style="list-style-type: none"> • Numerous agent and agencies agreements were signed to increase international student enrolment through a one-to-many approach, leveraging the expertise of local representation. For example, instead of having one-to-one promotion (e.g., attending recruitment fairs) the college has adapted the method of training agents who then do the recruiting, resulting in a more focused approach. • Identified increased international student markets through current market presence and initiatives, which included the following geographic areas: Antigua, Guyana, Jamaica and Nigeria. • Discussions are ongoing with the Manager of International Business Development and International Student Agent (India) to explore potential for international student recruitment opportunities in India at targeted institutions.
Identified opportunities for revenue-generating international projects.	<p>The College identified opportunities for revenue-generating international projects in 2016-17 which include:</p> <ul style="list-style-type: none"> • Renewed five Memorandum's of Understanding (MOU's) in China and one new MOU to start in the fall of 2017. • Participated in several meetings with Government officials in Guyana with the Canadian High Commission, Pierre Giroux. Meetings were held with the Minister of Education, Minister of Natural Resources, Minister of Business and Director of the Mining school to discuss avenues of collaboration. • Hosted Anand Harrilall, Trade Commissioner for Guyana for one week to review the college's capacity for training with respect to supporting the oil and gas industry. Activities included campus tours, curriculum review, as well as meetings with the Vice President, Deans, Marine Institute and the NL Oil and Gas Industries Association. • Engaged in meetings with Guyana Oil and Gas Association to discuss training solutions through a Public Private partnership. • Hosted nine Vietnamese faculty from Binh Thuan Community College for one month to participate in job shadowing, knowledge transfer, student services, contract training, etc., at four local campuses. • Participated in an International Financial Institutes workshop hosted by the NL Environmental Industry Association with a concentration in the Caribbean region. • Secured first project in Tanzania, Africa, through the Improving Skills Training for Employment Program with Marine Institute; Mining was the area of focus. • Secured second project in Kenya, Africa, through the Kenya Education for Employment Program in partnership with New Brunswick Community College; Mechatronics and Electrical were the areas of focus. The partnership is scheduled to start May 2017. • Working with the Manager of International Business Development to identify and pursue international project opportunities through Colleges and Institutes Canada Education for Employment Programs. • Ongoing involvement with the Vietnam Skills for Employment program funded through Global Affairs Canada.

<p>International strategy has been designed.</p>	<p>A detailed international strategy has not been finalized. However, significant components of the strategy have been developed, including:</p> <ul style="list-style-type: none"> • Policies and procedures with respect to admissions for international students. • Policies and procedures are drafted for faculty and student mobility, cultural orientation, pre-departure training and checklist for international travel, emergency contact lists, risks, etc. • Geographic areas of focus are identified, including the Caribbean, South East Asia and Africa. <p>The detailed international strategy will be finalized by 2019, in keeping with the <i>CNA Modernization Plan 2019</i> document; specifically, a comprehensive business plan which will address the following:</p> <ul style="list-style-type: none"> • Internationalizing CNA policies and procedures and renewing international student admission policies. • Leveraging best practices and learnings from existing operations (e.g., Qatar). • Collaborating with stakeholders (including Memorial University, Grenfell Campus, Marine Institute, Association for New Canadians, etc.) to determine best offerings (e.g., English as an Additional Language) and avoid duplication in programming areas.
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Discussion of Results

Over the 2014-15 to 2016-17 reporting period, CNA established an industry and community engagement function. Several avenues were pursued to support this initiative, which include: 1) establishing an Office of Industry and Community Engagement; 2) designing an Industry and Community Engagement strategy; 3) initiating projects with industry and community partners; 4) developing components of an international strategy; and 5) establishing the feasibility of creating a college foundation. Specifically in 2016-17, significant progress was made towards designing an international strategy. CNA analyzed and identified markets for international projects, and identified opportunities for revenue-generating international projects. In addition to those pieces of the international strategy, other substantial components have been established surrounding various policies and procedures, as well as focusing on specific geographic areas. Moving forward, in keeping with the *CNA Modernization Plan 2019* document, additional components of the strategy will be finalized.

Opportunities and Challenges Ahead

Typical challenges on the horizon for most public post-secondary educational (PSE) institutions include:

- Keeping up with technology advancement;
- Predicting and matching programs and services to student needs and labour market requirements;
- Accommodating the demand for seamless transfer among different PSE certifications (credit-based, competency-based, college or university provided);
- Finding effective models for student recruitment, engagement and retention;
- Ensuring funding sources are in place to effectively support delivery of programming; and
- Ensuring the college's physical infrastructure supports the needs of the institution.

During 2016-17, CNA has been engaged in a comprehensive review, announced by the province in Budget 2016. *The CNA Modernization Plan 2019*, will provide a detailed framework to ensure that the college is best meeting the needs of students and that its course offerings are optimized and responsive to shifting labour markets. The plan will show the importance of modernizing the college in keeping with trends across the country where emphasis has shifted from traditional programming to serve as incubators of entrepreneurial activity; centres of applied research innovation; and generators of significant income. The review will present next steps to achieve longer-term results towards a modernized college system by 2019.

APPENDICES

1. College of the North Atlantic 2016-17 Financial Statements
2. Campus and Headquarters Contact Numbers

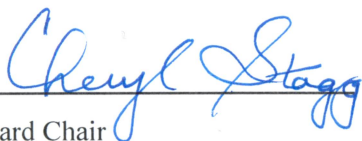
Statement of responsibility

The accompanying financial statements are the responsibility of the management of the College of the North Atlantic (the "College") and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board of Governors met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

KPMG LLP as the College's appointed external auditors, have audited the financial statements. The auditor's report is addressed to the Board of Governors and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the College in accordance with Canadian public sector accounting standards.



Board Chair



Acting President, Vice-President
Corporate Services



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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of the College of the North Atlantic,

We have audited the accompanying financial statements of the College of the North Atlantic, which comprise the statement of financial position as at March 31, 2017, the statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and notes, comprising 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our 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, we consider 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the College of the North Atlantic as at March 31, 2017, and its results of operations, its change in net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

June 14, 2017

St. John's, Canada

College of the North Atlantic
Statement of Financial Position
Year Ended March 31, 2017

	March 31 2017	March 31 2016
Financial Assets		
Cash	\$ 24,927,572	\$ 27,889,948
Receivables (Note 4)	21,241,501	5,411,721
Inventories for resale	1,322,612	1,320,913
Trust funds on deposit (Note 5)	5,863,209	5,810,662
	<u>\$ 53,354,894</u>	<u>\$ 40,433,244</u>
Liabilities		
Accounts payable & accrued liabilities (Note 6)	\$ 10,424,150	\$ 10,114,413
Vacation pay accrual	7,929,257	8,238,895
Post-employment benefits (Note 7)	16,509,933	15,998,441
Compensated absences (Note 8)	11,169,789	11,176,148
Due to Qatar Campus (Note 8)	10,557,678	9,598,583
Deferred contributions - operating (Note 9)	5,807,926	2,950,840
Trust funds payable (Note 5)	5,863,209	5,810,662
	<u>\$ 68,261,942</u>	<u>\$ 63,887,982</u>
Net Debt	<u>\$ (14,907,048)</u>	<u>\$ (23,454,738)</u>
Non-Financial Assets		
Tangible capital assets (Schedule 1)	\$ 20,224,999	\$ 23,328,504
Inventories held for use	102,343	100,478
Prepaid expenses	1,166,142	1,122,052
	<u>21,493,484</u>	<u>24,551,034</u>
Accumulated surplus	<u>\$ 6,586,436</u>	<u>\$ 1,096,296</u>
Commitments (Note 10)		
Contingent liabilities (Note 11)		

Approved:

Board Chair

Board Member

See accompanying notes.

College of the North Atlantic
Statement of Operations
Year Ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue (Schedule 2)			
Grants and reimbursements	\$ 67,980,338	\$ 66,312,361	\$ 67,207,197
Subsidy	23,200,000	27,013,167	19,398,447
Tuition	12,153,011	11,684,388	12,356,433
Classroom/video rental	15,000	15,000	15,000
Interest	287,435	288,250	287,432
Fees	739,756	737,794	738,082
Apprenticeship	6,292,720	6,019,882	6,442,180
Bookstore	2,756,830	2,442,241	2,870,054
Corporate	2,467,731	1,692,863	2,231,045
Daycare	523,566	548,422	523,516
Equipment and materials	2,209,239	2,091,655	1,882,151
Food services	1,302,830	1,291,475	1,324,574
International	789,856	1,030,456	894,259
Parking	3,206	3,232	3,206
Residence	347,620	320,052	347,321
Special projects	3,906,533	3,152,795	2,667,006
Qatar project	9,267,221	9,706,890	8,638,321
Other	218,017	690,628	459,653
Total revenue	<u>134,460,909</u>	<u>135,041,551</u>	<u>128,285,877</u>
Expenditures (Schedules 3 to 15)			
Facilities	10,886,821	11,241,568	11,896,462
Administration	20,410,236	15,846,459	16,773,666
Instructional	74,884,108	66,037,871	66,549,040
Student services	12,522,654	11,384,786	12,023,131
Information technology	6,990,841	6,795,661	7,668,995
Resale	5,356,351	5,104,368	5,888,561
Apprenticeship	4,982,769	4,924,884	4,716,888
Continuing education	709,709	639,175	731,350
Contracts	3,870,719	2,936,346	3,549,324
International	580,110	892,075	675,887
Special projects	3,845,903	2,510,689	3,212,992
Qatar project	2,076,441	1,237,529	1,559,828
Total expenditures	<u>147,116,662</u>	<u>129,551,411</u>	<u>135,246,124</u>
Annual Surplus (Deficit)	<u>(12,655,753)</u>	<u>5,490,140</u>	<u>(6,960,247)</u>
Accumulated surplus, beginning of year	<u>1,096,296</u>	<u>1,096,296</u>	<u>8,056,543</u>
Accumulated surplus, end of year	<u>\$ (11,559,457)</u>	<u>\$ 6,586,436</u>	<u>\$ 1,096,296</u>

See accompanying notes.

College of the North Atlantic
Statement of Change in Net Financial Assets (Debt)
Year Ended March 31, 2017

	<u>2017 Budget (Note 15)</u>	<u>2017 Total</u>	<u>2016 Total</u>
Annual deficit	\$ (12,655,753)	\$ 5,490,140	\$ (6,960,247)
Changes in tangible capital assets			
Acquisition of tangible capital assets	(4,720,269)	(3,115,970)	(4,985,104)
Write-downs on tangible capital assets	-	-	-
Loss on sale of tangible capital assets	-	1,792	1,488
Amortization of tangible capital assets	5,716,710	6,217,683	6,629,764
Decrease in net book value of tangible capital assets	996,441	3,103,505	1,646,148
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	-	(44,090)	395,983
Acquisition of inventory of supplies (net of usage)	-	(1,865)	(10,760)
Increase in other non-financial assets	-	(45,955)	385,223
Increase in net financial debt	(11,659,312)	8,547,690	(4,928,876)
Net financial debt at beginning of year	(23,454,738)	(23,454,738)	(18,525,862)
Net financial debt at end of year	<u>\$ (35,114,050)</u>	<u>\$ (14,907,048)</u>	<u>\$ (23,454,738)</u>

See accompanying notes.

College of the North Atlantic
Statement of Cash Flow
Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
Operating		
Annual surplus (deficit)	\$ 5,490,140	\$ (6,960,247)
Add non-cash items:		
Loss (gain) on disposal of property, plant & equipment	1,792	1,488
Amortization of capital assets	6,217,683	6,629,764
Accrued post-employment benefits - increase	511,492	965,506
Accrued compensated absences - (decrease) increase	<u>(6,359)</u>	<u>67,021</u>
	12,214,748	703,532
Changes in:		
Receivables	(15,829,780)	9,117,752
Inventories held for use or resale	(3,564)	366,664
Prepaid expenses	(44,090)	395,983
Deferred contributions - operating	2,857,086	(1,608,924)
Accounts payable and accrued liabilities	309,737	989,157
Vacation pay accrual	(309,638)	(18,058)
Due to Qatar campus	<u>959,095</u>	<u>180,836</u>
Net cash provided by operating transactions	<u>153,594</u>	<u>10,126,942</u>
Capital		
Acquisitions of tangible capital assets	(3,115,970)	(4,985,104)
Proceeds on sale of tangible capital assets	<u>-</u>	<u>-</u>
Net cash applied to capital transactions	<u>(3,115,970)</u>	<u>(4,985,104)</u>
Net cash provided	(2,962,376)	5,141,838
Cash, beginning of year	<u>27,889,948</u>	<u>22,748,110</u>
Cash, ending of year	<u>\$ 24,927,572</u>	<u>\$ 27,889,948</u>

See accompanying notes.

College of the North Atlantic
Tangible Capital Assets
March 31, 2017

	Artwork	Capital improvements	Computer and peripherals	Furnishings	Instructional equipment	Other electronic equipment	Software	ERP - Peoplesoft	Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
At March 31, 2016	5,500	30,713,109	5,895,154	710,887	45,041,158	904,499	591,224	6,779,292	12,222,565	102,863,388
Additions	-	904,144	132,391	9,622	2,069,813	-	-	-	-	3,115,970
Disposals	-	7,057	845,882	-	430,675	145,767	-	-	1,126	1,430,507
Other Adjustments	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	5,500	31,610,196	5,181,663	720,509	46,680,296	758,732	591,224	6,779,292	12,221,439	104,548,851
Accumulated Amortization										
At March 31, 2016	-	18,369,867	5,293,393	691,141	40,766,278	838,846	583,121	4,494,391	8,497,847	79,534,884
Amortization	-	2,603,678	328,190	14,445	1,817,517	29,580	7,057	298,933	1,118,283	6,217,683
Disposals	-	7,057	845,882	-	428,883	145,767	-	-	1,126	1,428,715
Other Adjustments	-	-	-	-	-	-	-	-	-	-
At March 31, 2017	-	20,966,488	4,775,701	705,586	42,154,912	722,659	590,178	4,793,324	9,615,004	84,323,852
Net Book Value:										
At March 31, 2016	5,500	12,343,242	601,761	19,746	4,274,880	65,653	8,103	2,284,901	3,724,718	23,328,504
At March 31, 2017	5,500	10,643,708	405,962	14,923	4,525,384	36,073	1,046	1,985,968	2,606,435	20,224,999

College of the North Atlantic
Summary of Expenditures
Year Ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Salaries and benefits	\$ 111,722,243	\$ 102,416,432	\$ 103,622,294
Professional development	384,211	381,054	325,695
Employee recognition and wellness	20,087	10,953	26,440
Professional fees	2,314,019	1,173,408	2,159,590
Travel	1,694,652	1,168,159	1,314,858
Recruitment and relocation	170,841	176,562	166,710
Insurance	261,108	256,672	247,700
Bank charges	186,100	207,941	186,848
Photocopying/printing	588,370	736,702	662,314
Office related supplies	581,812	383,851	453,282
Membership fees	168,494	115,762	102,490
General advertising	637,759	373,719	448,749
Doubtful receivables	79,000	108,719	55,660
Freight and customs	282,611	248,985	185,403
Telephone	762,131	739,740	735,576
Utilities	1,629,319	1,252,425	1,399,636
Repairs and maintenance	1,451,643	1,706,168	2,469,686
Vehicle operations	780,318	643,011	569,558
Equipment rentals	118,239	130,002	66,785
Facilities rentals	298,135	272,426	292,142
Protective clothing	85,624	58,769	73,253
Amortization	5,716,710	6,217,683	6,629,764
Food cost	1,028,866	865,413	1,007,463
Laundry and drycleaning	28,724	19,073	17,072
Textbooks and supplies	2,218,356	1,965,174	2,745,988
Computer supplies	2,184,798	2,054,467	2,013,045
Contracted services	683,643	497,027	642,652
Educational materials	974,800	338,181	648,858
Daycare operations	128,810	86,192	84,351
Student related	1,318,507	1,161,966	1,173,606
Minor equipment and tools	625,127	589,429	671,643
Minor computer equipment	338,093	969,029	1,406,327
Materials and supplies	7,653,512	2,226,317	2,640,686
	<u>\$ 147,116,662</u>	<u>\$ 129,551,411</u>	<u>\$ 135,246,124</u>

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

1 Nature of operations

The College of the North Atlantic (the College) operates under the authority of the College Act, 1996, Province of Newfoundland and Labrador. In accordance with Section 6 of the College Act, 1996, the College is a statutory crown corporation and as such is not subject to either Federal or Provincial income taxes and is exempt from Municipal taxes. The College is Newfoundland and Labrador's public college. The College is committed to providing accessible, responsive, quality learning opportunities which prepare people to become self-sufficient contributors to social and economic development both in a provincial and global context.

2 Future adoption of accounting policies

Assets

Section PS 3210, Assets, was issued during 2015 and provides additional guidance on the definition of assets. Assets are defined as: Economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

This new Section provides additional guidance on what is meant by economic resources, control, past transactions or events, and future economic benefits. This guidance will be helpful in determining whether an item meets the definition of an asset upon adoption of this Section. Section PS 3210 requires public sector entities to disclose major categories of assets that are not recognized in their financial statements (i.e. intangibles, crown lands, heritage assets, etc.).

This Section is effective for fiscal years beginning on or after April 1, 2017.

Contingent Assets

During 2015, Section PS 3320, Contingent Assets, was issued in the PSA Handbook. Prior to this the PSA Handbook included a definition of contingent liabilities, but did not include a definition of contingent assets. This new Section provides a definition of contingent assets as: Possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one of more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Section PD 3320 requires disclosure of contingent assets in the financial statements when the occurrence of a confirming future event is likely. This new Section may result in public sector entities performing a reassessment of items that meet the definition of a contingent asset and additional information being disclosed upon adoption of this Section.

Section PS 3320 is effective for fiscal years beginning on or after April 1, 2017.

Contractual Rights

Before Section 3380, Contractual Rights, was issued in 2015 the PSA Handbook included a definition of contractual obligations, but did not define contractual rights. This new Section provides a definition of contractual rights as: Rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. This Section also requires that information about a public sector entity's contractual rights be disclosed in the financial statements. This disclosure would include a description about the nature, extent and timing of the contractual rights. Since an entity may have many contractual rights, professional judgement will be required in determining what to disclose. Factors to consider include, but are not limited to, contractual rights to revenue that is abnormal in relation to the financial position or usual business operations of the entity and contractual rights that will govern the level of a certain type of revenue for a considerable period into the future.

This Section is effective for fiscal years beginning on or after April 1, 2017.

Related Party Disclosures

The College is currently in the process of gathering information for the adoption of PS 2200 - Related Party Disclosures, which is applicable to year ends beginning on or after April 1, 2017. This new standard defines a related party and establishes disclosures required for related party transactions.

Inter-entity Transactions

The College is currently in the process of gathering information for the adoption of PS 3420 - Inter-entity Transactions, which is applicable to year ends beginning on or after April 1, 2017. This new standard established standards on how to account for and report transactions between public sector entities that comprise a government reporting entity from both a provider and a recipient perspective.

It is not anticipated that any material changes will result from adoption of these standards.

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

3 Summary of significant accounting policies

The financial statements of the College have been prepared within the framework of Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

(a) *Revenue recognition*

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met. Federal and provincial revenues for operating and capital purposes are recognized in the period in which all eligibility criteria or stipulations have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer from the applicable Government is authorized.

Tuition fees and contract training revenues are recognized as income to the extent that the related courses and services are provided within the fiscal year of the college. Ancillary revenues including parking, bookstore, residence and other sundry revenues are recognized when products are delivered or services are provided to the student or client, the sales price is fixed and determinable, and collection is reasonably assured.

Management fees for operating and administering a College in the State of Qatar are recognized as earned.

(b) *Asset Classification*

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities, but are employed to deliver education services, may be consumed in normal operations and are not for sale in the normal course of operations.

(c) *Inventories for resale*

Inventory which consists mainly of books and food supplies is recorded at the lower of cost or net realizable value. The amount of any write-downs of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurred. For the year ended March 31, 2017, the write-down of inventory was \$88,823 (2016 - \$535,304).

(d) *Tangible Capital Assets*

Tangible capital assets recorded prior to the April 1, 1997 amalgamation of the former Colleges are recorded at either cost, nominal, or approximate fair value. Tangible capital assets acquired after April 1, 1997 are recorded at cost.

Amortization is recorded on a straight line basis using the following estimated useful lives:

Artwork	No amortization
Capital improvements	10 years
Computer and peripherals	3 years
Furnishings	5 years
Instructional equipment	5 years
Other electronic equipment	5 years
Software	3 years
ERP - PeopleSoft	10 years
Vehicles	5 years

One half year's amortization is taken in the year of acquisition. No amortization is recorded for assets under development.

The value of donated artwork has not been recorded in these financial statements.
An accurate valuation of donated artwork has not been obtained at March 31, 2017.

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

Contributed tangible capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a tangible capital asset no longer contributes to the college's ability to provide service, and the value of future economic benefits associated with the tangible capital asset is less than the net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value.

The land and buildings being used by the College, with the exception of some rental property, are the properties of the Province of Newfoundland and Labrador. Expenditures for repairs and maintenance of these buildings, paid by the Province, are not recorded in the financial statements of the College.

(e) *Post-employment benefits and compensated absences*

The College provides post-employment benefits and compensated absences to certain employment groups. These benefits include severance and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

- (i) Upon termination, retirement or death, the organization provides their employees, with at least nine years of service with severance benefits equal to one week of pay per year of services up to a maximum of 20 weeks. An actuarially determined accrued liability for severance has been recorded in the statements. This liability has been determined using management's best estimate of employee retention, salary escalation, long term inflation and discount rates.
- (ii) The College provides their employees with sick leave benefits that accumulate but do not vest. The benefits provided to employees vary based upon classification within the various negotiated agreements. An actuarially determined accrued liability has been recorded on the statements for non-vesting sick leave benefits. The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long term inflation rates and discount rates.

(f) *Vacation pay liability*

The College recognizes vacation pay as an expense on the accrual basis.

(g) *Foreign Currencies*

Transactions in foreign currencies are recorded in Canadian dollars at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the Statement of Financial Position date. Exchange gains or losses arising from the translations are included in the Statement of Operations in the amount of a \$23,471 loss (2016 - \$6,891 gain).

(h) *Financial instruments*

The College classifies its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

Fair value

This category includes cash and trust accounts and are classified as held for trading.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Amortized cost

This category includes accounts receivable and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to the net recoverable value with the write downs being recognized in the statement of operations.

There were no embedded derivatives in any contracts that require special accounting treatment.

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

(i) *Pensions*

College staff are subject to either the Public Service Pension Plan (PSPP), or the Government Money Purchase Pension Plan (GMPP).

The primary plan, PSPP, is a multi-employer plan and a defined benefit pension plan. Staff contributions are matched by the College and then remitted to the Public Service Pension Plan (PSPP) from which pensions will be paid to employees when they retire. The costs of the multi-employer plan are the College's contributions to the plan in the period. PSPP members must have at least 5 years of pensionable service to obtain a pension benefit. Normal retirement age under the Plan is 65 however early retirement options are available. Members of the PSPP are required to make contributions toward the funding of their pension benefits as follows:

- (i) 10.75% of earnings up to the Year's Basic Exemption, the portion of earnings upon which no CPP contributions are required;
- (ii) 8.95% of earnings in excess of the Year's Basic Exemption up to and including the Year's Maximum Pensionable Earnings ("YMPE"); and
- (iii) 11.85% of earnings in excess of the YMPE.

Pensions paid under the PSPP are indexed annually. Indexing is applied at the rate of 60% of the increase in the Consumer Price Index (CPI), with the increase in the CPI capped at 2%. Indexing applies to benefits of pensioners who have attained age 65 prior to October 1 of each year.

The lifetime pension benefit is determined as 1.4% of the best six year average salary (up to the three year average YMPE) multiplied by the years of pensionable service, plus 2% of the best six year average salary (in excess of the average YMPE) multiplied by the years of pensionable service.

Staff shall participate in the GMPP only if they are ineligible for the PSPP. Payments are made to a private investment firm from which pensions will be paid to employees when they retire. The GMPP is a defined contribution plan.

The annual contributions for pensions are recognized as an expenditure in the accounts on a current basis.

During the year 2017 the College contributed \$7,906,213 to the PSPP and \$820,580 to the GMPP. In 2016 the College contributed \$8,075,100 to the PSPP and \$784,683 to the GMPP.

(j) *Measurement uncertainty*

The preparation of financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, accrued severance, accrued sick leave, impairment of assets and allowance for doubtful accounts.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

(k) *Inventories held for use*

Inventories held for use include fuel and supplies for the heavy equipment program, and are recorded at the lower of historical cost and replacement cost.

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

4 Receivables

	2017	2016
Government of Newfoundland	\$ 2,835,033	\$ 2,671,948
LMDA Subsidy	15,068,775	0
Students	1,076,160	1,056,941
Government agencies and other	2,640,325	2,030,722
	21,620,293	5,759,611
Less allowance for doubtful accounts	378,792	347,890
	<u>\$ 21,241,501</u>	<u>\$ 5,411,721</u>

5 Trust funds on deposit

Trust accounts represent donations and related interest restricted for scholarships, awards and other specified purposes. Changes in the trust account balance are as follows:

	2017	2016
Opening balance	\$ 5,810,662	\$ 5,524,267
Net deposits and payments	(37,949)	188,730
Interest	90,496	97,665
Closing balance	<u>\$ 5,863,209</u>	<u>\$ 5,810,662</u>

6 Accounts payable & accrued liabilities

	2017	2016
Trade liabilities	\$ 2,927,168	\$ 2,504,532
Accrued wages and benefits	6,269,684	6,488,302
End of service compensation	35,621	35,621
Other	1,191,677	1,085,958
	<u>\$ 10,424,150</u>	<u>\$ 10,114,413</u>

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

7 Post-employment benefits and compensated absences

The actuarial valuation date for the sick leave accrual was March 31, 2015 and has been extrapolated for March 31, 2017. The actuarial valuation date for severance pay accrual was March 31, 2015 and has been extrapolated for March 31, 2017. The assumptions are based on future events. The economic assumptions used in the valuation are the College's best estimates of expected rates as follows:

	<u>2017</u>	<u>2016</u>
Wages and salary escalation	3.75%	3.75%
Discount rate	3.70%	3.70%

The sick leave accrual as at March 31 are as follows:

Accrued sick pay benefit obligation		
beginning of year	\$ 9,607,244	\$ 11,556,488
Current period benefit cost	915,448	961,003
Benefit payments	(1,141,711)	(1,108,457)
Interest on the accrued benefit		
sick leave obligations	351,282	291,289
Actuarial gains /losses		(2,093,079)
Accrued sick pay benefit obligation		
end of year	9,732,263	9,607,244
Unamortized actuarial experience loss (gain)	(1,437,526)	(1,568,904)
Accrued benefit liability, end of year	<u>\$ 11,169,789</u>	<u>\$ 11,176,148</u>

	<u>2017</u>	<u>2016</u>
Accrued severance benefit obligation		
beginning of year	\$ 16,082,173	\$ 17,015,853
Current period benefit cost	1,571,749	1,358,803
Benefit payments	(1,402,347)	(1,035,877)
Interest on the accrued benefit		
severance obligation	603,997	491,055
Actuarial (gains) / losses	-	(1,747,661)
Accrued severance benefit obligation		
end of year	16,855,572	16,082,173
Unamortized actuarial experience loss	345,639	83,732
Accrued benefit liability, end of year	<u>\$ 16,509,933</u>	<u>\$ 15,998,441</u>
Total post-employment benefits		
and compensated absences		
end of year	<u>\$ 27,679,722</u>	<u>\$ 27,174,589</u>

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

8 Comprehensive Agreement with the State of Qatar

The College has a comprehensive agreement with the State of Qatar to establish, operate and administer a College of Applied Arts and Technology in Doha, Qatar for a period, September 30, 2001 to August 31, 2012. It was extended to August 31, 2013, and subsequently further extended to August 31, 2019. The agreement is funded by the State of Qatar. For its services, the College is paid an annual Management Fee of 30% of base salaries. The College receives quarterly advances to cover cash flow requirements.

Due to Qatar

	<u>2017</u>	<u>2016</u>
Cash on Deposit	\$ 13,014,847	\$ 11,033,898
Payables (accruals)	<u>(2,457,169)</u>	<u>(1,435,315)</u>
Net Liability	<u>\$ 10,557,678</u>	<u>\$ 9,598,583</u>

Results of Operations

	<u>2017</u>	<u>2016</u>
Net Proceeds	\$ 9,706,890	\$ 8,638,321
Management Costs (Schedule 14)	<u>(1,237,529)</u>	<u>(1,559,828)</u>
	<u>\$ 8,469,361</u>	<u>\$ 7,078,493</u>

9 Deferred contributions - operating

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 2,950,840	\$ 4,559,764
Less amounts recognized as revenue in the year	<u>(19,972,209)</u>	<u>(20,378,215)</u>
Add amounts received during the year	<u>22,829,295</u>	<u>18,769,291</u>
Balance, end of year	<u>\$ 5,807,926</u>	<u>\$ 2,950,840</u>

Deferred contributions -operating are comprised of:

	<u>2017</u>	<u>2016</u>
Residence and program fees	\$ 123,009	\$ 71,496
Tuition	880,530	925,988
Contract training and special projects	<u>4,804,387</u>	<u>1,953,356</u>
	<u>\$ 5,807,926</u>	<u>\$ 2,950,840</u>

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

10 Commitments

Lease Commitment

The College leases some equipment and facilities under long-term operating leases. Lease payments for the next five years, committed under operating leases extending beyond one year, are as follows:

2017-2018	\$	779,762
2018-2019		155,868
2019-2020		80,815
2020-2021		36,075
2021-2022		16,274

11 Contingent liabilities

The College has received notices of claim for damages. No provision has been made for these claims because management does not expect the College to incur any material liability, or because an estimate of loss, if any, is not determinable at this time.

12 Financial instruments risk management

Classification

The following table provides cost and fair value information of financial instruments by category.

	2017		
	Fair Value	Amortized Cost	Total
Cash	\$ 24,927,572	\$ -	\$ 24,927,572
Trust funds on deposit	5,863,209	-	5,863,209
Accounts receivable		21,241,501	21,241,501
	<u>\$ 30,790,781</u>	<u>\$ 21,241,501</u>	<u>\$ 52,032,282</u>
Accounts payable and accrued liabilities	-	10,424,150	10,424,150
Vacation pay accrual	-	7,929,257	7,929,257
Due to Qatar Campus	-	10,557,678	10,557,678
Trust funds payable	-	5,863,209	5,863,209
	<u>\$ -</u>	<u>\$ 34,774,294</u>	<u>\$ 34,774,294</u>

Fair value hierarchy

The College uses the following hierarchy for determining and disclosing the measurement subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degrees to which the fair value is observable:

- a) Level 1 fair value measurements are those derived from quote prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and;
- c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents and trust funds on deposit are classified in the level 1 hierarchy.

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

13 Financial instruments risk management (cont'd)

Risk management

a) Credit risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of a default, the College's cash accounts are insured up to \$300,000 (2016 - \$300,000).

Accounts receivable from federal and provincial governments pose minimal credit risk. Credit risk from accounts receivable due from students is mitigated by financial approval processes before a student is enrolled. Miscellaneous receivables from various other corporate entities are monitored on a regular basis.

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections. The amounts outstanding at year end were as follows:

	Total	Current	30-60 days	> 61 days
Government receivables	\$ 18,492,255	\$ 15,068,151	\$ 9,115	\$ 3,414,989
Student receivables	1,076,160	665,632	41,631	368,897
Other receivables	2,051,878	1,521,847	119,304	410,727
Gross receivables	21,620,293	17,255,630	170,050	4,194,613
Less: impairment allowances	(378,792)	-	-	-
Net receivables	\$ 21,241,501	\$ 17,255,630	\$ 170,050	\$ 4,194,613

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk, equity risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(i) Currency Risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time when adverse changes in foreign currency rates occur. During the year the College had the following foreign currency transactions:

	2017	2016
Receipts		
US dollar (USD)	\$ 75,886	\$ 131,758
Payment		
US dollar (USD)	1,107,016	513,289
Euros (EUR)	19,798	174,874

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

13 Financial instruments risk management (cont'd)

ii) Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

Management believes that the interest rate risk of the College is not material.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

iii) Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets.

Management believes that the equity risk of the College is not material.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

c) Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the nearest term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

2017				
	Within 6 Months	6 Months to 1 year	> 1 year	
Accounts payable and accrued liabilities	\$ 9,208,329	\$ 1,215,821	\$ -	
	<u>\$ 9,208,329</u>	<u>\$ 1,215,821</u>	<u>\$ -</u>	

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

14 Comparative figures

Certain of the 2016 comparative figures have been reclassified to conform to the financial presentation adopted in 2017.

15 Budget

The budget amounts included in these financial statements are the amounts approved by the College's board for the current fiscal year. The budget would include all known service and program changes and enhancements for the coming year. Additional changes to services and programs that are initiated during the year would be funded through budget adjustments.

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2017

16 Related party transactions

The College had the following transactions with the government and other government controlled organizations:

	<u>2017</u>	<u>2016</u>
Grants from the province	\$ 99,661,042	\$ 93,343,301
Transfer from Dept of Tourism, Culture, Industry	168,454	224,125
Transfer from Dept of Education	112,463	6,825
Transfer from Nalcor	48,354	121,460
Transfer from Research & Development Corp	22,146	113,494
Transfer to AESL	-	579,890
Transfer to Memorial University	148,160	299,831

17 Economic dependance

The College is dependent on Provincial Government to provide sufficient funds to continue operation, replace essential equipment and complete capital projects.

Contact Information

College of the North Atlantic

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Facebook: www.cna.nl.ca/facebook

Twitter: @CNA_News

Google+: www.cna.nl.ca/plus

LinkedIn: www.cna.nl.ca/linkedin

Office of the Registrar: Telephone: 709-643-7950 or visit the admissions webpage

www.cna.nl.ca/Admissions/

Campuses:

Baie Verte	709-532-8066
Bay St. George	709-643-7730
Bonavista	709-468-1700
Burin	709-891-5600
Carbonear	709-596-6139
Clareville	709-466-6900
Corner Brook	709-637-8530
Gander	709-651-4800
Grand Falls-Windsor	709-292-5600
Happy Valley-Goose Bay	709-896-6300
Labrador West	709-944-5787
Placentia	709-227-2037
Port aux Basques	709-695-3343
Prince Philip Drive	709-758-7284
Ridge Road	709-758-7000
Seal Cove	709-744-2047
St. Anthony	709-454-3559

International Contacts:

International Student Recruitment: Telephone: 00+1+709 758 7290

Email: internationalweb@cna.nl.ca

Webpage: www.cna.nl.ca/international-students

College of the North Atlantic - Qatar: Webpage: www.cna-qatar.com/

China Project Office: Webpage: www.cna.nl.ca/china Telephone: 1-709-758-7040

Office of Distributed Learning: Webpage: www.dls.cna.nl.ca Email: dlshep@cna.nl.ca

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