



# Annual Report 2012-2013

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# Board Chair's Letter

To the Honourable Joan Shea, Minister of Advanced Education and Skills:

On behalf of College of the North Atlantic's Board of Governors, I am pleased to present our Annual Report, which highlights the remarkable achievements of Newfoundland and Labrador's public college for the 2012-13 fiscal year.

This document serves only as a snapshot of the college's accomplishments during this period. However, once again, we have been privileged, encouraged and delighted to see our students, staff and faculty rise to every occasion, distinguishing themselves as learners, educators and valued contributors to the hundreds of communities we serve.

This success would not be possible without the ongoing support of our funding partners at the provincial and federal levels. Government contributions to operating costs, facility upgrades and new infrastructure ensure that our staff and students work and learn with high quality equipment and facilities. Ongoing investment by our many partners will enable the college to better meet current and future workforce needs of this province and throughout the country.

The college also continues to be seen as a leader in international education, as its partnership with the Middle East State of Qatar celebrates a Decade of Excellence and prepares to enter a newly signed three-year extension of the Comprehensive Agreement. The mutual benefits of the partnership continue to be realized, and it is often cited as an example for other institutions to follow.

The relationship between CNA and industry also continues to grow and flourish, as seen by the investment by Hibernia Management and Development Company Ltd. The introduction of two initiatives at CNA will expand access to training opportunities for women, individuals with Aboriginal status, persons with disabilities, and members of visible minorities. The first initiative, the Hibernia Project Diversity Endowment Fund, established two bursaries: the Hibernia Project Diversity Bursary Program and the Hibernia Project Women in Industrial Trades and Engineering Technology Bursary. An additional investment established the Hibernia Project Assistive Technologies Fund to support individuals who have disabilities.

Industry, alumni and advancement partners have also played a significant role in the college's development through their generosity; it is with this support that the college maintains its ability to provide relevant, high-quality programs. Their contributions continue to support curriculum development, research, program infrastructure, scholarships and other initiatives, and when combined with articulation or credit transfer agreements, our learners are able to make a smooth transition to a host of career paths.

On behalf of the Board of Governors, we are honoured to have such dedicated faculty and staff members. Their efforts result in hundreds of successful graduates who pass through our doors each year, continuing to make our province prosperous and vibrant.

We are also highly appreciative of the support of the provincial and federal governments, and we look forward to working with all of our partners, the college's leadership team and our communities, to continue meeting those objectives.

College of the North Atlantic is a category one entity and this Annual Report was prepared in accordance with the guidelines of the Transparency and Accountability Act. The report covers the period of April 1, 2012 to March 31, 2013. My signature below is on behalf of the entire Board of Governors and indicates our commitment to, and accountability for, the actual results reported herein.

Sincerely,



Cheryl Stagg  
Chair, Board of Governors

# Overview

## VISION

The vision of College of the North Atlantic is of a community of lifelong learners who are educated and skilled, able to meet the demands of the labour market and who contribute to the social, economic, and cultural well-being of their communities.

## MISSION

By March 31, 2017, College of the North Atlantic will have improved program quality and accessibility and enhanced services to support the success of learners, industries and communities.

## MANDATE

The college, a publicly funded post-secondary institution, delivers over 400 courses through five academic schools, providing skilled workers and highly educated graduates that participate and contribute to the provincial economy. The mandate of College of the North Atlantic (“the college”) is established by the College Act, 1996 (“the Act”). The college’s Board of Governors (“the Board”) is appointed by Lieutenant-Governor in Council.

The Board is responsible for carrying out those duties prescribed by section 15 (1) of the Act. These powers include general administrative, academic, and governance functions. Section 16 of the Act further empowers the Board to carry out a wide variety of discretionary functions including various human resource management, learner services, and corporate and educational partnership activities. Sections 17 through 25 prescribe the Board’s accountability for the administration of the college’s finances.

The President of the college is appointed by Lieutenant-Governor in Council. The President is the Chief Executive Officer of the college, and, under the general direction of the Board, is responsible for the supervision and administration of the college and of the instructional staff and other employees of the college.

## PRIMARY CLIENTS

College of the North Atlantic has four groups of primary clients. They are learners, communities, industries and government. The college enrolls approximately 30,000 learners each year in more than 100 full-time programs and more than 300 part-time courses. In addition, to achieve its mandate, the college works with a range of stakeholders including the Department of Advanced Education and Skills, other post-secondary institutions, industry associations, women’s advocacy groups, community organizations and economic development groups, as well as other provincial and federal government departments and agencies.

## LINES OF BUSINESS

College of the North Atlantic’s Lines of Business includes the following: Full and part-time programs; Learner Support; Contract Training; Continuing and Community Education programs; Applied Research; Community

Outreach; and Institutional Research and Planning. Details on CNA's Lines of Business can be found in the [2011-2014 Strategic Plan](#).

## PHYSICAL LOCATION

College of the North Atlantic is comprised of 17 campuses located throughout the province of Newfoundland and Labrador and an international college of technology located in Doha, in the Middle East State of Qatar. CNA's headquarters operations are located in Stephenville. A list of campus locations is provided at the end of this report.



# Key Statistics

## STUDENT ENROLMENT – ACADEMIC YEAR 2011-12

School	Number Registered			Male	Female
	Full-Time	Part-Time	Total		
Academics, Applied Arts & Tourism	2,604	1,258	3,862	1,319	2,543
Business & Information Technology	1,291	229	1,520	334	1,186
Engineering Technology & Natural Resources	1,285	128	1,413	1,059	354
Health Sciences	624	119	743	128	615
Industrial Trades	2,647	22	2,669	2,246	423
<b>College Total</b>	<b>8,451</b>	<b>1,756</b>	<b>10,207</b>	<b>5,086</b>	<b>5,121</b>

Note: Excludes CNA-Q

Continuing Education	Course Registrations	Total Number of Hours
Non-credit Courses & Contracts	20,958	253,586
Credit Courses	199	1,013
<b>College Total</b>	<b>21,157</b>	<b>254,599</b>

Note: Gender breakdown not available

CNA-Q Enrolment	Female	Male	Total
Registered	894	1,780	2,674

## EMPLOYEES - MARCH 31, 2013

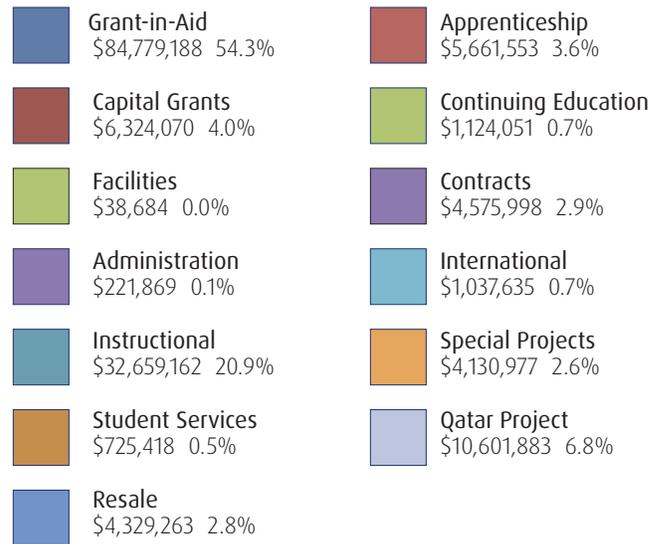
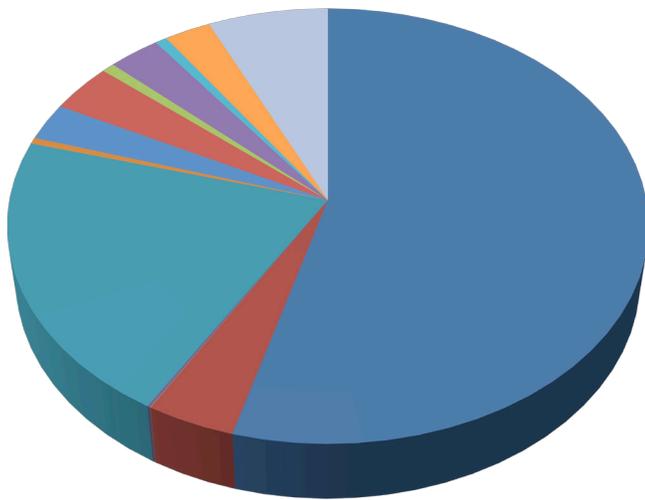
NEWFOUNDLAND & LABRADOR						
	Support Staff	Faculty	Management	Non Union Management	Non Management	Total
Females	356	360	51	13		780
Males	143	467	51	0		661
<b>Sub-total</b>	<b>499</b>	<b>827</b>	<b>102</b>	<b>13</b>		<b>1,441</b>
QATAR						
	Support Staff	Faculty	Management	Non Union Management	Non Management	Total
Females	31	178	9	0		218
Males	18	254	15	0		287
<b>Sub-total</b>	<b>49</b>	<b>432</b>	<b>24</b>	<b>0</b>		<b>505</b>
<b>College Total</b>	<b>548</b>	<b>1,259</b>	<b>126</b>	<b>13</b>		<b>1,946</b>
<b>INCLUDED:</b> Active employees, employees on leave						
<b>NOT INCLUDED:</b> Continuing education instructors, student employees, invigilators, casual employees						

# Financial Summary

College of the North Atlantic recorded gross expenditures of \$144.1 million in 2012-13. The largest source of revenue (54.3%) was the annual grant-in-aid provided by the provincial government, with the next two main sources consisting of Instructional (20.9%) and International including the Qatar project (6.8%). The greatest expenditure in the college is in support of instructional programs at \$76.3 million (53%), followed by Administration (10.9%), and Student Services (7.7%). Additional details are provided in the charts below and in the Audited Financial Statements beginning on page 19 of this report.

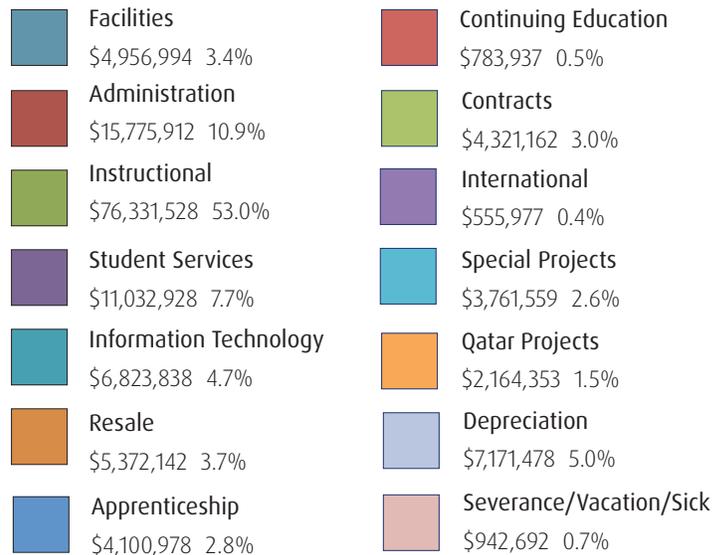
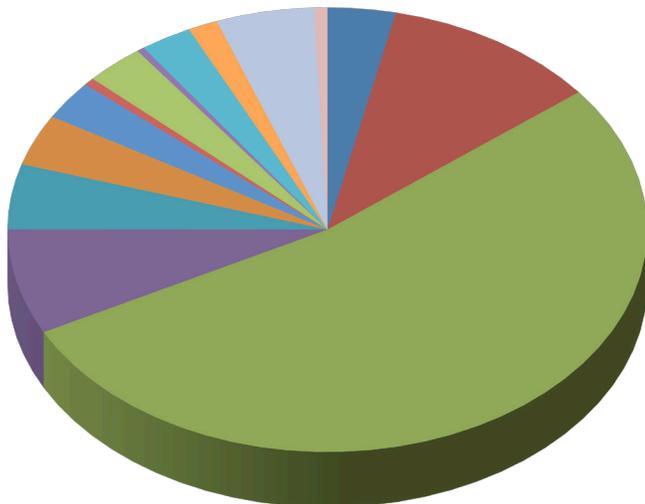
## Revenue

March 31, 2013  
\$156,209,751



## Expenditure

March 31, 2013  
\$144,095,478



# Shared Commitments

The provision of public post-secondary education and certification is a shared responsibility of the following entities:

- The Government of Newfoundland and Labrador, providing the legislative framework for the creation, funding and operation of public post-secondary institutions in the province;
- College of the North Atlantic, being designated to operate programs and services leading to the award of provincially recognized diplomas and certificates; and
- Memorial University of Newfoundland, providing a range of undergraduate and graduate programs.

Achievement of progress on the college's strategic directions is not possible without the collaboration of a wide range of internal and external stakeholders. Federal, provincial and municipal governments, community organizations, industry and professional association support are integral to achieving the college's commitment to provide accessible, responsive and quality programs as per the province's strategic direction on higher learning.

Our relationship with the Departments of Education and Child, Youth and Family Services is focused on achievement of joint objectives in the area of Early Learning. Furthermore, partnerships in international education and with other Canadian institutions, including Memorial University, support our educational programming by enhancing the education experience of CNA's students, supporting diversity and inclusiveness, and encouraging lifelong learning through credit transfer and other opportunities. All of this takes place in facilities provided and maintained by the province by another college partner, the Department of Transportation and Works.

The college also operates a campus in the Middle Eastern State of Qatar to provide technical and vocational education to citizens of that country and other international learners. CNA-Qatar operates as a partnership with the Government of the State of Qatar. That 10-year partnership was recently extended for three additional years with work continuing to finalize a second 10-year Comprehensive Agreement in the coming months. The partnership represents the largest international post-secondary agreement involving a North American institution and is valued in excess of CDN \$1 billion. The phenomenal growth and success of CNA-Q during the last 10 years exceeded all expectations, growing from 300 students in 11 programs in 2002, to 2,550 students and 37 programs in 2012. CNA is pleased to be contributing to the achievement of the National Vision of the State of Qatar.

For the 2012-13 reporting period, we wish to gratefully acknowledge the many relationships that continue to contribute to our students' access to a world-class education. Investments, whether in funding, access to specialized expertise and equipment, or participation in student experience initiatives, are an indicator of the shared commitment that our industry and other partners have made toward ensuring the continued success of our graduates. The following are just a few of many examples:

- A \$1.03 million investment by Hibernia Management and Development Company Ltd. (HMDC) established two initiatives at CNA to expand access to training opportunities for women, individuals with Aboriginal status, persons with disabilities, and members of visible minorities.
- Bell and Bell Aliant, through the Bell Let's Talk Community Fund, supported the implementation of an innovative mental health initiative at campuses across the province.
- The province contributed \$212,235 to the college for the development of key infrastructure, which will house nationally-recognized research and development projects.

# Highlights and Accomplishments

College of the North Atlantic's (CNA) faculty, staff and students have, once again, distinguished themselves as dedicated educators, learners and innovators. The following section showcases just a few of the many accomplishments during 2012-13.

## Student and Alumni Achievements

After years of hard work, months of preparation and over 20 hours of competition, Justin Bennett was internationally recognized for his cabinetmaking skills, taking a bronze medal at the WorldSkills Americas Competition in São Paulo, Brazil. The 20-year-old Corner Brook native was selected by Skills Canada to represent the nation in his field of cabinetmaking at the WorldSkills Americas Competition in November 2012. His performance at the competition proved his work measures up against projects built by the best young cabinetmakers in North America, South America, Central America and the Caribbean. Bennett made the journey with teammates from every province and territory of the country as well as his coach, Kelly Tompkins, CNA Cabinetmaker Instructor.

Brian Forward, who completed CNA's Computer Systems and Networking program at the Prince Philip Drive campus in August 2012, won the Cisco Networking Academy NetRiders Skills Challenge after competing against nearly 1,000 competitors from across Canada and the United States. The interactive contest is designed by Cisco to give technical education students the opportunity to showcase their Information Technology (IT) and networking skills and to recognize excellence among Cisco Networking Academy students.

Digital Animation graduate Zachary Green continued to collect accolades for his digital short film, fittingly titled, *The Collector*. His most recent accomplishment was recognition from Applied Arts Magazine's 2012 International Student competition. The two-minute production was accepted for screening at the National Film Festival for Talented Youth in Seattle, Washington. It tells the tale of Victor, a small robot that must collect to survive.

CNA-Q alumnus Anan Sayeed, took the top award of \$50,000 QR at the Al Fikra International Business Plan Competition, with his idea of establishing an interactive retail location for gamers to access and compete in real time using the latest technology.

A combined faculty and student research team from CNA-Q took home second prize in the annual Qatar National Research Fund (QNRF) Undergraduate Research Experience Program (UREP) Awards. The team was up against world class competition from Qatar University, Texas A&M University and Virginia Commonwealth University in Qatar (VCUQ), among others. Their prize winning project – Antimicrobial Properties of Arab Medicinal Plants – resulted in the identification of plant properties that have the potential to contribute to new medical discoveries.

## Faculty Awards and Designations

The Society of Teaching and Learning in Higher Education (STLHE) selected Holly Morris, a Business Administration instructor at Clarendville campus, as one of five recipients of the 2013 College Sector Educator Award. The group represents faculty from across Canada who truly exemplify the best in college teaching excellence and peer mentoring. Each recipient helps to support and ensure the success of their teaching colleagues as well as their

students. In addition to working at their own colleges, they have provided exceptional leadership regionally, provincially, nationally and internationally in the field of teaching and learning.

Roger Andrews, an instructor in the Cook program at the Prince Philip Drive campus, took home a bronze medal from the Culinary Olympics in Germany in October 2012, joining the ranks of those deemed the best in the world. Andrews completed his second stint, a period of eight years, on the Olympic team as a member of the support crew. Andrews was also named 2012 Chef of the Year by the Newfoundland and Labrador Chef's Association.

CNA-Q Facilities Management Team successfully completed the ISO 50001 Energy Management Systems designation for campus energy conservation. This newest international designation now joins the previous ISO certifications received by the campus for Quality Management (ISO 9001), Environmental Management (ISO 14001), and Occupational Health and Safety (OH&S 80001).

## **Partnerships and Recognition**

In celebration of a unique educational partnership and recognition of 10 years of successive growth, CNA-Q and the State of Qatar joined in hosting a number of special events throughout 2012-13, culminating with the region's first international Global Innovators Conference on Leading and Learning in Technical and Vocational Education. The event attracted 650 participants from 42 countries and involved the partnership and support of international organizations including UNESCO-UNEVOC.

In partnership with the Geographic Information System (GIS) Applications Specialist (Post Diploma) program faculty and students, the Town of St. Anthony will be preparing to go digital through a new project that will replicate the town's infrastructure and landscape online. The project will use GIS technology as a geo-database and analysis tool to collect and maintain information on everything from roads and sewage to tourist attractions and restaurants. It will allow for large amounts of information to be stored and accessed in one system so that town planners, emergency response workers, businesses, hunting and fishing outfitters, residents, and tourists can all benefit from having relevant, detailed information at their fingertips.

College of the North Atlantic and Women in Resource Development Corporation (WRDC) celebrated the milestone of 50 offerings of the Orientation to Trades and Technology (OTT) program in August 2012. Since the first program was piloted at the Bay St. George campus in October 1999, it has been delivered throughout the province of Newfoundland and Labrador, producing more than 600 graduates. OTT is designed to provide women with practical knowledge of natural resource-based industries. The program raises awareness of challenging, high-paying jobs in the natural resource industries available and attainable for women.

## **Research and Development**

The college has been selected by the Natural Sciences and Engineering Research Council (NSERC) as the only Atlantic Canadian college to receive a new Industrial Research Chair for Colleges (IRCC) grant. Dr. Gary Thompson, the college's Industrial Research Chair in Applied Mineralogy, will continue to support an ongoing research partnership with mining giant Vale for an additional five years. A geochemist at CNA's Burin campus, Dr. Thompson was successful in receiving \$750,000 to continue his work. Vale will also be contributing \$750,000 through cash and in-kind investments over the term of the project. These funds will be used for conducting core sample research, the use of labs and specialized equipment as well as other analytical costs and materials.

# Performance Indicator Results

College of the North Atlantic is committed to achieving the strategic directions outlined in the 2011-2014 Strategic Plan. The following section provides a report of the college's progress in meeting its 2012-13 objectives for each of the three strategic issues in the current plan. The section is structured to provide a brief discussion of each strategic issue followed by a detailed progress report on the annual objective, measures and indicators.

## Issue 1: Quality Programs

College of the North Atlantic is committed to the development and delivery of quality programs and learner services. As part of its Academic Plan, CNA continues to develop and implement programs to meet the needs of learners, industries and communities. The college strives for the highest quality learning experiences and graduate outcomes reflecting current demand and future need.

**Goal 1:** By March 31, 2014, College of the North Atlantic will have enhanced programs in response to identified labour market requirements and the evolving educational needs of learners.

**Objective:** By March 31, 2013, College of the North Atlantic will have continued the implementation of the Academic Plan through year two initiatives in response to identified requirements.

**Measure:** Continued the implementation of the Academic Plan.

### Progress Report:

In 2012-13, College of the North Atlantic was able to implement year two initiatives included in the Academic Plan in response to identified requirements. Programs were revised and new programs were developed to be responsive to the labour market and educational needs of learners, and overall quality was improved through continuous learning (i.e., professional development) for employees. Further, program requests and community capacity building opportunities were identified, and the Offices of Institutional Research and Planning and Applied Research implemented initiatives supported through the Academic Plan. These activities also contribute to the Provincial Government's Strategic Direction regarding 'Higher Education'.

### INDICATOR 1.1: Implemented program and/or course capacity adjustments.

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College of the North Atlantic implemented program and/or course capacity adjustments through additional program and course offerings, changes in capacity, and new blended learning opportunities (i.e., a teaching and learning approach that integrates e-learning technology with classroom-based learning). Downward capacity adjustments were also made where necessary to reflect reduced labour market demand. Examples include the following:

- Expanded capacity by introducing new blended learning offerings. Heavy Equipment Operator (HEO) increased capacity by 10 seats, and was offered between Bay St. George and St. Anthony, and Heavy Duty Equipment Technician (HDET) Advanced increased capacity by 12 seats, and was offered between Bay St. George and Labrador West.

- Increased capacity in Process Operator at Placentia campus by 25% to meet labour market and student demand.
- Implemented program adjustments through revision and re-launching of four programs in response to labour market requirements including: Early Childhood Education (ECE)-Certificate and Diploma programs; Graphic Communications-Diploma program; and Graphic Design-Diploma program.
- Improved access to existing programs by developing 56 new online courses and redeveloping/updating an additional 68 courses for Distributed Learning (DL) delivery.
- Increased capacity in Community Studies (20 seats) and ECE (20 seats) through new offerings at the Happy Valley-Goose Bay campus.

### **INDICATOR 1.2: Researched and responded to program requests and community capacity building opportunities.**

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College of the North Atlantic researched new program possibilities to align with local labour market and community capacity building opportunities. Potential for new programs was explored throughout the college, and development work was initiated in several areas including the following:

- Based on immediate labour market needs identified by partners and community (specifically, Labrador Aboriginal Training Partnership and Nalcor), Contract Training and Continuing Education (CT/CE) launched three customized programs in Happy Valley-Goose Bay: Environmental Monitor; Occupational Health and Safety Fundamentals; and Construction Craft Worker (Labourer).
- In response to industry interest, the School of Business and Information Technology conducted research into potential new program areas: Project Management, Business Analyst, International Business, Business Media, Quality Management, and GIS for Business.
- The School of Academics, Applied Arts and Tourism, in collaboration with Placentia campus and industry partners began development of a two-year Child and Youth Care Diploma program to address the shortage of certified child and youth care practitioners in the province.
- Working with local area and provincial government partners, the Bonavista Institute for Cultural Tourism (BICT), developed three new courses: Introduction to Cultural Tourism 201; The Business of Food; and the Role of Municipalities in Cultural Development & Planning.
- To assist industry address a shortage of qualified personnel, Mobile Crane Operators from the United States were assessed, received refresher training at the Bay St. George campus, and subsequently obtained their red seal to work in NL.
- In response to the growing home care labour needs in Harbour Breton, Hermitage and Sheshatshiu, CT/CE developed and delivered an Introduction to Homecare program to individuals in those communities.
- Happy Valley-Goose Bay and Prince Philip Drive campuses offered the Techsploration Orientation to Trades and Technology (TOTT) program in conjunction with WRDC, introducing individuals from the area to the Trades as a potential career.
- Carbonear campus launched a Building Service Worker program with Salvation Army to train Custodial workers for businesses in the local region.
- Baie Verte campus and CT/CE delivered customized Mill Operator Training to 12 learners from the region.

### **INDICATOR 1.3: Conducted scheduled program reviews to align with identified training and labour market needs.**

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College of the North Atlantic conducts regular program reviews to ensure offerings align with identified training and labour market needs. In 2012-13, programs at CNA-NL were reviewed, revised and newly developed in eight program areas including Academics, Applied Arts, Business, Engineering Technology, Health Sciences, Industrial Trades, Information Technology, and Natural Resources. Further, reviews were initiated for 11 programs, and nine revised and four new programs were presented to Academic Council. These program reviews ensured quality and relevance, as well currency of skills for the labour market and technology utilized by industry. For example:

- In response to new provincial programming standards, and to support the strategic work of Child, Youth and Family Services (CYFS), the college completed a review of the Early Childhood Education program. The resulting revised diploma program and newly created certificate program were approved by Academic Council in June 2012.
- In response to a thriving mining sector in NL, the School of Engineering Technology and Natural Resources initiated reviews of Mining Engineering Technician and Mineral Technician programs.

### **INDICATOR 1.4: Implemented institutional research and applied research initiatives.**

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This year, the Office of Applied Research (OAR) received support for 31 new and continuing projects funded through \$6.0 million in grants. Funding received included national, regional and provincial awards from Natural Sciences and Engineering Council of Canada (NSERC), National Research Council of Canada (NRC), Atlantic Canada Opportunities Agency (ACOA), and the Research and Development Corporation (RDC) of the provincial government. Examples of some of the projects undertaken are as follows:

- The Wave Power/Aquaculture research project;
- Development of a Smartphone Application to Measure Student Response in Class Room Setting;
- Anti-Cancer Drug Development;
- Digital Technology Adaptation;
- Remotely Operated Underwater Vehicles;
- Innovative Surficial and Mining Techniques research project;
- Collaborative Research with École Polytechnique Quebec, in nanotechnology; and
- Collaborative research with Magine Snowboards in Port au Port to develop a more durable snowboard product using environmentally-friendly composite materials.

Institutional research was conducted through the following activities:

- Continued development of the Key Performance Indicator's (KPI) program for the college through distribution of the Graduate Employment Survey, the Student Satisfaction Survey (SSS), and the first standard, college-wide Course Evaluation Survey. Further, 94.3% of respondents to the SSS indicated that they were satisfied as a student at CNA, an increase of 3.8% from 2011.
- Analyzed CNA's enrolment and capacity data in support of the Academic Planning process, and completed 20 detailed Labour Market Analyses (LMA's) in support of the program review process.
- Collected Faculty Time Allocation (FTA) data in the Spring/Summer 2012 and Fall 2012 terms. This process provided valuable planning information that helped the college consider new opportunities including, but not limited to, blended learning, program development, applied research and industry innovation.

## **INDICATOR 1.5: Supported the professional growth of faculty through continuous learning activities.**

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Throughout the 2012-13 year, CNA supported 289 (148 faculty and 141 non-faculty) individual Continuous Learning (CL) (i.e., professional development) initiatives, as well as 39 group activities in such areas as customer service, Microsoft applications, academic quality assurance, educational technology and new faculty orientation. Some examples of CL activities and discipline-related training include the following:

- 40 CNA employees completed 'Applying the Quality Matters Rubric' (APPQMR) workshop. The training will ensure that CNA courses are aligned with learning objectives, and that students achieve the desired learning outcomes.
- Training was provided to enhance classroom and technical skills of faculty such as Desire2Learn (D2L) and Smart Board training. Staff also attended a Blended Learning Conference, and participated in a 'Teaching with Technology' provincial workshop.
- The School of Engineering Technology and Natural Resources supported 21 faculty members in CL activities which included two group training sessions delivered at Ridge Road campus utilizing an external trainer (Solid Works Design and Tensile Testing Machining training).
- The college coordinated, trained and coached a number of faculty in Fall Protection and Confined Space techniques leading to Workplace Health and Safety Compensation Commission (WHSCC) certified trainers and CNA as a training provider for both courses.

### **2013-14 Objective:**

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By March 31, 2014, College of the North Atlantic will have further implemented the Academic Plan through year three initiatives in response to identified requirements.

**Measure:** Further implemented the Academic Plan.

### **Indicators:**

- 1.1 Implemented Academic Plan adjustments.
- 1.2 Continued to research and respond to program requests and community capacity building opportunities.
- 1.3 Continued to conduct scheduled program reviews to align curriculum with identified training and labour market needs.
- 1.4 Implemented institutional research and applied research initiatives.
- 1.5 Supported faculty development for quality curriculum and delivery.

## Issue 2: International Education

College of the North Atlantic recognizes the importance of internationalization. Through the identification and revision of programs and services, international learners will have the opportunity to improve their English language skills, earn a certificate or diploma, obtain the academic credentials necessary for further education and/or prepare for a new career. Improving our international education practices is all-encompassing. It involves all of the mechanisms, processes and resources that support the export of our educational products, and the attraction of international learners to our college in Newfoundland and Labrador.

**Goal 2:** By March 31, 2014, College of the North Atlantic will have improved international education practices.

**Objective:** By March 31, 2013, College of the North Atlantic will have identified and/or revised programming and services to be delivered locally and abroad for international learners.

**Measure:** Identified and/or revised programming and services.

### Progress Report:

In 2012-13, College of the North Atlantic identified and/or revised programming and services that were delivered locally and abroad for international learners. Programs have been revised, new programs have been developed for the college's international locations, and services such as career counseling and peer tutoring have been developed.

### INDICATOR 2.1: Identified and/or revised programming to address the needs of international learners.

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College of the North Atlantic identified and/or revised programming to address the needs of international learners through the following:

- Identified and prepared program proposals for several international opportunities in order to enhance local workforce training capacity including:
  - The Building and Construction School in Greenland (proposal pending);
  - The Canadian International Development Agency (CIDA) project for delivery of customized training with Linden Institute in Guyana (proposal accepted);
  - The Association of Canadian Community Colleges (ACCC)/CIDA for delivery of the Aircraft Maintenance program at Antigua State College (proposal pending); and
  - CIDA for project work in Vietnam (joint CNA-Agriteam proposal pending).
- Developed and secured a new institutional partnership with Guangdong Ocean University in Guangdong Province, China in response to an identified need for diploma programs for local students in this region.
- Presented and received approval from Academic Council for three revised programs and four new programs for the college's international locations.
- Worked with CNA-Q to develop an Emergency Management Diploma/Certificate program and a two-year Petroleum Technical Assistant Diploma program, in response to demands in Qatar.
- Launched the Centre for Teaching, Learning, and Educational Innovation (CTLEI) at the Qatar campus to lead the integration of advancements in educational technology, instructor skills development,

learning management systems, learning object repositories, blended learning and curriculum/program development to improve program delivery to students.

## **INDICATOR 2.2: Identified and/or revised services to address the needs of international learners.**

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College of the North Atlantic identified and/or revised services to address the needs of international learners through the following:

- Reviewed and updated student pre-departure information, student handbook and orientation materials to address a gap in existing documentation and assist students preparing to attend CNA.
- Approved as a partner under the Student Partnership Program (SPP) with China through ACCC. This status fast tracks the visa application and processing time with the Canadian Immigration office to provide students with a more streamlined and timely application process.
- In conjunction with the Qatar Project Office (QPO) prepared working documents for student mobility, travel and work term placements to address a gap in existing materials and to assist with preparation for student exchanges.
- Co-lead a Provincial International Group with Memorial University; a working group which shares best practices, new policies, contributes to national issues, identifies programs, resources and supports for the region, and reviews visa concerns. This provides for up-to-date and timely information to be shared for the benefit of international student initiatives.
- Signed seven new international recruitment agency agreements covering the geographical regions of India, Bangladesh, Ecuador and Vietnam, thereby providing connections to students in other regions of the world who may wish to consider an educational experience at CNA.
- Identified the need to provide an opportunity for broader input into the success of our international students. Reviewed composition of current college international working group and expanded to include representatives from English as a Second Language (ESL), learners, and Campus Administration.
- Facilitated a Canadian Immigrant Integration Project (CIIP), in partnership with clients in China.
- Developed a series of programs/workshops for student success at CNA-Q (e.g. career and personal counseling, peer tutoring, student success).
- Developed student success materials for learning in the areas of technological awareness, self-management and organizational skills, and self-assessment.
- Implemented the Tamheed career counseling tool at CNA-Q; this is the only career counseling assessment that has been standardized in the Middle East and North African region and can be completed in the Arabic language.

### **2013-14 Objective:**

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By March 31, 2014, College of the North Atlantic will have implemented revised international education practices.

**Measure:** Implemented revised international education practices.

### **Indicators:**

- 2.1 Implemented revised programming to meet the needs of international learners.
- 2.2 Implemented revised services to meet the needs of international learners.

### **Issue 3: Improved Access to Learner Supports**

College of the North Atlantic places learning and the learner first. The college strives to provide improved access to learner supports to help all learners who need assistance to reach their academic potential and enhance their skills and knowledge.

**Goal 3:** By March 31, 2014, College of the North Atlantic will have improved access to learner supports and services.

**Objective:** By March 31, 2013, College of the North Atlantic will have implemented select improvements to learner supports and services.

**Measure:** Implemented select improvements to learner supports and services.

#### **Progress Report:**

In 2012-13, College of the North Atlantic implemented select improvements to learner supports and services as part of its strategy to enhance provincial post-secondary program delivery. To help achieve this goal, the college focused on Strategic Enrolment Management (SEM), a systematic, comprehensive, research-driven strategy designed to locate, attract and retain learners. The college also continued to implement new learner support technologies to improve access for learners. Together these advancements enabled the college to focus on programming in support of the Provincial Government's Strategic Direction for 'Higher Education'.

#### **INDICATOR 3.1: Applied best practices in Strategic Enrolment Management.**

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College of the North Atlantic commissioned a report of best practices from an external consultant specializing in SEM in 2011-12. As a result several recommendations were made, and in 2012-13, the following best practices in SEM were applied:

- CNA developed a strategy to build online registration and student self-service capacity throughout the college and piloted online registration in all entry-level Industrial Trades programs.
- An Institutional Research and Planning analyst was assigned to the SEM Steering Committee to ensure accurate data is provided to inform the development of SEM at CNA.
- Conducted a review of all Learner Services policies and procedures and drafted recommendations to facilitate the revision and/or creation of several key policies and procedures.
- The impacts of campus enrolments were examined to inform program decision-making (e.g. reviewed the effects of enrolment cap in Engineering Technology programs at rural campuses).
- Developed a survey cycle and implemented student surveys to systematically gather data regarding areas of concern for the college. Results from the Course Evaluations (Fall 2012) and the Student Satisfaction Survey (Winter 2013) will be used to help improve the experience of CNA students.
- Expanded the Infosylum Scheduling system to include Grand Falls-Windsor campus. This software has been used to produce conflict free learner, instructor and room schedules.

### **INDICATOR 3.2: Developed learner recruitment and retention projects.**

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College of the North Atlantic developed several learner recruitment and retention projects throughout the 2012-13 year, including co-leadership of an initiative with Memorial University researching best practices in attracting, serving and retaining learners with disabilities. College Day was held at campuses to attract potential learners, and Student Development Officers (SDO) and the Marketing department participated in a provincial workshop to enhance provincial strategies for student recruitment and retention.

Examples of 2012-13 recruitment activities include:

- College campuses held events (i.e., College Day) and brought potential students into their buildings, or sent faculty/staff to high schools across the province to provide enrichment activities and educate students on college services and programming choices.
- Prince Philip Drive campus developed a recruitment strategy for the Motor Vehicle Body Repairer (Metal and Paint) program, using a high-performance car (Camaro) donated by General Motors to generate profile with the 15-29 year old youth target group.
- The Port aux Basques campus piloted an outreach program with local area high school students designed to introduce them to training and career options at the college.
- St. Anthony campus led the development of a marketing plan, campaign and materials that will be used to promote career and training options at all of CNA's rural campuses.
- College campuses increased their utilization of social media (e.g. Facebook) for marketing and promoting programs, as well as showcasing student and staff achievements.
- The college partnered with Memorial University to develop an Aboriginal Ambassador Pilot project to encourage aboriginal youth to consider post-secondary education. A memorandum of understanding (MOU) between both institutions has been signed and the NunatuKavut government has expressed interest in being involved in development and delivery of the pilot.

Retention initiatives included:

- Happy Valley-Goose Bay campus established a Learner Success Centre for level one students.
- The college looked internally at Comprehensive Arts and Science (CAS) Transition classes and provided information to students on options for pursuing a regular college program once they completed their access program.
- Learner Services and Institutional Research and Planning undertook a retention analysis for both the School of Engineering Technology and School of Health Sciences. Information from the analysis will be used to develop targeted initiatives to improve student success in both Schools.

### **INDICATOR 3.3: Continued to implement new learner support technologies.**

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College of the North Atlantic continued to implement new learner support technologies through the following:

- The college expanded its capacity to respond to the needs of learners with disabilities through the acquisition of assistive technologies. As an example, Suncor donations were used to purchase assistive technology software and laptops that read text aloud for students with learning disabilities or vision problems.
- Campuses established and/or maintained English, math and/or science help centres to provide additional academic support and tutoring to learners outside the classroom.

- Obtained a one year license for the web conferencing tool, Collaborate. This software has increased the quality of teaching by Distributed Learning (DL) instructors and is a tool for providing learner support.
- A CampusLife DL application was released; students can now use their mobile device to access non-classroom based courses, as well as use the Live Chat feature to access technical and other supports faster and from any location.
- Gander campus participated in an Assistive Technology workshop for Disability Services. The campus takes advantage of iPad technology and assistive technology applications to improve support for learners with disabilities.
- Desire2Learn (D2L), CNA's Learning Management System, was successfully upgraded to version 10. As well, the Personal Career Plan (PCP) Grade and Referral software was upgraded.

### **INDICATOR 3.4: Continued to explore community-based synergies for learner supports.**

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College of the North Atlantic continued to explore community-based synergies for learner supports in order to optimize available resources and expand promotional efforts. Exploration of activities varied depending on initiative areas, but included the identification of community-based resources, meeting/partnering with community groups and professional associations, and joining committees to promote access to education. The results of these activities were a number of new partnerships and joint initiatives such as:

- Burin campus collaborated with local educational psychologists to train faculty/staff on anti-bullying strategies. The campus also collaborated with Eastern Health to train faculty/staff on understanding mental health disorders and how to best service impacted learners.
- The college's partnership with WRDC provides another level of support for female learners in the Trades and Technology programs. The learners benefit from the mentoring programs at various campuses, networking opportunities provided, and the educational piece delivered through presentations/guest speakers on topics such as Respectful Workplace.
- Corner Brook campus partnered with the City of Corner Brook and other post-secondary institutions to form Campus City Connect. This is a committee whose goal is to transform Corner Brook into a "Campus City" of choice for learners pursuing post-secondary education.
- Seal Cove campus held an event for new Industrial Trades graduates called "apprenticeship connections", where employers and students were given the opportunity to liaise on campus.

### **2013-14 Objective:**

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By March 31, 2014, College of the North Atlantic will have continued to implement select improvements to learner supports and services.

**Measure:** Continued to implement select improvements to learner supports and services.

### **Indicators:**

- 3.1 Continued best practices in Strategic Enrolment Management.
- 3.2 Implemented learner recruitment and retention projects.
- 3.3 Enhanced learner access to support technologies.
- 3.4 Implemented activities that leveraged community-based synergies for learner supports.

# Opportunities and Challenges Ahead

Given changing demographics, an environment of fiscal restraint and responsibility, ongoing labour market restructuring, and moderating but continued economic growth, the college is presented with both challenges and opportunities as it moves forward into the third and final year of this planning cycle.

A college-wide Visioning Exercise “Your College, Your Future” generated the input of staff, faculty, learners, alumni and other partners through a series of campus visits and other guided discussions. This process, initiated in 2011-12, was completed in 2012-13 and the results used to create a new college mandate statement. Presented to the Board of Governors at their Fall 2012 board meeting, the statement received approval in principle pending final consultation with the college community. The new statement embraces the college’s long-standing traditions of excellence and achievement, community integration and flexibility while also acknowledging the opportunity (and responsibility) to be nimble and responsive to stakeholder needs.

Budget challenges have required a review of all programs and services with the aim of finding shared efficiencies where possible, including reducing programs no longer attracting sufficient student numbers to free resources for allocation to other areas with higher labour market demand and waitlists. The review of campus administrative and executive structures was completed in 2012-13 and used to inform the 2013-14 budget process. Implementation of the review recommendations will be continuing through most of the 2013-14 fiscal year.

Other service reviews are in process or planned for completion this coming year, the results of which will further inform the structuring of functions at the campus and headquarters levels in the coming months.

In addition to budget and review-related restructuring, the college is facing a significant challenge creating a true “one college” culture from the seventeen separate campus entities that currently make up its operations. Rebranding and repositioning of the college with our internal staff, students and external audiences will be critical for our future success.

We will be partnering further with Memorial University to leverage resources and expand our existing articulation and transfer arrangements to benefit students in our business administration and engineering technology programs.

In order to fulfill our mandate to provide an educated and skilled workforce by delivering responsive programs the college will:

- restructure and streamline the Academic Planning process to more stringently assess and respond to programming needs and opportunities;
- launch a series of education vision papers to shape the future directions of the college’s professional schools beginning with a New Vision for Human and Health Sciences Education;
- create a strategic partnership capacity designed to respond immediately and effectively to business development and other opportunities; and
- initiate a formal quality management program.

# 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 of the Canadian Institute of Chartered Accountants.

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.

Grant Thornton 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.



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Board Chair



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Vice President,  
Finance and Administration

# Independent Auditors' Report



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

We have audited the accompanying financial statements of College of the North Atlantic, which comprise the financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of operations, changes in net debt, and cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

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

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

## **Auditor's Responsibility**

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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College'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 College's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 College of the North Atlantic as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations, changes in net debt, and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Chartered Accountants.

St. John's, Canada June 14, 2013

# Statement of Financial Position

	March 31 2013	March 31 2012	April 1 2011
<b>Financial Assets</b>			
Cash	\$ 16,706,869	\$ 11,334,989	\$ 22,865,403
Accounts receivable (Note 4)	27,406,604	12,503,515	17,369,206
Inventories for resale	1,314,012	1,325,204	1,312,749
Trust funds on deposit (Note 5)	3,343,087	3,299,308	1,563,502
	<u>\$ 48,770,572</u>	<u>\$ 28,463,016</u>	<u>\$ 43,110,860</u>
<b>Liabilities</b>			
Accounts payable & accrued liabilities (Note 6)	\$ 10,403,444	\$ 11,449,902	\$ 16,683,837
Vacation pay accrual	9,701,601	9,474,083	8,598,177
Post-employment benefits (Note 7)	14,604,528	13,932,466	13,192,326
Compensated absences (Note 7)	10,772,408	10,520,902	10,307,025
Due to Qatar Campus (Note 8)	10,670,319	2,142,880	8,603,095
Deferred contributions - operating (Note 9)	4,639,655	4,428,037	3,833,107
Trust funds payable (Note 5)	3,343,087	3,299,308	1,563,502
	<u>\$ 64,135,042</u>	<u>\$ 55,247,578</u>	<u>\$ 62,781,069</u>
<b>Net Debt</b>	<b>\$ (15,364,470)</b>	<b>\$ (26,784,562)</b>	<b>\$ (19,670,209)</b>
<b>Non-Financial Assets</b>			
Tangible capital assets (Schedule 1)	\$ 28,851,000	\$ 28,032,304	\$ 25,507,888
Inventories held for use	78,098	61,400	53,766
Prepaid expenses	1,440,084	1,581,297	1,444,633
	<u>30,369,182</u>	<u>29,675,001</u>	<u>27,006,287</u>
<b>Accumulated surplus</b>	<b>\$ 15,004,712</b>	<b>\$ 2,890,439</b>	<b>\$ 7,336,078</b>
Commitments (Note 10)			
Contingencies (Note 11)			

# Statement of Operations

Year Ended March 31, 2013

	2013 Budget (Note 14)	2013	2012
Revenue			
Grants and reimbursements	\$ 91,678,439	\$ 91,103,258	\$ 91,436,387
Subsidy	11,422,700	21,207,000	13,427,000
Tuition	12,501,943	12,113,372	12,531,359
Classroom/video rental	15,000	20,000	18,750
Interest	200,000	181,344	274,861
Fees	620,071	666,106	620,787
Apprenticeship	3,954,236	5,662,188	3,769,782
Bookstore	3,380,000	2,814,605	2,953,723
Corporate	3,693,551	2,490,489	3,179,541
Daycare	520,845	495,512	472,819
Equipment and materials	1,543,672	1,578,216	1,482,814
Food services	1,338,000	1,192,535	1,215,809
International	1,081,695	1,037,635	1,156,410
Parking	3,547	7,719	6,365
Residence	329,000	319,318	309,305
Special projects	6,144,213	4,130,977	3,007,150
Qatar project	10,300,000	10,601,883	10,167,006
Other	418,758	587,594	480,771
	<u>\$ 149,145,670</u>	<u>\$ 156,209,751</u>	<u>\$ 146,510,639</u>
Total revenue			
Expenditures (schedule 2)			
Facilities	4,616,617	4,956,994	5,948,010
Administration	16,768,396	15,775,912	16,228,280
Instructional	79,499,762	76,331,528	79,610,847
Student services	10,961,803	11,032,928	11,270,796
Information technology	7,568,953	6,823,838	7,285,448
Resale	5,727,409	5,372,142	5,756,542
Apprenticeship	3,866,171	4,100,978	4,039,467
Continuing education	678,543	783,937	774,358
Contracts	6,312,741	4,321,162	5,341,592
International	742,196	555,977	620,347
Special projects	5,036,497	3,761,559	3,357,307
Qatar project	2,109,494	2,164,353	1,975,049
	<u>\$ 143,888,582</u>	<u>\$ 135,981,308</u>	<u>\$ 142,208,043</u>
Total expenditure			
Annual Surplus (Deficit) before adjustments:	5,257,088	20,228,443	4,302,596
Less adjustments for undernoted items:			
Amortization of tangible capital assets	7,700,000	7,171,478	7,132,260
Accrued post-employment benefits	850,000	622,368	801,070
Accrued compensated absences	-	251,506	213,877
Accrued annual leave	600,000	68,818	601,028
	<u>9,150,000</u>	<u>8,114,170</u>	<u>8,748,235</u>
Total adjustment for above noted items			
Annual Surplus (Deficit)	<u>\$ (3,892,912)</u>	<u>\$ 12,114,273</u>	<u>\$ (4,445,639)</u>

# Statement of Changes in Net Assets

Year Ended March 31, 2013

	<u>2013 Budget (Note 14)</u>	<u>2013 Total</u>	<u>2012 Total</u>
Annual surplus (deficit)	\$ <u>(3,892,912)</u>	\$ <u>12,114,273</u>	\$ <u>(4,445,639)</u>
Changes in tangible capital assets			
Acquisition of tangible capital assets	(9,798,009)	(7,992,545)	(9,663,059)
(Gain) loss on sale of tangible capital assets	-	2,371	6,383
Amortization of tangible capital assets	<u>7,700,000</u>	<u>7,171,478</u>	<u>7,132,260</u>
Increase (decrease) in net book value of tangible capital assets	<u>(2,098,009)</u>	<u>(818,696)</u>	<u>(2,524,416)</u>
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	-	141,213	(136,664)
Acquisition of inventory of supplies (net of usage)	-	(16,698)	(7,634)
Increase (Decrease) in other non-financial assets	<u>-</u>	<u>124,515</u>	<u>(144,298)</u>
(Increase) decrease in net financial assets (debt)	(5,990,921)	11,420,092	(7,114,353)
Net financial assets (debt) at beginning of year	<u>-</u>	<u>(26,784,562)</u>	<u>(19,670,209)</u>
Net financial assets (debt) at end of year	<u>\$ (5,990,921)</u>	<u>\$ (15,364,470)</u>	<u>\$ (26,784,562)</u>

# Statement of Cash Flow

Year Ended March 31, 2013

	2013	2012
<b>Operating</b>		
Annual surplus (deficit)	\$ 12,114,273	\$ (4,445,639)
Add (deduct) non-cash items:		
Amortization of capital assets	7,171,478	7,132,260
Accrued post-employment benefits - increase (decrease)	672,062	740,140
Accrued compensated absences - increase (decrease)	251,506	213,877
	<b>20,209,319</b>	3,640,638
Changes in:		
Receivables	(14,903,089)	4,865,691
Inventory	(5,506)	(20,089)
Prepaid expenses	141,213	(136,664)
Deferred contributions - operating	211,618	594,930
Payables and accruals	(818,940)	(4,358,029)
Due to Qatar campus	8,527,439	(6,460,215)
Net cash provided by operating transactions	<b>13,362,054</b>	(1,873,738)
<b>Capital</b>		
Acquisitions of tangible capital assets	(7,992,545)	(9,663,059)
Proceeds on sale of tangible capital assets	2,371	6,383
Net cash applied to capital transactions	<b>(7,990,174)</b>	(9,656,676)
<b>Financing</b>		
Net cash (applied to) provided by financing transactions	-	-
<b>Investing</b>		
Net cash provided by (applied to) investing transactions	-	-
Net cash provided (applied)	<b>5,371,880</b>	(11,530,414)
Cash, beginning of year	<b>11,334,989</b>	22,865,403
Cash, ending of year	<b>\$ 16,706,869</b>	\$ 11,334,989

# Tangible Capital Assets (Schedule 1)

Year Ended March 31, 2013

	Artwork	Capital improvements	Computer and peripherals	Furnishings	Instructional equipment	Other electronic equipment	Software	ERP - Peoplesoft	Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
At April 1, 2011	5,500	20,110,203	7,081,910	718,310	37,268,365	744,488	737,162	3,789,958	8,131,901	78,587,797
Additions	-	2,610,123	407,763	41,669	4,165,412	23,430	9,824	1,318,053	1,086,786	9,663,060
Disposals	-	5,125	534,798	52,824	966,475	4,633	6,037	-	578,618	2,148,510
Write-downs							105,688	(105,688)		-
At March 31, 2012	5,500	22,715,201	6,954,875	707,155	40,467,302	763,285	635,261	5,213,699	8,640,069	86,102,347
Additions	-	5,038,765	274,065	28,833	1,508,155	72,494	-	232,635	837,598	7,992,545
Disposals	-	627,832	789,340	45,150	522,994	-	-	-	95,563	2,080,879
Write-downs										-
At March 31, 2013	5,500	27,126,134	6,439,600	690,838	41,452,463	835,779	635,261	5,446,334	9,382,104	92,014,013
Accumulated Amortization										
At April 1, 2011	-	7,910,940	6,268,481	651,513	29,410,956	602,244	535,380	2,468,757	5,231,638	53,079,909
Amortization	-	1,693,982	546,790	31,889	3,173,736	81,426	65,700	389,565	1,149,171	7,132,259
Disposals	-	2,306	534,798	52,824	962,909	4,633	6,037	-	578,618	2,142,125
Write-downs										
At March 31, 2012	-	9,602,616	6,280,473	630,578	31,621,783	679,037	595,043	2,858,322	5,802,191	58,070,043
Amortization	-	2,041,020	436,477	32,517	3,115,630	34,759	35,306	389,565	1,086,204	7,171,478
Disposals	-	625,750	796,630	37,571	522,994	-	-	-	95,563	2,078,508
Write-downs										
At March 31, 2013	-	11,017,886	5,920,320	625,524	34,214,419	713,796	630,349	3,247,887	6,792,832	63,163,013
Net Book Value:										
At April 1, 2011	5,500	12,199,263	813,429	66,797	7,857,409	142,244	201,782	1,321,201	2,900,263	25,507,888
At March 31, 2012	5,500	13,112,585	674,402	76,577	8,845,519	84,248	40,218	2,355,377	2,837,878	28,032,304
At March 31, 2013	5,500	16,108,248	519,280	65,314	7,238,044	121,983	4,912	2,198,447	2,589,272	28,851,000

Cost at March 31, 2013 includes work in progress as follows: ERP - PeopleSoft \$1,550,688

# Summary of Expenditures (Schedule 2)

Year Ended March 31, 2013

	<u>2013 Budget (Note 14)</u>	<u>2013</u>	<u>2012</u>
Salaries and benefits	\$ 114,904,857	\$ 111,896,195	\$ 113,306,379
Professional development	702,390	323,708	584,074
Employee recognition and wellness	32,738	25,153	31,364
Professional fees	1,798,910	1,474,341	1,534,831
Travel	1,882,912	1,392,570	1,959,425
Recruitment and relocation	161,841	304,266	108,577
Insurance	343,400	313,510	303,156
Bank charges	182,000	178,577	165,322
Photocopying/printing	675,294	612,173	641,819
Office related supplies	606,005	565,061	645,333
Membership fees	167,332	152,654	200,084
General advertising	1,005,138	732,857	1,071,279
Doubtful receivables	65,000	(16,234)	91,779
Freight and customs	416,058	291,966	473,637
Telephone	884,373	756,111	847,898
Utilities	1,489,045	1,583,983	1,541,473
Repairs and maintenance	1,096,216	1,645,115	1,790,805
Vehicle operations	745,051	637,117	559,458
Equipment rentals	159,303	86,936	165,543
Facilities rentals	680,207	636,983	1,094,165
Protective clothing	81,580	82,027	78,394
Food cost	1,137,583	919,588	1,094,415
Laundry and drycleaning	35,511	32,751	33,460
Textbooks and supplies	2,672,450	2,274,890	2,467,512
Computer supplies	2,265,090	2,046,240	2,098,679
Contracted services	1,188,100	1,207,473	1,048,420
Educational materials	667,074	397,315	390,255
Daycare operations	109,455	81,089	86,306
Student related	1,806,903	1,353,048	1,711,400
Minor equipment and tools	773,671	860,194	1,977,447
Minor computer equipment	468,389	390,604	789,637
Materials and supplies	4,684,706	2,743,047	3,590,717
Interest Charges	-	-	(275,000)
	<u>\$ 143,888,582</u>	<u>\$ 135,981,308</u>	<u>\$ 142,208,043</u>

# Notes to the Financial Statements

For the twelve months ending March 31, 2013

## 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. 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 Canadian Institute of Chartered Accountants 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) 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, 2013, the write-down of inventory was \$99,555 (2012 - \$275,279).

### (c) 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
ERP - PeopleSoft	10 years
Computer and peripherals	3 years
Furnishings	5 years
Instructional equipment	5 years
Other electronic equipment	5 years
Software	3 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, 2013.

Contributed 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 capital asset no longer contributes to the college's ability to provide service, and the value of future economic benefits associated with the capital asset is less than the net book value, the carrying value of the 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.

#### **(d) 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.

#### **(e) Vacation pay liability**

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

## **(f) 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 \$173 loss (2012 - \$14,112 gain).

## **(g) 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.

## **(h) 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 province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. 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) 8.6% of earnings up to the Year's Basic Exemption, the portion of earnings upon which no CPP contributions are required;
- (ii) 6.8% of earnings in excess of the Year's Basic Exemption up to and including the Year's Maximum Pensionable Earnings ("YMPE"); and
- (iii) 8.6% 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 five year average salary (up to the three year

average YMPE) multiplied by the years of pensionable service, plus 2% of the best five 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 2013 the College contributed \$6,963,217 to the PSPP and \$762,720 to the GMPP. In 2012 the College contributed \$6,909,391 to the PSPP and \$840,378 to the GMPP.

#### **(i) 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.

#### **(j) 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.

### **3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING**

These financial statements are the first financial statements for which the College has applied Canadian Public Sector Accounting Standards ("PSA Standards"). The financial statements for the year ended March 31, 2013 were prepared in accordance with PSA standards. Comparative period information presented for the year ended March 31, 2012 was prepared in accordance with PSA standards and the provisions set out in Section *PS 2125 First-time adoption by government organizations*.

The date of transition to PSA standards is April 1, 2011. The adoption of the standards has resulted in a restatement of the Statement of Operations for the year ended March 31, 2012 and accumulated surplus as of April 1, 2011 and March 31, 2012. The significant impacts on the statement of operations and statement of financial position included:

#### **(i) de-recognition of certain deferred capital contributions and deferred unamortized portion of capital asset grants:**

"The College has adopted Section PS3410 - Government Transfers where specific criteria must be met in order to defer the recognition of revenue. As a result of applying this standard, deferred capital

contributions and deferred unamortized portion of capital asset grants were not eligible to be deferred.”

**(ii) de-recognition of certain deferred operating contributions:**

“As a result of applying Section PS3410 - Government Transfers, certain government operating contributions were not eligible to be deferred.”

**(iii) adjustments to severance and sick leave accrual based upon actuarial valuation:**

PSA Standards requires the recognition of a liability for sick leave benefits that accumulate, but do not vest, which was not required under pre-changeover GAAP. As a result, the College has recognized a liability and charge to net debt. Post employment benefits (severance) have been calculated internally by management in prior periods. Both the sick leave and severance are required to be accrued based on actuarially determined calculations.

**(iv) reclassifications relating to financial statement presentation adopted under PSA Standards**

(a) Adjustment to the statement of financial position as at April 1, 2011:

	As previously reported	Adjustment required	As restated
<b>Financial assets</b>			
Cash	\$ 22,865,403	\$ -	\$ 22,865,403
Accounts receivable	17,369,206	-	17,369,206
Inventories for resale	1,366,515	(53,766) (iv)	1,312,749
Prepaid expenses	1,444,633	(1,444,633) (iv)	-
Trust funds on deposit	1,563,502	-	1,563,502
Property, plant & equipment	25,507,888	(25,507,888) (iv)	-
	<u>\$ 70,117,147</u>	<u>\$ (27,006,287)</u>	<u>\$ 43,110,860</u>
<b>Financial liabilities</b>			
Accounts payable & accrued liabilities	\$ 16,683,837	\$ -	\$ 16,683,837
Vacation pay accrual	8,598,177	-	8,598,177
Post-employment benefits	14,655,731	(1,463,405) (iii)	13,192,326
Compensated Absences	-	10,307,025 (iii)	10,307,025
Due to Qatar Campus	8,603,095	-	8,603,095
Deferred contributions - operating	5,191,428	(1,358,321) (ii)	3,833,107
Deferred contributions - capital	9,831,690	(9,831,690) (i)	-
Trust funds payable	1,563,502	-	1,563,502
	<u>\$ 65,127,460</u>	<u>\$ (2,346,391)</u>	<u>\$ 62,781,069</u>
<b>Net assets (debt)</b>	<u>\$ 4,989,687</u>	<u>\$ (24,659,896)</u>	<u>\$ (19,670,209)</u>

**Non-financial assets**

Tangible capital assets	\$	-	\$	25,507,888	(iv)	\$	25,507,888
Inventory held for use		-		53,766	(iv)		53,766
Prepaid expenses		-		1,444,633	(iv)		1,444,633
	\$	<u>-</u>	\$	<u>27,006,287</u>		\$	<u>27,006,287</u>
<b>Accumulated surplus</b>	\$	<u>4,989,687</u>	\$	<u>2,346,391</u>		\$	<u>7,336,078</u>

(b) Reconciliation of previously reported annual surplus (deficit) for March 31, 2012 with the annual surplus (deficit) for March 31, 2012 shown in the financial statements:

		2012
Annual deficit, as previously reported at March 31, 2012	\$	<u>(7,906,423)</u>
Adjustment related to deferred capital contributions		6,730,968
Adjustment to amortization of deferred capital grants		(3,156,666)
Adjustment related to subsidy revenue deferral		120,211
Adjustment related to sick leave expense		(213,877)
Adjustment related to severance expense		(19,852)
Annual deficit, as adjusted at March 31, 2012	\$	<u>(4,445,639)</u>

(c) There was no material adjustments required to the presentation in the statement of cash flows presented at March 31, 2012.

The College has elected to use the following elections in respect to their transition:

***i) Post-employment benefits and compensated absences***

"The College has elected to recognize all cumulative actuarial gains and losses at the date of transition directly in accumulated surplus/deficit.

PSA Standards for Government NPOs requires the application of actuarial gains and losses on post-employment benefit obligations and compensated absences to be amortized over the estimated average remaining service life of employees. Retroactive application of this approach would require the College to split the cumulative actuarial gains and losses from the inception of the plan until the date of transition to PSA Standards for Government NPOs into a recognized portion and an unrecognized portion. The College has elected to recognize all cumulative actuarial gains and losses as the date of transition to PSA Standards for Government NPOs directly in net assets."

***ii) Impairment of tangible capital assets***

The College has elected to recognize the impairment and write-down of tangible capital assets on a prospective basis. PS 3150 - Tangible Capital Assets has provisions relating to the impairment and write-down of tangible capital assets that can differ materially from pre-changeover Canadian GAAP. This exemption allows entities to apply these provisions prospectively from the date of adoption of PSA Standards for Government NPOs, rather than reassessing all tangible capital assets initially recognized in the opening statement of financial position for write-down under these provisions.

## 4. RECEIVABLES

	<u>2013</u>	<u>2012</u>	2011
Government of Newfoundland and Labrador	\$ 6,978,352	\$ 5,153,985	\$ 2,503,872
LMDA Subsidy	15,407,255	3,672,888	8,716,439
Students	810,233	771,252	994,989
Government agencies and other	4,472,712	3,321,600	5,533,597
	<u>27,668,552</u>	<u>12,919,725</u>	17,748,897
Less allowance for doubtful accounts	<u>261,948</u>	<u>416,210</u>	379,691
	<u>\$ 27,406,604</u>	<u>\$ 12,503,515</u>	\$ 17,369,206

## 5. TRUST ACCOUNTS

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

	<u>2013</u>	<u>2012</u>	2011
Opening balance	\$ 3,299,308	\$ 1,563,502	\$ 1,358,346
Net deposits and payments	(29,651)	1,683,348	167,609
Interest	73,430	52,458	37,547
	<u>3,343,087</u>	<u>3,299,308</u>	1,563,502
Closing balance	<u>\$ 3,343,087</u>	<u>\$ 3,299,308</u>	\$ 1,563,502

## 6. ACCOUNTS PAYABLES & ACCRUED LIABILITIES

	<u>2013</u>	<u>2012</u>	2011
Trade liabilities	\$ 3,334,190	\$ 2,949,763	\$ 3,297,281
Accrued wages and benefits	4,171,435	5,787,215	5,192,515
End of service compensation	1,519,760	1,519,760	6,708,257
Other	1,378,059	1,193,164	1,485,784
	<u>10,403,444</u>	<u>11,449,902</u>	16,683,837
	<u>\$ 10,403,444</u>	<u>\$ 11,449,902</u>	\$ 16,683,837

## 7. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

The actuarial valuation date for sick leave accrual was March 31, 2012 and has been extrapolated for March 31, 2013 and April 1, 2011. The actuarial valuation date for severance pay accrual was March 31, 2013 and has been extrapolated for March 31, 2012 and April 1, 2011. 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>2013</u>	<u>2012</u>	<u>2011</u>
Wages and salary escalation	4.00%	4.00%	4.00%
Interest	3.60%	3.85%	4.65%

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

Initial valuation	-	-	\$ 10,307,025
Accrued sick pay benefit obligation beginning of year	\$ 11,016,186	\$ 10,307,025	-
Current period benefit cost	1,159,429	1,054,251	-
Benefit payments	(1,366,165)	(1,313,620)	-
Interest on the accrued benefit sick leave obligations	420,143	473,246	-
Actuarial (gains) / losses	164,759	495,284	-
Accrued sick pay benefit obligation end of year	<u>11,394,352</u>	<u>11,016,186</u>	10,307,025
Unamortized actuarial experience loss	<u>621,943</u>	<u>495,284</u>	-
Accrued benefit liability, end of year	<u>\$ 10,772,409</u>	<u>\$ 10,520,902</u>	<u>\$ 10,307,025</u>

### The severance pay accrual as at March 31 are as follows:

Initial valuation	-	-	\$ 13,192,326
Accrued sick pay benefit obligation beginning of year	\$ 14,886,062	\$ 13,192,326	-
Current period benefit cost	1,217,772	1,069,884	-
Benefit payments	(1,192,660)	(946,066)	-
Interest on the accrued benefit severance obligations	573,597	616,322	-
Actuarial (gains) / losses	335,773	953,596	-
Accrued severance benefit obligation end of year	<u>15,820,544</u>	<u>14,886,062</u>	13,192,326
Unamortized actuarial experience loss	<u>1,216,016</u>	<u>953,596</u>	-
Accrued benefit liability, end of year	<u>\$ 14,604,528</u>	<u>\$ 13,932,466</u>	<u>\$ 13,192,326</u>
Total post-employment benefits and compensated absences end of year	<u>\$ 25,376,937</u>	<u>\$ 24,453,368</u>	<u>\$ 23,499,351</u>

## 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, 2016. The agreement is funded by the State of Qatar. For its services, the College is paid an annual Management Fee of 10% of base salaries. The College receives quarterly advances to cover cash flow requirements.

### Due to Qatar

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Cash on Deposit	\$ 11,567,170	\$ 2,838,535	\$ 3,306,931
Payables (accruals)	(896,851)	(695,655)	(95,245)
Payable as a result of salary overbilling	-	-	5,391,409
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Liability	\$ 10,670,319	\$ 2,142,880	\$ 8,603,095

### Results of Operations

	<u>2013</u>	<u>2012</u>
Gross Proceeds	\$ 10,601,883	\$ 10,167,006
Management Costs	(2,164,353)	(1,975,049)
	<u>                    </u>	<u>                    </u>
Net Proceeds	\$ 8,437,530	\$ 8,191,957

## 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>2013</u>	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 4,428,037	\$ 3,833,107	\$ 5,365,180
Less amounts recognized as revenue in the year	(21,670,007)	(21,666,579)	(21,600,000)
Add amounts received during the year	21,881,625	22,261,509	20,067,927
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance, end of year	\$ 4,639,655	\$ 4,428,037	\$ 3,833,107

Deferred contributions -operating are comprised of:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Residence and program fees	\$ 95,106	\$ 59,900	\$ 61,898
Tuition	1,122,726	1,153,801	901,870
Contract training and special projects	<u>3,421,823</u>	<u>3,214,336</u>	<u>2,869,339</u>
Net Proceeds	<u>\$ 4,639,655</u>	<u>\$ 4,428,037</u>	<u>\$ 3,833,107</u>

## 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:

2013-2014	736,929
2014-2015	358,207
2015-2016	306,419
2016-2017	237,453
2017-2018	68,557

## 11. CONTINGENT LIABILITIES

- (a) 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.
- (b) A compliance audit on compensation and billings of the Comprehensive Agreement with the State of Qatar as required per section 4.6 is currently in progress, therefore, the results are unknown at this time. The College is currently not aware of any material findings or outcomes of this compliance audit.

## 12. FINANCIAL INSTRUMENTS RISK MANAGEMENT

### Classification

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

	2013		
	Fair Value	Amortized Cost	Total
Cash	\$ 16,706,869	\$	\$ 16,706,869
Trust funds on deposit	3,343,087		3,343,087
Accounts receivable		27,406,604	27,406,604
Accounts payable and accrued liabilities		10,403,444	10,403,444
Vacation pay accrual		9,701,601	9,701,601
Trust funds payable		3,343,087	3,343,087
	<u>\$ 20,049,956</u>	<u>\$ 50,854,736</u>	<u>\$ 70,904,692</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:

- 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;
- 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;
- 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.

### **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 (2012 - \$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:

	<b>Total</b>	<b>Current</b>	<b>30 - 60 days</b>	<b>&gt; 61 days</b>
Government receivables	\$ 24,493,591	\$ 20,207,149	\$ 3,963,406	\$ 323,036
Student receivables	810,233	119,563	302,459	388,212
Other receivables	2,364,728	1,864,047	76,349	424,332
Gross receivables	27,668,552	22,190,759	4,342,213	1,135,580
Less: impairment allowances	(261,948)			(261,948)
Net receivables	<u>\$ 27,406,604</u>	<u>\$ 22,190,759</u>	<u>\$ 4,342,213</u>	<u>\$ 873,632</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.

#### 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:

	<b>2013</b>	<b>2012</b>
Receipts		
US dollar (USD)	688,776	861,755
Qatari riyal (QR)	-	-
Payment		
US dollar (USD)	1,321,899	1,572,090
Qatari riyal (QR)	<u>748,600</u>	<u>466,141</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.

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):

	<b>2013</b>		
	Within 6 Months	6 Months to 1 year	> 1 year
Accounts payable and accrued liabilities	7,175,320	1,508,364	1,719,760
	<u>\$ 7,175,320</u>	<u>\$ 1,508,364</u>	<u>\$ 1,719,760</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.

### 13. COMPARATIVE FIGURES

Certain of the 2012 comparative figures have been reclassified to conform to the financial presentation adopted in 2013.

## 14. 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 and have been adjusted in the opening budget accordingly.

## 15. RELATED PARTY TRANSACTIONS

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

	<u>2013</u>	<u>2012</u>
Grants from the province	\$ 118,376,437	\$ 109,235,414
Transfer from Child, Youth & Family Services	274,601	-
Transfer from Dept of Natural Resources	161,635	166,361
Transfer from IBRD	719,765	-
Transfer from Research Development Council	167,272	-
Transfer from INTRD	-	169,620
Transfer from Memorial University	250,644	109,579
Transfer to Memorial University	177,350	-

## CAMPUS LOCATIONS

### **Newfoundland Labrador**

Baie Verte  
Bay St. George  
Bonavista  
Burin  
Carbonear  
Clarenville  
Corner Brook  
Gander  
Grand Falls-Windsor  
Happy Valley-Goose Bay  
Labrador West  
Placentia  
Port Aux Basques  
Prince Philip Drive (St. John's)  
Ridge Road (St. John's)  
Seal Cove (St. John's)  
St. Anthony

### **International**

Qatar

### **Office of Distributed Learning**

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