



COLLEGE OF THE
North Atlantic

Annual Report 2013-2014

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Board Chair's Letter

To the Honourable Kevin O'Brien, Minister of Advanced Education and Skills:

I am pleased to submit, on behalf of the Board of Governors of College of the North Atlantic, the Annual Report for fiscal year 2013-14.

This report was prepared in accordance with requirements for a category one entity under the Transparency and Accountability Act. The outcomes reported in this document detail College of the North Atlantic's performance in addressing the strategic issues outlined in the 2011-2014 Strategic Plan.

2013-14 is significant as it marks the final year for the 2011 to 2014 strategic planning period. This annual report details outcomes for the college's three year goals as outlined in the Strategic Plan, as well as the achievements for the 2013-14 annual objectives.

The Board would like to take this opportunity to thank all faculty, staff and administration for their hard work and dedication throughout the three-year planning period. We also acknowledge the tremendous accomplishments of our students and graduates, and send a special thank-you to our many industry and community partners, who without your support we would not have accomplished nearly as much.

This year, 2013-14, marked the 50th anniversary of continuous publicly funded, technical and vocational education in this province. It is a milestone we are acknowledging with the thousands of college graduates and apprentices that have come through our doors or the doors of our predecessor colleges and institutes since 1963-64. It is also an appropriate point to consider where College of the North Atlantic will be going in the next 50 years. That's why in 2014-15, College of the North Atlantic will be celebrating our 50 plus One anniversary...highlighting through stories, initiatives and shared experiences where we have been and looking forward to the next 50 years of publicly funded post-secondary and vocational training in the province.

As the Board of Governors of the college, we are accountable for the actual results reported herein.

Sincerely,

A handwritten signature in black ink that reads "Cheryl Stagg". The signature is written in a cursive style with a large, prominent initial "C".

Cheryl Stagg
Chair, Board of Governors

Overview

VISION

The vision of College of the North Atlantic is of a community of life-long learners who are driving the social and economic growth of Newfoundland and Labrador and who contribute to their community through their knowledge, skills, and innovative and entrepreneurial spirit.

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.

Over the last three years, CNA has made progress towards achieving its mission. The college was able to improve program quality and accessibility from 2011-12 to 2013-14. New programs have been developed, existing programs have been revised, and new offerings have been implemented to meet demand, and improve quality and accessibility across the province. CNA was also able to enhance services by implementing enrolment management practices and improving learner access to support technologies.

It should be noted that the college recently completed a major review of its structure and functions, and as a result, has revised its mission statement for the 2014 to 2017 planning period.

MANDATE

College of the North Atlantic is a community and technical college that exists to advance the labour force, industry and training needs of Newfoundland and Labrador, both at home, and abroad. The college fulfills its mandate through the development and delivery of introductory and advanced educational programs, through partaking in applied research and technology activities that benefit communities and industry, and through operating as both a student responsive and labour market results-oriented institution.

The college operates under *The College Act, 1996* and is responsible for carrying out those duties prescribed by section 15 (1) of the Act. These responsibilities span academic, administrative and governance functions, including the power to identify the educational needs of persons in the province as well as the education and training requirements of the labour market, and, subject to budget approval, provide the courses and programs to meet those needs.

PRIMARY CLIENTS

College of the North Atlantic has two primary clients. The first are individuals who are enrolled, or who are planning to enroll in a program, course, apprenticeship block or other training initiative offered and/or certified by the college. The college also serves the province's industry and community development partners by collaborating on applied research, supporting technology transfer and adaptation, customizing employee training solutions, and making faculty knowledge and experience available to the community.

LINES OF BUSINESS

As of 2014-15, the college operates three lines of business:

- **Teaching and Learning** – encompassing academic, contract training and continuing education programs and learner services provided to individual students, including international students studying here and abroad. We support the personal and career development of our learners in every decision made, with the intent of creating a positive environment for effective learning and engagement. We respect the diverse profiles of our learners, and endeavor to provide comprehensive services and student supports. College of the North Atlantic's curriculum, teaching and support services are characterized by knowledgeable, enthusiastic faculty building on strategies that suit learners' needs delivered in an atmosphere of dignity and mutual respect.
- **Industry and Community Engagement** – focused on external partnerships and the effective development, management and delivery of college projects – local, national and international. This line of business is inclusive of international business contracts, community and business partnership development, college foundation activities, and alumni relations. It is through these activities that College of the North Atlantic's reach truly spans the globe, although it is at home in Canada's youngest province that our roots are most firmly planted.
- **Applied Research and Innovation** – encompassing industry and university research partnerships and locally focused applied research and technology transfer activities. College of the North Atlantic is committed to promoting a research and innovation culture in the province by supporting groundbreaking research at the stage where innovative products and services are created. Applied research at College of the North Atlantic contributes to the learning environment, supports student engagement and complements local business investment and development.

PHYSICAL LOCATION

College of the North Atlantic is comprised of 17 campuses located throughout the province of Newfoundland and Labrador and operates 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 campuses is provided at the end of this report.



Key Statistics

STUDENT ENROLMENT – ACADEMIC YEAR 2012-13

School	Number Registered			Male	Female
	Full-Time	Part-Time	Total		
Academics, Applied Arts & Tourism	2,341	1,253	3,594	1,213	2,381
Business & Information Technology	1,305	262	1,567	365	1,202
Engineering Technology & Natural Resources	1,319	121	1,440	1,054	386
Health Sciences	470	76	546	96	450
Industrial Trades	2,815	84	2,899	2,368	531
College Total	8,250	1,796	10,046	5,096	4,950

Note: Excludes CNA-Q

Continuing Education	Course Registrations	Total Number of Hours
Non-credit Courses & Contracts	17,748	249,467
Credit Courses	176	770
College Total	17,924	250,237

Note: Gender breakdown not available

CNA-Q Enrolment	Female	Male	Total
Registered	1,015	1,812	2,827

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

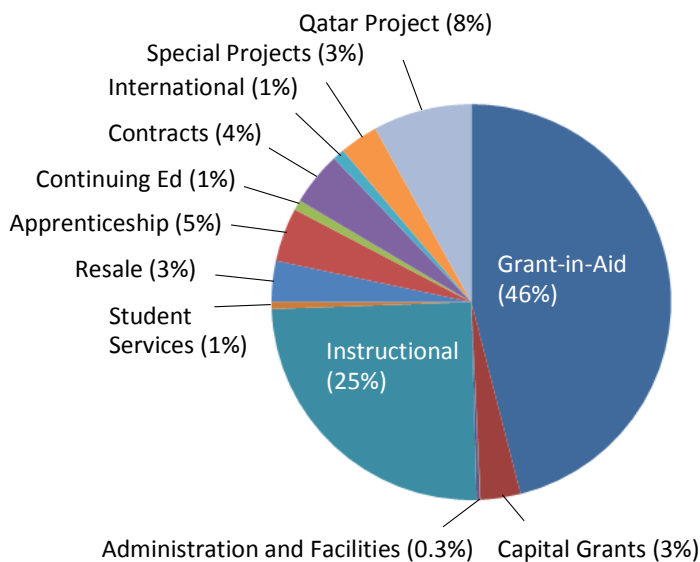
EMPLOYEES - MARCH 31, 2014

NEWFOUNDLAND & LABRADOR						
	Support Staff	Faculty	Management	Non Union Management	Non Union Management	Total
Females	330	292	51		13	686
Males	136	383	45		1	565
Sub-total	466	675	96		14	1,251
QATAR						
	Support Staff	Faculty	Management	Non Union Management	Non Union Management	Total
Females	28	179	8		0	215
Males	16	259	13		0	288
Sub-total	44	438	21		0	503
College Total	510	1,113	117		14	1,754
INCLUDED: Active employees, employees on leave						
NOT INCLUDED: Continuing education instructors, student employees, invigilators, casual employees						

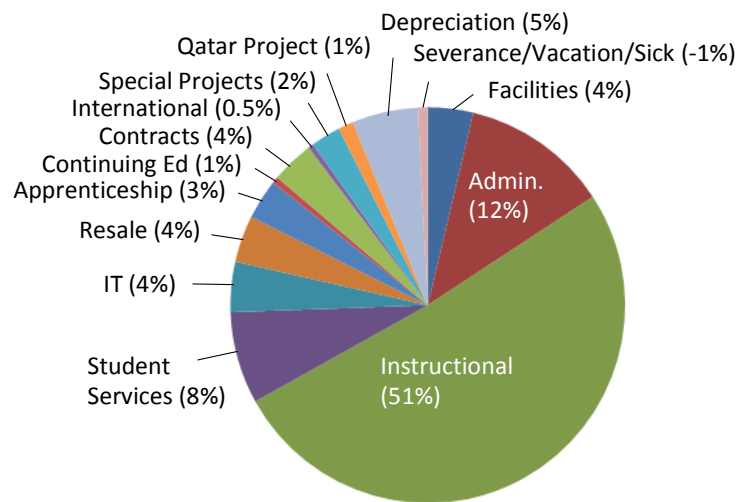
Financial Summary

College of the North Atlantic recorded gross expenditures of \$132.2 million in 2013-14, the majority (\$68.7m, 51%) in support of instructional programs. The largest source of revenue (\$59.1m, 46%) was the annual grant-in-aid provided by the Provincial Government, with the next two main sources consisting of instructional (\$31.9m, 25%) and International including the Qatar Project (\$11.5m, 8%). The greatest expenditure in the college was in support of instructional programs at \$68.7 million (51%) followed by Administration (\$16.2m, 12%) and Student Services (\$10.1m, 8%). Additional details are provided in the charts below and in the Audited Financial Statements beginning on page 21 of this report.

2013-14 Revenues



2013-14 Expenditures



Note: Due to rounding errors percentages may not add to 100%.

Shared Commitments

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

- 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 wide range of undergraduate and graduate degree programs.

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

As an illustrative example, shared commitments with respect to the province include achievement of joint objectives in the area of Early Learning (shared with the Department of Child, Youth and Family Services (CYFS)) and apprenticeship training (shared with the Department of Advanced Education and Skills (AES)). The college continues to work closely with CYFS as the department focuses on achieving the goals of its ten year child care strategy. Further, CNA increased advanced level apprenticeship training throughout the province by working more closely with the Apprenticeship and Trade Certification division of AES which resulted in increased activity of nearly 20%.

In addition, our partnership with industry and employers across the province is critical to maintaining up-to-date curriculum, equipment and instructional delivery and to ensuring our students have access to work placements to complete the experiential part of their program.

Furthermore, partnerships in international education and with other Canadian institutions including Memorial University support educational programming by enhancing the experience of CNA's students, supporting diversity and inclusiveness, and encouraging life-long learning through credit transfer and other opportunities.

All of this takes place in facilities provided and maintained by another college partner, the Department of Transportation and Works.

Highlights and Accomplishments

College of the North Atlantic is proud of the achievements of all of its students, staff and faculty. The following section showcases just a few of the many highlights they accomplished in 2013-14.

Student and Alumni Achievements

College of the North Atlantic students and apprentices took home five of Team Newfoundland and Labrador's eleven medals from the Skills Canada National Competition in Vancouver in 2013. This year's medal winners were:

- Brian Forward (Prince Phillip Drive campus) – gold in IT Network Systems Administration;
- Jessica Meyer (Prince Phillip Drive campus) – gold in Graphic Design;
- David Stacey (Ridge Road campus) – bronze in Electronics;
- Justin Wilcott (Prince Phillip Drive campus) – bronze in Website Design; and
- Greg Martin (Ridge Road campus) – bronze in Architectural Technology and Design.

The college is proud of all participants from this province who competed at both the provincial and national skills competitions, and especially proud of its 23 student participants on Team Newfoundland and Labrador. Well done!

Rebecca Anderson (Business Administration graduate) received a national Student Recognition Award given annually by the National University Technology Network (NUTN). Winners come from a select field of top university and college students across Canada.

Sixteen College of the North Atlantic graduates were presented with Governor General Academic Medals at a ceremony at Government House September 23, 2013. Governor General medals are awarded for achieving the highest overall average in the province in a respective program. Awarded since 1873, the Governor General's

Academic Medal is one of the most prestigious awards a student in a Canadian educational institution can receive. Please visit the [CNA News Webpage](#) for the full list of medal winners.

College of the North Atlantic sent four teams to this year's Enactus Canada Regional Exposition March 6-7 in Halifax. Vying against the top colleges and universities in Atlantic Canada, students showcased the impact their community outreach projects and business ventures are making in Canada. Grand Falls-Windsor campus placed first runner-up in the Capital One Financial Education Challenge and second runner-up in the Scotiabank EcoLiving Green Challenge. The Stephenville Enactus team placed second in the TD Entrepreneurship Challenge, going head to head with Université Sainte-Anne, CNA St. John's (Prince Philip Drive), Saint Mary's University (first place) and Dalhousie University. Enactus Clarendville took home second runner-up in the Financial Education Challenge.

The college wishes to acknowledge the recipients of more than 250 provincial awards and scholarships and over 500 additional campus-based awards and scholarships, worth more than \$370,000 presented by College of the North Atlantic in 2013-14. Each year, CNA's Awards Program provides a significant contribution to the education of students through the encouragement and recognition of high scholastic performance, leadership and community involvement.

National Program Awards

CNA's Textiles: Craft and Apparel Design program was recognized with the Atlantic Canada Craft Awards for Excellence in the Industry Leader/Supporter category – a designation presented by the Craft Alliance Atlantic Association. CNA was nominated by the Craft Council of NL, who described the longstanding program as inspiring to students and to the professional industry.

College of the North Atlantic is committed to delivering the highest quality programs. This year, the college's innovative programming efforts were rewarded with two Innovation awards from the Canadian Network for Innovation in Education (CNIE).

- Trends in Web Development received the award of excellence for Instructional Design/Teaching and Learning. The seminar-type course, taken near the end of CNA's two-year Web Development diploma program via Distributed Learning (DL), is a marked departure from CNA's usual approach. Topics and objectives are newly selected each time the course is offered, ensuring learners are exposed to the latest techniques and technologies used in the field of web development.
- The Teaching with Technology Community project received an award of Excellence and Innovation in the Educational Practice/Collaboration category. The project highlights a unique partnership between the three public education system providers in NL: CNA, Memorial University and the Department of Education's Centre for Distance Learning and Innovation (CDLI).

The college is doing some interesting things to expand access to programs across the province and those efforts are getting noticed. Thanks to the innovative work of Trades Instructor Greg Ryan, College of the North Atlantic received both the NUTN Shirley Davis Award and the Sloan-Consortium Effective Practice Award for his groundbreaking delivery of Heavy Duty Equipment Technician (HDET) advanced block training. HDET apprentices in Labrador West and Bay St. George were brought together via a state-of-the-art blended learning environment including two-way video conferencing, the use of an interactive SMART Board, a high resolution document/imaging camera, and the Learning Management System Desire2Learn (D2L), which housed course notes and materials apprentices could access on-demand.

Partnerships

CNA moved to the forefront of non-destructive testing thanks to an investment from aerospace leader Bombardier Aerospace. The \$250,000 investment helps further develop the Non-Destructive Testing Technician (NDT) facility in Port aux Basques. The investment is dedicated to NDT training, testing, research and development in the aerospace field, building upon the campus' existing strength in this discipline, and will continue to build NDT resources within the community. The investment was facilitated by the Government of NL's Department of Innovation, Business and Rural Development.

Faculty and students stepped up to the plate (literally) for the 2014 Newfoundland and Labrador Winter Games March 1-9 as Chef Chris Sheppard and his Cooking students hosted the VIP/Sponsor reception prior to the opening ceremonies. College of the North Atlantic's partnership with the Games Committee saw the involvement of no less than five college campuses and included building of a massive illuminated sign by CNA carpentry students, creation of a special video for the opening ceremonies, production of more than 90 banners and signs by the Graphic Communications program, donations of transportation to move athletes between venues and provision of space and computer access for the Games Media Centre.

Celebrations

2013-14 marked the ten-year anniversary of the delivery of the CNA brand of technical and vocational education in Qatar. Representatives from the Government of NL and CNA took part in the national anniversary celebration with students, sponsors, and many returning CNA-Qatar alumni. The decade-long successful relationship with Qatar marks an historic milestone in the delivery of quality post-secondary education on a global scale. The celebrations provided an opportunity to recognize the more than 3,000 graduates that have been produced at the Middle Eastern campus since 2004, and the unique and historic partnership that has been created between CNA and the State of Qatar. Valued at nearly \$1 billion, CNA-Q is the largest post-secondary international contract ever awarded to an institution in North America. CNA receives more than \$10 million annually from the Qatar operations and reinvests this revenue in programs and services throughout NL.

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 2011-2014 goals and 2013-14 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 three-year goal, 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 internal 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. These activities contribute to the Provincial Government's Strategic Direction regarding 'Higher Education'.

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.

Measure: Enhanced Programs.

INDICATOR 1.1: Developed new academic programs to meet learner, community and industry needs.

College of the North Atlantic developed new academic programs to meet learner, community and industry needs from 2011-12 to 2013-14. During that time, a total of 18 new or substantively revised programs were presented to Academic Council. Eight new programs were developed in 2011-12, four new programs were developed in 2012-13 (NL – three; international – one), and six new programs were developed in 2013-14 (NL – two; international – four). Each year the college has worked to ensure new programs are aligned with identified training and labour market needs. CNA has also worked with community groups and associations to develop customized programs.

INDICATOR 1.2: Modified academic programs to enhance their responsiveness to the labour market and other educational requirements.

College of the North Atlantic modified academic programs to enhance their responsiveness to the labour market and other educational requirements. Over the last three years, a total of 37 programs were reviewed and presented to Academic Council. Thirteen programs were revised in 2011-12 (NL – 12; international – one), 15 programs were revised in 2012-13 (NL – nine; international – six), and nine programs were revised in 2013-14 (NL – seven; international – two). Each year the college has ensured the quality and relevance of program offerings, as well as currency of skills for the labour market and technology utilized by industry.

INDICATOR 1.3: Begun implementation of a Key Performance Indicators program.

College of the North Atlantic began implementation of a Key performance Indicators (KPI) program over the 2011-12 to 2013-14 period. In 2011-12, the Institutional Research and Planning (IRP) team distributed the Employee Satisfaction Survey and began developmental work for the Graduate Employer Satisfaction Survey (GESS). In 2012-13, IRP distributed the Graduate Employment Survey, the Student Satisfaction Survey and the first standard, college-wide Course Evaluation Questionnaire (CEQ). In 2013-14, IRP distributed the CEQs and the GESS. Further, the methodology for calculation of the diversity index KPI was finalized, and developmental work began towards other KPIs (e.g., Graduation Rate, Retention).

INDICATOR 1.4: Engaged in research activities with respect to quality programs, labour market requirements, and applied research opportunities.

College of the North Atlantic engaged in research activities with respect to quality programs, labour market requirements, and applied research opportunities. Program reviews took place each year to ensure the quality and relevance of program offerings, as well as currency of skills for the labour market and technology utilized by industry. A total of 37 reviews were completed in the reporting period 2011-12 to 2013-14.

A total of 80 Labour Market Analyses (LMAs) were conducted over the same period to assess labour market and educational requirements for existing and potential new programs. There were 30 detailed LMAs conducted in 2011-12, 20 in 2012-13 and 30 in 2013-14.

Numerous applied research opportunities were also researched and implemented throughout the reporting period. Examples include the Wave Power/Aquaculture research project, the Water Quality research initiative, Anti-Cancer Drug Development, among others.

CNA was ranked third in Canada among public colleges for applied research income in 2012 according to Canada's Top 50 Research Colleges, an inaugural report issued by Research Infosource Inc. The ranking was based on a college's ability to attract funding investments for applied research and development. Over the last three years CNA recorded \$7,560,300 in research income with 25 faculty members involved in 68 applied research projects here in Newfoundland and Labrador.

INDICATOR 1.5: Demonstrated program and/or course capacity adjustments to meet labour market needs.

College of the North Atlantic demonstrated program and/or course capacity adjustments to meet labour market needs between 2011-12 and 2013-14. New and substantively revised programs have been launched (e.g., Web Development and Rehabilitation Assistant) and the college piloted offerings of two programs in an alternative (shared) delivery format to provide access to students at campuses where numbers would have otherwise been too small to allow the program to proceed (Heavy Equipment Operator between Bay St. George and St. Anthony campuses, and Machinist between Placentia and Price Philip Drive campuses).

Program adjustments were implemented through the revision and re-launching of programs in response to labour market requirements (e.g., Early Childhood Education in 2012-13 and Primary Care Paramedicine (PCP) in 2013-14). Course offerings have expanded at various campuses and course registrations have increased in DL by 11.2% between 2011-12 and 2013-14 (4,893 to 5,439). Changes have also been implemented to raise the maximum number of students accommodated in select high demand programs. For example, from Fall 2011 to Fall 2013 there was a 10.7% increase in intake to the School of Industrial Trades (1,370 to 1,516) and a 2.1% increase in the School of Academics, Applied Arts & Tourism (1,825 to 1,863). Similarly, from Fall 2012 to Fall 2013, there was a 7.6% increase in intake to the School of Health Sciences (498 to 536). Downward adjustments were also made where necessary to reflect reduced labour market demand.

2013-14 Objective:

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.

Progress Report:

In 2013-14, College of the North Atlantic was able to implement year three 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 faculty development for quality curriculum and delivery. Further, the college researched and responded to program requests and community capacity building opportunities, and the Offices of IRP and Applied Research implemented initiatives supported through the Academic Plan.

INDICATOR 1.1: Implemented Academic Plan adjustments.

College of the North Atlantic implemented Academic Plan adjustments through additional program and course offerings, and by expanding or contracting available seats to match labour market and student demand. Examples of Academic Plan adjustments include the following:

- Added 156 seats to the School of Industrial Trades by offering extra sections of the following programs: Automotive Service Technician – Advanced (Prince Philip Drive); Construction/Industrial Electrician (Seal Cove); Heavy Equipment Operator (Placentia); Non-Destructive Testing Technician (Port aux Basques); Power Engineering 4th Class (Corner Brook); and Powerline Technician (Operating) – Advanced (Seal Cove).
- Implemented Academic Plan adjustments by adding programs in select campuses including: Carpenter (Happy Valley-Goose Bay); Comprehensive Arts and Science (CAS) Transition (Seal Cove); Cook (Bonavista and Happy Valley-Goose Bay); Industrial Electrician – Advanced (Labrador West); Powerline Technician-Operating (St. Anthony); and Machinist (delivered between Placentia and Prince Philip Drive). A total of 165 additional seats.
- Improved access to existing programs by developing 44 new online courses and redeveloping/updating an additional 45 courses for DL delivery.
- Added an extra section of Safety Engineering Technology (Post Diploma) Co-op at Ridge Road campus (additional 20 seats) to address the applicant list.
- Increased available seats in Business Management (75 to 150), CAS Transition (140 to 285) and Office Administration (100 to 108) at Prince Philip Drive campus.
- In response to high labour market and student demand, accepted an additional 15 students in the Medical Laboratory Sciences program.
- Reduced seats across other programs in response to changing student interest and lower labour market demand.

INDICATOR 1.2: Continued to research and respond to program requests and community capacity building opportunities.

College of the North Atlantic continued to research 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:

- The Home Support Worker/Personal Care Attendant program was adjusted and aligned with provincial standards. The new certificate program was implemented at three campuses in 2013-14 (Baie Verte, Corner Brook and Placentia) with a total intake of 31 students.
- In response to the significant shortage of workers in the Retail, Food and Janitorial Services, the college partnered with AES to pilot delivery of Sector Skills Training at six campuses (Bay St. George, Carbonear, Corner Brook, Gander, Grand Falls-Windsor and Prince Philip Drive) with a total intake of 93 learners. Carbonear campus also designed and developed a new customized Meat Cutting/Secondary Processing program in response to business demands.
- The Office of Contract Training/Continuing Education (CT/CE) responded to the needs of the Aboriginal community through the delivery of Start-up for Small Business Owners training at Miapukek First Nations (Conne River), and Safety Certification Bundle Training for Native Women's Association and Qalipu First Nations. CT/CE also completed development of Aboriginal Addiction Counseling Skills Enhancement Training in partnership with Aboriginal Communities and Health Canada in Labrador.
- In conjunction with AES, the Labrador West campus has begun delivery of training/retraining programs and courses for displaced workers at Wabush Mines.

INDICATOR 1.3: Continued to conduct scheduled program reviews to align curriculum with identified training and labour market needs.

College of the North Atlantic continued to conduct regular program reviews to align curriculum with identified training and labour market needs. In 2013-14, there were a total of 15 program submissions to Academic Council in six program areas including Applied Arts, Business, Engineering Technology, Health Sciences, Information Technology, and Natural Resources. Of the 15 submissions, nine were revised (NL – seven; Qatar – two) and six were new (NL – two; Qatar – four). To support these revised and new programs the college hosted a total of 57 focus groups or electronic consultations involving industry contacts, faculty, students and past graduates.

INDICATOR 1.4: Implemented institutional research and applied research initiatives.

In 2013-14, the Office of Applied Research (OAR) completed 34 research projects, including 25 that were funded through external sources, and nine through the college's Innovation Support Grants (ISG) program. Research funding was received from the National Research Council of Canada – Industrial Research Assistance Program (NRC-IRAP), Natural Sciences and Engineering Council of Canada (NSERC), Research and Development Corporation (RDC), Atlantic Canada Opportunities Agency (ACOA) and others. The OAR also achieved eligibility status from the Social Sciences and Humanities Research Council (SSHRC). The office delivered technical assistance to firms in 14 different industries to help increase their productivity and competitiveness.

Examples of applied research and technical assistance projects in 2013-14 include:

- Provided O'Neill's Gardenland, a small enterprise in the horticulture sector with research assistance that covered a comprehensive review of their current seeding operation and devised an improved process with potential for increased profits for the company.
- Assisted Modern Millwork and Cabinetry of Mount Pearl address issues in production efficiencies, product quality and workplace safety by developing an improved plant layout allowing the company to achieve its goals.
- Helped Sedna Nutraceuticals in Whitbourne automate their material loading and collection processes contributing to increased productivity and revenue margins for the company.
- Engaged with Dynamic Air Shelters of Grand Bank on a comprehensive data analysis of quality control processes and helped devise new methods in material processing, manufacturing and product testing.

Institutional research was conducted through the following activities:

- Continued development of the KPI program for the college through distribution of the college-wide Course Evaluations in the Fall 2013 and Winter 2014 terms, and distribution of the first GESS (telephone survey). Further, the methodology for calculation of the diversity index KPI was finalized, and developmental work began towards other KPIs (e.g., Graduation Rate, Retention).
- Conducted analyses on CNA's enrolment and ceiling data in support of the college's Academic Planning process, and completed 30 LMAs in support of the program review process.
- Collected Faculty Time Allocation (FTA) data in the Spring/Summer 2013, Fall 2013 and Winter 2014 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.
- In partnership with 14 colleges and the Association of Canadian Community Colleges (ACCC), CT/CE tested the validity of an Essential Skills Development Framework for learners who struggle with core literacy skills (Document Use, Numeracy, and Reading Text) in Health Sciences and Business Programs.
- Contributed to an Atlantic study of the economic impact of publicly funded college education to the region and each of the four provinces.

- Contributed to a study of major project workforce requirements in the Atlantic Region prepared by the Atlantic Province's Economic Council (APEC).
- Partnered with Atlantic Provinces Community College Consortium (APCCC) on a number of information and research initiatives.

INDICATOR 1.5: Supported faculty development for quality curriculum and delivery.

College of the North Atlantic supported faculty development for quality curriculum and delivery. Over the 2013-14 year, the college supported 147 faculty through a variety of individual program-specific Continuous Learning (CL) requests. Through attendance at discipline-related workshops/conferences and participation in professional development activities, employees were able to improve upon their technical and classroom skills, thereby improving delivery. Examples of professional development activities and discipline-related training include:

- The college advanced progress in its Quality Matters (QM) initiative which ensures CNA courses are aligned with learning objectives, and that students achieve the desired learning outcomes. Faculty and management attended workshops on course design and quality assurance in NL and Qatar, DL has been working to create a QM Rubric template for Desire2Learn (D2L), CNA's Learning Management System, and work has been ongoing to prepare the first DL course for certification review.
- The college hosted the 'Teaching with Technology' provincial conference in Clarenville, November 2013, in partnership with Distance Education, Learning and Teaching Support (DELTS), Centre for Distance Learning and Innovation (CDLI), Marine Institute and CNA-Q. The mandate of the conference was to create a resource sharing network of practitioners who focus on continual improvement as they support faculty in their integration of technology in teaching and learning.
- DL offered a 12 week online seminar on 'Teaching with Technology' with 37 faculty participants, and conducted 11 two-day workshops covering DL Essential Skills or Advanced Skills with 62 CNA faculty. These workshops introduced the tools and usability of D2L to instructors, and demonstrated how D2L can be a useful addition to classroom instruction.

ISSUE 2: INTERNATIONAL EDUCATION

College of the North Atlantic recognizes the importance of internationalization. Presenting a global view within CNA's programs and learning experiences is essential to preparing students for work in an increasingly interconnected world. CNA programs and campuses are richer for the experiences and perspectives visiting international students bring to the classroom.

College of the North Atlantic is a global education provider, operating programs in three world regions – North America, the Middle East and China – and attracting students from multiple countries to CNA's brand of technical, business, health science, applied arts and industrial education and training. Improving international education practices is an all-encompassing process. It involves all of the mechanisms, processes and resources that support the export of CNA's educational products, as well as the attraction of international learners to campuses in Newfoundland and Labrador.

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

Measure: Improved International education practices.

INDICATOR 2.1: Researched and developed international education practices.

College of the North Atlantic's research on international education practices focused in the last three years in two areas: defining the international education priorities that will drive the college's future partnership efforts; and identifying elements key to a successful international student learning experience. The college completed a review of practices and policies of other Atlantic Canadian colleges in programming, international learner supports and student assessment. In response to the review findings the college has repositioned its international recruitment activities, revised key internal application procedures, assigned a staff resource to international applications in the Registrar's Office and drafted a new policy for student and faculty mobility.

In addition, CNA-Q has continued to advance the college's knowledge and capabilities in English as a Foreign Language training delivery, as well as self-assessment and proficiency testing; areas key to successful placement and learning plan development for international students.

INDICATOR 2.2: Improved international learner support, locally and abroad.

CNA-Qatar is recognized in the Gulf region for its unprecedented success graduating students of primarily Arabic background from its English only technical and academic programs. A significant part of that success is due to the rich language and preparatory programming provided, as well as the diversity of culture-appropriate learning supports available at Qatar and other CNA campuses.

College of the North Atlantic implemented a number of measures over 2011 to 2014 to improve international learner support at its NL campuses and international locations. Initiatives included:

- Delivery of a series of workshops on career and personal tutoring, peer tutoring, and student success at select campuses in NL and Qatar.
- Production of international student oriented materials in the areas of technological awareness, self-management, organizational skills and self-assessment.
- Integration of advancements in educational technology, instructor skills development and learning management systems to improve international delivery of CNA programs.
- Launching of the Centre for Teaching, Learning, and Educational Innovation (CTLEI) at CNA-Q campus to coordinate and support technology-related and pedagogically-focused initiatives to enhance learning.

INDICATOR 2.3: Improved international education policies and procedures.

INDICATOR 2.4: Implemented revised international education practices.

The following information is provided to inform indicators 2.3 and 2.4 collectively. College of the North Atlantic improved international education policies and procedures and implemented revised practices over the three year reporting period 2011-12 to 2013-14. As a result of a comparative review of Atlantic Canadian college diversity procedures and practices, the college identified options for integrating diversity events into campus activities, and researched and implemented revised practices for international recruitment and admissions. CNA subsequently improved its international procedures by addressing gaps in existing processes. For example, the college reviewed and updated student pre-departure information and student handbook and orientation materials to address a gap in existing documentation and assist students preparing to attend CNA. Working documents were also prepared for student travel and work term placements to address a gap in existing materials and to assist with preparation for student exchanges.

2013-14 Objective:

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

Measure: Implemented revised international education practices.

Progress Report:

In 2013-14, 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 revised services such as peer tutoring have been implemented.

INDICATOR 2.1: Implemented revised programming to meet the needs of international learners.

College of the North Atlantic implemented revised programming to meet the needs of international learners as follows:

- Established a new formal agreement with Fujian International Business and Economic College in China to offer business programs in Fujian Province. Courses will begin in 2014.
- Delivered safety oriented courses for the mining industry in Guyana.
- Received Academic Council approval for two revised programs and four new programs for Qatar campus.
- Partnered with CNA-Q and Memorial University, Grenfell campus to offer English as a Second Language (ESL) to Qatari students at the Corner Brook campus.
- Worked closely with Chinese Institutes through CNA's current partnership agreements to seek input on new programs and standards globally.

CNA continued efforts to expand international program delivery in 2013-14. The college was awarded four Department of Foreign Affairs, Trade and Development (DFATD) projects building local workforce training capacity in DFATD targeted countries as follows:

- Delivery of customized training with Linden Technical Institute in Guyana in support of the Mining Industry; contract value of \$550,000 (ACCC).
- Delivery of customized training program with Government Technical Institute in Guyana; contract value of \$550,000 (ACCC).
- Delivery of customized training with Antigua State College in Aircraft Maintenance; contract value of \$550,000 (ACCC).
- Delivery of customized training in Vietnam with the National University and local colleges; contract value of \$19 million (joint CNA-Agriteam proposal).

INDICATOR 2.2: Implemented revised services to meet the needs of international learners.

College of the North Atlantic implemented revised services to meet the needs of international learners at both its Newfoundland and Qatar campuses. In Newfoundland, CNA trained six new international agents/agencies on resources available, program offerings, admission processes and acceptance to support a smooth transition for students entering the college from another country. The college also launched cultural sensitivity orientation for new international learners at the Prince Philip Drive and Ridge Road campuses.

Service revisions introduced at CNA's Qatar campus included:

- Programming to assist individual instructors with lesson planning, mentorship and accessibility for students.
- Establishment of peer tutoring to provide students with course support from their peers.
- Implementation of an online counsel/referral system for use by instructors and students.

ISSUE 3: IMPROVED ACCESS TO LEARNER SUPPORTS

College of the North Atlantic places learning and the learner first. The college strives to provide access to learner supports to help all learners, who need assistance, reach their academic potential and enhance their skills and knowledge. Learner supports cover a large number of functions from general services used by all students such as registration systems, processes and supports, to services targeted at individuals with specific needs or issues (e.g., disability supports). Learning supports also include the college's extensive network of learning resource centers, its testing and assessment services as well as its technical services to the college's distance and distributed learning students and instructors. Together these advancements enable the college to focus on programming and to support Provincial Government's Strategic Direction of 'Higher Education'.

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

Measure: Improved access to learner supports and services.

INDICATOR 3.1: Enhanced learner recruitment and retention services and supports.

College of the North Atlantic enhanced learner recruitment and retention services and supports over the 2011-12 to 2013-14 period. In 2011-12, the college established and evaluated learner recruitment and retention projects. For example, CNA initiated a series of events to increase public awareness of college programs, implemented a process to formally evaluate recruitment and retention activities, and conducted a review of all recruitment print materials. Results of the evaluation were used to inform changes including the increased use of social media for marketing and promoting programs and establishment of success centres to support student retention.

INDICATOR 3.2: Enhanced learner support environment.

College of the North Atlantic enhanced the learner support environment primarily by implementing activities that leveraged community-based resources that complemented campus supports, thereby expanding services available to students both on and off campus. Assistive technologies such as Whisper Rooms were installed at various campuses for learners with disabilities. The college also implemented a Student Loan Default Prevention Strategy to help increase awareness and understanding of the Student Loan Program. Since the strategy was created repayment rates have steadily improved with increases averaging between 0.5% and 3.2% over a four year period, depending on the campus being analyzed (Labrador West and Bonavista campuses recorded a 100% repayment rate in 2013-14).

INDICATOR 3.3: Advanced implementation of technology for learner supports.

Over the reporting period, College of the North Atlantic has acquired and put into service an array of assistive technologies at campuses across the province to support learners with disabilities. Three years of partnership funding (Hibernia and Suncor donations) has enabled the college to establish an Assistive Technology Centre at Prince Philip Drive campus to lead assistive technologies integration at CNA campuses. Funding has also supported extensive equipment and software purchases including student laptops, specialty learning software and the installation of nine Whisper Rooms. Whisper Rooms are acoustically designed booths that eliminate all sound distractions and are used by students with concentration based learning issues.

CNA also completed implementation of a new online registration and student self-service system that enables students to apply, register and receive their schedules digitally.

INDICATOR 3.4: Increased retention and completion rates in select programs.

College retention and completion initiatives focused on three main program areas: First Year Engineering Technology; Comprehensive Arts and Science; and Health Sciences. Activities ranged from completion of retention reviews to development of strategies and initiatives to address identified problems. Status of activities and outcomes for each of the areas is as follows:

First Year Engineering Technology (FYET)

Based on a review of first year retention issues, a combination of program changes and learner supports were initiated to support a more successful transition of first year students to second year engineering studies. From academic years 2011-12 to 2012-13, the college recorded increased completion rates in First Year Engineering Technology at the following campuses: Corner Brook (38 to 41; 7.9%); Gander (11 to 15; 36.4%); and Ridge Road (202 to 252; 24.8%).

Comprehensive Arts and Science (CAS) Transition

CAS Transition is part of CNA's Access programming and is designed to assist learners obtain or upgrade academic credentials to meet entrance requirements for post-secondary programs. The college analyzed new data for improvements in the percentage of students who completed CAS Transition courses in one year and transitioned into another CNA program in the subsequent year. Transition rates increased over the three year period an average of 14.3%. Phase two will involve tracking the completion rate of these students in their subsequent CNA programs.

Health Sciences

The college recently completed a review of retention and completion issues for three-year health sciences programs and is implementing changes designed to improve student retention and completion. From academic years 2011-12 to 2012-13, the college recorded an increased retention of students who completed the general first year of their program in the Fall and Winter terms, and went onto their chosen program (Medical Laboratory Sciences, Medical Radiography or Respiratory Therapy) in the Spring semester.

2013-14 Objective

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.

Progress Report:

In 2013-14, College of the North Atlantic continued to implement select improvements to learner supports and services, with a focus on formalizing Strategic Enrolment Management (SEM) practices and initiatives. SEM is a systematic, comprehensive, research-driven strategy designed to locate, attract and retain learners. The college also enhanced access to support technologies and implemented recruitment and retention projects.

INDICATOR 3.1: Continued best practices in Strategic Enrolment Management.

College of the North Atlantic continued best practices in Strategic Enrolment Management through the following:

- Established an Enrolment Management Team comprised of senior management from all areas of the college impacting enrolment. This team is led by the President with decisions and actions based on defined college priorities and data.
- Moved to a provincial acceptance process for all highly subscribed programs. The result was fully subscribed offerings at most campus locations, an 8% increase in overall enrolment, and a reduction of waitlists by 20%.
- Strategically used enrolment data in a multidisciplinary team setting to make evidence-based decisions on program offerings, staffing, budgeting, and management of enrolment.

INDICATOR 3.2: Implemented learner recruitment and retention projects.

College of the North Atlantic implemented learner recruitment and retention projects throughout the 2013-14 year. Campuses implemented international marketing initiatives, held information sessions and workshops, and developed promotional materials to recruit learners. Retention initiatives were also expanded across campuses including establishment of campus-based help centres, delivery of student success seminars, and provision of Mental Health First Aid training to 159 staff, faculty and management to increase awareness and understanding of student mental health issues. Example 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.
- Campuses held information sessions within their local communities to promote programs at CNA; particularly undersubscribed programs.
- College campuses increased their utilization of social media (e.g., Facebook) for marketing and promoting programs, as well as showcasing student and staff achievements.
- CNA worked in partnership with Memorial University and DELTS to design new recruitment videos; first video completed was for the Aircraft programs at Gander campus.

Example retention initiatives include:

- Clarendville campus established a Math Help Centre to aid in the success of students in various programs. Further, seminars aimed at improving student success were held such as Orientation, Scholarships and Awards, Study Skills, Stress Management, Relaxation/Guided Imagery, etc.
- Labrador West campus performed Access for Success (AFS) assessments and implemented AFS student retention strategies. Through these assessments, academic problems identified are referred to the Guidance Counselor, Instructional Coordinator and Campus Administrator to assess whether a special intervention is required. Such early identification of issues can improve students' success and retention in college programs.
- Seal Cove campus piloted a new project with apprenticeship students for online attendance tracking using the Personal Career Plan software for submission to AES. This can be used for timely information sharing so interventions can be put in place to improve student success.
- The School of Business and Information Technology conducted research into the retention of students in the Office Administration (Executive) diploma program.

INDICATOR 3.3: Enhanced learner access to support technologies.

College of the North Atlantic enhanced learner access to support technologies through the following:

- Secured funding (Suncor donation) of over \$250,000 for the purchase of nine Whisper Rooms, 50 lap tops and enough Kurzweil software to initiate a Lap Top Loan program.
- Trained resource facilitators at select campuses in the use of assistive technologies to better serve students with identified learning disabilities.
- Responded to support requests (e.g., DL Helpdesk recorded 60.7% increase (from 15,671 to 25,181) in requests for assistance from 2012-13 to 2013-14).
- Continued installation of fibre optic internet connections to increase use of digital blended learning technologies in programs between/among campuses.

INDICATOR 3.4: Implemented activities that leveraged community-based synergies for learner supports.

College of the North Atlantic implemented activities that leveraged community-based synergies for learner supports. Activities varied depending on initiatives but included partnering with community groups and professional associations to promote access to education and efficiently utilize resources. The results of these activities were a number of new partnerships and joint initiatives such as:

- Corner Brook campus worked with Western Health to successfully mount a Non Violent Crisis Intervention training program for staff of both organizations to prepare them to serve students and other clients.
- Seal Cove campus built on relationships with the Office to Advance Women Apprentices and Women in Resource Development Cooperation (WRDC), resulting in new scholarships for 10 potential Sheet Metal Worker students. The college's partnership with WRDC provides another level of support for female learners in the Trades and Technology programs. Learners benefit from mentoring programs, provision of networking opportunities, and access to guest speakers.
- Sessions were held between Corner Brook campus and Memorial University, Grenfell campus on sharing and utilization of resources, as well as practical ways of building synergy between the two institutions.
- Bonavista campus facilitated student involvement in community initiatives to enhance their experiences in the Cook program.

Opportunities and Challenges Ahead

2013-14 saw the Board engaged in a comprehensive and broad based planning and renewal process, the most extensive carried out by College of the North Atlantic since opening its doors in 1997. In total, more than 1,500 participants, from inside and outside the college community, took the time to share their views on a range of topics from college sustainability to student success, and helped shape a renewed vision and revitalized mandate description to guide the college as it moves into the next phase of development.

Beginning in 2014-15 College of the North Atlantic will be responding to stakeholders' clear call for action, especially in terms of its capacity to respond to the regional, social and economic changes being experienced by this Province. The implications of these "new economy" changes for the institution are enormous, for example:

- finding ways to generate alternate sources of income to reduce reliance on public funds;
- managing the transition to a new federal funding arrangement for colleges and students;
- adjusting to changing student demand and demographics;
- responding to globalization forces including increased competition for students and faculty; and
- dealing with the impact of social media which has changed how people act, interact, engage with and access services.

College of the North Atlantic chooses to see its challenges as opportunities. The changing fiscal framework means CNA must and will focus on finding every opportunity to identify new sources of funds, to manage costs and to direct resources to areas that will deliver direct impact for programs, services and quality improvement. CNA will be following up on the recommendations of the fourteen efficiency reviews and functional assessments already completed, and these will inform the continued development of the college.

Increasing industry requests for programming on demand to meet project and employer growth plans means changing the college's approach to academic planning to incorporate quick response mechanisms for high student/high labour market demand occupations.

Increased student expectations for reasonable access, flexible modes of delivery, appropriate pacing, and timely exit and transition into the workforce means CNA will continually and aggressively manage the program and delivery mix across the college to maximize enrolment and improve graduate numbers.

And finally, public demand that CNA be a vibrant part of the communities and regions that its campuses serve despite a changing and sometimes declining local client base, means there's a responsibility to rethink what the college does and the will and creativity to respond differently.

The next three years will see substantial effort placed by the college in the following areas:

- improving capacity to respond to student and labor market demand;
- doing more to address student needs and improve retention and success across schools and programs;
- delivering consistent, quality programs and services;
- establishing a renewed and streamlined administrative approach to supporting campuses;
- doing more to attract, retain and support faculty, staff and administrators; and
- fostering an engaging, open and dynamic environment for employees.

Join College of the North Atlantic throughout 2014-15 as it celebrates the 50 plus One anniversary...highlighting through stories, initiatives and shared experiences the provinces 51st year of continuous delivery of publicly funded post-secondary and vocational training.

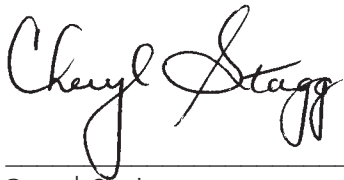
Statement of Responsibility

The accompanying financial statements are the responsibility of the management of 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.



Board Chair



Vice President,
Finance and Administration

Independent Auditors' Report



To the Board of Governors of 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, 2014 and the results of operations, changes in net debt, and cash flows for the year ended March 31, 2014 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 judgement, including 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, 2014 and the results of its operations, changes in net debt, and its cash flows for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Chartered Accountants.

St. John's, Canada June 25, 2014

Statement of Financial Position

Year Ended March 31, 2014

	March 31	March 31
	2014	2013
	<u> </u>	<u> </u>
Financial Assets		
Cash	\$ 19,218,361	\$ 16,706,869
Accounts receivable (Note 3)	20,084,334	27,406,604
Inventories for resale	1,559,990	1,314,012
Trust funds on deposit (Note 4)	3,468,390	3,343,087
	<u>\$ 44,331,075</u>	<u>\$ 48,770,572</u>
Liabilities		
Accounts payable & accrued liabilities (Note 5)	\$ 9,849,124	\$ 10,403,444
Vacation pay accrual	8,627,754	9,701,601
Post-employment benefits (Note 6)	14,485,040	14,604,528
Compensated absences (Note 6)	10,975,409	10,772,408
Due to Qatar Campus (Note 7)	10,795,613	10,670,319
Deferred contributions - operating (Note 8)	4,281,030	4,639,655
Trust funds payable (Note 4)	3,468,390	3,343,087
	<u>\$ 62,482,360</u>	<u>\$ 64,135,042</u>
Net Debt	\$ (18,151,285)	\$ (15,364,470)
Non-Financial Assets		
Tangible capital assets (Schedule 1)	\$ 27,535,631	\$ 28,851,000
Inventories held for use	89,696	78,098
Prepaid expenses	1,643,061	1,440,084
	<u>29,268,388</u>	<u>30,369,182</u>
Accumulated surplus	\$ 11,117,103	\$ 15,004,712
Commitments (Note 9)		
Contingent liabilities (Note 10)		

Statement of Operations

Year Ended March 31, 2014

	2014 Budget (Note 13)	2014	2013
Revenue			
Grants and reimbursements	\$ 63,620,240	\$ 63,214,706	\$ 91,103,258
Subsidy	17,200,000	20,543,046	21,207,000
Tuition	12,574,099	12,282,662	12,113,372
Classroom/video rental	15,000	15,000	20,000
Interest	200,000	281,304	181,344
Fees	650,271	695,832	666,106
Apprenticeship	4,156,463	5,637,926	5,662,188
Bookstore	2,722,500	2,719,547	2,814,605
Corporate	2,295,285	3,127,881	2,490,489
Daycare	487,445	514,956	495,512
Equipment and materials	1,682,359	1,610,863	1,578,216
Food services	1,202,000	1,210,258	1,192,535
International	1,060,976	1,205,215	1,037,635
Parking	7,750	4,800	7,719
Residence	339,700	337,060	319,318
Special projects	4,959,947	4,009,343	4,130,977
Qatar project	10,963,588	10,252,412	10,601,883
Other	469,135	653,952	589,676
Total revenue	<u>\$ 124,606,758</u>	<u>\$ 128,316,763</u>	<u>\$ 156,211,833</u>
Expenditures (schedules 3-15)			
Facilities	4,789,204	4,988,239	4,959,076
Administration	17,119,478	16,203,946	15,775,912
Instructional	73,191,499	68,711,488	76,331,528
Student services	10,795,410	10,100,084	11,032,928
Information technology	8,045,916	5,512,634	6,823,838
Resale	5,030,869	5,153,639	5,372,142
Apprenticeship	4,148,852	4,385,707	4,100,978
Continuing education	728,809	724,425	783,937
Contracts	4,585,859	4,697,004	4,321,162
International	648,969	593,438	555,977
Special projects	4,261,366	3,274,245	3,761,559
Qatar project	2,134,519	1,675,457	2,164,353
Total expenditure	<u>\$ 135,480,750</u>	<u>\$ 126,020,306</u>	<u>\$ 135,983,390</u>
Annual Surplus (Deficit) before adjustments:	(10,873,992)	2,296,457	20,228,443
Less adjustments for undernoted items:			
Amortization of tangible capital assets	7,415,994	7,256,519	7,171,478
Accrued post-employment benefits	600,000	(163,570)	622,368
Accrued compensated absences	300,000	203,001	251,506
Accrued annual leave	300,000	(1,111,884)	68,818
Total adjustment for above noted items	8,615,994	6,184,066	8,114,170
Annual Surplus (Deficit)	(19,489,986)	\$ (3,887,609)	\$ 12,114,273
Accumulated surplus, beginning of year	15,004,712	15,004,712	2,890,439
Accumulated surplus, end of year	<u>\$ (4,485,274)</u>	<u>\$ 11,117,103</u>	<u>\$ 15,004,712</u>

Statement of Changes in Net Assets

Year Ended March 31, 2014	2014 Budget (Note 13)	2014 Total	2013 Total
Annual surplus (deficit)	\$ (19,489,986)	\$ (3,887,609)	\$ 12,114,273
Changes in tangible capital assets			
Acquisition of tangible capital assets	(7,383,013)	(6,006,311)	(7,992,545)
Write-downs on tangible capital assets	-	23,800	
(Gain) loss on sale of tangible capital assets	-	41,361	2,371
Amortization of tangible capital assets	7,415,994	7,256,519	7,171,478
Increase (decrease) in net book value of tangible capital assets	32,981	1,315,369	(818,696)
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	-	(202,977)	141,213
Acquisition of inventory of supplies (net of usage)	-	(11,598)	(16,698)
Increase (Decrease) in other non-financial assets	-	(214,575)	124,515
(Increase) decrease in net financial assets (debt)	(19,457,005)	(2,786,815)	11,420,092
Net financial assets (debt) at beginning of year	(15,364,470)	(15,364,470)	(26,784,562)
Net financial assets (debt) at end of year	\$ (34,821,475)	\$ (18,151,285)	\$ (15,364,470)

Statement of Cash Flow

Year Ended March 31, 2014

	2014	2013
Operating		
Annual surplus (deficit)	<u>\$ (3,887,609)</u>	<u>\$ 12,114,273</u>
Add (deduct) non-cash items:		
Amortization of capital assets	7,256,519	7,171,478
Accrued post-employment benefits - increase (decrease)	(119,488)	672,062
Accrued compensated absences - increase (decrease)	<u>203,001</u>	<u>251,506</u>
	3,452,423	20,209,319
Changes in:		
Receivables	7,322,270	(14,903,089)
Inventory	(257,576)	(5,506)
Prepaid expenses	(202,977)	141,213
Deferred contributions - operating	(358,625)	211,618
Payables and accruals	(1,628,167)	(818,940)
Due to Qatar campus	<u>125,294</u>	<u>8,527,439</u>
Net cash provided by operating transactions	<u>8,452,642</u>	<u>13,362,054</u>
Capital		
Acquisitions of tangible capital assets	(6,006,311)	(7,992,545)
Write-downs on tangible capital assets	23,800	
Proceeds on sale of tangible capital assets	<u>41,361</u>	<u>2,371</u>
Net cash applied to capital transactions	<u>(5,941,150)</u>	<u>(7,990,174)</u>
Net cash applied to capital transactions	(5,941,150)	(7,990,174)
Net cash provided (applied)	2,511,492	5,371,880
Cash, beginning of year	<u>16,706,869</u>	<u>11,334,989</u>
Cash, ending of year	<u>\$ 19,218,361</u>	<u>\$ 16,706,869</u>

Tangible Capital Assets (Schedule 1)

Year Ended March 31, 2014

	Artwork	Capital improvements	Computer and peripherals	Furnishings	Instructional equipment	Other electronic equipment	Software	ERP - Peoplesoft	Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
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
Additions	-	2,033,499	157,381	3,509	1,821,429	53,378	29,791	1,332,958	574,366	6,006,311
Disposals	-	118,175	281,729	5,798	671,086	8,839	7,308	-	-	1,092,935
Other		47,137	9,802	(32,636)	(880,212)	(33,010)	(1,000)		889,919	-
At March 31, 2014	5,500	28,994,321	6,305,450	721,185	43,483,018	913,328	658,744	6,779,292	9,066,551	96,927,389
Accumulated Amortization										
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
Amortization	-	2,367,958	339,450	25,542	2,966,623	40,177	8,240	496,443	1,012,086	7,256,519
Disposals	-	76,814	281,729	5,798	671,086	8,839	7,308	-	-	1,051,574
Other		21,212	24,446	(37,764)	(882,675)	(37,939)	(1,000)		889,920	(23,800)
At March 31, 2014	-	13,287,818	5,953,595	683,032	37,392,631	783,073	632,281	3,744,330	6,914,998	69,391,758
Net Book Value:										
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
At March 31, 2014	5,500	15,706,503	351,855	38,153	6,090,387	130,255	26,463	3,034,962	2,151,553	27,535,631

Cost at March 31, 2014 includes work in progress as follows: ERP - PeopleSoft \$746,070

Summary of Expenditures (Schedule 15)

Year Ended March 31, 2014

	<u>2014 Budget (Note 13)</u>	<u>2014</u>	<u>2013</u>
Salaries and benefits	\$ 105,689,554	103,787,358	\$ 111,896,195
Professional development	628,560	225,394	323,708
Employee recognition and wellness	32,295	25,383	25,153
Professional fees	2,546,344	1,485,957	1,474,341
Travel	1,842,505	1,367,505	1,392,570
Recruitment and relocation	160,591	132,634	304,266
Insurance	343,400	279,191	313,510
Bank charges	182,000	186,122	178,577
Photocopying/printing	637,076	485,505	612,173
Office related supplies	584,079	533,523	565,061
Membership fees	168,094	73,604	152,654
General advertising	814,470	487,349	732,857
Doubtful receivables	65,000	78,230	(16,234)
Freight and customs	371,271	256,766	291,966
Telephone	766,284	742,239	756,110
Utilities	1,640,245	1,714,050	1,583,983
Repairs and maintenance	1,236,217	1,460,527	1,645,115
Vehicle operations	738,429	534,074	637,117
Equipment rentals	139,720	139,569	86,936
Facilities rentals	404,932	369,838	636,984
Protective clothing	87,514	67,075	82,027
Assets - loss	-	65,161	2,082
Food cost	887,994	974,593	919,588
Laundry and drycleaning	31,571	24,961	32,751
Textbooks and supplies	2,240,500	2,194,914	2,274,890
Computer supplies	2,560,356	1,692,943	2,046,240
Contracted services	1,423,831	960,670	1,207,473
Educational materials	699,979	331,189	397,315
Daycare operations	112,074	72,493	81,089
Student related	1,292,607	1,428,612	1,353,048
Minor equipment and tools	888,696	693,290	860,194
Minor computer equipment	536,630	460,885	390,604
Materials and supplies	5,727,932	2,688,702	2,743,047
	<u>\$ 135,480,750</u>	<u>\$ 126,020,306</u>	<u>\$ 135,983,390</u>

Notes to the Financial Statements

For the twelve months ending March 31, 2014

1. NATURE OF OPERATIONS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the college have been prepared within the framework of Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the 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, 2014, the write-down of inventory was \$81,982 (2013 - \$99,555).

(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, 2014.

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 \$ 14,632 (2013 - \$173 loss).

(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 2014 the college contributed \$6,408,248 to the PSPP and \$791,703 to the GMPP. In 2013 the college contributed \$6,963,217 to the PSPP and \$762,720 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. RECEIVABLES

	<u>2014</u>	<u>2013</u>
Government of Newfoundland and Labrador	\$ 6,013,131	\$ 6,978,352
LMDA Subsidy	10,409,813	15,407,255
Students	843,705	810,233
Government agencies and other	3,113,776	4,472,712
	<u>20,380,425</u>	<u>27,668,552</u>
Less allowance for doubtful accounts	296,091	261,948
	<u>\$ 20,380,425</u>	<u>\$ 27,406,604</u>

4. 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>2014</u>	<u>2013</u>
Opening balance	\$ 3,343,087	\$ 3,299,308
Net deposits and payments	53,051	(29,651)
Interest	72,252	73,430
	<u>3,468,390</u>	<u>3,343,087</u>
Closing balance	\$ 3,468,390	\$ 3,343,087

5. ACCOUNTS PAYABLES & ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Trade liabilities	\$ 3,667,476	\$ 3,334,190
Accrued wages and benefits	4,976,569	4,171,435
End of service compensation	44,697	1,519,760
Other	1,160,382	1,378,059
	<u>9,849,124</u>	<u>10,403,444</u>
	\$ 9,849,124	\$ 10,403,444

6. 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 March 31, 2014. The actuarial valuation date for severance pay accrual was March 31, 2013 and has been extrapolated for March 31, 2014. 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>2014</u>	<u>2013</u>
Wages and salary escalation	4.00%	4.00%
Discount rate	3.90%	3.60%

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

Accrued sick pay benefit obligation beginning of year	\$ 11,394,351	11,016,186
Current period benefit cost	1,208,060	1,159,429
Benefit payments	(1,461,467)	(1,366,165)
Interest on the accrued benefit sick leave obligations	405,635	420,143
Actuarial (gains) / losses	(356,575)	164,759
	<hr/>	<hr/>
Accrued sick pay benefit obligation end of year	11,190,004	11,394,352
	<hr/>	<hr/>
Unamortized actuarial experience loss	214,595	621,944
	<hr/>	<hr/>
Accrued benefit liability, end of year	\$ 10,975,409	\$ 10,772,408

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

Accrued severance benefit obligation beginning of year	\$ 15,820,544	14,886,062
Current period benefit cost	1,226,444	1,217,772
Benefit payments	(2,000,716)	(1,192,660)
Interest on the accrued benefit severance obligations	555,603	573,597
Actuarial (gains) / losses	(90,697)	335,773
	<hr/>	<hr/>
Accrued severance benefit obligation end of year	15,511,178	15,820,544
	<hr/>	<hr/>
Unamortized actuarial experience loss	1,026,138	1,216,016
	<hr/>	<hr/>
Accrued benefit liability, end of year	\$ 14,485,040	\$ 14,604,528
	<hr/>	<hr/>
Total post-employment benefits and compensated absences end of year	\$ 25,460,449	\$ 25,376,936

7. 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>2014</u>	<u>2013</u>
Cash on Deposit	\$ 2,838,535	\$ 11,567,170
Payables (accruals)	(695,655)	(896,851)
Net Liability	<u>\$ 10,795,613</u>	<u>\$ 10,670,319</u>

Results of Operations

	<u>2014</u>	<u>2013</u>
Gross Proceeds	\$ 10,167,006	\$ 10,601,883
Management Costs	(1,675,457)	(2,164,353)
Net Proceeds	<u>\$ 8,576,955</u>	<u>\$ 8,437,530</u>

8. 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>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 4,639,655	\$ 4,428,037
Less amounts recognized as revenue in the year	(22,573,024)	(21,670,007)
Add amounts received during the year	<u>22,214,399</u>	<u>21,881,625</u>
Balance, end of year	<u>\$ 4,281,030</u>	<u>\$ 4,639,655</u>

Deferred contributions -operating are comprised of:

	<u>2014</u>	<u>2013</u>
Residence and program fees	\$ 91,727	\$ 95,106
Tuition	1,093,873	1,122,726
Contract training and special projects	<u>3,095,430</u>	<u>3,421,823</u>
	<u>\$ 4,281,030</u>	<u>\$ 4,639,655</u>

9. 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:

2014-2015	977,018
2015-2016	735,719
2016-2017	662,374
2017-2018	252,849
2018-2019	18,655

10. 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.

11. FINANCIAL INSTRUMENTS RISK MANAGEMENT

Classification

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

	2014		
	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Total</u>
Cash	\$ 19,218,361	\$	\$ 19,218,361
Trust funds on deposit	3,468,390		3,468,390
Accounts receivable		20,084,334	20,084,334
	\$ 22,686,751	20,084,334	42,771,085
Accounts payable and accrued liabilities		9,849,124	9,849,124
Vacation pay accrual		8,627,754	8,627,754
Due to Qatar Campus		10,795,613	10,795,613
Trust funds payable		3,468,390	3,468,390
	<u>\$ —</u>	<u>\$ 32,740,881</u>	<u>\$ 32,740,881</u>

Fair value hierarchy

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

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

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

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:

	Total	Current	30 - 60 days	> 61 days
Government receivables	\$ 16,553,073	\$ 16,158,194	\$ 158,028	\$ 236,851
Student receivables	843,705	56,292	(48,634)	836,047
Other receivables	2,983,647	2,383,874	222,398	377,375
Gross receivables	20,380,425	18,598,360	331,792	1,450,273
Less: impairment allowances	(296,091)			(296,091)
Net receivables	<u>\$ 20,084,334</u>	<u>\$ 18,598,360</u>	<u>\$ 331,792</u>	<u>\$ 1,154,182</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:

	2014	2013
Receipts		
US dollar (USD)	372,167	688,776
Qatari riyal (QR)	-	-

Payment

US dollar (USD)	831,614	1,321,899
Qatari riyal (QR)	527,575	748,600
Euros (EUR)	93,360	83,012

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):

	2014		
	Within 6 Months	6 Months to 1 year	> 1 year
Accounts payable and accrued liabilities	8,227,103	1,377,324	244,697
	<u>\$ 8,227,103</u>	<u>\$ 1,377,324</u>	<u>\$ 244,697</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.

12. COMPARATIVE FIGURES

Certain of the 2013 comparative figures have been reclassified to conform to the financial presentation adopted in 2014.

13. 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.

14. RELATED PARTY TRANSACTIONS

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

	2014	2013
Grants from the province	\$ 90,523,652	\$ 109,235,414
Transfer from Child, Youth & Family Services	250,525	274,601
Transfer from Dept of Natural Resources	-	161,635
Transfer from Dept of Justice	214,900	-
Transfer from IBRD	294,957	719,765
Transfer from Research Development Council	202,534	167,272
Transfer from NL Hydro	120,068	-
Transfer from Memorial University	127,274	250,644
Transfer to Memorial University	223,704	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

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