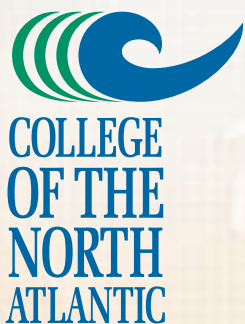


# Annual Report

## 2004-2005





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## **Message from the President & Board Chair**

On behalf of the Board of Governors, we would first like to take this opportunity to thank the college's faculty, staff and students for their significant and tremendous efforts over the past year. We sincerely look forward to working with all of you in the months and years ahead.

In the 2004 Speech from the Throne, the government announced the White Paper on Public Post-Secondary Education to examine the province's post-secondary system, and identify initiatives to enhance its contribution to the economic growth of Newfoundland and Labrador. It would also determine the best ways to enhance employment prospects of graduates, while preserving quality, accessibility and affordability.

The White Paper process was an extremely enlightening and productive initiative. Through it, we were able to confirm that the college has many valued friends and partners – in industry and in the many communities we serve. We are very proud of that. We are also very proud of our students, our alumni and our employees – and of their continued loyalty and support.

The White Paper, released in June of 2005, clearly recognizes and affirms the college's significant contributions to the economic and social development of the province, and of the great accomplishments of the students that it serves. A number of these accomplishments are highlighted in this Annual Report. The White Paper also reaffirms government's commitment to the future of the college. It lays a foundation for growth - setting out increased expectations and new directions for the college.

In this context, government has appointed a new Board of Governors. We have also initiated the search for a new President. Together, we will go about the business of fulfilling the vision set forth in the White Paper. We are responsible for and will ensure that the college is strong, vibrant and well-positioned to provide greater employment prospects for our graduates, and to contribute to the growth and development of all regions of Newfoundland and Labrador, while preserving the principles of quality, accessibility and affordability.

Sincerely,

Bruce Hollett  
Interim President

Alfred Goss  
Board Chair



The largest campus in the province – Prince Philip Drive Campus (above) – is located across from the Confederation Building in St. John's.

*CNA has significant impact on the social and economic development of the province.*

## Overview

### Mission

College of the North Atlantic (CNA) is a leader in providing quality, accessible and relevant learning opportunities within the global community.

### Vision

To fulfill its mission, the public college of Newfoundland and Labrador will continue to:

- i. Be recognized for satisfied, competent graduates whose skills meet industry's standards and respond to the broad range of labour market demands;
- ii. Research and deliver quality programs that are responsive to changing social, personal and economic needs of learners through continuous review and modification of programs;
- iii. Be accountable for the effectiveness and efficiency of the operations of the college;
- iv. Enhance learning opportunities by implementing superior methods of instructional delivery;
- v. Be proactive in the social and economic development of the province through the development of partnerships with communities, agencies and the private sector;
- vi. Enhance the capacity of the college and province through international initiatives;
- vii. Recognize and respect employees and their contributions to quality programs and services within a supportive environment; and
- viii. Offer a learning environment that respects, supports and empowers students.

CNA is one of the largest post-secondary educational and skills training centres in Canada, offering programs in the areas of Applied Arts, Business, Engineering Technology, Health Sciences, Industrial Trades, Information Communications Technology, Natural Resources and Academics. More than 8,000 full-time and over 12,000 part-time students per year enroll in CNA's regular programming. These students have the opportunity to earn certificate, diploma, post diploma and advanced diploma standing, with options for degree study at partner universities.

As Newfoundland and Labrador's public college, CNA has significant impact on the social and economic development of the province. Each of the college's 17 campuses contributes to communities by providing a skilled workforce, generating employee earnings and capital expenditures and providing access to state-of-the-art equipment and expertise. Nationally and internationally acclaimed curriculum, the dedication of expert staff and faculty, and the strength of partnerships work to link regional economic development with labour market needs.

The college serves as a professional development activity centre, focusing on building community

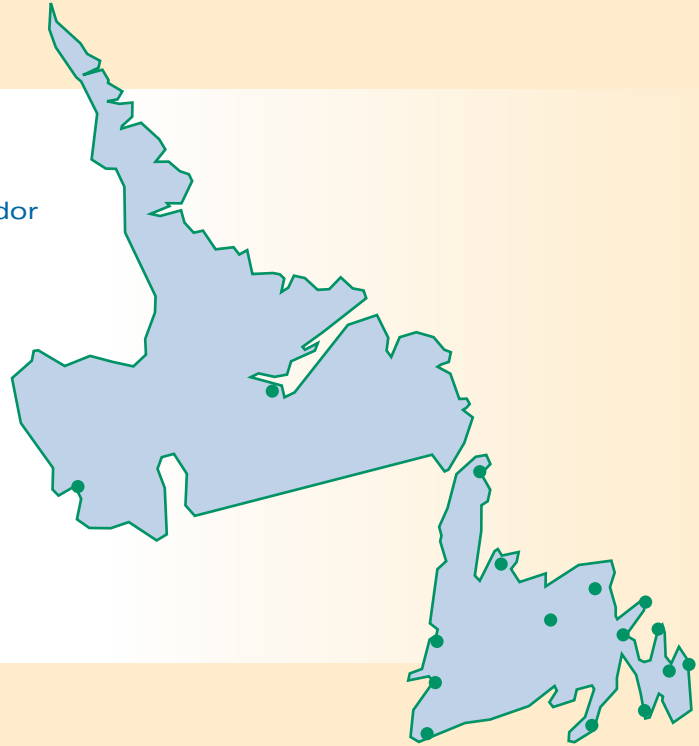
capacity and providing leadership in the delivery of education and training to communities and to our own employees. We also offer expertise in the design and delivery of custom training opportunities to companies, governments and non-government organizations in Canada and around the world.

CNA activities serve to encourage new business, assist existing business, and create long-term economic growth. A newly recognized and significant area of development is applied research. These activities are critical to the continued relevancy and currency of many programs and to community growth.

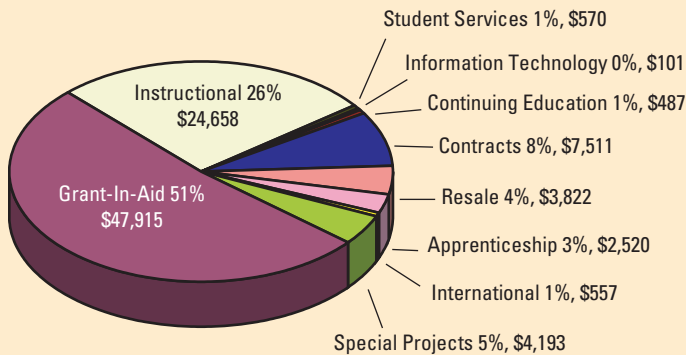
CNA partners with industry and governments at home and abroad to deliver the highest quality education and training, and provide opportunities for Newfoundland and Labrador to become involved in the growing global marketplace.

## ***CNA at a glance:***

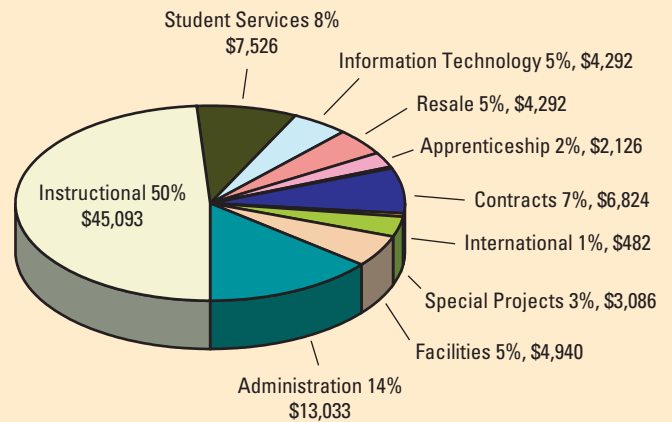
- 17 campuses in Newfoundland and Labrador
- 1 campus in Qatar
- 10,000 students enrolled annually
- 3,000 graduates annually
- More than 90 full-time program offerings
- 300 part-time courses
- 250 online programs and courses
- 1,300 staff and faculty
- \$95 million budget



**Revenue**  
(percent & thousands of dollars) March 31, 2005



**Expenditure**  
(percent & thousands of dollars) March 31, 2005







## Highlights & Accomplishments

The Agricultural Training and Research Centre is dedicated to supporting industries related to farming, livestock and secondary processing.

This has been a positive year for College of the North Atlantic. The Government of Newfoundland and Labrador's report *CareerSearch 2004, Employment Experience and Earnings of 2002 Graduates* shows a nearly 90 percent student satisfaction rate in terms of their investment of class and study time and cost of program. The vast majority of CNA graduates are employed and earning high wages, many having left the college with low debt levels. In fact, less than 40 percent of CNA students avail of the student loan system. To further allow access to quality education, the tuition freeze implemented in 1998 remains in effect.

CNA strives to enhance accessibility and ensure student success. A prime example is *Access for Success* (AFS) – an innovative program designed to improve student retention and performance. AFS involves the assessment of students' strengths and needs and the development of personal career plans. In addition, a student success tracking computer program and structured academic advising ensures students are well suited to their program of choice, even prior to attending the college. This year AFS was recognized internationally with the Noel-Levitz Retention Excellence Award.

The college works with other educational institutions to develop articulation agreements that provide students an opportunity to transfer to many other national and international colleges and universities with advanced standing. Numerous articulation agreements exist for transfer of credit with educational partners such as Memorial University of Newfoundland at home, and nationally and internationally with such institutions as Nova Scotia's Cape Breton University and China's Jilin University. This year, a new agreement was signed with Memorial University, eight new degree options were approved with Athabasca University, and new agreements are pending with Lakehead University, Royal Roads University and the University of New Brunswick.

CNA works to ensure that, where applicable, the highest standard of accreditation is achieved for its programs. Currently, three of our provincial campuses and our campus in Qatar are working with the Association of Collegiate Business Schools and Programs to begin the accreditation process for their respective business offerings. Also, a Memorandum of Understanding was recently signed by the Canadian Information Processing Society to begin the accreditation process for Information Technology programs at Qatar campus. Similar ventures are underway for many of our trades and Health Sciences programs.

CNA contributes to the provincial economy by supplying a highly skilled workforce to the growing labour market. Constant monitoring of labour market developments and the resultant advancements



### Noel-Levitz Retention Excellence Award

From left, Tim Culver (Noel-Levitz consultant), Glen Howell, Brian Tobin, Shirley Woodward (from CNA), and Kevin Crockett (President and CEO, Noel-Levitz).

to our programming, as well as the establishment of new programs, ensure graduates possess industry-relevant skills. As a result of this practice, for example, in the past year a new AgriBusiness program was launched at CNA's Agriculture Centre of Excellence in Carbonear. This one-of-a-kind program teaches farming skills, market research, business essentials, crop production and more.

Two additional new program initiatives: Comprehensive Arts and Science-College Transition and Comprehensive Arts and Science-Transfer, are designed to provide greater access and enhance educational opportunities for students by helping determine their educational and training requirements, and their general educational and employment preparation needs.

### Student Excellence

CNA students consistently excel in their academic and extracurricular performance. In March, the student organization Advancing Canadian Entrepreneurship (ACE) held a regional competition – the first ever – in Moncton, New Brunswick. Three Newfoundland ACE Teams from the college: Cabot (St. John's), Clarenville and Corner Brook attended the event, with ACE Cabot securing gold medals in both the Micro-Business and Fair Enterprise categories. The teams then went on to compete in the nationals in Toronto, with Corner Brook and Cabot making it to the semi final and final rounds respectively.

At the 8<sup>th</sup> Annual Provincial Skills Canada Competitions in May, college students came away with 23 medals, including 13 gold. And at the 11<sup>th</sup> Annual National Skills Canada Competition in June, they took home another gold and two bronze. Also this past year, students from the Graphic Design program placed at the top in the 4<sup>th</sup> Annual Innovation, Creativity and Entrepreneurialism Awards in Halifax. Daniel Chapman won gold and fellow CNA student Mike Moulard took home silver and an honourable mention.

Visual Arts graduate Logan Wood of Newfoundland and Labrador, and Music Industry and Performance graduate Christian Gallant of PEI, were both selected to represent the artists of their provinces at the 2005 Canada Summer Games as a part of the National Artist Program. The program brought 52 young artists and creative athletes from across the country to Regina for a two-week "interdisciplinary mentorship creative residency" during the games in August.

It is not uncommon for CNA students to receive offers of employment even before they reach graduation. This year's graduating class of 25 Aircraft Maintenance Engineering Technology students at CNA's Gander campus was offered full-time permanent employment by IMP Aerospace in Halifax. At the same time, students were contacted by other companies such as Canadian Helicopters, Universal Helicopters and Provincial Airlines, with offers of employment.

CNA's Alumni Association was officially launched in February 2005. This association supports a continued relationship between CNA and its tens-of-thousands of graduates who have helped build a reputation of excellence throughout the past 40 years and beyond. Alumni chapters will be established in each community where there is a CNA campus, providing opportunities for career development, continued learning and networking.



CNA students came away with 23 medals, including 13 gold, at the 8<sup>th</sup> Annual Provincial Skills Canada Competitions in May.



Visual Arts graduate Logan Wood was selected to represent Newfoundland and Labrador at the 2005 Canada Games as part of the National Artist Program.



*This year's graduating class of 25 Aircraft Maintenance Engineering Technology students at CNA's Gander campus was offered full-time permanent employment by IMP Aerospace in Halifax.*





The research of Dr. Aaruun Arunachalam, instructor at Burin campus, was published this year in the Canadian Journal of Civil Engineering.



Visual Arts instructor Sharon Puddester (right) showcased her work in the national touring exhibition *The Power of Place*.

*It is the dedication of employees at CNA that is the driving force of excellence...*

Linda White, retired Dean of Business and Information Technology, was the recipient of the CNA Award of Excellence for Leadership.

### Employee Excellence

It is the dedication of employees at CNA that is the driving force of excellence at Newfoundland and Labrador's public college. Staff and faculty continuously build on their professional qualifications and expertise, thereby benefiting their students and graduates.

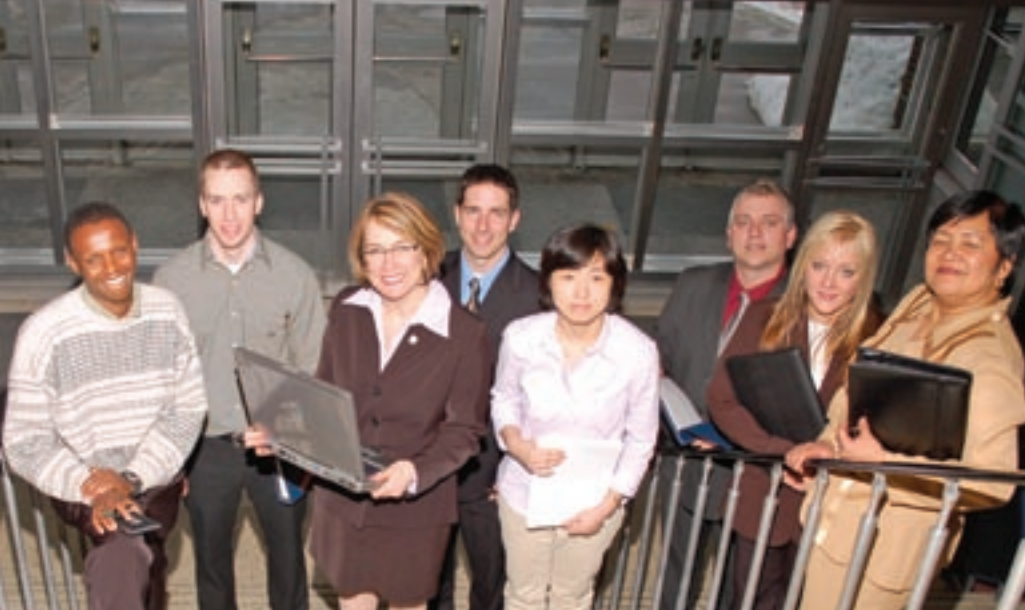
To recognize this dedication, CNA has developed an Awards of Excellence program. The winners for 2004-05 were: *Leadership Excellence* – Linda White, Dean of Business and Information Technology; *Staff Excellence* – Kelly Matheson, Librarian, Carbonear campus; *Student Leadership Excellence* – Megan Tucker, Business student, St. John's; *Teaching Excellence* – Elvis Pittman, instructor, Ridge Road campus; and *Program Excellence* – Community Recreation Leadership, Prince Philip Drive campus.

This year, many employees won awards and excelled in professional development pursuits. For example, Sharon Puddester, Visual Arts coordinating instructor, had her art work showcased in the national touring exhibition *The Power of Place*, and in the accompanying catalogue; Wade Parsons, Mathematics instructor at Ridge Road campus, had his paper: *Studies in the Stability of a Numerical Wave Tank Model for the Generation and Propagation of Steep Nonlinear Long-crested Surface Waves* accepted for the Offshore International Conference on Offshore Mechanics and Arctic Engineering; Dr. Aaruun Arunachalam, a College University Transfer Year Physics instructor at Burin campus, had one of his research works – *Application of Dimensional Analysis to Estimation of Ice-induced Pressures on Rigid Vertical Structures* – selected for publication in the *Canadian Journal of Civil Engineering*; and Eric King, Chef Instructor at Bay St. George campus, had an original recipe featured in the text book *On Cooking*, which will be used in college classrooms throughout Canada, including his own advanced cooking class.

Joe Bouzanne, Business Accounting instructor at Grand Falls-Windsor campus and president of the Human Resources Professionals of Newfoundland and Labrador, was awarded the *2005 Excellence in Human Resources Award for Atlantic Canada*; while Gerry Crewe, Commercial Cooking (Advanced) instructor at Prince Philip Drive campus, was awarded *Chef of the Year* provincially and regionally, and took second place in the Canadian Chef of the Year competition at the 2005 Canadian Culinary Convention.







A new website design better reflects the interactive advancement of technology.

### Institutional Excellence

CNA's international campus CNA-Qatar, a comprehensive college of technology in the Middle East, has experienced phenomenal growth. This year, the campus celebrated its first graduating class and over 60 new staff and their families joined the project. Formerly operating in temporary structures, the school started the 2005-06 academic year in a brand new, state-of-the-art facility, overseen by new President, Dr. Harald Jorch.

For the first time since its establishment, the Qatar project's Joint Oversight Board met in Corner Brook, on Newfoundland's west coast. The delegation included representatives from several countries in addition to members of the Qatari Royal Family. Also visiting the college this year was Dr. Christoph Grabmayr, Consul General and Trade Commissioner of Austria to Canada. He delivered a presentation to International Business students at Burin campus and was given a tour of the facility, including research developments such as the wave powered generation project.

CNA strengthens its connection to communities and industry through applied research. This year, the first year of operations for the Office of Applied Research, saw the signing of a \$7 million multi-partite collaboration project with the University of New Brunswick, Cape Breton University and the National Research Council of Canada. The project – *Petroleum Application of Wireless Systems* – has produced \$55,000 in revenue thus far and is expected to generate \$900,000 during the next four years. Also, a pilot project providing \$50,000 in funding for faculty research was launched through the office, generating 11 research proposals. Another significant initiative for the first year of operations is the submission of two patent applications – one for a wave powered pump and another for a capacitive-thermal hybrid sensor for oil and gas pumps.

CNA has also established an Office of Institutional Research and Planning. This new office will support decision making, policy analysis, institutional assessment and strategic planning at all levels of the college.

A new management information system has been introduced at CNA, known internally as Project ICE. This PeopleSoft system will ensure that more timely and accurate information is available to college decision makers, allowing for more efficient and effective internal operations in all areas. It will also provide easier navigation and access to information and services for students.

CNA redesigned its website in June to better reflect the interactive advancement of technology. Research was conducted to identify the evolving needs of web users and stakeholders resulting in an attractive, inviting site with greater interactive access for current and potential students and clients.

The college has been profiled in several publications this past year, including the national publications: *The Canadian Learning Journal* and Perspective's *2005 Canadian College Guide: Sophisticated Centres of Education and Training*.

CNA was recently recognized by the Natural Sciences and Engineering Research Council of Canada as a certified research institution, and achieved a Gold Level Standard with the federal department of Natural Resources in the area of energy efficiency and a reduction in greenhouse gas emissions.

## PeopleSoft®

The new management information system reinforces efficient and effective internal operations.



*...Every area of the college is built on partnerships – with all involved enjoying joint success.*

## **Shared Commitments**

College of the North Atlantic provides first-class education to prepare and develop a global workforce, and is committed to providing responsive, accessible, quality learning opportunities to students – both at home and abroad.

CNA is better able to educate students because of partnerships with industry, governments and other educational institutions. In fact, every area of the college is built on partnerships – with all involved enjoying joint success.

The college partners with such provincial governmental divisions as the Department of Education, the Department of Innovation, Trade and Rural Development, the Department of Human Resources, Labour and Employment, the Department of Transportation and Works, the Department of Health and Community Services, and likewise with regional and national government departments such as the Atlantic Canada Opportunities Agency (ACOA) and Human Resources and Skills Development Canada, to provide essential funding opportunities and services for students and clients.

CNA seeks additional ways to work with partners like ACOA in providing such industry-relevant programs as *Entrepreneurship for You!* This on-line management training program is tailored for young people who want to start a business, as well as for those already in business who require training for a specific aspect of business management. The program makes learning opportunities accessible 24 hours a day, seven days a week across Atlantic Canada.

The college partners with industry associations and accrediting bodies to ensure its program offerings are current. Accreditation of programs means graduates enter the workforce knowing they have the latest in available training and possess invaluable industry endorsement of their skills. For instance, CNA's engineering programs, accredited by the Association of Engineering Technicians and Technologists of Newfoundland and Labrador, ensures curriculum is consistently monitored to meet industry standards.

CNA's partnerships with other institutions provide benefits to students even after they have completed their college studies, such as through transfer of credit or articulation. A recent articulation partnership with Memorial University of Newfoundland facilitates the acceptance of CNA's three-year business diploma toward a Bachelor of Business Administration.

CNA has established the Office of Applied Research in order to encourage further innovative collaborations with institutions and research partners. Through this office, a seminar was hosted in December





GM Canada and Dennis GM of Stephenville donated \$90,000 of equipment to CNA's Automotive Service Technician programs.



Dr. Azmy Aboulazm, Campus Administrator at Labrador West campus, left, and Bob Garland, Inspector with the Royal Newfoundland Constabulary, Labrador West attachment, both agree that the recent partnership will be of great benefit to students. (Photo: Peter Genge)

2004 entitled *Applied Research and Innovation: A New Dimension to College Life*, which was attended by stakeholders throughout Atlantic Canada from such entities as the Natural Research Council of Canada, the Natural Sciences and Engineering Research Council of Canada, Genge Consulting Group, Genesis Group and several of CNA's own experts in research and development.

The launch of an Alumni Association signifies the forging of partnerships with graduates, who have helped build CNA's reputation of excellence by bringing the highest quality skill set, innovation and professionalism to the workplace. Many alumni registered with the association have volunteered to act as guest speakers, mentors for students, ambassadors for the college, and often serve as key contacts in developing new industry and institutional partnerships.

International partnerships provide invaluable multicultural experiences for graduates as they participate in student exchanges or are hired as interns in such countries as China, India, Germany and Mexico. Through these far-reaching partnerships, the college has been able to increase international student recruitment and grow international workforce training. The opportunities continue to grow as partnerships are built in such countries as Vietnam, China, Peru, Libya, Korea and Qatar.

CNA partners with industry to identify current and future workforce training needs and provide solutions that benefit both the industries and residents of the province. Labrador West campus recently formed a partnership with the local RNC to assist in the delivery of police training prerequisites.

Another partnership, with the Iron Ore Company of Canada and the United Steelworkers Union, resulted in the award-winning Mining Technician program (formerly Mining and Mineral Processing and known at IOCC as the *Employee of the Future* program) in Labrador West. The company will hire graduates from the program as part of a strategy to meet its future workforce demands.

Yet another example of a beneficial partnership with industry is with GM Canada. In association with Dennis GM in Stephenville, 18 new engines (valued at \$90,000) were donated to College of the North Atlantic in 2004 for use in its Automotive Service Technician programs. Over the past several years, the company has donated a number of vehicles, allowing students to train on modern automobiles, benefiting them and the companies they will eventually work for – particularly GM.

The reciprocal nature of these partnerships – education supplying industry and industry building on its educated workforce – has immense impact on the social and economic development of communities.

*Through these far-reaching partnerships, the college has been able to increase international student recruitment and grow international workforce training.*



CNA hosts international internships, such as the one Andrea King took part with in India.





## Looking Forward

*The growing contract/workforce training market represents a significant opportunity for further development both at home and overseas.*

“There is little debate that post-secondary education is now a mandatory qualification for fulfilling and sustaining work. What remains is the vital question of how to expand access to post-secondary education in the most equitable manner.”

– Canadian Federation of Students

It is College of the North Atlantic’s mandate to provide fundamental and comprehensive access to learners in Newfoundland and Labrador. Building on a rich foundation of quality, affordable education, CNA continues to develop abundant choices and opportunities in higher learning. In doing so, the college faces a number of challenges and many positive opportunities for growth.

### Opportunities

CNA curriculum and training is offered in many countries world-wide and in local communities with industry and associations. The growing contract/workforce training market represents a significant opportunity for further development both at home and overseas.

International student recruitment – both on the ground and through CNA’s Distributed Learning Service – represents substantial return for the college and for the province. Online learning is a highly competitive market, and successfully exporting education is an endeavor that has propelled CNA into the spotlight in international post-secondary education. CNA continues to generate new global partnerships and nurture those already in existence.

A great number of skilled trades people in Canada are set to retire. Projected shortages for trades and related skills provide an opportunity for CNA to increase its enrollment, especially in trades-related programs, and impels the college to seek new ways to deliver relevant, progressive training to meet the needs of industry.

CNA is focused on ways to reach more students and provide choices to those who feel they don’t necessarily have choices today. *Access for Success* will be pivotal in cultivating a learning environment that enhances a student’s capacity to succeed. The program was piloted at several campus locations this past year and will be integrated at all campuses in the near future. During the pilot project, the retention rate at one campus improved from 89 percent to 95 percent and from 83 percent to 88 percent at another.



The most recent international corporate partnership CNA has formed is with Sirte Oil Company in Lybia, to train their employees in the Automotive Service Technician program.



## Challenges

The continued out-migration from rural communities and the province threatens CNA's efforts to provide easy access to education for all of Newfoundland and Labrador. Out-migration from the province contributes to declining school enrollments and therefore the potential number of direct high school entries to the college. Lower levels of business activity in some rural communities has also impacted the college overall. An aging population and declining birth rate further contribute to these challenges.

A lack of sufficient funds needed for infrastructure and capital equipment further challenges efforts to provide world-class training in state-of-the-art facilities. However, the provincial government has recently conducted a review of the public post-secondary system with aims to strengthen Newfoundland and Labrador's public college and university.

Though the college continually strives to enhance and improve services to students, there remains a challenge to provide more proactive career counselling for current and potential students, to identify and implement supports for students with special needs, and to assist students' transition to the workforce by providing more opportunities for practical work experience.

Students will now experience improved services through the utilization of new technologies, programs and software. Two of the most significant are *Access for Success* and the implementation of the PeopleSoft management information system. A significant amount of effort will be required to successfully implement these new systems and processes college-wide. Besides improving services to students, it is expected the new PeopleSoft system will assist the college in addressing the challenges of diligently benchmarking performance and identifying areas where efficiencies can be gained.

CNA's Distributed Learning Service is also growing as new technologies are developed and embraced. There is a constant challenge to provide more flexible learning options for students. Such issues as offering multiple entry and exit points to and from programs, and providing entire programs to students online are being addressed.

CNA will continue to help graduates establish themselves in the labour force by nurturing successful industry partnerships and providing industry-relevant programming that further enhance student success. These partnerships strengthen the institution in many ways, including through donations of equipment and scholarships, thereby alleviating some of the fiscal challenges.

Campuses throughout the province provide infrastructure, support, equipment and training to those who may not otherwise have access, and CNA plans to continue strengthening its role in the social and economic development of these communities.



The Distributed Learning Service at CNA is growing, with more than 200 courses and programs available for online study.



## Outcomes of Objectives



Strategic Plan 2003-2006. Several key issues helped define the goals and objectives for 2004-2005.

### Strategic Issues

As outlined in CNA's *Strategic Plan 2003-06*, there are seven key strategic issues. These issues helped define and communicate the goals and objectives set for 2004-05.

#### Impact of changing demographics

College of the North Atlantic is impacted by a changing demographic profile in the province of Newfoundland and Labrador and in Canada. In turn, the college adapts to demographic and labour market trends and responds to changing training needs. These trends include: an aging population and workforce, rural-urban migration patterns, declining secondary school populations and forecasted labour shortages. There is also a need for increasing accessibility for students with physical and learning disabilities, women in non-traditional programs such as trades and technologies, aboriginal peoples and those in geographically isolated areas.

The province's changing demographics are also a focus for the college from a student recruitment perspective, with respect to the provision of career counselling and related career information for high school students and graduates.

Demographics also play an important role in CNA's human resource planning, specifically in terms of recruitment and succession planning.

CNA is experiencing challenges with recruitment and retention for some positions. As well, CNA is experiencing longer recruitment periods, a decline in the number of applicants for management and senior staff positions, and an increasing trend of under-qualified applicants from external recruitment efforts.

#### Aging physical plant and capital equipment and lack of capital funding

Many buildings used by the college were constructed in the 1960s and 1970s, and are owned and maintained by the provincial government's Department of Transportation and Works. Capital equipment (classroom furnishings and computer, laboratory and shop equipment) is aging and/or becoming obsolete.





*The rapid pace of technological change and its adoption by business and industry compels CNA to continue investing in technology.*

### **Greater accountability**

The provincial government has enhanced its accountability and strategic planning requirements. As a public college, CNA is held to the same standard of public accountability and complies with these provincial government requirements. The college is working on the development and implementation of an enhanced accountability and continuous improvement framework.

### **Increasing globalization**

An established presence in the international market increases opportunities for international partnerships, contract training and student recruitment. Program renewal and development conducted to bring international focus to the college's programs is beneficial to students, who must be prepared to participate in the global workforce.

### **Role in socio-economic development**

CNA plays a proactive leadership role in economic and social development as well as community capacity building. Campuses provide infrastructure, expertise and equipment for communities, serve as incubation sites for new business and often become catalysts for economic revitalization.

### **Changing technology**

The rapid pace of technological change and its adoption by business and industry compels CNA to continue investing in technology. It is the college's mandate to ensure program content is relevant, that the need for upgrading the existing workforce is met, and that we respond to the growing demand for program offerings delivered via distance using Internet-based technologies.

### **Marketing**

The population of learners in Newfoundland and Labrador is decreasing. At the same time, there is increased competition for students. We recognize this and have placed increased priority on marketing post-secondary programs and capabilities, both domestically and internationally.



The Department of Marketing and Communications placed increased priority on promoting the college domestically and internationally.



## Goals & Relevant Objectives

CNA has outlined four main strategic directions in the 2003-06 Strategic Plan. These are:

- **Growth:** Increase access and success to maximize the number of learners at CNA.
- **Innovation and Development:** Build on capacity to support social and economic development through innovation, organizational development and partnership with community-based agencies, business, industry and government.
- **Quality and Accountability:** Enhance CNA's responsiveness, efficiency, effectiveness and quality.
- **Image:** Enhance and promote CNA's positive image and reputation to build and maintain relationships that increase acceptance, endorsement and use of our domestic and global capabilities.

Objectives to fulfill these goals were outlined in the strategic plan and were achieved in 2004-05 or are ongoing.

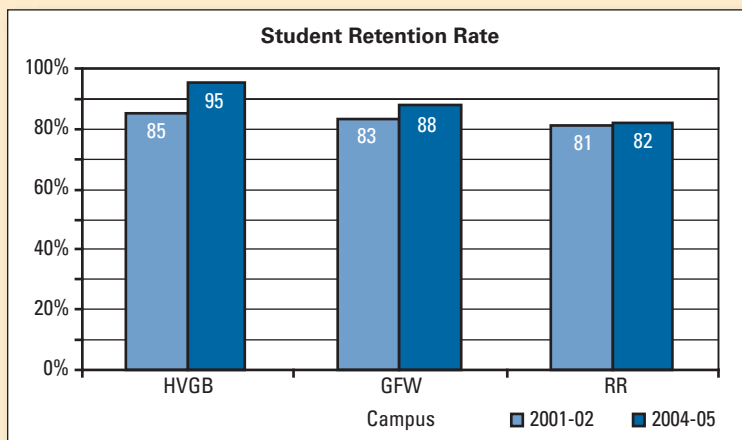
### Growth

**Objectives:** Strengthen and practice effective enrollment management (increase success and reduce attrition); enhance/diversify program offerings and delivery approaches; maintain/increase points of access to CNA; make education more affordable.

#### Outcomes Achieved

**Access for Success** – This initiative was implemented at three pilot sites in 2004-05. Student retention rates increased at all three campuses.

In 2005-06 there will be an extended rollout to six additional campuses involving approximately 1,000 students and 400 faculty and staff.



**New Programs** – Four new programs were approved by Academic Council in 2004-05. These include: Comprehensive Arts & Science-College Transition, Comprehensive Arts & Science-Transfer, International Business Management (Post Diploma) and Customer Service Associate certificate.

**Revised Programs** – Eight programs were revised in 2004-05. These include: Music Industry & Performance, Paramedicine and Business Administration (Human Resource Management), Diagnostic Ultrasonography, Office Administration (Executive, Legal, Medical, Records & Information Management), Safety Engineering Technology (Post Diploma), Software Engineering Technology Co-op (originally Electronics Engineering Technology – Computers and IT), and Process Operations Engineering Technology (originally Manufacturing Operations Technology).

**Corporate Services** – This academic year saw the first implementation of the new Corporate Services Model and the first year contract/workforce training has shown a profit. Many new partnerships have been forged and others enhanced in support of business development, contract training and continuing education, thus furthering the growth of the college.

**International Activity** – CNA continued to expand its reach into the global market in 2004-05. Some examples include:

- China – Two new programs have been approved by the Chinese government. Our partnering institution in Wuhan is Changjiang Professional College and the other partner in Lianyungang is Lianyungang Technical College. The number of agents utilized in China and Canada has been increased with the intention of enhancing market penetration in China. In 2004-05 CNA had a total of 307 Chinese students.
- Libya – In 2004-05 the first Recruitment/Business Development mission to Libya was successful, and the college was awarded two contracts with Sirte Oil Company.

**College of the North Atlantic–Qatar (CNA-Q)** – Enrollment at CNA-Q for 2004-05 increased to 930 students. The first graduation ceremony was held in June 2005.

**Transfer Agreements** – In 2004-05, 17 existing agreements with seven institutions were continued. One new agreement was signed with Memorial University and eight new degree options were approved with Athabasca University for CNA diploma graduates, offering a variety of opportunities. There are also three agreements pending signature with: Lakehead University, Royal Roads University and the University of New Brunswick.

**Distributed Learning Services** – For the academic year 2004-05, there were 2,775 students registered in online distance learning courses. Another 952 students (in 71 courses) utilized WebCT for on-campus courses. Learners registered from seven provinces in Canada, and 237 communities in Newfoundland and Labrador. Throughout this same period, approximately 75 faculty members received training on teaching by distance with WebCT and 13 online courses were developed or redeveloped.



CNA-Qatar celebrated its first graduation, with over 70 students taking home their College of the North Atlantic diploma.

*This academic year saw the first implementation of the new Corporate Services Model and the first year contract/workforce training has shown a profit.*

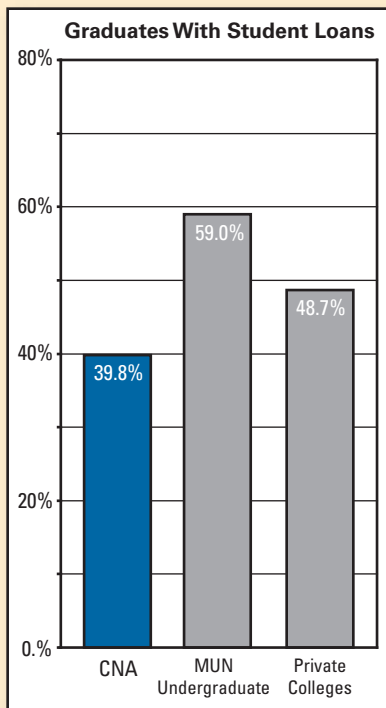
## ***Innovation & Development***

**Objectives:** Build partnerships; establish Office of Applied Research (OAR); develop a Human Resources Strategic Plan; refine/change organizational structure to better support the achievement of CNA's Strategic Directions; procure and implement a MIS/ERP service solution; develop and implement a communications plan; expand/diversify revenue base.

### **Outcomes Achieved**

**Partnership with Rural Secretariat** – The organizational structure of Rural Secretariat was announced in March 2005. Together with College of the North Atlantic, plans are being developed to provide training





CareerSearch 2004: Employment Experience and Earnings of 2002 Graduates report shows College of the North Atlantic graduates are earning high wages and are leaving the college with low debt levels, with less than 40% of CNA graduates availing of the student loan system.



Student labs were the first priority in the replacement of computer systems this year.

and other learning supports at the staff, regional council and community levels. This is a partnership which will build on the mandates of both organizations.

#### Applied Research –

- CNA received formal recognition as a research institution from the Natural Sciences and Engineering Research Council.
- The Office of Applied Research held the first applied research seminar – Research and Innovation: A New Dimension to College Life.
- After almost one year of negotiations, a collaborative research agreement was signed by partners of the Geospatial Research Facility.
- The Office of Applied Research signed a \$7 million multipartite collaboration project with the University of New Brunswick, Cape Breton University, and the National Research Council of Canada.
- A pilot fund of \$50,000 for faculty research was launched through OAR, generating 11 research proposals.
- Two patent applications have been submitted, one for the wave powered pump and another for a capacitive-thermal hybrid sensor for oil and gas pumps.

**Associate Director, Human Resources –** In January 2004, the new position of Associate Director of Human Resources (HR) was established. The priority for this position is a focus on strategic directions related to human resources with a primary emphasis on the development of a Human Resources Strategic Plan.

**Human Resources Initiatives and New Developments –** There were a number of initiatives developed in 2004-05 with implementation expected in upcoming academic years. These include: new employment strategy, new performance assessment tools, and a new Early and Safe Return to Work program. Other initiatives that have been under development include: updated professional development criteria, updated Employee Wellness and Workplace Health and Safety plans, and an enhanced Employee Recognition Strategy.

**PeopleSoft ERP Implementation –** CNA completed the first phase of implementing a new Enterprise Resource Planning system (PeopleSoft) in 2004-05. Two noteworthy accomplishments were:

- Aspects of payroll and human resources functions were amalgamated to provide a more centralized approach and eliminate duplication.
- The PeopleSoft Competency Centre (PCC) was established to provide PeopleSoft support and development services to college faculty, staff and students.

**Technology Initiatives –** Many technological advances were made in 2004-05, including:

- Planning completed for the next generation of the college-wide area data network and for the academic scheduling system.
- Establishment of secure, encrypted Internet-based communication between Qatar and Newfoundland and Labrador networks for business transactions.
- Improvements made in overall network security, especially in the area of wireless devices. Increase in provision of wireless networks.
- Enhancement of IT Disaster Recovery Plan.
- The overall network “up time” was increased to 99.9%.
- Videoconference utilization averaged at 120 hours/month.

**Computer System Replacement –** In 2004-05, approximately 15 per cent (600 systems) of the total fleet of 4,000 computer systems was replaced. The first priority was replacements for the student lab environment, and existing systems were redeployed where possible. Another 800 units need to be replaced in 2005-06.

# Quality & Accountability

**Objectives:** Enable schools to be more responsive and proactive to industry needs; develop accountability framework; institute formative evaluation process for all programs, including student and instructor input; establish and communicate budget processes and principles; strengthen our financial management framework; and improve the quality, accuracy and timeliness of financial and management statements and reports.

## Outcomes Achieved

**Governance** – The college’s Board of Governors continues to strengthen its governance model with a focus on the provision of a strategic planning framework, a framework for monitoring and evaluating the performance of the board, the president and the college as an institution, and a framework for determining the membership of the board and all board committees.

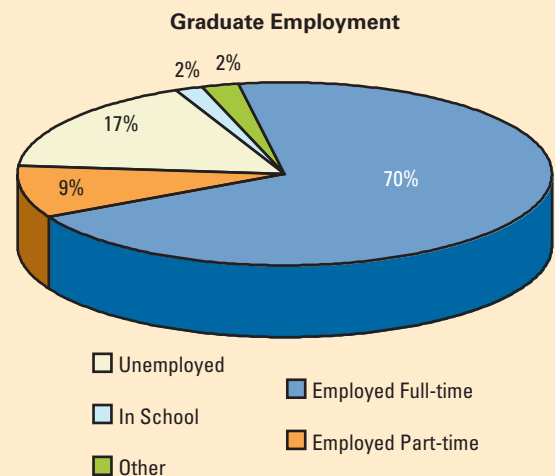
**Research and Planning** – An Office of Institutional Research and Planning was established during 2004-05. This office will serve as a primary source for data collection and analysis in support of the planning protocols of the institution, and as a liaison with various government departments and agencies. The new Peoplesoft MIS will also improve the accuracy and timeliness of financial and management statements and reports.

**Risk Management** – CNA completed its inaugural risk management evaluation and report to the board this past year. While some areas of improvement were identified, the overall assessment was quite positive.

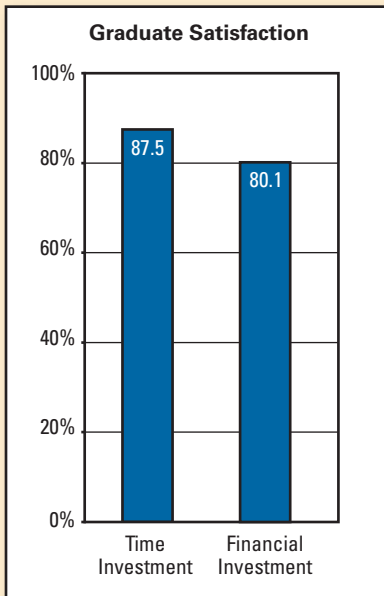
**2005-06 Budget Business Case** – The development of a budget business case placed the college’s budget into a credible historical context, laying the groundwork for subsequent representations in the White Paper submission and in meetings with the Department of Education.

## Accreditation –

- A Memorandum of Understanding was signed by the Canadian Information Processing Society (CIPS) to begin the accreditation process for Information Technology programs at CNA-Q. There are five programs accredited by CIPS within the area of Information Technology, with three of these programs scheduled for re-accreditation in the coming academic year.
- A Memorandum of Understanding was signed by the Canadian Technology Accreditation Board for engineering programs. There are currently 15 Engineering Technology programs accredited with six new submissions for the upcoming year. There are currently 39 Industrial Trades programs accredited and 13 undergoing review.
- Clarenville, Corner Brook, Prince Philip Drive and Qatar campuses are working with the Association of Collegiate Business Schools and Programs to begin the accreditation process for the School of Business (including Office Administration) and Information Technology offerings at each campus.
- Diagnostic Ultrasonography was the only program in Health Sciences assessed and reaccredited this academic year.



The CareerSearch 2004: Employment Experience and Earnings of 2002 Graduates report shows that 70% of all CNA graduates find full-time employment.



The Government of Newfoundland and Labrador's report CareerSearch 2004: Employment Experience and Earnings of 2002 Graduates shows a nearly 90% student satisfaction rate in terms of their investment of time for class and study and 80% satisfaction rate for the cost of their program.



A college-wide branding campaign was implemented and promoted provincially through radio, print and CNA's website.

**Campus Efficiency** – There was an increase in campus capacity utilization of 4.2 per cent from January 31, 2004 to January 31, 2005.

	Capacity	Enrolled	Capacity Utilization
01/31/04	6318	5552	87.9%
01/31/05	5875	5381	91.6%
Percentage Change	-7.0%	-3.1%	4.2%

**Energy efficiency** – CNA has achieved a Gold Level Standard with the federal department of Natural Resources in the area of energy efficiency and a reduction in greenhouse gas emissions.

## Image

**Objectives:** Promote CNA as a “first-choice” institution; work with government to ensure campuses and equipment are state-of-the-art/modern; reward and recognize achievements of staff and students; develop and establish an office of alumni and development.

### Outcomes Achieved

**White Paper** – CNA participated in consultations with, and prepared a submission for, government's White Paper Commission on Public Post-Secondary Education. This process endorsed the college's social and economic development role in the province.

**Marketing and Communications** – This year's efforts were focused on developing and unveiling a college-wide branding campaign that was implemented with an integrated approach through print advertising, radio and website.

**Scholarships** – The total of CNA's Awards Programs for 2004-2005 was \$588,311 distributed amongst 331 recipients (including bursaries, prizes, scholarships and grants).

**CNA Awards of Excellence** – In 2004-05 the Awards of Excellence program was transitioned to the Human Resources department. Awards were presented for Leadership Excellence, Staff Excellence, Student Leadership Excellence, Teaching Excellence and Program Excellence.

**Retention Excellence Award** – CNA received the 2005 Lee Noel and Randi Levitz Retention Excellence Award. This international award was given in recognition of the *Access for Success* strategy.

**Skills Canada** – CNA students won 23 medals at the Provincial Skills Canada Competition, including 13 gold medals. Nationally, CNA students won one gold and two bronze medals. Their achievement was advertised provincially.

**Alumni Association** – The Alumni Association was launched in February 2005. To date approximately 1,500 alumni have registered and four local chapters (St. John's, Clarenville, Carbonear and Happy Valley-Goose Bay) have been formed. An Alumni Speaker Series has also been introduced.





## ***Objective, Measures and Indicators for Next Fiscal Year***

In 2004-05, CNA made substantial progress on the development of an Executive Performance Framework. The establishment of the Office of Institutional Research and Planning is also a significant milestone in the advancement of the college's accountability and executive performance frameworks.

Meetings were held with government's accountability staff regarding reporting obligations under the new *Accountability and Transparency Act*, and a foundation has been set to implement new reporting mechanisms in accordance with the Act.

Work has been done to identify Key Performance Indicators (KPIs) for CNA in the following areas: Accessibility, Student Success, Graduate Success, Stakeholder Satisfaction, Responsiveness to Communities and Global Markets, Strategic Human Resource Development, Corporate Governance and Accountability and Responsible and Effective Resource Management.



## **Auditors' Report**

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

We have audited the statement of financial position of the College of the North Atlantic as at March 31, 2005 and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2005, and the results of its operations and the changes in net assets and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Gander, Newfoundland

June 17, 2005

# Statement of Financial Position

Year ended March 31, 2005

	<u>2005</u>	<u>2004</u>
Assets		
Current assets		
Cash	\$ 9,048,959	\$ 6,140,475
Receivables - Note 2	7,703,281	5,942,559
Inventory	752,698	737,749
Prepaid expenses	<u>810,662</u>	<u>777,835</u>
Total current assets	<u>18,315,600</u>	<u>13,598,618</u>
Capital assets - Note 3	8,404,782	7,062,547
Trust accounts - Note 4	<u>366,337</u>	<u>380,789</u>
	<u>\$ 27,086,719</u>	<u>\$ 21,041,954</u>
Liabilities and Equity		
Current liabilities		
Payables and accruals - Note 10	\$ 10,012,223	\$ 5,329,857
Deferred revenue	5,077,914	3,915,956
Due to Qatar Campus	880,391	901,857
Accrued leave - management	1,500,175	1,376,993
Accrued vacation - other	3,693,956	3,966,105
Current portion of severance	<u>1,000,000</u>	<u>1,000,000</u>
Total current liabilities	<u>22,164,659</u>	<u>16,490,768</u>
Trust and scholarship accounts - Note 4	404,914	387,251
Deferred capital contributions - Note 5	3,420,011	3,915,869
Accrued severance pay	<u>10,624,873</u>	<u>10,518,017</u>
	<u>36,614,457</u>	<u>31,311,905</u>
Surplus (deficit), per accompanying statement	<u>(9,527,738)</u>	<u>(10,269,951)</u>
	<u>\$ 27,086,719</u>	<u>\$ 21,041,954</u>



# Statement of Changes in Net Assets

Year ended March 31, 2005

	<u>Operating</u>	<u>Capital Assets</u>	<u>Severance and Annual Leave</u>	<u>2005 Total</u>	<u>2004 Total</u>
Balance, beginning	\$ 1,993,349	\$ 3,203,237	\$ (15,466,537)	\$ (10,269,951)	\$ (10,012,572)
Capital purchases during year	(4,505,381)	4,505,381			
Amortization of capital assets	3,160,263	(3,160,263)			
Capital grants received during the year	1,032,787	(1,032,787)			
Amortization of deferred capital contributions	(1,472,087)	1,472,087			
Net book value of assets disposed during the year	2,883	(2,883)			
Surplus (deficit) of revenue over expenditure per accompanying statement	<u>512,087</u>		<u>230,126</u>	<u>742,213</u>	<u>(257,379)</u>
Balance, ending	<u>\$ 723,901</u>	<u>\$ 4,984,772</u>	<u>\$ (15,236,411)</u>	<u>\$ (9,527,738)</u>	<u>\$ (10,269,951)</u>

# Statement of Operations

Year ended March 31, 2005

	<u>2005</u>	<u>2004</u>
Revenue - Schedule 1		
Grant-in-aid	\$ 47,915,150	\$ 49,093,152
Facilities	12,633	14,979
Administration	301,297	538,551
Instructional	24,657,617	24,261,927
Student services	570,201	624,934
Information technology	101,340	123,171
Resale	3,822,225	4,304,705
Apprenticeship	2,520,125	2,601,751
Continuing education	487,471	752,740
Contracts	7,510,938	7,658,698
International	556,923	1,742,893
Special projects	4,192,553	4,246,882
	<u>92,648,473</u>	<u>95,964,383</u>
Expenditure - Schedules 2 to 13		
Facilities	4,939,575	4,879,173
Administration	13,032,589	12,932,909
Instructional	45,092,674	46,227,280
Student services	7,526,462	7,672,987
Information technology	4,292,359	3,937,356
Resale	4,292,299	4,476,250
Apprenticeship	2,126,399	2,118,129
Continuing education	442,470	599,434
Contracts	6,823,991	8,058,564
International	482,013	1,135,279
Special projects	3,085,556	3,484,807
	<u>92,136,387</u>	<u>95,522,168</u>
Surplus (deficit) before unfunded adjustments	512,087	442,215
Unfunded adjustments:		
Severance	(42,023)	(626,962)
Vacation pay	272,149	(72,632)
	<u>230,126</u>	<u>(699,594)</u>
Total unfunded adjustments	<u>230,126</u>	<u>(699,594)</u>
Surplus (deficit) of revenue over expenditures	<u>\$ 742,213</u>	<u>\$ (257,379)</u>

# Statement of Cash Flow

Year ended March 31, 2005

	<u>2005</u>	<u>2004</u>
Cash flows:		
Surplus (deficit) of revenue over expenditure	\$ 742,213	\$ (257,379)
Add items of a non-cash nature:		
Loss (gain) of assets	(638)	2,375
Loss (gain) on disposal of capital assets	(4,411)	11,847
Amortization	<u>3,160,263</u>	<u>3,922,361</u>
	3,897,427	3,679,204
Changes in:		
Current assets	(1,808,498)	3,756,125
Trust accounts	32,113	(9,946)
Current liabilities	5,673,892	(2,215,553)
Accrued severance	<u>106,856</u>	<u>644,547</u>
	<u>7,901,790</u>	<u>5,854,377</u>
Financing:		
Change in deferred capital contributions	<u>(495,858)</u>	<u>(574,032)</u>
Investing:		
Proceeds from sale of assets	7,933	14,754
Additions to capital assets	<u>(4,505,381)</u>	<u>(1,421,543)</u>
	<u>(4,497,448)</u>	<u>(1,406,789)</u>
Net increase in cash	2,908,484	3,873,556
Cash, beginning	<u>6,140,475</u>	<u>2,266,919</u>
Cash, ending	<u>\$ 9,048,959</u>	<u>\$ 6,140,475</u>



# Notes to the Financial Statements

Year ended March 31, 2005

## Authority and Purpose

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

## 1. Significant accounting policies:

The financial statements of the College have been prepared within the framework of Canadian generally accepted accounting principles which requires the use of estimates and assumptions that affect the amounts reported and disclosed in these statements and related notes. Any variations between these estimates and actual amounts are not expected to materially affect reported results. The more significant accounting policies of the College are as follows:

### (a) Revenue recognition

The College follows the deferral method of accounting for contributions which includes donations and government grants. Grants for expenditures of future periods are deferred and recognized as revenue in the year in which the related expenditures were incurred. Grants for capital assets are deferred and recognized as revenue on the same basis as the acquired capital assets are amortized.

Revenue from contractual services is recognized as the service is delivered.

### (b) Basis of accounting

The College follows the accrual basis of accounting.

### (c) Inventory

Inventory which consists mainly of books and food supplies is recorded at the lower of cost or net realizable value.

### (d) Capital Assets

Capital assets recorded prior to the April 1, 1997 amalgamation of the former Colleges are recorded at either cost, nominal, or approximate fair value. 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 and 5 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, 2005.

Minor equipment purchases are charged to operations in the year of acquisition.

On disposal, assets are removed from the accounts at their net book value. Proceeds from disposals are recorded and any resulting gain or loss on disposal is realized.

**(e) Severance and vacation pay**

Severance and vacation pay are recorded on an accrual basis.

The College is liable for severance pay to employees who have nine or more years of continuous public service. An amount has been recorded in the financial statements to reflect this liability. No provision for severance has been made for employees with less than the required years of service.

**(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 Balance Sheet date. Exchange gains or losses arising from the translations are included in the Statement of Operations.

**2. Receivables**

	<u>2005</u>	<u>2004</u>
Government of Newfoundland	\$ 704,185	\$ 1,111,137
HRD Subsidy	2,934,689	1,150,000
Students	502,044	988,496
Other	<u>4,361,036</u>	<u>3,411,123</u>
	8,501,954	6,660,756
Less allowance for doubtful accounts	<u>798,673</u>	<u>718,197</u>
	<u>\$ 7,703,281</u>	<u>\$ 5,942,559</u>

**3. Capital assets**

	<u>2005</u>			<u>2004</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Artwork	\$ 5,500	\$	\$ 5,500	\$ 5,500
Capital improvements	4,530,093	3,658,529	871,564	853,031
Computer and peripherals	13,557,681	12,834,871	722,810	1,129,517
Furnishings	774,194	705,069	69,125	78,913
Instructional equipment	26,285,385	23,676,918	2,608,467	3,678,632
Other electronic equipment	358,415	273,289	85,126	91,234
Software	437,029	337,444	99,585	59,759
ERP - Peoplesoft	3,724,969	186,248	3,538,721	
Vehicles	3,295,022	2,891,138	403,884	643,593
Asset under development				522,368
	<u>\$ 52,968,288</u>	<u>\$ 44,563,506</u>	<u>\$ 8,404,782</u>	<u>\$ 7,062,547</u>

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.

#### 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>2005</u>	<u>2004</u>
Opening balance	\$ 380,789	\$ 374,294
Deposits	4,041	18,706
Payments	-26,400	-27,150
Interest	<u>7,907</u>	<u>14,939</u>
Closing balance	<u>\$ 366,337</u>	<u>\$ 380,789</u>

At year end, the trust accounts were invested as follows:

RB Securities	\$ 366,337	\$ 380,789
Miscellaneous scholarships in general account	<u>38,577</u>	<u>6,462</u>
	<u>\$ 404,914</u>	<u>\$ 387,251</u>

#### 5. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of grants and special funding received for the purchase of capital assets. Changes in the deferred capital contributions balances are as follows:

	<u>2005</u>	<u>2004</u>
Balance, beginning of year	\$ 3,915,869	\$ 4,489,901
Contributions received for capital purposes		
Provincial grants	500,000	446,327
Special projects	476,229	607,667
Provincial grant uncommitted		56,559
Amortization of deferred capital contributions	<u>(1,472,087)</u>	<u>(1,684,585)</u>
	<u>\$ 3,420,011</u>	<u>\$ 3,915,869</u>

#### 6. Pensions

Under Section 26 of the College Act, 1996, College staff is subject to the Public Service Pension Act, 1996. Employee 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.



## 7. Commitments

### Deloitte Inc. Commitment

The College has entered into a contract with Deloitte Inc. to develop and maintain a PeopleSoft integrated computerized information system. Committed payments over the next six years are as follows:

2005-2006	1,244,185
2006-2007	1,084,041
2007-2008	1,171,789
2008-2009	1,315,430
2009-2010	1,476,310
2010-2011	379,172

### Lease Commitment

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

2005-2006	967,524
2006-2007	655,765
2007-2008	312,710
2008-2009	141,356
2009-2010	85,681

## 8. Comprehensive Agreement with the State of Qatar

The College has a comprehensive agreement with the State of Qatar to establish, operate and administer a College of Applied Arts and Technology in Doha, Qatar for a ten year period, September 30, 2001 to August 31, 2012. 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.

## 9. Financial instruments

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to the relatively short periods to maturity of these instruments.

## 10. Rental accrual

Included in accounts payable is an accrual totalling \$1,668,696 for unpaid lease payments and related interest for rental of Labrador West campus. The monthly lease amount was raised from \$50,000 to \$80,000, however based on directions from the Department of Transportation and Works, the College continues to pay the original lease amount. As of the financial statement date, the outcome of any possible litigation regarding this dispute could not be determined. It is possible the College could have a recovery of some portion of this accrued liability.

## 11. Comparative figures

Certain of the 2004 comparative figures have been reclassified to conform to the financial presentation adopted in 2005.

An electronic version of this document is available online at: [www.cna.nl.ca](http://www.cna.nl.ca)

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COLLEGE OF THE NORTH ATLANTIC  
HEADQUARTERS