

# College of the North Atlantic **Annual Report 2014-2015**

September 15, 2015



# Table of Contents

- Message from the Chair ..... 3
- College Overview ..... 5
  - a. Key Statistics ..... 6
  - b. Financial Summary ..... 7
  - c. Mandate, Lines of Business, Vision, Mission ..... 7
- Shared Commitments ..... 8
- Highlights and Accomplishments ..... 9
- Report on Performance ..... 10
- Opportunities and Challenges Ahead ..... 14
  
- Appendices
- Financial Statements ..... 17
  - Statement of Responsibility
  - Independent Auditors' Report
  - Statement of Financial Position
  - Statement of Operations
  - Statement of Changes in Net Financial Assets (Debt)
  - Statement of Cash Flow
  - Tangible Capital Assets
  - Summary of Expenditures
  - Notes to the Financial Statements
  
- Contact Information ..... 37



## Message from the Board Chair

August 31, 2015

On behalf of the Board of Governors, I am very pleased to present the 2014-15 Annual Report for College of the North Atlantic. Our 2014-15 initiatives reflect the need identified by our stakeholders, including our students, to reposition the College to respond effectively to opportunities not just here in Newfoundland and Labrador but anywhere our citizens may work. Our stakeholders spoke very clearly on what they view as our most critical priorities. Their vision is one that we fully share....that of a strong, dynamic and cohesive college delivering the kind of education and training needed in a globally connected world.

This report outlines the first progress we have made toward that vision. You will find in the following pages a description of just some of the steps we have begun to bring a consistent and superior learning experience to students across our programs and campuses. We are also building targeted capacity with our employer and community partners who are seeking flexible real-time solutions to their workforce development requirements. And we will be working with our faculty and staff to find ways, in a time of fiscal restraint, to provide the supports, tools and resources they need to excel.

The timing is right for College of the North Atlantic to launch new directions for the future. We began this year by identifying a framework for the College's new teaching and learning strategy - a strategy that is based in faculty and student engagement. Our work included developing a new approach to campus orientation, supporting effective student councils, launching student leadership activities, speaking with students to learn what they view as their most important learning and engagement needs, and working with faculty to identify better teaching supports and technologies for application across our programs.

The next two years will see our student service focus continue. We will be doing even more to support student engagement as we seek to improve retention and success across the college. And, with the province's recently announced support, we will achieve a major step toward our long term goal as we establish the College's first centres of excellence – one for Heavy Equipment Industrial Trades, and the second for Media Arts.

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



**Cheryl Stagg, Chair**  
Board of Governors, College of the North Atlantic



## College Overview

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

### *Our Programs*

Within the province, we offer more than 100 distinct full-time programs and more than 300 part-time courses across five schools: Engineering Technology and Natural Resources; Industrial Trades; Business and Information Technology; Academics, Applied Arts and Tourism; and Health Sciences.

### *Our Students*

We graduate 2,800 individuals annually from our certificate, diploma and advanced diploma offerings in the province. In addition, we serve on average 1,300-1,500 apprentices a year, providing block training that enables them to advance through their apprenticeship program and prepare to write their journeyman certification examination.

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

In total the College served over 4,000 students of international origin at its campuses in Canada and abroad in 2013-14 (the latest academic year for which annual statistics are available).

### *Our Campus Locations*

- 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
- Ridge Road
- Seal Cove
- St. Anthony

#### *International*

Doha, Qatar



For campus and headquarters contact information see page 37 of the appendices.

## Key Statistics

### 2013-14 Annual Enrolment - NL Campuses

Final Data - Regular Programming<sup>1</sup>

School	Number Registered			Female	Male
	Full-Time	Part-Time	Total		
Academics, Applied Arts & Tourism	969	1,056	2,025	1,386	639
Business & Information Technology	1,277	314	1,591	1,208	383
Engineering Technology & Natural Resources	1,300	172	1,472	412	1,060
Health Sciences	447	88	535	430	105
Industrial Trades	3,164	101	3,265	543	2,722
<b>College Total</b>	<b>7,157</b>	<b>1,731</b>	<b>8,888</b>	<b>3,979</b>	<b>4,909</b>

Final Data - Contract Training & Continuing Education<sup>2</sup>

Continuing Education	Course Registrations	Total Number of Hours
Non-credit Courses & Contracts	17,804	256,727
Credit Courses	82	781
<b>College Total</b>	<b>17,886</b>	<b>257,508</b>

1. Inclusive of students registered between September 5, 2013 and August 31, 2014. The 2014-15 academic year is not complete until August 2015; therefore, 2013-14 enrolment data is provided

2. Inclusive of students registered between September 1, 2013 and August 31, 2014.

### 2013-14 Annual Enrolment - Qatar Campus

Final Data - Full-time Registrations

CNA-Q Enrolment	Female	Male	Total
Registered	1,054	1,968	3,022

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

### 2014-15 Employee Data by Gender and Position Type

Final Data - Fiscal Year 2014-15

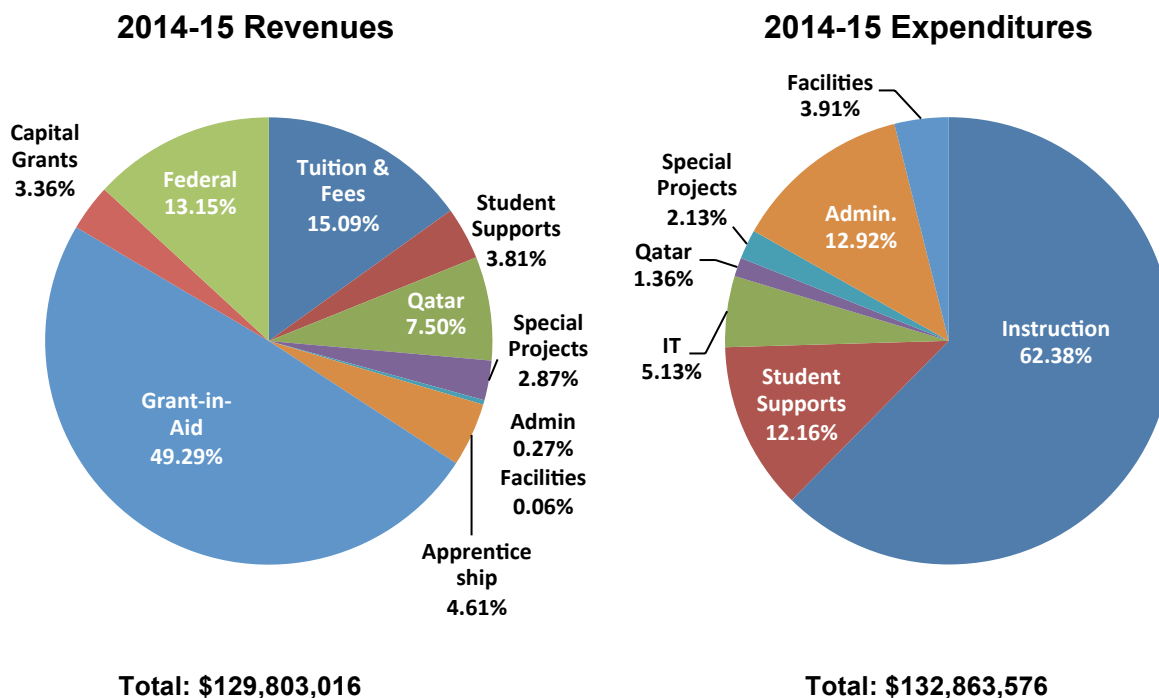
Newfoundland & Labrador					
	Support Staff	Faculty	Management	Non Union Non Management	Total
Females	338	308	48	13	707
Males	134	386	44	2	566
<b>Sub-Total</b>	<b>472</b>	<b>694</b>	<b>92</b>	<b>15</b>	<b>1,273</b>
Qatar					
	Support Staff	Faculty	Management	Non Union Non Management	Total
Females	22	150	8	0	180
Males	19	216	15	0	250
<b>Sub-Total</b>	<b>41</b>	<b>366</b>	<b>23</b>	<b>0</b>	<b>430</b>
<b>College Total</b>	<b>513</b>	<b>1,060</b>	<b>115</b>	<b>15</b>	<b>1,703</b>

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



## Financial Summary

College of the North Atlantic recorded gross expenditures of \$132.8 million in 2014-15, the majority (\$82.9m, 62.4%) in support of instructional programs. The largest source of revenue (\$63.9m, 49.3%) was the annual grant-in-aid provided by the Provincial Government, with the next two main sources consisting of tuition and fees (\$19.6m, 15.09%) and Federal (\$17m, 13.2%). The greatest expenditure in the college was in support of instructional programs at \$82.9 million (62.4%) followed by Administration (\$17.2m, 12.9%) and Student Supports (\$16.1m, 12.2%). Additional details are provided in the charts below and in the CNA 2014-15 Financial Statements (Appendix 1, page 17).



## Mandate

College of the North Atlantic (CNA) 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 Colleges 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.

## Lines of Business

The College operates three lines of business:

1. **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. This line of business supports the personal and career development of

our learners, creates a positive environment for effective learning and engagement, and is characterized by knowledgeable, dedicated faculty building on strategies matched to learner and labour market needs.

2. **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.
3. **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.

Delivery of the lines of business is a shared responsibility of the organization with academic, partnership and campus operations supported by two central functions: Corporate Services responsible for effective business operations; and College Development responsible for strategic management and progressive development of the institution.

## 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<sup>st</sup>, 2017 College of the North Atlantic will have begun to transform into a seamless and connected one-college system capable of delivering the highest quality programs and supporting the success of learners, industry and communities.

## Shared Commitments

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

Government, community organizations, employers, and industry and professional associations all play an important role in the college's commitment to delivering accessible, responsive and quality program offerings as per the Provincial Government's strategic direction on *Skilled, Educated and Employed Citizens*. Our continuing relationship with the province's Immigration and Multiculturalism Division, as well as federal and provincial trade agencies, is integral to the attraction, promotion and integration of international students, who upon graduation, may choose to live, work and contribute their skills to building a competitive provincial economy. Furthermore, CNA's partnerships in international education and with other Canadian institutions including Memorial University support excellence in teaching and learning by enhancing the experience of CNA's students, supporting diversity and inclusiveness, and encouraging life-long learning through credit transfer and other opportunities.

The College continued to work closely in 2014-15 with the Department Advanced Education and Skills on development of Provincial Plans of Training for Apprentices and continued to support the province's early learning and child care initiatives. The College also supported the workforce planning conducted by the Department of Health and Community Services by offering the Practical Nurse and Home Support Worker/Personal Care Attendant programs at suggested sites across the province. All of this takes place in facilities provided by another college partner, the Department of Transportation and Works.

## Highlights and Accomplishments



*Skills Canada 2014 National Medalists - CNA*  
Left to Right: Dylan Hynes, Justin Bennett, Finley Beaton, Chantille Price-Stagg

College of the North Atlantic students and alumni walked away from the Skills Canada National Competition (SCNC) 2014 with two gold medals, a silver, and a bronze representing at least the eleventh consecutive year the college has medaled at this prestigious event. Medal winners (from left to right in the accompanying photo) are Dylan Haynes (Corner Brook campus, gold, Industrial Mechanic Millwright); Justin Bennett (Port aux Basques campus/CNA alumnus, silver, Cabinet Making); Finley Beaton (Ridge Road campus, gold, Electronics); and Chantille Prince-Stagg (Bonavista campus, gold, IT Software Solutions for Business). The competition was held in Toronto with more than 550 competitors from the 10 provinces and three territories. Twenty-three of the Team Newfoundland and Labrador competitors were from College of the North Atlantic.

Students of the Graphic Design program at the Prince Philip Drive campus continued to rack up the accolades as they were presented with 17 awards at the International Association of Business Communicators (IABC) Pinnacle Awards gala in St. John's in May. The Pinnacle Awards, presented by the Newfoundland and Labrador Chapter of the IABC, are rigorously evaluated to measure excellence in communications.

College of the North Atlantic (CNA) alumni brought home three Music Newfoundland and Labrador awards during the Annual Conference and Gala Awards in Corner Brook in October. Graphics Arts alumnus Don-E Coady was awarded the Volunteer of the Year while *The Secrets*, composed of CNA alumni Karla Pilgrim, Terri Lynn Eddy and Renee Batten, claimed Country Recording of the Year. The Alternative Recording of the Year was presented to the band *Cabbages and Kings*, which includes Music Industry & Performance graduate, Brandon Hopkins.

CNA received the National University Technology Network's (NUTN) 2014 Institutional Achievement Award in September at the NUTN Network 2014 Conference in San Antonio, Texas. The international award recognizes an institutional member for effective use of technology in teaching and learning and/or administration that is exemplary, demonstrates leadership and commitment, and advances the field as an institutional model.

The college wishes to acknowledge the recipients of more than 250 provincial awards and scholarships and over 500 campus-based awards and scholarships, worth more than \$436,000, presented by College of the North Atlantic in 2014-15. 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. The college is also very pleased to have been the recipient of a \$2 million donation by The Joyce Foundation Bursary Program in 2014, which will equal approximately \$42,000 in annual scholarships for CNA students.



*Alumni Brandon Hopkins (left) with Cabbages & Kings bandmates Mike Kirby and Josh Noble*

# Report on Performance

## Strategic Issue 1: Superior and Engaged Learning

Student expectations in 2014 are vastly different from what they were at the College's creation. Technology has fundamentally changed how people act, interact, engage with and expect to access services...including education and training. Our students connect with each other and the world, through new forms of interaction in a fast paced, changing environment. Our communities and industries are competing for workers in a labour market that is now globally connected and increasingly competitive. The pace of change is now so rapid, that what is current today will likely be replaced by next generation technology twelve months from now. We live in an "on demand" world and our operations are being continually tested to adapt. Today, the College recognizes we are part of a global network of citizens, industries and communities and that to remain relevant, our programming will be challenged to keep pace if our graduates are going to be ready for the world that awaits them.

Research into the learning process has consistently demonstrated that students who are challenged, engaged, motivated and supported to achieve, will almost always meet with success in their studies. At College of the North Atlantic, we believe student success is a product of faculty and student engagement supported by a teaching and learning framework that creates the optimum environment for transfer of skills and knowledge. Embedded in this belief is a continuing commitment to maintaining accessibility to our programs for students who are ready and prepared to succeed, and to work to ensure that those who need to upgrade their marks or add prerequisite credits to meet eligibility requirements can do so in a reasonable time period.

We have enjoyed significant success in many of our programs as indicated by graduate results in national occupational examinations over the past few years. Our challenge now is enhancing the conditions for superior and engaged learning to occur across all of our programs. Over the three years of this strategic plan we will be focusing our teaching and learning improvement efforts in two key areas: enhancing student engagement, retention and success to form a true student-centered learning experience; and improving the planning, structures and technology supporting exemplary teaching and learning. In this way the College will address the Provincial Government strategic direction on Skilled, Educated and Employed Citizens, and in particular the focus areas of post-secondary programming and post-secondary infrastructure. [\(To link to the strategic direction click here and go to Appendix A\)](#)

### Performance Reporting

**Goal 1:** By March 31, 2017 College of the North Atlantic will have the components in place to support a superior and engaged learning experience.

**Objective:** By March 31, 2015, CNA will have commenced development of a college-wide teaching and learning strategy to optimize student retention and success.

**Measure:** Commenced development of a teaching and learning strategy.

Indicators (Planned for 2014-15)	Actual Performance for 2014-15
<b>Engaged staff to identify teaching supports</b>	Teaching supports can encompass a wide variety of tools, technologies and activities. In 2014-15, College of the North Atlantic engaged with faculty in select areas to identify and further integrate available teaching supports. Activities included faculty discussion and identification sessions; as well, select faculty researched new and emerging materials/tools. The work resulted in the following teaching support implementation initiatives: <ol style="list-style-type: none"><li>1. Roll out of on-line curriculum development tools and resources to select faculty.</li><li>2. Identification of teaching/learning materials and curriculum guides.</li><li>3. Engagement of trades, engineering technology, business and academic instructors in identification of support resources for blended program delivery.</li><li>4. Launch of a college-wide initiative that will result in all courses being built into Desire 2 Learn (D2L) platform to support seamless instructor-student interaction, evaluation and grade management.</li><li>5. Establishment of a faculty/management planning committee as the next step in supporting and driving D2L engagement college-wide.</li></ol>

<p><b>Consulted with students to identify learning and engagement needs</b></p>	<p>Focus for 2014-15 student consultations has been on enhancing student engagement. This is in recognition of the importance early and continuous engagement has on effective learning. To kick-off the process, the President met with student council representatives from across the province to hear their ideas on opportunities for student engagement. This was followed up by collection of student views via formal and informal discussions under the direction of the Associate Vice President Student Services and involving the CNA Student Union (CNASU) as well as campus councils and other student representatives. College of the North Atlantic has a formal arrangement with the Student Union whereby student input is determined and coordinated by the CNASU. CNASU led consultations with the student body resulted in the following activities in 2014-15:</p> <ol style="list-style-type: none"> <li>1. Establishment of campus teams with student representation to plan campus life engagement.</li> <li>2. Piloting of new student orientation and engagement activities (September 2014).</li> <li>3. Launching of student leadership in learning program – first activity 2015 Winter Leadership Camp.</li> <li>4. Expansion of student Mental Health Awareness initiatives.</li> </ol>
<p><b>Initiated assessment of technology requirements to support teaching and learning activities</b></p>	<p>The College initiated the assessment of technology requirements to support teaching and learning in the following ways:</p> <ol style="list-style-type: none"> <li>1. Explored options for expanding (or broadening) distance learning products and applications to support program delivery, in partnership with Desire2Learn (D2L);</li> <li>2. Tested adoption of course shells with selected instructors to confirm suitability for application with multiple programs. Course shells are a tool that enables faculty to build digital learning materials based on common course syllabi, as well as share common assessment tools and instructional resources.</li> <li>3. Tested the technology being used in the Apprenticeship pilot, with instructors, both on-site and via distance learning, for wider applicability;</li> <li>4. Identified, reviewed, and acquired new equipment for select programs, to ensure students are trained on technology being used in workplaces.</li> </ol>
<p><b>Developed a framework for a college wide teaching and learning strategy</b></p>	<p>The College developed a new teaching and learning framework following input received from the academic leadership of the college, as well as consideration of current trends in teaching and learning. Framework elements include:</p> <ol style="list-style-type: none"> <li>1. Understanding of student engagement and retention.</li> <li>2. Comprehensive review of student demographics.</li> <li>3. Organizational redesign of program development, library services, distributed learning, and academic IT services into a comprehensive academic support system.</li> <li>4. Implementation of continuous course alignment / realignment.</li> <li>5. Integration of alternative models of teaching and learning delivery: blended, experiential, multi-site, on-line, competency-based.</li> <li>6. Review of models of faculty professional development.</li> </ol>

## Discussion of Results

Over the 2014-15 reporting period, College of the North Atlantic successfully commenced development of a new teaching and learning strategy. Framework development was initiated as planned in 2014-15 with the identification of six core dimensions of the strategy. Design work is continuing in 2015-16 and strategy components will be operationalized over the next several years as resources permit. When completed, the strategy will support students and faculty in effective teaching and learning on-site and on-line. Focus is on: (1) assurance of quality, consistency and relevancy across programs and services; and (2) optimizing student success. Complementing the strategy is CNA's continuing implementation of strategic enrolment management tools and processes which have enhanced the information available for academic planning and decision-making.

## 2015-16 Objective

**Objective:** By March 31, 2016, the College, in conjunction with teaching and learning strategy development, will have created programs to support exemplary teaching and learning.

**Measure:** Created programs to support exemplary teaching and learning.

### *Indicators:*

- Exemplary faculty teaching and learning initiatives/programs are developed.
- Student leadership and engagement activities are piloted to support excellence in learning.

## Strategic Issue 2: Industry and Community Engagement

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

Our partners, including provincial and Atlantic region employers, are telling us our role is not just to meet current needs but also to help them look into and prepare 3-5 years into the future. We are responding to that call by creating flexible capacity to address immediate training priorities and we are implementing a new structure to lead industry and community engagement. That structure will also provide strategic guidance to the college's external revenue generating activities including contract research, international education and development, and fundraising with a focus on improving financial sustainability in the long term. In this way the College will address the Provincial Government strategic direction on Skilled, Educated and Employed Citizens, and in particular the focus area of labour market development and also support the province's call for fiscal responsibility.

### Performance Reporting

**Goal 2:** By March 31, 2017 College of the North Atlantic will have established an industry and community engagement function to lead international development activities and industry and community partnerships.

**Objective:** By March 31, 2015, the College will have built effective connection points to engage its diverse market partners.

**Measure:** Built effective connection points.

Indicators (Planned for 2014-15)	Actual Performance for 2014-15
<b>Office of Industry and Community Engagement has been established</b>	The Vice President Industry and Community Engagement was successfully recruited in 2014-15 and the Office of Industry and Community Engagement was officially established February 2015 at the College's Prince Phillip Drive Campus.
<b>College has been profiled with diverse stakeholders</b>	<p>The President continued to lead profiling activities in 2014-15, showcasing College of the North Atlantic with industry, education and business audiences at national speaking engagements and other events in the province and across Canada.</p> <p>Outreach with the province's Aboriginal groups was an institutional priority in 2014-15 with a focus on strengthening connections with Aboriginal communities to help the college better serve Aboriginal students and apprentices. Based on feedback from the community, the College revised its intake and assessment requirements in 2014-15 to accommodate indigenous learner experiences and the President met at various times with Aboriginal groups to discuss their training priorities. During this period the College was also preparing to engage in an indigenous education protocol process designed to support its commitment to improving and better serving indigenous education in the province.</p> <p>CNA received national and international attention for institutional innovation in 2014-15 winning the North American National University Technology Networks Institutional Achievement Award for effective use of technology in teaching and learning. The College also released a statement on ethics in drone journalism - a world first and one that is now being adopted by other postsecondary institutions. These achievements helped CNA reach a diverse audience and especially potential students with the message that Newfoundland and Labrador has a world class college.</p> <p>2014-15 saw the contract research and workforce development divisions involved in building increased awareness with employers as a first target group. Online promotional vignettes profiling the Colleges engagement activities with local business were released showcasing Dynamic Air Shelters, Magine Snowboards and Anaconda Mines.</p>

<b>Profile...cont'd</b>	<p>Videos showcasing various trades were developed targeting high school and other prospective students. In addition to highlighting career opportunities, these short and focused vignettes help profile the college's diversity of programs and campuses.</p> <p>The college's re-engagement in international outreach and development is building recognition of the CNA brand and capabilities with development agencies, potential institutional partners and recipient countries, as well as prospective international students.</p>
<b>Annual formal consultation has been held with stakeholders</b>	<p>Consultations were primarily labour market focused in 2014-15 and included the following:</p> <ol style="list-style-type: none"> <li>1. Individual meetings with industry, employers and professional association leaders</li> <li>2. Updates on major project employment requirements with project proponents.</li> <li>3. Discussions with government departments including AES, Health and Community Services.</li> <li>4. Initiation of a joint labour market study with the provincial mining industry to help inform future program training plans. Study is continuing into 2015-16.</li> </ol> <p>At the community level, a community consultation approach was used to develop the College's industry adjustment strategy for 2014-15 in response to the Wabush mine closure. 128 participants had successfully completed their chosen training by February 2015.</p> <p>Industry was also formally consulted through participation on program focus groups and advisory committees as part of the College's ongoing program review process.</p>
<b>Major projects training has been identified or is underway</b>	<p>Assessment of major projects in Atlantic Canada was completed to inform CNA's academic planning for 2014-15, resulting in the decision to approve extra sections in key programs including; construction/industrial electrician, powerline technician, automotive service technician, machinist, welder, sheet metal worker, safety engineering, heavy equipment operator, power engineering, cook, business administration and non-destructive testing.</p> <p>Beginning in the 2013-14 academic year the College has provided more than 2,900 hours of instruction for training of future employees under the Labrador Aboriginal Training Program (LATP). The twelve offerings and seven different programs delivered to date cover occupational categories required for the construction phase of the Muskrat Falls hydroelectric development project. As of March 31, 2015, 140 of 169 applicants successfully completed their certification.</p>

## Discussion of Results

Over the 2014-15 reporting period, College of the North Atlantic was able to build effective connection points with select target groups specifically, employers, industry associations and related agencies, and is initiating new relationships with the province's northern and Aboriginal communities focused on better serving the region's education and training needs. The results included identification and delivery of extra sections of high demand programs to meet employer needs, delivery of customized training (e.g., 12 offerings and 7 different programs under the LATP) in support of major resource development projects, provision of 135 certificate and apprenticeship training seats to support the transition of former Wabush Mines employees back into the labour force, and adoption of individualized placement protocols to better serve the Aboriginal community and support Aboriginal student access and success. In recognition that external engagement will be an ongoing commitment, the college has created a dedicated office to be a first point of connection for the communities of interest, municipalities and industries it is mandated to serve.

## 2015-16 Objective

**Objective:** By March 31, 2016, the College will have an engagement strategy in place to support industry and community partners.

**Measure:** Engagement strategy is in place.

### Indicators:

- Engagement models are defined.
- Resources are identified to implement strategy.
- Engagement is initiated with targeted groups.
- Projects are under development with industry and community partners.

# Opportunities and Challenges

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

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

For College of the North Atlantic, these challenges are further complicated by a changing fiscal framework and by shifting student and population trends that are putting high pressure on select campuses and programs while reducing demand in other locations.

**Our response is to view challenge as opportunity.** A changing fiscal framework means that CNA will work to identify new sources of funds, manage costs and direct resources to areas that will deliver direct impact for programs, services and quality improvement. The College will also be taking this opportunity to refocus on the quality of our programs and services to keep pace with student and industry expectations.

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 demand occupations. It also means our former model of replicating programming across campuses is no longer sustainable. In response, we are restructuring our delivery to reflect a mix of core offerings, flexible extra sections and special rotating programs to better match the college's training capacity to client and market needs.

Increased student expectations for reasonable access, flexible modes of delivery, appropriate pacing, and timely exit and transition into the workforce means CNA will proactively manage the program and delivery mix across the college to maximize enrolment and graduate numbers. Front end enrolment management is not however, the only imperative. We will be using the next two years to enhance the CNA teaching and learning experience college-wide. As part of this process our learning support professionals will be coming together with our school and campus leadership to support student success.

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 is a responsibility to rethink what the college does and the will and creativity to respond differently.

In compliance with the goals and objectives of our three year plan as well as the strategic directions of government, the next two years will see substantial effort placed by the College in the following areas:

- maintaining flexibility to respond to student and labour market demand;
- doing more to address student engagement and improve retention and success across schools and programs;
- delivering consistent, quality programs and services within a framework that supports excellence in teaching and learning;
- rethinking the model for effective and proactive engagement with communities and regions;
- supporting campuses at sustainable resource levels for the size of their operations; and
- leveraging college resources through establishment of centres of excellence in areas and locations where CNA can truly excel.



## **APPENDICES**

1. College of the North Atlantic 2014-15 Financial Statements
2. Campus and Headquarters Contact Numbers





College of the North Atlantic  
Financial Statements  
March 31, 2015



# Statement of responsibility

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

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

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

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

  
Board Chair

  
Senior Vice-President  
Corporate Services

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

We have audited the accompanying financial statements of College of the North Atlantic, which comprise the financial position as at March 31, 2015 and the results of operations, changes in net debt, and cash flows for the year ended March 31, 2015 and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of College of the North Atlantic as at March 31, 2015 and the results of its operations, changes in net debt, and its cash flows for the year ended March 31, 2015 in accordance with Canadian public sector accounting standards.

St. John's, Canada  
June 24, 2015



Chartered Accountants

**College of the North Atlantic**  
**Statement of Financial Position**  
Year Ended March 31, 2015

	<u>March 31 2015</u>	<u>March 31 2014</u>
<b>Financial Assets</b>		
Cash	\$ 22,748,110	\$ 19,218,361
Receivables (Note 3)	14,529,473	20,084,334
Inventories for resale	1,698,337	1,559,990
Trust funds on deposit (Note 4)	5,524,267	3,468,390
	<u>\$ 44,500,187</u>	<u>\$ 44,331,075</u>
<b>Liabilities</b>		
Accounts payable & accrued liabilities (Note 5)	\$ 9,125,256	\$ 9,849,124
Vacation pay accrual	8,256,953	8,627,754
Post-employment benefits (Note 6)	15,032,935	14,485,040
Compensated absences (Note 6)	11,109,127	10,975,409
Due to Qatar Campus (Note 7)	9,417,747	10,795,613
Deferred contributions - operating (Note 8)	4,559,764	4,281,030
Trust funds payable (Note 4)	5,524,267	3,468,390
	<u>\$ 63,026,049</u>	<u>\$ 62,482,360</u>
<b>Net Debt</b>	<u>\$ (18,525,862)</u>	<u>\$ (18,151,285)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule 1)	\$ 24,974,652	\$ 27,535,631
Inventories held for use	89,718	89,696
Prepaid expenses	1,518,035	1,643,061
	<u>26,582,405</u>	<u>29,268,388</u>
<b>Accumulated surplus</b>	<u>\$ 8,056,543</u>	<u>\$ 11,117,103</u>

Commitments (Note 9)  
Contingent liabilities (Note 10)

Approved:

Board Chair



Board Member



See accompanying notes.

**College of the North Atlantic**  
**Statement of Operations**  
Year Ended March 31, 2015

	2015 Budget (Note 14)	2015	2014
<b>Revenue (Schedule 2)</b>			
Grants and reimbursements	\$ 66,969,965	\$ 68,333,197	\$ 63,214,706
Subsidy	17,200,000	17,071,932	20,543,046
Tuition	12,975,805	11,813,183	12,282,662
Classroom/video rental	15,000	15,000	15,000
Interest	200,000	304,553	281,304
Fees	650,271	704,372	695,832
Apprenticeship	4,451,809	5,982,803	5,637,926
Bookstore	2,722,500	2,681,782	2,719,547
Corporate	2,178,380	4,727,513	3,127,881
Daycare	487,445	502,947	514,956
Equipment and materials	1,829,538	1,666,597	1,610,863
Food services	1,220,900	1,156,088	1,210,258
International	1,060,976	783,480	1,205,215
Parking	7,750	4,167	4,800
Residence	339,700	334,804	337,060
Special projects	4,904,263	3,723,046	4,009,343
Qatar project	10,082,431	9,730,670	10,252,412
Other	384,033	266,882	653,952
	<u>127,680,766</u>	<u>129,803,016</u>	<u>128,316,763</u>
<b>Expenditures (Schedules 3 to 15)</b>			
Facilities	4,934,803	5,192,080	4,988,239
Administration	17,819,956	16,579,484	16,203,946
Instructional	71,088,529	64,910,389	68,711,488
Student services	11,225,891	10,756,922	10,100,084
Information technology	7,698,776	6,817,913	5,512,634
Resale	5,137,437	5,403,337	5,153,639
Apprenticeship	4,444,217	4,598,272	4,385,707
Continuing education	695,743	690,707	724,425
Contracts	4,599,258	5,134,403	4,697,004
International	615,071	595,761	593,438
Special projects	3,183,238	2,830,012	3,274,245
Qatar project	2,339,430	1,813,575	1,675,457
	<u>133,782,349</u>	<u>125,322,855</u>	<u>126,020,306</u>
Annual Surplus (Deficit) before adjustments:	<u>(6,101,583)</u>	<u>4,480,161</u>	<u>2,296,457</u>
Less adjustments for undernoted items:			
Amortization of tangible capital assets	7,139,482	6,951,623	7,256,519
Accrued post-employment benefits	600,000	576,070	(163,570)
Accrued compensated absences	300,000	133,718	203,001
Accrued annual leave	300,000	(120,690)	(1,111,884)
	<u>8,339,482</u>	<u>7,540,721</u>	<u>6,184,066</u>
Total adjustment for above noted items	<u>8,339,482</u>	<u>7,540,721</u>	<u>6,184,066</u>
Annual Surplus (Deficit)	(14,441,065)	(3,060,560)	(3,887,609)
Accumulated surplus, beginning of year	<u>11,117,103</u>	<u>11,117,103</u>	<u>15,004,712</u>
Accumulated surplus, end of year	<u>\$ (3,323,962)</u>	<u>\$ 8,056,543</u>	<u>\$ 11,117,103</u>

See accompanying notes.

**College of the North Atlantic**  
**Statement of Change in Net Financial Assets (Debt)**  
Year Ended March 31, 2015

	<u>2015 Budget</u> (Note 14)	<u>2015</u> <b>Total</b>	<u>2014</u> Total
Annual surplus (deficit)	\$ (14,441,065)	\$ (3,060,560)	\$ (3,887,609)
Changes in tangible capital assets			
Acquisition of tangible capital assets	(8,511,451)	(4,390,644)	(6,006,311)
Write-downs on tangible capital assets	-	-	23,800
Loss on sale of tangible capital assets	-	-	41,361
Amortization of tangible capital assets	<u>7,139,482</u>	<u>6,951,623</u>	<u>7,256,519</u>
Increase in net book value of tangible capital assets	<u>(1,371,969)</u>	<u>2,560,979</u>	<u>1,315,369</u>
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	-	125,026	(202,977)
Acquisition of inventory of supplies (net of usage)	<u>-</u>	<u>(22)</u>	<u>(11,598)</u>
Increase (Decrease) in other non-financial assets	<u>-</u>	<u>125,004</u>	<u>(214,575)</u>
Increase in net financial assets (debt)	(15,813,034)	(374,577)	(2,786,815)
Net financial assets (debt) at beginning of year	<u>(18,151,285)</u>	<u>(18,151,285)</u>	<u>(15,364,470)</u>
Net financial assets (debt) at end of year	<u>\$ (33,964,319)</u>	<u>\$ (18,525,862)</u>	<u>\$ (18,151,285)</u>

See accompanying notes.



**College of the North Atlantic**  
**Statement of Cash Flow**  
Year Ended March 31, 2015

	<b>2015</b>	<b>2014</b>
<b>Operating</b>		
Annual surplus (deficit)	\$ (3,060,560)	\$ (3,887,609)
Add (deduct) non-cash items:		
Amortization of capital assets	6,951,623	7,256,519
Accrued post-employment benefits - increase (decrease)	547,895	(119,488)
Accrued compensated absences - increase (decrease)	133,718	203,001
	4,572,676	3,452,423
Changes in:		
Receivables	5,554,861	7,322,270
Inventory	(138,369)	(257,576)
Prepaid expenses	125,026	(202,977)
Deferred contributions - operating	278,734	(358,625)
Payables and accruals	(1,094,669)	(1,628,167)
Due to Qatar campus	(1,377,866)	125,294
Net cash provided by operating transactions	7,920,393	8,452,642
<b>Capital</b>		
Acquisitions of tangible capital assets	(4,390,644)	(6,006,311)
Write-downs on tangible capital assets	-	23,800
Proceeds on sale of tangible capital assets	-	41,361
Net cash applied to capital transactions	(4,390,644)	(5,941,150)
Net cash provided (applied)	3,529,749	2,511,492
Cash, beginning of year	19,218,361	16,706,869
Cash, ending of year	\$ 22,748,110	\$ 19,218,361

See accompanying notes.

College of the North Atlantic  
Tangible Capital Assets  
March 31, 2015

	Artwork	Capital improvements	Computer and peripherals	Furnishings	Instructional equipment	Other electronic equipment	Software	ERP - Peoplesoft	Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>										
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
Additions	-	1,373,540	394,479	13,521	1,628,445	-	6,276	-	974,383	4,390,644
Disposals	-	-	400,300	14,622	485,675	15,923	73,796	-	34,320	1,024,636
At March 31, 2015	5,500	30,367,861	6,299,629	720,084	44,625,788	897,405	591,224	6,779,292	10,006,614	100,293,397
<b>Accumulated Amortization</b>										
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
Amortization	-	2,515,832	283,289	19,215	2,673,939	45,515	12,614	451,128	950,091	6,951,623
Disposals	-	-	400,300	14,622	485,675	15,923	73,796	-	34,320	1,024,636
At March 31, 2015	-	15,803,650	5,836,584	687,625	39,580,895	812,665	571,099	4,195,458	7,830,769	75,318,745
<b>Net Book Value:</b>										
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
At March 31, 2015	5,500	14,564,211	463,045	32,459	5,044,893	84,740	20,125	2,583,834	2,175,845	24,974,652

**College of the North Atlantic**  
**Summary of Expenditures**  
Year Ended March 31, 2015

	2015 Budget (Note 14)	2015	2014
Salaries and benefits	\$ 103,110,734	\$ 99,058,895	\$ 103,787,358
Professional development	555,341	295,900	225,394
Employee recognition and wellness	33,920	26,928	25,383
Professional fees	2,463,913	1,899,098	1,485,957
Travel	1,786,687	1,423,784	1,367,505
Recruitment and relocation	159,341	139,460	132,634
Insurance	343,400	212,149	279,191
Bank charges	182,000	221,744	186,122
Photocopying/printing	661,731	599,033	485,505
Office related supplies	619,152	506,779	533,523
Membership fees	169,674	116,303	73,604
General advertising	1,262,892	741,260	487,349
Doubtful receivables	65,000	92,270	78,230
Freight and customs	362,283	260,402	256,766
Telephone	766,923	691,805	742,239
Utilities	1,641,026	1,596,406	1,714,050
Repairs and maintenance	2,025,356	2,748,870	1,460,527
Vehicle operations	848,616	651,861	534,074
Equipment rentals	121,800	123,040	139,569
Facilities rentals	378,105	279,597	369,838
Protective clothing	91,272	68,090	67,075
Assets - loss	-	-	65,161
Food cost	918,035	984,875	974,593
Laundry and drycleaning	30,637	24,002	24,961
Textbooks and supplies	2,239,500	2,174,857	2,194,914
Computer supplies	2,636,473	1,987,329	1,692,943
Contracted services	865,750	1,253,285	960,670
Educational materials	620,323	546,464	331,189
Daycare operations	111,729	89,718	72,493
Student related	1,185,756	1,295,263	1,428,612
Minor equipment and tools	898,131	860,933	693,290
Minor computer equipment	518,895	1,262,350	460,885
Materials and supplies	6,107,954	3,090,105	2,688,702
	<u>\$ 133,782,349</u>	<u>\$ 125,322,855</u>	<u>\$ 126,020,306</u>

**College of the North Atlantic**  
**Notes to Financial Statements**  
For the twelve months ending March 31, 2015

**1 Nature of operations**

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

**2 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, 2015, the write-down of inventory was \$107,596 (2014 - \$81,982).

(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

**College of the North Atlantic**  
**Notes to Financial Statements**  
**For the twelve months ending March 31, 2015**

(c) *Tangible capital assets (cont'd)*

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, 2015.

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 \$11,568 gain (2014 - \$14,632 gain).

**College of the North Atlantic**  
**Notes to Financial Statements**  
**For the twelve months ending March 31, 2015**

(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. The costs of the multi-employer plan are the College's contributions to the plan in the period. PSPP members must have at least 5 years of pensionable service to obtain a pension benefit. Normal retirement age under the Plan is 65 however early retirement options are available. Members of the PSPP are required to make contributions toward the funding of their pension benefits as follows:

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

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

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

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

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

During the year 2015 the College contributed \$6,289,908 to the PSPP and \$727,546 to the GMPP. In 2014 the College contributed \$6,408,248 to the PSPP and \$791,703 to the GMPP.

**College of the North Atlantic**  
**Notes to Financial Statements**  
For the twelve months ending March 31, 2015

(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>2015</u>	<u>2014</u>
Government of Newfoundland	\$ 4,829,402	\$ 6,013,131
LMDA Subsidy	6,941,981	10,409,813
Students	998,349	843,705
Government agencies and other	<u>2,090,883</u>	<u>3,113,776</u>
	14,860,615	20,380,425
Less allowance for doubtful accounts	<u>331,142</u>	296,091
	<u>\$ 14,529,473</u>	<u>\$ 20,084,334</u>

**4 Trust funds on deposit**

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

	<u>2015</u>	<u>2014</u>
Opening balance	\$ 3,468,390	\$ 3,343,087
Net deposits and payments	1,975,777	53,051
Interest	<u>80,100</u>	<u>72,252</u>
Closing balance	<u>\$ 5,524,267</u>	<u>\$ 3,468,390</u>

**College of the North Atlantic**  
**Notes to Financial Statements**  
For the twelve months ending March 31, 2015

**5 Accounts payables & accrued liabilities**

	<u>2015</u>	<u>2014</u>
Trade liabilities	\$ 2,164,860	\$ 3,667,476
Accrued wages and benefits	5,455,047	4,976,569
End of service compensation	35,621	44,697
Other	<u>1,469,728</u>	<u>1,160,382</u>
	<u>\$ 9,125,256</u>	<u>\$ 9,849,124</u>

**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, 2015. The actuarial valuation date for severance pay accrual was March 31, 2013 and has been extrapolated for March 31, 2015. 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>2015</u>	<u>2014</u>
Wages and salary escalation	2.75%	4.00%
Discount rate	2.90%	3.90%

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

Accrued sick pay benefit obligation		
beginning of year	\$ 11,190,004	\$ 11,394,351
Current period benefit cost	1,208,847	1,208,060
Benefit payments	(1,528,647)	(1,461,467)
Interest on the accrued benefit		
sick leave obligations	430,174	405,635
Actuarial gains /losses	<u>256,110</u>	<u>(356,575)</u>
Accrued sick pay benefit obligation		
end of year	11,556,488	11,190,004
Unamortized actuarial experience loss	<u>447,361</u>	<u>214,595</u>
Accrued benefit liability, end of year	<u>\$ 11,109,127</u>	<u>\$ 10,975,409</u>
	<u>2015</u>	<u>2014</u>

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

Accrued severance benefit obligation		
beginning of year	\$ 15,511,178	\$ 15,820,544
Current period benefit cost	1,242,986	1,226,444
Benefit payments	(1,389,377)	(2,000,716)
Interest on the accrued benefit		
severance obligation	602,081	555,603
Actuarial (gains) / losses	<u>1,048,985</u>	<u>(90,697)</u>
Accrued severance benefit obligation		
end of year	17,015,853	15,511,178
Unamortized actuarial experience loss	<u>1,982,918</u>	<u>1,026,138</u>
Accrued benefit liability, end of year	<u>\$ 15,032,935</u>	<u>\$ 14,485,040</u>
<b>Total post-employment benefits</b>		
<b>and compensated absences</b>		
<b>end of year</b>	<u>\$ 26,142,062</u>	<u>\$ 25,460,449</u>



**College of the North Atlantic**  
**Notes to Financial Statements**  
For the twelve months ending March 31, 2015

**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>2015</u>	<u>2014</u>
Cash on Deposit	\$ 10,767,248	\$ 11,917,499
Payables (accruals)	<u>(1,349,501)</u>	<u>(1,121,886)</u>
Net Liability	<u>\$ 9,417,747</u>	<u>\$ 10,795,613</u>

**Results of Operations**

	<u>2015</u>	<u>2014</u>
Gross Proceeds	\$ 9,730,670	\$ 10,252,412
Management Costs	<u>(1,813,575)</u>	<u>(1,675,457)</u>
Net Proceeds	<u>\$ 7,917,095</u>	<u>\$ 8,576,955</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>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 4,281,030	\$ 4,639,655
Less amounts recognized as revenue in the year	<u>(23,048,623)</u>	<u>(22,573,024)</u>
Add amounts received during the year	<u>23,327,357</u>	<u>22,214,399</u>
Balance, end of year	<u>\$ 4,559,764</u>	<u>\$ 4,281,030</u>

Deferred contributions -operating are comprised of:

	<u>2015</u>	<u>2014</u>
Residence and program fees	\$ 93,139	\$ 91,727
Tuition	1,139,232	1,093,873
Contract training and special projects	<u>3,327,393</u>	<u>3,095,430</u>
	<u>\$ 4,559,764</u>	<u>\$ 4,281,030</u>

**College of the North Atlantic**  
**Notes to Financial Statements**  
For the twelve months ending March 31, 2015

**9 Commitments**

Lease Commitment

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

2015-2016	\$	1,432,781
2016-2017		662,818
2017-2018		268,645
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.

	2015		
	Fair Value	Amortized Cost	Total
Cash	\$ 22,748,110	\$ -	\$ 22,748,110
Trust funds on deposit	5,524,267	-	5,524,267
Accounts receivable		14,529,473	14,529,473
	\$ 28,272,377	\$ 14,529,473	\$ 42,801,850
Accounts payable and accrued liabilities	-	9,125,256	9,125,256
Vacation pay accrual	-	8,256,953	8,256,953
Due to Qatar Campus	-	9,417,747	9,417,747
Trust funds payable	-	5,524,267	5,524,267
	\$ -	\$ 32,324,223	\$ 32,324,223

**Fair value hierarchy**

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

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

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

**College of the North Atlantic**  
**Notes to Financial Statements**  
For the twelve months ending March 31, 2015

**12 Financial instruments risk management (cont'd)**

**Risk management**

*a) Credit risk*

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of a default, the College's cash accounts are insured up to \$300,000 (2014 - \$300,000).

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

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

	<b>Total</b>	<b>Current</b>	<b>30-60 days</b>	<b>&gt; 61 days</b>
Government receivables	\$ 12,115,875	\$ 4,603,760	\$ 7,086,738	\$ 425,377
Student receivables	998,349	603,984	47,046	347,319
Other receivables	1,746,391	1,155,029	194,802	396,560
Gross receivables	14,860,615	6,362,773	7,328,586	1,169,256
Less: impairment allowances	(331,142)	-	-	(331,142)
Net receivables	\$ 14,529,473	\$ 6,362,773	\$ 7,328,586	\$ 838,114

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

*b) Market risk*

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

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

*(i) Currency risk*

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

During the year the College had the following foreign currency transactions:

	<b>2015</b>	<b>2014</b>
<b>Receipts</b>		
US dollar (USD)	\$ 260,618	\$ 372,167
<b>Payment</b>		
US dollar (USD)	1,159,936	831,614
Qatari riyal (QR)	-	527,575
Euros (EUR)	185,609	93,360

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

**College of the North Atlantic**  
**Notes to Financial Statements**  
For the twelve months ending March 31, 2015

**12 Financial instruments risk management (cont'd)**

*ii) Interest rate risk*

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

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

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

*iii) Equity risk*

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

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

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

*c) Liquidity risk*

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

	<b>2015</b>		
	Within 6 Months	6 Months to 1 year	> 1 year
Accounts payable and accrued liabilities	\$ 7,630,759	\$ 1,294,497	\$ 200,000
	\$ 7,630,759	\$ 1,294,497	\$ 200,000

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

**13 Comparative figures**

Certain of the 2014 comparative figures have been reclassified to conform to the financial presentation adopted in 2015.

**14 Budget**

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

**College of the North Atlantic**  
**Notes to Financial Statements**  
For the twelve months ending March 31, 2015

**15 Related party transactions**

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

	<u>2015</u>	<u>2014</u>
Grants from the province	\$ 92,256,272	\$ 90,523,652
Transfer from Child, Youth & Family Services	-	250,525
Transfer from Dept of Business	265,658	294,957
Transfer from Dept of Justice	13,860	214,900
Transfer from Dept of Education	121,179	-
Transfer from Nalcor	107,987	-
Transfer from Research Development Council	165,952	202,534
Transfer from NL Hydro	-	120,068
Transfer from Memorial University	-	127,274
Transfer to Memorial University	533,125	223,704



# CONTACT INFORMATION

## College of the North Atlantic

Webpage: [www.cna.nl.ca](http://www.cna.nl.ca)

Telephone 1-888-982-2268

E-mail: [info@cna.nl.ca](mailto:info@cna.nl.ca)

Facebook: [www.cna.nl.ca/facebook](http://www.cna.nl.ca/facebook)

Twitter: @CNA\_News

Google+: [www.cna.nl.ca/plus](http://www.cna.nl.ca/plus)

LinkedIn: [www.cna.nl.ca/linkedin](http://www.cna.nl.ca/linkedin)

Office of the Registrar: Telephone: 709-643-7950 or visit the admissions webpage [www.cna.nl.ca/Admissions/](http://www.cna.nl.ca/Admissions/)

## Campuses:

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

## International Contacts:

International Student Recruitment: Telephone: 00+1+709 758 7290 Email: [internationalweb@cna.nl.ca](mailto:internationalweb@cna.nl.ca)

Webpage: [www.cna.nl.ca/international-students](http://www.cna.nl.ca/international-students)

College of the North Atlantic - Qatar: Webpage: [www.cna-qatar.com/](http://www.cna-qatar.com/)

China Project Office: Webpage: [www.cna.nl.ca/china](http://www.cna.nl.ca/china) Telephone: 1-709-758-7040

Office of Distributed Learning: Webpage: [www.dls.cna.nl.ca](http://www.dls.cna.nl.ca) Email: [dls-help@cna.nl.ca](mailto:dls-help@cna.nl.ca)

Provincial Headquarters: 432 Massachusetts Drive, Stephenville, NL, A2N 2Z6. Telephone: 709-643-7730