

College of the
North Atlantic



ANNUAL REPORT

2018-19

cna

Contents

Message from the Board Chair.....	3
College Overview.....	4
Board of Governors.....	5
Campus Locations.....	5
Key Statistics.....	6
Financial Summary.....	7
Highlights and Partnerships.....	8
Accolades Received by College Staff and Students.....	8
College Highlights.....	8
Report on Performance.....	12
Issue One: Improving Learner Access through Distance Learning.....	12
Performance Reporting.....	12
Discussion of Results.....	13
Issue Two: Increasing Collaboration with Memorial University.....	14
Performance Reporting.....	14
Discussion of Results.....	16
Issue Three: Enhancing Revenue Generating Opportunities.....	17
Performance Reporting.....	17
Discussion of Results.....	20
Opportunities and Challenges Ahead.....	21
Appendices.....	22
Contact Information.....	23
Financial Statements.....	24
INDEPENDENT AUDITORS' REPORT.....	42



Message from the Board Chair

On behalf of the Board of Governors, I am pleased to present the 2018-19 Annual Report for College of the North Atlantic (CNA). Our 2018-19 initiatives reflect a continued emphasis towards a publically-funded college system for the province that is focused on student and employer needs and expectations. CNA and its stakeholders share a vision of delivering training and supporting applied research and innovation which prepare students for successful participation in provincial, national and international workforces.

This report outlines the second year of progress on the goals and objectives outlined in the Strategic Plan 2017-20. CNA continues to build targeted capacity with our employer and community partners who are seeking flexible, real-time solutions to their current and future human resource requirements. We also continue to work with our faculty and staff to find ways to provide the supports, tools and resources they need to excel.

CNA continues to focus on our vision of delivering the highest quality teaching and programming for its learners in Newfoundland and Labrador, as well as internationally. Providing innovation support to business and community stakeholders for industry and workforce development is a key priority. Through the ongoing support of the Provincial Government, we are committed to ensuring that students are equipped with the best possible skills. These skills will enable them to succeed in a world that is ever-changing, requiring portable skills that are recognized across jurisdictions.

I acknowledge with great appreciation the volunteer members of the Board of Governors for their dedication and contributions during 2018-19. The Board has continued to reinforce accountability, efficiency and good governance at CNA and has remained focused on providing valuable insight towards the institution's ongoing development.

CNA is a Category One public body under the *Transparency and Accountability Act*. This Annual Report was prepared in accordance with requirements under the Act. As the Board of Governors, we are accountable for the actual results contained herein.

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

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

College Overview

In 1963, post-secondary education in Newfoundland and Labrador expanded with the opening of Trades and Vocational School campuses throughout the Province. Over the last 50+ years, college education has evolved and responded to the education and training needs of this Province. Today, College of the North Atlantic (CNA) has multiple campuses and delivers programs and services to students here and abroad. Its geographic reach includes students taking its courses and programs in China and Qatar. CNA 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. Additional information on CNA's mandate and lines of business can be found in the [2017-2020 Strategic Plan](#).

Our Programs

CNA is one of the largest post-secondary educational and skills training centres in Atlantic Canada; enrolling learners each year in more than 100 full-time programs across five schools: Academics, Applied Arts and Tourism; Business and Information Technology (IT); Engineering Technology and Natural Resources; Health Sciences; and, Industrial Trades.

The Office of Distributed Learning provides online access to college credit courses as well as Certificate and Diploma programs. More than 340 courses are available online as well as complete programs in Business Administration, Comprehensive Arts and Science (CAS) Transition, Early Childhood Education, Industrial Trades, Information Management, Journalism, Office Administration, Rehabilitation Assistant (Occupational Therapy Assistant and Physiotherapist Assistant), Video Game Art and Design, and Web Development.

Our Students

Students graduate annually from CNA's certificate, diploma and advanced diploma offerings throughout the Province. In addition, CNA serves apprentices by providing block training that enables them to advance through their apprenticeship program and prepares them to write their journeyman certification examination. During the 2017-18 academic year, CNA had 7,394 students enrolled. Most of CNA's graduates are successful in finding employment specific to their fields of study, and as such, our graduates are able to pursue rewarding, creative jobs doing what they were trained to do.

CNA's international development projects and education partnerships currently span several regions: China; South America; South East Asia; and CNA-Qatar (CNA-Q). CNA's largest international presence is through the State Technical College in Doha where we provide the CNA brand of technical, trades, English as a Foreign Language training, access and related programming. CNA-Q serves some 2,400 students, while CNA-NL serves nearly 150 international students across 17 campuses in Newfoundland and Labrador. CNA also partners with six universities in China where over 340 students are enrolled in CNA programs. CNA is a lead partner with the Colleges and Institutes Canada (CICan); Kenya Education for Employment Project (KEFEP) in Kenya; and, the Global Affairs Canada Vietnam Skills for Employment Project (VSEP) in Vietnam.

Board of Governors

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Andrew Tobin
Yordest Andrews
Peter Robbins
Wade M. Pinhorn
Peter Adams
Dr. Brenda Kelleher-Flight
Whitney Roberts

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 - St. John’s
Ridge Road - St. John’s
Seal Cove
St. Anthony



Map of Newfoundland and Labrador with location of 17 campuses noted.

Key Statistics

2017-18 Annual Enrolment - Newfoundland and Labrador Campuses					
Regular Programming ¹					
School	Number Registered			Female	Male
	Full-Time	Part-Time	Total		
Academics, Applied Arts & Tourism	978	641	1,619	1,032	587
Business & Information Technology	1,120	422	1,542	1,096	446
Engineering Technology & Natural Resources	946	89	1,035	246	789
Health Sciences	655	95	750	624	126
Industrial Trades	1,914	534	2,448	342	2,106
College Total	5,613	1,781	7,394	3,340	4,054

¹ Inclusive of students registered between September 1, 2017 and August 31, 2018. The 2018-19 academic year is not complete until August 2019; therefore, 2017-18 data is provided for this report.

2017-18 Annual Customized and Continuous Learning Activity	
Contract Training and Continuing Education ¹	
Total Course Registrations	Total Number of Hours
14,327	173,145

¹ Inclusive of Credit, Non-Credit, Contracts and students registered between September 1, 2017 and August 31, 2018. The 2018-19 academic year is not complete until August 2019; therefore, 2017-18 enrolment data is provided.

2018-19 Employee Data by Gender and Position Type - NL Employees					
Final Data - Fiscal Year 2018-19 ¹					
	Support Staff	Faculty	Management	Non Union Non Management	Total
Females	340	268	58	18	684
Males	133	344	40	1	518
Sub-Total	473	612	98	19	1,202

¹ Inclusive of active employees, employees on leave, Not Included: Continuing education instructors, student employees, invigilators, casual employees.

Financial Summary

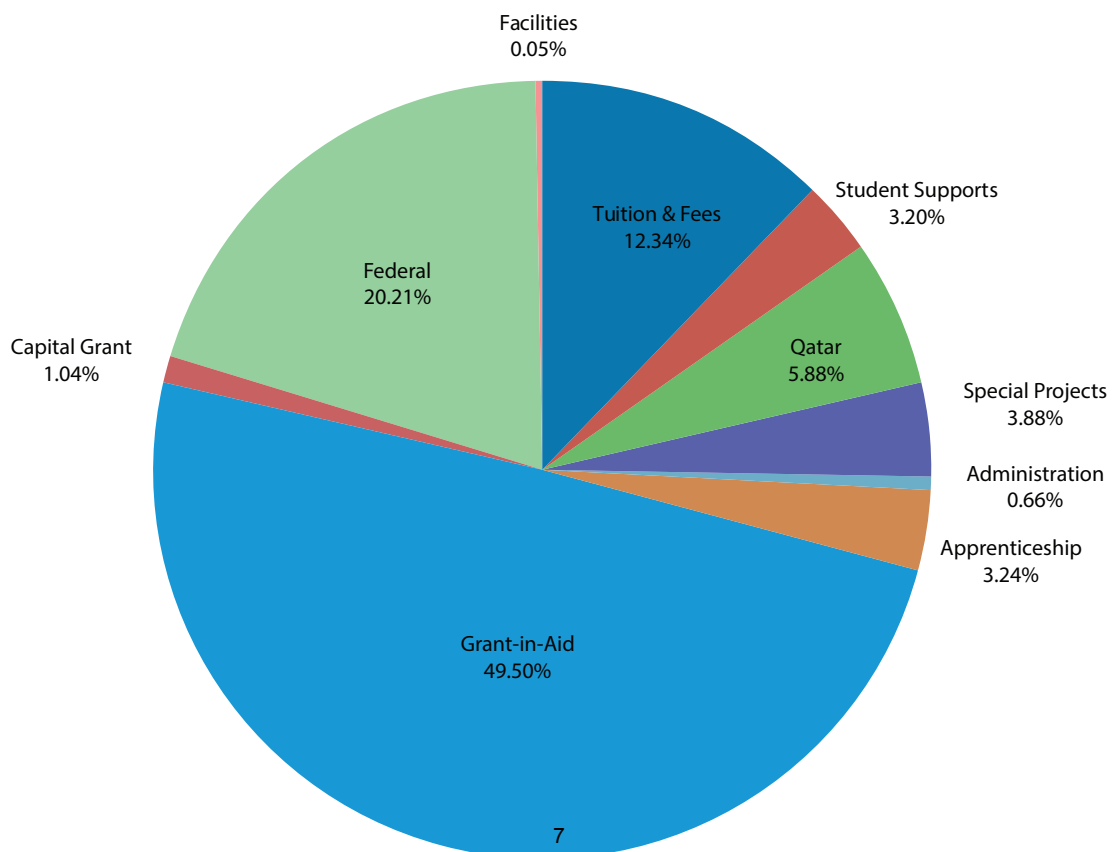
College of the North Atlantic (CNA) recorded gross expenditures of \$123.5 million in 2018-19 — the majority (\$68.7 million, 55.6 per cent) in support of instruction programs, followed by Student Supports (\$16.0 million, 13.0 per cent) and Administration (\$14.2 million, 11.5 per cent).

The largest source of revenue (\$64.1 million, 49.5 per cent) was the annual grant-in-aid provided by the Provincial Government, with the next three main sources consisting of Federal (\$26.1 million, 20.2 per cent), Tuition and Fees (\$15.9 million, 12.3 per cent) and International/Projects (\$12.6 million, 9.7 per cent).

Details on CNA's 2018-19 finances are provided in the Audited Financial Statements (Appendix 1, pages 23-43).

2018-19 Revenue

Grant-in-Aid	64,166,100
Federal	26,198,335
Tuition & Fees	15,991,681
Qatar	7,618,750
Special Projects	5,035,243
Apprenticeship	4,201,700
Student Supports	4,147,896
Capital Grants	1,342,600
Administration	861,417
Facilities	68,262
Total Revenue	129,631,984



Highlights and Partnerships

The strategic goals and objectives of CNA are made possible by the partnerships and involvement of its many stakeholders. Together, public and private partners help support CNA in its mandate to provide student-focused initiatives and ensure the delivery of high-quality education and training.

Government, community organizations, employers, industry and professional associations all play an integral role in our delivery of accessible, responsive and quality program offerings in support of strategic directions of the Government of Newfoundland and Labrador.

Accolades Received by College Staff and Students

Robert Marshall, a Welder Engineering Technician student at CNA's Burin campus, upon completion of his program (with honours) and receiving his Inspector Level 1 designation, was notified that he was the recipient of the Canadian Welding Bureau (CWB) Foundation's Hugh Krentz Award. Of the three awards that have previously been given in this category by the CWB Foundation, all three of the recipients have been from CNA, and two of those have been enrolled in a welding program at Burin campus.

Holly Dwyer, an instructor in the Business Management (Human Resources) program at CNA's Grand Falls-Windsor campus, was notified that the Accreditation Council for Business Schools and Programs (ACBSP) had selected her as the recipient of the 2018 Teaching Excellence Award for Region 1 associate degree (two-year diploma programs) member institutions. The region includes the northeast area of North America (New England states, Puerto Rico, Rhode Island, Quebec and Atlantic Canada). She is the first CNA employee to receive this distinction.

College Highlights

In April 2018, CNA signed a multi-year Memorandum of Understanding (MOU) in Nairobi, Kenya that solidified its presence in Kenya. Kenya Education for Employment Project (KEFEP) is a five-year project (2016–2021) implemented by Colleges and Institutes Canada (CICan) in close collaboration with the Kenyan Ministry of Education through the State Department of Technical and Vocational Training, and is funded by the Government of Canada. The overall project will benefit more than 1,000 students from 10 polytechnic schools, as well as equip these facilities with state-of-the-art equipment in order to develop the skills of instructors in the region. CNA's involvement is a collaboration with New Brunswick Community College (NBCC), and will see the creation of national competency-based occupational standards in automotive technology and industrial automation. The partnership is with two Kenyan national polytechnics – Kabete Polytechnic in the Nairobi and North Eastern in Garissa. CNA and NBCC are showing the polytechnics how they engage industry, the benefits of having industry work with educational institutions, and also highlighting to industry the benefit they will see by investing in education. Local campuses in Newfoundland and Labrador welcomed five delegations from Vietnam, Tanzania and Kenya who learned how CNA operates as a college and ensures work-ready graduates. CNA mobilizes over 30 faculty and staff members to travel globally and work in other countries increasing our brand and professional development opportunities.

CNA was notified that five of its Engineering Technology programs had a successful review and will continue to be accredited until March 2020. Among the list of programs that underwent a full accreditation review by the Canadian Technology Accreditation Board (CTAB) were: Architectural Engineering Technology,

Geomatics/Surveying Engineering Technology (Co-op), Electrical Engineering Technology Power and Controls (Co-op), Electronics Engineering Technology (Biomedical) – Ridge Road campus, and Civil Engineering Technology (Co-op) – Corner Brook campus.

The Governments of Newfoundland and Labrador and Canada, together with CNA, announced investments totaling more than \$1.2 million towards a new, state-of-the-art mining training simulator, located at CNA's Happy Valley-Goose Bay campus. The simulator will strengthen CNA's ability to offer training specific to the underground mining sector, resulting in a highly-skilled workforce able to meet the particular needs of that sub-sector of the industry.

In January 2018, CNA's newest addition to its Aircraft Maintenance Engineering Technician program, an Airbus BO105 helicopter, was donated by the Canadian Coast Guard. Conceived as a light twin-engine turbine, two-tonne class, multi-purpose helicopter, the BO105 has cutting-edge technologies and materials, and is equipped with instrument flight capability. The aircraft came with ground support equipment, maintenance manuals and spare parts, which proved to be valuable learning tools for students from the moment it arrived.

The Provincial Government announced \$250,000 to support a collaborative applied research and development (R&D) project between Anaconda Mining and CNA at Anaconda's Point Rouse Project. This project will develop and implement improved methods for determining ore grade; determining gold concentration for grade control; and different sorting methods which will be developed to reduce the amount of materials shipped and increase valuable ore processed. To make this project a reality, Anaconda Mining invested \$90,000 cash and \$102,500 in-kind, while the Natural Sciences and Engineering Research Council of Canada (NSERC) College and Community Innovation Program – Applied Research and Development Grants contributed \$225,000 towards the project. The project led to the development and training of students, recent CNA graduates and research assistants. Students from the Chemical Process Engineering Technology program also worked on this project as part of their 12-week work term requirement.

In September 2018, CNA and the Qalipu First Nation (Qalipu) entered a five-year Memorandum of Understanding (MOU) which will see both parties collaborate on the delivery of new educational pathways, as well as community and business development initiatives. Throughout the term of the MOU, the organizations will explore educational opportunities which will allow students to complete high school and transition into post-secondary education; build professional capacity in educational programming in health sciences, tourism, business development and environmental stewardship; and, explore mutually beneficial partnerships on applied research and innovation that lead to sustainable community and business development.

CNA has recently renovated its libraries, now known as Learning Commons, at six of its campuses, and with that, students are able to bring thoughts to reality and combine them with an innovative flavour. Whether students want to enjoy some alone time, focus on studying or engage in group discussions, there is a space for everyone – plush seating, ambiance and the latest technology spread across several spaces attend to all student learning needs. This makeover project has reinvented library spaces at campuses in Bay St. George (two spaces), Clarenville, Corner Brook, Prince Philip Drive and Ridge Road in St. John's, and Seal Cove. Students can sign out CNA laptops for a period of seven days. To provide extra motivation for students to work in groups, smartboard-equipped study rooms can accommodate large, as well as small groups, providing added privacy to discuss and share ideas within closed rooms. For the students who go to the Learning Commons for quiet time and privacy, individual cubicle spaces are available, while being surrounded by a relaxing atmosphere.

The first of four employment assistance services offices in the Province, Employment OPTIONS, was officially opened September 2018 in Grand Falls-Windsor. The offices are funded by the Province using federal funding available through the Canada- Newfoundland and Labrador Labour Market Development Agreement and are also located in Corner Brook and St. John's (two locations). Their mandate is to increase capacity in offering and accessing employment planning services across the Province. The offices will provide a range of services to Employment Insurance (EI) eligible clients, including career employment planning, job research assistance, and access to skills to maintain long-term employment. Staff will work with clients to identify barriers and ways to overcome them, and provide assistance with resume writing. The centre will also house on-site resource areas that feature computers for the public to use as a self-service option, job boards that are updated daily for employment opportunities in the region, and information that highlights different resources for individuals on career or education planning.

CNA's business portion of the School of Business and Information Technology (IT) was given a "Best Practices" global designation from the Accreditation Council for Business Schools and Programs (ACBSP) during its most recent accreditation review. There are six standards reviewed under the quality assurance report submitted by CNA every fourth and eighth year of the programs' accreditation cycle. The first two standards – leadership and strategic planning – involve general information updates and do not require reporting. The remaining reporting standards involve topics, such as student, stakeholder and market focus; measurement, analysis and knowledge management; faculty and staff focus; and, process management. These accreditation standards and criteria are designed to assist ACBSP member institutions in achieving performance excellence in business education. While CNA has received "Best Practices" designations in the past, this is the first time the School of Business has achieved them in all four standards in one report.

Distributed Learning (DL) celebrated two decades of operation in 2019. To mark the occasion, the Clarenville campus hosted an Open House in December, which was attended by representatives of the provincial and municipal governments, as well as current and former students. DL officially started in 1998 as a pilot project, which offered a new methodology of course delivery for its programs. The DL team at Clarenville campus is comprised of 19 staff, as well as faculty from across the majority of CNA's campuses. They provide support to DL's current student enrolment, which represents nearly 15 per cent of the total college enrolment. On average, more than 90 per cent of DL students live in Newfoundland and Labrador, with approximately 50 per cent of them being part-time. Students avail of programs in CNA's Schools of Business and Information Technology, Health Sciences, Industrial Trades, and Academics, Applied Arts and Tourism.

CNA and the Ministry of Education and Higher Education, State of Qatar entered into a new three-year service agreement, marking the continuance of a proud partnership that has existed for nearly two decades as well as the further evolution of the move to more autonomy for the College of the North Atlantic - Qatar (CNA-Q) campus. The formal event to finalize the new agreement, the most significant international post-secondary agreement for a North American institution, occurred February 10, 2019 at CNA-Q, and was attended by officials from Newfoundland and Labrador and State of Qatar. The contract renewal reflects a seamless commitment to the long-standing partnership between CNA and the State of Qatar. Since 2001, CNA-Q has showcased its role as that country's second largest post-secondary institution and premier technical college that delivers world-class technological programming and training. CNA-Q is a prime example of collaboration on an international scale, meeting the economic development requirements of Qatar society and industry and educational needs for post-secondary students from more than 20 countries.

CNA and the Government of Newfoundland and Labrador unveiled a new two-year Agriculture Technician (Co-op) program. The program addresses gaps in training initiatives and human resources that currently exist in the Province's agriculture sector with a supporting commitment of \$1.4 million invested over two years through the federal Labour Market Development Agreement. Graduates of this program will be able to assist in overcoming challenges identified in the sector, including agriculture production; agriculture business development and risk management; human resources and labour; research, innovation and diversification; market access and development; and, processing and value-added agriculture. CNA also worked closely with the Department of Advanced Education, Skills and Labour (AESL) to explore the added value of offering this program in conjunction with the Province's aim to expand and diversify skills and employment opportunities, as well as labour market demands. The intake process for 16 students annually at CNA's Corner Brook campus will begin in September 2019.

In March 2019, CNA added a new two-year Cultural Culinary Arts and Tourism program to its list of offerings for September 2019. This new one-time joint program offering will see students develop their culinary skills in one of Newfoundland and Labrador's prime tourism destinations. It is designed to align with the Province's [The Way Forward](#) economic development plan to meet the needs of the local, regional and provincial tourism industry, as it combines various aspects, such as: historical significance, hospitality, culinary expertise, and cultural uniqueness. Successful applicants will reach several outcomes in this program including: develop and implement a cultural culinary tourism experience; assess and market local foods and food products; cook and present local foods in a distinct Newfoundland and Labrador way; and, learn how to develop cultural menus specific to an audience.

Report on Performance

Issue One: Improving Learner Access through Distance Learning

Online learning offers many options to today's learners and is an important component of CNA's training delivery. Through online learning, students can study from anywhere, at any time and in any weather. Another advantage is the ability to maintain attachment to the labour market while training. By expanding and enhancing distance programming options, persons in rural and remote areas will have increased access to training and learning opportunities. It also allows for cost savings on behalf of both the learner and the college with the institution also being able to offer courses and programs that are not restricted by time, place or facilities/equipment. There is the added advantage of courses and programs being consistent, with course materials and textbooks readily available. CNA and its students have already experienced the benefits of distance and blended-learning initiatives by combining classroom and remote learning sites together for the benefit of the learner.

CNA made significant progress towards improving its distance learning opportunities during 2018-19 and successfully met its objective for 2018-19.

Performance Reporting

Goal 1: By March 31, 2020, College of the North Atlantic will have enhanced learner access to its programs and services through the use of technology.

Objective 1: By March 31, 2019, College of the North Atlantic will have developed and piloted new options for online programs and courses to assess their potential.

Indicators	2018-19 Report on Performance
1.1 Continued to explore feasibility of expanded distance learning opportunities	<ul style="list-style-type: none"> • College of the North Atlantic continues to explore opportunities for offering new programs through online delivery or converting existing programs to online delivery to increase access for students. • As part of the Atlantic Apprenticeship Harmonization initiative, four Industrial Trades programs were expanded to include an online learning platform. CNA now offers online learning for apprenticeship training in Welder, Construction/Industrial Electrician, Plumber and Carpenter programs. • CNA continued to explore the feasibility of other distance learning opportunities including the School of Business and Information Technology and School of Academics, Applied Arts and Tourism; Business Administration – Marketing Diploma, Office Administration – Records Information Management Diploma, Tourism Hospitality Services Certificate, and Art and Design Essentials Certificate.
1.2 Developed a student success framework for distributed and online learning	<ul style="list-style-type: none"> • Recognizing ever-changing needs of an increasingly diverse student population and labour market demands, CNA, as a part of its new organizational structure, re-focused its Student Services division with the creation of an executive portfolio, Vice President of Student Engagement and has invested in two new Student Services Director level positions (Director of Student Affairs and Director of Student Success) and a Student Development Officer to provide support for the student experience specific to distributed and online learning.

Indicators	2018-19 Report on Performance
	<ul style="list-style-type: none"> The Student Engagement division has a framework developed that provides strategic leadership and direction for offering a comprehensive suite of programs and services designed to support and optimize student retention and health and wellness that contribute to academic success. The broad framework emphasizes developing and promoting opportunities for students that foster student engagement and growth throughout the entire student life cycle, including creating positive student experiences in various experiential learning environments beyond the classroom that respects diversity. The college has repositioned its Registrars Office to be more responsive and engaging for students.
1.3 Piloted select courses for online/blended delivery	<ul style="list-style-type: none"> College of the North Atlantic has been piloting online delivery for the Atlantic Apprenticeship Harmonization initiative Industrial Trades curriculum for Welder, Construction/Industrial Electrician, Plumber and Carpenter. In addition several blended learning pilot projects have been undertaken using multiple campuses and shared programming (Example: Port aux Basques, Bay St. George, St. Anthony for blended delivery of Office Administration and Business Administration programs).

Discussion of Results

During 2018-19, CNA developed and piloted select courses and programming for online/blended delivery. This work, as well as a concurrent programming analysis, will help to shape upcoming opportunities for learners. In 2017-18, CNA identified that it has the capacity to enhance its delivery of distance learning opportunities, and continued to explore these opportunities during 2018-19. Additionally, distributed learning opportunities will continue to be explored throughout the 2019-20 academic planning process.

In February 2018, the Provincial Government announced an online training initiative that would pilot four trades programs at CNA (Welder, Construction/Industrial Electrician, Plumber and Carpenter) using an online delivery platform. Delivery of these programs began in 2018-19 and meets a key commitment in The Way Forward: Realizing Our Potential to strengthen apprenticeship training.

Also, during the 2018-19 fiscal year, CNA's Student Services team worked within CNA to help align existing and new resources to better support student success amongst DL students. Two new resources at the director level, Director of Student Success and Director of Student Affairs, will significantly enable the team to develop specific strategies for DL students, such as counselling services.

Objective for 2019-20: By March 31, 2020, College of the North Atlantic will have increased on-line/distance programming.

Indicators for 2019-20:

- Applied IT infrastructure to provide improved access for distance learning programs and services
- Increased student success through an online delivery platform
- Delivered new distributed learning courses and programs

Issue Two: Increasing Collaboration with Memorial University

CNA, along with Memorial University of Newfoundland (MUN), form the publicly funded post-secondary education institutions in Newfoundland and Labrador. The Provincial Government committed in The Way Forward vision document, to work with Memorial University and CNA to enable them to increase the number of research programs and initiatives undertaken at both institutions, identify ways for the university and the college to collaborate, partner and pool resources in applied research areas, and to assist in supporting and facilitating the transfer of students between the two institutions. As part of this commitment, Government convened the Council on Higher Education (CHE) to provide opportunities for co-operation and collaboration between Newfoundland and Labrador's public post-secondary institutions. CNA's partnership with Memorial University continues to grow through applied research projects and increased engagement with provincial industry for both institutions. Strengthening learning pathways between the college and the university builds a bridge for learners to travel on their career and academic journeys. Further collaboration will ensure that the post-secondary education system is functioning effectively for the students across the Province.

CNA has two representatives on the CHE Advisory Committee and will be co-chairing, along with Memorial University officials, three CHE sub-committees including the Sub-committee on Indigenous Education, the Sub-committee on Applied Research Priorities and the Sub-committee on Articulation and Transfer. CNA is pleased to have met its objective for 2018-19.

Performance Reporting

Goal 2: By March 31, 2020, College of the North Atlantic will have increased collaboration with Memorial University in select areas.

Objective 1: By March 31, 2019, College of the North Atlantic will have implemented a collaboration plan with Memorial University.

Indicators	2018-19 Report on Performance
2.1 Completed collaboration plan	<ul style="list-style-type: none">• The Council on Higher Education (CHE) Applied Research sub-committee, comprised of representatives from CNA, Memorial University (MUN) and AESL. CNA's Associate Vice President (AVP) Applied Research and Innovation and MUN's Director of Strategic Institutional Research Initiatives developed a detailed collaboration work plan.• The detailed collaboration work plan was forwarded to the CHE Oversight Committee, which was approved by the CHE in March 2019.

Indicators	2018-19 Report on Performance
2.2 Held applied research connector events	<ul style="list-style-type: none"> · Select operations at CNA and MUN facilities (e.g., core instruments and equipment facilities) were introduced to key CHE Applied Research sub-committee members towards enhancing knowledge of capabilities and capacities. Best practices on facility operations and management were shared and several discussions and separate site visits have taken place to tour Core Research Equipment & Instrument Training Network (CREAIT) facilities. CNA researchers are availing of CREAIT research instruments and expertise. · CNA and Grenfell Campus are collaborating with Corner Brook Pulp and Paper (CBPPL) on a proposed Centre for Research and Innovation to be based out of Corner Brook. Representatives from Grenfell, CBPPL and CNA are on both the Oversight Committee and Research Sub-Committee, as well as a number of other research sub-committees. · CNA participated in the Labrador Institute’s workshop to develop an important component of the proposed Pye Centre for Northern Boreal Food Systems – a collaborative, community-driven hub that will serve to advance research, education, and outreach in areas of agriculture and of food security throughout Labrador. · CNA, MUN, and Metro Business Opportunities partnered on a trial initiative to partner senior Business Management Diploma students with local not-for-profit social enterprises. “Business Students for Social Goals” is an initiative that introduces the concept of Social Enterprise to future business leaders in our province. · CNA partnered with MUN and Grenfell for the Mining Connector Event on “Bringing Science to the Site: Linking Academia, Business, Government and the Community to grow Mining Innovation in Northeast Newfoundland” at Baie Verte campus.
2.3 Continued to engage in collaborative applied research projects	<ul style="list-style-type: none"> · CNA has submitted a proposal to Atlantic Canada Opportunities Agency (ACOA) and the Department of Tourism, Culture, Industry and Innovation (TCII) on “Mobile Hyperspectral Imaging Applications for Atlantic Canada’s Extractive Resources Industries” with a budget of \$5.2 million. This is a four-year research project that will represent the single largest applied research collaboration in the history of the CNA and MUN. · MUN and CNA continue to partner on the Paradigm Hyperloop competition from SpaceX with engineering students from both institutions actively participating in the project. · CNA partnered with Marine Institute (MI) of Memorial University of Newfoundland in a research project led by Social Research & Demonstration Corporation (SRDC) entitled “Development and Pilot Testing of an Innovative Demand-led Training Model to support Entry and Retention in the Aquaculture Sector”.

Indicators	2018-19 Report on Performance
	<ul style="list-style-type: none"> o CNA delivered Essential Skills training and MI delivered its Technical Certificate of Aquaculture to a group of new entrants to the Aquaculture industry. o This project was funded by NL's Workforce Innovation Centre.

Discussion of Results

CNA's Office of Applied Research and Innovation (OARI) continues to grow a strong partnership with MUN through a series of detailed collaborative applied research initiatives. Through these developed sub-committees and essential supporting resources, sustainability and expansion on record-breaking applied research initiatives are emerging.

Networking and sharing best practices on select operations, such as the facilities being utilized with core applied research stakeholders/committee members, enhances knowledge on emerging activities. This work has led to expansion of interaction in other areas of research and site visits to CREAT facilities, instruments and expertise. Corner Brook Pulp & Paper Limited (CBPPL) held an operations orientation session to bring together researchers from both CNA and MUN with CBPPL representatives. Research initiatives were presented to CBPPL to determine engagement direction with the company.

Another project on the topic of CNA collaboration is on Bioenergy Support Network for Sustainable Communities (BIOCOMM). Partnership has been developed with the Faculty of Engineering and Applied Science at MUN in the summer of 2018. A Pyrolysis Pilot Plant on a Clean Growth program, also developed and run by MUN's Faculty of Engineering and Applied Science, also shows prospective opportunities at rural CNA campuses to operate the proposed Pyrolysis Pilot Plant.

CNA continues to be proactive in applied research collaboration throughout Newfoundland and Labrador and is enhancing communication with funding agencies, such as ACOA, Natural Sciences and Engineering Research Council (NSERC), Mitacs, and industry associations for stronger participation on various projects. With such existing and evolving collaboration processes through applied research initiatives, innovation and entrepreneurship activity, CNA's mandate to have increased collaboration with MUN has been met.

Objective for 2019-20: By March 31, 2020, College of the North Atlantic will have further implemented collaborative initiatives with MUN.

Indicators for 2019-20:

- Increased collaboration with Memorial University
- Persistent and ongoing collaborative support through research partnerships

Issue Three: Enhancing Revenue Generating Opportunities

CNA, like all public colleges across the country, is tasked to provide relevant training opportunities for individuals, communities, and businesses, with a focus on cost-effectiveness and efficiency. Recognizing that CNA, along with our clients, are experiencing economic challenges through increased operational costs, CNA must apply innovative and strategic deployment of resources to identify, develop, and deliver client-focused training which meets the current and future needs of students while aligning with the labour market demands.

As a responsible steward of public funds, CNA continues to increase revenue-generating opportunities to further the mandate and increase the capacity of the institution. In February 2019, CNA strategically combined its external engagement operations into one department of Partnerships, Innovation & Entrepreneurship (PIE). The new entity is made up of CNA's expertise in the areas of: Applied Research, Alumni and Advancement, Customized and Continuous Learning (CCL), Newfoundland and Labrador Workforce Innovation Centre (NLWIC), and the International Business Development Department. PIE operates in a collaborative, sector-based approach to address the current and future needs of industry in Newfoundland and Labrador. Two of the revenue generation departments are the Customized and Continuous Learning (CCL) Department and the International Development Department.

Customized and Continuous Learning (CCL) focused its activity on new clients, new programs and new funding proposals. Customized and Continuous Learning (CCL) has expanded its activity into new markets by developing partnerships with new national clients, establishing relationships with additional educational institutions which allow access to diverse programming, and by successfully sourcing and winning opportunities for program development and delivery with new funding envelopes.

International projects have seen growth over the last few years and are currently spread throughout various regions including China, the Middle East, South America, Southeast Asia, and the Caribbean Community. Since signing a historic agreement to establish a technical college in the State of Qatar (College of the North Atlantic – Qatar), CNA has had a continuous presence in the international education sector. Future opportunities are being explored to determine the potential for further revenue generating opportunities, professional development activities for staff and faculty, and international student recruitment.

Performance Reporting

Goal 3: By March 31, 2020, College of the North Atlantic will have increased opportunities for revenue generation.

Objective 1: By March 31, 2019, College of the North Atlantic will have implemented contract training improvements to enhance revenue generation.

Indicators	2018-19 Report on Performance
<p>3.1 Facilitated a campus-based strategic planning and consultation process to enhance Customized Training and Continuing Education programming</p>	<ul style="list-style-type: none"> • CNA has hired BDO Consulting to work with the PIE department to develop a Strategic and Operational Plan for this new department. That plan will include the Customized and Continuous Learning (CCL) department. • Customized and Continuous Learning (CCL) is identifying and developing strategic partnerships to address the training needs of identified sectors under development. Eleven sectors have been identified for focused development: Aerospace, Agriculture, Aquaculture, Arts & Culture, Community Development, Construction, Forestry, Health, Information and communications technology (ICT), Mining, Energy & Oil & Gas, and Tourism. • Customized and Continuous Learning (CCL) has participated in the academic planning sessions for the Bonavista Peninsula and with the emerging industries. Attendees included representatives of the Municipality of Trinity Bay North, Sir William Coaker Foundation, and Mayor of Town of Trinity. • Customized and Continuous Learning (CCL) has participated in strengths-based strategic planning sessions for key regions with emerging industries. • Customized and Continuous Learning (CCL) contract development is supported by OARI through its College Innovation Network to assist in scoping training opportunities stemming from applied research activity undertaken by College researchers (i.e., Anaconda). • Creation of a department encompassing all external facing functions of CNA including Applied Research, Innovation, Customized and Continuous Learning, International, and Alumni and Advancement to facilitate communication and co-ordinate external partnership development.
<p>3.2 Developed a new Customized Training and Continuing Education organizational structure and financial mode</p>	<ul style="list-style-type: none"> • CCL rates were reviewed against the other Atlantic Province's colleges and have been adjusted to be in line with the other colleges. • A new financial template has been developed for costing of deliveries and was rolled out to CCL staff for implementation in April 2019. • CCL staffing has been adjusted for this current fiscal year and will be adjusted again as necessary to support the operational plan. The new model has been developed to be approved for implementation in 2019-2020. • Internal sector teams with a provincial focus have been identified and developed. These teams span campus regions and leverage provincial expertise, education, and client relationships to increase our response to areas of economic development for the province. • Consultants have been hired to facilitate the development of an operational plan that will include the Customized and Continuous Learning (CCL) department (previously Customized Training and Continuing Education).

Indicators	2018-19 Report on Performance
3.3 Finalized a strategy to increase CNA's international education profile	<ul style="list-style-type: none"> • Review of current practices and expenditures in the International Business model is complete and an operational plan has been drafted for executive approval. • A team was assembled and they created an action plan to decrease the barriers of international student admissions. • New admissions policies and procedures are being developed to expedite the time it takes international students to receive a letters of acceptance to CNA for implementation for acceptances for January 2020. • Programs have been identified as attractive for international students and recruitment by agents have focused on those programs. • Research has been compiled on the tuition rates and policies and procedures of other Atlantic Canadian colleges. • Costing sheets for programs that meet local market needs and can be attractive for extra sections for international students are being developed so they can be marketed to agents for their delivery (i.e., Personal Care Attendant - PCA). • A Student Services steering committee has been assembled to action a "Welcome and Orientation" plan mandated for September 2019. • Campus support teams have been assembled to support international students on all campuses expecting these students in September. • As part of the strategy to increase CNA's international education profile, CNA made preparations to deliver English for Academic Purposes to be delivered at CNA in January 2020. This will smooth the entrance of international students and immigrants into CNA programs. • A Business Development Co-ordinator was hired for the International Business Development Division to assist with ongoing international project work and the development of new work. CNA has won two research projects through KEFEP in Kenya, and two contracts for training in NL for teachers from Iraq. • CNA has signed a new three-year service agreement with the State of Qatar to continue the delivery of CNA programs at CNA-Q.

Discussion of Results

CNA has continued to undertake highly efficient responsibilities to enhance Customized and Continuous Learning (CCL) opportunities. Through diverse and collaborative avenues, the CCL department has assessed and considered mechanisms to increase current and future revenue generating opportunities for CNA.

CCL has co-ordinated the procurement and financial contribution from the Federal and Provincial government partners, along with fiscal investment from Tacora Resources and Iron Ore Company to purchase an upgraded Haul Truck Simulator located at the Labrador West campus. As a result, more confident and skilled graduates will ensure safer work practices in the field. CCL also worked closely with Anaconda Mining and Training Works to participate in a research and training delivery pilot to assess face-to-face, blended delivery and pure online training for Anaconda Mining's workforce.

CCL also secured funding through the Post-Secondary Partnerships Program to develop and deliver a culturally-relevant Indigenous Early Childhood Education (ECE) program in the community of Nain. This was in response to a shortage of certified Level 2 ECE workers in the area. CCL is partnering closely with the Nunatsiavut Government as this multi-year funding initiative is engaging the community around not only existing child care operations, but also the possibility for transition into CNA's mainstream offerings.

CCL has also signed a five-year MOU with the Qalipu First Nation (QFN). This agreement will explore educational pathways to encourage students to complete high school and transition into post-secondary education. It will also allow them to build professional capacity in educational programming, health, tourism, business development and environmental stewardship and develop mutually beneficial partnerships on applied research and innovation initiatives leading to sustainable community and business development.

Objective for 2019-20: By March 31, 2020, College of the North Atlantic will have reviewed revenue generating outcomes and made recommendations on future training opportunities.

Indicators for 2019-20:

- Developed partnerships through innovative initiatives to sustain community and business development.
- Developed a new Customized and Continuous Learning (CCL) financial model.
- Identified areas to enhance revenue generation.

Opportunities and Challenges Ahead

CNA faces similar challenges of other post-secondary educational institutions. These include: keeping up with technological advancements to ensure that our classrooms, whether they are concrete or virtual, are supported by state-of-the-art equipment and resources; staying abreast of changing trends in labour market demand and industry needs while responding with the flexibility and agility necessary to meet these trends; and, ensuring appropriate funding sources in support of effective program delivery, among others. At the forefront, CNA is committed to providing a high-quality learning experience for its students. CNA is well-positioned to navigate these challenges, and others, through a number of ongoing and upcoming opportunities.

Provincial Public Post-Secondary Education System Review

In Budget 2018, the Government of Newfoundland and Labrador announced it would be undertaking an independent review of the province's public post-secondary education system. Government has appointed its Committee of Experts to lead this process, and CNA is excited to work collaboratively with this committee to build upon and continue to strengthen its significant accomplishments.

Strategic Plan

During 2018-19, CNA continued work on the development of a new Strategic Plan that will guide the institution in its future direction. The overall goal is to develop a visionary plan that will enable CNA to undergo organizational growth to ensure that its students and prospective employers continue to obtain the skills and workforce training to succeed in a world that is ever-changing; requiring portable skills that are recognized across borders and jurisdictions. This plan provides the groundwork needed to move CNA forward to be a leader in creating a sustainable and vibrant future for Newfoundlanders and Labradorians.

Appendices

1. Campus and Headquarters Contact Numbers
2. College of the North Atlantic 2018-19 Financial Statements

Contact Information

College of the North Atlantic

Webpage: www.cna.nl.ca

Telephone: 1-888-982-2268

E-mail: info@cna.nl.ca

Facebook: www.cna.nl.ca/facebook

Twitter/Instagram: @CNA_News

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

LinkedIn: www.cna.nl.ca/linkedin

Office of the Registrar

Telephone: 709-283-3025

Website: www.cna.nl.ca/Admissions/

Campuses:

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

International Contacts

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

Email: internationaladmissions@cna.nl.ca

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

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

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

Office of Distributed Learning

Telephone: 1-877-465-2250

Website: www.dls.cna.nl.ca

Email: dls-help@cna.nl.ca

Provincial Headquarters

432 Massachusetts Drive

Stephenville, NL, A2N 2Z6.

Telephone: 1-888-982-2268



Financial Statements of

COLLEGE OF THE NORTH ATLANTIC

Year ended March 31, 2019

Statement of responsibility

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

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

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

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



Board Chair



Senior Vice President &
Chief Operating Officer

College of the North Atlantic
Statement of Financial Position
Year Ended March 31, 2019, with comparative information for 2018

	March 31 2019	March 31 2018
Financial Assets		
Cash	\$ 29,238,926	\$ 36,746,721
Receivables (Note 4)	18,281,739	19,118,537
Inventories for resale	1,079,090	1,227,485
Trust funds on deposit (Note 5)	6,394,626	5,848,610
	\$ 54,994,381	\$ 62,941,353
Liabilities		
Accounts payable & accrued liabilities (Note 6)	\$ 12,582,626	\$ 12,323,410
Vacation pay accrual	7,582,448	7,752,461
Post-employment benefits	1,590,562	18,354,843
Compensated absences (Note 7)	10,611,660	11,161,142
Due to Qatar Campus (Note 8)	7,224,401	7,530,358
Deferred contributions - operating (Note 9)	11,957,504	8,672,854
Trust funds payable (Note 5)	6,394,626	5,848,610
	\$ 57,943,827	\$ 71,643,678
Net Debt	\$ (2,949,446)	\$ (8,702,325)
Non-Financial Assets		
Tangible capital assets (Schedule 1)	\$ 17,768,718	\$ 17,796,987
Inventories held for use	98,057	98,515
Prepaid expenses	1,449,896	1,062,410
	19,316,671	18,957,912
Accumulated surplus	\$ 16,367,225	\$ 10,255,587

Commitments (Note 10)
Contingent liabilities (Note 11)

Approved:

Board Chair  _____

Board Member  _____

College of the North Atlantic
Statement of Operations

Year Ended March 31, 2019, with comparative information for 2018

	Original 2019 Budget (Note 15)	2019	2018
Revenue (Schedule 2)			
Grants and reimbursements	\$ 67,628,500	\$ 65,508,700	\$ 68,214,043
Labour market agreements	23,200,000	26,198,335	24,874,088
Tuition	11,085,173	10,258,975	11,048,013
Classroom/video rental	15,000	33,605	15,000
Interest	287,435	773,691	554,634
Fees	695,272	723,362	664,547
Apprenticeship	6,035,250	4,201,700	4,726,710
Bookstore	2,414,300	1,946,171	2,033,624
Corporate	1,801,794	1,702,299	2,119,333
Daycare	530,500	811,464	592,374
Equipment and materials	1,992,893	1,771,154	1,930,593
Food services	1,268,870	972,258	1,077,355
International	834,756	1,273,400	810,780
Parking	3,200	2,018	2,474
Residence	305,120	239,376	267,929
Special projects	1,916,401	5,035,243	2,541,096
Qatar project	7,768,750	7,618,750	9,351,658
Other	640,046	561,483	1,091,245
Total revenue	<u>128,423,259</u>	<u>129,631,984</u>	<u>131,915,496</u>
Expenditures (Schedules 3 to 15)			
Facilities	10,510,007	10,846,533	10,756,930
Administration	17,621,541	14,222,779	17,545,838
Instructional	64,375,675	60,391,560	64,020,218
Student services	11,819,635	11,175,684	11,397,039
Information technology	6,962,993	7,077,999	6,946,041
Resale	5,165,370	4,900,196	4,796,975
Apprenticeship	4,826,444	3,939,505	4,715,328
Continuing education	606,339	570,096	589,249
Contracts	2,550,316	3,092,912	3,502,476
International	628,349	706,734	533,010
Special projects	1,941,348	5,616,078	2,366,128
Qatar project	1,415,242	980,269	1,077,113
Total expenditure	<u>128,423,259</u>	<u>123,520,345</u>	<u>128,246,345</u>
Annual Surplus (Deficit)	<u>(0)</u>	<u>6,111,639</u>	<u>3,669,151</u>
Accumulated surplus, beginning of year	<u>10,255,587</u>	<u>10,255,587</u>	<u>6,586,436</u>
Accumulated surplus, end of year	<u>\$ 10,255,586</u>	<u>\$ 16,367,226</u>	<u>\$ 10,255,587</u>

College of the North Atlantic
Statement of Change in Net Financial Assets (Debt)
Year Ended March 31, 2019, with comparative information for 2018

	Original 2019 Budget (Note 15)	2019 Total	2018 Total
Annual surplus	\$ 10,255,586	\$ 6,111,639	\$ 3,669,151
Changes in tangible capital assets			
Acquisition of tangible capital assets	(1,997,657)	(5,872,899)	(3,291,501)
Write-downs on tangible capital assets	-	1,708	-
Amortization of tangible capital assets	<u>5,716,710</u>	<u>5,899,459</u>	<u>5,719,514</u>
Increase in net book value of tangible capital assets	<u>3,719,053</u>	<u>28,268</u>	<u>2,428,013</u>
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	-	(387,486)	103,732
Acquisition of inventory of supplies (net of usage)	<u>-</u>	<u>458</u>	<u>3,828</u>
(Decrease) increase in other non-financial assets	<u>-</u>	<u>(387,028)</u>	<u>107,560</u>
Decrease in net financial assets	13,974,639	5,752,879	6,204,724
Net financial debt at beginning of year	<u>(8,702,325)</u>	<u>(8,702,325)</u>	<u>(14,907,048)</u>
Net financial assets (debt) at end of year	<u><u>\$ 5,272,314</u></u>	<u><u>\$ (2,949,446)</u></u>	<u><u>\$ (8,702,325)</u></u>

College of the North Atlantic
Statement of Cash Flow
Year Ended March 31, 2019, with comparative information for 2018

	<u>2019</u>	<u>2018</u>
Operating		
Annual surplus (deficit)	\$ 6,111,639	\$ 3,669,151
Add (deduct) non-cash items:		
Write-downs on tangible capital assets	1,708	-
Amortization of capital assets	5,899,459	5,719,514
Accrued compensated absences - decrease	<u>(549,482)</u>	<u>(8,647)</u>
	11,463,324	11,224,928
Changes in:		
Receivables	836,798	2,122,964
Inventory	148,853	98,955
Prepaid expenses	(387,486)	103,732
Deferred contributions - operating	3,284,650	2,864,928
Accounts payable and accrued liabilities	259,216	1,899,260
Vacation pay accrual	(170,013)	(176,796)
Accrued post-employment benefits	(16,764,281)	1,844,910
Due to Qatar campus	<u>(305,957)</u>	<u>(3,027,320)</u>
Net cash provided by operating transactions	<u>(1,634,896)</u>	<u>15,110,650</u>
Capital		
Acquisitions of tangible capital assets	<u>(5,872,899)</u>	<u>(3,291,501)</u>
Net cash applied to capital transactions	<u>(5,872,899)</u>	<u>(3,291,501)</u>
Net cash (applied) provided	(7,507,795)	11,819,150
Cash, beginning of year	<u>36,746,721</u>	<u>24,927,572</u>
Cash, ending of year	<u>\$ 29,238,926</u>	<u>\$ 36,746,721</u>

College of the North Atlantic
Summary of Expenditures
Year Ended March 31, 2019, with comparative information for 2018

	Original 2019 Budget (Note 15)	2019	2018
Salaries and benefits	\$ 99,492,220	\$ 94,953,691	\$ 100,965,172
Professional development	332,276	217,821	358,106
Employee recognition and wellness	17,335	17,692	17,755
Professional fees	1,048,299	1,503,651	1,230,412
Travel	1,413,575	1,372,085	1,170,411
Recruitment and relocation	150,000	38,591	29,679
Insurance	278,000	247,813	266,114
Bank charges	213,300	189,776	178,999
Photocopying/printing	715,038	582,291	660,495
Office related supplies	453,226	343,080	369,124
Membership fees	126,522	92,198	82,261
General advertising	768,885	432,340	541,363
Doubtful receivables	69,000	101,874	54,505
Freight and customs	258,270	225,520	324,195
Telephone	467,730	738,517	696,852
Utilities	1,197,805	1,562,560	1,399,257
Repairs and maintenance	1,606,626	1,691,811	1,936,004
Vehicle operations	571,963	571,600	563,503
Equipment rentals	90,309	294,216	216,994
Facilities rentals	254,754	261,813	230,255
Protective clothing	77,008	52,274	67,961
Amortization	5,716,710	5,899,459	5,719,513
Food cost	819,130	646,094	734,880
Laundry and drycleaning	24,225	18,306	13,749
Textbooks and supplies	1,913,754	1,796,642	1,597,384
Computer supplies	2,031,194	2,226,004	2,193,741
Contracted services	1,815,412	1,818,068	1,515,597
Educational materials	780,089	244,380	251,688
Daycare operations	110,000	89,628	83,501
Student related	1,032,368	1,158,089	1,354,832
Minor equipment and tools	424,053	779,930	850,837
Minor computer equipment	206,514	394,337	330,683
Materials and supplies	3,947,668	2,958,194	2,240,523
	\$ 128,423,259	\$ 123,520,345	\$ 128,246,345

College of the North Atlantic
Tangible Capital Assets
March 31, 2019

	Artwork	Capital improvements	Computer and peripherals	Furnishings	Instructional equipment	Other electronic equipment	Software	ERP - Peoplesoft	Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
At March 31, 2018	5,500	32,339,769	5,020,871	769,373	46,871,980	723,975	591,224	6,779,293	12,152,375	105,254,360
Additions	-	812,281	323,865	143,935	3,480,514	-	-	-	1,112,304	5,872,899
Disposals	-	97,061	703,627	7,000	604,349	28,555	-	-	92,568	1,533,160
At March 31, 2019	5,500	33,054,989	4,641,109	906,308	49,748,145	695,420	591,224	6,779,293	13,172,111	109,594,099
Accumulated Amortization										
At March 31, 2018	-	23,467,543	4,658,322	703,618	41,767,656	704,968	591,224	5,092,258	10,471,785	87,457,374
Amortization	-	2,311,980	261,170	31,733	2,086,258	13,506	-	298,933	895,879	5,899,459
Disposals	-	97,061	703,627	7,000	604,349	27,277	-	-	92,138	1,531,452
At March 31, 2019	-	25,682,462	4,215,865	728,351	43,249,565	691,197	591,224	5,391,191	11,275,526	91,825,381
Net Book Value:										
At March 31, 2018	5,500	8,872,226	362,549	65,755	5,104,324	19,007	-	1,687,035	1,680,590	17,796,987
At March 31, 2019	5,500	7,372,527	425,244	177,957	6,498,580	4,223	-	1,388,102	1,896,585	17,768,718

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

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 Accounting Changes and Future Adoptions

On April 1, 2018, The College adopted Canadian public sector accounting standard PS 3430 Restructuring Transactions.

The adoption of this standard did not result in an accounting policy change for the entity, and did not result in any adjustments to the financial statements as at April 1, 2018.

3 Summary of significant accounting policies

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

(a) *Revenue recognition*

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

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

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

(b) *Asset Classification*

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

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

(c) *Inventories for resale*

Inventory which consists mainly of books and food supplies is recorded at the lower of cost or net realizable value. The amount of any write-downs of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurred. For the year ended March 31, 2019, the write-down of inventory was \$318,227 (2018 - \$54,147).

(d) *Tangible Capital Assets*

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

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

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

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

The value of donated artwork has not been recorded in these financial statements. An accurate valuation of donated artwork has not been obtained at March 31, 2019.

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

The land and buildings being used by the College, with the exception of some rental property, are the properties of the Province of Newfoundland and Labrador. Expenditures for repairs and maintenance of these buildings, paid by the Province, are not recorded in the financial statements of the College. Refer to note 16 for further information.

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

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

- (i) Past practice has been that upon termination, retirement or death, the organization provides their employees, with at least one year of service with severance benefits equal to one week of pay per year of service up to a maximum of 20 weeks. In 2018-19 employees were given the option to have their accumulated severance paid to them, or deferred to a date beyond March 31, 2019. The remaining liability reflects the amount that has been deferred. No further severance will accrue, and this benefit is not available to new College employees going forward.

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

- (ii) The College provides their employees with sick leave benefits that accumulate but do not vest. The benefits provided to employees vary based upon classification within the various negotiated agreements. An actuarially determined accrued liability has been recorded on the statements for non-vesting sick leave benefits. The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long term inflation rates and discount rates.

(f) *Vacation pay liability*

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

(g) *Foreign Currencies*

Transactions in foreign currencies are recorded in Canadian dollars at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the Statement of Financial Position date. Exchange gains or losses arising from the translations are included in the Statement of Operations in the amount of a \$6,075 loss (2018 - \$2,046 loss).

(h) *Financial instruments*

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

Fair value

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

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

Amortized cost

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

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

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

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

(i) *Pensions*

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

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

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

- (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 2019 the College contributed \$7,457,387 to the PSPP and \$754,006 to the GMPP. In 2018 the College contributed \$7,707,056 to the PSPP and \$750,992 to the GMPP.

(j) *Measurement uncertainty*

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

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

(k) *Inventories held for use*

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

4 Receivables

	2019	2018
Government of Newfoundland	\$ 5,098,681	\$ 7,647,435
LMDA Subsidy	10,115,804	8,641,031
Students	1,178,511	1,265,482
Government agencies and other	2,326,928	2,007,636
	18,719,924	19,561,584
Less allowance for doubtful accounts	438,185	443,048
	\$ 18,281,739	\$ 19,118,537

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

5 Trust funds on deposit

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

	<u>2019</u>	<u>2018</u>
Opening balance	\$ 5,848,610	\$ 5,863,209
Net deposits and payments	474,240	(79,162)
Interest	<u>71,776</u>	<u>64,563</u>
Closing balance	<u>\$ 6,394,626</u>	<u>\$ 5,848,610</u>

6 Accounts payable & accrued liabilities

	<u>2019</u>	<u>2018</u>
Trade liabilities	\$ 3,517,304	\$ 3,899,140
Accrued wages and benefits	6,480,192	6,984,601
End of service compensation	0	35,621
Other	<u>2,585,130</u>	<u>1,404,048</u>
	<u>\$ 12,582,626</u>	<u>\$ 12,323,410</u>

7 Compensated absences

The actuarial valuation date for the sick leave accrual was March 31, 2018 and has been extrapolated for March 31, 2019.

The economic assumptions used in the valuation are the College's best estimated of expected rates as follows:

	<u>2019</u>	<u>2018</u>
Wages and salary escalation	0.75%	0.75%
Discount rate	3.05%	3.30%

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

Accrued sick pay benefit obligation		
beginning of year	\$ 8,944,094	\$ 9,732,263
Current period benefit cost	510,443	942,911
Benefit payments	(1,094,924)	(1,175,962)
Interest on the accrued benefit		
sick leave obligations	273,999	355,782
Actuarial gains	<u>(245,255)</u>	<u>(910,900)</u>
Accrued sick pay benefit obligation		
end of year	8,388,357	8,944,094
Unamortized actuarial experience gain	<u>(2,223,303)</u>	<u>(2,217,048)</u>
Accrued benefit liability, end of year	<u>\$ 10,611,660</u>	<u>\$ 11,161,142</u>

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

8 Comprehensive Agreement with the State of Qatar

The College has a comprehensive agreement with the State of Qatar to establish, operate and administer a College of Applied Arts and Technology in Doha, Qatar for a period, September 30, 2001 to August 31, 2012. It was extended to August 31, 2013, and subsequently extended to August 31, 2019. A new agreement was signed to August 31, 2022. The agreement is funded by the State of Qatar. For its services, the College was paid an annual Management Fee of 25% of base salaries from April to August 2018, and 20% from September to March 2019. The College receives quarterly advances to cover cash flow requirements.

Due to Qatar

	<u>2019</u>	<u>2018</u>
Cash on Deposit	\$ 10,320,617	\$ 10,995,397
Payables (accruals)	<u>(3,096,216)</u>	<u>(3,465,039)</u>
Net Liability	<u>\$ 7,224,401</u>	<u>\$ 7,530,358</u>

Results of Operations

	<u>2019</u>	<u>2018</u>
Net Proceeds	\$ 7,618,750	\$ 9,351,658
Management Costs (Schedule 14)	<u>(980,269)</u>	<u>(1,077,113)</u>
	<u>\$ 6,638,481</u>	<u>\$ 8,274,545</u>

9 Deferred contributions - operating

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

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 8,672,854	\$ 5,807,926
Less amounts recognized as revenue in the year	<u>(20,280,447)</u>	<u>(18,717,744)</u>
Add amounts received during the year	<u>23,565,097</u>	<u>21,582,672</u>
Balance, end of year	<u>\$ 11,957,504</u>	<u>\$ 8,672,854</u>

Deferred contributions -operating are comprised of:

	<u>2019</u>	<u>2018</u>
Residence and program fees	\$ 75,856	\$ 103,559
Tuition	1,851,093	787,794
Contract training and special projects	<u>10,030,555</u>	<u>7,781,501</u>
	<u>\$ 11,957,504</u>	<u>\$ 8,672,854</u>

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

10 Commitments

Lease Commitment

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

2019-2020	\$	1,402,447
2020-2021		1,233,803
2021-2022		1,208,663
2022-2023		1,205,518
2023-2024		1,068,642

11 Contingent liabilities

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

12 Financial instruments risk management

Classification

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

	2019		
	Fair Value	Amortized Cost	Total
Cash	\$ 29,238,926	\$ -	\$ 29,238,926
Trust funds on deposit	6,394,626	-	6,394,626
Accounts receivable		18,281,739	18,281,739
	<u>\$ 35,633,552</u>	<u>\$ 18,281,739</u>	<u>\$ 53,915,291</u>
Accounts payable and accrued liabilities	-	12,582,626	12,582,626
Vacation pay accrual	-	7,582,448	7,582,448
Due to Qatar Campus	-	7,224,401	7,224,401
Trust funds payable	-	6,394,626	6,394,626
	<u>\$ -</u>	<u>\$ 33,784,101</u>	<u>\$ 33,784,101</u>

Fair value hierarchy

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

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

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

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

13 Financial instruments risk management

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, accounts receivable, and trust funds. 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 (2018 - \$300,000).

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

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

	Total	Current	30-60 days	> 61 days
Government receivables	\$ 15,214,484	\$ 15,059,456	\$ 106,246	\$ 48,782
Student receivables	1,178,513	(18,646)	(40,979)	1,238,138
Other receivables	<u>2,326,927</u>	<u>1,822,908</u>	<u>115,393</u>	<u>388,626</u>
Gross receivables	18,719,924	16,863,718	180,660	1,675,546
Less: impairment allowances	(438,185)	-	-	-
Net receivables	<u>\$ 18,281,739</u>	<u>\$ 16,863,718</u>	<u>\$ 180,660</u>	<u>\$ 1,675,546</u>

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

b) Market risk

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

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

(i) Currency Risk

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

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

	2019	2018
Receipts		
US dollar (USD)	\$ 64,400	\$ 96,380
Payment		
US dollar (USD)	807,827	566,586
Euros (EUR)	54,811	30,210

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, 2019

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):

	2019		
	Within 6 Months	6 Months to 1 year	> 1 year
Accounts payable and accrued liabilities	\$ 12,017,621	\$ 565,005	\$ -
	\$ 12,017,621	\$ 565,005	\$ -

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

14 Comparative figures

Certain of the 2018 comparative figures have been reclassified to conform to the financial presentation adopted in 2019.

15 Budget

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

College of the North Atlantic
Notes to Financial Statements
For the twelve months ending March 31, 2019

16 Related party transactions

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

	<u>2019</u>	<u>2018</u>
Grants from the province	\$ 98,978,495	\$ 101,020,943
Transfer from Dept. of Tourism, Culture, Industry	566,732	31,528
Transfer from Dept. of Education & Early Childhood	439,912	197,795
Transfer from Research & Development Corp	13,696	118,632
Transfer from Dept of Children, Seniors & Social	179,723	-
Transfer to Memorial University	134,410	4,321

As per the College Act, 1996, all real property necessary for the purpose of the college shall be acquired by and in the name of the Crown. As such, the College uses buildings managed through the Department of Works, Services and Transportation for which the Province records operating expenses by building with some exceptions. The college is entirely responsible for all operating costs of Prince Phillip Drive campus. The College is also partially responsible for operating costs at the following buildings: Happy Valley Goose Bay, Grand Falls Windsor, Corner Brook, Bay St. George, and Burin campuses. Operating costs and capital costs incurred by the College are recorded under Facilities and reflected in the College's financial statements. Items considered capital in nature which are incurred by the college are recorded as leasehold improvements. Operating and capitals costs incurred by the Province that are not recorded by the College for this fiscal year totaled \$8,730,041 and for 2017-18 totaled \$7,877,776. All transactions are recorded at fair value.

17 Economic dependance

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



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the College of the North Atlantic (the Entity), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations for the year then ended
- the statement of change in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019 and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

St. John's, Canada

June 12, 2019



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