2004-2005

ANNUAL REPORT

A vision focused on student success!

A VISION FOCUSED ON STUDENT SUCCESS

Guiding a strategic plan
in support of learning,
innovation and prosperity

VISION

Enriching lives and fulfilling dreams by preparing students to pursue and achieve career success.

MISSION

Providing outstanding applied education and training for a changing world.

COMMITMENTS

Valuing students, colleagues and partners by acting with respect, integrity and openness.

Supporting communities and industries by being enterprising, innovative and globally connected.

CHAIR's message

The most successful organizations do two things exceptionally well. They create a clear vision for the future, and they develop a comprehensive plan to get there.

A major achievement in 2004-05 was the development of a new strategic plan that will guide our activities during the next three years. Guided by our vision of *enriching lives and fulfilling dreams by preparing students to pursue and achieve career success*, the plan sets out a course of action to achieve four key objectives: to focus on student success, to create a high performance team of faculty and staff, to establish a strong brand, and to maintain financial strength.

Our new strategic plan takes into account the achievement of a key goal several years ahead of schedule, namely, securing an enrolment of 6,000 students. It also takes into account a new legislative environment for colleges, a changing economic landscape in Niagara and Ontario, and a new emphasis on and capacity for applied research activities. It outlines exciting new directions that build on our historic strengths and proud tradition of meeting the education and training needs of the people, industries and communities we serve.

Niagara College is building for the future. We initiated a much-needed renovation of the facilities for our Broadcasting – Radio, Television and Film program on our Welland Campus. We also commenced a major facility renewal project at Welland to accommodate the consolidation of all our technology programs.

We worked hard in 2004-05 to create a brighter future for our students by helping to secure increased investment in Ontario colleges. We contributed to the provincial Postsecondary Education Review and participated in a high-profile campaign that highlighted the important role of colleges for students, industry and communities and the serious financial challenges facing colleges. The provincial government responded to these initiatives with an historic investment in post-secondary education – an investment that will help us produce greater numbers of the skilled graduates that drive the economies of Niagara, Ontario and beyond.

On behalf of the Board of Governors, I congratulate all staff, faculty and students for an outstanding year of achievement. I also wish to thank my fellow governors for lending their time and expertise in helping the College continue to evolve as a leading provider of applied education and training.

Alan Goddard
Chair, Board of Governors

PRESIDENT's message

2004-05 was an exciting year for Niagara College, marked by significant achievement and success, as well as a renewed focus on our core priorities and the promise of continued growth.

We enjoyed a record enrolment of 5,996 full-time students. We're becoming the college of choice for more and more students, and the results of a province-wide survey of college students, graduates and employers show why. The 2004-05 Key Performance Indicator (KPI) survey results put us first among all Ontario colleges in student satisfaction, with a score of 86.3%. This achievement is a testament to the hard work of staff and faculty who are committed to providing the best programs, services and facilities we can. We also scored well on the other KPI measures, including a 90.1% graduate placement rate, 80.5% graduate satisfaction and 89.9% employer satisfaction. Together, these results reflect our unwavering commitment to the success of our students.

We introduced several new programs in 2004-05. We launched a Bachelor of Applied Technology degree in Photonics – one of only a few bachelor's level photonics programs in North America. We also introduced our Mechanical Techniques (Precision Machining) and Construction Techniques programs, and, in partnership with the Niagara Health System, we delivered a new Advanced Care Paramedic training program for existing paramedics.

We expanded our work in applied research with projects to help businesses and organizations become more successful. In fact, we were one of only six colleges in Canada to receive a grant from the Natural Sciences and Engineering Research Council, which will further our work in the exciting area of virtual reality.

Our work in 2004-05 extended far beyond the borders of our community. In the wake of the December 2004 tsunami, Niagara College sent a team of graduating students to the coastal regions of Sri Lanka to help individuals and businesses affected by the disaster to rebuild. It was a project designed to give our graduates an opportunity to apply the skills and knowledge they acquired at Niagara College to areas where it was needed most, while providing a world of experience that will last a lifetime.

These are only a few examples of how Niagara College made a difference during the past year. Our progress and success would not have been possible without the dedication and professionalism of our faculty and staff, a committed group of student leaders, and the ongoing support of the many friends of Niagara College. Congratulations and thanks to all.

D Patterson

Dr. Dan Patterson
President

THE NIAGARA **difference**

Since opening its doors in 1967 in the City of Welland and expanding into St. Catharines, Niagara Falls and Niagara-on-the-Lake, Niagara College has grown to become a leader in education and training and one of the most enterprising colleges in Canada.

Niagara College has 6,000 full-time students in more than 70 diploma, certificate, advanced level, and skills and apprenticeship training programs.

The College is building on its strengths to be among the best post-secondary educational institutions in Canada.

Today it offers more than 70 post-secondary diploma and graduate certificate programs, bachelor degree programs, and skills and apprenticeship training programs.

In the 1990s, operations were consolidated at three campus locations. The Welland Campus is home to our programs in technology, communications, health and community, policing and public safety, and automotive. The Glendale Campus, which opened in 1998, provides state-of-the-art facilities and "living labs" for our environmental, horticulture, hospitality and tourism, and business programs.

Glendale is also home to the Centre for Advanced Visualization, which applies virtual reality technology to projects from around the world, as well as to the Niagara College Teaching Winery – the first teaching winery in Canada. In March 2004, the School of Hospitality and Tourism and the Niagara Culinary Institute relocated from the Maid of the Mist Campus in Niagara Falls to a new facility on the Glendale Campus. The new facility features food preparation laboratories, a 100-seat dining room, a wine tasting lab, classrooms and office space.

In response to the rapid growth of Niagara's tourism sector and the anticipated demand for thousands of new workers, the College established the Tourism Industry Development Centre (TIDC). Housed on the Maid of the Mist Campus in Niagara Falls, the TIDC serves as a dedicated industry development and training resource for the hospitality and tourism sector.

Together, our specialty campuses, partnerships and outstanding programs combine to make Niagara College a growing and dynamic asset to the regional economy – vibrant, enterprising and focused on the future.

Niagara College is building on its strengths to be among the best post-secondary educational institutions in Canada, recognized for:

❖ Innovative programs and services that:

- emphasize and provide applied, "hands-on" learning and workplace experience opportunities;
- have an entrepreneurial focus; and
- contain value-added international components, including exceptional opportunities for students to gain international work and education experiences;

❖ Unique campus learning environments, defined by distinctive geographic location, exceptional natural environments, and enhanced "living laboratories" and learning enterprises;

❖ A variety of learning pathways for students, from access and preparatory programming to applied degrees and graduate education;

❖ Three distinctive areas of specialization in support of economic prosperity:

- a globally recognized school of hospitality and tourism and institute of culinary arts, with program excellence in diploma, degree-level and professional studies;
- advanced technology education, applied research, and support for industry innovation that is a Canadian model of effective partnership; and
- a premier school of policing, public safety and security that reflects the unique bi-national characteristic of the Niagara region, links with provincial, federal and international initiatives, and provides pathways to degree-level studies.

FOCUSED ON **student success**

With a vision focused on student success, we have a mission that is equally clear: providing outstanding applied education and training for a changing world.

For the second time in five years, Niagara College has ranked #1 in student satisfaction — a tribute to the commitment of our faculty and staff to student success.

More than 90% of our graduates are employed within six months.

Almost 90% of employers are satisfied with the graduates they hire.

We delivered on that commitment in 2004-05, with outstanding performance results. In fact, on the scorecard for Ontario colleges know as Key Performance Indicators (KPIs), Niagara College ranked first in student satisfaction, with a score of 86.3%. This remarkable achievement marks the fifth consecutive year that we have ranked in the top five colleges in student satisfaction, and the second time that we have ranked first overall.

THE 2004-05 KPI SURVEY RESULTS ALSO SHOW THAT:

- ❖ Niagara College graduates get jobs. More than 90% of our graduates were employed within six months of graduation.
- ❖ Our graduates are satisfied with the education they receive. More than 80% of graduates expressed satisfaction with their Niagara College education.
- ❖ Niagara College programs prepare graduates for today's workforce. Almost 90% of employers say they were satisfied with the Niagara College graduates they hired.

Focusing on student success means providing quality facilities and learning environments that enhance our programs and services. 2004-05 marked the first full academic year for students in our new facility for the School of Hospitality and Tourism on the Glendale Campus, where we welcomed a record 609 students into our hospitality, tourism and culinary programs. We also embarked on significant improvement projects on our Welland campus. We started a $1-million upgrade of facilities for our Broadcasting – Radio, Television and Film program, which will incorporate new technologies in one of the most popular and comprehensive broadcasting programs in the Ontario college system. And we commenced a $3-million renovation of facilities to accommodate the consolidation of all technology programs on a single campus, which will provide a renewed focus and synergy among our schools of engineering technology, electronics, mechanical and construction, and motive power.

Focusing on student success also means advocating on their behalf, and in 2004-05 we contributed to province-wide efforts to secure greater recognition by governments and industry of the role and value of Ontario colleges. Last fall we hosted a public forum as part of the Postsecondary Education Review led by former Premier Bob Rae (Rae Review) and submitted a paper to the Rae Review that outlined the urgency for increased investment and other College priorities.

Staff, students and College supporters participated in a petition campaign and organized a public rally that called attention to the chronic underfunding of Ontario colleges and to the recommendations of the Rae Report, which included a call for massive reinvestment in post-secondary education. In the 2005 Ontario Budget, the government responded to these initiatives with an historic commitment of additional funding, which included increased operating dollars, more student assistance and new funding to increase the number of apprenticeships, 90% of which are delivered by Ontario colleges.

We took great strides in 2004-05 to ensure that all our facilities are barrier-free, comfortable and accessible. Our 2004-2005 Accessibility Plan includes a number of initiatives aimed at eliminating barriers that would prevent people with disabilities from using Niagara College services and facilities. The plan drew the praise of the Ontario March of Dimes, which called it a "model for post-secondary institutions across Canada."

The Niagara College Foundation worked hard to create scholarship and bursary opportunities for our students. This year the Foundation raised $682,682 in endowment donations, which will be matched by the provincial government's Ontario Student Opportunity Trust Fund. This support from our community and the Ontario program helps lessen the financial burden on students.

BUILDING **a strong team**

Creating a high performance team dedicated to student success is a cornerstone of our plan for future growth and success. Each member of our staff and faculty, regardless of role, plays an important part in the success of our students and of the College as a whole.

A positive workplace encourages healthy lifestyles. The College undertook a number of initiatives to promote smoking cessation, healthy eating, physical fitness and respect for the environment.

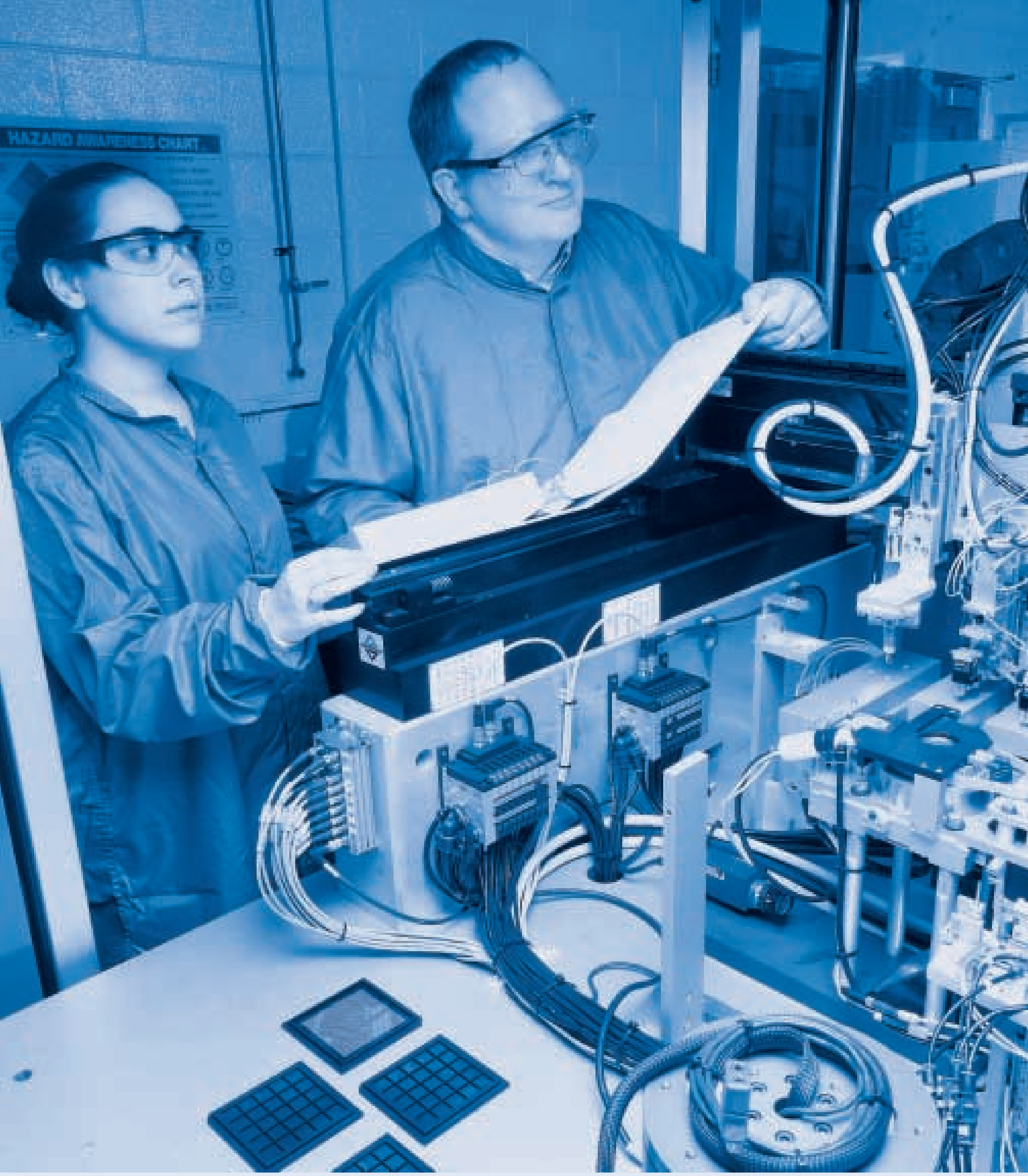
Several changes to the College's organizational structure were made in 2004-05, providing additional resources and better positioning the College to achieve our goals in the key areas of program development, research and student services.

THE KEY CHANGES INCLUDED:

- Establishing a Workforce and Business Development department with responsibility for our skills and trades programs, the College's Tourism Industry Development Centre, employment services, contract training and coordination for skills training with the federal government;
- Expanding our Learning and Teaching Resources division to include responsibility for teacher resources, e-learning and curriculum enrichment initiatives, and the Learning Resources Centres;
- Building the College's research capacity through a Research and Innovation department responsible for developing and coordinating all applied and institutional research; and
- Creating the position of Manager of Educational Development, Quality and Pathways, responsible for developing new programs (including applied degrees), implementing course and program review processes, and improving pathways to further learning.

In 2004-05, through our Centre for Professional Development, we provided a wide array of professional development opportunities, including programs and events that engaged all staff, encouraged the sharing of ideas and best practices, and generated new ideas. Our annual Day of Reflection brought staff and faculty together for an inspirational event focused on the "power of one." Discussions led to the development of a comprehensive list of ideas for enhancing our work environment, reflecting the fact that we share responsibility for fostering a positive climate, for ourselves and for our students.

A positive workplace encourages healthy lifestyles. To that end, the College's Workplace Wellness Committee undertook a number of initiatives during the past year to promote smoking cessation, healthy eating, physical fitness and respect for the environment.



In accordance with new requirements for Ontario colleges, we established an Advisory College Council composed of staff and student representatives to provide feedback and advice to the College President on issues of interest or concern to the College community.

Niagara College honoured three outstanding employees with Awards of Excellence, which recognize faculty and staff who demonstrate exemplary work, support College goals and enrich College life. Centre for Professional Development Manager Valerie Grabove, Early Childhood Educator Anita Price, and Peter Thompstone, a professor in the School of Horticulture and Agribusiness, were the 2004-05 recipients. Business professor David Thomson was the recipient of the Joint Health and Safety Award.

SUPPORTING our region and beyond

As a key partner in the economic development of our region, Niagara College continued to develop quality academic programs in response to the economic needs of Niagara, the province of Ontario and beyond.

We invested additional resources to expand our applied research capacity, which brings the promise of new technologies and ideas that will enhance the competitiveness of our region's businesses and industry and create valuable learning opportunities for our students. Niagara was one of only six Canadian colleges to receive a grant from the Natural Sciences and Engineering Research Council.

IN 2004-05 WE INTRODUCED THE FOLLOWING NEW PROGRAMS:

- A four-year Bachelor of Applied Technology degree in Photonics. The applied degree is the second to be offered by Niagara College, and is one of only a few bachelor's-level photonics programs in North America;
- One-year Mechanical Techniques (Precision Machining) and Construction Techniques programs, designed to provide the relevant industries with a steady supply of skilled workers;
- An Advanced Care Paramedic program for existing paramedics, in partnership with the Niagara Health System; and
- A one-year certified sommelier training program, in conjunction with the Canadian Association of Professional Sommeliers.

The College continued its partnership with employers and other organizations in the regional workforce development initiative known as Work in Niagara (WIN). Since its inception in 2001, WIN has reached thousands of career information seekers, as well as hundreds of employers, associations and employment service providers. It has increased awareness of skilled trades careers and elevated the status of apprenticeship as the third pillar of Ontario's post-secondary education system. WIN has helped employers identify their training needs and has played a part in the increased training capacity of regional trainers.

We invested additional resources to expand our applied research capacity, an area of activity that is relatively new to colleges. Applied research brings the promise of new technologies and ideas that will enhance the competitiveness of our region's businesses and industry and create valuable learning opportunities for our students. Niagara was one of only six Canadian colleges to receive a grant from the Natural Sciences and Engineering Research Council of Canada, which will fund a project in our Centre for Advanced Visualization that is applying virtual reality technologies to help municipalities and companies develop the most effective plans for land use, development and investment. Our photonics department is conducting research into the use of laser technologies in the greenhouse industry. The project entails employing new methods of plant cutting that may control plant disease and improve plant production – giving one of Niagara's largest industries a competitive edge.

Our Tourism Industry Development Centre played a key role in the development of the *I Know Niagara* training program. Designed for tourism industry employees, this program provides participants with a wealth of information about the Niagara region. The goal is improved customer service levels and a corresponding effect on the bottom line for our industry partners.

The Centre for Community Leadership expanded its role beyond Niagara in 2004-05 by helping develop the National Voluntary Sector Web site portal – a resource for voluntary sector organizations across Canada. In addition, the Centre delivered a three-day intensive leadership workshop to develop voluntary sector leaders in both Niagara and Yellowknife. The Centre also became a co-founding member of the Canadian Federation of Voluntary Sector Networks and the Ontario Management Support Organization Network.

The College graduated its first classes of international students through our partnership with two schools in Shanghai, China. Nearly 60 students graduated with a diploma in Computer Programmer or certificate in International Trade, with courses delivered by College faculty.

Building on our strong history of international development projects and internships, we helped a group of graduating students make a positive contribution in the wake of the tsunami that devastated parts of Asia. Niagara College initiated a relief project that sent a team of recent graduates to the coastal regions of Sri Lanka to assist in the rebuilding efforts. The team brought a variety of skills and expertise to the task, and included graduates from the Construction Engineering Technology, Construction Techniques, Tourism Marketing and Operations, Ecosystem Restoration, Environmental Management and Assessment, and Journalism – Print programs.

The Boys and Girls Club of Niagara was the 2005 beneficiary of our annual Many Hands Project – a one-day building and renovation blitz in support of Niagara's non-profit agencies. Each year the initiative benefits a local community organization while providing a unique, practical learning experience for students in our Event Management, Construction Engineering – Architecture, and Construction Techniques programs.

Students in the Construction Engineering – Architecture and Construction Techniques programs also made a mark on the community this past spring by participating in a Habitat for Humanity project in Thorold.

College faculty and staff demonstrated their community-mindedness and generosity, contributing more than $27,000 to the United Way and supporting numerous charitable organizations.

financial **STRENGTH** for future growth

Our goal of balancing our 2004-05 budget was achieved through careful and prudent management of College resources.

Revenues of $73,921,000 were offset by expenditures of $72,873,000, enabling a $550,000 contribution to reserves and to cover future capital upgrades. In 2004-05, Niagara College had the dubious distinction of receiving the lowest per student funding of any Ontario college – a fact that the College is working hard to change. Our exclusion from the provincial Rural Grant, which helps offset the extra costs incurred by multi-campus colleges in rural areas, is a long-standing injustice that puts the College and our students at a disadvantage. The current review of the funding formula is an opportunity to rectify this problem.

The College's learning enterprises – our Greenhouse, Teaching Winery, and Restaurant – were important sources of revenue generation for our operations. They demonstrate our entrepreneurial approach to training and education and to finding alternative sources of revenue in a challenging fiscal climate.

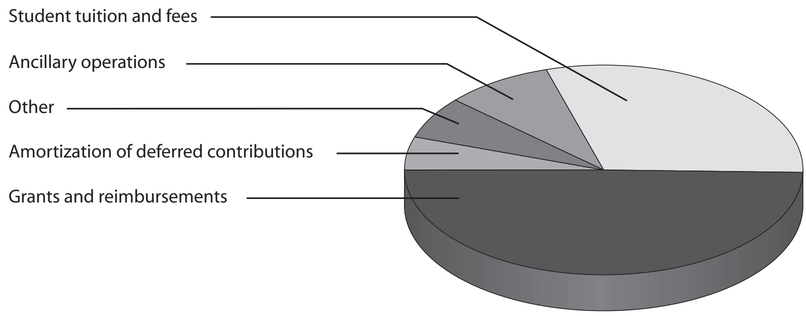
STAFFING

Full-time	516
Part-time	750

ENROLMENT

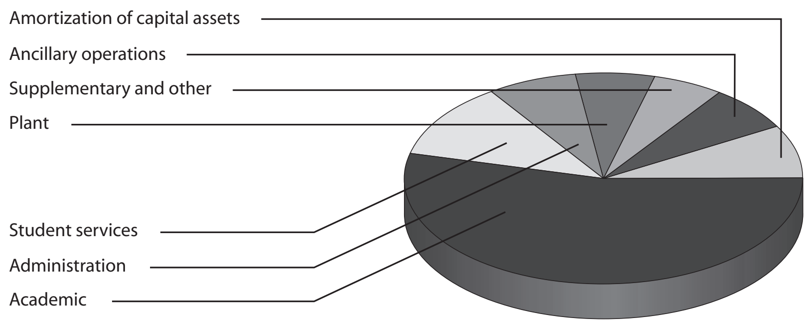
Full-time		5,996
Continuing Education:	2004 Fall	4,348
	On-line	591
	2005 Winter	4,677
	On-line	656
	2005 Spring	3,872
	On-line	577

FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2005 *reported in 000's*



REVENUES:

Grants and reimbursements	36,674
Student tuition and fees	22,204
Ancillary operations	6,438
Other	4,809
Amortization of deferred contributions related to capital assets	3,796
TOTAL REVENUES:	**$73,921**

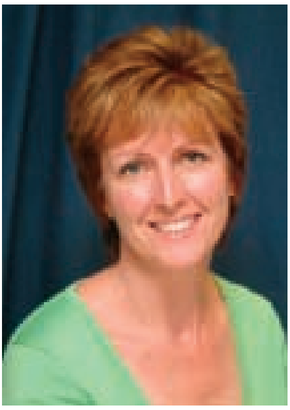


EXPENDITURES:

Academic	39,298
Student services	8,442
Administration	5,285
Plant	4,672
Supplementary and other	4,178
Ancillary operations	5,056
Amortization of capital assets	5,942
TOTAL EXPENDITURES:	**$72,873**

EXCESS OF REVENUES OVER EXPENDITURES: $1,048

special ACHIEVEMENTS



DEBBIE EATON

ALLISON SOAVE

DEBBIE EATON (Educational Assistant – Special Needs Support '05) was this year's recipient of the Governor General's Academic Medal. Debbie, a mother of two who obtained a B.A. from York University in 1984, graduated with a 95.7% academic average. She is currently employed with Anagram, where she assists adults with brain injuries.

ALLISON SOAVE, Coordinator of the College's Early Childhood Education program, was honoured with a Children's Service Award from the Association of Early Childhood Educators of Ontario. The award recognizes Soave's 35-year career in early childhood education and her many contributions to the profession.

Niagara College was proud to nominate six outstanding alumni for the prestigious Premier's Awards, which recognize the success and achievements of Ontario college graduates. Our 2004 nominees were DAVID BESSEY (Construction Engineering Technology '72), President of Maracay Homes; ERIC GILLESPIE (Accounting '89), Director of Transit Services, Region of Waterloo; WENDY JOHNSON (Law and Security Administration '86), Project Director, National Aboriginal Achievement Foundation; CHRISTINA KUHNIGK (Broadcasting – Radio, Television and Film '93), Genie Award-winning set decorator; KAREN ROSSI (Winery and Viticulture Technician '03), award-winning student sommelier and Beverage Supervisor at Casino Niagara; and GREG SOTO (Ambulance and Emergency Care '78), Educational Coordinator, Niagara Regional Base Hospital, and recipient of the Governor General's Emergency Medical Services Exemplary Service Medal.

The College's Language Interpreter certificate program – the first of its kind in Ontario – received a Conny Award of Excellence for innovation. Established by the Continuing Education Division in 2002, the program trains students to become professionals in the culturally diverse field of language interpretation. The Conny Awards recognize excellence in Continuing Education among Ontario's colleges.

Niagara College's Business Administration – Professional Golf Management program received the endorsement of the Canadian Professional Golfers' Association (CPGA), which recognized the program's rigorous standards for faculty credentials, program design and curriculum research and development.

A team of second- and third-year marketing students captured five medals at the annual Ontario College Marketing Competition. The students competed in a number of events, including case studies, job interviews, advertising, sales presentations and a quiz bowl.

A campaign to promote the College's new facilities for the School of Hospitality and Tourism and Niagara Culinary Institute earned the College two awards of excellence – a Trillium award from the Ontario College Committee for Advancement, and a Pinnacle award from the Hamilton Chapter of the Canadian Public Relations Society. The campaign generated extensive media coverage highlighting the College's expanding role in hospitality and tourism education and training.

The Niagara College Teaching (NCT) Winery continued to add to its growing list of awards and accolades in 2004-05. The NCT Winery captured White Wine of the Year for its 2003 Barrel Fermented/Barrel Aged Chardonnay at the annual Cuvée gala event in Niagara-on-the-Lake, along with gold designation for three of its other 2003 vintages. On the national front, the Niagara College Teaching Winery was named Supplier of the Year at the Annual Pinnacle Awards organized by Canada's hospitality industry. The NCT Winery produces wines made by students under the supervision of expert faculty. It is a key component of the College's award-winning Winery and Viticulture Technician program.

In November 2004, Niagara College opened the Wetlands Ridge Trail, which winds through an 18-acre educational and demonstration wetland area adjacent to the Niagara College vineyards and directly alongside the Niagara Escarpment. The trail, designed and developed by faculty and students in the College's environmental programs, provides shelter for a variety of plant, animal and bird species, and serves as a living laboratory for students.

The Niagara College Foundation's 16th Annual Seafood Gala, held at the Niagara Fallsview Casino Resort, raised an unprecedented $190,000 in support of scholarships and bursaries for our students. The event attracted a record 650 guests, among them Mary Anne Chambers, Minister of Training, Colleges and Universities.

THE NIAGARA KNIGHTS SPORTS TEAMS ENJOYED GREAT SUCCESS IN 2004-05. HIGHLIGHTS INCLUDE:

- Bronze Medal for the Men's Varsity Golf Team (national);
- Gold Medal for the Men's Touch Football Team (provincial);
- Bronze Medal for the Women's Varsity Curling Team (provincial); and
- First place ranking for the Men's Varsity Basketball Team (provincial).

NIAGARA COLLEGE FOUNDATION

GIFTS of $500 or more

MADE BETWEEN APRIL 1, 2004 AND MARCH 31, 2005

The Niagara College Foundation acknowledges the generous support of many individuals, organizations and corporations, including our anonymous donors. Their contributions towards scholarships, bursaries, our capital campaign, special projects and program equipment ensure that our students receive outstanding applied education and training for a changing world.

A. George Wakil and Company Ltd.
Abitibi-Consolidated Thorold Foundation
Acres International Limited
Diane and Edward Aizen
Aramark Canada Ltd.
Association of Universities and Colleges of Canada
B.B. & C.C. Management Limited
Bank of Montreal
Michael Belcastro
Lorraine Bentley
Bookham Technologies
Branscombe Family Foundation
Marilyn Burt
Campbell Soup Company Ltd.
Canadian Federation of University Women, St. Catharines
Canadian Hospitality Foundation
Canadian Tire Financial Services Limited
Canadian Vintners Association
The Cares Foundation - Niagara Fallsview Casino Resort & Casino Niagara
Martha Casson
Bruce C. Caughill
CH Television
Betty Ann Chandler
Patrick Chandler
Chown, Cairns LLP
CIBC Charitable Foundation
Bea Clark
Robynne Cole
Convergys Customer Management Inc.
Peggy Davidson
Phillip C. Davies
Rachel Delaney
Deloitte & Touche LLP
DiCosimo Family
Keith Dill
Enbridge Gas Distribution Inc.
Engineering Human Resources Association
The Foster Hewitt Foundation
Family and Friends of Ed Fox
Thomas K. Gauld
General Motors of Canada Limited
GM/CAW Local 199 Employee Equity Committee
Rick Gorka
Grape Growers of Ontario
Herbert H. Carnegie Future Aces Foundation
Hilton Niagara Falls
HOCO Limited
Steve Hudson
Human Resources Professional Association of Ontario (Niagara)
Hunter Bottling
The J. Willard and Alice S. Marriott Foundation
Marti Jurmain
Sylvia Kadlick
Archie Katzman
Walter Kubiski
Patricia Labonte
Family and Friends of Dennis Glenn Letwin
Eva M. Lewis
Lincoln Garden Club and Horticultural Society
Allan Magnacca
Maid of the Mist Steamboat Co. Ltd.
Stephen E. Mansfield
Matovic Family
Mary McKay
Family and Friends of Tyson McKay
Helene Moscato
Nelles Griot Canada Inc.
Niagara 21st Group Inc.
Niagara Area Business Women's Network
Niagara College Radio Broadcasting Club
Niagara Community Foundation
Niagara Construction Association
Niagara Credit Union
Niagara Falls Bridge Commission
Niagara Falls Tours Limited
The Niagara Parks Commission
Niagara Waste Systems Limited
Ontario Hostelry Institute
Orientex Industries Inc.
Dan and Saundra Patterson
PBB Global Logistics
Cameron Petrick
Priva Computers Inc.
RBC Foundation
Reebok Canada Inc.
Regional Municipality of Niagara
Susan Reinhart
Leo and Emmy Reus
William Rickers
Rogers Group of Companies
André Roy
St. Catharines Horticultural Society
Scotiabank
The Scott Murray Foundation
Seaway Marine Transport
Sheraton Fallsview Hotel & Conference Centre
Sodexho Canada
State Farm Companies Foundation
Sullivan Mahoney LLP
Top Meadow Farms
Dean Tudor
W. Garfield Weston Foundation
Norris and Marilyn Walker
Jim Warren
Family and Friends of Beth Weldon
Welland Horticultural Society
White Oaks Conference Resort & Spa
Xerox Canada Ltd.
Donald Ziraldo
Zonta Club of Niagara Falls

REPORT on 2004-05 business plan

STRATEGIC DIRECTION #1

Put Learning First in all College operations to focus on ***Student Success*** and ensure that all our programs, services and learning environments are among the best.

GOAL:

Establish internal and external performance indicators that support the College's revised strategic objectives and establish related performance goals.

RESULT:

In December 2004, the Board of Governors approved a set of College Performance Indicators (CPIs) that serve to complement the Provincial Key Performance Indicators (KPIs), which measure student, graduate and employer satisfaction, graduate placement rates, and graduation rates. The CPIs measure retention rate, work placement rate, program and learning quality, and service and facility quality, and will allow the Board to monitor the performance of the College against its strategic plan. In April 2005, the Board approved a series of standards – performance targets – for both the CPIs and KPIs, the results of which are as follows:

PROVINCIAL KEY PERFORMANCE INDICATORS:

Indicator	NC Standard	NC Results	Provincial Results
Student Satisfaction	80%	86.3%	76.3%
Graduate Employment	85%	90.1%	88.0%
Graduate Satisfaction	80%	80.5%	79.7%
Employer Satisfaction	90%	89.9%	92.7%
Graduation Rate	60%	60.4%	58.5%

KPIs BY PROGRAM AREA:

Indicator	Hospitality & Tourism	Advanced Technology	Policing and Public Safety	NC Standard	NC Results
Student Satisfaction	84.1%	82.7%	79.1%	80%	86.3%
Graduate Employment	91.4%	93.0%	92.3%	85%	90.1%
Graduate Satisfaction	78.2%	86.6%	76.6%	80%	80.5%
Employer Satisfaction	91.2%	87.0%	88.4%	90%	89.9%
Graduation Rate	73.1%	65.9%	60.4%	60%	60.4%

The internal CPIs are described and measured as follows:

Retention Rate: A minimum of 60% of students will progress from one term of study to another.

Work Placement Rate: A minimum of 95% of co-op students will participate in a co-op placement (a paid, monitored and evaluated work experience).

Program and Learning Quality: The measurement of College success in this indicator is calculated from the data in the KPI Student Satisfaction Survey for the questions pertaining to program and quality of learning experiences. The College standard for student satisfaction in this area is 90%.

Service and Facility Quality: The measurement of College success in this indicator is calculated from the data in the KPI Student Satisfaction Survey for the questions pertaining to services and facilities. The College standard for student satisfaction in this area is 80%.

COLLEGE PERFORMANCE INDICATORS:

Indicator	NC Standard	NC Results
Retention Rate	60%	n/a
Work Placement Rate	95%	97.0%
Program and Learning Quality	90%	90.4%
Service and Facility Quality	80%	82.0%

GOAL:

Implement a system of regular program reviews to ensure program quality and relevance.

RESULT:

A schedule for program reviews has been developed and is on track. An initial pilot involving two graduate certificate programs proved valuable in testing the new practice and procedures for comprehensive program reviews and developing a review template.

The program review is composed of a self-study process, an external team review, and the development of an action plan to address the issues and recommendations arising from the review. Each program or cluster of programs will undergo a comprehensive program review every six or seven years. Program reviews will consider such factors as the fit of the program with the College mandate and goals, the status of the program in relation to its stated outcomes, the degree to which curriculum is relevant to the field and is at the appropriate level, the effectiveness of the methods used to deliver the curriculum, the appropriateness of admission criteria, the effectiveness of the processes for assessing student learning, evidence of transfer agreements and patterns, information on the role and use of prior learning assessment and the recommendations of an external assessor.

During 2004-05, the following programs were formally reviewed: Business – International Business; Hotel and Restaurant Management; Greenhouse Technician; Landscape Technician; Horticultural Technician; Social Service Worker; Law Clerk; Office Administration; and Computer Network Operations.

Part of the program review process includes a system of program reporting. Reports on each program will be conducted every three years, and will consider such elements as annual KPI results for the program or cluster, related surveys of student and graduate satisfaction, budget and expenditure reports, course and faculty evaluation, enrolment and recruitment data, job market analysis and application trends, and feedback from Program Advisory Committees and other stakeholders. During 2004-05, reports were prepared on the following programs: International Business Management; Environmental Technician; Child and Youth Worker; Correctional Worker; Dental Assisting; Dental Hygiene; Event Management; Computer Programmer/ Computer Programmer Analyst; Broadcasting – Radio, Television and Film; and Electrical Engineering.

GOAL:

Provide students with a clear pathway to a more advanced level of learning, with:

A. 12% of enrolment comprising students in access, preparatory and transfer programs.

B. 10% of our enrolment comprising students in College programs with a pathway to a Niagara College Bachelor degree.

C. 3.5% of our enrolment comprising students completing a course of study at Niagara College as a required component of their degree studies.

D. Move towards 100% of College post-secondary credentials formally linked to appropriate advanced levels of learning and certification consistent with employment trends and requirements.

E. Increase transferability for students with a goal of block transfer approval for students.

RESULT:

A. Enrolment in access, preparatory and transfer programs represented 9.5% of total enrolment, 2.5% short of the goal. Enrolment in these programs peaked during the double cohort year and has since returned to normal levels. The College's vocational program is being phased out since high schools are now better serving this student group. A new program – General Arts and Science: College Path – will be introduced in Fall 2005 to better serve this student group.

B. Achieved.

C. The goal was exceeded at 3.9%.

D. The College has made outstanding progress in having all of its programs laddered to further learning, be it advanced College credentials, degrees, apprenticeship training or professional certification. Niagara College boasts numerous articulation agreements with other post-secondary institutions, summarized as follows:

- 94 agreements for specific diplomas to degrees – 33 with Ontario universities.
- 39 agreements with Canadian universities outside of Ontario.
- 22 agreements with institutions outside of Canada.

Programs lacking specific pathways (Law Clerk, Pharmacy Technician and Paramedic/Advanced Paramedic) are in the process of being articulated with several university degree programs.

E. A transfer guide for hospitality and tourism programs was prepared that shows the pathway from each program to a more advanced credential provided by either the College or an articulating university.

GOAL:

Achieve enrolment ratios, as follows:

A. Increase Hospitality and Tourism from 19.5% to 22% of total enrolment.

B. Increase Advanced Technology from 10% to 12% of total enrolment.

C. Increase Policing and Public Safety from 12.6% to 13% of total enrolment.

RESULT:

A. 19.5%. While enrolment in hospitality and tourism programs increased by 42%, enrolment in business-related programs in this grouping declined.

B. 10.7%. Despite a 5% enrolment growth in advanced technology, achieving the ratio goal proved challenging due to the phase out of our Photonics Technology program (replaced by Bachelor of Applied Technology degree) and to the general decline in computer-related programs consistent with the decline of the high-tech sector.

C. 13%. Target achieved.

GOAL:

Maintain 90% graduate employment rates in our three areas of specialization:

A. Hospitality and Tourism

B. Advanced Technology

C. Policing and Public Safety

RESULT:

Graduate employment rates achieved, as follows:

A. Hospitality and Tourism: 91.4%

B. Advanced Technology: 93.0%

C. Policing and Public Safety: 92.3%

STRATEGIC DIRECTION #2

Strengthen our organization by creating a climate that promotes and sustains a high performance team dedicated to student success.

GOAL:

Refine and continue implementation of developmental performance appraisal systems for all employee groups.

RESULT:

A committee was struck to develop a 360-degree feedback component of the current performance appraisal system for administrative staff, which includes a staff appraisal tied to compensation increases. The 360-degree model will be tested on a limited number of staff before full implementation in 2005-06.

The performance evaluation process for support staff, developed and piloted during the past three years, includes appraisals every two years. A training guide for managers on conducting performance evaluations is being developed.

The College approved a suite of practices for Faculty Review and Development whereby all regular full-time professors and instructors participate in an annual formative review and development through reports and discussions with the relevant academic manager. A summative review is undertaken every fourth year.

GOAL:

Support teaching excellence and curriculum development by establishing benchmarks in activities that support teaching excellence and curriculum development.

RESULT:

Parallel with the process of developing internal KPIs for student success, several instruments have been identified for measuring excellence in teaching and curriculum development. Data to be tracked include:

- Number of staff completing advanced education;
- Number of staff completing related training such as instructional design;
- Number of staff publishing materials, i.e. articles, texts, conference presentations;
- Number of programs that undergo major revision; and
- Number of programs developed.

Standards will be set in July 2005 based on data from the 2004-05 academic year.

GOAL:

Continue to enhance the College's profile by demonstrating strong leadership in the community and the college system.

RESULT:

A comprehensive Advocacy Plan was approved by the Board of Governors in September 2004. The plan outlines a series of short-, medium- and long-term goals to build awareness and understanding among stakeholders of the important role Niagara College plays and secure support for that role. Key achievements included contributing to the Rae Review on post-secondary education and to system-wide efforts aimed at persuading the Province of the urgent need to reinvest in colleges. The case put forward by colleges, reaffirmed by the Rae Review, formed the impetus for an unprecedented investment in post-secondary education made by the Province of Ontario. Advocacy efforts also resulted in the securing of financial support from the Town of Niagara-on-the-Lake, the City of Welland and Regional Niagara, which demonstrated the value they place on the College as a partner in the economic development of our communities and region.

STRATEGIC DIRECTION #3

Establish a market position and brand consistent with our vision and goals.

GOAL:

Maintain out-of-region enrolment at 35% of total enrolment.

RESULT:

Achieved. 35% of enrolment was composed of students from outside the Niagara region.

GOAL:

Maintain out-of-region applications in our three areas of specialization as follows:

Hospitality and Tourism: 1,900 or 62% of applicants

Advanced Technology: 520 or 53% of applicants

Policing and Public Safety: 1,600 or 67% of applicants

RESULT:

Hospitality and Tourism: 1,519 applicants, 66% of total. Looking to Fall 2005, applications for our chef/culinary programs declined; however, first choice applications increased from 23% to 25%. Both programs are waitlisted. Anticipated number of applications for graduate certificate programs did not materialize.

Advanced Technology: 583 applicants, 53% of total.

Policing and Public Safety: 1,471 applicants, 63% of total. Applications for the Police Foundations and Law and Security Administration programs are down across the system after several years of growth. The on-site fitness test for Police Foundations students may be a barrier for out-of-region applicants. This practice is under review for Fall 2006.

GOAL:

Meet 2004-05 enrolment projections (5,550 for Fall 2004).

RESULT:

Achieved: Enrolment for Fall 2004 was 5,798, 4.5% above target.

GOAL:

Review and update the College's differentiated mission through the strategic plan update process.

RESULT:

The 2005-2008 Strategic Plan for Niagara College was approved by the Board of Governors in December 2004. While updated, the College's differentiated mission retained its key elements, which, concisely stated, are:

❖ Innovative programs and services,

❖ Unique campus learning environments,

❖ A variety of learning pathways for students, and

❖ Three distinctive areas of specialization:

- a globally recognized school of hospitality and tourism and institute of culinary arts;
- advanced technology education, applied research, and support for industry innovation; and
- a premier school of policing, public safety and security.

STRATEGIC DIRECTION #4

Maintain financial strength.

GOAL:

Balance the 2004-05 budget, including planned contributions to contingency funds.

RESULT:

Achieved. The 2004-05 financial statements, approved by the Board of Governors in June 2005, contained a surplus of $1,047,910. Included in this surplus was a $550,000 planned contribution to the internally restricted reserves.

GOAL:

Achieve Ontario Student Opportunities Trust Fund II Endowment fundraising target of $642,000, as per the Niagara College Foundation Business Plan.

RESULT:

Achieved. Target was exceeded, with $682,682 raised as of March 31, 2005.

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AUDITORS' REPORT TO THE GOVERNORS

We have audited the consolidated statement of financial position of Niagara College of Applied Arts and Technology as at March 31, 2005 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information included in Schedules 1 through 6 is presented for the purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP

Chartered Accountants

St. Catharines, Canada
May 31, 2005

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

March 31, 2005, with comparative figures for 2004

	2005	2004 Restated (note 2)
Assets		
Current assets:		
Cash	$ 13,383,076	$ 9,444,486
Post secondary and other grants recoverable (note 4)	5,873,289	1,150,738
Accounts receivable	2,414,078	2,579,635
Current portion of long-term receivables	1,205,165	1,361,449
Inventories	298,438	163,640
Prepaid expenses and other assets	466,440	361,261
	23,640,486	15,061,209
Restricted assets:		
Cash	1,755,226	940,250
Short-term investments - at cost which approximates market value	1,712,748	1,512,300
	3,467,974	2,452,550
Capital assets (note 5)	74,393,736	77,364,945
Long-term receivables:		
Mortgage receivable	-	317,362
Pledges receivable	4,436,383	4,585,840
	4,436,383	4,903,202
Less current portion	1,205,165	1,361,449
	3,231,218	3,541,753
	$104,733,414	$ 98,420,457

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	2005	2004 Restated (note 2)
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,242,569	$ 4,981,260
Accrued payroll and employee deductions	2,641,575	2,231,264
Accrued vacation (note 3)	2,391,000	2,436,283
Deferred revenue:		
Specific purpose grants deferred and repayable	6,314,251	1,916,854
Tuition and related fees	2,368,525	1,949,807
Awards and bursaries	518,184	388,343
Other	841,807	310,472
Current portion of long-term debt	408,357	380,194
	19,726,268	14,594,477
Long-term debt (note 6)	13,469,837	13,878,237
Future employee benefits (note 3)	3,389,348	3,235,075
Deferred contributions (note 7)	54,062,260	55,028,848
Net assets:		
Unrestricted	2,651,609	4,901,414
Vacation and future employment benefits (note 3)	(5,780,348)	(5,671,358)
Internally restricted for future expense (note 8)	7,422,000	2,457,683
Foundation	49,688	182,916
Endowments (note 9)	3,089,470	1,735,499
Investment in capital assets (note 10)	6,653,282	8,077,666
	14,085,701	11,683,820
Pension plans (note 13)		
	$ 104,733,414	$ 98,420,457

See accompanying notes to financial statements.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004 Restated (note 2)
Revenue:		
Grants and reimbursements	$ 36,653,005	$ 36,033,081
Student tuition and fees	22,204,394	22,183,246
Ancillary operations	6,458,557	5,166,924
Other	4,809,663	4,622,971
Amortization of deferred contributions related to capital assets	3,795,815	3,687,528
Total revenue	73,921,434	71,693,750
Expenditure:		
Academic	39,298,018	38,302,611
Student services	8,442,258	8,575,484
Administration	5,285,471	4,600,773
Plant	4,672,152	4,191,793
Supplementary and other	4,178,040	4,810,186
Ancillary operations	5,055,675	4,552,298
Amortization of capital assets	5,941,910	6,715,262
Total expenditure	72,873,524	71,748,407
Excess of revenue over expenditure (expenditure over revenue)	$ 1,047,910	$ (54,657)

See accompanying notes to financial statements.

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NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2005, with comparative figures for 2004

	Unrestricted	Vacation and future employee benefits	Internally restricted for future expense (note 8)	Foundation	Endowments	Investment in capital assets	2005	2004 Restated (note 2)
Net assets, balance beginning of year	$4,901,414	$(5,671,358)	$2,457,683	$182,916	$1,735,499	$8,077,666	$11,683,820	$11,548,850
Excess of revenue over expenditure (expenditure over revenue)	(1,528,094)	(108,990)	4,964,317	(133,228)	-	(2,146,095)	1,047,910	(54,657)
Endowments	-	-	-	-	1,353,971	-	1,353,971	189,627
Net change in investment in capital assets	(721,711)	-	-	-	-	721,711	-	-
Balance, end of year	$2,651,609	$(5,780,348)	$7,422,000	$49,688	$3,089,470	$6,653,282	$14,085,701	$11,683,820

See accompanying notes to financial statements.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004 Restated (note 2)
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditure (expenditure over revenue)	$ 1,047,910	$ (54,657)
Items not involving cash:		
Amortization of deferred contributions related to capital assets	(3,795,815)	(3,687,528)
Amortization of capital assets	5,941,910	6,715,262
Change in non-cash operating working capital:		
Post secondary and other grants recoverable	(4,722,551)	887,478
Accounts receivable	165,557	538,826
Inventories	(134,798)	(70,402)
Prepaid expenses	(105,179)	(246,769)
Accounts payable and accrued liabilities	(738,691)	1,663,608
Accrued payroll and employee deductions	410,311	282,511
Vacation and sick leave	(45,283)	236,132
Deferred revenue	5,477,291	(1,997,221)
Change in future employee benefits	154,273	21,876
	3,654,935	4,289,116
Financing and investing activities:		
Short-term investments	(200,448)	(154,350)
Increase in endowments	1,353,971	189,620
Increase in long-term debt	-	1,700,000
Long-term receivables	466,819	(718,996)
Principal payments on long-term debt	(380,237)	(312,081)
Increase in deferred contributions related to capital assets	2,829,227	3,683,666
Purchase of capital assets	(2,970,701)	(11,736,807)
	1,098,631	(7,348,948)
Increase (decrease) in cash	4,753,566	(3,059,832)
Cash, beginning of year	10,384,736	13,444,568
Cash, end of year	$ 15,138,302	$ 10,384,736
Cash is represented by:		
Cash - unrestricted	$ 13,383,076	$ 9,444,486
Cash - restricted	1,755,226	940,250
	$ 15,138,302	$ 10,384,736

See accompanying notes to financial statements.

1. Significant accounting policies and disclosure:

A. Revenue recognition:

The College follows the deferral method of accounting for contributions which include donations and government grants. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the depreciation rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable.

Donations of assets are recorded at fair value when a fair value can be reasonably estimated. Pledges receivable for capital assets are recorded as an asset in the accompanying financial statements when the amount to be received can be reasonably estimated and collection is reasonably assured. Pledges receivable include donations and a commitment from students for capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Endowment funds are for awards and bursaries. Endowment contributions are recognized as direct increased in endowment net assets.

B. Inventories:

Inventories are valued at the lower of cost, determined on the first-in, first-out basis, and net realizable value.

C. Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following rates:

Site improvements	5-20 years
Buildings	40 years
Building betterments	10-20 years
Major equipment	10 years
Equipment under capital leases	Evenly over the life of the lease or the asset
Furniture and fixtures	5 years
Computer equipment	3-5 years
Equipment and vehicles	5 years
Computer software	3-5 years

D. Vacation pay:

Vacation pay or sabbatical leave obligations are accrued in the financial statements.

E. Student organizations:

These financial statements do not reflect the assets, liabilities and results of operations of the various student organizations.

F. Employee future benefits:

The College is liable to pay 50% of an employee's accumulated sick leave credit on termination or retirement after ten years' service.

The College maintains defined benefit plans providing other retirement and post-employment benefits to most of its employees. These benefits include ongoing premiums for Basic Life Insurance, Extended Health care/Vision/Hearing care and Dental care provided they were in effect on the last working day prior to retirement. The maximum number of years of coverage under this plan is five years from the date of retirement. Canadian generally accepted accounting principles requires the liability related to these benefits to be recorded. The College has recorded this liability.

1. Significant accounting policies and disclosure (continued):

G. Measurement uncertainty:

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. In estimating accrued liabilities the College relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. Actual results could differ from those estimates.

2. Change in accounting policy:

The College has consolidated the Niagara College Foundation in these consolidated financial statements on a retroactive basis. As a result, net assets at beginning of year, previously reported, have increased by $182,916.

Restricted funds have been restated as endowments, deferred revenues for awards and bursaries and accounts payable and accrued liabilities. Previously reported net assets at beginning of year have been restated as endowment of $1,735,499, deferred revenue – awards and bursaries of $388,343 and accounts payable and accrued liabilities of $298,204.

3. Accrued vacation and future employee benefits:

Accrued vacation and future employee benefits comprise the following:

	2005	2004
Vacation	$ 2,391,000	$ 2,436,283
Future employee benefits		
Sick leave	1,384,348	1,320,075
Other post-employment benefits	2,005,000	1,915,000
	3,389,348	3,235,075
	$ 5,780,348	$ 5,671,358

Vacation

The accrual for vacation represents the liability for earned but unpaid vacation entitlements.

Future employee benefits

Sick Leave

Under the accumulated sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the College's employment.

Other future employee benefits

The College maintains defined benefit and defined contribution plans providing other retirement and future employee benefits to most of its employees. Effective April 1, 2000, the College should have adopted the new accounting standard of the Canadian Institute of Chartered Accountants (CICA) concerning future employee benefits, which includes pension, other retirement, and post-employment benefits other than pensions. The standard moves the accounting for non-pension post-employment benefits to an accrual basis from the cash accounting basis previously used by most organizations. The Ministry has now required the College to comply with these new standards.

3. Accrued vacation and future employee benefits (continued):

The costs of other post-employment benefits (including medical benefits, dental care, life insurance, and certain compensated absences) related to the employees' current service is charged to income annually. The cost is computed on an actuarial basis using the projected benefit method estimating the usage frequency and cost of services covered and management's best estimates of investment yields, salary escalation, and other factors. Plan assets are valued at fair value for purposes of calculating the expected return on plan assets.

The fair values of plan assets and accrued benefit obligations were determined by independent actuaries on behalf of the College System as a whole as at March 31, 2004 for the majority of the obligations set out below.

Information about the College's post employment benefits other than sick leave as at March 31, 2005 is as follows.

	2005	2004
Liability for future employee benefits	$ 2,143,000	$ 2,053,000
Fair value of plan assets	138,000	138,000
Funded status – plan deficit	$ 2,005,000	$ 1,915,000

The accrued benefit obligations accrued at March 31, 2005 amounted to $2,105,000 (2004 - $1,928,000). The net unamortized actuarial gain is $38,000 (2004 - $125,000). Benefit plan interest and current service costs recorded in the year were $196,000 (2004 - $168,000) and the amortization of actuarial gain of $Nil (2004 - $11,000). The benefits paid out in the year were $106,000 (2004 - $85,000). These amounts represent the results of the actuarial valuation completed in April 2004.

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligation include a discount rate of 5.25% (2004 – 5.5%). The average retirement age in the College System is assumed to be 61 and the liability has been calculated assuming a separate benefit pool has been created for retirees and those on long-term disability. For measurement purpose, the annual rate of increase in the per capita cost of covered health care benefits was assumed as follows:

	Other benefit plans
Drug	9.0% (grading to 5%)
Hospital	5.0%
Other medical	5.0%
Dental	4.0%

4. Operating grants:

Operating grants may be subject to adjustment pending a final review by the Ministry of Training, Colleges and Universities of the various programs operated by the College during the year ended March 31, 2005. Any adjustment required would be expected to be accounted for as a charge or credit to revenue in the period in which settlement occurs.

5. Capital assets:

	Cost	Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
Land	$ 3,881,762	$ -	$ 3,881,762	$ 3,881,762
Site improvements	4,800,624	3,405,372	1,395,252	1,495,699
Buildings	82,539,090	21,602,126	60,936,964	53,099,349
Building betterments	6,988,761	4,277,722	2,711,039	3,023,884
Furniture and equipment	46,448,860	41,713,957	4,734,903	5,047,347
Equipment under capital leases	321,407	321,407	-	-
Resource centre	1,322,622	1,322,622	-	-
Construction in progress	180,550	-	180,550	9,635,432
Computer software	2,940,045	2,386,779	553,266	1,181,472
	$ 149,423,721	$ 75,029,985	$ 74,393,736	$ 77,364,945

6. Long-term debt:

	2005	2004
Swap loan for Glendale residence bearing interest at a variable rate due on October 1, 2025, payable in monthly instalments of approximately $52,000 of principal and interest, with balance payable at maturity. The interest rate has been fixed at 6.99% through an interest rate swap contract	$ 6,904,804	$ 7,055,421
Swap loan for Welland residence bearing interest at a variable rate due on December 1, 2021, payable in monthly instalments of approximately $43,000 principal and interest, with balance payable at maturity. The interest has been fixed at 6.17% through an interest rate swap contract	5,321,415	5,503,010
Swap loan for Glendale Vineyard bearing interest at a variable rate due on April 1, 2014, payable in monthly instalments of approximately $11,000 principal and interest, with balance payable at maturity. The interest has been fixed at 4.70% through an interest rate swap contract	1,651,975	1,700,000
	13,878,194	14,258,431
Current portion of long-term debt	408,357	380,194
	$ 13,469,837	$ 13,878,237

The security for the loans include a promissory note in the amount of the loan and an assignment of all risk insurance of the College.

Aggregate maturities of long-term debt for each of the five years subsequent to March 31, 2005, are as follows: 2006 - $408,357; 2007 - $433,760; 2008 - $460,763; 2009 - $489,468 and 2010 - $519,983.

7. Deferred contributions:

Deferred capital contributions related to capital assets represent the unamortized and unspent amounts of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2005	2004
Balance, beginning of year	$ 55,028,848	$ 55,032,710
Additional contributions received	2,829,227	3,683,666
Less amounts amortized to revenue	(3,795,815)	(3,687,528)
	$ 54,062,260	$ 55,028,848

The balance of unamortized capital contributions related to capital assets consists of the following:

	2005	2004
Unamortized capital contributions used to purchase assets	$ 53,862,260	$ 55,028,848
Unspent capital contributions	200,000	-
	$ 54,062,260	$ 55,028,848

8. Restrictions on net assets:

The Board has approved, a transfer of $4,964,317 (2004 - $1,325,000) restricted for capital expenditures and Workplace Safety and Insurance Board (WSIB) future costs. The balance of $7,422,000 (2004 - $2,457,683) has been presented as net assets internally restricted for future expenses relating to WSIB of $972,000 (2004 - $872,000) and future capital expenditures of $6,350,000 (2004 - $1,585,683) and PeopleSoft Upgrade of $100,000.

9. Endowments:

Total investment income, in the amount of $78,974 (2004 - $78,388), was received on endowment funds during the year. Unspent investment income for endowment funds amounted to $51,457 (2004 - $30,485) which has been included in deferred revenue – awards and bursaries as the use of this income is restricted for awards and bursaries.

10. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2005	2004
Capital assets	$ 74,393,736	$ 77,364,945
Amounts financed by:		
Deferred contributions	(53,862,260)	(55,028,848)
Long-term debt	(13,878,194)	(14,258,431)
	$ 6,653,282	$ 8,077,666

(b) Change in net assets invested in capital assets is calculated as follows:

	2005	2004
Excess of expenditure over revenue:		
Amortization of deferred contributions related to capital assets	$ 3,795,815	$ 3,687,528
Amortization of capital assets	(5,941,910)	(6,715,262)
	$ (2,146,095)	$ (3,027,734)

	2005	2004
Net change in investment in capital assets:		
Purchase of capital assets	$ 2,970,701	$ 11,736,806
Amounts funded by:		
Deferred contributions	(2,629,227)	(10,699,800)
Long-term debt	-	(1,700,000)
Repayment of long-term debt on residence	332,212	–
Repayment of long-term debt on Vineyard	48,025	312,081
	$ 721,711	$ (350,913)

11. Litigation:

The nature of the College's activities are such that there may be litigation pending or in prospect at any time. With respect to claims at March 31, 2005, administration believes that the College has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, administration believes that such claims are not expected to have a material effect on the College's financial position. No provision has been accrued in these financial statements in respect of the above litigation.

12. Financial instruments:

Risk management activities:

The College has entered into interest rate swaps as described in note 6 to reduce its exposure to fluctuations in interest expense.

Fair values:

The carrying values of cash, post secondary and other grants recoverable, accounts receivable, mortgage receivable, pledges receivable, accounts payable and accrued liabilities and accrued payroll and employee deductions approximate their fair value due to the relating short periods to maturity of the instruments.

The interest rate swap contract described in note 6 has a fair value of approximately $1,754,321.

13. Pension plans:

Employees are participants in the contributory retirement pension plans administered by the Colleges of Applied Arts and Technology pension plan and the Ontario Teachers' Superannuation Fund. Under this arrangement, the College makes contributions to these plans equal to those of the employees. There is no liability for past service and provision has been made for any actuarial deficiencies of the plan. Pension expense for 2005 is $2,390,807 (2004 - $1,979,829).

14. Ontario Student Opportunity Trust Fund:

The Ontario Student Opportunity Trust Fund program was created to provide financial assistance to qualifying students from the investment income earned on these funds.

	Endowment Fund	Expendable Funds
Phase 1		
Fund balance, beginning of year	$ 988,010	$ 40,442
Cash donations received	-	-
Funds receivable from the Ministry	-	-
Funds received from the Ministry	-	-
Investment income	-	41,802
Bursaries awarded (63 awards)	-	(25,340)
Fund balance, end of year	$ 988,010	$ 56,904

	Endowment Fund	Expendable Funds
Phase 2		
Fund balance, beginning of year	$ 176,832	$ 1,219
Cash donations received	706,017	-
Funds receivable from the Ministry	387,963	-
Funds received from the Ministry	294,719	-
Investment income	-	6,270
Bursaries awarded (0 awards)	-	-
Fund balance, end of year	$ 1,565,531	$ 7,489

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Revenue

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004
Grants and reimbursements:		
Operating and specific purpose grants	$ 33,015,477	$ 27,002,274
Other provincial and federal funding	1,404,145	2,135,494
Apprentice training	1,613,158	1,735,078
Human Resources and Skills Development Canada	1,460,121	1,531,797
Job Connect	1,729,743	1,644,374
Literacy and Basic Skills	991,979	891,695
Bursaries	598,522	647,981
Summer Jobs Service	631,772	636,400
Day care grant	630,391	650,521
Municipal taxation	429,225	416,175
Sick leave grants	17,907	125,179
Less contributions related to capital assets	(5,869,435)	(1,383,887)
	36,653,005	36,033,081
Student tuition and fees:		
Full-time domestic	15,456,067	15,405,528
Part-time domestic	3,025,246	3,195,312
International post secondary	2,648,450	2,641,786
International ESL	1,074,631	940,620
	22,204,394	22,183,246
Ancillary operations:		
Residence	2,720,933	2,503,478
Parking	667,356	628,993
Athletics	382,343	364,493
Campus store	542,771	346,560
Facilities rentals	328,074	318,259
Tourism Industry Development Centre	425,564	266,551
Day care fees	99,056	109,462
Restaurant	778,633	243,903
Greenhouse	162,182	146,200
Winery	265,915	143,089
Commissions	85,730	95,936
	6,458,557	5,166,924
Other:		
Contract training	2,224,846	1,886,813
Sale and rental of course material and supplies	734,426	573,572
International special projects	695,667	832,539
Assessments and service charges	606,899	542,829
Investment income	291,330	361,384
Investment income – awards and bursaries	27,518	32,782
Donations – awards and bursaries	119,005	198,468
Other donations	1,195	5,144
Foundation	108,777	189,440
	4,809,663	4,622,971
Amortization of deferred contributions related to capital assets	3,795,815	3,687,528
	$ 73,921,434	$ 71,693,750

Schedule 2

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Academic Expenditure

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004
Salaries:		
Full-time teaching	$ 15,400,785	$ 15,041,298
Part-time teaching	2,974,778	3,165,376
Support staff	3,592,103	3,226,602
Academic officers and part-time staff	4,931,614	4,901,661
Employee benefits	4,847,319	4,459,485
	31,746,599	30,794,422
Travel and conference	831,253	704,151
Office expense and supplies	456,034	520,249
Contract services	967,541	1,125,913
Instructional supplies	3,377,537	3,454,833
Equipment rental	241,080	217,319
Maintenance - office, computer and instructional equipment	241,095	226,676
Professional development	63,568	38,109
Field work	84,321	60,604
Facility rental	208,674	108,349
Promotion and public relations	345,406	515,243
Professional and consulting services	734,910	536,743
	$ 39,298,018	$ 38,302,611

Schedule 3

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Student Services Expenditure

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004
Salaries	$ 5,339,722	$ 4,905,685
Employee benefits	1,004,675	924,860
	6,344,396	5,830,545
Travel, field work and conferences	241,276	200,707
Office expense and supplies	523,010	811,477
Instructional supplies	170,820	378,561
Equipment rental	23,356	22,399
Maintenance - office, computer and instructional equipment	36,293	48,660
Professional development	57,853	70,236
Vehicle	82,409	123,488
Promotion and public relations	673,451	852,968
Professional fees	289,393	236,443
	$ 8,442,258	$ 8,575,484

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Administration Expenditure

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004
Salaries	$ 2,916,784	$ 2,560,670
Employee benefits	564,368	466,332
	3,481,152	3,027,002
Travel and conferences	116,029	65,523
Office expense and supplies	346,544	344,095
Promotion, public relations and recruitment	115,354	119,718
Contract services	113,085	120,874
Telephone	358,808	274,947
Insurance	226,893	183,577
Audit and consulting fees	67,234	87,342
Other professional fees	111,131	102,920
Furniture, photocopy and equipment rental	9,086	10,289
Professional development	182,353	132,883
Interest, bank and finance charges	157,802	131,603
	$ 5,285,471	$ 4,600,773

Schedule 5

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Plant Expenditure

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004
Salaries	$ 933,936	$ 819,241
Employee benefits	188,872	162,624
	1,122,808	981,865
Contract security services	377,521	361,339
Contract cleaning services	538,223	508,598
Professional development	3,958	7,003
Travel and conferences	7,178	8,607
Office expense, supplies and equipment rental	30,272	41,867
Building and equipment repairs and alterations	498,851	484,957
Grounds maintenance	55,717	58,474
Utilities and services	1,841,726	1,681,975
Professional and consulting services	146,354	-
Vehicle	8,665	13,972
Refuse removal	40,879	43,137
	$ 4,672,152	$ 4,191,793

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Supplementary and Other Expenditure

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004
Supplementary expenditure:		
Participants allowances and benefits	$ 1,294,037	$ 1,249,045
Special support allowances and bursaries	41,433	59,002
Municipal taxes	430,358	416,175
	1,765,828	1,724,222
Other expenditure:		
Provincial and student assistance bursaries	1,914,695	2,290,229
Awards and bursaries expense	146,522	231,250
Foundation	242,005	176,670
Vacation expense (reduction)	(145,283)	236,132
Sick leave expense	64,273	79,683
Post-employment benefits	190,000	72,000
	2,412,212	3,085,964
	$ 4,178,040	$ 4,810,186

BOARD OF GOVERNORS 2004-2005