



**Niagara  
College  
Canada**  
APPLIED DREAMS.

# **Niagara College 2013-2014 Annual Report**

**June 2014**

## ***Contents***

|                                                            |         |
|------------------------------------------------------------|---------|
| Message from the Chair of the Board .....                  | Page 1  |
| Message from the College President.....                    | Page 2  |
| Vision, Mission and Values .....                           | Page 9  |
| Report on 2013-2014 College Goals .....                    | Page 10 |
| Appendix A: Key Performance Standards .....                | Page 16 |
| Appendix B: Audited Consolidated Financial Statements..... | Page 17 |

## ***Message from the Chair of the Board***

I am pleased to present Niagara College's 2013-2014 Annual Report.

It has been another exciting year at Niagara College with so many highlights including:

- Hosting the Canadian premiers and guests to the Opening Reception of the Council of the Federation to our Niagara-on-the-Lake campus in July;
- Welcoming a record enrolment of 10,000 students to Niagara College in September including students from over 70 countries;
- Winning the Canadian Culinary Championships and having the opportunity to represent Canada at the 2014 World Culinary Championships in Luxembourg, the 2015 World Culinary Championships in Singapore and the 2016 Olympic Culinary Championships in Germany;
- Receiving funding to expanding our applied research facilities and services to assist local small and medium-sized businesses in areas such as advanced manufacturing, precision agriculture, food sciences and digital media;
- Charting the future of Niagara College through TransformNC, Capital Vision 2016 and our Strategic Mandate Agreement.

Niagara College faculty, staff, students and partners should be very proud of your dedication to making Niagara College the place to enrich lives and fulfil dreams. I want to thank everyone for a great year of successes and accomplishments and your dedication to ensuring 2014/15 is another successful year.

To my fellow governors, thank you for your passion and dedication. Your knowledge and expertise are crucial to ensuring Niagara College is on the right path to delivering unparalleled student experience and satisfaction.



Allan Schmidt  
Chair  
Niagara College Board of Governors

## ***Message from the College President***

I am pleased to provide the final report on 2013-14 highlighting some of the key accomplishments achieved over the past year.

We have focused on a number of strategic initiatives ensuring that we continue to be enterprising, identify opportunities and improving our current program offerings including the introduction of the Baking and Pastry Arts certificate program.

Our key performance indicators (KPIs) and College Performance Indicator (CPI) results continue to be the cornerstone in how we judge our performance with respect to students, graduates and employers. Niagara College continues to rank among the top of Ontario colleges with a reputation as a leader in post-secondary education. As well, we continue to achieve record enrolment and our fiscal position remains strong with a significant operating surplus for the 2013/14 fiscal year.

This year, Niagara College signed a Strategic Mandate Agreement (SMA) with the Ministry of Training, Colleges and Universities (MTCU) which sets out our institutional vision for post-secondary education. The SMA explains our differentiation and areas of specialty. Niagara College's brand and reputation is built on a foundation of unparalleled student experiences, leading innovation and applied research and operational excellence. Some of these important accomplishments we have achieved over the past year are detailed in under the headings of our three Strategic Priorities.

### **Strategic Priority: Unparalleled Student Experience and Satisfaction**

Niagara College continues to emphasize that Unparalleled Student Experience and Satisfaction should be front and centre in what we do on a daily basis. The dedication of our faculty and staff and the quality of our programs and services has allowed Niagara College to remain in the top tier of Ontario colleges for student experience and satisfaction in the Key Performance Indicator survey ranks.

Along with classroom work, unparalleled student experience and satisfaction is developed through the opportunities that students have to learn and grow at Niagara College. These opportunities continue to expand in several areas including:

#### ***Centre for Student Leadership and Engagement***

Student participation in the Co-Curricular Record (CCR) service increased in 2013-14 by 30%, exceeding the target of a 10% increase in students actively involved in the Get Involved – CCR portal. Thirteen new organizations were added to the Portal, with more than 60 organizations now actively participating.

The Centre hosted a sold-out speaking engagement by Craig Kielburger, founder of Free the Children and Me to We. A crowd of 400 students and community members attended to hear Kielburger's address focused on the merits of leadership in action and getting involved.

#### ***Student Mental Health Initiatives***

A number of new Mental Health Initiatives were launched through the Student Success Centre. The Niagara Holistic Wellness Portal addresses the common and unique mental health needs of First Nations, Metis and Inuit post-secondary students in Niagara, in partnership with Brock University.

The "More Feet on the Ground" partnership with Brock, the Regional Campus of McMaster University, the Michael G. DeGroote School of Medicine, Pathstone Mental Health, and the Canadian Mental Health Association addresses two gaps in the provision of mental health services for postsecondary students: a lack of comprehensive, flexible training on mental health and addictions that responds directly to the specific needs of post-secondary students; and a need for psycho-educational group information and skill development sessions geared to the needs of students attending college and university in Niagara.

### *Student Conduct Office*

The College introduced a Student Conduct Office during the 2013/2014 academic year. The Student Conduct Officer is a dedicated resource who works collaboratively with College staff and students to promote a respectful environment, to uphold the Student Code of Conduct as well as the overall values of Niagara College.

### *Academic Advisement Model*

After extensive inter-departmental consultation, Niagara College is implementing a revised Academic Advisement Model. The model is part of a larger focus of an integrated delivery model for academic support services. Peer Tutoring, Testing Services, Academic Drop-In Sessions and Academic Advisement will be coordinated through one portfolio. Academic Advisors will be embedded within respective academic schools but will be centrally coordinated as part of the larger academic support services team.

### *Grant for Student Leadership*

Niagara College received funding through the Productivity & Innovation Fund (PIF) to develop a Leadership Exploration and Development program (LEAD). In the pilot year, 51 students were nominated into the program representing 27 academic areas. The pilot included Leadership Development workshops, knowledgeable and varied speakers and experiential leadership opportunities such as conference attendance, community leadership experience and campus based leadership roles.

### *Be World Ready*

Student and staff international mobility continues to grow under our Be World Ready campaign. In 2013-14, over 150 students, faculty, and staff participated in international opportunities through our International Field Studies (IFS), exchanges, and academic partnerships around the world.

## Student Achievements

The proof is seeing our Niagara College students and graduates continue to excel. Below are just some of the examples of our students' achievements from the past year:

- In October, a team of CFWI culinary students won the Canadian Culinary Championships to become Team Canada and represent our country at the 2014 World Culinary Championships in Luxembourg, the 2015 World Culinary Championships in Singapore and the 2016 Olympic Culinary Championships in Germany;
- Niagara College swept the podium in the pastry competition at the Ontario Technological Skills Competition with Krystine Parent taking the gold, Rebecca Schmitt the silver and Lisa Guira the bronze;
- A Niagara College Balance wine label, created by three Niagara College students Christina Testana, Alison Moore, Kristine Sigurdson and Jessica Mucciante, won gold at the Ontario Wine Awards;
- Tyler Merkus, Vaishnav Mayekar and Jesse Greene received Ontario Volunteer Service Awards from the Ministry of Citizenship and Immigration;
- Second-year Practical nursing student Meaghan Friesen won a Simulation Student Award from the Simulation Ontario Network;
- A record 26 Niagara College student-athletes were awarded the CCAA National Scholar Award.

### Student and Alumni Support

Affordability of post-secondary education continues to be a challenge for many students. Our Foundation Board and staff have had another successful year in raising funds to purchase equipment, support scholarships and provide financial aid.

Highlights this year include:

- Our fundraising goal of \$1 million was surpassed, as we raised \$1.13 million to support student success;
- The Foundation's two signature events, the Seafood Gala in April 2013 and the Golf Classic in September 2013 were a resounding success, raising \$134,000 and \$42,000 respectively;
- A total of \$705,000 from donations and special events was directed to funds for scholarships and bursaries, and student opportunity funds. Twenty-two new scholarships and bursaries were established, and eight new student opportunity funds were set up for study work abroad, out-of-area co-op placements, and other student activities;
- Niagara College graduates were kept informed through monthly e-newsletters and Encore magazine, and engaged through class visits, networking events, mentoring, recruitment and orientation activities.

Along with financial assistance, Niagara College is working hard to assist our graduates in entering the working world through internship opportunities.

This past year, the Graduate Enterprise Internship (GEI) allowed 89 Niagara College graduates in science, technology and engineering fields the opportunity to work with local and southern Ontario companies. Another 90 Niagara College graduates were able to participate in internships with companies in high demand sectors through the Career Focus program.

### **Strategic Priority: Leading Innovation and Research**

#### International Expansion

Niagara College continued this year to look at expansion opportunities in new international markets to augment our 1,800 international students from more than 75 countries.

Here in Niagara, our Niagara Falls campus was renovated to update the facilities to expand enrolment opportunities for graduate studies, primarily focused on international students in Spring 2014. The campus enrolment is set to strategically increase over the next two years, and will be targeted to international graduate programs. There are over 100 students at the campus in existing programs with new intakes of graduate programs planned.

Niagara College successfully competed against twenty international education institutions to be selected to run a hospitality, culinary, tourism and business-focused campus in Taif, Saudi Arabia. We are currently working on arrangements to receive approval to begin offering courses at the newly constructed campus as early as this August.

## Applied Research

As one of the 3-pillars of our new Strategic Plan, Applied Research plays an increasing role of importance at Niagara College. This year, 42 Academic Programs provided an applied research component in the curriculum with more than 1,280 students involved. In addition, 127 companies accessed Niagara Research services, including 72 companies through 84 research projects.

This past year saw several accomplishments and recognition for Niagara College's expanding applied research programs:

- Federal government funding for a Technology Access Centre (TAC) for Advanced Manufacturing at Niagara College. The 5-year funding of \$1.75 million will allow Niagara College to acquire state-of-the-art equipment and technical staff;
- A commitment by the provincial government to construct a 18,000 square foot facility at our Welland Campus as the new home of the Industry Innovation Centre (IIC@N) to house the Technology Access Centre for Advanced Manufacturing;
- Ranked 14<sup>th</sup> on the list of Top 50 Research Colleges in Canada and #4 in Ontario;
- The commercial production of a non-alcoholic beer designed by students and faculty for MADD Virgin Drinks. The beer, in a can designed by Niagara College students, will be sold in over 5,000 retail outlets in North America including Sobeys and Shoppers Drug Mart in Canada and Walgreens in the United States;
- Presentation of our food sciences and precision agriculture research to the Senate Committee on Agriculture and Forestry and the House of Commons Committee on Agriculture and Agri-Business.

## **Strategic Priority: Operational Excellence**

### Program Quality

Delivering quality education which responds to ever-changing economic and workforce demands is a hallmark for Niagara College. The following three KPIs confirm that Niagara College is addressing the needs of students and employers:

- Over 85% of students are employed six months after graduation;
- Graduate satisfaction up to 79.7%; and
- 89.8% of employers reported being satisfied with their college grad hire.

### Enrolment Management

Niagara College continued to see enrolment growth in 2013/14. Our record enrolment of 9,085 full-time post-secondary students in Fall 2013 was a 5.9% increase over the previous year and higher than the provincial college average. Total enrolment including apprenticeship and ESL was over 10,000 students.

Evidence of our broad-based approach to recruitment was highlighted in March, when we welcomed over 7,000 visitors to our Spring Open House at the Niagara-on-the-Lake and Welland campuses.

Along with domestic recruitment, Niagara College has seen a significant increase in international student enrolment. This fall, we welcomed over 1,262 international students from more than 70 countries into post-secondary programs, representing a 6% increase in students from Fall 2013.

The growth in international student enrolment and expanded in-country and overseas contract training has resulted in record international revenue of over \$24 million, significantly supporting the College's strategic plan.

### People Strength

It is crucial to student success to ensuring our staff and faculty are engaged with the College's vision and dedicated to provide superior service.

This year saw Niagara College participate in its fourth Employee Climate Survey through Metrics@Work. While only a handful of Ontario colleges undertake an employee climate survey, we believe it is a key factor in maintaining a healthy organization that is committed to continuous improvement. It allows us to see what is working and where we need to improve.

This year's results were shared with staff during our annual Day of Reflection in last April. The Day of Reflection also allowed staff to expand on the survey's themes and discuss areas they believe are important to the College's success and their success in performing jobs.

### Financial Strength

In financial performance, Niagara College continues to rank amongst the top tier of Ontario Colleges and is a leader amongst the medium size colleges in Ontario. Our ability to invest in quality education initiatives can be attributed to our history of prudent financial management, a strong cash balance and low debt costs as compared to the other colleges.

In 2013/14, we closed the year with an operating surplus of \$5.7 million, a significant improvement on our balanced budget and a surplus increase of \$1.4 million from 2012/13. The surplus is the result of continued growth in domestic and international enrolment, continued growth in international contract training, efficiencies in academic delivery and responsible financial management.

We continued with our revenue diversification strategy with growth in international sourced revenue including contracts in Brazil, Chile, China, Libya, South Korea, Philippines, and Saudi Arabia.

### Preparing for the Future

With the implementation of the College's 2013-2016 Strategic Plan last spring, the College turned its attention this year to two new projects to assist with long range planning: TransformNC and Capital Vision 2016.

#### *Transform NC: Integrated Planning Process for Niagara College Programs and Services*

The project is driven by our growing enrolment and evolving economy, and the MTCU differentiation framework requiring post-secondary institutions to establish clear areas of specialization. As we look to the future there is a need to ensure that we can strengthen what we are doing well, focus on where to invest, and reinvent or improve areas where challenges have been identified that may impede our students' success and overall experiences at the College.

#### *Capital Expansion and Capital Vision 2016:*

In 2013/14, the College completed the brewery expansion, Segal International Centre expansion at the Welland Campus and roof replacement at the Maid of the Mist campus.

The next step for Capital Vision 2016 is preparing to engage architects to assist in designing Master Plans for the Welland and Niagara-on-the-Lake campuses to explore the opportunity to construct:

- An expansion to the CFWI building to include specialty labs;
- A new gym and fitness complex at the Niagara-on-the-Lake campus;
- A new fitness complex and all season outdoor playing field at the Welland Campus;
- Enhanced Learning Commons and Student Services space at both campuses;
- Additional learning space at the Welland Campus.

We are also preparing to construct an 18,000 square foot expansion to the Rankin Technology Centre to house our Technology Access Centre for Advanced Manufacturing.

Along with working on TransformNC and Capital Vision 2016 over the past year, MTCU required each Ontario College and University to submit a Strategic Mandate Agreement.

Our Strategic Mandate Agreement outlines three main strategies:

- 1) Expand the program and applied research base of the Canadian Food and Wine Institute to position Niagara College as the premier college in Canada for culinary, food and fermentation sciences;
- 2) Support the re-building of the Niagara Region's advanced manufacturing base through new and enhanced programs and research support to small and medium enterprises (SMEs); and
- 3) Expand our cluster of regionally focused programs to provide support to employers and access to students.

These initiatives provide the College's vision for the next decade allowing us to communicate our priorities to staff, students, stakeholders and all levels of government.

#### National/International Recognition

This year saw numerous opportunities to showcase the amazing skills of our faculty, staff and students.

The Niagara-on-the-Lake campus was the site of the welcoming reception for the Council of Federation annual meetings in July at our Niagara-on-the-Lake campus. Along with the premiers from each of Canada's provinces and territories, more than 100 members of the media visited our campus on July 24<sup>th</sup>.

Other important recognitions this year include:

- The Rankin Technology Centre joined the Wine Visitor & Education Centre as our second Carbonzero Certified building;
- Achieved a STARS Bronze Rating from the Association for the Advancement of Sustainability in Higher Education (AASHE) in recognition of Niagara College's sustainability achievements. The program measures sustainability in three areas: education and research; operations; and planning, administration and engagement;
- Environmental Careers Organization (ECO) Canada has listed Niagara College among the top organizations in Canada that demonstrate environmental leadership;
- Niagara College Dental Hygienist professor, Jennifer Turner, was awarded the Canadian Dental Hygiene Association (CDHA) "Excellence in Teaching Award";
- Kevin Somerville, a brewmaster instructor, won the Ontario Craft Brewers Education Leadership Award.

#### Community Leadership

Community involvement and leadership have been core strengths of the Niagara College team. On every sector of our economy and various agencies, faculty and staff are involved on community boards and within the community. In addition, Niagara College officials and governors participate in college-sector activities.

Last year, the Niagara College Community was generous in the raising a record amount of \$38,830 for the United Way. Our Events Management students through the Many Hands project raised more than \$37,000 for the Vineland-based charity Upper Hands exceeding their goal of \$12,500. In addition, students in our Renovation Technician - Construction programs renovated the Upper Hands' facilities with new paint, new flooring to the upper level, new kitchen cabinets and counters in the kitchen and snack bar area, concrete repairs, updates to washrooms facilities, a complete redesign of the basement, and the addition of a storage shed for sporting equipment.

Students in our Construction Techniques and Electrical Techniques programs continued our tradition of building a house in Welland for Habitat for Humanity.

Along with giving back through time and fundraising, our campuses are important meeting places for the Niagara community. This past year saw several opportunities to open our doors to the community and visitors including:

- A Canadian Manufacturers and Exporters roundtable with local manufacturers;
- Canadian Municipal leaders from the Federation of Canadian Municipalities;
- Trade Commissioner at Canadian Consulate General in New York;
- Welland Economic Development Committee; and
- Emergency Management workshop with local first responders.

In reflecting on the past year, I would like to acknowledge the extraordinary high performance teams that we have here at Niagara College who are totally committed to the College vision of enriching the lives and fulfilling dreams of our students.

A handwritten signature in black ink, appearing to read "Dan Patterson".

Dan Patterson, Ph.D.  
President  
Niagara College

## VISION

Enriching lives and fulfilling dreams

## MISSION

Providing outstanding applied learning for a changing world

## OUR VALUES

Our values form the guiding principles of all that we do – for our students, our employers, and our communities.

At Niagara College, we are:

- ❖ Student-Focused
- ❖ Locally and Globally Connected
- ❖ Innovative
- ❖ Committed to Excellence
- ❖ Respectful and Inclusive

## 2013-2014 College Goals (Final Report)

| 2013/14<br>PERFORMANCE GOALS                             | METRICS/MEASUREMENT                                                                                                                                                                                             | STATUS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key Objective 1:</b>                                  |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 1. Unparalleled Student Experience and Satisfaction:     |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 1.1 Prepare graduates who are world-ready and work-ready | <ul style="list-style-type: none"> <li>Provincial Key Performance Indicator (KPI) and College Performance Indicator (CPI) results meet or exceed College standards</li> </ul>                                   | The chart below provides Niagara College's 2013-14 results in comparison to the provincial average and our College standards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                          | <ul style="list-style-type: none"> <li>Develop Strategic Agenda Report on Program Quality</li> </ul>                                                                                                            | Program Reviews and Reports completed in accordance with Board policy. No major program concerns identified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 1.2 Increase access and learning pathways                | <ul style="list-style-type: none"> <li>Report on Improved Pathways, including credit transfer/advanced standing changes and enhancements</li> </ul>                                                             | <p>Presented at the June 2013 Board of Governors' meeting.</p> <p>Highlights included:</p> <ul style="list-style-type: none"> <li>Niagara College currently has degree articulation agreements with 44 institutional partners including 9 agreements with Brock University.</li> <li>Currently working with the following Ontario universities on developing pathway projects/agreements: Laurier, University of Toronto, Waterloo, Lakehead, Western and Guelph.</li> <li>Niagara College will be focusing on international articulations for certain programs including the CFWI.</li> </ul> |
|                                                          | <ul style="list-style-type: none"> <li>Review the number of joint program offerings with partner post-secondary institutions including Brock University and establish benchmarks for Niagara College</li> </ul> | Niagara College has four joint program offerings with Brock University and two with Waterloo.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| 2013/14<br>PERFORMANCE GOALS               | METRICS/MEASUREMENT                                                                                                               | STATUS                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            |                                                                                                                                   | Niagara College and Brock are awaiting ministry approval to present a joint gaming program.                                                                                                                                                                                                                                                                                     |
| 1.3 Enhance Services for Students          | <ul style="list-style-type: none"> <li>The development of an integrated and enhanced services model plan</li> </ul>               | <p>In progress.</p> <p>Service clusters have been identified and an analysis of staffing and business implications is on-going.</p> <p>Next steps include:</p> <ul style="list-style-type: none"> <li>Introducing a new electronic case management system.</li> <li>Finalizing the new Student Services area redesign and expansion included in Capital Vision 2016.</li> </ul> |
| 1.4 Build Student Engagement and Retention | <ul style="list-style-type: none"> <li>Meet or surpass benchmarks in Retention Rates and Grad Rate (see CPI standards)</li> </ul> | <p>Achieved.</p> <p>Niagara College's Graduation Rate of 66% exceeded our standard of 60%.</p> <p>Niagara College's Retention Rate of 84.4% exceeded our standard of 75%.</p>                                                                                                                                                                                                   |
|                                            | <ul style="list-style-type: none"> <li>20% increase of participants in Campus Recreation offerings</li> </ul>                     | <p>Achieved.</p> <p>39% increase in participants in Campus Recreation offerings.</p>                                                                                                                                                                                                                                                                                            |
|                                            | <ul style="list-style-type: none"> <li>10% increase in students active in co-curricular events and activities</li> </ul>          | <p>Achieved.</p> <p>30% increase in students active in co-curricular events and activities.</p>                                                                                                                                                                                                                                                                                 |

| 2013/14<br>PERFORMANCE GOALS                                                          | METRICS/MEASUREMENT                                                                                                          | STATUS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key Objective 2:</b>                                                               |                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2. Leading Innovation and Research:                                                   |                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 2.1 Establish the Canadian Food and Wine Institute as a national centre of excellence | <ul style="list-style-type: none"> <li>Successful launch of the Baking and Pastry Arts 1 year certificate program</li> </ul> | <p>Achieved.</p> <p>Baking and Pastry program was successfully launched in September 2013.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                       | <ul style="list-style-type: none"> <li>CFWI Capital expansion plan to support projected growth</li> </ul>                    | <p>Achieved.</p> <p>As part of the Capital Vision 2016 plan presented to the Board of Governors, an expansion to the CFWI culinary building has been proposed.</p>                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                       | <ul style="list-style-type: none"> <li>Report on CFWI Research Centre results</li> </ul>                                     | <p>Presented at the April 2014 Board of Governors' meeting, highlighting our work with local food and beverage producers to develop new products such as:</p> <ul style="list-style-type: none"> <li>carbonated drinks for NEOB Botanical Beverages (a local company);</li> <li>sweet preserves paired with Greek yoghurt for Colossus of Rhodes;</li> <li>non-alcoholic beer for MADD Virgin Drinks (set to reach the shelves of 5,000 retailers in North America this month, with license fees to Niagara College)</li> </ul> |
| 2.2 Innovation in applied education through "Learning Enterprises"                    | <ul style="list-style-type: none"> <li>Report on Learning Enterprises for 2013-14</li> </ul>                                 | <p>Presented at the June 2014 Board of Governors' meeting, highlighting activities undertaken by NCLEC to support College activities and generating a net positive financial position.</p>                                                                                                                                                                                                                                                                                                                                      |
|                                                                                       | <ul style="list-style-type: none"> <li>Review of current and future Learning Enterprise opportunities</li> </ul>             | <p>In progress.</p> <p>Review on-going with results to be presented at a 2014-15 Board of Governors' meeting. Niagara College has expanded its Learning Enterprise opportunities with the opening of a Fitness Testing facility at Welland Campus.</p>                                                                                                                                                                                                                                                                          |

| 2013/14<br>PERFORMANCE GOALS                                                   | METRICS/MEASUREMENT                                                                                                                                                                                                                                                                                                                  | STATUS                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.3 Infuse innovation and applied research to support transitioning industries | <ul style="list-style-type: none"> <li>Report on Applied Research, including growth in number of SMEs and number of students involved</li> </ul>                                                                                                                                                                                     | <p>Report presented at the April Board of Governors meeting confirming in 2013/14:</p> <p>42 Academic Programs provided an applied research component in curriculum for more than 1,280 students</p> <p>127 companies accessed Niagara Research services including 72 companies through 84 research projects.</p>                                                                       |
|                                                                                | <ul style="list-style-type: none"> <li>Implementation of Industry Innovation Centre for Advanced Manufacturing</li> </ul>                                                                                                                                                                                                            | <p>The Provincial government has committed funding to construct a 18,000 sq. ft. centre on the Welland Campus. Construction is scheduled to begin in late 2014/early 2015.</p> <p>The Federal government has awarded Niagara College with Technology Access Centre (TAC) funding of \$350,000 annually for five years to assist with acquiring new IIC@N staff and equipment.</p>       |
| 2.4 Leadership in Regional Economic Development                                | <ul style="list-style-type: none"> <li>NC representatives for linkages to key industry and economic development organizations identified</li> </ul>                                                                                                                                                                                  | <p>Niagara College officials are represented on several key industry and economic development organizations including:</p> <ul style="list-style-type: none"> <li>Greater Niagara Chamber of Commerce</li> <li>Niagara Region Economic Development Advisory Council</li> <li>Welland Development Committee</li> <li>Niagara Industrial Association</li> <li>Innovate Niagara</li> </ul> |
|                                                                                | <ul style="list-style-type: none"> <li>Analysis of expert reports, including Niagara Region's Economic Growth Strategy 2013-15 and the Greater Niagara Chamber of Commerce's Blueprint for Economic Growth and Prosperity, to determine new program opportunities to assist the Region's needs in a transitioning economy</li> </ul> | <p>The reports list the following as key areas for our transitioning economy with responding new program opportunities being explored by Niagara College:</p>                                                                                                                                                                                                                           |

| 2013/14<br>PERFORMANCE GOALS                  | METRICS/MEASUREMENT                                                                                                                       | STATUS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               |                                                                                                                                           | <p>Manufacturing: setting up our Technology Access Centre in the new 18,000 sq ft expansion to increase student access to technologies to assist local manufacturers with applied research; program development being explored in Industrial Automation and Business Development Management.</p> <p>Agribusiness: Establishing our food research labs; program development being explored in Distillation &amp; Fermentation Science Research and Product Development &amp; Food Research.</p> <p>Tourism: program development being explored in Parks Management.</p> <p>Transportation: program development being explored in Global Logistics &amp; Value Chain Management.</p> <p>Health &amp; Wellness: program development in being explored in Gerontology, Massage Therapy and Medical Esthetics.</p> |
| <b>Key Objective 3:</b>                       |                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3. Operational Excellence:                    |                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3.1 Attract, retain and develop a strong team | <ul style="list-style-type: none"> <li>Successful recruitment and on boarding plan to achieve HR's targets for staff vacancies</li> </ul> | <p>Niagara College successfully recruited 70 faculty and staff in 2013-14.</p> <p>Niagara College is aiming to hire 75 faculty and staff in 2014-15.</p> <p>A draft orientation/on boarding strategy has been developed. To assist in recruitment, a second recruiter has been hired.</p> <p>Also, a new Applicant Tracking System (ATS) has been selected to enhance the applicant</p>                                                                                                                                                                                                                                                                                                                                                                                                                       |

| 2013/14<br>PERFORMANCE GOALS | METRICS/MEASUREMENT | STATUS                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              |                     | <p>and hiring manager experience, and to provide added functionality in the recruitment and selection process. The system will be implemented by September 2014.</p> <p>Human Resources has developed a new People Plan which is intended to be a roadmap to ensure the College continues to have qualified and engaged staff available for all positions in future years and is prepared for future growth.</p> |

**APPENDIX A**

**NIAGARA COLLEGE**

**KEY PERFORMANCE STANDARDS**

**Item 1.1 – Quality Indicators**

| <b>PROVINCIAL KPIS</b> |                         |                        |                         |                        |
|------------------------|-------------------------|------------------------|-------------------------|------------------------|
| <b>INDICATOR</b>       | <b>NIAGARA STANDARD</b> | <b>NIAGARA 2013/14</b> | <b>PROVINCE 2013/14</b> | <b>NIAGARA 2012/13</b> |
| Student Satisfaction   | 80%                     | <b>81.7</b>            | 76.3                    | <b>85.4</b>            |
| Graduate Employment    | 85%                     | <b>85.4</b>            | 83.4                    | <b>85.2</b>            |
| Graduate Satisfaction  | 80%                     | <b>79.7</b>            | 80.1                    | <b>81.1</b>            |
| Employer Satisfaction  | 90%                     | <b>89.8</b>            | 92.2                    | <b>92.3</b>            |
| Graduation Rate        | 60%                     | <b>66.0</b>            | 65.4                    | <b>65.8</b>            |

| <b>INDICATOR</b>              | <b>NIAGARA STANDARD</b> | <b>NIAGARA 2013/14</b> | <b>NIAGARA 2012/13</b> |
|-------------------------------|-------------------------|------------------------|------------------------|
| Retention Rate (Yr 1 to Yr 2) | 75%                     | <b>84.4</b>            | <b>82.6</b>            |
| Work Placement Rate*          | 95%                     | <b>90.0</b>            | <b>90.0</b>            |
| Program and Learning Quality  | 90%                     | <b>85.2</b>            | <b>88.3</b>            |
| Service and Facility Quality  | 80%                     | <b>78.3</b>            | <b>82.5</b>            |

\*Work Placement Rate refers to the co-op employment rate. Factors outside of the college's influence, such as the economy, affect this rate.

## **APPENDIX B**

### **AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2014**

Consolidated Financial Statements of

**NIAGARA COLLEGE OF APPLIED ARTS  
AND TECHNOLOGY**

Year ended March 31, 2014



**KPMG LLP**  
**Chartered Accountants**  
80 King Street, Suite 620  
PO Box 1294 Stn Main  
St. Catharines ON L2R 7A7

Telephone (905) 685-4811  
Fax (905) 682-2008  
[www.kpmg.ca](http://www.kpmg.ca)

## **NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

Consolidated Financial Statements

Year ended March 31, 2014, with comparative figures for 2013

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| Index                                                          | Page |
|----------------------------------------------------------------|------|
| Independent Auditors' Report .....                             | 2    |
| Consolidated Statement of Financial Position .....             | 4    |
| Consolidated Statement of Operations .....                     | 6    |
| Consolidated Statement of Changes in Net Assets .....          | 7    |
| Consolidated Statement of Cash Flows .....                     | 8    |
| Consolidated Statement of Remeasurement Gains and Losses ..... | 9    |
| Notes to Consolidated Financial Statements .....               | 10   |
| Consolidated Analysis of Revenue .....                         | 26   |
| Consolidated Analysis of Expenditures .....                    | 27   |



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## INDEPENDENT AUDITORS' REPORT

To the Members/Trustees

We have audited the accompanying consolidated financial statements of Niagara College of Applied Arts and Technology on, which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of operations, remeasurement gain and losses, changes in net assets and cash flows for the year ended March 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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



*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Niagara College of Applied Arts and Technology on as at March 31, 2014, its results of consolidated operations, its consolidated remeasurement gains and losses, its consolidated changes in net assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

June 12, 2014  
St. Catharines, Canada

Year ended March 31, 2014, with comparative figures for 2013

4

# **NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

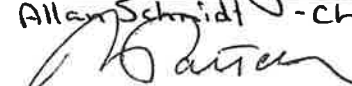
## **Consolidated Statement of Financial Position**

Year ended March 31, 2014, with comparative figures for March 31, 2013

|                                                    | March 31,<br>2014     | March 31,<br>2013     |
|----------------------------------------------------|-----------------------|-----------------------|
| <b>Liabilities and Net Assets</b>                  |                       |                       |
| Current liabilities:                               |                       |                       |
| Accounts payable and accrued liabilities           | \$ 10,682,210         | \$ 11,125,377         |
| Accrued payroll and employee deductions            | 6,391,156             | 6,764,766             |
| Accrued vacation                                   | 4,112,219             | 3,393,322             |
| Deferred revenue:                                  |                       |                       |
| Specific purpose grants deferred and repayable     | 2,504,123             | 2,137,802             |
| Tuition and related fees                           | 13,399,061            | 11,032,054            |
| Other                                              | 2,224,379             | 1,426,645             |
| Current portion of long-term debt (note 6)         | 1,673,040             | 662,572               |
|                                                    | <u>40,986,188</u>     | <u>36,542,338</u>     |
| Long-term debt (note 6)                            | 7,467,373             | 9,140,413             |
| Employee future benefits (note 7)                  | 4,486,000             | 4,737,000             |
| Deferred contributions (note 8)                    | 2,572,058             | 1,718,253             |
| Deferred capital contributions (note 9)            | 105,846,450           | 109,493,399           |
| Interest rate swaps (note 8)                       | 1,773,621             | 2,323,318             |
| Net assets:                                        |                       |                       |
| Unrestricted                                       | 1,287,416             | 871,989               |
| Vacation and future employment benefits (note 7)   | (8,598,219)           | (8,130,322)           |
| Foundation                                         | 292,182               | 250,641               |
| Niagara Learning Enterprise Corporation            | 19,968                | (12,157)              |
|                                                    | <u>(6,998,653)</u>    | <u>(7,019,849)</u>    |
| Internally restricted for future expense (note 10) | 14,100,000            | 6,100,000             |
|                                                    | <u>7,101,347</u>      | <u>(919,849)</u>      |
| Endowments                                         | 12,743,376            | 12,556,773            |
| Investment in capital assets (note 11)             | 36,812,292            | 39,116,410            |
|                                                    | <u>56,657,015</u>     | <u>50,753,334</u>     |
| Accumulated remeasurement gains                    | (1,773,621)           | (2,323,318)           |
|                                                    | <u>54,883,394</u>     | <u>48,430,016</u>     |
| Contingent liabilities (note 12)                   |                       |                       |
|                                                    | <u>\$ 218,015,084</u> | <u>\$ 212,384,737</u> |

See accompanying notes to consolidated financial statements.

Approved by the Board

  
 Allan Schmidt - Chair  
  
 Governor

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Operations

Year ended March 31, 2014, with comparative figures for 2013

|                                                                  | 2014          | 2013          |
|------------------------------------------------------------------|---------------|---------------|
| Revenue:                                                         |               |               |
| Grants and reimbursements                                        | \$ 60,466,064 | \$ 58,846,279 |
| Student tuition and fees                                         | 54,008,028    | 49,068,177    |
| Ancillary operations                                             | 10,169,074    | 9,617,900     |
| Other                                                            | 11,326,379    | 9,331,312     |
| Amortization of deferred contributions related to capital assets | 5,835,426     | 5,662,286     |
| Total revenue                                                    | 141,804,971   | 132,525,954   |
| Expenses:                                                        |               |               |
| Salaries and benefits                                            | 85,018,243    | 81,247,410    |
| Non-salary expenditures                                          | 37,213,208    | 34,861,063    |
| Flow through funds to third parties                              | 5,368,139     | 4,015,859     |
| Amortization of capital assets                                   | 8,488,303     | 8,108,890     |
| Total expenses                                                   | 136,087,893   | 128,233,222   |
| Excess of revenue over expenses                                  | \$ 5,717,078  | \$ 4,292,732  |

See accompanying notes to consolidated financial statements.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 2014, with comparative figures for 2013

| Year ended March 31, 2014                                  | Unrestricted | Vacation<br>and future<br>employee<br>benefits | Internally<br>restricted<br>for future<br>expense | Foundation | Niagara<br>Learning<br>Enterprise<br>Corporation | Endowments    | Investment<br>in capital<br>assets | Total         |               |
|------------------------------------------------------------|--------------|------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------|---------------|------------------------------------|---------------|---------------|
|                                                            |              |                                                |                                                   |            |                                                  |               |                                    | 2014          | 2013          |
| Net assets, balance beginning<br>of year                   | \$ 871,989   | \$ (8,130,322)                                 | \$ 6,100,000                                      | \$ 250,641 | \$ (12,157)                                      | \$ 12,556,773 | \$ 39,116,410                      | \$ 50,753,334 | \$ 45,891,826 |
| Excess of revenue over expenses<br>(expenses over revenue) | 764,187      | (467,897)                                      | 8,000,000                                         | 41,541     | 32,125                                           | -             | (2,652,878)                        | 5,717,078     | 4,292,732     |
| Endowments                                                 | -            | -                                              | -                                                 | -          | -                                                | 186,603       | -                                  | 186,603       | 568,776       |
| Net change in<br>Investment in capital assets              | (348,760)    | -                                              | -                                                 | -          | -                                                | -             | 348,760                            | -             | -             |
| Balance, end of year                                       | \$ 1,287,416 | \$ (8,598,219)                                 | \$ 14,100,000                                     | \$ 292,182 | \$ 19,968                                        | \$ 12,743,376 | \$ 36,812,292                      | \$ 56,657,015 | \$ 50,753,334 |

See accompanying notes to consolidated financial statements.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Cash Flows

Year ended March 31, 2014, with comparative figures for 2013

|                                                                  | 2014          | 2013          |
|------------------------------------------------------------------|---------------|---------------|
| Cash provided by (used in):                                      |               |               |
| Operations:                                                      |               |               |
| Excess of revenue over expenses                                  | \$ 5,717,078  | \$ 4,292,732  |
| Items not involving cash:                                        |               |               |
| Amortization of deferred contributions related to capital assets | (5,835,426)   | (5,662,286)   |
| Amortization of capital assets                                   | 8,488,303     | 8,108,890     |
| Change in employee future benefits                               | (251,000)     | (240,000)     |
| Change in accrued vacation                                       | 718,897       | (9,614)       |
| Change in non-cash operating working capital:                    |               |               |
| Accounts receivable                                              | (910,536)     | (1,195,592)   |
| Inventories                                                      | (103,639)     | (141,754)     |
| Prepaid expenses and other assets                                | 276,934       | (374,776)     |
| Accounts payable and accrued liabilities                         | (443,167)     | (740,157)     |
| Accrued payroll and employee deductions                          | (373,610)     | 739,054       |
| Deferred revenue                                                 | 3,531,262     | 1,640,052     |
|                                                                  | 10,815,096    | 6,416,549     |
| Capital activities:                                              |               |               |
| Purchase of capital assets                                       | (5,631,287)   | (4,836,192)   |
| Deferred capital contributions                                   | 2,188,477     | 1,515,078     |
|                                                                  | (3,442,810)   | (3,321,114)   |
| Investing activities:                                            |               |               |
| Purchase of long-term investments                                | (155,566)     | (615,513)     |
| (Purchase)/Disposal of short-term investments                    | 7,207,305     | (15,707,305)  |
|                                                                  | 7,051,739     | (16,322,818)  |
| Financing activities:                                            |               |               |
| Long-term receivables                                            | 745,401       | 2,359,136     |
| Deferred contributions                                           | 853,805       | 343,701       |
| Endowments                                                       | 186,603       | 446,718       |
| Principal payments on long-term debt                             | (662,572)     | (623,584)     |
|                                                                  | 1,123,237     | 2,525,971     |
| Increase (decrease) in cash                                      | 15,547,262    | (10,701,412)  |
| Cash, beginning of year                                          | 22,867,071    | 33,568,483    |
| Cash, end of year                                                | \$ 38,414,333 | \$ 22,867,071 |
| Cash is represented by:                                          |               |               |
| Cash                                                             | \$ 36,102,767 | \$ 21,368,697 |
| Cash - restricted                                                | 2,311,566     | 1,498,374     |
|                                                                  | \$ 38,414,333 | \$ 22,867,071 |

See accompanying notes to consolidated financial statements.

## NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

### Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2014, with comparative figures for 2013

|                                                          | 2014           | 2013           |
|----------------------------------------------------------|----------------|----------------|
| Accumulated remeasurement gain (loss), beginning of year | \$ (2,323,318) | \$ (2,526,962) |
| Unrealized gains attributable to:                        |                |                |
| Derivatives – interest rate swap                         | 549,697        | 203,644        |
| Net remeasurement gain (loss) for the year               | 549,697        | 203,644        |
| Accumulated remeasurement gains at end of year           | \$ (1,773,621) | \$ (2,323,318) |

See accompanying notes to consolidated financial statements.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to Consolidated Financial Statements

Year ended March 31, 2014

---

Niagara College of Applied Arts and Technology (the "College") is an Ontario College established as a Community College under The Department of Education Act of the Province of Ontario. The College is a registered charity and is exempt from income taxes under the Income Tax Act.

### **1. Significant accounting policies and disclosure:**

#### **(a) Basis of presentation:**

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of Niagara College of Applied Arts and Technology ("the College"), its wholly owned subsidiaries, Niagara Learning Enterprise Corporation and Niagara College Foundation. All inter-organization assets, liabilities, revenues and expenditures have been eliminated.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

#### **(b) 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. Long-term receivables for capital assets are recorded as an asset in the accompanying consolidated financial statements when the amount to be received can be reasonably estimated and collection is reasonably assured. Long-term receivables include donations and a commitment from students for capital assets.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

---

## 1. Significant accounting policies and disclosure (continued):

### (b) Revenue recognition (continued):

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 increases in endowment net assets.

### (c) Short term investments:

Short terms investments include guaranteed investment certificates with a term of less than one year. Short term investments are recorded at cost.

### (d) Inventories:

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

### (e) Financial instruments:

All financial instruments are initially recorded on the consolidated statement of financial position at fair value.

All investments held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value, unless the investment income is externally restricted, are recognized in the consolidated statement of remeasurement gains and losses until they are realized, when they are transferred to the consolidated statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the consolidated statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the consolidated statement of operations.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

---

## 1. Significant accounting policies and disclosure (continued):

### (e) Financial instruments (continued):

Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

|         |                                                                                                                                                                      |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities                                      |
| Level 2 | Fair value measurements are those derived market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly |
| 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      |

### (f) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market 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                  | 10 years                                       |
| Buildings                          | 40 years                                       |
| Building betterments               | 10-20 years                                    |
| Major equipment (value > \$25,000) | 10 years                                       |
| Leased Assets                      | Evenly over the life of the lease or the asset |
| Furniture and equipment            | 5 years                                        |
| Information Technology             | 3-5 years                                      |
| Vehicles                           | 5 years                                        |
| Computer software                  | 3-5 years                                      |

---

Construction costs are capitalized as work progresses and amortization commences as work is substantially completed.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

---

## 1. Significant accounting policies and disclosure (continued):

### (g) Employee future benefits:

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.

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

### (h) Measurement uncertainty:

The preparation of the consolidated financial statements in conformity with 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 dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, valuation allowances for receivables, valuation of derivative financial instruments, and assets and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

### (i) Student organizations:

These consolidated financial statements do not reflect the assets, liabilities and results of operations of the Niagara College Student Administrative Council.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 2. Accounts receivable:

|                                             | 2014                | 2013                |
|---------------------------------------------|---------------------|---------------------|
| Post secondary and other grants recoverable | \$ 2,448,819        | \$ 2,368,404        |
| Student receivables                         | 1,615,735           | 1,358,540           |
| Other                                       | 2,187,247           | 1,614,321           |
|                                             | <u>\$ 6,251,801</u> | <u>\$ 5,341,265</u> |

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 for the year ended March 31, 2014. Any adjustment required would be expected to be accounted for as a charge or credit to revenue in the period in which adjustment occurs.

## 3. Investments:

|                                      | Fair value<br>Hierarchy | 2014                 | 2013                 |
|--------------------------------------|-------------------------|----------------------|----------------------|
| Investments Designated at Fair Value |                         |                      |                      |
| Fixed income                         | Level 2                 | \$ 9,324,146         | \$ 9,591,486         |
| Mutual Funds                         | Level 2                 | -                    | 263,208              |
| Equity Investments                   |                         |                      |                      |
| Common Shares                        | Level 1                 | 3,372,324            | 537,618              |
| Mutual Funds                         | Level 1                 | 236,088              | 2,384,680            |
|                                      |                         | <u>\$ 12,932,558</u> | <u>\$ 12,776,992</u> |

## 4. Long-term receivables:

|                                         | 2014                | 2013                |
|-----------------------------------------|---------------------|---------------------|
| Student Centre receivables              | \$ 6,400,141        | \$ 7,145,542        |
| Current portion of long-term receivable | 916,500             | 880,750             |
|                                         | <u>\$ 5,483,641</u> | <u>\$ 6,264,792</u> |

Aggregate maturities of Long-term receivable for each of the five years subsequent to March 31, 2014, are as follows: 2015 - \$916,500; 2016 - \$955,500, 2017 - \$1,001,000, 2018 - \$783,250 and 2019 - \$832,000.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 4. Long-term receivables (continued):

Student Centre receivables:

Niagara College's Student Administrative Council (SAC) has entered into an agreement with the College to provide funding totaling \$10 million representing its commitment towards the total cost of the construction of the new Student Centre and Athletic building. The current amount receivable is \$6,400,141.

## 5. Capital assets:

| March 31, 2014           | Accumulated<br>Cost   | Net Book<br>Amortization | Net Book<br>Value    |
|--------------------------|-----------------------|--------------------------|----------------------|
| Land                     | \$ 3,881,762          | \$ -                     | \$ 3,881,762         |
| Site improvements        | 8,586,693             | 5,450,542                | 3,136,151            |
| Buildings                | 166,673,811           | 46,535,323               | 120,138,488          |
| Building betterments     | 18,389,698            | 11,057,457               | 7,332,241            |
| Furniture and equipment  | 70,401,284            | 61,612,260               | 8,789,024            |
| Resource centre          | 1,322,622             | 1,322,622                | -                    |
| Computer software        | 2,940,045             | 2,940,045                | -                    |
| Construction in progress | 134,251               | -                        | 134,251              |
|                          | <b>\$ 272,330,166</b> | <b>\$ 128,918,249</b>    | <b>\$143,411,917</b> |

| March 31, 2013           | Cost                  | Accumulated<br>Amortization | Net Book<br>Value     |
|--------------------------|-----------------------|-----------------------------|-----------------------|
| Land                     | \$ 3,881,762          | \$ -                        | \$ 3,881,762          |
| Site improvements        | 8,387,773             | 5,175,609                   | 3,212,164             |
| Buildings                | 165,720,342           | 42,433,029                  | 123,287,313           |
| Building betterments     | 15,263,611            | 10,045,926                  | 5,217,685             |
| Furniture and equipment  | 68,003,937            | 58,512,715                  | 9,491,222             |
| Resource centre          | 1,322,622             | 1,322,622                   | -                     |
| Computer software        | 2,940,045             | 2,940,045                   | -                     |
| Construction in progress | 1,178,787             | -                           | 1,178,787             |
|                          | <b>\$ 266,698,879</b> | <b>\$ 120,429,946</b>       | <b>\$ 146,268,933</b> |

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 6. Long-term debt:

|                                                                                                                                                                                                                                                                                                             | 2014         | 2013         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Swap loan for Glendale residence bearing interest at a variable rate, payable in monthly installments 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 which matures October 1, 2025 | \$ 4,981,804 | \$ 5,257,023 |
| Swap loan for Welland residence bearing interest at a variable rate, payable in monthly installments of approximately \$43,000 principal and interest, with balance payable at maturity. The interest rate has been fixed at 6.17% through an interest rate swap contract which matures December 1, 2021    | 3,106,009    | 3,413,606    |
| Swap loan for Glendale Vineyard bearing interest at a variable rate, payable in monthly installments of approximately \$11,000 principal and interest, with balance payable at maturity. The interest rate has been fixed at 4.70% through an interest rate swap contract which matures April 1, 2014       | 1,052,600    | 1,132,356    |
|                                                                                                                                                                                                                                                                                                             | 9,140,413    | 9,802,985    |
| Current portion of long-term debt                                                                                                                                                                                                                                                                           | 1,673,040    | 662,572      |
|                                                                                                                                                                                                                                                                                                             | \$ 7,467,373 | \$ 9,140,413 |

The security for the loans includes 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, 2014, are as follows: 2015 - \$1,673,040; 2016 - \$660,506; 2017 - \$703,172; 2018 - \$748,606 and 2019 - \$796,991.

The College has entered into interest rate swap agreements to manage the volatility of interest rates. The College converted a net notional of \$15.075 million of floating rate long-term debt relating to the two residences and the vineyard. The fixed rates received under the interest rate swaps range from 4.7% to 6.99%. The maturity dates of the interest rate swaps are the same as the maturity dates of the associated long-term debts ranging from 2015 to 2025.

The fair value of the interest rate swaps at March 31, 2014 are in a net unfavorable position of \$1,773,621 (2013 - \$2,323,318) which is recorded on the consolidated statement of financial position. The current year impact of the change in fair value of the interest rate swap is an increase (reduction) to the consolidated statement of remeasurement gains and loss of (\$549,697). The fair value of the interest rate swap is has been determined using Level 3 of the fair value hierarchy.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 7. Accrued vacation and employee future benefits:

Accrued vacation and employee future benefits comprise the following:

|                                | 2014         | 2013         |
|--------------------------------|--------------|--------------|
| Vacation and deferred salaries | \$ 4,112,219 | \$ 3,393,322 |
| Employee future benefits       |              |              |
| Sick leave                     | 3,632,000    | 3,841,000    |
| Other post-employment benefits | 854,000      | 896,000      |
|                                | 4,486,000    | 4,737,000    |
|                                | \$ 8,598,219 | \$ 8,130,322 |

### Vacation and Deferred Salaries

The accrual for vacation and deferred salaries represents the liability for earned but unpaid vacation entitlements and faculty salaries.

### Employee Future Benefits

#### Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by independent actuaries on behalf of the College System as a whole.

#### Non-Vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by independent actuaries on behalf of the College System as a whole.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 7. Accrued vacation and employee future benefits (continued):

Other employee future benefits

The College maintains defined benefit and defined contribution plans providing other retirement and employee future benefits to most of its employees.

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, 2014.

Information about the College's post employment benefits is as follows:

|                                   | 2014         | 2013         |
|-----------------------------------|--------------|--------------|
| Accrued benefit obligation        | \$ 4,054,000 | \$ 4,943,000 |
| Fair value of plan asset          | 140,000      | 133,000      |
| Funded status – plan deficit      | 3,914,000    | 4,810,000    |
| Unamortized actuarial gain (loss) | 572,000      | (73,000)     |
| Employee future benefit liability | \$ 4,486,000 | \$ 4,737,000 |

The accrued benefit obligations accrued at March 31, 2014 amounted to \$3,914,000 (2013 - \$4,810,000). The net unamortized actuarial gain (loss) is \$572,000 (2013 - \$(73,000)). Benefit plan interest and current service (costs) gain recorded in the year were \$311,000 (2013 - \$375,000) and the amortization of actuarial losses of \$12,000 (2013 - \$24,000). The benefits paid out in the year were \$574,000 (2013 - \$638,000). These amounts represent the results of the actuarial valuation completed in March 2014.

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligation include a discount rate of 2.70% (2013 – 2.10%). The average retirement age in the College System is assumed to be 7% per annum starting at eligibility for reduced pension, increasing to 40% per annum after reaching eligibility for unreduced pension, with the remainder at age 65.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 7. Accrued vacation and employee future benefits (continued):

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 | 2014                           | 2013                            |
|---------------------|--------------------------------|---------------------------------|
| Drug                | 9.0% (grading to 4.0% in 2026) | 10.5% (grading to 4.0% in 2026) |
| Hospital            | 4.0%                           | 4.0%                            |
| Other medical       | 4.0%                           | 4.0%                            |
| Dental              | 4.0%                           | 4.0%                            |

## 8. Deferred contributions:

|                      | 2014                | 2013                |
|----------------------|---------------------|---------------------|
| Awards and bursaries | \$ 1,520,640        | \$ 1,021,997        |
| Other                | 1,051,418           | 696,256             |
|                      | <b>\$ 2,572,058</b> | <b>\$ 1,718,253</b> |

## 9. Deferred capital 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 consolidated statement of operations.

|                                   | 2014                  | 2013                  |
|-----------------------------------|-----------------------|-----------------------|
| Balance, beginning of year        | \$ 109,493,399        | \$ 111,912,612        |
| Additional contributions received | 2,188,477             | 3,243,073             |
| Less amounts amortized to revenue | (5,835,426)           | (5,662,286)           |
|                                   | <b>\$ 105,846,450</b> | <b>\$ 109,493,399</b> |

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

|                                                                | 2014                  | 2013                  |
|----------------------------------------------------------------|-----------------------|-----------------------|
| Unamortized capital contributions used to purchase assets      | \$ 97,459,212         | \$ 97,349,538         |
| Unspent capital contributions included in Long-term receivable | 6,400,141             | 7,145,542             |
| Unspent capital contributions                                  | 1,987,097             | 4,998,319             |
|                                                                | <b>\$ 105,846,450</b> | <b>\$ 109,493,399</b> |

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 10. Restrictions on net assets:

The Board of Governors has approved a transfer of \$8,000,000 (2013 - \$2,710,000) to the internally restricted fund for future expenses.

The balance of \$14,100,000 (2013 - \$6,100,000) has been presented as net assets internally restricted for future expenses relating to WSIB of \$1,000,000 (2013 - \$1,000,000), Peoplesoft Upgrade of \$400,000 (2013 - \$300,000), Utilities of \$700,000 (2013 - \$400,000), International of \$2,800,000 (2013 - \$1,500,000) and future capital expenditures of \$9,200,000 (2013 - \$2,900,000)

## 11. Investment in capital assets:

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

|                                   | 2014           | 2013           |
|-----------------------------------|----------------|----------------|
| Capital assets                    | \$ 143,411,917 | \$ 146,268,933 |
| Amounts financed by:              |                |                |
| Unamortized capital contributions |                |                |
| used to purchase assets           | (97,459,212)   | (97,349,538)   |
| Long-term debt                    | (9,140,413)    | (9,802,985)    |
|                                   | \$ 36,812,292  | \$ 39,116,410  |

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

|                                        | 2014           | 2013           |
|----------------------------------------|----------------|----------------|
| Excess of expenses over revenue:       |                |                |
| Amortization of deferred contributions |                |                |
| related to capital assets              | \$ 5,835,426   | \$ 5,662,286   |
| Amortization of capital assets         | (8,488,303)    | (8,108,890)    |
|                                        | \$ (2,652,877) | \$ (2,446,604) |

|                                             | 2014         | 2013         |
|---------------------------------------------|--------------|--------------|
| Net change in investment in capital assets: |              |              |
| Purchase of capital assets                  | \$ 5,631,287 | \$ 4,836,192 |
| Amounts funded by deferred contributions    | (5,945,099)  | (3,683,642)  |
| Repayment of long-term debt on residence    | 582,816      | 547,483      |
| Repayment of long-term debt on Vineyard     | 79,756       | 76,101       |
|                                             | \$ 348,760   | \$ 1,776,134 |

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 12. Contingent liabilities:

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, 2014 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 consolidated financial statements in respect of the above litigation.

## 13. Financial instruments:

### Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The College is exposed to this risk relating to its cash and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$300,000 (2013 - \$300,000). The College holds a term deposit in the amount of \$8,500,000 that has been insured for the full value through Central One Credit Union.

The College's investment policy operates within the constraints of the investment guidelines issued by the MTCU and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of A or better, or corporate investments having a rating of A (R-1) or better. The maximum exposure to investment credit risk is outlined in Note 5.

Accounts receivable and long-term receivable are ultimately due from students. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population. 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.

Included in accounts receivable are student receivables in the amount of \$1,615,735 of which 56% is over 6 months. All other accounts receivables and long-term receivables are current. An amount of \$250,000 has been provided for an impairment allowance.

Student receivables not impaired are collectible based on the College's assessment and past experience regarding collection rates.

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.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 13. Financial Instruments (continued):

### 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 and equity risk.

The College's investment policy operates within the constraints of the investment guidelines issued by the MTCU. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize 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.

### Currency risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign College levels when adverse changes in foreign currency College rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

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.

### 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.

The College is exposed to this risk through its interest bearing investments, bank loans and term debt.

The College mitigates interest rate risk on its term debt through derivative financial instrument (interest rate swaps) that exchanges the variable rate inherent in the term debt for a fixed rate (see Note 8). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

The College's bond portfolio has interest rates ranging from 1.25% to 5.68% with maturities ranging from June 1, 2015 to June 02, 2023.

At March 31, 2014, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds and the interest rate swap of \$160,000 and \$488,000 respectively.

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.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## **13. Financial Instruments (continued):**

### Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2014, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of \$337,232.

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.

### 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 near-term if unexpected cash outflows arise.

Accounts payable are all current and the long-term debt terms of repayment are disclosed in Note 6.

Derivative financial liabilities mature as described in Note 6.

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. Pension plans:**

Employees of the College are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit plan for eligible employees public colleges and related employers in Ontario. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long term viability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2014 indicated an actuarial surplus of \$525 million. The College made contributions to the Plan and its associated retirement compensation arrangement of \$6,764,348 in 2014 (\$6,224,983 in 2013), which has been included in the consolidated statement of operations.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 15. Ontario Student Opportunity Trust Fund (OSOTF):

The Ontario Student Opportunity Trust Fund program was created to provide financial assistance to qualifying students from the investment income earned on these funds. Contributions to OSOTF ended on March 31, 2007. A new fund was created on April 1, 2007 called Ontario Trust for Student Support.

|                                    | Endowment<br>Fund | Expendable<br>Funds |
|------------------------------------|-------------------|---------------------|
| <u>Phase 1</u>                     |                   |                     |
| Fund balance, beginning of year    | \$ 988,010        | \$ 67,071           |
| Cash donations received            | -                 | -                   |
| Funds receivable from the Ministry | -                 | -                   |
| Funds received from the Ministry   | -                 | -                   |
| Investment income                  | -                 | 54,991              |
| Bursaries awarded (32 awards)      | -                 | (22,800)            |
| Fund balance, end of year          | \$ 988,010        | \$ 99,262           |

|                                                      | Endowment<br>Fund | Expendable<br>Funds |
|------------------------------------------------------|-------------------|---------------------|
| <u>Phase 2</u>                                       |                   |                     |
| Fund balance, beginning of year                      | \$ 1,542,196      | \$ 155,954          |
| Unmatched donations transferred to OTSS for matching | -                 | -                   |
| Cash donations received                              | -                 | -                   |
| Funds receivable from the Ministry                   | -                 | -                   |
| Funds received from the Ministry                     | -                 | -                   |
| Investment income                                    | -                 | 110,198             |
| Bursaries awarded (51 awards)                        | -                 | (39,100)            |
| Fund balance, end of year                            | \$ 1,542,196      | \$ 227,052          |

## 16. Ontario Trust for Student Support:

Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Trust for Student Support ("OTSS") matching program, to award student aid as a result of raising an equal amount of endowed donations. This fund was created on April 1, 2007. The following information relates to the Trust fund for year ended March 31, 2014.

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 16. Ontario Trust for Student Support (continued):

Schedule of Changes in Endowment Balance:

|                                      | 2014         | 2013         |
|--------------------------------------|--------------|--------------|
| Endowment balance, beginning of year | \$ 8,948,351 | \$ 8,777,027 |
| Cash donations received              | 138,694      | 171,324      |
| Funds receivable from the Ministry   | -            | -            |
| Endowment balance, end of year       | \$ 9,087,045 | \$ 8,948,351 |

Schedule of Changes in Expendable Funds Available for Awards:

|                                                                 | 2014       | 2013       |
|-----------------------------------------------------------------|------------|------------|
| Expendable funds available for awards, beginning of year        | \$ 384,715 | \$ 356,579 |
| Investment income eligible for expenditures                     | 424,257    | 191,736    |
| Bursaries awarded (208 awards)                                  | (167,825)  | (163,600)  |
| Expendable funds available for awards, end of year              | \$ 641,147 | \$ 384,715 |
| Cash donations matched between April 1, 2013 and March 31, 2014 | \$ -       | \$ -       |

## 17. Pledges:

Since pledges are not legally enforceable, they are recorded as revenue on a cash basis and accordingly are not recorded as assets in the consolidated financial statements. The total amount of pledges outstanding is approximately \$1,411,970 at March 31, 2014 (2013 - \$1,640,915) and is expected to be received as follows:

| (000's)    | 2014         |
|------------|--------------|
| 2015       | \$ 416,215   |
| 2016       | 340,690      |
| 2017       | 299,221      |
| 2018       | 278,370      |
| 2019       | 27,474       |
| Thereafter | 50,000       |
|            | \$ 1,411,970 |

## 18. Comparative Figures:

Certain 2013 comparative figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.

# **NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY**

## Consolidated Analysis of Revenue

Year ended March 31, 2014, with comparative figures for 2013

|                                                                  | 2014           | 2013           |
|------------------------------------------------------------------|----------------|----------------|
| Grants and reimbursements:                                       |                |                |
| General Purpose Operating Grant (GPOG)                           | \$ 41,366,205  | \$ 40,011,163  |
| Special purpose grants                                           | 3,817,909      | 3,440,103      |
| Research grants                                                  | 2,924,284      | 2,429,640      |
| Other provincial and federal funding                             | 2,784,426      | 3,129,629      |
| Employment Services Ontario<br>and Summer Jobs Service           | 2,575,881      | 2,295,137      |
| Apprenticeship training                                          | 2,353,903      | 3,463,016      |
| Services Canada                                                  | 1,909,212      | 477,154        |
| Literacy and Basic Skills                                        | 1,461,747      | 1,529,686      |
| Second Careers                                                   | 1,099,095      | 1,387,756      |
| Provincial bursaries                                             | 545,215        | 574,092        |
| Niagara Region day care grant                                    | 58,024         | 897,447        |
|                                                                  | 60,895,901     | 59,634,823     |
| Capital grants                                                   | 1,221,877      | 1,831,246      |
| Less: contributions related to capital                           | (1,651,714)    | (2,619,790)    |
|                                                                  | 60,466,064     | 58,846,279     |
| Student tuition and fees:                                        |                |                |
| Full-time domestic                                               | 31,437,514     | 30,335,478     |
| Part-time domestic                                               | 3,224,677      | 3,679,511      |
| International post secondary                                     | 16,049,345     | 12,595,723     |
| International ESL                                                | 3,296,492      | 2,457,465      |
|                                                                  | 54,008,028     | 49,068,177     |
| Ancillary operations:                                            |                |                |
| Residence                                                        | 3,867,175      | 3,717,916      |
| Parking                                                          | 1,347,682      | 1,212,846      |
| Restaurant                                                       | 1,329,147      | 1,290,826      |
| Niagara Learning Enterprise                                      | 1,185,433      | 988,670        |
| Athletics                                                        | 968,649        | 861,270        |
| Campus store                                                     | 435,206        | 420,935        |
| Facilities rentals                                               | 423,827        | 541,332        |
| Commissions                                                      | 415,450        | 275,510        |
| Greenhouse                                                       | 175,444        | 204,467        |
| Day care fees                                                    | 21,061         | 104,128        |
|                                                                  | 10,169,074     | 9,617,900      |
| Other:                                                           |                |                |
| International contract training and special projects             | 4,924,358      | 3,703,597      |
| Sale of course materials and service charges                     | 4,747,389      | 3,984,919      |
| Investment income                                                | 606,739        | 511,440        |
| Donations – awards and bursaries                                 | 464,374        | 409,836        |
| Foundation                                                       | 212,209        | 201,624        |
| Other donations, net                                             | 208,524        | 75,241         |
| Contract training                                                | 154,692        | 229,963        |
| Other revenue                                                    | 8,094          | 214,692        |
|                                                                  | 11,326,379     | 9,331,312      |
| Amortization of deferred contributions related to capital assets | 5,835,426      | 5,662,286      |
|                                                                  | \$ 141,804,971 | \$ 132,525,954 |

# NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Analysis of Expenditures

Year ended March 31, 2014, with comparative figures for 2013

|                                                                      | 2014           | 2013           |
|----------------------------------------------------------------------|----------------|----------------|
| Salaries and benefits:                                               |                |                |
| Academic salaries and benefits                                       | \$ 33,969,039  | \$ 32,827,700  |
| Support salaries and benefits                                        | 17,398,927     | 17,661,101     |
| Administration salaries and benefits                                 | 13,255,872     | 12,124,027     |
| Part-time teaching, sessional and partial load salaries and benefits | 7,991,703      | 7,777,844      |
| Part-time support salaries and benefits                              | 11,934,805     | 11,106,353     |
| Post employment, vacation and sick leave                             | 467,897        | (249,615)      |
|                                                                      | 85,018,243     | 81,247,410     |
| Non-salary expenditures:                                             |                |                |
| Contracted services and professional fees                            | 9,820,602      | 9,040,835      |
| Instructional supplies and field work                                | 5,768,985      | 5,417,767      |
| Building and grounds maintenance                                     | 4,640,771      | 4,289,413      |
| Office expense and insurance                                         | 3,672,067      | 2,916,692      |
| Supplies                                                             | 3,606,780      | 3,758,482      |
| Utilities and telecommunications                                     | 3,445,684      | 3,129,244      |
| Marketing and promotions                                             | 2,378,983      | 1,946,721      |
| Travel                                                               | 1,306,822      | 1,156,683      |
| Equipment maintenance and rentals                                    | 763,376        | 832,788        |
| Debt charges and banking fees                                        | 672,108        | 956,726        |
| Professional development                                             | 493,894        | 641,202        |
| Disbursements – awards and bursaries                                 | 464,374        | 409,836        |
| Foundation                                                           | 170,668        | 149,982        |
| Other                                                                | 8,094          | 214,692        |
|                                                                      | 37,213,208     | 34,861,063     |
| Flow through funds to third parties:                                 |                |                |
| Participant stipends and allowances                                  | 3,344,798      | 1,876,542      |
| Provincial bursaries                                                 | 1,388,991      | 1,541,192      |
| Municipal taxes-in-lieu                                              | 634,350        | 598,125        |
|                                                                      | 5,368,139      | 4,015,859      |
| Amortization of capital assets                                       | 8,488,303      | 8,108,890      |
|                                                                      | \$ 136,087,893 | \$ 128,233,222 |