Niagara College Canada
APPLIED DREAMS.

Niagara College
2015-2016
Annual Report

June 2016

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Message from the Chair of the Board

I am pleased to present Niagara College's 2015-16 Annual Report.

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

- The opening of the Walker Advanced Manufacturing Innovation Centre to assist local manufacturers with research and innovation projects;
- Successful completion of the second academic year of our campus in Taif, Saudi Arabia;
- Ministry approval to prepare to offer programs in Artisan Distillation, Commercial Beekeeping, Industrial Automation and Community Integration through Cooperative Education (CICE);
- Being recognized in the top 10 of colleges across Canada for research funding; and
- Charting the future of Niagara College through Capital Vision 2016 and the completion of TransformNC.

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 2016/17 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. The past five years on the Niagara College Board of Governors has been an absolutely enriching experience.

Carolyne Watts
Chair
Niagara College Board of Governors

Message from the College President

I am pleased to provide the final report on 2015-16 highlighting some of the key accomplishments achieved over the past year including:

- The opening of our 15,000 square foot Walker Advanced Manufacturing Innovation Centre, which will allow Niagara College faculty and students to assist more local small and medium-sized manufacturers with research and innovation projects;

- Celebrating the largest-ever personal contribution made to Niagara College, from the Estate of Eva Mary Lewis, in the amount of $2.6 million;

- Daniella Germond, a graduate of the Culinary Management program and member of Junior Culinary Team Canada, emerging as the champion at the 2016 Young Chef Olympiad;

- Approval by the Ministry of Training, Colleges and Universities (MTCU) for Niagara College to prepare to offer programs in Artisan Distillation, Commercial Beekeeping, Industrial Automation and Community Integration through Cooperative Education (CICE);

- Earning the honour of being in the top 10 colleges across Canada for research funding; and

- Numerous outstanding accomplishments by Niagara College faculty, staff and students.

These accomplishments, along with many others are outlined below under the headings of our three Strategic Priorities: unparalleled student experiences and satisfaction, leading innovation & applied research and operational excellence.

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 (KPI) survey rankings.

Along with classroom work, unparalleled student experience and satisfaction is developed through the opportunities that students are provided with to learn and grow at Niagara College.

These opportunities continue to expand in several areas including:

Be World Ready
Be World Ready allows College students and staff to experience a culturally-diverse learning environment and understand local and international perspectives through education, exchange and international experience. In 2015-16, 263 students and 23 staff/faculty participated in short-term international field studies and international field trips to 12 international destinations. Students completed International semester exchanges in several countries including Germany, Ecuador, Peru, Spain, Italy and Japan.

Community Engagement & Volunteering Program
In the 2015-16 academic year, 746 students accessed the Community Engagement & Volunteering service through the Centre for Student Engagement and Leadership (compared to 422 in 2014-15, an increase of 77%). Through this program, students are able to review and sign-up online for volunteer opportunities. In total, students contributed 1,197 community volunteer hours through 49 community partners (an increase from 811 community volunteer hours in 2014-15).

Student Leadership
The Leadership Exploration and Development Program (LEAD) continues to grow and support the leadership and development of students on campus. In 2015-16, 200 students were nominated to the program from 55 academic program areas.

KickSTART
KickSTART is a one day pre-Orientation program designed to assist students in their transition to Niagara College. In its second year of operation, 2015-16 saw 212 students attend the program over a total of seven sessions. This is an increase from the 143 students who attended a total of four sessions throughout the program's pilot year.

First Year Experience Program
The First Year Experience program was piloted in January 2016. With a focus on engagement and retention, this badge reward program can be utilized by students as a roadmap to support and prepare them for their time as a student at Niagara College and serve as preparation for the professional environment to follow. Within the first semester, 2,895 students were active within the program.

ncTakeOff
Support for entrepreneurial activities and advisory services continued to grow with 590 students participating in 24 seminars and engaging with 43 mentors involving 20 community partners. 39 student companies were created in food and beverage, digital media and web design, advanced manufacturing, agriculture, and social enterprise.

Aboriginal Student Services
Niagara College is firmly committed to developing new and better ways to meet the growing needs of First Nations, Métis and Inuit students. In June 2015, Niagara College celebrated the grand opening of the Niagara-on-the-Lake Campus Aboriginal Student Resource Centre. The event marked the opening of the first resource centre for Indigenous students at the College's NOTL Campus following in the footsteps of a centre at the Welland Campus.

Athletics
Athletics and Recreation exceeded the College Performance Indicator of 10% of the student body participating in recreation offerings by engaging 21% of the student population in intramural, fitness and varsity programming. 54% of the student population utilized our athletic facilities, which saw an 18% increase in overall student visits.

Our student-athletes thrived again this past season, with five student athletes being named CCAA Academic All-Canadian and three CCAA All-Canadians. Our teams brought home six OCAA/CCAA medals, including the OCAA Men's Golf Championship. A record 34 student-athletes will also be recognized as CCAA National Scholar Award recipients, representing 27% of our student-athlete population.

Student Mental Health Initiatives
Professional counselling and health services continue to provide integrated, on-campus supportive assistance, crisis intervention and treatment for individual students who present with mental health issues and concerns. Niagara College's Health and Wellness teams also support mental health promotion activities and health fairs on-campus, as well as working closely with the Student Administrative Council (SAC) in their mission to "stop the stigma" surrounding mental illness.

In October, Niagara College launched the 2015 Mental Health Awareness Week with the installation of a permanent, bright yellow Friendship Bench in partnership with SAC, Student Services and the Friendship Bench Foundation. Located in the courtyard at the NOTL campus, the bench serves as an on-campus destination where students are able to connect with and provide support to each other as they meet the challenges in their life while attending Niagara College.

Sexual Assault Practice and Protocol
Last year, Niagara College introduced a new Sexual Assault practice and protocol. This was accompanied with an extensive awareness communication strategy for students, called “Key to Consent,” focusing on understanding consent and highlighting the supports available on campus.

Early Alert System
The College implemented an Early Alert System called Beacon, which enables the Academic Advisement team to identify and prioritize students most at risk of academic learning challenges, and reach out to those students early in the term to offer support. The results of the interventions for the 2015-16 academic year are currently being analyzed to assess the impact on retention rates and to assist in the planning of intervention strategies for the 2016-17 academic year.

Student Achievements

Niagara College students and graduates continue to excel. Here are just some of the examples of our students' achievements from the past year:

- Gwendolyn Kitiwano, a third-year student in the Bachelor of Business Administration – International Commerce and Global Development program, was part of an international team that won X-Culture, a worldwide business competition that brought together more than 4,000 undergraduate and MBA students from more than 40 countries. Participating students were put into international teams that work together for 10 weeks on projects provided by corporate partners;

- Daniella Germond, a graduate of the Culinary Management program and member of Junior Culinary Team Canada, emerged as the overall champion at the 2016 Young Chef Olympiad, an international culinary competition held in India. The competition brought together young chefs from 67 countries from around the globe. Germond was also acknowledged by The Ontario Hostelry Institute with a Top 30 under 30 award, which recognizes future generations of hospitality leaders who are and will make a difference;

- Abby Collver, Hairstyling Apprentice (level two) student, won a gold medal in New Talent Women's Trend Cut and Style at the Allied Beauty Association Competition in Toronto, competing against current students and recent graduates from the Greater Toronto Area and surrounding area;

- Men's volleyball player Jeff Scott, and golfers Lorelle Weavers and Evan Littlefield, were named Canadian Collegiate Athletic Association (CCAA) All-Canadians. This was the first time in Niagara College history that three student-athletes have been named All-Canadians in the same year;

- Two students in the Broadcasting - Radio, Television and Film program won national awards administered by the Broadcast Educators Association of Canada, with Rachel Hodges winning the Audio (Radio Newscast) category and Brandon Primmer winning the Video (Music Video) category;

- Six Niagara College students were medal winners at the Ontario Technological Skills Competition. Baking and Pastry Arts student Sophie Maille and Culinary Management student Ramel Fortes won gold in the Postsecondary Baking and Culinary Arts, respectively. Baker-Patisserie Apprentice student Anita Armenti Nadon captured silver in Baking, and second-year Culinary Management student Jesse Wallace won bronze in Culinary Arts. In addition to the Canadian Food and Wine Institute's successes, Niagara College students also won medals in two other categories: Minseo Kim earned silver in Hairstyling; and second-year Esthetician student Christina Ventresca was honoured with bronze in Aesthetics.

Staff Achievements

- Karen McGrath, Director of Library and Campus Stores, was recognized by The Ontario Library Association (OLA). Karen received a Lifetime Achievement Award from the Ontario College and University Library Association, a division of OLA in recognition of her outstanding contributions within the post-secondary library sector. Karen served as President of the OLA in 2012-13;

- Pam Skinner, Vice President of Corporate Services, was named recipient of the Finance Community Fellowship Eagle Award in acknowledgement of her outstanding work with the Ontario Public Service (OPS). The award was presented by the Finance and Business Management Council and recognizes life-long commitment to excellence within the OPS;

- Janet Jakobsen, Professor in the School of Hospitality and Tourism, was honoured with a Lifetime Achievement honour by the Professional Convention Management Association (PCMA) as the 2016 Educator Honouree;

- Chef Professor Peter Blakeman was presented with a Vintners Quality Alliance (VQA) Promoters Award in the Education category, due to his professional achievements, commitment and passion for the grape and wine industry;

- Gilles Laroche, Professor and Program Coordinator for the Civil Engineering Technician program, was honoured with the Outstanding Educator award by the Ontario Association of Certified Engineering Technicians and Technologists (OACETT), in recognition of his significant contribution to the training and education of engineering/applied science technicians and technologists;

- Holly Catalfamo, Professor and Program Coordinator for the Human Resources Management program, was recognized by The Society for Teaching and Learning in Higher Education, being named as a recipient of the 2016 College Sector Educator Award in acknowledgement of her efforts to promote and support her peers with regard to teaching excellence;

- Dr. Paul Willie, Professor in the School of Hospitality and Tourism, received a "Best New Research" award at the Heads of Hospitality and Tourism Ontario conference in Ottawa. His research paper "Revenue Management in Professional Sports" was presented at the conference and was published in the International Journal of Contemporary Hospitality Management.

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 $1.8 million was surpassed, as donors provided $2.14 million toward the $7 million community goal for the Achieving Dreams Campaign to support campus redevelopment through Capital Vision 2016; fund equipment and learning resources; and support student access, success and leadership development;

- Niagara College celebrated the largest-ever personal gift in school history, from the Estate of Eva Mary Lewis in the amount of $2.6 million. The contribution was in support of the Achieving Dreams Campaign. In honour of Lewis's generosity, the heart of the Welland Campus was officially named the Eva M. Lewis Library and Learning Commons;

- The Foundation's two signature events, the Seafood Gala 2016 and the Golf Classic 2015, were successful in building relationships and raising $200,000 and $38,000 respectively;

- Over $700,000 was raised for scholarships and bursaries and a record breaking 28 new scholarships and bursaries were established (almost doubling last year's total of 15). In addition, new Student Opportunity Funds were set up for students in several programs to enter industry competitions and gain real-world experience;

- Niagara College graduates were kept informed through monthly e-newsletters; the June edition of 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, 44 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

<u>International Expansion</u>
International enrolment at our three Niagara-based campuses continued to increase through a diversified strategy that resulted in a record number of 2,516 international students from more than 90 countries studying in a wide-range of English as a Second Language, diploma, degree and graduate programs over the past year.

<u>KSA Operations</u>
The College, through its KSA-based entity, successfully secured the largest consulting project in Niagara's history and expanded our campus operations in KSA through the Colleges of Excellence. The consulting project, focused on capability building and institutional development, will work with the Madinah College of Technology for Women to enhance its internal business practices, scale-up the quality of teaching and instructional delivery, and establish a leadership model akin to our own in Canada.

2015 represented a year of significant growth for Niagara College KSA, successfully completing its second year of operations in Taif with key milestones including the graduation of its first cohort of Small Business Management Associate Diploma students, new graduate-focused employment agreements with leading enterprises and validation from the national education accreditation body, Saudi Skills Standards, on the efficacy of our approach. Niagara College KSA also began operating a second campus in Makkah which expands on the programs offered at the Taif campus and serves the Makkah Hospitality, Tourism and Culinary sectors.

In accordance with our strategic vision to expand the College's global brand through a quality-first approach to education delivery, enrolment numbers, supported by multifaceted retention initiatives, have yielded term-over-term student growth exceeding 600 full-time students.

<u>Applied Research</u>
As one of the three pillars of our Strategic Plan, Applied Research plays an increasing role of importance at Niagara College. In 2015-2016, 200 companies accessed Research & Innovation services in general, on 222 research projects and technical services. Overall, 24 programs at Niagara College saw their students engaged in applied research for a total of 1,800 applied research student experiences. This is an increase from 2014-15, whereby 21 programs at Niagara College saw their students engaged in applied research for a total of 1,429 applied research students experiences.

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

- Niagara College being ranked #10 on the list of Top 50 Research Colleges in Canada and #3 in Ontario, up from last year's ranking of #12 in Canada and #4 in Ontario;

- On March 31, 2016, the WAMIC building was completed at the Welland Campus, supported by the provincial government's $4.2M investment and the $1.2M donation from Walker Industries. The new building now houses all WAMIC activities, including funded research and technical services, incubator space, as well as the offices of the Research & Innovation Division on the Welland Campus. For the second year in a row, the WAMIC Technology Access Centre exceeded its target for revenues and number of projects;

- The Agriculture and Environment Innovation Centre (AEIC) attracted Natural Sciences & Engineering Research Council (NSERC) funding for an equipment grant to support the areas of precision agriculture (micrometeorology stations, $135,710), one of only 9 such awards in all of Canada in 2015-16. Dr. Mike Duncan, NSERC Industrial Research Chair for Colleges in Precision Agriculture and Environmental Technologies, has also secured funding through the Ontario Centres of Excellence for his project, and a new start-up company called Agrotelligent was initiated to commercialize the products of the research;

- In all, in 2015-16, funding was secured from federal, provincial, industry and other funding sources for more than $7,500,000 in new project support. This is in addition to the continuation of our 5-year agreement with Niagara Region in support of the work at WAMIC, at $75,000 per year.

<u>Green Tech Automotive Lab</u>
Niagara College received more than $1.4 million from Ontario's Apprenticeship Enhancement Fund program to build a Green Tech Automotive Lab at its Welland Campus. The project allows Niagara College to expand its focus on green technologies in its automotive programs – an area where Niagara College is already a leader in the college sector.

The 3,600-square-foot Green Tech Automotive Lab will be an extension of the existing automotive facilities at the Welland Campus' Rankin Technology Centre. It will include open bays, a work area and classroom, and will house the latest in green automotive technologies, including electric charging stations, alternate fuel technology, diagnostic equipment, green technology simulators, and electric and hybrid vehicles.

Strategic Priority: Operational Excellence

<u>Program Quality</u>
Delivering quality education, which responds to ever-changing economic and workforce demands, is a hallmark for Niagara College. The following three KPIs for 2015-16 confirm that Niagara College is addressing the needs of students and employers:

- Graduation rate at 66.3% (an increase of 0.6% from last year)

- Graduate satisfaction at 80.4% (an increase of 1.1% from last year)

- 94.3% of employers reported being satisfied with their college grad hire (2.9% above Provincial average and an increase of 5.3% from last year)

Academic quality is achieved through rigorous provincial and internal standards and reviews. During the 2015/16 academic year, the Centre for Academic Excellence facilitated and supported six program reviews by external reviewers along with 24 program reports in 10 program clusters through internal reviews. We continue to enhance our program offerings and were pleased to receive approval from the Ministry of Training Colleges and Universities to offer programs in Artisan Distillation, Commercial Beekeeping, Industrial Automation and Community Integration through Cooperative Education (CICE).

Enrolment Management

The demographic outlook within Niagara, our competitor regions, and across the province continue to create a competitive and challenging market for all post-secondary institutions. In response to the identified demographic challenges and declining enrolment that have impacted the entire Ontario post-secondary system, Niagara College continues to initiate and execute a number of creative and targeted marketing and recruitment strategies.

Recruitment visits in the Fall of 2015 exceeded the Fall of 2014 visits by 60% and provincial College Information Fair contacts were increased through a strategy of increased promotion and staffing. Expanded social media, digital and traditional marketing strategies build Niagara College brand awareness and support the recruitment efforts in these areas.

Spring and Fall Open House events were executed on Niagara College's campuses with over 7,000 visitors directly experiencing all that Niagara College has to offer. Additionally, on-campus tours, events and information sessions were increased to maximize touch points with prospective students and their support/family networks. One example of this is the creation of additional on-campus events and workshops to specifically appeal to secondary school teachers and staff within and outside the Niagara region.

Admissions and Marketing developed more attractive and informative communications pieces in 2015, specifically new acknowledgement and admissions packages highlighting the Niagara experience. Ongoing improvements to all conversion material (print and digital) are scheduled for 2016-17.

In addition, in September 2015, Niagara College's online presence took on a bold new look and feel, as the college launched a completely new website. The new website represents a significant change from the previous version of the site. While the improvements and new features are many, the key changes are distinct areas for specific audiences, and a responsive design that allows the site to be viewed on tablets and devices of all shapes and sizes.

We continue to promote pathways to transfer students. While the student population of this segment did not grow significantly, we were able to expand the database of recognized courses a further 28% year over year which we expect to yield positive conversion results in future years.

Niagara College has also received approval from the Ministry of Training, Colleges and Universities to offer a program entitled Community Integration through Co-operative Education (CICE). CICE is a program designed for persons with cognitive and developmental disabilities who wish to further their education and/or vocational training in a college setting. Graduates would be prepared for work in entry-level positions in a variety of sectors ranging from retail, horticulture and office administration.

People Strength

Niagara College continues to have a strong workplace culture as demonstrated by employee ability to meet its goals, objectives, and its high student satisfaction ratings. Over 500 staff attended the Day of Reflection, which is a key opportunity for a half day of learning and closure for the previous school year. This year the event was held on April 28 and used to launch college-wide engagement in the process to develop our next Strategic Plan. The College continues to work on enhancing its communications throughout the College. The recent review with recommendations on Corporate Committee structure, process and communications is underway. A new change management framework, with a focus on communications, is being introduced through training and the development of a community of practice.

Financial Strength

In financial health, Niagara College continues to rank amongst the top tier of Ontario Colleges and is a leader amongst the medium-size colleges in Ontario.

The College's financial position at March 31, 2016 was positive with an operating surplus of $2,174,078. The surplus is the result of continued growth in international enrolment and responsible financial management.

The positive financial results have allowed for the planned allocation of $1,030,000 to the internally restricted fund. As a result, the internally restricted fund balance is $ 11,981,966, which represents the net assets internally restricted for capital, PeopleSoft upgrades and to support the long-term strategy of the College.

Niagara College has continued to meet and exceed the provincial benchmarks in fiscal 2015-2016 with the exception of the Net Income to Revenue Ratio of 1.43% which is slightly below the provincial benchmark of 1.5%. Over the past eight years, Niagara College has been one of only seven colleges that have had one benchmark variance or less. 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.

Preparing for the Future

In 2015-16, the Office of Planning and Institutional Research led and completed two major continuous improvement projects – Transform NC and the College's Economic Impact Study. Highlights of these projects, their findings and outcomes are described below:

Transform NC

Transform NC, a two-year integrated planning project, came to a successful conclusion in November 2015. The project resulted in 30 recommendations and three continuous improvement tools.

Lean is an approach that helps to ensure that Niagara College is using the resources it has efficiently and effectively, by identifying unnecessary or ineffective parts of a process and adding value to students and other users of services.

Program dashboards were developed to monitor key performance indicators such as applicant and enrolment trends, employer demand, and student satisfaction and success. The dashboards will also help to streamline the program review process and standardize reporting.

A framework for evaluating programs/services to identify areas of strength and areas/processes for improvement was also developed. The framework is directly linked to the strategic goals and can be used to facilitate organizational reviews and strategic plan implementation.

Work continues to determine how to best integrate the metrics and tools developed through the Transform NC process into Niagara College's overall quality assurance framework, continuous improvement efforts, and strategic planning.

Economic Impact Study

In April 2016, Niagara College also completed an economic impact study based on prior year (2014-15) data, to determine the College's economic value to the region, analyze the value returned for taxpayers' investment in the College, and assess the return on investment for students. The total economic impact of NC on the Region increased from $277 million in 2004 to $808 million in 2014.

Information Technology

Over the last year Information Technology Services has upgraded, enhanced and built on the existing IT infrastructure to enable a better end user experience to students, faculty and staff. A few notable improvements included improved Wi-Fi access for students and faculty, over 60 classrooms and 15 computer labs upgraded, PCI compliance for credit card transactions, improved security processes, new help desk tools, new change and incident management processes, and a new Project Portfolio Office to manage the IT portfolio and projects - 28 new projects and 33 completed projects in 2015.

Sustainability

Niagara College continues to find ways to minimize its impact on the environment. On April 7TH, 2016 General Motors St. Catharines and Niagara College co-hosted its second annual Global Rivers Environmental Education Network (GM GREEN) event with 25 District School Board of Niagara (DSBN)

Academy grade 8 students in attendance. The GM GREEN program is focused on educating young people about human impacts on our local watersheds, providing the tools to assess and then take community-driven action towards environmental challenges.

In April 2016, Niagara College hosted its first Annual Bioblitz event at the Niagara-on-the-Lake campus. Students, staff and community members spent the day identifying plants and animal species on the property. In total, 138 different species were identified and added to the list of species found on campus (almost 400 total species in total). In 2015-16, Niagara College students logged over 950 hours volunteering for environmental and sustainability related projects on campus and in the community gaining hands on skill building experiences in the sustainability field.

Energy Reduction

Completed and verified energy reduction projects have seen a total savings of 4,179,526 kWh/year for Niagara College. A significant portion of these savings (41%) have been through operational adjustments to HVAC equipment utilizing the College's building automation system. Also, a project to retrofit some of the most inefficient lighting controls is ongoing, which includes the installation of 180 motion sensors installed, that have dual technology including passive infrared and ultrasonic to detect occupancy and they also have daylight harvesting imbedded allowing us to use natural light when available.

The introduction of energy management has had significant, positive impacts for Niagara College. The reduction in electricity on an intensity basis is 14% decrease from baseline year. Some of the sustainability target updates for 2015-16 are as follows:

- Electricity: 158,246 kWh increase (less than 1%) from previous year. This includes the addition of the new Walker Advance Manufacturing Innovation Centre facility which is 15,000 ft^2;
- Water: 1,513 m^3 decrease (2% decrease over last year);
- In 2015-16, the waste diversion rate was 57%, diverting a total of almost 700,000 kg of materials from the landfill.

Capital Expansion and Capital Vision 2016

The College has continued to move forward with the implementation of our Master Plan for the Welland and Niagara-on-the-Lake campuses that was presented in 2014.

The Capital Vision 2016 Plan presents the phasing of specific projects that will enhance and redevelop both campuses. The plan includes new buildings, the reorganization and renovation of existing spaces to accommodate shifts in academic programs and the growth and change of systems of movement, both pedestrian and traffic.

It is road map for expansion that focuses on providing new classrooms and academic labs, fitness spaces, larger and more welcoming cafeterias, student commons, student services and additional learning spaces.

Construction has started or is expected to start soon on the following six Capital Vision Projects:

- Niagara-on-the-Lake Canadian Food & Wine Institute Expansion
- Niagara-on-the-Lake Student Services Renovations
- Niagara-on-the-Lake Fitness Centre and Classrooms Expansion
- Welland Applied Health Institute Renovations
- Welland Academic Training Expansion
- Welland Student Commons and Justice Studies Expansion

Construction is completed on the 15,000 square foot Walker Advanced Manufacturing Innovation Centre, which will allow Niagara College faculty and students to assist more local small and medium-sized manufacturers with research and innovation projects.

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. Important recognitions this year include:

- Niagara College was awarded the 2016 Colleges and Institutes Canada Silver Award of Excellence for Internationalization for our World Ready Niagara plan;

- The Niagara College Teaching Winery's 2014 Balance Sauvignon Blanc was the silver winner in the Sauvignon Blanc category of the 2015 Ontario Wine Awards;

- The College's Event Management Graduate Certificate program was recognized with a prestigious gold Pinnacle Award in the Best Event Management Certification Program category of International Festivals and Events Association Pinnacle Awards, the world's leading professional association for festivals and events;

- Mothers Against Drunk Driving's Craft Brewed Lager, created by Rebecca Griffin (a student of the Culinary Innovation and Food Technology program at the time and now Research Assistant with the Canadian Food and Wine Institute Innovation Centre) as part of a research project with faculty students and industry Partner MADD Virgin Drinks, received a Retail Council of Canada Award at the STORE 2015 conference;

- The College's Teaching Brewery won three medals at the 2015 United States Open Beer Championship. Our Brewmaster Stout won a gold in the Foreign Stout category; a first-ever medal for the stout. Butler's Bitter captured silver in the Bitter category and student-created Liqueur de Malt captured a bronze in the American Imperial Pilsner category. This was the fifth consecutive year that the Teaching Brewery won medals at the U.S. Open;

- The Teaching Winery received four awards at the National Wine Awards of Canada: a gold medal for the 2013 Balance Pinot Noir and three bronze medals for 2014 College Rose, 2014 Balance Pinot Gris and 2012 Dean's List Merlot;

- Niagara College made headlines with articles in The Globe and Mail and Toronto Star. On January 12th, The Globe and Mail posted an article describing how the Brewmaster and Brewery Operations Management program was the first of its kind in Canada, and the impact it has had on the growing craft beer industry. On January 13th, the Toronto Star featured an article shining the spotlight on the College's Junior Culinary Team Canada as they prepare to represent the country at the Culinary Olympics;

- The Teaching Winery harvested four medals at the 2015 InterVin International Wine Awards: one silver for the 2013 Sauvignon Blanc and three bronze medals for 2014 College Rose, 2013 Balance Pinot Noir and 2012 Dean's List Merlot.

Important Campus Visits

Throughout the 2015-16 academic year, Niagara College hosted several significant dignitaries, elected officials and distinguished guests, including:

- The Honourable Navdeep Bains, Federal Minister of Innovation, Science and Economic Development for a funding announcement in our Niagara-on-the-Lake Campus Greenhouse;

- Bruce Heyman, United States Ambassador to Canada, and his wife Vicki, attended the Olympian Friendship Gala, where Niagara College's Junior Culinary Team Canada and American Culinary Federation (ACF) Culinary Youth Team U.S.A prepared a six-course gala feast for 180 guests. This event served as an opportunity for both national teams to prepare and practice in advance of the upcoming Culinary Olympics this October in Germany;

- 12 international journalists from 5 key markets around the world (Germany, Brazil, Japan, the UK and the US) as part of an international media tour organized by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The journalists who attended write for trade magazines and food/wine magazines, mostly geared towards executives and investors in the food and beverage processing and production sphere, and provided an opportunity to showcase the incredible programs and facilities at our Niagara-on-the-Lake campus; and

- Grand Council Chief Patrick Madahbee of the Anishinabek Nation visited campus in December 2015 to sign a partnership renewal agreement between Niagara College and Anishinabek Educational Institute, aimed at providing high-quality academic programs for Anishinabek students.

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 raising a record amount of more than $42,000 for the United Way; Our Events Management students raised more than $44,000 for the Hope Centre, a Welland-based non-profit social service organization. In addition, students in our Renovation Technician Construction program completed a range of renovations to Hope Centre's facilities including a new commercial kitchen, food bank and dining area.

Students in our Construction Techniques and Electrical Techniques programs continued our tradition of building a house in Welland for Habitat for Humanity. This was the 11th home built as part of the Habitat/Niagara College partnership, however it was the first time that the house was constructed in a modular style on the Niagara College Campus in the Rankin Technology Centre.

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:

- Governor General's Leadership Conference delegates;
- A conference co-hosted with the Town of Lincoln whereby a number of local elected officials and agricultural stakeholders gathered to discuss the path to defining a Center of Excellence for the Agriculture & Food Serving the Sector in Niagara & Beyond;
- The SolarCity Canadian Supplier Forum, where the Canadian Solar Industries Association members met with SolarCity's Vice President of Supply Chain to explore business opportunities for Canadian companies to supply good and services to the new SolarCity Manufacturing Plant in Buffalo, New York.

Niagara College takes great pride in the brand recognition it receives locally, nationally and internationally. Our Strategic Mandate Agreement continues to differentiate us as a leader in post-secondary education.

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.

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

Report on 2015-2016 College Goals

2015-2016 College Goals (Final Report)

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

2013–2016 PERFORMANCE GOALS	2015-2016 INDICATOR/METRIC	STATUS
Key Objective 1: Unparalleled Student Experience and Satisfaction:		
1.1 Prepare graduates who are world-ready and work-ready	Provincial Key Performance Indicator (KPI) and College Performance Indicator (CPI) results meet or exceed College standards.	The chart below provides Niagara College's 2015-16 results in comparison to the provincial average and our College standards. (see Appendix A – item 1.1) Highlights of the results include: • Niagara College remains above the provincial average in some key areas of the survey, and has increased in employer satisfaction rate by more than 5%; • Student satisfaction rates are 4.3% above the Provincial average; • Employer satisfaction rates are 2.9% above the Provincial average;
	Table Strategic Item Agenda Report on Program Quality.	To be presented at the September 2016 Board of Governors meeting.
	Enhanced Be World Ready initiatives including a 10% increase in the number of students participating in international work/study opportunities.	Achieved. The 10% target was achieved with more than 375 students studying or working abroad in over 15 countries including Ecuador, France, Dominican Republic, Germany, Spain, Costa Rica, Honduras, Italy, Japan and South Korea.

1.2 Increase access and learning pathways	Active transfer credit database within ONCAT and locally.	ONCAT transfer database has been populated at both the program and course level. The database is operational for inter-college transfers.
	Survey student satisfaction with advanced standing and credit transfer processes.	Transfer and Advanced Standing policies have been reviewed. Changes are being implemented for September 2016.
	Increased utilization of on-line course options.	Hybrid offerings have increased from 140 in 2010 to 305 in 2015. Enrolment in on-line courses has increased to over 3,000 course registrations.
	Enhance the College's internal transfer credit database.	All internal equivalencies are now logged and maintained consistent with external credit transfer processes.
1.3 Enhance Services for Students	Launch an inter-department case management system.	Software has been purchased. It will be installed and tested over the summer for full implementation in Fall 2016.
	Implement a Health Services Electronic Medical Record system (EMR).	Health Services processes are being reviewed. A Health Services Electronic Medical Record system (EMR) will be implemented in 2017 once the renovations of the Health & Wellness Centres at both campuses are scheduled to be completed in Fall 2016.

	New on-line service options introduced, reducing wait times and line-ups.	Integrated administrative services are being staged with Capital Vision plan enhancements at both campuses.
	Service hours extended for student services and demand monitoring implemented.	Extended hours were implemented for Fall 2015 & Winter 2016 terms in food services, library, IT Help Desk and student computer support in Libraries, health and student counselling. A full review is being carried out in Summer 2016 for revised changes in Fall 2016.
	Creation of a Mental Health Steering Committee and Report on Mental Health initiatives.	An update on our how Niagara College Supports Student Mental Health was presented as a Strategic Agenda Item at the Board's February 2016 meeting. Highlights include: • Offering a variety of professional services and resources that promote the health and well-being of students; • Approximately 3,000 students access on-campus professional counselling services and/or services offered through the Centre for Students with Disabilities; and • Adoption of an "integrated approach" by delivering mental health counselling supports, disability services and medical intervention. Terms of Reference have been developed for the Mental Health Steering Committee. Launch of the Committee is scheduled for Fall 2016.

1.4 Build Student Engagement and Retention	Meet or surpass benchmarks (see CPI standards).	Please see the table in Appendix A below. The College's results in 2015-16 meet or exceed last year's results for three of the four College Performance Indicators (CPIs) – retention rate (Year 1 to Year 2), work placement rate, and service and facility quality. Program and learning quality dipped slightly (-0.7%), which is likely part of the normal fluctuation for this indicator year over year.

Strategic Priority: Leading Innovation and Research

2013–2016 PERFORMANCE GOALS	2015-2016 INDICATOR/METRIC	STATUS
Key Objective 2: Leading Innovation and Research		
2.1 Establish the Canadian Food and Wine Institute as a national centre of excellence	Implement corporate training and professional education strategy.	New strategy on training and public programs has been implemented. Highlights include: • Integrate Continuing Education offerings on campus; • Corporate Training opportunities at Employer sites; and • Delivery of Consumer Seminars across the Country. A new Manager of Industry Engagement and Corporate Training has been hired with a mandate to provide programs both on campus and across the country.

	Growth in earned media.	We have seen major earned media in Toronto papers as well as locally for all program areas within CFWI including coverage in the Globe & Mail and Toronto Star.
2.2 Innovation in applied education through "Learning Enterprises"	Investigate new opportunities to expand Learning Enterprises concept to School of Media.	Development of a model with a focus on new media and web services is ongoing.
2.3 Infuse innovation and applied research to support transitioning industries	Report on Applied Research including the number of SMEs and number of students involved.	In 2015-2016, 200 companies accessed Research & Innovation services on 222 projects (97 more projects than 2014-2015.) In addition, 1,800 Niagara College students engaged in applied research (An increase of 371 students from 2014-2015.)
	Submit a Technology Access Centre (TAC) proposal for the CFWI Research Centre.	Our proposal was submitted to the Natural Sciences and Engineering Research Council (NSERC). A site visit occurred in January and we are awaiting NSERC's decision on our proposal.
	Open the Walker Advanced Manufacturing Innovation Centre.	Achieved. The Walker Advanced Manufacturing Innovation Centre opened in May 2016.
	Strengthen connections with Research Centre industry advisory board.	The Walker Advanced Manufacturing Innovation Centre's Industry Advisory Committee meets 4 times per year.

2.4 Leadership in Regional Economic Development	Support and growth of Entrepreneur Advisory Services (ncTakeoff).	Services have been launched. Highlights from 2015-16 include: • 590 students have engaged in 24 seminars, with 43 mentors involving 20 community partners. • 39 student companies have been created in food and beverage, digital media and web design, advanced manufacturing, agriculture and social enterprise. • In March, students led and engaged in EWeek2016, a series of 6 events across Niagara, including Pitch Perfect, the College's first pitch competition in partnership with the Niagara Angels Network. •
	Expand business degree offering: Successful launch of Bachelor of Business Administration (Human Resources) as measured by applicants on March 31, 2016.	Program successfully launched in preparation of welcoming the first cohort in September 2016. As of March 31, 2016, there were 120 applications for 40 seats. A waitlist has been implemented.

Strategic Priority: Operational Excellence

2013–2016 PERFORMANCE GOALS	2015-2016 INDICATOR/METRIC	STATUS
Key Objective 3: Operational Excellence		
3.1 Attract, retain and develop a strong team	Strategic Agenda Item - Climate Survey: Responses to Enhance Employee Recognition and Support for Innovation.	Highlights from 2015-16 include: A report was delivered to the Executive Team in March 2016 on how to make College meetings efficient and effective. Recommended action items will be implemented in 2016. The theme of the 25th Anniversary of Support Team Recognition Day (June 2015) was 'Recognition'. Our guest speaker, Sarah McVanel-Viney, spoke to the 260 support staff present on the topic of 'Forever Recognizing Others' Greatness'. Two non-traditional Niagara College staff events were piloted in 2015 – a Niagara Ice Dogs game and a screening of a movie – to increase connectivity with staff who rarely participate in traditional engagement events. Niagara College also provides Tuition Assistance to employees for diploma, undergraduate, Master's and Doctorate programs.
3.2 Leading-edge sustainable and accessible learning environments	Strategic Agenda Item - Flexible Learning and IT Planning: Directions and Implications.	Will be presented at the June 2016 Board of Governors' meeting.

	Implement CRM system for marketing and recruitment.	CRM system has been fully implemented and is integrated in to all recruitment and application services.
	Sustainable Facilities: utilization to meet or exceed mid-size college averages, benchmarked using Colleges Ontario's Facilities Standards & Inventory (COFSI) measures.	An update will be provided in the Final Report on the initiatives being undertaken including: • A proposed Space utilization review to assess the current state of the space utilization, develop guiding principles to assist in master planning. • Continue to investigate shared services among Niagara Region and other Ontario Colleges
	Transform NC: integrated planning for programs and services recommendations of prioritization completed.	A summary of the Transform NC initiative was presented at the October 2015 Board of Governors' meeting. Highlights of the initiative included: • A Technical Framework was developed to assess all 128 of the College's academic programs and 122 services at Tier 1 by 5 factors: Relevancy, Capacity, Satisfaction, Opportunities and Challenges. Dashboards were developed to highlight the results for each program and service reviewed); • 36 programs and 3 services were selected for a Tier 2 "deep dive" detailed analysis along with 3 service streams selected for lean reviews; • The Tier 2 reviews resulted in 30 recommendations and 3 new continuous improvement tools.

		• The metrics and tools from Transform NC are being integrated into the College's overall quality assurance framework and continuous improvement efforts; and • The approach for consulting and engaging stakeholders will be expanded and employed for our strategic planning process for our next 3-year (2017-2020) Strategic Plan.
	Development of a Digital Strategic Plan (3-5 year outlook) and identify the key items for consideration.	To be presented as the Strategic Agenda Item at the June 2016 Board of Governors meeting. Areas being explored: • Alignment of IT directions with academic plans; • Benchmarking against other Ontario Colleges' Systems and teaching technology renewal plans; • Cyber and digital security risk management; and • Partnerships to save costs on shared projects.
3.3 Fiscal Strength and Diversification	Achieve planned financial results for 2015-2016.	Achieved. Year End audited statements will presented at the June 2016 Board of Governors' meeting. A surplus of $2.1 million was achieved for 2015-16.
	Board approval of 2016-2017 Business Plan.	A balanced budget for 2016-17 was presented and approved at the April Board of Governors' meeting.

	Successful launch of the Achieving Dreams Campaign and achievement of $1.8 million fundraising goal for 2015-16.	Achieved. $2.14 million was raised for facilities, equipment and learning resources, scholarships and bursaries.
	Strategic Agenda Item – International Diversification: Opportunities for Growth in Niagara and Beyond.	Presented at the October 2016 Board of Governors meeting Highlights of Niagara College's International Strategy includes: The strategy is based on four interconnected pillars: 1. Bringing the World to Niagara College; 2. Taking Niagara to the World; 3. Preparing World and Work Ready Graduates, Faculty and Staff; and 4. Supporting Regional Economic Development The strategy envisions partnerships strengthened in Asia, Europe and the Americas and provide benefits for local businesses seeking export opportunities and international travel and study opportunities for domestic students.
	Successful operation of Taif campus as measured by Year 2 success indicators.	Success indicators achieved including enrolment and financial targets being met and a top rating through the institutional review conducted by Saudi Skills Standards.
	Increase total international revenue by 10%.	Revenue target achieved by 13% Revenues grew by 13% ($4.1 million) over the previous year, resulting in $35.3 million in total international revenue in 2015-16.

3.4 Strategic Enrolment Management	Achieve full-time post-secondary enrolment targets for 2015-2016.	Although domestic enrolment fell slightly short of target (-2.9%), strong international numbers (+15.1% over target) ensured an in-year balanced budget.
	SMA-based New Program proposals submitted for approval.	New program approvals have been received from the Ministry of Training, Colleges and Universities for: • Industrial Automation; • Commercial Beekeeping; and • Community Integration through Cooperative Education (CICE)
	Table a Discussion Paper on Domestic Learner Diversification Strategy.	Niagara College's strategy to counter the decrease in the number of students coming directly from high school includes: • Review by our Strategic Enrolment Management (SEM) Committee on the development of potential new program offerings including graduate certificates. • Offering programs to non-traditional student markets including the Community Integration through Cooperative Education (CICE), a program designed for persons with cognitive and developmental disabilities who wish to further their education and/or vocational training in a college setting. • Expanding marketing and recruitment activities beyond the traditional Niagara Region catchment area.

APPENDIX A

NIAGARA COLLEGE
KEY PERFORMANCE STANDARDS

Item 1.1 – Quality Indicators

PROVINCIAL KPIs				
INDICATOR	**NIAGARA STANDARD**	**NIAGARA 2015/16**	**PROVINCE 2015/16**	**NIAGARA 2014/15**
Student Satisfaction	80%	**81.1%**	76.8%	**80.8%**
Graduate Employment	85%	**84.4%**	83.6%	**87.8%**
Graduate Satisfaction	80%	**80.4%**	80.3%	**79.3%**
Employer Satisfaction	90%	**94.3%**	91.4%	**89.0%**
Graduation Rate	60%	**66.3%**	66.7%	**65.7%**

INDICATOR	**NIAGARA STANDARD**	**NIAGARA 2015/16**	**NIAGARA 2014/15**
Retention Rate (Yr 1 to Yr 2)	75%	**85.8**	**82.4**
Work Placement Rate*	95%	**92.0**	**92.0**
Program and Learning Quality	90%	**84.7**	**85.4**
Service and Facility Quality	80%	**77.6**	**76.1**

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

Engagement Indicators

INDICATOR	**NIAGARA STANDARD**	**NIAGARA 2015/16**	**NIAGARA 2014/15**
Participants in Recreation Offerings	10% of the student body	20% increase achieved with 1,896 students participating in Recreation Offerings	**1,347 students 15%**
Active Students with Co-curricular Record	30% of the student body	4,574 students or 48% of the student body has a Co-curricular Record	**3,503 students 39%**
Students Engaged in Work/Study Abroad	10% of the domestic student population	10% increase achieved with 375 students participating in work/study abroad experience	**42% increase to 340 students**

APPENDIX B

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

Consolidated Financial Statements of

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2016

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Financial Statements

Year ended March 31, 2016, with comparative information for 2015

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INDEPENDENT AUDITORS' REPORT

To the Members/Governors

We have audited the accompanying consolidated financial statements of Niagara College of Applied Arts and Technology, which comprise the consolidated statement of financial position as at March 31, 2016, the consolidated statements of operations, consolidated remeasurement gains and losses, consolidated changes in net assets and consolidated cash flows for the year ended March 31, 2016, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 audit 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 as at March 31, 2016, 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 9, 2016
St. Catharines, Canada

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash	$ 23,110,252	$ 31,002,567
Short-term investments	18,500,000	15,979,119
Accounts receivable (note 2)	6,075,158	6,761,773
Current portion of long-term receivables (note 4)	1,001,000	955,500
Inventories	1,233,033	1,406,664
Prepaid expenses and other assets	1,088,982	980,309
	51,008,425	57,085,932
Restricted assets:		
Cash	2,744,871	2,642,484
Investments (note 3)	13,990,633	14,028,670
	16,735,504	16,671,154
Long-term receivables (note 4)	3,007,362	4,233,995
Investment in Niagara College KSA (note 5)	10,056,932	3,047,270
Capital assets (note 6)	141,372,975	138,956,360
	$ 222,181,198	$ 219,994,711

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

Year ended March 31, 2016, with comparative information for March 31, 2015

	2016	2015
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 10,346,747	$ 11,126,253
Accrued payroll and employee deductions	8,054,894	7,084,385
Accrued vacation (note 8)	4,561,143	4,266,525
Deferred revenue:		
Specific purpose grants deferred and repayable	1,674,623	1,589,517
Tuition and related fees	15,982,647	16,552,558
Other	448,255	1,391,186
Current portion of long-term debt (note 7)	703,172	660,506
	41,771,481	42,670,930
Long-term debt (note 7)	6,103,695	6,806,867
Employee future benefits (note 8)	4,264,000	4,384,000
Deferred contributions (note 9)	3,267,895	2,892,685
Deferred capital contributions (note 10)	104,751,821	103,086,666
Interest rate swaps (note 7)	1,638,537	1,875,136
Net assets:		
Unrestricted	1,106,601	1,039,919
Vacation and future employment benefits (note 8)	(8,825,143)	(8,650,525)
Foundation	73,658	406,384
Niagara College KSA (note 5)	810,158	(318,470)
Niagara Learning Enterprise Corporation	95,155	58,880
	(6,739,571)	(7,463,812)
Internally restricted for future expense (note 11)	11,981,966	16,951,966
	5,242,395	9,488,154
Endowments	12,876,003	13,306,971
Investment in capital assets (note 12)	43,778,275	37,358,438
	61,896,673	60,153,563
Accumulated remeasurement losses	(1,512,904)	(1,875,136)
	60,383,769	58,278,427
Contingent liabilities (note 13)		
	$ 222,181,198	$ 219,994,711

See accompanying notes to consolidated financial statements.

Approved by the Board

_______________ Governor

_______________ Governor

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue (schedule 1):		
Grants and reimbursements	$ 57,948,569	$ 58,904,233
Student tuition and fees	63,546,108	57,361,777
Ancillary operations	11,319,294	10,437,886
Other	12,680,185	14,121,326
Earnings (loss) from Niagara College KSA (note 5)	1,128,628	(318,470)
Amortization of deferred contributions related to capital assets	5,891,581	6,012,265
Total revenue	152,514,365	146,519,017
Expenses (schedule 2):		
Salaries and benefits	93,653,296	89,215,920
Non-salary expenses	42,274,754	40,391,755
Flow through funds to third parties	5,562,005	5,122,532
Amortization of capital assets	8,850,232	8,855,857
Total expenses	150,340,287	143,586,064
Excess of revenue over expenses	$ 2,174,078	$ 2,932,953

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, 2016, with comparative information for 2015

Year ended March 31, 2016	Unrestricted	Vacation and future employee benefits	Foundation	Investment in Niagara College KSA (note 5)	Niagara Learning Enterprise Corporation	Internally restricted for future expense (note 11)	Endowments	Investment in capital assets	Total 2016	Total 2015
Net assets (deficiency), Balance beginning of year	$ 1,039,919	$ (8,650,525)	$ 406,384	$ (318,470)	$ 58,880	$16,951,966	$ 13,306,971	$ 37,358,438	$60,153,563	$ 56,657,015
Excess of revenue over expenses (expenses over revenue)	3,445,170	(174,618)	(332,726)	1,128,628	36,275	1,030,000	-	(2,958,651)	2,174,078	2,932,953
Endowment contributions	-	-	-	-	-	-	(430,968)	-	(430,968)	563,595
Net change in investment in capital assets	(3,378,488)	-	-	-	-	(6,000,000)	-	9,378,488	-	-
Balance, end of year	$ 1,106,601	$ (8,825,143)	$ 73,658	$ 810,158	$ 95,155	$ 11,981,966	$ 12,876,003	$ 43,778,275	$ 61,896,673	$ 60,153,563

See accompanying notes to consolidated financial statements.

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	$ 2,174,078	$ 2,932,953
Items not involving cash:		
Amortization of deferred contributions related to capital assets	(5,891,581)	(6,012,265)
Amortization of capital assets	8,850,232	8,855,857
Decrease in employee future benefits	(120,000)	(102,000)
Increase in accrued vacation	294,618	154,306
(Earnings) / loss from Niagara College KSA	(1,128,628)	318,470
Change in non-cash operating working capital:		
Accounts receivable	686,615	(509,972)
Inventories	173,631	27,785
Prepaid expenses and other assets	(108,673)	(310,424)
Accounts payable and accrued liabilities	(779,506)	444,043
Accrued payroll and employee deductions	970,509	693,229
Deferred revenue	(1,427,736)	1,405,698
	3,693,559	7,897,680
Capital activities:		
Purchase of capital assets	(11,266,847)	(4,400,300)
Deferred capital contributions	7,556,736	3,252,481
	(3,710,111)	(1,147,819)
Investing activities:		
Purchase of long-term investments	38,037	(1,096,112)
Investment in Niagara College KSA	(5,755,401)	(3,365,740)
(Purchase)/disposal of short-term investments	(2,520,881)	(7,479,119)
	(8,238,245)	(11,940,971)
Financing activities:		
Long-term receivables	1,181,133	1,210,646
Deferred contributions	375,210	320,627
Endowments contributions	(430,968)	563,595
Principal payments on long-term debt	(660,506)	(1,673,040)
	464,869	421,828
(Decrease) in cash	(7,789,928)	(4,769,282)
Cash, beginning of year	33,645,051	38,414,333
Cash, end of year	$ 25,855,123	$ 33,645,051
Cash is represented by:		
Cash	$ 23,110,252	$ 31,002,567
Cash - restricted	2,744,871	2,642,484
	$ 25,855,123	$ 33,645,051

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, 2016, with comparative information for 2015

		2016		2015
Accumulated remeasurement losses, beginning of year	$	(1,875,136)	$	(1,773,621)
Unrealized gain (loss) attributable to:				
Derivatives – interest rate swaps		236,599		(101,515)
Foreign exchange gains on Niagara College KSA investment		125,633		-
Net remeasurement (losses) gains for the year		362,232		(101,515)
Accumulated remeasurement losses at end of year	$	(1,512,904)	$	(1,875,136)

See accompanying notes to consolidated financial statements.

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 the College, its wholly owned subsidiaries, Niagara College Learning Enterprise Corporation and Niagara College Foundation. All inter-organization assets, liabilities, revenue and expenses have been eliminated.

Niagara College KSA is a for-profit subsidiary of Niagara College and Niagara College Learning Enterprise Corporation, which is accounted for on a modified equity method basis. Information concerning this entity is presented in note 5 to these financial statements.

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 amortization 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 are commitment from students for capital assets.

Tuition fees are recognized as revenue when earned through the provision of service. Ancillary revenue including residence, parking and other sundry revenues are recognized when products are delivered or services provided to the student or client, the sales price is fixed and determinable, and collection is reasonably assured.

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 all 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.

1. Significant accounting policies and disclosure (continued):

(e) Financial instruments (continued):

Foreign currency instruments are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the period of settlement, the realized foreign exchange gains and losses are recognized in the statement of operations and the unrealized balances are reversed from the statement of remeasurement gains and losses.

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 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

1. Significant accounting policies and disclosure (continued):

(f) Capital assets (continued):

Resource Centre

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

(g) Retirement and post-employment benefits and compensated absences:

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

(i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis.

(ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

(iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service lives of the employees.

(iv) The discount used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

(v) The cost of compensated absences is determined using management's best estimate of the length of the compensated absences.

(h) Student organizations:

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

1. Significant accounting policies and disclosure (continued):

(i) Management estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during that period. Actual results could differ from these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known. Areas of key estimation include determination of fair value for long-term investments, endowment assets and interest rate swaps, the amount of accrued liabilities, the useful lives of capital assets, the calculation of post-employment benefit liabilities and the equity pickup for the investment in Niagara College KSA.

2. Accounts receivable:

	2016	2015
Post secondary and other grants recoverable	$ 1,620,258	$ 2,033,979
Student receivables	1,803,827	1,928,960
Other	2,651,073	2,798,834
	$ 6,075,158	$ 6,761,773

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, 2016. 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 Hierachy	2016	2015
Investments Designated at Fair Value			
Fixed income	Level 2	$ 10,750,759	$ 10,410,675
Equity Investments			
Common Shares	Level 1	1,338,108	1,516,247
Mutual Funds	Level 1	1,901,766	2,101,748
		$ 13,990,633	$ 14,028,670

4. Long-term receivables:

	2016	2015
Student Centre receivables	$ 4,008,362	$ 5,189,495
Current portion of long-term receivable	1,001,000	955,500
	$ 3,007,362	$ 4,233,995

Aggregate maturities of long-term receivables for each of the five years subsequent to March 31, 2016, are as follows: 2017 - $1,001,000; 2018 - $783,250, 2019 - $832,000, 2020 - $877,500 and 2021 - $932,750.

Student Centre receivables:

Niagara College 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 $4,008,362 (2015 - $5,189,495).

5. Investment in Niagara College KSA:

Niagara College Kingdom of Saudi Arabia (Niagara College KSA) is a limited liability company, incorporated on February 26, 2015 under the laws of the Kingdom of Saudi Arabia, as a for-profit entity with a December 31st year-end. It is a 100% subsidiary of Niagara College of Applied Arts and Technology and Niagara College Learning Enterprise Corporation. The due from Niagara College KSA is without defined terms of repayment and is non-interest bearing.

Equity investment in Niagara College KSA:

	2016	2015
Share capital	$ 594,578	594,578
Equity investment		
Balance, beginning of period	(318,470)	-
Earnings (loss) for the period	1,128,628	(318,470)
Foreign currency translation adjustment	125,633	-
Equity investment	935,791	(318,470)
Due from Niagara College KSA	8,526,563	2,771,162
Balance, end of year	$ 10,056,932	$ 3,047,270

5. Investment in Niagara College KSA (continued):

The financial position of Niagara College KSA and the results of its operations and its cash flows are based on start date of the operation as at February 26, 2015 and are reflective of the period from February 26, 2015 to December 31, 2015 as follows:

Financial position:

Assets	$	12,786,138
Liabilities	$	11,255,769
Equity		
Foreign currency translation adjustment		125,633
Shareholder's equity (deficiency)		1,404,736
		1,530,369
	$	12,786,138

Results of operations:

Revenue	$	9,579,249
Expenses		8,769,091
Earnings for the period	$	810,158

As a result of the reporting period of Niagara College KSA, from February 26, 2015 to December 31, 2015, earnings reported in the financial statements include the loss of ($318,470) in the year ended March 31, 2015 and earnings of $1,128,628 in the year ended March 31, 2016.

Cash flows:

Operating	$	4,711,619
Capital		(1,586,259)
Investing		-
Financing		594,578
Foreign exchange gain		164,082
Net cash flow	$	3,884,020

As part of the agreement to operate Niagara College KSA, the College has a letter of credit for the Colleges of Excellence in Saudi Arabia in the amount of $10,376,800 CDN ($8,000,000 USD).

The comparative figures have been restated related to the net loss prior to commencement of operations on February 26, 2015. The loss from Niagara College KSA and other revenue were both reduced by $648,034. In addition, net assets at March 31, 2015 were adjusted resulting in a reduction in both Investment in Niagara College KSA and internally restricted funds for international purposes by $648,034. There was no impact on the excess of revenue over expenses on the statement of operations.

6. Capital assets:

March 31, 2016	Accumulated Cost	Accumulated Amortization	Net Book Value
Land	$ 3,881,762	$ -	$ 3,881,762
Site improvements	9,694,345	6,350,773	3,343,572
Buildings	166,673,811	54,749,526	111,924,285
Building betterments	20,268,242	13,444,616	6,823,626
Furniture and equipment	74,072,558	67,816,756	6,255,802
Resource centre	1,322,622	1,322,622	-
Computer software	2,940,045	2,940,045	-
Construction in progress	9,143,928	-	9,143,928
	$ 287,997,313	$ 146,624,338	$ 141,372,975

March 31, 2015	Accumulated Cost	Accumulated Amortization	Net Book Value
Land	$ 3,881,762	$ -	$ 3,881,762
Site improvements	9,694,345	5,851,897	3,842,448
Buildings	166,673,811	50,642,424	116,031,387
Building betterments	19,310,635	12,254,802	7,055,833
Furniture and equipment	72,260,828	64,762,316	7,498,512
Resource centre	1,322,622	1,322,622	-
Computer software	2,940,045	2,940,045	-
Construction in progress	646,418	-	646,418
	$ 276,730,466	$ 137,774,106	$ 138,956,360

7. Long-term debt:

	2016	2015
Swap loan for NOTL residence bearing interest at a variable rate, payable in monthly installments of approximately $52,000 of principal and interest, with balance payable at maturity on October 1, 2025. The interest rate has been fixed at 6.99% through an interest rate swap contract.	$ 4,372,819	$ 4,687,511
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 on December 1, 2021. The interest rate has been fixed at 6.17% through an interest rate swap contract.	2,434,048	2,779,862
	6,806,867	7,467,373
Current portion of long-term debt	703,172	660,506
	$ 6,103,695	$ 6,806,867

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, 2016, are as follows: 2017 - $703,172; 2018 - $748,606; 2019 - $796,991; 2020 - $848,518; 2021 - $903,370 and thereafter - $2,806,210.

The College has entered into interest rate swap agreements to manage the volatility of interest rates. The College converted a net notional of $13.375 million of floating rate long-term debt relating to the two residences. The fixed rates received under the interest rate swaps outstanding range from 6.17% 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 2021 to 2025.

The fair value of the interest rate swaps at March 31, 2016 are in a net unfavorable position of $1,638,537 (2015 - $1,875,136) 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 losses of ($236,599) (2015 - $101,515). The fair value of the interest rate swap is has been determined using Level 3 of the fair value hierarchy.

8. Accrued vacation and employee future benefits:

Accrued vacation and employee future benefits comprise the following:

	2016	2015
Vacation and deferred salaries	$ 4,561,143	$ 4,266,525
Employee future benefits		
Sick leave	3,341,000	3,465,000
Other post-employment benefits	923,000	919,000
	4,264,000	4,384,000
	$ 8,825,143	$ 8,650,525

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 Ontario 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. 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 Ontario College System as a whole.

8. 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 Ontario College System as a whole as at March 31, 2016.

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

	2016	2015
Accrued benefit obligation	$ 4,227,000	$ 4,317,000
Fair value of plan assets	182,000	175,000
Funded status – plan deficit	4,045,000	4,142,000
Unamortized actuarial gain	219,000	242,000
Employee future benefit liability	$ 4,264,000	$4,384,000

The accrued benefit obligations accrued at March 31, 2016 amounted to $4,045,000 (2015 - $4,142,000). The net unamortized actuarial gain is $219,000 (2015 - $242,000). Benefit plan interest and current service (costs) gain recorded in the year were $282,000 (2015 - $358,000) and the amortization of actuarial gain was $48,000 (2015 - $73,000). The benefits paid out in the year were $354,000 (2015 - $387,000).

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligation include a discount rate of 1.7% (2015 – 1.6%). The average retirement rate in the Ontario College System is assumed to be 3.1% (2015 – 3.1%) per annum starting at eligibility for reduced pension, increasing to 16% (2015 - 16%) per annum after reaching eligibility for unreduced pension. From ages 65 to 70, an age related table is used.

8. 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	2016	2015
Drug	8.5% in 2016 (grading to 4.0% in 2034)	9.0% in 2015(grading to 4.0% in 2034)
Hospital	4.0%	4.0%
Other medical	4.0%	4.0%
Dental	4.0%	4.0%

9. Deferred contributions:

	2016	2015
Awards and bursaries	$ 2,244,595	$ 1,935,207
Other	1,023,300	957,478
	$ 3,267,895	$ 2,892,685

10. 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.

	2016	2015
Balance, beginning of year	$ 103,086,666	$ 105,846,450
Additional contributions received	7,556,736	3,252,481
Less amounts amortized to revenue	(5,891,581)	(6,012,265)
	$ 104,751,821	$ 103,086,666

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

	2016	2015
Unamortized capital contributions used to purchase capital assets	$ 90,787,833	$ 94,130,549
Unspent capital contributions included in long-term receivable	4,008,362	5,189,495
Unspent capital contributions	9,955,626	3,766,622
	$104,751,821	$ 103,086,666

11. Restrictions on net assets:

The Board of Governors has approved a transfer of $1,030,000 (2015 - $3,500,000) to the internally restricted fund for future expenses. The balance has been allocated for future expenses related to the following:

	2016	2015
WSIB	$ 1,000,000	$ 1,000,000
Peoplesoft upgrade	400,000	500,000
Utilities	400,000	700,000
Future capital expenditures	7,330,000	12,600,000
International (note 5)	2,851,966	2,151,966
	$ 11,981,966	$ 16,951,966

12. Investment in capital assets:

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

	2016	2015
Capital assets	$ 141,372,975	$ 138,956,360
Amounts financed by:		
Unamortized capital contributions used to purchase assets (note 10)	(90,787,833)	(94,130,549)
Long-term debt	(6,806,867)	(7,467,373)
	$ 43,778,275	$ 37,358,438

12. Investment in capital assets (continued):

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

	2016	2015
Excess of expenses over revenue:		
Amortization of deferred contributions related to capital assets	$ 5,891,581	$ 6,012,265
Amortization of capital assets	(8,850,232)	(8,855,857)
	$ (2,958,651)	$ (2,843,592)

	2016	2015
Net change in investment in capital assets:		
Purchase of capital assets	$ 11,266,847	$ 4,400,300
Amounts funded by deferred contributions	(2,548,865)	(2,683,602)
Repayment of long-term debt on residences	660,506	620,440
Repayment of long-term debt on Vineyard	-	1,052,600
	$ 9,378,488	$ 3,389,738

13. 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, 2016 management believes that the College has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management 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.

14. Financial instruments:

(a) 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, accounts receivable and investments. 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 $300,000 (2015 - $300,000). The College holds a term deposit in the amount of $18,500,000 that has been insured up to $100,000.

14. Financial instruments (continued):

(a) Credit risk (continued):

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 3.

Accounts receivable and long-term receivables 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 $1,803,827 of which 69% is over 6 months. All other accounts receivables and long-term receivables are current. An amount of $350,000 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.

(b) Market risk

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

14. Financial instruments (continued):

(c) Currency risk

Foreign currency risk relates to the College's operations in different currencies and converting non-Canadian earnings at different points in time at different foreign College levels when adverse changes in foreign currency rates occur. The College's exposure to foreign currency risk is based on the investment in Niagara College KSA.

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.

(d) 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 7). 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, 2016 to June 2, 2025.

At March 31, 2016, 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 swaps of $300,000 and $344,000 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.

(e) 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, 2016, 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 $324,000.

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

14. Financial instruments (continued):

(f) 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 7.

Derivative financial liabilities mature as described in note 7.

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.

15. 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 rates. The most recent actuarial valuation filed with pension regulators as at January 1, 2016 indicated an actuarial surplus of $1,179 million. The College made contributions to the Plan and its associated retirement compensation arrangement of $7,912,264 in 2016 (2015 - $7,516,499), which has been included in the consolidated statement of operations.

16. 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 Fund	Expendable Funds
Phase 1		
Fund balance, beginning of year	$ 988,010	$ 112,475
Cash donations received	-	-
Funds receivable from the Ministry	-	-
Funds received from the Ministry	-	-
Investment income	-	57,345
Bursaries awarded (47 awards)	-	(37,400)
Fund balance, end of year	$ 988,010	$ 132,420

	Endowment Fund	Expendable Funds
Phase 2		
Fund balance, beginning of year	$ 1,542,196	$ 270,494
Unmatched donations transferred to OTSS for matching	-	-
Cash donations received	-	-
Funds receivable from the Ministry	-	-
Funds received from the Ministry	-	-
Investment income	-	116,537
Bursaries awarded (53 awards)	-	(50,900)
Fund balance, end of year	$ 1,542,196	$ 336,131

17. Ontario Trust for Student Support (OTSS):

Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Trust for Student Support 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, 2016.

17. Ontario Trust for Student Support (continued):

Schedule of Changes in Endowment Balance:

	2016	2015
Endowment balance, beginning of year	$ 9,183,247	$ 9,087,045
Cash donations received	50,894	96,202
Funds receivable from the Ministry	-	-
Endowment balance, end of year	$ 9,234,141	$ 9,183,247

Schedule of Changes in Expendable Funds Available for Awards:

	2016	2015
Expendable funds available for awards, beginning of year	$ 776,472	$ 641,147
Investment income eligible for expenditures	451,594	305,875
Bursaries awarded (311 awards)	(312,820)	(170,550)
Expendable funds available for awards, end of year	$ 915,246	$ 776,472
Cash donations matched between April 1, 2015 and March 31, 2016	$ -	$ -

18. 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 $1,218,628 at March 31, 2016 (2015 - $1,054,378) and is expected to be received as follows:

	2016
2017	$ 297,031
2018	302,400
2019	299,445
2020	294,752
2021	25,000
	$ 1,218,628

19. Comparative Figures:

Certain 2015 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

Schedule 1 - Consolidated Analysis of Revenue

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
Grants and reimbursements:		
General Purpose Operating Grant (GPOG)	$ 42,727,424	$ 42,035,351
Employment services Ontario and Summer Jobs	3,108,459	3,065,880
Special purpose grants	2,687,629	3,016,165
Research grants	1,650,239	2,700,063
Other provincial and federal funding	1,814,209	2,226,882
Services Canada	1,855,465	1,968,965
Apprenticeship training	1,648,797	1,664,675
Literacy and Basic Skills	1,396,164	1,401,753
Capital grants	1,200,180	923,407
Second Careers	779,160	909,341
Provincial bursaries	440,572	456,708
Less: contributions related to capital	(1,359,729)	(1,464,957)
	57,948,569	58,904,233
Student tuition and fees:		
Full-time domestic	31,317,260	30,516,478
Part-time domestic	3,239,534	2,983,192
International post secondary	25,364,709	19,748,671
International part-time	3,624,605	4,113,436
	63,546,108	57,361,777
Ancillary operations:		
Residence	4,352,277	3,959,892
Parking	1,464,549	1,364,010
Restaurant	1,180,461	1,266,313
Niagara Learning Enterprise	1,487,574	1,236,223
Athletics	1,360,201	1,200,193
Facilities rentals	440,166	476,774
Campus store	397,060	400,946
Commissions	470,026	403,365
Greenhouse	166,980	130,170
	11,319,294	10,437,886
Other:		
Sale of course materials and service charges	6,299,950	6,030,528
International contract training and special projects	3,772,894	4,836,497
Donations – awards and bursaries	1,170,870	1,445,671
Investment income	629,286	664,124
Other donations	774,732	919,265
Other revenue	3,743	121,766
Contract training	28,710	103,475
	12,680,185	14,121,326
Earnings / (loss) from Niagara College KSA	1,128,628	(318,470)
Amortization of deferred contributions related to capital assets	5,891,581	6,012,265
	$ 152,514,365	$ 146,519,017

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule 2 - Consolidated Analysis of Expenses

Year ended March 31, 2016, with comparative figures for 2015

	2016	2015
Salaries and benefits:		
Academic salaries and benefits	$ 35,662,314	$ 35,470,555
Support salaries and benefits	19,699,934	18,771,537
Administration salaries and benefits	15,865,726	14,475,099
Part-time support salaries and benefits	13,455,143	12,657,649
Part-time teaching, sessional and partial load salaries and benefits	8,795,561	7,788,774
Post employment, vacation and sick leave	174,618	52,306
	93,653,296	89,215,920
Non-salary expenses:		
Contracted services and professional fees	11,312,882	10,959,841
Instructional supplies and field work	5,951,595	5,912,320
Building and grounds maintenance	5,882,434	5,031,524
Supplies	3,969,958	4,023,312
Utilities and telecommunications	3,394,402	3,281,241
Office expense and insurance	3,117,795	3,213,589
Marketing and promotions	2,865,027	2,764,673
Travel	1,901,842	1,578,071
Disbursements – awards and bursaries	1,170,870	1,445,671
Equipment maintenance and rentals	903,281	880,887
Professional development	626,027	592,947
Debt charges and banking fees	941,735	419,356
Foundation	233,163	166,557
Other	3,743	121,766
	42,274,754	40,391,755
Flow through funds to third parties:		
Participant stipends and allowances	2,812,520	2,965,401
Provincial bursaries	2,098,035	1,493,081
Municipal taxes-in-lieu	651,450	664,050
	5,562,005	5,122,532
Amortization of capital assets	8,850,232	8,855,857
	$ 150,340,287	$ 143,586,064