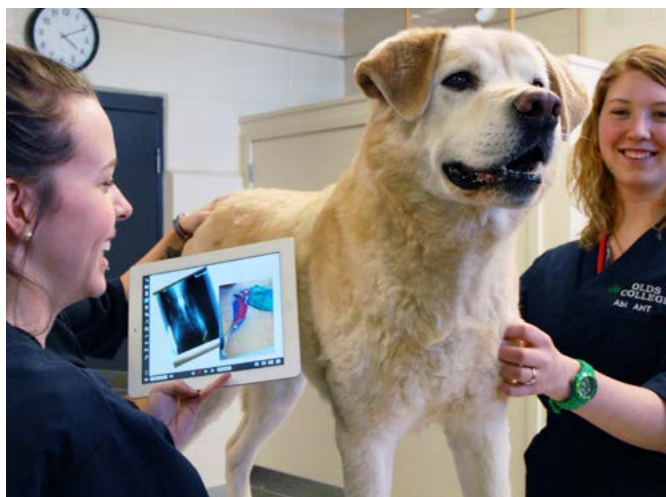




# WHERE WE HAVE BEEN SHAPES WHERE WE ARE GOING



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# OLDS COLLEGE

## PROVIDING ACCOUNTABILITY



### VALUES

At Olds College we value:

- Empowerment of learners
- Rural community development
- Teamwork
- Continuous improvement in all College operations

*Approved/reaffirmed by the Board, April 2011*

### VISION STATEMENT

Olds College shall be the premier Canadian integrated learning and applied research community specializing in agriculture, horticulture, land and environmental management.

### MISSION

Our mission is to create an environment for learning, inquiry, partnership and communication that supports our students, our employees and our communities in the service of society.

### OUTCOMES, STRATEGIES & PERFORMANCE MEASURES

Encompassed in the Comprehensive Institutional Plan (CIP) are the five Board directed institutional outcomes which are *Accessibility, Centre of Specialization, Responsiveness, Accountability and Sustainability*.

These outcomes are the basis for the development of strategies, actions, and performance measures that will guide the institution over the next 3 years. These strategies are compared with the goals of Alberta Enterprise and Advanced Education and Agriculture and Rural Development. This new format aligns with the principles of the *Results-Based Budgeting Act* recently introduced by the Alberta government.

### MANAGEMENT'S RESPONSIBILITY FOR REPORTING

Olds College management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report including financial statements, performance results, and supporting management information. Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Annual Report has been developed by Administration and approved by the Board of Governors and is prepared in accordance with the *Government Accountability Act, the Post-secondary Learning Act* to maintain a healthy financial position.

The Auditor General of Alberta, the institution's external auditor appointed under the *Auditor General Act*, performs an annual independent audit of the financial statements in accordance to generally accepted auditing standards.

### EXECUTIVE SUMMARY – ABOUT OLDS COLLEGE

Olds College is currently celebrating our Centennial, marking 100 years of quality education and training. Over the past century, Olds College has contributed to successful careers for many generations of learners. With pride, Olds College can link the values that underpinned the first course offerings of the Olds School of Agriculture and Home Economics in 1913 to those reflected in courses offered today. The innovation and entrepreneurial vision of the past is the foundation for the future of Campus Alberta.



Olds College is a board-governed institution and operates under the authority of the *Post-Secondary Learning Act*. The College will enter its second century with the establishment of a number of new learning initiatives which expand its influence across the province. In 2013, Olds College opened the Fashion Institute in Calgary as part of Campus Alberta South Partnership (CASp), and will continue to reach out to learners across Central Alberta through the efforts of Campus Alberta Central (CAC) and the Community Learning Campus (CLC). This expanded reach allows Olds College to offer certificates, diplomas, and applied degrees in business, agriculture, horticulture, animal sciences, fashion, land, environment, and trades to an increasing number of learners. The College also offers other programs in a variety of innovative formats, including dual credit for high school students within our regional stewardship and beyond, and a "gamified" capstone course on entrepreneurship for all graduates.

### **Moving toward the 2013/14 funding year, Olds College will focus on 4 key items as part of its Comprehensive Institutional Plan (CIP), including**

- sustainability,
- reviewing and refining our current policies and practices to ensure we are fulfilling the expectations of the Auditor General,
- allocation of resources to ensure Albertans are engaged in lifelong learning, are skilled and productive, demonstrate excellence in research innovation and commercialization, and to contribute to a Provincial economy that is competitive and sustainable,
- continuing to identify strategies for engaging and consulting with students in the development of strategic plans.

The leadership team at Olds College has identified five key priorities, to move the CIP forward. They are;

#### **Cost Effective Programs**

Olds College has engaged its academic leadership to evaluate our programs in the context of the Campus Alberta system. An initial evaluation took place in the month of April of 2013 which will guide and inform how we offer our programs over the next three years. (LOE)

#### **Marketing and External Image**

The most common phrase heard around our campus when a visitor comes for the first time is, "I had no idea..." We recognize that Olds College offers highly unique and specialized programs within Campus Alberta and we can do better to inform our customers (potential students and industry) of our offerings.

#### **Financial Sustainability**

Olds College continues to address financial sustainability through good financial governance, principled decisions, and outcomes based goals. In addition to repurposing existing resources, the College is always looking for new revenue sources and co-investment opportunities. (LOE)

### ACCOUNTABILITY STATEMENT

The Olds College Annual Report for the year ending June 30, 2013 was prepared under the direction of the Board of Governors direction in accordance with the Government Accountability Act and ministerial guidelines established pursuant to the Government Accountability Act. All material economic, environmental and fiscal implications of which we are aware have been considered in the preparation of this report.

*Barry Mehr  
Chair, Olds College Board of Governors*

### OUR FIVE BOARD DIRECTED INSTITUTIONAL OUTCOMES

*The Board of Governors has approved five outcomes that form a structure for the development of associated performance measures.*

#### 1. ACCESSIBILITY.

Olds College, in conjunction with other post-secondary institutions and partners, will operate strategically to provide access to learning opportunities.

#### 2. CENTRE OF SPECIALIZATION.

Olds College will be the leading centre of specialization in agriculture, horticulture and land-based education, entrepreneurship and applied research at the college level.

#### 3. RESPONSIVENESS.

Olds College will maintain a structure that anticipates and responds quickly and effectively to opportunities and demands as a result of changes in industry, governments, and technology.

#### 4. ACCOUNTABILITY.

Olds College will achieve excellence in educational outcomes while remaining fiscally responsible.

#### 5. SUSTAINABILITY.

Olds College will achieve sustainable operations based on multiple bottom line concepts.

## Housing

The current housing facility at Olds College is no longer viable for our students. External facilities experts have deemed that this 45 year-old building cannot be repurposed for the current needs of students coming to Olds College. As a destination campus, we have about half our student body living “on campus”. We will be proceeding in a partnership with an external vendor to finance, build, and operate student housing on our campus. We anticipate that new housing will be available for the 2015-2016 Academic year.

## Information Technology

There is recognition that Information Technology is the most important infrastructure component of the future of higher

education. The College has made a significant investment in Wi-Fi and bandwidth upgrades and will continue to invest in a comprehensive college-wide enterprise resource program, curriculum software, and scheduling software. (Specific detail provided later in the document)

Olds College is known for that entrepreneurial edge in business, and a remarkable ability to form partnerships. Here, entrepreneurship is a normative way of thinking, but when we refer to entrepreneurship, we mean it in the broadest sense: the ability to see an opportunity and pull together the resources and people needed to make it happen. Olds College isn't a passive contributor to the economy: our vision is to drive economic activity locally, nationally, and internationally with our ventures.

# STANDARDS & ACHIEVEMENTS LEADERSHIP

## MESSAGE FROM THE BOARD CHAIR

Olds College has had a year to be proud of. The College and our community came alive with so many different initiatives happening throughout this monumental year.

With significant changes in the educational landscape, Olds College finds itself ahead of the curve, as we work to anticipate where we can streamline and enhance programming. At the same time, we strive to prevent increased costs to the students, while we operate with the framework of the educational budget provided by the Government. By thinking ahead, we continue to move forward. As we embarked upon the lead up to our Centennial year, and a full slate of celebrations, we also braced for change.

But our Centennial is about more than a celebration. The College is committed to ensuring that the legacy celebrating our 100 years is carried forward into the next 100 years as well.

To do that, the Board and Centennial Governance Team created the Centennial Entrepreneurial Legacy Fund.

The surplus generated from the 2013 Centennial events will be used to fund entrepreneurial activities at Olds College for a projected 10 years after the Centennial. The Centennial Entrepreneurial Legacy Fund will position Olds College **“to be indisputably recognized as Canada’s entrepreneurial College.”**

During our Centennial, we took the opportunity to honour the role that our partners have played in our success. We honoured

our students and alumni. We honoured our staff and faculty. We honoured our partners and friends – from both industry and government. We honoured those that have helped us reach 100 and will help us achieve new heights in our next 100.

From our Partner of the Year – the Pomeroy Group – to our Partner of the Decade – the Students’ Association and our Partner of the Century – the Alberta Government, each of these key groups have been represented and recognized for the role they have played in helping Olds College achieve its many milestones over its first 100 years.

The Board is very proud of the work we have done, and are doing, to ensure that the College remains the benchmark for education and training in Alberta. This Centennial is a celebration of the past and also a showcase of our future and I am very happy to have shared it with everyone who came out to celebrate it with us.



Barry Mehr,  
Chair, Olds College Board of Governors

## PRESIDENT’S MESSAGE

Welcome to our Centennial! The College is an exciting place to be as we celebrate 100 years of innovation, perseverance and education.

I am proud to say that we, the leadership, faculty and staff, alumni and friends, are but stewards of the great heritage of this special college. Centennial bore witness to that heritage and we are all here, committed to growing that legacy.

Our Centennial allowed us, through our Signature Events, to explore the stories of those that contribute, in meaningful ways, to the progression of the College. We get to see how instrumental a few, who represent the many, are in building, shaping and capturing the College’s innovative spirit.

Today, Olds College welcomes students from around the world to experience its unique brand of practical, quality education. Today, Olds College stands on a 2200 acre campus that consists of a variety of facilities including a fully functioning farm, world-class riding arena, greenhouses, Botanic Gardens and Treatment Wetlands, Bell eLearning Centre and a 4-star hotel – the Pomeroy Inn and Suites at Olds College. In this unique partnership, the hotel will house Western Canada’s only teaching brewery and Brewmaster and Brewery Operations Management program. And, we also will showcase the new Hospitality and Tourism program, of which the hotel will play a key role in providing the hands-on training we have become so well known for. We have also integrated e-learning into our classrooms – an educational “first” – by incorporating an entrepreneurial program completely delivered from an iPad in our Spirit of Entrepreneurship App. The goal is to provide our students with an entrepreneurial mindset and attitude that will serve them well, whether they go on to be an employee or start their own business.

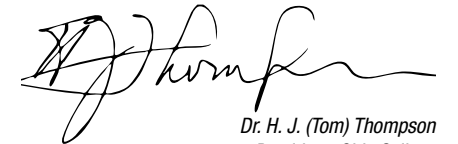
Our faculty is comprised of industry leaders, specialists and experts in their field who bring with them a vast amount of mentorship and teaching capabilities that encourage students to find exceptional careers. Through our programs in Olds and at our new campus, housed in the heart of downtown Calgary, we will continue to capture the innovative spirit of the College as it explores opportunities to advance and adapt education to meet the changing needs of industry.

We’ve come such a very long way. From a modest school of agriculture and home economics, to an internationally recognized institution specializing in integrated learning and applied research in agriculture, horticulture, land, environmental management and rural entrepreneurship, this campus is entrenched with history — and alive with spirit.

Today, we recognize where we came from, but also where we are going. Our Centennial salutes this legacy and welcomes new beginnings. We are so thankful for the continued generosity, dedication and support that our alumni, staff, faculty, students, community, and industry partners have provided us to over the last century.

Our partnerships are the foundations that have solidified our place in history, our legacy. It is represented in our College, our community and our country.

While many things have changed over the last 100 years at Olds College, many of the values and traditions we were founded on are still reflected today in what we do. It defines who we have become – the educational benchmark for learning in our province.



Dr. H. J. (Tom) Thompson  
President, Olds College



# ENHANCING STUDENT LEARNING EXCELLENCE

## MANDATE STATEMENT

Olds College is a board-governed public college operating under authority of the *Post-secondary Learning Act of Alberta*.

In accordance with the mandate for Comprehensive Community Institutions, Olds College awards certificates, diplomas, applied degrees and may participate in the delivery of collaborative baccalaureate degrees designed to meet the needs of both learners and the communities served by the College. Olds College programs offer learning opportunities in agriculture, horticulture, land and water resource management, animal science, business, fashion, technology and apprenticeship training. A number of additional programs and services are offered to serve the needs of the region including adult basic education, career training, and non-credit courses, as well as cultural and recreational activities.

The expertise and facilities at Olds College are both specialized and unique, including a significant land base for hands-on learning. The College works with industry partners and clients to develop and deliver a range of training programs and products designed to meet desired specifications. These outreach services are offered throughout Alberta, across Canada and internationally. In view of its unique role the College is committed to the promotion of sustainability in all areas of activity including physical operations, research, teaching and learning support.

Olds College programs require learners to acquire and demonstrate competencies defined and updated through collaboration with representative industry partners and advisory groups. The quality of Olds College programs is continuously improved through a policy-based cyclical review process that seeks input from learners, graduates, employers, industry advisors, faculty, and staff. College programs and operations are also subject to external review by a variety of accrediting bodies.

Olds College offers a residential campus environment that helps learners to achieve successful outcomes by providing a safe, caring, living and learning community in rural Alberta. Learners at Olds College have access to a complete range of services designed to enable them to meet their educational goals. New facilities, such as those in the Ralph Klein Center, the Bell eLearning Center and the Trans-Canada Theatre also enable the College to support

a range of activities and services for the public at large. These include health and wellness programs, SuperNet connectivity and the performing arts.

Olds College is committed to using innovative partnerships to sustain and enhance the ability of the institution to achieve the outcomes established by the Board of Governors. Olds College is an active participant in eCampusAlberta, promoting and supporting learning through technology. Consistent with the Campus Alberta concept, the College is committed to the creation of seamless learning opportunities and is signatory to numerous protocols and articulation agreements with universities and colleges provincially, nationally and internationally supporting student transfer.

Olds College, through the Community Learning Campus and other initiatives, is committed to expanding learning opportunities for rural Albertans and works with educational partners in the secondary schools in Olds and the broader regional community. As part of its mandate as a Comprehensive Community Institution, Olds College exercises stewardship responsibility for adult learning in the Central Alberta region, in cooperation with Red Deer College. In recognition of this obligation the two Colleges have created a joint venture entity known as the Central Alberta College-Community Partnership in order to support a system of community owned and operated engagement sites throughout central Alberta. Through an affiliation with the Faculty of Agriculture, Life and Environmental Sciences of the University of Alberta, Olds College participates in a broad range of joint educational and research activities.

The College actively pursues involvement in applied research that advances innovation-based rural economic development in Alberta. The applied research activity undertaken by the faculty and research staff at the College supports and informs the curriculum through providing learners with access to the most innovative and up-to-date information available in a variety of disciplines.

*Approved by the Deputy Premier and Minister  
of Advanced Education and Technology,  
June 17, 2010*

## STUDENT RECRUITMENT AND RETENTION

Olds College has a renewed campus-wide commitment to student success. This will be accomplished by providing superior service to prospective students, current students, and ultimately alumni. The College will improve its use of technology, social media, multimedia, institutional marketing, and campus experiences to increase the conversion rate from inquiries to applicants.

Efforts to reduce attrition include the adoption of early academic alert processes, academic advising and superior student supports to improve student success and retention. Sustained enrolment growth is planned over the next three years from the result of targeted recruitment, new programming, the launch of the Calgary campus, and an increase in Alberta Colleges Athletic Conference (ACAC) students. We will continue to inform the prospective student market about the unique attributes and overall value proposition of an Olds College education.

### **Responding to Market Demand with New Programs**

Olds College will offering a new Brewmaster and Brewery Operations Management Program and Hospitality and Tourism Programs in response to industry demand. Growth in trades continues as we offer additional intakes in welding in response to demand. We have increased our Agricultural Equipment Technicians by 20 more seats, as well as additional intakes for the John Deere Technician program.

## CONNECT YOUR PASSION

Olds College announced in February that it will move to a fully integrated iPad learning environment in the Fall of 2013. Students will have the opportunity to learn and apply entrepreneurship concepts by participating in a fun, dynamic and digital learning environment through the *Spirit of Entrepreneurship* app.

The gamified entrepreneurship course app starts out simply: students buy and sell lemonade stand inventory to the citizens of The Blands. Mini-games and awards encourage students to move through 12 modules of comprehensive content. As they progress through the content, more activities are unlocked in the game. As students become more skilled, they are able to run their stands more effectively and, hopefully, more profitably. Students are required to assess their business environment, make financial decisions, and apply marketing strategies within the game itself. They are also able to interact with each other, review slide notes and even ask an instructor a question, in real-time, right from the app.

## INFRASTRUCTURE RENEWAL

\$3.8 million dollars was allocated for the renewal of existing campus infrastructure. In addition to our core instructional space, there is a critical need for replacement of existing dormitory style housing with modern student accommodations. This upgrade and new construction would contribute to our Strategic Enrolment Management efforts. Utility infrastructure on campus is aging and will be a priority for upgrading during 2013-2016.

## STUDENT AWARDS CHART

	2010 – 2011	2011 – 2012	2012 – 2013
Student Awards	\$ 481,000	\$ 519,580	\$ 414,836
FLE Students	1258	1285	1294
Average Student Award per FLE	\$ 382.35	\$ 404.34	\$ 320.58
CIP Goal	\$ 350	\$ 350	\$350
Variance	\$ 32.35	\$ 54.34	- \$ 29.42
Percent Variance %	9.2	15.5	8.49%
Average Full-Time Tuition	\$ 4,240	\$ 4,239	4304
Average Award to Tuition Ratio %	9.02	9.54	7.45%

## TOTAL ENROLMENT CHART

	2010 – 2011	2011 – 2012	2012 – 2013*
Total Enrolment: Full Load Equivalent (FLE)	1,258	1,286	1,294
Business Plan Goal	1,275	1,300	1,300
Variance	-17	-14	-6
Percentage Variance %	-1.3	-1.1	-1%

*\*Not yet verified with EAE*

# DIRECTION

## MOVING INTO THE FUTURE

### FINANCIAL HIGHLIGHTS

Olds College's budgeting principles of strategic solutions, seeking new revenues, implementing responsible budgeting, and avoiding deficits were applied to the creation of the new budget. This budget reflected the decrease in government funding, ambiguous future for IMP funding, and continued uncertainty in global investment markets. It adequately addressed ongoing inflationary cost pressures and high operational costs due to various factors including our niche applied learning environment and aging facilities. This budget projected an operating surplus to align with our responsiveness outcome, focused on new measures to diversify the College's revenue sources, and committed the College to operational excellence through a process of academic and service renewal.

During the year, the College received a number of grants predominately tied to infrastructure operations and deferred maintenance. Despite the uncertainty in global markets, investment strategies resulted in revenues exceeding the budget by \$725,000. Continued fundraising efforts resulted in cash and gifts-in-kind donations totaling \$2.5 million. The College completed the fiscal year with an actual surplus of \$1.9 million or 4% of total revenue.

Many one-time capital initiatives were completed to produce better learning and working environments and to reduce the College's impact on the environment. During the fiscal year, \$8.1 million of capital assets were purchased as part of an initiative to replace aging furniture and equipment, construct and enhance new learning spaces and to advance the College's learning enterprises. This includes the completion of the downtown Calgary Campus location at Bow Valley College which will house the Olds College Fashion Institute. Incremental funds were also allocated to other high-demand programming as well as pedagogically appropriate technology to meet the diverse needs of learners. Significant effort was put forth to ensure the campus was appropriately resourced and aligned with plans for enhanced online learning experiences. Priority renewal processes included determining a plan for the replacement of our aging dormitory residence, continued renewal of older academic and administrative facilities, and plans for a new enterprise resource planning tool.

The College's proactive approach to addressing changing economic conditions has resulted in the College retaining its strong

financial position. This position includes the College ending the year with \$3,302,000 million in unrestricted net assets and \$11.7 million in restricted net assets.

### ENROLMENT

Olds College continues to offer unique, employable education for many learners. In 2012/2013, Olds College welcomed 6,033 learners who enrolled in a minimum of one course at Olds College. Programs that are made up of these courses include: Full-Time programming, Continuing Education courses, Dual Credit programming, Pre-Employment programming, Apprenticeship and On-line courses. These learners translate to 1294 full-load equivalent (FLE) students in 2012-13. Highlights include; a 21% increase in the School of Agriculture and an overall increase of 9.24% in first year FLE students. Increased access to Olds College and our programs was assisted through our work with Chinook's Edge School Division on Dual Credit Courses. This year also included growth in our applied degree in Agribusiness.

Fall 2013 will include the introduction of our Brewmaster and Brewery Operations Management program as well as Hospitality and Tourism.

### STAFFING

In 2012/2013, Olds College employed approximately 443 permanent full-time, permanent part-time, temporary and contract staff members. This includes 83 faculty and 29 individuals hired on contract to work as instructors in both regular programming and in continuing education, 175 support staff, 113 exempt staff, and 43 students. This equates to the full-time equivalent of approximately 348 employees.

### TUITION PROJECTIONS

At the direction of Enterprise and Advanced Education, tuition and fees have been held at 2012/13 levels for 2013/14. In an effort to remain fiscally conservative we have also held Tuition and Related Fees revenue budgets constant for 2014/15 and 2015/16 despite the enrolment growth we are forecasting.



# ACADEMIC AND RESEARCH HIGHLIGHTS

## OLDS COLLEGE ACADEMIC AND RESEARCH DIVISION

Whether it is collaboration to provide programs and services for Central Alberta Communities or creating new opportunities for learners in Olds and Calgary, Olds College continues to undertake numerous initiatives that respond to the Provincial Government's mandate to create a globally recognized, high quality, advanced research based learning system that meets Government and provincial needs and is learner-centered, affordable and accessible to all Albertans. There are many examples of this focus and they include:

### CALGARY CAMPUS

- The Fashion Marketing certificate program moved into the BVC site in Calgary during January. A grand opening was held on our new campus in May as part of the Centennial celebrations. Preparations were made to start moving the Apparel Technology program to Calgary as well.
- Hosted an industry open house and meet and greet with staff to showcase the new facility as it was prepared for the fall intake and offering of the fashion programs in Calgary.



## CENTRE FOR TEACHING AND LEARNING (CTL) TRANSFORMED INTO EDUCATIONAL TECHNOLOGY AND CURRICULUM (ETC) IN MAY 2013

- Center for Teaching and Learning (CTL) Transformed into Educational Technology and Curriculum (ETC) in May 2013.
- The Launch of the Mobile Learning Initiative, Connect Your Passion, started with Apple Monday.
- All faculty received iPads by end of June 2013.
- ETC restructures and moves to the Land Sciences building.
- An internal Professional Development event, 'iSpark', which encouraged the integration of technology into the classroom was held on campus this past year.
- Moodle training provided to over 100 Olds College employees.
- The CTL piloted the College's Annual Program Review process with four programs: Apparel Technology, Veterinary Medical Receptionist, Turf Grass Management and Heavy Equipment.
- Multiple training sessions available to all Olds College employees delivered through May and June.

## CANADIAN INSTITUTE FOR RURAL ENTREPRENEURSHIP (CIRE)

### EntreEducation at Olds College

Olds College is committed to ensuring students develop an entrepreneurial mindset and understanding. Entrepreneurship is being integrated throughout the campus that will take hold in 2013/2014 school year. The groundwork was laid leading up to the fall 2013 school year with the development of the Spirit of Entrepreneurship iPad app- a capstone course, delivered completely in a gamified setting to teach the principles of entrepreneurship.

Other activities that will support this initiative include:

- Entre Certificate was developed with a \$50,000 grant from eCampus Alberta to create a 4 course certificate in entrepreneurship.
- RED Challenge is a partnership with Red Deer College, Community Futures, and others to offer a business planning competition to students.

- Canadian Youth Business Foundation: revised partnership agreement with CYBF.
- Entrepreneurs Club was formed within the School of Business to promote entrepreneurial activities on campus.

### COMMUNITY LEARNING CAMPUS (CLC)

- In collaboration with Campus Alberta Central, the establishment of a new dual credit pre-employment hairstylist program.
- The CLC Centennial Leadership Series brought together representation from Olds College, Chinook's Edge School Division, government, business, and industry.
- We launched a new website.
- Alberta Works and Careers the Next Generation joined the CLC Program Advisory Council. The CLC Program Advisory Council created a new program model and visual for CLC Learning (posted on the new website).

Looking ahead, two major highlights from our draft 2013-2014 business plan include:

- We received funding from the Provincial Dual Credit Strategy to help develop a dual credit pathway in the new Hospitality and Tourism Program.
- The "Finishing the Dream" expansion project will see the addition of space to the Ralph Klein Centre, which will include the Canadian Centre for Rural High Performance Sport.

### CONTINUING EDUCATION

Continuing Education continued the realignment of operations throughout the 2012/13 year geared to create an organizational structure better prepared to respond to industry and community learning opportunities. This restructure will enable Continuing Education to be responsive and entrepreneurial in their approach to learning. Despite the restructure, some key themes and activities were maintained:

- Fibre Week celebrated its' 25th Anniversary in June 2013 with record attendance.
- Several successful new programs have been developed and incubated within Continuing Education and are now offered within the Academic Schools.
- Offered 3 successful Heavy Equipment Operator programs in 2012-13, two at a site just outside Olds and one in conjunction with Women Building Futures, just outside of Edmonton.
- Strong enrolment continues for on-line courses in Agronomy, Rural Finance and Entrepreneurship.

### INTERNATIONAL DIVISION

- Post Diploma Certificate agreement with the Universidad Autonoma de Chapingo and Universidad Autonoma Agraria Antonio Narro: 22 students arrived January 2013, 100% passed their program and were successfully awarded a certificate.

- Coffee Project is a partnership with growers in the Dominican Republic. Olds College brings the coffee beans to Calgary, roasts them and sells the Olds College coffee with 90% of profits going back to support education and training for coffee farmers and kids in the Dominican Republic.
- Dr. Pablo Ortiz joined Olds College's Business and International Development division as Coordinator of International Engagement and Programs last August. Dr. Ortiz brings a wealth of knowledge with him on International recruitment, education and training.



## OLDS COLLEGE CENTRE FOR INNOVATION (OCCI)

The future of Olds College Centre for Innovation (OCCI) and its industry partners is very promising. The primary focus of activities at OCCI is domestic and focuses on providing applied research and innovation services to small to medium enterprises in rural Alberta, and secondarily to open up the world to Alberta businesses through our international connections. This background provides a strong foundation for future growth and increased industry involvement. Recent programs launched at

OCCI will promote further opportunities and growth:

- Exploration Program – A program focused on expanding the involvement of Olds College staff and students in applied research activities.
- Technologies Program – A new multi-partner initiative designed to manage all intellectual property and commercialization opportunities, and to train Olds College personnel.
- OCCI Rural Outreach Program – A new multi-partner initiative focused on effective rural outreach and communication with individuals, organizations, and companies primarily in rural Alberta.
- Collaboration with other Institutions, Research Agencies, and Government, The Olds College Centre for Innovation has provided many applied research and expert services to various departments of the Government of Alberta including the followings:
  - Agriculture and Rural Development
  - Environment and Sustainable Resource Development
  - Municipal Affairs
  - Transportation
  - Energy
  - Enterprise and Advanced Education

Olds College has three primary and two secondary areas of research. The three primary areas are:

- Bioenergy (Environment)  
Specifically biodiesel, Olds College and OCCI focuses on the development of non-food feedstock for biofuel production.
- Water Quality and Quantity (Treatment of Water)  
Alberta is facing a number of pressures on its water resources due to rapid industrial, agricultural, and municipal growth. Olds College has built Botanical Gardens and Treatment Wetlands for treatment of polluted waters. The unique 12 acre constructed wetland, with its 20 treatment ponds and wireless mesh monitoring equipment, will address research needs associated with the treatment of storm water, municipal wastewater, produced water in oil and gas and oil-sands operations, and run-off from intensive livestock operations. As such, this new



facility will serve as a model to demonstrate the way wetlands can help reduce negative impacts on our environment and the ever increasing demand for clean water. The College plans to focus on the implementation of the Government of Alberta Wetland Policy by addressing monitoring challenges relating to functionality of wetlands in cold high-latitude climates and the use of wetland plants for the phyto-remediation of different pollutants.

- Integrated Waste Management.  
Olds College Composting Technology Centre has provided support to municipal, agricultural, and industrial sectors of Alberta's economy for close to 20 years. Research activities at the centre now focus on commercialization of waste management technologies and provision of services to clients and sustainable waste management services to local municipalities.

Secondary areas of research priorities are:

- Horticulture and Turfgrass Research  
Providing training and on-site demonstration and research using traditional and organic approaches will help address problems in the landscape, athletic fields, municipal playing fields, and golf courses. Two areas of research focus are cold tolerance and use of recycled water for turfgrass.
- Genomics and Feed Efficiency Research (food production)  
Olds College and the University of Alberta kicked off a new three year project (funded by NSERC) in the agriculture sector entitled "Use of Genomic Tools to Improve Feed Efficiency in Purebred Hereford Cattle" in 2012. The project will engage the livestock industry and our students in scientific research involving residual feed intake (RFI) to improve efficiency in product selection and grow profit margin and competitiveness for many Canadian beef cattle producers.

### SCHOOL OF AGRICULTURE

The School of Agriculture continued to implement new innovations in programming, technology, and facilities. Each of these innovations will help our students learn more efficiently, with the most modern facilities and tools that we have available.

- Renovation of our Meat Training Centre began.
- The Animal Health Technology program modified its admission process, making it a competitive entry-based program.
- First year of the MacEwan Bachelor of Science program at Olds College.
- Hosted the 32nd annual Olds Classic Farrier Competition and Forging Clinic and students and staff presented their skills in the Equine Centennial Showcase.
- Acquired a new partial cow and full calf replica for calving and feeding training, purchased new feedlot monitoring software.
- Implemented iPad use in our tractors, and calving barn.

- Completed the testing of 200 Hereford bulls for feed efficiency using the Growsafe™ system in year one of a three year research trial.
- A new risk management course was delivered online in January with a focus on farmers to help them understand how to manage risk with the recent changes in the grain markets.

### SCHOOL OF BUSINESS

- The School of Business hosted 11 colleges from around the province at the Annual Alberta Colleges' Business Case Competition. This was the College's second Centennial Signature Event. Aside from running a very organized and well run competition, Olds College managed to create a model for future hosts in which a small profit could be made from hosting the event.
- Olds College received the mandate to deliver the Hospitality and Tourism program for this region from Red Deer College.

### SCHOOL OF ENVIRONMENT

- Western Canada's only Teaching Brewery kicked off construction in order to have it ready for the Fall 2013 intake for the Brewmaster and Brewery Operations Management Diploma program.
- Landscape Gardener Apprenticeship Program (LGAP) explored new opportunities to expose programming to industry to boost enrolments. Working with PAC and LANTA to increase exposure within municipalities for programming opportunities, the City of Edmonton selected as a key starting point.
- The new major "Environmental Stewardship and Rural Planning" received national accreditation from the Canadian Association of Certified Planning Technicians.

The Land and Water program upgraded field school by:

- Conducting Plant ID, vegetation community classification and soil classification for Boreal forest, Parkland and grassland sites.
- Monitoring water quality and assess wetland areas.
- Reclamation students complete pre-site assessments, and conduct cultivated, grassland and forest DSA's.
  - Assessments include both field and paper work.
  - Students going to industry will have actually gone through the whole process (field and office) that will be the major part of their job.
  - A water, vegetation and soil assessment for the Nature Conservancy of Canada will take place in the Pine Lake area. The report will be given to NCC as part of a capstone project.
- Leighton House Sustainable Landscape Master Plan – designed by B.A. Sc. students spring 2013, located in the Woodbine subdivision in Calgary, original home of the artist AC Leighton built in the 1930's. Now owned / operated by the Innua Group, a think tank consortium focused on sustainable

technology, lifestyles and community. Work from the designs is currently being implemented by contractors.

- Olds Hospital Therapeutic Gardens Redevelopment Landscape Master Plan – designed by 2nd year Landscape Management students in Spring 2013. Plans are being utilized for fund raising to undertake the sites redevelopment and upgrades for patients of the hospitals long term care facility.
- École Olds Elementary School Main Entrance Landscape Redevelopment Landscape Plan – designed by B.A. Sc. students in Spring 2012, the school utilized the design for fund raising applications which were successfully acquired in 2013 and a collaborative of parents, students, teachers, Olds community and business volunteers completed the site construction in the summer of 2013.
- Hosting Alberta Greenhouse Growers Association (AGGA) Meet n'Greet. The AGGA is Alberta's only group dedicated to servicing the needs of greenhouse growers and retail garden centres in the province with membership of over 175 individuals and businesses.

### SCHOOL OF TRADES

School of Trades continued its strong partnership with industry. It hosted several industry training events and also introduced many industry partners to the Facilities on campus that allow us to ensure the latest innovations are being provided to those who take training and courses here at Olds College.

- Industry supported the College and our programs in many ways. John Deere donated tractors, simulators and tools. CAT provided engines and other partners provided tools, training and expertise to support our goals across the school.
- Programs and courses continued to grow. We welcomed the largest intake in apprenticeship we have had that allowed us to increase apprenticeship seats in our programs. Because of this, increased enrolments could be seen across the board in many programs, including in CNH Tech and JD Tech Industry programs. We also welcomed the new Pre-Employment Hairstylist Program, the first of its kind, in February with 12 high school students from across Alberta.
- Through Campus revitalization, facilities were upgraded to ensure long term success of programming.
- To enhance the learning experience, staff in the School of Trades attended many training and learning opportunities with and in industry to keep pace with changing demand and expectations.
- In preparation for the 60th Annual World Plowing Championship, staff committed to ensuring the success of this event in terms of preparation and planning to welcome the competitors and oversee first class international celebration of agriculture and the land.



# REPORTING

## INSTITUTIONAL SCORECARD

### MANAGEMENT DISCUSSION & ANALYSIS REPORTING ON 2012/2013

Olds College has established a rigorous process for institutional evaluation based upon the measurement of the values, vision, mission, and outcomes statements as set forth in the Olds College Policy Governance Model. The Board identifies key performance indicators for each outcome and reviews Outcomes Monitoring Reporting with a focus on key performance indicators.

Annually, the Institutional Evaluation Committee of the Board reviews the key performance indicators associated with the College outcomes and assesses the relevance of the measures that form the foundation of the Institutional Scorecard by which institutional performance is evaluated.

Concurrently, administration reviews and ensures identification and provision of appropriate measures associated with the key performance indicators for Board consideration.

To enable the Board to monitor institutional evaluation monthly, the Outcomes Monitoring Report is provided to the Board. Administration is responsible for preparing reports and information to assess the College's success in achieving key performance indicators. Board members review, question, comment and provide direction to administration as a function of the monitoring process. An annual Institutional Scorecard provides for the comparison of Outcomes Monitoring Report data against benchmarks established in the approved Comprehensive Institutional Plan.

- ✓ Increase conversion rate from inquiries to applicants
- ✓ Reduce Attrition
- ✓ Ongoing F.L.E. growth over the next 3 years
- ✓ Adoption of Pedagogically appropriate technology
- ✓ Development of new programming
- ✓ Receipt of Federal and Provincial Research Funds
- ✓ Completion of Botanical Gardens and Treatment Wetlands
- ✓ Money allocated to infrastructure renewal
- ✓ Plans for new student housing – Capital Project

### INSTITUTIONAL SCORECARD

Over the past century, Olds College has contributed to successful careers for many generations of learners. Part of the success is a commitment to ongoing institutional evaluation. This process is based upon the measurement of outcomes, which are enclosed in the framework of the Values, Mission, Outcomes and Vision statements of Olds College. The Board of Governors identifies key performance indicators for each outcome while administration is responsible for preparing the measures that assess the College's success in achieving key performance indicators.

Olds College is pleased to introduce a new format for its Institutional Scorecard. While many metrics are used to guide us in our strategic planning, we have focused on seven key metrics to drive our behaviors. Focused on the delivery of specific and niche programming, we recognize that in order to align to our mission and outcomes, we must commit to the ongoing development of our programming content and delivery methods in addition to continuous investment in capital renewal. As a part of our commitment to a measured approach to such growth and improvement, we will establish targets for 2014-15 so we can begin to report on actual to target numbers.

Learners look to Olds College to provide them with the education they need to employ their passion. Our scorecard indicates our success in exceeding their expectations.

### OUTCOMES

- **Accessibility:**  
Olds College, in conjunction with other post-secondary institutions and partners, will operate strategically to provide access to learning opportunities.
- **Centre of Specialization:**  
Olds College will be the leading centre of specialization in agriculture, horticulture and land-based education entrepreneurship and applied research at the college level.
- **Responsiveness:**  
Olds College will maintain a structure that anticipates and responds quickly and effectively to opportunities and demands as a result of changes in industry, governments and technology.
- **Accountability:**  
Olds College will achieve excellence in educational outcomes while remaining fiscally responsible.
- **Sustainability:**  
Olds College will achieve sustainable operations based on multiple bottom line concepts.



INSTITUTIONAL SCORECARD

A+

OUTCOME	KEY PERFORMANCE INDICATOR	MEASURE	DEFINITION	ACTUAL 2012 – 2013	ACTUAL 2011 – 2012	ACTUAL VS TARGET (%) **
Accessibility	Interest and Growth	Course Registrations (#)	Total number of course registrations in all forms of program delivery including on-site, off-site, online, blended delivery, dual credit, apprenticeship and continuing education	23,890	23,155	New
Centre of Specialization	Centre of Specialization in Programming	Unique Programs	Number of programs that are unique to the province and the country based upon subject matter or method of delivery	14	12	New
	Centre of Specialization in Programming	Learners Outside Catchment (%)	Percentage of learners from outside our geographic catchment who have selected to attend our college	44	42	New
Responsiveness	Value	Student Satisfaction (%)	Percentage of students satisfied based upon 'Overall satisfaction with experience' score on external survey*	78.7	76.2	New
Accountability	Outcomes	Graduates (#)	Total number of individuals we graduated in a given year from all credentials including certificates, diplomas, and applied degrees as well as trained apprentices	739	694	New
Sustainability	Educational Sustainability	Changes to Programs (#)	Number of academic program changes (revisions, additions, deletions)	152	143	New
	Economic Sustainability	Capital Renewal (%)	Percentage of gross budget allocated to capital renewal	1.8	1.3	New

\*This survey has been administered every two years so this number reflects the 2010-11 survey.

\*\*In the upcoming academic year, we will establish targets so we can begin to report on 'Actual VS Target' numbers as a part of our commitment to a measured approach to continuous growth and improvement.

# YEAR IN REVIEW

## LOOKING BACK AT 2012/13

Continuing Education reached agreements to develop and deliver customized programs in Agronomy and Agriculture Management.

Olds College announces a Student focused budget in the midst of the province roll back for post-secondary funding. Olds College announces renewed partnership with Royal Roads University for transfer students.

Kathy Kimpton was announced as the new Vice President of Student and Support Services after an extensive search.

Agriculture Youth Engagement Foundation hosts Agriculture: Is a Bright Idea Conference at Olds College which generates a \$5000 scholarship.

Olds College signs agreement with Credenda to offer educational opportunities for northern aboriginal communities in Saskatchewan. Business Administration Diploma offered in September 2012.

The Fashion Institute officially launches in Calgary as dignitaries and staff showed off the new space that featured world-renowned designer Paco Rabanne.



Olds College's School of Environment hosts the 11th Annual Science Symposium and showcases sustainable alternatives in the industry.

Bob Murray takes over as Director of Athletics, Fitness and Recreation.

Olds College Open House showcases the College and what we do. It also features, for the final time, a fashion show here in Olds. In 2013-14, the fashion show will be hosted in Calgary as a showcase of the Fashion Institute.

Government of Alberta recognizes Olds College for new Digital Learning Platforms and the progressive steps the College is making.

Olds College expands its offering for students in the MacEwan University B. Sc. transfer program.

Olds College shows a 9% enrolment increase in the Fall of 2012 with some 63 more first year students accepted.

Olds College loses a friend and a colleague with the passing of Dan Fullerton. Dan's sudden passing occurred within weeks of the launch of the Olds College Coffee project, which he passionately championed.

Canadian Youth Business Foundation and the Canadian Institute for Rural Entrepreneurship announces a new partnership that will provide tools, training and information for small businesses to grow.

Olds College along with Alberta Rural Development Network (ARDN) partners with the Canadian Rural Revitalization Foundation (CRRF) to host a national conference aimed at creating rural connections.

Olds College announces the passing of a great colleague and friend, Richard (Dick) Thomson. Dick had celebrated his thirty years of service in a variety of positions from Program Coordinator to Chair of School of Trades.

Olds College Alumni invested into the Alberta Order of Excellence. Alumni and Hall of Famer, Robert Hironaka ('47) received the highest honour the province has to offer to its citizens with this award.

Brewmaster and Brewery Operations Management Program opens applications for new program in Fall of 2013.

The Lady Broncos wrap up a magical season winning in their return to Alberta Colleges Athletic Conference (ACAC) competition by winning the conference and taking home the Gold medal as the best team in the Province. They then parlay that success to a Bronze medal finish at Nationals as the third best team in the country.

Olds College welcomes Deputy Premier and Minister of Enterprise and Advanced Education, the Honourable Thomas Lukaszuk to its Centennial kick off.

Olds College announces the Government of Alberta as Partner of the Century, the Olds College Students' Association (OCSA) as Partner of the Decade and the Pomeroy Group as Partner of the Year.

Olds College, through funding from the Campus Alberta Central partnership, launches the first Blended Learning Hairstylist Dual-Credit program in Canada.

Olds College unveils its Centennial Canada Post Envelope and Centennial Song at its February Centennial Launch.

Olds College launches Connect Your Passion with increased bandwidth, and the Spirit of Entrepreneurship iPad application.

Olds College finds remains of ancient reptile. A rare Champsosaur fossil is discovered by staff, Leona Megli, in a landscaping rock on campus.



Industry demand cultivates a new Major in Environmental Stewardship and Rural Planning Accreditation. This will be hosted through the Land and Water Resources Program.

Olds College welcomes Senator Bert Brown to Olds College campus to present President Dr. H.J. (Tom) Thompson with the Queen Elizabeth II Diamond Jubilee Medal.

eCampusAlberta celebrates a decade of learning.

Olds College launches its Centennial History book Seeding Success and Centennial Coffee. In celebration of the upcoming Centennial, the College welcomes the new 400+ page history book and also the launch of the coffee project.

# THANK YOU

## FOR YOUR CONTRIBUTIONS

### TOWARDS THESE

# OLDS COLLEGE

# EVENTS

Annual Hort Week

Annual Summer Alumni Reunion

Centennial Signature Event Launch

**Olds College Heritage Fall Golf Classic\***

Annual Surf n' Turf

**Alberta Student Executive Conference\***

**Alberta Deans School of Business Case Competition\***

**Annual Growing the Legacy Gala\***

The Fashion Institute Fashion Show

**Equine Centennial Showcase\***

**Calgary Campus Grand Opening\***

Annual Jeans & Jackets - Dinner & Dance

Annual Night of Distinction

Graduation

**Community Celebration\***

**J.C. (Jack) Anderson Charity Auto Auction\***

Annual Fibre Week

**60th World Plowing Championship\***

Brewery Grand Opening

Botanic Gardens & Treatment Wetlands Grand Opening

Spirit of Entrepreneurship App Launch

**Centennial Homecoming\***

Centennial Signature Event Wrap-up

\* Centennial Signature Event

# FINANCIAL

## CONSOLIDATED STATEMENTS

### YEARS ENDED JUNE 30, 2013 AND 2012

#### INDEPENDENT AUDITOR'S REPORT

#### STATEMENT OF MANAGEMENT RESPONSIBILITY

#### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

#### CONSOLIDATED STATEMENTS OF OPERATIONS

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

#### CONSOLIDATED STATEMENTS OF REMEASUREMENT OF GAINS AND LOSSES

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



#### Independent Auditor's Report

To the Board of Governors of Olds College

#### Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Olds College, which comprise the consolidated statements of financial position as at June 30, 2013, June 30, 2012 and July 1, 2011 and the consolidated statements of operations and cash flows for the years ended June 30, 2013 and June 30, 2012, and the consolidated statement of remeasurement gains and losses for the year ended June 30, 2013 and 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.

#### Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audits 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 the auditor's 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, the auditor considers 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.

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

#### Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Olds College as at June 30, 2013, June 30, 2012 and July 1, 2011 and the results of its operations and its cash flows for the years ended June 30, 2013 and June 30, 2012, and its remeasurement gains and losses for the year ended June 30, 2013, in accordance with Canadian public sector accounting standards.

*Merwan N. Saher, FCA*

Auditor General

July 11, 2014

Edmonton, Alberta

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As At  
(thousands of dollars)

OLDS COLLEGE

CONSOLIDATED STATEMENTS OF OPERATIONS

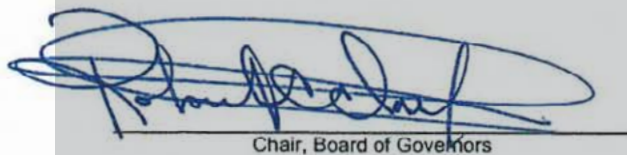
YEARS ENDED JUNE 30, 2013  
(thousands of dollars)

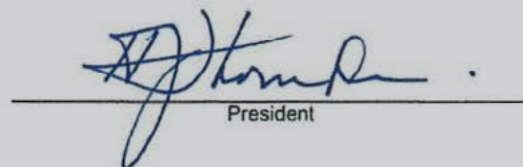
OLDS COLLEGE

	June 30, 2013	Restated June 30, 2012 (Note 5)	Restated July 1, 2011 (Note 5)
<b>ASSETS</b>			
Cash and cash equivalents (Note 6)	\$ 879	\$ 631	\$ 5,004
Portfolio investments (Note 7)	21,265	23,915	23,950
Accounts receivable (Note 11)	4,341	2,636	3,905
Inventories and prepaid expenses	1,970	1,376	1,051
Investment in Olds College Trust (Note 9)	3,056	1,055	-
Tangible Capital assets (Note 12)	75,771	72,748	73,293
	<u>\$ 107,282</u>	<u>\$ 102,361</u>	<u>\$ 107,203</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 7,980	\$ 6,378	\$ 7,743
Derivatives (Note 8)	48	76	78
Debt (Note 14)	2,190	2,434	2,666
Deferred revenue (note 15)	72,014	70,392	73,987
	<u>\$ 82,232</u>	<u>\$ 79,280</u>	<u>\$ 84,474</u>
<b>NET ASSETS</b>			
Accumulated surplus (Note 17):			
Accumulated operating surplus	16,721	14,766	14,561
Accumulated remeasurement gains and losses (Note 17)	(63)	-	-
Endowments (Note 16)	8,392	8,315	8,168
	<u>\$ 25,050</u>	<u>\$ 23,081</u>	<u>\$ 22,729</u>
	<u>\$ 107,282</u>	<u>\$ 102,361</u>	<u>\$ 107,203</u>

Contingent liabilities and contractual obligations (note 19 and 20)

Approved by:

  
Chair, Board of Governors

  
President

The accompanying notes are part of the consolidated financial statements.

	Budget 2013	2013	2012
<b>REVENUE</b>			
Government of Alberta grants (Note 23)	\$ 34,049	\$ 31,539	\$ 33,642
Federal grants	-	605	443
Sales of services and products	10,208	9,804	9,065
Student tuition and fees	7,148	6,708	6,594
Donations and other contributions	1,463	2,530	2,207
Investment income (Note 21)	1,276	2,001	815
Gain on disposal of capital assets	-	380	53
	<u>\$ 54,144</u>	<u>\$ 53,567</u>	<u>\$ 52,819</u>
<b>EXPENSE</b>			
Instruction	\$ 17,313	\$ 19,092	\$ 19,084
Academic and Student Support	7,726	6,793	6,379
Facility Operations and Maintenance	8,800	6,568	10,041
Institutional Support	10,578	10,582	9,145
Ancillary Services	3,315	3,475	3,195
Sponsored Research	1,727	1,893	1,427
Special Purpose and Trust	3,107	3,056	3,280
	<u>\$ 52,566</u>	<u>\$ 51,459</u>	<u>\$ 52,551</u>
Operating surplus	\$ 1,578	\$ 2,108	\$ 268
Change in accumulated operating surplus		(153)	(63)
Accumulated surplus, end of year	\$ 1,955	\$ 205	
Accumulated surplus from operations, beginning of year		14,766	14,561
Accumulated surplus from operations, end of year	<u>\$ 16,721</u>	<u>\$ 14,766</u>	

The accompanying notes are part of the consolidated financial statements.

(in thousands)	Accumulatd Surplus (Deficit)
<b>Accumulated remeasurement gains / (losses) at beginning of year</b>	\$ -
Unrealized gains (losses) attributable to:	
Foreign exchange	-
Derivatives	-
Portfolio Investments (Note 7)	(63)
	<u>\$ (63)</u>
Amounts reclassified to statement of operations	
Foreign exchange	-
Derivatives	-
Portfolio Investments (Note 7)	-
	<u>\$ -</u>
<b>Accumulated remeasurement gains / (losses) at end of year</b>	<u><u>\$ (63)</u></u>

The accompanying notes are part of the consolidated financial statements.

	2013	2012
<b>OPERATING TRANSACTIONS</b>		
Surplus from operations	\$ 2,108	\$ 268
Add (deduct) non-cash items:		
Amortization of tangible capital assets	4,897	4,816
Spent capital recognized as revenue	(3,904)	(3,330)
(Gain) loss on disposal of tangible capital assets	(380)	(53)
(Gain) loss on investment in Olds College Trust	37	25
Change in unrealized loss (gain) on derivatives	28	-
Change in unrealized loss (gain) on investments	-	(243)
Change in unrealized foreign exchange loss (gain) on investments	-	(206)
Total non-cash items	<u>678</u>	<u>809</u>
(Increase) decrease in accounts receivable	(1,705)	1,269
(Increase) decrease in inventories and prepaid expenses	(594)	(325)
Increase (decrease) in accounts payable and accrued liabilities	1,602	(1,365)
Increase (decrease) in deferred revenue	5,578	(358)
<b>Cash Provided by Operating Transactions</b>	<u>\$ 7,667</u>	<u>\$ 298</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(8,102)	(4,080)
Proceeds on sale of tangible capital assets	412	90
<b>Cash Applied to Capital Transactions</b>	<u>\$ (7,690)</u>	<u>\$ (3,990)</u>
<b>INVESTING TRANSACTIONS</b>		
Purchase of investments	(17,649)	(9,100)
Sale of investments	20,153	9,584
Investment in Olds College Trust	(2,038)	(1,080)
Endowment investment earnings (loss)	41	20
<b>Cash Provided by (Applied to) Investing Transactions</b>	<u>\$ 507</u>	<u>\$ (576)</u>
<b>FINANCING TRANSACTIONS</b>		
Endowment contributions	36	127
Debt - repayments	(272)	(232)
<b>Cash Applied to Financing Transactions</b>	<u>\$ (236)</u>	<u>\$ (105)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>248</u>	<u>(4,373)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>631</u>	<u>5,004</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR (note 6)</b>	<u><u>\$ 879</u></u>	<u><u>\$ 631</u></u>

The accompanying notes are part of the consolidated financial statements.

### 1. Authority and Purpose

The Board of Governors of Olds College is a corporation which manages and operates Olds College ("the College") under the *Post-Secondary Learning Act* (Alberta). All members of the Board of Governors are appointed by either the Lieutenant Governor in Council or the Minister of Innovation and Advanced Education, with the exception of the President, who is an *ex officio* member. Under the *Post-secondary Learning Act*, Campus Alberta Sector Regulation, the College is a comprehensive community institution offering diploma and certificate programs as well as a full range of continuing education programs and activities. The College is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax.

### 2. Conversion to Public Sector Accounting Standards

Commencing with the 2012/2013 fiscal year, the College has adopted Canadian Public Sector Accounting Standards ("PSAS") as issued by the Public Sector Accounting Board. These consolidated financial statements are the first consolidated financial statements for which the College has applied Canadian PSAS.

The adoption of PSAS is accounted for by retroactive application with a restatement of prior years, except for the accounting standards contained in PS 2601 – Foreign currency translation and PS 3450 – Financial instruments as these standards specifically prohibit retroactive application.

The impact of the conversion to Canadian PSAS on the accumulated surplus/deficit at the date of transition and the comparative annual surplus is presented in Schedule 1.

#### Exemptions and Elections

Section PS 3150, Tangible capital assets, indicates the conditions when a write-down of a tangible capital asset should be accounted for. PS 2125, First-time adoption by government organizations, provides an exemption for a first-time adopter to not comply with those requirements for write-downs of tangible capital assets that were incurred prior to the date of transition to Public Sector Accounting Standards. If a first-time adopter elects this exemption, the conditions for a write-down of a tangible capital asset in Section PS 3150 are applied on a prospective basis from the date of transition. Alternatively, a government organization may reassess all write-downs on tangible capital assets taken prior to the date of transition based on the requirements of Section PS 3150.

The College has elected to apply this exemption related to tangible capital asset impairment. The College has reviewed all other exemptions available on transition to PSAS and has concluded that they are not applicable for the College.

### 3. Adoption of new standards

#### (a) Portfolio investments

As of July 1, 2012, the College adopted PSA Handbook Section 3041, Portfolio Investments. This section establishes standards on how to account for and report portfolio investments. This standard is applicable to the fiscal year in which PSA Handbook Sections 2601, Foreign Currency Translation, 3450, Financial Instruments and 1201, Financial Statement Presentation are adopted. The standard refers to 3450, Financial Instruments for recognition and measurement of investments held by the College. The impact of this change was minimal, as the College was transitioning from the CICA Handbook directly to PSAS there is little change in the standards. The College is adopting 3041 on transition and there will be no additional impact of adoption.

#### (b) Financial Instruments

As of July 1, 2012, the College adopted PSA Handbook Section 3450, Financial Instruments. This new standard provides guidance for recognition, measurement and disclosure of financial instruments. The transitional provisions in the standard state that when a government organization applies this standard in the same year it adopts PSAS for the first time, this standard cannot be applied retroactively. Comparative amounts are presented in accordance with the accounting policies applied by the College immediately preceding its adoption of PSAS.

The College has previously disclosed risks related to financial instruments in the June 30, 2012 GAAP financial statements. As the College previously recorded portfolio investments at fair value, there were no other significant impacts of adopting this standard for the year ended June 30, 2013.

#### (c) Foreign currency

As of July 1, 2012, the College adopted PSA Handbook Section 2601, Foreign Currency Translation. This revised standard establishes standards on how to account for and report transactions that are denominated in a foreign currency. The transitional provisions in the standard state that when a government organization applies this standard in the same year it adopts PSAS for the first time, this standard cannot be applied retroactively. Comparative amounts are presented in accordance with the accounting policies applied by the College immediately preceding its adoption of PSAS. Other than disclosed under Financial Instruments, there was no impact of adopting this standard.

#### (d) Financial statement presentation

As of July 1, 2012, the College adopted PSA Handbook Section 1201, Financial Statement Presentation. This section establishes general reporting principles and standards for the

disclosure of information in financial statements. This standard is applicable to fiscal years that PSA Handbook Sections 2601, Foreign Currency Translation and 3450, Financial Instruments are adopted. There was no significant impact of adopting this standard for the year ended June 30, 2013.

**(e) Government transfers**

As of April 1, 2011, the College early adopted revised PSA Handbook Section 3410, Government Transfers. This revised standard establishes standards on how to account for and report government transfers to individuals, organizations, and other governments from both a transferring government and a recipient government perspective. The College has elected to apply the requirements of the revised standard on a retroactive basis. The impact of this standard was primarily reclassification of revenue on the statement of operations and there were no other significant impacts of adopting this standard for the year ended June 30, 2013.

**4. Summary of Significant Accounting Policies and Reporting Practices**

**(a) General - PSAS and Use of Estimates**

These consolidated financial statements have been prepared in accordance with Canadian PSAS. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. College administration uses judgment to determine such estimates. Amortization of tangible capital assets is the most significant item based on estimates. In administration's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below. These significant accounting policies are presented to assist the reader in evaluating these financial statements and, together with the following notes, should be considered an integral part of the financial statements.

**(b) Non-use of Net debt model format**

PSAS require a net debt presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and financial liabilities as net debt or net financial assets as an indicator of future revenues required to pay for past transactions and events. The College operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

**(c) Financial instruments**

The College's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Portfolio investments	Fair value
Derivatives	Fair value
Accounts receivable	Cost
Accounts payable and accrued liabilities	Cost
Debt	Amortized cost

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses except for the restricted portions which are recognized as a liability under deferred revenue. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The College uses derivative financial instruments to manage interest rate exposures primarily with respect to the College's long term debt. Derivatives are initially recorded at fair value on inception. Derivatives are subsequently measured at fair value. Fair value is determined by the College's financial institution.

The College has elected to evaluate contractual obligations for the existence of embedded derivatives on a prospective basis. The College elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself. Contracts to buy or sell non-financial items for the College's normal purchase, sale or usage requirements are not recognized as financial assets or financial liabilities.



**(d) Revenue Recognition**

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

The College recognizes government grants, donations and other contributions as follows:

**Government transfers**

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the College's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the College complies with its communicated use of the transfer.

Government transfers, without terms for the use of the transfer, are recorded as revenue when the College is eligible to receive the funds.

**Donations and non-government contributions**

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or restricted for operating or capital purposes or research purposes.

Unrestricted donations and non-government contributions are recorded as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured.

Restricted donations, non-government contributions, realized and unrealized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with the College's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the College complies with its communicated use.

In kind donations of services and materials are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the College, the value of their services are not recognized as revenue and expenses in the consolidated financial statements because fair value cannot be reasonably determined.

**Grants and donations related to land**

The College recognizes transfers and donations to buy land as a liability when received, and as revenue when the College buys the land. The College recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the College cannot determine the fair value, it records such in-kind contributions at nominal value.

**Endowments**

Donations that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable. Realized gains and losses attributable to portfolio investments that also must be maintained in perpetuity are also recognized as a direct increase in endowment net assets when received or receivable.

**Investment Income**

Investment income includes dividend and interest income, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments that are not from restricted transfers, donations or contributions are recognized in the Consolidated Statement of Accumulated Remeasurement Gains and Losses until the related investments are sold. Once realized, these gains or losses are recognized in the Consolidated Statement of Operations.

**(e) Inventories**

Inventories held for resale are valued at the lower of cost and expected net realizable value and are determined using the first in first out method. Inventories held for consumption are valued at cost.

**(f) Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Work in progress, which includes facilities and improvement projects and development of information systems, is not amortized until after the project is complete and the asset is in service.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives as follows:

Site improvements	10 – 40 years
Building	10 – 40 years
Leasehold improvements	Term of lease
Furniture and equipment	2 – 15 years
Vehicles	4 – 15 years
Computer hardware and software	5 – 10 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the College's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded as revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at the carrying value.

**(g) Foreign Currency Translation**

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenues and expenses are translated at average weekly exchange rates. In the period of settlement, realized gains or losses from these translations are included in investment income. Unrealized gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

**(h) Employee Future Benefits**

**Pension**

The College participates with other employers in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the College's participating employees based on years of service and earnings.

The College does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recorded for the LAPP is comprised of employer contributions to the plan that are required for its employees during the year; which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

**Administrative Leave**

A liability is recorded annually equal to the amount of administrative leave accrued to June 30 each year as defined in the employee's terms of employment. This amount is included in the accounts payable and accrued liabilities balance.

**(i) Basis of consolidation**

**Proportionate Consolidation**

The financial statements use the proportionate consolidation method to record the College's proportionate share of each financial statement component of the following joint ventures:

- Community Learning Campus (50% interest)
- Campus Alberta Central (50% interest)

These joint ventures are material to the College's financial statements. Separate condensed financial information and a description of these joint ventures are presented in Note 24.

**Investment in Government business enterprise**

The financial statements use the modified equity method to record the College's investment in the following government business enterprise.

- Olds College Trust (100% interest)

Separate condensed financial information and a description of this government business enterprise is presented in Note 9.

**(j) Funds and Reserves**

Certain amounts, as approved by the Board of Governors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to / from funds and reserves are an adjustment to the respective fund when approved.

**5. Prior Period Adjustments**

The College made the following prior period adjustments at July 1, 2011 and June 30, 2012, and for the year ended June 30, 2012.

**a) Restricted Interest**

Upon review of net assets for transition to Canadian PSAS, the College determined that restricted interest held in net assets was incorrectly classified and should have been recorded in deferred revenue.

These changes have been applied retroactively with restatement of comparative numbers, and the impact on prior years' financial statements is reflected on the Reconciliation of Statement of Financial Position at July 1, 2011 (\$743) and June 30, 2012 (\$806).

**b) Central Alberta Campus**

Upon discussion with Red Deer College it was decided that Red Deer College would begin to report 50% of CAC in accordance with the terms of the joint venture. The impact on prior years' financial statements is reflected on the Reconciliation of Statement of Financial Position at July 1, 2011 and June 30, 2012 and Statement of Operations for the year ended, June 30, 2012. For full discussion refer to Note 24.

Level 3 – Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Unrealized losses on restricted funds	2013
Net unrealized gains/losses, beginning of year	\$ -
Unrealized loss attributable to:	
Portfolio investments	161
Less unrestricted amounts reclassified to the statement of remeasurement gains and losses	(63)
Portfolio investments	
<b>Net unrealized loss recorded in deferred revenue, end of year</b>	<b>\$ 98</b>

**6. Cash and Cash Equivalents**

	2013	2012	July 1, 2011
Cash	\$ 879	\$ 631	\$ 5,004
	\$ 879	\$ 631	\$ 5,004

**7. Portfolio Investments**

The composition, fair value, and annual market yields on Level 1 portfolio investments are as follows:

	2013	2012	July 1, 2011
Items at Fair Value:			
Level 1 - Canadian equities listed in Active Market	\$ 7,912	\$ 10,167	\$ 10,063
Level 1 - Foreign equities listed in Active Market	7,678	4,528	5,088
Others designated to fair value category			
Level 1 - Canadian Bonds	5,675	9,220	8,799
	21,265	23,915	23,950
Total Investments	\$ 21,265	\$ 23,915	\$ 23,950

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly

**8. Derivatives**

The organization has entered into an interest rate derivative agreement to manage interest rate fluctuations on their liabilities. The interest rate derivative agreement converts the full amount of floating rate debt for fixed rate debt at a fixed rate of 5.29% and is in place until the debt matures in 2018.

As at June 30, 2013, the fair value of the interest rate derivative agreement amounted to \$48, (2012 - \$76) and the notional amount related to this agreement amount to \$ 627 (2012 - \$735).

**9. Investment in Olds College Trust**

The College holds a 100% interest in the Olds College Trust, a profit-oriented trust to administer Trust property for the College and to advance the interest of its primary beneficiary, the College. The intent of the Trust is to provide revenue streams for the College from their administration of Trust property.

The College's investment in the Trust is as follows:

	2013	2012
Balance, beginning of year	\$ 1,055	\$ -
Cash investment in Trust	2,036	1,080
Net loss in Trust in the year	(37)	(25)
Balance, end of year	\$ 3,056	1,055
A financial summary of the Trust as at June 30 and for the year then ended is as follows:		
	2013	2012
Financial Position		
Total assets	\$ 3,056	\$ 1,055
Total liabilities	-	-
Net assets	\$ -	\$ -
Operations		
Revenue	\$ -	\$ -
Expenses	37	25
Net loss for the year	\$ 37	\$ 25

The College is exposed to a variety of financial risks, including market risks (price risk, currency risk and interest rate risk), credit risk, and liquidity risk. To manage these risks, the College invests in a diversified portfolio of investments that is guided by established investment policies which outline risk and return objectives. The long term objective of the College's investment policies is to achieve a long term real rate of return in excess of fees and expenses and maintain the real value of the fund.

The College is exposed to the following risks:

**Market risk**

The College is exposed to market risk - the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities.

The Board of Governors, through its Administrative Services Committee, monitors the performance of the investment portfolio. The prime objective and guiding principles the College's investment policy is to enhance the value of the funds, and at the same time provide a dependable, increasing source of income to support the operating budget, while preventing undue exposure to risk. The four criteria that guide the College's investment policy are safety, growth, liquidity and congruence with our mission. The investments are managed on a day-to-day basis by College staff and an external investment manager.

In accordance with the investment policy, market risk is managed by:

- Allowing funds to be invested in fixed income, short-term and equity investments at an asset mix ratio not to exceed 65%, 30%, 65% respectively.
- Ensuring investment ratings are at or above "R-1 or "A-1" for market securities, "BBB" for bonds and "P3" for preferred shares.
- Stating the risk tolerance for the equity portfolio is moderate.
- Ensuring that no more than 10% of the total portfolio is invested within one issuer or company.

The impact of a change in the rate of return on marketable securities is shown below:

	Initial Market Value	Equity Market 2.5% Decrease		Equity Market 1.0% Decrease		Equity Market 1.0% Increase		Equity Market 2.5% Increase	
		Final Market Value	P&L	Final Market Value	P&L	Final Market Value	P&L	Final Market Value	P&L
Total	\$ 24,732	\$ 24,380	-1.43%	\$ 24,591	-0.57%	\$ 24,874	0.57%	\$ 25,085	1.43%
GIC	50	50	0.04%	50	0.02%	50	-0.02%	50	-0.04%
Cash	3,217	3,219	0.07%	3,218	0.03%	3,216	-0.03%	3,214	-0.07%
Corporate Bond	4,883	4,884	0.03%	4,883	0.01%	4,882	-0.01%	4,881	-0.03%
Equity Security	15,841	15,484	-2.25%	15,698	-0.90%	15,983	0.90%	16,197	2.25%
Variable Rate Note	742	742	-0.04%	742	-0.01%	742	0.01%	743	0.04%

**Foreign currency risk**

Foreign exchange risk is on investments that are denominated in foreign currencies. To manage this risk, the College has established a target mix of investment types designated to achieve the optimal returns within reasonable risk tolerance.

**Credit risk**

The College is exposed to credit risk – the risk on current assets investments arising from the potential failure of a counterparty, debtor or issuer to honor its contractual obligations. The credit risk for accounts receivable is relatively low as the majority of balances are due from government agencies. Credit risk from tuition is managed through restricted enrolment activities for students with delinquent balances and maintaining standard collection procedures. Credit risk on investments is relatively low to manage this risk the College has established an investment strategy with required minimum credit quality standards and issuer limits.

**Liquidity risk**

The College is exposed to liquidity risk - the risk that the College will encounter difficulty in meeting obligations associated with financial liabilities. The College maintains adequate liquidity through cash management and banking arrangement.

**Interest rate risk**

Interest rate risk is the risk to the College's earnings that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed income securities that the College holds. Interest risk on the College's long-term liabilities is managed through fixed-risk agreements with Alberta Capital Finance Authority in Note 14.

The impact of a change in interest rates for various instruments is shown below:

	Initial Market Value	Cdn Interest Rate 2.5% Decrease		Cdn Interest Rate 1.0% Decrease		Cdn Interest Rate 1.0% Increase		Cdn Interest Rate 2.5% Increase	
		Final Market Value	P&L	Final Market Value	P&L	Final Market Value	P&L	Final Market Value	P&L
Total	\$ 24,732	\$ 23,348	-5.60%	\$ 24,169	-2.28%	\$ 25,308	2.33%	\$ 26,192	5.90%
GIC	50	52	3.56%	51	1.40%	50	-1.38%	49	-3.39%
Cash	3,217	3,271	1.70%	3,237	0.65%	3,197	-0.61%	3,170	-1.46%
Corporate Bond	4,883	5,412	10.83%	5,086	4.16%	4,690	-3.94%	4,420	-9.47%
Equity Security	15,841	13,853	-12.55%	15,045	-5.02%	16,636	5.02%	17,828	12.55%
Variable Rate Note	742	760	2.43%	749	0.99%	735	-0.95%	725	-2.35%

### 11. Accounts Receivable

	2013	2012
Contracts receivable	\$ 1,590	\$ 1,228
Student receivable	154	61
GST receivable	124	779
Other receivables	2,473	568
	<b>\$ 4,341</b>	<b>\$ 2,636</b>

Accounts Receivable are unsecured and non-interest bearing.

### 12. Tangible Capital Assets

	2013							
	Land	Leaseholds	Site	Buildings	Furniture and equipment <sup>(1)</sup>	Vehicles	Computer Hardware & Software	Total
<b>Cost</b>								
Beginning of year	\$ 2,338	\$ 224	\$ 10,928	\$ 97,970	\$ 19,820	\$ 901	\$ 6,155	\$ 138,336
Additions	-	510	1,296	3,145	2,078	247	864	8,140
Disposals, including write-downs	-	(82)	-	(739)	(131)	(16)	(24)	(992)
	<b>\$ 2,338</b>	<b>\$ 652</b>	<b>\$ 12,224</b>	<b>\$ 100,376</b>	<b>\$ 21,767</b>	<b>\$ 1,132</b>	<b>\$ 6,995</b>	<b>\$ 145,485</b>
<b>Accumulated amortization</b>								
Beginning of year	\$ -	\$ 99	\$ 1,624	\$ 44,035	\$ 14,187	\$ 477	\$ 5,165	\$ 65,588
Amortization expense	-	51	355	2,095	1,678	119	599	4,897
Effects on disposals including write-downs	-	(78)	-	(465)	(191)	(11)	(27)	(771)
Other write downs	-	-	-	-	-	-	-	-
	<b>\$ -</b>	<b>\$ 72</b>	<b>\$ 1,979</b>	<b>\$ 45,665</b>	<b>\$ 15,674</b>	<b>\$ 585</b>	<b>\$ 5,738</b>	<b>\$ 69,713</b>
<b>Net book value at June 30, 2013</b>	<b>\$ 2,338</b>	<b>\$ 580</b>	<b>\$ 10,246</b>	<b>\$ 54,711</b>	<b>\$ 6,093</b>	<b>\$ 547</b>	<b>\$ 1,257</b>	<b>\$ 75,771</b>
Net book value at June 30, 2012	\$ 2,338	\$ 125	\$ 9,305	\$ 53,935	\$ 5,633	\$ 424	\$ 989	\$ 72,748

	2012							
	Land	Leaseholds	Site	Buildings	Furniture and equipment <sup>(1)</sup>	Vehicles	Computer Hardware & Software	Total
<b>Cost</b>								
Beginning of year	\$ 2,338	\$ 116	\$ 9,170	\$ 97,142	\$ 19,759	\$ 804	\$ 5,611	\$ 134,940
Additions	-	108	1,758	828	897	204	553	4,348
Disposals, including write-downs	-	-	-	-	(836)	(108)	(9)	(953)
	<b>\$ 2,338</b>	<b>\$ 224</b>	<b>\$ 10,928</b>	<b>\$ 97,970</b>	<b>\$ 19,820</b>	<b>\$ 901</b>	<b>\$ 6,155</b>	<b>\$ 138,336</b>
<b>Accumulated amortization</b>								
Beginning of year	\$ -	\$ 65	\$ 1,467	\$ 41,998	\$ 13,168	\$ 486	\$ 4,463	\$ 61,646
Amortization expense	-	34	157	2,037	1,587	94	707	4,616
Effects on disposals including write-downs	-	-	-	-	(567)	(102)	(5)	(674)
	<b>\$ -</b>	<b>\$ 99</b>	<b>\$ 1,624</b>	<b>\$ 44,035</b>	<b>\$ 14,187</b>	<b>\$ 477</b>	<b>\$ 5,165</b>	<b>\$ 65,588</b>
<b>Net book value at June 30, 2012</b>	<b>\$ 2,338</b>	<b>\$ 124</b>	<b>\$ 9,305</b>	<b>\$ 53,935</b>	<b>\$ 5,632</b>	<b>\$ 423</b>	<b>\$ 990</b>	<b>\$ 72,748</b>
Net book value at June 30, 2011	\$ 2,338	\$ 51	\$ 7,703	\$ 55,144	\$ 6,591	\$ 318	\$ 1,148	\$ 73,293

No interest was capitalized by the College in 2013.

Historic cost includes work-in-progress at June 30, 2013 totalling \$493 (2012 - \$6,801) comprised of buildings, leasehold improvements and site improvements.

Acquisitions during the year includes in-kind contributions in the amount of \$37 (2012 - \$267).

<sup>(1)</sup> Equipment includes heavy equipment, office equipment and furniture, and other equipment.

### 13. Employee Future Benefit

#### Administrative leave

The College provides for certain senior executive to accrue a paid leave of absence at the end of their administrative appointment. Upon completing their term of service, the individual's salary and benefits in effect at the end of the service are paid for the duration of the leave.

#### Defined benefit plan accounted for on a defined contribution basis

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis. At December 31, 2012, the LAPP reported an actuarial deficiency of \$4,977,303 (2011 - \$4,639,390 deficiency). The pension expense recorded in these financial statements is \$2,292 (2012 - \$2,137).

### 14. Debt

Debt is measured at amortized cost and is comprised of the following:

	Collateral	Maturity	2013		2012	July 1, 2011
			Interest Rate %	Amortized Cost	Amortized Cost	Amortized Cost
Debentures payable to Alberta Capital Finance Authority:						
Residence - Townhouse Phase II	2	April 2024	5.750	\$ 1,220	\$ 1,299	\$ 1,372
Land 25-32-1 W5	1	Feb 2018	5.625	342	400	455
Bank loans payable						
Residence - Townhouse Phase I	2	June 2018	5.290	628	735	839
				<b>\$ 2,190</b>	<b>\$ 2,434</b>	<b>\$ 2,666</b>

Collateral – (1) none; (2) title to land, building

Principal repayments in each of the next five years and thereafter are as follows:

2014	\$	257
2015		272
2016		286
2017		302
2018		316
Thereafter		757
	\$	<u>2,190</u>

Interest expense on debt is \$79 (2012 - \$123) and is included in the consolidated statement of operations.

### 15. Deferred Revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement:

	2013				
	<u>Research and other restricted</u>	<u>Unspent capital</u>	<u>Spent Capital</u>	<u>Tuition and other fees</u>	<u>Total</u>
Balance, beginning of year	\$ 5,713	\$ 1,904	\$ 61,043	\$ 1,732	\$ 70,392
Grants, tuition, donations received	4,789	4,394	-	830	10,013
Investment earnings	734	-	-	-	734
Unearned capital acquisition transfers	-	(4,688)	4,688	-	-
Recognized as revenue	(3,921)	-	(3,904)	(600)	(8,425)
Other	(351)	(413)	64	-	(700)
Balance, end of year	<u>\$ 6,964</u>	<u>\$ 1,197</u>	<u>\$ 61,891</u>	<u>\$ 1,962</u>	<u>\$ 72,014</u>

	2012				
	<u>Research and other restricted</u>	<u>Unspent capital</u>	<u>Spent Capital</u>	<u>Tuition and other fees</u>	<u>Total</u>
Balance, beginning of year	\$ 6,770	\$ 2,897	\$ 62,830	\$ 1,490	\$ 73,987
Grants, tuition, donations received	2,552	748	-	242	3,542
Investment earnings	289	39	-	-	328
Unearned capital acquisition transfers	-	(1,780)	1,780	-	-
Recognized as revenue	(3,855)	-	(3,330)	-	(7,185)
Other	(43)	-	(237)	-	(280)
Balance, end of year	<u>\$ 5,713</u>	<u>\$ 1,904</u>	<u>\$ 61,043</u>	<u>\$ 1,732</u>	<u>\$ 70,392</u>

July 1, 2011

	<u>Research and other restricted</u>	<u>Unspent capital</u>	<u>Spent Capital</u>	<u>Tuition and other fees</u>	<u>Total</u>
Balance, beginning of year	\$ 7,512	\$ 5,577	\$ 59,946	\$ 1,849	\$ 74,884
Grants, tuition, donations received	5,962	3,347	-	(359)	8,950
Investment earnings	681	115	-	-	796
Unearned capital acquisition transfers	-	(6,142)	6,142	-	-
Recognized as revenue	(7,385)	-	(3,258)	-	(10,643)
Other	-	-	-	-	-
Balance, end of year	<u>\$ 6,770</u>	<u>\$ 2,897</u>	<u>\$ 62,830</u>	<u>\$ 1,490</u>	<u>\$ 73,987</u>

### 16. Endowments

Endowments consist of externally restricted donations received by the College and internal allocations by the College's Board of Governors, the principal of which is required to be maintained intact in perpetuity.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors as well as College policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income. Unexpended earnings are included on the financial statements in deferred revenue as research and other restricted. A breakdown of the movements is included below.

Under the *Post-secondary Learning Act*, the College has the authority to alter the terms and conditions of endowments to enable:

- income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment.
- encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment if, in the opinion of the Board of Governors, the encroachment benefits the College and does not impair the long-term value of the fund.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the spending allocation is funded from the cumulative capitalized income. However, for individual endowment funds without sufficient cumulative capitalized income, endowment principal is used in that year. This amount is expected to be recovered by future investment income.

The composition of endowments is as follows:

	2013	2012	July 1, 2011
Principal, beginning of year	\$ 8,315	\$ 8,168	\$ 7,870
Endowment contributions	36	127	233
Realized investment gain (loss)	41	20	65
Balance, end of year	<u>\$ 8,392</u>	<u>\$ 8,315</u>	<u>\$ 8,168</u>
Cumulative contributions	\$ 7,850	\$ 7,813	\$ 7,686
Cumulative capitalized income	542	502	482
	<u>\$ 8,392</u>	<u>\$ 8,315</u>	<u>\$ 8,168</u>

## 17. Accumulated Surplus

Accumulated surplus is comprised of the following:

	Unrestricted surplus	Investment in capital assets	Note 18 Internally restricted surplus	Accumulated surplus
<b>Net Assets, 30 June 2011</b>	<b>\$ 6,488</b>	<b>\$ 7,797</b>	<b>\$ 276</b>	<b>\$ 14,561</b>
Operating surplus	268	-	-	268
Acquisition of capital assets	(2,304)	2,304	-	-
Amortization of capital assets	1,313	(1,313)	-	-
Net book value of asset disposals	36	(36)	-	-
Long-term liabilities - repayment	(233)	233	-	-
Net Transfers	(3,075)	-	3,075	-
Net expenditures of internally restricted net assets	43	275	(318)	-
Other	(63)	-	-	(63)
<b>Net Assets, 30 June 2012</b>	<b>\$ 2,473</b>	<b>\$ 9,260</b>	<b>\$ 3,033</b>	<b>\$ 14,766</b>
Operating surplus	2,108	-	-	2,108
Acquisition of capital assets	(2,234)	2,234	-	-
Amortization of capital assets	1,355	(1,355)	-	-
Net book value of asset disposals	3	(3)	-	-
Long-term liabilities - repayment	(244)	244	-	-
Net Transfers	(6)	-	6	-
Net expenditures of internally restricted net assets	-	1,310	(1,310)	-
Central Alberta Central adjustment	(49)	-	-	(49)
Other	(104)	-	-	(104)
<b>Net Assets, 30 June 2013</b>	<b>\$ 3,302</b>	<b>\$ 11,690</b>	<b>\$ 1,729</b>	<b>\$ 16,721</b>

Investment in tangible capital assets represents the amount of the College's accumulated surplus that has been invested in the College's capital assets.

## 18. Internally Restricted Surplus

Internally restricted net assets represent amounts set aside by the College's Board of Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them. Internally restricted net assets with significant balances include:

	June 30, 2012	Appropriations	Disbursements	June 30, 2013
Appropriation for operating activities:				
Infrastructure renewal	\$ 2,414	\$ -	\$ 1,906	\$ 508
Site improvements	311	-	311	-
Calgary campus	-	600	318	282
Brewery program	-	700	174	526
Faculty professional development	51	49	-	100
Continuing Education development	74	-	-	74
Community Learning Campus operations	177	56	-	233
Scholarships	6	-	-	6
	<u>\$ 3,033</u>	<u>\$ 1,405</u>	<u>\$ 2,709</u>	<u>\$ 1,729</u>

## 19. Contingent Liabilities

The College, in the conduct of its normal activities, is a defendant in a number of legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably estimated at this time, the College believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the College. Based on legal advice, administration has concluded that none of the claims meet the criteria for being recorded under PSAS.

The College has identified potential asset retirement obligations related to the existence of asbestos in a number of its facilities. Although not a current health hazard, upon renovation or demolition of these facilities, the College may be required to take appropriate remediation procedures to remove the asbestos. As the College has no legal obligation to remove the asbestos in these facilities as long as the asbestos is contained and does not pose a public health risk, the fair value of the obligation cannot be reasonably estimated due to the indeterminate timing and scope of the removal.

## 20. Contractual Obligations

The College has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met.

Olds College has entered into a contract for food services until April 2023. As the agreement is on commissions from retail food services based on a percentage of incremental gross sales, Olds College is unable to estimate the amount to be committed in future periods.

	Contracts	Projects	Leases	Total
2014	\$ 558	\$ 1,092	\$ 71	\$ 1,721
2015	47	672	71	790
2016	48	-	50	98
2017	49	-	15	64
2018	38	-	-	38
Thereafter	-	-	-	-
	<u>\$ 740</u>	<u>\$ 1,764</u>	<u>\$ 207</u>	<u>\$ 2,711</u>

## 21. Investment Income

Investment Income	2013	2012
Endowments	\$ 278	\$ 328
Other restricted assets	293	102
Internally restricted assets	332	98
Unrestricted assets	1,243	287
Foreign exchange	(145)	-
<b>Investment income</b>	<u><b>\$ 2,001</b></u>	<u><b>\$ 815</b></u>

## 22. Expense by Object

The following is a summary of expense by object.

	2013		2012
	Budget	Actual	Actual
Salaries and employee benefits	\$ 28,440	\$ 29,641	\$ 28,764
Cost of goods sold	2,613	3,226	2,552
Materials, supplies and services	10,112	10,701	10,062
Scholarships and bursaries	250	406	520
Maintenance and repairs	4,334	913	4,270
Utilities	1,985	1,676	1,767
Amortization of capital assets	4,832	4,896	4,616
	<u>\$ 52,566</u>	<u>\$ 51,459</u>	<u>\$ 52,551</u>

## 23. Related Party Transactions and Balance

The College operates under the authority and statutes of the Province of Alberta. Transactions and balances between the College and the Government of Alberta (GOA) are measured at the exchange amount and summarized below.



	2013	2012
Grants from GOA		
Innovation and Advanced Education:		
Operating	\$ 31,510	\$ 28,784
Capital	-	775
Total Innovation and Advanced Education	<u>\$ 31,510</u>	<u>29,559</u>
Other GOA departments and agencies		
Alberta Infrastructure	89	1,699
Other	600	296
Total other GOA departments and agencies	<u>\$ 689</u>	<u>1,995</u>
Total contributions received	32,199	31,554
Less: deferred contributions,	(1,322)	(969)
	<u>\$ 30,877</u>	<u>\$ 30,585</u>
Accounts receivable		
Innovation and Advanced Education	\$ -	\$ -
Other GOA departments and agencies	220	258
	<u>\$ 220</u>	<u>\$ 258</u>
Accounts payable		
Other GOA departments and agencies	\$ 261	21
	<u>\$ 261</u>	<u>\$ 21</u>

The College has liabilities with Finance and Alberta Capital Finance Authority as described in Note 14.

During the year, Olds College had business transactions with Athabasca University, Bow Valley College, Grant MacEwan University, Keyano College, Lakeland College, Lethbridge College, Southern Alberta Institute of Technology, University of Calgary, Grande Prairie Regional College, Medicine Hat College, NorQuest College, Northern Lakes College, Northern Alberta Institute of Technology, University of Lethbridge and Olds College Trust. These transactions were at market prices on the same terms as those with non-related parties and have been included on the Consolidated Statement of Operations.

The GOA has provided \$0 (2012 - \$0) in matching grants for externally restricted endowment contributions during the year, which is included in endowment net assets.

## 24. Joint ventures

### (a) Community Learning Campus

Community Learning Campus (CLC) is a joint venture of the College and Chinook's Edge School Division to enhance rural learning opportunities by developing an environment that provides students with a seamless transition between high school, college, university, apprenticeship trades and the workplace. CLC facilities consist of a new high school, health and wellness facility, fine arts and multi-media center, e-learning center and bus maintenance facility on the College Campus. The high school, fine arts and multi-media center and bus maintenance facility are owned by Chinook's Edge

School Division. The health and wellness facility, e-learning center and land are owned by the College.

The College consolidates 50% of all operations relating to the CLC. A financial summary of the College's portion of CLC operations as at June 30 and for the years ended is as follows.

	2013	2012	July 1, 2011
Financial Position			
Total assets	\$ 238	\$ 177	\$ 186
Total liabilities	192	-	-
Net assets	<u>\$ 46</u>	<u>\$ 177</u>	<u>\$ 186</u>
Operations			
Total revenues	\$ 1,039	\$ 909	\$ 812
Total expenses	984	918	810
(Deficiency) excess of revenues over expenses	<u>\$ 55</u>	<u>\$ (9)</u>	<u>\$ 2</u>

### (b) Campus Alberta Central

Campus Alberta Central (CAC) is a joint venture between the College and Red Deer College to form unique partnerships with existing community based learning organizations, as well as a number of post-secondary institutions, allowing access to accredited post-secondary programs and courses in communities throughout rural Central Alberta. The CAC is administered by the College.

Prior to the conversion to PSAS, the ventures had agreed that the financial results of CAC activities will be fully consolidated in the College financial statements. Excess revenues over expenses are deferred for capital purchases and used in subsequent years. In agreement with Red Deer College, the Olds College statements will report 50% of this venture as a proportionate consolidated entity, and the Red Deer College statements will report 50%. The request has resulted in adjustments to the prior year statements. To ensure the accuracy of the adjustments, Olds College has removed 100% of the related CAC balance and added back the appropriate 50% as illustrated in Schedule 1. A summary of the adjustments and related effect on the financial statements can be found in Schedule 1.

A financial summary of CAC as at June 30 and for the years then ended is as follows:

	2013	2012	July 1, 2011
<b>Financial Position</b>			
Total assets	\$ 501	\$ 775	\$ 645
Total liabilities	260	375	246
Net assets	\$ 241	\$ 400	\$ 399
<b>Operations</b>			
Total revenues	\$ 908	\$ 879	\$ 758
Total expenses	798	830	614
Excess of revenues over expenses	\$ 110	\$ 49	\$ 144

In the prior year the financial summary of CAC was disclosed erroneously. Assets and liabilities were not completely reflected resulting in differences between the prior year disclosures and the current year disclosures. The disclosure inaccuracy was detected during the current financial year and amended in the above financial summary. There were no changes made to the prior ending balances for CAC as the error was entirely disclosure related.

## 25. Funds Held on Behalf of Others

The College holds the following funds on behalf of others over which the Board has no power of appropriation. Accordingly, these funds are not included in the consolidated financial statements.

	2013	2012	July 1, 2011
Student Association	\$ 243	\$ 310	\$ 447
Drumheller Further Education	28	4	38
Other	32	32	47
	\$ 303	\$ 346	\$ 532

## 26. Charitable Fundraising Act

In compliance with the Charitable Fundraising Legislation of Alberta, the following disclosure is provided:

The total remuneration paid to employees whose primary function is fundraising was \$431 (2012 - \$525). The total expenses (excluding remuneration) related to fundraising was \$63 (2012 - \$44).

## 27. Executive Salary and Employee Benefits

Treasury Board Directive 12-98 under the *Financial Administration Act* of the Province of Alberta requires the disclosure of certain salary and employee benefits information.

	2013			2012	
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
<b>Governance:</b>					
Chairman of the Board	\$ 11	\$ -	\$ -	\$ 11	\$ 14
Board members <sup>(4)</sup>	34	-	-	34	36
<b>Executive:</b>					
President	206	77	28	311	352
Vice-President, Academic	171	7	28	206	182
Vice-President, Advancement	174	16	28	218	191
Vice-President, Student and Support Services <sup>(5)</sup>	129	-	28	157	169
Associate Vice-President Academic <sup>(6)</sup>	-	-	-	-	254
	\$ 725	\$ 100	\$ 112	\$ 937	\$ 1,198

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include memberships, car allowance, car maintenance, health and wellness allowances, tuition fees, pension equalization and executive allowance.

(3) Other non-cash benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental and vision coverage, group life insurance, employment insurance and accumulated administrative leave.

(4) There were 10 Board Members in 2013 (2012 - 10 Members).

(5) This position was not filled until mid-August resulting in a lower annual compensation.

(6) This position ended December 31, 2011. The incumbent received a retiring allowance.

## 28. Budget Figures

Budgeted figures have been provided for comparison purposes and have been derived from the College's Comprehensive Institutional Plan as approved (or amended) by the Board of Governors.

## 29. Approval of Financial Statements

The financial statements were approved by the Board of Governors of Olds College.

SCHEDULE 1 - TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS

a) Reconciliation of opening Consolidated Statement of Financial Position

Consolidated Statement of Financial Position

	July 1, 2011		Prior Year Adjustments			July 1, 2011		July 1, 2011	
	CGAAP (in thousands)	Reclassify Project Interest (1)	Remove CAC (2)	CAC Adjustments (2)	CGAAP (restated)	PSAS Presentation Adjustments	PSAS		
<b>ASSETS</b>									
Cash and cash equivalents	\$ 5,560	\$ -	\$ (1,116)	\$ 558	\$ 5,002		\$ 5,002		
Accounts receivable	(3)	-	(15)	8	3,846	60	3,906		
Inventories and prepaid expenses	1,056	-	(10)	5	1,051	-	1,051		
Investments	23,950	-	-	-	23,950	-	23,950		
Long-term receivable	(3)	-	-	-	60	(60)	-		
Tangible Capital assets	73,496	-	(407)	204	73,293		73,293		
	<b>\$ 107,975</b>	<b>\$ -</b>	<b>\$ (1,548)</b>	<b>\$ 775</b>	<b>\$ 107,202</b>	<b>\$ -</b>	<b>\$ 107,202</b>		
<b>LIABILITIES</b>									
Accounts payable and accrued liabilities	\$ 7,913	\$ -	\$ (342)	\$ 171	\$ 7,742	\$ -	\$ 7,742		
Current portion of long-term liabilities	(4)	-	-	-	233	(233)	-		
Deferred contributions	(5)	-	-	-	6,826	(6,826)	-		
Deferred revenue	(4)	-	-	-	1,490	(1,490)	-		
Long-term liabilities	(4)	-	-	-	2,511	(2,511)	-		
Deferred contributions	(4)	-	-	-	2,897	(2,897)	-		
Unamortized deferred capital contributions	(4)	-	-	-	63,033	(63,033)	-		
Deferred revenue		743	(1,206)	204	(259)	74,246	73,987		
Derivatives	(5)	-	-	-	-	78	78		
Debt	(3)	-	-	-	-	2,666	2,666		
	<b>\$ 84,903</b>	<b>\$ 743</b>	<b>\$ (1,548)</b>	<b>\$ 375</b>	<b>\$ 84,473</b>	<b>\$ -</b>	<b>\$ 84,473</b>		
<b>NET ASSETS</b>									
Unrestricted	(6)	\$ -	\$ -	\$ -	\$ 6,088	(6,088)	\$ -		
Internally restricted	(6)	(743)	-	-	276	(276)	-		
Invested in capital assets	(6)	-	-	-	7,797	(7,797)	-		
Endowments	(6)	-	-	-	8,168	-	8,168		
Accumulated surplus	(6)	-	-	400	400	14,161	14,561		
	<b>\$ 107,975</b>	<b>\$ -</b>	<b>\$ (1,548)</b>	<b>\$ 775</b>	<b>\$ 107,202</b>	<b>\$ -</b>	<b>\$ 107,202</b>		

- (1) This adjustment is to reclassify restricted project interest from internally restricted net assets to deferred revenue as discussed in Note 5.
- (2) These adjustments are made to deconsolidate 50% of the CAC joint venture belonging to Red Deer College as discussed in Note 24. Olds College has removed 100% of the joint venture and added back 50% of the joint venture as a proportionate consolidated entity.
- (3) Per PSAS, assets and liabilities are no longer presented as short and long term financial instruments. Therefore, the College has reclassified long-term receivable to accounts receivable and long-term liabilities to debt.
- (4) To reclassify deferred contributions, unamortized deferred capital contributions and current deferred revenue to deferred revenue.
- (5) To reclassify derivatives from long term debt.
- (6) To reclassify unrestricted net assets, internally restricted net assets and invested in capital assets to accumulated surplus.

b) Reconciliation of June 30, 2012 Consolidated Statement of Financial position

Consolidated Statement of Financial Position

	June 30, 2012	Prior Period Adjustments			June 30, 2012	June 30, 2012	
	CGAAP (in thousands)	Reclassify Project Interest (1)	Remove CAC (2)	CAC Adjustments (2)	CGAAP (restated)	Presentation adjustments	PSAS
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,222	\$ -	\$ (1,043)	\$ 452	\$ 631	\$ -	\$ 631
Accounts receivable	(3)	-	(30)	15	2,636	-	2,636
Inventories and prepaid expenses	1,396	-	(40)	20	1,376	-	1,376
Investments	23,915	-	-	-	23,915	-	23,915
Long term receivable	(3)	-	-	-	-	-	-
Investment in Olds College Trust	1,055	-	-	-	1,055	-	1,055
Tangible Capital assets	72,881	-	(266)	133	72,748	-	72,748
	<b>\$ 103,120</b>	<b>\$ -</b>	<b>\$ (1,379)</b>	<b>\$ 620</b>	<b>\$ 102,361</b>	<b>\$ -</b>	<b>\$ 102,361</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 6,514	\$ -	\$ (272)	\$ 136	\$ 6,378	\$ -	\$ 6,378
Current portion of long-term liabilities	(3)	-	-	-	244	(244)	-
Derivatives	(5)	-	-	-	-	76	76
Deferred contributions, research and other	(4)	-	-	-	5,749	(5,749)	-
Deferred revenue	(4)	-	-	-	1,732	(1,732)	-
Long-term liabilities	(3)	-	-	-	2,266	(2,266)	-
Deferred contributions	(4)	-	-	-	1,903	(1,903)	-
Unamortized deferred capital contributions	(4)	-	-	-	61,176	(61,176)	-
Debt	(3)	-	-	-	-	2,434	2,434
Employee future benefit liabilities	-	-	-	-	-	-	-
Deferred revenue	-	806	(1,107)	133	(168)	70,560	70,392
	<b>\$ 79,584</b>	<b>\$ 806</b>	<b>\$ (1,379)</b>	<b>\$ 269</b>	<b>\$ 79,280</b>	<b>\$ -</b>	<b>\$ 79,280</b>
<b>NET ASSETS</b>							
Unrestricted	(6)	\$ -	\$ -	\$ -	\$ 2,122	(2,122)	\$ -
Internally restricted	(6)	(806)	-	-	3,033	(3,033)	-
Invested in capital assets	(6)	-	-	-	9,260	(9,260)	-
Endowments	(6)	-	-	-	8,315	-	8,315
Accumulated surplus	(6)	-	-	351	351	14,415	14,766
	<b>\$ 103,120</b>	<b>\$ 806</b>	<b>\$ (1,379)</b>	<b>\$ 620</b>	<b>\$ 102,361</b>	<b>\$ -</b>	<b>\$ 102,361</b>

- (1) This adjustment is to reclassify restricted project interest from internally restricted net assets to deferred revenue as discussed in Note 5.
- (2) These adjustments are made to deconsolidate 50% of the CAC joint venture belonging to Red Deer College as discussed in Note 24. Olds College has removed 100% of the joint venture and added back 50% of the joint venture as a proportionate consolidated entity.
- (3) Per PSAS, assets and liabilities are no longer presented as short and long term financial instruments. Therefore, the College has reclassified long-term receivable to accounts receivable and long-term liabilities to debt.
- (4) To reclassify deferred contributions, unamortized deferred capital contributions and current deferred revenue to deferred revenue.
- (5) To reclassify derivatives from long term debt.
- (6) To reclassify unrestricted net assets, internally restricted net assets and invested in capital assets to accumulated surplus.

a) Reconciliation consolidated statement of operations for year ending June 30, 2012

Consolidated Statement of Operations

	June 30, 2012		Prior Period Adjustments		June 30, 2012		June 30, 2012	
	CGAAP	Reclassification of earned income	Remove 100% of CAC	Add back 50% of CAC	CGAAP Restated	PSAS Adjustments	PSAS	
			(in thousands)					
<b>REVENUE</b>								
Government of Alberta grants	\$ 31,631	\$ -	\$ (1,722)	\$ 861	\$ 30,970	\$ 2,672	\$ 33,642	
Federal grants	-	-	-	-	-	443	443	
Other grants and training contracts	2,396	-	-	-	2,396	(2,396)	-	
Student tuition and fees	6,594	-	-	-	6,594	-	6,594	
Sales of services and products	6,902	-	(8)	4	6,898	2,167	9,065	
Donations and other grants	1,693	(243)	-	-	1,450	514	1,964	
Investment income	829	243	(28)	14	1,058	-	1,058	
Amortization of deferred capital contributions	3,400	-	-	-	3,400	(3,400)	-	
Gain on disposal of capital assets	53	-	-	-	53	-	53	
	<b>\$ 53,698</b>	<b>\$ -</b>	<b>\$ (1,758)</b>	<b>\$ 879</b>	<b>\$ 52,819</b>	<b>\$ -</b>	<b>\$ 52,819</b>	
<b>EXPENSE</b>								
Salaries and employee benefits	\$ 29,017	\$ -	\$ -	\$ -	\$ 29,017	\$ (29,017)	\$ -	
Materials, supplies and services	10,264	-	-	-	10,264	(10,264)	-	
Utilities	2,039	-	-	-	2,039	(2,039)	-	
Maintenance and repairs	4,270	-	-	-	4,270	(4,270)	-	
Cost of goods sold	2,558	-	-	-	2,558	(2,558)	-	
Scholarships and bursaries	520	-	-	-	520	(520)	-	
Amortization of capital assets	4,713	-	-	-	4,713	(4,713)	-	
Instruction	-	-	-	-	-	19,084	19,084	
Academic & Student Support	-	-	-	-	-	6,379	6,379	
Facility operations and maintenance	-	-	-	-	-	10,041	10,041	
Institutional Support	-	-	-	-	-	9,145	9,145	
Ancillary services	-	-	-	-	-	3,195	3,195	
Sponsored Research	-	-	-	-	-	1,427	1,427	
Special Purpose & Trust	-	-	(1,660)	830	(830)	4,110	3,280	
	<b>\$ 53,381</b>	<b>\$ -</b>	<b>\$ (1,660)</b>	<b>\$ 830</b>	<b>\$ 52,551</b>	<b>\$ -</b>	<b>\$ 52,551</b>	
Excess revenue over expense	\$ 317	\$ -	\$ (88)	\$ 49	\$ 268	\$ -	\$ 268	
Transfer (to) from endowments	-	-	-	-	-	-	-	
Change in operating surplus	\$ 317	\$ -	\$ (88)	\$ 49	\$ 268	\$ -	\$ 268	
Accumulated surplus (deficit) from operations, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,561	
Change in accumulated operating surplus	-	-	-	-	-	-	(63)	
Accumulated surplus (deficit) from operations, end of year	\$ -	\$ -	\$ (88)	\$ 49	\$ (49)	\$ -	\$ 14,766	

(1) These adjustments are made to deconsolidate 50% of the CAC joint venture belonging to Red Deer College as discussed in Note 24. Olds College has removed 100% of the joint venture and added back 50% of the joint venture as a proportionate consolidated entity.

(2) These adjustments are to reclassify expense by object to expense by function.

CONSOLIDATED STATEMENT OF CASH FLOWS

OPERATING TRANSACTIONS

	Prior Period Adjustment			CGAAP Restated	PSAS Adjustments	PSAS
	CGAAP	Remove 100% of CAC	Add back 50% of CAC			
Excess (Deficiency) of revenue over expense	\$ 317	\$ -	\$ -	\$ 317	\$ (317)	\$ -
Operating surplus	-	(98)	49	(49)	317	268
Add (deduct) non-cash items:						
Amortization of tangible capital assets	\$ 4,713	\$ (193)	\$ 97	\$ 4,617	\$ -	\$ 4,616
Amortization of deferred capital contributions	(3,400)	-	-	(3,400)	3,400	-
Extended capital recognized as revenue	-	139	(70)	70	(3,400)	(3,330)
(Gain) loss on disposal of tangible capital assets	(53)	-	-	(53)	-	(53)
Loss on investment in Olds College Trust	25	-	-	25	-	25
Change in unrealized loss on derivative instrument	(2)	-	-	(2)	2	-
Change in unrealized loss (gain) on investments	(241)	-	-	(241)	(2)	(243)
Change in unrealized foreign exchange loss (gain) on investments	-	-	-	-	(206)	(206)
Total non-cash items	1,042	(54)	27	1,015	(206)	809
(Increase) decrease in accounts receivable	\$ 1,202	\$ 14	\$ (7)	\$ 1,209	\$ 60	\$ 1,269
(Increase) decrease in inventories and prepaid expenses	(340)	30	(15)	(325)	-	(325)
Increase (decrease) in accounts payable and accrued liabilities	(1,398)	67	(34)	(1,365)	-	(1,365)
Increase (decrease) in deferred revenue	242	(7,856)	3,928	(3,686)	3,328	(358)
Increase (decrease) in deferred contributions	(1,077)	-	-	(1,077)	1,077	-
<b>Cash Provided by (Applied to) Operating Transactions</b>	<b>\$ (12)</b>	<b>\$ (7,897)</b>	<b>\$ 3,948</b>	<b>\$ (3,960)</b>	<b>\$ 4,259</b>	<b>\$ 298</b>

CAPITAL TRANSACTIONS

Purchase of capital assets, net of proceeds on disposal	\$ (4,018)	\$ -	\$ -	\$ -	\$ 4,018	\$ -
Purchase of long-term investments, net of sales	278	-	-	278	(278)	-
Acquisition of tangible capital assets	-	56	(28)	28	(4,108)	(4,080)
Proceeds on sale of tangible capital assets	-	-	-	-	90	90
Investment in Olds College Trust	(1,080)	-	-	(1,080)	1,080	-
Proceeds from other long term assets	60	-	-	60	(60)	-
Endowment investment earnings	20	-	-	20	(20)	-
<b>Cash Provided by (Applied to) Capital Transactions</b>	<b>\$ (4,740)</b>	<b>\$ 56</b>	<b>\$ (28)</b>	<b>\$ (4,712)</b>	<b>\$ 722</b>	<b>\$ (3,990)</b>

INVESTING TRANSACTIONS

Purchases of investments, net proceeds	\$ -	\$ -	\$ -	\$ -	\$ (9,100)	\$ (9,100)
Proceeds on sale of investments	-	-	-	-	9,584	9,584
Purchases of investments, net of sales (*)	-	-	-	-	-	-
Investment in Olds College Trust	-	-	-	-	(1,080)	(1,080)
Endowment investment earnings (loss)	-	-	-	-	20	20
<b>Cash Provided by (Applied to) Investing Transactions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (576)</b>	<b>\$ (576)</b>

FINANCING TRANSACTIONS

Endowment contributions	\$ 127	\$ -	\$ -	\$ 127	\$ -	\$ 127
Capital contributions	520	-	-	520	(520)	-
Debt retirement	-	-	-	-	(232)	(232)
Repayment of long-term liabilities	(233)	-	-	(233)	233	-
<b>Cash Provided by (Applied to) Financing Transactions</b>	<b>\$ 414</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 414</b>	<b>\$ (519)</b>	<b>\$ (105)</b>

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

CASH AND CASH EQUIVALENTS, END OF YEAR (note 5)

	\$ 4,338	\$ (7,841)	\$ 3,920	\$ (8,258)	\$ 3,886	\$ (4,373)
	\$ 5,560	\$ (1,116)	\$ 558	\$ 5,002	\$ -	\$ 5,004
	\$ 1,222	\$ (8,957)	\$ 4,478	\$ (3,256)	\$ 3,886	\$ 631

