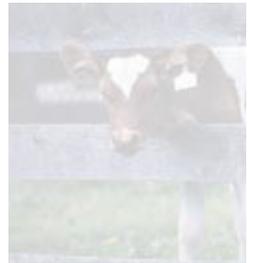




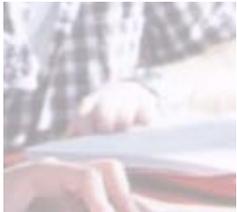
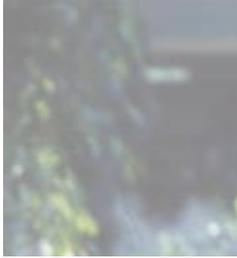
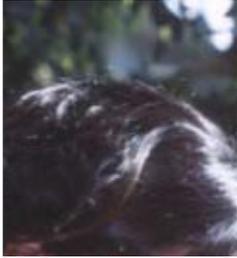
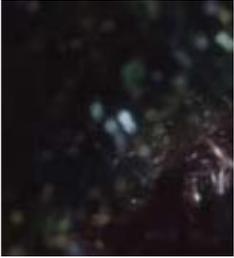
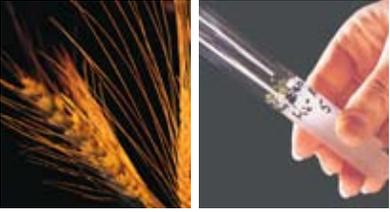
**OLDS  
COLLEGE**



**OLDS COLLEGE ANNUAL REPORT  
JULY 1, 2005 - JUNE 30, 2006**

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## MANDATE

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

The College awards certificates, diplomas, applied degrees, and 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 noncredit 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 the Province of Alberta, across Canada and internationally.

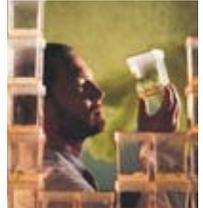
Olds College programs require learners to acquire and demonstrate competencies defined and updated through collaboration with representative industry partners and advisory groups. The quality of Olds College programs is continuously improved through a policy-based cyclical review process that seeks input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

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 each of them to meet their educational goals.

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 eCampus Alberta, promoting and supporting learning through technology. Consistent with the Campus Alberta concept and the Pan Canadian Protocol on Mobility and Transfer, the College is signatory to articulation agreements with universities and colleges provincially, nationally and internationally. 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 regional community. Through its affiliation with the Faculty of Agriculture, Forestry, and Home Economics 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 exposing learners to the most innovative and up-to-date information available in a variety of disciplines.

Approved December 21, 2005 by the Ministry of Advanced Education.



**The Place to go Places**



## OLDS COLLEGE



## OLDS COLLEGE IS THE PLACE TO GO PLACES

There's no better time to be a rural Albertan!

Olds College has made great strides this past year to bring increased opportunities and advantages to those who build their careers, lives and families in rural areas. The vision of the Community Learning Campus has taken root with the groundbreaking and construction of the e-Learning Core. The Calgary Campus is making some of the best elements of rural education available in the big city. Best of all, the College has continued to maintain and build friendships with the individuals and organizations who share our vision of rural advantage.

Olds College is the place to go places, and rural Alberta is the place to be.

### MISSION

Olds College will be the leading proactive, innovative and student-centred integrated learning community dedicated to excellence in:

- career education
- adult development
- competency based training
- applied research, and
- customized services

We provide this education for our students and clients provincially, nationally and internationally primarily in the areas of:

- agriculture
- horticulture
- land and environment management
- agribusiness, entrepreneurship and rural development

### VISION

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

### VALUES

At Olds College, we value:

- student centredness
- integrity
- responsiveness and being market driven
- the environment and land stewardship
- fiscal responsibility
- the contributions of all our people
- internal and external community development
- innovation and entrepreneurial spirit
- collaboration, cooperation and partnerships
- continuous improvement of instruction and programs
- accessibility

## ACCOUNTABILITY STATEMENT

The past year has presented the Board with numerous opportunities to celebrate the accomplishments of the College. As your representatives charged with providing the best possible post-secondary educational opportunities that are accessible and affordable, we appreciate this opportunity to report on our successes.

The words, images and numbers in this annual report cannot do justice to the full story of the success that has been Olds College in 2005/2006. But I wish to highlight two key accomplishments that reflect our pride and commitment.

In just a few short months we partnered with Chinook's Edge School Division to develop the vision for the Community Learning Campus. Working with our partners in secondary education and the government, we developed the resources required for the project, and witnessed the first stages of construction. This was a remarkable accomplishment made all the more outstanding as the College also developed and implemented plans to build a satellite campus in Calgary, where the first students began classes in September 2006.

Partnerships are critical components of these projects and they reflect the current situational reality that demands our outreach, as a Board and Institution, to find private, public and industry partners...partners who share our passion for providing quality education opportunities for students at Olds College.

The entire Board joins me in recognizing and applauding the leadership, faculty, staff and management of the College for a job exceptionally well done. Student success is their first priority, and in the classrooms, labs, workshops and on the farm, Olds College is a place that ensures students gain access to the knowledge and experiences they need for future success.

The Olds College Annual Report for the year ended June 30, 2006 was prepared under my direction in accordance with the Government Accountability Act and ministerial guidelines established pursuant to the Accountability Act. All material economic, environmental or fiscal implications of which I am aware have been considered in the preparation of this report.

Stirling McLeod



## MESSAGE

### PRESIDENT'S MESSAGE

There is no greater satisfaction for a leader than witnessing the seeds of a vision take root and grow within a community. For Olds College and our many regional partners, 2005/2006 has been a year of planting, nurturing and witnessing the growth of new concepts in rural development.

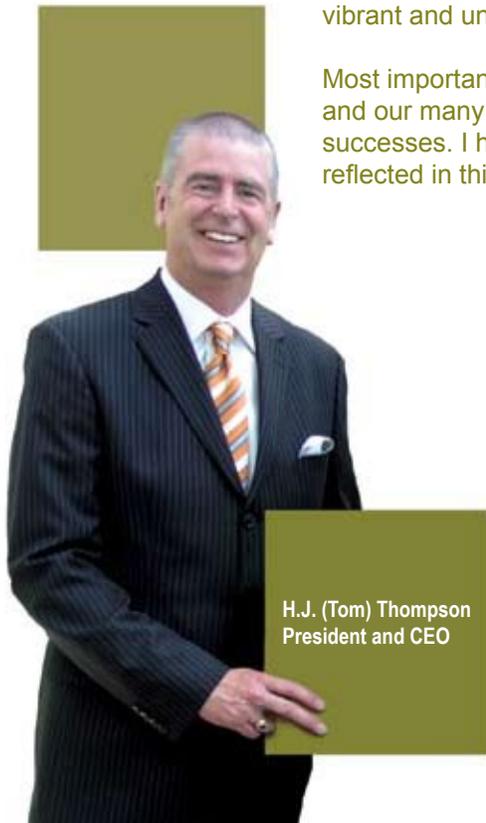
We are particularly delighted to draw attention to the Community Learning Campus and the new Calgary Campus. In both cases, our successes have been assured by a formula that includes deep vision, hard work, and commitment to positive results for every person and organization involved.

The concept for the Community Learning Campus embodies the desire to serve rural students with the best resources available. Our partnership with the Chinook's Edge School Division will increase the quality of our education system by providing high school students easy access and a seamless transition into the advanced education environment. The new campus will be a tremendous support for rural students who wish to stay and study in rural Alberta, establishing roots and growing the community. By combining energy and vision, the project will serve students of all ages with access to programs, wellness facilities and cultural resources. As the project develops and our vision matures, I am confident that our collaborative project will become a model for other regions in Alberta and beyond.

As always, Olds College is honoured to celebrate our successes with those people and agencies with whom we share leadership and resources. The Chinook's Edge School Division, the Town of Olds, Mountain View County, the Calgary Exhibition and Stampede – to name just a few – are all part of this wonderful, vibrant and unique organization.

Most importantly, Olds College is people. Our students, our faculty, our staff, our alumni and our many friends are both the reason we exist, and the true power behind our successes. I hope and trust that each individual will see their values and vision reflected in this Annual Report.

H.J. (Tom) Thompson



# COLLEGE PROFILE

## LOCATION

Located 90 kilometers north of Calgary, Olds College is situated in Central Alberta's thriving farming and entrepreneurial districts. This provides an ideal location for innovative learning opportunities in agriculture, horticulture, environment, land management and agribusiness studies.

## HISTORY

Founded in 1913, Olds College has provided far-reaching influence for over 90 years. The outstanding legacy of Olds College is its personal and caring approach to creating leaders.

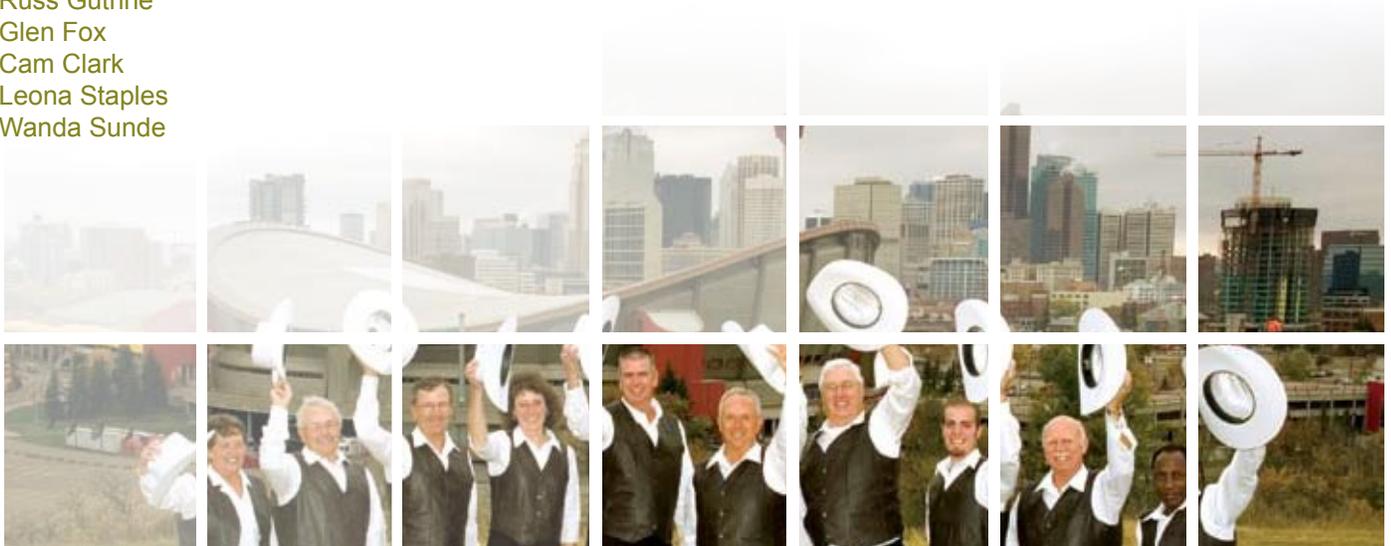
## STAFFING

In 2005/06, Olds College employed approximately 410 permanent full-time, permanent part-time, temporary and contract staff members. This includes 95 faculty, 162 support staff, 77 administrators, 42 students and 34 individuals contracted work in extension services.

This equates to the full-time equivalent of approximately 315 individuals comprised of 85 faculty, 143 support staff, 65 administrators, 14 students and 8 individuals contracted to work in extension services.

## BOARD OF GOVERNORS AS AT JUNE 30, 2006

- Stirling McLeod, Chair
- Dave Price, Vice Chair
- H.J. (Tom) Thompson
- Gary Severtson
- Graeme Hill
- Bill Quinney
- Russ Guthrie
- Glen Fox
- Cam Clark
- Leona Staples
- Wanda Sunde



## HIGHLIGHTS



## COLLEGE PROFILE

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 93 years later. Small classes, customized training, extension education and an emphasis on hands-on training continue to be characteristic features of courses offered today. This continuity has been coupled with change to reflect today's economic environment. Where students once studied field husbandry, domestic science and farm mechanics, they now pursue post-secondary education in such fields as horticulture, animal science, land administration and fashion.

The College offers certificates, diplomas and applied degrees in business management, and production and technical careers in agriculture, horticulture and land management. In addition, the College offers other programs in a variety of formats for the learning needs of the greater community. Olds College is a board governed institution and operates under the authority of the Post-secondary Learning Act.

The reputation of Olds College has helped to attract learners and industry partners for many decades. We know that our reputation is one of the cornerstones of the College. The implementation of our Business Plan is a continuation of our commitment to our Vision:

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

## KEY OPPORTUNITIES AND CHALLENGES

For Olds College to continue to prosper and enable its learners to exceed market requirements, it must be visionary, proactive and strategically positioned in its changing marketplace. This conclusion is based on the following situational realities:

### GLOBAL CUSTOMERS AND CONSUMERS

The ability to understand and react to demographic realities will largely define the future success of the agriculture, food and beverage industries. Trade policies and trade barriers within the wealthiest countries have an extremely significant impact on the economic health of exporting countries. Consumer influence within these countries can have a further impact on trade, positive or negative, and has increased to the levels where the consumers are driving the economic processes previously controlled by producers.

### CHANGING LABOUR MARKET

Olds College has a major set of challenges related to the rapidly changing labour market in Alberta. The presence of an almost unlimited supply of high-wage, unskilled work in the province creates a real challenge for recruiting students. The problem is particularly acute in rural Alberta. It is also affecting our ability to attract faculty and staff. Maintaining competitive levels of total compensation is the key issue. Given these challenges, the College plans to make significant efforts to expand its programming and improve its facilities. The improvement of the overall financial stability of the College is addressed in the current plan and will enable a more competitive presence in the labour market.

## RURAL ECONOMIC DEVELOPMENT

Rural Alberta is losing its highly qualified population at an increasing rate. Recent graduate outcomes research shows that fewer than 3% of Olds College graduates are employed locally, while nearly 30% found employment in Calgary. Olds College, along with other rural colleges, is planning to meet this challenge head on.

The Community Learning Campus has the potential to create a system which retains and enhances the supply of qualified and well-trained rural residents. We will be pursuing the opportunity to integrate secondary and post-secondary activity to increase the participation rate of rural youth in post-secondary education to the provincial average and beyond.

## SERVING CALGARY'S URBAN SHADOW

Calgary is expanding to the north at a rapid rate. The Airdrie/Balzac district is urbanizing rapidly. Outlying communities such as Crossfield, Carstairs and Olds are also growing rapidly as increasing numbers of workers are choosing to commute as a response to skyrocketing housing costs in Calgary. Serving this growing population is a tremendous opportunity for Olds College. It will develop the facilities and programs that will be required to serve this population. The Business Plan addresses these challenges.

## RESEARCH AND INNOVATION

Olds College is committed to expanding the visibility and understanding of research and innovation in a rural environment. Innovation has always been a driving force in economic growth and social development, and it is the key to improving productivity. This reality applies to agriculture and the other land based industries that are a focal point for Olds College.

## DEMOGRAPHICS AND CANADIAN AGRICULTURE

An aging population, industry consolidation and a declining number of farms appear to be structural realities. The number of young farmers is also declining in Canada. Young farmers can be enticed back to the industry if new opportunities provide the professional, income and lifestyle options that they seek. Commercial farms will have an increasing demand for high-level managerial skills, and producers will be seeking innovative, flexible and time-effective solutions to enhance and maintain their skills.

In Canada, farms have increased in size and complexity through continuous industry consolidation. Olds College is addressing these emerging needs through program enhancement, advisory committees and increased online learning initiatives.



## HIGHLIGHTS



## KEY OPPORTUNITIES AND CHALLENGES IN THE LAND INDUSTRY

Alberta's booming oil and gas sectors are encountering a number of issues related to land management. These issues include intense competition for surface land access, mergers, acquisitions, rapid changes in technology and increasing expectations for environmentally sustainable practices. These challenges are coupled with ever increasing demands for reclamation of oil and gas sites, continually evolving regulatory requirements and tremendous challenges associated with trying to staff the growth in these fast-paced industries. Opportunities exist to offer additional online training to help meet the needs of land agents, land administrators and reclamation technicians wishing to advance their skills while maintaining other careers. While Olds College plays a key role in helping develop skilled workers to help address these activities, we also face significant challenges in sourcing instructional expertise from such an active and lucrative industry.

## SCHOOLS AND PROGRAMS

The College's academic and research offerings are organized among six Schools as noted below. Professional and continuing education services exist within each of the five academic schools ensuring relevant skills and knowledge are available to learners in a variety of course formats and delivery options.

### ***SCHOOL OF AGRICULTURE, BUSINESS & TECHNOLOGY***

#### ***Program Offerings***

- Agricultural Business
- Ag Finance Certificate
- Agriculture and Heavy Equipment Technician
- Agricultural Production and Management
- Bachelor of Applied Science - Agribusiness Major
- Geographic Information Systems
- Apprenticeship Programs:
  - o John Deere
  - o Agricultural Equipment Technician
  - o Heavy Equipment Technician
  - o Welding
  - o Pre-trades Heavy Equipment Technician
  - o Pre-trades Millwright
  - o Pre-trades Welding

### ***SCHOOL OF ANIMAL SCIENCE***

#### ***Program Offerings***

- Advanced Farrier Science
- Animal Health Technology
- Equine Science
- Meat Processing

**SCHOOL OF APPLIED ARTS & CAREER STUDIES**

**Program Offerings**

- Career and Academic Preparation
- Fashion Apparel Technology
- Fashion Marketing
- General Studies
- Office Administration
- Transitional Vocational Program
- Veterinary Medical Receptionist

**SCHOOL OF HORTICULTURE**

**Program Offerings**

- Commercial Floristry
- Bachelor of Applied Science (B.App.Sc.) - Horticulture
  - o Landscape Management Major
  - o Production Major
  - o Golf Course Management Major
- Landscape Gardener Apprenticeship
- Ornamental Horticulture
- Production Horticulture
- Turfgrass Management

**SCHOOL OF LAND SCIENCES**

**Program Offerings**

- Land Administration
- Land Agent
- Land and Water Resources

**OLDS COLLEGE SCHOOL OF INNOVATION (OCSI)**

OCSI is a unique applied research facility which fulfills three critical roles at Olds College:

1. Contract Applied Research  
OCSI is the College focal point for research activities and research-related relationships and partnerships (private and public sector).
2. Internal Collaboration  
OCSI is the College focal point for integrating applied research and academic programming which greatly enriches and differentiates the academic experience at Olds College.
3. Commercial Innovation and Value  
OCSI is the College focal point for innovative thought leadership and the creation of commercial value for clients and partners.



## HIGHLIGHTS



## ARTICULATION AGREEMENTS

Olds College has developed articulation agreements with numerous educational institutions allowing learners to advance their career options.

Agreements are in place allowing Olds College graduates to continue their education at the following universities:

- UBC Okanagan
- University of Lethbridge
- Athabasca University
- University of Alberta
- Royal Roads University
- Montana State University

Additional agreements allow strong credit transfer to and from other institutions, including:

- University College of the Cariboo
- Ridgetown College
- University College of the Fraser Valley
- Lakeland College
- Lethbridge College
- Humber Institute of Technology and Advanced Learning
- Red River College
- Keyano College
- Grande Prairie Regional College
- College of the Rockies
- Kwantlen College
- Niagara College
- SAIT Polytechnic
- Assiniboine Community College

The ever-expanding network ensures the provision of opportunities for lifelong learning and contributing to the development of career opportunities.

## TUITION COMPLIANCE STATEMENT

Olds College tuition fee revenue is 18 percent of the net operating expenditures, which is below the 30 percent cap set by the Alberta Advanced Education Provincial Tuition Fee Policy. The Olds College tuition fee ratio is \$4,732,157 of tuition revenue to \$26,273,180 net operating expenditures. The information is prepared in accordance with Section 3 of the Tuition Fee Regulation. It has been submitted to Alberta Advanced Education and verified by Ministry staff.

# MAJOR ACCOMPLISHMENTS

# ACCOMPLISHMENTS

## Goals and Performance Measures

Encompassed in the 2006-2010 College Business Plan are six goals, their accompanying strategies, and expected outcomes. These goals reflect the College's ambitious plans established in previous years, and those we will focus on in the future.

### *Goals:*

1. Ensure program excellence.
2. Create sustainable research growth.
3. Strategically increase enrolment.
4. Advance ruralism.
5. Upgrade and maintain facilities.
6. Enhance information technology.

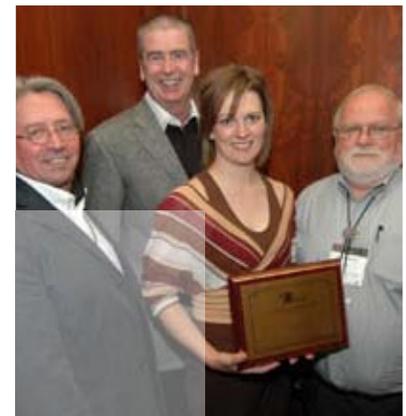
## WE'RE PROUD TO PRESENT A FEW HIGHLIGHTS OF OUR ACCOMPLISHMENTS IN THESE AREAS.

### *Our goal is to ensure program excellence*

Olds College is already looked to for our renowned academic programs, and we will not stop there. Through cyclical program reviews, continuous consultation with our program advisory committees, ongoing professional development opportunities for faculty and staff, and international opportunities for students, Olds College will achieve an even higher degree of student and employer satisfaction. Olds College works each day to provide the best student experiences available anywhere.

The 90th Olds College Graduation was celebrated with 645 students eligible to graduate. Amber Havens, who was graduating with a Bachelor of Applied Science-Agribusiness degree, delivered the valedictory address, and alumnus Todd Martin (Land Resource Management 2004) was special guest speaker. The Board of Governors of Olds College had the honour of bestowing an Honourary Degree to Dave Hancock at the ceremony. During his recent role as Minister of Advanced Education, Mr. Hancock led significant enhancements to the province's learning environment and worked to provide learning opportunities for all Albertans.

Olds College participated in a leadership role at the annual conference of the Association of Canadian Community Colleges (ACCC) in Calgary. Olds College student Leona Dargis had the distinction of being presented with the national ACCC Student Leadership Excellence Award and President H.J. (Tom) Thompson was co-presenter of a keynote event which addressed methods to advance higher learning opportunities in rural Canada. Olds College instructors also provided sessions on Strategic Enrolment Management and Applied Research as part of the conference program.



Leona Dargis, accepting the ACCC award

## ACCOMPLISHMENTS



Donna Hamel, together  
with Horticulture students



Instructor Ian Hall, who has shared his knowledge and wisdom with students for the past 38 years, received the Wilson Loree Award. The award is presented each year by the Canadian Farm Business Management Council for extraordinary contribution to developing and promoting positive change in agricultural business management practices and expertise.

Cyril (Cy) McAndrews, Valedictorian from the Class of 1946, was named to the Olds College Alumni Hall of Fame. In a career dedicated to the many facets of the agriculture industry, McAndrews held various positions within Alberta Agriculture from 1950 until his retirement in 1983. Among his spheres of influence, McAndrews held the post of Assistant Deputy Minister of Agriculture.

Representatives from a professional land-care network that governs the delivery of international testing programs in horticulture are recommending Olds College to be a certified tester on three modules, including tree planting, tree pruning and chain saw. This represents part of a larger package of horticultural career training opportunities and the resulting professional designation is recognized throughout the world.

Joann Mathon, who graduated from the Agricultural Mechanics diploma program this spring, became one of eight Alberta students recognized with a \$3500 Persons Case Scholarship. Joann grew up on a farm west of Innisfail and has been working with machinery for much of her life. She was compelled by the idea of training and working in a traditionally male-dominated industry. Her decision is what led to the Persons Case Scholarship, which is awarded to students whose studies and career goals contribute to the advancement of women.

The Alberta Ministry of Advanced Education approved an expanded mandate for Olds College, providing for higher levels of certification than ever before. The mandate outlines the College's focus on hands-on training and its close connections with industry, and includes the ability to provide applied degrees and baccalaureate degrees. Olds College is also mandated to take its program delivery off campus and offer courses throughout Alberta, across Canada and around the world.

Students from Olds College's fashion programs met influential industry leaders from 25 companies on campus during Fashion Industry Day. The annual event gathered accomplished designers, suppliers and fashion retailers together to offer information and encouragement to students as they prepare to launch careers in an industry that is bursting at the seams.

Donna Hamel, a Team Leader at Edmonton's Muttart Conservatory, presented students from the Hort Club with 80 orchid plants to add to their growing collection. The students began their exceptional collection in November, when they worked to save 421 plants that had been left behind in the sale of a greenhouse north of Red Deer. Their efforts caught the attention of Muttart staff, who indicated they made the donation because of their belief that Olds College students have the right skills to do a great job with the collection.

## ACCOMPLISHMENTS

Advancing the skills of China's small farmers became a priority for the country once they joined the World Trade Organization, and Olds College has been asked to create programs to meet some of those specific priorities. Ten meat industry professionals arrived from China for a four-week Meat Hygiene program, which the federal department of Agriculture and Agri-Food Canada asked Olds College to develop.

Curtis Johnson, Senior Vice President of Agribusiness, Food and Animal Health for Ipsos Reid, shared his views on the future of agriculture. Johnson's presentation was the first in this year's series of internet-based seminars being produced by Olds College, the Agriculture & Food Council and industry partners. Olds College has created nine webcasts to date, and has invited five Canadian experts to share their vision on the future of agriculture for the new "Leadership for the 21st Century" series.

A recently-signed international agreement opens a new level of study for students in Olds College's School of Horticulture. Olds College has entered an agreement with the National Pingtung University of Science and Technology (NPUST) in Taiwan, which offers one of its popular horticulture programs at the Master's level entirely in English. The opportunity is now available for graduates with a Horticulture Major from Olds College's Bachelor of Applied Science program to earn a Master's Degree.

The Olds College School of Agriculture, Business and Technology announced technology from a recently completed study is successful in identifying the most feed-efficient breeding bulls. The Net Feed Efficiency Bull Test had several sponsoring organizations, with Olds College and Alberta Agriculture, Food and Rural Development as the major partners.

Students and staff from the Animal Health Technology program began working with 56 dogs that arrived in Calgary from Louisiana in the wake of Hurricane Katrina. The animal rescue is a project of 1atatime Rescue and Pet Planet.

For the second year in a row, a student team from the Olds College School of Horticulture took the silver medal at the prestigious Skills Canada national competition. Dan Indenbosch and Gerrit van Giessen, both from Lethbridge, squeaked past the bronze-medal Nova Scotia team to win silver as a team from Ontario took gold.



Students and volunteers greet dogs rescued from Louisiana

## ACCOMPLISHMENTS

Murray Taylor won the 2005 Morgex Award for Innovation in Teaching. An instructor at Olds College for nearly 30 years, Taylor was instrumental in creating a unique Portable Remote Sensing Project.

Olds College deepened its connections to a number of educational institutions and signed a new agreement, as part of Alberta Advanced Education's mission to Mexico. Representatives from 12 post-secondary institutions across Alberta joined Minister Dave Hancock on the mission, whose aim was to foster international post-secondary opportunities.

### *Our goal is to create sustainable research growth*

The Olds College School of Innovation has been a pioneer in linking respected researchers, students and projects together in conducting high-level scientific research initiatives that are unique at the campus level. By continuing our efficient science and project management and ensuring financial performance, we will work to enhance our innovative culture and incorporate research components directly into our academic programs.

Students, industry partners and government departments came together at the annual Olds College School of Innovation (OCSI) Partners Meeting to review the status of several research and development projects underway at OCSI. During his keynote address, Peter Hackett, President and CEO of Alberta Ingenuity, said the spirit of Olds College and its can-do attitude is creating a strong relationship of service to the community.

An Olds College School of Innovation research project is proving renewable energy can be produced from agricultural and municipal waste, perhaps enough energy to light and heat a small community. The biogas project was initiated one year ago, through funding from the Green Municipal Enabling Fund, Olds College, the Town of Olds and Mountain View County.

Researchers at the Olds College School of Innovation (OCSI) are working to develop the commercialization of dark berry products in central Alberta, and ultimately improve the lives of many people. The health-giving benefits of dark berries have been known for sometime and the marketplace is poised to see the commercialization of products derived from both the fruit and its seeds.

The Olds College School of Innovation's Composting Technology Centre and the Town of Olds have been nominated for an Environmental Sustainability award. The special award is being presented through the national Communities in Bloom program for the first time this year.



Terry McKay, working with high-level science research

## *Our goal is to strategically increase enrolment*

Olds College is not only committed, we are galvanized in our vision to expand learning opportunities for all Albertans. Each project in our Capital Vision Campaign is a determined effort to build and enhance the leading programs our students expect from us. Olds College's academic programs will be accessible to ever more students, whether it is achieved through the increase of online program delivery and the expansion of international student enrolment, or through the expansion of our program delivery through the Calgary Campus and the development of a seamless transfer through the Community Learning Campus.

Olds College presented 430 awards totaling over \$370,000 at the annual Student Awards Ceremony. The awards acknowledge students for academic and leadership excellence, and also assist students who would otherwise find it difficult to offset the academic costs. Through the generosity of donors and industry partners, Olds College is able to make learning more accessible to students through the program, in which one in three students are honoured with an award.

A Certified Exercise Rider & Jockey School program has been created as a growing partnership between Olds College and Horse Racing Alberta. Graduates of this program will alleviate a growing shortage of skilled professionals in the equine racing industry. Created in conjunction with the Horsemen's Benevolent and Protective Association of Alberta, this 12-week program follows on the heels of a highly successful Groom School which is entering its fourth year.

## *Our goal is to advance ruralism*

The Olds College Students' Association presented the Community Learning Campus (CLC) governance team with a cheque for \$1.01 million dollars. The student investment was announced at the official groundbreaking ceremony for the e-Learning Core, the first of five CLC structures to be built on the Olds College campus. The Honourable Gene Zwozdesky, Minister of Education, indicated the CLC touches each of the Alberta Government's four pillars: unleashing innovation, leading in learning, ensuring we are able to compete globally, and making Alberta the best place to work, to live and to visit.

## ACCOMPLISHMENTS



Ground Breaking ceremony for the CLC campus

## ACCOMPLISHMENTS



Artist's Glimpse into the Future CLC

Perhaps the greatest example of our passion and insight into the unique advantages that are integral to the rural experience is the Community Learning Campus. This integrated community learning concept has captured the imagination of people across the nation, from government leaders who have become partners in building the CLC to reluctant learners who have become excited about what the CLC will offer for them. The Community Learning Campus will bring down barriers. It will create opportunities. It will allow rural residents to remain in rural Alberta and still achieve their learning goals. It will enhance the capacity of individuals and communities by linking community health and wellness services with the most sophisticated of technologies. The Community Learning Campus will be viewed as a model of learning excellence. Olds College will continue to participate in the rural development initiatives outlined by the Government of Alberta, because we share the government's priorities in unleashing innovation, leading in learning, ensuring we are able to compete globally and making Alberta the best place to work, to live and to visit.

Olds College became part of a group of 17 public universities, colleges and technical institutes from across Alberta that, along with the Department of Agriculture, Food and Rural Development, launched plans to establish the new Alberta Rural Development Network. The Network strategy will underscore the commitment to rural Alberta and ensure it remains a place to grow, seek new opportunities and build futures. The Network was launched at the Rural North American Conference in Calgary.

Chinook's Edge School Division was named Olds College's 2006 Partner of the Year. In accepting the honour, Chair Roy Brassard said Chinook's Edge and Olds College have accomplished a great deal and shared some very exciting moments over the past two years to make the vision for a Community Learning Campus a reality.

### *Our goal is to upgrade and maintain facilities.*

The Community Learning Campus (CLC) won an international design concept award for its innovative educational design and community partnerships. The award was presented by the Council of Educational Facility Planners International (CEFPI) at an annual conference in San Antonio, Texas. Group 2 Architecture Engineering Interior Design created the CLC designs and submitted the project for the award consideration.

## *Our goal is to enhance information technology*

Through the implementation of a wireless campus and the development of a multi-media centre in the e-Learning Core of the Community Learning Campus, Olds College will utilize every opportunity to use technology to create further student advancements. We will continue to collaborate with other post-secondary institutions to provide WebCT services and Banner Student Information Systems. We will collaborate with industry to incorporate industry-specific technologies, and we will make further opportunities available to learners throughout the world by enhancing online and videoconferencing capabilities.

## *Olds College Capital Vision Campaign*

Launched only one year ago, the projects we outlined are already beginning to dramatically change the landscape in southern Alberta and beyond. In the coming year, we will continue to celebrate significant milestones in our capital projects, from turning the sod on three further Community Learning Campus structures to officially opening the Calgary Transition Campus. As we continue to develop our plans to launch the Canadian Equine Centre of Innovation in both Olds and Balzac, we will also work together with our partners at EnCana Corporation to hire an Industry Energy Partnership Chair to enhance land negotiations in the oil and gas industry in Alberta. The Capital Vision Campaign heralds a new era of excellence at Olds College, and our Campaign Caucus is committed to a detailed strategic process for achieving the financial means to make our vision a reality.

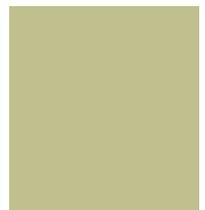
His Honour, the Lieutenant Governor of Alberta, The Honourable Norman L. Kwong captivated a sold-out crowd of 340 guests at Gala 2006 with his entertaining keynote address. The entire campus participated in planning and hosting the 2006 Links to the Future Gala, including current students and alumni.

Olds College and EnCana Corporation came together on February 21st to launch a new partnership that will enhance land negotiations in the oil and gas industry in Alberta. Representatives from EnCana's corporate head office in Calgary were on campus to announce the company's donation of \$1.05 million in support of Olds College's unique programming initiatives in its Land Agent program. EnCana's commitment is twofold, including a \$900,000 donation to Olds College's Energy Industry Partnership Fund and an additional \$105,000 in support of scholarships for students with 4-H experience who are enrolled in land-based programs at Olds College.

## ACCOMPLISHMENTS



The Honourable  
Norman L. Kwong  
enjoying Gala 2006



**KPI** **PERFORMANCE AWARD CALCULATION - 2005-2006**  
**(BASED ON 2004-2005 DATA)**

**LEARNING COMPONENT (For All Institutions)**

**Responsiveness:**

Employment Rate

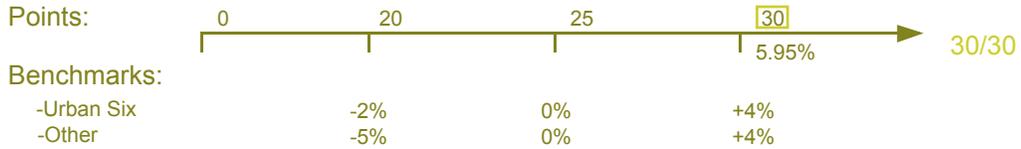


Graduate Satisfaction With Overall Quality



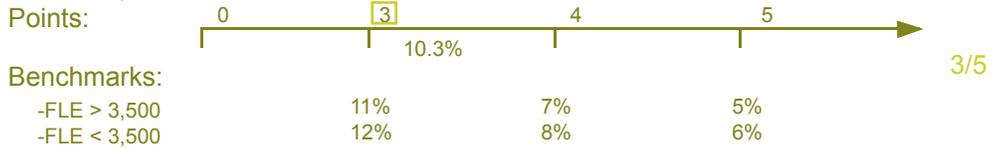
**Accessibility:**

Credit Full Load Equivalent



**Affordability:**

Administration Expenditures



Enterprise Revenue



Total Points - Learning Component: 97 of an available 100 Points



**To the Board of Governors of Olds College**

I have audited the statement of financial position of Olds College as at June 30, 2006 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J, Dunn FCA

FCA  
Auditor General

Edmonton, Alberta  
September 29th, 2006

*The official version of this Report of the Auditor General,  
and the information the Report covers is in printed form.*

**FINANCIAL  
STATEMENTS**

As at June 30, 2006

**STATEMENT OF FINANCIAL POSITION**

|  | <b>2006</b>                | <b>2005</b>                |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>  |                            |                            |
| <b>CURRENT:</b>                                      |                            |                            |
| Cash and cash equivalents (Note 3)                   | \$ 7,908,738               | \$ 4,439,062               |
| Accounts receivable                                  | 1,670,124                  | 2,728,933                  |
| Inventories (Note 4)                                 | 432,700                    | 371,733                    |
|  | <hr/> 10,011,562           | <hr/> 7,539,728            |
| Long-term contributions receivable                   | --                         | 50,000                     |
| Long-term investments (Note 3)                       | 15,267,808                 | 5,826,694                  |
| Capital assets (Note 5)                              | 26,725,725                 | 27,488,536                 |
|  | <hr/> <b>\$ 52,005,095</b> | <hr/> <b>\$ 40,904,958</b> |
| <b>LIABILITIES AND NET ASSETS</b>                    |                            |                            |
| <b>CURRENT:</b>                                      |                            |                            |
| Accounts payable and accrued liabilities             | \$ 2,971,611               | \$ 1,451,436               |
| Current portion of long-term debt (Note 6)           | 181,514                    | 164,259                    |
| Deferred contributions (Note 9)                      | 462,314                    | 548,369                    |
| Unearned revenue (Note 8)                            | 1,045,823                  | 762,866                    |
| Accrued vacation pay                                 | 1,707,942                  | 1,470,160                  |
| Deferred donations and endowment interest (Note 10)  | 2,382,042                  | 1,805,688                  |
|  | <hr/> 8,751,246            | <hr/> 6,202,778            |
| Deferred capital contributions (Note 12)             | 9,251,521                  | 191,361                    |
| Long-term debt (Note 6)                              | 3,475,800                  | 3,657,315                  |
| Unamortized deferred capital contributions (Note 13) | 14,980,908                 | 15,811,453                 |
|  | <hr/> 36,459,475           | <hr/> 25,862,907           |
| <b>NET ASSETS</b>                                    |                            |                            |
| Unrestricted net assets                              | 1,057,562                  | 1,321,592                  |
| Internally restricted (Note 14)                      | 649,269                    | 494,616                    |
| Invested in capital assets                           | 8,087,502                  | 7,855,510                  |
| Endowments (Note 15)                                 | 5,751,287                  | 5,370,333                  |
|  | <hr/> 15,545,620           | <hr/> 15,042,051           |
|  | <hr/> <b>\$ 52,005,095</b> | <hr/> <b>\$ 40,904,958</b> |

The accompanying notes are part of these financial statements.

## STATEMENT OF OPERATIONS

## FINANCIAL STATEMENTS

For the year Ended  
June 30, 2006

|  | 2006                |                   | 2005              |
|--|---------------------|-------------------|-------------------|
|  | Budget<br>(Note 25) | Actual            | Actual            |
| <b>REVENUE</b>   |                     |                   |                   |
| Grants, Province of Alberta (Note 22)                    | \$ 18,180,544       | \$18,992,148      | \$ 17,357,992     |
| Other grants and training contracts                      | 1,885,490           | 2,304,371         | 1,674,171         |
| Tuition and related fees                                 | 6,317,718           | 5,377,404         | 5,485,593         |
| Sales, rentals and other services (Note 16)              | 4,695,110           | 5,119,652         | 5,033,979         |
| Investment earnings (Note 21)                            | 469,000             | 891,233           | 835,371           |
| Donations  | 1,157,175           | 600,763           | 708,155           |
| Amortization of deferred capital contributions (Note 13) | 1,781,000           | 1,871,861         | 1,972,800         |
| Gain on disposal of capital assets                       | --                  | 6,355             | --                |
|  | <u>34,486,037</u>   | <u>35,163,787</u> | <u>33,068,061</u> |
| <b>EXPENSE</b>   |                     |                   |                   |
| Salaries and benefits                                    | 21,342,426          | 21,475,538        | 19,618,927        |
| Supplies and services                                    | 7,119,630           | 7,165,642         | 6,719,398         |
| Scholarships and Bursaries                               | 232,660             | 229,130           | 226,806           |
| Cost of goods sold                                       | 1,960,269           | 1,783,393         | 1,845,097         |
| Utilities  | 1,276,440           | 1,242,359         | 1,228,821         |
| Amortization of capital assets                           | 3,000,000           | 3,145,110         | 3,079,304         |
| Loss on disposal of capital assets                       | --                  | --                | 91,535            |
|  | <u>34,931,425</u>   | <u>35,041,172</u> | <u>32,809,888</u> |
| Excess (deficiency) of revenue over expense              | <u>\$ (445,388)</u> | <u>\$ 122,615</u> | <u>\$ 258,173</u> |

The accompanying notes are part of these financial statements.

## FINANCIAL STATEMENTS

For the year Ended  
June 30, 2006

## STATEMENT OF CHANGES IN NET ASSETS

|   | 2006                       |  |                                    |                                  |                     | 2005                 |                      |
|---|----------------------------|--|------------------------------------|----------------------------------|---------------------|----------------------|----------------------|
|   | Unrestricted<br>Net Assets | Internally<br>Restricted<br>Net Assets | Investment<br>in Capital<br>Assets | Total<br>Operating<br>Net Assets | Endowments          | Total<br>Net Assets  | Total<br>Net Assets  |
|   |                            | (Note 14)                              | (Note 5)                           |                                  | (Note 15)           |                      |                      |
| Excess (deficiency) of revenue over expense | \$ 122,615                 | \$ --                                  | \$ --                              | \$ 122,615                       | \$ --               | \$ 122,615           | \$ 258,173           |
| Endowments contributions                    | --                         | --                                     | --                                 | --                               | 332,103             | 332,103              | 197,800              |
| Recapitalized endowment earnings            | --                         | --                                     | --                                 | --                               | 48,851              | 48,851               | 55,690               |
| Board restrictions                          | (154,653)                  | 154,653                                | --                                 | --                               | --                  | --                   | --                   |
| <b>INTERNALLY FUNDED:</b>                   |                            |  |                                    |                                  |                     |                      |                      |
| Acquisition of capital assets               | (1,342,782)                | --                                     | 1,342,782                          | --                               | --                  | --                   | --                   |
| Repayment of long-term debt                 | (164,259)                  | --                                     | 164,259                            | --                               | --                  | --                   | --                   |
| Amortization of capital assets              | 1,273,247                  | --                                     | (1,273,247)                        | --                               | --                  | --                   | --                   |
| Disposal of capital assets                  | 1,802                      | --                                     | (1,802)                            | --                               | --                  | --                   | --                   |
| <b>Increase (decrease) in net assets</b>    | <b>(264,030)</b>           | <b>154,653</b>                         | <b>231,992</b>                     | <b>122,615</b>                   | <b>380,954</b>      | <b>503,569</b>       | <b>511,663</b>       |
| <b>Net asset balance, beginning of year</b> | <b>1,321,592</b>           | <b>494,616</b>                         | <b>7,855,510</b>                   | <b>9,671,718</b>                 | <b>5,370,333</b>    | <b>15,042,051</b>    | <b>14,530,388</b>    |
| <b>Net asset balance, end of year</b>       | <b>\$ 1,057,562</b>        | <b>\$ 649,269</b>                      | <b>\$ 8,087,502</b>                | <b>\$ 9,794,333</b>              | <b>\$ 5,751,287</b> | <b>\$ 15,545,620</b> | <b>\$ 15,042,051</b> |

The accompanying notes are part of these financial statements.

**STATEMENT OF CASH FLOWS**

|   | 2006                | 2005                |
|---|---------------------|---------------------|
| <b>OPERATING ACTIVITIES:</b>                        |                     |                     |
| Excess of revenue over expense                      | \$ 122,615          | \$ 258,173          |
| Amortization of deferred capital contributions      | (1,871,861)         | (1,972,800)         |
| Amortization of capital assets                      | 3,145,110           | 3,079,304           |
| Disposal of externally funded assets                | (22,842)            | --                  |
| Loss (gain) on disposal of capital assets           | (6,355)             | 91,535              |
|   | 1,366,667           | 1,456,212           |
| Net change in non-cash working capital (Note 17)    | 3,529,051           | 732,533             |
| Cash flow from operating activities                 | 4,895,718           | 2,188,745           |
| <b>INVESTING ACTIVITIES:</b>                        |                     |                     |
| Purchase of long-term investments, net              | (9,441,114)         | (80,587)            |
| Purchase of externally funded capital assets        | (1,064,159)         | (948,977)           |
| Purchase of internally funded capital assets        | (1,342,782)         | (835,511)           |
| Proceeds from disposal of capital assets            | 31,000              | 1,600               |
| Cash applied to investing activities                | (11,817,055)        | (1,863,475)         |
| <b>FINANCING ACTIVITIES:</b>                        |                     |                     |
| Repayment of long-term debt                         | (164,259)           | (159,285)           |
| Decrease in contributions receivable                | 50,000              | 50,000              |
| Capital contributions received                      | 10,124,318          | 539,556             |
| Endowments contributions received                   | 380,954             | 253,490             |
| Cash generated from financing activities            | 10,391,013          | 683,761             |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>        | 3,469,676           | 1,009,031           |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b> | 4,439,062           | 3,430,031           |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>       | <b>\$ 7,908,738</b> | <b>\$ 4,439,062</b> |

**FINANCIAL STATEMENTS**For the year ended  
June, 30 2006

The accompanying notes are part of these financial statements.

## FINANCIAL STATEMENTS

For the year Ended  
June 30, 2006

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1 *Authority*

Olds College (the College) operates under the authority of the Post-secondary Learning Act, Statutes of Alberta 2003, Chapter P 19.5.

The College is a public institution preparing individuals for business management, production and technical careers in agriculture, horticulture and land management. In addition to granting diplomas and certificates, the College offers other programs in a variety of formats for the learning needs of the greater community.

The College is a registered charity and is exempt from payment of income tax under Section 149 of the Income Tax Act.

### Note 2 *Summary of Significant Accounting Policies and Reporting Practices*

#### GENERAL

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these statements requires the use of estimates, which may vary from actual results. Such estimates have been made using judgments determined by management. In management's opinion, the resulting estimates are within reasonable limits of materiality and are in accordance with the significant accounting policies summarized below.

#### STATEMENTS

The 2006 financial information represents the consolidated accounts of Olds College, the Olds College Foundation, which operates under Part 9 of the Alberta Companies Act and the Olds College Centre for Innovation Inc., a wholly-owned subsidiary incorporated under the Business Corporations Act of Alberta. The Olds College Foundation and the Olds College Centre for Innovation Inc. became dormant entities effective July 1, 2004 when their activities were transferred to Olds College.

#### REVENUE RECOGNITION

Operating grants, including grants from the Province of Alberta, are recognized as revenue, either in the period receivable, or, where a portion of the grant relates to a future period, the portion is deferred and recognized in the subsequent period.

Amounts received for tuition fees and sale of goods and services are deferred and recognized as revenue at the time the goods are delivered or the services are provided.

**Note 2**

**Summary of Significant Accounting Policies and Reporting Practices  
(Continued)**

Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts may only be used for purposes designated by the external party.

Any externally restricted contributions containing stipulations that the amounts should be retained as net assets or that the contributions should not be expended, including endowments, are recorded as direct increases in net assets. Such stipulations would include contributions made for endowment purposes or to be used to acquire non-amortizable property such as land.

Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts of external contributions invested in capital assets are then transferred to unamortized deferred capital contributions. These amounts are recognized as revenue in the periods in which the related amortization expense of the funded capital assets are recorded.

Unrestricted cash donations are recognized as revenue when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

**INVENTORIES**

Inventory of bookstore merchandise is maintained using the first-in first-out method, and is valued at the lower of cost and net realizable value. Livestock is valued at net realizable value.

**INVESTMENTS**

Long-term investments are recorded at cost or amortized cost where applicable. Gains or losses on investments are recognized at realization, or when there is an other than temporary impairment in the value of an investment.

**CAPITAL ASSETS**

The Province of Alberta, Department of Infrastructure and Transportation transferred land, certain buildings and renovations to the College. The land is recorded at April 1978 fair value and the buildings and renovations and certain library materials are recorded at April 1978 depreciated replacement cost as determined by an independent appraisal. Acquisitions of capital assets since April 1, 1978 are recorded at cost, except for donated capital assets which are recorded at cost as approximated by fair value.

The Province of Alberta has been granted an option to purchase the whole or any part of the transferred land, buildings, and renovations for \$1 per purchase.

Capital assets are amortized on a straight-line basis over the following estimated useful lives:

|  |             |
|--|-------------|
| Site improvements .....                            | 10-40 years |
| Buildings .....                                    | 15-40 years |
| Leasehold Improvements .....                       | 25 years    |
| Furnishings, equipment and computer hardware ..... | 2-15 years  |

Construction projects in progress are not amortized until the projects are ready for use.

*Note 2*  
*Summary of Significant Accounting Policies and Reporting Practices*  
*(Continued)*

**EMPLOYEE FUTURE BENEFITS**

The College participates in the Local Authorities Pension Plan. This pension plan is a multi-employer defined benefit pension plan that provide pensions for the College's participating employees, based on years of service and earnings.

Pension costs included in these financial statements comprise the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the pension plan. The College's portion of the pension plan's deficit or surplus is not recorded by the College.

**FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Fair value of the College's cash, marketable securities, accounts receivable, accounts payable and accrued liabilities and vacation pay approximate their carrying values due to the relatively short periods to maturity for these instruments.

**CREDIT, INTEREST RATE AND MARKET RISK**

The College's accounts receivable are due from a diverse group of customers and are subject to normal credit 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.

Market risk is the risk to the College's earnings that arises from the fluctuations and degree of volatility in the market value of its long-term investments.

**NOTE 3**  
*Cash and Investments*

The amount held as long-term investments represents funds not available for current operations.

|   | <b>2006</b>          | <b>2005</b>          |
|---|----------------------|----------------------|
| Endowments (Note 15)                                | \$ 5,751,287         | \$ 5,370,333         |
| Deferred capital contributions (Note 12)            | 9,251,521            | 191,361              |
| Internally restricted net assets, capital (Note 14) | 265,000              | 265,000              |
| Held as long-term investments                       | 15,267,808           | 5,826,694            |
| Cash and cash equivalents                           | 7,908,738            | 4,439,062            |
| Total cash and investments                          | <u>\$ 23,176,546</u> | <u>\$ 10,265,756</u> |

**Note 3**  
**Cash and Investments (Continued)**

Cash and investments are summarized as follows:

|   | <b>2006</b>          |                      | <b>2005</b>          |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | <b>Cost</b>          | <b>Market Value</b>  | <b>Cost</b>          | <b>Market Value</b>  |
| Cash                                      | \$ 11,685,782        | \$ 11,685,782        | \$ (118,136)         | \$ (118,136)         |
| Fixed income - bonds<br>and deposit notes | 4,020,852            | 3,971,496            | 3,262,070            | 3,428,180            |
| Convertible debt                          | 399,269              | 565,127              | 936,727              | 973,700              |
| Equities and income trusts                | 7,070,643            | 7,090,680            | 6,185,095            | 6,820,305            |
|   | <b>\$ 23,176,546</b> | <b>\$ 23,313,085</b> | <b>\$ 10,265,756</b> | <b>\$ 11,104,049</b> |

Within the investment portfolio, there are securities at costs that are in excess of market value. These securities have not been written down to market value, because management has concluded, based on review of market information for the securities, that impairment is temporary.

Maturity dates are summarized as follows:

|   | <b>2006</b>             |                               | <b>2005</b>  |              |
|---|-------------------------|-------------------------------|--------------|--------------|
|   | <b>1 to 5<br/>Years</b> | <b>5 Years<br/>or greater</b> | <b>Total</b> | <b>Total</b> |
| Bonds and Debentures:                   |                         |                               |              |              |
| Other provincial                        | \$ --                   | \$ 498,870                    | \$ 498,870   | \$ 498,870   |
| Other government and<br>corporate bonds | 1,016,030               | 2,505,952                     | 3,521,982    | 2,763,200    |
|   | 1,016,030               | 3,004,822                     | 4,020,852    | 3,262,070    |
| Accrued Interest                        | 8,506                   | 14,843                        | 23,349       | 19,387       |
|   | 1,024,536               | 3,019,665                     | 4,044,201    | 3,281,457    |
| Yield                                   |                         |                               | 3.98%        | 4.01%        |
| Fair Value                              | \$ 1,003,988            | \$ 2,967,508                  | \$ 3,971,496 | \$ 3,428,180 |

Realized income includes dividend income and gains and losses on disposal of investments.

The Board of Governors, through its Administrative Services Committee, monitors the performance of the investment portfolio. The prime objective and guiding principles of 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.

The investment fund policy allows for all of the funds to be invested in fixed income, short-term investments and equity investments.

**FINANCIAL  
STATEMENTS**  
For the year Ended  
June 30, 2006

**NOTE 4**  
*Inventories*

|                                 | <b>2006</b>       | <b>2005</b>       |
|---------------------------------|-------------------|-------------------|
| Livestock, feed and supplies    | \$ 301,248        | \$ 243,537        |
| Bookstore merchandise and other | 131,452           | 128,196           |
|                                 | <u>\$ 432,700</u> | <u>\$ 371,733</u> |

**NOTE 5**  
*Capital Assets*

|                           | <b>2006</b>          |                                     |                           | <b>2005</b>               |
|---------------------------|----------------------|-------------------------------------|---------------------------|---------------------------|
|                           | <b>Cost</b>          | <b>Accumulated<br/>Amortization</b> | <b>Net Book<br/>Value</b> | <b>Net Book<br/>Value</b> |
| Land                      | \$ 2,338,320         | \$ --                               | \$ 2,338,320              | \$ 2,338,320              |
| Site improvements         | 2,880,206            | 941,284                             | 1,938,922                 | 2,025,009                 |
| Buildings                 | 50,201,973           | 34,144,217                          | 16,057,756                | 17,668,898                |
| Leasehold Improvements    | 45,705               | --                                  | 45,705                    | --                        |
| Furnishings and equipment | 14,785,318           | 9,324,576                           | 5,460,742                 | 5,456,308                 |
| Construction in progress  | 884,280              | --                                  | 884,280                   | --                        |
|                           | <u>\$ 71,135,802</u> | <u>\$ 44,410,077</u>                | <u>\$ 26,725,725</u>      | <u>\$ 27,488,535</u>      |

Capital assets have been funded as follows:

|  | <b>2006</b>          | <b>2005</b>          |
|--|----------------------|----------------------|
| Unamortized deferred capital contributions     | \$ 14,980,908        | \$ 15,811,453        |
| Internally funded investment in capital assets | 8,087,502            | 7,855,510            |
| Long-term debt                                 | 3,657,315            | 3,821,573            |
|  | <u>\$ 26,725,725</u> | <u>\$ 27,488,536</u> |

**NOTE 6**  
*Long-term Debt*

The College acquired long-term debt to finance the construction of student residence town houses. Phase one construction was completed during September 1998 and Phase Two was completed in September 1999.

Phase one is partially funded through a debt instrument amortized over 15 years ending June 11, 2018, with a monthly resetting banker's acceptance interest rate. This rate was 4.338% at June 30, 2006 (2005 - 2.558%).

Phase two is funded through a debenture from Alberta Capital Finance Authority that is due April 1, 2024 and has a fixed interest rate of 5.75%.

The College also purchased 613 acres of farm land during February 2003. This land was partially funded through a 5.625% fixed interest rate debenture from Alberta Capital Finance Authority that is due February 14, 2018. This loan is secured by the farm land.

**NOTE 6**  
*Long-term Debt (continued)*

The fair value of the phase one loan is equal to its carrying value due to the nature of the loan. The fair values of the phase two and the farm land loans are not readily determinable due to the lack of a market for these loans.

June 30, 2006 long-term debt:

|           | Outstanding Principal |                  | Mortgage Payment Requirements |                   |                   |                   |                   | Future Years        |
|-----------|-----------------------|------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|           | Long term             | Current          | 2007                          | 2008              | 2009              | 2010              | 2011              |                     |
| Phase One | \$ 1,200,000          | \$ 84,000        | \$ 146,697                    | \$ 142,579        | \$ 140,420        | \$ 145,284        | \$ 140,428        | \$ 983,845          |
| Phase Two | 1,629,645             | 55,841           | 152,756                       | 152,756           | 152,756           | 152,756           | 152,756           | 1,985,832           |
| Farm Land | 646,155               | 41,673           | 80,364                        | 80,364            | 80,364            | 80,364            | 80,364            | 562,547             |
|           | <b>\$ 3,475,800</b>   | <b>\$181,514</b> | <b>\$379,817</b>              | <b>\$ 375,699</b> | <b>\$ 373,540</b> | <b>\$ 378,404</b> | <b>\$ 373,548</b> | <b>\$ 3,532,224</b> |

Interest of \$207,958 (2005 - \$221,367) has been charged to expense during the year.

**NOTE 7**  
*Interest Rate Swap*

The College entered into an interest rate swap in 2003, a derivative financial instrument, for risk management purposes. The interest rate swap is used to manage the College's exposure to fluctuations in interest rates with its phase one student residence long-term debt. The College is not using hedge accounting for this interest rate swap. Therefore, the interest rate swap is recorded on the statement of financial position at its fair value. Gains or losses are recorded on the statement of operations.

The notional amount of the interest rate swap at June 30, 2006 is \$1,284,000 (2005 - \$1,356,000) at a fixed interest rate of 5.09% which expires in 2018. The fair value of the interest rate swap is an asset of \$10,791 (2005 - liability of \$77,219). Fair value is determined by the College's financial institution which has arranged the interest rate

**NOTE 8**  
*Unearned Revenue*

|                                     | 2006                | 2005              |
|-------------------------------------|---------------------|-------------------|
| Tuition fees                        | \$ 551,064          | \$ 358,837        |
| Program delivery/Extension services | 229,451             | 79,299            |
| Research                            | 188,288             | 243,185           |
| Other                               | 55,740              | 38,985            |
| Prepaid lease revenue               | 21,280              | 42,560            |
|                                     | <b>\$ 1,045,823</b> | <b>\$ 762,866</b> |

## FINANCIAL STATEMENTS

For the year Ended  
June 30, 2006

### NOTE 9 *Deferred Contributions*

|                                  | 2006              | 2005              |
|----------------------------------|-------------------|-------------------|
| Education program delivery grant | \$ 237,268        | \$ 168,047        |
| Research grants                  | 225,046           | 380,322           |
|                                  | <u>\$ 462,314</u> | <u>\$ 548,369</u> |

### NOTE 10 *Deferred Donations and Endowment Interest*

Deferred donations and endowment interest represent the unexpended portion of amounts received for specific purposes.

|                                     | Balance,<br>Beginning<br>of Year |    | Contributions<br>and Fees |    | Investment<br>Revenue |    | Expenses       |    | Balance,<br>End of Year |
|-------------------------------------|----------------------------------|----|---------------------------|----|-----------------------|----|----------------|----|-------------------------|
| <b>Restricted endowment income:</b> |                                  |    |                           |    |                       |    |                |    |                         |
| Student awards                      | \$ 327,585                       | \$ | --                        | \$ | 196,203               | \$ | 92,957         | \$ | 430,831                 |
| Programs                            | 151,961                          |    | --                        |    | 76,350                |    | 60,525         |    | 167,786                 |
| Faculty development                 | 4,168                            |    | --                        |    | 94,390                |    | 94,390         |    | 4,168                   |
| Other                               | 71,114                           |    | --                        |    | 14,795                |    | 3,705          |    | 82,204                  |
|                                     | <u>554,828</u>                   |    | <u>--</u>                 |    | <u>381,738</u>        |    | <u>251,577</u> |    | <u>684,989</u>          |
| <b>Restricted donation income:</b>  |                                  |    |                           |    |                       |    |                |    |                         |
| Student awards                      | 82,365                           |    | 488,875                   |    | --                    |    | 145,345        |    | 425,895                 |
| Programs                            | 469,596                          |    | 24,068                    |    | --                    |    | 91,864         |    | 401,800                 |
| Staff development                   | 42,548                           |    | --                        |    | --                    |    | 7,500          |    | 35,048                  |
| Capital assets                      | 81,989                           |    | 104,850                   |    | --                    |    | 3,990          |    | 182,849                 |
| Other                               | 574,362                          |    | 226,039                   |    | --                    |    | 148,940        |    | 651,461                 |
|                                     | <u>1,250,860</u>                 |    | <u>843,832</u>            |    | <u>--</u>             |    | <u>397,639</u> |    | <u>1,697,053</u>        |
| Gifts-In-Kind                       | --                               |    | 209,807                   |    | --                    |    | 209,807        |    | --                      |
|                                     | <u>\$ 1,805,688</u>              | \$ | <u>1,053,639</u>          | \$ | <u>381,738</u>        | \$ | <u>859,023</u> | \$ | <u>2,382,042</u>        |

### Note 11 *Pension Expense*

The pension expense recorded in these financial statements is equivalent to the College's annual contributions payable of \$1,300,426 for the year ended June 30, 2006 (2005 - \$1,086,374).

At December 31, 2005, the Local Authorities Pension Plan reported a deficiency of \$863,558,000 (2004 deficiency - \$1,288,924,000).

**NOTE 12**

***Deferred Capital Contributions***

|  | <b>2006</b>   | <b>2005</b> |
|--|---------------|-------------|
| Received during the year:                                |               |             |
| Alberta Advanced Education grant and interest            | \$ 10,072,468 | \$ --       |
| School of Innovation capital grants                      | 83,195        | 505,186     |
| Donated equipment  | 24,698        | 35,206      |
| Program equipment  | 9,733         | --          |
|  | 10,190,094    | 540,392     |
| Transfers to unamortized deferred capital contributions: |               |             |
| Construction in progress                                 | 884,280       | --          |
| School of Innovation capital                             | 83,195        | 911,976     |
| Heavy duty apprentice equipment                          | 62,395        | 1,792       |
| Donated equipment  | 24,698        | 35,206      |
| Program equipment  | 9,590         | --          |
|  | 1,064,158     | 948,974     |
| Transfers to revenue:                                    |               |             |
| Heavy duty apprentice grant                              | --            | 837         |
| Furniture, equipment and computers grant                 | 65,776        | --          |
|  | 65,776        | 837         |
| Increase (decrease) during the year                      | 9,060,160     | (409,419)   |
| Balance, beginning of year                               | 191,361       | 600,780     |
| Balance, end of year                                     | \$ 9,251,521  | \$ 191,361  |

|  | <b>2006</b>  | <b>2005</b> |
|--|--------------|-------------|
| The balance is comprised of:                 |              |             |
| Alberta Advanced Education                   | \$ 9,188,188 | \$ --       |
| Agricultural mechanics equipment             | 59,190       | 121,585     |
| School of Innovation buildings and equipment | 4,000        | 69,776      |
| Program equipment                            | 143          | --          |
|  | \$ 9,251,521 | \$ 191,361  |

**FINANCIAL  
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For the year Ended  
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**NOTE 13**

*Unamortized Deferred Capital Contributions*

Unamortized deferred capital contributions are amounts of external capital contributions, used to fund capital asset purchases, which will be recognized as revenue in the future.

|  | <b>2006</b>          | <b>2005</b>          |
|--|----------------------|----------------------|
| Balance, beginning of year                                       | \$ 15,811,453        | \$ 16,835,279        |
| Disposal of externally funded assets                             | (22,842)             | --                   |
| Amount transferred from deferred capital contributions (Note 12) | 1,064,158            | 948,974              |
| Amortization of deferred capital contributions                   | (1,871,861)          | (1,972,800)          |
| Balance, end of year   | <u>\$ 14,980,908</u> | <u>\$ 15,811,453</u> |

**NOTE 14**

*Internally Restricted Net Assets*

Net assets internally restricted are amounts set aside by the College's Board of Governors that are to be used for only designated purposes. The Board has placed internal restrictions on operating net assets as follows:

|                                | <b>2006</b>       | <b>2005</b>       |
|--------------------------------|-------------------|-------------------|
| Capital                        |                   |                   |
| Farm capital renewal           | \$ 150,000        | \$ 150,000        |
| Vehicle capital renewal        | 115,000           | 115,000           |
|                                | <u>265,000</u>    | <u>265,000</u>    |
| Non-capital                    |                   |                   |
| Office of Advancement Projects | 223,656           | 179,012           |
| Extension program development  | 150,613           | 39,604            |
| Scholarships                   | 10,000            | 11,000            |
|                                | <u>384,269</u>    | <u>229,616</u>    |
|                                | <u>\$ 649,269</u> | <u>\$ 494,616</u> |

**NOTE 15**

*Endowments*

Endowments consist of restricted donations to the College, the principal of which is required to be maintained intact in perpetuity. The investment income generated from endowments must be used in accordance with the various purposes established by the donors. 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.

**Note 15**  
**Endowments (Continued)**

**FINANCIAL STATEMENTS**  
For the year Ended  
June 30, 2006

|                     | Principal                   |                   |                                     |                             |   |                                  |
|---------------------|-----------------------------|-------------------|-------------------------------------|-----------------------------|---|----------------------------------|
|                     | June 30,<br>2005<br>Balance | Donations         | Investment<br>Income<br>Capitalized | June 30,<br>2006<br>Balance | Expendable<br>Investment<br>Income Earned | Investment<br>Income<br>Expended |
| Student awards      | \$ 2,587,012                | \$ 331,897        | \$ 7,210                            | \$ 2,926,119                | \$ 196,203                                | \$ 92,957                        |
| Programs            | 1,104,183                   | 206               | 18,044                              | 1,122,433                   | 76,350                                    | 60,525                           |
| Faculty Development | 1,552,396                   | --                | 23,597                              | 1,575,993                   | 94,390                                    | 94,390                           |
| Other               | 126,742                     | --                | --                                  | 126,742                     | 14,795                                    | 3,705                            |
|                     | <b>\$ 5,370,333</b>         | <b>\$ 332,103</b> | <b>\$ 48,851</b>                    | <b>\$ 5,751,287</b>         | <b>\$ 381,738</b>                         | <b>\$ 251,577</b>                |

**NOTE 16**  
**Sales, Rentals and Other Services**

Sales, rentals and other services revenue are summarized as follows:

|                              | 2006                | 2005                |
|------------------------------|---------------------|---------------------|
| Conference and food services | \$ 1,598,247        | \$ 1,527,779        |
| Residence                    | 1,274,122           | 1,232,830           |
| Bookstore                    | 810,070             | 802,652             |
| Rentals and other            | 562,974             | 493,624             |
| Academic program ancillary   | 354,074             | 395,589             |
| Farm operations              | 520,165             | 581,505             |
|                              | <b>\$ 5,119,652</b> | <b>\$ 5,033,979</b> |

**NOTE 17**  
**Net Changes in Non-cash Working Capital**

|  | 2006                | 2005              |
|--|---------------------|-------------------|
| Decrease in accounts receivable                          | \$ 1,058,808        | \$ 291,369        |
| (Increase) decrease in inventories                       | (60,967)            | 53,053            |
| Increase in accounts payable and<br>accrued liabilities  | 1,520,174           | 252,839           |
| Decrease in deferred contributions                       | (86,055)            | (377,160)         |
| Increase in unearned revenue                             | 282,957             | 189,001           |
| Increase in accrued vacation pay                         | 237,781             | 129,414           |
| Increase in deferred donations<br>and endowment interest | 576,353             | 194,017           |
|  | <b>\$ 3,529,051</b> | <b>\$ 732,533</b> |

**FINANCIAL  
STATEMENTS**

For the year Ended  
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**NOTE 18**

***Salaries and Benefits***

The Province of Alberta's Treasury Board Salary and Benefits Disclosure Directive dated July 6, 2004 requires the College to disclose certain salaries and benefits. These salaries and benefits are as follows:

|   | 2006                       |                                    |  | 2005              |                   |
|---|----------------------------|------------------------------------|--|-------------------|-------------------|
|   | Base Salary <sup>(1)</sup> | Other Cash Benefits <sup>(2)</sup> | Other Non-Cash Benefits <sup>(3)</sup> | Total             | Total             |
| Chairman of the Board                                       | \$ --                      | \$ 14,808                          | \$ 148                                 | \$ 14,956         | \$ 15,616         |
| Board members <sup>(5)</sup>                                | --                         | 23,547                             | 822                                    | 24,369            | 31,903            |
| President   | 166,703                    | 9,600                              | 32,922                                 | 209,225           | 189,314           |
| Vice-President, Academic                                    | 134,443                    | 200                                | 21,900                                 | 156,543           | 140,299           |
| Vice-President, Student and Support Services <sup>(4)</sup> | 117,449                    | --                                 | 20,901                                 | 138,350           | 135,819           |
| Vice-President, Advancement                                 | 136,646                    | 9,000                              | 18,741                                 | 164,387           | 121,259           |
| Associate Vice-President, Academic                          | 97,510                     | --                                 | 30,175                                 | 127,685           | 63,025            |
|   | <b>\$ 652,751</b>          | <b>\$ 57,155</b>                   | <b>\$ 125,609</b>                      | <b>\$ 835,515</b> | <b>\$ 697,235</b> |

- (1) Base salary includes pensionable base pay.
- (2) Other cash benefits include honoraria, car allowances, bonuses, vacation payments and health and wellness allowances.
- (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 tuition fees.
- (4) The position of Vice-President, Student & Support Services had two incumbents during the 2005/2006 fiscal year.
- (5) There were 10 Board Members in 2006. (2005 – 9 Members)

**NOTE 19**

***Funds Held on Behalf of Others***

Olds College holds funds in trust for several organizations as follows:

|                                    | 2006                | 2005                |
|------------------------------------|---------------------|---------------------|
| Student Association                | \$ 886,590          | \$ 741,734          |
| Big Country Educational Consortium | 690,731             | 570,068             |
| Other                              | 170,797             | 225,109             |
|                                    | <b>\$ 1,748,118</b> | <b>\$ 1,536,911</b> |

These amounts are not included in the financial statements.

**NOTE 20**  
*Contingent Losses*

The College, in the conduct of its normal activities, is a defendant in a legal proceeding. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of the administration that adequate provision for these proceedings has been made in the College's accounts. It is believed that the resolution of the proceedings will not have a material effect on the financial position of the College, however, should any additional loss result from the resolution of these proceedings, such amounts would be expensed as the related amounts become known to the College.

**NOTE 21**  
*Investment Earnings*

|   | 2006              | 2005              |
|---|-------------------|-------------------|
| Restricted investment income on<br>resources held for endowment | \$ 430,589        | \$ 469,667        |
| Unrestricted investment income                                  | 639,655           | 589,520           |
| Total investment income   | 1,070,244         | 1,059,187         |
| Transfer (to) from deferred donations<br>and endowment interest | (130,160)         | (168,126)         |
| Amounts credited directly to<br>endowment principal             | (48,851)          | (55,690)          |
|   | <u>\$ 891,233</u> | <u>\$ 835,371</u> |

**NOTE 22**  
*Related Party Transactions*

The College is a Provincial Corporation as all members of the Board of Governors are appointed either by statute or by a combination of orders by the Lieutenant Governor in Council and the Minister of Advanced Education. Transactions between the College and the Province are disclosed in the Statement of Operations and Statement of Financial Position and are as follows:

**FINANCIAL STATEMENTS**

For the year Ended  
June 30, 2006

*Note 22  
Related Party Transactions (Continued)*

| <b>2006</b>                     |                      |                               |                                       |
|---------------------------------|----------------------|-------------------------------|---------------------------------------|
|                                 | <b>Revenue</b>       | <b>Deferred Contributions</b> | <b>Deferred Capital Contributions</b> |
| Operating and Performance grant | \$ 17,546,385        | \$ --                         | \$ --                                 |
| Access Funding                  | 303,794              | (115,010)                     | --                                    |
| Extension Services grants       | 251,096              | 45,555                        | --                                    |
| Infrastructure renewal          | 613,000              | --                            | (10,000,000)                          |
| School of Innovation            | 26,309               | 63,442                        | (56,816)                              |
| Miscellaneous grants            | 251,564              | (2,567)                       | --                                    |
|                                 | <b>\$ 18,992,148</b> | <b>\$ (8,580)</b>             | <b>\$ (10,056,816)</b>                |

| <b>2005</b>                     |                      |                               |                                       |
|---------------------------------|----------------------|-------------------------------|---------------------------------------|
|                                 | <b>Revenue</b>       | <b>Deferred Contributions</b> | <b>Deferred Capital Contributions</b> |
| Operating and Performance grant | \$ 15,409,912        | \$ --                         | \$ --                                 |
| Access Funding                  | 587,600              | (47,000)                      | --                                    |
| Extension Services grants       | 286,120              | (11,687)                      | --                                    |
| Infrastructure renewal          | 534,000              | (428,000)                     | --                                    |
| School of Innovation            | 271,399              | 85,746                        | 9,603                                 |
| Miscellaneous grants            | 268,961              | 23,781                        | (837)                                 |
|                                 | <b>\$ 17,357,992</b> | <b>\$ (377,160)</b>           | <b>\$ 8,766</b>                       |

During the year, Olds College had business transactions with Big Country Educational Consortium, Southern Alberta Institute of Technology, Northern Alberta Institute of Technology, Red Deer College, Lakeland College, University of Calgary, University of Alberta and the University of Lethbridge. These transactions were at market prices on normal terms of purchase and sale and have been included in the Statement of Operations.

As part of the new Community Learning Campus joint venture, Olds College has an amount payable to Chinook's Edge School Division in the amount of \$884,280. The liability is a result of construction in progress on the new Community Learning Campus buildings.

**NOTE 23**

***Community Learning Campus Joint Venture***

Olds College and Chinook's Edge School Division have formed a joint venture 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.

The Community Learning Campus will see the development of a new high school, health and wellness facility, fine arts and multi-media center, e-learning center and bus maintenance facility on the Olds College Campus. The high school, fine arts and multi-media center and bus maintenance facility will be owned by Chinook's Edge School Division. The health and wellness facility and e-learning center will be owned by Olds College. The land for the Community Learning Campus will continue to be owned by Olds College.

Olds College has received a \$20 million commitment from Alberta Advanced Education in support of the project. At June 30, 2006, \$10 million of the funding has been received and is reflected in deferred capital contributions. Construction costs in progress to June 30, 2006 total \$884,280 and are reflected in the financial statements as an amount payable to Chinook's Edge School Division. The entire \$57 million project is anticipated to be operational for the 2008/2009 academic year.

**NOTE 24**

***Comparative Figures***

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

**NOTE 25**

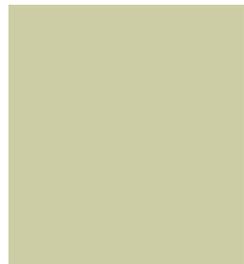
***Budget***

The College is required to submit a budget, approved by the Board of Governors of the College, to the Minister of Advanced Education. The College budget for the year ended June 30, 2006 was approved by the Board of Governors on April 28, 2005 and approved by the Minister of Advanced Education on September 27, 2005.

**NOTE 26**

***Approval of Financial Statements***

The Board of Governors approved these financial statements.



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