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BOARD CHAIR'S MESSAGE AND ACCOUNTABILITY STATEMENT



June 30, 2000

It is my pleasure to report on my second and last year as Chair of the Olds College Board of Governors. I am happy to say that Olds College once again stands out as an excellent example of dynamic learning in Alberta and Canada. We continue to make a significant contribution in people development, economic diversity and innovation, and are proud to be part of the solid foundation of Alberta's burgeoning growth and prosperity.

Together with Alberta Learning and our fellow institutions, Olds College continues to play its' part in the evolution of education. While continuing to deliver certificate and diploma education in our traditional areas of expertise, we are also developing and expanding opportunities for students through additional options including: applied degree programs, both internally and in conjunction with other colleges and universities; international practicum opportunities; exposure to innovation and applied research opportunities and short burst extension programs. Our students are in high demand by industry. Some will work in jobs yet to be created and many are creating successful entrepreneurial ventures of their own.

The College continues to grow. Phase II of the new townhouse residence complex, the Multipurpose Livestock Centre and the Land Sciences Material Handling Facility opened last fall. Enrolment increased by 3%. Our 2000 graduating class was the largest in the history of the College and included a group of 27 Chilean students. A major highlight of the year was the official opening of the Olds College Centre for Innovation. There are plans for the Centre to be housed in an addition to the James Murray building. We are confident that this organization will make a significant contribution to the education and applied research needs of Albertans.

Our dedicated management, faculty, staff and enthusiastic students continue to maintain high levels of achievement in all the measured performance categories, which are reviewed annually by the province. However, increasing demands on the overall education budget of the province continue to require innovative and entrepreneurial management by Olds College to satisfy the needs of our customers. As always, Olds College is proud of its accomplishments. The Board recognizes the creativity and dedication of everyone responsible for our success, which now spans nearly a century. As we move with confidence into the next millennium, I want to wish my Board colleagues and the College community the best of success for this truly excellent organization.

The Olds College Annual Report for the year ended June 30, 2000 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 preparation of this report.

A handwritten signature in black ink, appearing to read 'Jim Smith'.

Jim Smith, P.Ag.
Chair, Olds College Board of Governors

PRESIDENT'S MESSAGE

Dr. Robert Turner

June 30, 2000

Olds College enjoyed another exceptional year. With our new programs, state-of-the-art facilities and leading edge training we continue to produce successful students for careers in agriculture, horticulture, environment, land management, agribusiness and rural entrepreneurship.

All around us the world and the workplace are changing. We try to train our students to adapt and to be "entrepreneurial." Many of them will have several different careers and jobs. Many will work internationally. They need a variety of skills to compete successfully in this increasingly competitive world: the kind of skills our practical, "hands-on" style of education gives them.

We are especially proud of our new Olds College Centre for Innovation. It will keep us on the cutting edge of applied research and innovative product and technological developments. Launched last fall, the official sod turning was in June, new staff are on hand and construction of a new building will take place in 2001. Its first projects are already in development.

We continue to work closely with business and industry, because their support and knowledge ensures our programs are as up-to-date and relevant as possible. Our many industry partners, who provide equipment, teaching and financial aid, as well as advice, help us keep on the leading edge of applied education and training.

Our passion for academic excellence continues to attract students. Enrolment was up 3% this year. We've launched a new high-tech Land Information Systems diploma and will launch our new Bachelor of Applied Agricultural Technology and Entrepreneurship degree in 2001. It will help produce Alberta's next generation of innovative, agribusiness entrepreneurs.

We are updating our aggressive Strategic Plan, with an emphasis on growth, innovation, entrepreneurship and quality. This is also reflected in our growing international presence and our unique Extension offerings, like our new Competitive Advantage program for people in agribusiness, in partnership with Alberta Agriculture, Food and Rural Development.

With a hardworking faculty and staff, on our beautiful, growing campus, we will continue to provide responsive education and training excellence to enable our students to find successful careers.

Dr. Robert Turner, President & CEO

Olds College



Farewell to Rob Turner

The Olds College Board of Governors, administration, faculty, staff and students join in wishing Dr. Rob Turner the best of success in his new challenge as President of Sheridan College, located 30 minutes from downtown Toronto, with campuses in Brampton and Oakville.

Since assuming the Presidency in 1995, Dr. Turner was a major force in transforming Olds College into an innovative and entrepreneurial learning organization, consistently meeting and exceeding the objectives established with him by the Board of Governors. Enrolment increased by 33% during a time of government funding cutbacks. As well, new buildings, like the student townhouse complex, and new programs, like the Applied Degrees in Horticulture and Ag Technology and Entrepreneurship, started during his term. New partnerships formed with industry and business help keep our students in high demand for their state-of-the-art education.

Thank You Dr. Turner for your leadership and hard work. Your accomplishments and successes will serve Olds College, Albertans and Canadians well today and long into the future.

COLLEGE PROFILE



Mandate Statement

Olds College is a board-governed public College operating under the Alberta Colleges Act, engaged in preparing our learners to contribute provincially, nationally and internationally through careers in agriculture, horticulture, environmental land management, agribusiness, and rural entrepreneurship at the Certificate and Diploma levels. Olds College also awards an Applied Degree and participates with other institutions in offering Post-diploma Degrees.

Mission Statement

Olds College is a responsive, innovative and client-centred learning organization dedicated to excellence in careers education and adult development, performance-based training, applied research and the provision of customized services provincially, nationally and internationally in the fields of agriculture, horticulture, land and environmental management, agribusiness and rural entrepreneurship.

Vision Statement

Olds College shall be the premier comprehensive applied agricultural, horticultural, land and environmental management learning organization in Canada.

Statement Of Quality

Olds College is a client-driven learning organization committed to quality in careers education, adult development, applied research and services.

Olds College will meet the expectations of its clients and warranty the course competencies that are profiled in our education and training initiatives.

INSTITUTIONAL PROFILE

Location

Olds College is located in central Alberta, approximately 90 kilometres north of Calgary. Situated in one of the richest farming areas in Alberta, it provides an ideal location for innovative and entrepreneurial agricultural, horticultural, environmental land management and agribusiness education.

Background

The Alberta Department of Agriculture founded the Olds School of Agriculture and Home Economics in 1913. Renamed Olds College in 1971, it became board-governed in 1978.

Enrolment and Staff Complement

- ♦ 1260 Full Load Equivalent (FLE) students
- ♦ 320 Full Time Equivalent (FTE) faculty and staff
- ♦ 700 home study learners
- ♦ 5,300 part-time Extension learners
- ♦ over 30,000 conference facility users annually

Affiliated Associations and Organizations

- ♦ Alberta Union of Provincial Employees (Local 71, Chapter 2)
- ♦ Olds and District Chamber of Commerce
- ♦ Olds College Alumni Association
- ♦ Olds College Centre for Innovation
- ♦ Olds College Foundation
- ♦ Olds College Faculty Association
- ♦ Olds College Students' Association

Annual Budget

\$27 Million



Olds College Board of Governors, as of June 30, 2000

Top row left to right: Earl Kinsella, Public Member; Alfred Savage, Public Member; Stanley Mills, Public Member; Dr. Rob Turner, Olds College President; Tom Seaborn, Public Member; and Jim Smith, Chair.

Bottom row left to right: Kim Wickwire, A.U. P. E. Representative; Kristine Glass, Students' Association Representative; Carole Calenso-Fair, Faculty Association Representative; Ada Rawlins, Public Member.

Olds College Board of Governors as of June 30, 2000

Jim Smith, Chair

Alice Brown, Vice Chair (*missing from photo above*)

Carole Calenso-Fair, Faculty Association Representative

Kristine Glass, Students' Association Representative

Earl Kinsella, Public Member

Stanley Mills, Public Member

Ada Rawlins, Public Member

Alfred Savage, Public Member

Tom Seaborn, Public Member

Dr. Rob Turner, Olds College President

Kim Wickwire, A.U. P. E. Representative

1999-2000 INSTITUTIONAL PERFORMANCE

College Enrolment Continues to Grow

Olds College continues to increase enrolment. 1999-2000 enrolment was up 3% over 1998-1999. FLEs (Full Load Equivalents) stand at 1260.

New Programs and Options for Students

A new two-year diploma in Land Information Systems will attract students interested in state-of-the-art Geographic Information and Global Positioning Systems, Computer Aided Drafting and Design, Precision Farming and Land Administration software technology. Graduates from this new program starting in September 2000 can transfer to the University of Lethbridge's post diploma degree in Geographic Information Systems and continue in a Masters level program at the University of Calgary.

Alberta Learning approved our new Bachelor of Applied Agricultural Technology and Entrepreneurship degree for a September 2001 launch. It will develop agribusiness, entrepreneurial and business management skills of people, especially those with two-year agricultural diplomas in a wide variety of disciplines.

New agreements with the University of Alberta, the University of Saskatchewan and Medicine Hat College continue to expand the wide variety of transfer, exchange and continuation options for Olds College students.

Olds College Centre for Innovation Leads the Way

On October 20th, 1999, the Olds College Centre for Innovation was officially launched. With more than \$6 million in funding commitments from government and industry, the Centre is a business incubator dedicated to nurturing innovation, learning, applied research and commercialization for Western Canadian agribusiness. Ty Lund, Alberta Minister of Agriculture, Food and Rural Development, and Dr. Rob Turner, President of Olds College officially opened the Centre. Eleven progressive leaders from industry and government have formed the OCCI Board of Directors.

Major funding has come from AVAC Ltd, the Agriculture and Food Council, Alberta Economic Development and Trade, Western Economic Diversification and Scotiabank. Scotiabank's \$100,000 donation will help build the Scotiabank Atrium in the new building for the Centre. Construction is planned for 2001. An official sod turning for the new building took place June 24th, 2000. It will house state-of-the-art research labs, a business resource centre and product development application systems. Already more than 20 projects are in development.

Major staff hired for the Centre includes Rick Tofani as Chief Operating Officer, Tom Clark as Business Director and Lead Scientists Dr. Donna Chaw and Dr. Paul Kolodziejczyk. In March 2000 the Centre sponsored its first JumpStart Innovation Conference to explore issues, opportunities and challenges in Alberta's agri-industry.

An Excellent Year for the Olds College Foundation

With fund raising efforts resulting in donations exceeding \$1.1 million dollars, 1999-2000 was a very successful year for the Olds College Foundation. The total is a combination of cash and in-kind contributions. Fund raising programs included: annual giving, planned giving, major gifts and special events.

Major donors include:

John Deere (Canada) Ltd.

Golden Acres Garden Sentres Ltd.

New Holland Canada Ltd.

Wenstrom Equipment

Canadian Imperial Bank of Commerce

Case International

Scotiabank

Greenleaf Products Ltd.

In addition, other financial institutions like the Bank of Montreal and the Royal Bank Financial Group continue to make pledges on an annual basis.

New endowments for scholarships and bursaries came from the Alberta Beef Congress; the Alberta Institute of Agrologists; the Landscape Nursery Trades Association, South; Land Tec and the Canada West Equipment Dealers. The 8th Annual Golf Classic was extremely successful with net revenues over \$43,000. As well, the annual alumni phone-a-thon running April through December 1999 raised over \$58,000 for scholarships and bursaries.

The Foundation now has a \$6 million dollar campaign underway to ensure that learners and other clients continue to have access to the latest technology, knowledgeable faculty and applied research in an enriched learning environment.

New Facilities for a Growing Campus

On November 3, 1999 Olds College officially opened three new buildings. Valued over \$3 million the buildings add close to 50,000 square feet of space to the College. The buildings include Phase II of the townhouse residence complex for second year students, giving Olds College the 3rd largest residence complex in Alberta. Representatives from several Alberta post-secondary institutions have toured the new complex and are building or considering building similar townhouses on their campus.

Also opened were the Multipurpose Livestock Centre with new facilities for Advanced Farrier and Artificial Insemination labs and classrooms, and the Material Handling Facility for much needed additional space for Land Sciences programs.

With a combination of support from industry partners, internal funding and mortgages, Olds College has now opened a total of seven new facilities since 1997.



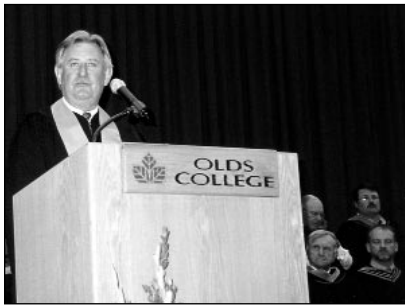
International Reputation Continues to Grow

Olds College is actively involved in projects in more than a dozen countries. In September 1999 Olds College President, Dr. Rob Turner and other College personnel, accompanied by representatives of four Western Canadian businesses, travelled to China as part of Team Alberta. Along with Premier Ralph Klein and Agriculture Minister Ty Lund, they visited Beijing and Harbin, developing new business and educational opportunities. Olds College is already involved in two agricultural and technology training projects in China.

Olds College's International Division organized a second group of young Canadian Youth Interns, sponsored by Human Resources Development Canada, for work experience overseas. Twenty young people with post-secondary training, but little work experience, are now working in Brazil, Bulgaria, Hungary, Mexico and Russia. Of the first group of Canadian Youth Interns, 80% found jobs in their chosen field of employment.

1999-2000 INSTITUTIONAL PERFORMANCE

CONTINUED



Alberta Premier Ralph Klein

Premier Receives Honorary Degree

During Graduation 2000 in June, Alberta Premier Ralph Klein became the first ever recipient of Olds College's new Bachelor of Applied Agricultural Technology and Entrepreneurship degree. Her Honour, the Lieutenant Governor Lois Hole, provided the keynote address. It is the first time both the Premier and the Lieutenant Governor attended an Olds College event simultaneously.

Leadership Recognition for College President

Olds College President Dr. Rob Turner is the recipient of the 2000 Leadership Excellence Award from the Association of Canadian Community Colleges. This is the first time the award, which usually goes to administrators and board members, went to a college president. Dr. Turner was also selected as one of Alberta's 50 Most Influential People, along with Premier Ralph Klein and Canadian Alliance leader Stockwell Day, by Alberta Venture magazine.

College Trains AgPro Workers

Olds College Extension Services completed training of staff for six new AgPro elevators located around Alberta. Each location required at least six workers and AgPro wanted people with the same basic skills and training for the new elevators and service centres.

Best Turf Student in Canada

For the second year in a row an Olds College turf student is the winner of the Canadian Golf Superintendents Association/Toro Canada - Future Superintendent Award. The recipient is Jerry Rousseau, now Assistant Superintendent of the Greywolf Golf Course at the Panorama Resort near Invermere, BC.

Growth in Agricultural Business Students

For the first time ever, more than 100 students were registered in the Agricultural Business diploma program at the College. This is a 27% increase over last year and almost double the enrolment from two years ago. The increasing popularity and success of the program reflects increasing job opportunities in the value-added and agricultural service sectors.

Student Clubs are Winners

The College's Rodeo Club won the Canadian Intercollegiate Rodeo Championship in April. The Olds Judging Club also had a very successful year, winning the top four positions and seven out of the top 10 positions in the Individual Judge category at the Judge It 2000 competition in March.

KEY PERFORMANCE INDICATORS

Key Performance Indicators for 1999-2000 are unavailable at time of printing. However, we expect the final figures will be consistent with statistics from previous years. For three years in a row Olds College received the maximum amount of additional funding from Alberta Learning for high scores in provincial Key Performance Indicators. Alberta post-secondary institutions are rated annually on a variety of indicators, including employment and satisfaction rates for graduates, enrolment rates, administrative costs and enterprise revenues. In 1998-1999 Olds College scored 97 out of 100 points, giving the institution a 2.26% increase in government funding.

Previous performance highlights (1998-1999) include:

- ♦ 95.9% of graduates satisfied with the overall quality of their education experience
- ♦ 90.5% of graduates found employment
- ♦ Accessibility remained high at 11.74%
- ♦ Enterprise Revenue declined slightly to 38.1%

	1998-1999	1997-1998	1996-1997
Indicator	Points Awarded	Points Awarded	Points Awarded
Responsiveness			
Employment Rate	30/30	30/30	30/30
Student Satisfaction	30/30	30/30	30/30
Accessibility			
Increase in Credit FLEs*	30/30	30/30	30/30
Affordability			
Administrative Expenses	3/5	3/5	3/5
Enterprise Revenue	4/5	5/5	5/5
Total Points Awarded	97/100	98/100	98/100
Performance Award Allocation	\$249,529.00	\$250,570.00	\$264,563.00

* Full-load equivalent: A unit of measure of enrolment in which one FLE represents one student for a standard year taking a full load. A full load represents the number of units (credits, contact hours or some other unit) of load required to complete the requirements for a standard year of study (typically September through April) in a specific program.

OLDS COLLEGE CONSOLIDATED FINANCIAL STATEMENTS

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11. CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
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AUDITOR'S REPORT

To the Board of Governors
Olds College

I have audited the consolidated balance sheet of Olds College as at June 30, 2000 and the consolidated statements of revenue and expense, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these consolidated financial statements based on my audit.



I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements present fairly the financial position of the College as at June 30, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

FCA

Auditor General

Edmonton, Alberta

October 3, 2000

OLDS COLLEGE CONSOLIDATED BALANCE SHEET



As at June 30, 2000

	2000	1999
ASSETS		
Current:		
Cash and short-term investments (Note 3)	\$ 3,359,278	\$ 2,995,046
Accounts receivable	1,383,087	1,526,346
Inventories (Note 4)	<u>385,151</u>	<u>380,442</u>
	5,127,516	4,901,834
Long-term investments (Note 3)	5,651,359	5,566,556
Capital assets (Note 5)	<u>30,104,702</u>	<u>29,910,150</u>
	<u>\$ 40,883,577</u>	<u>\$ 40,378,540</u>
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable	\$ 1,236,775	\$ 707,222
Current portion of long term debt (Note 6)	101,748	72,341
Deferred revenue (Note 7)	852,584	726,179
Accrued vacation pay	1,249,984	1,158,075
Deferred contributions (Note 8)	<u>1,043,337</u>	<u>1,056,444</u>
	4,484,428	3,720,261
Deferred capital contributions (Note 10)	813,837	-
Long-term debt (Note 6)	3,494,398	3,595,880
Pension liability (Note 9)	-	181,531
Unamortized deferred capital contributions (Note 11)	<u>18,400,923</u>	<u>19,552,860</u>
	<u>27,193,586</u>	<u>27,050,532</u>
Net Assets:		
Unrestricted	-	573,707
Internally restricted (Note 12)	1,684,352	1,614,624
Invested in capital assets	8,107,633	7,393,556
Endowments	<u>3,898,006</u>	<u>3,746,121</u>
	<u>13,689,991</u>	<u>13,328,008</u>
	<u>\$ 40,883,577</u>	<u>\$ 40,378,540</u>

The accompanying notes are part of these consolidated financial statements.



OLDS COLLEGE

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE

For the Year Ended June 30, 2000

REVENUE:	2000		1999
	Budget	Actual	Actual
Grants, Province of Alberta	\$ 13,174,373	\$ 14,028,118	\$ 13,338,774
Other grants and training contracts	2,920,184	1,367,910	1,728,968
Tuition and related fees	3,880,066	4,455,116	4,036,438
Sales, rentals and other services (Note 13)	4,256,406	4,664,915	4,756,035
Investment income (Note 17)	325,000	1,222,306	584,136
Donations	500,000	797,502	692,739
Amortization of deferred contributions related to capital assets (Note 11)	1,860,000	1,716,113	1,907,576
	26,916,029	28,251,980	27,044,666
EXPENSE:			
Salaries and benefits	14,077,858	15,038,121	14,025,971
Supplies and services	7,268,715	7,527,563	8,030,426
Scholarships and bursaries	28,950	152,313	121,448
Cost of goods sold	2,036,846	1,979,794	2,194,103
Utilities	703,650	855,458	684,736
Amortization of capital assets	2,610,010	2,638,163	2,500,768
Loss/(gain) on disposal of capital assets	-	32,001	(130,370)
Pension adjustment	-	(181,531)	51,091
	26,726,029	28,041,882	27,478,173
Excess (deficiency) of revenue over expense:	\$ 190,000	\$ 210,098	\$ (433,507)

OLDS COLLEGE

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS



For the Year Ended June 30, 2000

	2000					1999	
	Unrestricted Net Assets	Internally Restricted Net Assets (Note 12)	Investment in Capital Assets	Total Operating Net Assets	Endowments	Total Net Assets	
Excess (deficiency) of revenue over expense	\$ 210,098	\$ -	\$ -	\$ 210,098	\$ -	\$ 210,098	\$ (433,507)
Endowments received				-	119,310	119,310	90,738
Recapitalized Endowment Earnings				-	32,575	32,575	52,702
Board restrictions	(69,728)	69,728		-		-	-
Internally funded:							
Capital assets acquisitions	(1,609,781)		1,609,781	-		-	-
Repayment of long-term debt	(72,075)		72,075	-		-	-
Amortization of capital assets	952,852		(952,852)	-		-	-
Disposal of capital assets	<u>14,927</u>	<u>-</u>	<u>(14,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	(573,707)	69,728	714,077	210,098	151,885	361,983	(290,067)
Balance beginning of year	<u>573,707</u>	<u>1,614,624</u>	<u>7,393,556</u>	<u>9,581,887</u>	<u>3,746,121</u>	<u>13,328,008</u>	<u>13,618,075</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 1,684,352</u>	<u>\$ 8,107,633</u>	<u>\$ 9,791,985</u>	<u>\$ 3,898,006</u>	<u>\$ 13,689,991</u>	<u>\$ 13,328,008</u>



OLDS COLLEGE

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2000

	2000	1999
Operating activities:		
Excess (deficiency) of revenue over expense	\$ 210,098	\$ (433,507)
Amortization of deferred contributions related to capital assets	(1,716,113)	(1,907,576)
Changes in pension liability	(181,531)	51,091
Amortization of capital assets	2,638,163	2,500,768
Loss/(gain) on disposal of capital assets	<u>32,001</u>	<u>(130,370)</u>
	982,618	80,406
Net changes in non-cash operating working capital	<u>873,310</u>	<u>76,495</u>
Cash flow from operations	<u>1,855,928</u>	<u>156,901</u>
Investing activities:		
Proceeds (acquisitions) of long-term investments, net	(84,803)	3,900
Acquisition of capital assets	(2,878,444)	(3,566,826)
Proceeds from disposal of capital assets	<u>13,728</u>	<u>291,601</u>
Cash applied to investing activities	<u>(2,949,519)</u>	<u>(3,271,325)</u>
Financing activities:		
Long-term debt issued	–	3,200,000
Repayment of long term debt	(72,075)	(38,233)
Capital contributions received	1,265,209	5,428
Donated equipment	112,804	–
Endowments contributions received	<u>151,885</u>	<u>143,440</u>
Cash generated from financing activities	<u>1,457,823</u>	<u>3,310,635</u>
Increase in cash and short-term investments	364,232	196,211
Cash and short-term investments, beginning of year	<u>2,995,046</u>	<u>2,798,835</u>
Cash and short-term investments, end of year	<u>\$ 3,359,278</u>	<u>\$ 2,995,046</u>

OLDS COLLEGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 1 Authority

Olds College operates under the authority of the Colleges Act, Chapter C-18, Revised Statutes of Alberta 1980, as amended.

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.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(a) Consolidated Statements

These consolidated financial statements include the accounts of the Olds College Foundation, which operates under Part 9 of the Alberta Companies Act.

The Olds College Foundation is a charitable organization whose purpose is to obtain donations on behalf of the College. The Foundation transfers donated funds to the College, but retains administrative control over the use of the funds.

Olds College Centre for Innovation was incorporated on April 4, 2000 and operated as a division of Olds College for the 1999/2000 fiscal year.

(b) Revenue Recognition

Operating grants are recognized as revenue in the period when receivable. Operating grants received for a future period are reflected as deferred revenue.

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.

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 contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to capital contributions deferred to future years. These amounts are recognized as revenue in the periods in which the related amortization expense of the funded capital assets are recorded. The related portion of amortization expense and capital contributions revenue are matched to indicate that the related amortization expense has been funded externally.

Unrestricted contributions are recognized as revenue when they are received.

Contributions of materials and services that would otherwise have been purchased are recorded at fair value, if reasonably determined.

(c) 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.

(d) Long-term Investments

Long-term investments are recorded at cost or amortized cost where applicable.

(e) Capital Assets

The Province of Alberta, Department of Infrastructure 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 useful lives:

Site improvements	40 years
Buildings	15-40 years
Furnishings, equipment and computer hardware	2-15 years
Library and audio visual materials	10 years



OLDS COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2000

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

(f) Pension Costs

Pension costs are included in salaries and benefits and in the pension adjustment.

Pension costs are comprised of the cost of pension benefits earned by employees during the year; the

amortization of deferred adjustments over the average expected remaining service life of employees which relate to the long-term; and the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating entities.

Note 3 Cash and Investments

The amount held as long-term investments represents funds not available for current operations and includes endowments, deferred contributions externally restricted for capital purposes, and net assets internally restricted for capital purposes.

	2000	1999
Endowments	\$ 3,898,006	\$ 3,746,121
Restricted cash for capital construction	—	704,487
Deferred capital contributions	813,837	—
Internally restricted net assets, capital (Note 12)	<u>939,516</u>	<u>1,115,948</u>
Held as long-term investments	5,651,359	5,566,556
Cash and short-term investments	<u>3,359,278</u>	<u>2,995,046</u>
Total cash and investments	<u>\$ 9,010,637</u>	<u>\$ 8,561,602</u>

Cash and investments are summarized as follows:

	2000		1999	
	Cost	Market Value	Cost	Market Value
Cash and short-term investments	\$ 995,460	\$ 995,460	\$ 944,268	\$ 944,268
Fixed income – bonds and deposit notes	4,865,888	4,826,258	4,200,805	4,252,615
Equities – stocks	<u>3,149,289</u>	<u>3,028,933</u>	<u>3,416,529</u>	<u>3,374,098</u>
	<u>\$ 9,010,637</u>	<u>\$ 8,850,651</u>	<u>\$ 8,561,602</u>	<u>\$ 8,570,981</u>

OLDS COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2000



Note 3 Cash and Investments (continued)

Maturity dates are summarized as follows:

	Term to Maturity			2000	1999
	Within 1 Year	1 to 5 Years	6 to 10 Years	Total	Total
Bonds And Debentures:					
Province of Alberta	\$ -	\$ 991,074	\$ -	\$ 991,074	\$ 394,632
Other provincial	202,343	863,890	73,241	1,139,474	499,036
Other government and corporate bonds	<u>1,764,962</u>	<u>696,099</u>	<u>274,279</u>	<u>2,735,340</u>	<u>3,307,138</u>
	<u>\$ 1,967,305</u>	<u>\$ 2,551,063</u>	<u>\$ 347,520</u>	<u>\$ 4,865,888</u>	<u>\$ 4,200,806</u>
Yield				5.96%	5.76%
Fair Value	<u>1,908,277</u>	<u>2,587,549</u>	<u>330,432</u>	<u>4,826,258</u>	<u>4,252,615</u>
Securities:					
Term deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,300,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>
Yield					4.45%
Fair Value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,300,000</u>
	1,967,305	2,551,063	347,520	4,865,888	5,500,806
Accrued Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,564</u>
	<u>\$ 1,967,305</u>	<u>\$ 2,551,063</u>	<u>\$ 347,520</u>	<u>\$ 4,865,888</u>	<u>\$ 5,557,370</u>

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

The Board of Governors, through its Human Resources, Finance and Facilities 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.



OLDS COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2000

Note 4 Inventories

	2000		1999
Livestock, feed and supplies	\$ 225,141		\$ 261,422
Bookstore merchandise and other	<u>160,010</u>		<u>119,020</u>
	<u>\$ 385,151</u>		<u>\$ 380,442</u>

Note 5 Capital Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 1,210,776	\$ -	\$ 1,210,776	\$ 1,210,776
Site improvements	2,211,493	440,726	1,770,767	1,658,960
Buildings	48,898,918	24,982,750	23,916,168	23,951,575
Furnishings and equipment	<u>13,119,804</u>	<u>9,912,813</u>	<u>3,206,991</u>	<u>3,088,839</u>
	<u>\$ 65,440,991</u>	<u>\$ 35,336,289</u>	<u>\$ 30,104,702</u>	<u>\$ 29,910,150</u>

Capital assets have been funded as follows:

	2000		1999
Deferred contributions related to capital assets	\$ 18,400,923		\$ 19,552,860
Long-term debt	3,596,146		2,963,734
Investment in capital assets	<u>8,107,633</u>		<u>7,393,556</u>
	<u>\$ 30,104,702</u>		<u>\$ 29,910,150</u>

OLDS COLLEGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)



June 30, 2000

Note 6 Long-term Debt

The College acquired long-term debt to finance the construction of student residence town houses. Construction of these town houses was done in two phases with work being completed during September 1998 for phase one and September 1999 for phase two.

Phase one was partially funded through a mortgage amortized over 25 years. The mortgage has a fixed interest rate of 5.64% to April 30, 2003,

at which time it is subject to re-negotiation. Phase two was funded through a debenture that is due April 1, 2024 and has a fixed interest rate of 5.75%.

Long-term debt includes a note payable of \$25,000 which will be renegotiated October 16, 2000.

June 30, 2000 Long-term debt:

	Outstanding Principal		Mortgage Payment Requirements				
	Long-term	Current	2001	2002	2003	2004	2005
Phase One	\$ 1,572,081	\$ 36,821	\$ 126,389	\$ 126,389	\$ 115,856	\$ -	\$ -
Phase Two	1,922,317	39,927	152,756	152,756	152,756	152,756	152,756
Other	-	25,000	25,000	-	-	-	-
	<u>\$ 3,494,398</u>	<u>\$ 101,748</u>	<u>\$ 304,145</u>	<u>\$ 279,145</u>	<u>\$ 268,612</u>	<u>\$ 152,756</u>	<u>\$ 152,756</u>

Interest of \$187,048 has been charged to expense during the year.

Note 7 Deferred Revenue

	2000	1999
Program Delivery/Extension Services	\$ 407,507	\$ 220,025
Tuition fees	111,709	99,137
Grants	9,959	75,137
Prepaid lease revenue	157,557	177,637
Other	165,852	154,243
	<u>\$ 852,584</u>	<u>\$ 726,179</u>



OLDS COLLEGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2000

Note 8 Deferred Contributions

Deferred contributions represent the unexpended portion of amounts received for specific purposes.

	2000	1999
Contributions received during the year:		
Donations	\$ 355,755	\$ 427,547
Restricted investment income	<u>177,620</u>	<u>217,892</u>
	<u>533,375</u>	<u>645,439</u>
Transferred to:		
Donations revenue	(254,205)	(217,700)
Investment income revenue	(292,277)	(82,192)
Deferred capital contributions (Note 10)	<u>—</u>	<u>(5,428)</u>
	<u>(546,482)</u>	<u>(305,320)</u>
Increase (decrease) during the year	(13,107)	340,119
Balance, beginning of year	<u>1,056,444</u>	<u>716,325</u>
Balance, end of year	<u>\$ 1,043,337</u>	<u>\$ 1,056,444</u>
The balance is restricted for:		
Endowment scholarships	\$ 315,248	\$ 429,503
Staff development	52,887	52,887
Programs and projects	<u>675,202</u>	<u>574,054</u>
	<u>\$ 1,043,337</u>	<u>\$ 1,056,444</u>

OLDS COLLEGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2000



Note 9 Pension Liability

The College and its eligible employees participate in the Local Authorities Pension Plan (LAPP). This plan is administered by the Alberta Pensions Administration Corporation and provide pensions for the College's employees based on years of service and earnings.

The College no longer has an unfunded liability in respect of pre-1992 service for LAPP as actuarial valuations have deter-

mined that the pre-1992 unfunded liability for this plan has been eliminated. The unfunded liability for service prior to January 1, 1992 for the plan was financed by additional contributions from employers and employees. The College's June 30, 1999 unfunded pension liability for pre-1992 pensionable service was \$181,531. The Public Sector Pensions Plans Act (the Act) specified the basis to determine the amount of the total unfunded liability for the plan

to be funded by employers until the unfunded liability was determined, by an actuarial valuation, to be eliminated. The Act was amended in April 1999 to repeal the requirement for additional contributions and separate accounting for pre-1992 and post-91 service once the unfunded liability was determined to be eliminated.

Note 10 Deferred Capital Contributions

	2000	1999
Received during the year:		
Infrastructure renewal grant	\$ 655,209	\$ -
Heavy duty apprentice equipment grant	290,000	-
James Murray building addition	320,000	-
Transfer from deferred contributions (Note 8)	-	5,428
Donated equipment	112,804	-
	<u>1,378,013</u>	<u>5,428</u>
Transfer to unamortized deferred capital contributions:		
Infrastructure renewal grant	447,476	-
James Murray building addition	3,896	-
Landscape Pavilion	-	5,428
Donated equipment	112,804	-
	<u>564,176</u>	<u>5,428</u>
Increase during the year	813,837	-
Balance, beginning of year	-	-
Balance, end of year	<u>\$ 813,837</u>	<u>\$ -</u>



OLDS COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2000

Note 11 Unamortized Deferred Capital Contributions

Unamortized deferred capital contributions related to capital assets represent external funding of capital assets which will be recognized as revenue in the future.

	2000	1999
Balance, beginning of year	\$ 19,552,860	\$ 21,455,008
Amount transferred from deferred contributions (Note 10)	564,176	5,428
Amount transferred to revenue	<u>(1,716,113)</u>	<u>(1,907,576)</u>
Balance, end of year	<u>\$ 18,400,923</u>	<u>\$ 19,552,860</u>

Note 12 Internally Restricted Net Assets

The Board of Governors has placed internal restrictions on operating net assets as follows:

	2000	1999
Capital:		
Infrastructure renewal	\$ 604,521	\$ 750,000
Farm capital renewal	334,995	334,995
General capital renewal	<u>—</u>	<u>30,953</u>
	<u>939,516</u>	<u>1,115,948</u>
Non-Capital:		
Departmental projects	31,057	31,057
Aqua Centre	150,000	150,000
Residence Mortgage Fund	406,754	200,000
Foundation Projects	<u>157,025</u>	<u>117,619</u>
	<u>744,836</u>	<u>498,676</u>
	<u>\$ 1,684,352</u>	<u>\$ 1,614,624</u>

The College has pledged \$150,000, as well as land and services, in support of constructing a swimming pool on the campus for use by the College and the community. The pledge is contingent upon the Town of Olds proceeding with the project.

OLDS COLLEGE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2000



Note 13 Sales, Rentals and Other Services

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

	2000	1999
Conference and food services	\$ 1,409,959	\$ 1,741,716
Residence	1,106,043	888,595
Farm Operations	826,285	806,078
Bookstore	660,024	627,592
Academic Program Ancillary	238,251	324,527
Rentals & Other	<u>424,353</u>	<u>367,527</u>
	<u>\$ 4,664,915</u>	<u>\$ 4,756,035</u>

Note 14 Salaries and Benefits

The Province of Alberta's Treasury Board Salary and Benefits Disclosure Directive dated December 16, 1998 requires the College to disclose certain salaries and benefits.

These salaries and benefits are as follows:

	2000			1999
	Salary ^(a)	Benefits and Allowances ^(b)	Total	Total
Chairman of the Board	\$ 3,896	\$ –	\$ 3,896	\$ 2,687
Board members	17,959	–	17,959	14,851
President ^(c)	112,279	12,634	124,913	112,211
Vice-President, Academic	94,221	11,330	105,551	102,698
Vice-President, Student and Support Services	95,069	11,282	106,351	100,842
Executive Director of Foundation	75,270	9,939	85,209	50,613
Chief Operating Officer, Olds College Centre for Innovation ^(d)	69,000	9,912	78,912	–
Dean, Animal Science	69,242	10,160	79,402	67,955
Dean, Trades and Technologies	74,107	9,516	83,623	83,306
Dean, Land Sciences	80,399	10,338	90,737	89,782
Dean, Extension Services	<u>72,242</u>	<u>9,013</u>	<u>81,255</u>	<u>44,590</u>
	<u>\$ 763,684</u>	<u>\$ 94,124</u>	<u>\$ 857,808</u>	<u>\$ 669,535</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

OLDS COLLEGE

June 30, 2000

Note 14 Salaries and Benefits (continued)

- (a) Salary includes regular base pay, overtime, performance bonuses and honoraria.
- (b) Benefits and allowances 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, unemployment insurance, remission of tuition fees and vacation payouts.
- (c) Rental housing provided, no amount included in benefits and allowances.
- (d) The position of Chief Operating Officer, Olds College Centre for Innovation was a new position staffed as of October 4, 1999.

Note 15 Funds Held on Behalf of Others

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

	2000	1999
Big Country Educational Consortium	\$ 565,028	\$ 431,511
Student Association	381,251	223,366
Other	<u>144,618</u>	<u>141,913</u>
	<u>\$ 1,090,897</u>	<u>\$ 796,790</u>

OLDS COLLEGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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Note 16 Related Party Transactions

Olds 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 the Department of Learning.

Transactions between Olds College and the Province are disclosed in the Consolidated Statement of Revenue and Expense and are as follows:

	2000		
	Revenue	Unearned Revenue	Deferred Contributions and UDCC
Operating & Performance grant	\$ 11,551,602	\$ -	\$ -
Access Funding	631,851	-	-
Extension Services grants	277,448	-	-
Infrastructure renewal	750,449	-	655,209
NEOS Library grant	65,178	9,959	-
Adult Development Training grant	159,091	-	-
Learning Enhancement envelope	60,443	79,626	-
Centre for Innovation	330,736	-	-
Miscellaneous grants	<u>201,322</u>	<u>-</u>	<u>290,000</u>
	<u>\$ 14,028,120</u>	<u>\$ 89,585</u>	<u>\$ 945,209</u>

	1999		
	Revenue	Unearned Revenue	Deferred Contributions and UDCC
Operating & Performance grant	\$ 11,150,154	\$ -	\$ -
Access Funding	1,019,090	-	-
Extension Services grants	312,631	-	-
Infrastructure renewal	238,271	-	-
NEOS Library grant	94,333	75,137	-
Adult Development Training grant	159,091	-	-
Learning Enhancement envelope	61,053	-	-
Centre for Innovation	-	-	-
Miscellaneous grants	<u>304,151</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,338,774</u>	<u>\$ 75,137</u>	<u>\$ -</u>



OLDS COLLEGE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2000

Note 16 Related Party Transactions (continued)

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.

Note 17 Investment Income

	2000	1999
Restricted investment income on resources held for endowment	\$ 208,968	\$ 338,017
Non-restricted investment income	<u>931,256</u>	<u>434,521</u>
Total investment income	1,140,224	772,538
Transfer from deferred contributions	114,657	–
Transfer to deferred contributions	–	(135,700)
Amount credited directly to endowment principal	<u>(32,575)</u>	<u>(52,702)</u>
	<u>\$ 1,222,306</u>	<u>\$ 584,136</u>

Note 18 Approval of Financial Statements

The Board of Governors approved these financial statements.

OLDS COLLEGE
NOTES

