Growing the future

OLDS COLLEGE ANNUAL REPORT 2010-2011

OLDS COLLEGE
100 years
1913-2013
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planting seeds
Accountability Statement

The Olds College Annual Report for the year ending June 30, 2011 was prepared under the Board of Governors’ direction in accordance with the Government Accountability Act and ministerial guidelines established pursuant to the Government Accountability Act. All material economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

Barry Mehr
Chair, Olds College Board of Governors

Management’s Responsibility for Reporting

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

The Annual Report has been developed under the oversight of the College’s Audit Committee, as well as approved by the Board of Governors and is prepared in accordance with the Government Accountability Act and the Post-secondary Learning Act and maintain a healthy financial position.

The Auditor General of Alberta, the institution’s external auditor appointed under the Auditor General Act, performs an annual independent audit of the financial statements in accordance to generally accepted accounting principles.

Vision

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

Mission

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

Values

At Olds College we value:
• Empowerment of learners
• Rural community development
• Teamwork
• Continuous improvement in all College operations

Approved/reaffirmed by the Olds College Board of Governors
April 28, 2011
Message from the Board Chair

It gives me great pleasure to advise that this been a year of significant progress for Olds College. In an economy that still struggles, one that has profoundly challenged many institutions in the post-secondary system, we have continued to meet and, in most cases, exceed our goals as laid out in the Alberta’s Post-secondary Learning Act and maintain a healthy financial position.

Olds College’s vision is to be the premier Canadian integrated learning and applied research community, specializing in agriculture, horticulture, land and environmental management. By ensuring that our efforts are in alignment with that vision, we continue to operate strategically to provide access to learning opportunities. At the same time, we are well poised to anticipate and respond effectively to opportunities and demands as a result of changes in industry, governments and technology, provide educational programs that are affordable and services that are competitively priced. This in turn positions us to achieve excellence in educational outcomes while remaining fiscally responsible, and achieve sustainable operations based on multiple bottom line concepts.

The past year has seen those outcomes manifested in a great number of ways. Continued development of Campus Alberta Central, our joint partnership with Red Deer College under the Campus Alberta model, (one of many academic partnerships) has enhanced our position as stewards of rural learning. New methods of revenue generation such as the Canadian Institute for Rural Entrepreneurship will add to our financial solidarity. These are just a few recent examples of how we have further strengthened our ability to be student-focused.

Ultimately, the needs of our students drive everything we do. They are at the centre of every initiative we undertake, and we hold that responsibility as the key measure of our success. The staff and faculty of Olds College exhibit this on a daily basis and many of the advances we have made in this past year are due largely to them. On behalf of the Olds College Board of Governors, we appreciate this opportunity to thank them for the growth and development that they have helped foster on so many levels.

Barry Mehr
Chair, Olds College Board of Governors
President’s Message

Reflecting on our 2010-2011 academic year, one of the most apparent results of our efforts has been the visible realization of our new, carefully-honed institutional plans. Our 2011-2014 Comprehensive Institutional Plan (CIP) and our Institutional Research Plan (IRP) clearly sets the path for success, outlining four specific goals that drive us in our vision to be a premier Canadian integrated learning and applied research community.

Specifically, the plans within the CIP call for us to create academic centres of excellence, implement regional programming, increase credit continuing education offerings, and increase applied research activity. In addition to the four goals, the Board of Governors endorsed six outcomes: Accessibility; Accountability; Centre of Specialization; Responsiveness; Affordability; and Sustainability.

Many of those goals came to fruition at the same time. There is no better example than our launch of the Canadian Institute for Rural Entrepreneurship (CIRE). Housed on Olds College campus within the soon to be constructed Pomeroy Inn & Suites – a luxury hotel, conference centre, restaurant and more – this innovative revenue generating partnership will serve to further secure our already exemplary approach to economic sustainability. It will also serve as an academic centre of excellence, enhancing regional programming and continuing education offerings through rural-centered programs that are now under development.

And whether it’s the significant growth in applied research activities through the construction of our Botanic Gardens and Treatment Wetlands, the development of our Calgary Campus located on the 7th floor of Bow Valley College (slated to open January 2, 2013, the advent of our centennial year), the well-planned evolution of the Olds College Centre for Innovation (OCCI), or the creation of both our Business and International Development department and Centre for Teaching and Learning, the tangible evidence of our CIP is everywhere to see.

Olds College continues to collaborate with industry, communities, and other post-secondary institutions in the region. In addition to our presence on eCampus, we have reached out to our regional communities through a continued partnership with Chinook’s Edge School Division in our Community Learning Campus. Another successful partnership is with Red Deer College in the credit program delivery in our region through Campus Alberta Central. We will have a greater presence in an urban environment with our partnership with Bow Valley College. Community, collaboration, innovation, partnerships and responsiveness to the needs of Albertans are hallmarks of Olds College.

We have reached this point through a rigorous and disciplined approach to the strategic plan. The cross-pollination between goals and outcomes is evident in every division of the college. Our academic and research division has mobilized aspects related to responsiveness, centres of specialization, accessibility. Our advancement and student-support division services work diligently to provide affordable and sustainable operations. The whole college is involved in the accountability outcome.

As we approach our centennial in 2013, many people at the college are pausing for reflection. As I take time to consider my 10 years at Olds College, I continue to be impressed with the loyalty, commitment, and entrepreneurial spirit of the faculty and staff at Olds College. It is always a pleasure to see the fruits of their labour when students cross the stage at each year’s annual convocation. As is always the case, we do all of what we do for our students so that they can return to communities to be contributing members of society.

Dr. H. J. (Tom) Thompson, President, Olds College
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 offering of MacEwan University’s first year General Science Program, adult basic education, career training, and non-credit courses, as well as cultural and recreational activities.

The expertise and facilities at Olds College are both specialized and unique, including a significant land base for hands-on learning. The College works with industry partners and clients to develop and deliver a range of training programs and products designed to meet desired specifications. These outreach services are offered throughout 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 and is the base for the further development of Olds College linkages with industry locally, nationally and internationally.

Approved June 17, 2010
by the Ministry of Advanced Education and Technology

PICTURED ABOVE: Current Olds College Board of Governors.
PICTURED RIGHT: A garden of knowledge is offered in one of the College’s many Botanical Garden learning environments.
Executive Summary - About Olds College

Since we first opened our doors in 1913, Olds College has provided quality education and training which have launched successful careers for many generations of learners. With pride, Olds College can link the values that underpinned the first course offerings of the Olds School of Agriculture and Home Economics in 1913 to those reflected in courses offered 98 years later.

Olds College is a Board-governed institution and operates under the authority of the Post-secondary Learning Act. The College, through its campus in Olds, the Calgary Campus, Campus Alberta Central and Central Alberta Community Engagement Sites, offers certificates, diplomas and applied degrees in business, agriculture, horticulture, animal sciences, fashion, land and environment and trades. In addition, the College offers other programs in a variety of formats for the learning needs of the greater community.

The reputation of Olds College has helped to attract learners and industry partners for many decades. We have thrived for 98 years in a very unique niche that is of great importance to Alberta’s educational and economic landscape. Our 100 Year Centennial in 2013 will present a wonderful opportunity for the College to reminisce with a sense of celebration, heritage and nostalgia with our alumni, industry partners and other stakeholders.

College Outcomes

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

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

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

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

4. Affordability
   Olds College will provide educational programs that are affordable and services that are competitively priced based on the value of the programs and services being offered.

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

6. Sustainability
   Olds College will achieve sustainable operations based on multiple bottom line concepts.
Environmental Scan - Key Opportunities and Challenges

Global Customers and Consumers
The ability to understand and react to demographic realities will significantly affect the future success of the agriculture, food and beverage industries. Similarly, trade policies and trade barriers within the wealthiest countries have an extremely significant impact on the economic health of exporting countries. Food importing countries are establishing long-term supply commitments including purchasing farms and farm land. Consumer influence within these countries can have a further impact on Alberta’s industry and trade development, positive or negative, and has increased to the levels where the consumers are driving the economic processes previously controlled by producers, processors and distributors.

Knowledge-based Economy
Olds College has a major set of challenges related to the rapidly changing labour market in Alberta. The loss of many jobs for unskilled workers underscores the importance of life-long learning and flexible program delivery. The development of a skilled workforce is imperative for the province to develop a knowledge-based economy. Education, innovation and competitiveness are the building blocks of the development of this new economy.

Rural Economic Development
Rural Alberta is losing its highly qualified population at an increasing rate. Olds College, along with other rural colleges, is committed to the Campus Alberta principles and is ready to meet this challenge head on. The Community Learning Campus and the Campus Alberta Central partnership have the potential to work together effectively to allow students to learn the skills they want, and gain the certification they seek, where and when they want it. The intent to set new directions for Alberta’s publicly-funded post-secondary institutions and align their activities to achieve outcomes in A Learning Alberta. This policy categorizes Alberta post-secondary institutions into one of six models. Institutions responsible for broad programming are categorized as Comprehensive Community Institutions (CCI). These CCI’s are aligned with a geographical region within the province. Olds College and Red Deer College are both categorized as CCIs and have a joint mandate for the stewardship of adult learning in the Central Alberta Region.

Demographics
During the 2009 to 2029 period, the Canadian population is expected to increase by 15%, from 33.49 million to 38.38 million. The only demographic group that is expected to decline during this period is the traditional post-secondary group (15 to 24 years). This group is expected to decline 6% by 2029. In Central Alberta a similar decline is expected, with the 15 to 24 age cohort declining by 5% from 43,751 in 2008 to 41,425 in 2018.

Research and Innovation
Olds College is committed to promoting 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. The College continues to focus its research activities in sustainable agriculture with a heavy focus on waste management bio-fuel production, turfgrass and wetlands.

Economic Slow-down
Reduced revenue streams for the government have resulted in the elimination of base grant increases and the reduction or elimination of other grants. Volatile investment markets have resulted in uncertain investment and endowment revenues. These economic impacts have created increased budget constraints and the need to implement innovative and proactive solutions.

Canadian Agriculture
Change of traditional marketing structure brought on by Canadian Wheat Board reform, the advent of industry value chains, 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. Potential new farmers can be enticed 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 workers 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 assessing these emerging needs through program enhancement, industry advisory committees, increased on-line learning initiatives, and through the development of a series of professional certificates in highly specialized areas of agricultural training.

Oil and Gas Land Management
Alberta has encountered significant price volatility for crude oil and Alberta’s 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 and continually evolving regulatory requirements. Opportunities exist to offer additional on-line or video conference training to help meet the needs of land agents, land administrators and reclamation technicians wishing to advance their skills while maintaining other careers.

Regional Stewardship
Advanced Education and Technology’s Roles and Mandates Policy Framework was approved in November 2007 with the intent to set new directions for Alberta’s publicly-funded post-secondary institutions and align their activities to achieve outcomes in A Learning Alberta. This policy categorizes Alberta post-secondary institutions into one of six models. Institutions responsible for broad programming are categorized as Comprehensive Community Institutions (CCI). These CCI’s are aligned with a geographical region within the province. Olds College and Red Deer College are both categorized as CCIs and have a joint mandate for the stewardship of adult learning within the Central Alberta Region.

In Canada and most other countries, there is an increased understanding and concern related to environmental issues, fresh water and climate change. Although Canada’s supply of fresh surface water exceeds 890,000 km², there are increasing local issues and challenges. In general, these issues relate to fresh water supplies in southern watersheds, the allocation of water between urban and rural uses, and the management of non-potable water and wastes. Alberta has approximately 11% of the national population, but only 2.2% of the surface water resources in Canada (19,531 km²). It is clear that freshwater in Alberta is becoming a limited resource and it has become a significant issue in large commercial developments.

Environmental and Water Issues
Environmental and Water Issues

Olds College is one of the leading institutions at the forefront of environmental and water issues. Tackling the Province of Alberta’s Water for Life Strategy head on, Olds College has created the Botanic Gardens III and Treatment Wetlands project, a 20-acre world-class research and education complex serving research, training, education and public outreach needs. Other initiatives include the Olds College Green Roof project and the Compost Technology Centre – a primary destination of all compostable materials collected by the green bin programs in surrounding towns. The Centre has also been involved in groundbreaking research with the Olds College Centre for Innovation, leading to new methods for recovering resources from many areas of industry. Natural solutions to pest control, arboricultural management and numerous other environmental touch points fall under Olds College’s ongoing efforts as well.
Academic Core Programs

Animals
Animal Health Technology (On campus & on-line)
Equine Science
Farrier Science
Veterinary Medical Receptionist
Meat Processing
Meat Industry Management
Certified Racetrack Groom Training
Exercise Rider & Jockey Training
Western Recreational Rider

Land & Environment
Land & Water Resources
Land Agent
Land Administration (Olds campus and on-line)
Environmental Reclamation

Business
Business Administration
Office Administration

Agriculture
Agricultural Management
Bachelor of Applied Science
  • Agribusiness
Agricultural Finance

Machinery & Trades
Agricultural and Heavy Equipment
Heavy Equipment Operator
Earthmoving Equipment Operator
John Deere Technician Program
Apprenticeships:
  • Agricultural Equipment Technician
  • Carpenter
  • Heavy Equipment Technician
  • Welding

Horticulture
Production Horticulture
Turfgrass Management
Environmental Horticulture
  • Arboriculture (Aerial and Small Tree Care)
  • Landscape Management
Bachelor of Applied Science
  • Production Horticulture
  • Landscape Management
  • Golf Course Management
  Landscape Gardener Apprenticeship

Fashion
Apparel Technology
Fashion Marketing (Calgary campus, Olds campus and on-line)

Pre-employment Trades
Carpentry
Welding
Heavy Equipment Technician

General Studies
General Studies
Transitional Vocational Program
Career and Academic Preparation
Open Studies

PICTURED LEFT: ‘Great oaks from mighty acorns grow’. Oak trees line the paths near the Animal Science Building.
Major Accomplishments

Financial Highlights
The College has completed the first year of the two year budget cycle which budgeted in an absence of operating grant increases with the exception of one time facility grants. Operating grants in 2010/2011 remained constant with the exception of facility grants to complete needed facility upgrades. The 2010/2011 operating budget projected $49 million in revenue and an operating surplus of $952,000 or 2%.

During the year the College received a number of special one-time grants to fund programs and facility renewal. These incremental revenues resulted in the College completing the fiscal year with revenues totaling $54.3 million, 11% higher than budget. A combination of cost containment measures, higher tuition revenue and continued strength in long-term investment performance resulted in the College completing the fiscal year with a 6.7% or $3.7 million operating surplus. This surplus results in unrestricted net assets increasing from $3.2 million to $6.1 million. This improvement in financial position results in compliance with the College’s Executive Limitation policy which requires the College’s financial operations be conducted in a manner where unrestricted net assets be maintained at a minimum of 3% of gross revenue.

Enrolment
In 2010/11 Olds College’s enrolment was 1258 full-load equivalent students. This academic year marked our first year when the new curriculum changes were fully implemented and program delivery switched from a quarter to a semester system. There were 34 Chinook’s Edge School Division students who enrolled in dual credit courses at the college. Our Farrier science program, recently adapted from a certificate to a diploma, saw its first capacity intake of students. Two existing programs, Land Administration and Fashion Marketing, added on-line cohorts and we had our first intake of these students in winter term.

Capital and Facilities
During 2010/2011 the College focused on restoring and preserving existing facilities and constructing new facilities to meet learner needs. Strategies were implemented to restore and preserve older facilities on campus which are plagued with a significant deferred maintenance issues.

Construction was completed with IMP funding to meet the Canadian Council on Animal Care regulations at the Animal Sciences building. Animal holding and treatment areas now have improved HVAC, flooring, lighting, and millwork. Botanical Garden Phase III and Treatment Wetland construction continued, aided by Western Economic Development and donor funding. The Federal and Provincial funding (KIP) grant of $6.8 million funded significant HVAC roof upgrades in older facilities. A further $1.3 million of IMP funding was approved to; increase capacity, create better learning environments, and meet government regulations within campus buildings.

Staffing
In 2010/2011, Olds College employed approximately 409 permanent full-time, permanent part-time, temporary and contract staff members. This includes 80 faculty and 30 individuals hired on contract to work as instructors in both regular programming and in continuing education, 162 support staff, 100 exempt staff, and 37 students. This equates to the full-time equivalent of approximately 321 employees.

Tuition Fee Regulation Compliance
The Board of Governors approved that the tuition fee would remain unchanged for the 2011/2012 academic year. These fees complied with the Alberta Advanced Education and Technology’s Tuition Fee Policy.
The College increased its maximum enrolment in Agricultural A Dual Credit Pre-Employment Carpentry Program in
The Land Agent and Land Administration programs were also seeking financial support from industry, provincial and federal governments for additional funding for:

- A National Meat Training Centre
- Development of the Canadian Institute for Rural Entrepreneurship (CIRE), addressing the education, training and applied research needs of an emerging rural economy.

There are many examples of this focus including:

- The Land Agent and Land Administration programs were moved into the School of Environment. An example of this collaboration is the School of Business was awarded the hosting of the Alberta Deans of Business Cases Competition for 2013. The School was also assigned the signature Fashion Show for 2013 and work began on the School’s Strategic Plan.
- Significant renovations were completed to the quarantine and animal handling area, ventilation system and meat locker room in the Animal Science Building. Alberta Advanced Education and Technology approved $775,000 in support of the Industrial Meat Training Centre Upgrade project, which will allow the College to upgrade the facilities to meet provincial food safety regulation and grow our capacity for students.

School of Innovation Highlights:

- Projects
  - $1,396,000 (up 13%) in grant and project revenues
  - 31 projects in progress.
  - 35 Olds College students involved in research projects.
  - 30 CLC students involved in research projects.
  - 1990 paid student research assistant hours.
  - 31 projects in progress.

- Government
  - Federal
    - $2.3m NSERC CGI (IE Grant) project – in progress
    - 4 NSERC –ARD Grants – in progress
    - Completed the implementation of last CFI $800,000 grant
  - Provincial
    - 6 Alberta Innovates Tech Futures Voucher Program Grants Projects (> $300,000) - completed
    - Alberta Prion Research Institute ($492,000) – in progress on “Prion Degradation in the Environments”. Partners include Kings College London, Lethbridge Research Centre (AFC), Univ of Brunel, Darussalam and UofA.
    - Alberta Transportation “Road-Kill” Composting project ($100,000).

- Municipal
  - Olds/County of Mountain View waste Composting
  - Town of Carstairs Waste Management Project
  - Town of Innisfail Waste Composting Project

- Community Learning Campus
  - Laboratory classes on biodiesel for 18 students over a week.
  - Staff worked with 4 sets of students on their Science Fair projects. All 4 groups got to provincial level while 2 groups reached the national level.

- Olds College students and staff
  - 15 Olds College students worked on on-going projects.
  - Supported 25 students involved in course-based applied research projects.
  - Sponsored 3 student-focused applied research events.
  - Over $10,000 committed to prizes, awards for students and faculty, including a $2000 Convocation award to the student winners of Olds College Applied Research and Design Competition, and $1000 to the faculty staff adviser.
  - 10 Olds College and CLC staff members on the Research Advisory Committee.
  - 3 Olds College courses offered using School of Innovation laboratories and 2 at the composting centre.
  - Numerous class tours of School of Innovation facilities.

- Industry
  - More than 30 industry sponsored research projects while 3 industry targeted mixers on wetlands (NSERC Sponsored).

Institutional Collaborations

- University of Alberta (UofA) – gave 2 lectures, supervises a Ph.D. graduate student.
- UofA Agri-Food Discovery Place – Research collaboration.
- University of Calgary (UofC) gave 2 graduate level courses.
- Chapingo University, Mexico – Supervised 3 graduate (masters) students.
- University of Peru – Supervised 1 Ph.D. student.
- Successfully obtained scholarship grants (ELAP) for 4 graduate foreign students.

Institutional Collaborations

- Dr. Jim Smith, Mancroft Resources (Olds).
- Dr. Ricardo Trejo Cadava, University of Chapings (Mexico).
- Dr. Jinggang Xu, Northeast Agricultural University, Harbin (China).
- Dr. Fengyi Wang, Northeast Agricultural University, Harbin (China).
goals, Expected Outcomes and Performance Measures

2. Implement regional programming and increase credit continuing education offering

Whether it's collaboration to provide programs and services for Central Alberta Communities or creating new opportunities for learners in Olds and Calgary, Olds College continues to undertake numerous initiatives that respond to the Provincial government’s mandate to create a globally recognized, high-quality, advanced learning system that meets Alberta’s needs and is learner-centered, affordable and accessible to all Albertans.

• Animal Science via Continuing Education offered, for the first time, an Introduction to Veterinary Medicine for Teens. Two-day seminars on Communications in Veterinary Medicine were hosted in both Olds and Edmonton.

• The Western Recreational Rider, Veterinary Hospital Manager and Veterinary Technical Assistant programs were under course development for launch in 2011-2012.

• Credit based, Program Registry System (PRS) approved programming included Groom's School, Exercise Rider/ Jockey School, Canadian Beef School, Processed Meats and Canadian Lamb School. Credit based, non-PRS approved programming included the Agronomy Certificate.

• A cross-campus initiative during 2011 was the planning work that went into the Olds College Calgary Campus, within Bow Valley College facilities. This work involved a number of people across the College, who worked internally and with Bow Valley College personnel, to create a flexible and inviting campus environment totaling 1,986 sq. m. (20,000 sq. ft.). In addition to this new dedicated space, Olds College has the opportunity to use other classrooms, labs and service facilities throughout the Bow Valley Campus. The planned opening of the Olds College Calgary Campus is early January 2013.

Implement Campus Alberta Central, an Olds College/Red Deer College joint venture resulting in increased accessibility:

• Dr. Thompson, Olds College President, currently serves on the eCampus Alberta Executive Committee of the Board, which works closely with eCampus Alberta to guide the direction of the consortium.

• Leading to adaptable policy templates, Olds College played a key role in two research projects. Successful Practices in Supporting Students in Distributed Learning and Meeting the Needs of Diverse Students in e-Learning. The overall project was led by Bow Valley College with partners Olds College, NAIT, NorQuest College, Northern Lakes College, Portage College and Red Deer College.

• Olds College eCampus Alberta total registrations increased 98% from 458 in 2009/10 to 918 in 2010/11.

• Olds College received $288,922 in Online Curriculum Development Funds via eCampus Alberta which led to the development of 27 online courses.

• Five Alberta Colleges (Bow Valley College, NAIT, NorQuest College, Olds College and SAIT) partnered with Campus Alberta Central to offer post-secondary education in 2010-2011 to each of the five locations. Eight programs were offered through the Campus Alberta framework – Practical Nurse, Office Career Training, Academic Upgrading, Heavy Equipment Operator, Emergency Medical Responder, Life skills and CD Coach, Air Brakes and Farm Courses. These programs were offered in Drumheller, Stettler, Rocky Mountain House, Hanna and Rimbey.

• Ninety seven individuals, fourteen Community Adult Learning Councils and forty communities participated in a ‘needs assessment’ Fall 2010, to identify programs and support service needs and 1,183 clients were assisted in the past eight months.

• The process began for the Prairie Horticultural Certificate to be available in an online format. Four of the nine courses are now in this format and the expectation is that the remaining courses will be completed in 2012.

• Training was delivered to three Aboriginal Bands on Greenhouse Operations and a number of multi-day courses were delivered to the Environmental Sector on various aspects of land reclamation.

• Acquired funding from Alberta Industry Trade to develop and deliver Agricultural Equipment Technition/Heavy Equipment Technition Certificate in a blended learning model online and on campus.

• Offered Heavy Equipment Operator training to Community and Aboriginal bands

• Offered Grader Safety Training and Used Equipment Appraisal to the Insurance industry.

• Acquired funding from Alberta Road builder Heavy Construction Association to develop a Deep Utility Installer program.

• Industry training for John Deere and Case New Holland was provided to update their Technicians on advances in their industries.

3. Increase applied research activity

• School of Agriculture staff and students have participated in applied research activities in collaboration with the applied research activity of the Olds College School of Innovation, industry partners and other research organizations related to meat processing, farm animal based production (GrowSafe Systems) and health and nutrition studies related to both bovine and companion animals.

• A Memorandum of Understanding was signed with the StopDED (Stop Dutch Elm Disease) society to assist in funding for housing of an entomology collection at the college.

• Collaborative work with the Prairie Turfgrass Research Center (PTRC) on various aspects of turf research continues and the foundation was set for the new PTRC.

• Work continues closely with the Alberta Lily Society on trials to develop a provincial lily.

4. Create environmental, social & economic sustainability

• An industry donation of seeding equipment from industries had a positive effect on economic return in custom work and higher yields and grades in crops.

• A feasibility study to evaluate student housing on campus is underway. The study will assess whether the old structure and costs to renew will meet the future needs of the campus or if a new structure is required.

• A boiler replacement program in older facilities increased boiler efficiencies. These improvements will reduce the costs to heat buildings and reduce greenhouse gases.

• Instruction and course delivery on industry advances in the areas of precision farming and engine's controls for tier 4 emission controls was developed and successfully implemented.

• The Board of Governors’ Sustainability Committee has undertaken work to improve its holistic sustainability. A sustainability framework has been developed and an environmental sustainability plan was initiated.
OUTCOME 1: ACCESS
Olds College in conjunction with other post-secondary institutions and partners, will operate strategically to provide access to learning opportunities.

Increased interest and growth - Credit FLEs
The 2010/2011 fiscal year resulted in the College experiencing a 1.7% reduction in full load equivalent students (FLE). This minor reduction resulted in 1258 FLE, 17 short of the target established in the 2010 – 2014 Olds College Business Plan. During the fiscal year the College accepted its first intake of students for the Farrier Science Diploma and increased the number of students accepted in the Business Administration Diploma. Enrolment in certificates and apprenticeship programs decreased slightly during 2010/2011. During the same time enrolment in applied degree programs and continuing education credit programming increased 38% and 30% respectively. The growth in the College’s continuing education credit programming is part of a College wide effort to provide more short-term credit programming to meet learner needs.

Non-credit 3-Year Comparison
The total number of individuals taking non-credit continuing education course have decreased over the past 3 years. Total non-credit contact hours for 2010/2011 decreased by 57% due to two factors: the College’s continued efforts to convert courses with high contact hours to credit programming and a general reduction in programming demand. This conversion to credit programming is reflected in a 30% increase in non-credential credit programming this year over the past 3 year average. During the 2010/2011 academic year there was a shift in non-credit registration where Environmental course registrations grew 40% and Agriculture courses registrations declined 40%. Non-credit course deliveries are based on market demand.

Management's Discussion & Analysis
Olds College conducts ongoing institutional evaluation. This process is based upon the measurement of outcomes, which are enclosed in the framework of the Values, Mission, Outcomes and Vision statements of Olds College. The Board of Governors identifies key performance indicators for each outcome. Administration is responsible for preparing the measures that assess the College’s success in achieving key performance indicators. A yearly institutional evaluation scorecard, a system of weighing outcomes, indicators and measures, provides for the comparison of current year’s data against the established benchmark year.
Annual and external evaluation of programs - Graduate Satisfaction and Employment Survey

Every second year the Department of Advanced Education and Technology conducts a survey of graduates from Alberta post-secondary institutions. Included in this survey’s measures are the employment rates of graduates and their overall satisfaction with the quality of their educational experience. The 2010/2011 survey revealed very strong performance by the College with an employment rate of 95.1% and a graduate satisfaction rate of 93.9%. Both of these performance indicators exceeded the 90% target established by the Board of Governors and were very consistent with the 2008/2009 survey results.

<table>
<thead>
<tr>
<th></th>
<th>2008/09</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(percentage of graduate survey respondents employed within a specified period following completion)</td>
<td>95.2%</td>
<td>95.1%</td>
</tr>
<tr>
<td>2009/10 Business Plan Goal</td>
<td>90.0%</td>
<td>90.0%</td>
</tr>
<tr>
<td>Variance +/(-)</td>
<td>5.2%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Graduate Satisfaction with Overall Quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(percentage of respondents fully/somewhat satisfied with overall quality of educational experience)</td>
<td>94.6%</td>
<td>93.9%</td>
</tr>
<tr>
<td>2009/10 Business Plan Goal</td>
<td>90.0%</td>
<td>90.0%</td>
</tr>
<tr>
<td>Variance +/(-)</td>
<td>4.6%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

OUTCOME 2: CENTRE OF SPECIALIZATION
Olds College will be the leading centre of specialization in agriculture, horticulture and land-based education and applied research at the college level.

Annual and External Evaluation of Programs – Program Development (Net)

Tighter budgets within the Department of Advanced Education and Technology have significantly reduced the College’s access to funding to develop new academic programs and to renew the curriculum of existing programs. To ensure that the College is well positioned to continue to provide quality training and to develop new programs to meet emerging needs, the Board of Governors approved the creation of a Program Development and Curriculum Renewal Fund. During the 2010/2011 fiscal year, the fund supported the development of five new certificates, the development of educational software and funded a program market feasibility study. Two of the certificates were completed during 2010/2011 and the remaining three will be completed in the near future. During 2010/2011 Olds College formally cancelled the Crop and Agri-Food Technology Certificate and the Commercial Floristry Certificate. Both of these programs were previously discontinued but not formally cancelled.

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Program Development Budget</td>
<td>$480,000</td>
</tr>
<tr>
<td>External Program Development Funds</td>
<td>-</td>
</tr>
<tr>
<td>Total Development Funding</td>
<td>$480,000</td>
</tr>
</tbody>
</table>

Program Development:
- Development of the Fashion Marketing Visual Display Simulation Software $35,124
- Development of the Equine Western Rider Certificate 34,986
- Market Feasibility for the Horticulture Production & Processing Certificate 19,440
- Development of the Vet Practice Management Certificate 32,986
- Development of the Vet Tech Assistant Certificate 16,120
- Development of the online Prairie Horticulture Certificate 16,833
- Development of online Rural Finance and Entrepreneurship Certificate 10,327
- Total 165,196

Program Cancelations:
- Crop and Agri-Food Technology
- Commercial Floristry

OUTCOME 3: RESPONSIVENESS
Olds College will maintain a structure that anticipates and responds quickly and effectively to opportunities and demands as a result of changes in industry, governments and technology.

Annual and External Evaluation of Programs – Program Development (Net)

Tighter budgets within the Department of Advanced Education and Technology have significantly reduced the College’s access to funding to develop new academic programs and to renew the curriculum of existing programs. To ensure that the College is well positioned to continue to provide quality training and to develop new programs to meet emerging needs, the Board of Governors approved the creation of a Program Development and Curriculum Renewal Fund. During the 2010/2011 fiscal year, the fund supported the development of five new certificates, the development of educational software and funded a program market feasibility study. Two of the certificates were completed during 2010/2011 and the remaining three will be completed in the near future. During 2010/2011 Olds College formally cancelled the Crop and Agri-Food Technology Certificate and the Commercial Floristry Certificate. Both of these programs were previously discontinued but not formally cancelled.

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Program Development Budget</td>
<td>$480,000</td>
</tr>
<tr>
<td>External Program Development Funds</td>
<td>-</td>
</tr>
<tr>
<td>Total Development Funding</td>
<td>$480,000</td>
</tr>
</tbody>
</table>

Program Development:
- Development of the Fashion Marketing Visual Display Simulation Software $35,124
- Development of the Equine Western Rider Certificate 34,986
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- Development of the Vet Practice Management Certificate 32,986
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- Total 165,196

Program Cancelations:
- Crop and Agri-Food Technology
- Commercial Floristry

Annual and External Review and Evaluation of Services
Resolution of Audit Recommendations from Previous Years

Each year, as part of the College’s annual audit, the Auditor General of Alberta provides recommendations to the Board of Governor’s Audit Committee as to how the College could improve internal controls. The Auditor General had one additional recommendation from the audit of the June 30, 2011 financial statements and four recommendations remain outstanding from prior years. The Auditor General of Alberta recommends that the College:
- improve password controls and system access controls
- improve processes and controls over year-end financial reporting
- improve controls in the bookstore for sales and inventories
- improve our computer control environment, and
- improve our risk management processes.

The College has prepared multi-year plans to address each of these recommendations.
OUTCOME 4: AFFORDABILITY AND VALUE
Olds College will provide educational programs that are affordable and services that are competitively priced based on the value of the programs and services being offered.

Competitively priced - Financial Awards/FLE
Olds College provides financial awards for students to recognize their academic achievements and to reduce financial barriers to attend the College. During 2010/2011 Olds College issued 516 awards, up from 496 in 2009/2010. Students continued to receive awards from two main sources in 2010/2011; entrance awards and donor-funded awards. Entrance awards were given to students who resided in central Alberta, students who enrolled in the Business Administration program and to new athletes on our intervarsity teams.

Donor awards comprise the majority of our funds and are given to students at the College who meet the specified criteria. There were significant growth in the 2010/2011 average award per student as a result of two factors.

<table>
<thead>
<tr>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Awards:</td>
<td>$428,093</td>
<td>$396,000</td>
</tr>
<tr>
<td>Full-load Equivalent Students</td>
<td>1,271</td>
<td>1,294</td>
</tr>
<tr>
<td>Average Student Award per FLE</td>
<td>$337</td>
<td>$306</td>
</tr>
<tr>
<td>2009/10 Business Plan Goal Variance</td>
<td>$350</td>
<td>$350</td>
</tr>
<tr>
<td>Variance</td>
<td>$13</td>
<td>$44</td>
</tr>
<tr>
<td>Average full-time tuition</td>
<td>$3,816</td>
<td>$3,972</td>
</tr>
<tr>
<td>Average Award to Tuition ratio %</td>
<td>8.8%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

OUTCOME 5: ACCOUNTABILITY
Olds College will achieve excellence in educational outcomes while remaining fiscally responsible.

Fiscally responsible financial management system - Year End Results vs Approved Budget
The College developed its budget during a time when the world’s economic environment was starting to improve. Despite the improvements, the economic situation in Alberta continued to be challenging as reflected in the provincial government’s budget which revealed a $4.7 billion deficit. This challenging environment was reflected in base grants for 2010/2011 and 2011/2012 not increasing and a number of other grants being reduced.

The development of the College’s 2010/2011 operating budget required that the College review all of its programs and services with intent to strategically reduce operating costs and to create a leaner organizational structure. This effort was undertaken in a manner that minimized impact on academic program delivery or services to students. The 2010/2011 operating budget projected $48.7 million in revenue and includes a budgeted operating surplus of $952,000 or 2% of gross revenues.

The College completed the fiscal year with a $3.7 million operating surplus. This surplus equates to $2.7 million positive variance and was largely attributed to: tuition revenue being approximately $0.6 million greater than budget and investment revenue $1.9 million greater than budget. The strong investment revenues were comprised of both realized investment earning and a year-end market adjustment gain of approximately $1.3 million.

The College continued to benefit from Federal and Provincial grants to address the significant deferred maintenance backlog in our older buildings. These one-time grants funded improvements to HVAC systems, electrical upgrades, roof upgrades and fire alarm systems. These improvements will extend to the life of our older facilities and improve the operational effectiveness.

The College's unrestricted net asset balance increased to $6.1 million. The increase in this balance has provided the College with increased financial stability in a turbulent economic environment. At the October 2011 Board meeting, the Board of Governors approved a $3.0 million restriction of these funds to finance interior renewal of older College facilities and to fund road and site work required for the construction of a hotel on the College grounds.

<table>
<thead>
<tr>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget: Board Approved Budget (net)</td>
<td>$-</td>
<td>$465,000</td>
</tr>
<tr>
<td>Audited Results (net)</td>
<td>$(1,293,000)</td>
<td>$2,361,000</td>
</tr>
<tr>
<td>Variance +/-</td>
<td>$(1,293,000)</td>
<td>$1,896,000</td>
</tr>
<tr>
<td>Executive Limitation: Unrestricted Net Assets Target</td>
<td>$1,260,000</td>
<td>$1,383,000</td>
</tr>
<tr>
<td>Audited Results</td>
<td>$667,000</td>
<td>$3,211,000</td>
</tr>
<tr>
<td>Variance +/-</td>
<td>$(593,000)</td>
<td>$1,828,000</td>
</tr>
</tbody>
</table>
Olds College – A Year in Review

School of Agriculture has busy, progressive year

The School of Agriculture logged many notable milestones. Among them, Olds College signed agreements with England’s Hartpury College and the University of Guelph, opening new educational pathways for equine science students. As well, they launched a new two-year Farrier science program, graduated the first crop of students from the recently-revised Agricultural Management Program and received Canadian Veterinary Medical Association and American Animal Hospital Association accreditation.

2011 Postsecondary International Network Conference

Along with partners NAIT and SAIT, Olds College hosted the 2011 Postsecondary International Network (PIN) conference on its campus. PIN is an alliance of post-secondary institutions dedicated to the furtherance of international education and understanding through a sharing of experience. Currently, Olds College President Dr. Tom Thompson is PIN President. This year’s conference theme was “Innovative Ways to Enhance the Student Experience.”

Broncos join Alberta Colleges Athletic Conference

The Olds College Men and Women’s Basketball teams became part of the Alberta Colleges Athletic Conference (ACAC) for the 2012-2013 season. The Broncos Cross Country team, new to Broncos athletics for the 2011-2012 season, will be ACAC members as well. The decision to accept Olds College’s application to join the ACAC followed a February 2010 showcase game before ACAC officials in the Ralph Klein Centre. The College will now be able to host future national championships.

Olds College signs MOU in India

Olds College signed a Memorandum of Understanding with India’s Punjab Agricultural University with the intent to create future programs and collaborate on research in a number of areas including field-worthy technologies for crop-waste management and bio-fuel production. Possible synergy in other areas such as online course development and water, land, horticulture, and environmental management will also be investigated.

School of Trades begins Deep Utility Installer program

Olds College began accepting student applications for the first-ever class of its Deep Utility Installer program. The program was first conceived of by Olds College and partners in the Alberta Roadbuilders & Heavy Construction Association (ARHCA) in 2008 as a solution to both a drastic labour shortage in Alberta and a noticeable gap in continuing education.

Olds College strengthens relationships in China

Olds College Board of Governors Chair Barry Mehr and Dr. Robert Wilson, Vice President Academic and Research, visited China and met with a number of current partners in Heilongjiang Province. Meetings took place with officials at Northeast Agriculture University and local government agencies in Harbin. Mehr and Wilson also consulted with senior officials to create a new relationship with the Bayi Agriculture University in Daching and met with two industry partners as well. Skiin Foods, a major meat processor in Yantai, plans to build a processing facility in Alberta. CK Life Sciences in Hong Kong is a long time client of the Olds College School of Innovation, and areas of future cooperation were investigated.

Calgary Mayor’s Excellence award shared by Olds College and Chinook’s Edge School division

Partnering to create opportunities for students earned Olds College and Chinook’s Edge School Division a Mayor’s Excellence Award through the Calgary Educational Partnership Foundation. The award was presented by Calgary Mayor Naheed Nenshi at a gala event, in the category of School to Work Transition, and was bestowed for the dual credit program – easing the transition from high school to post-secondary.

Olds College unveils two new online programs

Olds College unveiled two of its previously-classroom-only certificate programs in an online format. Beginning in February 2011, students were able to log in and earn an Olds College Fashion Marketing certificate or a Land Administration certificate. Enrollees included new students, current students and high school students from the Chinook’s Edge School Division.

Revenue, educational and career development opportunities created through CIRE

Providing significant educational and career development opportunities in a niche that is essentially untapped, Olds College announced the creation of the Canadian Institute for Rural Entrepreneurship (CIRE). Constructed through a partnership between the College and the Pomeroy Group on five acres of College land south of Highway 27, the institute will provide training at a range of venues including a $12-$14 million upscale hotel, restaurant and conference centre, that will be built in close proximity to existing research and production facilities. The new venues will contain specialized learning environments designed to support the work of the CIRE.

Broncos Volleyball earns medals

The Olds College Women’s and Men’s volleyball teams won Silver and Bronze respectively as the host school for the 2010 Alberta Colleges Athletic League (ACAL) Championships. The event marked the first major sporting event the Olds College hosted since moving into the Community Learning Campus’ new Ralph Klein Centre.

Normie Kwong officially opened on Community Learning Campus

An age-old football rivalry was set aside as executives from the Calgary Stampeders and the Edmonton Eskimos joined The Honourable Norman Kwong to celebrate the official naming of the Normie Kwong Park in Olds. Normie Kwong Park is located at the Community Learning Campus, specifically Olds High School, and will help foster the development of a new generation of young rural athletes.

Campus Alberta Central hires Executive Director and General Manager

Following the May 2010 announcement of Olds College and Red Deer College’s joint Campus-Alberta vision, Campus Alberta Central hired its first two senior staff for the Executive Director and General Manager positions.

Agreement with Grant MacEwan University creates access to Bachelor of Science degree

Rural students in Central Alberta gained greater access to a Bachelor of Science degree thanks to a new agreement between Olds College and Edmonton’s Grant MacEwan University. Students are now able to take the first year of their MacEwan B.Sc. Degree on Olds College campus. Upon successful completion of the first year of the courses outlined within the Bachelor of Science degree, students with a cumulative grade point average of 2.0 will be guaranteed admission to year two of the degree at the Edmonton Campus of Grant MacEwan University.

Business Administration Diploma expands class size, partners with U of L

An expanded class size for the 2010-11 academic year allowed more students to pursue a Business Administration Diploma. Previously, in 2009-2010, the program was full to capacity with many students placed on a waiting list. Graduates of the program can now also enter the University of Lethbridge’s Bachelor of Management and complete the degree within two years.
Independent Auditor’s Report

To the Board of Governors of Olds College

Report on the Financial Statements
I have audited the accompanying financial statements of Olds College, which comprise the statement of financial position as at June 30, 2011 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In my opinion, the financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2011, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Merwan N. Saher, CA]

Auditor General
October 27, 2011
Edmonton, Alberta
## Statement of Operations

### Year Ended June 30, 2011

<table>
<thead>
<tr>
<th></th>
<th>Budget 2011</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government of Alberta grants</td>
<td>$29,501</td>
<td>$32,026</td>
<td>$27,759</td>
</tr>
<tr>
<td>Other grants and training contracts</td>
<td>$2,523</td>
<td>$2,349</td>
<td>$2,304</td>
</tr>
<tr>
<td>Student tuition and fees</td>
<td>$6,088</td>
<td>$6,645</td>
<td>$6,516</td>
</tr>
<tr>
<td>Sales of services and products</td>
<td>$6,206</td>
<td>$6,252</td>
<td>$6,092</td>
</tr>
<tr>
<td>Donations and other contributions</td>
<td>$989</td>
<td>$1,154</td>
<td>$1,557</td>
</tr>
<tr>
<td>Investment income (Note 14)</td>
<td>$503</td>
<td>$2,420</td>
<td>$2,056</td>
</tr>
<tr>
<td>Amortization of deferred capital contributions (Note 8)</td>
<td>$2,900</td>
<td>$3,462</td>
<td>$3,214</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$48,710</td>
<td>$54,288</td>
<td>$49,298</td>
</tr>
</tbody>
</table>

| **Expenses**         |             |      |      |
| Salaries and benefits (Note 18) | $25,612 | $26,533 | $27,771 |
| Materials, supplies and services | $8,739 | $9,381 | $9,961 |
| Utilities             | $1,685 | $1,706 | $1,529 |
| Maintenance and repairs | $4,891 | $5,656 | $1,525 |
| Cost of goods sold     | $2,531 | $2,325 | $2,399 |
| Scholarships and bursaries | $450 | $488 | $396 |
| Amortization of capital assets | $3,850 | $4,539 | $4,356 |
| **Total Expenses**    | $47,758 | $50,628 | $46,937 |

### Excess (Deficiency) of Revenue over Expense

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (Deficiency) of Revenue over Expense</td>
<td>$952</td>
<td>$3,660</td>
<td>$2,361</td>
</tr>
</tbody>
</table>

---

The accompanying notes are part of these financial statements.

---

Approved by the Board of Governors:

Chair, Board of Governors:

President:

---
### STATEMENT OF CHANGES IN NET ASSETS
**YEAR ENDED JUNE 30, 2011**

(Thousands of dollars)

<table>
<thead>
<tr>
<th>Unrestricted Net Assets</th>
<th>Internally Restricted Net Assets</th>
<th>Investment in Capital Assets</th>
<th>Endowments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Note 9)</td>
<td>(Note 10)</td>
<td>(Note 11)</td>
<td></td>
</tr>
</tbody>
</table>

**NET ASSETS, June 30, 2009**

- Excess (deficiency) of revenue over expense: 2,361
- Endowments contributions: -
- Net change in investment in capital assets: (348) 348 421
- Amortization of capital assets: 1,142 (1,142) -
- Net Expenditures of internally restricted net assets: (611) 611 -
- Recapitalized endowment earnings (loss): -

**NET ASSETS, June 30, 2010**

- Excess (deficiency) of revenue over expense: 3,660
- Endowments contributions: -
- Net change in investment in capital assets: (1,645) 1,645 232
- Amortization of capital assets: 1,077 (1,077) -
- Net Expenditures of internally restricted net assets: (215) 2 213 -
- Recapitalized endowment earnings (loss): -

**NET ASSETS, June 30, 2011**

- Excess (deficiency) of revenue over expense: 6,088
- Endowments contributions: 1,019
- Net change in investment in capital assets: 7,797
- Recapitalized endowment earnings (loss): 8,168

---

### STATEMENTS OF CASH FLOWS
**YEAR ENDED JUNE 30, 2011**

(Thousands of dollars)

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided from (used in) operating activities</td>
<td></td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expense</td>
<td>$3,660</td>
</tr>
<tr>
<td>Add (deduct) non cash items:</td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>4,539</td>
</tr>
<tr>
<td>Amortization of deferred capital contributions</td>
<td>(3,462)</td>
</tr>
<tr>
<td>(Gain) loss on disposal of capital assets</td>
<td>(11)</td>
</tr>
<tr>
<td>Change in unrealized loss (gain) on investment revenue</td>
<td>17</td>
</tr>
<tr>
<td>Change in unrealized loss (gain) on deferred contributions</td>
<td>(283)</td>
</tr>
<tr>
<td>Total non-cash items</td>
<td>1,083</td>
</tr>
<tr>
<td>Net change in non-cash working capital (*)</td>
<td>83</td>
</tr>
<tr>
<td>Cash provided from (used in) investing activities</td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets, net of proceeds on disposal</td>
<td>(7,656)</td>
</tr>
<tr>
<td>Purchase of long-term investments, net of sales</td>
<td>962</td>
</tr>
<tr>
<td>Net Proceeds from (increase in) other long-term assets</td>
<td>205</td>
</tr>
<tr>
<td>Endowment investment earnings (loss)</td>
<td>66</td>
</tr>
<tr>
<td>Cash provided from (used in) investing activities</td>
<td>(8,347)</td>
</tr>
<tr>
<td>Cash provided from (used in) financing activities</td>
<td></td>
</tr>
<tr>
<td>Endowment contributions</td>
<td>232</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>3,347</td>
</tr>
<tr>
<td>Long-term liabilities new financing, net of repayments</td>
<td>(233)</td>
</tr>
<tr>
<td>Cash provided from (used in) financing activities</td>
<td>3,346</td>
</tr>
<tr>
<td>Increase (decrease) in cash and cash equivalents</td>
<td>175</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>5,735</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$5,560</td>
</tr>
</tbody>
</table>

(*) Net Change in non-cash working capital

- Decrease (increase) in accounts receivable | $3,140 | ($3,361) |
- (Increase) Decrease in inventories and prepaid expenses | (312) | 463 |
- (Decrease) Increase in accounts payable and accrued liabilities | (1,760) | (1,338) |
- (Decrease) Increase in current portion of long-term liabilities | 16 | 7 |
- (Decrease) Increase in deferred contributions | (742) | 2,231 |
- (Increase) Increase in deferred revenue | (359) | (64) |
| $83 | ($2,062) |
Note 1  Authority and Purpose

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

Note 2  Significant Accounting Policies

(a) General - GAAP and Use of Estimates

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

(b) Financial Instruments

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

<table>
<thead>
<tr>
<th>Financial Statement Components</th>
<th>Classification</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and short-term investments</td>
<td>Held for Trading</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Investments</td>
<td>Held for Trading</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>Loans and Receivables</td>
<td>Cost</td>
</tr>
<tr>
<td>Other Long-term Assets</td>
<td>Loans and Receivables</td>
<td>Amortized Cost</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>Other Liabilities</td>
<td>Cost</td>
</tr>
<tr>
<td>Long-term Liabilities</td>
<td>Other Liabilities</td>
<td>Amortized Cost</td>
</tr>
</tbody>
</table>

(b) Financial Instruments (continued)

The College’s financial instruments are recognized on their trade date and transaction costs related to all financial instruments are expensed as incurred.

The carrying value of cash, receivables, payables, and accruals approximate their fair value due to the relatively short periods to maturity of the instruments. The fair value of investments is market value.

All derivative financial instruments of the College are classified as held for trading. The College does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. Forward contracts are marked to market at the end of each reporting period with any changes in the market value recorded in the statement of operations when the changes occur. As permitted for Not-for-Profit Organizations, the College has elected to not apply the standards on derivatives embedded in non-financial contracts, and the College has elected to continue to follow CICA 3801: Disclosure and Presentation.

Financial statements are exposed to market risk, liquidity risk, credit risk, interest rate risk and commodity price risk.

Market Risk

The College is subject to market risk, foreign currency and interest rate risk with respect to its investment portfolio. To manage these risks, the College has established a target mix of investment types designed to achieve the optimal returns within reasonable risk tolerances.

Liquidity Risk

The College maintains adequate liquidity through cash management and banking arrangements.

Credit Risk

The credit risk for accounts receivable is relatively low as the majority of balances are due from government agencies. Credit risk from tuition is managed through restricted enrollment activities for students with delinquent balances and maintaining standard collection procedures.
Interest Rate Risk

Interest rate risk is the risk to the College's earnings that arose from the fluctuations in interest rates and the degree of volatility of these rates. The risk is managed by contractually setting interest rates with banking institutions.

Commodity Price Risk

The College is exposed to commodity price risk as a result of substantial electricity and natural gas usage required to operate the institution's facilities.

(c) Inventories

Inventories held for resale are valued at the lower of cost and net realizable value.

Livestock and feed inventory is valued at net replacement cost.

(d) Capital Assets

Capital assets purchased are recorded at cost. In-kind contributions are recorded at fair value when a fair value can be reasonably determined.

Construction in progress includes the costs directly attributable to the construction including engineering, legal fees, and interest on specific debt attributed to the construction of capital assets.

Capital assets, once placed into service, are amortized on a straight-line basis over the assets' estimated useful lives. The estimated useful lives are as follows:

- Buildings and site improvements: 10 - 40 years
- Furnishings, equipment and leasehold improvements: 2 - 15 years

(e) Revenue Recognition

The financial statements record the following items as revenue - at the following times:

- Unrestricted contributions - when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- Operating grants - when received or receivable, or where a portion of the grant relates to a future period, it is deferred and recognized in the subsequent period.
- Unrestricted investment income - when earned; this includes interest, dividends, and realized gains and losses.
- Pledges - when collected or secured by a contract.
- Revenues received for services and products - when the services or products are substantially provided and collection is reasonably assured.
- Tuition fees - when the instruction is delivered.
- Donations of materials - are recorded at fair value when a fair value can be reasonably determined and when materials would otherwise have been purchased.
- Restricted contributions - based on the deferral method.

Deferred method

Contributions, including investment income on the contributions, which are restricted for purposes other than endowment or capital asset acquisitions, are deferred and recognized as revenue when the conditions of the contribution are met.

Contributions to acquire capital assets with limited lives are first recorded as deferred capital contributions when received, and when expended they are transferred to unamortized deferred capital contributions and amortized to revenue over the useful lives of the related assets.

Endowment contributions are recognized as direct increases in endowment net assets. Investment earnings, under agreements with benefactors or the Post-Secondary Learning Act allocated to endowment principal, are also recognized as direct increases in endowment net assets. Endowment investment earnings that are allocated for spending are deferred and recognized as revenue when the conditions of the endowment are met.

(f) Foreign Currency Translation

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenues and expenses are translated at average weekly exchange rates. Gains or losses from these translations are included in sales of services and products.

(g) Employee Future Benefits

Pension

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

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

Administrative Leave

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

(h) Capital Disclosures

The College defines its capital as the amounts included in deferred contributions (Note 7), endowments (Note 11) and unrestricted net assets. The College’s capital is derived from funding from Alberta Advanced Education and Technology, other government funding agencies, donations and the institution’s entrepreneurial activities. The College has investment policies (Note 3), spending policies, and cash management procedures to ensure the College can meet its capital obligations.

Under the Post-Secondary Learning Act, the College must receive Ministerial or Lieutenant Governor in Council approval for a deficit budget, mortgage and debenture borrowing and the sale of any land, other than donated land, that is held by and being used for the purposes of the College.

(i) Contributed Services

Volunteers as well as members of the staff of the College contribute an indeterminable number of hours per year to assist the institution in carrying out its mission. Such contributed services are not recognized in these financial statements.

(i) Future Accounting Changes

The Public Sector Accounting Board (PSAB) has issued a framework for financial reporting by government not-for-profit organizations. The framework includes the PS 4200 series of standards for Government Not-For-Profit Organizations. This framework will be effective for fiscal years beginning January 1, 2012. Government not-for-profit organizations have been presented the option to apply either PS 4200 series of standards plus the PSA Handbook; or PSA handbook without the PS 4200 series of standards. The Government of Alberta has decided that Alberta Public Post-Secondary Institutions, as government not-for-profit entities, will adopt the PSA handbook without the PS 4200 series of standards. The College has started to identify the differences in the standards that will impact the financial statements and will quantify the differences. The College will also determine whether any specific exemptions and exceptions applicable to the first time adoption of PSA standards by government not-for-profit organizations will be applicable to the College.

Note 3  Cash, Cash Equivalents and Investments

As at June 30, 2011, the composition and fair value on investments are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th></th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Unrealized Gain (Loss)</td>
<td>Market Value</td>
<td>Cost</td>
</tr>
<tr>
<td>Cash</td>
<td>$5,560</td>
<td>$-</td>
<td>$5,560</td>
<td>$5,735</td>
</tr>
<tr>
<td>Money market funds, short-term notes and treasury bills</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Canadian bonds</td>
<td>8,750</td>
<td>40</td>
<td>8,799</td>
<td>9,522</td>
</tr>
<tr>
<td>Canadian equity</td>
<td>9,240</td>
<td>823</td>
<td>10,063</td>
<td>9,406</td>
</tr>
<tr>
<td>Investment in Pension</td>
<td>114</td>
<td>-</td>
<td>114</td>
<td>-</td>
</tr>
<tr>
<td>Foreign equity</td>
<td>4,683</td>
<td>485</td>
<td>5,088</td>
<td>2,817</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,267</strong></td>
<td><strong>1,357</strong></td>
<td><strong>29,624</strong></td>
<td><strong>27,480</strong></td>
</tr>
</tbody>
</table>

Cash and cash equivalents | 5,560 | - | 5,560 | 5,735 | - | 5,735 |
| Long-term investments | 22,707 | 1,357 | 24,064 | 21,745 | 1,374 | 23,119 |
| **Total** | **28,267** | **1,357** | **29,624** | **27,480** | **1,374** | **28,854** |

The terms of the bond portfolio range from 1 year to 20 years. The average term is 4
years, with an effective yield on the bond portfolio of 4.15% (2010 – 3.7%).

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.

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

- allowing funds to be invested in fixed income, short-term and equity investments at an asset ratio not to exceed 65%, 30%, 65% respectively
- ensuring investment ratings are at or above “R-1” or “A-1” for market securities, “BBB” for bonds and “P-3” for preferred shares
- setting the risk tolerance for the equity portfolio is moderate
- ensuring that no more than 10% of the total portfolio is invested within one issuer or company

In support of the development of the Canadian Institute for Rural Entrepreneurship (CIRE), the College will become a minority investor in a Limited Legal Partnership in the Poemery Group. The Group will manage the construction and operation of the hotel and convention facility which will be located on the Olds College Campus. The investment of $114 reflects initial costs incurred by Olds College, which will be converted into partnership units.

Note 4 Other Long-term Assets

Long term contributions receivable are pledged funds for capital projects and are reasonably assured of collection. Funds are due to be received as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$60</td>
</tr>
<tr>
<td></td>
<td>$60</td>
</tr>
</tbody>
</table>

Note 5 Capital Assets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated</td>
</tr>
<tr>
<td>Land</td>
<td>$2,338</td>
<td>$2,338</td>
</tr>
<tr>
<td>Site improvements</td>
<td>9,170</td>
<td>9,170</td>
</tr>
<tr>
<td>Buildings</td>
<td>89,142</td>
<td>41,998</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>252</td>
<td>252</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>26,434</td>
<td>18,225</td>
</tr>
<tr>
<td></td>
<td>$135,316</td>
<td>$61,820</td>
</tr>
</tbody>
</table>

Included in buildings and site improvements is $5,053 (2010 - $1,456) recorded as construction in progress, which is not amortized as the assets are not yet available for use.

Acquisitions during the year includes in-kind contributions (such as learning resources, equipment, software, buildings and land) in the amount of $118 (2010 - $353).

Note 6 Long-term Liabilities

<table>
<thead>
<tr>
<th>Debentures payable to Alberta Capital Finance Authority:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence - Townhouse Phase II 2 April 2024 5.750 $1,372 $1,442</td>
</tr>
<tr>
<td>Land 25-32-W5 1 Feb 2018 5.725 455 507</td>
</tr>
<tr>
<td>Bank loans payable: Residence - Townhouse Phase I 2 June 2018 839 935</td>
</tr>
<tr>
<td>Loss current portion 233 217</td>
</tr>
<tr>
<td>(1) title to land, building; (2) none</td>
</tr>
</tbody>
</table>

The principal portion of long-term debt repayments required over the next five years is as
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011
(kinousands of dollars)

OLDS COLLEGE

follows:

2012 - $233
2013 - $244
2014 - $237
2015 - $272
2016 - $286

Interest expense on long-term obligations is $144 (2010 - $167).

Residence Townhouse Phase I is partially funded through a debt instrument amortized over 15 years ending June 11, 2018, with a monthly reserving banker’s acceptance interest rate. This rate was 6.49% at June 30, 2011 (2010 - 7.47%).

Residence Townhouse Phase II 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.

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, 2011 is $839 (2010 - $935) at a fixed interest rate of 5.29% which expires in 2018. The fair value of the interest rate swap is a liability of $78 (2010 - $92). Fair value is determined by the College’s financial institution which has arranged the interest rate swap.

Note 7 Deferred Contributions

Deferred contributions represent unspent externally restricted grants and donations. Changes in the deferred contributions balances are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital</td>
<td>Other</td>
</tr>
<tr>
<td>Balance, beginning of the year</td>
<td>$5,577</td>
<td>$7,568</td>
</tr>
<tr>
<td>Grants and donations received</td>
<td>3,347</td>
<td>5,962</td>
</tr>
<tr>
<td>Investment income</td>
<td>115</td>
<td>681</td>
</tr>
<tr>
<td>Recognized as revenue</td>
<td>-</td>
<td>(7,385)</td>
</tr>
<tr>
<td>Transferred to unamortized deferred capital contributions (Note 8)</td>
<td>(6,142)</td>
<td>-</td>
</tr>
<tr>
<td>Balance, end of the year</td>
<td>$2,897</td>
<td>$6,826</td>
</tr>
</tbody>
</table>

Note 8 Unamortized Deferred Capital Contributions

Unamortized deferred capital contributions represent the unamortized grants and donations received to fund capital acquisitions. The amortization of unamortized deferred capital contributions is recorded as revenue in the statement of operations. The changes in the unamortized deferred capital contributions balance are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$60,353</td>
<td>$49,733</td>
</tr>
<tr>
<td>Additions from deferred contributions (Note 7)</td>
<td>6,142</td>
<td>13,834</td>
</tr>
<tr>
<td>Amortization to revenue</td>
<td>(3,462)</td>
<td>(3,214)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$63,033</td>
<td>$60,353</td>
</tr>
</tbody>
</table>

Note 9 Internally Restricted Net Assets

Internally restricted net assets represent amounts set aside by the College’s Board of
Governors for specific purposes. Those amounts are not available for other purposes without the approval of the Board and do not have interest allocated to them. Internally restricted net assets are summarized as follows:

<table>
<thead>
<tr>
<th>Appropriations (from/returned to) unrestricted net assets</th>
<th>Balance at beginning of year</th>
<th>Debit/issue during the year</th>
<th>Balance at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advancement projects</td>
<td>$740</td>
<td>$2</td>
<td>$742</td>
</tr>
<tr>
<td>Continuing Education development</td>
<td>84</td>
<td></td>
<td>84</td>
</tr>
<tr>
<td>Community Learning Campus operations</td>
<td>186</td>
<td></td>
<td>186</td>
</tr>
<tr>
<td>Scholarships</td>
<td>7</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,017</td>
<td>$2</td>
<td>$1,019</td>
</tr>
</tbody>
</table>

**Note 10 Investment in Capital Assets**

Net assets invested in capital assets represent the carrying amount (net book value) of capital assets less unamortized deferred capital contributions and any related debt.

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets at net book value (Note 5)</td>
<td>$73,496</td>
<td>$70,253</td>
</tr>
<tr>
<td>Less amounts financed by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unamortized deferred capital contributions (Note 8)</td>
<td>(63,033)</td>
<td>(60,353)</td>
</tr>
<tr>
<td>Long-term liabilities related to capital expenditures</td>
<td>(2,666)</td>
<td>(2,884)</td>
</tr>
<tr>
<td><strong>Investment in capital assets, end of year</strong></td>
<td>$7,797</td>
<td>$7,016</td>
</tr>
</tbody>
</table>

**Note 11 Endowments**

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

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors as well as College policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and reinvesting unexpended income.

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

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

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

The composition of endowments is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 7,870</td>
<td>$ 7,390</td>
</tr>
<tr>
<td>Endowment Contributions</td>
<td>$ 232</td>
<td>$ 421</td>
</tr>
<tr>
<td>Transfers to (from) endowments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>$ 66</td>
<td>$ 59</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ 8,168</td>
<td>$ 7,870</td>
</tr>
<tr>
<td>Cumulative contributions</td>
<td>$ 7,686</td>
<td>$ 7,454</td>
</tr>
<tr>
<td>Cumulative capitalized income</td>
<td>$ 482</td>
<td>$ 416</td>
</tr>
</tbody>
</table>

Note 12 Contractual Obligations

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

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Contracts</td>
<td>$ 1,913</td>
<td>$ 686</td>
</tr>
<tr>
<td>Capital Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term Leases</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 13 Budget Comparisons

The College’s 2010-11 budget was approved by the Board of Governors and was presented to the Minister of Advanced Education and Technology as part of the College’s submission of its 2010-2014 Business Plan. Certain budget figures from the College’s 2010-2014 Business Plan have been reclassified to conform to the presentation adopted in the 2011 financial statements.
Note 14  Investment Earnings (Loss)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>on investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>held for endowed</td>
<td>681</td>
<td>598</td>
</tr>
<tr>
<td>Income (loss)</td>
<td>1,440</td>
<td>1,333</td>
</tr>
<tr>
<td>on other investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total investment income (loss)</td>
<td>2,121</td>
<td>1,931</td>
</tr>
<tr>
<td>Transfer from deferred donations and endowment interest</td>
<td>365</td>
<td>184</td>
</tr>
<tr>
<td>Amounts drawn (credited) to endowment principal</td>
<td>(66)</td>
<td>(59)</td>
</tr>
</tbody>
</table>

\[
\begin{align*}
\text{Total} & = \text{2,420} & \text{2,056}
\end{align*}
\]

Note 15  Related Party Transactions

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

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions from GOA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Education and Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants</td>
<td>$27,267</td>
<td>$27,832</td>
</tr>
<tr>
<td>Capital grants</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Apply Alberta</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td>Access to the Future Fund</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Advanced Education and Technology</td>
<td>$28,467</td>
<td>$28,384</td>
</tr>
<tr>
<td>Other-GOA departments and agencies grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alberta Infrastructure</td>
<td>4,918</td>
<td>4,927</td>
</tr>
<tr>
<td>Other</td>
<td>712</td>
<td>1,931</td>
</tr>
<tr>
<td>Total other-GOA departments and agencies grants</td>
<td>$5,630</td>
<td>$6,858</td>
</tr>
<tr>
<td>Total contributions received</td>
<td>34,097</td>
<td>35,142</td>
</tr>
<tr>
<td>Less: deferred contributions</td>
<td>1,552</td>
<td>7,383</td>
</tr>
<tr>
<td>$32,545</td>
<td>$27,759</td>
<td></td>
</tr>
</tbody>
</table>

Accounts Receivable

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Education and Technology</td>
<td>$35</td>
<td>$1,257</td>
</tr>
<tr>
<td>Other-GOA departments and agencies grants</td>
<td>1,505</td>
<td>1,552</td>
</tr>
<tr>
<td>$1,540</td>
<td>$2,809</td>
<td></td>
</tr>
</tbody>
</table>

Accounts Payable

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Education and Technology</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Other-GOA departments and agencies grants</td>
<td>10</td>
<td>1,504</td>
</tr>
<tr>
<td>$10</td>
<td>$1,594</td>
<td></td>
</tr>
</tbody>
</table>

The College has long-term liabilities with Alberta Capital Finance Authority as described in Note 6.

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

Campus Alberta Central (CAC) is a joint venture between Olds College and Red Deer College and is administered by Olds College. Olds College reports 100% of all operations relating to Campus Alberta Central. CAC provides educational programming to communities throughout central Alberta.

Note 16 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 is 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 is owned by Chinook’s Edge School Division. The health and wellness facility and e-learning center is owned by Olds College. The land for the Community Learning Campus will continue to be owned by Olds College.

Note 17 Funds Held on Behalf of Others

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

<table>
<thead>
<tr>
<th>Organization</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Association</td>
<td>$447</td>
<td>$418</td>
</tr>
<tr>
<td>Drumheller Further Education</td>
<td>38</td>
<td>56</td>
</tr>
<tr>
<td>Other</td>
<td>47</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$532</strong></td>
<td><strong>$530</strong></td>
</tr>
</tbody>
</table>

These amounts are not included in the financial statements.

Note 18 Salaries and Employee Benefits

The Province of Alberta’s Treasury Board Salary and Benefits Disclosure Directive dated December 1998 as amended June 13, 2007 requires the College to disclose certain salaries and benefits. These salaries and benefits are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Board</td>
<td>$13</td>
<td>$13</td>
</tr>
<tr>
<td>Board members</td>
<td>$37</td>
<td>$31</td>
</tr>
<tr>
<td>President</td>
<td>199</td>
<td>284</td>
</tr>
<tr>
<td>Vice-President, Academic</td>
<td>162</td>
<td>268</td>
</tr>
<tr>
<td>Vice-President, Advancement</td>
<td>143</td>
<td>177</td>
</tr>
<tr>
<td>Vice-President, Student and</td>
<td>147</td>
<td>168</td>
</tr>
<tr>
<td>Support Services</td>
<td>140</td>
<td>157</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$841</strong></td>
<td><strong>$1,098</strong></td>
</tr>
</tbody>
</table>

(1) Base salary includes permissible base pay.
(2) Other cash benefits include memberships, car allowance, health and wellness allowances, tuition fees and accumulated administrative leave.
(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.
(4) There were 10 Board Members in 2011 (2010 – 10 Members).

Note 19 Pension Expense

The Local Authority Pension Plan (LAPP) is a multi-employer contributory defined benefit pension plan for support staff members and is accounted for on a defined contribution basis.

At December 31, 2010, the LAPP reported an actuarial deficiency of $4,635,250 (2009 - $3,998,614 deficiency).
The pension expense recorded in these financial statements is $1,916 (2010 - $1,906).

Note 20 Canada – Alberta Knowledge Infrastructure Program

The Canada – Alberta Knowledge Infrastructure Program (KIP) was established in support of capital projects at post-secondary institutions in order to offset the impact of the global economic recession by providing employment opportunities. Eligible KIP projects can receive up to 50% of its funding from the Government of Canada contributions through direct payments made by the Province. The remaining portion of funding for KIP projects is made up of internal resources, provincial contributions and research grants. The KIP program supports eligible costs from February 24, 2009 to March 31, 2011, however some projects under the program have been extended to August 31, 2011. Amounts received from the Province of Alberta representing Government of Canada contributions and total eligible costs incurred on KIP projects are as follows:

<table>
<thead>
<tr>
<th></th>
<th>July 1, 2010 to March 31, 2011</th>
<th>July 1, 2009 to June 30, 2010</th>
<th>February 24, 2009 to June 30, 2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$1,459</td>
<td>$1,459</td>
<td>$500</td>
<td>$3,418</td>
</tr>
<tr>
<td>Total Eligible Costs</td>
<td>$2,918</td>
<td>$2,918</td>
<td>$1,000</td>
<td>$6,836</td>
</tr>
</tbody>
</table>

The remaining contractual obligation to complete the projects at June 30, 2011 is $1,913. This amount is included in Note 12.

Note 21 Comparative Figures

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

Note 22 Subsequent Events

In support of the development of the Canadian Institute for Rural Entrepreneurship (CIRE), Olds College and the Pomeroy Group are in the process of forming a Limited Legal Partnership which will operate a hotel and convention centre on land owned by Olds College which will be leased to the partnership.

Olds College, through a trust, will own 40% of the partnership units of the Limited Legal Partnership. The Pomeroy Group will own 60% of the units and will be the managing partner responsible for the construction of the hotel and management of the operations of the hotel and convention centre.

It is expected that the hotel and convention centre will provide new program venues for students at Olds College.