

NBCC

2013 2014

ANNUAL REPORT

A Significant Return on Investment





OUR VISION

Transforming lives and communities

A strong strategic plan for a significant return on investment

OUR VALUES

WE LEARN TOGETHER TO:

ENCOURAGE, ENGAGE AND INSPIRE

We love what we do. We want to create collective pride in and for our College as we build our reputation for life-changing learning experiences.

LEAD WITH INTEGRITY

We take pride in our collective accountability. We are never satisfied – we constantly strive to exceed expectations.

DO THE RIGHT THING

As reliable, respectful professionals, we lead by example and with courage. We do what we say we will do.

EMBRACE INNOVATION

We know the value of curiosity and creativity. We strive to unleash it in our students and we expect it of ourselves.

DEVELOP STRONG RELATIONSHIPS

We create new opportunities to serve learners, communities and each other. We are integral to the success of New Brunswick and beyond, and we want to be extraordinary in our ways of working in collaboration.

OUR PURPOSE

We are a collaborative, learner-centred college – creatively contributing to social and economic prosperity through applied learning.

OUR COMMITMENTS

To our **learners**: inspiring successful learners to make a difference.

To our **communities**: building prosperous communities.

To our **people**: creating a great place to work and learn.

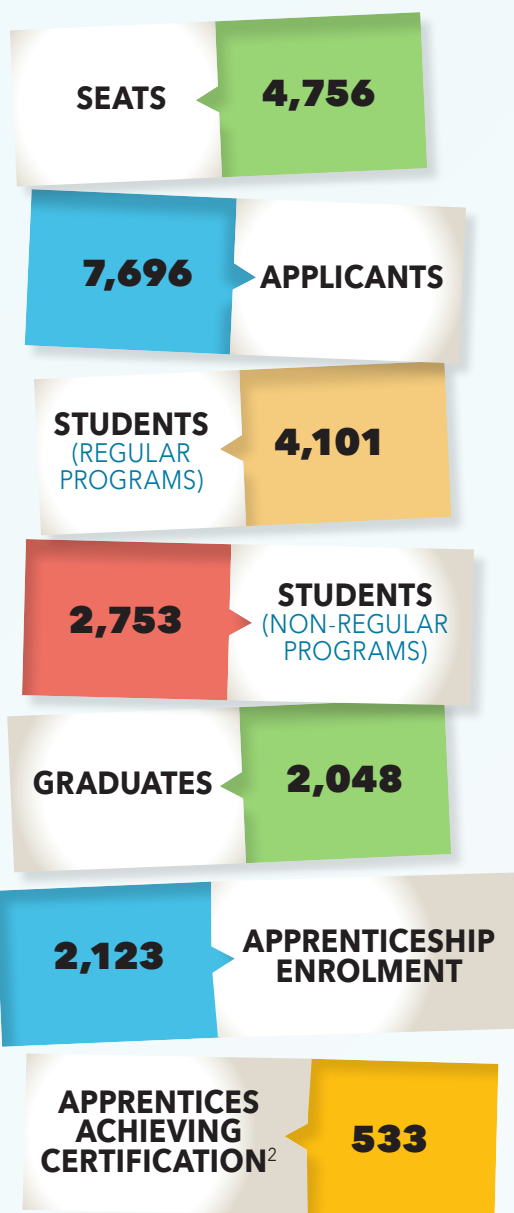
To our **stakeholders**: ensuring responsible stewardship.

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¹SOURCE: Corporate Research Associates, June 2014



²SOURCE: Post-Secondary Education, Training and Labour-Apprenticeship Branch



Two-year diploma completers earn **\$420,000 more** over the course of their careers than those with a high school diploma.

SOURCE: Demonstrating the Value of New Brunswick Community College: Analysis of the Economic Impact and Return on Investment of Education by Economic Modeling Specialists, Inc. (EMSI)

Key Performance Indicators (KPIs) 2013 - 2014 as established by Government

87%

Overall Employment

¹Benchmark 80%

86%

Graduate Satisfaction

²Benchmark 80%

81%

Related Employment

³Benchmark 78%

83%

Graduation Rate

Benchmark 60%

84%

Retention Rate

Benchmark 83%

^{1,2,3}SOURCE: 2013 Survey of 2012 NBCC Graduates



MESSAGE FROM OUR BOARD CHAIR



The NBCC Board of Governors is very pleased and proud to present *A Significant Return on Investment*, NBCC's 2013-2014 Annual Report. New Brunswick taxpayers make a significant investment in our College so that we can continue to provide accessible, affordable and quality public post-secondary education. As a Board of Governors, we have an important role to play in the accountability, stewardship and governance of those investments.

Seven out of 10 New Brunswickers believe that NBCC is a good investment for taxpayers according to a recent survey by Corporate Research Associates. As a Board, we are working hard to merit and increase that confidence. For their investment in NBCC, New Brunswick taxpayers see a real rate of return of 6.9%. Investing in NBCC also provides a social benefit of \$8.10 for every dollar invested through reduced health care, crime and income assistance costs associated with higher education levels.¹

Having completed our fourth year as a Board-governed College and the second year of our strategic plan, NBCC and our Board of Governors continue to evolve. We continuously improve our governance, stewardship and performance measurements to ensure that we make the most of your investments.

Each of the Governors feels very privileged to serve on NBCC's Board of Governors. We look forward to continuing to deliver a great return on investment through publicly-funded post-secondary education.

Cheryl M.G. Robertson
Board Chair

¹ SOURCE: Demonstrating the Value of New Brunswick Community College: Analysis of the Economic Impact and Return on Investment of Education by Economic Modeling Specialists, Inc. (EMSI)

Board Governance: Ensuring Accountability for Public Investment

The Board approved NBCC's 2012-2013 **Annual Report** in September.

The 2013-2014 **Operational Plan** was approved in October.

The 2013-2014 **Business Plan** was approved in December.

In December, the Board received a presentation on **Right to Information and Protection of Privacy Act (RTIPPA)** and the governance role with respect to these risk management issues.

In April, they explored the issue further with the New Brunswick Access to Information and Protection of Privacy Commissioner.

The Board began receiving **Quality Management Quarterly Reports** for review in January 2014.

The Board approved NBCC's **Internal Audit Charter** in February.

The Canadian Institute of Diversity and Inclusion (CIDI) facilitated a one day-training session on

diversity and inclusion with the Board in February.

In April, the Audit Committee reviewed NBCC's first **Interim Enterprise Risk Management Report** and Enterprise Risk Management Process.

The Board moved to fully **paperless meetings** this year. All Board and Committee meeting packages, as well as other governance resources, are now available online and accessible by the Governors and the Senior Executive Team.

In June the Board approved the College's **2014-2015 Budget** and the **2013-2014 Audited Financial Statements** - both indicating positive balances.

At the 2014 Annual General Meeting in June, **Lois Scott** was elected Chair of the NBCC Board of Governors. A proud NBCC alumna, Lois is also a nurse by training and is currently a consultant in health care. She has previously served as Vice-Chair of the Board of Governors.



2013-2014 NBCC Board of Governors

(standing, from left) Kevin Bourque, Stephen McCready, Karen O. Taylor, Luc St-Jarre, Greg Curwin, Michael Bronson
(seated, from left) Signe Gurholt, D. Ellen Cook, Cheryl M.G. Robertson (Chair), Lois Scott (Vice-Chair), Bayne MacMillan, Barb McClenaghan



MESSAGE FROM OUR PRESIDENT AND CEO



It is with great pride that we deliver *A Significant Return on Investment*, NBCC's 2013-2014 Annual Report. In the second year of our five-year strategic plan, *Imagine the Possibilities*, NBCC has continued to move forward and deliver a great return on investments for our students and our Province.

According to the most recent Graduate Follow-Up Survey, 87% of our 2012 graduates were working in 2013 with 88% of them working in New Brunswick.

For every \$1 invested in an NBCC education, our graduates earn \$4 back in higher lifetime earnings. NBCC operations, student spending and student productivity inject over \$1.1 billion into the provincial economy annually - that is 3.8% of the GDP.¹

Our growth and advancement is getting noticed. In a recent survey by Corporate Research Associates, NBCC received the highest reputation ratings among prominent post-secondary institutions in New Brunswick - a first for our College!

Without question, the greatest and most significant impact is in the lives we change. Every single day, in a variety of ways, the work of our College staff ensures that NBCC fulfills our vision of transforming lives and communities for the benefit of all New Brunswickers. It is a privilege to work with this team and to be able to share with you the results of their work.

Marilyn Luscombe
President and CEO

¹SOURCE: Demonstrating the Value of New Brunswick Community College: Analysis of the Economic Impact and Return on Investment of Education by Economic Modeling Specialists, Inc. (EMSI)

Providing Leadership to Maximize Return on Investment

As NBCC continues to work toward the achievement of our five-year strategic plan, we continue to evolve in response to challenges and opportunities. The reorganization of our Senior Executive Team in January 2014 was one of those points of evolution. The resignation of one executive team member resulted in the consolidation of six positions to five.

Bill Best became Vice-President of Finance and Administration, inclusive of Facilities; Information Technology; Risk Management; Accounting and Budgeting; and Procurement.

Terry Dempsey assumed the revised role of Vice-President of Academic Development, inclusive of Regional Delivery; Program Development and Renewal; Business Development; and International Education.

Suzanne Desrosiers, became Vice-President of Employee and Student Development, inclusive of Resourcing and Employee Learning; Compensation, Benefits and Wellbeing; Labour Relations; and all Student Development functions.

Mary Butler remained Vice-President - College and Community Development, inclusive of Applied Research; Marketing and Communications; Advancement; Quality Management and Institutional Research; and Strategic and

Operational Planning.

In addition to her overall leadership of the College, the President and CEO is responsible for Governance Development and Support, Accountability and Reporting, and Internal Audit.

In August 2014, **Lisa Taylor** joined NBCC as Vice-President of Finance and Administration. Formerly of Algonquin College, she replaced Bill Best who left NBCC to become President of Cambrian College.



(from left) Terry Dempsey, VP Academic Development | Suzanne Desrosiers, VP Employee & Student Development | Mary Butler, VP College & Community Development | Marilyn Luscombe, President and CEO | Bill Best, VP Finance & Administration



COMMITMENT TO OUR LEARNERS OUR #1 INVESTMENT YIELDS LIFELONG RESULTS

We are inspiring learners to make a difference.

NBCC is a learner-centred College focused on the success of our students and their impact on our communities. We recognize that, given the increasing diversity of learner needs, innovative and relevant program and service responses are key to successful student experiences.

Quality, relevant programs

We maintain strong relationships with employers to **ensure quality, relevant programs** that are responsive to the opportunities in today's workforce. This is important because our graduate surveys show that NBCC graduates working in a field directly related to their training are employed longer and earn more.

Our data-focused academic decision-making process engages business and community leaders in an annual review of each of our programs to ensure we offer the right training for the right opportunities. As part of the process this year, we introduced Regional Advisory Committees (RACs) at all campuses to ensure the socio-economic needs and opportunities of our College regions are part of the conversation.

Opportunities for applied learning are at the forefront of NBCC programming. 90% of our programs contain an applied learning aspect through co-op, internships and industry practicum placements.

To support teaching and learning excellence, a Learning Innovation Centre was established in 2013-14. NBCC faculty and staff from all campuses with a variety of experiences contributed to determining Best Practices. Teaching resources were launched this year with more to come in the next academic year.

Multiple pathways to learning

NBCC aims to meet the needs of 21st century learners by **creating multiple pathways for learning**. Through our investments and partnerships, we are removing barriers and increasing mobility.

Partnerships in New Brunswick, across Canada and internationally are important to increase the ability of students to move between institutions. In 2013-14, NBCC reached agreements with the University of New Brunswick on Environmental Technology, as well as an expanded agreement with St. Thomas University for Early Childhood Education, Gerontology and Protective Services. NBCC now has 19 educational agreements with other post-secondary institutions.

In addition to partnerships that allow students to move between institutions, we are preparing to reach students outside traditional time frames and beyond the walls of our campuses. NBCC is laying the foundation for an E-college in order to offer educational opportunities to students here at home and around the world.

94% of NBCC graduates are working or ready to work¹ as compared to 63% of New Brunswickers and 67% of Canadians.²

88% Percentage of employed 2012 graduates Working in New Brunswick³

^{1,3}SOURCE: 2013 Survey of 2012 NBCC Graduates

²SOURCE: Labour Force Survey, Statistics Canada, June 2013



◀ Trevor Rowe, a Business Administration: Marketing alumni, along with a business partner opened their own business 5senses Gourmet Catering in 2010. The Moncton-based operation has since bloomed into five companies: catering, private chef service, restaurant, cooking school, and Blossom's Fresh Fruit Arrangements.



A Growing Entrepreneurial Spirit

The percentage of NBCC graduates identifying themselves as entrepreneurs one year after graduation has tripled since 2010.

To accelerate this momentum, we are investing in a new **Entrepreneurial Mentorship Project** that will bring together aspiring entrepreneurs and successful business people in the NBCC community.

In 2013-14, Miramichi was identified to pilot this project and a development committee was formed from the Miramichi community. The pilot, known as **Oasis**, was launched in June.



"I'm walking into the program like a sponge and hope to walk out well-educated."

In October 2013, **Gregory Collette**, a first-year Business Administration: Accounting student at New Brunswick Community College Fredericton, was selected as a Student Ambassador by the Pond-Deshpande Centre, an NBCC partner that grows and supports innovation and entrepreneurship in New Brunswick.

Supporting student success

NBCC takes a proactive and planned approach to **enhance students' opportunities to succeed** from the moment of inquiry or recruitment through to graduation and beyond.

Our recruitment team reaches 126 New Brunswick schools each year. We aim to create a positive first college experience for students even before they enter high school with our **World of Work** days. Hosted in June, this campus visit program for Grade 8 students is designed to capture their imaginations, stir their enthusiasm, and get them to start thinking about the idea of post-secondary through education and hands-on learning.

**WORLD OF
WORK**
Participants:

2,654

"I just wanted to take this opportunity to thank you and your staff for the fantastic day you provided for our grade 8 students. When the students came back the light in their eyes was priceless."

Todd Fitzpatrick
Principal
Nelson Rural School

College Preview Day in May allows accepted students and their friends and families a chance to explore and discover their future home. This opportunity to learn more about the College, campus, programs, student services and financing, means our students arrive ready to make the most of their NBCC experience.

**EXPLORE
YOUR
FUTURE
HOME!**

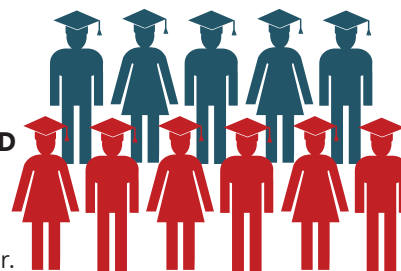
**COLLEGE
PREVIEW DAY**

**1500
GUESTS!**

479

STUDENTS SUPPORTED

through learning accommodations.
An increase of **24%** over the previous year.



During their time at the College, students are supported through our **Student Success Centres**. Through investments in facilities and new technologies, students with diverse learning needs are receiving the support they need to succeed.

"When I was going to NBCC, they were very helpful and they understood how I learned. They were with me every step of the way and encouraged me when I thought I couldn't do it. I took the Personal Support Worker program and am now working at the nursing home in St. Andrews and love it. It was worth the hard work in the end!"

- Natasha Blanchard

As part of our strategic vision for the College, NBCC is committed to a learning environment that honours and respects diversity. Not only is this the right thing to do, it helps us grow a stronger organization. In 2013-14, we began to build the business case for greater diversity and inclusion with NBCC's senior executive and management team across the College participating in diversity and inclusion training.

These scholarships encourage and support women and men pursuing a non-traditional career at a New Brunswick college.

39 NBCC students received
GENDER EQUALITY SCHOLARSHIPS

These scholarships are awarded annually to Anglophone and Francophone New Brunswick high school graduates accepted at any campus of NBCC.

61 NB PUBLIC ENTRANCE SCHOLARSHIPS awarded





- ▶ Lieutenant-Governor Graydon Nicolas (left) shares a moment with Elder Noel Millea. "Elder Noel Millea has made a wonderful impact on the Miramichi campus with students and staff. He is greatly appreciated and honoured in our campus community."
 - Constance Sewell, NBCC Aboriginal Advisor

The number of self-identified Aboriginals enrolled increased by **8%** in 2014.

NBCC is working in many ways to increase the successful participation of students at NBCC.

Our team of **Aboriginal Student Advisors** (ASAs) spearhead recruitment and relationship-building. ASAs are developing the Elder-as-Resource program across the College's six campuses, leading workshops and sharing smudging ceremonies and sweatlodge ceremonies with students and staff at NBCC.

NBCC currently delivers programming to three First Nations communities, including a new Personal Support Worker program in Tobique introduced in 2013-14.

At the national level, NBCC is part of the conversations around First Nations education through the Colleges and Institutes Canada Indigenous Education Protocol Committee.



- ▶ In March, the NBCC Moncton Wabanaki Center held a vigil to honour Loretta Saunders and raise awareness about missing and murdered Indigenous women. Donations were raised toward a bursary for a self-identified Indigenous woman attending NBCC Moncton in the upcoming Fall. Every October since 2012, NBCC campuses have held a Sisters in Spirit Vigil which honours the lives of missing and murdered Aboriginal women and girls across Canada.



MAKING A DIFFERENCE NBCC PAYS IT FORWARD

NBCC'S Community Leadership Institute

Our College recognizes the benefits and the importance of the skills that are developed through serving the community as volunteers. We are already doing many things across our College by way of community leadership and service learning.



Launching in October 2014, our flagship initiative brings together our vision of "transforming lives and communities." This grew out of our strategic commitment to create a unique NBCC signature learning experience that transcends disciplines. The Institute will enable students to be involved in **community leadership opportunities** that will help develop their leadership and citizenship skills. These experiences will be recognized and credentialed. We will use our existing partnerships and build new ones so students, staff, Board and Alumni can participate in meaningful community service that makes a difference. All who participate will become part of NBCC's Volunteer Corps. The Institute will also develop community leadership programming to build a culture of leadership within NBCC and throughout communities in our Province.



A new partnership between NBCC and Habitat for Humanity Fredericton saw students in NBCC's Building and Construction Trade program building components of the new **Nooks & Crannies micro-homes**, a North American first. ▲



In 2007, NBCC Miramichi instructor Brenda Daigle sent her son, a member of the Canadian Armed Forces, a parcel over the holidays while he was on a tour of duty. After learning he shared his treats from home with others in his unit, Daigle was inspired. Since 2008, she has led **Operation Christmas Shoe Boxes** and every year, the campaign receives resounding support from students, faculty, staff as well as the local business community. In 2013-14, over 200 boxes full of goodies and gifts were deployed overseas during the holiday season and to date, over 1,000 boxes have been sent. This year, Brenda (left) was presented with the final Canadian flag that flew over Camp Phoenix in Afghanistan by Sgt. Martin Veilleux (right), Canadian Armed Forces. ◀

From March 24-28, students at NBCC Fredericton campus hosted fundraising events every day at lunch to support **Breaths for Jade**. Jade Tripp, a student at NBCC Fredericton campus, has Cystic Fibrosis and is awaiting a double lung transplant. Fundraising events included a Bake Sale, The Dating Game, a BBQ, Karaoke and a breakfast benefit held at the Rusagonis Hall. ▼



In 2012-13, the NBCC Saint John Campus' Working Together Committee pledged to raise \$10,000 in the following academic year for stem cell research.

Allied Health Education Cares about Stem Cell Research

was a collective effort of the NBCC Saint John Campus - Allied Health Education Centre, led by the committee and department head Catherine Sidney, with help from the Student Representative Council and students. Only four months into the school year, the committee surpassed their goal. In mid-February, they presented Dr. Terrance Comeau's local Stem Cell Transplantation Program Lab at the Saint John Regional Hospital with a cheque for \$11,000. ▼



In September 2013, NBCC St. Andrews Campus students and staff helped to build and repair a **community playground**. This huge volunteer project saw carpentry, plumbing and electrical students putting their new skills to use, while office administration, hospitality & tourism and practical nursing students prepared and served lunch for volunteers. ▲

In June, students from the NBCC Moncton Business Administration classes held a fundraiser barbeque at a local Sobeys. Through their time and effort, along with the generous donations from Sobeys, they raised \$1,550 which was **donated to the RCMP Foundation** in memory of three fallen Codiac Regional RCMP members. The foundation supports the work of RCMP members across Canada who tirelessly and voluntarily develop and coordinate programs with local community groups in an effort to enhance the lives of Canada's youth at risk. ▼





INVESTING IN EXCELLENCE



Alex Tucker, a graduate of the Police Foundations program, was recognized with one of Colleges and Institutes Canada's highest honours - the Gold Student Leadership Award. Alex received the award from Ann Buller, former Chair of Colleges and Institutes Canada's Board of Directors and President and CEO of Centennial College.

NBCC Excellence Award: Student Leadership
As an international student from Jamaica, **Theolyn Martin** overcame much adversity in her life prior to attending the Criminal Justice program at NBCC Miramichi Campus. Among her many commitments, she volunteered to tutor her peers, to spread the message against drinking and driving, and to help develop NBCC Miramichi Campus' partnership with Hospice Miramichi for which our students volunteer their time.



In January 2014, NBCC received the **Council for Advancement and Support of Education (CASE)** Award of Excellence recognizing the creation and launch of the NBCC Alumni Association.



In June 2014, NBCC was awarded the **Silver Prix d'Excellence Award for Best Institutional Branding** from the Canadian Council for the Advancement of Education.



Mark Watson, an honours graduate of the Mechanical Engineering Technology program, was awarded first place in the Canadian Technology Accreditation Board 2013 National Applied Research Contest.

Beth Corkum, a graduate of the Respiratory Therapy program, earned top scores in the national certification exam for the Canadian Society of Respiratory Therapists and was awarded the Trudell Gold Medal Award for her achievement.





SkillsCompétences Canada

Eleven NBCC students and apprentices showcased their skills on the national level at the 2014 Skills Canada National Competition (SCNC) in Toronto bringing home a silver and two bronze medals.



Steve Lapointe

Sheet Metal Apprentice, Moncton Campus



Aaron Wright

Refrigeration and Air Conditioning, St. Andrews Campus



Shawn Guignard

Welding Apprentice, Moncton Campus

Ashley Bent

Bricklaying, Woodstock Campus

Christa Parent

Office Administration: Executive, Saint John Campus

Jaycobb Hooper

Motor Vehicle Body Repairer and Painter, Saint John Campus

Jonathan Walsh

Carpentry, Miramichi Campus

Tyler Donovan

Information Technology: Programmer-Analyst (co-op), Saint John Campus

Bradley Stiles

Plumbing Apprentice, Saint John Campus

Jamie Stewart

Steamfitter/Pipefitter Apprentice, Saint John Campus

Taylor Welch

Electrical Apprentice, Moncton Campus

Michelle McAllen, a student in the Culinary Arts program, was awarded the grand prize in the USA Pears Pear Excellence Canadian Culinary Student Competition 2014.



Deborah Murley, Canadian Association of Medical Radiation Technologists (CAMRT) president (left) presents **Lisa Betts**, a Nuclear Medicine Technology instructor (right), with the Dr. Marshall Mallett Lamp of Knowledge Award which honours a major contribution to the profession or association at a national level.



Counsellor **Wayne Milner** was presented with a national award by the New Brunswick Association for Community Living for his efforts to promote inclusion in postsecondary education.

During his 23 years with NBCC, Wayne has worked with over 1,000 students who required learning accommodations.





COMMITMENT TO OUR COMMUNITIES PUTTING INVESTMENTS TO WORK FOR PROVINCIAL PROSPERITY

We are building prosperous communities

NBCC is committed to serving communities. We believe a stronger College results in stronger communities. Our new strategic initiatives and collaborative approach will enable us to work together in new and innovative ways.

Using our resources for socio-economic development

NBCC operations and our graduates inject \$1.1 billion into the New Brunswick economy each year. This figure amounts to roughly 3.8% of the Province's total annual income.

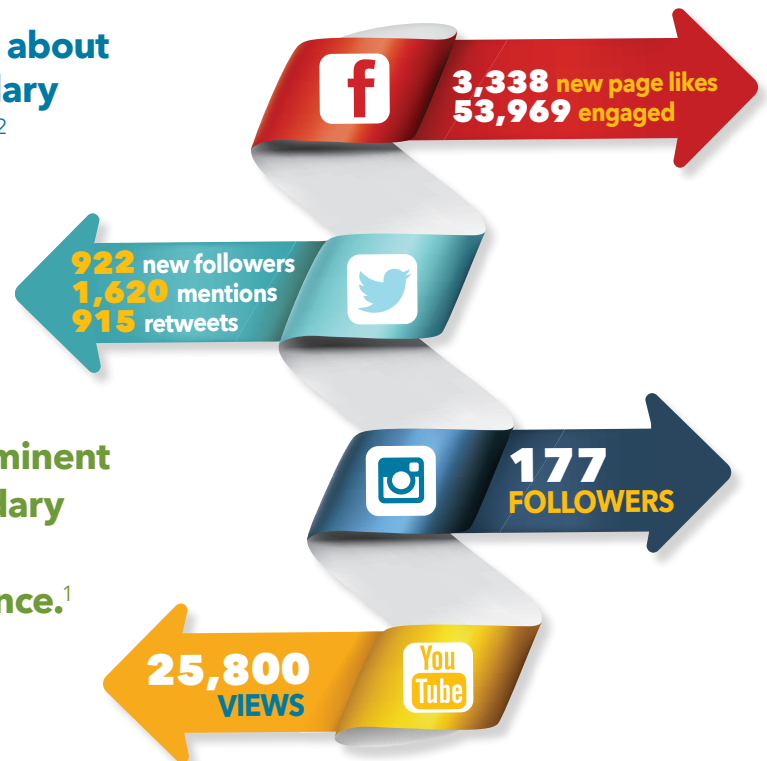
In addition to this contribution, we **utilize our College resources for social and economic development** through research and innovation, strong relationships with alumni and donors and greater community engagement.

We are communicating NBCC's success in many compelling ways to **strengthen NBCC's reputation as a contemporary college of choice.**

In 2013, NBCC launched a new brand that serves as a beacon to remind New Brunswickers of the role that NBCC has made, and continues to make, in the transformation of lives and communities.

32%
of New Brunswickers
MENTION NBCC FIRST when asked about
post-secondary institutions.²

NBCC received the HIGHEST REPUTATION RATINGS among prominent
post-secondary institutions in the province.¹



^{1,2}SOURCE: Corporate Research Associates, June 2014

As at August 31, 2014

NBCC

APPLIED RESEARCH AND INNOVATION

Supporting Research, Development and Innovation

NBCC's transition to a Crown Corporation opened the door to greater applied research funding opportunities in order to increase our capacity for innovation. The Province's investment in research and innovation, coupled with the eligibility of colleges for grants, is a step in the right direction and through these investments, NBCC is also able to leverage funding from other sources. Through our Applied Research and Innovation unit, NBCC students, staff and industry partners use the College's expertise, equipment and facilities to develop new innovative technologies and processes that will enhance the way we live, work and do business.

228	Students Engaged
24	Research Projects
18	Industry Partners
19	Staff Engaged
\$396K	Committed

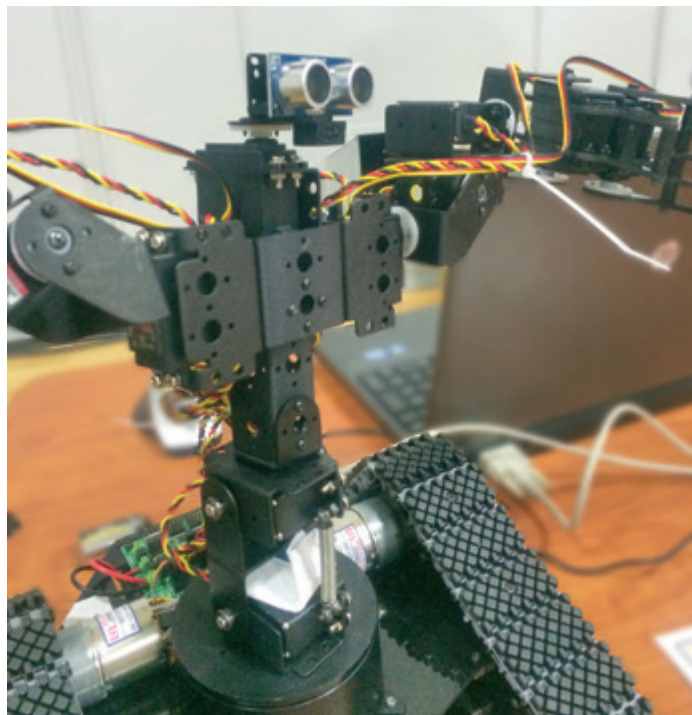
GTECH Canada ULC is very fortunate to be involved with NBCC's Applied Research program which acts as an extension to our internal R&D department. In addition to having access to highly skilled instructors and students, the college is very flexible and can rapidly adapt to the needs of industry. This can be a benefit to all of the business community by helping to commercialize their product and service ideas in a very efficient manner. The applied research capability of NBCC also nicely complements the university based research capacity in the region by filling the gap between basic research and commercialization.

*David Small
GTECH Director, Advanced Research and Innovation*

An example of a fully-operational mechatronics project created by a student and showcased at the Mechatronics Workshop. ▶

"Applied Research & Innovation at NBCC has not only brought scholarship to my teaching but also to student learning. Student-faculty and student-student collaboration built unforgettable partnerships creating a sense of pride in all participants - 95 students were involved!"

*Lori Kelly RN, DOHN, CCN(c)
Instructor, Practical Nurse and
Personal Support Worker Programs*



Advancing alumni & donor development

NBCC **supports students by building strong relationships** with private donors and companies in our local communities.

Through the Alumni Association, NBCC hosts job fairs and works with recruiters to visit our campuses. In addition, the Association works with employers to provide a thriving career posting service housed on the alumni website which is also shared with alumni and students via social media.

**Our 2013-14 goal was 3,000.
We signed over 4,300
NBCC Alumni members
in one year!**



"NBCC has developed an innovative and dynamic marketing plan to get the word out to alumni concerning the creation of the new association and benefits. To date, our partnership with NBCC is one of the fastest growing we have seen and has surpassed our expectations. Congratulations to NBCC and we look forward to continuing our collaboration to meet the needs of your members."

Nancy Hammond,
Vice President Affinity Marketing Group, Quebec and Atlantic Canada, TD Insurance



The NBCC Foundation Inc.
Support Achievement!

For our students, studies are their first priority. That's why we've created a student awards program that provides financial support while recognizing the diversity and needs of our students and celebrating their achievements.

Through the NBCC Foundation Inc. and many generous donors, we are pleased to offer a number of opportunities for scholarships, bursaries and awards to our students. Awards may be specific to a campus or program and have varied application criteria and deadlines.

Each year, bursaries and scholarships are available in varying amounts to students attending one of six NBCC campuses in the Province.

262

BURSARIES,
SCHOLARSHIPS
AND AWARDS

\$241,060

IN BURSARIES,
SCHOLARSHIPS AND
AWARDS FUNDING

"This bursary has gone a long way to alleviating some of the financial strain that we, as students, often find ourselves under, and has allowed us to really focus on being successful in our student journey."

Corey
2013 Bursary Recipient
NBCC Miramichi Campus

A comprehensive international strategy

While we strengthen relationships here at home, we are also **creating a comprehensive international strategy**.

In 2013-14, we hosted 10 Brazilian students through the Science Without Borders scholarship program that was funded by the government of Brazil and coordinated by Colleges and Institutes Canada (formerly Association of Canadian Community Colleges.) Their year at NBCC is an opportunity for these university students to receive applied training in their fields as Brazil builds its science and technology capacity.

INTERNATIONAL
77 STUDENTS
in 2013

COUNTRIES
29 REPRESENTED
at NBCC



**THE AMAZING
RACE**
New Brunswick

During this exciting 3-day event, 29 international students from NBCC and CCNB visited some of New Brunswick's best-known sites. This partnership with CCNB and supported by Post-Secondary Education, Training and Labour, showcased New Brunswick, highlighted NBCC and CCNB and celebrated our commitment to attracting and retaining international students.



2013 - 2014 A YEAR AT A GLANCE

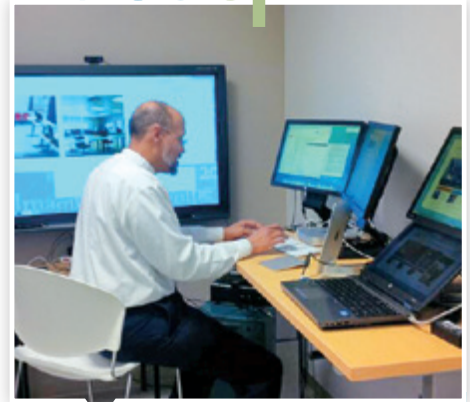


NBCC gets cooking with British chef Valentine Warner at Ministers Island as part of a TV series called **Valentine's Canadian Wild Table**.



NBCC's new **budget framework** announced.

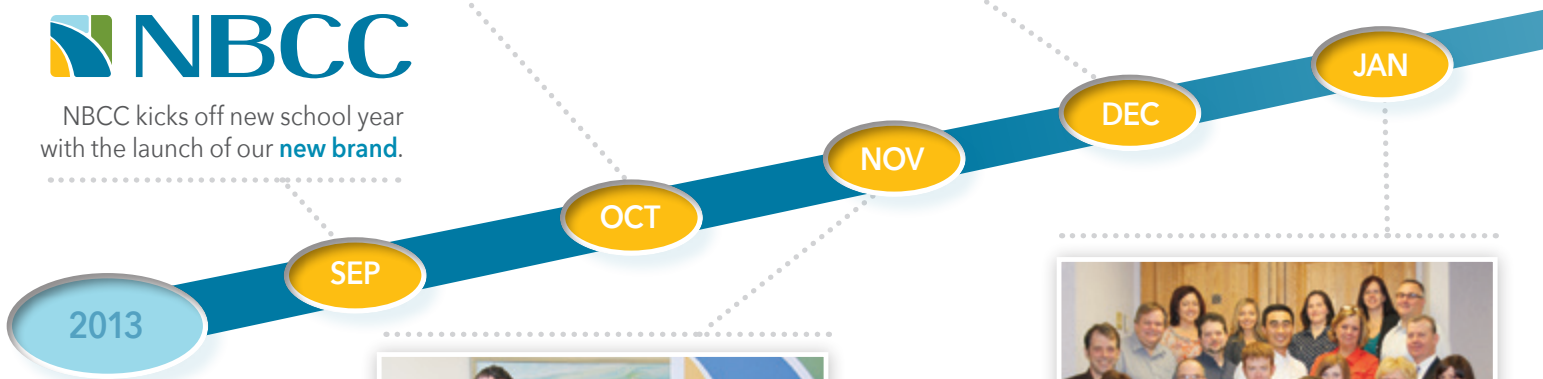
M O B I L E Ideaspace



As part of the Mobile First Technology initiative, NBCC Applied Research and Innovation unveil **Mobile Ideaspaces**, rooms that are part of a single virtual, online space that allow people to interact, at three campuses with plans to roll out college-wide at a later date.



NBCC kicks off new school year with the launch of our **new brand**.



November 18 to 29, NBCC employees supported our communities through a fundraising project for the **United Way**. Almost \$30,000 was committed College-wide, which was almost twice as much as the year before!



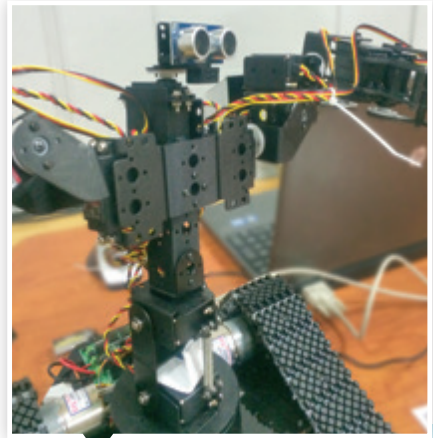
More than 30 instructors from across NBCC gather in Fredericton to celebrate the completion of their **Instructor Development Program (IDP)**.



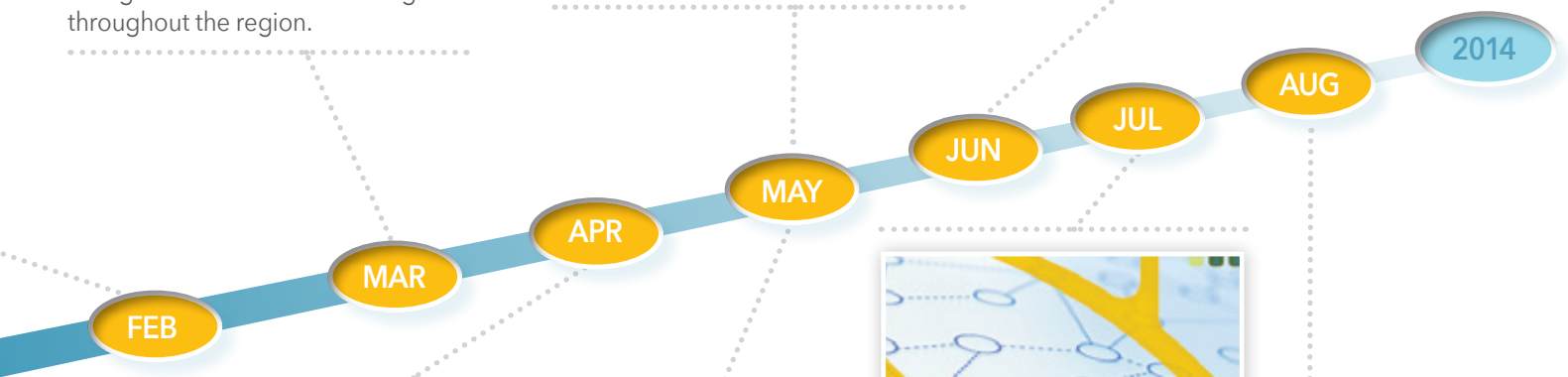
Region seeing positive return on investments in community colleges: A recent study released by the **Atlantic Provinces Community College Consortium** (APCCC) shows Atlantic Canadian community colleges act as an economic engine throughout the region.



For one weekend, 29 international students from NBCC and CCNB embark on an **Amazing Race** across New Brunswick allowing us to celebrate our commitment to attracting and retaining international students.



NBCC Applied Research and Innovation hosts a **Mechanics Workshop** showcasing NBCC's involvement in projects in the field of mechatronics where computer, engineering and mechanical fields converge.

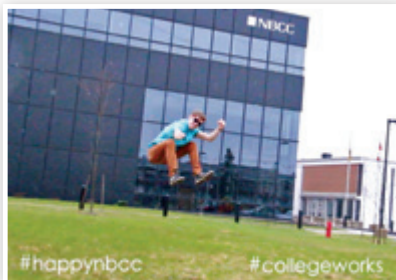


HigherEdPoints.com
it takes a village to raise a mind™

NBCC partners with **Higher Ed Points** to provide our students, their families and friends with an innovative way to offset educational expenses using Aeroplan points.



NBCC **Quality Management and Institutional Research** introduces a new, improved intranet resource for NBCC employees called NBCC@Work.



In advance of **College Preview Day**, NBCC releases **#happyNBCC** on YouTube earning more than **12,500 views!**



NBCC **Academic Kick-off** helps us prepare for another great year of transforming lives and communities.



COMMITMENT TO OUR PEOPLE INVESTING IN THE RIGHT TEAM PAYS OFF

We are creating a great place to work and learn

NBCC's success relies on the strengths and talents of our people. We want an engaged College community where we expect accountability and value our continuous learning and development. We understand the future of our College is reliant on the legacy of leadership that we create together.

Becoming an Employer of Choice

On the road to becoming an Employer of Choice, NBCC made great headway this year in defining its **comprehensive human resources strategy**. Through discussions of the Employee Engagement survey results and Employer of Choice focus groups, NBCC engaged more than 600 staff in identifying ways in which NBCC can become a great place to work and learn.

As we strive to improve, NBCC continues to attract interest in position openings. Since August 2013, approximately 3500 people have applied for positions within the College.

Enhancing employee engagement

NBCC recognizes the value of listening to our College community. In 2012-13, all employees were invited to participate in our first employee engagement survey as part of our goal to **enhance employee engagement**. NBCC employees themselves are now designing the College's response to the survey.

A College-wide Employee Engagement Committee, representing employees from each of NBCC's seven locations, and every job classification within the College, has been meeting to make recommendations on how to improve employee engagement in four priority areas: workload, pay satisfaction, organizational advancement, learning and development.

NBCC Management Academy is scheduled to launch in Fall 2014. This credentialed management program will be open to current NBCC leaders. Employees who complete the program will hold a certificate in management which will improve opportunities to advance within the organization and provide important learning and development opportunities.

75% of NBCC's Employees are
Instructors and Education Support



**Over 90% of
our employees are
based in our
six campuses.**



Excellence in Leadership Award

Coordinating instructor of the Respiratory Therapy (RT) program at NBCC Saint John Campus, **Ray Hubble** has 14 years teaching experience at NBCC and over 25 years of experience as a Registered Respiratory Therapist. He was recognized by the New Brunswick Association of Respiratory Therapists as Respiratory Therapist of the Year and recently received a national award from the Canadian Society of Respiratory Therapists.



Excellence in Teaching Award

An instructor with the Office Administration program at the NBCC Miramichi Campus, **Brenda Daigle** began her career with NBCC over 17 years ago. She is immersed in volunteering for her campus, for NBCC and for the community. Her inspirational and innovative teaching practices in the classroom are highly regarded by her students, as well as by her colleagues who have proceeded to implement these practices in their own curriculum.



Staff Support Excellence Award

Executive assistant to the regional director at NBCC Woodstock Campus, **Julie Shaw** is an alumnae of an NBCC program herself. She has been with NBCC for 23 years and during that time proven herself to be an invaluable resource and team member for all those who work with her. Throughout her career, she has held a variety of roles and accumulated knowledge and skills that she is more than willing to share with everyone.

NBCC Wellbeing

We launched our wellbeing strategy in 2013. The newly-formed Wellbeing Committee planned and executed a College-wide activity challenge and a week of activities to raise awareness about mental health issues.

Our pet therapy program, which was launched as a pilot at the Fredericton Campus in 2013, was expanded to three locations this year. Pets can ease loneliness,

reduce stress, promote social interaction, and encourage exercise and playfulness. NBCC's students and staff at our Moncton, Fredericton and Saint John campuses had a great day with furry friends through a partnership with St. John Ambulance.

In total, 122 wellbeing events were held across the campuses to cap off a successful year.

Our first College-Wide Wellbeing Challenge ended March 21

with **55,850** participation hours over six weeks and **119** participants!





COMMITMENT TO OUR STAKEHOLDERS MAKING INVESTMENTS COUNT

We are ensuring responsible stewardship

NBCC is committed to strategic and fiscal success. We will be accountable for maximizing the public's investment in learning through the effective and efficient stewardship and contemporary development of our resources.

Building the bottom line

NBCC is making every dollar count and **building the bottom line**. We have completed 2013-14 with a balanced budget, and have an approved balanced budget for 2014-15.

Given the limited fiscal resources of the Province, as well as the many operational and capital needs of NBCC and our strategic commitments, we are committed to stay on course. To this end, we introduced a new budget development framework in November 2013. By wisely and innovatively utilizing the dollars available, we will maximize our return on investment.

In 2013-14, we also introduced a new Enterprise Risk Management (ERM) process that is integrated with the budget development framework. NBCC is now better positioned to identify risks that could prevent us from achieving our goals, to determine appropriate response plans, and to execute these plan in order to manage or mitigate risks.

Learning and working environments

NBCC **develops our learning and working environments** not only to meet health and safety standards, but also to be modern and environmentally sustainable.

In Spring 2014, NBCC engaged an engineering firm to conduct a College-wide Facility Condition Assessment to support the development of our first Strategic Facilities Master Plan.

Other facility projects include the construction of a new culinary lab and the commissioning of visual renderings of a new culinary facility for Moncton.

This year saw the completion of a \$5.5 million expansion to our Miramichi Campus providing multi-purpose industrial shops, flexible office spaces, and common areas.





Becoming a contemporary E-College

In January 2014, a new IT organizational structure was finalized and several working groups have been established to **support NBCC's evolution to a contemporary E-College**.

NBCC began piloting Wi-Fi access for all students beginning in the Spring of 2014. The goal of the pilot is to allow us to analyze the effects of the many new devices being connected to our Wi-Fi network. It is expected that sometime during Fall 2014, all NBCC users will be able to authenticate and access the NBCC Wi-Fi network with any device.

NBCC's IT department is also researching and evaluating a variety of enterprise application solutions to support the College's strategic priorities.

Improving accountability

Our Quality Management / Institutional Research Unit helps NBCC **improve accountability and streamline processes** by developing standards, policies and performance measures. Significant progress has been made in 2013-14 with 69 policies updated.

**For every dollar
invested in NBCC,
New Brunswick
taxpayers receive a
social benefit of
\$8.10 in reduced
health care, crime
and income
assistance
costs.**

SOURCE: Demonstrating the Value of New Brunswick Community College: Analysis of the Economic Impact and Return on Investment of Education by Economic Modeling Specialists, Inc. (EMSI)



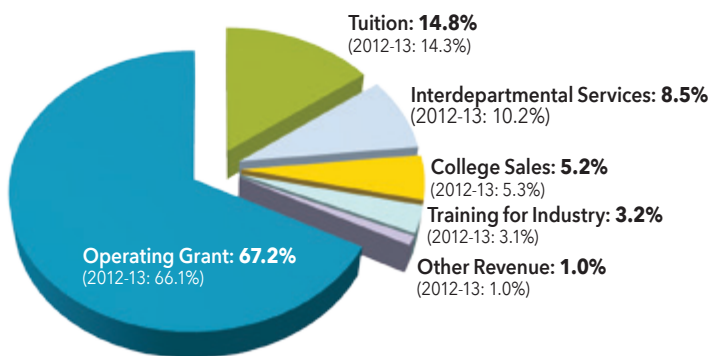
HIGHLIGHTS OF FINANCIALS

NBCC Financial Performance

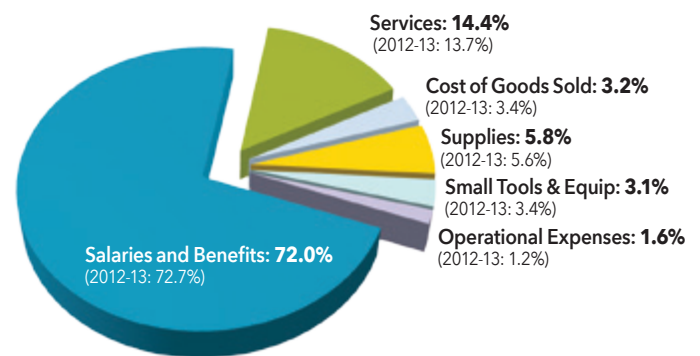
NBCC has closed the year ended March 31, 2014 with an excess of revenues over expenses of \$0.4 million (or 0.5% of NBCC Revenues).

Total revenue was \$78.0 million, representing an increase of \$0.01 million (or 0.1%) over the 2012-13 year. Total expenditure for the year was \$77.6 million, representing an increase of \$3.4 million (or 4.6%) compared to 2012-13 total expenditures of \$74.2 million.

NBCC Revenue 2013-14: \$78.0 million



NBCC Expenditure 2013-14: \$77.6 million



Key revenue highlights are:

- The College received a net increase of 1.8% in operating grant in 2013-14.
- The increase in tuition revenue is attributable to a \$150 increase to tuition fees, as well as to increased enrollment.
- The decrease in interdepartmental services is largely attributable to a \$1.5 million decrease in one-time funding from the Province of New Brunswick intended to assist NBCC in its transition from Special Operating Agency to Crown Corporation.

Key expenditure highlights are:

- Salaries and benefits remained stable as a percentage of total operating expenditures at 72%. The dollar amount increase in total salary and benefit cost is attributable to wage increases as well as progress through ranges for employees in accordance with collective agreements. In addition, positions related to NBCC's 2012-13 reorganization, as well as instructional positions related to increased programming, were filled during the past year using existing vacancies.
- The modest increase in services and supplies expenditures is attributable to spending related to approved strategic initiatives.



FINANCIAL STATEMENTS

March 31, 2014



AUDITOR GENERAL OF NEW BRUNSWICK

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Board of Governors
New Brunswick Community College

I have audited the accompanying financial statements of the New Brunswick Community College, which comprise the statement of financial position as at March 31, 2014, and the statement of operations, cash flows and changes in net assets 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 public sector accounting standards, 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 New Brunswick Community College as at March 31, 2014, and the results of its operations, its cash flows and its changes in net assets for the year then ended in accordance with Canadian public sector accounting standards.

Kim MacPherson, CA
Auditor General

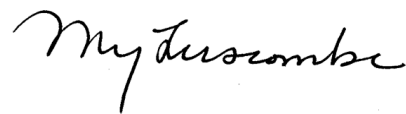
Fredericton, N.B.
June 27, 2014

New Brunswick Community College
Statement of Financial Position
March 31

	Operating Fund	Capital Fund	Total 2014	Total 2013
Assets				
Current Assets				
Cash on hand	\$ 9,060	\$ -	\$ 9,060	\$ 7,810
Due from Province of New Brunswick (Note 2)	15,208,776	-	15,208,776	14,392,542
Accounts receivable (Note 4)	1,181,526	-	1,181,526	1,127,203
Prepaid expenses	193,329	-	193,329	68,570
Inventory (Note 5)	807,346	-	807,346	874,339
	17,400,037	-	17,400,037	16,470,464
Capital Assets (Note 6)		1,987,079	1,987,079	1,530,018
	<u>\$ 17,400,037</u>	<u>\$ 1,987,079</u>	<u>\$19,387,116</u>	<u>\$18,000,482</u>
Liabilities				
Current Liabilities				
Accounts payable and accruals	\$ 4,474,622	\$ -	\$ 4,474,622	\$ 3,548,611
Deferred revenue (Note 7)	4,403,503	-	4,403,503	4,184,558
Accrued payroll benefits	3,623,480	-	3,623,480	3,733,031
	12,501,605	-	12,501,605	11,466,200
Deferred capital contributions (Note 8)		126,791	126,791	163,017
Accrued sick leave obligation (Note 11)	1,164,300		1,164,300	1,162,500
Total liabilities	13,665,905	126,791	13,792,696	12,791,717
Net assets				
Invested in capital assets		1,860,288	1,860,288	1,367,001
Unrestricted	234,132	-	234,132	341,764
Internally restricted (Note 3)	3,500,000	-	3,500,000	3,500,000
Total net assets	3,734,132		5,594,420	5,208,765
	<u>\$ 17,400,037</u>	<u>\$ 1,987,079</u>	<u>\$19,387,116</u>	<u>\$18,000,482</u>
Commitments (Note 10)				
Contingencies (Note 16)				



Chairperson, Board of Governors



President and CEO

New Brunswick Community College
Statement of Operations
For the Year Ended March 31

			2014	2013
	Operating Fund	Capital Fund	Total	Total
Revenue				
Grants – Province of New Brunswick (Note 13)	\$52,429,040	\$ -	\$52,429,040	\$51,486,355
Tuition	11,523,243	-	11,523,243	11,160,147
Sales	4,054,420	-	4,054,420	4,091,631
Contract training	2,494,555	-	2,494,555	2,436,366
Apprenticeship and cost recoveries (Note 13)	6,647,015	-	6,647,015	7,936,959
Amortization of deferred capital contributions (Note 8)	-	36,226	36,226	18,113
Other (Note 9)	808,450	-	808,450	777,760
	<u>77,956,723</u>	<u>36,226</u>	<u>77,992,949</u>	<u>77,907,331</u>
Expenses				
Salaries and benefits	55,885,322	-	55,885,322	53,949,019
Services	11,146,810	-	11,146,810	10,135,903
Cost of goods sold	2,448,661	-	2,448,661	2,505,301
Supplies	4,469,347	-	4,469,347	4,178,362
Small tools and equipment	2,405,324	-	2,405,325	2,518,696
Grants and payments to others	293,785	-	293,785	247,263
Bank fees and miscellaneous	242,383	-	242,383	111,150
Inventory obsolescence and adjustments	121,244	-	121,244	88,114
Amortization of capital assets	-	520,821	520,821	335,576
Bad debt expense	73,595	-	73,595	139,621
	<u>77,086,472</u>	<u>520,821</u>	<u>77,607,293</u>	<u>74,209,005</u>
Excess (deficiency) of revenues over expenses	<u>\$ 870,251</u>	<u>\$(484,595)</u>	<u>\$ 385,656</u>	<u>\$ 3,698,326</u>

New Brunswick Community College
Statement of Changes in Net Assets
For The Year Ended March 31

	Capital Fund Invested in capital assets	Operating Fund Unrestricted	Internally restricted	Total 2014	Total 2013
Net assets, beginning of year as previously stated	1,367,001	341,764	3,500,000	5,208,765	1,510,439
(Deficiency) excess of revenue over expenses	\$(484,595)	870,250	-	385,655	3,698,326
Deferred capital contributions	-	-	-	-	(181,130)
Acquisition of capital assets	977,882	(977,882)	-	-	181,130
Net assets, end of year	\$ 1,860,288	\$ 234,132	\$3,500,000	\$5,594,420	\$5,208,765

New Brunswick Community College
Statement of Cash Flows
For the Year Ended March 31,

	2014	2013
Operating Activities		
Excess of revenues over expenses	\$385,656	\$3,698,326
Items not requiring an outlay of cash:		
Amortization of capital assets (net)	484,595	317,463
Bad debt expense	73,595	139,621
Inventory obsolescence and adjustments	121,244	88,114
	<u>1,065,090</u>	<u>4,243,524</u>
Changes in Non-Cash Working Capital		
Accounts receivable	(127,918)	(730,378)
Prepaid expenses	(124,759)	126,744
Inventory	(54,221)	(271,529)
Accounts payable and accruals	701,011	(730,747)
Deferred revenue	218,945	(26,997)
Accrued payroll benefits	115,449	(8,856)
Accrued sick leave	1,800	(14,300)
	<u>1,795,367</u>	<u>2,587,461</u>
Capital Activities		
Purchase of capital assets	(977,882)	(827,221)
Net decrease in Cash and Cash Equivalents	817,484	1,760,240
Cash and cash equivalents, beginning of year	<u>14,400,352</u>	<u>12,640,112</u>
Cash and cash equivalents, end of year	<u><u>\$15,217,836</u></u>	<u><u>\$14,400,352</u></u>
Cash and cash equivalents is represented by:		
Cash on hand	\$ 9,060	\$ 7,810
Due from Province of New Brunswick (Note 2)	<u>15,208,776</u>	<u>14,392,542</u>
	<u><u>\$15,217,836</u></u>	<u><u>\$14,400,352</u></u>

New Brunswick Community College

Notes to the Financial Statements

March 31, 2014

1. OVERVIEW OF OPERATIONS

The New Brunswick Community College (the “College”) was established as a post-secondary public education corporation under the authority of the *New Brunswick Community Colleges Act* effective May 29, 2010. The College is exempt from income tax under section 149 of the Income Tax Act.

The College, with campuses across the Province of New Brunswick (the “Province”), is responsible for enhancing the economic and social wellbeing of the Province by addressing the occupational training requirements of the population and of the labour market of the Province. The College is responsible for campuses in Fredericton, Miramichi, Moncton, Saint John, St. Andrews and Woodstock.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian public sector accounting standards. The College applies the standards for not-for-profit organizations in the Canadian Institute of Chartered Accountants (CICA) public sector accounting standards (PSAS) handbook. The following is a summary of the significant accounting policies of the College:

Use of estimates

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management’s best estimates as additional information becomes available in the future. Significant areas requiring the use of management estimates relate to the valuation of accounts receivable, inventory, deferred revenue, the determination of the useful lives of capital assets for amortization and assumptions respecting employee benefit accruals and sick leave obligation.

Due from Province of New Brunswick (Cash and cash equivalents)

Cash consists of cash on hand and amounts held by financial institutions. Cash Equivalents consist of amounts due from the Province of New Brunswick. College operational expenses and revenues flow through the Province of New Brunswick’s bank account.

Inventories

Inventories are recorded at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Inventories consist of textbooks, merchandise and supplies held for resale. Administrative and program supplies and library periodicals are not inventoried. Inventory obsolescence results from prior year edition books remaining on hand which cannot be returned and newer editions being purchased for use in the current year. During the period, inventory was written down by \$121,244 for obsolete inventory.

Capital assets

CAPITALIZATION THRESHOLDS AND AMORTIZATION RATES

Class	Cost Thresholds*	Amortization Rate**
Land	All purchases	n/a
Land Improvements	100,000	20 years
Buildings	100,000	40 years
Portable Classrooms	10,000	25 years
Leasehold Improvements	10,000	Lease Term (SL)
Capital Leases (various classes)	As per related class	Refer to terms of lease
Computer Hardware	10,000	3-5 Years
Computer Software	10,000	3-5 years
Motor Vehicles and Mobile Heavy Equipment	10,000	5 – 15 years
Major Equipment (excludes assets managed by Vehicle Management, DOT)	10,000	5 – 10 years
First Time Equipping of New Buildings	as per limits above	
Assets Under Construction (various classes)	As related class	n/a
Betterments – Building	100,000	40 years
Betterments – Equipment	10,000	5 – 10 years

Land and buildings that are owned by the Province are not reflected in the assets of the College as no lease agreement exists. Initial discussions have occurred between NBCC and the Department of Transportation and Infrastructure but no decisions have been made. Improvements made to these buildings are expensed in the year and amounted to approximately \$500,000 in 2014.

* The cost thresholds apply to the initial acquisition or construction costs, that is, the gross cost of the asset before any related cost-sharing recoveries.

** In the year of acquisition, amortization will be calculated on a half year basis.

Leased capital assets are to be amortized over the period of expected use of the asset, on a basis consistent with the amortization period for other similar capital assets. If the lease contains terms that allow ownership to pass to NBCC or a bargain purchase option, the period of amortization would be the economic life of the asset. Otherwise, the asset would be amortized over the lease term.

When instances arise that indicate an amortization method other than straight line is appropriate the VP Finance and Administration has the final authority to determine the appropriate amortization method.

It is assumed NBCC will hold a capital asset for an extended period of time and as a result, the residual/salvage value is recorded as nil. Where the residual value of a capital asset is expected to be significant, the value is included as a reduction in the cost value used in the amortization calculation. Amortization will continue to occur and be charged until the net book value is nil or the capital asset has been disposed of and removed from the accounts of NBCC.

Revenue recognition

The College follows the deferral method of accounting for revenues which includes grants, tuition fees, Apprenticeship Block training, cost recoveries and contracted training.

Unrestricted contributions are recorded as revenue in the period they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sales revenues are recorded in the period earned.

Funding for expenditures of future periods is deferred and recognized as revenue in the year in which the related expenditure is incurred. Amounts received relating to future periods are deferred.

Government grants are accounted for as unrestricted contributions, and are therefore recognized when received.

Tuition fees are deferred to the extent that they relate to courses that will be held in the next fiscal year.

Interest income is accrued as earned.

Fund Accounting

The College maintains its accounts in accordance with the principles of fund accounting whereby resources are classified on the basis of the purpose for which the funds are held.

Funds consist of:

- Unrestricted - revenues and expenditures relating to general operations and ancillary services (commercial oriented activities such as bookstores and cafeterias).
- Internally restricted - Board approved transfers related to approved activities.
- Capital - transfers and expenditures for capital assets and infrastructure.

Contributed services

The College receives the following contributed services: the Province provides the College with buildings at six campuses and corporate offices, in excess of one million square feet, and contributions of training materials from third parties for use in the delivery of course programs, the benefit of which is not reflected in these financial statements because of the difficulty in determining the fair value. In addition the College received \$43,000 in contributed training equipment from third parties during the year.

Liability for sick leave

Employees of the College are entitled to sick-leave benefits which accumulate but do not vest. Sick leave benefits that accumulate but do not vest are considered obligations. In accordance with Canadian public sector accounting standards for post-employment benefits and compensated absences, the College recognizes the liability.

Accrued payroll benefits

The College has established an accrual for accumulated vacation pay and non-instructional time for employees. The number of days accumulated for each employee and their rate of pay in accordance with current policy and collective agreements has been used to determine the estimated amount of the liability.

3. INTERNALLY RESTRICTED FUNDS

The College, by resolution of the Board of Governors, may internally restrict amounts from unrestricted net assets to cover anticipated future operating expenses, including obligations and commitments existing at year end.

As of March 31, 2014, there were no planned transfers to internally restricted funds. These funds are currently held by the Province of New Brunswick and are part of the due from Province balance. These funds will be disbursed on strategic initiatives in alignment with the College's five year strategic plan. The Internally restricted funds are comprised of:

	2014	2013
General contingency	\$1,000,000	\$1,000,000
Strategic initiatives	<u>2,500,000</u>	<u>2,500,000</u>
	<u>\$3,500,000</u>	<u>\$3,500,000</u>

4. ACCOUNTS RECEIVABLE

	2014	2013
Organizations	\$ 587,802	\$ 341,998
Other Province of NB departments	245,021	252,585
Student tuition and fees	463,746	698,719
Advances	50,951	5,066
Other	<u>-</u>	<u>98,258</u>
	1,347,520	1,396,626
Allowance for doubtful accounts	<u>(165,994)</u>	<u>(269,423)</u>
	\$ 1,181,526	\$1,127,203

5. INVENTORY

	2014	2013
Education textbooks	\$ 643,995	\$ 761,636
Stationary and supplies for resale	118,115	128,629
Clothing	<u>45,236</u>	<u>31,980</u>
	807,346	922,245
Inventory obsolescence*	<u>-</u>	<u>(47,906)</u>
	\$ 807,346	\$ 874,339

6. CAPITAL ASSETS

	2014		2013	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	\$ 535,092	\$ 180,992	\$ 354,100	\$ 287,860
Furniture and Equipment	2,323,888	729,261	1,594,627	1,127,107
Heavy Equipment	923,393	885,041	38,352	115,051
	<u>\$3,782,373</u>	<u>\$1,795,294</u>	<u>\$1,987,079</u>	<u>\$1,530,018</u>

7. DEFERRED REVENUE

Deferred revenue represents the unearned portion of amounts received for specific purposes and is summarized as follows:

	<u>2014</u>	<u>2013</u>
Student Tuition	\$ 2,756,759	\$ 2,631,750
Confirmation Fees	509,914	498,661
Customized Training	256,077	86,372
Applied Research	120,132	200,528
Other	<u>760,621</u>	<u>767,247</u>
	<u>\$ 4,403,503</u>	<u>\$4,184,558</u>

8. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2014</u>	<u>2013</u>
Deferred capital contributions beginning of year	\$163,017	\$ -
Contributions during the year	-	181,130
Amortization of deferred contributions	<u>36,226</u>	<u>18,113</u>
Deferred capital contributions end of year	<u>\$126,791</u>	<u>\$163,017</u>

9. OTHER REVENUE

Other revenue is summarized as follows:

	<u>2014</u>	<u>2013</u>
Leases and Rentals	\$ 276,838	\$ 394,331
Interest Income (write-offs)	(5,588)	23,495
Applied Research	274,403	201,022
Other	<u>262,797</u>	<u>158,912</u>
	<u>\$ 808,450</u>	<u>\$ 777,760</u>

10. COMMITMENTS

The College is committed to the following lease and maintenance agreement payments for future years.

2015	\$ 585,952
2016	420,462
2017	33,983
Thereafter	-
	<u>\$1,040,397</u>

11. EMPLOYEE FUTURE BENEFIT OBLIGATION

Pension

Effective January 1, 2014, the Province of New Brunswick converted the pension plan to a shared risk model now called the Public Service Shared Risk Plan. This converted plan requires all employees meeting the criteria, to participate in this new plan. The plan continues to be a defined benefit multi-employer plan under which contributions are made by the employee and the employer. The College is not responsible for any unfunded liability, nor does it have access to any surpluses with respect to its employees. The College's costs and liabilities related to employee pensions are not included as part of the College's budget but are recorded by the Province in its financial statements. The required employer contributions are made by the Province. For the period ended March 31, 2014, the value of the contributions made by the Province on the College's behalf were \$4.29 million (2013- \$3.69).

Retirement allowance

Certain long serving employees receive a retirement allowance upon retirement from public service. The plan is funded by the Province of New Brunswick. The Province made changes to this program during the year where management and non-union employees of the College no longer accumulate retirement allowance credits. Employees were offered a choice of pay-out in lieu of a retirement allowance or, for those with more than five years of service, an option to defer the payout until retirement. The College's costs and liability associated with the plan and its recent changes are not included as part of its budget but are recorded by the Province in its financial statements. As provided for in the New Brunswick Community College Act and Regulations this is not a liability of the College. The amount of the retirement allowance paid on behalf of the College by the Province during the period was \$1,687,587 (2013- \$835,740).

Liability for sick leave

The College provides employees working full-time sick leave benefits that accumulates at 1.25 days per month to a maximum of 240 days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave benefit. Unused leave can be carried forward for future paid leave. An actuarial estimate for this future liability has been completed and forms the basis for the estimated liability reported in these financial statements. This sick leave plan is unfunded.

Significant economic and demographic assumptions used in the actuarial valuation are:

Discount rate: 3.85% as at March 31, 2014 - equal to Province's long term borrowing rate

Salary growth rate: 2011 - 0% per annum
 2012 - 1% per annum
 2013 - 1% per annum
 2014 - 2% per annum
 2015 - 2% per annum
 Thereafter - 3 % per annum

Retirement age: age 60

The estimated average remaining service life is 9.4 years and this is used to amortize the experience loss.

Based on actuarial valuation of the liability, at March 31, 2011, and valuation updates performed at March 31, 2013 and March 31, 2014, the results are:

Interest on Accrued Benefit Obligation

	2014	2013
Accrued benefit obligation at beginning of year	\$1,249,900	\$1,262,100
Employer current service cost (mid-period)	76,500	74,600
Employer benefit payments (mid-period)	<u>(101,500)</u>	<u>(108,000)</u>
	\$1,224,900	\$1,228,700
Rate (at start of the period)	3.36%	3.52%
Interest for the year	<u>41,200</u>	<u>43,300</u>

Experience loss – accrued benefit obligation

	2014	2013
Accrued benefit obligation – beginning of year	\$1,249,900	\$1,262,100
Employer current service cost	153,000	149,100
Employer benefit payments	(202,900)	(216,000)
Interest for the year	<u>41,200</u>	<u>43,300</u>
Expected value of accrued benefit obligation	1,241,200	1,238,500
Experience loss during the year	<u>34,600</u>	<u>11,400</u>
Actual value of accrued benefit obligation	<u>\$1,206,600</u>	<u>\$1,249,900</u>

Unamortized Experience loss

	2014	2013
Unamortized loss – beginning of year	\$87,400	\$85,300
Amount amortized during the year	(10,500)	(9,300)
Experience loss at end of year	<u>(34,600)</u>	<u>11,400</u>
Unamortized loss at end of year	<u>\$ 42,300</u>	<u>\$87,400</u>

Expense Recorded in the Statement of Operations

	2014	2013
Current period benefit cost	\$153,000	\$149,100
Amortization of actuarial losses	10,500	9,300
Sick leave benefit interest expense	<u>41,200</u>	<u>43,300</u>
Expense related to sick leave benefit	<u>\$204,700</u>	<u>\$201,700</u>

Accrued Benefit Liability

	2014	2013
Accrued benefit liability – beginning of year	\$1,162,500	\$1,176,800
Expense for the year	204,700	201,700
Employer benefit payments	<u>(202,900)</u>	<u>(216,000)</u>
Accrued benefit liability – end of year	<u>\$1,164,300</u>	<u>\$1,162,500</u>

12. FINANCIAL INSTRUMENTS

The College's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accruals and accrued payroll benefits. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest or currency risks arising from these financial instruments. The carrying value of these financial instruments, approximates their fair value due to the relative short term to their maturity.

Credit risk

Credit risk arises with the uncertainties of predicting the financial difficulties students and corporations may experience which could cause them to be unable to fulfill their commitments to the College. The College mitigates this risk by having a diversified mix of students and corporations thereby limiting the exposure to a single individual or corporation. The College's credit risk is limited to the recorded amount of accounts receivable. Management considers there to be no significant credit risk as at March 31, 2014.

Liquidity risk

Liquidity risk is the risk of not being able to settle or meet an obligation on time or at a reasonable price. The College receives enough liquid assets from the Province and its operating activities to fulfill its obligations as they become due. The College also has a general contingency fund in place.

13. RELATED PARTY TRANSACTIONS

During the period the College has received the following funds from related parties: Province of New Brunswick grants in the amount of \$52,429,040 (2013-\$51,486,355) and revenues from PNB departments for apprenticeship training and cost recoveries amounting to \$6,647,016 (2013-\$7,936,959).

In accordance with the Higher Education Foundation Act, the New Brunswick Community College Foundation's (Foundation) principal objective is to support students with financial assistance in the form of scholarships or bursaries to students enrolled in the programs of the Community College sector in New Brunswick. During the period the Foundation provided \$241,060 (2013-\$186,800) to students of the College.

The Province also provides services such as the use of the payroll and financial systems. The College occupies land and buildings owned by the Province.

Amounts owing from other government agencies at year end amounted to \$468,996.

Please refer to the following notes for more information on related party transactions:

- Note 2 – Due from Province of New Brunswick
- Note 2 – Capital Assets
- Note 2 – Contributed Services
- Note 11 – Employee Future Benefit Obligation

14. ECONOMIC DEPENDENCE

New Brunswick Community College is economically dependent on the Province of New Brunswick for the provision of funding. During the period the College received grant monies amounting to \$52,429,040 (2013-\$51,486,355) from the Province.

15. COMPARATIVE FIGURES

Certain 2013 figures have been restated to conform to 2014 presentation.

16. CONTINGENCIES

The College is currently engaged in certain legal actions, the outcomes of which are not determinable at this time. In management's judgment, no material exposure exists. Accordingly, no provision has been made in the accounts for these actions. The amount of loss, if any, arising from these actions will be recorded in the accounting period in which the loss is realized.

In addition, the College is self-insured for WorksafeNB incidents. The amount of these claims is dependent on the ongoing recovery and health of the individuals involved. In management's judgment, no material exposure exists as a result of these claims.



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