

2012-2013 Annual Report



Transforming lives and communities

OUR VISION

Transforming lives and communities

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.

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.

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WORDS FROM OUR BOARD CHAIR

The NBCC Board of Governors is especially proud to provide the College's stakeholders with this 2012-2013 Annual Report. The taxpayers of New Brunswick make a significant investment in order to enable the provision of affordable, accessible and quality publicly-funded and publicly-accountable post-secondary education. Therefore, we consider our governance role for New Brunswick Community College to be both an utmost privilege and an extremely important responsibility.

In this third year of NBCC's incorporation, our Board proudly and officially launched our College's first five-year strategic plan, *Imagine the Possibilities - NBCC's Strategic Commitments for 2012 to 2017*. We also approved NBCC's 2012-2013 Operational Plan and focused attention on monitoring the College's progress on established goals, outcomes and performance measures. We are pleased to report that much progress has been made, and we take this opportunity to commend the whole NBCC Team for their dedication and passion for our noble work.

Be assured that the NBCC Board of Governors is grateful for all of the support that we receive as we continue this exciting, evolutionary journey to transform NBCC into a modern college, and that we understand the import of our strategic and effective stewardship of College resources. This Board is committed to advocating for NBCC because we believe that a strong public college and a strong public post-secondary education system will lead to social and economic prosperity for the citizens of New Brunswick.

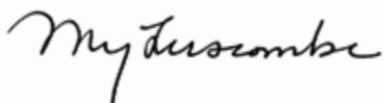
Cheryl M.G. Robertson, Chair

WORDS FROM OUR PRESIDENT

First of all: Thank you - to all of my NBCC colleagues who have once again achieved many great things throughout the 2012-2013 College year. Thank you as well to our Board and to all of our communities, our Government colleagues, our post-secondary and secondary education associates, and our industry and organizational partners for your support, encouragement and engagement. Much of the success of this past year was enabled through our work with you.

Two highlights of the past year have been the completion, as of March 31, 2013, of our three-year transition from Part One of Government. With great assistance from the College Support Services Unit of PETL, this transition was undertaken successfully and involved the transfer of hundreds of functions previously provided to us by various parts of Government to NBCC - and was achieved with existing resources.

Secondly, we implemented our first annual operational plan based on our five-year strategic plan. Much of this first year involved information sharing and gathering conversations throughout the College community and beyond, as well as strategy development and action planning through working groups and committees. Hundreds of staff have contributed creative thoughts and talents to our progressive and unwavering commitments to our students, our communities, our people and our stakeholders. As you will see in this annual report, and more specifically in the 2012-2013 Operational Plan Report to be posted on our website in October, much has been accomplished. We are proud to say that we continue to "imagine the possibilities" and are making significant strides towards our strategic vision of "Transforming Lives and Communities."



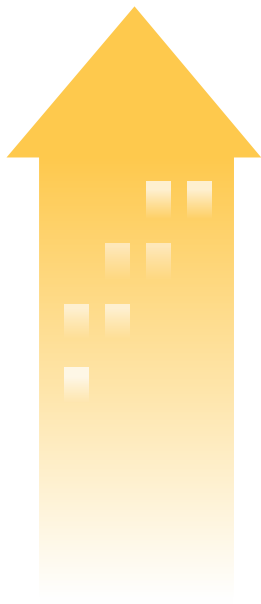
Marilyn Luscombe, President and CEO



COMMITMENT TO OUR LEARNERS

We are inspiring successful learners to make a difference.

NBCC is a learner-centred College. The focus of our work continues to be enhancing the success of our students and their impact on our communities. We recognize the importance of innovative and relevant program and service deliveries to respond to diverse learner needs, and we are constantly developing our capabilities to provide for successful student experiences.



4,704 Seats (up 3.1%)

Growing Demand:
8,277 Applicants (up 2.4%)

4,023 Students (85.5% enrolment)

83% Retention Rate (up 3.1%)

82% Graduation Rate (up 1.8%)

2,065 Graduates

We are pleased to have met and surpassed government established **key performance indicators** (KPI). An increase in seat capacity and improvements in student support services resulted in the largest graduating class in NBCC's history.

	KPI	Achievement 2012-2013
Retention Rate	83%	83%
Graduation Rate	60%	82%
Satisfaction Rate	80%	86%*
Employment Rate	80%	87%*
Related-employment Rate	78%	80%*

Even in the face of difficult economic times in New Brunswick, our graduates continue to find employment. NBCC's quality education connects students to key employers in the region, providing our students with the best opportunities for success.

One year after graduation: *



97%
**employed since
graduation**

91%
**of those employed
within New Brunswick**

Ensuring quality, relevant programming

NBCC has a focus on providing quality, relevant programming. The expertise, industry knowledge and connections needed to equip our students to move forward starts with our instructors. We are proud of our faculty, and we are also proud of NBCC's academic decision-making process that ensures we are teaching the most up-to-date and relevant content for student success. This process ensures that we maintain and establish strong connections with the employer community that help keep NBCC and our students on the leading edge.

NBCC is known for providing our students with real-world experience through applied learning. This enhanced teaching and learning environment results in graduates who are equipped with the knowledge and skills they need to get straight to work in their fields. An entire carpentry class at NBCC Moncton demonstrated this valuable approach through a community-minded project. The class joined New Brunswick's Nature Conservancy of Canada (NCC) in completing major updates and renovations to the Johnson's Mills Shorebird Reserve and Interpretive Centre. This project and others like it provide our students with the quality practical learning and training that they can expect from their time at NBCC.

Creating multiple pathways for learning

One of our five-year strategic initiatives is to enhance student mobility and access to, from and within NBCC. To accomplish this, we have been focused on increasing partnerships between NBCC and other educational institutions. In addition to over a dozen existing partnerships in New Brunswick, across Canada and internationally, our academic development team has been working with counterparts from the University of New Brunswick and St. Thomas University to establish a framework for new transfer agreements and articulation opportunities. We have also been meeting with the four anglophone district superintendents, as well as principals from the largest high schools in the province, to discuss strategies for improving transitions and success for our secondary students.

86% Students reported an overall satisfaction rate with NBCC.*

88% of students who applied for credit transfer and/or Prior Learning Assessment Recognition (PLAR) received course credits (up from 81% the previous year).*

* From the Graduate Follow-Up Survey conducted with 2011 graduates.

STUDENT SPOTLIGHT

If you're looking for the perfect mix of education and community involvement, look no further than NBCC St. Andrews and Ann-Marie Brooking.

Driven to return to NBCC as a mature student, Ann-Marie was elected by her peers to be student representative on the College's Board of Governors, appointed in December 2012. She decided to run for the elected position while in her second year as a Practical Nurse student.

Ann-Marie's background is diverse, representative of many NBCC students. She combined a university and college education, gaining a Bachelor of Physical Education from Acadia University before coming to NBCC. She has been a teacher's aide, team lead for Leave the Pack Behind at NBCC St. Andrews, Student Council Representative at her campus, and a member of the Registered Nurses' Association of Ontario Smoking Cessation Champion. She has also volunteered with anti-bullying campaigns, community winter carnival, Passamaquoddy Children's Centre and Hockey New Brunswick.

Ann-Marie is now working at the Saint John Regional Hospital as a Licensed Practical Nurse in Centralized Nursing, and has juggled this remarkable educational and community-minded journey with her most important role as a mother. "NBCC is a vehicle for empowering me to reach my goals," she said. "I have great passion for my profession and the College provides competent, caring professionals who help me realize my potential and my dreams."



Standing tall among the best

Our students continued to shine not only in their daily studies but also in national competitions. Hard work and honed talent led to a total of nine NBCC students qualifying for the Skills Canada competition in Vancouver: Brandon Chapman, Cody Donovan, Jordan Jardine, Clarke Johnstone, Monika Lasangue, Pascal Marquis (Bronze in Brick Masonry), Daryll McLean (Silver in Carpentry), Rene Richard (Bronze in Refrigeration), and Sheryl Tucker.

Our business students at NBCC Saint John demonstrated their marketing skills at the Vanier College Case Competition in Montreal. Tammy Mudge, Whitly Theriault, and Kate-Lynn Hachey were awarded third place in a competition of 28 teams from across Canada.

As a great example of the valuable scholarships awarded to NBCC students, Elizabeth White of NBCC Moncton was one of nine Atlantic Canadian students to earn an Angus B. Armour Memorial Scholarship. The scholarship is based on the importance of education as a foundation for future success.

Brad Perry of NBCC Woodstock was the winner of the 2013 Atlantic Journalism Award. This award is a highly regarded annual program that recognizes journalistic excellence and achievement in print and electronic news media in Atlantic Canada.

Each year, NBCC presents an award to a student who has made an exceptional contribution to NBCC and the wider community. This year's award winner was Alex Tucker, who not only excelled in his program but was also involved in a number of student activities and volunteering in the community. Alex received the Leonard Foundation Award for scholastic achievement in both years of his Police Foundations program, and he is a volunteer with the Miramichi Police Force. He also participated in community events such as the Twelve Homeless Hours campaign, and organized an awareness campaign for mental health, contributing to the Partners for Mental Health national campaign.

Enhancing students' opportunities to succeed

The successful inclusion and participation of Aboriginal learners is a priority, and we are pleased that the number of self-identified Aboriginal student enrolments increased by 15% this year. A guideline for regular programming in First Nations communities was developed to enhance our efforts with First Nations communities and to better support Aboriginal student success. A Visiting Elder program was piloted to support Aboriginal student needs and assist with awareness of Aboriginal and cultural norms for students and staff alike. We also launched a microsite that celebrates Aboriginal culture and provides further information and resources for potential and current students.

423 applications from self-identified Aboriginals

NBCC is dedicated to actively supporting students with diverse learning needs and those who require learning accommodations. Our student development team has implemented a "one-stop-shop" for student support through our student success centres, creating a consistent and strong service delivery standard for students across all campus locations.

385 students were supported through learning accommodations (up 15.6%)

We feel strongly about students having their own voice and being empowered to help shape the life of the College, and to become leaders in their communities. We continue to support the NBCC Council of Student Executives who stimulate student engagement.



STUDENT SPOTLIGHT

Basu Osti was just two years old when he and his family were evicted from Samdrupjongkhar, Bhutan, a small Himalayan kingdom between India and China, due to inter-ethnic conflicts in the region and issues pertaining to human rights and democracy. At one of the seven refugee camps in Nepal, he lived in a hut made of bamboo and plastic. There was no electricity. The nearest water supply was a kilometre away.

After experiencing many difficulties throughout a long resettlement process, his family immigrated to Canada in August 2010. "My journey to Canada was one of the most joyous moments in my life," Basu said. "I had not even been on a plane before. I was finally getting a place to call home after being refugee for almost 18 years. It was sad that we couldn't return to my birthplace, but I was excited for a new beginning."

The decision to return to school was one Basu took seriously. "After being in New Brunswick for two years, I wanted to go back to school," he said. His experience has led him to be a proponent for other international students attending NBCC.

The opportunity to learn at our Saint John Campus has been another chapter in his remarkable story, and one that illuminates the true power that education has on changing a life. It took Basu some time to adjust to the harsh Canadian winter, but he highly recommends New Brunswick to international students who are considering studying abroad. "NBCC has job-oriented studies. I'm very excited for the second-year practicum because I'd like to work as an accountant, eventually, and this program introduces students to the real business world."



Inspiring community engagement and leadership

Working with our communities, NBCC is developing a Signature Learning Experience that will further enable our students to engage in community service and College leadership activities as an important aspect of their total learning experience. The College community has been involved in the initial consultation phases and the objective is to launch the NBCC Signature Learning Experience in the 2013-2014 year.

Students and staff have already been leading the way. For example, the Moncton Campus Electrical Engineering Technology: Alternate Energy Systems students partnered with Mount Carleton Provincial Park to design and install a solar photovoltaic system for an off-grid park building to replace a diesel generator, significantly lowering greenhouse gas emissions and fuel costs.

In Woodstock, Carpentry students built wall sections that were used in Habitat for Humanity builds in Fredericton.

Collaborating with the Department of Healthy and Inclusive Communities, Practical Nurse students at Saint John Campus provided health assessments at six locations in the area, which included checking vital signs, Body Mass Index, blood glucose and cholesterol as part of a longitudinal study on employee wellness.



Engaging entrepreneurial spirit

Our commitment to entrepreneurship is rooted in curriculum integration and will be further enhanced with the support of an Entrepreneur in Residence (EiR) program and multi-generational mentorship project. Through a working group, plans have now been drafted to develop this exciting new initiative as a continuum of learning for students entering NBCC through to alumni and beyond.

We are growing our focus on entrepreneurship and innovation across disciplines through formal curriculum integration. During the past year, the New Brunswick business community provided insights and recommendations for the EiR and multi-generational mentorship aspects of this initiative. Our goal is to provide multiple opportunities for students and alumni who wish to pursue entrepreneurial activities, with access to resources and a vast network of like-minded individuals.

Three NBCC students were selected to participate in the Student Ambassador Program with the Pond-Deshpande Centre (PDC) for Innovation and Entrepreneurship (UNB affiliate). The PDC-Student Ambassador Program is designed to engage students in the creation and sustainability of New Brunswick's ecosystem of entrepreneurs. The students and two senior administrators participated in local, regional and international activities where they were involved with business leaders, educators and dynamic innovators from public, private and non-profit sectors.

Students and staff had much to observe and learn from the incubator, accelerator and other entrepreneurship spaces visited. Combined with ongoing work throughout our College, the lessons learned and ideas generated are helping to inform our planning and work going forward.



4% of our graduates reported being self-employed (up from 3%)*

* From the Graduate Follow-Up Survey conducted with 2011 graduates.

COMMITMENT TO OUR COMMUNITIES

We are building prosperous communities.

We believe that a stronger College results in stronger communities, and we have been building new and innovative ways to collaborate with our partners and stakeholders to stimulate development and prosperity.

Leading innovative research for collective growth

Our commitment to active involvement in applied research and innovation partnerships with industry is being accomplished through cross-College engagement and cooperation. This approach also ensures that the richness of the learning experience for our students and staff is enhanced by these initiatives. Leveraging our College's expertise, equipment and facilities, our aim is to help solve industry problems, take advantage of market opportunities, and develop new innovative technologies and processes that will enhance the way we live, work and do business in New Brunswick.

15 research projects

43 staff and students involved

\$229,306 in grants received

14 industries / SMEs engaged

This year was the first official year for our Applied Research and Innovation unit, and the accomplishments to date are a great indication of the exciting work yet to come. We exceeded expectations for our first year and can now establish informed baseline targets for future development.



Our research projects over the past year have spanned an array of subjects, from gaming technology to dairy industry collaboration to landfill gas management. Our projects contributed to an enriched learning environment for students, and unique professional development opportunities for staff. Research partnerships with business, like those undertaken this year, continue to support economic development in the Province.

In May 2013, we announced our first-ever Natural Sciences and Engineering Research Council of Canada (NSERC) grant - Industrial Research Chair (IRC) for colleges. This Chair was enthusiastically supported by partners in the Information and Communications Technology (ICT) industry through matching funds of \$720,000. This five-year initiative is being led by Dr. William McIver, who was selected as our Industrial Research Chair in Mobile First Technology.

"I'm interested in finding ways to apply mobile technology to life-critical problems that impact our lives and our livelihoods," said Dr. McIver. He will work with students, the college community and other researchers, as well as directly with industry partners within New Brunswick's growing ICT sector. The projects explored in the Mobile First initiative will produce results that can be applied across sectors, such as health care, education, transportation, retail, resource development and manufacturing.



From left: Jon Manship (Technology Venture Corporation), David Baxter (T4G), Richard Isnor (NSERC), Cheryl M. G. Robertson (NBCC Board Chair), Hon. Danny Soucy (Minister of Post-Secondary Education, Training and Labour), Dr. William McIver (NBCC Industrial Research Chair), Marilyn Luscombe (NBCC President and CEO), Hon. David Alward (Premier of New Brunswick), Mary Goggin (Accreon), Al MacDonald (Accreon), David Small (Spielo International), Gary Stairs (Stellar Learning Strategies).

**This Industrial Research Chair
represents a**
\$1.7 million
Investment
**in new technology solutions in
New Brunswick.**

The following comments were provided by expert reviewers in response to our application for the NSERC Industrial Research Chair for Colleges grant.

"This is an outstanding project that fills a very large gap with the potential to make a big difference for the entire province."

"This initiative, with Dr. McIver's leadership, will foster the growth of innovation and entrepreneurship with students and communities."

Mobile First Technology supporters

The support of industry was one of the key defining elements needed to ensure the success of our application. By the time we launched the five-year Industrial Research Chair program, 85% of the required partner contributions was already confirmed. Contributing partners are:

Technology Venture Corporation

Spielo

T4G

Accreon

Stellar Learning Strategies

UNB is also a major partner and will contribute time and expertise in relevant projects.

"This research will increase the leadership position of NBCC, its students and the ICT sector of the province of New Brunswick. Our customers are increasingly challenged with responding to the rapid advancement of mobile technologies, and Accreon's participation in the research of mobile first technology will help us to increase our company's, our staff's and our customers' competitive advantage. We are pleased to partner with NBCC in this exciting initiative."

- Martin Ferguson, CEO, CSS at Accreon

"I believe NBCC's IRCC dealing with mobile web technology and design issues will make an excellent addition to New Brunswick's ICT research community."

- David Coleman, Dean of Engineering at UNB

Supporting students through building strong relationships

Our partner organizations enrich the student experience both in the classroom and beyond. Their support of internships and practicums results in NBCC students graduating with the relevant education and skills for the workforce. In addition, the learning experience of our students is significantly improved by donations received in the form of scholarships, bursaries and in-kind contributions.

In the past year...

\$186,800 was invested in students through **194** scholarships and bursaries through the **NBCC Foundation**; additional scholarships, bursaries and in-kind donations were also provided by local sponsors at the campus level. **In-kind donations from 17 other generous partners** included equipment, tools, vehicles and supplies worth **over \$200,000**, all of which help our students to receive a **high quality training experience**.

Making a difference in communities

NBCC plays a significant role in the communities we serve. Our students and staff are actively engaged in contributing to the development of their regions through community service, and in important acts of kindness that have the power to change the lives of others. We implemented a Community Engagement Fund that enables each College region to initiate activities that positively impact others in their communities and beyond. In its inaugural year, close to 100 activities were logged as part of this fund's initiatives. Some examples of these activities include involvement in a school breakfast program and dialogue with principals to strengthen college and secondary school relations; hosting several holiday events for the Woodstock community; and organizing donations for Operation Christmas Child that sends school supplies, toys and personal hygiene items to children in impoverished countries.

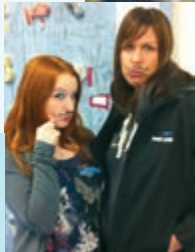
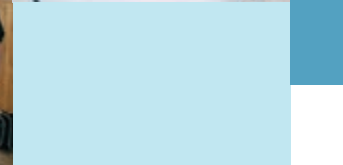
NBCC staff and students raised over \$42,000 over the last two years for the **Sgt. Mark Gallagher Vocational School in Haiti**.



Engaging our vast NBCC Alumni community

NBCC has tens of thousands of successful graduates making a difference in our Province and abroad. We established an Alumni Steering Committee to shape the vision of our first official alumni association - to reconnect and to leverage the positive impact of these talented citizens of whom we are so proud. Comprised of community-minded and confident NBCC graduates from across our province, the committee is enthusiastic about building a stronger, more innovative and progressive NBCC. The NBCC Alumni Association was formally launched in May 2013, and the total membership number reached over 2,000 by the end of June - more than doubling our first-year goal. The active involvement of our alumni in their communities helps to bring life to the Association, and plays an important role in contributing to the advancement and recognition of NBCC.

2,010
Alumni Association
members
(more than double our goal)





ALUMNI SPOTLIGHT

The opportunity to become involved with NBCC was one Emily Ingersoll couldn't pass up. She jumped in with both feet as a proud member of NBCC's growing alumni membership.

Emily, an Economic Development Officer with the Government of New Brunswick in the Sussex Region, is the chair of the NBCC Alumni Steering Committee. With the creation of the NBCC Alumni Association over the past year, Emily saw an opportunity to give back to NBCC, just as she did during her years as a student at NBCC St. Andrews.

This dynamic, hardworking mother is a past director of Human Resources at the Algonquin Resort in St. Andrews and was a part-time instructor at the University of New Brunswick in Saint John. She holds a combined diploma and degree after completing a 2+2 program at NBCC and the University of New Brunswick, and is a flourishing example of what can be achieved through educational partnerships.

As we ramp up our efforts to create an active and vibrant alumni community, Emily has been tasked with steering the engaged group into the future. "I was so proud to study at NBCC in St. Andrews and it was so rewarding to see the College create our Alumni Steering Committee," she said. "When the opportunity came up to chair the steering committee, I felt it was simply a tremendous way to give back and to continue playing a role in the evolution of NBCC."

Enhancing recognition of NBCC as a contemporary college of choice

The fall 2012 launch of our five-year strategic plan, *Imagine the Possibilities*, brought NBCC into the limelight throughout New Brunswick and beyond. Our renewed persona required an image to match our promises and goals. We undertook a re-branding process that was inclusive of our stakeholders. We surveyed the entire College community and ran focus groups across the spectrum, including senior leaders, staff and students. This process resulted in a new logo, designed in-house, that is truly representative of the new NBCC. This identity will help to enhance the recognition of the College, and it is flexible so that it will grow with us as we advance into the future.



A survey was conducted by Corporate Research Associates (CRA) in 2013 that assessed the awareness and reputation of NBCC, as well as the associations that people have with the College. Survey results have shown sustained improvement over the last four years. NBCC continues to be a top-of-mind post-secondary institution in New Brunswick, and our ratings remain steady.

Our five-year goal to strengthen our reputation as a college of choice includes an

31% of New Brunswickers mention NBCC first*

initiative to communicate our successes in compelling ways. This year we significantly increased social media activity on Twitter and Facebook. We also created a YouTube channel that has gained over 10,000 views, and we started a blog to share stories of our students and staff as well as updates from our President. Advertising campaigns included our first new television and cinema commercials in over a year. Internal communications improved through the re-vamping of our College newsletter. Also traditional and non-traditional media activities illustrated a significant increase in our efforts to shine a light on NBCC. With performance tracking tools now in place, we will be able to establish useful benchmarks for future growth.

* From the Corporate Research Associates (CRA) Quarterly Report 2013.

Creating opportunities for global collaboration

NBCC welcomes students and partnerships from across the world to help ensure that our teaching and learning environment is inclusive of global citizenry and an appreciation of cultural diversity, and also to contribute to New Brunswick's efforts to increase our population. This past year, NBCC's student population was enriched by 77 international students from 26 countries. We had students join us from the Bahamas to Bangladesh, from Chile to China, and from many places in between, as illustrated on the map below.

We have also been stepping out into the world to make more formal connections with other educational institutions. With renewed funding from the Department of Post-Secondary Education, Training and Labour, we continued the Cross-border Higher Education Partnership with partners in Maine and New Brunswick. This opens up multiple pathways for students on both sides of the border for cross-institutional credit recognition and collaborative student life experiences. As well, we re-signed a credit transfer agreement with Universidad Regiomontana, Mexico, and eleven students from this sister institution graduated from NBCC this year.

International 77 Students



COMMITMENT TO OUR PEOPLE

We are creating a great place to work and learn.

NBCC's success relies on the strengths and talents of our people. We strive for an engaged College community that shares responsibility and accountability, and we value an environment that fosters continuous learning and development.

We understand that the future of our College is reliant on the legacy of leadership that we create together. We place great importance on actively engaging staff in team processes and decision-making, fully realizing we have a diversity of experience and talents. One way we are doing this is through working groups and councils. This year, these collaborative and inclusive groups have brought together over 100 colleagues in various roles from across the College to harness the combined power of many minds and viewpoints. This is only one example of how we exercise shared responsibility to realize our goal of becoming a progressive leader in post-secondary education.

Enhancing engagement and employee well-being

We want to be an employer of choice. In the past year, we conducted our first employee engagement survey. We recognize the importance of listening to our College community, and using our collective input to make NBCC a great place to work and learn. All members of staff had the opportunity to respond to the survey, and the results encompassed a sizable cross-section of employees of all tenure lengths and job classifications for a fair representation of our community.

Results showed that we have a lot to celebrate and, as will always be the case, a few areas to improve on. The survey administrator provided comparisons from their database of over 200 organizations. Comparably, we shine in the areas of colleague/co-worker cooperation, support for diversity, satisfaction with manager or supervisor, services for students, safety of employees, and job control. In the meantime, we will be forming College-wide and campus specific working groups to dig deeper and to create action plans to address identified opportunities for improvement. We are proud to have dedicated employees who are keen to contribute to improving NBCC and to helping achieve our best work. The survey was a snapshot in time and employees will be surveyed again three years after the initial survey date.





STAFF SPOTLIGHT

Alicia MacDonald is an outstanding medical professional. Her nursing experiences have included time spent in the emergency ward, concentrated care, cardiac surgery, and family medicine. Her pre-NBCC professional career also included working in Australia.

"It took one day to change my life forever," she said. "Three years ago, at the end of a shift in the emergency room, the paramedics brought in a trauma patient. He was a young man, who happened to be the most influential and inspiring hero I have ever known in my life. Three days later, he died."

Alicia credits this encounter for inspiring her to explore other interests in nursing. With the new mission of living her life to the fullest, and serendipity on her side, MacDonald crossed paths with an NBCC instructor and later applied for a job with NBCC. The nuances of the Practical Nursing program she teaches at NBCC are not always covered in a 'how-to' manual, which is why Alicia took her second-year students to King's Square in the heart of Saint John to experience what it is like to live for those less fortunate: the homeless.

Alicia exemplifies what it means to be an engaged employee. She is a role model for the NBCC community, not just because of her incredible determination but also because she is committed to lifelong learning. "I tell my students to go into each day with a mission," Alicia explained. "It's almost a mantra: 'I will make a difference in somebody's life today.' You can't look at your clients with a sense of sadness or heartbreak. You have to ask yourself how you can make the situation better. That is your job."

Recognizing significant contributions

Through the NBCC Excellence Awards Program, we acknowledge the extraordinary contributions of individuals to the College and to their communities as a whole. The program also brings attention to the role that NBCC plays in the social, cultural, and economic development of our province and our citizens. This year, awards were given to:

Shannon Daley for Excellence in Teaching: Shannon works as an instructor in Business Administration at NBCC Miramichi and she has been instrumental in cultivating our College's reputation of professionalism and sense of community. Described by her peers as being inspiring, motivating, hard-working and dedicated, she is invaluable to her students' transition from the classroom to the workplace.



David Irvin for Leadership Excellence: Chef David is an outstanding graduate of the NBCC Accommodation, Food and Beverage program (class of 1997), and is known as an exceptional "can do" leader at the St. Andrews campus. He continuously seeks out opportunities for his students, for developing NBCC's Culinary Arts program, and for fostering a cooperative working environment with his peers and the larger community.



Debbie Stewart for Staff Support: Debbie has been with NBCC for over two decades, most recently as an Administrative Assistant at NBCC Miramichi. She has proved herself time and again as an anchor amidst a multitude of changes and a mentor to many. Debbie is highly respected for her leadership and selfless commitment to her colleagues and the College.



COMMITMENT TO OUR STAKEHOLDERS

We are ensuring responsible stewardship.

NBCC is committed to strategic and fiscal success. We hold ourselves accountable for maximizing the public's investment in learning through effective and efficient stewardship and we continuously endeavour to seek new ways to develop our resources.

The end of an historic three-year transition from Part One government to a Crown Corporation was reached March 31, 2013, a pivotal moment in the College's history. We are proud to report on our successes in assuming many critical services previously provided by government, including finance, IT and human resources. Continuous performance improvement is important to NBCC as we seek new ways to streamline processes while continuing to provide quality services.

Upholding our commitments to accountability

Part of being a progressive and sustainable College involves upholding quality processes and responsible stewardship. We have now established a Quality Management/Institutional Research Unit to develop standards, performance measures and improvement processes. This unit will also undertake research and data analysis so that we can make strategic and operational decisions based on reliable information. We have also completed a full risk assessment and created a risk management program and action plan. An internal audit framework has also been approved by our Board of Governors.

Building the bottom line and continuing our innovative work with partners

We have been successful in balancing the 2012-2013 budget. We have also created efficiencies and reinvested in new and strategic initiatives, in much needed equipment to ensure a contemporary and quality teaching and learning environment.

NBCC's Business Development Unit managed key partnerships outside of the College's regular program offerings. We continued to foster relationships with the Applied Studies Internship program with the Departments of National Defence and Post-Secondary Education, Training and Labour; a Joint Economic Development Initiative; and an Aboriginal Workforce Development Initiative. As well as building on our successful partnerships, we have been restructuring our Business Development Unit to better enable us to significantly contribute to social and economic development initiatives. A key part of the re-structure will include a plan for evolving the Business Development model across the College to fulfil our five-year goal to become a responsive and recognized trainer-of-choice for New Brunswick's public and private sectors.

Contract and apprenticeship training served

5,140 students

Developing our learning and working environments

It is essential to our success that NBCC facilities are not only maintained to meet health and safety standards, but are also developed to be modern and environmentally sustainable. We were proud to open our new E-building at the Saint John Campus, which provides students with quality learning experiences in energy, environment and engineering technologies in a world-class facility. We also awarded the contract for a \$5.5 million expansion to our Miramichi Campus. The new expansion will link directly to the existing building, and will provide new spaces such as multi-purpose industrial shops, flexible office spaces, and common areas. We also undertook several projects in many of our College buildings to ensure safety and efficiency.

NBCC is dedicated to being astute and focused in how we evolve and resource our strategic commitments. As we implemented our organizational restructuring announced in February 2012, this year, we have also reviewed and restructured our IT department so that we can move forward as a progressive e-College. Additionally, we have invested in improvement across the College, including the technology to support wireless devices. All six campuses now have wireless hotspots. We invested significantly in this area this year, and this work will be ongoing as we strive to become a reputable tech-savvy college.



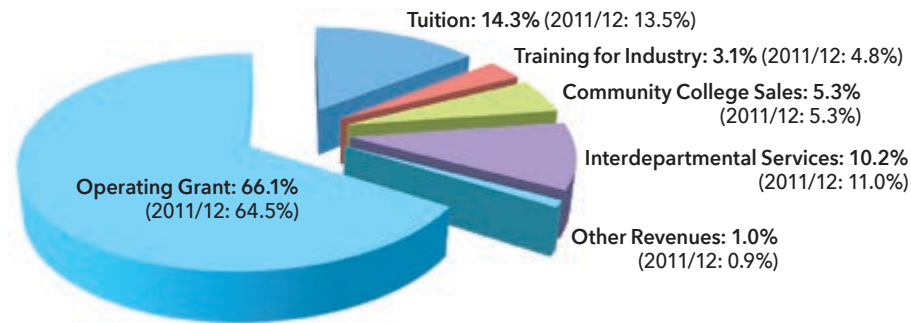
NBCC Financial Performance

The College has closed the year at March 31, 2013 with a surplus of \$3.7 million. The Board of Governors has approved the allocation of these funds to:

- 1) offset an obligation for accrued sick leave liability of \$1.2 million;
- 2) support approved strategic initiatives of NBCC's new five-year strategic plan; and,
- 3) ensure a modest general contingency to protect the College in terms of unexpected circumstances.

Total revenue grew to \$77.9 million, representing an increase of \$1.2 million (1.6%) over the 2011-12 year. The total expenditure for the current year is \$74.2 million, representing an increase of \$0.6 million (0.8%) compared to the 2011-12 total expenses of \$73.6 million.

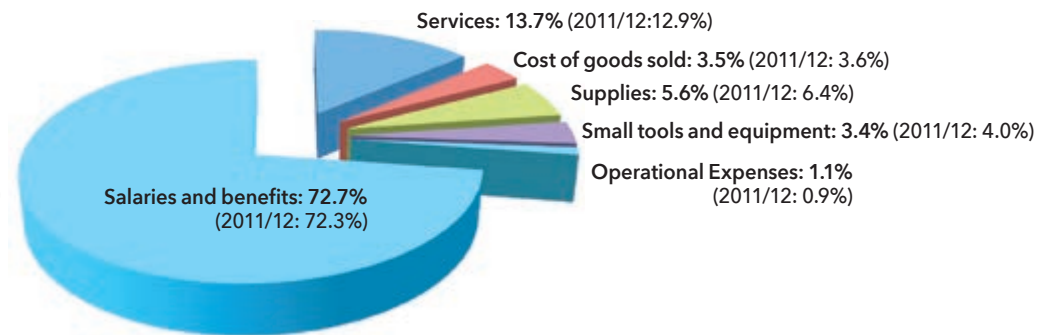
NBCC Revenues 2012-2013: \$77.9 million (2011/12: \$76.7 million)



Key revenue highlights are:

- Increase in grant includes funding for an additional 140 new program seats as well as wage benefits associated with signing three new collective agreements.
- Tuition revenue increase is due to an increase in tuition fees instituted in 2011-2012.
- Training for Industry decrease is due largely to the loss of large forestry contracts and the conversion of cost recovery programs to regular subsidized programs.

NBCC Expenditures 2012-2013: \$74.2 million (2011/12: \$73.6 million)



Key expense highlights are:

- The slight increase in salaries and benefits expenditures resulted from implementation of new program seats, and salary increases for three bargaining groups.
- Increase in services expenditures is a result of full occupancy of all new infrastructure and general price increases in services overall.
- Cost of goods decline is a result of efficiencies with a more centralized operating model.

FINANCIAL STATEMENTS

March 31, 2013

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, 2013, 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, 2013, 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.

(Original Signed by Kim MacPherson)

Kim MacPherson, CA
Auditor General

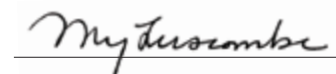
Fredericton, N.B.
June 28, 2013

Statement of Financial Position - March 2013

	Operating Fund	Capital Fund	Total 2013	Total 2012
Assets				
Current Assets				
Cash on hand	\$ 7,810	\$ -	\$ 7,810	\$ 8,110
Due from Province of New Brunswick (Note 2)	14,392,542	-	14,392,542	12,632,002
Accounts receivable (Note 6)	1,127,203	-	1,127,303	536,446
Prepaid expenses	68,570	-	68,570	195,314
Inventory (Note 7)	874,339	-	874,339	690,924
	16,470,464	-	16,470,464	14,062,796
Capital Assets (Note 8)		1,530,018	1,530,018	857,243
	\$ 16,470,464	\$ 1,530,018	\$ 18,000,482	\$ 14,920,039
Liabilities				
Current Liabilities				
Accounts payable and accruals	\$ 3,548,611	\$ -	\$ 3,548,611	\$ 4,279,358
Deferred revenue (Note 9)	4,184,558	-	4,184,558	4,211,555
Accrued payroll benefits	3,733,031	-	3,733,031	3,741,887
	11,466,200	-	11,466,200	12,232,800
Deferred capital contributions (Notes 10)		163,017	163,017	
Accrued sick leave obligation (Note 13)	1,162,500		1,162,500	1,176,800
Total liabilities	12,628,700	163,017	12,791,717	13,409,600
Net assets				
Invested in capital assets		1,367,001	1,367,001	857,243
Unrestricted	341,764	-	341,764	(1,346,804)
Internally restricted (Note 5)	3,500,000	-	3,500,000	2,000,000
Total net assets	3,841,764	1,367,001	5,208,765	1,510,439
	\$ 16,470,464	\$ 1,530,018	\$ 18,000,482	\$ 14,920,039
Commitments (Note 12)				
Contingencies (Note 17)				



Chairperson, Board of Governors



President and CEO

Statement of Operations

For the Year Ended March 31

			2013	2012
	Operating Fund	Capital Fund	Total	Total
Revenue				
Grants – Province of New Brunswick (Note 15)	\$51,486,355	\$ -	\$51,486,355	\$49,444,405
Tuition	11,160,147	-	11,160,147	10,316,278
Sales	4,091,631	-	4,091,631	4,100,341
Contract training	2,436,366	-	2,436,366	3,691,971
Apprenticeship and cost recoveries (Note 15)	7,936,959	-	7,936,959	8,419,035
Amortization of deferred capital contributions (Note 10)	-	18,113	18,113	-
Other (Note 11)	777,760	-	777,760	690,015
	<u>77,889,218</u>	<u>18,113</u>	<u>77,907,331</u>	<u>76,662,045</u>
Expenses				
Salaries and benefits	53,949,019	-	53,949,019	53,195,486
Services	10,135,903	-	10,135,903	9,460,447
Cost of goods sold	2,505,301	-	2,505,301	2,585,458
Supplies	4,178,362	-	4,178,362	4,699,154
Small tools and equipment	2,518,696	-	2,518,696	2,912,450
Grants and payments to others	247,263	-	247,263	264,896
Bank fees and miscellaneous	111,150	-	111,150	122,914
Inventory obsolescence and adjustments	88,114	-	88,114	80,531
Amortization of capital assets	-	335,576	335,576	188,869
Bad debt expense	139,621	-	139,621	102,957
	<u>73,873,429</u>	<u>335,576</u>	<u>74,209,005</u>	<u>73,613,162</u>
Excess (deficiency) of revenues over expenses	\$ 4,015,789	\$(317,463)	\$ 3,698,326	\$ 3,048,883

Statement of Changes in Net Assets

For the Year Ended March 31

	Capital Fund	Operating Fund		Total 2013	Total 2012
	Invested in capital assets	Unrestricted	Internally restricted		
Net assets, beginning of year as previously stated	\$ 857,243	\$ (170,004)	\$2,000,000	\$2,687,239	(304,744)
Change in accounting policy for sick leave (Note 3)		(1,176,800)		(1,176,800)	(1,233,700)
Balance at April 1, 2012 as restated	857,243	(1,346,804)	2,000,000	1,510,439	(1,538,444)
(Deficiency) excess of revenue over expenses	(317,463)	4,015,789	-	3,698,326	3,048,883
Deferred capital contributions	(181,130)	-	-	(181,130)	-
Acquisition of capital assets	1,008,351	(827,221)	-	181,130	-
Transfer to internally restricted fund (Note 5)	-	(1,500,000)	1,500,000	-	-
Net assets, end of year	\$ 1,367,001	\$ 341,764	\$3,500,000	\$5,208,765	1,510,439

Statement of Cash Flows

For the Year Ended March 31

	2013	2012
Operating Activities		
Excess of revenues over expenses	\$3,698,326	\$3,048,883
Items not requiring an outlay of cash:		
Amortization of capital assets (net)	317,463	188,869
Bad debt expense	139,621	102,957
Inventory obsolescence and adjustments	88,114	80,531
	<u>4,243,524</u>	<u>3,421,240</u>
Changes in Non-Cash Working Capital		
Accounts receivable	(730,378)	(22,647)
Prepaid expenses	126,744	118,716
Inventory	(271,529)	127,579
Accounts payable and accruals	(730,747)	641,936
Deferred revenue	(26,997)	913,956
Accrued payroll benefits	(8,856)	63,149
Accrued sick leave	(14,300)	(56,900)
	<u>2,587,461</u>	<u>5,207,029</u>
Capital Activities		
Purchase of capital assets	<u>(827,221)</u>	<u>(496,564)</u>
Net increase in Cash	1,760,240	4,710,465
Cash and cash equivalents, beginning of year	<u>12,640,112</u>	<u>7,929,647</u>
Cash and cash equivalents, end of year	<u>\$14,400,352</u>	<u>\$12,640,112</u>
Cash and cash equivalents is represented by:		
Cash on hand	\$ 7,810	\$ 8,110
Due from Province of New Brunswick (Note 2)	14,392,542	12,632,002
	<u>\$14,400,352</u>	<u>\$12,640,112</u>

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2013

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 College has adopted the accounting standards contained in PS 1201 - *Financial Statement Presentation and PS 3450 - Financial Instruments*. The impact of these standards is not significant, affecting only the disclosures in the notes to the financial statements. The financial statements of prior periods, including comparative figures, have not been restated as a result of the adoption of PSAS 1201 and 3450. The following is a summary of the significant accounting policies of the College:

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards 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. 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. Actual results may differ from these estimates.

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

Cash consists of cash on hand and amounts held by financial institutions. As part of the transition to a Crown Corporation, the College continues to use the Province's bank account and the amounts noted in the financial statements as due from Province of New Brunswick represents amounts due from the Province and are classified as cash equivalents.

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.

Capital assets

Capital assets are recorded at cost. Capital assets are amortized on a straight-line basis over the following estimated useful life:

Vehicles and heavy equipment	5 to 10 years
Furniture and equipment	5 years

Land and buildings that are owned by the Province are not reflected in the assets of the College. Improvements made to these buildings are expensed in the year and amounted to approximately \$500,000 in 2013.

Revenue recognition

The College follows the deferral method of accounting for revenues which includes grants, tuition fees and contracted services.

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.

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 \$181,130 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) CHANGE IN ACCOUNTING POLICY

The College has changed its accounting policy to adopt section PS 3255. This accounting policy change was applied retrospectively and therefore, 2012 comparative figures have been restated. Key adjustments resulting from the adoption of this accounting policy are as follows:

Sick pay benefits that accumulate but do not vest are considered obligations. Future utilization of these benefits is considered when measuring the liability recognized by the College. The 2012 financial statements have been adjusted to reflect the opening liability at March

31, 2011, to record the expense incurred during 2011 - 2012 reporting period and the estimated liability at the year ended March 31, 2012.

The Statement of Financial Position has been restated to reflect the changes.

The impact of this change on the 2012 figures is as follows:

**Statement of Financial Position
March 31, 2012**

Total liabilities, as previously stated	\$12,232,800
Add: adjustment for recognition of liability for sick leave	1,176,800
Total liabilities, as restated	<u>\$13,409,600</u>

Statement of Operations

Excess of revenues over expenditures, as previously stated	\$2,991,983
Less: reclassification of payroll expense to liability	(193,100)
Add: sick leave expense	250,000
Excess of revenues over expenditures, as restated	<u>\$ 3,048,883</u>

Statement of Change in Net Assets

Net assets, as previously stated	\$2,687,239
Less: Adjustment for sick leave obligation	(1,176,800)
Net assets, as restated	<u>\$1,510,439</u>

4) PRIOR PERIOD ADJUSTMENTS

Sick leave liability

During the year NBCC retroactively recognized a sick leave liability in the amount of \$1,162,500 (2012 - \$1,176,800) as detailed in notes 3 and 13.

5) 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.

The Board of Governors, on May 16, 2013, retroactive to March 31, 2013, approved the transfer of fiscal 2013 unrestricted surplus in excess of the projected sick leave obligation of \$1,162,500 million to internally restricted funds for strategic initiatives and general contingency. This amounted to a transfer of \$1,500,000 to the internally restricted funds. These funds are currently held by the Province of New Brunswick and are part of cash equivalents. 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:

	2013	2012
General contingency	\$1,000,000	\$1,000,000
Strategic initiatives	<u>2,500,000</u>	<u>1,000,000</u>
	<u>\$3,500,000</u>	<u>\$2,000,000</u>

6) ACCOUNTS RECEIVABLE

	2013	2012
Organizations	\$341,998	\$368,499
Other Province of NB departments	252,585	59,967
Student tuition and fees	698,719	229,192
Other	<u>103,324</u>	<u>8,921</u>
	1,396,626	666,579
Allowance for doubtful accounts	<u>(269,423)</u>	<u>(130,133)</u>
	\$1,127,203	\$536,446

7) INVENTORY

	2013	2012
Educational textbooks	\$761,636	\$564,593
Stationary and supplies for resale	128,629	97,030
Clothing	<u>31,980</u>	<u>35,645</u>
	922,245	690,924
Inventory obsolescence	<u>(47,906)</u>	<u>(6,344)</u>
	\$874,399	\$690,924

8) CAPITAL ASSETS

			2013	2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	\$404,752	\$116,89	\$287,860	\$106,989
Furniture and Equipment	1,476,345	349,238	1,127,107	558,503
Heavy Equipment	923,393	808,342	115,051	191,751
	<u>\$2,804,490</u>	<u>\$1,274,472</u>	<u>\$1,530,018</u>	<u>\$857,243</u>

9) DEFERRED REVENUE

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

	2013	2012
Student Tuition	\$ 2,631,750	\$ 2,518,910
Confirmation Fees	498,661	497,600
Customized Training	86,372	203,366
Applied Research	200,528	-
Other	<u>767,247</u>	<u>991,679</u>
	\$ 4,184,558	\$ 4,211,555

10) DEFERRED CAPITAL CONTRIBUTIONS

	2013	2012
Deferred capital contributions beginning of year	\$ -	\$ -
Contributions during the year	181,130	-
Amortization of deferred contributions	<u>18,113</u>	<u>-</u>
Deferred capital contributions end of year	\$ 163,017	\$ -

11) OTHER REVENUE

Other revenue is summarized as follows:

	2013	2012
Leases and Rentals	\$ 394,331	\$ 331,849
Interest Income	23,495	41,315
Other	<u>359,934</u>	<u>316,851</u>
	\$ 777,760	\$ 690,015

12) COMMITMENTS

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

2014	\$ 225,420
2015	82,578
2016	41,858
2017	-
Thereafter	-
	<u>\$ 349,856</u>

13) EMPLOYEE FUTURE BENEFIT OBLIGATION

Pension

Full-time employees of the College are covered by the Public Service Superannuation Plan (the Plan) of the Province of New Brunswick. The plan is a defined benefit multi-employer plan under which the contributions are required to be made by both the College and the employees. As provided for in the New Brunswick Community Colleges Act and Regulations this is not a liability of the College and the College is not required to make employer contributions. The employers' contribution is made by the Province on behalf of the College. This amount is not recognized as an expense or revenue of the College. For the period ended March 31, 2013, the contributions on behalf of the College made by the Province were \$3.69 million (2012- \$3.45) under the terms of the plan.

The College has no direct liability or entitlement to any unfunded liability or surplus in the plan related to its current or former employees.

Retirement allowance

Certain full-time employees of the College are entitled to be paid a retirement allowance upon their retirement based upon years of service. 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 \$835,740 (2012- \$810,734).

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:	3.36% as at March 31, 2013 - 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:	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, the results are:

Interest on Accrued Benefit Obligation

	2013	2012
Accrued benefit obligation at beginning of year	\$1,262,100	\$1,251,200
Employer current service cost (mid-period)	74,600	68,600
Employer benefit payments (mid-period)	<u>(108,000)</u>	<u>(125,000)</u>
	\$1,228,700	\$1,194,800
Rate (at start of the period)	3.52%	4.53%
Interest for the year	<u>43,300</u>	<u>54,100</u>

Experience loss - accrued benefit obligation

	2013	2012
Accrued benefit obligation - beginning of year	\$1,262,100	\$1,251,200
Employer current service cost	149,100	137,100
Employer benefit payments	(216,000)	(250,000)
Interest for the year	<u>43,300</u>	<u>54,100</u>
Expected value of accrued benefit obligation	1,238,500	1,192,400
Experience loss during the year	<u>11,400</u>	<u>69,700</u>
Actual value of accrued benefit obligation	<u>\$1,249,900</u>	<u>\$1,262,100</u>

Unamortized Experience loss

	2013	2012
Unamortized loss - beginning of year	\$85,300	\$17,500
Amount amortized during the year	(9,300)	(1,900)
Experience loss at end of year	<u>11,400</u>	<u>69,700</u>
Unamortized loss at end of year	<u>\$87,400</u>	<u>\$85,300</u>

Expense Recorded in the Statement of Operations

	2013	2012
Current period benefit cost	\$149,100	\$137,100
Amortization of actuarial losses	9,300	1,900
Sick leave benefit interest expense	<u>43,300</u>	<u>54,100</u>
Expense related to sick leave benefit	<u>\$201,700</u>	<u>\$193,100</u>

Accrued Benefit Liability

	2013	2012
Accrued benefit liability - beginning of year	\$1,176,800	\$1,233,700
Expense for the year	201,700	193,100
Employer benefit payments	<u>(216,000)</u>	<u>(250,000)</u>
Accrued benefit liability - end of year	<u>\$1,162,500</u>	<u>\$1,176,800</u>

14) 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, with the exception of accrued sick leave benefits, 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 is no significant credit risk as at March 31, 2013.

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 cash 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.

Analysis of aged accounts receivable

Current	\$512,814
1 - 30 days past due	124,292
31 - 60 days past due	22,025
61 - 90 days past due	359,484
91 - 180 days past due	74,804
181 - 360 days past due	32,196
360 plus days past due	<u>171,011</u>
	<u>\$1,396,626</u>

15) 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 \$51,486,355 (2012-\$49,444,405) and revenues from PNB departments for apprenticeship training and cost recoveries amounting to \$7,936,959 (2012-\$8,419,035).

In accordance with the Higher Education Foundation Act, the New Brunswick Community Colleges 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 \$186,800 (2012-\$168,575) 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 \$252,585.

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

Note 2 - cash and cash equivalents

Note 2 - capital assets

Note 2 - contributed services

Note 13 - employee future benefit obligation

16) 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 \$51,486,355 (2012-\$49,444,405) from the Province.

17) COMPARATIVE FIGURES

Certain 2012 figures have been restated to conform to 2013 presentation.

18) CONTINGENCIES

The College is currently engaged in certain legal actions, the outcomes of which are not determinable at this time. Management has estimated that there is minimal risk of material loss from these legal actions. 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.



Transforming lives and communities



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