ANNUAL REPORT

2023-24

NBCC

COLLEGEWORKS


$21.8 Million
NBCC

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MESSAGE FROM
NBCC BOARD CHAIR

On behalf of NBCC's Board of Governors, I am pleased to present the 2023-24 Annual Report.

As the Chair of the Board of Governors and the person responsible for the preparation of the annual report, I take great pride in the College's ongoing transparency regarding NBCC's finances and strategic goals. The report and results herein are reflective of a tremendous effort on the part of the entire NBCC team.

In addition to its regular governance responsibilities, some Board highlights from the last operational year have included welcoming five new members and one new student member; the creation of a new Nominations Committee; and governance discussions on enterprise risk management and enrolment management. Given the significant changes to international student policy announced in early 2024, NBCC's high levels of preparedness on risk and enrolment management have positioned the College well to navigate the associated disruptions.

As required by Ministerial mandate, NBCC has delivered its first Climate Action Progress Report this year, covering the period of 2022-24. I am pleased to announce that of the 29 action items outlined in the 2022 Strategy, 4 are complete or fully operational, 11 are in implementation, 8 are in the planning or exploration stage, while 6 have not yet been started. This work on climate action is fundamental to guiding NBCC's efforts in helping New Brunswick transition towards a decarbonized and climate-resilient economy and society.

I am proud of the work that has been done by the Board, executive team, and staff to further NBCC's purpose of driving economic and social wellbeing through education. NBCC is a critical educational asset for the province, and I look forward to seeing the College make continued progress.

Lindsay Bowman
Chair, NBCC Board of Governors

NBCC 2023-2024 BOARD OF GOVERNORS
Lindsay Bowman (*Chair*); Jocelyn Chan; Aynslie Croney; Mark Crowley; Nicole Gionet; Scott Grant; Catherine Lawrence; Wes McLean; Shawn Mesheau; Victoria Scott; Samar Shoaib; Kurtis Sisk; Jill Stairs; Geraldine (Nadine) Villegas.

MESSAGE FROM
NBCC PRESIDENT & CEO

As we reflect on the past year at New Brunswick Community College (NBCC), I am both proud and humbled by the strength of our team. Despite significant disruptions in our social and economic environment, our resilience and steadfast commitment to transforming lives and communities have never been more evident.

New Brunswick faces notable challenges: an aging workforce, nearly half of our jobs at risk due to automation and technological advances, and an educational attainment rate lagging behind other provinces. Additionally, we have one of the highest rates in Canada of 18-to-29-year-olds who are not in Employment, Education, or Training (NEET). These challenges present immediate, short, and long-term consequences for economic development and the sustainability of our labour market.

In the face of these challenges, we remain optimistic. NBCC is committed to being a solutions-oriented partner that is dedicated to serving our communities. We recognize the significant role of education in moving beyond the critical moment we face today. Our goals include increasing post-secondary participation among New Brunswickers, closing the attainment gap with the rest of Canada, expanding access to historically underserved groups, and targeting sectors with the greatest talent needs or growth opportunities.

Continuing to build on our strengths, NBCC is prepared to meet 21st-century challenges. This includes recognizing formal and informal skills and experiences; creating personalized, accelerated paths to employment; offering diverse training options that can be customized; ensuring our students have access to the best spaces, tools, and technology to prepare them for future employment; and investing in innovations like the Mobile Training Centre, which allows us to go beyond the classroom and directly into communities across New Brunswick.

This year marked the first of our 2023-2028 Strategic Plan: Going Beyond. Building on the foundation of our previous plan, Together We Rise, Going Beyond intensifies our focus on learner participation and success, fostering a culture of excellence, and nurturing impactful stakeholder relationships.

Together, we have achieved extraordinary results in the last year, exceeding most of our year-end targets. These accomplishments, while significant, were not without challenges.

As we continue to build on the momentum of the first year of Going Beyond, we are focused on balancing growth with capacity. We are collaborating with our campus communities to optimize resources and support services that ensure we are well-positioned to continue transforming lives and communities throughout New Brunswick and beyond.

Thank you for your continued support and partnership.

Sincerely,

Mary Butler,
President and CEO

NBCC SENIOR EXECUTIVE TEAM
MARY BUTLER, *President and CEO*
ANN DRENNAN, *Vice President, Academic, Innovation, and Student Affairs*
TIM WALKER, *Vice President, Finance and Administration*
HEATHER ALLABY, *Vice President, Engagement and Experience*
ROSALYNN ALESSI, *Executive Director, People and Culture*

GOVERNANCE

The Board of Governors is responsible for establishing the governing policies that direct NBCC's mandate of enhancing the social and economic well-being of New Brunswick through training and education, and with fulfilling the legislated requirements under the *New Brunswick Community Colleges Act* and the *Accountability and Continuous Improvement Act*. The Board's key governance responsibilities include the areas of strategic planning and corporate performance, human resources accountability, financial accountability, enterprise risk management, and stakeholder relations, as well as fulfillment of NBCC's mandate letter from government, a summary of which is included in Appendix B. NBCC's Board of Governors is accountable for NBCC's ongoing success and sustainability through the provision of strategic leadership and stewardship. As part of the corporate planning and reporting cycle, the Board is responsible for ensuring the submission and publication of an annual report to the College's stakeholders, communicating progress towards all plans of a strategic or financial nature. This document, NBCC's 2023-24 Annual Report, has been approved by the Board in its efforts to ensure transparency, accountability, and the proactive disclosure of information in the public interest.

STRUCTURE AND COMMITTEES

The Board of Governors is comprised of up to 12 members, six of which are Board appointed and six are appointed by the Minister of Post-Secondary Education, Training and Labour. Of the Board appointees, three members are from within NBCC who are elected by their peers to represent the following groups: academic, non-academic, and student. In addition to the full Board, there are four standing committees: Human Resources, Audit, Nominations, and Governance. Standing committees assist the Board in its work by studying and presenting recommendations, decision-making alternatives, and options for consideration by the full Board.

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosure Act* (PIDA) encourages employees in the provincial public service to report any wrongdoing that has occurred or is about to occur in the workplace. The PIDA protects employees against reprisals for reporting any wrongdoing that is potentially unlawful, dangerous to the public, or harmful to the public interest. It also provides a fair and objective process for those employees who are alleged to have committed a wrongdoing. NBCC can report that in 2023-24, there were no disclosures or claims made against any employee of the College under the PIDA.

SUMMARY OF RECOMMENDATIONS FROM THE OFFICE OF THE AUDITOR GENERAL

NBCC is pleased to report that at the time of publication of this report, we have no outstanding recommendations from the Office of the Auditor General.

PILLAR 1

EDUCATION THAT WORKS

As the first pillar of the *Going Beyond* strategic plan, '*Education that Works*' reflects NBCC's strong commitment to increased participation and learner success. The world of work is evolving at a rapid pace, and to fulfill our purpose of driving economic and social well-being through education, NBCC learners must be equipped with the skills and training they need to be successful in the workforce of today and tomorrow.

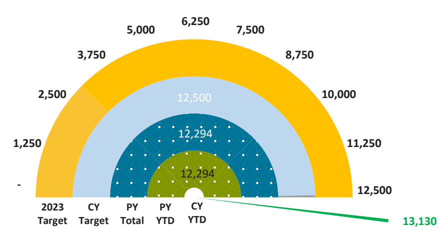
It's equally important that we increase participation and success by offering learning experiences that meet the needs of new and diverse learner populations. It's not about finding a one-size-fits-all approach; instead, it's about reaching and supporting more learners by breaking down barriers to accessing education, delivering relevant and applicable programming, and offering student services that will support learners throughout their time at NBCC.

TOTAL LEARNER INDEX: We have exceeded our year-end enrolment target by 5%, welcoming 13,130 learners to the College in 2023-24. This is an increase of 6.8% over last year, and up 36.6% over the last five years. This year, we are focused on stabilizing NBCC's overall enrolment and increasing participation among New Brunswick residents, particularly those who have been under-represented in post-secondary attainment.

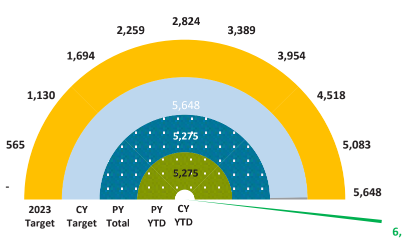
EMPLOYMENT OUTCOMES: NBCC graduates have promising employment prospects to look forward to. A one-year graduate follow-up survey found that 94% of NBCC's Class of 2022 were employed one year following graduation, the highest percentage recorded over the last seven years. Of these graduates, 87% work in jobs related to their field of study, with 92% working in New Brunswick.

STUDENT SUCCESS: NBCC is committed to the success of its students and learners. As such, we remain focused on the development of a refined measurement for this outcome in 2024.

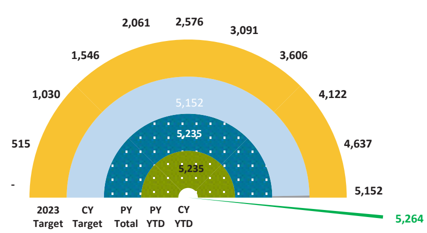
Total Learners



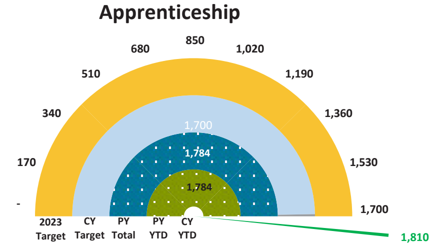
Government-Funded



Continuing Education



Apprenticeship



2023-24 EDUCATION THAT WORKS

Annual Graduate Employment*

94.0%

Target: 90%

Annual Graduation Rate*

92.2%

Target: 79%

Annual Graduate Employment in a Related Field*

87.0%

Target: 83%

Student Retention Rate*

89.8%

Target: 83%

**KPI established by Government of New Brunswick. Target established by NBCC.*

PILLAR 2

GOING BEYOND IN ALL THAT WE DO

NBCC's *'Going Beyond'* strategic pillar encompasses two elements: the extraordinary experience we deliver for NBCC's students, staff, and stakeholders and the responsible stewardship of our resources to ensure NBCC can continue to fulfill its mandate to the communities we serve.

NBCC EXPERIENCE: NBCC has typically enjoyed high levels of employee engagement and student satisfaction, and strong partnerships have been essential in our success. The commitment of this pillar is to ensure that the NBCC Experience is clearly defined, repeatable, aligned and integrated regardless of how you interact with the College. In 2023-24, we began the process of journey mapping *Moments that Matter* for key groups, established a standard of excellence for the student learning experience, and undertook a series of employee engagement conversations to identify staff engagement priorities. In 2024-25, we are developing a more robust performance metric to capture the various dimensions of the NBCC Experience.

NBCC STEWARDSHIP: The NBCC Stewardship measure is an index that represents our overall performance in key areas including:

- **Benefit Realization:** the aggregate capacity created, and money saved through our continuous improvement program
- **Deferred Maintenance:** money saved through deferred maintenance reduction
- **Annual Operating Surplus:** accumulated money available to assist with ongoing operations

NBCC's Stewardship index for 2023-24 is 11.9 which meets our established target of 11.9, indicating progress in the areas noted above. This reflects the efforts that NBCC has put into developing and investing in innovative, supportive, and sustainable systems and infrastructure to save the College time and money, to ensure that staff and students alike can thrive.

2023-24 GOING BEYOND IN ALL WE DO

NBCC Stewardship

11.9

2023-24 Target: 11.9

PILLAR 3

IMPACT THROUGH RELATIONSHIPS

Strong relationships are essential in achieving NBCC's purpose of creating lasting social and economic impact. To evaluate our impact, we currently measure two indicators with a third set of measures being introduced in 2024-25.

GRADUATE EMPLOYMENT IN NEW BRUNSWICK: Graduate employment in New Brunswick remained strong at 92%. This measure has consistently been above 90%, a testament to the relevance of NBCC programming to the New Brunswick labour market, strong relationships with industry, and the importance of work-integrated learning (WIL).

GRADUATE SATISFACTION: NBCC graduate satisfaction remains relatively high at 84.8% which represents an improvement over the previous two years. However, it remains short of our stretch target of 90%. This measure comes from our Graduate Follow-Up Survey, conducted by the Department of Post-Secondary Education, Training and Labour. The survey evaluates, and results are driven by, NBCC students' overall satisfaction (i.e. having rated their experience as either Excellent or Good) on six evaluation elements including program content, facilities available, equipment available, quality of instruction, student services, and job preparation.

LEARNING AND COMMUNITY OUTCOMES: In 2024-25, NBCC will introduce targets for measures aligned with the United Nations Sustainable Development Goals (SDGs) most closely related to our areas of impact:

- Graduate employment in jobs commensurate with education (SDG 8 Decent Work)
- Enrolment and graduation targets for underrepresented learners (SDG 10 Reduced Inequalities)
- Greenhouse gas emission reduction targets (SDG 13 Climate Action)

These impact measures are underpinned by SDG 4 Quality Education, as well as by building and strengthening relationships. For example, NBCC's commitments to lowering greenhouse gas emissions requires NBCC not only to reduce its own direct emissions through facilities projects, but also to work with partners to ensure that the workforce and applied research needs are being met to decarbonize our electricity grid.

2023-24 IMPACT THROUGH RELATIONSHIPS

Graduate employment in NB

92.0%

2023-24 Target: 90.0%

Graduate Satisfaction*

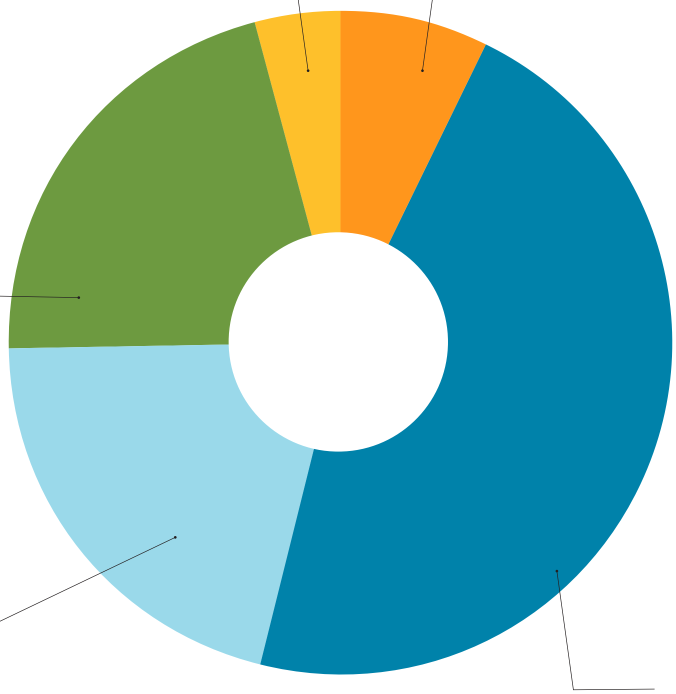
84.8%

2023-24 Target: 90.0%

**KPI established by Government of New Brunswick. Target established by NBCC.*


NBCC
FIRE SERVICES

NBCC EMPLOYEES



PROFESSIONAL & PART-TIME LEARNING
42 / 4%

APPRENTICESHIP
78 / 7%

MANAGEMENT & ADMINISTRATION
224 / 21%

EDUCATIONAL SUPPORT
220 / 21%

DIRECT PROGRAMMING
491 / 47%

Financial Discussion & Analysis

MARCH 31, 2024

EXECUTIVE SUMMARY

For the fiscal year ended March 31, 2024, NBCC continued to demonstrate a strong record of responsible financial management. Highlights of NBCC's annual financial statements include:

- ***Deficiency of Revenues over Expenses*** of ($0.9M) representing (0.68%) of revenue. This compares to an *Excess* of $10.4M (or 9.1% of revenue) in prior year. The 2023-24 deficiency comprises:
    - Year-over-year increase in ***Revenues*** of $11.3M (or 9.9%). This compares to a $10.5M (or 10.1%) year-over year increase in 2023; and
    - Year-over-year increase in ***Expenses*** of $22.6M (or 21.6%). This compares to a $8.8M (or 9.2%) year-over-year decrease in 2023.
- ***Changes to Net Assets*** also totalled ($0.9M) and is primarily attributed to:
    - $1.3M decrease in **Net assets invested in capital assets;**
    - $0.8M decrease in **Net assets internally restricted for specific purposes**; and,
    - $0.7M *increase* in **Unfunded future employee benefits** *liability*.

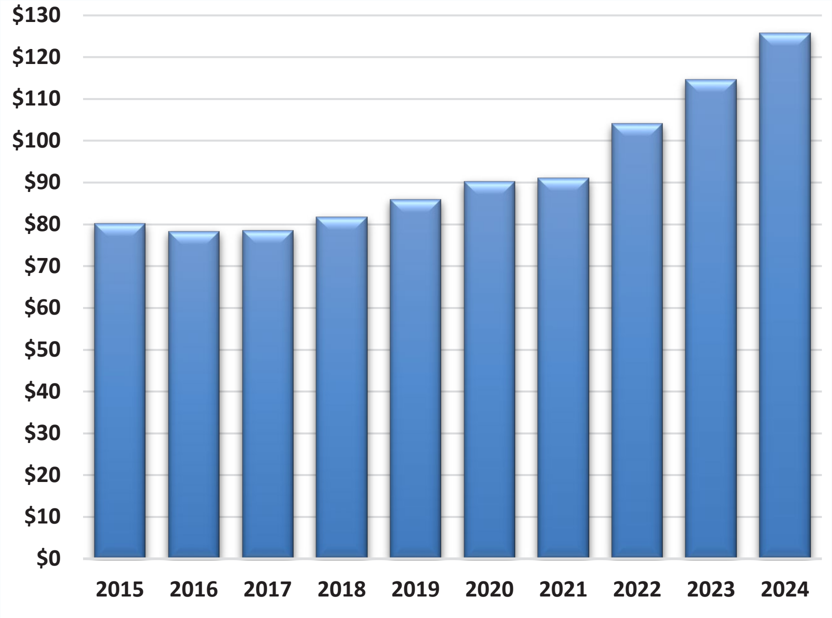
  The above are partially offset by:
    - $1.9M increase in ***Accumulated Operating Surplus.***
- ***Key Financial Health Indicators***
    - These indicators also correctly indicate that the College is entering a new phase of its journey to organizational maturity.
    - As NBCC accesses its previously invested positive financial results to undertake and complete projects in the medium term, Financial Health Indicators such as Excess of Revenues over Expenses (p.20), Net Assets to Expenses Ratio (p.21), Excess (Deficiency) to Revenues Ratio (p.22) may not provide adequate context through which stakeholder can appreciate the evolving nature of NBCC operations. NBCC has committed to revisit these measures over the coming year.

Introduction to Financial Discussion and Analysis

This Financial Statement Discussion & Analysis (FSD&A) is prepared by New Brunswick Community College ("NBCC" or "College") management in order to provide supplementary analysis of the College's financial position and operating activities as described it its annual, audited financial statements. NBCC management is responsible for the contents of this document. This document supplements, and should be read in conjunction with, NBCC's audited financial statements (including accompanying notes).

STATEMENT OF OPERATIONS AND CHANGES IN ACCUMULATED OPERATING SURPLUS

Revenues ($ Millions)



Revenues total $125.9M in 2023-24 ($114.6M in 2022-23).

This represents an increase of $11.3M (or 9.9%) over prior year.

This is primarily attributed to year over year increases in Tuition and fees ($4.5M); Cost recoveries ($2.9M); Grant from Province ($2.7M); Applied research ($0.8M); and Contract training ($0.5M).

<u>**Long Term Trend**</u>: ***Revenues*** increased from $80.3M in 2015 to $125.9M in 2024 (representing an increase of $45.6M and 55.7%).

This increase is primarily attributed to cumulative growth in Tuition and fees ($23.9M); Grant from Province ($9.9M); Cost recoveries ($6.1M); Contract training ($3.9M); Applied Research ($1.3M); and the transition of College application fees ($1.2M) from College Admission Services starting in 2021.

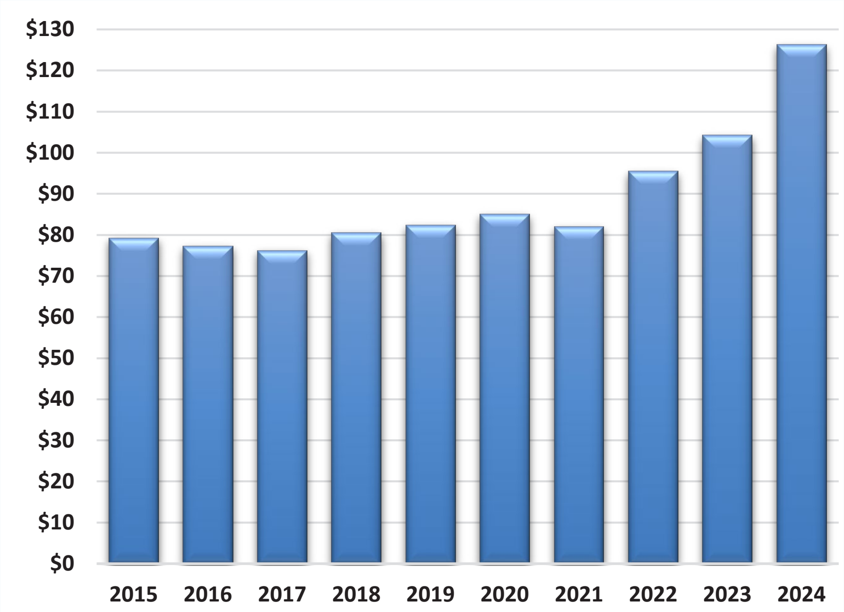
Expenses ($ Millions)

Expenses total $126.8M in 2023-24 ($104.2M in 2022-23).

This represents an increase of $22.5M (or 21.6%) over prior year.

This is primarily attributed to year over year increases in Salaries and benefits ($13.7M); Small tools, equipment ($3.4M); Services ($2.1M); and, Deferred maintenance, Repairs and maintenance and Transfer of assets to Province ($2.2M).

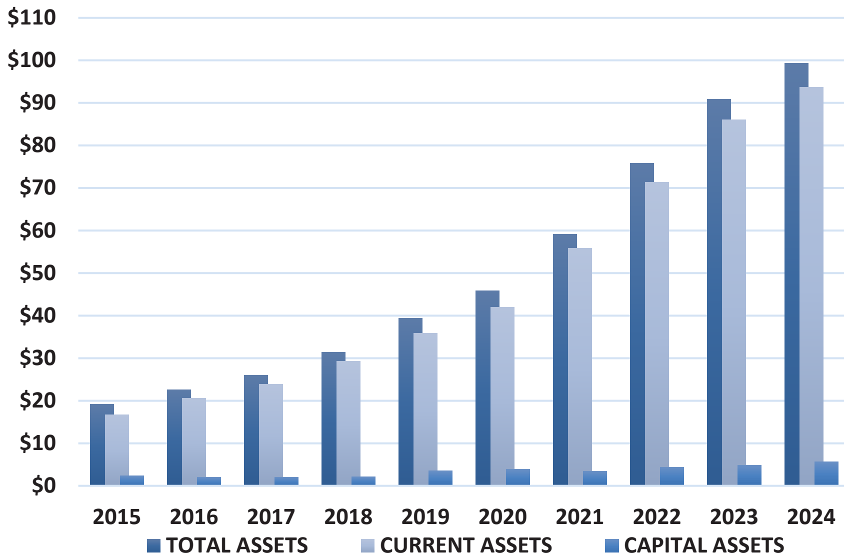
<u>**Long Term Trend:**</u> ***Expenses*** increased from $79.2M in 2015 to $126.8M in 2024 (representing an increase of $47.6M and 60.0%), as compared to a $45.6M (or 55.7%) increase in revenue.



Expenses by category remain consistent in 2023-24 e.g., Salaries and benefits comprise 74.0% of Expenses (76.9% in prior year and 73.9% in 2015).

STATEMENT OF FINANCIAL POSITION

Assets ($ Millions)



Assets total $97.8M in 2023-24 ($90.9M in 2022-23).

This represents an increase of $6.9M (or 7.6%) over prior year.

This is primarily attributed to an increase in Current Assets ($7.6M) and a decrease in Capital Assets ($0.7M).

Long Term Trend: ***Assets*** have increased consistently each year (i.e., from $19.2M in 2015 to $97.8M in 2024 representing an increase of $78.6M and 410.9%). This increase is largely driven by positive cash flows from operations.

Current Asset growth in 2023-24 is mainly attributed to higher Due from Province ($8.9M); and offset by a *decrease* in Accounts receivable and accrued revenue ($1.9M).

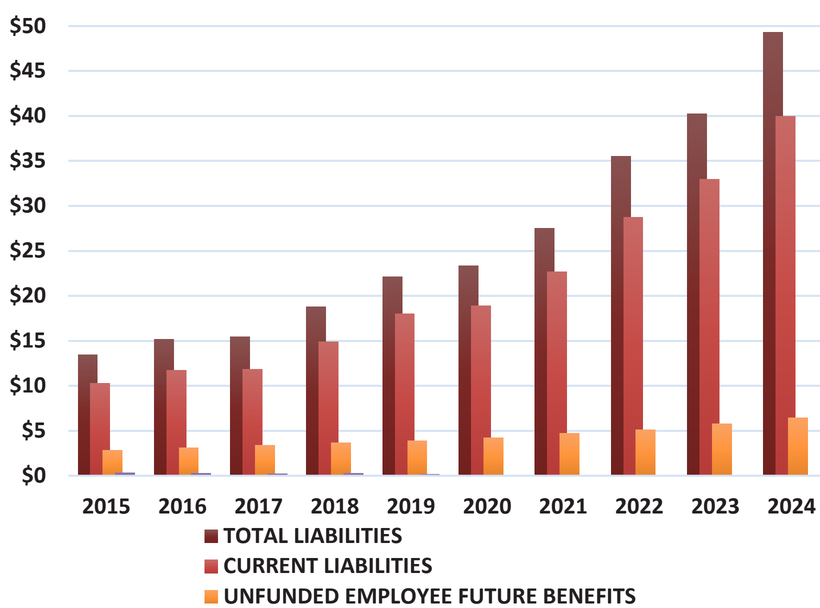
Liabilities ($ Millions)

Liabilities total $48.1M in 2023-24 ($40.3M in 2022-23).

This represents an increase of $7.8M (or 19.4%) year over year.

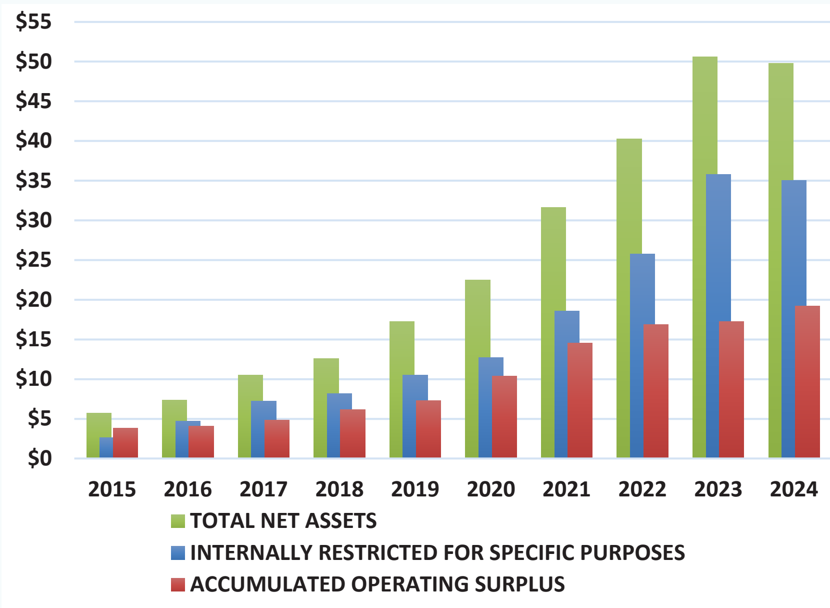
This is primarily attributed to increases in Current Liabilities ($6.5M); Unfunded employee future benefits ($0.7M); and Deferred capital contributions ($0.6M).

Current Liability growth is largely attributed to increases in Deferred revenue ($2.7M); Accrued salary and benefits ($3.0M); and an increase in Accounts payable and accruals ($0.8M). Fluctuations within this range are normal and are attributable to timing differences.



<u>Long Term Trend:</u> ***Liabilities*** have increased from $13.4M in 2015 to $48.1M in 2024 (representing an increase of $34.6M and 257.4%). Consistent with the current year increases, these are largely driven by annual increases in Deferred revenue, Accrued salaries and benefits and Unfunded employee benefits as the College has grown.

Net Assets ($ Millions)



Net Assets total $49.8M in 2023-24 ($50.6M in 2022-23).

This represents a decrease of $0.9M (or 1.7%) year over year.

This is primarily attributed to decreases in Net assets invested in capital assets *($1.3M);* Net assets internally restricted for specific purposes ($0.8M); and unfunded future employee benefits ($0.7M) offset by a $1.9M increase in Accumulated operating surplus.

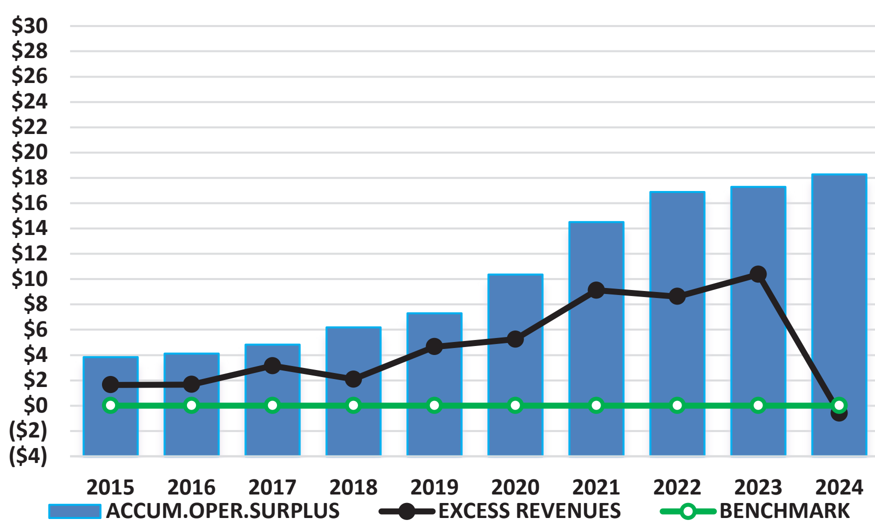
<u>Long Term Trend:</u> ***Net Assets*** increased from $5.7M in 2015 to $49.8M in 2024 (or $44.1M and 772.5%).

The long term trend is primarily attributed to the reinvestment of annual Excesses of Revenues over Expenses in Net assets internally restricted for specific purposes and Accumulated operating surplus.

KEY FINANCIAL HEALTH INDICATORS

Excess of Revenues over Expenses and Accumulated Operating Surplus ($ Millions)

Excesses of Revenues over Expenses ('Excess Revenues') measures the extent to which College operations have contributed to (been subsidized from) Net Assets.



NBCC experienced a deficit of revenues over expenses totalling $0.9M (or 0.68% of revenues) in 2024.

A benchmark of $0 (i.e., breakeven) indicates in-year expenses are entirely covered by in-year revenues.

Deficiencies may indicate a decline in financial health or that the College is intentionally or unintentionally relying on Net Assets to fund in-year expenses.

NBCC experienced Excesses of revenues over expenses for nine of the past ten years.

In 2023-24, NBCC's budget reflected a Deficiency of revenues over expenses ($9.1M) as it intended to undertake and/or complete significant strategic projects ($6.8M) for which Net assets internally restricted for specific purposes would provide funding.

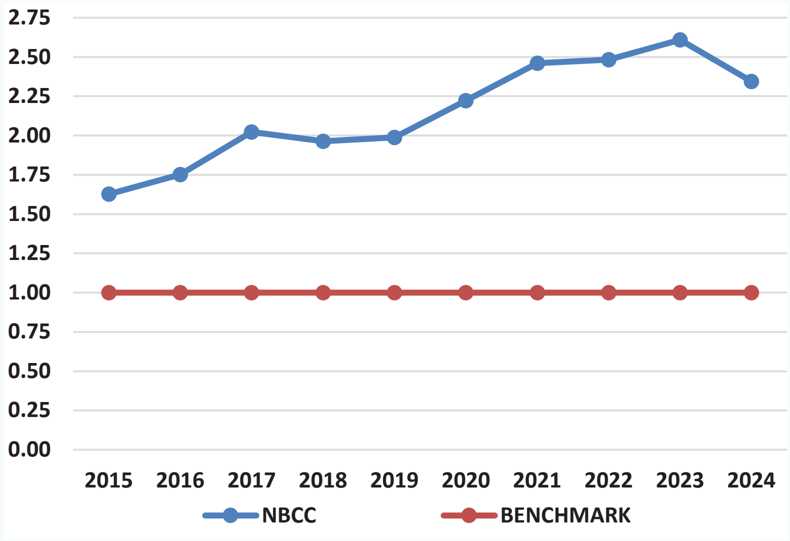
NBCC's actual results for 2023-24 indicate that a more modest Deficiency of revenues over expenses ($0.9M) is largely the result of projects undertaken/completed ($0.8M).

Accumulated operating surplus totals $1.9M in 2023-24 ($0.4M in 2022-23). This amount represents the cumulative wealth available to assist with ongoing operations. A benchmark of $0 (i.e., breakeven) indicates that in-year expenses are entirely covered by in-year revenues – and that sufficient funds exist to improve reserves for future flexibility. NBCC has shown consistent increases in Accumulated operating surplus, growing from $3.9M in 2015 to $19.2M in 2024.

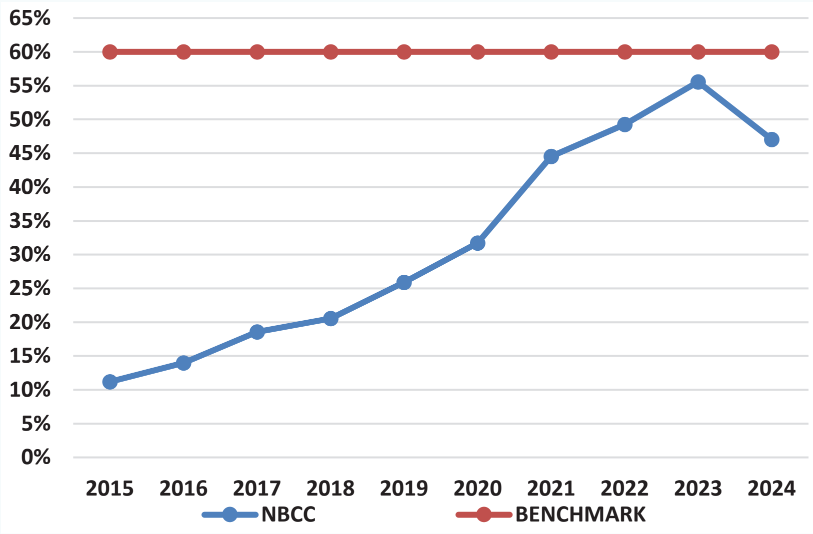
Quick Ratio

Quick Ratio is defined as the ratio of Current Assets to Current Liabilities and represents a measure of liquidity (i.e., the College's ability to pay its short-term obligations). The greater the ***Quick Ratio,*** the greater NBCC's liquidity.

A benchmark of 1.0 or higher is typical in business. A ratio of less than 1.0 may indicate an inability to meet short-term obligations. As can be seen above, NBCC has a ***Quick Ratio*** greater than 1.0, with a 2024 result of 2.37.



Net Assets to Expenses Ratio



Net Assets to Expenses Ratio measures the organization's ability to continue operations in the event of a delay or reduction in revenue.

A benchmark for a mature institution is at least 60%. Less may indicate a lower tolerance for variabilities in revenues.

As NBCC has only been in existence as a Crown corporation since 2010, there has not yet been sufficient time for the College to accumulate the Net Assets of 60%.

NBCC has increased this ratio from 11.2% in 2015 to 46.0% in 2024. 2023-24, however, does demonstrate that where expenses grow faster than our contribution to net assets, NBCC may lose ground on this measure.

It should also be noted that as NBCC enters a phase of undertaken and completing major projects funded by Net assets internally restricted for specific purposes, Net assets will decrease over time. This may further impact this measure.

NBCC will be revisiting this measure over the coming year (from an enterprise risk management perspective) to ensure that this measure (or equivalent measure(s); targets) are best selected to meet the objective of this ratio.

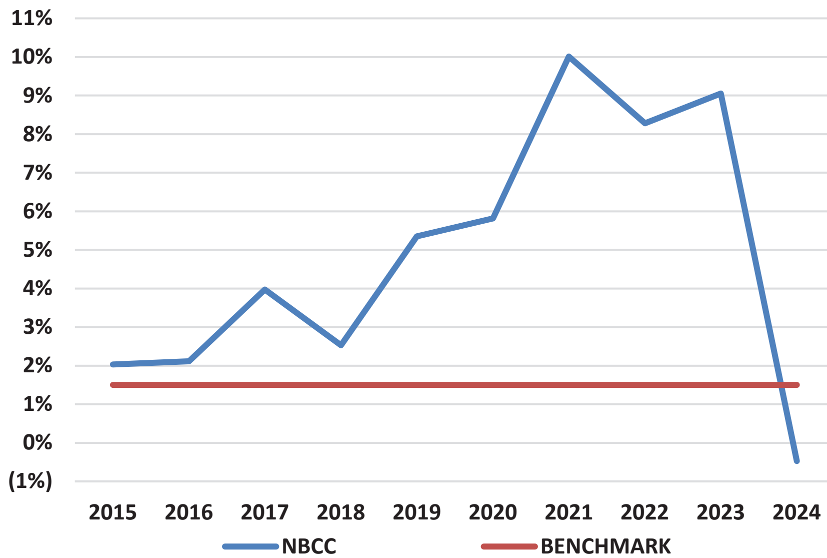
For the purposes of this ratio, net assets include accumulated operating surplus, amounts internally restricted for specific purposes, and investment in capital assets, as well as deferred capital contributions. Unfunded employee future benefits are excluded as they do not represent an amount likely to be accessed in the event of a delay or reduction in revenue nor an amount likely to be called upon for settlement in the short to medium term.

Excess (Deficiency) to Revenues Ratio

Excess (Deficiency) of Revenues over Expenses to Revenues Ratio measures the extent to which each dollar of revenue yields a contribution to the College's Net Assets.

A benchmark of at least 1.5% is typical. Annual contributions of less than 1.5% leave little room for contingency in annual operations.

As shown above, NBCC achieved a ratio of (0.68%) in 2023-24, although it has typically achieved greater than 1.5%.



NBCC experienced Excesses of revenues over expenses for nine of the past ten years, however, this measure does demonstrate that where expenses attributable to projects funds from Net assets are undertaken or completed, (causing a Deficiency of revenues over expenses,) NBCC may lose ground on this measure. This was the case in 2023-24.

It should also be noted that as NBCC enters a phase of undertaken and completing major projects funded by Net assets internally restricted for specific purposes, it is expected that Deficiencies of revenues over expenses will occur more frequently.

NBCC will be revisiting this measure over the coming year (from an enterprise risk management perspective) to ensure that this measure (or equivalent measure(s); targets) are best selected to meet the objective of this ratio.

DEFERRED MAINTENANCE AND REPAIRS

Deferred maintenance includes those maintenance and repair activities on buildings and related systems which were not performed as required or scheduled, usually due to financial or market constraints, but which remain outstanding to return capital assets to an acceptable operating condition. These outstanding activities have therefore been 'deferred' to a future period.

NBCC does not own its buildings. NBCC occupies over 1.4M gross square feet within buildings owned by the Province of New Brunswick subject to a Memorandum of Agreement with the Department of Transportation and Infrastructure (DTI) and Post-Secondary Education, Training and Labour (PETL).

In December 2021, NBCC completed its first Strategic Facilities Master Plan (SFMP). This plan included a non-invasive facilities assessment, which was an update of that completed in 2014. This facilities condition assessment informs NBCC's 2025-2026 Capital Budget Submission as well as its 10-year capital planning. According to this assessment, NBCC has approximately $32.4 Million in Priority 1 projects excluding areas already subject to regular DTI inspection, such as roofing. The magnitude of this challenge supports its inclusion within NBCC's Enterprise Risk Management Report (2023-24) as the following 'Reportable Risk':

***"Aging infrastructure and accumulated deferred maintenance -** Fiscal restrictions limit the amount of preventative maintenance and capital planning that can be undertaken (fact). This may result in continued deterioration of equipment and infrastructure (risk), which could affect program quality, student/staff experience and enrolments (effect)."*

This risk has consistently been ranked 'High' in annual risk assessments and is the only Reportable Risk included on NBCC's Risk Register regarding capital and infrastructure. As such, considerable effort has been made towards mitigating this risk over the past few years.

Through PETL, NBCC annually requests a capital grant to address deferred maintenance. Recent history regarding this process includes NBCC's submission for:

- $6.8M in Priority 1 projects for 2022-23 from which $2.4M in projects were approved.
- $8.5M in Priority 1 projects for 2023-24 from which $2.2M in projects were approved.
- $9.0M in Priority 1 projects for 2024-25 from which $2.2M in projects were approved.

It is important to note that amounts approved by PETL are administered by DTI and do not represent Revenues or Expenses of the College in our audited financial statements.

In addition to this grant and a major capital project to redevelop the Saint John (Grandview) campus, NBCC strives to invest up to 2.5% of its annual revenue in NBCC's capital plan. In fact, the 2023-24 the annual audited financial statements indicate that a total of $4.3M was expensed on deferred maintenance, repairs and maintenance and transfer of assets to Province- all capital in nature- representing 3.5% of revenues ($2.2M and 1.9% in 2022-23).

Financial Statements

MARCH 31, 2024

KPMG LLP
Frederick Square
77 Westmorland Street, Suite 700
Fredericton, NB E3B 6Z3
Canada
Telephone 506 452 8000
Fax 506 450 0072

INDEPENDENT AUDITOR'S REPORT

To Chairperson and Board of Governors

Opinion

We have audited the financial statements of New Brunswick Community College (the College), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and changes in accumulated operating surplus for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2024, and its results of operations and changes in accumulated operating surplus, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 College's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Fredericton, Canada

June 17, 2024

NEW BRUNSWICK COMMUNITY COLLEGE | YEAR ENDED MARCH 31, 2024

STATEMENT OF FINANCIAL POSITION

	2024	2023
ASSETS		
Current Assets		
Cash (Note 2c)	$ 13,375	$ 13,375
Due from Province (Note 2c)	87,663,454	78,771,613
Accounts receivable (Note 3)	3,156,114	5,044,004
Inventories (Note 4)	1,971,409	1,605,894
Prepaid expenses	876,438	621,734
	93,680,790	86,056,620
Capital Assets (Note 5)	4,151,909	4,832,866
	$ 97,832,699	$ 90,889,486
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 9,012,061	$ 8,228,209
Accrued salaries and benefits	10,724,294	7,730,374
Deferred revenue (Note 6)	19,720,506	17,021,852
	39,456,861	32,980,435
Long Term Liabilities		
Deferred capital contributions (Note 7)	2,132,517	1,494,349
Employee future benefits (Note 8)	6,472,000	5,786,900
	8,604,517	7,281,249
	48,061,378	40,261,684
NET ASSETS		
Invested in capital assets (Note 10)	2,019,392	3,338,517
Internally restricted for specific purposes (Note 9)	35,034,945	35,798,942
Unfunded employee future benefits (Note 8)	(6,472,000)	(5,786,900)
Accumulated operating surplus	19,188,984	17,277,243
	49,771,321	50,627,802
	$ 97,832,699	$ 90,889,486

For further information with regard to Commitments, see Note 12.
For further information with regard to Contingencies, see Note 15.

Lindsay Bowman
Board Chair, Board of Governors

Mary Butler
President and CEO

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF OPERATIONS AND CHANGES IN ACCUMULATED OPERATING SURPLUS

	2024 Budget	2024 Actual	2023 Actual
REVENUES			
Grant from Province (Note 14)	$ 57,936,363	$ 63,116,484	$ 60,427,863
Tuition and fees	26,337,350	35,362,605	30,855,439
Apprenticeship (Note 14)	5,500,000	5,199,942	5,940,382
Contract training	6,000,000	6,262,246	5,764,172
Sales	3,316,020	3,001,152	3,103,695
Cost recoveries (Note 14)	3,445,860	7,812,691	4,894,358
Applied research	1,200,000	1,883,162	1,039,857
Application fee	619,000	1,153,100	1,104,765
Other grants	180,000	1,159,507	1,097,205
Amortization of deferred capital contributions (Note 7)	91,213	340,103	205,287
Other (Note 11)	113,675	625,497	167,850
	104,739,481	125,916,489	114,600,873
EXPENSES			
Salaries and benefits	81,866,846	93,806,600	80,149,082
Services	12,205,521	14,172,473	12,084,982
Small tools, and equipment	6,281,413	4,667,930	1,305,194
Supplies	5,068,001	5,494,621	4,556,471
Cost of goods sold	2,168,432	1,760,139	1,973,541
Repairs and maintenance	1,188,964	1,256,809	1,861,353
Amortization of capital assets	1,317,388	1,273,678	1,177,608
Deferred maintenance	3,075,374	1,476,595	303,255
Transfer of assets to Province (Note 14)	-	1,610,958	-
Grants and payments	408,549	1,013,024	502,772
Bank fees and miscellaneous	95,483	98,630	92,994
Bad debt	110,000	104,976	88,074
Inventory obsolescence and adjustments	65,481	36,537	132,727
	113,851,452	126,772,970	104,228,053
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ (9,111,971)	$ (856,481)	$ 10,372,820
Changes in accumulated operating surplus			
Net change in investment in capital assets (Note 10)	82,000	1,319,125	(577,288)
Net change in net assets internally restricted for specific purposes	6,837,962	763,997	(10,059,459)
Net change in unfunded future employee benefits	496,500	685,100	649,800
INCREASE (DECREASE) IN ACCUMULATED OPERATING SURPLUS	$ (1,695,509)	$ 1,911,741	$ 385,873

STATEMENT OF CHANGES IN NET ASSETS

	2024					
	Accumulated Operating Surplus	Invested in Capital Assets (Note 10)	Internally Restricted for Specific Purposes (Note 9)	Unfunded Employee Future Benefits: Sick Leave and WorkSafe (Note 8)	Total	2023
NET ASSETS (LIABILITIES), BEGINNING OF YEAR	$ 17,277,243	$ 3,338,517	$ 35,798,942	$ (5,786,900)	$ 50,627,802	**$ 40,254,982**
Changes during the year						
Excess (deficiency) of revenues over expenses	1,526,191	(933,575)	(763,997)	(685,100)	(856,481)	10,372,820
Net change in investment in capital assets	385,550	(385,550)	-	-	-	-
Net change during the year	$ 1,911,741	(1,319,125)	(763,997)	(685,100)	(856,481)	10,372,820
NET ASSETS (LIABILITIES), END OF YEAR	**$ 19,188,984**	**$ 2,019,392**	**$ 35,034,945**	**$ (6,472,000)**	**$ 49,771,321**	**$ 50,627,802**

 THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF CASH FLOWS

	2024	2023
Operating Activities		
Excess (deficiency) of revenue over expense	$ (856,481)	$ 10,372,820
Add (deduct) non-cash items		
Amortization of capital assets	1,273,678	1,177,608
Amortization of deferred capital contributions	(340,103)	(205,287)
Bad debt	104,976	88,074
Inventory obsolescence and adjustments	36,537	132,727
Unfunded employee future benefits	685,100	649,800
	903,707	12,215,742
Add (deduct) changes in non-cash working capital		
Accounts receivable	1,782,914	(3,547,705)
Inventories	(402,052)	(481,668)
Prepaid expenses	(254,704)	390,251
Accounts payable and accrued liabilities	783,852	(465,110)
Accrued salaries and benefits	2,993,920	689,466
Deferred revenue	2,698,654	4,018,767
	7,602,584	604,001
	8,506,291	12,819,743
Add (deduct) capital activities		
Deferred capital contributions	978,271	59,225
Acquisition of capital assets	(592,721)	(1,608,834)
	385,550	(1,549,609)
INCREASE TO CASH AND CASH EQUIVALENTS	8,891,841	11,270,134
Add: Cash and cash equivalents, beginning of year	78,784,988	67,514,854
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 87,676,829	$ 78,784,988

CASH AND CASH EQUIVALENTS REPRESENTED ON STATEMENT OF FINANCIAL POSITION BY:

	2024	2023
Cash (Note 2c)	$ 13,375	$ 13,375
Due from Province (Note 2c)	87,663,454	78,771,613
Cash and cash equivalents, end of year	$ 87,676,829	$ 78,784,988

NOTES TO FINANCIAL STATEMENTS

1. AUTHORITY AND PURPOSE

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 located in Fredericton, Miramichi, Moncton, Saint John, St. Andrews and Woodstock, is responsible for enhancing the economic and social wellbeing of the Province of New Brunswick ("Province") by addressing the occupational training requirements of the population and of the labour market of the Province.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The College is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian public sector accounting standards for non-profit organizations (PSAS-NPO). The following is a summary of significant accounting policies:

a. Revenue recognition

The College follows the deferral method of revenue recognition for contributions which include donations and government grants.

The College receives grants and donations from a number of different sources for operating, research and capital expenditures.

- Unrestricted operating grant is recognized in the period when received or receivable. Unrestricted operating grant received restricted to use in a future period are considered externally restricted.
- Externally restricted operating grants and contributions are deferred until the period that the expenditure occurs. Externally restricted amounts may only be used for purposes designated by the funder.
- NBCC completed a $16 Million capital campaign in fiscal 2023-24 and receives donations as part of its ongoing development activities. Amounts donated have been received immediately or pledged over a defined period subject to donor agreements. Amounts received are deferred until the period that related expenditure occurs. Where external restrictions are identified as part of a donor agreement, those amounts may only be used for purposes designated by the donor.

Contributions restricted for the purchase of capital assets and capital contributions are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Amounts received or receivable for tuition and fees, sales, apprenticeship, cost recoveries, application fees, and contract training are recognized as revenue in the year in which the underlying transaction or event occurred, performance of obligation fulfilled and future economic benefits are measured and expected to be obtained. Amounts received in advance of the goods or services being provided are reported as unearned (i.e. deferred) revenue.

NOTES TO FINANCIAL STATEMENTS

b. Expense recognition

The College uses the accrual basis of accounting for expenses.

Amounts paid or payable are recognized as expenses in the period in which the goods are delivered or the services are provided to the College. Amounts paid in advance are reported as prepaid expenses.

c. Cash and Due from Province

Cash consists of cash on hand and amounts held by financial institutions.

Amounts due from the Province are cash equivalents. College operational expenses and revenues flow through the Province's bank account as it is cost effective for the College to employ cash concentration services provided by the Province rather than implement independent banking arrangements.

d. Inventories

Inventories for resale are held by bookstores and copy centres operated by the College. Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any applicable costs associated with its sale or disposal. See Note 4 for more information about inventories.

Inventories held for consumption exist in administrative and instructional programs across the College. The value of these inventories is not recognized in these statements.

e. Capital assets

Purchased capital assets are recorded at cost and are amortized on a straight-line basis over the estimated useful lives. See Note 5 for more information about capital assets. Donated capital assets are recorded at fair value at the date the donation was received. Disposals of capital assets are removed from the accounts at their net book value.

Repairs and maintenance and deferred maintenance are charged to operating expense to the extent that they do not meet capitalization criteria. Betterments which extend the estimated life of an asset owned by the College, (i.e., which increases its service capacity or lowers future costs), are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its' carrying amount is written down to its residual value.

The College operates from land and buildings provided by the Province. A Memorandum of Understanding between the College, the Minister of Transportation and Infrastructure, and the Minister of Post-Secondary Education, Training and Labour outlines the rights and obligations of these parties in relation to their occupancy and use. The Memorandum of Understanding does not constitute a lease or transfer of property to the College. Land, land improvements, buildings and major equipment owned by the Province and occupied or used by the College are therefore not reflected as assets of the College. Construction costs (including work in progress) related to any asset which will be owned by the Province, and betterments made to any asset owned by the Province, are expensed in the year and reflected as a *Transfer of assets to Province* on the Statement of Operations and Changes in Accumulated Operating Surplus.

NOTES TO FINANCIAL STATEMENTS

e. Capital assets (continued)

Asset Class	Estimated Useful Life
Vehicles	5–15 years
Furniture and equipment	5–10 years

f. Accrued payroll benefits

The College has accrued accumulated vacation pay and non-instructional time for employees. The number of days accumulated for each employee as well as their rate of pay (in accordance with current policy and collective agreements) has been used to determine the estimated amount of the liability. This liability is value recorded in accrued salaries and benefits at a value of $5,020,467 in 2024 ($4,493,549 in 2023).

g. Liability for sick leave obligation

Employees of the College are entitled to sick leave benefits which accumulate but do not vest. Sick leave benefits which accumulate but do not vest are considered obligations. PSAS-NPO related to post-employment benefits and compensated absences require the College to recognize that liability in the period in which the employees renders services. Note 8c offers more detail regarding the College's liability for sick leave obligation.

h. Liability for WorkSafeNB obligation

Employees of the College are entitled to wage-replacement benefits in the event of illness or injury which can be established occurred as a result of employment at the College through WorkSafeNB. Benefits payable in the future related to claims approved by WorkSafeNB are considered obligations. PSAS-NPO standards related to post-employment benefits and compensated absences require the College to recognize that liability in the period in which the employee renders services. Note 8d offers more detail regarding liability for WorkSafeNB obligation.

i. Financial instruments

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

NOTES TO FINANCIAL STATEMENTS

j. Accounting estimates

The preparation of financial statements in accordance with PSAS-NPO 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 revenues and expenses during the reporting period.

If actual results differ from management's estimates the impact is recorded in future periods when the difference is known.

The most significant estimates made in the preparation of the financial statements include:

- Allowance for uncollectible (doubtful) accounts receivable;
- Useful life of capital assets;
- Accrued liabilities related to sick leave obligation;
- Accrued liabilities related to WorkSafeNB obligation; and,
- Deferred revenue.

k. Adoption of new accounting standards

On April 1, 2023, the College adopted Public Sector Accounting Standard PS 34000 – Revenue. This new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.

The implementation of this standard did not require the College to reflect any adjustments in these financial statements.

3. ACCOUNTS RECEIVABLE

	2024	2023
Tuition and fees	$ 877,052	$ 2,618,053
Organizations other than Province	698,519	984,718
HST	575,976	1,476,187
Province	51,750	24,225
Advances and other	1,139,330	123,750
ACCOUNTS RECEIVABLE (GROSS)	3,342,627	5,226,933
Allowance for doubtful accounts	(186,513)	(182,929)
ACCOUNTS RECEIVABLE (NET)	$ 3,156,114	$ 5,044,004

NOTES TO FINANCIAL STATEMENTS

3. ACCOUNTS RECEIVABLE (continued)

Accounts Receivable (Gross) comprises the following categories:

	Tuition and fees	Organizations other than the Province	Province	Advances and other	HST Due	Total
0-30 days	$ 147,195	$ 673,530	$ 51,750	$ 1,139,330	$ 575,976	$ 2,587,781
31-60 days	131,560	9,443	-	-	-	141,003
61-90 days	386,639	25,924	-	-	-	412,563
91-180 days	24,171	12,068	-	-	-	36,239
181-360 days	101,165	355	-	-	-	101,520
361+ days	86,322	-	-	-	-	86,322
Other adjustments	-	(22,801)	-	-	-	(22,801)
Accounts Receivable (Gross)	$ 877,052	$ 698,519	$ 51,750	$ 1,139,330	$ 575,976	$ 3,342,627
Allowance for doubtful accounts	(186,513)	-	-	-	-	(186,513)
Accounts Receivable (Net)	$ 690,539	$ 698,519	$ 51,750	$ 1,139,330	$ 575,976	$ 3,156,114

At March 31, 2024, other adjustments include $136,308 in amounts related to sponsored students partially offset by $113,507 in credits receivable from vendors of the College.

4. INVENTORIES

	2024	2023
Textbooks for resale	$ 1,680,672	$ 1,340,419
Stationery and supplies for resale	131,860	141,619
Clothing and other items for resale	158,877	123,856
INVENTORIES	$ 1,971,409	$ 1,605,894

NOTES TO FINANCIAL STATEMENTS

5. CAPITAL ASSETS

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	$ 3,694,824	$ 1,853,979	$ 1,840,845	$ 1,254,117
Furniture and equipment	11,821,389	9,510,325	2,311,064	2,752,645
Assets under construction	-	-	-	826,104
	$ 15,516,213	$ 11,364,304	$ 4,151,909	$ 4,832,866

6. DEFERRED REVENUE

	2024	2023
Student tuition	$ 8,190,876	$ 6,582,222
Contract training	2,677,674	5,435,893
Confirmation fees	2,666,373	1,842,723
Capital campaign	2,536,024	1,368,605
Applied research	1,488,090	1,302,919
Saint John campus redevelopment	1,155,500	-
Apprenticeship	207,000	-
Technology and learning resource fee	143,035	183,007
Other	655,934	306,483
DEFERRED REVENUE	$ 19,720,506	$ 17,021,852

7. DEFERRED CAPITAL CONTRIBUTIONS

	2024	2023
Deferred capital contributions, beginning of year	$ 1,494,349	$ 1,640,411
Contributions during the year	978,271	59,225
Amortization during the year	(340,103)	(205,287)
DEFERRED CAPITAL CONTRIBUTIONS, end of year	$ 2,132,517	$ 1,494,349

NOTES TO FINANCIAL STATEMENTS

8. EMPLOYEE FUTURE BENEFITS

a. Pension

Effective January 1, 2014, the *Public Service Superannuation Act* (the "PSSA") was converted and replaced by the Public Service Shared Risk Plan (PSSRP) by the Act Respecting Pensions under the *Public Superannuation Act.* The PSSRP is a shared risk pension plan in accordance with New Brunswick's Pension Benefits Act. Certain employees of the College are entitled to receive benefits under the PSSRP. Under the *New Brunswick Community Colleges Act*, liabilities related to the PSSA were not transferred to the College and are the responsibility of the Province. Obligations under the PSSRP continues to be the responsibility of the Province. As such contributions and the related liabilities are not reflected in these financial statements.

b. Retirement allowance

Certain long serving employees receive a retirement allowance upon retirement from public service. The plan is funded by the Province. The Province made changes to this program in 2013-14 where management and non-union employees of the College no longer accumulate retirement allowance credits. Under the *New Brunswick Community Colleges Act*, liabilities related to retirement allowances were not transferred to the College and are the responsibility of the Province. Retirement obligations continue to be the responsibility of the Province. As such, contributions and the related liabilities are not reflected in these financial statements.

NOTES TO FINANCIAL STATEMENTS

c. Sick leave

The College provides sick leave benefits to every employee who works full-time at a rate of 1.25 days per month (or 15 days per year) up to a maximum of 240 days. The benefits are pro-rated for part-time employees. An employee can take a leave due to sickness with pay for an amount of time equal to the total accumulated sick leave days. Unused sick leave days are carried forward for use in future years, providing the employee remains employed with the College. When an employee retires or terminates there is no pay-out of the remaining accumulated sick leave days. Therefore, the sick leave benefits are benefits that accumulate but do not vest. Based on an actuarial valuation of the liability at March 31, 2024, the accrued sick leave obligation and the expense related to the accrued sick leave obligation are as follows:

	2024	2023
Accrued sick leave obligation, beginning of year	$ 2,687,500	$ 2,375,900
Expense related to accrued sick leave obligation:		
Current period benefit cost	519,700	518,300
Amortization of actuarial losses	169,500	181,000
Sick leave benefit interest expense	135,300	113,200
	824,500	812,500
Employer benefit payments	(520,500)	(500,900)
ACCRUED SICK LEAVE OBLIGATION, END OF YEAR	$ 2,991,500	$ 2,687,500

The sick leave liability is unfunded. The liability has been determined by an actuarial valuation using management's best estimate of salary escalation, accumulated sick days at retirement, long term inflation rates and discount rates, as follows:

Number employees:	1,068	Average age of employees:	48.7 years	Discount rate:	4.60% per annum
Expected Average Remaining Service Life of employees:	11 years	Average service of employees:	8.9 years	Salary escalation:	3.00% per annum

Comparative information reported for the year ended March 31, 2023:

Number employees:	800	Average age of employees:	50.3 years	Discount rate:	4.20% per annum
Expected Average Remaining Service Life of employees:	10 years	Average service of employees:	10.0 years	Salary escalation:	3.00% per annum

NOTES TO FINANCIAL STATEMENTS

d. WorkSafeNB

The College provides benefits to workers who are injured in the course of their employment. These benefits are administered by WorkSafeNB. The College is self-insured for WorkSafeNB claims. Claim payments are factored into the liability for WorkSafeNB obligation as outlined below. Based on an actuarial valuation of the liability at March 31, 2024, the accrued WorkSafeNB obligation and the expense related to the accrued WorkSafeNB obligation are as follows:

	2024	2023
Accrued WorkSafeNB obligation, beginning of year	$ 3,099,400	$ 2,761,200
Expense related to accrued WorkSafeNB obligation:		
Current period benefit cost	400,500	406,000
Amortization of actuarial losses	28,700	51,300
WorkSafeNB benefit interest expense	140,000	113,900
	569,200	571,200
Employer benefit payments	(188,100)	(233,000)
ACCRUED WORKSAFENB OBLIGATION, END OF YEAR	$ 3,480,500	$ 3,099,400

Annual claim payments are expensed by the College and are included in salaries and benefits in the statement of operations and changes in accumulated operating surplus. The WorkSafeNB liability is unfunded. The liability has been determined by an actuarial valuation using management's best estimate of inflation, discount rate and assumed average age at accident, as follows:

Inflation	1.80% per annum	Extended Wage Loss Benefits in Pay:	4	Discount rate:	4.60% per annum
Inflation on Medical Aid:	4.25% per annum	Average age of Extended Wage Loss Benefits in Pay:	60.02 years	Assumed average age at Accident	47 years

Comparative information reported for the year ended March 31, 2023:

Inflation	1.70% per annum	Extended Wage Loss Benefits in Pay:	4	Discount rate:	4.20% per annum
Inflation on Medical Aid:	4.25% per annum	Average age of Extended Wage Loss Benefits in Pay:	57.4 years	Assumed average age at Accident	43 years

NOTES TO FINANCIAL STATEMENTS

9. NET ASSETS INTERNALLY RESTRICTED FOR SPECIFIC PURPOSES

The College restricts a portion of its net assets for specific purposes. Restrictions are recorded to reflect funds that have been internally restricted for specific projects and purposes including one-time, non-recurring expenditures as approved by the Board of Governors. Amounts included in net assets internally restricted for specific purposes include the following categories:

	2024	2023
President and CEO		
Advancement	$ 150,629	$ 228,665
Executive Director People and Culture		
People and Culture	10,300	2,200
Vice-President Engagement and Experience		
Strategic Partnerships	249,658	45,826
Enrolment Management	60,597	12,782
Marketing and Creative Services	37,300	11,500
	347,555	70,108
Vice-President Academic and Research		
Academic Planning and Evaluation	1,275,130	1,839,753
School of Professional and Part-time Learning	2,797,499	1,756,500
Academic Development	598,813	1,023,172
Student Development	414,385	554,041
School of Trades and Apprenticeship	332,089	463,053
Research, Innovation and Experiential Learning	354,344	278,486
School of Information Technology and Natural Resources	49,081	188,440
School of Arts, Community and Protective Services	150,262	154,378
School of Health and Wellness	250,168	94,343
School of Business, Hospitality and Tourism	58,532	73,144
School of Engineering Technologies	321,392	31,266
Registrar’s Office	-	731
	6,601,695	6,457,307
Vice President Finance and Administration		
Capital Investment Fund	13,562,096	13,562,096
Facilities and Ancillary Services	9,626,297	10,062,569
Information Technology	3,011,013	3,542,299
College-wide Contingency	1,000,000	1,000,000
Strategic Funds	663,360	808,122
All Other	62,000	65,576
	27,924,766	29,040,662
Net assets internally restricted for specific purposes	$ 35,034,945	$ 35,798,942

NOTES TO FINANCIAL STATEMENTS

10. NET ASSETS INVESTED IN CAPITAL ASSETS

	2024	2023
Capital assets (net book value) (Note 5)	$ 4,151,909	$ 4,832,866
Capital assets funded from capital contributions (Note 7)	(2,132,517)	(1,494,349)
NET ASSETS INVESTED IN CAPITAL ASSETS	$ 2,019,392	$ 3,338,517

The change in Net Assets Invested in Capital Assets comprises:

	2024	2023
Net change in investment in capital assets:		
Acquisition of capital assets	$ 592,721	$ 1,608,834
Amount funded by deferred contributions	(978,271)	(59,225)
	(385,550)	1,549,609
Excess (deficiency) of revenues over expenses:		
Amortization of capital assets	(1,273,678)	(1,177,608)
Amortization of deferred capital contributions	340,103	205,287
	(933,575)	(972,321)
NET CHANGE IN INVESTMENT IN CAPITAL ASSETS	$ (1,319,125)	$ 577,288

11. OTHER REVENUE

	2024	2023
Saint John redevelopment	$ 480,749	$ -
Facility and related rentals	91,168	71,720
Other	53,580	96,130
	$ 625,497	$ 167,850

NOTES TO FINANCIAL STATEMENTS

12. COMMITMENTS

The College is committed to the following lease, maintenance, or other agreement payments for future years.

	2024	2023
2023-24	$ -	$ 4,605,203
2024-25	1,659,163	1,251,995
2025-26	732,485	536,372
2026-27	588,817	355,228
2027-28	589,650	347,586
2028-29	210,000	-
	$ 3,780,115	$ 7,096,384

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a. Fair value of financial assets and financial liabilities

Financial instruments of the College comprise cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, as well as accrued salaries and benefits. The carrying value of these financial instruments approximates their fair value due to the relatively short terms to maturity.

b. Credit risk

The College may be exposed to credit-related losses in the event of non-performance by counterparties to its financial instruments including accounts receivable of students, sponsors and other parties contracting for the receipt of instruction. The amounts disclosed in the financial statements are net of an allowance for doubtful accounts, estimated by the College in accordance with its guidelines. The College has a diverse mix of students, sponsors and other parties limiting significant exposure to any individual counterparty.

c. Liquidity risk

The College may be exposed to liquidity risk in the event that its obligations exceed its supply of liquid assets or authorized spending. Through cash concentration services provided by the Province, the College receives adequate liquid assets to fulfill its obligations as they become due. The College also has an internally restricted contingency fund in place to accommodate reasonable unforeseen expenditure.

NOTES TO FINANCIAL STATEMENTS

14. RELATED PARTY TRANSACTIONS

The College was established as a post-secondary public education corporation under the authority of the *New Brunswick Community Colleges Act* to serve as an agent of the Crown. As such, the College and the Province, including its various ministries, departments and other Crown Corporations are related parties.

During the period, the following were received and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties:

- $63,116,484 in grants from the Province ($60,427,863 in 2023);
- $7,812,691 in revenues from departments of the Province regarding cost recoveries ($4,894,358 in 2023); and,
- $5,199,942 in revenues from departments of the Province regarding Apprenticeship ($5,940,382 in 2023).
- $480,748 in revenues from departments of the Province regarding a major capital project ($nil in 2023).
- $151,777 in capital contributions from departments of the Province which have been recorded in deferred capital contributions ($nil in 2023).

Contributed services are received from the Province for various unallocated operating costs. The College has elected not to recognize these as expenses. The contributed services include:

- Use of buildings at six campuses and corporate offices, having an area in excess of 1,400,000 square feet;
- Cash concentration services (see Note 2c for more information); and,
- Enterprise resource planning solutions including payroll and financial system services.

During the period, the College transferred $1,610,958 ($nil in 2023) to the Province of New Brunswick's Department of Transportation and Infrastructure related to projects completed during the period (see Note 2 e).

Amounts owing from the Province at March 31, 2024, total $51,750 ($24,225 in 2023) and are included in accounts receivable (see Note 3).

15. CONTINGENCIES

a. Legal

The College is engaged in various legal proceedings. Potential costs, if any related to claims against the College have not been reflected in the financial statements. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of the College that the resolution of these claims will not have a material impact on the financial position of the College. Any loss or gain that may result from these proceedings will be accounted for in the period in which the settlement occurs.

NOTES TO FINANCIAL STATEMENTS

b. Collective bargaining

The College is party to one collective agreement expired on or before March 31, 2024. At the time of issuance of these financial statements, no settlements have been reached. The value of potential settlements cannot be predicted at this time. Accordingly, amounts are expensed in the period that they occur. The Province has traditionally increased the Grant from Province in the amount of economic increases related to approved settlements in the form of an in-year supplementary budget transfer.

16. MAJOR CAPITAL PROJECT

The College is planning for a major capital project redeveloping the Saint John (Grandview) campus to accommodate an additional 244 students in skilled trades training programs as well as to decrease campus energy utilization rates. This multi-year, multi-phase project is primarily funded by a federal contribution agreement through the Regional Development Corporation for up to $22.95 Million and a provincial contribution agreement through WorkingNB for up to $21.10 Million. The substantial completion date is expected to be no later than March 31, 2028.

During the period, the College has recorded $1,400,000 from WorkingNB (received) and $236,249 from Regional Development Corporation (included in *Accounts Receivable* on the Statement of Financial Position).

From these amounts, $480,748 is included in both *Other revenues* and *Transfer of assets to Province* on the Statement of Operations and Changes in Accumulated Operating Surplus. These amounts relate to expenses incurred (offset by related revenues) during the period.

Revenues received and/or receivable in the amount of $1,155,501 were unused during the period and have been recorded as *Deferred revenue* on the Statement of Financial Position.

17. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

NOTES TO FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION SCHEDULE A: OPERATIONS BY TYPE

	2024 Budget	2024 Actual	2023 Actual
REVENUES			
Tuition and fees	$ 26,337,350	$ 35,362,605	$ 30,855,439
Contract training	6,000,000	6,262,246	5,764,172
Sales	3,316,020	3,001,152	3,103,695
Applied research	1,200,000	1,883,162	1,039,857
Application fee	619,000	1,153,100	1,104,765
Other grants	180,000	1,159,507	1,097,205
Other (Note 7 and Note 11)	204,888	965,600	373,137
	37,857,258	49,787,372	43,338,270
Apprenticeship and cost recoveries (Note 14)	8,945,860	13,012,633	10,834,740
Grant from Province (Note 14)	57,936,363	63,116,484	60,427,863
	104,739,481	125,916,489	114,600,873
EXPENSES			
Direct program	41,050,627	42,254,603	40,611,715
Management and administrative services	35,510,569	41,702,931	26,935,948
Educational support	20,715,430	22,186,321	20,622,343
Contract training	6,655,385	8,538,487	4,600,796
Apprenticeship and cost recoveries	7,751,009	10,330,489	9,483,710
Cost of goods sold	2,168,432	1,760,139	1,973,541
	113,851,452	126,772,970	104,228,053
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ (9,111,971)	$ (856,481)	$ 10,372,820

APPENDICES

Appendix A

PERFORMANCE MEASUREMENT FRAMEWORK

Item No.	Item Description	Baseline	2023-24 Target	2023-24 Results	*FIVE-YEAR HISTORICAL* 2022-23 Results	2021-22 Results	2020-21 Results	2019-20 Results	2018-19 Results
1. EDUCATION THAT WORKS									
1.1	TOTAL LEARNERS INDEX	12,052	12,500	13,130	12,294	12,052	10,247	9,609	9,361
1.2	EMPLOYMENT OUTCOME	83.0%	86.5%	90.5%	88.0%	83.0%	86.5%	87.0%	87.2%
1.2.1	Graduate Employment in Related Field (%)*	76.0%	83.0%	87.0%	84.0%	76.0%	82.0%	85.0%	83.4%
1.2.2	Overall Graduate Employment (%)*	90.0%	90.0%	94.0%	92.0%	90.0%	91.0%	89.0%	90.9%
1.3.1	Annual Graduation (%)*	78.7%	79.0%	92.2%*	84.6%	78.7%	78.7%	83.6%	80.7%
1.3.2	Student Retention (%)*	87.5%	83.0%	89.8%*	86.0%	87.5%	87.5%	89.9%	81.6%
1. GOING BEYOND IN ALL WE DO									
1.1	NBCC STEWARDSHIP	21.6	11.9	11.9	5.6	21.6	13.8	5.6	5.3
3. RELATIONSHIPS FOR IMPACT									
3.1.1	Graduate Employment in NB (%)	92.0%	90.0%	92.0%	94.2%	92.0%	93.8%	94.2%	91.9%
3.1.2	Graduate Satisfaction (%)*	82.7%	90.0%	84.8%	86.0%	82.7%	86.0%	86.0%	84.1%

**KPI established by Government of New Brunswick. Target established by NBCC.*

Appendix B

NBCC FULFILMENT OF 2023-24 MANDATE LETTER

As part of the provisions of New Brunswick's *Accountability and Continuous Improvement Act*, NBCC receives an annual mandate letter from the Minister of Post-Secondary Education, Training and Labour (PETL) which outlines the expectations for the college for the coming year. The following summarizes NBCC's progress related to the mandate outlined for 2023-2024.

NBCC will provide world-class education

2023-24 RESULTS: NBCC's ongoing commitment to quality-assured and high-quality education has been bolstered this past year by the finalization of NBCC's Quality Assurance Framework, which was introduced April 4th, 2023. The framework defines a formal process for assessing our programs and acting where needed to ensure program excellence, identify opportunities for improvement, and maintain NBCC's quality reputation.

ON-TRACK AND ONGOING ☑

NBCC will welcome more learners

2023-24 RESULTS: As part of NBCC's Strategic Enrolment Management (SEM) process, the College has developed optimal enrolment projections that support objectives to increase participation and success, particularly among target populations; upholds our commitment to sustainable growth which considers the capacity of the College and the communities we serve; supports the long-term financial health of the College; and strengthens our contribution to New Brunswick's workforce in alignment with our mandate and purpose.

ON-TRACK AND ONGOING ☑

NBCC will continue to enrich the NBCC Advantage

2023-24 RESULTS: NBCC continues to promote a strong culture of excellence in teaching, course design, pedagogical practice, and technology-enabled delivery. Along with significant changes to strengthen NBCC's credit and course model over the 2023-24 period, the College is also examining the impacts that major societal challenges such as AI and climate change will have on curriculum and programming. NBCC's continued focus on experiential learning, real world problem-solving, adaptability, and service learning means that graduates continue to be prepared for the jobs of today and tomorrow.

ON-TRACK AND ONGOING ☑

NBCC to continue to be a leader in accountability, governance and stewardship

2023-24 RESULTS: NBCC has had another successful year in meeting requirements for corporate reporting and public accountability. During the 2023-24 fiscal year, NBCC ran a deficit of $(856,481) as part of a strategic investment to maintain service excellence in relation to enrolment growth. This deficit is projected to be a one-time investment that was drawn from internally restricted funds. NBCC maintains its commitment to responsible fiscal management and expects to continue being a leader in financial stewardship.

ON-TRACK AND ONGOING ☑

NBCC WILL CONTINUE TO BUILD ITS CAPACITY TO GROW AS A HIGH-PERFORMING ORGANIZATION

2023-24 RESULTS: In 2023-24 NBCC created and has recently hired for the position of Director, Manager of Employee Relations & Learning. Part of the role involves identifying and addressing your team's learning needs to support both professional growth and organizational goals, and reports to the Director of Employee Engagement & Culture.

ON-TRACK AND ONGOING ☑

NBCC WILL HAVE AN IMPLEMENTATION PLAN UNDERWAY FOR CLIMATE ACTION NO LATER THAN MARCH 31, 2024

2023-24 RESULTS: On March 28th, 2024, NBCC submitted it's first Climate Action Progress Report to Minister Turner. Between 2022 and 2024, NBCC is pleased to report that of the 29 action items outlined in the 2022 Strategy, 4 are complete or fully operational, 11 are in implementation, 8 are in the planning or exploration stage, and 6 have not yet been started.

ON-TRACK AND ONGOING ☑

Accountability and Transparency

MANDATES

- 2022-23 Annual Business Plan is submitted to Minister no later than December 31st, annually: Complete
- 2022-2023 Accountability Framework and Reporting Guide to Government is submitted to Minister no later than May 30, 2023: Complete
- 2022-2023 Audited Financial Statements is submitted to Minister no later than June 30, annually: Complete
- 2022-23 Annual Report is submitted to the Minister no later than September 30, annually: Complete

NBCC
COLLEGEWORKS