

ANNUAL REPORT

2024-25



Table of Contents

Message from NBCC Board Chair	4
Message from NBCC President & CEO	5
Governance	6
PILLAR 1: Education That Works	8
PILLAR 2: Going Beyond In All That We Do	10
PILLAR 3: Impact Through Relationships	12
NBCC Employees	14
Financial Discussion & Analysis	15
Statement of Operations & Changes in Accumulated Operating Surplus	18
Statement of Financial Position	19
Key Financial Health Indicators	21
Deferred Maintenance & Repairs	24
Financial Statements	25
Appendices	48

MESSAGE FROM NBCC BOARD CHAIR

On behalf of NBCC's Board of Governors, I am pleased to present the 2024-25 Annual Report, marking another year of remarkable progress, resilience, and innovation at the College. I would like to express sincere thanks to Lindsay Bowman, who served as Chair throughout the year this report covers, for her unwavering dedication and contributions to NBCC's success.

As Chair of the Board and steward of this report, I take great pride in NBCC's continued commitment to transparency in both its financial reporting and its pursuit of strategic goals. Behind every result and milestone are the tremendous efforts of the entire NBCC team, united by a shared vision to transform lives and communities.

This year brought significant volatility, particularly in response to changes in federal immigration policy. Throughout this period of uncertainty, the Board remained closely engaged, offering guidance and support to the executive leadership team. Together, we navigated complex challenges while maintaining momentum on the College's five-year strategic plan.

I am proud of the dedication and leadership shown across the NBCC community. The Board, executive team, and staff responded to these disruptions with resilience and integrity—working tirelessly to minimize the impact on learners and staff, and to advance NBCC's mission of driving economic and social well-being through education.

The Board maintains full confidence in the College's direction. NBCC continues to serve as a vital educational asset for New Brunswick, and I look forward to seeing its impact grow in the years ahead.



Wes McLean
Chair, NBCC Board of Governors

NBCC 2024-2025 BOARD OF GOVERNORS
Lindsay Bowman (*Chair*); Oluwatobi Adeodu; Jocelyn Chan;
Aynslie Croney; Mark Crowley; Shayan Faal; Nicole Gionet;
Scott Grant; Catherine Lawrence; Wes Mclean (*Vice-Chair*);
Shawn Mesheau; Kelly Richard; Victoria Scott; Kurtis Sisk



MESSAGE FROM NBCC PRESIDENT & CEO

As we reflect on the past year at New Brunswick Community College (NBCC), I continue to be both proud and humbled by the strength of our team.

This year tested our resilience in unprecedented ways. Changes to federal immigration policy impacted international enrolment and, in turn, reshaped NBCC's financial landscape. These challenges required us to adapt quickly and think creatively, all while staying focused on our bold vision to transform lives and communities. Despite the uncertainty, our commitment to learners and to New Brunswickers remains the same – to drive economic and social well-being across the province by delivering high-quality, industry-focused programming that directly addresses provincial labour market needs.

We know that New Brunswick faces complex and urgent challenges: an aging workforce, nearly half of all jobs at risk due to automation and technological change, and an educational attainment rate that continues to lag behind other provinces. Yet despite these challenges, NBCC remains uniquely positioned to address these issues by expanding access to education, aligning programs with industry, and supporting learners from all walks of life.

This year, we achieved several important milestones that reflect our progress and impact including exceeding our annual enrolment target, awarding a record \$1.1 million in scholarships and bursaries through the NBCC Foundation, and maintaining strong graduate employment outcomes. Most notably, a one-year follow-up survey of the Class of 2023 found that 93% of graduates were employed, with 95% working in New Brunswick – a strong indicator of NBCC's critical role in building a skilled provincial workforce. These accomplishments are a testament to the dedication of our staff, whose hard work and commitment are at the heart of NBCC's success. Together, fueled by the strength of our College Community, we are building a stronger, more inclusive, and more prosperous New Brunswick.

As we look ahead, we do so with optimism. The road may not always be easy, but our purpose is clear—and our potential is limitless. NBCC will continue to lead with courage, compassion, and a deep commitment to transforming lives and communities.

Thank you for your continued support and collaboration.

Sincerely,



Mary Butler,
President and CEO

NBCC SENIOR EXECUTIVE TEAM

MARY BUTLER, *President and CEO*

ANN DRENNAN, *Vice President, Academic, Innovation, and Student Affairs*

HEATHER ALLABY, *Vice President, Engagement and Experience*

ROSALYNN ALESSI, *Executive Director, People and Culture*

JEAN GOGUEN, *Executive Director, Finance*



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 2024-25 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 2024-25, 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. In a rapidly evolving labour market, our programs are designed to equip learners with the skills and training they need to thrive in today’s and tomorrow’s workforce.

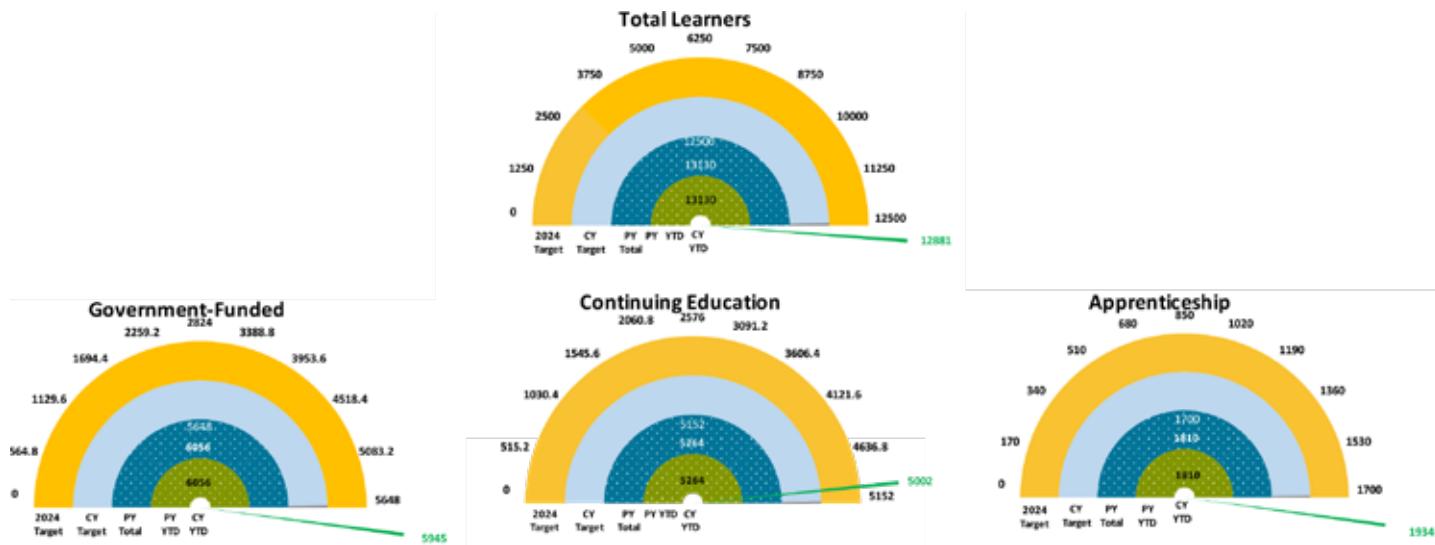
New Brunswick continues to face significant challenges: an aging workforce, a high proportion of jobs at risk due to automation and technological change, and a lower educational attainment rate compared to other provinces. These realities underscore the urgency and importance of our provincial mandate to deliver programs that directly address local labour market needs.

‘*Education That Works*’ is not a one-size-fits-all approach. It’s about breaking down barriers to reach more learners, delivering programs that are responsive to industry and community needs, and building a stronger, more inclusive future for New Brunswick.

TOTAL LEARNER INDEX: In 2024-25, NBCC welcomed 12,881 learners, exceeding our enrolment target by 3%. While this represents a 1.9% decrease from the previous year, it marks a 34% increase over five years. We remain focused on increasing participation among New Brunswick residents while managing the impact of federal immigration policy changes on international enrolment.

EMPLOYMENT OUTCOMES: A one-year follow-up survey of the Class of 2023 found that 93% of graduates were employed, with 81% working in their field of study and 95% working in New Brunswick.

STUDENT SUCCESS: NBCC has historically maintained strong retention and graduation rates. As we expand access and support for a more diverse student population, we are developing a comprehensive Student Success metric to better evaluate our progress in reaching, retaining, and supporting more learners throughout their academic journey.



2024-25 EDUCATION THAT WORKS

Annual Graduate Employment*

94.0%

Target: 90%

Annual Graduation Rate*

88.9%

Target: 79%

Annual Graduate Employment
in a Related Field*

87.0%

Target: 83%

Student Retention Rate*

89.1%

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 in All That We Do' strategic pillar reflects our commitment to delivering an extraordinary experience for students, staff, and partners, while responsibly stewarding our resources to fulfill our mandate to the communities we serve. By fostering a culture of excellence, service and learning — and by investing in innovative, supportive, and sustainable systems — NBCC ensures that both staff and students can thrive.

NBCC EXPERIENCE: We are committed to shaping a consistent and inspiring NBCC Experience — one that is clearly defined, repeatable, and integrated across every interaction with the College. This year:

- **Employee Experience:** Engagement increased by 7.6% over 2023, reflecting progress in fostering belonging, retention, and satisfaction.
- **Student Experience:** We exceeded our 85% target by 5.7%, with 96.6% of students saying they would recommend NBCC.
- **Partner Experience:** The inaugural Partner Experience Survey yielded a Net Promoter Score of 79.1, indicating strong trust and value among external partners.

NBCC STEWARDSHIP: In response to federal immigration policy changes that significantly impacted international enrolment and revenue, NBCC took proactive and strategic steps to manage uncertainty while maintaining a strong focus on fiscal responsibility and long-term sustainability. The NBCC Stewardship measure is an index that represents our overall performance in key areas, including:

- **Financial Sustainability:** NBCC continues to emphasize financial resilience through sound fiscal practices, strategic allocation of funds, and investments in initiatives that support its strategic goals. Our focus is on optimizing the use of our operating surplus to offset projected losses, ensuring a disciplined path back to profitability.
- **Benefit Realization:** This metric captures the total capacity gained and cost savings achieved through our continuous improvement program. The measure for the 2024-25 year was below target, as anticipated savings from improvement initiatives were lower than expected, with some projects extending into the next fiscal year.
- **Deferred Maintenance:** Six projects were deferred to 2025-26, resulting in \$2.019M in delayed spending.

2024-25 GOING BEYOND IN THAT ALL WE DO

NBCC Stewardship

8.7

2024-25 Target: 11.9

NBCC Experience

85.2%

2024-25 Target: 80%



PILLAR 3

♥ IMPACT THROUGH RELATIONSHIPS

Strong relationships are essential to NBCC's ability to fulfill its purpose and create lasting, meaningful impact on New Brunswick's social and economic well-being. We lead with partner-informed decision-making and foster a culture where both internal and external partners are enthusiastic contributors to NBCC's success.

GRADUATE EMPLOYMENT IN NEW BRUNSWICK: In 2024-25, 95% of NBCC graduates were employed in the province—5% above target. This measure has consistently exceeded 90%, a testament to the relevance of our programming, strong industry partnerships, and the value of work-integrated learning (WIL).

GRADUATE SATISFACTION: Graduate satisfaction reached 82.5%, exceeding the government's benchmark by 2.5%, though short of our stretch target of 90%. This measure, drawn from the Department of Post-Secondary Education, Training and Labour's Graduate Follow-Up Survey, reflects students' feedback on program content, facilities, equipment, quality of instruction, student services, and job preparation.

LEARNING AND COMMUNITY OUTCOMES: This year, NBCC introduced new measures aligned with the United Nations Sustainable Development Goals (SDGs) most relevant to our areas of impact, including SDG 4 Quality Education and:

- **Greenhouse gas emission reduction targets (SDG 13 Climate Action):** Greenhouse gas emissions decreased by 352.3 million metric tons of carbon dioxide equivalent (MtCO₂e), exceeding our target by 7.4%, driven by infrastructure upgrades at the Woodstock and Fredericton campuses.
- NBCC continues to make progress on developing metrics for **Graduate Employment in Jobs Commensurate with Education (SDG 8 Decent Work)** and **Enrolment and Graduation Targets for Underrepresented Learners (SDG 10 Reduced Inequalities)**.

2024-25 IMPACT THROUGH RELATIONSHIPS

Graduate employment in NB

95.0%

2024-25 Target: 90.0%

Graduate Satisfaction*

82.5%

2024-25 Target: 90.0%

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



NBCC EMPLOYEES

PROFESSIONAL & PART-TIME LEARNING

43 / 4%

MANAGEMENT & ADMINISTRATION

234 / 22%

EDUCATIONAL SUPPORT

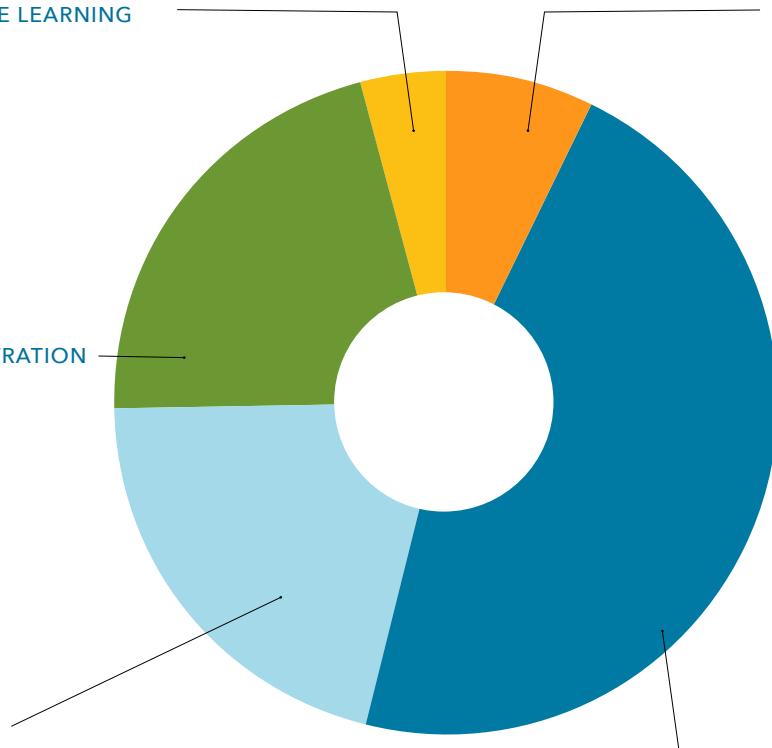
205 / 19%

APPRENTICESHIP

87 / 8%

DIRECT PROGRAMMING

504 / 47%



Financial Discussion & Analysis

MARCH 31, 2025

EXECUTIVE SUMMARY

For the fiscal year ended March 31, 2025, NBCC continued to demonstrate a strong record of responsible financial management. Highlights of NBCC's annual financial statements include:

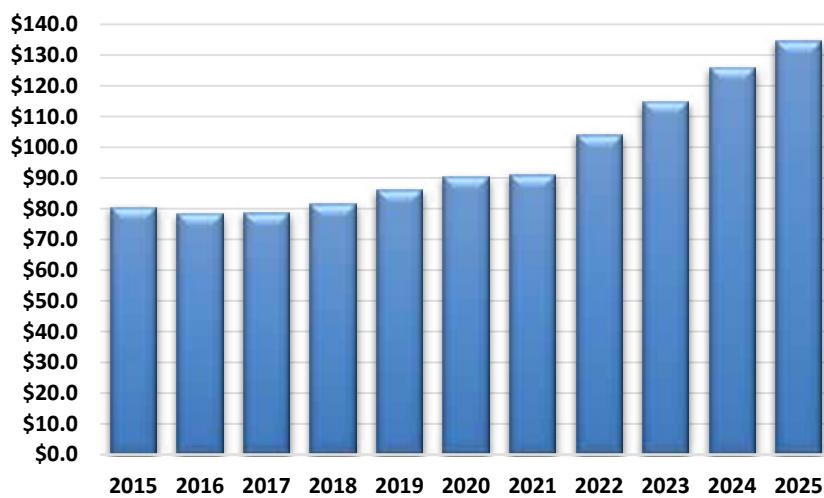
- **Deficiency of Revenues over Expenses** of (\$4.7M) representing (3.47%) of revenue. This compares to a deficit of (\$0.9M) (or 0.68% of revenue) in prior year. The 2024-25 deficiency comprises:
 - Year-over-year increase in **Revenues** of \$8.9M (or 7.0%). This compares to a \$11.3M (or 9.9%) year-over year increase in 2024; and
 - Year-over-year increase in **Expenses** of \$12.7M (or 10.0%). This compares to a \$22.6M (or 21.6%) year-over-year increase in 2024.
- **Changes to Net Assets** also totalled (\$4.7M) and is primarily attributed to:
 - \$15K decrease in **Net assets invested in capital assets**;
 - \$2.5M decrease in **Net assets internally restricted for specific purposes**; and,
 - \$115K decrease in **Unfunded future employee benefits liability**.
 - \$2.1M decrease 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.5), Net Assets to Expenses Ratio (p.6), Excess (Deficiency) to Revenues Ratio (p.7) 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.
 - Nevertheless, the indicators included in this report demonstrate that NBCC remains a solvent and financially sustainable going concern.

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 in 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 \$134.8M in 2024-25 (\$125.9M in 2023-24).

This represents an increase of \$8.9M (or 7.0%) over prior year.

This is primarily attributed to year over year increases in Grant from Province (\$5.9M); SJ Redevelopment Revenue (\$1.5M); and Tuition and fees (\$1.1M).

Long Term Trend: **Revenues** increased from \$80.3M in 2015 to \$134.8M in 2025 (representing an increase of \$53.9M and 66.7%).

This increase is primarily attributed to cumulative growth in Tuition and fees (\$25.0M); Grant from Province (\$15.8M); Cost recoveries (\$5.2M); Contract training (\$4.3M); CORE (\$1.5M); and the transition of College application fees (\$0.9M) from College Admission Services starting in 2021.

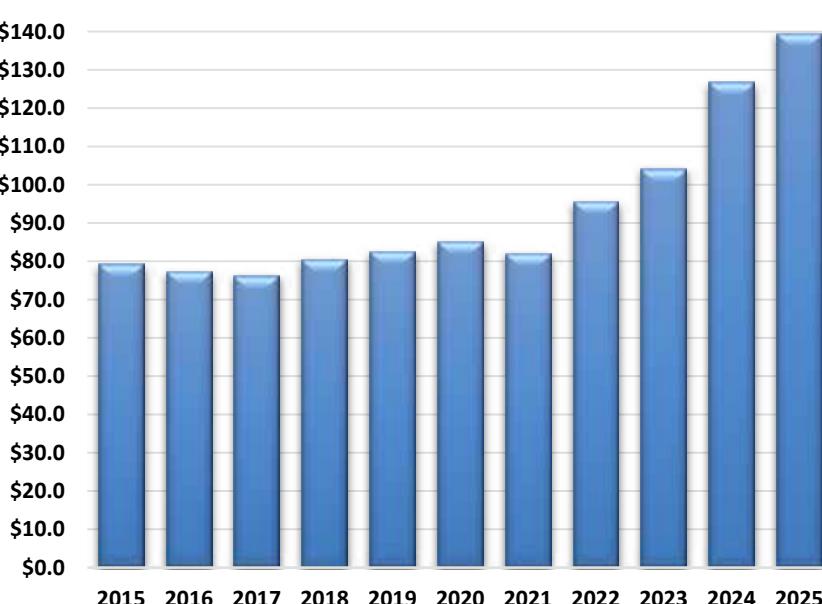
Expenses (\$ Millions)

Expenses total \$139.5M in 2024-25 (\$126.8M in 2023-24).

This represents an increase of \$12.7M (or 10%) over prior year.

This is primarily attributed to year over year increases in Salaries and benefits (\$10.0M); Deferred Maintenance (\$1.2M); and Supplies (\$1.2M).

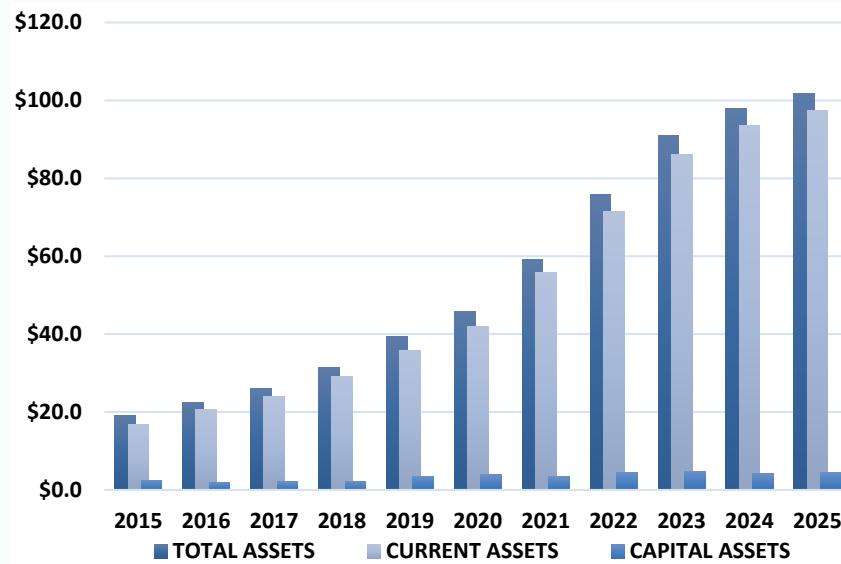
Long Term Trend: **Expenses** increased from \$79.2M in 2015 to \$139.5M in 2025 (representing an increase of \$60.2M and 76.0%), as compared to a \$53.9M (or 66.7%) increase in revenue.



Expenses by category remain consistent in 2024-25 e.g., Salaries and benefits comprise 74.4% of Expenses (74.0% in prior year and 73.9% in 2015).

STATEMENT OF FINANCIAL POSITION

Assets (\$ Millions)



Assets total \$101.8M in 2024-25 (\$97.8M in 2023-24).

This represents an increase of \$4.0M (or 5.3%) over prior year.

This is primarily attributed to an increase in Current Assets (\$3.7M) and a increase in Capital Assets (\$0.3M).

Long Term Trend: **Assets** have increased consistently each year (i.e., from \$19.2M in 2015 to \$101.8M in 2025 representing an increase of \$82.7M and 431.6%). This increase is largely driven by positive cash flows from operations.

Current Asset growth in 2024-25 is mainly attributed to higher Due from Province (\$2.5M); and an increase in Accounts receivable and accrued revenue (\$1.4M).

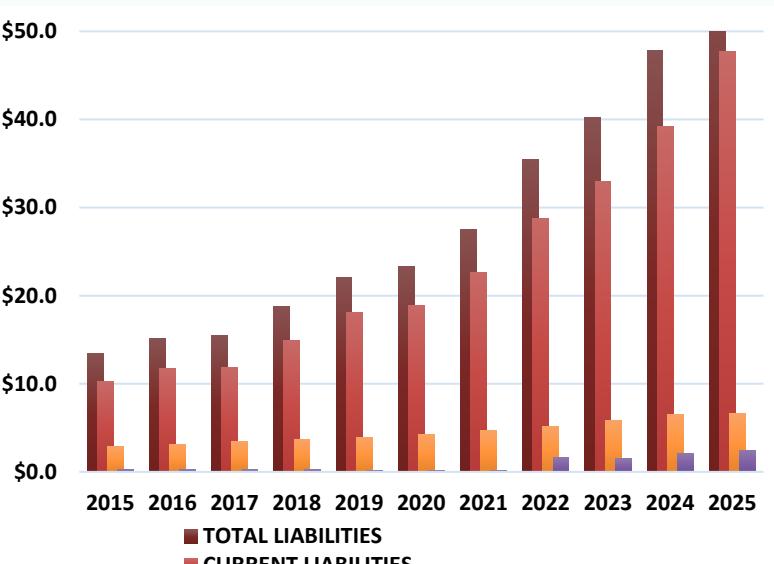
Liabilities (\$ Millions)

Liabilities total \$56.7M in 2024-25 (\$48.1M in 2023-24).

This represents an increase of \$8.6M (or 17.9%) year over year.

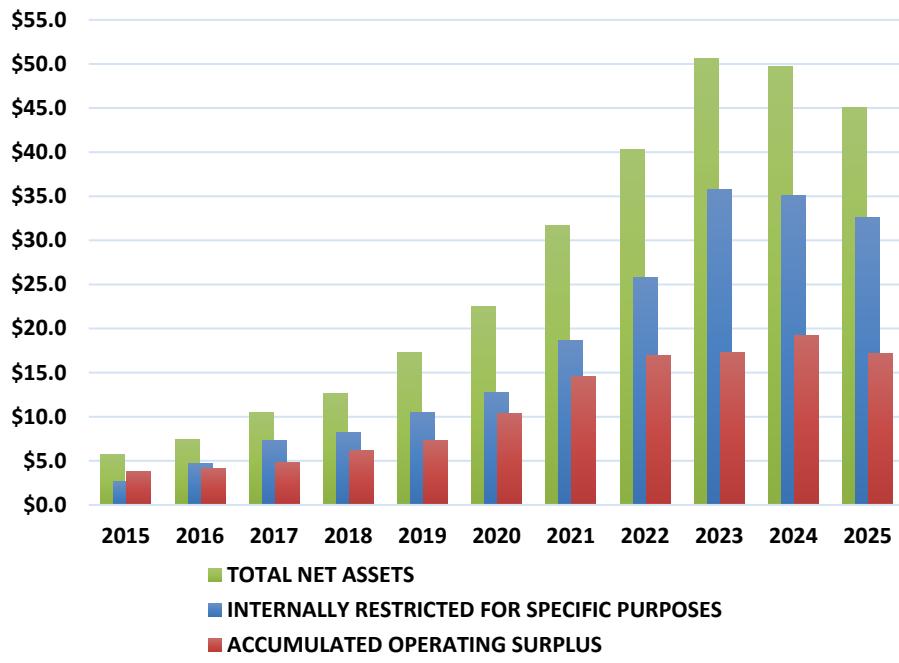
This is primarily attributed to increases in Current Liabilities (\$8.3M); Unfunded employee future benefits (\$0.12M); and Deferred capital contributions (\$0.27M).

Current Liability growth is largely attributed to increases in; Deferred Revenue (\$12.7M); and offset by a decrease in Accrued salary and benefits (\$2.8M); and a decrease in Accounts payable and accruals (\$1.6M). Fluctuations within this range are normal and are attributable to timing differences.



Long Term Trend: *Liabilities* have increased from \$13.4M in 2015 to \$56.7M in 2025 (representing an increase of \$43.3M and 323.1%). 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 \$45.1M in 2024-25 (\$49.8M in 2023-24).

This represents a decrease of \$4.7M (or 9.4%) year over year.

This is primarily attributed to decreases in Net assets internally restricted for specific purposes (\$2.5M); unfunded future employee benefits (\$0.11M); and a decrease in Accumulated operating surplus (\$2.1M).

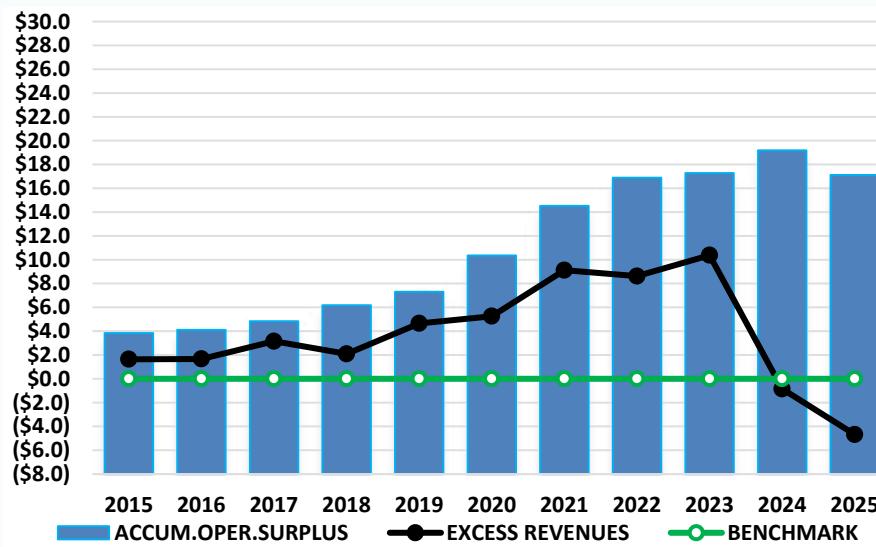
Long Term Trend: *Net Assets* increased from \$5.7M in 2015 to \$45.1M in 2025 (or \$39.4M and 690.4%).

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 \$4.7M (or 3.47% of revenues) in 2025.

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 eight of the past ten years.

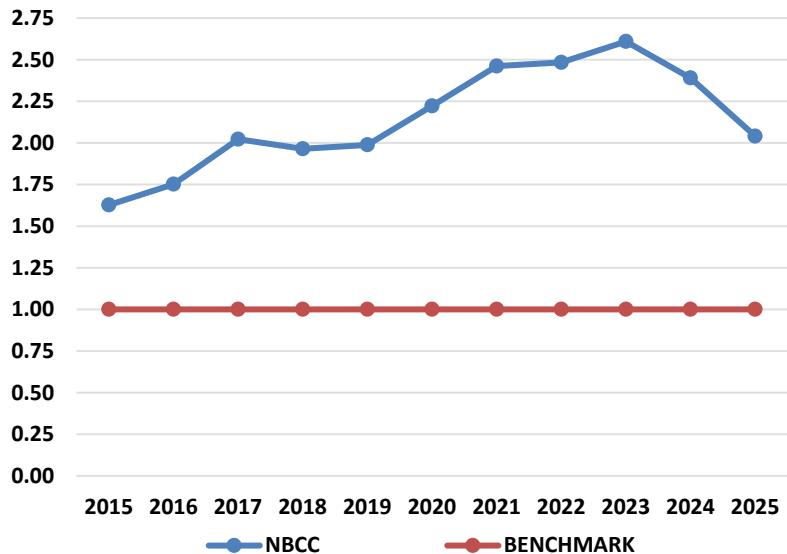
In 2024-25, NBCC's budget reflected a Deficiency of revenues over expenses (\$10.0M) as it intended to undertake and/or complete significant strategic projects (\$7.1M) for which Net assets internally restricted for specific purposes would provide funding.

Accumulated operating surplus saw a decrease of \$2.1M in 2024-25 (\$1.9M increase in 2023-24). 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 \$17.1M in 2025.

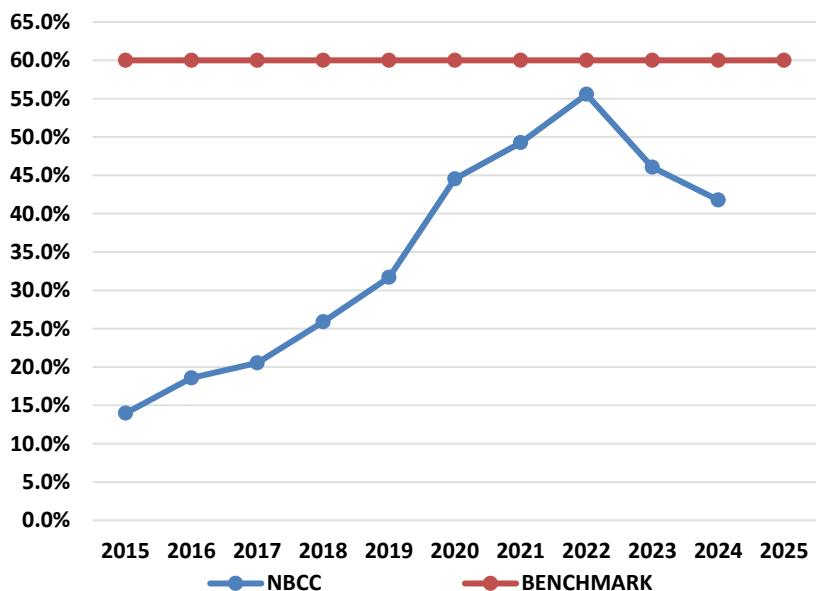
Quick Ratio

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 2025 result of 2.04.



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 41.8% in 2025. 2023-2025, 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 undertaking 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.

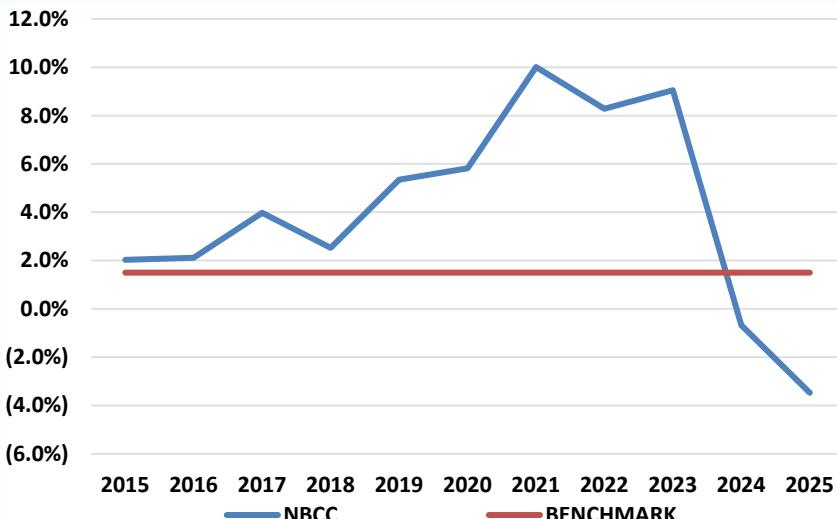
For the purposes of this ratio, net assets include accumulated operating surplus, amounts internally restricted for specific purposes, and investment in capital assets, as well as deferred capital contributions. Unfunded employee future benefits are excluded as they do not represent an amount likely 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 (3.47%) in 2024-25, although it has typically achieved greater than 1.5%.



NBCC experienced Excesses of revenues over expenses for eight 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 2024-25.

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 \$29.7 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 (2024-25) 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.
- \$8.0M in Priority 1 projects for 2025-26 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 2024-25 annual audited financial statements indicate that a total of \$5.6M was expensed on deferred maintenance, repairs and maintenance and transfer of assets to Province- all capital in nature- representing 4.2% of revenues (\$4.3M and 3.5% in 2023-24).

Financial Statements

MARCH 31, 2025

**KPMG LLP**

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Fax 506-450-0072

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Board of Governors of New Brunswick Community College

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, 2025
- 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, 2025, 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 ethical 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.

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.



Page 3

- 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 18, 2025

STATEMENT OF FINANCIAL POSITION

	2025	2024
ASSETS		
Current Assets		
Cash (Note 2c)	\$ 13,525	\$ 13,375
Due from Province (Note 2c)	90,208,725	87,663,454
Accounts receivable (Note 3)	4,503,005	3,156,114
Inventories (Note 4)	1,597,405	1,971,409
Prepaid expenses	1,086,910	876,438
	<hr/>	<hr/>
Capital Assets (Note 5)	97,409,570	93,680,790
	<hr/>	<hr/>
	4,403,858	4,151,909
	<hr/>	<hr/>
	\$ 101,813,428	\$ 97,832,699
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 7,374,547	\$ 9,012,061
Accrued salaries and benefits	7,938,865	10,724,294
Deferred revenue (Note 6)	32,424,614	19,720,506
	<hr/>	<hr/>
	47,738,026	39,456,861
Long Term Liabilities		
Deferred capital contributions (Note 7)	2,400,367	2,132,517
Employee future benefits (Note 8)	6,586,500	6,472,000
	<hr/>	<hr/>
	8,986,867	8,604,517
	<hr/>	<hr/>
	56,724,893	48,061,378
NET ASSETS		
Invested in capital assets (Note 10)	2,003,491	2,019,392
Internally restricted for specific purposes (Note 9)	32,549,071	35,034,945
Unfunded employee future benefits (Note 8)	(6,586,500)	(6,472,000)
Accumulated operating surplus	17,122,473	19,188,984
	<hr/>	<hr/>
	45,088,535	49,771,321
	<hr/>	<hr/>
	\$ 101,813,428	\$ 97,832,699

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

STATEMENT OF OPERATIONS AND CHANGES IN ACCUMULATED OPERATING SURPLUS

	2025	2025	2024
	Budget	Actual	Actual
REVENUES			
Grant from Province (Note 14)	\$ 61,374,695	\$ 69,027,359	\$ 63,116,484
Tuition and fees	32,711,984	36,434,769	35,362,605
Apprenticeship (Note 14)	5,864,750	5,914,929	5,199,942
Contract training	6,000,000	6,719,471	6,262,246
Sales	3,259,131	2,735,256	3,001,152
Cost recoveries (Note 14)	3,000,000	6,971,890	7,812,691
College office of research enterprise	1,200,000	2,029,127	1,883,162
Application fee	1,502,750	934,042	1,153,100
Other grants	210,000	1,452,492	1,159,507
Amortization of deferred capital contributions (Note 7)	354,283	383,903	340,103
Other (Note 11)	166,675	2,165,797	625,497
	115,644,268	134,769,035	125,916,489
EXPENSES			
Salaries and benefits	89,314,198	103,784,035	93,806,600
Services	13,250,676	15,103,131	14,172,473
Small tools, and equipment	4,057,990	4,001,917	4,667,930
Supplies	9,622,906	6,666,168	5,494,621
Cost of goods sold	2,168,746	1,733,686	1,760,139
Repairs and maintenance	192,067	447,975	1,256,809
Amortization of capital assets	965,997	1,177,247	1,273,678
Deferred maintenance	4,326,451	2,636,246	1,476,595
Transfer of assets to Province (Note 14)	1,000,000	2,500,023	1,610,958
Grants and payments	435,665	630,668	1,013,024
Bank fees and miscellaneous	97,077	90,244	98,630
Bad debt	145,000	318,934	104,976
Inventory obsolescence and adjustments	79,400	361,547	36,537
	125,656,173	139,451,821	126,772,970
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (10,011,905)	\$ (4,682,786)	\$ (856,481)
Changes in accumulated operating surplus			
Net change in investment in capital assets (Note 10)	188,287	15,901	1,319,125
Net change in net assets internally restricted for specific purposes	7,091,357	2,485,874	763,997
Net change in unfunded future employee benefits	535,566	114,500	685,100
INCREASE (DECREASE) IN ACCUMULATED OPERATING SURPLUS	\$ (2,196,695)	\$ (2,066,511)	\$ 1,911,741

STATEMENT OF CHANGES IN NET ASSETS

	2025					
	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	2024
NET ASSETS (LIABILITIES), BEGINNING OF YEAR	\$ 19,188,984	\$ 2,019,392	\$ 35,034,945	\$ (6,472,000)	\$ 49,771,321	\$ 50,627,802
Changes during the year						
Deficiency of revenues over expenses	(1,289,068)	(793,344)	(2,485,874)	(114,500)	(4,682,786)	(856,481)
Net change in investment in capital assets	(777,443)	777,443	-	-	-	-
Net change during the year	(2,066,511)	(15,901)	(2,485,874)	(114,500)	(4,682,786)	(856,481)
NET ASSETS (LIABILITIES), END OF YEAR	\$ 17,122,473	\$ 2,003,491	32,549,071	\$ (6,586,500)	\$ 45,088,535	\$ 49,771,321

STATEMENT OF CASH FLOWS

	2025	2024
Operating Activities		
Deficiency of revenue over expense	\$ (4,682,786)	\$ (856,481)
Add (deduct) non-cash items		
Amortization of capital assets	1,177,247	1,273,678
Amortization of deferred capital contributions	(383,903)	(340,103)
Bad debt	318,934	104,976
Inventory obsolescence and adjustments	361,547	36,537
Unfunded employee future benefits	114,500	685,100
	<hr/>	<hr/>
	1,588,325	1,760,188
Add (deduct) changes in non-cash working capital		
Accounts receivable	(1,665,825)	1,782,914
Inventories	12,457	(402,052)
Prepaid expenses	(210,472)	(254,704)
Accounts payable and accrued liabilities	(1,637,514)	783,852
Accrued salaries and benefits	(2,785,429)	2,993,920
Deferred revenue	12,704,108	2,698,654
	<hr/>	<hr/>
	6,417,325	7,602,584
	<hr/>	<hr/>
	8,005,650	8,506,291
Add (deduct) capital activities		
Deferred capital contributions	651,753	978,271
Acquisition of capital assets	(1,429,196)	(592,721)
	<hr/>	<hr/>
	(777,443)	385,550
INCREASE TO CASH AND CASH EQUIVALENTS	<hr/>	<hr/>
Add: Cash and cash equivalents, beginning of year	2,545,421	8,891,841
CASH AND CASH EQUIVALENTS, END OF YEAR	<hr/>	<hr/>
	87,676,829	78,784,988
	<hr/>	<hr/>
	90,222,250	\$ 87,676,829
CASH AND CASH EQUIVALENTS REPRESENTED ON STATEMENT OF FINANCIAL POSITION BY:		
Cash (Note 2c)	\$ 13,525	\$ 13,375
Due from Province (Note 2c)	90,208,725	87,663,454
Cash and cash equivalents, end of year	<hr/>	<hr/>
	\$ 90,222,250	\$ 87,676,829

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.

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 \$6,297,060 in 2025 (\$5,020,467 in 2024).

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.

3. ACCOUNTS RECEIVABLE

	2025	2024
HST	\$ 2,414,886	\$ 575,976
Tuition and fees	1,512,430	877,052
Organizations other than Province	513,126	698,519
Province	293,447	51,750
Advances and other	191,782	1,139,330
ACCOUNTS RECEIVABLE (GROSS)	4,925,671	3,342,627
Allowance for doubtful accounts	(422,666)	(186,513)
ACCOUNTS RECEIVABLE (NET)	\$ 4,503,005	\$ 3,156,114

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	Total
0-30 days	426,803	378,157	293,447	191,782	2,414,886	3,705,075
31-60 days	127,419	16,983	-	-	-	144,402
61-90 days	510,561	19,327	-	-	-	529,888
91-180 days	15,505	13,822	-	-	-	29,327
181-360 days	274,181	1,661	-	-	-	275,842
361+ days	157,961	20,363	-	-	-	178,324
Other adjustments	-	62,813	-	-	-	62,813
Accounts Receivable (Gross)	1,512,430	513,126	293,447	191,782	2,414,886	4,925,671
Allowance for doubtful accounts	(422,666)	-	-	-	-	(422,666)
Accounts Receivable (Net)	1,089,764	513,126	293,447	191,782	2,414,886	4,503,005

4. INVENTORIES

	2025	2024
Textbooks for resale	\$ 1,291,732	\$ 1,680,672
Stationery and supplies for resale	160,750	131,860
Clothing and other items for resale	144,923	158,877
INVENTORIES	\$ 1,597,405	\$ 1,971,409

NOTES TO FINANCIAL STATEMENTS

5. CAPITAL ASSETS

	2025		2024	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	\$ 4,022,162	\$ 2,161,606	\$ 1,860,556	\$ 1,840,845
Furniture and equipment	12,923,247	10,379,945	2,543,302	2,311,064
	<u>\$ 16,945,409</u>	<u>\$ 12,541,551</u>	<u>\$ 4,403,858</u>	<u>\$ 4,151,909</u>

6. DEFERRED REVENUE

	2025	2024
Saint John campus redevelopment	\$ 9,937,892	\$ 1,155,500
Student tuition	7,699,403	8,190,876
Confirmation fees	6,476,965	2,666,373
Contract training	4,887,780	2,677,674
College office of research enterprise	1,998,414	1,488,090
Capital campaign	501,306	2,536,024
Technology and learning resource fee	208,788	143,035
Apprenticeship	150,000	207,000
Other	564,066	655,934
DEFERRED REVENUE	<u>\$ 32,424,614</u>	<u>\$ 19,720,506</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

	2025	2024
Deferred capital contributions, beginning of year	\$ 2,132,517	\$ 1,494,349
Contributions during the year	651,753	978,271
Amortization during the year	(383,903)	(340,103)
DEFERRED CAPITAL CONTRIBUTIONS, end of year	<u>\$ 2,400,367</u>	<u>\$ 2,132,517</u>

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, and extrapolated to March 31, 2025, the accrued sick leave obligation and the expense related to the accrued sick leave obligation are as follows:

	2025	2024
Accrued sick leave obligation, beginning of year	\$2,991,500	\$ 2,687,500
Expense related to accrued sick leave obligation:		
Current period benefit cost	647,700	519,700
Amortization of actuarial losses	225,500	169,500
Sick leave benefit interest expense	176,800	135,300
	1,050,000	824,500
Employer benefit payments	(879,300)	(520,500)
ACCRUED SICK LEAVE OBLIGATION, END OF YEAR	\$3,162,200	\$ 2,991,500

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:	4.30% 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, 2024:

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

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, and extrapolated to March 31, 2025, the accrued WorkSafeNB obligation and the expense related to the accrued WorkSafeNB obligation are as follows:

	2025	2024
Accrued WorkSafeNB obligation, beginning of year	\$ 3,480,500	\$ 3,099,400
Expense related to accrued WorkSafeNB obligation:		
Current period benefit cost	323,200	400,500
Amortization of actuarial losses (gains)	(84,600)	28,700
WorkSafeNB benefit interest expense	105,600	140,000
	<u>344,200</u>	<u>569,200</u>
Employer benefit payments	(400,400)	(188,100)
ACCRUED WORKSAFENB OBLIGATION, END OF YEAR	\$ 3,424,300	\$ 3,480,500

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:	4.30% 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, 2024:

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

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:

	2025	2024
President and CEO		
Capital Investment Fund	\$ 13,562,096	\$ 13,562,096
College-wide Contingency	1,000,000	1,000,000
Strategic Funds	703,809	730,830
President	-	56,000
All Other	50,000	62,000
	<hr/> 15,315,905	<hr/> 15,410,926
Executive Director People and Culture		
Facilities and Ancillary Services	10,078,021	9,558,828
People and Culture	-	10,300
	<hr/> 10,078,021	<hr/> 9,569,128
Vice-President Engagement and Experience		
Strategic Partnerships	219,313	249,658
Advancement	55,856	94,627
Marketing	16,354	37,300
Enrolment Management	-	60,597
	<hr/> 291,523	<hr/> 442,182
Vice-President Academic and Research		
Information Technology	2,181,556	3,011,013
School of Professional and Part-time Learning	1,222,115	2,523,915
School of Trades and Apprenticeship	1,219,825	593,343
Academic Planning and Evaluation	1,154,612	1,275,130
School of Engineering Technologies	338,106	321,392
College Office of Research Enterprise	178,722	354,344
Student Development	167,778	414,385
School of Arts, Community and Protective Services	139,771	162,593
School of Business, Hospitality and Tourism	104,171	58,532
School of Information Technology	97,695	49,081
School of Health and Wellness	51,395	250,168
Global Partnerships	7,876	-
Academic Development	-	598,813
	<hr/> 6,863,622	<hr/> 9,612,709
Net assets internally restricted for specific purposes	<hr/> \$ 32,549,071	<hr/> \$ 35,034,945

NOTES TO FINANCIAL STATEMENTS

10. NET ASSETS INVESTED IN CAPITAL ASSETS

	2025	2024
Capital assets (net book value) (Note 5)	\$ 4,403,858	\$ 4,151,909
Capital assets funded from capital contributions (Note 7)	(2,400,367)	(2,132,517)
NET ASSETS INVESTED IN CAPITAL ASSETS	\$2,003,491	\$ 2,019,392

The change in Net Assets Invested in Capital Assets comprises:

	2025	2024
Net change in investment in capital assets:		
Acquisition of capital assets	\$ 1,429,196	\$ 592,721
Amount funded by deferred contributions	(651,753)	(978,271)
	<u>777,443</u>	<u>(385,550)</u>
Excess (deficiency) of revenues over expenses:		
Amortization of capital assets	(1,177,247)	(1,273,678)
Amortization of deferred capital contributions	383,903	340,103
	<u>(793,344)</u>	<u>(933,575)</u>
NET CHANGE IN INVESTMENT IN CAPITAL ASSETS	<u>\$ (15,901)</u>	<u>\$ (1,319,125)</u>

11. OTHER REVENUE

	2025	2024
Saint John redevelopment	\$ 1,940,701	\$ 480,749
Facility and related rentals	117,659	91,168
Other	107,437	53,580
	<u>\$ 2,165,797</u>	<u>\$ 625,497</u>

NOTES TO FINANCIAL STATEMENTS

12. COMMITMENTS

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

	2025	2024
2024-25	\$ -	\$ 1,659,163
2025-26	3,322,595	732,485
2026-27	1,494,896	588,817
2027-28	1,344,327	589,650
2028-29	500,265	210,000
2029-30	235,780	-
	<hr/>	<hr/>
	\$ 6,897,863	\$ 3,780,115

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:

- \$69,027,359 in grants from the Province (\$63,116,484 in 2024);
- \$6,971,890 in revenues from departments of the Province regarding cost recoveries (\$7,812,691 in 2024); and,
- \$5,914,929 in revenues from departments of the Province regarding Apprenticeship (\$5,199,942 in 2024).
- \$1,940,701 in revenues from departments of the Province regarding a major capital project (\$480,749 in 2024).
- \$175,413 in capital contributions from departments of the Province which have been recorded in deferred capital contributions (\$151,777 in 2024).

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 \$2,500,023 (\$1,610,958 in 2024) 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, 2025, total \$293,447 (\$51,750 in 2024) 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 four collective agreement expired on or before March 31, 2025. 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 \$10,000,000 (\$1,400,000 in 2024) from WorkingNB (received) and \$478,593 (2024 - \$236,249) from Regional Development Corporation (received).

From these amounts, \$1,940,701 (\$480,749 in 2024) is included in *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 \$9,937,892 (\$1,155,500) 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.

SUPPLEMENTARY INFORMATION SCHEDULE A: OPERATIONS BY TYPE

	2025 Budget	2025 Actual	2024 Actual
REVENUES			
Tuition and fees	\$ 32,711,984	\$ 36,434,769	\$ 35,362,605
Contract training	6,000,000	6,719,471	6,262,246
Sales	3,259,131	2,735,256	3,001,152
College office of research enterprise	1,200,000	2,029,127	1,883,162
Application fee	1,502,750	934,042	1,153,100
Other grants	210,000	1,452,492	1,159,507
Other (Note 7 and Note 11)	520,958	2,549,700	965,600
	45,404,823	52,854,857	49,787,372
Apprenticeship and cost recoveries (Note 14)	8,864,750	12,886,819	13,012,633
Grant from Province (Note 14)	61,374,695	69,027,359	63,116,484
	115,644,268	134,769,035	125,916,489
EXPENSES			
Direct program	44,572,742	52,486,416	42,254,603
Management and administrative services	37,248,130	41,809,588	41,702,931
Educational support	27,297,146	23,994,970	22,186,321
Contract training	8,705,622	8,224,786	8,538,487
Apprenticeship and cost recoveries	5,663,787	11,202,375	10,330,489
Cost of goods sold	2,168,746	1,733,686	1,760,139
	125,656,173	139,451,821	126,772,970
DEFICIENCY OF REVENUES OVER EXPENSES			
	<u>\$ (10,011,905)</u>	<u>\$ (4,682,786)</u>	<u>\$ (856,481)</u>

APPENDICES

Appendix A

PERFORMANCE MEASUREMENT FRAMEWORK

Item No.	Item Description	Baseline	FIVE-YEAR HISTORICAL								
			2024-25 Target	2024-25 Results	2023-24 Results	2022-23 Results	2021-22 Results	2020-21 Results	2019-20 Results	2018-19 Results	2017-18 Results
1. EDUCATION THAT WORKS											
1.1	TOTAL LEARNERS INDEX	12,052	12,500	12,881	13,130	12,294	12,052	10,247	9,609	9,361	8,683
1.2	EMPLOYMENT OUTCOME	83.0%	86.5%	87.0%	90.5%	88.0%	83.0%	86.5%	87.0%	87.2%	87.1%
1.2.1	Graduate Employment in Related Field (%)*	76.0%	83.0%	81.0%	87.0%	84.0%	76.0%	82.0%	85.0%	83.4%	83.7%
1.2.2	Overall Graduate Employment (%)*	90.0%	90.0%	93.0%	94.0%	92.0%	90.0%	91.0%	89.0%	90.9%	90.4%
1.3.1	Annual Graduation (%)*	78.7%	79.0%	88.9%	91.0%	84.6%	78.7%	78.7%	83.6%	80.7%	81.2%
1.3.2	Student Retention (%)*	87.5%	83.0%	89.1%	88.9%	86.0%	87.5%	87.5%	89.9%	81.6%	84.7%
2. GOING BEYOND IN ALL WE DO											
2.1	NBCC EXPERIENCE	76.9%	81.0%	85.2%	77.1%	78.2%	76.9%	76.4%	79.9%	78.4%	80.7%
2.2	NBCC STEWARDSHIP	22.7	11.9	8.7	11.9	11.0	22.7	15.7	5.4	5.9	3.3
3. RELATIONSHIPS FOR IMPACT											
3.1.1	Graduate Employment in NB (%)	92.0%	90.0%	95.0%	92.0%	93.0%	92.0%	93.8%	94.2%	91.9%	94.0%
3.1.2	Graduate Satisfaction (%)*	82.7%	90.0%	82.5%	84.8%	82.0%	82.7%	86.0%	86.0%	84.1%	86.7%

*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 (PTEL) which outlines the expectations for the college for the coming year. The following summarizes NBCC's progress in 2024-2025 related to the mandate outlined.

NBCC will provide world-class education

2024-25 RESULTS: NBCC advanced its commitment to world-class education by launching new programs in high-demand sectors such as Wind and Solar Energy, expanding flexible delivery options including online and part-time learning, and making strategic program adjustments to better align with labour market needs and student interests. These efforts ensure that graduates are equipped with relevant skills for a dynamic and competitive economy. Notably, NBCC celebrated the largest graduating class in its history, a milestone that reflects the success of its learner-focused approach and commitment to educational excellence.

ON-TRACK AND ONGOING

NBCC will welcome more learners

2024-25 RESULTS: NBCC welcomed 12,881 learners, surpassing its annual enrolment target of 12,500. In recognition of the financial barriers that many prospective students face, the College provided record levels of financial support—awarding over \$1.1 million in scholarships and bursaries to 722 recipients. NBCC continues to prioritize access and success for under-represented populations, including mature learners, newcomers, Indigenous learners, and individuals from rural and remote communities, through targeted outreach, flexible learning options, and learner supports.

ON-TRACK AND ONGOING

NBCC will continue to enrich the NBCC Advantage

2024-25 RESULTS: NBCC enriched the NBCC Advantage by expanding experiential learning opportunities through co-op placements, service learning, and entrepreneurial activities. A new Experiential Learning Platform was launched to connect students with opportunities and track engagement. The College also introduced a Student Learning Experience Charter and expanded student support services, including peer mentorship and career advising. NBCC learners contributed to hundreds of community-based projects—ranging from fundraising for non-profits and revitalizing public spaces to designing and delivering youth programs—demonstrating the College's commitment to developing well-rounded, community-connected graduates.

ON-TRACK AND ONGOING

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

2024-25 RESULTS: Despite a challenging fiscal environment, NBCC continued to demonstrate strong financial stewardship and a commitment to long-term sustainability. In response to significant shifts in enrolment and revenue projections, the College implemented proactive cost-saving measures and engaged staff across the organization in identifying efficiencies. NBCC has adopted a multi-year strategy to restore fiscal balance while continuing to invest in modernization and student success. These efforts reflect the College's ongoing leadership in accountability, governance, and responsible resource management.

ON-TRACK AND ONGOING

NBCC will continue to build its capacity to grow as a high-performing organization

2024-25 RESULTS: NBCC strengthened its capacity as a high-performing organization through targeted workforce investments, structural realignments, and a renewed focus on staff engagement. The College established a Transformation Office to lead institutional improvement initiatives and a Partnership Office to foster strategic collaboration. Staff engagement was prioritized through initiatives such as "Ask Me Anything" sessions and in-person regional meetings, which drew participation from over 600 employees. The Senior Executive and College Leadership teams also completed Change Sponsorship training, supporting a culture of adaptive leadership. Internal surveys showed significant improvements in communication, decision-making involvement, and alignment with core values—demonstrating NBCC's commitment to empowering staff and building a resilient, learner-focused institution.

ON-TRACK AND ONGOING

NBCC will have an implementation plan underway for climate action no later than March 31, 2024

2024-25 RESULTS: NBCC has made measurable progress in implementing its Climate Action Strategy. Of the 29 action items outlined in the 2022 Strategy, 6 are now complete or fully operational, 14 are in the implementation phase, 8 remain in planning or exploration, and only 1 has not yet been started. This marks a clear advancement from the previous year, with more initiatives moving into active implementation and operational status. These results reflect NBCC's growing leadership in sustainability and its commitment to supporting a low-carbon, climate-resilient future through education, operations, and partnerships.

ON-TRACK AND ONGOING

Accountability and Transparency

MANDATES

- 2023-24 Annual Business Plan is submitted to Minister no later than December 31st, annually: Complete
- 2023-2024 Accountability Framework and Reporting Guide to Government is submitted to Minister no later than May 30, 2023: Complete
- 2023-2024 Audited Financial Statements is submitted to Minister no later than June 30, annually: Complete
- 2023-24 Annual Report is submitted to the Minister no later than September 30, annually: Complete

