

Report to the Community
2005

this is nova scotia's college

nsc
education that works for you

contents

page

Introduction	3
This is Leadership	4
This is Community	6
This is Innovation	8
This is Commitment	10
This is Progressive	12
This is Learning	14
This is Development	16
Financial Statements	18
Notes to the Financial Statements	22

feedback@nsc.ca

We're an organization that doesn't sit still. Have you noticed? From the new campus rising on the Dartmouth waterfront to the new face in our Office of the President, NSCC is racing ahead. We're like a kid, sprinting up the growth chart and pushing holes through the toes of our shoes.

Our momentum has never been stronger and our numbers have never been better. More students, more cutting edge programming, more skilled workers getting jobs, and more satisfied employers. All within Nova Scotia.

We're your College. We're quickly becoming the smart choice, the viable path that will lead our province into healthier economic times. The industries and employers that work with us recognize that. Our government recognizes that.

In the words of our new President: "Community Colleges are a strategic partner in Canada's economic future." We're working hard because we care about the future of our province. Our shared future.

Read on and let's celebrate another dynamic year.

nscc
education that *works for you*

Joan McArthur-Blair describes herself as a typical adult learner, like so many of the students NSCC attracts. “Rather than doing all my academic work up front and then having a career, I’ve been learning and having a career at the same time.” NSCC’s new President, who recently received her Doctorate in Education, has been immersed in the community college system for twenty years. “Like many people, I came to the community college to teach one course and I got hooked.”

She moved from faculty member, to Dean, to Vice President at Vancouver Community College, and then moved clear across the country this past summer. It was NSCC’s national reputation as an education institution doing exciting things for students that drew her. “This is an organization that is moving forward at a rapid rate,” says McArthur-Blair.



“I believe community colleges do outstanding work across this country—we start wherever a student is and we take them where they dream to be.”

Joan McArthur-Blair, President, NSCC

NSCC's new President is especially struck by NSCC's outstanding results for Nova Scotia. “Our transfer to employment and student satisfaction are extraordinarily high.” She also notes that NSCC has become adept at meeting the needs of Nova Scotians. “We're out in communities asking what kind of education they need and then we deliver on that. That's a profound response. We're educating Nova Scotians so they are ready to work for Nova Scotia's companies.”

McArthur-Blair is enthusiastic about NSCC's role in the coming years. “I believe community colleges do outstanding work across this country—we start wherever a student is and we take them where they dream to be.” As NSCC continues to grow and deliver on its mandate, she says it will be due to NSCC staff, business, and community, working together. “Our role is to ensure NSCC continues to help build Nova Scotia's economy and quality of life. I think it will be an exciting path ahead.”



^ “Some of the most impressive leaders at NSCC are our students,” says **Lori Foran**, Coordinator of Student Life for NSCC's 13 campuses. Lori supports the work of student associations who advocate for students' needs, create social and recreational options for students, and encourage students to get involved in the community. “I learn everyday from the students I work with,” says Lori. Their creativity and enthusiasm to make a difference is making our college campuses, and our communities, better places,” says Lori.



NSCC's new President talks with students and graduates at the new Dartmouth waterfront campus which will be completed in 2007.
(Left to right): Amy Hawke, Joan McArthur-Blair, Lynn Rockwell, Mark Stevenson and Sherry Wilson.



^ **Susan Witter** is the President of Douglas College in British Columbia, and she is one of many college leaders who has worked with Joan McArthur-Blair for several years. “Joan brings a wonderful background as a teacher, facilitator, mentor, coordinator, Dean and Vice President to her new role as President of Nova Scotia Community College,” says Witter. “When you meet her for the first time, you will feel comfortable. Joan is an exceptional leader who will use her heart and her head in making important decisions.”

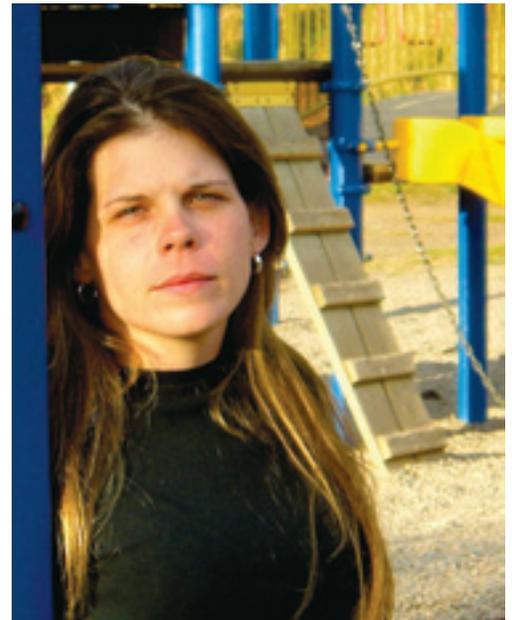
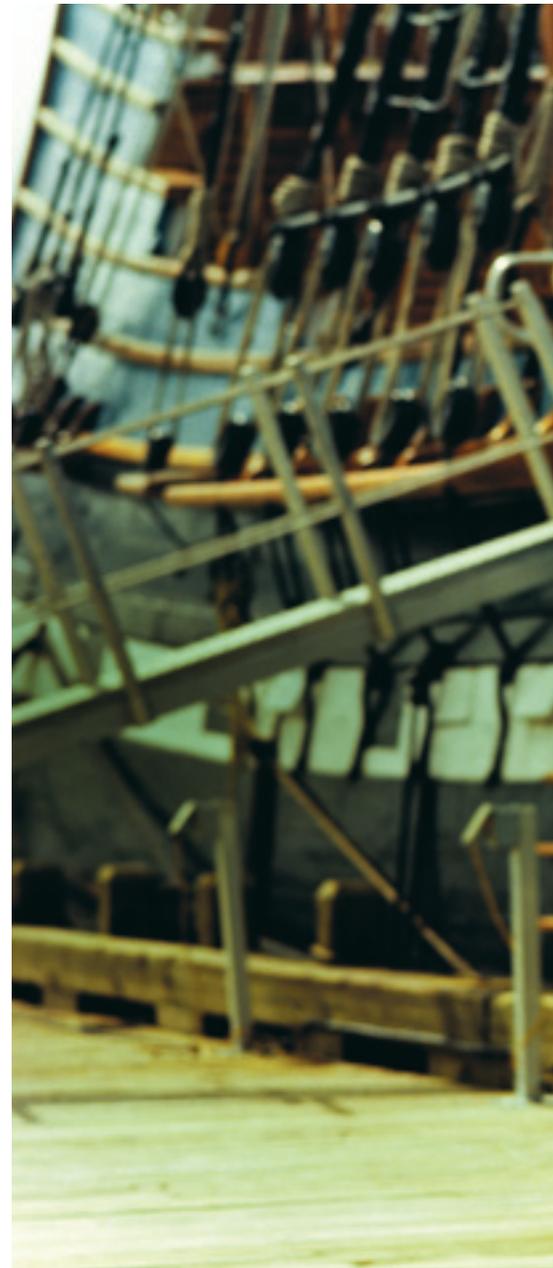
Wayne MacDonald has always been active in his community and when he comes to work at NSCC's Pictou Campus, he doesn't leave this spirit at home. Every year, MacDonald, a faculty member in the School of Trades and Technology, finds a unique project that needs doing and puts his students to work right out in the field. Last year, they renovated a church hall. They've also built the reception centre for the dialysis unit at a local hospital. "It brings the community into the community college," says MacDonald, who's been with NSCC for 15 years.

This school term, his Carpentry and Cabinet Making students are going to be shedding a little more light on Pictou Harbour. They're building a replica of a 1905 lighthouse for the Northumberland Fisheries Museum next to Pictou's Ship Hector. NSCC's reputation for contributing to community is why the Museum thought to contact the Pictou Campus. "We know that NSCC has had a lot of experience working with community projects," says the Museum's Business Coordinator Michelle Davey. "They have a good reputation for doing so." In a community that has already received awards and recognition for their waterfront development, this \$1.7 million project is exciting stuff and MacDonald's students are proud to be involved.

The project is unique, requiring extensive hand tool work on wooden windows - a rarity these days - and a copper roof. The opportunity to add these traditional skills to a student's repertoire and portfolio is invaluable. Even more important though, is the confidence building response the students receive from their communities for a job well done. "It gives the students encouragement to carry on and helps them achieve something beyond the theory. Ten years from now, they can drive by and say I built that."

"We know that NSCC has had a lot of experience working with community projects. They have a good reputation for doing so."

**Michelle Davey, Business Coordinator,
Northumberland Fisheries Museum**





Wayne MacDonald and Michelle Davey look over plans for the replica lighthouse that will be built adjacent to the Ship Hector on the Pictou waterfront.

< **Tina McAuley** never imagined herself presenting recommendations to her former high school teachers at Parkview Education Centre in Bridgewater. But, that's exactly what she and her Lunenburg Campus classmates did earlier this year as part of an anti-bullying market research project, which included a survey, and focus groups with students of the school. "My focus group really opened up to me, and as a result we collected information that led the school to implement recommendations that benefit the students," says Tina. "It was a rewarding learning experience."



< **Sherry Wilson** credits NSCC's learning model for helping her maximize her college education experience and begin a rewarding career. "NSCC provided me with an open door—to be who I wanted to be; to do what I wanted to do; to accomplish what I wanted to accomplish—and they backed me up all the way," says Wilson, who graduated from NSCC with a Business Administration Diploma in June 2005 and is now working in accounting at Internetworking Atlantic Inc. in Halifax. "My three children inspired me to be a better person—to not only preach about the importance of education but to provide them with the evidence that education is the key to many opportunities in life."



> The NSCC Foundation, established in 2001, manages the charitable affairs of NSCC. **Catherine A. Décarie of TD Meloche Monnex**, is the Chair of the Foundation Board at an innovative time of growth. "NSCC is Nova Scotia's college, we serve students from across the province, and we work with business and industry from every county in Nova Scotia," says Décarie. "It's exciting to work with dedicated business and community leaders to create new partnerships and resources to give students a truly distinctive educational experience."



A “perfect match” is how **Rob Sobey** describes the new strategic business relationship between NSCC and Sobeys to create the Sobeys Culinary Centre. “We wanted to partner with a progressive and exciting school that could help us achieve some of our goals,” says the Senior VP of Merchandising and Marketing for Sobeys Inc. Atlantic Region. “Sobeys’ ultimate goal is to be best in food,” and he thinks that NSCC can help them achieve it.

The alliance offers Sobeys an opportunity to tap into NSCC’s expertise in the culinary field. “It affords our merchandising and marketing teams a link to the latest trends in the hospitality trade and gives us a preliminary look at what may become important to our customers in Atlantic Canada,” says Sobey, who is also Vice Chair of NSCC’s Board of Governors. Annual training programs, new product development, private label product testing, and on-site training are just a few of the things in the works.

Both organizations believe in the power of working together to build strong connections with the communities they serve. This type of collaboration helps nurture local talent, offer employment opportunities, and boost the economy. “NSCC is doing great things for the region,” says Sobey. “The College offers a cost effective, pragmatic approach to helping local businesses succeed.”



Culinary Arts faculty member Sean Kettley, Rob Sobey and students David MacKinnon and Laura Wojcik discuss ideas inside the demonstration kitchen at the Sobeys Culinary Centre at the Akerley Campus.



< **NSCC and ExxonMobil** have an established working relationship that focuses on training current and future workers for the oil and gas industry. Most recently NSCC was awarded a \$1.5 million contract to develop and deliver a comprehensive training program for ExxonMobil employees who work on the Sable Offshore Energy Project. This latest collaboration will also benefit NSCC’s students as the Sable owners, ExxonMobil Canada, Shell Canada Limited, Imperial Oil, Pengrowth Corp. and Mosbacher Operating Ltd., have donated a platform simulator to NSCC. As a result, students in process operations programs are accessing this technology that will lead to new learning experiences and potential jobs in the oil and gas industry. “The donation seemed like a natural fit,” says Liam Mallon, President, ExxonMobil Canada. “NSCC has provided our company with high-calibre training in the past, and our future work with the college continues to add great benefit to ExxonMobil’s presence in Atlantic Canada.”

“We wanted to partner with a progressive and exciting school that could help us achieve some of our goals.”

Rob Sobey, Senior VP of Merchandising and Marketing, Sobeys Inc. Atlantic Region



Kelly Nelson takes accountability and results seriously. He is NSCC's Board of Governors Chair and also Chief Financial Officer for High Liner Foods. "There aren't four or five colleges in the province. We're Nova Scotia's College and Nova Scotians want to know how their money is being spent, and how we're serving the applied learning needs of this province."

To that end, NSCC became the first college in Canada to voluntarily adopt a 'balanced scorecard' system. It measures how well the College is doing in the areas of financial accountability, provincial impact, learning outcomes and employee learning and growth. The results have been overwhelmingly positive. Eighty-eight per cent of NSCC graduates are employed and 92% of those graduates are living and working in Nova Scotia. In the eight years the college has been Board-governed, the budget has always been balanced.

The big picture for the Board of Governors is to enhance the social and economic well-being of all Nova Scotians. "Creating a balance of education opportunities in the province is very important," says Nelson. "We want to make sure that more people get an education they can use and that they end up having meaningful work right here in Nova Scotia."

NSCC's Balanced Scorecard

Financial Accountability & Growth

- NSCC has achieved a balanced budget for the past eight years, since becoming Board-Governed.



“We are Nova Scotia’s College and Nova Scotians want to know how their money is being spent, and how we’re serving the applied learning needs of this province,”

Kelly Nelson, Chair of the NSCC Board of Governors

NSCC Board of Governors
(From right to left)

- Kelly Nelson (Chair)**, High Liner Foods
- Rob Sobey**, Sobeys Inc.
- Chris Huskison**, Emera Inc.
- Margaret Brigley**, Corporate Research Associates Inc.
- Jim Bate**, NSCC staff representative
- Don MacLeod**, Secunda Marine Services Limited
- Susan Wortman**, NSCC student representative
- Sandra Greer**, AMIRIX
- David Saxton**, Grant Thornton LLP
- Sue Payne**, ACA Co-operative Limited
- Charlotte States**, NSCC staff representative
- Joan McArthur-Blair**, NSCC President
- Fred Chalmers**, Wilson Fuel Company Limited
- George Moody**, Berwick Heights Golf Course Ltd.
- Rustum Southwell**, Black Business Initiative
- Lisa Emery**, NSCC student representative
- Steffie Hawrylak-Young**, NSCC staff representative

Missing:

- Bernd Christmas**, Membertou
- Chuck Hartlen**, Aliant
- Irving Schwartz**, Schwartz & Company Limited

NSCC’s balanced scorecard clarifies the organization’s vision and strategy and translates it to measurable action. It provides feedback around both the internal business process and external outcomes in order to continuously improve strategic performance and results.

Provincial Impact

- 88 per cent of NSCC graduates are employed one year after graduation —78 per cent in their field of study.
- 92 per cent of employed graduates are living and working in Nova Scotia.

Learning Outcomes

- 94 per cent of NSCC graduates are satisfied with their NSCC experience.
- NSCC graduates are lifelong learners. 27 per cent of NSCC graduates pursue further formal education.

Employee Learning & Growth

- Over 500 NSCC employees enrolled in professional development programs offered by NSCC in 2004-05.
- 95 per cent of NSCC employees enjoy the work they do here.



> **Dexter Construction and NSCC established the Dexter Institute**, an innovative training partnership to address Dexter's short and long-term labour needs for their heavy construction operations. Two things make this partnership unique—employment opportunities and tuition reimbursements for successful graduates. “We’ve hired over 100 graduates since we’ve launched the partnership and they’ve made a big impact in our company,” says Hugh Smith, Executive Vice President of Dexter’s parent company, the Municipal Group of Companies.



“There are long-term, prosperous jobs out there for community college graduates.”

**Stephen Plummer, President,
IMP Group International Inc.**

As President of IMP Group International Inc., Stephen Plummer

has been hiring college graduates for years. Over 40 NSCC graduates currently work in IMP's Aerospace Division and with the reality of an aging workforce, he's looking to hire even more. "We really need young, motivated workers with specific skill sets." Plummer is eager to tell young Nova Scotians that choosing college may be the smartest thing they ever do. "There are long-term, prosperous jobs out there for community college graduates."

IMP and NSCC have been working together to ensure that NSCC graduates have the skills the Aerospace industry requires. It's this ability to listen and work with industry that impresses Plummer. "NSCC has been very progressive. The institution has kept up with the times and changing market conditions by installing new programs and revitalizing others." He also notes NSCC's increased visibility within the business community. "They're members of the Chamber of Commerce, they're active in business sectors, and they're helping to improve local companies," says Plummer.

These tight ties with community are one of the reasons **Helen Dorrington-Price** loves working at NSCC. "NSCC is very community based. With 13 campuses, the College supports the entire province, not just the urban areas." This Career Development Specialist is based out of NSCC's Centre for Student Success in Truro. In her daily work, Dorrington-Price sees more and more businesses partnering with NSCC on many short and long term projects.

"Employers have been very supportive," says Dorrington-Price. "They provide our students with work placements, hire our graduates, sponsor events, and provide scholarships and bursaries." According to Dorrington-Price, employers all over Nova Scotia hire NSCC graduates, including NSCC itself. "What better proof that the College is producing skilled, well qualified employees?"



Stephen Plummer
in his office in
Halifax.



Career Specialist
Helen Dorrington-
Price (centre) meets
with Truro Campus
students Brenda St.
Jean and Gabriel
Scott.

Reed Jones discovered his passion for film when he bought a video camera to capture the early days of his son's life. "I ended up really loving it, and I started making music videos and getting involved in the film industry." Jones, a former university student, is now enrolled in NSCC's Screen Arts program and just had his first film, a five minute short, debut at this year's Atlantic Film Festival.

It's what his classmate Jacqueline (Jac) Poole loves about NSCC: the concept of learning by doing. The making of four short films in the Screen Arts Program is part of the intense, skills focused NSCC approach. "It's definitely challenging, and you learn a lot about how to work with others and what the industry is really like," says Poole. "You don't learn the ideal, you learn the reality."

Jones and Poole are examples of older, university-educated individuals attracted to NSCC's diverse and relevant programs. Their numbers are growing but it's only one element of the shift NSCC is seeing in its student population. There are also increases in the number of students coming straight from high school, women in trades and technology courses, and students with disabilities. In addition, NSCC is specifically reaching out to a number of cultural communities.

Mike Hill, the Associate Vice President for Learner Development and Pathways, believes it's essential that NSCC create an environment that reflects all of Nova Scotia. "We need to keep our ear to the ground with our advisory committees and our faculty working groups so that we can anticipate, not just react to, these trends that are happening," says Hill. "People's eyes are opening about the options that college education presents. The changes in our demographics speak to that."



> **Since Membertou and NSCC** signed a strategic alliance in 2004, the two organizations have been working on several initiatives to align the learning of residents of Membertou with growth sectors that will lead to economic prosperity for the community. Membertou is growing and experiencing a large volume of new construction, and focusing on building capacity in the construction trades is a smart move. "Carpenters from within Membertou built our convention centre and now, they're focusing on residential construction," says Dan Christmas, Senior Advisor for Membertou. "We're very interested in training people for the trades." Another area of focus is IT, particularly as Membertou is in the process of opening a business data centre that requires high-tech employees. "We're interested in IT because it is a cutting-edge, high-end industry that fits well with Membertou, especially our youth," says Christmas. "We'll continue to partner with NSCC, and our ultimate goal is to build an IT Centre for Excellence within Membertou for aboriginal students from across the region."





NSCC students (left to right) Rodrigo Lopez, Joey Schnare, Jacqueline Poole, Reed Jones and S.T. Elliott in the screen arts studio at NSCC's downtown Halifax site.

- **95% of employed graduates live and work in Nova Scotia**
- **94% of NSCC graduates are satisfied with their NSCC experience**
- **50.7% of NSCC's student population is female**
- **6.9% of NSCC students self-report to have a disability**
- **40% of NSCC students have prior post secondary education experience**

“It’s definitely challenging, and you learn a lot about how to work with others and what the industry is really like. You don’t learn the ideal, you learn the reality.”

Jacqueline (Jac) Poole,
student, NSCC’s Screen Arts
program

this is development

"I think NSCC has done a very good job of seeing what is needed and working with employers to develop the necessary programs," says **Janet Knox, President and CEO of the Annapolis Valley District Health Authority (AVDHA).**

According to Knox, you can't underestimate the power of this kind of partnership, which focuses on the Health Authority and NSCC working together to combat a nursing shortage in the Valley. The College trains the workers and AVDHA offers a place for practicums and eventual employment.

This dynamic idea of employers and educators working hand in hand to address skill shortages and create economic growth is what sets NSCC apart. "We have a special relationship with industry across several sectors of our economy including health, business, trades, and applied arts," says Pam Reid, NSCC's Academic Vice President. "We respond to their emerging and changing needs and they support the development and evolution of our programs."

It is this need to address skills shortages in Nova Scotia that inspired the Province to invest \$123 million in NSCC. As a result, NSCC is able to increase student capacity, revitalize programs, and modernize learning facilities. To respond to AVDHA's needs in the Annapolis Valley, there are new practical nursing programs and facilities at NSCC, Kingstec Campus in Kentville.

And, this is the case at campuses right across Nova Scotia, including NSCC's new Dartmouth-waterfront campus that will open in 2007. "Employers get the skilled workers they need and our students are on the cutting edge of learning, with access to new and advanced programs, technology, and facilities," says Reid. "It's our business to prepare Nova Scotians for work."



"Employers get the skilled workers they need and our students are on the cutting edge of learning with access to new and advanced programs, technology and facilities."

Pam Reid, VP Academic and Chief Learning Officer, NSCC



Kim Thompson,
NSCC Graduate

In March 2003, the Province of Nova Scotia announced a **\$123 million capital investment in NSCC** to increase student capacity and modernize learning facilities for college students across Nova Scotia. Since that time, NSCC has renovated most of its campuses and expanded several campus facilities in order to provide Nova Scotia industry with increased numbers of skilled workers who are learning in spaces that replicate the real world of work.



Strait Area Campus



Marconi Campus



Chantal Clements,
NSCC Graduate



Pictou Campus

Modern trades facilities at, **Strait Area Campus** in Port Hawkesbury are well positioned to serve the industrial growth in the Strait region.

Students conduct research and study in groups in modernized learning areas at **Marconi Campus** in Sydney.

Pictou Campus in Stellarton features new health, business and trades learning facilities to support the development of skilled workers for those growth sectors.

A new campus will open on the Dartmouth waterfront in 2007. This facility will house 1,800 students and feature modern facilities for programs in all five academic schools.

Auditors' Report

To the Board of Governors of the
Nova Scotia Community College

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We have audited the statement of financial position of the Nova Scotia Community College as at March 31, 2005 and the statements of revenue and expenditures, cash flows and changes in net assets for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2005 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

June 3, 2005

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Financial Position

March 31, 2005

	2005	2004
ASSETS		
Current		
Cash	\$ 20,026,937	\$ 14,786,860
Accounts receivable (Note 3)	14,111,624	18,999,597
Inventory	692,154	754,846
Prepays	488,669	353,050
	35,319,384	34,894,353
Capital assets (Note 4)	5,561,551	5,999,361
Foundation assets (Note 5)	1,094,297	816,828
Pensionable advance (Note 13)	622,404	685,437
	\$ 42,597,636	\$ 42,395,979
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 19,311,274	\$ 21,035,261
Deferred revenue (Note 6)	6,099,049	6,262,769
	25,410,323	27,298,030
Deferred revenue related to capital assets (Note 7)	4,112,056	3,230,130
Employee future benefit obligation (Note 16)	2,781,000	2,003,990
	32,303,379	32,532,150
Commitments (Note 14)		
NET ASSETS		
Invested in capital assets (Note 8)	1,449,495	2,769,231
Unrestricted	3,027,542	1,554,847
Restricted for Foundation Purposes (Note 5)	1,094,297	816,828
Restricted for College Development (Note 12)	4,722,923	4,722,923
	10,294,257	9,863,829
	\$ 42,597,636	\$ 42,395,979

ON BEHALF OF THE BOARD



Joan McArthur-Blair, President



Kelly Nelson, Chair

Statement of Revenue and Expenditures

Year ended March 31, 2005

	2005	2004
Revenue		
Province of Nova Scotia (Note 9)	\$ 75,656,000	\$ 73,687,720
Government of Canada	8,926,750	8,743,000
Tuition and fees	16,746,631	15,395,319
Customized training	10,414,658	11,710,292
Amortization of deferred revenue related to capital assets	1,873,351	1,544,891
Other (Note 10)	16,543,192	14,877,311
	130,160,582	125,958,533
Expenditures		
Salaries and benefits	86,361,441	79,165,729
Operating supplies and services	22,237,872	24,739,382
Equipment, rentals and other administration	9,331,859	11,103,946
Utilities and maintenance	8,308,057	7,158,641
Amortization	3,768,394	3,305,659
	130,007,623	125,473,357
Excess of revenue over expenditures	\$ 152,959	\$ 485,176

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Cash Flows

Year ended March 31, 2005

	2005	2004
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
Operating		
Excess of revenue over expenditures	\$ 152,959	\$ 485,176
Items not affect cash		
Amortization of deferred revenue related to capital assets	(1,873,351)	(1,544,891)
Amortization	3,768,394	3,305,659
Employee future benefit obligation	777,010	310,008
Changes in non-cash working capital items (Note 11)	2,927,339	(10,292,833)
	5,752,351	(7,736,881)
Investing		
Purchase of capital assets	(3,330,584)	(3,131,974)
Financing		
Pensionable advance	63,033	57,769
Contributions related to capital assets	2,755,277	2,577,035
	2,818,310	2,634,804
NET CASH INFLOW (OUTFLOW)	5,240,077	(8,234,051)
CASH POSITION, BEGINNING OF YEAR	14,786,860	23,020,911
CASH POSITION, END OF YEAR	\$ 20,026,937	\$ 14,786,860

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Changes in Net Assets

Year ended March 31, 2005

	Invested in Capital Assets	Unrestricted	Restricted for Foundation Purposes (Note 5)	Restricted for College Development (Note 12)	2005 Total	2004 Total
Balance, beginning of year	\$ 2,769,231	\$ 1,554,847	\$ 816,828	\$ 4,722,923	\$ 9,863,829	\$ 9,399,027
Excess (deficiency) of revenue over expenditures	(1,895,043)	2,048,002	—	—	152,959	485,176
Investment in capital assets	575,307	(575,307)	—	—	—	—
Endowment contributions and interest	—	—	795,586	—	795,586	375,695
Endowment disbursements	—	—	(518,117)	—	(518,117)	(396,069)
Balance, end of year	\$ 1,449,495	\$ 3,027,542	\$ 1,094,297	\$ 4,722,923	\$ 10,294,257	\$ 9,863,829

1. Overview of Operations

The Nova Scotia Community College (the “College”) was established as a post-secondary public education corporation under the authority of the Community College Act of Nova Scotia effective April 1, 1996.

The College, with thirteen campuses across the Province of Nova Scotia (the “Province”), is responsible for enhancing the economic and social well being of Nova Scotia by meeting the occupational training requirements of the population and the labour market.

The College has entered into a consent agreement with the Province that allows the College to construct facilities on land owned by the Province pursuant to the \$123 million multi-year infrastructure investment announced by the Province on March 28, 2003. The investment will provide newer facilities, more space and revamped learning and student life areas across the Province. Ownership of the buildings, including the new Metro Campus, will remain with the Province. Costs associated with the project will be managed by the College and flow through a liability account, which is subsequently reimbursed by the Province. The expenditures are netted against the funds receivable from the Province and have no effect on the statement of revenue and expenditures.

2. Significant Accounting Policies

The financial statements were prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

USE OF ESTIMATES

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as revenue and expenditures during the year. The accounts most subject to estimation and judgment include allowance for doubtful accounts and accrued liabilities. Actual results may differ from those estimates.

REVENUE RECOGNITION

The College follows the deferral method of accounting for revenue. Tuition fees, residence fees and sales are recognized when the services are provided or the goods are sold. Funding for expenditures of future periods are deferred and recognized as revenue in the year in which the related expenditure is incurred. Funding received for capital assets are deferred and recognized as revenue on the same basis as the acquired capital assets are amortized.

CASH

Cash consists of cash on hand and amounts held by financial institutions, upon which interest is paid at commercial rates.

2. Significant Accounting Policies (Continued)

CAPITAL ASSETS

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

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	2 to 5 years
Management Information System	5 years

Land and buildings that are owned by the Province are not reflected in the assets of the College. Improvements made to these buildings are therefore expensed in the year. Improvements made to buildings with leases in place are capitalized and amortized over their useful life or the term of the lease, whichever is less.

CONTRIBUTED SERVICES

The Province provides the College with buildings at thirteen campuses (in excess of two million square feet) and is responsible for the maintenance of the physical plant and building infrastructure, the benefit of which is not reflected in these financial statements because of the difficulty in determining the value.

INVENTORY

Inventory consists of merchandise and supplies held for resale and are valued at the lower of cost and net realizable value. Administrative and program supplies and library periodicals are not inventoried.

3. Accounts Receivable

	2005	2004
Organizations	\$ 2,319,329	\$ 3,211,485
Student fees	2,426,943	2,113,235
Government funding	3,997,750	5,946,343
Development Project	3,006,650	6,301,493
Other	2,248,064	1,084,505
Harmonized Sales Tax	1,056,310	1,175,302
Allowance for doubtful accounts	(943,422)	(832,766)
	\$ 14,111,624	\$ 18,999,597

4. Capital Assets

	2005	2005	2005	2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 7,696,526	\$ 6,722,079	\$ 974,447	\$ 1,498,872
Furniture and equipment	10,895,544	7,427,583	3,467,961	2,546,788
Leasehold improvements	860,504	429,714	430,790	25,790
Management Information System	6,197,789	5,509,436	688,353	1,927,911
	\$ 25,650,363	\$ 20,088,812	\$ 5,561,551	\$ 5,999,361

5. Foundation Assets

The Nova Scotia Community College Foundation (the "Foundation") is a non-profit organization controlled by the College. The assets represent donations and related interest restricted for scholarships, awards and other specified purposes. The Foundation works collaboratively with the College and the community to enhance the student experience by developing and implementing a framework to nurture support for current and future needs of the College.

The Foundation has not been consolidated in the College's financial statements. Financial statements of the Foundation are available upon request. Financial summaries as at March 31 and for the years then ended are as follows:

NOVA SCOTIA COMMUNITY COLLEGE FOUNDATION

	2005	2004
Financial position		
Total assets	\$ 1,269,247	\$ 821,553
Total liabilities	174,950	4,725
Total net assets	1,094,297	816,828
	\$ 1,269,247	\$ 821,553
Results of operations		
Total revenues	\$ 795,586	\$ 375,695
Total expenses	518,117	396,069
Excess of revenue (deficiency) over expenditures	\$ 277,469	\$ (20,374)

The Foundation uses fund accounting and follows the restricted fund method of accounting for contributions.

6. Deferred Revenue

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

	2005	2004
Apprenticeship	\$ 1,097,144	\$ 1,303,821
Offshore Operation	673,655	1,677,043
JD Irving	—	25,000
Applied Research	578,968	378,927
Customized training	1,975,536	1,657,799
Other	1,773,746	1,220,179
	\$ 6,099,049	\$ 6,262,769

7. Deferred Revenue Related to Capital Assets

Deferred revenue related to capital assets represents the unamortized portion of funding received from the Province of Nova Scotia and other sources for capital asset additions. The deferred revenue is amortized into revenue at a rate corresponding with the amortization rate for the related capital asset. The changes in the deferred balance are as follows:

	2005	2004
Beginning balance	\$ 3,230,130	\$ 2,197,986
Contributions received	2,755,277	2,577,035
Amortization of deferred revenue related to capital assets	(1,873,351)	(1,544,891)
Ending balance	\$ 4,112,056	\$ 3,230,130

8. Net Assets Invested in Capital Assets

	2005	2004
Capital assets, net of amortization	\$ 5,561,551	\$ 5,999,361
Deferred revenue related to capital assets	(4,112,056)	(3,230,130)
	\$ 1,449,495	\$ 2,769,231

9. Revenue—Province of Nova Scotia

	2005	2004
Funding received	\$ 76,656,000	\$ 74,687,720
Portion related to capital assets	(1,000,000)	(1,000,000)
	\$ 75,656,000	\$ 73,687,720

10. Other Revenue

	2005	2004
Other revenue is summarized as follows:		
Bookstore revenue	\$ 3,732,747	\$ 3,640,823
Food sales	1,506,781	1,547,605
Apprenticeship/Shop	2,633,657	2,392,080
Interest	443,488	561,438
Recoveries	3,503,073	2,684,729
Applied research	817,426	658,590
Lodging, rent and miscellaneous	3,906,020	3,392,046
	\$ 16,543,192	\$ 14,877,311

11. Changes in Non-cash Working Capital

	2005	2004
Accounts receivable	\$ 4,887,973	\$ (12,935,785)
Inventory	62,692	(38,416)
Prepays	(135,619)	(77,968)
Accounts payable and accrued liabilities	(1,723,987)	3,008,957
Deferred revenue	(163,720)	249,621
	\$ 2,927,339	\$ (10,292,833)

12. Restricted for College Development

These funds have been internally restricted by the Board to ensure that the funds are used solely for College development projects.

13. Pensionable Advance

When the College took over the payroll function from the Province, it had to book a receivable, which represented a pay advance to staff. This was to account for the move from "paid to date" to "paid in arrears". This receivable was formerly held by the Province.

14. Commitments

The College is committed to the following lease and maintenance agreement payments over the next five years.

2006	\$ 1,337,628
2007	947,051
2008	567,555
2009	508,916
2010	326,158
	\$ 3,687,308

15. Pension Plan

The Nova Scotia Community College contributes to two defined benefit pension plans administered by the Province of Nova Scotia. The Province of Nova Scotia assumes the actuarial and investment risk associated with these plans. Accordingly, the College accounts for these pensions as defined contribution plans.

The College matches employees' contributions calculated as follows for the Nova Scotia Public Service Superannuation Plan: 6.4% (2004–5.4%) on the part of their salary that is equal to or less than the "Year's Maximum Pensionable Earnings" (YMPE) under the Canada Pension Plan (CPP) and 8% (2004–7%) on the part of their salary that is excess of YMPE. Under this plan, the College has recognized contributions of \$3,774,702 (2004–\$3,195,533) for the year.

The College matches employees' contributions calculated as follows for the Nova Scotia Teachers' Union Pension Plan: 8.3% (2004–8.3%) on the part of their salary that is equal to or less than the YMPE under the CPP and 9.9% (2004–9.9%) on the part of their salary that is excess of YMPE. Under this plan, the College has recognized contributions of \$6,739,408 (2004–\$6,431,135) for the year.

16. Employee Future Benefit Obligation

An employee hired on or after August 1, 1998 who retires because of age or mental or physical incapacity shall be granted a College Service Award (CSA) equal to 1% of the employee's annual salary for each year of continuous service to a maximum of 25 years. There are no employee contributions in respect of the plan.

An actuarial evaluation was completed as of March 31, 2005 and the College's obligation relating to these benefits was approximately \$2,781,000 (2004–\$2,004,000). The benefit expense was \$644,000 (2004–\$585,000).

The significant actuarial assumptions adopted in estimating the College's obligation are as follows:

Future salary increase	6% per annum
Expected rate of return	0% per annum
Retirement age	20% upon attainment of age 55 and 80 points (age plus service); the remainder at 35 years of service or age 60, whichever is earlier..

17. Financial Instruments

FAIR VALUE

The College evaluated the fair values of its financial instruments based on the current interest rate environment, related market values and current pricing of financial instruments with comparable terms. The carrying values are considered to approximate fair values.

CREDIT RISK

The College performs a continuous evaluation of its accounts receivable and records an allowance for doubtful accounts as required. Management considers there is no significant credit risk as at March 31, 2005.

18. Comparative Figures

Certain of the comparative figures have been reclassified to confirm with the current years presentation.

NSCC's mission is to build Nova Scotia's economy and quality of life through education and innovation.

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