



CHANCES  
ARE YOU  
KNOW ONE  
OF US

2011 REPORT TO THE COMMUNITY

**nsc**

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# PRESIDENT'S MESSAGE



Chances are you've thought about the fundamentals of great communities. A strong economy with a range of career options. Innovation that holds the promise of a bright future. Education that builds skills to effect positive changes. And a quality of life that ensures the comfort and safety of everyone.

Yet the one thing that truly makes a community great is people – people with the passion, skills, and commitment to make a difference wherever and however they can. Chances are you know someone like this; someone who is a student or graduate of NSCC.

At our 13 locations across the province, we are encouraging our students to get involved in their communities in dynamic ways that are having a profound and transformative effect right now. Not just on our students and their career prospects, but on our environment, culture, youth, businesses, and way of life.

Their knowledge, ideas, and energy are opening new frontiers, reshaping not just our province, but our world.

Chances are you've experienced the positive impact of this activity. But something else equally important is taking place. By connecting our communities and our students, NSCC is helping to create a sense of pride in our province – a desire among graduates to stay and build a stronger Nova Scotia. Through partnerships between the College, the Board, and the Province, we will continue to contribute to the growth and well-being of our communities. The chances that are open to us are virtually limitless.

A handwritten signature in black ink, appearing to read 'Don Bureaux'. The signature is stylized and fluid.

*Don Bureaux, President  
Nova Scotia Community College*

# CHANCES ARE **WE SOLVED THE PROBLEM.**

Josh Matthews could not have known that the skills his mother taught him on her sewing machine would one day help people in wheelchairs.

Machines had always fascinated Josh. That's why he enrolled in NSCC's Mechanical Engineering Technology program at the Waterfront Campus in Dartmouth.

Part of the program involved working with Northwood, a long-term care setting where many residents need wheelchairs. For residents without sufficient body strength to reposition themselves, slouching can become a real problem. To help them maintain healthy posture, care providers needed a device they could use alone without risking injury to their own backs.

Gail Giffin, senior occupational therapist at Northwood, had an idea and approached the NSCC Applied Research team for help. Josh and two other engineering technology students took up the challenge under the guidance of one of the College's Applied Research scientists.

They modified Gail's idea and Josh built the first prototype using his sewing machine. Josh and his fellow Mechanical Engineering Technology students took the device to NSCC's Occupational Therapy/Physiotherapy Assistant program at the Cumberland Campus to test it.

The feedback was so positive that the group enlisted a student from NSCC's Business Administration program to conduct a market study to see if the product was commercially viable.

Now, NSCC is working with industry to bring it to market. "We anticipate the product will make a real difference for our residents and our employees," says Gail.

"It was a unique opportunity to work with students from all of these programs to create something that will actually be used to help people," says Josh. "It was a big boost in helping me to get started in my field."



*Josh Matthews consults with Gail Giffin of Northwood on the team's innovative design.*

# CHANCES ARE **WE'VE OVERCOME BARRIERS.**

During her 15-year nursing career in Saudi Arabia, Goldamier Alkasem never once examined a male patient.

Learning that it is okay for female health professionals to touch male patients was one of several career revelations Goldamier experienced when she immigrated to Nova Scotia. "I had many years of cultural conditioning to overcome."

Goldamier was certainly not alone. Only 29 per cent of immigrant nurses who took the College of Licensed Practical Nurses of Nova Scotia (CLPNNS) licensing exam were passing, despite having all of the required credentials.

A solution was needed that would help remove the barriers keeping qualified people from filling vital roles; a program that would introduce nurses like Goldamier to cultural aspects of the profession while preparing them for the licensing exam. NSCC and CLPNNS approached

the Nova Scotia Office of Immigration for funding to address this need, and NSCC designed the Internationally Educated Nurses (IEN) program.

Goldamier was in the very first IEN five-day workshop. She completed the program and immediately passed the CLPNNS licensing exam. So did all of her classmates. That 100 per cent pass rate has been maintained in each of the six IEN programs that have followed.

Goldamier now works as a practical nurse at two long-term care facilities and is pursuing the credentials she needs to work as a Registered Nurse. She is hoping her family, still living in Saudi Arabia, will be able to join her soon, and build on the life she's started for them here in Nova Scotia.

"The whole process is very supportive, which makes it much easier, especially since I didn't have my family with me," says Goldamier. "I tell every nurse I know who is new to Nova Scotia to take the course too."



*Goldamier Alkasem works as a practical nurse in two long-term care settings after immigrating to Nova Scotia from Saudi Arabia.*

# CHANCES ARE WE SHARED WHAT WE LEARNED.

When William Nicholas of the Pictou Landing First Nation saw his son Zack's homework from NSCC, he thought, "I could do that."

Zack had been out of high school for a couple of years and had gone west to find work in the oil industry. But when the oil economy dipped, Zack made his way back home to be a fisherman.

His dad had another idea for him. "He kept pushing me to go back to school and get a good trade," says Zack. "I always really liked engines and mechanics, so I thought I'd give it a try."

In 2008, Zack enrolled in NSCC's Diesel Repair – Industrial & Marine program at the Lunenburg Campus. Since his father was a lobster fisherman, Zack decided to specialize in marine diesel engines. He graduated from the program in 2009.

But Zack's studies had an unforeseen effect. While he was taking the program, the engine in William's fishing boat needed an overhaul. Zack

took the lead, with his father helping. William remembers, "We worked well together, so one day Zack looked at me and said, 'You should take the course, Dad.'"

The circle is complete. The father urges the son to go back to school, which inspires the father to do the same.

At age 49, William graduated and received an award for demonstrated excellence in the practical application of his trade.

Who had the best marks, father or son?

"I think I did a little better than the young fella."

Today, they are hopeful for the future. "It would be great if we could start a business together," says Zack. "Maybe even hire some people from the community."





*William and Zack Nicholas, father and son, convinced each other to study at NSCC.*

# CHANCES ARE **WE INVENTED SOMETHING NEW.**

A funny thing happened on the way to Danielle Francis's NSCC diploma. She invented something that has caused quite a stir. After working various jobs, Danielle decided it was time for a career in practical nursing. As a first step, she went back to school, enrolling in the Adult Learning Program at NSCC's Shelburne Campus.

But an unexpected path revealed itself while Danielle and her husband were renovating their home. They found the removal, fixing, and replacing of mouldings to be time-consuming and frustrating, especially when the mouldings broke. "I thought, 'What if the mouldings could be attached to the wall with some kind of removable fastener?'" That way, they could be taken down and put back easily." Danielle tried different materials before settling on magnets in the mouldings and adhesive metal on the walls.

At the same time, her NSCC campus was holding an Ideas Competition, through Y.E.S. (Your Entrepreneurial Self), which encourages students

to develop new products and services that have business potential or community impact. Wendy McGill of NSCC's School of Business encouraged Danielle to enter her magnetic moulding idea.

Danielle won first prize: a ticket to the Atlantic Dream Festival featuring guest speaker Richard Branson. That conference inspired her to enter three more competitions – she placed first, first, and third. "Danielle embraced the entrepreneurial spirit of these competitions, a spirit that is at the heart of healthy and vibrant communities," says Wendy.

Danielle has a provisional patent now and expects to receive a full patent on her idea by next April. Companies are already interested in her invention. She's also followed a piece of advice from Wendy: instead of practical nursing, she's studying business administration.

She also has a new idea for this year's Ideas Competition...



*Danielle Francis demonstrates her invention, which has already received a provisional patent.*

# CHANCES ARE WE INSPIRED YOU.

Day after day, year after year, no one ever asked Hastings Guy why he had such a hard time at school. They didn't know about the abuse he suffered at home. In grade nine, Hastings left school, unable to read, believing in his heart what others told him: "You're stupid."

He took jobs as a labourer, and often earned promotions. Yet, embarrassed by his inability to read, Hastings left these jobs before anyone could discover his secret.

This pressure, and undiagnosed post-traumatic stress disorder from his childhood, led to drug and alcohol problems. At 48, he reached a critical turning point: "I was in a live or die situation. I chose life."

Hastings made learning his lifeline. He taught himself to read with support from his Bible study group. That success gave him the courage to enroll in the Adult Learning Program at NSCC's Shelburne Campus.

"It was scary to walk through those doors, but it turned out to be such a welcoming place," says Hastings. He completed nine credits in just one year and is taking the final three he needs for his high school diploma.

Along the way, Hastings used his literacy skills and growing confidence to establish a support group to help others who have suffered from childhood traumas. This year, he earned a provincial literacy award nomination, and his work as a mental health advocate garnered a 2010 nomination for an "Inspiring Lives" Award from the Mental Health Foundation of Nova Scotia and the Canadian Mental Health Association.

Hastings's sincere wish is to inspire others to learn. "In today's world, education is the difference between being on the street dealing with addictions, or taking care of yourself and ensuring your own independence and success."



*Hastings Guy inspires others to overcome life's challenges through education.*

# CHANCES ARE WE TOOK YOU IN.

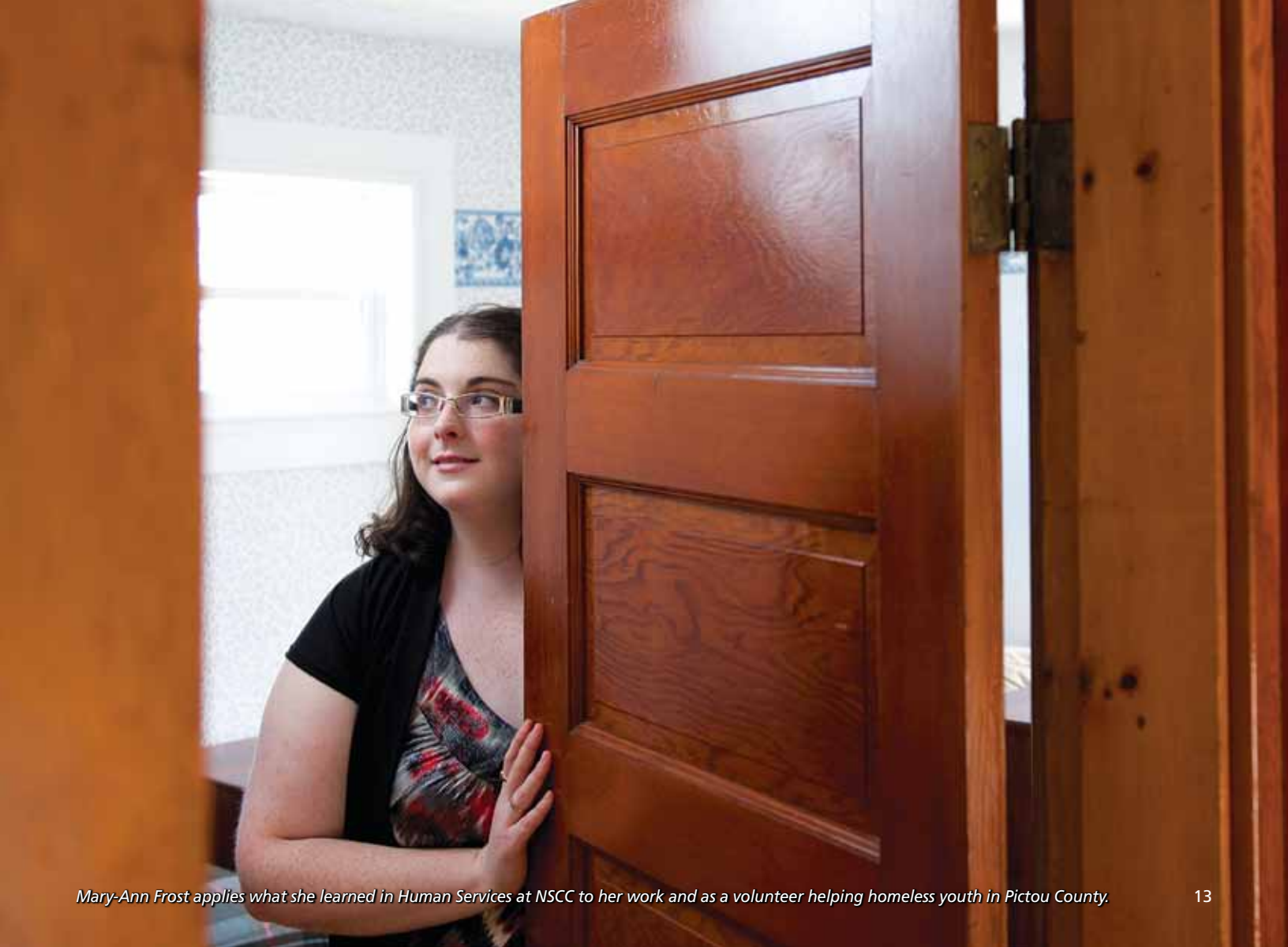
Mary-Ann Frost knew there were homeless youths in big cities. She'd never realized how many lived in Pictou County.

That startling discovery occurred while Mary-Ann was a Human Services student at NSCC's Pictou Campus. During a class, her instructor, Mike Lawrence, talked about the Pictou County Roots for Youth Society, an organization devoted to helping homeless young people between 16 and 19 years old. Mary-Ann decided to attend a Roots for Youth event and what she learned deeply affected her. "I like working with kids and I just knew I had to help. People wrongly assume they're mixed up with drugs or choosing life on the streets. But many are 'couch-surfing' from friend to friend just to survive."

Mary-Ann began to volunteer regularly for Roots for Youth and eventually became co-chair of fundraising. She helped the non-profit organization raise enough money to hire an executive director and secure a grant from the federal government that funded the purchase and renovation of a house. NSCC students from various programs helped get the house ready by volunteering time to paint and clean.

Now, Roots House is open four hours every day. Young people can come in, use computers, get something to eat, do laundry, take a shower – whatever they need.

Mary-Ann graduated in June 2011 and is now employed helping adults with disabilities. "I'm giving back to the community I call home through my career and as a volunteer. It's the best possible reward."



*Mary-Ann Frost applies what she learned in Human Services at NSCC to her work and as a volunteer helping homeless youth in Pictou County.*

## Independent Auditor's Report

To the Board of Governors of the Nova Scotia Community College

We have audited the accompanying financial statements of the Nova Scotia Community College, which comprise the statement of financial position as at March 31, 2011, and the statements of revenue and expenditures, cash flows and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Nova Scotia Community College as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants  
Halifax, Nova Scotia  
June 17, 2011



	2011	2010
<b>ASSETS</b>		
Current		
Cash	<b>\$ 27,935,979</b>	\$ 26,044,702
Restricted cash (Note 16)	<b>14,876,199</b>	9,983,436
Accounts receivable (Note 4)	<b>14,207,509</b>	25,197,229
Inventory	<b>1,019,478</b>	840,383
Prepays	<b>587,074</b>	1,157,358
	<b>58,626,239</b>	63,223,108
Capital assets (Note 5)	<b>9,314,501</b>	8,394,378
Foundation assets (Note 6)	<b>5,846,728</b>	5,482,930
Provincial receivable – future health benefits (Note 16)	<b>24,569,220</b>	22,303,684
	<b>\$ 98,356,688</b>	\$ 99,404,100
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	<b>\$ 25,654,480</b>	\$ 32,455,338
Deferred revenue (Note 7)	<b>5,609,653</b>	8,640,825
	<b>31,264,133</b>	41,096,163
Deferred revenue related to capital assets (Note 8)	<b>4,234,634</b>	3,342,202
Employee future benefit obligation (Note 16)	<b>46,102,419</b>	38,875,120
	<b>81,601,186</b>	83,313,485
Commitments (Note 14)		
<b>NET ASSETS</b>		
Invested in Capital Assets (Note 9)	<b>5,079,867</b>	5,052,176
Unrestricted	<b>1,105,984</b>	832,586
Restricted for Foundation Purposes (Note 6)	<b>5,846,728</b>	5,482,930
Restricted for College Development (Note 13)	<b>4,722,923</b>	4,722,923
	<b>16,755,502</b>	16,090,615
	<b>\$ 98,356,688</b>	\$ 99,404,100

ON BEHALF OF THE BOARD



Don Bureaux, *President, NSCC*



Michael Kontak, *Chair, NSCC Board of Governors*

**Statement of Revenue and Expenditures** | Year Ended March 31, 2011

Nova Scotia Community College

	2011	2010
<b>Revenue</b>		
Department of Education (Note 10)	<b>\$ 128,127,127</b>	\$ 122,119,787
Labour and Workforce Development	<b>16,627,186</b>	17,336,768
Tuition and fees	<b>30,192,795</b>	30,222,478
Contract training and service contracts	<b>7,312,793</b>	7,265,290
Amortization of deferred revenue related to capital assets (Note 8)	<b>2,009,553</b>	1,877,171
Other revenue (Note 11)	<b>21,477,368</b>	20,762,388
	<b>205,746,822</b>	199,583,882
<b>Expenditures</b>		
Salaries and benefits	<b>141,655,828</b>	133,478,884
Operating supplies and services	<b>36,358,719</b>	35,098,748
Equipment, rentals and other administration	<b>13,146,409</b>	15,464,835
Utilities and maintenance	<b>10,811,445</b>	11,968,541
Amortization	<b>3,473,332</b>	3,398,340
	<b>205,445,733</b>	199,409,348
<b>Excess of revenue over expenditures</b>	<b>\$ 301,089</b>	\$ 174,534

**Statement of Cash Flows** | Year Ended March 31, 2011

Nova Scotia Community College

	2011	2010
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>		
<b>Operating</b>		
Excess of revenue over expenditures	\$ 301,089	\$ 174,534
Items not affecting cash:		
Amortization of deferred revenue related to capital assets	(2,009,553)	(1,877,171)
Amortization	3,473,332	3,398,340
Loss on disposal of capital assets	18,244	—
Employee future benefit obligation	7,227,299	3,860,917
Provincial receivable - future health benefits	(2,265,536)	(1,975,613)
Changes in non-cash working capital items (Note 12)	1,548,879	4,108,512
	<b>8,293,754</b>	<b>7,689,519</b>
<b>Investing</b>		
Increase in restricted cash	(4,892,763)	(1,545,304)
Purchase of capital assets	(4,411,699)	(6,107,272)
	<b>(9,304,462)</b>	<b>(7,652,576)</b>
<b>Financing</b>		
Contributions related to capital assets	2,901,985	2,798,660
<b>NET CASH INFLOW</b>	<b>1,891,277</b>	<b>2,835,603</b>
<b>CASH POSITION, BEGINNING OF YEAR</b>	<b>26,044,702</b>	<b>23,209,099</b>
<b>CASH POSITION, END OF YEAR</b>	<b>\$ 27,935,979</b>	<b>\$ 26,044,702</b>

**Statement of Changes in Net Assets** | Year Ended March 31, 2011

	Invested in Capital Assets (Note 9)	Unrestricted	Restricted for Foundation Purposes (Note 6)	Restricted for College Development (Note 13)	2011 Total	2010 Total
Balance, beginning of year	\$5,052,176	\$ 832,586	\$5,482,930	\$4,722,923	\$16,090,615	\$14,634,739
Excess (deficiency) of revenue over expenditures	(1,463,779)	1,764,868	—	—	301,089	174,534
Investment in capital assets	1,491,470	(1,491,470)	—	—	—	—
Endowment contributions & interest	—	—	1,432,940	—	1,432,940	2,163,411
Endowment disbursements	—	—	(1,069,142)	—	(1,069,142)	(882,069)
Balance, end of year	<b>\$5,079,867</b>	<b>\$1,105,984</b>	<b>\$5,846,728</b>	<b>\$4,722,923</b>	<b>\$16,755,502</b>	<b>\$16,090,615</b>

## 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 consent agreements with the Province that allows the College to construct facilities on land owned by the Province pursuant to the infrastructure investment by the Province. Costs associated with these projects 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. Ownership of the construction projects related to the consent agreements remain with the Province and do not transfer to the College.

The College is a government not-for-profit organization and, as such, is exempt from income taxes under the *Income Tax Act (Canada)*.

## 2. FUTURE ACCOUNTING POLICIES

### New accounting framework

Effective January 1, 2012, Canadian government not-for-profit organizations will have a new financial reporting framework. These organizations have a choice of applying Public Sector Accounting Standards for Government Not-for-profit Organizations or Public Sector Accounting Standards. The College is working with the Province of Nova Scotia to determine which accounting framework it will adopt.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

### Cash

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

### Financial instruments

Not-for-profit organizations may elect not to adopt the requirements of Sections 3862, *Financial Instruments – Disclosures* and 3863, *Financial Instruments – Presentation* and instead may apply the guidance in Section 3861, *Financial Instruments – Disclosure and Presentation*. The College has elected to use this exemption.

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the College’s designation of such instruments. Settlement date accounting is used.

Assets and liabilities	Classification	Measurement
Cash	Held for trading	Fair value
Restricted cash	Held for trading	Fair value
Provincial receivable		
– future health benefits	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

Transaction costs are expensed as incurred.

### Capital assets

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 10 years

**(3. SIGNIFICANT ACCOUNTING POLICIES, continued)**

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.

**Impairment of long-lived assets**

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

**Inventory**

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

**Revenue recognition**

The College follows the deferral method of accounting for revenue. Tuition and fees, contract training and service contracts, and other revenue 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.

**Employee future benefits**

The cost of post-retirement benefits earned by employees is actuarially determined using the projected unit method prorated on service and management's best estimate of salary escalation, retirement ages of employees and expected health care costs.

**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 the allowance for doubtful accounts, amortization periods for capital assets, deferred revenue, employee future benefits, and certain accrued liabilities. Actual results may differ from those estimates.

**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 fair value.

**4. ACCOUNTS RECEIVABLE**

	2011	2010
Organizations	<b>\$ 5,881,451</b>	\$ 5,934,577
Student fees	<b>503,037</b>	636,525
Government funding	<b>238,591</b>	3,212,298
Development Project	—	2,027,678
Knowledge Infrastructure Project	—	11,122,999
Province - Capital Asset Project	<b>6,913,157</b>	—
Other	—	1,658,697
Harmonized Sales Tax	<b>1,359,997</b>	1,461,088
Allowance for doubtful accounts	<b>(688,724)</b>	(856,633)
	<b>\$14,207,509</b>	\$25,197,229

Included in accounts receivable is \$340,651 (2010 – \$409,109) due from the Nova Scotia Community College Foundation (the "Foundation").

**5. CAPITAL ASSETS**

	2011		2010	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 544,165	\$ —	\$ 544,165	\$ 247,063
Computer equipment	7,960,653	7,430,133	530,520	850,872
Furniture and equipment	24,218,497	17,496,600	6,721,897	5,654,091
Leasehold improvements	3,914,804	2,396,885	1,517,919	1,642,352
	<b>\$36,638,119</b>	<b>\$ 27,323,618</b>	<b>\$ 9,314,501</b>	<b>\$8,394,378</b>

**6. FOUNDATION NET ASSETS**

The Foundation is a not-for-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.

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**

	2011	2010
Results of operations		
Total revenue	\$ 1,432,940	\$ 2,163,411
Total expenditures	1,069,142	882,069
Excess of revenue over expenditures	\$ 363,798	\$ 1,281,342
Financial position		
Total assets	\$ 6,195,948	\$ 5,899,366
Less: Total liabilities	349,220	416,436
Total net assets	<b>\$ 5,846,728</b>	<b>\$ 5,482,930</b>

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

**7. DEFERRED REVENUE**

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

	2011	2010
Apprenticeship	\$ 341,085	\$ 679,085
Skills development	—	667,578
Applied research	820,175	511,900
Customized training	491,064	829,643
Continuing education	98,223	97,925
Cost recovery programs	1,302,236	918,850
Disability resources	917,363	1,154,773
Links programs	57,158	197,179
Other	1,582,349	3,583,892
	<b>\$ 5,609,653</b>	<b>\$ 8,640,825</b>

**8. 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:

	2011	2010
Beginning balance	\$ 3,342,202	\$ 2,420,713
Contributions received	2,901,985	2,798,660
Amortization of deferred revenue related to capital assets	(2,009,553)	(1,877,171)
Ending balance	<b>\$ 4,234,634</b>	<b>\$ 3,342,202</b>

**9. NET ASSETS INVESTED IN CAPITAL ASSETS**

	2011	2010
Capital assets, net of accumulated amortization	\$ 9,314,501	\$ 8,394,378
Deferred revenue related to capital assets	(4,234,634)	(3,342,202)
	<b>\$ 5,079,867</b>	<b>\$ 5,052,176</b>

**10. REVENUE – DEPARTMENT OF EDUCATION**

	2011	2010
Funding received	<b>\$ 129,127,127</b>	\$ 123,119,787
Portion related to capital assets	<b>(1,000,000)</b>	(1,000,000)
	<b>\$ 128,127,127</b>	\$ 122,119,787

**11. OTHER REVENUE**

	2011	2010
Bookstore revenue	<b>\$ 4,995,130</b>	\$ 5,112,776
Food sales	<b>1,853,996</b>	1,995,914
Shop revenue	<b>254,799</b>	258,515
Interest	<b>420,761</b>	145,579
Recoveries	<b>2,667,062</b>	4,853,469
Applied research	<b>1,561,073</b>	1,247,055
Lodging, rent and miscellaneous	<b>9,724,547</b>	7,149,080
	<b>\$ 21,477,368</b>	\$ 20,762,388

**12. CHANGES IN NON-CASH WORKING CAPITAL**

	2011	2010
Accounts receivable	<b>\$ 10,989,720</b>	\$ (3,434,518)
Inventory	<b>(179,095)</b>	74,032
Prepays	<b>570,284</b>	496,544
Accounts payable and accrued liabilities	<b>(6,800,858)</b>	7,095,126
Deferred revenue	<b>(3,031,172)</b>	(122,672)
	<b>\$ 1,548,879</b>	\$ 4,108,512

**13. 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.

**14. COMMITMENTS**

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

2012	\$ 1,628,252
2013	894,728
2014	593,939
2015	585,293
2016	582,754
	<b>\$ 4,284,966</b>

**15. PENSION PLANS**

The Nova Scotia Community College contributes to two defined benefit pension plans administered by the Province of Nova Scotia. The College accounts for these pensions as defined contribution plans.

In the first plan, the Nova Scotia Public Service Superannuation Plan, the Province of Nova Scotia assumes the actuarial and investment risk. For this plan, the College matches employees' contributions calculated as follows: 8.4% (2010 – 8.4%) 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 10.9% (2010 – 10.9%) on the part of their salary that is in excess of YMPE. Under this plan, the College has recognized contributions of \$7,832,113 (2010 – \$7,461,798) for the year.

In the second plan, the Nova Scotia Teachers' Union Pension Plan, the Province of Nova Scotia along with the Nova Scotia Teachers' Union ("NSTU") assumes the actuarial and investment risk. For this plan, the College matches employees' contributions calculated as follows: 8.3% (2010 - 8.3%) on the part of their salary that is equal to or less than the YMPE under the CPP and 9.9% (2010 - 9.9%) on the part of their salary that is in excess of YMPE. Under this plan, the College has recognized contributions of \$10,590,707 (2010 - \$10,630,616) for the year.

## 16. EMPLOYEE FUTURE BENEFIT OBLIGATION

### College Service Award

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. There is no distinct fund held in respect of the CSA benefits but sufficient cash is maintained to cover the obligation. The benefits are paid from unrestricted cash.

An actuarial valuation was completed as of March 31, 2011 and the College's obligation relating to these benefits was approximately \$6,657,000 (2010 – \$6,588,000). The benefit expense was \$1,003,087 (2010 – \$1,199,623). The benefits paid were \$49,494 (2010 – \$12,539). The next actuarial valuation is scheduled for March 31, 2012.

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

Future salary increase	4% per annum (prior 5% per annum)
Discount rate	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.

### Non-pension Retirement Benefits – NSGEU

In fiscal 2007/2008, the Province required the College to assume the future liability for non-pension retirement benefits for the College's non-teaching staff.

In 2008/2009, the College decided to create a separate account that would be held in respect of the non-pension retirement benefits. This account has sufficient cash to cover the obligations associated with this liability. The account has been classified as restricted cash on the Statement of Financial Position.

An actuarial valuation was completed as of March 31, 2011 and the College's obligation relating to these benefits was \$14,876,199 (2010 – \$9,983,436). The benefit expense was \$1,919,802 (2010 – \$1,390,621). The benefits paid were \$193,761 (2010 – \$127,725). The next actuarial valuation is scheduled for March 31, 2012.

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

Expected rate of return	0.55% per annum
Discount rate	2.0% 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.

### Non-pension Retirement Benefits – NSTU

In 2007/2008, the Province decided to transfer to the College the future liability for the non-pension retirement benefits for the College's teaching and professional support staff. The Province also transferred a corresponding receivable that directly offsets the liability.

There is no impact on the excess of revenue over expenditures or net financial position of the College as a result of the transfers.

An actuarial valuation was completed as of March 31, 2011 and the College's obligation relating to these benefits was \$24,569,220 (2010 – \$22,303,684). The benefit expense was \$1,400,000 (2010 – \$1,286,000). The benefits paid were \$319,000 (2010 – \$287,000). The next actuarial valuation is scheduled for March 31, 2012.

The significant actuarial assumptions provided by the Province are as follows:

Expected rate of return	4.75% per annum
Discount rate	4.75% per annum
Retirement age	60% at earliest age eligible for unreduced pension, the remainder at earlier of age 60 with 10 years of service, 35 years of service and age 65



## 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 of cash, restricted cash, accounts receivable and accounts payable and accrued liabilities are considered to approximate fair values due to their short-term maturity. The carrying value of the Provincial receivable – future health benefits approximates fair value based on the actuarial valuation performed on non-pension retirement benefits – NSTU (Note 16).

### Credit risk

Credit risk arises with the uncertainties of predicting the financial difficulties students and corporations may experience which could cause them to be unable to fulfill their commitments to the College. The College mitigates this risk by having a diversified mix of students and corporations, thereby limiting the exposure to a single individual or corporation. The College's credit risk is limited to the recorded amount of accounts receivable. The College performs a continuous evaluation of its accounts receivable balance and records an allowance for doubtful accounts as required. The amount of accounts receivable disclosed on the balance sheet is net of allowances for bad debts, estimated by management based on prior experience and their assessment of the current economic environment. Management considers there is no significant credit risk as at March 31, 2011.

## 18. CAPITAL MANAGEMENT

The College considers its net assets less the Foundation net assets as its capital.

	2011	2010
Net assets	<b>\$16,755,502</b>	\$ 16,090,615
Foundation net assets	<b>(5,846,728)</b>	(5,482,930)
Capital	<b>\$10,908,774</b>	\$ 10,607,685

The College's objectives when managing capital are to maintain a capital structure that provides financial flexibility in order to preserve its ability to meet financial obligations. In managing its capital structure, the College monitors performance throughout the year to ensure working capital requirements and capital expenditures are funded from operations. The College will make adjustments to its capital structure to meet the objectives of the broader strategy or in response to changes in economic conditions and risk.

### Deferred revenue

Funding is received for operating and capital purposes. This funding is received in advance of the expenditures they are intended to fund. At March 31, 2011, the College was in compliance with all restrictions applicable to these funding sources.

### Restricted cash

As disclosed in Note 16, the College has restricted cash related to employee future benefits. At March 31, 2011, the College was in compliance with all restrictions applicable to these funds.

## 19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year financial statement presentation.

# CHANCES ARE **YOU KNOW ONE OF US.**

If you do, you will know this: community is more than a word to us as the NSCC Board of Governors. It is our focus; our mission. We seek to strengthen our communities, their economies, and quality of life through the learning we provide each and every student.

Given that NSCC is part of the community, we choose to do this in ways where we are accountable, so you can see the results we are achieving. Because being part of the community means sharing our vision and achievements with an unwavering dedication to transparency.

Chances are that if you know us as NSCC board members, you also know us as community members. These ties are important to us. The places where we live and work influence our decisions as board members. The interests, requirements, and desires of our employers, industries, families, and colleagues shape every aspect of NSCC, from our efforts to maintain a balanced budget to the programs we offer.

We look to you, our communities, for inspiration to ensure that NSCC continues to play a vital role in Nova Scotia's prosperity and growth, and for good reason. When you are committed to delivering quality education that creates opportunities, why leave anything to chance?

## NSCC Board of Governors

*Top Row – Left to Right:*

**Dan Christmas**, Membertou

**Clayton Bartlett**, Rodan Construction  
a Division of DORA Construction

**Adam Hayter**, NSCC Provincial Student Representative

**Don MacDonald**, Retired

**Scott McKellar**, NSCC Academic Representative

**Tami Mosher**, NSCC Support Representative

**Peter Conlon**, Nautel Limited

**Pat Seaward**, NSCC Administrative Representative



*Bottom Row – Left to Right:*

**Janet Knox**, Annapolis Valley Health

**Sean Ross**, NSCC Metro Student Representative

**Anna Stuart**, Knightsbridge Robertson Surrette

**Dave Saxton**, Retired

**Rob Bennett**, Nova Scotia Power Inc.

**Michael Kontak**, Board Chair, The Shaw Group

**Don Bureaux**, NSCC President

**Paul L. Walter**, Waterbury Newton

**James Surrette**, Surrette Battery Co. Ltd.



*Missing:*

**Suzanne Bona**, Scotian Homes

**Rod MacGregor**, Bell Aliant



CHANCES  
ARE WE  
SHARED WHAT  
WE LEARNED



Mixed resources  
Product group from well-managed  
forests and recycled wood or fiber

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