



2020-2021

Our Vision

Transforming Lives and Communities

Our Purpose

We are a collaborative, learner-centred college – creatively contributing to social and economic prosperity through applied learning.

Our Values

not only by what we do, but also by how we do it.

We make a difference by being innovative, collaborative, learner-centred, and socially responsible. We are committed to excellence in teaching and learning, and to providing a high quality of service to our learners and the community.

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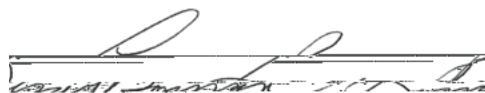
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MESSAGE FROM

A handwritten signature in black ink, appearing to be "D. J. Smith", written over a horizontal line.

WELCOMING MORE LEARNERS

In 2017, NBCC set a True North goal of welcoming more than 11,000 learners annually by 2022. Despite the uncertainty caused by the COVID-19 pandemic and a projected decline in enrolment, NBCC exceeded its Year 4 target by 2.3%, welcoming more students than ever before. This is largely due to the collective leadership and perseverance of employees across the College, which resulted in a dramatic increase in professional and part-time learners as well as an increase in apprenticeship over the previous year.

NBCC sought opportunities for community delivery, targeted programming for under-represented groups, and industry partnerships to provide fast, flexible, and relevant skills development. Micro-credentials for women, Indigenous learners, and those whose employment was interrupted by the pandemic provided reskilling opportunities for learners and a talent pipeline for industry.

The flexibility of NBCC's blended academic delivery model, in which students learned the theory of their programs virtually and attended campus for practical elements, made post-secondary education more accessible to many learners. For working New Brunswickers, parents of small children, and those who were geographically distant from campus,



BUILDING OUR CAPACITY TO GROW

NBCC's strong financial stewardship continues to allow us to strategically reinvest in the people, processes, and resources that are key to building our capacity to grow.

Our Continuous Improvement index continues to increase, outpacing the target we had set for 2020-21 and realizing savings from Lean projects, including local purchasing, staff onboarding, student intake, and

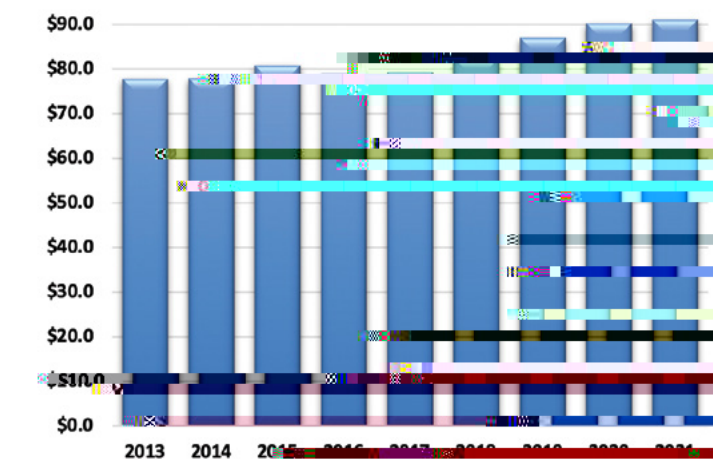
EXECUTIVE SUMMARY

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- Excess of Revenues over Expenses of \$9.1M representing 10.0% of revenue. This compares to \$5.3M (or 5.8% of revenue) in prior year and comprises:
 - » Year-over-year increase in Revenues of \$0.8M (or 0.9%). This compares to a \$3.2M (or 3.7%) year-over-year increase in 2019-20; and,
 - » Year-over-year decrease in Expenses of \$3.0M (or 3.6%). This compares to a \$2.7M (or 3.2%) year-over-year increase in 2019-20.
- Excess of Revenues over Expenses resulted in an increase in Net Assets of \$9.1M also representing 10% of revenue. This resulted in:
 - » a \$0.5M increase in Net Assets of the Company
 - » \$5.9M positive Change in net assets internally restricted for specific purposes.

STATEMENT OF OPERATIONS & CHANGES IN ACCUMULATED OPERATING SURPLUS

REVENUES (\$ MILLIONS)



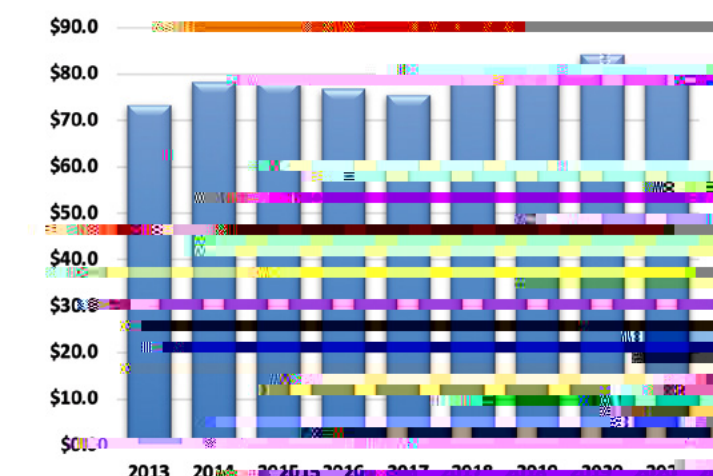
අනුරූපය increased by \$0.8M (or 0.9%) in 2021. This is primarily attributed to increases over prior year in Grant from Province (\$0.8M or 1.4%) and Apprenticeship and cost recoveries (\$1.7M or 28.2%). The above is 29.0%) and Contract training (\$0.3M or 6.6%).

£o\$Q\$ w\$Q\$Q\$Ÿ\$ increased from \$77.9M in 2013 to \$91.1M in 2021 (representing an increase of \$13.2M and 17.0%).

This increase is primarily attributed to cumulative growth in Tuition and fees (i.e., \$8.1M) and Grant from Province (i.e., \$4.7M).

NBCC places significant reliance on revenues subject to provincial approval(s). Grant from Province comprises 61.6% of Revenues (representing an increase from 61.3% in prior year and a decrease from 66.1% in 2013). Tuition and fees, which are also subject to ministerial approval, comprise 21.1% of Revenues (representing a decrease from 21.3% in prior year and an increase from 14.3% in 2013)

EXPENSES (\$ MILLIONS)



STATEMENT OF FINANCIAL POSITION

ASSETS (\$ MILLIONS)

!σσ\$ύσ increased by \$13.3M (or 29.1%) in 2021. This is attributed to an increase in Current Assets (i.e., \$13.8M) partially offset by a decrease in Capital Assets (i.e., \$0.5M).

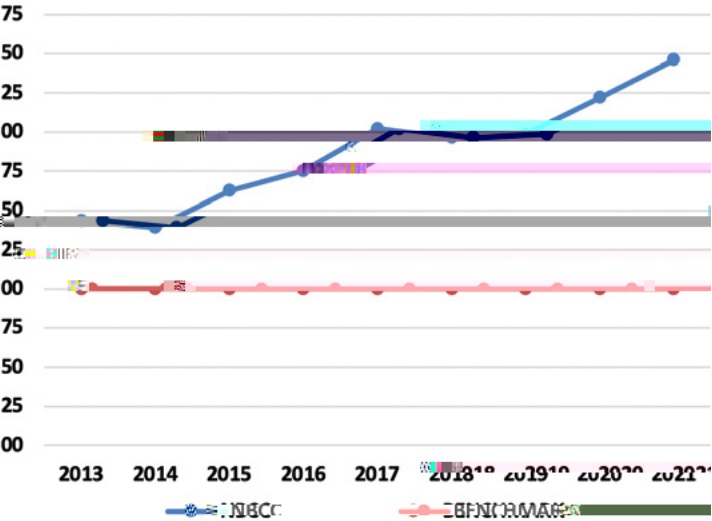
/Ŧ00\$Ωú !σσ\$ύσ increase is attributed to higher Due from Province (i.e., \$14.6) partially offset by \$0.9M decrease in Accounts receivable.

£0\$Ω\$!σσ\$ύσ have increased consistently each year (i.e., from \$18.0M in 2013 to \$59.2M in 2021 representing an increase of \$41.2M and 228.8%) driven by positive cash flows from operations.

This is primarily attributed toasumulative increases in Due from Province (\$38.7M or

LIABILITIES (\$ MILLIONS)

EXCESS OF REVENUES OVER EXPENSES & ACCUMULATED OPERATING SURPLUS (\$ MILLIONS)



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.

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.

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



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To Chairperson and Board of Governors

Opinion

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

- the statement of financial position as at March 31, 2021
- the statement of operations and changes in

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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.

Auditors’ 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 auditors’ 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.

STATEMENT OF FINANCIAL POSITION

	2021	2020
ASSETS		
Current Assets		
Cash (Note 2c)	\$ 15,525	\$ 16,725
Due from Province (Note 2c)	53,126,133	38,483,491



NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

4. INVENTORIES

	2021	2020
Textbooks for resale		

NOTES TO 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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

12. COMMITMENTS

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

	2021	2020
2020-21	\$ -	\$ 893,541
2021-22	1,236,601	479,885
2022-23	636,059	373,379
2023-24	387,495	349,686
2024-25	344,279	318,153
2025-26	304,917	-

NOTES TO FINANCIAL STATEMENTS

d. Impact of coronavirus COVID-19 pandemic

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus, the “COVID-19 outbreak”. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. As a result of this, on March 19, 2020, the government of New Brunswick’s Minister of Public Safety issued a Mandatory Order declaring a State of Emergency. This Mandatory Order is renewed frequently by the Minister to reflect evolving conditions and mitigating measures. In addition, the Canadian and provincial government have imposed travel restrictions to Canada and New Brunswick on several occasions which impact both staff and students.

In response to the Mandatory Order of

NOTES TO FINANCIAL STATEMENTS

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:

- \$56,149,917 in grants from the Province (\$55,367,645 in 2020);
- \$7,848,646 in revenues from departments of the Province regarding Apprenticeship and cost recoveries (\$6,120,410 in 2020).

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 one million square feet;
- Cash concentration services (see Note 2c for more information); and,
- Payroll and financial system services.

During the period, the College transferred \$750,000 (\$389,768 in 2020) to the Province of New Brunswick’s Department of Transportation and Infrastructure related to projects completed during the period.

Amounts owing from the Province at March 31, 2021 total \$92,573 (\$826,542 in 2020) 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.

b. Collective bargaining

The College is party to five collective agreements expired on or before March 31, 2021. 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. COMPARATIVE INFORMATION

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

NOTES TO FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION SCHEDULE A:
OPERATIONS BY TYPE

2021 Budget	2021 Actual	2020
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APPENDICES

APPENDIX A:

PERFORMANCE MEASUREMENT FRAMEWORK

APPENDIX B:

NBCC FULFILMENT OF 2020-2021 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 Postsecondary Education, Training

[illegible]

