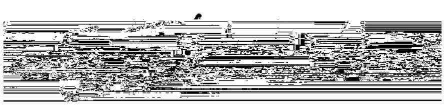
Financial Statements of

OVA SCOTIA COMMU ITY COLLEGE

March 31, 2010



OVA SCOTIA COMMU ITY COLLEGE
Table of Contents
March 31, 2010

	Page
Statement of Financial Position	1
Statement of Revenue and Expenditures	2
Statement of Cash Flows	3
Statement of Changes in Net Assets	4
Notes to the Financial Statements	5-13

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Financial Position
March 31, 2010

	2010	2009
ASSETS		
Current		
Cash	**$ 36,028,138**	$ 31,647,231
Accounts receivable (Note 4)	**25,197,229**	21,762,711
Inventory	**840,383**	914,415
Prepaids	**1,157,358**	1,653,902
	63,223,108	55,978,259
Capital assets (Note 5)	**8,394,378**	5,685,446
Foundation assets (Note 6)	**5,482,930**	4,201,588
Provincial Receivable - Future Health Benefits (Note 16)	**22,303,684**	20,328,071
	$ 99,404,100	$ 86,193,364
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 32,455,338**	$ 25,360,212
Deferred revenue (Note 7)	**8,640,825**	8,763,497
	41,096,163	34,123,709
Deferred revenue related to capital assets (Note 8)	**3,342,202**	2,420,713
Employee future benefit obligation (Note 16)	**38,875,120**	35,014,203
	83,313,485	71,558,625
Commitments (Note 14)		
NET ASSETS		
Invested in capital assets (Note 9)	**5,052,176**	3,264,733
Unrestricted	**832,586**	2,445,495
Restricted for Foundation purposes (Note 6)	**5,482,930**	4,201,588
Restricted for College development (Note 13)	**4,722,923**	4,722,923
	16,090,615	14,634,739
	$ 99,404,100	$ 86,193,364

ON BEHALF OF THE BOARD

. . . . Director

. . . . Director

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Cash Flows
Year ended March 31, 2010

	2010	2009
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
Operating		
Excess of revenue over expenditures		

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Changes in Net Assets
Year ended March 31, 2010

	Invested in Capital Assets (Note 9)	Unrestricted	Restricted for Foundation Purposes (Note 6)	Restricted for College Development (Note 13)	2010 Total	2009 Total
Balance, beginning of year	**$ 3,264,733**	**$ 2,445,495**	**$ 4,201,588**	**$ 4,722,923**	**$ 14,634,739**	$ 13,780,914
Excess (deficiency) of revenue over expenditures	**(1,521,169)**	**1,695,703**	**-**	**-**	**174,534**	295,928
Investment in capital assets	**3,308,612**	**(3,308,612)**	**-**	**-**	**-**	-
Endowment contributions and interest	**-**	**-**	**2,163,411**	**-**	**2,163,411**	1,687,601
Endowment disbursements	**-**	**-**	**(882,069)**	**-**	**(882,069)**	(1,129,704)
Balance, end of year	**$ 5,052,176**	**$ 832,586**	**$ 5,482,930**	**$ 4,722,923**	**$ 16,090,615**	$ 14,634,739

1. OVERVIEW OF OPERATIO S

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

OVA SCOTIA COMMU ITY COLLEGE

8. DEFERRED REVE   UE RELATED TO CAPITAL ASSETS

12. CHA GES I O -CASH WORKI G CAPITAL

	2010	2009
Accounts receivable	**$ (3,434,518)**	$ (7,650,965)
Inventory	**74,032**	(41,693)
Prepaids	**496,544**	(1,144,373)
Accounts payable and accrued liabilities	**7,095,126**	2,940,730
Deferred revenue	**(122,672)**	2,013,426
	$ 4,108,512	$ (3,882,875)

13. RESTRICTED FOR COLLEGE DEVELOPME T

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

14. COMMITME TS

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

2011	$ 1,263,927
2012	909,364
2013	546,441
2014	402,860
2015	354,715
	$ 3,477,307

15. PE SIO PLA S

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% (2009 - 7.4%) 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% (2009 - 9.6%) on the part of their salary that is in excess of YMPE. Under this plan, the College has recognized contributions of $7,461,798 (2009 - $6,388,634) 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% (2009 - 8.3%) on the part of their salary that is equal to or less than the YMPE under the CPP and 9.9% (2009 - 9.9%) on the part of their salary that is in excess of YMPE. Under this plan, the College has recognized contributions of $10,630,616 (2009 - $9,560,242) for the year.

OVA SCOTIA COMMU   ITY COLLEGE

16. EMPLOYEE FUTURE BE EFIT OBLIGATIO (continued)

on-pension Retirement Benefits - STU

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, 2010 and the College's obligation relating to these benefits was $22,303,684 (2009 – $20,328,071). The benefit expense was $1,286,000 (2009 - $1,192,000). The benefits paid were $287,000 (2009 - $251,000). The next actuarial valuation is scheduled for March 31, 2011.

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. FI A CIAL I STRUME TS

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, 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, 2010.

18. CAPITAL MA AGEME T

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.

19. COMPARATIVE FIGURES

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