Financial Statements of

NOVA SCOTIA COMMUNITY COLLEGE

March 31, 2012

Deloitte & Touche LLP
1969 Upper Water Street
Suite 1500
Purdy's Wharf Tower II
Halifax NS B3J 3R7
Canada

Tel: (902) 422-8541
Fax: (902) 423-5820
www.deloitte.ca

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, 2012, 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

Deloitte & Touche LLP

NOVA SCOTIA COMMUNITY COLLEGE
Table of Contents
March 31, 2012

	$ 104,971,775	$ 99,737,449

ON BEHALF OF THE BOARD

. . . . Chair

. . . . President

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Revenue and Expenditures
Year ended March 31, 2012

	2012	2011
Revenue		

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Cash Flows
Year ended March 31, 2012

		2012		2011
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
Operating				
Excess of revenue over expenditures	**$**	**620,014**	$	301,089
Items not affecting cash:				
Amortization of deferred revenue related to capital assets		**(2,011,596)**		(2,009,553)
Amortization		**3,864,468**		3,473,332
Loss on disposal of capital assets		**3,349**		18,244
Employee future benefit obligation		**4,950,247**		7,227,299
Provincial receivable - NSTU Future Health Benefits		**(2,663,766)**		(2,265,536)
Changes in non-cash working capital items (Note 12)		**(1,980,879)**		1,548,879
		2,781,837		8,293,754

NOVA SCOTIA COMMUNITY COLLEGE
Statement of Changes in Net Assets
Year ended March 31, 2012

	Invested in Capital Assets (Note 9)	Unrestricted	Restricted for Foundation Purposes (Note 6)	Restricted for College Development (Note 13)	2012 Total	2011 Total
Balance, beginning of year	**$ 5,079,867**	**$ 1,105,984**	**$ 5,846,728**	**$ 4,722,923**	**$ 16,755,502**	$16,090,615
Excess (deficiency) of revenue over expenditures	**(1,852,872)**	**2,472,886**	**-**	**-**	**620,014**	301,089
Investment in capital assets	**2,713,705**	**(2,713,705)**	**-**	**-**	**-**	-

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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	Subsequent measurement
Cash	Held for trading	Fair value
Restricted cash	Held for trading	Fair value
Provincial receivable - NSTU 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

Land and buildings that are owned by the Province are not reflected in the assets of the College.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. DEFERRED REVENUE

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

	2012	2011
Apprenticeship	**$ 390,089**	$ 341,085
Applied research	**504,027**	820,175
Business Development	**546,811**	491,064
Continuing education	**135,080**	98,223
Cost recovery programs	**1,152,225**	1,302,236
Disability resources	**1,234,772**	917,363
Links programs	**86,207**	57,158
Other	**1,247,401**	1,582,349
	$ 5,296,612	$ 5,609,653

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

NOVA SCOTIA COMMUNITY COLLEGE

16. EMPLOYEE FUTURE BENEFIT OBLIGATION (continued)

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

Future salary increase	4.5% per annum (prior 4% per annum)
Discount rate	0% per annum
Retirement age	20% upon attainment of age 55 and 80 points (age plus service) if hired before April 6, 2010 or 85 points if hired on or after April 6, 2010; 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, 2012 and the College's obligation relating to these benefits was $16,082,681

18. CAPITAL MANAGEMENT (continued)

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, 2012, 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, 2012, 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.