

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2008

Shannon & Buffett, LLP

Chartered Accountants

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August 13, 2008

AUDITORS' REPORT

To the Board of Trustees of The New Brunswick Community College Foundation

We have audited the statement of financial position of The New Brunswick Community College Foundation as at March 31, 2008 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation'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 Foundation as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Shannon & Buffett LLP

Chartered Accountants

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION**STATEMENT OF FINANCIAL POSITION - MARCH 31, 2008**

	<u>Endowment Fund</u>	<u>Scholarship Fund</u>	<u>Operating Fund</u>	<u>2008 Total</u>	<u>2007 Total</u>
<u>ASSETS</u>					
Current:					
Cash	\$ 37,367	\$ 488	\$ 939	\$ 38,794	\$ 65,682
Accounts receivable (note 4)	250,000	73,112	2,419	325,531	271,773
Interfund amounts	<u>(72,949)</u>	<u>72,547</u>	<u>402</u>	<u>-</u>	<u>-</u>
	<u>214,418</u>	<u>146,147</u>	<u>3,760</u>	<u>364,325</u>	<u>337,455</u>
Investment (note 5)	<u>2,219,549</u>	<u>-</u>	<u>-</u>	<u>2,219,549</u>	<u>1,213,728</u>
	<u>\$ 2,433,967</u>	<u>\$ 146,147</u>	<u>\$ 3,760</u>	<u>\$2,583,874</u>	<u>\$1,551,183</u>
<u>LIABILITIES</u>					
Current:					
Accrued liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,700</u>	\$ <u>3,700</u>	\$ <u>3,700</u>
<u>NET ASSETS</u>					
Endowment Fund	2,433,967	-	-	2,433,967	1,529,553
Scholarship Fund	-	146,147	-	146,147	17,930
Operating Fund	<u>-</u>	<u>-</u>	<u>60</u>	<u>60</u>	<u>-</u>
	<u>2,433,967</u>	<u>146,147</u>	<u>60</u>	<u>2,580,174</u>	<u>1,547,483</u>
	<u>\$ 2,433,967</u>	<u>\$ 146,147</u>	<u>\$ 3,760</u>	<u>\$2,583,874</u>	<u>\$1,551,183</u>

Approved by the Board:

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2008**

	<u>Endowment Fund</u>	<u>Scholarship Fund</u>	<u>Operating Fund</u>	<u>2008 Total</u>	<u>2007 Total</u>
Revenue:					
Endowment contributions	\$ 654,414	\$ -	\$ -	\$ 654,414	\$ 917,381
Other donations	-	113,600	25,000	138,600	-
Investment income	-	85,617	-	85,617	17,930
Contributions – New Brunswick Opportunities Fund (note 3)	250,000	-	-	250,000	570,349
Administration recoveries	<u>-</u>	<u>-</u>	<u>13,213</u>	<u>13,213</u>	<u>3,843</u>
	<u>904,414</u>	<u>199,217</u>	<u>38,213</u>	<u>1,141,844</u>	<u>1,509,503</u>
Expenses:					
Scholarships	-	71,000	-	71,000	-
Advertising and promotion	-	-	32,693	32,693	-
Travel and meetings	-	-	554	554	-
Professional services	-	-	3,842	3,842	3,700
Bank charges	<u>-</u>	<u>-</u>	<u>1,064</u>	<u>1,064</u>	<u>121</u>
	<u>-</u>	<u>71,000</u>	<u>38,153</u>	<u>109,153</u>	<u>3,821</u>
Excess of revenue over expenses for the year	904,414	128,217	60	1,032,691	1,505,682
Net assets, beginning of year	<u>1,529,553</u>	<u>17,930</u>	<u>-</u>	<u>1,547,483</u>	<u>41,801</u>
Net assets, end of year	<u>\$ 2,433,967</u>	<u>\$ 146,147</u>	<u>\$ 60</u>	<u>\$ 2,580,174</u>	<u>\$1,547,483</u>

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2008**

	<u>2008</u>	<u>2007</u>
CASH GENERATED FROM (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenue over expenses for the year	\$ 1,032,691	\$ 1,505,682
Net change in current assets and liabilities other than cash (note 6)	<u>(53,758)</u>	<u>(254,132)</u>
	<u>978,933</u>	<u>1,251,550</u>
INVESTING ACTIVITIES		
Increase in investments	<u>(1,005,821)</u>	<u>(1,213,728)</u>
INCREASE (DECREASE) IN CASH, in the year	(26,888)	37,822
CASH, beginning of year	<u>65,682</u>	<u>27,860</u>
CASH, end of year	<u>\$ 38,794</u>	<u>\$ 65,682</u>

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2008

1. The Foundation:

The New Brunswick Community College Foundation was established under the Province of New Brunswick Higher Education Foundation Act December 28, 2005. The Foundation became a public charitable foundation effective January 24, 2006 under the Income Tax Act. The Foundation's activities include receiving contributions, investing and administering the contributions received, and to make grants for scholarship programs after sufficient contributions have been received.

2. Significant accounting policies:

(a) Fund accounting:

The Foundation follows the restricted fund method of accounting for operations and net assets.

- (i) The Endowment Fund includes all private endowment donation contributions and the corresponding 50% matching contributions received from NBOF.
- (ii) The Scholarship Fund includes all investment income earned by the Foundation investments, all private non-endowment donation contributions restricted for payment of scholarships and all scholarship program disbursements.
- (iii) The Operations Fund includes all private unrestricted non-endowment donation contributions, administration revenue and administration expense amounts.

(b) Revenue recognition:

Endowment contributions are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured. Pledged amounts are not recorded until received.

Non-endowment contributions and administration recoveries revenue are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured.

NBOF contributions are recognized as revenue when the corresponding matched endowment contributions have been received, to a maximum of \$250,000 of the following years NBOF allocation (see note 3).

(c) Donated services:

The value of donated services provided to the organization such as volunteer work is not recorded in the accounts.

(d) Use of estimates:

In preparing the Foundation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2008****3. New Brunswick Opportunities Fund (NBOF):**

For private donation contributions received, the New Brunswick Opportunities Fund (NBOF) will match funding at a rate of 50% under the terms of an agreement between the Foundation and NBOF.

NBOF will match contributions received to a maximum of \$250,000 per fiscal year (50% of \$500,000 contributions) and currently allows the Foundation to carry over excess unmatched contributions to the following fiscal year of NBOF for matching.

NBOF also paid some additional amounts to the Foundation in the year ended March 31, 2007 with respect to the matching of additional non-Foundation contributions received by the Province of New Brunswick and the New Brunswick Community College.

4. Accounts receivable:

	<u>2008</u>	<u>2007</u>
New Brunswick Opportunities Fund	\$ 250,000	\$ 250,000
Accrued interest receivable – Investment	73,112	17,930
Accrued administration recoveries	-	3,843
HST receivable	<u>2,419</u>	<u>-</u>
	<u>\$ 325,531</u>	<u>\$ 271,773</u>

The New Brunswick Opportunities Fund amount of \$250,000 represents the 2008-09 NBOF 50% allocation as matched to \$500,000 of endowment contributions received prior to March 31, 2008. An additional \$343,804 of endowment contributions received prior to March 31, 2008 may be available for NBOF matching in 2009-10.

5. Investment:

4.37% Term deposit, Caisse Populaire Beausejour Ltee, maturing June 14, 2008 **\$ 2,219,549**

6. Net change in current assets and liabilities other than cash:

	<u>2008</u>	<u>2007</u>
(Increase) in accounts receivable	\$ (53,758)	\$ (257,832)
Increase in accrued liabilities	<u>-</u>	<u>3,700</u>
	<u>\$ (53,758)</u>	<u>\$ (254,132)</u>

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2008****7. Financial instruments:**

The Foundation's financial instruments consist of cash, accounts receivable, investment and accrued liabilities. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

8. Restricted amounts:

Non-endowment donation contributions totaling \$113,600 were received in 2007-08 (and externally restricted for payment of scholarships). \$41,000 of the amount was disbursed as scholarships in 2007-08. The remaining \$72,600 represents the externally restricted portion of the \$146,147 net assets of the Scholarship Fund as at March 31, 2008.