

**THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2007**

# Shannon & Buffett, LLP

## Chartered Accountants

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August 28, 2007

### 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, 2007 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, 2007 and the results of its operations and its cash flows for the year the ended in accordance with Canadian generally accepted accounting principles.

The prior period's financial statements were not audited.

*Shannon & Buffett LLP*  
Chartered Accountants

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATIONSTATEMENT OF FINANCIAL POSITION - MARCH 31, 2007

	<u>Endowment Fund</u>	<u>Scholarship Fund</u>	<u>Operating Fund</u>	<u>2007 Total</u>	<u>2006 Total</u> (Unaudited)
<b><u>ASSETS</u></b>					
Current:					
Cash	\$ 64,890	\$ 396	\$ 396	\$ 65,682	\$ 27,860
Accounts receivable (note 4)	250,000	17,930	3,843	271,773	13,941
Interfund amounts	<u>935</u>	<u>(396)</u>	<u>(539)</u>	<u>-</u>	<u>-</u>
	<u>315,825</u>	<u>17,930</u>	<u>3,700</u>	<u>337,455</u>	<u>41,801</u>
Investment (note 5)	<u>1,213,728</u>	<u>-</u>	<u>-</u>	<u>1,213,728</u>	<u>-</u>
	<u>\$ 1,529,553</u>	<u>\$ 17,930</u>	<u>\$ 3,700</u>	<u>\$1,551,183</u>	<u>\$ 41,801</u>
<b><u>LIABILITIES</u></b>					
Current:					
Accrued liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,700</u>	\$ <u>3,700</u>	\$ <u>-</u>
<b><u>NET ASSETS</u></b>					
Endowment Fund	1,529,553	-	-	1,529,553	41,823
Scholarship Fund	-	17,930	-	17,930	-
Operating Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22)</u>
	<u>1,529,553</u>	<u>17,930</u>	<u>-</u>	<u>1,547,483</u>	<u>41,801</u>
	<u>\$ 1,529,553</u>	<u>\$ 17,930</u>	<u>\$ 3,700</u>	<u>\$1,551,183</u>	<u>\$ 41,801</u>

Approved by the Board:

Shannon & Buffett, LLP  
Chartered Accountants

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATIONSTATEMENT OF OPERATIONS AND CHANGES IN NET ASSETSFOR THE YEAR ENDED MARCH 31, 2007

(with comparative figures for the period December 28, 2005 to March 31, 2006)

	<u>Endowment Fund</u>	<u>Scholarship Fund</u>	<u>Operating Fund</u>	<u>2007 Total</u>	<u>2006 Total</u> (Unaudited)
<b>Revenue:</b>					
Endowment contributions	\$ 917,381	\$ -	\$ -	\$ 917,381	\$ 27,882
Investment income	-	17,930	-	17,930	-
Contributions – New Brunswick Opportunities Fund (note 3)	570,349	-	-	570,349	13,941
Administration recoveries	<u>-</u>	<u>-</u>	<u>3,843</u>	<u>3,843</u>	<u>-</u>
	<u>1,487,730</u>	<u>17,930</u>	<u>3,843</u>	<u>1,509,503</u>	<u>41,823</u>
<b>Expenses:</b>					
Professional services	-	-	3,700	3,700	-
Bank charges	<u>-</u>	<u>-</u>	<u>121</u>	<u>121</u>	<u>22</u>
	<u>-</u>	<u>-</u>	<u>3,821</u>	<u>3,821</u>	<u>22</u>
<b>Excess of revenue over expenses for the period</b>	1,487,730	17,930	22	1,505,682	41,801
Net assets, beginning of period	<u>41,823</u>	<u>-</u>	<u>(22)</u>	<u>41,801</u>	<u>-</u>
Net assets, end of period	<u>\$ 1,529,553</u>	<u>\$ 17,930</u>	<u>\$ -</u>	<u>\$ 1,547,483</u>	<u>\$ 41,801</u>

THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATIONSTATEMENT OF CASH FLOWSFOR THE YEAR ENDED MARCH 31, 2007

(with comparative figures for the period December 28, 2005 to March 31, 2006)

	<u>2007</u>	<u>2006</u> (Unaudited)
<b>CASH GENERATED FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses for the period	\$ 1,505,682	\$ 41,801
Net change in current assets and liabilities other than cash (note 6)	<u>(254,132)</u>	<u>(13,941)</u>
	<u>1,251,550</u>	<u>27,860</u>
<b>INVESTING ACTIVITIES</b>		
Increase in investments	<u>(1,213,728)</u>	<u>-</u>
<b>INCREASE IN CASH, in the period</b>	37,822	27,860
<b>CASH, beginning of period</b>	<u>27,860</u>	<u>-</u>
<b>CASH, end of period</b>	<u>\$ 65,682</u>	<u>\$ 27,860</u>

**THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2007**

**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 and scholarship program disbursements.

(iii) The Operations Fund includes administration revenue and 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.

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 FOUNDATIONNOTES TO THE FINANCIAL STATEMENTSMARCH 31, 2007**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>2007</u>	<u>2006</u> (Unaudited)
New Brunswick Opportunities Fund	\$ 250,000	\$ 13,941
Accrued interest receivable – Investment	17,930	-
Accrued administration recoveries	<u>3,843</u>	<u>-</u>
	<u>\$ 271,773</u>	<u>\$ 13,941</u>

The New Brunswick Opportunities Fund amount of \$250,000 represents the 2007-08 NBOF 50% allocation as matched to \$500,000 of endowment contributions received in the year ended March 31, 2007. An additional \$75,778 of endowment contributions received in the year ended March 31, 2007 may be available for NBOF matching in 2008-09.

**5. Investment:**

4.27% Term deposit, Caisse Populaire Beausejour Ltee, maturing June 14, 2007 \$ 1,213,728

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

	<u>2007</u>	<u>2006</u> (Unaudited)
(Increase) in accounts receivable	\$ (257,832)	\$ (13,941)
Increase in accrued liabilities	<u>3,700</u>	<u>-</u>
	<u>\$ (254,132)</u>	<u>\$ (13,941)</u>

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THE NEW BRUNSWICK COMMUNITY COLLEGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2007

**7. Operating expenses:**

All other operating expenses of the Foundation (including professional services, supplies, and other expenses not included in these financial statements) were covered by the Province of New Brunswick, Department of Post Secondary Education and Training (NBCC Operations Branch) in the year ended March 31, 2007.

**8. 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.