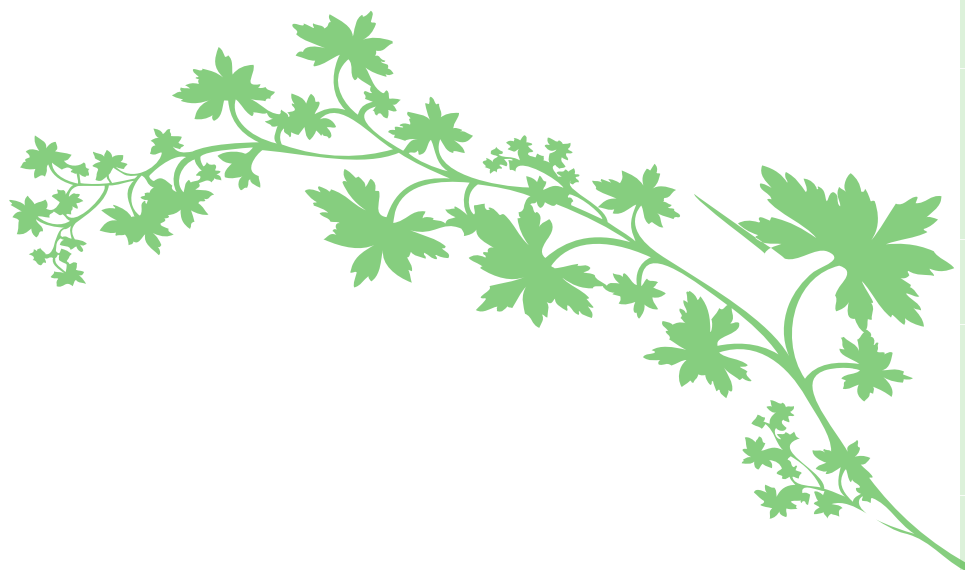


THE NATIONAL ASSOCIATION
OF CAREER COLLEGES

NACC Annual Report



2013

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Minutes from Previous AGM

MINUTES of the Annual General Meeting of Members of the National Association of Career Colleges / L'Association nationale des collèges de carrières, held in Montreal on the 4th of May, 2012.

Present:

James Loder, Academy Canada, NL	Audrey Brattberg, Academy of Learning, AB
Susan Brattberg, Academy of Learning, AB	Elmer Brattberg, Academy of Learning, AB
Allan Flegg, Aviron Quebec Collège Technique, QC	Martine Sabatier, Campbell College, AB
Sharon Halliday, Campbell College, AB	Mark Wilson, Canadian Manda Group, ON
Martin Morissette, CCNS, QC	Jean Coutu, CDE Collège, QC
Jules Belanger, CDE Collège, QC	Dean Tremain, CDI College, BC
Martin Gascon, CDI College, BC	Vic Tesan, CDI College, BC
Jamie Hartling, Centre for Arts & Technology, NS	George Li, Canadian Business Skills College of Technology, ON
A. Fortier, Collège April-Fortier, QC	Jacques Perron, College Multihexa, QC
Tony Santelli, Collège April-Fortier, QC	Mark Carvalho, CTS Canadian Career College, ON
Ginette Gervais, Collège Salette, QC	Chris Kantor, Eastern College, NB
Ranil Herath, Devry, AB	Robert Prendergast, EEC/Robertson/Westervelt, ON/MB
Lois McNestry, Discovery Community College, BC	Rudy Florio, Liaison College, ON
Debra Johns, Eastern College, NS	Andrew Frias, Metrocare Health Academy, ON
Michael McAllister, Herzing College, ON	George Hood, Herzing, ON
Kimberley Elliot, Inst for Human Services Education, NS	Deborah Burns, NBACC/CETAC
Joe Cairo, MC College, AB	Kathy Lee, Pharmaceutical Science College of Canada, ON
Karim Blair, Microskills, ON	Henry Devlin, Robertson College, MB
Michael Conroy, MTI Community College, BC	Blair Chapman, Saskatoon Business College, SK
Darcie Robichaud, Oulton College, NB	Geoff Collier, Thompson Career College, BC
Patti Papirnik, Private Vocational Training Alberta, AB	Frank Gerenscer, triOS College, ON
Alida Sinkelman, Q College, BC	Don Thibert, Everest College, ON
Wayne Palendat, Robertson College, AB/MB	Rupert Altschuler, Everest College, ON
Rich Chapman, Saskatoon Business College, SK	
Darryl Simsovic, Trillium College Inc., ON	
Steve Bartolini, KLC College, ON	
Peter Dykstra Sr., Medix School, ON	
David P. Leonard, Trebas Institute, ON/QC	

Non-Voting:

Lorna Mills, OACC	Paul Kitchin, OACC
Jim Flanagan, NB Private Occupational Training Branch	Serge Buy, CEO NACC
Aidan Harper, Manager of Education Programs NACC	Phil McKnight, NACC (recording secretary)
Kristin Baldwin, NACC	

The meeting was called to order at 8:44am Eastern Time on May 4th.

1. APPROVAL OF THE AGENDA

The draft Agenda had been circulated prior to the meeting.

On motion duly made by Frank Gerencser, seconded by George Hood and duly carried, the following resolution was passed unanimously:

RESOLVED THAT the Agenda be approved as circulated.

2. APPROVAL OF MINUTES OF THE MAY 6TH, 2011, AGM

The draft minutes of the 2011 AGM had been circulated prior to the meeting. On motion duly made by Robert Prendergast, seconded by Debra Johns and duly carried, the following resolution was passed unanimously:

RESOLVED THAT the minutes of the May 6th, 2011, AGM be approved as circulated.

3. ELECTION OF BOARD MEMBERS

The returning officer, Serge Buy, conducted the election. He explained that there were two Member at Large positions on the Board of Directors that were vacant. The Nominating Committee had presented a slate of two candidates to fill those positions: Robert Prendergast and Don Thibert.

Mr. Buy asked those candidates if they accepted their nominations:

- Robert Prendergast accepted his nomination
- Don Thibert declined his nomination

Serge Buy then asked for nominations from the floor.

Frank Gerencser nominated Rupert Altschuler. Seconded by Ranil Herath.

Vic Tesan nominated Geoff Collier. Seconded by Robert Prendergast.

Hearing no more nominations, Mr. Buy closed the nominations.

Speeches were then made by the three nominees: Rupert Altschuler, Geoff Collier and Robert Prendergast.

Voting then took place on a paper ballot, with voting members asked to write the names of two nominees they would like to sit on the Board of Directors as Members at Large.

Ballots were collected in a ballot box, and Mr. Buy withdrew to count them with Kristin Baldwin and Phil McKnight acting as witnesses.

Upon his return he announced that Robert Prendergast and Geoff Collier were voted by the members to the Board of Directors.

He then asked for a motion to destroy the ballots or if there was a call to contest the count.

On motion duly made by Lois McNestry, seconded by George Hood and duly carried, the following resolution was passed unanimously:

RESOLVED THAT the ballots be destroyed.

4. REPORTS

a. Report from the Chair

The Chair, Dr. McAllister, reviewed some of the Board accomplishments of the last year, including the work permits issue, meetings with the Prime Minister's Office and the Human Resources and Skills Development Minister's office. NACC also hosted an MP reception that was very successful. He noted that NACC had a higher profile on the federal scene.

He said that the Board is changing how it is doing business and doing all it can to support its members. Seven committees have been created: Communications and Domestic Promotion of PCCs, Educational Programs, International Marketing, Conference, Finance and Governance, Lobbying and Revenue Generation.

b. Report from the Chief Executive Officer

Having already listed NACC's achievements in his annual review the day before, CEO Serge Buy took the opportunity to thank Conference Committee Chair Ginette Gervais for organizing and hosting the conference and the NACC staff for their work in running the conference.

5. FINANCIAL REPORTS

a. Audited Statements for 2011

The Treasurer, Don Thibert, presented the financial statements for 2011.

On motion duly made by David Leonard, seconded by James Loder and duly carried, the following resolution was passed unanimously:

RESOLVED THAT the Audited Financial Statements for 2011 be approved as presented.

b. Budget for 2012

The Treasurer, Don Thibert, presented the budget for 2012.

On motion duly made by Lois McNestry, seconded by Blair Chapman and duly carried, the following resolution was passed unanimously:

RESOLVED THAT the 2012 Budget be approved as presented.

c. Appointment of Auditor for 2012

On motion duly made by Frank Gerencser, seconded by Steve Bartolini and duly carried, the following resolution was passed unanimously:

RESOLVED THAT David McCarroll be appointed as auditor for NACC for 2012.

6. **NEW BUSINESS**

There was no new business.

7. **RATIFICATION OF BOARD ACTIVITIES**

On motion duly made by Robert Prendergast, seconded by Wayne Palendat and duly carried, the following resolution was passed unanimously:

RESOLVED THAT the actions of the Board of Directors be ratified by the members.

8. **PRESENTATION OF 2013 CONFERENCE INFORMATION**

Director Lois McNestry gave the 2013 conference information. It will take place April 24th to 26th at the Vancouver Marriot Pinnacle Downtown Hotel.

9. **ADJOURNMENT**

There being no further business to come before the meeting, on motion duly made by Mr. Gerencser, seconded by Ms. Gervais and duly carried, at approximately 9:20am, the meeting adjourned.

Message from the Chair

James Loder, Chair



It has been a great honour to serve as the Chair of the National Association of Career Colleges over the past 12 months. I have genuinely enjoyed NACC's level of professionalism and the cooperation I have received from our member colleges, provincial association partners, NACC staff and management, and the Board of Directors.

I genuinely believe that our schools are addressing a serious need within the national education community and are helping to build a solid workforce of the future. Most importantly, we are instilling confidence in our students that helps them achieve the loftiest of goals.

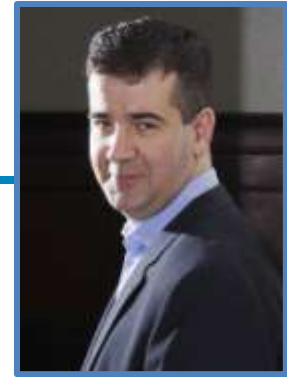
In order to remain relevant and influential, NACC must maintain a clear and realistic vision for the future. We must aggressively and unapologetically fight for our students and employees while putting everyone on notice that we are not going away. In fact, we intend to become even more significant over the next century. To do this we must accomplish several key objectives:

- **Winning Hearts and Minds.** As you all know, the private training sector is not for the faint of heart. Regardless of what we all accomplish, there are those who do not believe that privatizing education is a good idea. Unfortunately, some of these people are in a position to design or influence government policy. We must continue to help them understand the contribution that we make to the post-secondary system. We do this by continually feeding them good news stories and demanding a place at the table.
- **Recognizing the Evolving Student Body.** As emerging technologies, global affluence and socio-economic circumstances make the world a smaller place, we need to recognize that our future student body will not look like it did over the last two decades. We need to understand the importance of international students, technology-enriched training and motivations of the post-baby boom learner in order to adapt to the "new economy." NACC must help colleges identify these trends and adapt to take the greatest advantage of opportunities they present.
- **Protecting the Right to Access.** There will likely always be individuals opposed to the work we do. NACC must remain diligent in providing counter-points to "anti-private" arguments. We must aggressively protect the rights of colleges and their students to access educational funding such as grants and student aid, as well as publicly endorsed programs such as international student visas/work permits and the EduCanada brand. We must use our legal fund wisely in order to have the greatest impact.

As your Chair, I am extremely confident in you and your colleges! I am proud to be counted among your membership, and I look forward to working with you to tailor our vision of the future. Thank you for your ongoing support!

Message from the CEO

Serge Buy, CEO



In 2012, the Board and the management of NACC worked to strengthen its internal operations, its procedures and the ways it reaches out to stakeholders and members.

NACC has the good fortune of being able to count on a team of devoted, dedicated and very competent staff at the NACC office in Brantford that cares about what they do and how it impacts our membership. This allows our members to count on the best services possible. Debra McKinnon, Aidan Harper and Debbie Stephens are working for our members, and our members should be proud to have such a team serving them in Brantford.

Changes made to strengthen our internal operations include:

- Streamlining and documenting our operations
- Defining new reporting methods
- Formalizing our processes, including communications with members and stakeholders
- Reviewing financial operations, which has resulted in some savings

Our internal governance procedures have changed as well, to enhance transparency and accountability. Some of these measures include:

- Members will be able to review all the motions passed by the Board of Directors in 2012 during its 2013 AGM. This will give the members the capacity to better understand the role of directors, the decisions made and the importance of being well represented on our Board.
- New tools have been put in place to allow Board Members to look directly into the operations of the organizations without having to request information. They are now able to access an online collaboration tool that stores past minutes of Annual General Meetings and Board meetings, recent and older financial statements, committee minutes, etc.
- A number of policies were adopted related to transparency, conflicts of interest and board procedures. This provides Board members a framework from which they can operate while better understanding their role and impact.

The Board of Directors is essential in providing oversight for the operations of the organization and the vision NACC needs to operate. Both elements are crucial to ensure that members are well represented. Phil McKnight, in our Ottawa office, has assisted the Board in the development of these policies and procedures.

Our relations with other stakeholders have also improved. From governments to the media, from other organizations to our members, there is a better understanding of who we are, what we stand for and how we function.

We were pleased to see a number of positive media stories that came as a result of NACC's actions. From articles on graduates, on our colleges and on our sector in general, we've seen for the first time a successful effort to generate positive media. This is much a result of Kristin Baldwin's efforts in our Ottawa office. And it doesn't stop there! Our social media efforts are followed by a number of media and government officials with even the Prime Minister "re-tweeting" one of our recent messages!

It is thanks to a comprehensive communications effort that we are able to engage our members and gather feedback on some of our activities. This, in turn has resulted in stronger policies that have been presented to government officials. Lucas Malinowski works with the Lobbying Committee to develop these position statements and letters to government officials.

The Conference would not be a success if it was not for the hard work of committee members and staff. 2012 saw a successful conference in Montreal, thanks to the efforts of the then Conference Committee Chair, Ginette Gervais. Lois McNestry and Geoff Collier lead this year's conference and are doing an excellent job to promote attendance and increase sponsorships. Chris Frantz and Kristin Baldwin are assisting the Committee with that task.

The revenues from our educational programs allow the association to provide the level of services to which our members are getting accustomed. The quality of the services provided to our membership is a reflection of the work done by Aidan Harper, who manages our educational programs.

We have strengthened our audit processes and the contracts with our members delivering our educational programs. This better protects the integrity of our programs, our members' reputation and the students who graduate.

Furthermore, without Debra McKinnon's management of office administration and the cheery support of Debbie Stephens, we would not be able to function properly.

What makes a successful organization is the quality of the direction provided by the Board of Directors and the level of professionalism, competency and dedication of the staff. NACC has benefitted from both in 2012, and the same is true for 2013.



NACC Office Report

Debra McKinnon, Office Manager

2012 was a year of transition for NACC. Serge Buy took over as CEO in January from Anne Burns, who retired after leading NACC for many years. Management and the staff took the time to review all of NACC's administrative practices to ensure that members keep receiving the best benefits and assistance.

Another major change was that the office location was moved, and there are many challenges that came with it. The move went quite smoothly, with only a couple of technical glitches. NACC's office staff was committed around the move to keep up the high quality service our members expect, and I believe we succeeded.

We presented the first NACC Leadership Academy in 2012, which was a huge success. Many of the participants asked for a follow-up Academy that goes even further into the topics presented in 2012. The Instructor Development Day was also run successfully again in 2012. We added a webinar component to allow even more of our members' instructors to take part.

NACC's conference returned to Montreal to excellent response from members. Feedback has been positive from members on all fronts. If you have any more suggestions, we are pleased to hear them!

Examination Services Report

Aidan Harper, Manager of Education Services

NACC is committed to providing quality programs for our members and their students. These programs help students obtain meaningful employment. In order to do this, NACC undertakes a number of activities designed to strengthen the integrity of program delivery.

This year, we undertook a number of activities:

- A committee of external advisers (one sector representative and two non-sector representatives) provided us with recommendations on our audit procedures. Based on these recommendations, the Board of directors authorized a number of changes that were implemented during the year. These recommendations included the use of individuals experienced in auditing but not involved directly in the sector to conduct the audits and to continue providing the college with the audit survey in advance and notice of an impending visit, but not the date and time.
- 29 audits were conducted.
- Partnership with Canadian Education & Training Accreditation Commission (CETAC) allowing CETAC to conduct Program Audits during a CETAC audit.
- The Instructor Development Day took place in December 2012. Two interesting sessions were offered and members could attend in person, live via webinar and recorded sessions. Jeremy

McQuigge, Algonquin College, "Connecting with the Connected" and Dr. Marilyn Laiken, Ontario Institute for Studies in Education at the U of T, "The Art of Teaching Adult Learners"

- Over 100 college personnel attended from Manitoba to Nova Scotia! This year we also opened the registrations to all of our members, not just those who run NACC programs.
- Transition in suppliers for our online exam systems. We wish to thank our previous supplier Amperea and welcome our new supplier Palomino.
- The Association of Canadian Community Colleges (ACCC) released the Pan-Canadian Educational Standards for the Personal Care Provider (PSW). NACC was highly involved with the study.
- The majority of our activities in 2012 remained focused on responding to our members' questions, requests and concerns.

Below are statistics regarding the NACC Program Final Exams:

NACC Program	# of Campuses	# of Exams Written in 2012	# of Exams Written in 2011	2012 Pass Rate
Early Childcare Assistant	46	389	343	71%
Pharmacy Assistant	8	13	7	54%
Esthetics	21	62	58	55%
Personal Support Worker	164	5,304	5278	92%

For 2013, we hope to accomplish the following:

- Make available our Early Childhood Educator program once the Ontario College of Early Childhood Educators approves it. The College needed to release their provincial standards first, which should happen in early 2013.
- Continue to seek provincial government endorsements for our programs; this will allow more schools to deliver it.
- Conduct approximately 60+ audits.

Educational Support Services Report

Debbie Stephens, Administrative Assistant

2012 was a busy year for NACC's support services, as we strive to provide the high quality support that our members demand and deserve. A summary of statistics for all schools is made regularly. This features such items as total number of students, their average, highest/lowest mark and percentage that passed/failed. A monthly statistics report is also created for each individual school and course that includes total number of students, their average, highest/lowest mark and percentage that passed/failed.

We provided member career colleges and students with support on many fronts, and in increasing numbers. The following table shows the increases in services provided over the previous year:

Service	2012	2011
Number of exam orders submitted	823	732
Number of exams set up for students	5304	5278
Approx. number of practice tests set up for students	5100	5000
Student ID pins assigned and certificates typed	4876	4787
Number of shipments of curricula, pins/certs, etc.	971	950

We have also taken great care to keep our database and website updated with the most current information from each college.

We expect more growth in 2013 and have addressed the need for part-time resources to help with the additional services. This should enable us to continue to provide quality service to our members. We look forward to more!

Committee Reports

The Board of Directors of NACC is responsible for overseeing and monitoring all significant aspects of the management of NACC's business and affairs to fulfill its mandate.

To assist the Board in fulfilling its responsibilities, in early 2012 the Board established six standing committees of the Board. These were designed to cover the major strategic and oversight areas the Board covers in order to ensure that NACC remains a high-performing association.

Finance and Governance Committee Report

Debra Johns (Chair)
Don Thibert
Ranil Herath

The Finance and Governance Committee has the important role of overseeing NACC's finances. In addition, it reviews governance practices and policies, and it oversees the process for the election of Board Members by serving as the Nominating Committee.

2012 saw a strengthening of the position from which NACC's Board of Directors governs and oversees all operations. In particular, the committee accomplished the following:

- Reviewed financial statements on a monthly basis.
- Conducted a full review and revision of the by-laws, which are now compliant with the requirements of the new Canada Not-For-Profit Corporations Act. These were ratified by the NACC membership.
- Oversaw the presentation of a slate of candidates and election of Board members

- Approved a new manual for new and returning Board Members that outlines roles and responsibilities, as well as identifies what the Board's functions and policies are in relation to staff and members.
- Approved a policy on electronic voting, allowing the Board to carry out its functions more efficiently.

In the coming year, the Finance and Governance Committee pledges to continue to safeguard the association with its oversight of finances, while strengthening the capacity of the Board of Directors to govern in a manner that will see NACC provide real value to the membership.

Communications and Domestic Promotion of PCCs Committee Report

NACC's Communications Committee's mandate is to review communications and promotions. 2012 was very productive for NACC in those areas. The Committee did the following:

James Loder (Chair)
David P. Leonard
Joe Cairo
Robert Prendergast

- Planned future communications – internally (to members) and externally (to a variety of stakeholders including government officials, accreditation associations, industry associations, employee associations, unions, and many more).
- Reviewed NACC's social media strategy and program – including Twitter, Facebook and LinkedIn.
- Oversaw NACC's staff, which contacted all NACC members to ensure that NACC has updated contact information.
- Worked on developing the Career Colleges Canada website – a tool for our members to use to recruit new students.
- Discussed stories in the news relating to NACC, or where NACC is referred to or quoted.
- Advised on the new newsletters that are going out regularly to our stakeholders. The first of which was distributed in October 2012. These are important tools to update our stakeholders on what is happening in our sector.
- Considered content and career profiles for Career Connections Magazine.

The Committee is always hoping to hear from members. Part of communicating effectively is to listen as well. Feel free to contact the NACC office with any ideas on communications initiatives!



International Promotions Committee Report

George Hood (Chair)
James Loder
Jamie Hartling
Lois McNestry
Frank Gerencser

The International Promotions Committee was put in place to plan and implement international marketing programs. Among the committee's major achievements are the following:

- NACC developed new www.careercollegescanada.com website to promote international students attending career colleges in Canada. It contains many useful features:
 - Database of testimonials
 - Searchable database of NACC members
 - Information for international students
- Developed code of ethics for schools receiving international students, sent to federal and provincial government officials.
- A reception for foreign diplomats in was held, attracting ambassadors and high-ranking representatives from embassies and high commissions spanning the globe.
- We developed the framework for a Registry of Educational Agents – How to Choose an Agent
- We participated in the ICEF trade show exchange.

The committee is looking forward to increased activity internationally, as the framework is in place to participate in international trade shows and recruit a high volume of international students to career colleges in Canada.

Conference Committee Report

Lois McNestry (Chair)
David P. Leonard
Ginette Gervais
Jamie Hartling
Wayne Palendat
Geoff Collier

The major function of the Conference Committee is to provide oversight and direction to NACC staff in relation to the NACC Annual Conference. Taking in feedback in the form of a survey the previous year's sponsors, exhibitors and delegates, the committee analyzed the detailed stats and made some adjustments for the 2013 Conference and AGM:

- New sponsorship package options were created, derived from the feedback provided. As a result, we have seen an increase in conference sponsorship.
- New, innovative workshops and speakers were assembled.
- We launched calls for inaugural Educator of the Year Award – to honour an outstanding educator at an NACC school. This is to be given at the 2013 Conference.
- We launched calls for annual Graduate of the Year Award – to honour an outstanding graduate at an NACC school. This is also to be given at the 2013 Conference.

Following from this successful feedback model, NACC expects continued improvement in the delivery of the conference in future years. We look forward to seeing everyone in 2014 in Ottawa and 2015 in St. John's!

Educational Programs Committee Report

Wayne Palendat (Chair)
Debra Johns
Geoff Collier
Michael McAllister

The Educational Program Committee's mandate is to review NACC's educational programs and initiatives; ensure quality in programs is maintained; and make recommendations on new programs. In this regard, 2012 was a successful year, as the committee took steps on each of those fronts.

In particular, the committee can report the following major accomplishments:

- We looked into finding a new program, and we have found a partner in the Canadian Tourism Human Resources Council (CTHRC). In 2013, we expect to be able to offer a Tourism and Hospitality Program.
- In order to safeguard our curricula, we oversaw a full reviewing of our audit system. NACC has implemented many of the recommendations from that review to strengthen quality standards in our sector.
- One further change NACC made to our audit system was to partner with the Canadian Education & Training Accreditation Commission (CETAC) allowing CETAC to Program Audits at the same time as doing a CETAC audit.
- Another step we took to ensure quality was to find a new hosting program for our exam services. The new system in place ensures that our exams can be administered as efficiently as possible in the coming years.

We look forward to continued improvement in 2013!

Revenue Generation Committee Report

Joe Cairo (Chair)
Blair Chapman
Debra Johns

NACC's Revenue Generation Committee's mandate is to review grant proposals and all sponsorship activities. 2012 was successful for NACC in those areas. Highlights include the following:

- NACC received funding through the federal government's Global Opportunities for Associations funding program. This funding will help pay for NACC representatives to attend international trade shows to promote career colleges to international students.
- NACC was fortunate to receive a Job Creation Partnership grant from the Province of Ontario to hire additional staff to assist with NACC tasks.

In 2012, NACC gained 2 new sponsors, renewed many existing contracts and forged important partnerships with new organizations.

One of these new partnerships was the International Consultants for Education and Fairs (ICEF). NACC representatives will be invited to attend one of their conferences free of charge. ICEF conferences

attract international education consultants from around the world. Now they will be able to learn about opportunities for students at career colleges in Canada.

Lobbying Committee Report

Blair Chapman (Chair)
George Hood
Ginette Gervais
Michael McAllister
Robert Prendergast

The Lobbying Committee defines the priorities in advocacy for the Association, establishes our objectives and reviews our method.

Throughout the year, the Committee undertook a number of activities designed to further NACC's objectives related to its main priorities (international students, funding from Human Resources and Skills Development Canada, HRSDC, for students and inclusion into the Education in Canada Brand).

Some of the activities include:

- Review and preparation of policy paper on international students
- Review and preparation of policy paper on HRSDC funding for students
- Participation in meetings at the Board level with representatives from:
 - HRSDC
 - Citizenship and Immigration Canada
 - International Trade Canada
- Organization of a reception on Parliament Hill where a Minister spoke
- Review of a presentation to the House of Commons Standing Committee on Finance

2013 will be a busy year as NACC expects to benefit from the work done in 2012. We should have positive developments on our major files (international students and funding for students).

One of the major initiatives to be undertaken by this Committee will be to engage our members in the process in order to have them also effectively campaign their elected officials and thereby help our efforts.

Showcasing what our sector does best: partnerships with the employers, getting students the ability to reach their goals, having students employed in the professions that they studied in. All these will be promoted in 2013.



Board of Directors as at December 31, 2012

The composition of the NACC Board of Directors at this date:

Provincial Representatives:

BC	Lois McNestry
AB	Ranil Herath
SK	Blair Chapman
MB	Wayne Palendat
ON	George Hood
ON	Frank Gerencser
QC	Ginette Gervais
NB	Debra Johns
NS	Jamie Hartling
NL	James Loder



Member at Large Positions:

There are six (6) Member at Large positions. Two (2) Members at Large were elected at the 2012 Annual General Meeting for a 3-year term, Robert Prendergast and Geoff Collier. In July of 2012, a Member at Large position opened when Chris Cantor stepped down from the Board. The Board chose to fill the vacancy with Don Thibert in accordance with the By-laws.

Robert Prendergast	3 years	Geoff Collier	3 years
Joe Cairo	2 years	David Leonard	2 years
Michael McAllister	1 year	Don Thibert	1 year

At the 2013 Annual General Meeting, two Board of Directors positions will be up for election: the ones currently occupied by Michael McAllister and Don Thibert, whose terms will expire at the AGM.



Queen's Diamond Jubilee Medal Recipients

29 Canadians involved in the career college sector were honoured with the Queen's Diamond Jubilee Medal in 2012.

These recipients have helped shape the education sector in Canada through their tireless work. Together, they have helped countless students achieve their full potential.

The Queen Elizabeth II Diamond Jubilee Medal marks the 60th anniversary of Her Majesty's accession to the throne in 1952. The medal honours significant contributions and achievements by Canadians.

List of Recipients:

Audrey Brattberg
Anne Burns
Frank Cairo
Barry Chapman
Blair Chapman
Peter Dykstra
Alan Flegg
Frank Gerencser
Ginette Gervais
George Hood

Adie Jason
Debra Johns
Paul Kitchin
Captain Robert Kitching
Kay Lesseurier
Monica Lust
Wayne Palendat
Robert Prendergast
Dr. Michael McAllister
Debra McKinnon

Lois McNestry
Dr. Terry Miosi
Hartley Nicol
Bill Riches
Beth Shewkenek
Sue Singer
Brenda Steele
Don Thibert
Marty Whitman



Legal Fund Sponsors

NACC's Legal Fund supports our lobbying efforts by providing us with expert legal opinions on issues of importance to our members. These legal opinions provide legal backing to our arguments and help us move our agenda forward, helping our members. By contributing to NACC's Legal Fund, the following members have not only helped themselves, but the entire sector. We thank them!

Champion



Defender



Protector



Advocate



Supporter



2013 Budget

REVENUES

Account	2012	Estimated 2013
Membership Fees-Active	\$58,407.00	\$62,000.00
Total Membership Revenues	\$58,407.00	\$62,000.00
Curr Purch / Prgm Verification Fees	\$85,000.00	\$95,000.00
Exam Fees	\$258,830.00	\$293,500.00
Instructor Development Program	\$9,500.00	\$11,400.00
Passbook/Brochures	\$27,000.00	\$30,000.00
Leadership Academy Revenues	\$52,500.00	\$52,500.00
Audits	\$5,000.00	\$42,000.00
Instructor Development Day	\$15,000.00	\$17,000.00
Total Revenues from Educational Activities	\$452,830.00	\$541,400.00
Sponsorship / Affinity Revenue	\$42,902.00	\$48,000.00
Conference Income	\$49,476.00	\$62,000.00
Interest Revenue	\$3,272.38	\$3,300.00
Total Miscellaneous Revenues	\$95,650.38	\$113,300.00
TOTAL REVENUES	\$606,887.38	\$716,700.00

EXPENSES

	2012	2013 Budget
Budgetary envelopes		
Domestic promotions & communications	\$1,094.00	\$9,000.00
International promotions	\$4,653.50	\$53,000.00
Membership relations	\$46,155.00	\$52,000.00
Education	\$80,115.00	\$120,345.00
Government relations	\$45,760.00	\$48,850.00
Governance	\$56,149.00	\$60,344.00
Employees & consultants	\$278,850.00	\$306,536.00
Office expenses	\$74,388.00	\$65,500.00
Total Budget	\$587,164.50	\$715,575.00

APPENDIX A

Financial Statements as at December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Members of National Association of Career Colleges

I have audited the accompanying financial statements of National Association of Career Colleges, which comprise the statement of financial position as at December 31, 2012 and the statements of operations, changes in net assets and cash flows 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 accounting standards for not-for-profit organizations, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Association of Career Colleges as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative information

Without modifying my opinion, I draw attention to Note 2 to the financial statements which describes that National Association of Career Colleges adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the Balance Sheet as at December 31, 2011 and at January 1, 2011 and the statement of operations and changes in net assets and the statement of cash flows for the year ended December 31, 2011. I was not engaged to report on the restated comparative information and as such it is unaudited.

Toronto, Ontario
March 20, 2013



CHARTERED ACCOUNTANT
LICENCED PUBLIC ACCOUNTANT

NATIONAL ASSOCIATION OF CAREER COLLEGES
STATEMENT OF FINANCIAL POSITION
AS AT

	December 31, 2012	December 31, 2011 (Unaudited)	January 31, 2011 (Unaudited)
ASSETS			
CURRENT			
Cash in bank	\$ 64,969	\$ 47,553	\$ 48,764
Short-term investments, at cost	219,101	216,076	213,712
Accounts receivable	15,878	39,595	7,720
Prepaid expenses	<u>35,177</u>	<u>20,931</u>	<u>8,979</u>
	335,125	324,155	279,175
CETAC TRANSITION COSTS (Note 3)	51,887	52,887	52,887
PROPERTY AND EQUIPMENT (Note 4)	<u>12,932</u>	<u>13,568</u>	<u>15,300</u>
	<u>\$ 399,944</u>	<u>\$ 390,610</u>	<u>\$ 347,362</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$ 27,053	\$ 15,105	\$ 12,356
Government remittances payable, not in arrears	6,215	19,366	24,260
Legal fund	18,900	-	-
Deferred Leadership Academy fees	864	-	-
Deferred conference fees	<u>3,808</u>	<u>50,910</u>	<u>-</u>
	56,840	85,381	36,616
NET ASSETS			
UNRESTRICTED NET ASSETS	<u>343,104</u>	<u>305,229</u>	<u>310,746</u>
	<u>\$ 399,944</u>	<u>\$ 390,610</u>	<u>\$ 347,362</u>

APPROVED ON BEHALF OF THE BOARD:

Director

Director

The accompanying notes are an integral part of these financial statements.

NATIONAL ASSOCIATION OF CAREER COLLEGES
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011 (Unaudited)
REVENUES		
Annual conference	\$ 49,476	\$ 55,522
Curriculum fees	78,132	100,925
Examination service fees	344,014	337,282
Examination services workshops	20,750	15,435
Leadership Academy (workshop) fees	52,500	-
Membership fees	65,692	69,961
Sponsorship	41,567	5,462
Interest and sundry income	<u>5,170</u>	<u>15,239</u>
	<u>657,301</u>	<u>599,826</u>
EXPENDITURES (see Schedules on Page 8)		
Examination services	188,920	263,472
Member services	278,927	197,777
Office and administration	<u>151,579</u>	<u>144,094</u>
	<u>619,426</u>	<u>605,343</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	37,875	(5,517)
NET ASSETS , beginning of year	<u>305,229</u>	<u>310,746</u>
NET ASSETS , end of year	<u>\$ 343,104</u>	<u>\$ 305,229</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL ASSOCIATION OF CAREER COLLEGES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011 (Unaudited)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Cash received from members	\$ 65,692	\$ 69,961
Cash received from provision of services	568,224	493,096
Cash paid for salaries and benefits	(160,712)	(193,649)
Cash paid to suppliers	<u>(466,770)</u>	<u>(366,877)</u>
	<u>6,434</u>	<u>2,531</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Increase in legal fund	18,900	-
Loan repayment from CETAC	<u>1,000</u>	<u>-</u>
	<u>19,900</u>	<u>-</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Purchases of property and equipment	(5,893)	(1,378)
Increase in short-term investments	<u>(3,025)</u>	<u>(2,364)</u>
	<u>(8,918)</u>	<u>(3,742)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	17,416	(1,211)
CASH IN BANK, beginning of year	<u>47,553</u>	<u>48,764</u>
CASH IN BANK, end of year	<u>\$ 64,969</u>	<u>\$ 47,553</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL ASSOCIATION OF CAREER COLLEGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

1. STATUS AND NATURE OF ACTIVITIES

The Association is incorporated as a not-for-profit organization without share capital under the *Canada Corporations Act - Part II*. It provides representation and services to members. Its members include career colleges and provincial associations representing career colleges.

The Association is a not-for-profit organization under the terms of Section 149(1)(l) of the *Income Tax Act (Canada)* and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as per Part III of the *CICA Handbook - Accounting*.

The Association's first reporting period using Part III is for the year ended December 31, 2012. As a result, the date of transition to Part III is January 1, 2011. The NACC presented financial statements under its previous Canadian generally accepted accounting principles annually to December 31 of each fiscal year up to, and including, December 31, 2011.

The Association was required to apply accounting standards for not-for-profit organizations effective for periods ending on December 31, 2012 in:

- (i) preparing and presenting its opening statement of financial position at January 1, 2011; and
- (ii) preparing and presenting its statement of financial position for December 31, 2012 (including comparative amounts for fiscal 2011), statement of operations, statement of changes in net assets, and statement of cash flows (including comparative amounts for fiscal 2011) and disclosures (including comparative information for fiscal 2011).

The Association did not take any exemptions under the transition rules, but retrospectively applied the accounting standards for not-for-profit organizations which did not result in any restatement of balances or classifications.

(a) Revenue Recognition

- (i) Revenue from examination, curriculum and other services is recognized when the exams and curriculums are shipped to the customer or the services are provided. Payment is based on agreed prices and credit terms contained on sales invoices.
- (ii) The Association recognizes membership revenues from provincial associations and affiliates on a calendar basis which represents the annual term of membership. Payment is based on agreed prices and terms contained on membership renewal notices.
- (iii) Revenue from conferences and workshops is recognized when they are presented. The liability for the portion of conferences and workshops invoiced but not yet presented is recorded as deferred revenue.
- (iv) Sponsorship revenue is recognized in the calendar year pertaining to the terms of the agreement.
- (v) Interest revenue is recognized on an accrual basis using the effective interest method.

(b) Short-term Investments

Short-term investments are represented by term deposits or guaranteed investment certificates of a Canadian Chartered Bank having maturity dates of less than one year.

NATIONAL ASSOCIATION OF CAREER COLLEGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property and equipment

The costs of property and equipment are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value.

Property and equipment consisting of office furniture, equipment and leasehold improvements are stated at cost. Amortization of office furniture and equipment has been provided over the estimated useful life of the assets on a 10%-20% diminishing balance basis. Amortization of leaseholds has been provided over a period of ten years on a straight-line balance basis.

(d) Net Assets Invested in Capital Assets

Net assets invested in capital assets comprises the net book value of property and equipment. Net assets invested in capital assets is a component of unrestricted net assets.

(e) Legal Fund

Members may contribute to a fund, the purpose of which is to provide the ability to finance legal opinions on government policy that would affect the private post-secondary education sector. Contributions to the fund are deferred until such time as services are provided and expenditures are authorized by the Board of Directors.

(f) Management Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Significant estimates include those used when accounting for amortization and impairment of accounts receivable. Actual results may differ from such estimates as additional information becomes available in the future.

3. CETAC TRANSITION COSTS

To assist with the funding of the renewal costs of the Canadian Education and Training Accreditation Commission (CETAC), the Association agreed to provide funding for the renewal process which is repayable by CETAC at such time as CETAC is in a financial position to do so. Formal repayments of \$1,000 per year commenced in fiscal 2012.

4. PROPERTY AND EQUIPMENT

	2012		2011 (Unaudited)	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office furniture and equipment	\$ 78,475	\$ 65,543	\$ 12,932	\$ 9,234
Leasehold improvements	-	-	-	4,334
	<u>\$ 78,475</u>	<u>\$ 65,543</u>	<u>\$ 12,932</u>	<u>\$ 13,568</u>

NATIONAL ASSOCIATION OF CAREER COLLEGES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

5. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and short-term investments, accounts receivable, accounts payable and accrued liabilities and deposits on account of future services. Management is of the opinion that the carrying value of these financial instruments approximates fair market value.

a) The fair value of a financial instrument is the estimated amount that NACC would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation.

b) NACC is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

Credit risk associated with cash and short-term investments is minimized substantially by ensuring that these assets are invested in financial obligations of financial institutions or governments that have been accorded investment grade ratings by a primary rating agency.

Credit risk associated with amounts receivable is minimized by NACC's large customer base as well as the geographic dispersion of customers. NACC maintains allowances for potential credit losses, and any such losses to date have been within management's expectations.

c) Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The exposure of NACC to interest rate risk arises for its interest bearing assets. NACC has no interest bearing liabilities.

NACC manages the interest rate risk by investing in fixed income securities with maturity dates of less than one year. The high degree of liquidity ensures that the investments are not overly sensitive to the impact of market rate fluctuations.

6. COMMITMENTS

a) The Association has entered into various office equipment operating lease agreements which expire on various dates through to September 5, 2014. The leases require annual payments totalling approximately \$6,621.

b) The Association entered into a two year lease agreement for premises commencing on April 1, 2012. The agreement calls for minimum rents of \$1,450 per month, net of applicable taxes. The agreement expires on March 31, 2014.

7. RELATED PARTY TRANSACTIONS

a) Provincial associations annually self-assess the NACC members dues from their own provincial memberships and remit the required amount pursuant to the terms established for collection. Should a provincial association not exist in a province or a provincial association not be a member of NACC, the Association is able to grant membership to individual career colleges and collect the required membership fees.

b) Until March 31, 2012, office premises and certain administrative services were provided by the Ontario Association of Career Colleges at rates and conditions prevailing in the general marketplace.

(c) Management of the Association estimates that voluntary members provide approximately 1,500 hours of time without compensation. The value of donated services is not recognized in these statements.

NATIONAL ASSOCIATION OF CAREER COLLEGES
SCHEDULES TO THE STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011 (Unaudited)
EXAMINATION SERVICES EXPENDITURES		
Committee meetings	\$ 26,664	\$ 45,185
Courier and shipping	2,297	12,978
Curriculum development	1,618	8,259
Equipment rental and maintenance	5,647	2,612
Examination services workshops	18,927	22,184
On-line examination fees	12,350	12,525
Salaries and benefits	101,249	126,267
Supplies and pins	<u>20,168</u>	<u>33,462</u>
	<u>\$ 188,920</u>	<u>\$ 263,472</u>
MEMBER SERVICES EXPENDITURES		
Annual conference	\$ 44,155	\$ 44,073
Board and committee meetings	43,542	56,328
Consulting services	147,550	95,254
International promotions	7,417	-
Leadership Academy operations	34,112	-
Printing and reproduction	<u>2,151</u>	<u>2,122</u>
	<u>\$ 278,927</u>	<u>\$ 197,777</u>
OFFICE AND ADMINISTRATION EXPENDITURES		
Amortization	\$ 6,531	\$ 3,110
Bank charges	10,315	16,069
Computer support services	1,602	2,308
Courier and shipping	3,044	2,290
Equipment rental and maintenance	2,089	3,462
Insurance	4,559	4,004
Moving costs	4,268	-
Office supplies	3,601	4,217
Professional fees	15,935	7,610
Provision for impairment of accounts receivable	707	-
Rent	28,657	23,356
Salaries and benefits	59,463	67,382
Subscriptions and promotions	6,301	2,913
Telephone, internet and fax	4,507	6,458
Training and development	<u>-</u>	<u>915</u>
	<u>\$ 151,579</u>	<u>\$ 144,094</u>

