



National Association of Career Colleges



Annual Report
2014

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Message from the Chair



Ginette Gervais

In 2016, NACC will celebrate its 120th anniversary. As we prepare to mark this milestone, we are reminded of the significant changes our sector has undergone in the many years, and look toward the future.

In 2014, NACC's Board of Directors strengthened its governance policies by providing a clearer role to the Executive Committee. This in turn provides more direction to the organization and its staff.

We are proud of where we are and where we are going. But there is much more to do. Our focus must be to demonstrate that the actions taken by NACC have:

- Provided real results for our members;
- Positively impacted revenues; and
- Ensured that the sector is better off in part due to our efforts.

With a better understanding of NACC's impact, we hope to see increased membership engagement. This is necessary in order to confirm that we are going in the right direction, to obtain new ideas and to ensure that the sector remains healthy through information sharing.

We've made great strides in 2014. We are now closer to achieving major objectives.

Career colleges are being seen as a credible part of the post-secondary educational sector. The media, while still critical, also publishes positive articles on our members and our achievements. Government officials are including career colleges in discussions.

We participated in the Job Skills Summit held by former Employment and Social Development Canada Minister Jason Kenney and were asked to participate in a similar forum held and organized by the provinces.

Minister Kenney noted, during NACC's 2014 Conference, that "by providing the right mix of in-class training and on-the-job experience, career colleges are ensuring their graduates have the skills employers need." And he is right.

It is for up to us to spread the message to employers, students and all stakeholders. It is up to our members to support NACC's efforts by participating and contributing.

Opportunities are being created for our members. Let's seize the moment.

Message from the CEO

In 2014, NACC continued to break new ground and increase its reach.

Through the work completed by a team of dedicated employees, we have been able to:

- Ensure the placement of positive articles about career colleges published in the media from coast to coast.
- Expand the number of stakeholders interested in partnering with our sector, especially with settlement agencies and business organizations.
- Increase the credibility of our educational programs and develop new ones.
- Work with government officials (elected and civil servants) to provide information on the role of career colleges, increase our credibility and find solutions to existing issues.

We are meeting people at the highest levels of the government and it is producing results. Career colleges have even served as the backdrop for major government announcements and our sector is frequently used by elected officials in their own messaging.

In 2014 we officially launched a program funded by federal government to help match internationally-trained individuals – who are facing challenge working in their field – with training programs to help them use their skills and get a better job here in Canada.



Serge Buy

The Alternative Career Pathways (ACP) initiative is yet another way that NACC is supporting its members and helping newcomers to Canada.

We have set up offices across the country and every day we continue to help people find the training to get better careers.

In the coming year, we will be continuing our promotion of Canadian career colleges in overseas markets. This includes India, Vietnam, and more.

Through these, and many more initiatives, NACC continues to support our members and promote the career college sector in Canada.

Educational Services Report

Karine Hopper

Manager of Educational Programs

As in past years, NACC continues to offer quality curriculum and exam services to our members and students. A total of 183 colleges offered at least one, and in many cases more, NACC programs to their students. Because of the recognized standards set by our exam and curriculum services, students at our members are able to gain meaningful employment quickly after graduate. Throughout 2014, we continued to examine and improve our services to member.

The activities we undertook in 2014 include:

- Continued audits of NACC programs. A total of 49 audits were conducted.
- Our Instructor Development Day took place in Toronto on November 27, 2014. For the first time colleges were asked to

have all primary instructors from NACC programs participate either in person or via webinar.

- Work continued on the Early Childhood Education program with outreach undertaken to regulators in provinces outside of Ontario.
- New Personal Support Worker training standards were issued by the Province of Ontario and the Personal Support Worker Advisory Committee met over several days in late 2014 to begin work on a revised NACC curriculum.
- Work began on the stabilization and modernization of our exam system.

The following numbers of students graduated from NACC programs in 2014:

Program Name	Number of exams (includes rewrites)	Number of graduates
Early Childhood Assistant	417	350
Esthetics	83	35
Personal Support Worker	5,388	4,811
Pharmacy Assistant	39	6

In 2015, NACC hopes to accomplish the following:

- Roll out the modernization of the exam system in 2015, allowing colleges to register and pay for their students' exams online.
- Distribute the updated Personal Support Worker curriculum.
- Continue outreach to provincial governments and regulators for recognition of NACC programs.
- Conduct 60+ audits.
- Develop a new program or standardized exam.



Alternative Career Pathways

Launched in February 2014, the NACC's Alternative Career Pathways (ACP) initiative helps internationally-trained professionals find rewarding new career paths when their foreign credentials are not recognized in Canada.

In particular, the program helps individuals identify career retraining opportunities at NACC member colleges or other post-secondary institutions, and provides them with advice on attainable career objectives.

In its first year of operation in 2014, the ACP program:

- Provided information to approximately 2,000 people, including 942 who requested individual consultations with an ACP coordinator.
- Referred 214 people to one or more NACC member college programs during individual consultations, at least 12 of whom actually enrolled at an NACC member college.
- Provided information at dozens of workshops, career fairs and other events.

- Forged partnerships and working relationships with approximately 300 immigrant-serving organizations and employers.

With key relationships now in place and ACP brand recognition on the rise in new immigrant communities across the country, we expect to see a significant increase in the number of individuals served by the program in 2015.

Among other things, ACP will undertake the following tasks in 2015:

- Launch services in Atlantic Canada.
- Reconnect with individuals served by ACP to identify career college enrollments that have resulted from ACP referrals.
- Launch a major TV, online and print media advertising campaign to increase brand recognition and to boost the number of individuals seeking ACP's services.
- Promote "Student Success Stories" as ACP referrals graduate from career colleges across the country and land in prosperous employment opportunities.



Finance and Governance Committee

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.

In 2014 we completed the reorganization of NACC by closing the old office in Brantford and expanding the Ottawa office. The increased profits of the conference more than covered the office transition expenses.

The committee was very active and accomplished the following:

- Implemented a new format for reporting monthly financial statements and developed an itemized and detailed budget.
- Oversaw the development of a database to allow students to search for career colleges based on various criteria.
- Proposed new by-law amendments.
- Chose a new auditor.
- Developed maternity benefits policy for employees.
- Oversaw the presentation of a slate of candidates and election of Board members.
- Created and implemented a survey to evaluate Board member engagement.

The Committee hopes to increase the number of board members on this committee and will continue to provide good governance to NACC in the year to come.

Communications and Domestic Promotion of Private Career Colleges Committee

NACC's Communications Committee's mandate is to review communications and promotions. 2014 was a banner year for NACC, and the Committee did the following:

- Provided advice on NACC's general communications strategy that heightened our sector's visibility.
- Oversaw the implementation of a social media strategy that has resulted in more online followers and allows our message to reach a greater number of people.
- 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
- Developed a new plan for the re-launch of NACC's Career Connections Magazine.

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



International Promotions Committee



The International Promotions Committee was put in place to plan and implement international marketing programs.

In 2014 the Committee worked on some initiatives, with the benefits coming to fruition in 2015 and beyond. The Committee undertook the following activities:

- Developed a new five-year marketing strategy through our Career Colleges Canada brand and identified three target countries/regions:
 - India
 - Vietnam
 - North Africa
- Applied for funding from the Global Opportunities for Associations Fund to assist with international promotions.
- Began to develop the tools needed for promotion overseas.
- Continue to develop the online searchable database that will include all NACC member schools and will include two key search functions:
 - Search by school by location
 - Search by program

The committee is looking forward to increasing the promotion of career colleges internationally in 2015.





Conference Committee

NACC's Conference Committee is responsible for providing direction and oversight for the organization of our Annual Conference. The 2014 conference was held in Ottawa, Ontario, jointly with Career Colleges Ontario. Highlights of the conference include:

- Our highest turnout ever – more than 220 delegates and close to 30 exhibitors.
- The keynote address by the Honourable Jason Kenney, then-Minister of Employment and Social Development and Multiculturalism, in which he praised career colleges for being on the front line of the development of a skilled workforce, which will be of paramount importance to Canadians in the coming years.
- A speech by Mark Strahl, MP, Parliamentary Secretary to the Minister of Aboriginal Affairs and Northern Development, about how career colleges are well positioned to meet the needs of aboriginal post-secondary education.
- A reception on Parliament Hill that, despite a series of votes that stopped MPs from coming, had senior political staff present including the Director of Policy and the Director of Communications from Minister Kenney's office and a senior official from the Prime Minister's Office.
- A presentation by Liberal MP and Labour Critic Roger Cuzner in which he mentioned that career colleges have been doing great work for decades, which is testament to the adaptability of career colleges.

Educational Programs Committee

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 2014, the committee continued to discuss ways that NACC could improve services to members, including:

- Hosted our 14th Annual Instructor Development Day which saw increased numbers. The Instructor Development Program remains a strong tool for our members.
- Worked with our exam provider to improve our existing exam system, including the ability for colleges to register and pay for their students' exams online.
- Took steps to develop a new curriculum in 2015 with the assistance of research conducted by NACC staff.
- Explored expanded professional development webinar offerings for both instructors and administrators.

EXAM ENDS : 4:20pm

Minutes from Previous AGM

National Association Of Career Colleges Association nationale des collèges de carrières

MINUTES of the Annual General Meeting of Members of the National Association of Career Colleges / L'Association nationale des collèges de carrières, held in Ottawa on the 9th day of May, 2014.

Present

James Loder, Academy Canada, NL
Charles Jarvis, Academy of Learning, AB
Mohammed Baten, ABM College of Health & Tech, ON
Sunny Sheng, Can. Business Skills College of Tech, ON
Jamie Hartling, Trillium, ON
Amanda Casinha, Canadian Beauty College, ON
James Cameron, Herzing, ON
Ginette Gervais, Collège Salette, QC
Des Whelan, Keyin College, NL
Allan Flegg, Aviron Quebec College Technique, QC
Debra Johns, Eastern College, NS
Michael McAllister, Herzing College, QC
Tracy Scott, Saint Elizabeth, MB
Joe Cairo, MC College, AB
Emidio D'Alfonso, Herzing College, ON
Kimberly Miller, Saint Elizabeth, MB
Ian Stokes, Western College, NL
Blair Chapman, Saskatoon Business College, SK
Frank Gerenscer, triOS College, ON
David P. Leonard, Trebas Institute, QC/ON
Jeremy Sabell, TEC, BC

Non-Voting:

Lorna Mills, CCO
April Chato, CCO
Adelaide Anuseh, NACC
Kelsey Keohane, NACC
Phil McKnight, NACC (recording secretary)

Audrey Brattberg, Academy of Learning, AB
Elmer Brattberg, Academy of Learning, AB
Michael Teglas, AOL Kingston, ON
Dean Tremain, CDI College, BC
Pravin Patel, CCITM, ON
Alpa Patel, CCITM, ON
Tim Heggie, Everest, ON
Kimberly Elliott, IHSE, NS
Mike Greenwood, Le Cordon Bleu, ON
Nina Andrejic, Medix College, ON
Robert Prendergast, EEC/Robertson/Westervelt
Ashley Avila, Metro College of Tech., ON
Lina Perrotta, Herzing College, ON
James Cameron, Herzing College, ON
George Hood, Herzing, ON
Randy Ellingson, Wellington College, MB
Rima Aristocrat, Willis College, ON
Geoff Collier, Thompson Career College, BC
Don Thibert, Everest College, ON
Luisa Tanzi, Trebas Institute, QC

Paul Kitchin, CCO
Alix Mahe, CCO
Chris Frantz, NACC
Serge Buy, CEO NACC

The meeting was called to order at 8:30am ET on May 9th.



1. Approval of the Agenda

The draft Agenda had been circulated prior to the meeting.

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

RESOLVED THAT the Agenda be approved as circulated.

2. Approval of minutes of the April 26th, 2013 AGM

The draft minutes of the 2013 AGM had been circulated prior to the meeting. On motion duly made by George Hood, seconded by Ginette Gervais and duly carried, the following resolution was passed unanimously:

RESOLVED THAT the minutes of the April 26th, 2013, 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: Emidio D'Alfonso and Tracy Scott.

Mr. Buy asked three times for nominations from the floor. Hearing no nominations, Mr. Buy closed the nominations.

Mr. Buy asked the candidates if they accepted their nominations. Both candidates accepted their nominations.

With no other nominations put forward, Emidio D'Alfonso and Tracy Scott were elected to the Board by acclamation.

4. By-Law Amendments

a. Registered Office

It is proposed that NACC's By-law Article 3.06 "Registered Office" be amended to allow the Board to determine the office location, as follows.

Article 3.06 "Registered Office"

Registered Office - Until changed in accordance with the Act, the registered office of the Association shall be at such location in Canada as the Board may from time to time determine by resolution.

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

RESOLVED THAT By-law 3.06 be amended as presented.

b. Term Limits

It is proposed that NACC's By-law Article 6.04 "Term" be amended to limit the length of time a Board member may serve on the Board, as follows.

Article 6.04 "Term Limit"

Term – Directors shall hold office for the following terms:

a. Representatives elected by Provincial Association Members shall be permitted to remain in that capacity for no longer than a period of six (6) years in length. After that period of time, the individual may not serve on the Board for a period of at least one (1) year before that individual may be elected by the Provincial Association Member to serve once again on NACC's Board.

b. Directors elected At Large shall hold office for a term of three (3) years commencing immediately after the Annual General Meeting of Members at which such directors are elected and terminating at the conclusion of the Annual General Meeting of Members in the year in which such director's term of office expires. Directors shall, if otherwise qualified, be eligible for re-election for one (1) additional term of three (3) years. However, if the director has served two (2) consecutive three (3) year terms, the director may not serve on the Board for a period of at least one (1) year before he or she may run again for election to NACC's Board.

c. Directors may not serve on the Board for longer than a period of six consecutive years under any circumstances. If the director has been elected At Large and then elected by a Provincial Association Member, the director's service will begin to be counted at the moment he or she was first elected to the Board. After the six (6) year period of serving on the Board, the director may not then serve on the Board for a period of at least one (1) year before he or she may run again for election to NACC's Board.

On motion duly made by Jamie Hartling, seconded by Dean Tremain and duly carried, the following resolution was passed unanimously:

RESOLVED THAT By-law 6.04 be amended as presented.

c. Chair Capacity to Vote

It is proposed that NACC's By-law Article 6.14 "Chair Capacity to Vote" be amended to include the provision for the Chair to cast a deciding vote in the case of a tie, as follows.

Votes to Govern – At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the Chair of the Board of Directors shall be entitled to a casting vote, and the motion shall be carried or defeated based on that vote. The Chair is not otherwise entitled to a vote.

On motion duly made by Mohammed Baten, seconded by Randy Ellingson and duly carried, the following resolution was passed unanimously:

RESOLVED THAT By-law 6.17 be amended as presented.



5. Reports

a. Report from the Chair

The Chair, Mr. Loder, reviewed some of the good work done by NACC in 2013 and the Board accomplishments of the last year. He also referred to the Chair's Report in the Annual Report.

As outgoing Chair, he thanked fellow Board members, staff and management, and the membership for their contributions.

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 previous Executive Directors as well as the NACC staff for their work in running the conference.

6. Financial Reports

a. Audited Statements for 2013

The Treasurer, Debra Johns, presented the financial statements for 2013.

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

RESOLVED THAT the Audited Financial Statements for 2013 be approved as presented.

b. Budget for 2014

The Treasurer, Debra Johns, presented the budget for 2014.

On motion duly made by Michael McAllister, seconded by Randy Ellingson and duly carried, the following resolution was passed unanimously:

RESOLVED THAT the 2014 Budget be approved as presented.

c. Appointment of Auditor for 2014

On motion duly made by Dean Tremain, seconded by Tracy Scott and duly carried, the following resolution was passed unanimously:

RESOLVED THAT Parker Prins Lebano be appointed as auditor for NACC for 2014.

7. New Business

Frank Gerencser put forward the idea that NACC change its name to Career Colleges Canada. The Chair, James Loder, suggested the Board consider the idea.

8. Ratification of Board Activities

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

RESOLVED THAT the actions of the Board of Directors in 2013 be ratified by the members.

9. Presentation of 2015 Conference Information

The Chair, James Loder, gave the 2015 conference information. It will take place in St. John's, NL, at the Delta Hotel, April 28 to May 1.

10. Adjournment

There being no further business to come before the meeting, on motion duly made by Mohammed Baten, seconded by George Hood and duly carried, at approximately 9:15am, the meeting adjourned.

Board of Directors

Provincial Representatives

BC	Lois McNestry
AB	Melaine Meier (until September 30th)
SK	Patricia Hanbidge
MB	Kerry Swanson
ON	George Hood, Vice-Chair
ON	Frank Gerencser
QC	Ginette Gervais, Chair
NB	Dale Ritchie
NS	Kim Elliott, Secretary
NL	Des Whelan

Member at Large Positions

Emidio D'Alfonso
Michael McAllister
Robert Prendergast, Treasurer
Tracy Scott

NATIONAL ASSOCIATION OF CAREER COLLEGES
FINANCIAL STATEMENTS
DECEMBER 31, 2014

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PARKER PRINS LEBANO

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT Professional Corporation

To the Members of the:

NATIONAL ASSOCIATION OF CAREER COLLEGES

Report on the Financial Statements

We have audited the accompanying financial statements of the **NATIONAL ASSOCIATION OF CAREER COLLEGES**, which comprise the Statement of Financial Position as at December 31, 2014, and the Statements Of Changes in Net Assets, Operations, 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.

Auditors' 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 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 Association'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 Association'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **NATIONAL ASSOCIATION OF CAREER COLLEGES** as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Parker Prins Lebano Chartered Accountants Professional Corporation

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario

March 16, 2015

NATIONAL ASSOCIATION OF CAREER COLLEGES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Cash	\$ 160,855	\$ 56,699
Short-term investments	202,465	50,000
Accounts receivable	49,582	123,948
Prepaid expenses	<u>36,891</u>	<u>29,634</u>
	449,793	260,281
 CETAC TRANSITION COSTS (note 3)	 -	 50,887
 CAPITAL ASSETS (note 5)	 <u>12,490</u>	 <u>13,938</u>
	<u><u>\$ 462,283</u></u>	<u><u>\$ 325,106</u></u>
 LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 8)	\$ 68,152	\$ 50,725
Legal fund (note 7)	9,141	11,931
Prepaid deposits	6,264	3,617
Deferred conference fees	27,149	11,618
Deferred grant revenue	165,481	-
Deferred accreditation revenue	<u>11,000</u>	<u>-</u>
	<u>287,187</u>	<u>77,891</u>
 NET ASSETS		
 INVESTED IN CAPITAL ASSETS	 12,490	 13,938
 UNRESTRICTED NET ASSETS	 <u>162,606</u>	 <u>233,277</u>
	<u>175,096</u>	<u>247,215</u>
	<u><u>\$ 462,283</u></u>	<u><u>\$ 325,106</u></u>

Approved by the Board:

_____ Director _____ Director

NATIONAL ASSOCIATION OF CAREER COLLEGES
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
INVESTED IN CAPITAL ASSETS		
Balance, beginning of year	\$ 13,938	\$ 12,932
Amortization	(3,224)	(3,096)
Investment in capital assets	<u>1,776</u>	<u>4,102</u>
Balance, end of year	<u>\$ 12,490</u>	<u>\$ 13,938</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	\$ 233,277	\$ 330,172
Deficiency of revenue over expenditures	(18,168)	(95,889)
Amortization	3,224	3,096
Investment in capital assets	(1,776)	(4,102)
Transfer of CETAC operations, net (note 3)	<u>(53,951)</u>	<u>-</u>
Balance, end of year	<u>\$ 162,606</u>	<u>\$ 233,277</u>

NATIONAL ASSOCIATION OF CAREER COLLEGES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Annual conferences	\$ 135,420	\$ 75,731
Curriculum fees	49,120	72,642
Examination service fees	435,389	440,395
Examination services workshops	27,300	6,986
Leadership Academy (workshop) fees	10,200	15,000
Membership fees	109,208	64,431
Sponsorship	43,000	38,185
Interest and sundry income	6,140	5,044
Legal revenue (note 7)	2,790	31,719
Pathways Project revenue	445,569	74,473
School audit fees	<u>34,500</u>	<u>6,750</u>
	<u>1,298,636</u>	<u>831,356</u>
EXPENDITURES (Schedule 1)		
Examination services	143,359	224,478
Member services	338,769	397,626
Office and administration	355,162	230,667
Pathway Project expenses	464,263	74,474
CETAC expenses	<u>15,251</u>	<u>-</u>
	<u>1,316,804</u>	<u>927,245</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	<u>\$ (18,168)</u>	<u>\$ (95,889)</u>

NATIONAL ASSOCIATION OF CAREER COLLEGES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (18,168)	\$ (95,889)
Items not affecting cash:		
Amortization	<u>3,224</u>	<u>3,096</u>
	(14,944)	(92,793)
Net changes in non-cash items related to operations:		
Accounts receivable	74,366	(108,070)
Prepaid expenses	(7,257)	5,543
Accounts payable and accrued liabilities	17,427	17,457
Legal fund	(2,790)	(6,969)
Prepaid deposits	2,647	2,753
Deferred conference fees	15,531	7,810
Deferred grant revenue	165,481	-
Deferred accreditation revenue	<u>11,000</u>	<u>-</u>
	<u>261,461</u>	<u>(174,269)</u>
CASH FLOWS (USED FOR) FROM INVESTING ACTIVITIES		
Purchases of capital assets	(1,776)	(4,102)
CETAC transfer, net	<u>(3,064)</u>	<u>1,000</u>
	<u>(4,840)</u>	<u>(3,102)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	256,621	(177,371)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>106,699</u>	<u>284,070</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 363,320</u></u>	<u><u>\$ 106,699</u></u>
CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Cash	\$ 160,855	\$ 56,699
Short-term investments	<u>202,465</u>	<u>50,000</u>
	<u><u>\$ 363,320</u></u>	<u><u>\$ 106,699</u></u>

NATIONAL ASSOCIATION OF CAREER COLLEGES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. STATUS AND NATURE OF ACTIVITIES

The Association is incorporated under the Canada Corporations Act as a not-for-profit organization and qualifies as a not-for-profit organization under the Income Tax Act. It provides representation and services to its members. Its members include career colleges and provincial associations representing career colleges.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

REVENUE RECOGNITION

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. 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. 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. Sponsorship revenue is recognized in the calendar year pertaining to the terms of the agreement. Grant revenue is recorded as revenue in accordance with the accrual basis of accounting. Interest revenue is recognized on an accrual basis using the effective interest method.

Provincial associations annually self-assess the NACC members' dues from their own provincial memberships and remit the required amount pursuant to 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.

SHORT-TERM INVESTMENTS

Short-term investments are stated at cost.

CAPITAL ASSETS

Property and equipment consisting of office furniture and computer equipment are stated at cost. Amortization of office furniture and equipment has been provided over the estimated useful lives of the assets on a 20% diminishing balance basis and computer equipment at 30% diminishing balance basis.

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.

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.

NATIONAL ASSOCIATION OF CAREER COLLEGES

NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

CONTRIBUTED SERVICES

Management of the Association estimates that voluntary members provide approximately 1,500 hours of time without compensation. The value of donated services is not readily determinable and therefore, is not recognized in these financial statements.

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 was repayable by CETAC at such time as CETAC was in a financial position to do so. Formal repayments of \$1,000 per year commenced in fiscal 2012.

Effective November 1, 2014, the Association forgave the outstanding balance owed in exchange for CETAC becoming an NACC program, with all future revenues and expenses being allocated to the Association. The net outstanding balance at November 1, 2014 has been transferred directly into the Association's unrestricted net assets.

4. 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 values of these financial instruments approximate fair value.

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 by 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.

It is management's assertion that the Association is not exposed to significant interest rate or market risk.

NATIONAL ASSOCIATION OF CAREER COLLEGES
NOTES TO THE FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2014

5. CAPITAL ASSETS

	2014			2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 3,774	\$ 1,076	\$ 2,698	\$ 1,698
Office furniture and equipment	80,580	70,788	9,792	12,240
	<u>\$ 84,354</u>	<u>\$ 71,864</u>	<u>\$ 12,490</u>	<u>\$ 13,938</u>

6. COMMITMENTS

The Association entered into a six month lease agreement for premises in British Columbia commencing on February 23, 2015. The agreement calls for minimum rents of \$709 per month, net of applicable taxes. The agreement expires on August 31, 2015.

The Association entered into a five year lease agreement for premises in Ottawa commencing on July 1, 2013. The agreement calls for minimum rents of \$2,667 per month, net of applicable taxes. The Association is also required to pay additional rents in the form of operating expense bills and property tax bills, which are submitted to the Association quarterly and semi-annually respectively. The amount of additional rents has not been disclosed as it varies each year. The agreement expires on June 30, 2018.

Subsequent to year end, the Association entered in to a 36-month Cloud service agreement at a cost of \$2,000 per month, net of applicable taxes. This agreement also required a one-time payment of \$7,500. The agreement expires on January 31, 2018.

The Association has entered into a management services contract with its CEO for the amount of \$101,120 net of applicable taxes for the 2015 fiscal year. This contract may be cancelled without penalty with ninety days notice by either party.

The Association has entered into a government relations contract with its CEO for the amount of \$47,844 net of applicable taxes for the 2015 fiscal year. This contract may be cancelled without penalty with ninety days notice by either party.

The Association has entered into a contract with its CEO to handle the transition and on-going management of the CETAC operations for the amount of \$60,000 net of applicable taxes for the 2015 fiscal year. This contract will end at the same time the management services contract ends.

7. LEGAL FUND

Monies received for the legal fund in excess of legal expenses incurred for the purpose of financing opinions on government policies affecting career colleges, are deferred to fund future expenses of this nature. During the year, \$2,790 of these legal expenses, included in professional fees, were incurred, and a corresponding amount of legal fund revenues were recognized.

NATIONAL ASSOCIATION OF CAREER COLLEGES
NOTES TO THE FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2014

8. GOVERNMENT PAYABLES

Accounts payable and accrued liabilities include the following government related amounts payable:

	<u>2014</u>	<u>2013</u>
GST/HST	<u>\$ 30,419</u>	<u>\$ 7,330</u>

9. COMPARATIVE FIGURES

Certain of the 2013 comparative figures have been reclassified in order to conform with the current year financial statement presentation.

NATIONAL ASSOCIATION OF CAREER COLLEGES

SCHEDULE 1 - EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
EXAMINATION SERVICES EXPENDITURES		
Committee meetings	\$ 47,745	\$ 27,757
Courier and shipping	7,419	4,910
Curriculum development	14,262	2,607
Equipment rental and maintenance	2,930	5,859
Examination services workshops	-	-
On-line examination fees	68,358	72,165
Salaries and benefits	-	100,846
Supplies and pins	2,645	10,334
	<u>\$ 143,359</u>	<u>\$ 224,478</u>
MEMBER SERVICES EXPENDITURES		
Annual conference	\$ 128,905	\$ 79,311
Board and committee meetings	34,779	44,913
Careers expense	1,480	263
Consulting services	153,450	228,375
International promotions	-	11,097
Leadership academy operations	1,543	32,638
Lobbying	17,312	251
Printing and reproduction	1,300	778
	<u>\$ 338,769</u>	<u>\$ 397,626</u>
OFFICE AND ADMINISTRATION EXPENSES		
Amortization	\$ 3,224	\$ 3,096
Bank charges	19,458	14,019
Computer support services	1,884	1,907
Courier and shipping	927	1,883
Insurance	4,697	1,617
Moving costs	1,712	1,427
Office repairs and maintenance	1,003	2,892
Office supplies	8,910	5,973
Professional fees (note 7)	17,249	52,100
Provision for impairment of accounts receivable	1,325	-
Rent	48,268	41,915
Salaries and benefits	225,874	96,522
Security	647	298
Subscriptions and promotions	13,645	1,757
Telephone, internet and fax	6,339	4,891
Training and development	-	370
	<u>\$ 355,162</u>	<u>\$ 230,667</u>

NATIONAL ASSOCIATION OF CAREER COLLEGES

SCHEDULE 1 - EXPENDITURES (continued) FOR THE YEAR ENDED DECEMBER 31, 2014

PATHWAY PROJECT EXPENSES

Capital costs	\$ -	\$ 5,191
Contractors	6,637	3,000
Office expense	1,707	-
Printing	13,641	-
Salaries and benefits	382,303	55,814
Telephone and internet	21,666	577
Travel	38,309	9,892
	<u>\$ 464,263</u>	<u>\$ 74,474</u>

CETAC EXPENSES

Contractors	\$ 15,000	\$ -
Office expense	251	-
	<u>\$ 15,251</u>	<u>\$ -</u>

NACC Sponsors



PEARSON

Higher
Education
Marketing



Staff Contacts

Serge Buy
Chief Executive Officer

Debbie Archer
Finance and Administration Coordinator

Adelaide Anuseh
Membership Services Coordinator

Kristin Baldwin
Director of Communications

Kayla Bimm
Administrative Assistant

Karine Hopper
Manager of Educational Programs

Kelly Mullen-Dennis (Maternity Leave)
Education Services Coordinator

NATIONAL ASSOCIATION OF
ASSOCIATION NATIONALE DES CO



**National Association
of Career Colleges** *Since 1896*



**Association nationale des
collèges de carrières** *Depuis 1896*