

National Association of Career Colleges

# 2020 DIGITAL AGM

Friday, December 4th, 2020



2019 AGM  
Minutes

2019 Audited  
Financial  
Statements



**NATIONAL ASSOCIATION OF CAREER COLLEGES**  
**L'ASSOCIATION NATIONALE DES COLLEGES DE CARRIERES**

**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 8th day of November 2019.

**Present:**

John Ballam, Greystone College, BC  
Mohammed Baten, ABM College, ON  
Syeda Baten, ABM College, ON  
Stuart Bentley, triOS College, ON  
Aoife Berkery, Greystone College, ILSC, ON  
Jean Philippe Bourdeau, Greystone College, QC  
Audrey Brattberg, AOL, AB  
Blair Chapman, Saskatoon Business College, SK  
Tayna Cioffi, Medix College of Healthcare, ON  
James Connery, Louis Riel Vocational College, MB  
Emidio D'Alfonso, Medix College of Healthcare, ON  
Peter Dykstra Sr. , Medix College of Healthcare, ON  
Peter Dykstra Jr. , Medix College of Healthcare, ON  
Kathy Edge, triOS College, ON  
Ginette Gervais, ACPNS, QC  
George Hood, Herzing College, ON  
George Khoury, AOL, ON  
Cynthia Lidster, Altantic College of Applied Health Science, NB  
James Loder, Academy Canada, NF  
Simone Maillet, Eastern College, NB  
David Matthews, Greystone College, ON  
Michael McAllister, Herzing College, QC  
Susan Menzies, Algonquin College, ON  
Jeremy Nichols, Commercial Safety College, NS  
Ljubica Pavkovic, MaKami College, AB  
Grace Pyo, Greystone College, BC  
Merv Richelhoff, AOL, SK  
Stephanie Rossee, Bredin College of Business, AB  
JP Roszell, Anderson College, ON  
Adrian Sharma, Cestar College of Business, Health & Technology, ON  
Des Soye, Algonquin Careers Academy, ON  
Rex Spaulding, North American Trade School, ON  
Carey Stevenson, Bredin College of Business, AB  
Steve Taylor, Keyin College, NL  
Craig Tucker, Keyin College, NL  
Glenn Van Iderstine, Sundance College, AB  
Sunita Vyas, AOL, ON  
Meenakshi Vyas, AOL, ON  
Dyson Wells, CCO, ON



Coryne Yacucha, AOL, AB

Lian Zhang, Canadian Business Skills of Technology, ON

**Non-Voting:**

Denis Sabourin, CEO NACC

Claire Sabourin, NACC Staff

Dana Archer, NACC Staff

Debbie Archer, NACC Staff

Mike Grodzinski, NACC Staff

Alex Carberry, NACC Staff

Edit Mate, NACC Staff

Kevin Lamoureux, NACC Staff

The CEO, Denis Sabourin presented the First Nation Acknowledgement to the room before the commencement of the meeting.

1. Call to Order

The meeting was called to order at 11:05 a.m. EST on November 8<sup>th</sup>, 2019 by Dr. Michael McAllister and he confirmed quorum.

2. Approval of the Agenda

Michael McAllister, Chair asked to move to vote on the acceptance of the agenda circulated in advance.

On motion duly made by George Hood, Herzing College, seconded by Peter Dykstra, Jr. Medix College of Healthcare and duly carried, the following resolution was passed unanimously:

**RESOLVED THAT the Agenda be approved as presented.**

3. Approval of the Minutes from the October 26<sup>th</sup> 2018 AGM

The minutes from the 2018 AGM had been circulated prior to the meeting.

On motion duly made by Peter Dykstra, Medix College of Healthcare, seconded by Grace Pyo, Greystone College and duly carried, the following resolution was passed unanimously:

**RESOLVED THAT the minutes of October 26th 2018, AGM be approved.**



#### 4. Chairman's Address

Michael spoke about how 2019 was a year of change. NACC welcomed Denis Sabourin as the new CEO, and a new Educational Coordinator. He thanked the Board for their work over the past year and looks forward to the work for the 2020 year.

#### 5. CEO Address, Denis Sabourin

Denis spoke about his first year as the new CEO at NACC. He thanked the current staff for welcoming him to the group. He spoke about steps that NACC has taken to strengthen its governance policy and delivering results for membership. He did a presentation on celebrating our 125<sup>th</sup> year in 2021 with the proposal of a coffee table book.

#### 6. Election of Directors-at-Large

Chair of the Nomination Committee, Jeremy Nichols explained the process for the election of the Board Members. There were two positions open. The nomination committee presented two name to fill those positions: George Hood and Edmund Stavitzky. Jeremy asked for nominations from the floor. With no further nominations. Jeremy closes the nominations.

George Hood and Edmund Stavitzky are acclaimed and Jeremy congratulates them both.

The elections are closed.

#### 7. Financial Reports

Stuart Bentley, Treasurer presents the 2018 Audited Financial Statements. He started by noting that there were no complications with the audit and that it was a clean audit, no significant risk due to one large customer, interest rate changes or market risk.

Highlights include: cash, investments, accounts receivable are lower than previous year; prepaid expenses are slighter higher and there are minimal capital assets.

Accounts payable and overall liabilities are significantly lower than last year, resulting in a positive increase in net assets.

Cash and investments are more than adequate to cover future operating costs.

On motion duly made by Michael McAllister, seconded by Emidio D'Alfonso and duly carried, the following resolution was passed unanimously :

**RESOLVED THAT the Audited Financial Statements for 2018 be approved as presented.**



#### Appointment of Auditor for 2019

On motion duly made by Mike McAllister, seconded by JP Roszell that Parker Prins Lebano be appointed as auditor for NACC for 2019.

#### 8. Approval of Proposed Amendments to the By-laws

Stuart Bentley explained that there were large number of proposed changes and a vote would be cast at the end of the presentation and would include all proposed changes instead of voting on each change individually. An opportunity would be provided to ask any questions before the vote.

Following the presentation:

On motion duly made by Grace Pyo, and seconded by Jeremy Nichols and duly carried, the following resolution was passed:

**RESOLVED THAT all by-laws be amended as presented.**

#### 9. Ratification of Board Activities

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

**RESOLVED THAT** the actions of the Board of Directors in 2018 be ratified by the members.

#### 10. Motion to Adjourn

There being no further business to come before the meeting, on motion duly made by Michael McAllister, seconded by Stuart Bentley and duly carried, at 12:07 p.m. EST, the meeting adjourned.

**NATIONAL ASSOCIATION OF CAREER COLLEGES**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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**PARKER PRINS LEBANO**  
**Chartered Professional Accountants**  
Professional Corporation

**INDEPENDENT AUDITORS' REPORT**

To the Members of the:  
**NATIONAL ASSOCIATION OF CAREER COLLEGES**

**Opinion**

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, 2019, and the Statements Of Changes In Net Assets, Operations, and Cash Flows for the year then ended, and Notes To The Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the National Association of Career Colleges as at December 31, 2019, 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.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the National Association of Career Colleges in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the National Association of Career Colleges' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the National Association of Career Colleges or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the National Association of Career Colleges' financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 National Association of Career Colleges' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Association of Career Colleges' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the National Association of Career Colleges to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Parker Prins Lebano Chartered Professional Accountants Professional Corporation  
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario  
February 19, 2020



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# NATIONAL ASSOCIATION OF CAREER COLLEGES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 66,404	\$ 5,082
Short-term investments	137,760	93,841
Accounts receivable	23,504	16,030
Prepaid expenses	<u>22,398</u>	<u>37,492</u>
	250,066	152,445
<b>CAPITAL ASSETS (note 4)</b>	<u>6,165</u>	<u>5,647</u>
	<u>\$ 256,231</u>	<u>\$ 158,092</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (note 7)	\$ 47,950	\$ 29,312
Prepaid deposits	-	118
Deferred membership revenue	3,186	752
Deferred audit revenue	<u>1,000</u>	<u>1,000</u>
	<u>52,136</u>	<u>31,182</u>
<b>NET ASSETS</b>		
<b>INVESTED IN CAPITAL ASSETS</b>	6,165	5,647
<b>UNRESTRICTED NET ASSETS</b>	<u>197,930</u>	<u>121,263</u>
	<u>204,095</u>	<u>126,910</u>
	<u>\$ 256,231</u>	<u>\$ 158,092</u>

Approved by the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

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# NATIONAL ASSOCIATION OF CAREER COLLEGES

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2019

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	<u>2019</u>	<u>2018</u>
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance, beginning of year	\$ 5,647	\$ 7,120
Amortization	(1,612)	(1,663)
Investment in capital assets	<u>2,130</u>	<u>190</u>
Balance, end of year	<u>\$ 6,165</u>	<u>\$ 5,647</u>
<b>UNRESTRICTED NET ASSETS</b>		
Balance, beginning of year	\$ 121,263	\$ 78,617
Excess of revenue over expenditures	77,185	41,173
Amortization	1,612	1,663
Investment in capital assets	<u>(2,130)</u>	<u>(190)</u>
Balance, end of year	<u>\$ 197,930</u>	<u>\$ 121,263</u>

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# NATIONAL ASSOCIATION OF CAREER COLLEGES

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

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	2019	2018
<b>REVENUE</b>		
Annual conferences	\$ 63,495	\$ 56,080
Curriculum fees	51,792	44,600
Examination service fees	456,146	452,166
Examination services workshops	27,933	26,800
Membership fees	137,812	146,788
RCC management academy	24,750	-
Sponsorship	-	17,750
Interest and sundry income	19,769	13,062
School audit fees	27,000	24,750
	<u>808,697</u>	<u>781,996</u>
<b>EXPENDITURES (Schedule 1)</b>		
Examination services	120,391	116,881
Member services	172,893	327,810
Office and administration	438,228	296,132
	<u>731,512</u>	<u>740,823</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ 77,185</u>	<u>\$ 41,173</u>

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# NATIONAL ASSOCIATION OF CAREER COLLEGES

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

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	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 77,185	\$ 41,173
Items not affecting cash:		
Amortization	<u>1,612</u>	<u>1,663</u>
	78,797	42,836
Net changes in non-cash items related to operations:		
Accounts receivable	(7,474)	9,067
Prepaid expenses	15,094	(6,117)
Accounts payable and accrued liabilities	18,638	(53,378)
Prepaid deposits	(118)	(90)
Deferred membership revenue	<u>2,434</u>	<u>-</u>
	<u>107,371</u>	<u>(7,682)</u>
<b>CASH FLOWS USED FOR INVESTING ACTIVITIES</b>		
Purchases of capital assets	<u>(2,130)</u>	<u>(190)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	105,241	(7,872)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>98,923</u>	<u>106,795</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 204,164</u>	<u>\$ 98,923</u>
<b>CASH AND CASH EQUIVALENTS REPRESENTED BY:</b>		
Cash	\$ 66,404	\$ 5,082
Short-term investments	<u>137,760</u>	<u>93,841</u>
	<u>\$ 204,164</u>	<u>\$ 98,923</u>



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# NATIONAL ASSOCIATION OF CAREER COLLEGES

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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### 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 on a 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.

#### 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.



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# NATIONAL ASSOCIATION OF CAREER COLLEGES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2019

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### 3. 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.

### 4. CAPITAL ASSETS

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 8,335	\$ 5,379	\$ 2,956	\$ 1,636
Office furniture and equipment	80,580	77,371	3,209	4,011
	<u>\$ 88,915</u>	<u>\$ 82,750</u>	<u>\$ 6,165</u>	<u>\$ 5,647</u>

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# NATIONAL ASSOCIATION OF CAREER COLLEGES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2019

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### 5. COMMITMENTS

The Association entered into a two year lease agreement for premises in Ottawa commencing on July 1, 2018. 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, 2020.

On February 1, 2015, 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 expired on January 31, 2018. The Association has continued with this service on a month to month basis at the same cost.

### 6. LEGAL FUND

Management is no longer deferring the receipt of legal fund revenues collected for the purpose of financing future opinions on government policies affecting career colleges.

### 7. GOVERNMENT PAYABLES

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

	<u>2019</u>	<u>2018</u>
GST/HST	<u>\$ 9,003</u>	<u>\$ 2,584</u>

### 8. COMPARATIVE FIGURES

Certain of the 2018 comparative figures have been reclassified in order to conform with the current year financial statement presentation.

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# NATIONAL ASSOCIATION OF CAREER COLLEGES

## SCHEDULE 1 - EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2019

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	<u>2019</u>	<u>2018</u>
<b>EXAMINATION SERVICES EXPENDITURES</b>		
Committee meetings	\$ 31,250	\$ 28,747
Courier and shipping	5,240	4,773
Curriculum development	12,344	7,699
Exam fees - IDP	27,000	37,875
On-line examination fees	24,000	26,250
Supplies and pins	20,557	11,537
	<u>\$ 120,391</u>	<u>\$ 116,881</u>
<b>MEMBER SERVICES EXPENDITURES</b>		
Annual conference	\$ 38,901	\$ 34,025
Board and committee meetings	53,978	46,075
Consulting services	40,208	219,375
Domestic promotions	25,010	24,315
International promotions	11,628	1,248
Lobbying	208	-
Printing and reproduction	2,960	2,772
	<u>\$ 172,893</u>	<u>\$ 327,810</u>
<b>OFFICE AND ADMINISTRATION EXPENDITURES</b>		
Amortization	\$ 1,612	\$ 1,663
Bank charges	20,068	20,148
Computer support services	4,897	4,310
Courier and shipping	129	145
Insurance	6,387	5,684
Office supplies	5,342	3,724
Professional fees	14,662	13,000
Provision for impairment of accounts receivable	2,664	2,227
Rent	45,061	44,732
Salaries and benefits	320,850	190,524
Security	251	251
Subscriptions and promotions	7,509	5,694
Telephone, internet and fax	8,796	4,030
	<u>\$ 438,228</u>	<u>\$ 296,132</u>