



coast
mountain
college

coastmountaincollege.ca

Statement of Financial Information

Schedules required by the Financial Information
Act For the year ended March 31, 2021



**Statement of Financial Information
Required under the Financial Information Act
For the Year Ended March 31, 2021**

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Statement of Financial Information Approval

The undersigned represents the Board of Governors of Coast Mountain College and acknowledges that the Board of Governors has approved the audited Financial Statements of Coast Mountain College and all other statements and schedules included in this Statement of Financial Information (SOFI).

The College Board carries out its financial responsibility by regularly reviewing the College's financials reports as prepared by Management. The Board relies upon Management's design and implementation of internal control systems and the necessary accounting processes to produce the reports included in the Statement of Financial Information (SOFI). The Board relies upon Management that the included information has been prepared in compliance with the Financial Information Act.



Nicole Halbauer
Chair, Board of Governors
September 2021



Financial Statements of

Coast Mountain College

Year ended March 31, 2021

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Management's Report

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, as required by Section 23.1 of the Budget Transparency and Accountability Act of the Province of BC, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

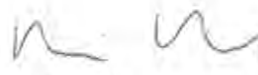
The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Finance and Audit Committee. The Finance and Audit Committee reviews internal financial statements on a quarterly basis and external audited financial statements yearly.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. Their examination considers internal control relevant to management's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of Coast Mountain College's internal controls. The external auditors have full and free access to the Finance and Audit Committee of Coast Mountain College and meet with them when required.

On behalf of Coast Mountain College



Ernie Dusdal
Chair, Finance and Audit Committee



Michael Doyle
Vice-President, Corporate Services

Independent Auditor's Report

To the Board of Governors of Coast Mountain College, and
To the Ministry of Advanced Education and Skills Training, Province of British Columbia

Opinion

We have audited the accompanying financial statements of Coast Mountain College (the College), which comprise the Statement of Financial Position as at March 31, 2021, and the Statements of Operations and Accumulated Surplus, Changes in Net Debt, 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 of Coast Mountain College as at and for the year ended March 31, 2021 are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia (the Act).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the College 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2(a) to the financial statements, which describes the basis of accounting. The financial statements are prepared in order for the College to meet the reporting requirements of the Act referred to above. Note 2(a) to the financial statements discloses the impact of these differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the Act, 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 College's 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 College, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.



Auditor's 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 auditor's 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 College's 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 College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However future events or conditions may cause the College to cease to continue as a going concern.

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.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
June 11, 2021


Coast Mountain College

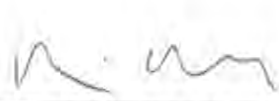
Statement of Financial Position

As at March 31, 2021

[In thousands of dollars]

	Note	March 31, 2021	March 31, 2020
Financial assets			
Cash and cash equivalents	3	\$ 20,213	\$ 11,626
Accounts receivable	4	538	507
Inventory held for resale		270	265
		<u>21,021</u>	<u>12,398</u>
Liabilities			
Accounts payable and accrued liabilities	5	9,024	3,141
Accrued employee entitlements	6	1,503	1,550
Payroll liabilities	7	655	745
Deferred revenue	8	4,405	3,051
Deferred contributions	9	282	278
Deferred capital contributions	10	57,927	46,057
		<u>73,796</u>	<u>54,822</u>
Net debt		<u>(52,775)</u>	<u>(42,424)</u>
Non-financial assets			
Tangible capital assets	11	59,543	49,510
Accumulated surplus	13	<u>\$ 6,768</u>	<u>\$ 7,086</u>
<i>Contractual obligations</i>	15		
<i>Contingent liabilities</i>	16		

Signature 
Ernie Dusdal, Chair, Finance and Audit Committee

Signature 
Michael Doyle, Vice President, Corporate Services

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

Coast Mountain College

Statement of Operations and Accumulated Surplus

For the Year Ended March 31, 2021

[in thousands of dollars]

	Note	Budget Note 2(k)	2021	2020
Revenues				
Government transfers		\$ 21,197	\$ 23,751	\$ 23,010
Tuition and other fees		6,153	4,758	5,474
Contract services and other		3,405	2,417	3,033
Ancillary services		1,216	329	1,248
Gain on disposal of capital assets		-	102	313
Amortization of deferred capital contributions	10	2,900	4,094	3,630
		<u>34,871</u>	<u>35,451</u>	<u>36,708</u>
Expenses				
Instruction and support		30,044	30,160	30,981
Ancillary		1,527	1,062	1,741
Amortization		3,300	4,547	3,984
	17	<u>34,871</u>	<u>35,769</u>	<u>36,706</u>
Annual (deficit) surplus		<u>-</u>	<u>(318)</u>	<u>2</u>
Accumulated surplus, beginning of year			<u>7,086</u>	<u>7,084</u>
Accumulated surplus, end of year			<u><u>\$ 6,768</u></u>	<u><u>\$ 7,086</u></u>

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

Coast Mountain College

Statement of Change in Net Debt For the Year Ended March 31, 2021 [In thousands of dollars]

	Budget (Unaudited)	2021	2020
Annual (deficit) surplus	\$ -	\$ (318)	\$ 2
Acquisition of tangible capital assets	-	(14,580)	(3,314)
Disposition of tangible capital assets, net book value	-	-	1
Amortization of tangible capital assets	3,300	4,547	3,984
	<u>3,300</u>	<u>(10,033)</u>	<u>671</u>
(Increase) decrease in net debt	<u>3,300</u>	<u>(10,351)</u>	<u>673</u>
Net debt at beginning of year	<u>(42,424)</u>	<u>(42,424)</u>	<u>(43,097)</u>
Net debt at end of year	<u><u>\$ (39,124)</u></u>	<u><u>\$ (52,775)</u></u>	<u><u>\$ (42,424)</u></u>

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

Coast Mountain College

Statement of Cash Flows

For the Year Ended March 31, 2021

[In thousands of dollars]

	<i>Note</i>	2021	2020
Cash flows from operating transactions			
Annual (deficit) surplus		\$ (318)	\$ 2
Items not involving cash:			
Gain on disposal of tangible capital assets		(102)	(313)
Amortization of tangible capital assets		4,547	3,984
Amortization of deferred capital contributions		(4,094)	(3,630)
		33	43
Increase (decrease) in non-cash operating items	18	5,710	734
Increase (decrease) in deferred revenues		1,358	(194)
Cash provided by operating transactions		7,101	583
Capital transactions			
Acquisition of tangible capital assets		(14,580)	(3,314)
Proceeds from sale of tangible capital assets		102	314
Cash applied to capital transactions		(14,478)	(3,000)
Financing transactions			
Deferred capital contributions received		15,964	2,723
Increase (decrease) in cash		8,587	306
Cash at beginning of year		11,626	11,320
Cash at end of year		\$ 20,213	\$ 11,626

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

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

1. Authority and Purpose

Coast Mountain College (the "College") is a post-secondary educational institution incorporated under the provisions of the College and Institute Act of British Columbia. The College is a not-for-profit entity governed by a Board of Governors and is funded principally by the provincial government of British Columbia through the Ministry of Advanced Education and Skills Training. The College is a registered charity and is therefore exempt from income taxes under section 149 of the *Income Tax Act*.

2. Significant Accounting Policies

(a) Basis of accounting

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act (BTAA) of the Province of British Columbia and the Restricted Contribution Regulation 198/2011 issued pursuant to it. This requires that these financial statements be prepared in accordance with Canadian public sector accounting standards (PSAS) issued by the Public Sector Accounting Board of CPA Canada except that the contributions received or receivable by the College for the purpose of acquisition of tangible capital assets are accounted for as deferred capital contributions.

The basis of accounting that the College has adopted is different from PSAS with respect to the timing of revenue recognition for government transfers. If the College had recorded government transfers under PSAS rather than the accounting policy described in note 2(g)(i), capital contributions recognized as revenue and the annual surplus for the year ended March 31, 2021 would have increased by \$11,870 (March 31, 2020 – decrease \$907). Consequentially, as at March 31, 2021, deferred capital contributions used to purchase tangible capital assets would have decreased and the accumulated surplus would have increased by \$57,927 (March 31, 2020 – \$46,057). Under PSAS, the total cash flows from operating, financing, and capital transactions for the years ended March 31, 2021 and 2020 would have been the same as reported in these financial statements.

(b) Cash and cash equivalents

Cash and cash equivalents include term deposits with a term to maturity of three months or less at the date of purchase.

(c) Financial assets

Financial assets are classified into two categories: fair value or cost.

(i) Fair value category: Portfolio instruments that are quoted in an active market and derivative instruments are reflected at fair value as at the reporting date. Transaction costs related to the acquisition of financial assets is recorded as an expense. There were no financial instruments designated in the fair value category.

(ii) Cost/Amortized cost category: Assets are recorded at amortized cost, being original cost plus accumulated interest using effective interest method. Gains and losses are recognized in the

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

2. Significant Accounting Policies

(c) Financial assets

Statement of Operations and Accumulated Surplus when the financial asset is derecognized due to disposal or impairment. Sales and purchases of financial assets are recorded on the trade date. Transaction costs related to the acquisition of financial assets are included in the cost of the related financial assets.

Accounts receivable are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities are measured at amortized cost using the effective interest method. Any gains, losses or interest expense is recorded in the annual surplus depending on the nature of the financial liability that gave rise to the gain, loss or expense.

(d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives shown below. Land is not amortized as it is deemed to have a permanent value:

Site improvements	10 years
Buildings	
- Wood frame	20 years
- Concrete/steel	40 years
Furniture and equipment	5 years
Computer hardware and software	4 years
Library holdings	10 years
Landscaping	15 years

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the College's ability to provide goods and services, or when the value of future economic benefits

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

2. Significant Accounting Policies

(d) Non-financial assets

- (i) Tangible capital assets associated with the tangible capital assets are less than their net book value.

Contributed tangible capital assets are recorded at their fair value on the date of contribution. When fair value of a contributed asset cannot be reliably determined, the asset is recorded at nominal value.

- (ii) Works of art and historic assets

Works of art and historic assets are not recorded as assets in these financial statements.

- (iii) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(e) Accrued employee entitlements

- (i) Defined benefit plans

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan (jointly trusted pension plans). The board of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2019, the College Pension Plan has about 15,000 active members, and approximately 9000 retired members. As at December 31, 2019 the Municipal Pension Plan has about 213,000 active members, including approximately 6,000 from colleges.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for College Pension Plan as at August 31, 2018, indicated a \$303 million surplus for basic pension benefits on a going concern basis.

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

2. Significant Accounting Policies

(e) Accrued employee entitlements

(i) Defined benefit plans

The most recent valuation for the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

Coast Mountain College paid \$1,605 for employer contributions to the plans in fiscal 2021 (2020 - \$1,517).

The next valuation for the College Pension Plan will be as at August 31, 2021 with results available in 2022. The next valuation for the Municipal Pension Plan will be December 31, 2021 with results available in 2022.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

(ii) Retirement allowances and sick leave cash out benefits

Certain benefits are also available to the College's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service life of the employees.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

The College's short-term employee benefits include accrued vacation, banked overtime and early retirement incentives. Employees of the College do not accumulate sick leave beyond one year and therefore there is no liability recognized.

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

2. Significant Accounting Policies

(f) Payroll liabilities

Payroll liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

The College's payroll liabilities include wages and payroll remittance accruals, employee benefits, professional development accruals, payments to the College and Municipal Pension Plans, and other short-term payroll accruals.

(g) Revenue recognition

Tuition and other fees are reported as revenues over the duration of the course or school year. Tuition fees are deferred for the portion of the courses held in the next fiscal year and for those students who need to delay their start date. The sale of goods, contract services and ancillary services are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured.

Unrestricted donations and grants are recorded as revenue when receivable if the amounts can be estimated and collection is reasonably assured. Pledges from donors are recorded as revenue when payment is received by the College or the transfer of property is completed.

Restricted donations and grants are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

(iii) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, for use in providing services are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

(iv) Contributions restricted for specific purposes other than for those to be held in perpetuity or the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met.

Investment income includes interest recorded on an accrual basis and write-downs on investments where the loss in value is determined to be other-than-temporary.

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

2. Significant Accounting Policies

(h) Use of estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures. Key areas where management has made estimates and assumptions include those related to estimated useful life of tangible capital assets and the present value of employee future benefits and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(i) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the financial statement date when an environmental standard exists, contamination exceeds the standard, and it is expected that future economic benefits will be given up and the liability can be reasonably estimated.

(j) Foreign currency translation

The College's functional currency is the Canadian dollar. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities which were designated in the fair value category under the financial instrument standard are reflected in the financial statements in equivalent Canadian dollars at the exchange rate in effect on the balance sheet date. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or balance sheet date is recognized in the Statement of Operations.

(k) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the College's Fiscal 2020/2021 Budget approved by the Board of Governors of the College on April 3, 2020. The budget is reflected in the Statement of Operations and Accumulated Surplus.

As the budget was prepared in the spring of 2020 the estimates were based on Ministry and Contract funding secured at the time of preparation. There are variances as management will obtain additional funding contracts throughout the year and incur related expenditures once funding is approved.

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

3. Cash and cash equivalents

	2021	2020
Restricted	\$ 282	\$ 277
Unrestricted	19,931	11,349
Total	<u>\$ 20,213</u>	<u>\$ 11,626</u>

Restricted cash is comprised of funds held for externally restricted purposes and is related to bursary funds and funds held in trust. (Note 9).

4. Accounts receivable

Accounts receivable are recorded net of allowance for doubtful receivables of \$31 (2020 - \$30).

5. Accounts payable and accrued liabilities

	2021	2020
Accounts payable	\$ 231	\$ 649
Accrued liabilities	882	384
Capital projects and associated holdbacks	4,505	-
Other accrued liabilities	27	140
Student deposits	3,379	1,968
Balance, end of year	<u>\$ 9,024</u>	<u>\$ 3,141</u>

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

6. Accrued employee entitlements

Accrued employee entitlements are comprised of the following:

	2021	2020
Accrued vacation	\$ 644	\$ 577
Accrued overtime	35	53
Retirement allowances	609	602
Executive benefits and days in lieu	81	67
Early retirement incentives	50	185
Severance	84	66
Balance, end of year	<u>\$ 1,503</u>	<u>\$ 1,550</u>

Retirement allowances:

The College provides retirement allowances to its eligible employees based on eligibility, years of service and final salary. These allowances include retirement allowance benefits for BCGEU instructors and support staff and sick leave cash-out benefits for CUPE members. The liability associated with these benefits is calculated based on the present value of expected future payments pro-rated for services.

The fair value has been determined using a discounted cash flow analysis with an appropriate discount factor, which at March 31, 2021 was determined to be 3.25% (2020 – 3.25%).

	2021	2020
Retirement allowances		
Balance, beginning of year	\$ 602	\$ 596
Current service cost	48	47
Interest cost	21	21
Amortization of net actuarial losses	10	10
Benefits paid	(72)	(72)
Accrued benefit liability, end of year	<u>\$ 609</u>	<u>\$ 602</u>

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

6. Accrued employee entitlements

An actuarial valuation for these benefits was performed to determine the College's accrued benefit obligation as at March 31, 2021. The difference between the actuarially determined accrued benefit obligation of \$644 and the accrued benefit liability of \$609 is an unamortized actuarial loss of \$35. The actuarial loss is amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2021	2020
Accrued benefit obligation		
Liability, end of year	\$ 609	\$ 602
Unamortized actuarial loss	35	45
Balance, end of year	<u>\$ 644</u>	<u>\$ 647</u>

7. Payroll liabilities

Payroll liabilities are comprised of the following:

	2021	2020
Payroll accruals	\$ 357	\$ 321
Pension benefits	19	6
Professional development accruals	257	392
Other	22	26
Balance, end of year	<u>\$ 655</u>	<u>\$ 745</u>

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

8. Deferred revenue

Deferred revenue is comprised of contract services and deferred tuition revenue.

Changes in deferred revenue are as follows:

	2021	2020
Balance, beginning of year	\$ 3,051	\$ 3,100
Contributions received during the year	6,706	2,890
Revenue recognized	(5,352)	(2,939)
Balance, end of year	<u>\$ 4,405</u>	<u>\$ 3,051</u>

9. Deferred contributions

Deferred contributions are funds restricted for bursaries and scholarships:

	2021	2020
Balance, beginning of year	\$ 278	\$ 423
Contributions received during the year	310	181
Revenue recognized	(306)	(326)
Balance, end of year	<u>\$ 282</u>	<u>\$ 278</u>

10. Deferred capital contributions

Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset. Treasury Board provided direction on accounting treatment as disclosed in Note 2. Changes in the deferred capital contributions balance are as follows:

	2021	2020
Balance, beginning of year	\$ 46,057	\$ 46,964
Contributions received during the year	15,964	2,723
Revenue recognized	(4,094)	(3,630)
Balance, end of year	<u>\$ 57,927</u>	<u>\$ 46,057</u>

Included in deferred capital contributions at March 31, 2021 is \$2,392 of contributions not yet spent on tangible capital assets (2020 - \$1,298).

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

11. Tangible capital assets

Cost	Balance at March 31, 2020	Additions	Disposals	Transfers	Balance at March 31, 2021
Land and land improvements	\$ 1,623	\$ -	\$ -	\$ -	\$ 1,623
Buildings	75,498	1,797	-	397	77,692
Furniture and equipment	18,779	164	(201)	-	18,742
Computer hardware and software	2,008	76	-	-	2,084
Library holdings	1,720	-	-	-	1,720
Work in progress	1,329	12,543	-	(397)	13,475
Total	\$ 100,957	\$ 14,580	\$ (201)	\$ -	\$ 115,336

Accumulated amortization	Balance at March 31, 2020	Amortization expense	Disposals	Balance at March 31, 2021
Buildings	\$ 34,183	\$ 2,827	\$ -	\$ 37,010
Furniture and equipment	14,120	1,453	(201)	15,372
Computer hardware and software	1,524	234	-	1,758
Library holdings	1,620	33	-	1,653
Total	\$ 51,447	\$ 4,547	\$ (201)	\$ 55,793

	Net book value March 31, 2021
Land and land improvements	\$ 1,623
Buildings	40,681
Furniture and equipment	3,370
Computer hardware and software	326
Library holdings	68
Work in progress	13,475
Total	\$ 59,543

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

11. Tangible capital assets

Cost	Balance at March 31, 2019	Additions	Disposals	Transfers	Balance at March 31, 2020
Land and land improvements	\$ 1,623	\$ -	\$ -	\$ -	\$ 1,623
Buildings	74,406	885	(413)	620	75,498
Furniture and equipment	17,308	1,280	(1,279)	1,470	18,779
Computer hardware and software	2,515	20	(527)	-	2,008
Library holdings	1,720	-	-	-	1,720
Work in progress	2,290	1,129	-	(2,090)	1,329
Total	\$ 99,862	\$ 3,314	\$ (2,219)	\$ -	\$ 100,957

Accumulated amortization	Balance at March 31, 2019	Amortization expense	Disposals	Balance at March 31, 2020
Buildings	\$ 31,908	\$ 2,688	\$ (413)	\$ 34,183
Furniture and equipment	14,431	967	(1,278)	14,120
Computer hardware and software	1,762	289	(527)	1,524
Library holdings	1,580	40	-	1,620
Total	\$ 49,681	\$ 3,984	\$ (2,218)	\$ 51,447

	Net book value March 31, 2020
Land and land improvements	\$ 1,623
Buildings	41,314
Furniture and equipment	4,659
Computer hardware and software	484
Library holdings	101
Work in progress	1,329
Total	\$ 49,510

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

11. Tangible capital assets

(a) Assets under construction

Assets under construction have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Works of art and historical treasures

The College manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at the College sites and public display areas. These assets are not recorded on these financial statements.

(c) Write-down of tangible capital assets

There was no write-down of tangible capital assets during the year (2020 - \$NIL).

12. Financial risk management

The College has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and fair value. The Board of Governors ensures that the College has identified its major risks and ensures that management monitors and controls them.

(a) Credit risk

Credit risk is the risk of financial loss to the College if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the College consisting of cash and accounts receivable.

The College manages its credit risk by reviewing the credit history of new customers before extending credit and by conducting regular reviews of its existing customer's credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The College has a significant number of customers which minimizes the concentration of credit risk. The College limits its exposure to credit risk by placing its cash with chartered banks and the Ministry of Finance.

(b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the College's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

12. Financial risk management

(b) Market risk

It is management's opinion that the College is not exposed to significant market or interest rate risk arising from its financial instruments. Cash equivalents include deposits held in the Ministry of Finance's Central Deposit Program which are recorded at cost plus accrued interest. These deposits earn interest at the prime lending rate of the principal banker to the Province of BC minus 1.5%.

(c) Liquidity risk

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they become due.

The College manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the College's reputation.

(d) Fair value of financial instruments

Generally accepted accounting principles define the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

Cash, accounts receivable, accounts payables and accrued liabilities - the carrying amounts approximate fair value because of the short maturity of these instruments.

The College is not exposed to any material fair value risk.

13. Accumulated surplus

Accumulated surplus is comprised of the following:

	2021	2020
Operating	\$ 2,760	\$ 2,335
Invested in tangible capital assets	4,008	4,751
Total	<u>\$ 6,768</u>	<u>\$ 7,086</u>

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

14. Endowments

The College has endowment funds with the Vancouver Foundation. The funds are permanent funds with the Foundation and provide income for scholarships and bursaries at the College. The Funds are not under College ownership or control and therefore have not been included in the financial statements. The College has recorded its contributions to the Fund as donation expenditures. The College earned income of \$52 (2020 - \$50) from the Funds during the year. Income related to scholarships, awards or bursaries is recorded as deferred contributions until disbursed.

Changes to the endowment balances are as follows:

	2021		2020	
	Cost	Market Value	Cost	Market Value
Northwest Community College Endowment Fund	\$ 588	\$ 887	\$ 588	\$ 746
Morice Community Skills Centre Legacy Fund	181	245	181	206
NWCC School of Exploration and Mining Endowment Fund	203	302	203	256
Balance, end of year	\$ 972	\$ 1,434	\$ 972	\$ 1,208

15. Contractual obligations

The nature of the College's activities can result in multiyear contracts and obligations whereby the College will be committed to make future payments. Significant contractual obligations related to operations that can be reasonably estimated are as follows:

	2021	2020	Thereafter	Total
Lease agreements	\$ 76	\$ 87	\$ 33	\$ 109

16. Contingent liabilities

The nature of the College's activities is such that there is litigation pending or in progress at any time. With respect to unsettled claims at March 31, 2021, management is of the opinion that the College has valid defences and appropriate insurance coverage in place, or if there is unfunded risk, such claims are not expected to have material effect on the College's financial position. Outstanding contingencies are reviewed on an ongoing basis and any unfunded risk is provided for based on management's best estimate of the ultimate settlement.

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

17. Expenses by object

The following is a summary of expenses by object:

	2021	2020
Personnel	\$ 22,301	\$ 22,235
Instruction and service contracts	4,743	3,730
Supplies	525	1,250
Cost of goods sold	191	392
Advertising and promotion	318	176
Building and equipment costs	1,229	1,941
Building leases	12	23
Janitorial	668	648
Other	300	551
Telecommunications	232	191
Travel	126	990
Utilities	577	595
Amortization	4,547	3,984
Total	<u>\$ 35,769</u>	<u>\$ 36,706</u>

18. Supplementary cash flow information

Net change in non-cash working capital

	2021	2020
Accounts receivable	\$ (31)	\$ 1,661
Inventory held for resale	(5)	(26)
Accounts payable and accrued liabilities	5,883	(657)
Accrued employee entitlements	(47)	57
Payroll liabilities	(90)	(301)
	<u>\$ 5,710</u>	<u>\$ 734</u>

Coast Mountain College

Notes to the Financial Statements

Year ended March 31, 2021 with comparative figures for 2020

[in thousands of dollars]

19. CMTN Foundation

The College has an economic interest in the CMTN Foundation ("Foundation"). The net assets and results of operations of the Foundation have not been included in these financial statements as it is controlled by a separate Board. The Foundation is a separate organization formed to provide scholarships and bursaries for students of the College and to raise funds and awareness to enrich the learning experience at the College. The College provides some financial support to the Foundation. During the year, financial support of \$NIL (2020 - \$150) was provided to the Foundation.

20. Uncertainty due to COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization.

During the year, the College has continued to offer educational services to students, including an increase in distributed learning offerings and hybrid courses where certain elements cannot be offered remotely. As the impacts of COVID-19 continue, there could be further effects on the College, its employees, students, suppliers and other third party business associates.

Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, the College is not able to fully estimate the effects of the pandemic on its results of operations, financial condition or liquidity at this time.

Schedule of Debts
For the year ended March 31, 2021

As of March 31, 2021 Coast Mountain College does not have any outstanding debt to report.



Schedule of Guarantee and Indemnity Agreements For the year ended March 31, 2021

Coast Mountain College has given three (3) indemnities under the Guarantees and

Indemnities Regulation:

- Learning Resources Network, Inc.
- Riipen Networks Inc.
- Campus eBookstore Inc.



**Schedule of Remuneration and Expenses
For the Year ended March 31, 2021**

Name of Employee		Salary Plus Benefits		Expenses		Total
Allen	David	87,242	\$	1,647	\$	88,889
Badge	Brian	94,527		149		94,675
Bonia	Brian	124,118		707		124,825
Brandt	Michael	99,416		4,477		103,893
Buick	Danna	77,605		1,508		79,113
Burrows	Marja	101,145		1,720		102,865
Carr	Christane	117,239		480		117,719
Cook	A	99,244		4,800		104,044
Da Silva	Nina	83,945		998		84,942
De Rooy	Richard	79,340		916		80,256
De la Nuez	Mercedes	101,992		1,000		102,992
Denis	Bruce	111,512		5,310		116,821
Dolan	Trudy	77,724		1,042		78,765
Downs	Seth	105,864		1,723		107,587
Doyle	Michael	178,599		4,286		182,885
Eisner	Kari	99,339		2,385		101,725
Elliott	Colin	120,186		2,667		122,852
Farrow	Jennifer	125,070		2,427		127,497
Fodor	Thomas	99,339		-		99,339
Gee	Chris	85,139		4,180		89,319
Godfrey	Darlene	100,779		1,698		102,477
Gowen	Lorrie	121,284		4,342		125,627
Gust	Scott	90,483		8,741		99,224
Haley	Katherine	81,702		649		82,351
Hart	Kirk	99,370		4,430		103,801
Hidber	Ruth	119,685		2,160		121,845
Hogg	Jessica	75,516		1,242		76,759
Johnson	Corry	99,313		13,720		113,033
Kanamala	Sunil	119,685		3,415		123,100
Kennedy	Jennifer	93,858		2,265		96,123
Kerbrat	Michael	98,584		-		98,584
Carry Forward Total		\$ 3,168,844	\$	85,083	\$	3,253,927



Name of Employee	Salary Plus Benefits	Expenses	Total
Brought Forward Total	\$ 3,168,844	\$ 85,083	\$ 3,253,927
Kohlman Justin	197,495	39,357	236,851
Krabes Sylvie	99,339	3,398	102,737
Kunkel Titilope	125,071	3,201	128,272
Lebedick Natasha	78,659	-	78,659
Leier Bradley	103,364	1,727	105,091
Lim Jie Ni	75,745	4,693	80,437
Linteris Jordan	86,581	863	87,444
MacDonald Timothy	99,416	-	99,416
Mazumder Mohammad	82,940	614	83,554
McDougall Alice	84,838	515	85,354
McIntyre Kimberly	103,497	2,400	105,897
McKeever David	99,340	1,716	101,056
McMurray Karen	78,033	1,783	79,816
McNeil Kenneth	79,473	-	79,473
Missere Joe	99,276	231	99,507
Morris Julie	99,339	2,143	101,482
Morrison Kevin	132,361	-	132,361
Nash Adam	77,845	3,247	81,092
Neid Bruce	101,315	778	102,094
Nelligan Michael	100,476	4,424	104,900
Norton Sue-Ann	77,359	1,033	78,393
O'Brien Bridie	108,804	1,263	110,067
Pryce Patricia	81,134	15,561	96,695
Rehn Nicole	94,883	3,521	98,404
Reinhardt David	99,339	1,514	100,853
Riesen Reto	99,416	-	99,416
Riesen Yuriko	82,803	-	82,803
Ronaasen Sheree	99,416	5,300	104,716
Roy Waylon	99,339	-	99,339
Salem Stephen	107,636	2,763	110,399
Shaw Kenneth	102,844	3,840	106,684
Sibbald Regan	99,416	3,673	103,089
Siemens Corwin	99,339	-	99,339
Sinkewicz Kezia	99,339	1,260	100,600
Snelling Marc	118,868	966	119,834
Sorensen Annette	77,242	2,974	80,216
Carry Forward Total	\$ 6,720,428	\$ 199,842	\$ 6,920,270



Name of Employee	Salary Plus Benefits	Expenses	Total
Brought Forward Total	\$ 6,720,428	\$ 199,842	\$ 6,920,270
Sousa Brad	85,344	2,400	87,744
Stach Robert	99,339	8,793	108,132
Stranger David	77,222	1,302	78,524
Suderman Emily	83,353	661	84,015
Sullivan Debra	83,306	793	84,099
Swain Kelly	95,945	2,160	98,106
Takhar Hrinder	78,058	-	78,058
Thompson Simon	99,416	-	99,416
Trivedi Devanshu	99,723	1,688	101,411
Tsolinas Jill	85,629	3,908	89,537
Urban Gordon	99,340	2,912	102,252
Van Dyk Evan	86,493	5,019	91,512
Van Dyk Scott	77,166	3,879	81,046
Vennard Kenneth	99,339	1,400	100,739
Waye Laurie	178,599	1,652	180,250
Weary Gordon	99,416	4,226	103,643
Webster Stella	102,031	416	102,447
White Catharine	99,416	5,300	104,716
Williamson Callan	82,868	1,084	83,952
Woodburn Tracey	83,594	2,403	85,996
Zahrai Erfan	99,416	4,600	104,016
Zimmerman Sarah	114,987	1,742	116,729
Total - earnings over \$75,000	\$ 8,830,430	\$ 256,179	\$ 9,086,610
Total - earnings under \$75,000	8,451,963	\$ 100,741	\$ 8,552,704
Grand Total	\$ 17,282,394	\$ 356,920	\$ 17,639,314



**Schedule of Remuneration
For the Board of Governors
For the year ended March 31, 2021**

Name of Board Member		Honorariums	Expenses	Total
Blois	Christopher	\$ 1,500	\$ -	\$ 1,500
Boparai	Damanpreet	1,500	-	1,500
Denton	Mary	3,000	-	3,000
Dusdal	Ernie	3,000	-	3,000
Halbauer	Nicole	4,000	-	4,000
McPhail	Shannon	3,000	-	3,000
McRae	Diane	3,000	-	3,000
Muller	Rachel	1,500	-	1,500
Singh	Inderjeet	1,500	-	1,500
Smith	David	3,000	46	3,046
Try	David	3,000	80	3,080
Wesley	Jolene	3,000	-	3,000
Total Disbursements		<u>\$ 31,000</u>	<u>\$ 126</u>	<u>\$ 31,126</u>



**Reconciliation of Remuneration and Expenses
to the Operating Statement
For the Year ended March 31, 2021**

Salary and Taxable Benefits	\$ 17,282,394
Board of Governors	31,000
Employer portion of benefits	3,772,749
*Other salary costs	<u>1,214,675</u>
Reconciled to Operating Statement	<u><u>\$ 22,300,818</u></u>

* Other salary costs include accruals, honorariums, PD, retirement, recruitment, etc.

Per Financial Statements - Operating Statement

Per Note 17 - Personnel	<u><u>\$ 22,300,818</u></u>
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**Statement of Severance Agreements
For the year ended March 31, 2021**

There were two (2) severance agreements under which payment commenced between Coast Mountain College and its non-unionized employees during the fiscal year 2020-2021.



**Schedule of Payments to Suppliers of Goods and Services
For the Year ended March 31, 2021**

Regular Suppliers Above \$25,000

Supplier Name	Expenditure
1189805 B.C. Ltd. dba	83,412
4 Season Maintenance Ltd	31,524
Acadia Northwest Mechanical	253,074
Air Liquide Canada Inc	55,587
Aird & Berlis LLP	29,005
Allpoints Fire Protection Ltd.	33,796
All-West Glass Smithers Ltd	30,469
Arris Design Ltd.	33,600
BC Government & Service Employees' Union	188,400
BC Hydro	241,432
BCNET	464,669
BDO Canada LLP	31,275
Bravo Cleaning Solutions & Auto Detailing	308,388
Bryant Electric Ltd.	410,953
Camosun College	29,055
Canadian Union of Public Employees	63,400
Caron Consulting Ltd.	96,531
CDW Canada	64,672
Cedars of the Rainforest Specialty	37,013
CIMS Limited Partnership, o/a 101 Industri	339,941
City of Terrace	37,128
CityWest	79,364
CMTN Foundation	170,012
Coast Mountains School Dist 82	49,792
Compugen Finance Inc.	43,902
Compugen Inc.	119,287
ComTek Security Solutions Ltd	42,801
Consulab Educatech Inc.	26,502
Contact North	1,242,384
Coolertrailers.Ca	26,947
Copper River Plumbing & Heating Ltd.	103,172
Carry Forward Total	4,767,487



Brought Forward Total	4,767,487
Ellucian Inc.	26,520
Explorance Inc.	31,297
Fasken Martineau DuMoulin LLP	229,317
Foliot Furniture Inc.	223,144
GBB Inc.	38,815
Geier Waste Services Ltd.	30,494
Golder Associates Ltd	25,127
HDR Architecture Associates, Inc.	219,288
Heritage Office Furnishing Kelowna Ltd.	30,829
ICBC	78,516
IDL Projects	6,874,264
Jimmy the Janitor Cleaning Services Ltd	107,951
JR Overhead Doors (2006) Ltd	37,485
KnowBe4	26,186
Kone Inc	28,892
L & S Building Maintenance	156,363
Login Canada	25,829
M Square Global Education Solutions Inc.	758,545
Manulife Financial	1,091,630
Minister of Finance	124,525
Northwest Fuels Ltd	25,012
Novacom Building Partners Ltd.	118,668
NRS Engineering Ltd.	47,250
OA Solutions	83,360
Okanagan College	33,156
Pacific Northern Gas Ltd	243,589
Paul Hughes Consulting Inc. dba	47,250
Pearson Canada Inc.	63,592
Progressive Ventures Ltd	201,411
Rupert Wood'n Steel	215,677
Scotiabank Visa	248,455
Sik-E-Dakh - Glen Vowell Band	45,276
Simon Fraser University	56,562
Skeena Concrete Products Ltd.	36,490
SKR Consultants Ltd.	107,585
Society of Coast Mountain Students' Union	72,252
Stantec Consulting Ltd	160,541
Summit Catering Ltd.	132,778
Sysco Food Services	70,561
Technicon Industries Ltd.	95,782
Telus Mobility	34,247
Carry Forward Total	17,071,999



Brought Forward Total	17,071,999
Terrace Builders Centre Ltd.	90,174
The Discovery Group Advisory Services Inc.	37,590
Think Communications Inc.	246,346
Thinkspace Architecture	83,224
Tongue and Groove Construction	116,104
Travel Healthcare Insurance Solutions Inc.	47,367
Tri-City Refrigeration Ltd	93,716
Two Eyed Seeing Consulting CCC Inc.	29,859
Western Elevator Ltd.	46,950
Yes Immigration Consultancy Services	34,715
	<hr/>
Total for suppliers where payments exceed \$25,000	17,898,044
Total for suppliers where payments were under \$25,000	4,245,080
	<hr/>
Total Disbursements	<u><u>22,143,123</u></u>



**Statement of Payments of Grants and/or Contributions
For the Year ended March 31, 2021**

Supplier Name		Expenditure
Change Makers Education Society	\$	52,350
Gitxaala Nation		26,484
Houston Link to Learning		55,336
Kitimat Community Services Soc		34,500
Learners Opportunities Group		19,760
Literacy Haida Gwaii		34,500
North Coast Immigrant & Multic		23,000
Smithers Community Services Assoc		34,374
Storytellers' Foundation		34,500
Total Disbursements	\$	<u>314,804</u>



**Reconciliation between
Supplier Payments and Operating Statement
For the Year Ended March 31, 2021**

Schedule of Suppliers of Goods and Services	\$	22,143,123
Add back flowthrough amounts		314,804
Payroll Providers on Supplier List		(1,415,683)
Capital asset additions		(14,579,997)
Accruals and other		2,459,917
		<hr/>
Reconciled to Operating Statement	\$	<u><u>8,922,165</u></u>

Financial Statements:

Per Statement of Operations	\$	35,770,132
Less: Amortization		(4,547,149)
Less: Salary and Benefits		(22,300,818)
		<hr/>
Total Other Operating Costs	\$	<u><u>8,922,165</u></u>



**Statement of Cash Flows for Capital Fund
For the Year ended March 31, 2021**

Please refer to Coast Mountain College's audited Financial Statements.

