College of the Rockies

FINANCIAL STATEMENTS

For the Year Ended March 31, 2021

COLLEGE OF
THE ROCKIES

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Independent Auditor's Report

To the Board of Directors of the College of the Rockies and
the Minister of Advanced Education of the Province of British Columbia

Opinion

We have audited the accompanying financial statements of the College of the Rockies (the College), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, remeasurement gains and losses, changes in net debt and cash flows for the year ended March 31, 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the College of the Rockies for the year ended March 31, 2021 are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

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

Without modifying our opinion, we draw attention to Note 2(a) to the financial statements which describes the basis of accounting used in the preparation of these financial statements and to Note 16 which describes the significant differences between such basis of accounting and Canadian public sector accounting standards.

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

Management is responsible for the preparation and presentation of these financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards modified by B.C. Regulation 198/2011 "Restricted Contributions", 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.

Independent Auditor's Report (Continued)

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.
- 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.

BDO Canada LLP

Chartered Professional Accountants

Cranbrook, BC
May 13, 2021

COLLEGE OF
THE ROCKIES

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

March 31, 2021

The accompanying Financial Statements are the responsibility of management and have been approved by the Board of Governors of the College of the Rockies. The Financial Statements were prepared in accordance with Public Sector Accounting Standards and the financial directives of the Ministry of Advanced Education and Skills Training and, of necessity, include some amounts that are based on estimates and judgements.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Board of Governors has established a code of ethics and corporate directives, which require communication of the code to the employees.

The Board of Governors carries out its responsibility for the financial statements through the Board Finance/Audit Committee. This Committee meets with management and the external auditor to discuss and review financial matters and recommends the financial statements to the Board for approval. The external auditor has full and free access to the Finance/Audit Committee.

Paul Vogt

Paul Vogt, President & CEO
May 14, 2021

DTeslak

Dianne Teslak, Vice President – Finance & Corporate Services
May 14, 2021

COLLEGE OF THE ROCKIES

Statement of Financial Position

Year ended March 31, 2021, with comparative figures for 2020

		March 31, 2021	**March 31, 2020**
Financial assets			
Cash and cash equivalents		$ 25,043,149	$ 29,911,134
Accounts receivable	(Note 3)	2,440,929	1,769,587
Inventories for resale		308,892	315,774
Investments	(Note 4)	11,774,512	11,505,192
		39,567,482	43,501,687
Liabilities			
Accounts payable and accrued liabilities	(Note 5)	2,972,678	4,501,461
Employee future benefits	(Note 6)	1,012,289	858,483
Deferred revenue	(Note 7)	6,779,463	5,713,246
Deferred contributions	(Note 8)	1,849,298	1,922,128
Deferred capital contributions	(Note 9)	55,747,269	45,856,836
		68,360,997	58,852,154
Net financial debt		(28,793,515)	(15,350,467)
Non-financial assets			
Tangible capital assets	(Note 10)	54,497,529	40,164,794
Prepaid expenses		162,301	241,778
		54,659,830	40,406,572
Accumulated surplus	(Note 11)	**25,866,315**	**25,056,105**
Accumulated surplus is comprised of:			
Accumulated operating surplus		23,881,442	23,205,142
Endowments	(Note 12)	1,588,377	1,560,063
Accumulated remeasurement gains(losses)		396,496	290,900
		$ 25,866,315	**$ 25,056,105**

See accompanying notes to financial statements.

Approved on behalf of the Board:

Chair

Vice President Finance and Corporate Services

COLLEGE OF THE ROCKIES

Statement of Operations and Accumulated Surplus

Year ended March 31, 2021, with comparative figures for 2020

		Budget	2021	2020
Revenue:				
Province of British Columbia grants		$ 24,970,000	$ 24,019,378	$ 21,869,147
Tuition fees		3,689,352	3,569,022	4,046,232
Sales of goods and services		891,000	899,593	1,084,283
Contracts, non-government grants and donations		7,342,000	9,805,505	11,124,818
Investment income		633,000	420,497	861,639
Recognized from deferred capital contributions	(Note 9)	4,765,000	4,205,654	4,128,678
		42,290,352	42,919,649	43,114,797
Expenses:	(Note 14)			
Instruction		19,654,478	20,711,461	20,522,327
College Support		21,475,943	17,735,805	17,909,450
Ancillary		1,110,699	876,284	879,524
Special Purpose		2,202,159	2,919,799	3,717,486
		44,443,279	42,243,349	43,028,787
Annual surplus before endowment funding		(2,152,927)	676,300	86,010
Restricted endowment contributions		22,000	28,314	23,448
Annual surplus for the year		(2,130,927)	704,614	109,458
Accumulated operating surplus, beginning of year		23,205,142	23,205,142	23,119,132
Less restricted endowment contributions		(22,000)	(28,314)	(23,448)
Accumulated operating surplus, end of year		**$ 21,052,215**	**$ 23,881,442**	**$ 23,205,142**

See accompanying notes to financial statements.

COLLEGE OF THE ROCKIES

Statement of Changes in Net Financial Debt

Year ended March 31, 2021, with comparative figures for 2020

	Budget	2021 Total	2020 Total
Annual surplus	$ (2,130,927)	$ 704,614	$ 109,458
Acquisition of tangible capital assets	(22,257,000)	(18,484,492)	(5,564,460)
Amortization of tangible capital assets	4,102,000	4,101,756	4,102,770
Loss on sale of tangible capital assets	-	50,000	2,071
Acquisition (use) of prepaid expense	-	79,478	(21,587)
Net remeasurement gains(losses)	-	105,596	267,265
(Increase) decrease in net financial debt	(20,285,927)	(13,443,048)	(1,104,483)
Net financial debt, beginning of year	(15,350,467)	(15,350,467)	(14,245,984)
Net financial assets (net debt), end of year	**$ (35,636,394)**	**$ (28,793,515)**	**$ (15,350,467)**

See accompanying notes to financial statements.

COLLEGE OF THE ROCKIES

Statement of Remeasurement Gains(Losses)

Year ended March 31, 2021, with comparative figures for 2020

		2021		2020
Accumulated remeasurement losses, beginning of year	$	290,900	$	23,635
Unrealized gains(losses) attributed to:				
Investments		105,596		267,265
Net remeasurement gains(losses) for the year		105,596		267,265
Accumulated remeasurement gains(losses), end of year	**$**	**396,496**	**$**	**290,900**

See accompanying notes to financial statements.

COLLEGE OF THE ROCKIES

Statement of Cash Flows

Year ended March 31, 2021, with comparative figures for 2020

	2021	2020
Cash provided by (used in):		
Operating:		
Annual surplus	$ 704,614	$ 109,458
Items not involving cash:		
Amortization of tangible capital assets	4,101,756	4,102,770
Revenue recognized from deferred capital contributions	(4,205,654)	(4,128,678)
Loss on disposal of tangible capital assets	50,000	2,071
Change in non-cash operating working capital:		
Accounts receivable	(671,342)	2,747,700
Prepaid expenses	79,479	(21,587)
Inventories for resale	6,882	129,416
Accounts payable and accrued liabilities	(1,528,783)	315,965
Employee future benefits	153,806	41,062
Deferred revenue	1,066,217	(1,966,080)
Deferred contributions	(72,830)	245,496
	(315,855)	1,577,593
Capital:		
Purchase of tangible capital assets	(18,484,492)	(5,564,460)
Contributions received for capital purchases	14,096,086	7,252,849
	(4,388,406)	1,688,389
Investing:		
Investments	(163,724)	(156,919)
	(163,724)	(156,919)
Net change in cash	(4,867,985)	3,109,063
Cash, beginning of year	29,911,134	26,802,071
Cash, end of year	**$ 25,043,149**	**$ 29,911,134**

Cash is comprised of cash and cash equivalents

See accompanying notes to financial statements.

1. Authority and Purpose

The College of the Rockies (the College) operates under the authority of the *College and Institute Act* of British Columbia. The College is a not-for-profit entity governed by a Board of Governors.

The College is a registered charity and is therefore exempt from income taxes under section 149 of the *Income Tax Act*.

The College of the Rockies is a comprehensive college offering a full range of undergraduate, graduate and continuing studies programs.

The College is economically dependent on the Provincial Government's Ministry of Advanced Education, Skills & Training for the provision of operating and capital funding.

2. Summary of significant accounting policies

(a) Basis of accounting:

In 2010, directive was provided by the Province of British Columbia Treasury Board ("Treasury Board") through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards (PSAS) issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) without any PS4200 elections from their first fiscal year commencing after January 1, 2012. The College of the Rockies transition date was effective April 1, 2011.

In March 2011, PSAB released a new Public Sector Accounting Standard PS 3410 "Government Transfers". In November 2011, Treasury Board provided a directive in Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the College of the Rockies before or after this regulation was in effect. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Note 2(g)(i) and 2(g)(ii).

Further, the Office of the Comptroller General ("OCG") provided direction in memorandum ref. 250955 on the treatment of endowment funds, financial instruments, pension plans and employee future benefits. The OCG direction requires:

(i) College of the Rockies to treat endowment contributions as described in Note 2(g)(iii);

(ii) College of the Rockies to implement PS 3450 Financial Instrument as at April 1, 2012; and

(iii) College of the Rockies to apply the discount rate for pension plans and/or employee future benefits at the next valuation date or within three years of transition to PSAS.

These financial statements have been prepared in accordance with the financial reporting framework described above.

2. Summary of significant accounting policies (continued)

(b) Cash and cash equivalents

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

(c) Financial instruments

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

(i) Fair value category: Portfolio instruments that are quoted in an active market are reflected at fair value as at the reporting date. Other financial instruments which the College of the Rockies has designated to be recorded at fair value include cash and cash equivalents, investments and endowments. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments is recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

(ii) Cost category: Financial instruments recorded by the College at cost include accounts receivable and accounts payable and accrued liabilities. Gains and losses are recognized in the Statement of Operations and Accumulated Surplus when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are included in the cost of the related investments.

(d) Inventories for resale and assets held for sale

Inventories held for resale, including books and school supplies are recorded at the lower of cost or net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated selling price less any costs to sell.

2. Summary of significant accounting policies (continued)

(e) 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. 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:

Asset	Basis	Rate
Buildings and renovations	Straight Line	10-40 years
Roads	Straight Line	20 years
Library acquisition	Straight Line	10 years
Furniture and equipment	Straight Line	5 years
Computer equipment and software	Straight Line	4 years

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

When there has been a change in circumstances and the service potential of a tangible capital asset has declined, the asset is written down based upon the relative loss of the service potential. If a tangible capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

(f) Employee future benefits

Employee future benefits include vacation pay, banked overtime, retirement allowances and accrued extended health benefits.

Also included are sick leave cash-outs upon death and compensated absence benefits that are available to the College of the Rockies'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.

2. Summary of significant accounting policies (continued)

(g) Revenue recognition

Tuition, student fees and sales of goods and 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.

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:

(i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case 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.

(ii) 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.

(iii) Contributions restricted to be retained in perpetuity, allowing only the investment income earned thereon to be spent are recorded as direct increases to accumulated surplus for the portion to be held in perpetuity and as deferred contributions for any restricted investment income earned thereon.

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

(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 the fair value of financial instruments, useful life of tangible capital assets and the present value of employee future benefits and commitment. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

2. Summary of significant accounting policies (continued)

(i) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the Government Reporting Entity Quarterly Reporting Forecast for 2020/21 approved by the Board of Governors of the College of the Rockies on September 17, 2020. The budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Financial Net Debt.

3. Accounts receivable

	2021	2020
Provincial government	$ 633,000	$ 466,508
Other receivables	1,807,929	1,303,079
	$ 2,440,929	$ 1,769,587

4. Investments

(a) Investments in the amount of $11,389,394 market value (2020 - $11,132,578) are primarily in various Provincial Government and Bank bonds. The interest rate yield on these bonds ranges from 1.75% - 4.93%, with maturity dates of June 2021 to May 2035.

(b) Investments in the amount of $96,017 market value (2020 - $95,582) are with the Municipal Finance Authority in a Money Market Fund earning an annual compound interest rate of 0.46%.

(c) Investments in the amount of $289,101 market value (2020 - $277,032) are held by the Vancouver Foundation. The investment is not controlled by the College, nor can it be converted to other uses by the College.

(d) Included in investments are $1,588,377 (2020 - $1,560,063) of endowment contributions. Investment income earned on these funds is distributed in accordance with the provisions of each endowment agreement. Distribution of the contributed principal of the endowments is prohibited.

(e) Market risk

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

It is management's opinion that College of the Rockies is not exposed to significant market or interest rate risk arising from its financial instruments.

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include payables to the Federal government for source deductions of $33,349 (2020 - $299,843).

6. Employee future benefits:

(a) Post-employment benefits:

The College of the Rockies provides a sick leave payout upon an employee's death in accordance with the terms and conditions of their employment contract. In the event of the death of a regular or term employee during their employment with the College, the College shall make a one-time payment to the employee's beneficiary of 50% of the employee's accumulated unused sick leave entitlement.

(b) Compensated absence benefits:

The College of the Rockies employees are entitled to sick leave in accordance with the terms and conditions of their employment contracts. Sick leave credits accumulate for employees of College of the Rockies; as they render services, they earn the right to the sick leave benefit. College of the Rockies recognizes a liability and an expense for sick leave in the period in which employees render services in return for the benefits.

(c) Other benefits:

The College of the Rockies other benefits includes vacation pay, banked overtime, retirement allowances and extended health benefits.

(d) Information about liabilities for the College of the Rockies employee future benefits is as follows:

	2021	2020
Post-employment benefits	$ 5,500	$ 5,500
Compensated absence benefits	35,500	35,500
Other benefits	972,289	818,483
	$ 1,012,289	$ 858,483

7. Deferred revenue

Deferred revenue represents unspent funding received which relates to expenditures and program delivery in subsequent years, and is comprised of the following:

	2021	2020
Province of BC grants	$2,168,711	$1,842,615
Tuition fees	1,362,043	1,113,051
Sales of goods and services	80,751	75,018
Donations, non-government grants and contracts	3,167,958	2,682,562
	$6,779,463	$5,713,246

Changes in the deferred revenue balance are as follows:

	2021	2020
Balance, beginning of year	$5,713,246	$7,679,326
Tuition received	3,818,014	3,546,407
Grants and other revenue received	39,141,481	33,126,788
	42,906,642	36,673,195
Tuition revenue recognized	3,569,022	4,046,232
Grants and other revenue recognized	38,325,256	34,593,043
	41,840,426	38,639,275
Increase (decrease) in deferred revenue	1,066,217	(1,966,080)
Balance, end of year	$6,779,463	$5,713,246

8. Deferred contributions

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year and is comprised of funds restricted for the following purposes:

	2021	2020
Scholarships	$283,219	$ 394,975
Endowments	316,617	345,311
Other reserves	1,249,462	1,181,842
	$1,849,298	$1,922,128

Changes in the deferred contribution balance are as follows:

	2021			
	Scholarships	Endowments	Other	Total
Balance, beginning of year	$ 394,975	$ 345,311	$ 1,181,842	$ 1,922,128
Contributions received during the year	305,685	54,990	67,620	428,295
Revenue recognized from deferred contributions	(417,441)	(83,684)	-	(501,125)
Balance, end of year	$ 283,219	$ 316,617	$ 1,249,462	$ 1,849,298

	2020			
	Scholarships	Endowments	Other	Total
Balance, beginning of year	$ 257,956	$ 313,019	$ 1,105,657	$ 1,676,632
Contributions received during the year	318,437	89,864	76,185	484,486
Revenue recognized from deferred contributions	(181,418)	(57,572)	-	(238,990)
Balance, end of year	$ 394,975	$ 345,311	$ 1,181,842	$ 1,922,128

9. Deferred capital contributions

Contributions for capital that meet the definition of a liability are referred to as 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	$45,856,836	$42,732,665
Contributions received during the year	14,096,086	7,252,849
Revenue recognized from deferred capital contributions	(4,205,654)	(4,128,678)
Balance, end of year	$55,747,269	$45,856,836

The balance of unamortized capital contributions related to capital assets consists of the following:

	2021	2020
Unamortized capital contributions used to purchase assets	$50,695,603	$38,574,326
Unspent capital funding	5,051,666	7,282,510
Balance, end of year	$55,747,269	$45,856,836

10. Tangible capital assets

Cost	Balance at March 31, 2020	Additions	Disposals	Balance at March 31, 2021
Land and land improvements	$ 1,093,131	$ -	$ -	$ 1,093,131
Buildings and renovations	73,452,716	19,845,974	-	93,298,690
Roads	-	792,211	-	792,211
Furniture and equipment	18,808,579	547,752	(11,139)	19,345,192
Computer equipment and software	5,454,742	470,709	(6,374)	5,919,077
Assets under construction	3,222,154	(3,172,154)	(50,000)	-
Library acquisition	206,725	-	-	206,725
Total	$102,238,047	$ 18,484,492	$ (67,513)	$ 120,655,026

Accumulated amortization	Balance at March 31, 2020	Disposals	Amortization expense	Balance at March 31, 2021
Land and land improvements	$ -	$ -	$ -	$ -
Buildings and renovations	40,660,086	-	2,961,839	43,621,925
Roads	-	-	-	-
Furniture and equipment	16,721,660	(11,139)	784,543	17,495,064
Computer equipment and software	4,484,782	(6,374)	355,375	4,833,783
Assets under construction	-	-	-	-
Library acquisition	206,725	-	-	206,725
Total	$ 62,073,253	$ (17,513)	$ 4,101,756	$ 66,157,497

	Net book value March 31, 2020	Net book value March 31, 2021
Land and land improvements	$ 1,093,131	$ 1,093,131
Buildings	32,792,630	49,676,765
Roads	-	792,211
Furniture and equipment	2,086,919	1,850,128
Computer equipment and software	969,960	1,085,294
Assets under construction	3,222,154	-
Library acquisition	-	-
Total	$ 40,164,794	$ 54,497,529

10. Tangible capital assets

Cost	Balance at March 31, 2019	Additions	Disposals	Balance at March 31, 2020
Land and land improvements	$ 1,093,131	$ -	$ -	$ 1,093,131
Buildings and renovations	71,970,506	1,482,210	-	73,452,716
Furniture and equipment	18,226,462	635,079	(52,962)	18,808,579
Computer equipment and software	5,232,908	275,017	(53,183)	5,454,742
Assets under construction	50,000	3,172,154	-	3,222,154
Library acquisition	206,725	-	-	206,725
Total	$ 96,779,732	$ 5,564,460	$ (106,145)	$ 102,238,047

Accumulated amortization	Balance at March 31, 2019	Disposals	Amortization expense	Balance at March 31, 2020
Land and land improvements	$ -	$ -	$ -	$ -
Buildings and renovations	37,845,668	-	2,814,418	40,660,086
Furniture and equipment	15,857,080	(52,045)	916,625	16,721,660
Computer equipment and software	4,165,084	(52,029)	371,727	4,484,782
Assets under construction	-	-	-	-
Library acquisition	206,725	-	-	206,725
Total	$ 58,074,557	$ (104,074)	$ 4,102,770	$ 62,073,253

	Net book value March 31, 2019	Net book value March 31, 2020
Land and land improvements	$ 1,093,131	$ 1,093,131
Buildings	34,124,838	32,792,630
Furniture and equipment	2,369,382	2,086,919
Computer equipment and software	1,067,824	969,960
Assets under construction	50,000	3,222,154
Library acquisition	-	-
Total	$ 38,705,175	$ 40,164,794

11. Accumulated surplus

Accumulated surplus is comprised of the following:

	2021	2020
Unrestricted net assets	$7,570,340	$ 9,303,351
Invested in capital assets	3,801,926	1,590,468
Restricted for endowments (Note 12)	1,588,377	1,530,063
Internally restricted net assets	12,905,672	12,602,223
	$25,866,315	$25,056,105

12. Endowments

Endowment contributions form part of accumulated surplus. The OCG provided direction on the accounting treatment of endowment contributions as disclosed in note 2(g)(iii).

Changes to the endowment balances are as follows:

	2021	2020
Balance, beginning of year	$1,560,063	$1,536,615
Contributions received during the year	28,314	23,448
Balance, end of year	$1,588,377	$1,560,063

13. Pension Liability

The College of the Rockies and its employees contribute to the College Pension Plan and Municipal Pension Plan (jointly trusteed pension plans). The boards 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 9,000 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 the College Pension Plan as at August 31, 2018, indicated a $303 million surplus for basic pension benefits on a going concern basis.

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.

The College of the Rockies paid $2,044,631 for employer contributions to the plans in fiscal 2021.

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.

14. Expenses by object

The following is a summary of expenses by object:

	2021	2020
Salaries and wages	$22,845,641	$ 21,900,433
Employee benefits	5,347,893	5,591,880
General supplies	1,929,254	1,580,849
Repairs and maintenance	525,404	498,008
Leases and rentals	30,601	25,356
Hospitality and travel	100,405	954,827
Telephone	65,394	72,613
Public relations	231,630	267,182
Printing and photocopying	121,866	199,631
Postage and freight	82,043	117,760
Data communications	180,289	182,766
Facilities	680,952	1,629,683
Professional fees	4,624,427	4,784,376
College membership fees	338,002	313,349
Amortization expense	4,101,756	4,102,770
Scholarship payments	606,232	341,708
Bookstore cost of sales	431,560	465,596
	$42,243,349	$ 43,028,787

15. Contractual obligations

The College of the Rockies has several active contracts for janitorial, security and general maintenance services. The annual obligations of these contracts over the next five years that can be reasonably estimated are as follows:

2022	$ 840,856
2023	502,765
2024	227,477
2025	1,575
2026	1,208

16. Impact of Accounting for Capital Contributions on a Deferral Basis

As set out in Notes 2(a) and (g), the College is required to defer recognition of government transfers for capital and recognize them in revenue over the life of the funded asset. This policy is not in accordance with PSAS, which requires that such transfers be deferred only if the funding agreements contain stipulations that create a liability and then to recognize revenue over the period that the liability is extinguished.

The impact of this difference from PSAS is as follows:

As at March 31, 2020	overstate liabilities, overstate net debt and understate accumulated surplus by $38,574,326
As at March 31, 2021	overstate liabilities, overstate net debt and understate accumulated surplus by $50,965,603
Year ended March 31, 2020	understate revenue and understate annual surplus by $1,404,434
Year ended March 31, 2021	understate revenue and understate annual surplus by $12,391,277

17. Global Uncertainty

The short and long term impacts of Covid-19 in Canada and around the globe continue to exist. The College continues to strictly follow guidelines identified by BC's Provincial Health Officer (PHO). We are planning for a return to full on-campus operations for the Fall 2021 term as directed by the Ministry of Advanced Education and Skills Training in collaboration and consultation with public health officials. Should that direction change, we will be in a position to continue to offer our essential service by quickly adapting to alternative instruction and delivery methods and remote administrative functions that have proven successful over the past 12 months.

While the significant disruption from Covid-19 is expected to be temporary, the duration and related financial impacts of the global situation cannot be reasonably estimated at this time.