


STATEMENT OF MANAGEMENT RESPONSIBILITY

The College is responsible for the presentation of the financial statements and has prepared them in accordance with generally accepted accounting principles prescribed for not-for-profit organizations by the Canadian Institute of Chartered Accountants. These financial statements present fairly the financial position of the College as at March 31, 2010, and the results of its operations and changes in net assets for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the College has developed and maintains a system of internal controls designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors carries out its responsibility for review of the financial statements. The Board of Governors may meet with management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Board of Governors with and without the presence of Management.

The financial statements for the year ended March 31, 2010 have been reported on by the independent firm of McAlpine & Co. Chartered Accountants. The auditor's report outlines the scope of their examination and provides their opinion on the fairness of presentation of the information in the financial statements.



Stephanie Forsyth
President



Cathay Sousa
Vice President, Finance & Administration

June 3, 2010

McAlpine & Co. CA

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Board of Governors of Northwest Community College

We have audited the statement of financial position of Northwest Community College as at March 31, 2010 and the statements of operations, changes in fund balances and cash flow for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the College and Institute Act of British Columbia we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

McAlpine & Co.

Terrace, British Columbia
June 2, 2010

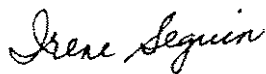
CHARTERED ACCOUNTANTS

NORTHWEST COMMUNITY COLLEGE

Statement of Financial Position As at March 31, 2010

	Operating Fund	Capital Fund	Trust Fund	2010 Total	2009 Total
Assets					
Current assets					
Cash and term deposits	\$ 9,194,776	\$ 100,000	\$ 201,265	\$ 9,496,041	\$ 10,509,786
Accounts receivable - (Note 3)	1,660,712			1,660,712	1,744,752
Inventories	284,049			284,049	247,020
	11,139,537	100,000	201,265	11,440,802	12,501,558
Property, plant and equipment - (Note 4)		24,809,748		24,809,748	20,734,149
Inter-fund balances	(1,957,179)	1,957,179			
	\$ 9,182,358	\$ 26,866,927	\$ 201,265	\$ 36,250,550	\$ 33,235,707
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	\$ 2,104,121	\$	\$	\$ 2,104,121	\$ 1,598,002
Accrued termination benefits	793,257			793,257	624,379
Accrued vacation and other payroll benefits	1,139,929			1,139,929	907,547
Deferred revenue - (Note 5)	1,594,409			1,594,409	2,387,768
	5,631,716			5,631,716	5,517,696
Deferred contributions - (Note 6)		1,585,787	201,265	1,787,052	1,041,939
Deferred capital contributions - (Note 7)		19,243,804		19,243,804	16,519,207
	5,631,716	20,829,591	201,265	26,662,572	23,078,842
Net assets					
Unrestricted	353,642	363,392		717,034	3,781,923
Internally restricted - (Note 8)	3,197,000	108,000		3,305,000	2,160,000
Invested in property, plant and equipment - (Note 9)		5,565,944		5,565,944	4,214,942
	3,550,642	6,037,336		9,587,978	10,156,865
	\$ 9,182,358	\$ 26,866,927	\$ 201,265	\$ 36,250,550	\$ 33,235,707

Approved By:



Irene Seguin
Chair, Board of Governors



Cathay Sousa
Vice-President, Finance and Administration

NORTHWEST COMMUNITY COLLEGE

Statement of Operations For the Year Ended March 31, 2010

	Operating Fund	Capital Fund	Trust Fund	2010 Total	2009 Total
Revenue					
Contributions					
- Province of British Columbia	\$ 19,603,278	\$ 2,057,962		\$ 21,661,240	\$ 21,861,932
- Federal Government	688,096			688,096	2,162,201
Tuition and other fees	2,342,270	125,561		2,467,831	2,299,384
Contract services and other	6,302,683	120,491	71,352	6,494,526	4,031,712
Ancillary services	1,578,683			1,578,683	1,360,840
Amortization of deferred capital contributions		1,356,628		1,356,628	1,091,564
	30,515,010	3,660,642	71,352	34,247,004	32,807,633
Expenditures					
Personnel	23,441,579			23,441,579	21,680,223
Instructional and service contracts	1,890,462			1,890,462	1,428,893
Supplies	1,062,203			1,062,203	1,217,541
Cost of goods sold	1,105,908			1,105,908	873,786
Advertising and promotion	271,087			271,087	243,360
Building and equipment costs	617,838	1,672,607		2,290,445	1,875,698
Building leases	82,095			82,095	82,095
Janitorial	354,651			354,651	349,955
Other	624,116		71,352	695,468	490,887
Telecommunications	357,416			357,416	360,921
Travel	723,714			723,714	755,322
Utilities	565,003			565,003	686,938
Amortization of property, plant and equipment		1,975,860		1,975,860	1,670,571
	31,096,072	3,648,467	71,352	34,815,891	31,716,190
Excess of revenue over expenditures for the year	\$ (581,062)	\$ 12,175		\$ (568,887)	\$ 1,091,443

NORTHWEST COMMUNITY COLLEGE

**Statement of Changes in Fund Balances
For the Year Ended March 31, 2010**

	Operating Fund	Capital Fund	Trust Fund	Total 2010
Fund balances - beginning of year	\$ 4,131,704	\$ 6,025,161	\$	\$ 10,156,865
Excess of revenue over expenditures for the year	(581,062)	12,175		(568,887)
Fund balances - end of year	\$ 3,550,642	\$ 6,037,336	\$	\$ 9,587,978

NORTHWEST COMMUNITY COLLEGE

Statement of Cash Flows For the Year ended March 31, 2010

	2010	2009
Operating activities:		
Excess of revenue over expenditures for the year	\$ (568,887)	\$ 1,091,443
Items not involving cash		
- amortization of property, plant and equipment	1,975,860	1,670,571
- amortization of deferred capital contributions	(1,356,628)	(1,091,564)
Net change in non-cash working capital	954,390	(1,294,752)
Net increase (decrease) in deferred revenue related to expenses of future periods	(48,246)	(237,541)
Cash provided by operations	956,489	138,157
Financing and investing activities:		
Deferred capital contributions	4,081,225	271,151
Purchase of property, plant and equipment	(6,051,459)	(1,104,960)
Cash provided (utilized) by financing and investing activities	(1,970,234)	(833,809)
Net increase (decrease) in cash during the year	(1,013,745)	(695,652)
Cash - beginning of year	10,509,786	11,205,438
Cash - end of year	\$ 9,496,041	\$ 10,509,786

NORTHWEST COMMUNITY COLLEGE

Notes to Financial Statements For the Year Ended March 31, 2010

1. Purpose of the organization

Northwest Community College is a post-secondary educational institution incorporated under the provisions of the College and Institute Act of British Columbia. The College is funded principally by the provincial government of British Columbia through the Ministry of Advanced Education, Training and Technology. The College is exempt from income tax under the Income Tax Act.

2. Significant accounting policies

Basis of presentation

The financial statements of the College have been prepared by management in accordance with Canadian generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses as well as disclosure of contingent assets and liabilities in the financial statements. Specific areas of estimate include the rate of amortization of property, plant and equipment, the allowance for doubtful accounts receivable, retirement allowance benefits accrual and the timing of recording of contract services revenue. Actual results may differ from these estimates.

Fund accounting

The resources and operations of the College have been segregated for accounting and financial reporting purposes into the following funds:

(i) Operating fund

The purpose of the Operating Fund is to reflect the operating and administration activities of the College. The operating fund also reflects various ancillary activities of the College including the Bookstore, Cafeteria and Dormitory operations.

(ii) Capital fund

The purpose of the Capital Fund is to reflect the College's investment in property, plant and equipment, capital maintenance and relating financing.

(iii) Trust fund

The purpose of the Trust Fund is to reflect the activity of funds held for those specific externally restricted purposes. The majority of the fund is restricted for student scholarships and bursaries.

Financial instruments

The College's financial instruments consist of cash and term deposits, accounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

NORTHWEST COMMUNITY COLLEGE

Notes to Financial Statements Year Ended March 31, 2010

2. Significant accounting policies (continued)

Revenue recognition

(i) Contributions

The College follows the deferral method of accounting for contributions which include mainly government grants. The government grants are accounted for as unrestricted contributions or externally restricted contributions in accordance with the terms of the funding arrangements.

Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted non-capital contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Externally restricted contributions for the purchase of property, plant and equipment are deferred and amortized into revenue of the capital fund at a rate corresponding with the amortization rate for the related assets. Contributions restricted for property, plant and equipment that will not be amortized such as land, are recorded as direct increases to net assets of the capital fund in the year the asset is acquired. Donated property, plant and equipment that would otherwise be purchased are accounted for as externally restricted capital contributions, at fair value when fair value can be reasonably estimated. Unamortized deferred capital contributions relating to property, plant and equipment disposed of are recognized as revenue in the year of disposal, provided that all restrictions are complied with.

(ii) Contract services

Contract services revenues and expenditures are recognized in the operating fund as activities are performed, using the percentage of completion method. The zero profit margin method is used when a contract's financial outcome is not reasonably determinable. This method of accounting requires that equal amounts of revenue and cost be recognized until the financial outcome of a contract can be reasonably estimated. Provision for all anticipated losses is made in the year in which they become evident.

(iii) Tuition fees

Tuition fees are deferred for the portion of courses held in the next fiscal year.

Inventories

Inventories for resale are valued at the lower of cost or net realizable value.

Art collections

Art collections are recorded at cost. Donated art collections are recorded at fair market value when fair value can be reasonably estimated.

NORTHWEST COMMUNITY COLLEGE

Notes to Financial Statements Year Ended March 31, 2010

2. Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are recorded at cost and are amortized on a straight-line basis over the assets estimated useful lives at the following rates:

Site improvements	10%
Buildings	
- wood frame	5%
- concrete/steel	2.5%
Furniture and equipment	20%
Computer equipment	25%
Library acquisitions	10%
Landscaping	6.7%

No amortization is taken in the year of acquisition and a full year's amortization is taken in the year of disposal.

Construction in progress, representing property, plant and equipment under construction, is recorded at cost. Upon completion of the construction, construction in progress is transferred to property, plant and equipment.

Fund transfers and inter-fund balances

Fund transfers are approved by the College Board. Inter-fund balances owing to the Capital Fund are non-interest bearing with no specific terms of repayment.

3. Accounts receivable

Accounts receivable are recorded net of allowance for doubtful receivables of \$ 206,021 (2009 - \$ 206,021).

4. Property, plant and equipment

	Cost	Accumulated depreciation	Net Book Value 2010	Net Book Value 2009
Land	\$ 1,623,140	\$	\$ 1,623,140	\$ 1,623,140
Buildings and site improvements	33,511,122	18,516,961	14,994,161	16,162,593
Furniture and equipment	11,409,555	9,525,104	1,884,451	2,164,773
Computer equipment	1,442,034	1,021,948	420,086	455,728
Library acquisitions	1,391,203	1,090,268	300,935	297,554
	49,377,054	30,154,281	19,222,773	20,703,788
Construction in progress - (Note 2)	5,550,382		5,550,382	
Art collections - (Note 2)	36,593		36,593	30,361
	\$ 54,964,029	\$ 30,154,281	\$ 24,809,748	\$ 20,734,149

NORTHWEST COMMUNITY COLLEGE

Notes to Financial Statements Year Ended March 31, 2010

5. Deferred revenue

Deferred revenue represents deferred contract services and deferred tuition revenue of the operating fund as described at Note 2.

Changes in deferred revenue of the operating fund are as follows:

	2010	2009
Balance - beginning of year	\$ 2,387,768	\$ 2,210,136
Less amount recognized as revenue in the year	(1,679,205)	(2,137,304)
Add amount received related to the following year	885,846	2,314,936
Balance - end of year	\$ 1,594,409	\$ 2,387,768

6. Deferred contributions

Deferred contributions represent unspent contributions externally restricted for either capital or non-capital purposes.

	Operating Fund	Capital Fund	Trust Fund	Total 2010	Total 2009
Balance - beginning of year	\$ NIL	\$ 869,310	\$ 172,629	\$ 1,041,939	\$ 1,457,112
Less amount recognized as revenue in the year		(229,070)	(71,352)	(300,422)	(1,795,969)
Add amount received related to the following year		945,547	99,988	1,045,535	1,380,796
Balance - end of year	\$ NIL	\$ 1,585,787	\$ 201,265	\$ 1,787,052	\$ 1,041,939

7. Deferred capital contributions

Deferred capital contributions represent the unamortized external funding used to purchase property, plant and equipment. Deferred capital contributions are recognized as revenue in future years in the capital fund as the related property, plant and equipment are amortized.

	2010	2009
Balance - beginning of year	\$ 16,519,207	\$ 17,339,620
Contributions from government grants	4,081,225	271,151
	20,600,432	17,610,771
Less amounts amortized to revenue	(1,356,628)	(1,091,564)
Balance - end of year	\$ 19,243,804	\$ 16,519,207

NORTHWEST COMMUNITY COLLEGE

Notes to Financial Statements Year Ended March 31, 2010

8. Internally restricted net assets

Internally restricted net assets comprise net assets restricted by the College Board of Governors for the following purposes:

	2010	2009
Dormitory upgrades	\$ 500,000	
Programs - additional	1,330,000	
Terrace campus longhouse		1,650,000
Terrace campus longhouse artwork		160,000
Continuing Education contingency	350,000	350,000
College contingency	375,000	
Equipment replacement	250,000	
Substitution pay	250,000	
Matching funds	250,000	
Balance - end of year	\$ 3,305,000	\$ 2,160,000

9. Net assets invested in property, plant and equipment

Net assets invested in property, plant and equipment is calculated as follows:

	2010	2009
Property, plant and equipment, net of accumulated depreciation	\$ 24,809,748	\$ 20,734,149
Amounts funded by:		
Deferred capital contributions	19,243,804	16,519,207
	\$ 5,565,944	\$ 4,214,942

Change in fund balance invested in property, plant and equipment is calculated as follows:

	2010	2009
Deficiency of revenues over expenses:		
Amortization of deferred capital contributions	\$ 1,356,628	\$ 1,091,564
Amortization of property, plant and equipment	(1,975,860)	(1,670,571)
	(619,232)	(579,007)
Net change in investment in property, plant and equipment:		
Purchase of property, plant and equipment	6,051,459	1,104,960
Amounts funded by:		
Deferred contributions	(4,081,225)	(271,151)
	1,970,234	833,809
	\$ 1,351,002	\$ 254,802

NORTHWEST COMMUNITY COLLEGE

Notes to Financial Statements Year Ended March 31, 2010

10. Pension plans

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The College Pension Plan has approximately 12,000 active contributors from College senior administration and instructional staff and approximately 3,900 retired members. The Municipal Pension Plan has about 158,000 active members, with approximately 5,400 from colleges.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The most recent valuation for the College Pension Plan as at August 31, 2006 indicated an unfunded liability of \$ 54 million for basic pension benefits. The next valuation will be as at August 31, 2009 with results available in 2010. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of \$ 438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of unfunded liability to individual employers. Northwest Community College paid \$ 1,390,358 for employer contributions to the two plans in fiscal 2009, (2009 - \$ 1,300,000).

11. Commitments and contingencies

Lease Commitments

The College is committed under several lease agreements for the rental of premises, vehicles and office equipment. The future aggregate minimum annual rental under these leases is as follows:

	Premises	Equipment	Total
2011	\$ 52,519	\$ 5,803	\$ 58,322
2012	44,895	1,934	46,829
2013	44,895		44,895
2014	12,706		12,706
	\$ 155,015	\$ 7,737	\$ 162,752

Third Party Claims

The College is involved in certain legal actions, the outcome of which is uncertain at this time. Accordingly, no provision has been made in the accounts for these actions.

NORTHWEST COMMUNITY COLLEGE

Notes to Financial Statements Year Ended March 31, 2010

12. Funds held by Vancouver Foundation

The College has endowment funds totaling \$962,106 (2009 - \$ 952,665) with the Vancouver Foundation. The funds are permanent funds with the Foundation which provide income for scholarships and bursaries at the College. The Funds are not under College ownership or control. The College has recorded its contributions to the Fund as donation expenditures (2010 College contribution of \$3,874). The College earned income of \$34,474, (2009 - \$ 24,536) from the Funds during the year. The endowment funds with the Vancouver Foundation are as follows:

	2010 Cost	2010 Market Value	2009 Cost
Northwest Community College Endowment Fund	\$ 577,066	\$ 589,924	\$ 571,665
Morice Community Skills Centre Legacy Fund	182,561	166,766	181,000
NWCC School of Exploration and Mining Endowment Fund	202,479	189,432	200,000
	\$ 962,106	\$ 946,122	\$ 952,665

NORTHWEST COMMUNITY COLLEGE

Schedule A

**Schedule of Operating Fund Revenues and Expenditures
For the Year Ended March 31, 2010**

	2010			2009	
	Base Programs	Non-base Programs	Lease Services	Total	Total
Revenue					
Contributions					
- Province of British Columbia	\$ 19,520,602	\$	\$ 82,676	\$ 19,603,278	\$ 21,861,932
- Federal Government		688,096		688,096	2,162,201
Tuition and other fees	1,709,853	632,417		2,342,270	2,299,384
Contract services and other	920,970	5,381,713		6,302,683	4,031,712
Ancillary services	1,578,683			1,578,683	1,360,840
	23,730,108	6,702,226	82,676	30,515,010	31,716,069
Expenditures					
Personnel	20,469,526	2,972,053		23,441,579	21,680,223
Instructional and service contracts	634,614	1,255,848		1,890,462	1,428,893
Supplies	696,328	365,875		1,062,203	1,217,541
Cost of goods sold	1,011,150	94,758		1,105,908	873,786
Advertising and promotion	190,427	80,660		271,087	243,360
Building and equipment costs	233,577	384,261		617,838	1,875,698
Building leases			82,095	82,095	82,095
Janitorial	354,651			354,651	349,955
Other	299,051	325,065		624,116	490,887
Telecommunications	349,657	7,759		357,416	360,921
Travel	421,551	302,163		723,714	755,322
Utilities	542,555	22,448		565,003	686,938
	25,203,087	5,810,890	82,095	31,096,072	30,045,619
Excess (shortfall) of revenue over expenditures for the year	\$ (1,472,979)	\$ 891,336	\$ 581	\$ (581,062)	\$ 1,670,450