

**Financial Statements of**

# **Coast Mountain College**

**Year ended March 31, 2024**

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The financial statements have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. The integrity and objectivity of these statements is management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. The significant accounting policies are summarized in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Coast Mountain College 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 the external audited financial statements yearly and the internal financial reports on a regular basis. The external auditor has full access to the Finance and Audit Committee, with and without management present.

KPMG LLP conducts an independent examination, in accordance with Canadian auditing standards, and expresses an opinion on the financial statements. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of the examination and their opinion on the financial statements.



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Adelle Cober, Chair, Board of Governors



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Michael Doyle, Vice President, Corporate Services



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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We have audited the financial statements of Coast Mountain College (the "Entity"), which  
comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31,  
2024 of the Entity are prepared, in all material respects, in accordance with the financial reporting  
provisions of 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 auditor's report.

We are independent of the Entity 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.



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***Emphasis of Matter – Financial Reporting Framework***

We draw attention to Note 2(a) of the financial statements, which describes the basis of accounting and significant 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 financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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.



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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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Prince George, Canada

June 5, 2024

# Coast Mountain College

## Statement of Financial Position


As at March 31, 2024

[in thousands of dollars]

	<u>Note</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
<b>Financial assets</b>			
Cash and cash equivalents	3	\$ 18,358	\$ 19,921
Accounts receivable	4	717	1,341
Inventory held for resale		507	398
		<u>19,582</u>	<u>21,660</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5	3,836	7,794
Accrued employee entitlements	6	1,834	1,503
Payroll liabilities	7	1,265	1,304
Asset retirement obligation	8	1,864	2,893
Deferred revenue	9	5,248	4,606
Deferred contributions	10	378	346
Deferred capital contributions	11	74,945	76,885
		<u>89,370</u>	<u>95,331</u>
<b>Net debt</b>		<u>(69,788)</u>	<u>(73,671)</u>
<b>Non-financial assets</b>			
Tangible capital assets	12	75,742	77,800
	14	<u>\$ 5,954</u>	<u>\$ 4,129</u>
<i>Contractual obligations</i>	16		
<i>Contingent liabilities</i>	17		

Signature  \_\_\_\_\_

Adelle Cober, Chair, Board of Governors

Signature  \_\_\_\_\_

Michael Doyle, Vice President, Corporate Services

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

# Coast Mountain College

## Statement of Operations and Accumulated Surplus

For the Year Ended March 31, 2024

[in thousands of dollars]

	<b>Note</b>	<b>Budget Note 2(k)</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>				
Government transfers		\$ 26,499	\$ 31,037	\$ 24,863
Tuition and other fees		6,152	8,371	6,450
Contract services and other		3,127	4,381	4,000
Ancillary services		859	1,269	1,164
Gain on disposal of capital assets		-	-	123
Amortization of deferred capital contributions	11	4,650	4,610	4,667
		<u>41,287</u>	<u>49,668</u>	<u>41,267</u>
<b>Expenses</b>				
Instruction and support		34,671	40,990	34,853
Ancillary		1,516	1,857	1,264
Amortization		5,100	4,996	5,088
	18	<u>41,287</u>	<u>47,843</u>	<u>41,205</u>
<b>Annual surplus</b>		<u>-</u>	<u>1,825</u>	<u>62</u>
<b>Accumulated surplus, beginning of year</b>			<u>4,129</u>	<u>4,067</u>
<b>Accumulated surplus, end of year</b>			<u>\$ 5,954</u>	<u>\$ 4,129</u>

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



# Coast Mountain College

Statement of Change in Net Debt  
For the Year Ended March 31, 2024  
[In thousands of dollars]

	Budget Note 2(k)	2024	2023
Annual surplus	\$ -	\$ 1,825	\$ 62
Acquisition of tangible capital assets	-	(2,943)	(12,328)
Disposition of tangible capital assets, net book value	-	5	7
Amortization of tangible capital assets	4,550	4,996	5,088
	4,550	2,058	(7,233)
<b>(Increase) decrease in net debt</b>	4,550	3,883	(7,171)
<b>Net debt at beginning of year</b>	(73,671)	(73,671)	(66,500)
<b>Net debt at end of year</b>	<b>\$ (69,121)</b>	<b>\$ (69,788)</b>	<b>\$ (73,671)</b>

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

# Coast Mountain College

## Statement of Cash Flows

For the Year Ended March 31, 2024

[In thousands of dollars]

	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating transactions</b>			
Annual (deficit) surplus		\$ 1,825	\$ 62
Items not involving cash:			
Gain on disposal of tangible capital assets		-	(123)
Amortization of tangible capital assets		4,996	5,088
Amortization of deferred capital contributions		(4,610)	(4,667)
		2,211	360
Increase (decrease) in non-cash operating items	19	(3,153)	1,318
Increase in deferred revenues		674	(6)
Cash provided by operating transactions		(268)	1,672
<b>Capital transactions</b>			
Acquisition of tangible capital assets		(2,943)	(12,328)
Asset retirement obligation		(1,029)	-
Proceeds from sale of tangible capital assets		7	130
Cash utilized to invest in capital		(3,965)	(12,198)
<b>Financing transactions</b>			
Deferred capital contributions received		2,670	12,607
<b>Increase (decrease) in cash</b>		(1,563)	2,081
<b>Cash at beginning of year</b>		19,921	17,840
<b>Cash at end of year</b>		<b>\$ 18,358</b>	<b>\$ 19,921</b>

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

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

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### 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 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, 2024 would have decreased by \$1,940 (March 31, 2023 – \$7,940). Consequentially, as at March 31, 2024, deferred capital contributions would have decreased and the accumulated surplus would have increased by \$74,945 (March 31, 2023 – \$75,427). Under PSAS, the total cash flows from operating, financing, and capital transactions for the years ended March 31, 2024 and 2023 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.

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

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### 2. Significant Accounting Policies (cont'd)

(c) Financial assets (cont'd)

- (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 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, 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:

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

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Work in progress is not amortized until the asset is available for productive use.

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

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### 2. Significant Accounting Policies (cont'd)

(d) Non-financial assets (cont'd)

(i) Tangible capital assets (cont'd)

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 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

Contributed 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 and amortized over their useful life. 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 trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2023, the College Pension Plan has about 17,200 active members, and approximately 10,700 retired members. As at December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 7,000 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.

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

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### 2. Significant Accounting Policies (cont'd)

(e) Accrued employee entitlements (cont'd)

(i) Defined benefit plans (cont'd)

The most recent actuarial valuation for College Pension Plan as at August 31, 2021, indicated a \$202 million surplus for basic pension benefits on a going concern basis.

The most recent valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

Coast Mountain College paid \$1,923 for employer contributions to the plans in fiscal 2024 (2023 - \$1,605).

The next valuation for the College Pension Plan will be as at August 31, 2024. The next valuation for the Municipal Pension Plan will be December 31, 2024.

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, 2024 with comparative figures for 2023

[in thousands of dollars]

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### 2. Significant Accounting Policies (cont'd)

(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

Revenue is recognized when the College has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred.

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 grants and donations 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 grants and donations 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, 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 commences when the tangible capital asset is put into use 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.

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, 2024 with comparative figures for 2023

[in thousands of dollars]

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### 2. Significant Accounting Policies (cont'd)

(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, contingencies and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

In addition, the College's implementation of PS 3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from these estimates. Where actual results differ from these estimates and assumptions, the impact is recorded in future periods when the differences become known.

(i) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos in several of the buildings owned by the College has been recognized based on estimated future expenses on closure of the site and post-closure care.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in (d(i)).

(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 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.



# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

### 2. Significant Accounting Policies (cont'd)

(k) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the College's Fiscal 2023/2024 Budget approved by the Board of Governors of the College on April 14, 2023. The budget is reflected in the Statement of Operations and Accumulated Surplus.

As the budget was prepared in the spring of 2023 the estimates were based on Ministry and Contract funding secured at the time of preparation. Variances from budget often occur, as Management will obtain additional funding contracts throughout the year and incur related expenditures once funding is approved.

### 3. Cash and cash equivalents

	2024	2023
Restricted	\$ 378	\$ 346
Unrestricted	17,980	19,575
Total	<u>\$ 18,358</u>	<u>\$ 19,921</u>

Restricted cash is comprised of funds held for externally restricted purposes and is related to bursary funds and funds held in trust. (Note 10).

### 4. Accounts receivable

Accounts receivable are recorded net of allowance for doubtful receivables of \$16 (2023 - \$22).

### 5. Accounts payable and accrued liabilities

	2024	2023
Trade accounts payable	\$ 658	\$ 1,113
Accrued liabilities	336	995
Capital projects and associated holdbacks	9	1,493
Other accrued liabilities	35	48
Student deposits	2,798	4,145
Balance, end of year	<u>\$ 3,836</u>	<u>\$ 7,794</u>

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

### 6. Accrued employee entitlements

Accrued employee entitlements are comprised of the following:

	2024	2023
Accrued vacation	\$ 620	\$ 569
Accrued overtime	29	20
Retirement allowances	683	664
Executive benefits and days in lieu	95	84
Early retirement incentives	338	166
Severance	69	-
Balance, end of year	<u>\$ 1,834</u>	<u>\$ 1,503</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, 2024 was determined to be 3.25% (2023 – 3.25%).

	2024	2023
<b>Retirement allowances</b>		
Balance, beginning of year	\$ 664	\$ 646
Current service cost	54	52
Interest cost	23	22
Amortization of net actuarial losses	10	12
Benefits paid	(68)	(68)
Accrued benefit liability, end of year	<u>\$ 683</u>	<u>\$ 664</u>

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

### 6. Accrued employee entitlements (cont'd)

An actuarial valuation for these benefits was performed to determine the College's accrued benefit obligation as at March 31, 2024. The difference between the actuarially determined accrued benefit obligation of \$709 (2023 - \$700) and the accrued benefit liability of \$683 (2023 - \$664) is an unamortized actuarial loss of \$26 (2023 - \$36). The actuarial loss is amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2024	2023
<b>Accrued benefit obligation</b>		
Liability, end of year	\$ 683	\$ 664
Unamortized actuarial loss	26	36
Balance, end of year	<u>\$ 709</u>	<u>\$ 700</u>

### 7. Payroll liabilities

Payroll liabilities are comprised of the following:

	2024	2023
Payroll accruals	\$ 1,166	\$ 1,235
Pension benefits	7	6
Professional development accruals	92	63
Balance, end of year	<u>\$ 1,265</u>	<u>\$ 1,304</u>

### 8. Asset retirement obligation

Asbestos obligation

The College owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 - Asset retirement obligations, the College recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at April 1, 2021 in the amount of \$2,893.

During the current year remediation was carried out on three buildings, resulting in a decrease of \$1,029 and leaving a balance of \$1,864 in asset retirement obligations.

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

### 9. Deferred revenue

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

Changes in deferred revenue are as follows:

	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 4,606	\$ 4,659
Contributions received during the year	8,498	6,870
Revenue recognized	(7,856)	(6,923)
Balance, end of year	<u>\$ 5,248</u>	<u>\$ 4,606</u>

### 10. Deferred contributions

Deferred contributions are funds restricted for bursaries and scholarships:

	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 346	\$ 299
Contributions received during the year	302	246
Revenue recognized	(270)	(199)
Balance, end of year	<u>\$ 378</u>	<u>\$ 346</u>

### 11. Deferred capital contributions

Changes in the deferred capital contributions balance are as follows:

	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 76,885	\$ 68,945
Contributions received during the year	2,670	12,607
Revenue recognized	(4,610)	(4,667)
Balance, end of year	<u>\$ 74,945</u>	<u>\$ 76,885</u>

Included in deferred capital contributions at March 31, 2024 is \$1,418 of contributions not yet spent on tangible capital assets (2023 - \$1,458).

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

### 12. Tangible capital assets

Cost	Balance at March 31, 2023	Additions	Disposals	Transfers	Balance at March 31, 2024
Land and land improvements	\$ 1,623	\$ -	\$ -	\$ -	\$ 1,623
Buildings	104,955	1,344	(1,029)	13,765	119,035
Furniture and equipment	21,356	216	(9)	-	21,563
Computer hardware and software	2,157	69	-	-	2,226
Library materials	1,720	-	-	-	1,720
Work in progress	13,765	1,314	-	(13,765)	1,314
Total	\$ 145,576	\$ 2,943	\$ (1,038)	\$ -	\$ 147,481

Accumulated amortization	Balance at March 31, 2023	Amortization expense	Disposals	Balance at March 31, 2024
Buildings	\$ 46,417	\$ 3,564	\$ (1,029)	\$ 48,952
Furniture and equipment	17,601	1,376	(4)	18,973
Computer hardware and software	2,059	42	-	2,101
Library materials	1,699	14	-	1,713
Total	\$ 67,776	\$ 4,996	\$ (1,033)	\$ 71,739

	Net book value March 31, 2024
Land and land improvements	\$ 1,623
Buildings	70,083
Furniture and equipment	2,590
Computer hardware and software	125
Library materials	7
Work in progress	1,314
Total	\$ 75,742

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

### 12. Tangible capital assets (cont'd)

Cost	Balance at March 31, 2022	Additions	Adjustment asset retirement obligation	Transfers	Balance at March 31, 2023
Land and land improvements	\$ 1,623	\$ -	\$ -	\$ -	\$ 1,623
Buildings	104,922	33	-	-	104,955
Furniture and equipment	21,426	198	(268)	-	21,356
Computer hardware and software	2,156	-	-	-	2,156
Library materials	1,720	-	-	-	1,720
Work in progress	1,668	12,097	-	-	13,765
Total	\$ 133,515	\$ 12,328	\$ (268)	\$ -	\$ 145,575

Accumulated amortization	Balance at March 31, 2022	Amortization expense	Adjustment asset retirement obligation	Balance at March 31, 2023
Buildings	\$ 42,857	\$ 3,560	\$ -	\$ 46,417
Furniture and equipment	16,409	1,454	(261)	17,602
Computer hardware and software	2,004	54	-	2,058
Library materials	1,679	20	-	1,699
Total	\$ 62,949	\$ 5,088	\$ (261)	\$ 67,776

	Net book value March 31, 2023
Land and land improvements	\$ 1,623
Buildings	58,538
Furniture and equipment	3,755
Computer hardware and software	98
Library materials	21
Work in progress	13,765
Total	\$ 77,800

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

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### 12. Tangible capital assets (cont'd)

(a) Work in progress

Work in progress has 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 (2023 - \$NIL).

### 13. Financial risk management

The College has exposure to the following risks from its 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 and interest rate 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, 2024 with comparative figures for 2023

[in thousands of dollars]

### 13. Financial risk management (cont'd)

(b) Market and interest rate risk (cont'd)

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. It is management's opinion that the College is not exposed to material liquidity risk.

(d) Fair value of financial instruments

Public sector accounting standards 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 and accounts payables - 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.

### 14. Accumulated surplus

Accumulated surplus is comprised of the following:

	<u>2024</u>	<u>2023</u>
Operating - unrestricted	\$ 5,603	\$ 3,191
Invested in tangible capital assets	(1,067)	(520)
Capital funds unspent	1,418	1,458
Total	<u>\$ 5,954</u>	<u>\$ 4,129</u>



# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

### 15. 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 received income of \$65 (2023 - \$64) from the Funds during the year. Income related to scholarships, awards or bursaries is recorded as deferred contributions until disbursed.

Endowment balances at year end are:

	2024		2023	
	Cost	Market Value	Cost	Market Value
Coast Mountain College Endowment Fund	\$ 590	\$ 914	\$ 590	\$ 864
Morice Legacy Fund	181	252	181	238
Coast Mountain College School of Exploration and Mining Endowment Fund	204	310	204	285
Balance, end of year	\$ 975	\$ 1,476	\$ 975	\$ 1,387

### 16. 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:

	2024	2023	Thereafter	Total
Lease agreements	\$ 356	\$ 164	\$ 349	\$ 705

### 17. 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, 2024, 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, 2024 with comparative figures for 2023

[in thousands of dollars]

### 18. Expenses by object

The following is a summary of expenses by object:

	<b>2024</b>	<b>2023</b>
Personnel	\$ 26,961	\$ 23,597
Instruction and service contracts	8,663	6,585
Supplies	1,145	973
Cost of goods sold	313	265
Advertising and promotion	492	389
Building and equipment maintenance	1,463	1,019
Building leases	3	12
Janitorial	859	756
Other	1,174	927
Telecommunications	221	227
Travel	884	675
Utilities	669	692
Amortization	4,996	5,088
Total	<u>\$ 47,843</u>	<u>\$ 41,205</u>

### 19. Supplementary cash flow information

Net change in non-cash working capital

	<b>2024</b>	<b>2023</b>
Accounts receivable	\$ 623	\$ (715)
Inventory held for resale	(109)	(76)
Accounts payable and accrued liabilities	(3,959)	1,825
Accrued employee entitlements	330	(123)
Payroll liabilities	(38)	407
	<u>\$ (3,153)</u>	<u>\$ 1,318</u>

# Coast Mountain College

## Notes to the Financial Statements

Year ended March 31, 2024 with comparative figures for 2023

[in thousands of dollars]

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### 20. 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 \$400 (2023 - \$NIL) was provided to the Foundation.

### 21. Change in accounting policy

On April 1, 2023, the College adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024, the College determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.