

Financial Statements of

VANCOUVER COMMUNITY COLLEGE

Year ended March 31, 2014



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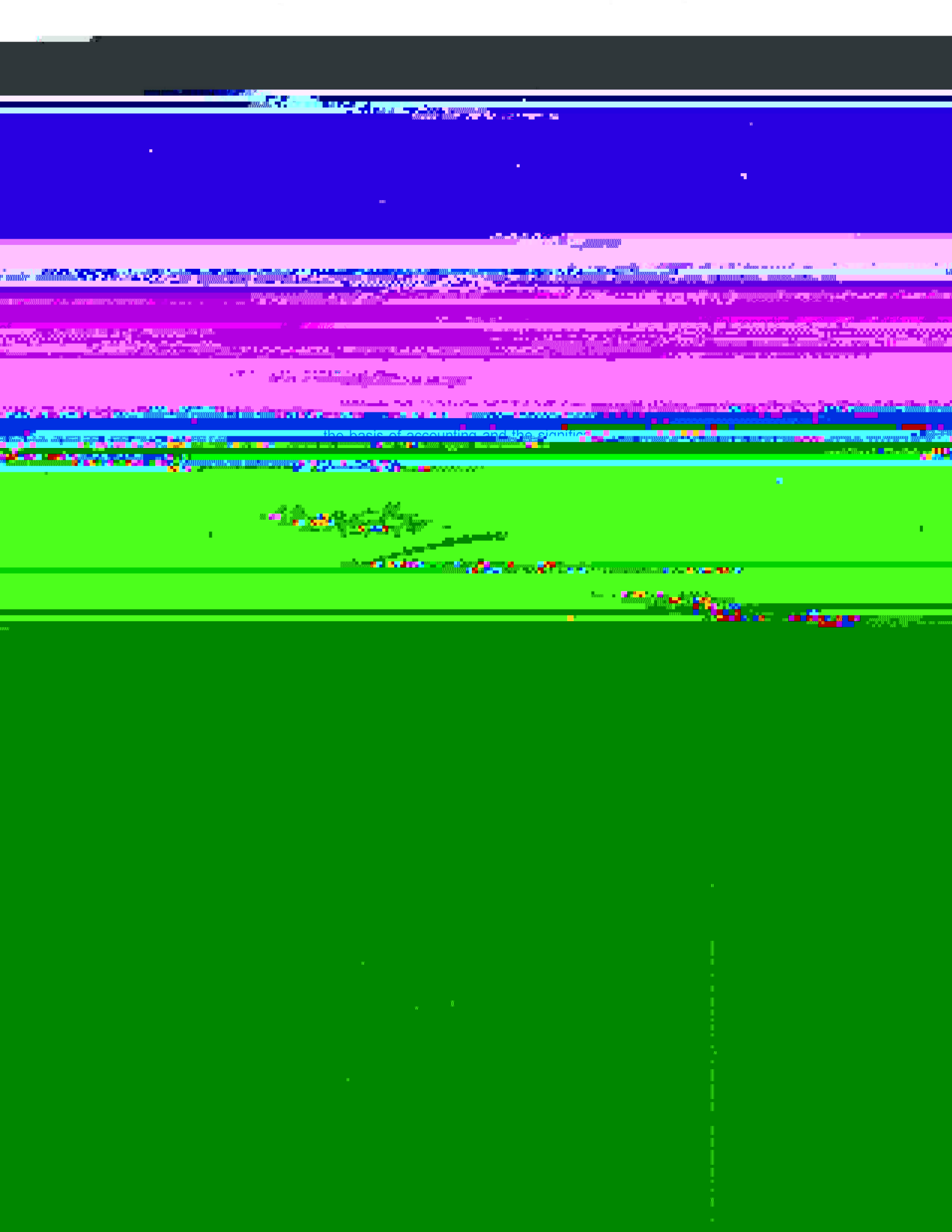
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VANCOUVER COMMUNITY COLLEGE

Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	(note 11)		
Revenue			
Province of British Columbia grants	\$ 74,805,969	\$ 79,200,803	\$ 73,733,025
Tuition and student fees	20,903,588	19,623,275	18,765,773
Sales of goods and services	5,561,298	5,717,035	5,617,137
Other grants and contracts	718,822	766,800	873,629
Miscellaneous income	1,552,680	1,583,464	1,688,343
Investment income	350,004	283,131	360,597
Revenue recognized from deferred capital contributions	5,470,116	5,035,498	4,923,394
	109,362,477	112,210,006	105,961,898
Expenses			
Instruction and Instructional Support	105,544,391	108,136,343	101,888,840
Ancillary Operations	2,977,314	3,232,891	3,227,882
Special Purpose Funds	840,772	840,772	830,721
	109,362,477	112,210,006	105,947,443
Annual surplus	-	-	14,455
Accumulated surplus, beginning of year	26,694,615	26,694,615	26,680,160
Accumulated surplus, end of year	\$ 26,694,615	\$ 26,694,615	\$ 26,694,615

See accompanying notes to financial statements.

VANCOUVER COMMUNITY COLLEGE

Statement of Net Debt

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
	(note 11)		
Annual surplus	\$ -	\$ -	14,455
Acquisition of tangible capital assets	(4,448,000)	(5,746,116)	(10,661,153)
Amortization of tangible capital assets	8,508,036	8,672,502	7,976,576
	4,060,936	2,926,477	(2,784,577)
Acquisition of inventories	-	(125,764)	(124,335)
Acquisition of prepaid expenses	-	(557,627)	(309,842)
Use of inventories	-	124,335	157,716
Use of prepaid expenses	-	309,842	353,611
	-	(249,214)	77,150
Decrease (increase) in net debt	4,060,936	2,677,263	(2,692,972)
Net debt, beginning of year	(84,159,343)	(84,159,343)	(81,466,371)
Net debt, end of year	\$ (80,098,407)	\$ (81,482,080)	\$ (84,159,343)

See accompanying notes to financial statements

VANCOUVER COMMUNITY COLLEGE

Statement of Cash Flows

Year-ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in)		
Operations		
Annual surplus	\$ -	\$ 14,455
Items not involving cash		
Amortization of intangible capital assets	3,070,500	7,070,570
Revenue recognized from deferred capital contributions	(5,035,498)	(4,923,394)
Change in employee future benefits	(61,500)	105,171
Change in non-cash operating working capital		
Increase in accounts receivable	(771,417)	(17,295)
Decrease (increase) in inventories for resale	(126,889)	60,298
Decrease (increase) in due from the Province of BC	51,378	(930,195)
Decrease (increase) in prepaid expenses	(248,113)	44,097
Decrease (increase) in inventories held for use	4,101	22,050

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

2. Summary of significant accounting policies (continued):

(a) Basis of accounting (continued)

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which require government transfers

which do not contain a stipulation that creates a liability to be recognized as revenue by the recipient.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

(f) Employee future benefits

- (i) The College and its employees make contributions to the College Pension and Municipal Pension Plans which are multi-employer joint trustee plans. These plans are defined benefit plans, providing a pension on retirement based on the member's age at retirement, length of service and

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

Summary of significant accounting policies (continued):

(f) Employee future benefits (continued)

(vii) The College may offer an early retirement incentive to its eligible Faculty and CUPE employees based on a set of criteria. The incentive is voluntary and is offered based on certain eligibility

requirements. The benefit is equivalent to a certain percentage of the annual salary, minus

VANCOUVER COMMUNITY COLLEGE

Year ended March 31, 2014

2. Summary of significant accounting policies (continued):

(h) Asset retirement obligations

The College recognizes asset retirement obligations in the period in which it incurs a legal obligation associated with the retirement of a tangible long-lived asset, including leased premises, resulting from

Notes to Financial Statements (continued)

Year ended March 31, 2014

3. Investments:

Short-term investments consist of term deposits, money market funds, and bankers' acceptances with

maturity dates with due dates between May 2014 and October 27, 2015. Interest on the investments range from 1.75% to 2.05%.

4. Due from (to) the Province of BC and other government agencies:

2014

2013

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

6. Employee future benefits (continued):

	Sick leave	Vacation leave	Long-service and gratuity	Total
Balance March 31, 2012	\$ 891,000	\$ 2,035,574	\$ 724,085	\$ 3,650,659
Interest costs	34,000	-	25,000	59,000
Benefits Paid	(423,000)	-	(83,000)	(506,000)
Net actuarial loss	22,000	-	25,000	47,000
Balance March 31, 2013	\$ 909,000	\$ 2,107,360	\$ 739,470	\$ 3,755,830

Balance March 31, 2014 \$ 1,114,000 \$ 2,174,700 \$ 739,000 \$ 4,027,700

Notes to Financial Statements (continued)

Year ended March 31, 2014

7 Deferred capital contributions (continued):

Deferred capital contributions are comprised of the following

	2014	2013
Unamortized capital contributions	\$ 82,437,637	\$ 85,964,478
Unspent contributions	851,987	2,117,945
	<u>\$83,289,624</u>	<u>\$ 88,082,423</u>

8 Tangible capital assets:

Building Furniture and Computer hardware and

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

9. Accumulated surplus:

	2014	2013
Accumulated surplus is comprised of		
Invested in tangible capital assets	\$ 25,955,000	\$ 24,000,515
Internally restricted	151,715	2,335,691
Unrestricted	1,487,237	156,409
	<u>\$ 26,694,615</u>	<u>\$ 26,694,615</u>

10. Related organization:

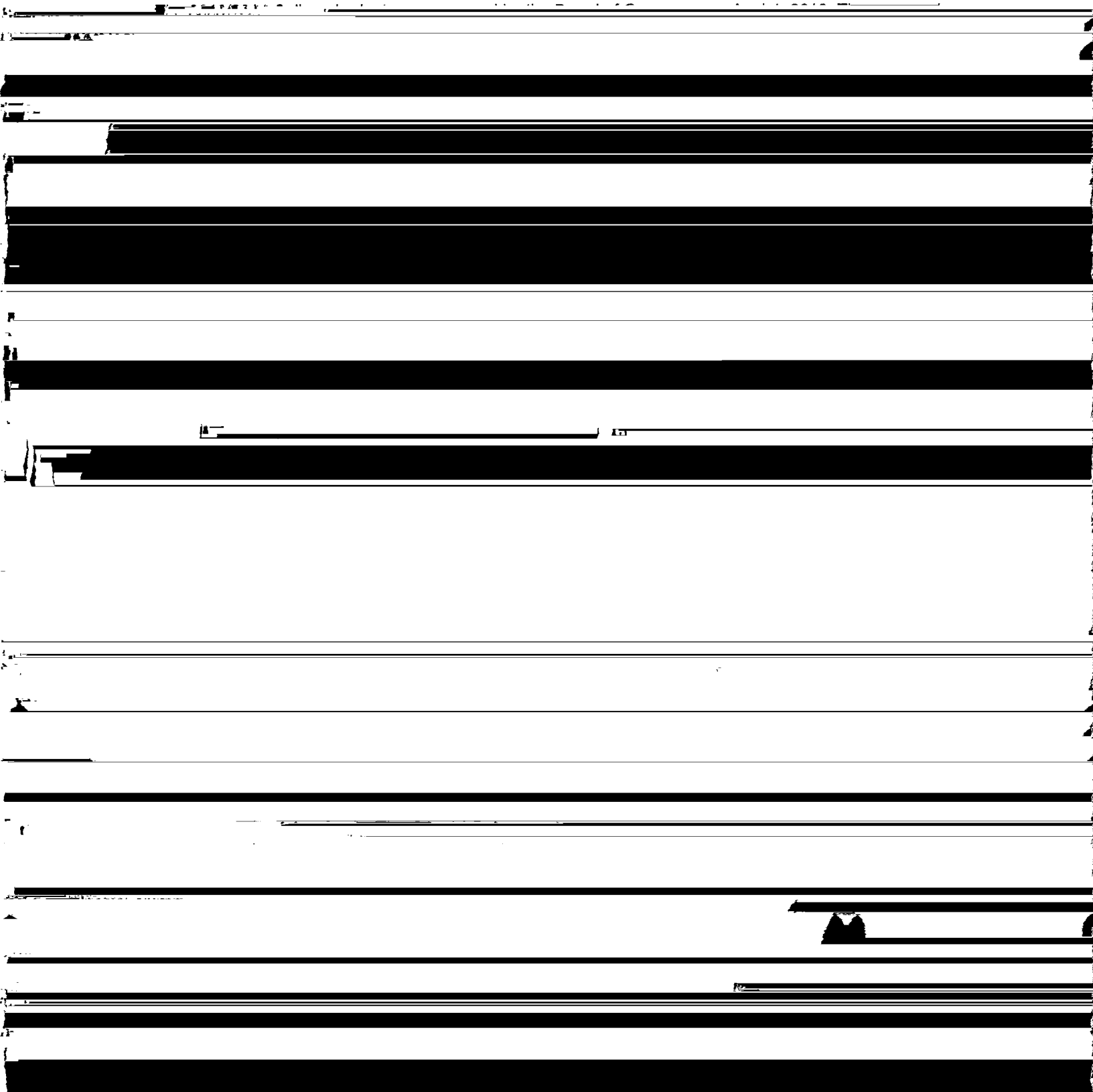
The Vancouver Community College Foundation ("the Foundation") is a separate society formed to raise funds to further the interests of the College and to provide scholarships and bursaries for students of the

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

11. Budget:



VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

13. Commitments and contingencies (continued):

(a) Pension plans (continued)

The most recent actuarial valuation for the College Pension Plan as at August 31, 2012 indicated a \$105 million funding deficit for basic pension benefits. The next valuation will be as at August 31, 2016 with results available in 2016. The most recent actuarial valuation for the Municipal Pension

Plan as at December 31, 2010 indicated a \$1,070 million funding deficit for basic pension benefits.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

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.

Notes to Financial Statements (continued)

Year ended March 31, 2014

15. Segmented information (continued):

	Instruction and Instruction Support	Ancillary Services	Special Purpose	2014	2013
	\$ 70,844,070	\$	\$ 288,824	\$ 70,800,802	\$ 72,722,025