

Financial Statements of

CAMOSUN COLLEGE

And Independent Auditors' Report thereon

Year ended March 31, 2022

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.

Auditors' 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 auditors' 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 the standards of the Chartered Accountants of British Columbia, we have performed the following procedures:

- x Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- x 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 auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- x 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.

Chartered Professional Accountants

Victoria, Canada
June 20, 2022

CAMOSUN COLLEGE

Statement of Financial Position

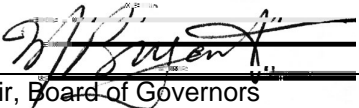
Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Financial assets		
Cash and cash equivalents (note 3)	\$ 25,073,781	\$ 22,200,186
Accounts receivable (note 4):		
Due from government and other government organizations	2,741,960	2,058,556
Other	2,739,067	2,786,649
Inventories for resale (note 5)	687,034	989,031
	<u>31,241,842</u>	<u>28,034,422</u>
Liabilities		
Accounts payable and accrued liabilities (note 6):		
Due to government and other government organizations	2,079,786	1,882,477
Other	22,495,257	21,435,424
Employee future benefits (note 7)	3,206,728	2,735,986
Deferred contributions (note 8)	6,928,041	7,187,799
Deferred revenue (note 9)	9,678,352	5,523,055
Deferred capital contributions (note 10)	127,620,322	121,953,839
	<u>172,008,486</u>	<u>160,718,580</u>
Net debt	(140,766,644)	(132,684,158)
Non-financial assets		
Tangible capital assets (note 11)	150,822,467	147,310,894
Prepaid expenses	1,484,358	1,558,918
	<u>152,306,825</u>	<u>148,869,812</u>
Accumulated surplus	\$ 11,540,181	\$ 16,185,654

Contingent liabilities (note 12)
Contractual obligations (note 14(c))

See accompanying notes to financial statements.

On behalf of the Board:


Chair, Board of Governors


Chief Financial Officer and
Vice President Administration

CAMOSUN COLLEGE

Statement of Operations and Accumulated Surplus

Year ended March 31, 2022, with comparative figures for 2021

	Budget (note 16)	2022	2021
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CAMOSUN COLLEGE

Statement of Changes in Net Debt

Year ended March 31, 2022, with comparative information for 2021

	Budget (note 16)	2022	2021
Annual deficit	\$ (4,247,547)	\$ (4,645,473)	\$ (7,582,954)
Acquisition of tangible capital assets	(13,300,000)	(12,905,391)	(5,940,211)
Amortization of tangible capital assets	10,283,000	9,393,818	9,817,940
	(3,017,000)	(3,511,573)	3,877,729
Use (acquisition) of prepaid expenses	-	74,560	(239,903)
Increase in net debt	(7,264,547)	(8,082,486)	(3,945,128)
Net debt, beginning of year	(132,684,158)	(132,684,158)	(128,739,030)
Net debt, end of year	\$ (139,948,705)	\$ (140,766,644)	\$ (132,684,158)

See accompanying notes to financial statements.

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Notes to Financial Statements

Year ended March 31, 2022

1. Nature of operations:

Camosun College (the “College”) is a post-secondary educational institution funded by the Province of British Columbia (the “Province”) and incorporated under the College and Institute Act of British Columbia. The British Columbia Ministry of Advanced Education (the “Ministry”)

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Notes to Financial Statements

Year ended March 31, 2022

2. Significant accounting policies (continued):

(a) Basis of accounting (continued):

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

- x government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410 Government Transfers; and
- x externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3200 Restricted Assets and Reserves (5) (2) (J) EMC /L: -0.(.)37EMC
- x deferred contributions meet the liability criteria in accordance with PS3200 Liabilities.

As a result, revenue is recognized (rather than recognized but not recognized) when received (rather than when received and used for the purpose or purposes specified in accordance with public sector accounting standard PS3200 Restricted Assets and Reserves (5) (2) (J) EMC /L: -0.(.)37EMC

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Notes to Financial Statements

Year ended March 31, 2022

2. Significant accounting policies (continued) :

(c) 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, is amortized on a straight-line basis over their estimated useful lives as follows:

Category	Period
Buildings	20 to 40 years
College system software	10 years
Furniture, fixtures and equipment	5 years
Computers and software	3 years

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

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

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Notes to Financial Statements

Year ended March 31, 2022

2. Significant accounting policies (continued):

(f) Revenue recognition (continued):

Restricted donations and grants are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors. Under Restricted Contributions Regulation 198/2011, government transfers 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

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Notes to Financial Statements

Year ended March 31, 2022

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Year ended March 31, 2022

7. Employee future benefits:

(a) Employee future benefits:

	2022	2021
Sick leave	\$ 1,747,840	\$ 1,764,220

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Notes to Financial Statements

Year ended March 31, 2022

7. Employee future benefits (continued):

(b) 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, 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 plans. Basic pension benefits are based on a formula. As at August 31, 2021, the College Pension Plan has about 16,500 active members and approximately 9,500 retired members. As at December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 7,000 from colleges.

Every three years, an actuarial evaluation 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 olu.6 (er)-1.3 (

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Notes to Financial Statements

Year ended March 31, 2022

8. Deferred contributions:

Deferred contributions are comprised of funds restricted by the following sources:

	April 1, 2021	Receipts during year	Transferred to revenue	March 31, 2022
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Provincial

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Notes to Financial Statements

Year ended March 31, 2022

11. Tangible capital assets:

Cost	March 31, 2021	Additions	Transfers/ Disposals	March 31, 2022
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Notes to Financial Statements

Year ended March 31, 2022

15. Financial risk management:

It is management's opinion that the College is not exposed to significant risk from its use of financial instruments which could affect its ability to achieve its strategic objectives.

(a) 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 establishes budgets and cash flow projections to ensure that it has the necessary funds to meet its obligations as they become due.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of floating rate instruments will fluctuate due to changes in market interest rates. It is management's opinion that the College is not exposed to excessive levels of interest rate risk arising from its financial instruments.

(c) Credit risk

Credit risk is the risk of financial loss to the College if a client of the College or counterparty to a financial instrument fails to meet their contractual obligations. Such risks arise principally from certain financial assets held by the College consisting of cash, investments and accounts receivable. The risk is mitigated by the College's prompt collections processes and by other remedies such as the withholding of transcripts in the event of non-payment.

The College accounts for a specific bad debt provision when management considers that the expected recovery is less than the amount receivable.

There has been no change to the risk exposure from 2021.

The insurance on College property is the responsibility of the Province, which paid \$197,602 (2021 - \$199,893) for premiums and fees on behalf of the College for the coverage. The premiums paid are not recorded in the financial transactions of the College or in these financial statements. All claims for loss are submitted to the Province for consideration for replacement. The College has no direct insurance coverage against loss of any of its capital assets.

