

College of the Rockies

FINANCIAL STATEMENTS

For the Year Ended March 31, 2010



COLLEGE OF THE ROCKIES

FINANCIAL STATEMENTS

For Year Ended March 31, 2010

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35 10th Avenue S
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Auditors' Report

**To the Board of Directors
College of The Rockies**

We have audited the statement of financial position of College of the Rockies as at March 31, 2010 and the statements of operations, changes in net assets and cash flows 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.

BDO Canada LLP

Chartered Accountants

Cranbrook, BC
April 20, 2010



Box 8500
Cranbrook, BC V1C 5L7

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

March 31, 2010

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 Generally Accepted Accounting Principles and the financial directives of the Ministry of Advanced Education 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.

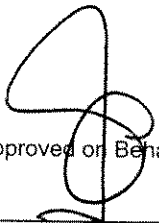
Dr. N. A. Rubidge, President & CEO
June 10, 2010

Dianne Teslak, Bursar
June 10, 2010

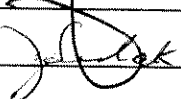
COLLEGE OF THE ROCKIES
STATEMENT OF FINANCIAL POSITION
As At March 31, 2010

	GENERAL OPERATING FUND	ANCILLARY SERVICES FUND	SPECIAL PURPOSE FUND	CAPITAL FUND	TRUST FUND	TOTAL FOR YEAR ENDED 2010	TOTAL FOR YEAR ENDED 2009
	\$	\$	\$	\$	\$	\$	\$
ASSETS							
Cash	7,992,040			9,465,481	921,400	18,378,921	13,165,226
Accounts Receivable	1,448,559	15,063		234,890	71,169	1,769,681	1,023,518
Prepaid Expenses	154,382					154,382	109,973
Investments (Note 3)	5,130,378	11,750			3,550,667	8,692,795	8,438,381
Inventories		301,321				301,321	267,741
Endowment Funds (Note 4)					243,068	243,068	216,141
Capital Assets (Note 5)				34,321,128		34,321,128	31,262,817
Sinking Fund (Note 6)				2,271,789		2,271,789	2,153,452
Interfund Balance	(8,816,339)	586,519	7,310,500	34,630	884,690	0	0
	<u>5,909,020</u>	<u>914,653</u>	<u>7,310,500</u>	<u>46,327,918</u>	<u>5,670,994</u>	<u>66,133,085</u>	<u>56,637,249</u>
LIABILITIES							
Accounts Payable and Accrued Liabilities (Note 7)	1,756,858	16,106		996,981		2,769,945	2,217,438
Deferred Revenue (Note 8)	2,419,973	45,539	3,825,104			6,290,616	5,949,111
Deferred Contribution					2,981,432	2,981,432	2,731,249
Deferred Capital Contribution (Note 9)				38,397,545		38,397,545	31,638,754
Debentures Payable (Note 6)				2,787,540		2,787,540	2,783,387
	<u>4,176,831</u>	<u>61,645</u>	<u>3,825,104</u>	<u>42,182,066</u>	<u>2,981,432</u>	<u>53,227,078</u>	<u>45,319,939</u>
NET ASSETS							
-Unrestricted	1,732,189	853,008		4,661,603		7,246,800	6,647,789
-Invested in Capital Assets (Note 10)				(515,751)		(515,751)	(629,936)
-Restricted for Endowments					1,657,102	1,657,102	1,602,569
-Internally Restricted			3,485,396		1,032,460	4,517,856	3,696,888
	<u>1,732,189</u>	<u>853,008</u>	<u>3,485,396</u>	<u>4,145,852</u>	<u>2,689,562</u>	<u>12,906,007</u>	<u>11,317,310</u>
	<u>5,909,020</u>	<u>914,653</u>	<u>7,310,500</u>	<u>46,327,918</u>	<u>5,670,994</u>	<u>66,133,085</u>	<u>56,637,249</u>

Approved on Behalf of the Board



 Chair



 Bursar

Commitments (Note 12)

See Accompanying Notes to Financial Statements

COLLEGE OF THE ROCKIES
STATEMENT OF OPERATIONS AND NET ASSETS
As At March 31, 2010

EXHIBIT B

	GENERAL OPERATING FUND	ANCILLARY SERVICES FUND	SPECIAL PURPOSE FUND	CAPITAL FUND	TRUST FUND	2010	2009
	\$	\$	\$	\$	\$	\$	\$
REVENUE							
Provincial Government Grants	18,949,217		610,184	1,494,993		21,054,394	19,589,752
Tuition Fees	4,205,189		116,110			4,321,299	3,438,347
Other Income	1,736,898	1,287,852	3,784,943	140,702	264,444	7,214,839	6,954,506
Gain (Loss) on Recording to Market Value	148,985			(47,603)	136,097	237,479	408,083
Amortization of Deferred Contributions				1,779,157		1,779,157	1,785,994
	<u>25,040,289</u>	<u>1,287,852</u>	<u>4,511,237</u>	<u>3,367,249</u>	<u>400,541</u>	<u>34,607,168</u>	<u>32,176,682</u>
EXPENSES							
Academic Programs	2,576,191					2,576,191	2,737,083
Technical Program	2,035,966					2,035,966	2,092,794
Vocational Programs	9,190,377					9,190,377	9,404,725
Community Education Services	2,125,724					2,125,724	1,996,829
Student Services	1,726,801					1,726,801	1,634,028
Administration	5,616,845					5,616,845	5,563,269
Ancillary Services		1,222,204				1,222,204	1,190,914
Special Purpose			4,403,538			4,403,538	3,873,850
Capital Fund				1,538,329		1,538,329	1,064,890
Trust Fund					400,541	400,541	315,668
Accrued Payroll Benefits	212,194					212,194	534,703
Amortization Expense				2,024,294		2,024,294	2,019,559
	<u>23,484,098</u>	<u>1,222,204</u>	<u>4,403,538</u>	<u>3,562,623</u>	<u>400,541</u>	<u>33,073,004</u>	<u>32,428,312</u>
Excess (Deficiency) of Revenues Over Expenses	<u>1,556,191</u>	<u>65,648</u>	<u>107,699</u>	<u>(195,374)</u>	<u>0</u>	<u>1,534,164</u>	<u>(251,630)</u>
Net Assets Beginning of Year	<u>1,309,493</u>	<u>752,554</u>	<u>3,341,951</u>	<u>3,955,806</u>	<u>1,957,506</u>	<u>11,317,310</u>	<u>10,918,690</u>
Endowment Contributions	2,865,684	818,202	3,449,650	3,760,432	1,957,506	12,851,474	10,667,060
Interfund Transfers	(1,133,495)	34,806	35,746	385,420	54,533 677,523	54,533 0	650,250 0
Net Assets End of Year	<u>1,732,189</u>	<u>853,008</u>	<u>3,485,396</u>	<u>4,145,852</u>	<u>2,689,562</u>	<u>12,906,007</u>	<u>11,317,310</u>

See Accompanying Notes to Financial Statements

COLLEGE OF THE ROCKIES
STATEMENT OF CASH FLOWS
As At March 31, 2010

	2010	2009
	\$	\$
Cash Provided by (Used In)		
Operating Activities:		
Excess of Revenue over Expenditures	1,534,164	(251,630)
Items not Involving Cash:		
Amortization of Capital Assets	2,024,294	2,019,559
Amortization of Deferred Capital Contributions	(1,779,157)	(1,785,994)
(Gain) Loss on Disposal of Capital Assets	-	(1,133)
(Gain) on Investments and Sinking Fund	(237,478)	(408,083)
Increase in Debenture Financing	4,154	4,157
Net Change in Non-Cash Working Capital (Note 13)	(271,645)	48,253
Increase (Decrease) in Deferred Revenue	341,505	592,453
Increase in Deferred Contributions	250,183	315,664
	1,866,020	533,246
Financing and Investing Activities:		
Decrease (Increase) in Investments and Endowment Funds	3,741	(1,629,569)
Purchase of Capital Assets (Note 10b)	(5,082,606)	(1,507,475)
Proceeds on Disposal of Capital Assets	-	1,133
Increase in Sinking Fund	(165,940)	(235,803)
Increase in Deferred Contributions Related to Capital Assets	8,537,948	268,200
Endowment Contributions	54,533	650,250
	3,347,676	(2,453,264)
Increase (Decrease) in Cash	5,213,695	(1,920,018)
Cash, Beginning of Year	13,165,226	15,085,244
Cash, End of Year	18,378,921	13,165,226
Supplemental Cash Flow Information:		
Cash Paid During the Year for Interest	210,000	210,000
Cash Received During the Year for Interest	94,693	420,404

See Accompanying Notes to Financial Statements

COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2010

1. STATUS OF THE COLLEGE

The College, a Not-for-Profit Organization, was designated as East Kootenay Community College under Section 5 of the College and Institute Act by the Lieutenant-Governor in Council on November 24, 1978, effective December 1, 1978. The College was renamed the College of the Rockies by Order-in-Council No. 1329, Government of British Columbia, November 2, 1995.

The College is a registered charity under the Income Tax Act and accordingly is exempt from income taxes provided certain requirements of the Income Tax Act are met.

The College of the Rockies has campuses in Cranbrook, Creston, Fernie, Golden, Invermere, and Kimberley.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The financial statements have been prepared by management in accordance with generally accepted accounting principles. The preparation of these financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Specific areas of estimate are in the rate of amortization of capital assets and in the revenue recognition of contract services. Actual results may differ from those estimates.

b) Fund Accounting

The resources and operations of the College are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the assets allocated to it.

The General Operating Fund accounts for the instructional, administrative and other operational costs financed by grants, tuition fees and other general income. It also records the related assets, liabilities and net assets.

The Ancillary Services Fund accounts for funds received and expended in operating the College bookstore and residence. Interest expense on debt incurred for the acquisition of the residence is reflected in this fund.

The Special Purpose Fund accounts for funds received for specific purposes and that are not considered part of the ongoing operation of the College.

The Capital Fund accounts for funds available and expended for the acquisition of capital assets and deferred capital contributions. Revenue and expenses associated with capital assets is also reflected in the Capital Fund.

The Trust Fund accounts for funds designated to specific long-term activities financed by public contributions, grants and other income.

COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Revenue Recognition

The College follows the deferral method of accounting for contributions which primarily consist of government grants.

Government grants are accounted for as unrestricted contributions or externally restricted contributions in accordance with the terms of funding.

Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.

Externally restricted capital contributions are recorded as deferred capital contributions upon receipt. Unamortized deferred capital contributions are recognized as revenue in the period in which the related capital assets are amortized to indicate how the amortization expense has been funded. Unamortized deferred capital contributions relating to capital assets disposed of are recognized as revenue in the period of disposal, provided that all restrictions have been complied with.

Externally restricted capital contributions for non-depreciable capital assets are recognized as direct increases in net assets.

Endowment contributions are recognized as direct increases in endowment net assets in the period which they are received.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Net revenue from incomplete special purpose fund projects of which the funding was externally designated is recorded as deferred revenue. Income or loss from projects is recognized at project completion.

Tuition and related fees are deferred to the extent that the courses extend beyond the fiscal year of the College.

d) Inventories

Inventories are valued at the lower of cost and net realizable value on a first-in, first-out basis.

e) Investments

Investments consist primarily of fixed income and Canadian equities. They are considered held for trading and are recorded at market value for the current year.

COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Capital Assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of the contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated useful life of an asset are capitalized. Amortization is provided on a straight-line basis using the following annual rates:

Buildings (Concrete/Steel, Wood Frame)	2.5%, 5.0%
Renovations (Concrete/Steel, Wood Frame)	2.5%, 5.0%
Library Acquisition	10.0%
Computers & Software	25.0%
Furniture & Equipment	20.0%
Leasehold Improvement	life of lease

g) Financial Instruments

Financial Instruments are defined as a contractual right to either receive or deliver cash or another financial instrument to another party.

The College utilizes various Financial Instruments. 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 College classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The College's accounting policy for each category is as follows:

Held for Trading:

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 *Financial Instruments - Recognition and Measurement*. The College has designated investments, endowment funds, and sinking funds as held for trading. These instruments on initial recognition are recorded at fair value and net gains and losses arising from changes in fair value, determined by published price quotations in an active market, are recognized immediately in income. Transaction costs to purchase or sell these instruments are recognized in income on the settlement date.

Loans and receivables:

The College has classified accounts receivable as loans and receivables. This financial asset is initially recognized at its fair value, which is approximated by the instrument's initial cost in a transaction between unrelated parties. Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

Other financial liabilities:

The College has classified accounts payable and debentures payable as other financial liabilities. This financial liability is initially recognized at its fair value, which is approximated by the instrument's initial cost in a transaction between unrelated parties. Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Capital Disclosures

The College's primary objective when managing capital is to safeguard its ability to provide services to students. The College considers its capital to be net assets invested in capital assets and other net assets. The College is not subject to any externally imposed capital requirements other than the establishment and funding of a sinking fund for future debt retirement as disclosed in Note 6.

The College's object when managing capital is to maintain a stable financial structure by matching its capital to the underlying nature and terms of the asset being funded and to hold sufficient unrestricted net assets to enable it to withstand negative unexpected financial events. The College seeks to maintain sufficient liquidity to enable it to meet its obligations as they become due and follows a prudent investment policy designed to ensure a low risk return on investment consistent with the long-term goals and future obligations of the College.

3. INVESTMENTS

Investments in the amount of \$8,620,779 market value (2009 - \$8,353,522 market value) have been made in various Provincial Government and Bank bonds ranging from a low interest rate of 2.50% to a high of 5.00%. Maturity dates range from June 2010 up to March 2018.

\$85,381 market value (2009 - \$84,859 market value) is invested with the Municipal Finance Authority in a Money Market Fund earning an annual compound interest rate at March 31, 2010 of 1.22%.

4. ENDOWMENT FUNDS

\$160,000 has been invested with the Vancouver Foundation and is not controlled by the College, nor can it be converted to other uses by the College. Interest earned is included in the scholarship trust fund and disbursed for scholarships and bursaries. The market value of this investment is \$199,552 (2009 - \$172,625 market value).

\$39,500 of marketable securities have been donated to the College of which the principal must be maintained and the income earned is included in the scholarship trust fund and disbursed for scholarships and bursaries. The market value of these securities are \$43,516 (2009 - \$43,516 market value).

5. CAPITAL ASSETS

	COST	ACCUMULATED AMORTIZATION	2010 NET BOOK VALUE	2009 NET BOOK VALUE
	\$	\$	\$	\$
Land	1,093,131	0	1,093,131	1,093,131
Buildings	42,167,365	16,575,507	25,591,858	26,586,586
Renovations	7,351,582	1,740,225	5,611,357	1,613,224
Library Acquisition	206,725	206,725	0	0
Computers & Software	3,539,854	2,803,517	736,337	690,665
Furniture & Equipment	8,440,785	7,152,340	1,288,445	1,279,211
Leasehold Improvement	20,433	20,433	0	0
Total	<u>62,819,875</u>	<u>28,498,747</u>	<u>34,321,128</u>	<u>31,262,817</u>

COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2010

5. CAPITAL ASSETS (Continued)

The land on which the Cranbrook campus is located was acquired for \$1 and was within the Agricultural Land Reserve, with permission given by the Agricultural Land Commission for the construction of the campus and related facilities. As of January 12, 1994, the Provincial Agricultural Land Commission excluded Cranbrook campus land from the Agricultural Land Reserve, with permission to create an access corridor within the Agricultural Land Reserve in the future.

The College of the Rockies has no direct insurance coverage against loss of capital assets except vehicles and the Residence building. The Ministry of Advanced Education's *University, College & Institute Protection Program* provides College property insurance and claims for loss of College property must be submitted to the Province of British Columbia to be considered for compensation.

6. DEBENTURES PAYABLE and SINKING FUND

College of the Rockies, under Section 22.1 of the *College and Institute Act*, issued a debenture for \$2,800,000 for the purpose of constructing a residence.

	<u>INTEREST RATE</u>	<u>ISSUE DATE</u> YR/MO/DAY	<u>DUE DATE</u> YR/MO/DAY	<u>AMOUNT</u> \$	<u>MARKET VALUE at</u> <u>MARCH 31, 2010</u> \$
Issue EKCC-CD-Q	7.50%	1994/01/05	2014/06/09	2,800,000	3,364,590
Unamortized Discount				12,460	
				<u>2,787,540</u>	

The College is responsible annually for a sinking fund contribution of \$61,186 and interest payments on the debenture of \$210,000. The sinking fund primarily consists of investments in government bonds with maturity dates in 2014. The sinking fund has a market value at March 31, 2010 of \$2,271,789 (2009 - \$2,153,452).

7. ACCRUED PAYROLL BENEFITS

The Accounts Payable and Accrued Liabilities includes an amount of \$681,133 (2009 - \$611,231) which represents the value of accrued payroll benefits.

COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2010

8. DEFERRED REVENUE

	FUND	SERVICES FUND	PURPOSE FUND	2010	2009
	\$	\$	\$	\$	\$
Amounts Received					
Tuition Fees	4,407,499		291,293	4,698,792	3,481,530
Grants and Other Revenue	21,334,534	1,291,816	3,855,740	26,482,090	26,107,897
	<u>25,742,033</u>	<u>1,291,816</u>	<u>4,147,033</u>	<u>31,180,882</u>	<u>29,589,427</u>
Revenue Recognized					
Tuition Fees	4,205,189		116,110	4,321,299	3,438,347
Grants and Other Revenue	20,835,100	1,287,852	4,395,126	26,518,078	25,558,627
	<u>25,040,289</u>	<u>1,287,852</u>	<u>4,511,236</u>	<u>30,839,377</u>	<u>28,996,974</u>
Increase in Deferred Revenue	701,744	3,964	-364,203	341,505	592,453
Balance, Beginning of Year	<u>1,718,229</u>	<u>41,575</u>	<u>4,189,307</u>	<u>5,949,111</u>	<u>5,356,658</u>
Balance, End of Year	<u><u>2,419,973</u></u>	<u><u>45,539</u></u>	<u><u>3,825,104</u></u>	<u><u>6,290,616</u></u>	<u><u>5,949,111</u></u>

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions related to capital assets represent the unamortized external funding received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Statement of Operations.

	GRANT	DEBENTURES	2010	2009
	\$	\$	\$	\$
Balance, Beginning of Year	4,102,025	27,536,729	31,638,754	33,156,548
Contribution for Government Grants		8,537,948	8,537,948	268,200
Revenue Recognized	<u>(340,581)</u>	<u>(1,438,576)</u>	<u>(1,779,157)</u>	<u>(1,785,994)</u>
Balance, End of Year	<u><u>3,761,444</u></u>	<u><u>34,636,101</u></u>	<u><u>38,397,545</u></u>	<u><u>31,638,754</u></u>

	2010	2009
	\$	\$
The balance of unamortized capital contributions related to capital assets consists of the following:		
Unamortized Capital Contributions Used to Purchase Capital Assets	34,321,128	31,262,817
Unspent Contribution	<u>4,076,417</u>	<u>375,937</u>
	<u><u>38,397,545</u></u>	<u><u>31,638,754</u></u>

COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2010

10. INVESTED IN CAPITAL ASSETS

a) Investment in Capital Assets

	2010	2009
	\$	\$
Capital Assets, Net of Accumulated Amortization	34,321,128	31,262,816
Amounts Funded by		
Debenture Debt, Net of Sinking Fund Investment	(515,751)	(629,935)
Deferred Capital Contributions	(38,397,545)	(31,638,754)
Less unspent contribution	4,076,417	375,937
	(515,751)	(629,936)

b) Change in Net Assets Invested in Capital Assets

	2010	2009
	\$	\$
Excess (Deficiency) of Revenues Over Expenditures		
Amortization of Deferred Contributions Related to Capital Assets	1,779,157	1,785,994
Amortization of Capital Assets	(2,024,294)	(2,019,559)
	(245,137)	(233,565)
Net Change in Investment in Capital Assets		
Purchase of Capital Assets	5,082,606	1,507,475
Amounts Funded by		
Deferred Contributions	(8,537,948)	(268,200)
Less change in unspent contribution	3,700,480	(1,005,708)
Debentures	(4,153)	(4,157)
Sinking Fund Increase	118,337	288,883
	359,322	518,293
	114,185	284,728

COLLEGE OF THE ROCKIES
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2010

PENSION PLANS

11. 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 about 12,000 active members 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 the surplus to individual employers. The College of the Rockies paid \$1,230,383 (2009 - \$1,173,017) for employer contributions to the plan in fiscal 2010.

COMMITMENTS

- 12 The College is committed under the following lease agreements:

	<u>PHOTOCOPIERS</u>
	\$
2010/2011	15,105

NET CHANGE IN NON-CASH WORKING CAPITAL

	2010	2009
	\$	\$
Accounts Receivable	(746,163)	(6,772)
Prepaid Expenses	(44,409)	(74)
Inventories	(33,580)	(102,810)
Accounts Payable and Accrued Liabilities	552,507	157,909
	(271,645)	48,253

COMPARATIVE AMOUNTS

- 14 Certain comparative figures have been restated, where necessary, to conform to the current year's presentation.



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Auditors' Comment on Supplementary Financial Information

To the Board of Directors
College of The Rockies

We have audited the financial statements of the College of the Rockies as at March 31, 2010 and reported thereon dated April 20, 2010. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

BDO Canada LLP

Chartered Accountants

Cranbrook, BC
April 20, 2010

COLLEGE OF THE ROCKIES
SCHEDULE OF GRANTS, TUITION FEES AND OTHER INCOME
As At March 31, 2010

	GENERAL OPERATING FUND	ANCILLARY SERVICES FUND	SPECIAL PURPOSE FUND	CAPITAL FUND	TRUST FUND	2010	2009
	\$	\$	\$	\$	\$	\$	\$
PROVINCIAL GOV'T GRANTS							
Continuing Programs	17,017,357					17,017,357	15,872,943
Industry Training Authority	1,924,860					1,924,860	1,901,661
Other Activities	7,000		610,184			617,184	1,028,787
Repairs and Maintenance				1,494,993		1,494,993	786,361
Amortization of Deferred Contributions				1,779,157		1,779,157	1,785,994
	<u>18,949,217</u>	<u>0</u>	<u>610,184</u>	<u>3,274,150</u>	<u>0</u>	<u>22,833,551</u>	<u>21,375,746</u>
TUITION FEES							
Full Time Programs	2,622,030		107,022			2,729,052	2,150,421
Part Time Programs	342,096					342,096	208,511
Community Ed Programs	1,241,063		9,088			1,250,151	1,079,415
	<u>4,205,189</u>	<u>0</u>	<u>116,110</u>	<u>0</u>	<u>0</u>	<u>4,321,299</u>	<u>3,438,347</u>
OTHER INCOME							
Contract Services	1,029,266		888,627			1,917,893	2,453,109
Other Agencies			2,032,018			2,032,018	1,748,307
Ancillary Services		1,287,852				1,287,852	1,221,000
Investment Income	49,985			137,702	11,761	199,448	515,021
Other	657,647		500,094	3,000	502,866	1,663,607	1,751,832
Gain/Loss on Recording to MV	148,985			(47,603)	136,097	237,479	408,083
	<u>1,885,883</u>	<u>1,287,852</u>	<u>3,420,739</u>	<u>93,099</u>	<u>650,724</u>	<u>7,338,297</u>	<u>8,097,352</u>
	<u>25,040,289</u>	<u>1,287,852</u>	<u>4,147,033</u>	<u>3,367,249</u>	<u>650,724</u>	<u>34,493,147</u>	<u>32,911,445</u>
DEFERRED REVENUE			364,204		(250,183)	114,021	(734,763)
	<u>25,040,289</u>	<u>1,287,852</u>	<u>4,511,237</u>	<u>3,367,249</u>	<u>400,541</u>	<u>34,607,168</u>	<u>32,176,682</u>

COLLEGE OF THE ROCKIES
SCHEDULE OF EXPENDITURE DETAIL
As At March 31, 2010

SCHEDULE B

	GENERAL OPERATING FUND	ANCILLARY SERVICES FUND	SPECIAL PURPOSE FUND	CAPITAL FUND	TRUST FUND	2010	2009
	\$	\$	\$	\$	\$	\$	\$
PERSONNEL							
Salaries and Wages	15,176,394	183,557	1,769,597	112		17,129,660	17,157,498
Group Benefits	3,118,653	40,402	308,074	13		3,467,142	3,340,607
Professional Development	166,126		4,971		32,670	203,767	174,855
Staff Recruitment	33,327		485			33,812	63,592
	<u>18,494,500</u>	<u>223,959</u>	<u>2,083,127</u>	<u>125</u>	<u>32,670</u>	<u>20,834,381</u>	<u>20,736,552</u>
NON-PERSONNEL							
General Supplies	1,131,046	15,482	215,459	313,041		1,675,028	1,475,700
Repairs and Maintenance	169,518	3,635	15,891	13,024	688	202,756	198,058
Leases and Rentals	17,122		90,441			107,563	104,725
Hospitality and Travel	445,769	3,933	366,546			816,248	884,378
Telephone	42,203	1,164	13,264			56,631	64,844
Public Relations	223,065	1,110	51,567	1,860		277,602	284,336
Printing and Photocopying	192,606	3,708	70,556	585		267,455	278,784
Postage and Freight	72,185	22,035	14,750	109		109,079	122,489
Data Communications	32,279	1,455	6,597			40,331	39,010
Facilities	501,940	47,342	2,104	1,131,052		1,682,438	1,368,386
External Computer Services	1,985					1,985	1,993
Professional Fees	1,705,039	40,582	660,116	74,380		2,480,117	2,368,665
College Membership Fees	260,906	1,225	11,015			273,146	295,457
Miscellaneous	137,960	2	593,040	4,153		735,155	1,057,138
Amortization Expense				2,024,294		2,024,294	2,019,559
Debt Service - COTR		210,000				210,000	210,000
Scholarship Payments	55,975		209,065		367,183	632,223	316,225
Bookstore Cost of Sales		646,572				646,572	602,013
	<u>4,989,598</u>	<u>998,245</u>	<u>2,320,411</u>	<u>3,562,498</u>	<u>367,871</u>	<u>12,238,623</u>	<u>11,691,760</u>
	<u>23,484,098</u>	<u>1,222,204</u>	<u>4,403,538</u>	<u>3,562,623</u>	<u>400,541</u>	<u>33,073,004</u>	<u>32,428,312</u>

COLLEGE OF THE ROCKIES
ANCILLARY SERVICES FUND
As At March 31, 2010

SCHEDULE C

	BOOKSTORE		STUDENT RESIDENCE			
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
SALES	911,574	840,921			911,574	840,921
COST OF SALES	646,572	602,013			646,572	602,013
GROSS MARGIN	265,002	238,908			265,002	238,908
RESIDENCE REVENUE			376,278	380,079	376,278	380,079
	265,002	238,908	376,278	380,079	641,280	618,987
EXPENDITURE						
Salaries and Benefits	134,996	142,130	88,963	95,414	223,959	237,544
Supplies and Other Expenses	28,758	39,102	322,915	312,255	351,673	351,357
	163,754	181,232	411,878	407,669	575,632	588,901
EXCESS REVENUE	101,248	57,676	(35,600)	(27,590)	65,648	30,086
NET ASSETS - UNRESTRICTED						
Beginning of Year	752,554	694,878	0	15,990	752,554	710,868
Interfund Transfers	(794)		35,600	11,600	34,806	11,600
End of Year	853,008	752,554	0	0	853,008	752,554

COLLEGE OF THE ROCKIES
SPECIAL PURPOSE FUND
REVENUE, EXPENDITURE AND DEFERRED REVENUE
As At March 31, 2010

SCHEDULE D

	REVENUE			EXPENDITURE			EXCESS OF REVENUE	INTERNALLY RESTRICTED NET ASSETS AND DEFERRED REVENUE	INTERNALLY RESTRICTED NET ASSETS AND DEFERRED REVENUE		
	GRANTS	FEES	TOTAL	SALARIES & BENEFITS	OTHER EXPENSES	TOTAL		BEGINNING OF YEAR	INTERFUND TRANSFERS		END OF YEAR
	\$	\$	\$	\$	\$	\$		\$	\$		\$
PROVINCIAL GOVERNMENT											
Ministry Contracts	162,500	899,898	1,062,398	590,546	413,238	1,003,784	58,614	364,178	(116,605)	306,187	
PROVINCIAL INITIATIVES											
Vocational		600	600		20	20	580	37,873	(38,453)	0	
Developmental Studies			0	20,153		20,153	(20,153)	53,798	0	33,645	
Student Services	193,834	2,400	196,234	118,879	72,221	191,100	5,134	108,046	(40,303)	72,877	
Other		158,673	158,673	54,803	77,750	132,553	26,120	24,996	(883)	50,233	
Other Provincial Contracts			0			0	0	140,791	0	140,791	
	193,834	161,673	355,507	193,835	149,991	343,826	11,681	365,504	(79,639)	297,546	
OTHER ORGANIZATION											
Federal Contracts	253,850	143,662	397,512	304,474	515,257	819,731	(422,219)	492,656	(21,817)	48,620	
Industry Contracts		1,027,460	1,027,460	242,995	661,140	904,135	123,325	179,809	(212,231)	90,903	
	253,850	1,171,122	1,424,972	547,469	1,176,397	1,723,866	(298,894)	672,465	(234,048)	139,523	
SELF FUNDED PROGRAMS											
Annual Projects		258,301	258,301	17,641	122,963	140,604	117,697	496,413	(2,875)	611,235	
Temporary Projects		24,096	24,096	4,338	77,129	81,467	(57,371)	2,159,012	191,787	2,293,428	
Innovation Fund			0	17,177	24,919	42,096	(42,096)	71,591	254	29,749	
Other Self Funded		96,212	96,212	79,046	99,390	178,436	(82,224)	60,144	169,515	147,435	
INTERNALLY RESTRICTED											
International Education		925,547	925,547	633,075	256,384	889,459	36,088	384,460	(47,399)	373,149	
Development Fund			0			0	0	811,857	154,756	966,613	
Long Term Planning			0			0	0	2,084,421		2,084,421	
Revenue Generation			0			0	0	61,213		61,213	
	0	1,304,156	1,304,156	751,277	580,785	1,332,062	(27,906)	6,129,111	466,038	6,567,244	
TOTAL FOR THE YEAR ENDED March 31, 2010	610,184	3,536,849	4,147,033	2,083,127	2,320,411	4,403,538	(256,505)	7,531,258	35,746	7,310,500	
TOTAL FOR THE YEAR ENDED March 31, 2009	1,028,787	3,572,757	4,601,544	1,868,462	2,005,388	3,873,850	727,694	5,518,230	1,285,334	7,531,258	

COLLEGE OF THE ROCKIES
TRUST FUND
REVENUE, EXPENDITURE AND DEFERRED CONTRIBUTION
As At March 31, 2010

SCHEDULE E

	REVENUE	EXPENDITURE	EXCESS OF REVENUE	INTERNALLY RESTRICTED NET ASSETS AND DEFERRED CONTRIBUTION BEGINNING OF YEAR	INTERFUND TRANSFERS	CHANGE IN ACCOUNTING POLICY	INTERNALLY RESTRICTED NET ASSETS AND DEFERRED CONTRIBUTION END OF YEAR
	\$	\$	\$	\$	\$	\$	\$
SCHOLARSHIPS							
Permanent Funds							
Surplus	41,250	41,250	0	0			0
Annual	158,944	158,944	0	0			0
Designated	21,251	21,251	0	0			0
Southern Interior Development	145,738	145,738	0	0			0
	367,183	367,183	0	0	0	0	0
EMERGENCY LOAN							
	141	0	141	23,831			23,972
OTHER							
Faculty Educational Leave	41,122	32,670	8,452	40,990			49,442
Special Trust	92,379	688	91,691	849,587	214,948		1,156,226
Benefit Reserves	324		324	682,429			682,753
Equipment and Supplies Reserve	134,953		134,953	183,642	(37,425)		281,170
International Ed Capital Reserve	362		362	762,759			763,121
Building Reserve	14,260		14,260	542,632	500,000		1,056,892
Residence Principle Reserve	0		0	316			316
	283,400	33,358	250,042	3,062,355	677,523	0	3,989,920
TOTAL FOR THE YEAR ENDED							
March 31, 2010	650,724	400,541	250,183	3,086,186	677,523	0	4,013,892
TOTAL FOR THE YEAR ENDED							
March 31, 2009	628,832	315,668	313,164	2,857,865	(84,843)	0	3,086,186