

Financial Statements of

Langara College

And Independent Auditor's Report thereon
For the year ended March 31, 2024

Langara College

Statement of Management Responsibility

Year ended March 31, 2024

Management is responsible for the preparation of the annual financial statements, and has prepared the accompanying financial statements for the year ended March 31, 2024, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, as described in note 2(a) of the financial statements.

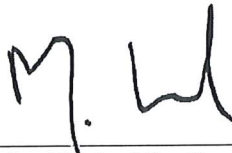
In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that assets are safeguarded and that the financial records provide a reliable basis for the preparation of the financial statements.

The Board of Governors of the College carries out its responsibility for review and approval of the financial statements. The Audit and Finance Committee of the Board meets with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

These financial statements have been reported on by KPMG LLP, the College's external auditors appointed by the Board of Governors. The external auditors have full access to the Board with and without the presence of management.



Dr. Paula Burns, President and CEO



Michael Koke, Vice-President, Administration and Finance

June 27, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Langara College, and to the Minister of the Ministry of Post-Secondary Education and Future Skills, Province of British Columbia

Opinion

We have audited the financial statements of Langara College (the "College"), 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 College 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 College 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.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework 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 College'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 College or to cease operations, or has no realistic alternative but to do so.

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

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 College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 College'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 College 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 27, 2024

Langara College

Statement of Financial Position
 March 31, 2024 with comparative figures for 2023

| | | 2024 | 2023 |
|--|---------|-----------------------|-----------------------|
| Financial assets | | | |
| Cash | Note 4 | \$ 69,585,699 | \$ 85,869,433 |
| Investments | Note 4 | 44,405,547 | 43,712,283 |
| Accounts receivable | | 5,536,451 | 3,141,284 |
| Inventories for resale | | 349,208 | 395,159 |
| Net investment in lease | Note 5 | 2,560,402 | 2,673,569 |
| | | 122,437,307 | 135,791,728 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | Note 6 | 29,437,380 | 30,326,741 |
| Employee future benefits | Note 7 | 2,222,600 | 1,842,700 |
| Deferred revenue | | 40,175,759 | 53,709,400 |
| Deferred contributions | Note 8 | 15,385,560 | 6,233,840 |
| Deferred capital contributions | Note 9 | 62,850,426 | 55,922,892 |
| Asset retirement obligations | Note 10 | 2,036,982 | 8,047,215 |
| Long-term debt | Note 11 | 7,585,097 | 7,737,047 |
| | | 159,693,804 | 163,819,835 |
| Net debt | | (37,256,497) | (28,028,107) |
| Non-financial assets | | | |
| Tangible capital assets | Note 12 | 155,674,579 | 143,353,553 |
| Prepaid expenses | | 3,357,744 | 3,342,417 |
| | | 159,032,323 | 146,695,970 |
| Accumulated surplus | | \$ 121,775,826 | \$ 118,667,863 |

Commitments Note 14

See accompanying notes to the financial statements

Approved on behalf of the Board of Governors:



Mary Lynn Baum
 Chair, Board of Governors



Scott Murray
 First Vice Chair, Board of Governors

Langara College

Statement of Operations and Accumulated Surplus

Year ended March 31, 2024 with comparative figures for 2023

| | Annual Budget | | Actual | Actual | | |
|--|---------------|-----------------------|--------|-----------------------|----|-----------------------|
| | 2024 | | 2024 | 2023 | | |
| Revenue: | | | | | | |
| Province of British Columbia grants | \$ | 64,867,000 | \$ | 60,750,716 | \$ | 57,369,200 |
| Tuition and student fees | | 122,294,000 | | 128,945,527 | | 113,945,257 |
| Sales of goods and services | | 3,610,000 | | 3,350,637 | | 3,582,700 |
| Contract services | | 1,631,000 | | 3,620,283 | | 2,345,216 |
| Investment income | | 5,393,000 | | 6,398,264 | | 3,626,638 |
| Revenue recognized from deferred capital contributions | Note 9 | 3,945,000 | | 4,019,003 | | 3,982,039 |
| Miscellaneous income and contributions | | 1,657,000 | | 7,951,110 | | 2,411,858 |
| | | 203,397,000 | | 215,035,540 | | 187,262,908 |
| Expenses: | | | | | | |
| Instruction | | 195,206,000 | | 202,997,560 | | 177,741,519 |
| Ancillary operations | | 6,541,000 | | 5,951,637 | | 6,472,230 |
| Contributions to Langara College Foundation | Note 16 | 1,650,000 | | 2,978,380 | | 1,750,420 |
| | | \$ 203,397,000 | | \$ 211,927,577 | | \$ 185,964,169 |
| Annual surplus | | - | | 3,107,963 | | 1,298,739 |
| Accumulated surplus, beginning of year | | 118,667,863 | | 118,667,863 | | 117,369,124 |
| Accumulated surplus, end of period | | \$ 118,667,863 | | 121,775,826 | | \$ 118,667,863 |

See accompanying notes to financial statements

Langara College

Statement of Operations and Accumulated Surplus

Year ended March 31, 2024 with comparative figures for 2023

| | Annual Budget | | Actual | | | |
|--|---------------|-----------------------|--------|-----------------------|----|-----------------------|
| | 2024 | | 2024 | | | |
| | | | | 2023 | | |
| Revenue: | | | | | | |
| Province of British Columbia grants | \$ | 64,867,000 | \$ | 60,750,716 | \$ | 57,369,200 |
| Tuition and student fees | | 122,294,000 | | 128,945,527 | | 113,945,257 |
| Sales of goods and services | | 3,610,000 | | 3,350,637 | | 3,582,700 |
| Contract services | | 1,631,000 | | 3,620,283 | | 2,345,216 |
| Investment income | | 5,393,000 | | 6,398,264 | | 3,626,638 |
| Revenue recognized from deferred capital contributions | Note 9 | 3,945,000 | | 4,019,003 | | 3,982,039 |
| Miscellaneous income and contributions | | 1,657,000 | | 7,951,110 | | 2,411,858 |
| | | 203,397,000 | | 215,035,540 | | 187,262,908 |
| Expenses: | | | | | | |
| Instruction | | 195,206,000 | | 202,997,560 | | 177,741,519 |
| Ancillary operations | | 6,541,000 | | 5,951,637 | | 6,472,230 |
| Contributions to Langara College Foundation | Note 16 | 1,650,000 | | 2,978,380 | | 1,750,420 |
| | | \$ 203,397,000 | | \$ 211,927,577 | | \$ 185,964,169 |
| Annual surplus | | - | | 3,107,963 | | 1,298,739 |
| Accumulated surplus, beginning of year | | 118,667,863 | | 118,667,863 | | 117,369,124 |
| Accumulated surplus, end of period | | \$ 118,667,863 | | 121,775,826 | | \$ 118,667,863 |

See accompanying notes to financial statements

Langara College

Statement of Changes in Net Debt

Year ended March 31, 2024 with comparative figures for 2023

| | Annual Budget | | | | | |
|---|---------------|---------------------|--------------|---------------------|-----------|---------------------|
| | 2024 | | 2024 | 2023 | | |
| | Note 2(i) | | | | | |
| Annual surplus | \$ | - | \$ | 3,107,963 | \$ | 1,298,739 |
| Acquisition of tangible capital assets | Note 12 | (33,597,000) | (23,433,700) | (14,280,779) | | |
| Loss on disposal of tangible capital assets | | - | 238,853 | - | | |
| Amortization of tangible capital assets | Note 12 | 11,450,000 | 10,873,821 | 10,088,524 | | |
| | | (22,147,000) | (12,321,026) | (4,192,255) | | |
| Acquisition of prepaid expenses | | - | (7,943,570) | (7,656,209) | | |
| Use of prepaid expenses | | - | 7,928,243 | 5,998,639 | | |
| | | - | (15,327) | (1,657,570) | | |
| Increase in net debt | | (22,147,000) | (9,228,390) | (4,551,086) | | |
| Net debt, beginning of year | | (28,028,107) | (28,028,107) | (23,477,021) | | |
| Net debt, end of year | \$ | (50,175,107) | \$ | (37,256,497) | \$ | (28,028,107) |

See accompanying notes to financial statements

Langara College

Statement of Cash Flows

Year ended March 31, 2024 with comparative figures for 2023

| | 2024 | 2023 |
|---|----------------------|----------------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Annual surplus | \$ 3,107,963 | \$ 1,298,739 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 10,873,821 | 10,088,524 |
| Loss on disposal of tangible capital assets | 238,853 | - |
| Accretion expense | - | 244,233 |
| Revenue recognized from deferred capital contributions | (4,019,003) | (3,982,039) |
| (Gain) Loss on sinking fund investments for long-term debt | (1,420) | 183,303 |
| Change in employee future benefits | 379,900 | 28,800 |
| Decrease in asset retirement obligation | (6,010,233) | - |
| Change in non-cash operating working capital: | | |
| Increase in accounts receivable | (2,395,167) | (1,046,011) |
| Decrease (Increase) in inventories for resale | 45,951 | (50,735) |
| Increase in prepaid expenses | (15,327) | (1,657,570) |
| (Decrease) Increase in accounts payable and accrued liabilities | (889,361) | 3,902,124 |
| (Decrease) Increase in deferred revenue | (13,533,641) | 2,145,336 |
| Increase in deferred contributions | 16,159,420 | 1,117,892 |
| | 3,941,756 | 12,272,596 |
| Capital activities: | | |
| Acquisition of tangible capital assets | (23,433,700) | (14,280,779) |
| | (23,433,700) | (14,280,779) |
| Financing activities: | | |
| Sinking fund payments on long-term debt | (150,530) | (150,530) |
| Deferred capital contributions received | 3,938,837 | 4,643,984 |
| | 3,788,307 | 4,493,454 |
| Investing activities: | | |
| Principal payments received on net investment in lease | 113,167 | 108,033 |
| Purchase of investments | (693,264) | (530,801) |
| | (580,097) | (422,768) |
| (Decrease) Increase in cash | (16,283,734) | 2,062,503 |
| Cash, beginning of year | 85,869,433 | 83,806,930 |
| Cash, end of year | \$ 69,585,699 | \$ 85,869,433 |

Non-cash transactions:

| | | |
|--|--------------|------------|
| Transfer from deferred contributions to deferred capital contributions | \$ 7,007,700 | \$ 797,629 |
|--|--------------|------------|

See accompanying notes to the financial statements.

Langara College

Notes to the Financial Statements

Year ended March 31, 2024

1. Authority and purpose

Langara College (the “College”) operates under the authority of the College and Institute Act of British Columbia. The College is a government not-for-profit entity governed by a Board of Governors, the majority of whom are appointed by the Province of British Columbia. The College is a registered charity and is exempt from income taxes under section 149 of the *Income Tax Act*.

The College provides university studies, career studies and continuing studies programs and courses to over 20,000 full and part-time students annually.

2. Summary of 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 of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

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 that all tax-payer supported organizations adopt Canadian public sector accounting standards without any PS 4200 elections.

Regulation 198/2011 requires that restricted contributions received or receivable are to be 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 contributions in the form of a depreciable tangible capital asset are recorded as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of deferred capital contributions and recognition of revenue is accounted for in the fiscal period in which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than those for 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 stipulations or restrictions on the contributions have been met.

For British Columbia taxpayer-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 require that government transfers that do not contain a stipulation that creates a liability be recognized as revenue by the recipient when approved by the transferor and when the eligibility criteria have been met in accordance with public sector accounting standard PS 3410. As a result, revenue recognized in the Statement of Operations and Accumulated Surplus and certain related deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

Langara College

Notes to the Financial Statements
Year ended March 31, 2024

2. Summary of significant accounting policies (continued):

(b) Financial instruments

Financial instruments are classified into two categories: fair value and amortized cost.

- (i) Investments that are quoted in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of such investments are recorded as an expense. Unrealized gains and losses on investments carried at fair value are recorded in the Statement of Remeasurement Gains and Losses until such time as they are realized. Realized gains and losses on financial assets are transferred from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations and Accumulated Surplus provided their use is not restricted. As at March 31, 2024, the College does not have any unrealized gains and losses and a Statement of Remeasurement Gains and Losses has not been included in these financial statements.
- (ii) Investments with fixed maturity dates are recorded at amortized cost unless designated as fair value. Income on these investments is recognized in the Statement of Operations and Accumulated Surplus over the period of time that the investments are held using the effective interest rate method. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments is included in the cost of the related investments. The College has not designated any such instruments as fair value.
- (iii) The carrying amounts of other financial instruments, being accounts receivable, and accounts payable and accrued liabilities, approximate their fair value due to their short maturities. The fair value of the College's fixed rate long-term debt is impacted by changes in market yields, which can result in differences between carrying value and fair value. Based on management's estimates, the fair value of the College's long-term debt at March 31, 2024, is not significantly different than its carrying value, as interest rates applicable to the debt are not significantly different from interest rates in effect at the year-end date. The sinking fund investments related to the long-term debt are carried at fair value.

(c) Inventories for resale

Inventories held for resale, including books and other materials, are recorded at the lower of cost or net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated selling price less any costs to sell.

Langara College

Notes to the Financial Statements

Year ended March 31, 2024

2. Summary of significant accounting policies (continued):

(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 the acquisition, construction, development or betterment of the asset. 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.

| Asset | Period |
|----------------------------------|---------------|
| Buildings and improvements | 6-60 years |
| Furniture and fixtures | 10 years |
| Office equipment | 4-15 years |
| Computer hardware | 3-7 years |
| Computer and enterprise software | 3-15 years |
| Library holdings | 5 years |

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

Tangible capital assets are written down to residual value when conditions indicate that they no longer contribute to the provision of goods and services, or when the value of future economic benefits associated with these assets is less than their net book value.

(e) Employee future benefits

The College and its employees make contributions to the College Pension Plan and the Municipal Pension Plan, 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 highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plans are not segregated by institution, they are accounted for as defined contribution plans and contributions by the College to the plans are expensed as incurred.

Benefits for sick leave, vacation and other leaves are also available to College employees. The costs of sick leave benefits and other leaves 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 employees' average remaining service lifetime. Vacation benefits are recorded as a liability as earned.

Langara College

Notes to the Financial Statements
Year ended March 31, 2024

2. Summary of significant accounting policies (continued):

(f) Revenue recognition and deferred revenue

Tuition and student fees and sales of goods and services are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured. Tuition fees and other amounts collected in advance of the delivery of related instruction are accounted for as deferred revenue until the programs are delivered.

Unrestricted donations and grants 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 or the transfer of property is completed.

Restricted donations and grants 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 as a deferred capital contribution and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded.
- (ii) Contributions restricted for specific purposes, other than for those for 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, realized gains and losses on the sale of investments, and write downs on investments where the loss in value is determined to be other than temporary.

(g) Use of estimates

The preparation of the financial statements in accordance with the reporting framework described in note 2(a) requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(h) 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 currency are reflected in the financial statements in equivalent Canadian dollars at the exchange rate in effect on the year-end date.

Langara College

Notes to the Financial Statements
Year ended March 31, 2024

2. Summary of significant accounting policies (continued):

(i) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the Operations and Capital Budget approved by the Board of Governors of the College on March 23, 2023. The budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Debt.

(j) Contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when a site is not in productive use and an environmental standard exists, contamination exceeds the environmental standard, the College is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The liability is recognized as management's estimate of the costs directly attributable to remediation activities, including the cost of post-remediation operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

The College has no contaminated sites as of March 31, 2024 or March 31, 2023.

(k) Art collection

The cost of additions to the College's collection are expensed in the year of acquisition. Proceeds from deaccession from the collection are recorded as revenue in the year of disposition.

The College also receives donated works of art, the value of which is not reflected in these financial statements given the difficulty of determining the fair value.

(l) Asset retirement obligation

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

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

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related tangible capital assets. The amount capitalized in tangible capital assets is amortized using the amortization accounting policy outlined in note 2(d)(i).

The carrying value of the liability is reevaluated at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the asset retirement obligation liability and tangible capital assets. The excess of an adjustment over the carrying value of the related tangible capital asset is recorded in the Statement of Operations and Accumulated Surplus.

Langara College

Notes to the Financial Statements
Year ended March 31, 2024

3. Adoption of new accounting standards

(a) Revenue

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. The adoption of this new standard did not have an impact on the amounts presented in the financial statements.

(b) Purchased intangibles

On April 1, 2023, the College adopted PSG-8 *Purchased Intangibles*. The new guideline permits the recognition of intangible assets that are acquired through an arm's length exchange transaction between willing parties provided the purchased intangible meets the recognition criteria for an asset. The adoption of this new guideline did not have an impact on the amounts presented in the financial statements.

(c) Public Private Partnerships

On April 1, 2023, the College adopted Canadian public sector accounting standard PS 3160 *Public Private Partnerships*. The new accounting standard includes requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. The adoption of this new standard did not have an impact on the amounts presented in the financial statements.

The College has no P3 partnerships as of March 31, 2024.

4. Cash and investments

As at March 31, 2024, the College held guaranteed investment certificates totaling \$44,405,547 (2023: \$43,712,283). The guaranteed investment certificates have interest rates ranging from 3.30% to 6.00% (2023: 1.45% to 5.70%) and maturities in 2024 to 2026 (2023: 2023 to 2025). The Langara Students' Union Capital Fund of \$4,085,025 (2023: \$4,220,389) is currently held in cash.

5. Net investment in lease

The College has entered into an agreement for the lease of the Students' Union Building to the Langara Students' Union ("LSU") for a thirty-year term commencing September 1, 2009. Finance income on the lease of \$123,346 (2023: \$128,480) is included in miscellaneous income and contributions. Minimum lease payments receivable for each year of the lease are \$236,513.

The College's net investment in the lease is comprised of minimum lease payments receivable net of tax and unearned finance income as follows:

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Net investment in lease: | | |
| Total minimum lease payments receivable | \$ 3,599,215 | \$ 3,835,728 |
| Unearned finance income | (1,038,813) | (1,162,159) |
| | \$ 2,560,402 | \$ 2,673,569 |

Langara College

Notes to the Financial Statements
Year ended March 31, 2024

6. Accounts payable and accrued liabilities

| | 2024 | | 2023 | |
|--|------|-------------------|------|-------------------|
| Accounts payable and accrued liabilities | \$ | 12,332,082 | \$ | 12,868,019 |
| Salaries and benefits payable | | 17,105,298 | | 17,458,722 |
| | \$ | 29,437,380 | \$ | 30,326,741 |

7. Employee future benefits

(a) Accumulated sick leave benefit:

Employees of the College earn sick leave according to the terms of the collective agreements or terms of employment, whichever is applicable. Sick leave credits accumulate to each employee as they render services to the College; however, the accumulated amount does not vest and so is extinguished for each employee once they are no longer employed by the College. The expected use of the accumulated amount is determined using actuarial valuation techniques and the corresponding liability is recorded by the College. An expense for sick leave is recognized in the period for which each employee earns this benefit.

(b) Other leaves that vest:

Certain employee groups may be eligible to earn other time-off benefits that may accumulate for multiple years and vest with each qualifying employee. These time-off benefits accumulate to each qualifying employee as they render services to the College. The value of these obligations is determined using actuarial valuation techniques and the corresponding liability is recorded by the College.

The amounts recorded for these liabilities are as follows:

| | Accumulated sick leave benefit | | Other leaves that vest | |
|---|--------------------------------|-----------|------------------------|--------------|
| | | | 2024 | 2023 |
| Accrued benefit obligation, beginning of year | \$ | 1,497,000 | \$ 1,637,500 | \$ 3,134,500 |
| Current service cost | | 133,400 | 229,300 | 362,700 |
| Interest cost | | 62,900 | 71,700 | 134,600 |
| Benefit payments | | (115,200) | (171,800) | (287,000) |
| Actuarial (gain) loss | | (61,100) | (46,900) | (108,000) |
| Plan amendment | | - | (71,800) | (71,800) |
| Accrued benefit obligation, end of year | | 1,517,000 | 1,648,000 | 3,165,000 |
| Unamortized net actuarial loss | | (485,900) | (456,500) | (942,400) |
| Accrued benefit liability, end of year | \$ | 1,031,100 | \$ 1,191,500 | \$ 2,222,600 |

The significant actuarial assumptions used to determine the College's liability are as follows:

| | 2024 | 2023 |
|--|----------|----------|
| Discount rate | 4.5% | 4.0% |
| Inflation rate | 2.5% | 2.5% |
| Expected average remaining service life of employees | 11 years | 11 years |

Langara College

Notes to the Financial Statements
Year ended March 31, 2024

7. Employee future benefits (continued):

(c) Pension benefits:

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.

The most recent actuarial valuation for the 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.

The College paid \$9,322,843 (2023: \$8,307,996) as employer contributions to the College Pension Plan and \$2,139,423 (2023: \$1,720,444) as employer contributions to the Municipal Pension Plan in the current year.

The next valuation for the College Pension Plan will be as at August 31, 2024, with results available in 2025. The next valuation for the Municipal Pension Plan will be December 31, 2024, with results available in 2025.

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.

Langara College

Notes to the Financial Statements

Year ended March 31, 2024

8. Deferred contributions

| 2024 | Capital | LSU | Other | Total |
|---|-------------------|---------------------|----------------------|----------------------|
| Balance, beginning of year | \$ 102,190 | \$ 3,154,598 | \$ 2,977,052 | \$ 6,233,840 |
| Contributions received during the year | | | | |
| From the Province of British Columbia | - | - | 17,754,009 | 17,754,009 |
| From other sources | - | 1,178,860 | 3,082,169 | 4,261,029 |
| Revenue recognized from deferred contributions | - | (248,339) | (5,607,279) | (5,855,618) |
| Transfer to deferred capital contributions (note 9) | - | - | (7,007,700) | (7,007,700) |
| Balance, end of year | \$ 102,190 | \$ 4,085,119 | \$ 11,198,251 | \$ 15,385,560 |

| 2023 | Capital | LSU | Other | Total |
|---|-------------------|---------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 102,190 | \$ 2,963,470 | \$ 2,847,917 | \$ 5,913,577 |
| Contributions received during the year | | | | |
| From the Province of British Columbia | - | - | 2,427,157 | 2,427,157 |
| From other sources | - | 986,043 | 2,701,578 | 3,687,621 |
| Revenue recognized from deferred contributions | - | (248,339) | (4,748,547) | (4,996,886) |
| Transfer to deferred capital contributions (note 9) | - | (546,576) | (251,053) | (797,629) |
| Balance, end of year | \$ 102,190 | \$ 3,154,598 | \$ 2,977,052 | \$ 6,233,840 |

9. Deferred capital contributions

| | 2024 | 2023 |
|--|----------------------|----------------------|
| Balance, beginning of year | \$ 55,922,892 | \$ 54,463,318 |
| Grants received from the Province of British Columbia | 3,413,848 | 4,338,019 |
| Contributions received from Other | 524,989 | - |
| Contributions received from Langara College Foundation | - | 305,965 |
| Transfer from deferred contributions (note 8) | 7,007,700 | 797,629 |
| Amount amortized to revenue | (4,019,003) | (3,982,039) |
| Balance, end of year | \$ 62,850,426 | \$ 55,922,892 |

Included within the year end balance are unspent capital contributions of \$7,127,415 (2023: \$120,599), which will be spent in the following fiscal year.

Langara College

Notes to the Financial Statements

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10. Asset retirement obligations

The College's asset retirement obligations relate to asbestos and lead paint in buildings. Changes to the asset retirement obligation in the year are as follows:

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Balance, beginning of year | \$ 8,047,215 | \$ 7,802,982 |
| Accretion expense | - | 244,233 |
| Revision in estimate of remediation costs | (6,010,233) | - |
| Balance, end of year | \$ 2,036,982 | \$ 8,047,215 |

Accretion expense is included in Instruction expenses and the revision in estimate of remediation costs is included in Miscellaneous income and contributions in the Statement of Operations and Accumulated Surplus. It is expected that the retirement costs will be incurred between 2027 and 2049 (2023: 2027 and 2049).

11. Long-term debt

The College borrowed Series LC-CP-154 debt through the provincial government on November 10, 2009. This debt is for a thirty-year term maturing on November 10, 2039, carries an interest rate of 4.68% with interest-only payments of \$234,000 due on May 10 and November 10 of each year, and an annual sinking-fund requirement of \$150,530, payable to the provincial government until maturity. Interest expense of \$468,000 (2023: \$468,000) is included in instruction expense. Sinking fund investments increased in value by \$1,420 in the current year (2023: decrease of \$183,303).

| | 2024 | 2023 |
|--------------------|---------------------|---------------------|
| Face value of debt | \$ 10,000,000 | \$ 10,000,000 |
| Sinking fund | (2,414,903) | (2,262,953) |
| | \$ 7,585,097 | \$ 7,737,047 |

Langara College

Notes to the Financial Statements

Year ended March 31, 2024

12. Tangible capital assets

| Cost | Additions, net of | | | 2024 |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| | 2023 | transfers | Disposals | |
| Land | \$ 2,043,360 | - | - | \$ 2,043,360 |
| Buildings and improvements | 196,637,821 | 10,300,659 | (2,736,340) | 204,202,140 |
| Buildings and improvements - work in progress | 6,508,308 | (6,508,308) | - | - |
| Furniture and equipment | 12,645,277 | 1,947,304 | (1,558,017) | 13,034,564 |
| Computer hardware | 14,266,705 | 3,442,712 | (1,987,926) | 15,721,491 |
| Computer software | 13,961,714 | 2,483,856 | (624,033) | 15,821,537 |
| Enterprise software - work in progress | 748,046 | 11,623,773 | - | 12,371,819 |
| Library holdings | 1,003,091 | 143,704 | (290,532) | 856,263 |
| Total | \$ 247,814,322 | \$ 23,433,700 | \$ (7,196,848) | \$ 264,051,174 |

| Accumulated Amortization | Amortization | | | 2024 |
|----------------------------|-----------------------|----------------------|-----------------------|-----------------------|
| | 2023 | Expense | Disposals | |
| Buildings and improvements | \$ 85,763,481 | 5,297,041 | (2,497,487) | \$ 88,563,035 |
| Furniture and equipment | 6,036,325 | 1,552,002 | (1,558,017) | 6,030,310 |
| Computer hardware | 8,343,980 | 2,462,763 | (1,987,926) | 8,818,817 |
| Computer software | 3,677,424 | 1,418,360 | (624,033) | 4,471,751 |
| Library holdings | 639,559 | 143,655 | (290,532) | 492,682 |
| Total | \$ 104,460,769 | \$ 10,873,821 | \$ (6,957,995) | \$ 108,376,595 |

| Net Book Value | 2023 | 2024 |
|---|-----------------------|-----------------------|
| Land | \$ 2,043,360 | \$ 2,043,360 |
| Buildings and improvements | 110,874,340 | 115,639,105 |
| Buildings and improvements - work in progress | 6,508,308 | - |
| Furniture and equipment | 6,608,952 | 7,004,254 |
| Computer hardware | 5,922,725 | 6,902,674 |
| Computer software | 10,284,290 | 11,349,786 |
| Enterprise software - work in progress | 748,046 | 12,371,819 |
| Library holdings | 363,532 | 363,581 |
| Total | \$ 143,353,553 | \$ 155,674,579 |

Langara College

Notes to the Financial Statements

Year ended March 31, 2024

13. Financial risk management

The College is exposed to risks of varying degrees of significance from its use of financial instruments which could affect its ability to achieve its strategic objectives. The Board of Governors ensures that the College has identified its major risks and ensures that management monitors and manages them.

(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) Market and interest rate risk

Market risk is the risk that changes in market prices will affect the College's operating results. 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 market or 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 College's exposure to credit risk is influenced mainly by the individual characteristics of its clients, in the event of non-payment of amounts owing. This risk is mitigated by ensuring that the majority of receivables are collected prior to the delivery of programs, by the College's prompt collection processes and by other remedies such as 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.

The College has deposited cash and holds investments with reputable financial institutions, from which management believes the risk of loss is remote.

There has been no change to the risk exposures from 2023.

14. Commitments

The College has entered into agreements relating to premises, vehicles, software and office equipment. The minimum annual payments are as follows:

| Fiscal year | |
|--------------------|---------------------|
| 2025 | 2,312,993 |
| 2026 | 1,710,690 |
| 2027 | 724,015 |
| | \$ 4,747,698 |

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Notes to the Financial Statements

Year ended March 31, 2024

15. Contractual Rights

The College has entered into a food services contract, entitling them to minimum annual commission fees as follows:

| Fiscal year | |
|--------------------|---------------------|
| 2025 | 317,170 |
| 2026 | 432,551 |
| 2027 | 445,704 |
| 2028 | 459,075 |
| 2029 | 472,847 |
| Thereafter | 118,750 |
| | \$ 2,246,097 |

The College has also entered into an agreement for the lease of the Students' Union Building to the LSU, for which the future receivable amounts have been included in note 5.

16. Langara College Foundation

The Langara College Foundation (the "Foundation") is incorporated under the *Societies Act* (British Columbia), was established on February 6, 2013 and is a registered charity under the Income Tax Act of Canada. The purpose of the Foundation, as stated in its constitution, is the solicitation and management of donations and endowments for the purpose of providing awards and grants to students of the College and to further the interests of the College. The Foundation is governed by an independent board of directors, the voting members of which can include employees and officers of the College.

During the year, as part of its ordinary course of business, the College contributed certain funds to the Foundation.

At its meeting held on March 21, 2024, the Board of Governors of the College authorized the following contributions to the Foundation:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Donations matching | \$ 200,000 | \$ 200,000 |
| Building Legacy Fund | 1,197,930 | 1,156,464 |
| International Education Development Fund | 515,450 | 336,800 |
| Scholarships and Bursaries for Indigenous Students | 750,000 | - |
| Scholarships and Bursaries for Domestic Students | 250,000 | - |
| Other miscellaneous transfers | 65,000 | 57,156 |
| | \$ 2,978,380 | \$ 1,750,420 |

During the year, general and administrative expenses of the Foundation totaling \$236,287 (2023: \$176,907) were paid by the College. Those costs are not charged to the Foundation. The College also provides administrative, management and staff resources to the Foundation at no charge.

Langara College

Notes to the Financial Statements
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17. Related party transactions

The College is related through common control to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities and crown corporations. Transactions with these related parties, unless disclosed otherwise, are in the normal course of operations and are recorded at their exchange amounts, which is the amount of consideration established and agreed to between the College and the related parties.

18. Expenses by object

| | 2024 | 2023 |
|---|-----------------------|-----------------------|
| Salaries and benefits | \$ 153,236,325 | \$ 137,189,451 |
| Fees and contract services | 19,489,437 | 15,090,091 |
| Amortization of tangible capital assets | 10,873,821 | 10,088,524 |
| Accretion | - | 244,233 |
| Facilities | 7,238,957 | 7,284,513 |
| Cost of goods sold | 1,820,021 | 1,895,579 |
| Supplies | 9,009,153 | 6,552,369 |
| Professional development and travel | 3,765,422 | 2,466,388 |
| Contributions to Langara College Foundation | 2,978,380 | 1,750,420 |
| Leases and rental | 1,007,743 | 998,067 |
| Scholarships and bursaries | 1,467,133 | 1,762,800 |
| Communications | 322,546 | 264,162 |
| Interest on long-term debt | 468,000 | 468,000 |
| Other | 250,639 | (90,428) |
| | \$ 211,927,577 | \$ 185,964,169 |
