

# **British Columbia Institute of Technology**

Consolidated Financial Statements  
**March 31, 2024**  
(in thousands of dollars)



BRITISH COLUMBIA  
INSTITUTE OF TECHNOLOGY

3700 Willingdon Avenue  
Burnaby, British Columbia  
Canada V5G 3H2

bcit.ca

# Management's Report

## Management's responsibility for the consolidated financial statements

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

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

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercise this responsibility through the Audit and Finance Committee of the Board.

The external auditors, PricewaterhouseCoopers LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Institute and meet when required. The accompanying Independent auditor's report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Institute:

A handwritten signature in black ink, appearing to read "Jeff Zabudsky", written over a horizontal line.

Jeff Zabudsky  
President

A large, stylized handwritten signature in black ink, appearing to read "Trish Pekeles", written over a horizontal line.

Trish Pekeles  
CFO and Vice President, Administration

May 28, 2024



## Independent auditor's report

To the Board of Governors of British Columbia Institute of Technology and the Minister of Post-Secondary Education and Future Skills of the Province of British Columbia

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### Our opinion

In our opinion, the accompanying consolidated financial statements of British Columbia Institute of Technology and its subsidiaries (together, the Institute) as at March 31, 2024 and for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

#### What we have audited

The Institute's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2024;
- the consolidated statement of operations and accumulated surplus for the year then ended;
- the consolidated statement of remeasurement gains (losses) for the year then ended;
- the consolidated statement of changes in net debt for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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### 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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Institute in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP  
PwC Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7  
T.: +1 604 806 7000, F.: +1 604 806 7806, Fax to mail: ca\_vancouver\_main\_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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## **Emphasis of matter – basis of accounting**

We draw attention to note 2(a) to the consolidated financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 21 to the consolidated financial statements discloses the impact of these differences. Our opinion is not modified in respect of this matter.

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## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation of the consolidated financial statements in accordance with the accounting requirements 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

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## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute'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 consolidated 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 Institute to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Institute to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Vancouver, British Columbia

May 28, 2024

# British Columbia Institute of Technology

## Consolidated Statement of Financial Position

As at March 31, 2024

(in thousands of dollars)

	2024	2023 Restated (note 22)
<b>Financial assets</b>		
Cash and cash equivalents	111,958	\$ 80,465
Accounts receivable (note 3)	32,234	13,374
Inventories for resale	822	1,142
Due from government and other government organizations (note 4a)	13,630	6,053
Portfolio investments (note 5a)	38,814	30,476
Derivative (note 5b)	2,461	(1,588)
Investments in government business enterprises and partnerships (note 6)	(410)	14,174
	199,509	144,096
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 7)	48,681	38,146
Due to government and other government organizations (note 4b)	13,060	10,105
Employee future benefits (note 8b)	30,281	29,418
Deferred tuition fees	41,857	33,192
Deferred revenue other	19,931	11,912
Deferred research and designated contributions (note 9)	40,462	31,031
Deferred endowment related contributions (note 10)	9,991	8,856
Deferred capital contributions (note 11)	477,179	404,635
Asset retirement obligation (note 12)	21,233	20,121
Debt (note 13)	32,815	39,892
Obligations under capital lease (note 16b)	25,894	24,598
	761,384	651,906
<b>Net debt</b>	(561,875)	(507,810)
<b>Non-financial assets</b>		
Tangible capital assets (note 14)	635,690	583,296
Endowment investments (note 5a & 15)	30,894	30,469
Inventories held for use	-	195
Prepaid expenses	2,880	2,741
	669,464	616,701
<b>Accumulated surplus</b>	\$ 107,589	\$ 108,891
<b>Accumulated surplus comprises:</b>		
Accumulated operating surplus	\$ 101,517	\$ 109,699
Accumulated remeasurement gains (losses)	6,072	(808)
	\$ 107,589	\$ 108,891

Commitments and contingences (note 16)

Approved by the Board of Governors



Dan Reader, Governor and Board Chair



Don Matthew, Governor and Audit & Finance Committee Chair

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

**British Columbia Institute of Technology**  
Consolidated Statement of Operations and Accumulated Surplus  
For the year ended March 31, 2024

(in thousands of dollars)

	Budget	2024	2023 Restated (note 22)
<b>Revenue</b>			
Province of British Columbia grants (note 9)	\$ 160,462	\$ 191,495	\$ 166,759
Tuition fees	144,276	136,617	126,568
Sales, ancillary revenue and other income	20,780	18,130	17,902
Industry services	13,217	12,517	12,388
Other contributions	17,938	29,595	25,543
Investment income	1,406	6,501	4,345
Gifts and donations	4,775	4,149	4,592
Gain (loss) from government business enterprises and partnerships (note 6)	-	659	(733)
Amortization of deferred capital contributions (note 11)	22,796	23,561	18,820
	385,650	423,224	376,184
<b>Expenses (note 19)</b>			
Academic and student support	57,323	58,279	53,197
Administrative support	38,887	43,952	42,174
Facilities	32,634	33,437	32,402
Ancillary	12,450	11,817	10,431
Instruction	243,645	259,492	233,698
Externally funded and related entities	14,711	24,854	19,912
	399,650	431,831	391,814
<b>Annual operating loss</b>	<b>(14,000)</b>	<b>(8,607)</b>	<b>(15,630)</b>
Net restricted endowment contributions	-	425	408
<b>Annual loss</b>	<b>(14,000)</b>	<b>(8,182)</b>	<b>(15,222)</b>
Accumulated operating surplus, Beginning of year	124,921	109,699	124,921
<b>Accumulated operating surplus, End of year</b>	<b>\$ 110,921</b>	<b>\$ 101,517</b>	<b>\$ 109,699</b>

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

**British Columbia Institute of Technology**  
Consolidated Statement of Remeasurement Gains (Losses)  
For the year ended March 31, 2024

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(in thousands of dollars)

	<b>2024</b>	<b>2023</b>
<b>Accumulated remeasurement (losses) gains, Beginning of year</b>	\$ (808)	\$ 1,265
Unrealized gains (losses) attributed to fair value of		
Portfolio investments	3,048	(662)
Derivative	4,049	(1,588)
Amount reclassified to investment income	(217)	177
Net remeasurement gains (losses)	6,880	(2,073)
<b>Accumulated remeasurement gains (losses), End of year</b>	<b>\$ 6,072</b>	<b>\$ (808)</b>

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



# British Columbia Institute of Technology

## Consolidated Statement of Changes in Net Debt

For the year ended March 31, 2024

(in thousands of dollars)

	Budget	2024	2023 Restated (note 22)
<b>Annual loss</b>	\$ (14,000)	\$ (8,182)	\$ (15,222)
Additions of tangible capital assets	(91,823)	(91,515)	(76,771)
Amortization of tangible capital assets	36,241	37,036	33,176
Loss on disposition of tangible capital assets	250	2,085	135
	(55,332)	(52,394)	(43,460)
Change in endowment investments	-	(425)	(408)
Change in inventories held for use	-	195	159
Change in prepaid expenses	-	(139)	(85)
	-	(369)	(334)
Net remeasurement gains (losses)	-	6,880	(2,073)
<b>Increase in net debt</b>	(69,332)	(54,065)	(61,089)
Net debt, Beginning of year	(507,810)	(507,810)	(446,721)
<b>Net debt, End of year</b>	\$ (577,142)	\$ (561,875)	\$ (507,810)

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

# British Columbia Institute of Technology

## Consolidated Statement of Cash Flows

For the year ended March 31, 2024

(in thousands of dollars)

	2024	2023
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Annual loss	\$ (8,182)	\$ (15,222)
Items not involving cash		
Net (gain) loss from government business enterprises and partnerships	(659)	733
Realized (gain) loss on sale of portfolio investments	(217)	147
Employee future benefits expense	1,969	231
Distribution from GNWCT	15,243	-
Asset retirement obligation accretion expense (note 12)	823	607
Loss on disposition of tangible capital assets	2,085	135
Receipt of donated capital assets	(1,198)	(304)
Amortization of tangible capital assets (note 14)	37,036	33,176
Amortization of deferred capital contributions (note 11)	(23,561)	(18,820)
Capital lease obligation	-	1,391
Amortization of debt premium	(273)	(273)
	23,066	1,801
Change in non-cash working capital items (note 17)	14,679	9,156
Employee future benefits paid	(1,106)	(1,279)
	36,639	9,678
<b>Capital</b>		
Acquisition of tangible capital assets	(86,084)	(66,266)
Asset retirement obligations settled (note 12)	(88)	-
	(86,172)	(66,266)
<b>Investing activities</b>		
Acquisition of portfolio and endowment investments	(24,309)	(58,826)
Disposal of portfolio and endowment investments	18,594	39,226
Acquisition of debt sinking fund investments	(788)	(1,151)
Disposal of debt sinking fund investments	6,872	-
	369	(20,751)
<b>Financing activities</b>		
Capital contributions received (note 11)	96,105	65,541
Capital lease payments	(2,560)	(2,457)
Debt repayments	(12,888)	-
	80,657	63,084
<b>Increase (decrease) in cash and cash equivalents</b>	31,493	(14,255)
Cash and cash equivalents, Beginning of year	80,465	94,720
<b>Cash and cash equivalents, End of year</b>	\$ 111,958	\$ 80,465

Supplemental cash flow information (note 17)

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

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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### 1 Authority and Purpose

British Columbia Institute of Technology (the Institute) operates under the College and Institute Act of British Columbia (the Act) and is principally funded by the Province of British Columbia (the Province) through the Ministry of Post-Secondary Education and Future Skills (the Ministry). The Institute is a not-for-profit entity governed by a Board of Governors, the majority of whom are appointed by the Province. The Institute is a registered charity and is exempt from income taxes under Section 149 of the Income Tax Act (Canada).

The Institute provide courses of instruction in advanced technological and vocational fields to nearly 50,000 full and part-time students annually and operates across five main campuses in the Province.

The COVID-19 pandemic permanently changed the business and financial landscape for many organizations including the Institute and other post-secondary institutions across Canada. Management continues to monitor the ongoing financial impact to the Institute and is making operational changes, as necessary, to ensure its ability to fulfill financial obligations for years to come, while continuing to preserve and enhance students' academic experience.

### 2 Summary of significant accounting policies

#### (a) Basis of accounting

The consolidated 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 consolidated 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 regulations.

Regulation 257/2010 requires all taxpayer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections related to not-for-profit accounting standards.

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 as follows:

- Contributions for the purposes of 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.
- 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 period in which the stipulation or restriction on the contributions have been met.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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- 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 requires that:

- 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 standards PS3410; and
- 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 standards PS3100.

As a result, revenue recognition in the consolidated statement of operations and accumulated surplus and certain related deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

(b) Basis of consolidation

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of organizations which are controlled by the Institute. Controlled organizations are consolidated except for government business enterprises and partnerships which are accounted for by the modified equity method. All balances and transactions between the Institute and the consolidated entities have been eliminated on consolidation.

The following organization is controlled by the Institute and fully consolidated in these financial statements:

- BCIT Foundation which is a controlled not-for-profit organization and is incorporated under the Societies Act (British Columbia). The purpose of BCIT Foundation is to raise funds in order to further the goals, objectives and strategic interests of the Institute; to stimulate and provide financial support for the development and expansion of educational programs, services, capital projects and other initiatives as recommended by the Institute; and to provide financial support to enable students to participate in learning at the Institute.

(ii) Investment in government business enterprises and partnerships

Government business enterprises and partnerships are accounted for by the modified equity method. Under this method, the Institute's investment in the business enterprise and its net income and other changes in equity are recorded. No adjustment is made to conform the accounting policies of the government business enterprise/partnership to those of the Institute.

The following organizations are controlled government business enterprises and partnerships and are consolidated in these financial statements using the modified equity method:

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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- Great Northern Way Campus Trust (“GNWCT”) is an equal share joint venture between the Institute, Simon Fraser University, University of British Columbia and Emily Carr University of Art + Design. The purpose of the Trust is to develop an integrated, learning-centred campus with a high-technology focus, supported by new media and telecommunication technologies. The Trust’s activities currently comprise two distinct business activities: property management and site development activities, and educational activities.
- TTA Technology Training Associates Ltd. (TTA) is a wholly owned corporation, which was incorporated July 12, 1999 under the Business Corporations Act (British Columbia). The purpose of TTA is to provide international delivery and/or management of technical training and educational programs to public and private organizations, business development and marketing for the Institute in overseas markets.
- PanGlobal Training Systems Ltd. PlanGlobal is an equal share joint venture between the Institute, Southern Alberta Institute of Technology and Northern Alberta Institute of Technology. The purpose of PanGlobal is to produce and market Power Engineering multimedia learning products.

### (c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. These investments generally have a maturity date of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

### (d) Inventories for resale and held for use

Inventories of merchandise held for resale are recorded at the lower of cost and net realizable value. Inventories held for use are recorded at the lower of cost and replacement cost. Cost is determined using the first-in, first-out method for all inventories.

### (e) 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 and overhead directly attributable to construction and development. Interest is capitalized over the development period whenever external debt is issued to finance the construction and development of tangible capital assets.

Donated assets are recorded at fair market value at the date of acquisition. When fair value of the donated asset cannot be reliably determined, the asset is recorded at nominal value.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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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:

Asset	Basis
Buildings	40 years
Leasehold improvements	30 years
Capital projects/renovations	10 to 25 years
Computer hardware	4 years
Computer software	5 years
Furniture and equipment	10 years

Computers and equipment under capital lease are amortized on a straight-line basis over the lesser of their estimated useful lives and the term of the lease.

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

Tangible capital assets are written down when conditions indicate they no longer contribute to the Institute's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(f) Employee future benefits

The Institute 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 pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. As the assets and liabilities of the plans are not segregated by institution, the plans are accounted for as defined contribution plans and any Institute contributions to the plans are expensed as incurred.

The Institute also provides certain benefits, including accumulated sick and vacation pay, retirement allowance, group benefits and life insurance, for certain employees pursuant to certain contracts and union agreements. The costs of these benefits are actuarially determined based on service and management's best estimate of salary escalation, retirement ages of employees and expected plan benefits costs. The obligation under these benefit plans is accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service lives of the employees.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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(g) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that a future event is likely to confirm that a liability has been incurred at the date of the financial statements and a reasonable estimate of the liability can be made by the Institute, a contingent liability is recognized in the Statement of Financial Position and the related expense is recorded in the Statement of Operations and Accumulated Surplus in accordance with its nature. The Institute discloses contingencies in the consolidated financial statements if the likelihood of the occurrence of the confirming future event is not determinable or it is likely but either the amount of the liability cannot be reasonably estimated, or an accrual has been made, but there exists an exposure to liability in excess of the amount accrued.

(h) Asset retirement obligation

The Institute recognizes the fair value of a future asset retirement obligation as a liability in the period in which it incurs a statutory, contractual or legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development and/or normal use of the assets.

The obligation is measured at the best estimate of the future cash flows required to settle the liability, discounted at estimated credit-adjusted risk-free discount rates. The estimated amount of the asset retirement cost is capitalized as part of the carrying value of the related tangible capital asset and amortized over the life of the asset.

The liability is accreted to reflect the passage of time. Subsequent to the initial measurement, the asset retirement obligation is adjusted each year for changes in factors such as the amount and timing of expected underlying cash flows, or discount rates, with the offsetting amount recorded to the carrying amount of the related asset.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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(i) Revenue recognition

Effective April 1, 2023, the Institute adopted section PS 3400 – Revenue issued by the Public Sector Accounting Board. The new standard differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". The adoption of this standard did not have a material impact on these consolidated financial statements.

Tuition fees, ancillary revenue and industry services are recognized as revenue when performance obligations are satisfied at the time the products are delivered or as the services are provided over a period of time. Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred until the fee is earned or service performed.

Investment income includes interest recorded on an accrual basis and dividends recorded as declared, realized gains and losses on the sale of investments and writedowns on investments where the loss in value is determined to be other than temporary. Unrestricted donations and grants are recorded as revenue when receivable if the amounts can be estimated and there is a past event that gives rise to an inflow of economic resources. Pledges from donors are recorded as revenue when payment is received by the Institute 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, 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 other than for those to be held in perpetuity or the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution has been met.
- (iii) Contributions to be retained in perpetuity are classified as endowment donations and are recorded as revenue when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned.



# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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(j) Capital leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks associated with to ownership of the property to the Institute are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs such as insurance and maintenance costs. The discount rate used to determine the present value of the lease payments is the lower of the Institute's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(k) Financial instruments

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

- (i) Fair value category: Portfolio investments, endowment investments and derivative financial instruments 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 investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the consolidated statement of remeasurement of gains (losses) until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and accumulated surplus and related balances reversed from the consolidated statement of remeasurement of gains (losses).
- (ii) Cost category: Cash and cash equivalents, accounts receivable, due to/from government and other government organizations, accounts payable and accrued liabilities, debt and obligations under capital lease are measured at cost using the effective interest rate method. Any gains, losses or interest expense is recorded in the annual surplus depending on the nature of the financial asset/liability that gave rise to the gain, loss or expense. Valuation allowances are made when collection is in doubt.

(l) Functional classification of expenses

The Institute has identified the following segments and associated groups of activities based upon the functional areas of service as provided by various departments within the Institute:

(i) Academic and student support

Academic and student support includes expenses related to the direct support of academic functions, as well as centralized functions that support students and groups of students. This includes Student Services, Research & Planning, International Education, Learner Services, Learning & Teaching Centre, Library, Marketing & Communication, Print Services and Registrar's Office.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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(ii) Administrative support

Administrative support includes expenses related to activities that support the Institute as a whole. This includes Financial Services, Human Resources, Internal Auditing, President's Office, Board of Governors, Purchasing & Supply Management and Safety and Security.

(iii) Facilities

Facilities includes expenses relating to the operation and maintenance of infrastructure, including building and equipment for all institutional activities, utilities, custodial services, landscaping and grounds keeping, and technology related infrastructure costs.

(iv) Ancillary

Ancillary includes expenses related to business activities outside of instruction and research that provide goods and services to students, staff and others external to the Institute. This includes Bookstore, Room Rentals, Leases, Food Services, Parking and Residences.

(v) Instruction

Instruction includes expenses related to the direct business of delivering education. This would include full-time studies, part-time studies and training supported by industry services.

(vi) Externally funded and related entities

Externally funded and related entities include expenses related to research and non-research activities funded by external contracts and/or grants, trust activities and subsidiaries. This would include Restricted Funds, Applied Research Grants, Student Awards and BCIT Foundation.

(m) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the 2024/2023 Fiscal Plan approved by the Board of Governors of the Institute on April 4, 2023.

(n) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the useful lives for amortization of tangible capital assets and deferred capital contributions, the valuation of employee future benefit obligations, future cash flows associated with asset retirement obligations, the provision for uncollectible accounts and the provision for contingencies. Actual amounts may ultimately differ from these estimates.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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### 3 Accounts receivable

	2024	2023
Student	\$ 7,691	\$ 6,206
Trade and other	25,373	7,543
Allowance for doubtful accounts	(830)	(375)
	<u>\$ 32,234</u>	<u>\$ 13,374</u>

### 4 Balances with government and other government organizations

(a) Due from government and other government organizations

	2024	2023
Federal government	\$ 1,818	\$ 1,549
Provincial government	10,460	3,369
Other government organizations	1,352	1,135
	<u>\$ 13,630</u>	<u>\$ 6,053</u>

(b) Due to government and other government organizations

	2024	2023
Federal government	\$ 7,569	\$ 5,551
Other government organizations	5,491	4,554
	<u>\$ 13,060</u>	<u>\$ 10,105</u>

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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### 5 Financial instruments

Investments consist of fixed income pooled funds and equity pooled funds. Investments in pooled investment funds are measured at fair value, which represents the Institute's proportionate share of underlying net assets at fair value determined using closing market values. The unit net asset value is supplied by the pooled fund administrator. Financial instruments measured at fair value held within each investment are classified according to a hierarchy that includes three levels reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3 - Inputs are unobservable, because there is little or no market activity and reflect an entity's own determination about the assumptions that market participants would use in pricing the assets or liabilities. The Institute does not own financial investments classified as Level 3.

(a) Portfolio and endowment investments recorded at fair value are comprised of the following:

	Fair value hierarchy	2024	2023
Cash and cash equivalents	Level 1	\$ 6,116	\$ 3,245
Equities	Level 2	33,443	27,664
Fixed income	Level 2	30,149	30,036
		63,592	57,700
Total investments		69,708	60,945

  

	2024	2023 Restated (note 22)
Portfolio investments	38,814	30,476
Endowment investments	30,894	30,469
Total investments	\$ 69,708	\$ 60,945

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

(b) Derivative

	Fair value hierarchy	2024	2023
Derivative – interest rate swaps on debt quoted at fair value:			
Interest rate derivative	Level 2	\$ 2,461	\$ (1,588)
Total derivative		\$ 2,461	\$ (1,588)

On September 22, 2022, the Institute entered into an interest rate swap to hedge the exposure to interest rate fluctuations during the construction period of the new Student Housing project. The valuation for the derivative is obtained from the Province of BC based on observable market data.

The Institute's derivative includes a Province of BC interest rate swap with a notional value of \$60 million terminating on December 17, 2054, whereby BCIT pays a fixed rate of 4.3% and receives a floating rate based on the Three Month CDOR rate. The derivative has a mandatory early termination date of December 17, 2024.

## 6 Investments in government business enterprises and partnerships

The change in government business enterprises and partnership investments is comprised of the following:

	Balance, Beginning of year	Net distributions	Net adjustment	Net gain (loss)	Balance, End of year
Investment in GNWCT	\$ 13,625	(15,243)	-	612	\$ (1,006)
Investment in PanGlobal	175	-	-	(74)	101
Investment in TTA	374	-	-	121	495
	\$ 14,174	(15,243)	-	659	\$ (410)

Condensed financial information of GNWCT that is part of the Institute's reporting entity is as follows:

	25% share	
	2024	2023
<b>Statement of financial position</b>		
Total assets	\$ 16,325	\$ 15,175
Total liabilities	17,331	1,967
Equity	\$ (1,006)	\$ 13,208

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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### Statement of operations and accumulated surplus

Revenue	\$ 1,960	\$ 1,782
Expenses	(1,941)	(1,517)
Unrealized gain (loss) on investment	593	(225)
<b>Net gain</b>	<b>\$ 612</b>	<b>\$ 40</b>

### Statement of cash flows

Operating activities	\$ 15	\$ 255
Investing activities	(56)	(205)
Financing activities	-	-
<b>(Decrease) increase in cash during the year</b>	<b>\$ (41)</b>	<b>\$ 50</b>

Under Canadian tax law, trusts are deemed to have disposed of their assets at fair market value every 21 years (subject to certain exceptions). The Trust is deemed to have reacquired the assets immediately thereafter at fair market value. The Trust was established in September 2002 and the initial 21-year period ended September 15, 2023. In accordance with the Trust's taxable structure, the Trust declared a distribution to its beneficiaries equal to its taxable income resulting in a promissory note payable to the Institute in the amount of \$15,243 as at December 31, 2023.

## 7 Accounts payable and accrued liabilities

	2024	2023
Trade payables	\$ 20,917	\$ 16,187
Salaries and benefits payable	25,372	21,380
Other	2,392	579
	<b>\$ 48,681</b>	<b>\$ 38,146</b>

# British Columbia Institute of Technology

Notes to Consolidated Financial Statements

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## 8 Pension plans and employee future benefits

### (a) Pension plans

The Institute 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 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 Institute paid \$22.1 million for employer contributions to the plans in fiscal 2024 (2023 – \$19.7 million), consisting of \$17.5 million to the College Pension Plan and \$4.6 million to the Municipal Pension Plan.

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

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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(b) Employee future benefits

The Institute also provides certain benefits, including accumulated sick and vacation pay, retirement allowance, group benefits and life insurance, for certain employees pursuant to certain contracts and union agreements. The most recent actuarial valuation was completed as at March 31, 2024.

Information about these employee future benefits is as follows:

	2024	2023
Accrued benefit obligation	\$ 25,981	\$ 23,825
Funded status	25,981	23,825
Unamortized net actuarial gains	3,974	5,293
Accrued benefit liability	29,955	29,118
Employer's share of benefits	326	300
Total liability	\$ 30,281	\$ 29,418

Components of net benefit expense

	2024	2023
Service cost	\$ 1,631	\$ 1,672
Interest cost	863	664
Long-term disability experience	360	199
Amortization of net actuarial gain	(885)	(689)
Net benefit expense	\$ 1,969	\$ 1,846

The Institute paid out future employee benefits of \$1,106 (2023 - \$1,279) during the year.

The significant assumptions used are as follows:

	2024	2023
Accrued benefit obligations as at March 31		
Discount rate	4.2%	3.8%
Benefit cost for year ended March 31		
Discount rate	3.8%	3.2%
Assumed health care cost trend rates as March 31	4.0% - 5.7%	4.0% - 5.7%



# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

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### 9 Deferred research and designated contributions

Deferred contributions represent unspent externally restricted grants and donations. Deferred contributions are primarily restricted for research purposes.

	<b>2024</b>	<b>2023</b>
Deferred research and designated contributions, Beginning of year	\$ 31,031	\$ 44,235
Contributions received during the year	43,950	31,230
Amounts recognized as revenue in the year	(34,519)	(44,434)
Balance, End of year	\$ 40,462	\$ 31,031

Total amount of deferred contributions received from the Province that was recognized as revenue in the year was \$14,644 (2023 - \$18,891).

### 10 Deferred endowment related contributions

Deferred endowment related contributions represent unspent externally restricted investment income earned on endowment donations.

	<b>2024</b>	<b>2023 Restated (note 22)</b>
Deferred endowment related contributions, Beginning of year	\$ 8,856	\$ 8,856
Contributions received during the year	3,753	-
Amounts recognized as revenue in the year	(2,618)	-
Balance, End of year	\$ 9,991	\$ 8,856

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

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### 11 Deferred capital contributions

Contributions that are restricted for the purpose of acquiring or developing a depreciable tangible capital asset are referred to as deferred capital contributions. Amounts are recognized into revenue at the same rate that amortization of the tangible capital asset is recorded.

Changes in the deferred capital contributions balance are as follows:

	2024	2023
Balance, Beginning of year	\$ 404,635	\$ 357,914
Contributions received during the year	96,105	65,541
Amounts recognized as revenue in the year	(23,561)	(18,820)
Balance, End of year	\$ 477,179	\$ 404,635

The balance of unamortized capital contributions related to capital assets consists of the following:

	2024	2023
Unamortized capital contributions used to purchase assets	\$ 445,481	\$ 383,071
Unspent capital funding	31,698	21,564
	\$ 477,179	\$ 404,635

### 12 Asset retirement obligation

The Institute has recorded an asset retirement obligation for the estimated costs of asbestos removal from certain facilities. The following is a reconciliation of the changes in the asset retirement obligation during the year:

	2024	2023
Balance, Beginning of year	\$ 20,121	\$ 18,389
Accretion expense for the year	823	607
Adjustment for change in discount rate	377	1,125
Asset retirement obligations settled	(88)	-
Balance, End of year	\$ 21,233	\$ 20,121

The accretion expense is included in interest expense. The undiscounted estimated cash flows required to settle the obligation are approximately \$20,392 to be paid during the fiscal years 2025 to 2070. The estimated cash flows were discounted using the credit-adjusted risk-free rate of 4.36% (2023 – 4.09%).

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

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### 13 Debt

	2024	2023
Province of British Columbia, 8% bond, repaid September 2023 (i)	\$ -	\$ 12,888
Province of British Columbia, 4.3% bond, due June 2042 (i)	32,189	32,189
	32,189	45,077
Province of British Columbia, 4.3% bond, premium payable (ii)	5,052	5,325
	37,241	50,402
Less: Sinking fund investments	(4,426)	(10,510)
	\$ 32,815	\$ 39,892

(i) Interest payments are made to the Province semi-annually. The Institute makes contributions to the sinking fund each year to repay the bonds at maturity. The bonds are unsecured.

(ii) The bond premium is being amortized based upon the effective interest method.

Principal payments for the next five years and thereafter are as follows:

	Province of British Columbia, 4.3% bond
2025	-
2026	-
2027	-
2028	-
2029	-
Thereafter	32,189
	\$ 32,189

Interest expense on debt is \$1,541 (2023 – \$2,142).

In addition to principal payments, sinking fund payments were made for certain long-term debt obligations with the Province. Investments held in sinking funds, including interest earned, are used to repay the related debt at maturity. The Institute makes annual payments of principal and interest towards the sinking funds, which are held and invested by the Province to provide for the retirement of the debt.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

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Aggregate payments for the next five fiscal years and thereafter to meet sinking fund instalments on notes, bonds and debentures are:

2025	\$ 674
2026	674
2027	674
2028	674
2029	674
Thereafter	8,762
	\$ 12,132

### 14 Tangible capital assets

	2023	Additions	Disposals	2024
<b>Cost</b>				
Land	\$ 44,808	-	-	\$ 44,808
Buildings	729,535	1,612	-	731,147
Leasehold improvements	10,455	3,212	-	13,667
Furniture and equipment	164,347	17,121	(9,118)	172,350
Computer hardware and software	36,891	1,305	(5,166)	33,030
Library holdings	2,838	-	(2,838)	-
Construction-in-process	23,662	68,265	-	91,927
	\$ 1,012,536	91,515	(17,122)	\$ 1,086,929

	2023	Amortization	Disposals	2024
<b>Accumulated amortization</b>				
Buildings	\$ 277,419	23,442	-	\$ 300,861
Leasehold improvements	2,880	527	-	3,407
Furniture and equipment	115,319	10,652	(8,018)	117,953
Computer hardware and software	31,846	2,221	(5,049)	29,018
Library holdings	1,776	194	(1,970)	-
	\$ 429,240	37,036	(15,037)	\$ 451,239

	2024	2023
<b>Net book value</b>		
Land	\$ 44,808	\$ 44,808
Buildings	430,286	452,116
Leasehold improvements	10,260	7,575
Furniture and equipment	54,397	49,028
Computer hardware and software	4,012	5,045
Library holdings	-	1,062
Construction-in-process	91,927	23,662
	\$ 635,690	\$ 583,296

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

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### 15 Endowments

Endowment contributions form part of accumulated surplus. Changes to the endowment balances are as follows:

	2024	2023 Restated (note 22)
Balance, Beginning of year	\$ 30,469	\$ 30,061
Contributions received during the year	425	408
Balance, End of year	\$ 30,894	\$ 30,469

### 16 Commitments and Contingencies

(a) Construction in progress

The total commitment under construction contracts for capital projects as at March 31, 2024 is \$90,881 (2023 - \$125,220) which are funded by the Province, the Institute, and other sources.

(b) Obligations under leases

(i) Capital leases

Capital lease payments, including principal and interest, are as follows:

2025	\$ 3,901
2026	3,523
2027	2,905
2028	2,500
2029	1,743
Thereafter	32,318
	46,890
Less interest at rates from 0.79% to 4.99%	20,996
Present value of minimum lease payments	\$ 25,894

Interest expense on capital leases is \$935 (2023 – \$820).

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

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(ii) Operating leases

The Institute has entered into an operating lease for land.

Operating lease payments for the next five years and thereafter are as follows:

2025	\$ 408
2026	420
2027	420
2028	420
2029	420
Thereafter	7,795
	<u>\$ 9,883</u>

(c) Litigation and claims

There are lawsuits pending arising in the ordinary course of business, in which the Institute is involved. It is considered that the potential claims against the Institute resulting from such litigation would not materially affect the consolidated financial statements of the Institute. Any difference between the liability accrued by the Institute related to the lawsuits and the amounts ultimately settled will be recorded in the period in which the claim is resolved.

## 17 Supplemental cash flow information

	2024	2023
<b>Change in non-cash working capital items</b>		
Accounts receivable	\$ (18,860)	\$ (2,434)
Inventories	515	191
Prepaid expenses	(139)	(85)
Due from government and other government organizations	(7,577)	16,727
Accounts payable and accrued liabilities	10,535	3,539
Due to government and other government organizations	2,955	510
Deferred tuition fees	8,665	3,023
Deferred revenue other	8,019	889
Deferred research and designated contributions	9,431	(13,204)
Deferred endowment related contributions	1,135	-
	<u>\$ 14,679</u>	<u>\$ 9,156</u>
	<b>2024</b>	<b>2023</b>
<b>Non-cash transactions</b>		
Buildings and equipment under capital lease	3,856	9,077
Increase in asset retirement obligation	377	1,124
Derivative	4,049	(1,588)

# British Columbia Institute of Technology

Notes to Consolidated Financial Statements

March 31, 2024

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## 18 Financial risk management

### Risk management

The Institute 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 Institute has identified major risks and management monitors and controls them.

#### (a) Liquidity risk

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as they become due. The Institute establishes budgets, monitors actuals and forecasts 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 fluctuations in market prices will affect the Institute's net assets and the value of holdings in investments. The objective of market risk management is to control market risk exposure within acceptable parameters while optimizing the return on risk. Market risk comprised of the following:

##### (i) Interest rate risk

Interest rate risk refers to the effect on the market value of the Institute's assets due to the fluctuations in interest rates. The market value of the Institute's investments in fixed income pooled funds is also affected by fluctuations in interest rates. The Institute has entered into a derivative for the purpose of mitigating exposure to future interest rate fluctuations.

##### (ii) Foreign currency risk

Foreign exchange risk is the risk of financial impact due to exchange rate fluctuations. The Institute has investments in global pooled equity funds where the underlying securities are denominated in foreign currencies. The Institute manages this risk by diversifying its investment portfolio in accordance with its approved investment policy.

The Institute manages its market risks on its investments by investing in funds that have a well-diversified portfolio of securities.

#### (c) Credit risk

Credit risk is the risk of financial loss to the Institute if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Institute consisting of cash and cash equivalents, investments and accounts receivable.

The Institute manages credit risk with established credit management and investment policies and guidelines that include regular monitoring of each debtor's payment history and performance.

# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

March 31, 2024

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### 19 Expenses by object

	2024	2023
Salaries, wages and benefits	\$ 301,298	\$ 267,464
Supplies and general	37,610	32,252
Amortization of tangible capital assets	37,036	33,176
Fees for service	18,652	18,314
Repairs and maintenance	12,778	14,526
Student awards	6,384	7,831
Utilities and taxes	6,070	6,184
Training, travel and professional development	5,618	4,965
Interest	3,319	3,585
Cost of goods sold	3,066	3,517
	<u>\$ 431,831</u>	<u>\$ 391,814</u>

### 20 Related party transactions

The Institute is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

The Institute administers funds on behalf of British Columbia Council of Admissions and Transfer (BCCAT) and other external agencies. Included in accounts receivable is \$98 (2023 – \$169) from BCCAT.

### 21 Impact of accounting for restricted contributions in accordance with Restricted Contributions Regulation 198/2011

As disclosed in the significant accounting policies Note 2 (a), Regulation 198/2011 requires the Institute to recognize revenue from restricted contributions for the purpose of acquiring or developing a depreciable tangible capital asset on the same basis as the related amortization expense of the tangible capital asset. As these transfers do not contain stipulations or restrictions creating a liability over the term of the expected useful life of a related tangible capital asset, PSAS would require these contributions to be recognized in revenue as a tangible capital asset is acquired or development and construction of a tangible capital asset is complete.

The impact of the departure from PSAS on the consolidated financial statements of the Institute is as follows:

As at March 31, 2022	
Increase in accumulated operating surplus	338,075
Decrease in deferred capital contributions	(338,075)
For the year ended March 31, 2023	
Decrease in annual operating loss	(44,996)



# British Columbia Institute of Technology

## Notes to Consolidated Financial Statements

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As at March 31, 2023	
Increase in accumulated operating surplus	383,071
Decrease in deferred capital contributions	(383,071)
For the year ended March 31, 2024	
Decrease in annual operating loss	(62,410)
As at March 31, 2024	
Increase in accumulated operating surplus	445,481
Decrease in deferred capital contributions	(445,481)

## 22 Correction of prior period financial statement error

During the fiscal year, the BCIT Foundation completed a review of the accounting treatment of investment income earned on endowment donations. Based on the review, the Foundation has taken the position that the investment income earned on endowment related investments is restricted and should be deferred until it is spent for its intended purposes as required under PS 3100 – Restricted Assets and Revenues. The review identified \$8,856 included in revenues in prior year financial statements that did not meet the PSAS revenue recognition criteria. Although the amounts are not material, the Institute has retroactively corrected the error and the comparative amounts have been restated. The impact of this correction of prior period financial statements is noted in the table below.

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Impacts of Correction	March 31, 2023 Previously recorded	Prior period error	March 31, 2023 Restated
<b>Increase (decrease) in: Consolidated Statement of Operations and Accumulated Surplus</b>			
Accumulated operating surplus, Beginning of year	\$133,777	(8,856)	\$124,921
Accumulated operating surplus, End of year	\$118,555	(8,856)	\$109,699

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Impacts of Correction	March 31, 2023 Previously recorded	Prior period error	March 31, 2023 Restated
<b>Increase (decrease) in: Consolidated Statement of Financial Position</b>			
Deferred endowment related contributions	\$ -	8,856	\$8,856
Accumulated surplus	\$117,747	(8,856)	\$108,891
Portfolio investments	\$ 29,531	945	\$ 30,476
Endowment investments	\$ 31,414	(945)	\$ 30,469