Grant Thornton

Consolidated financial statements

British Columbia Institute of Technology

March 31, 2013 and March 31, 2012

Contents

BRITISH COLUMBIA
INSTITUTE OF TECHNOLOGY

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Management's report

Management's responsibility for the consolidated financial statements

The consolidated financial statements have been prepared by management of the 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 exercises this responsibility through the Audit and Finance Committee of the Board.

The external auditors, Grant Thornton 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 British Columbia Institute of Technology,

Mr. Chris Golding
Acting President

Mr. Lorcan O'Melinn, CGA
Vice President, Finance and Administration

Grant Thornton

Independent auditor's report

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To the Board of Governors of British Columbia Institute of Technology

To the Minister of Advanced Education of the Province of British Columbia

We have audited the accompanying consolidated financial statements of British Columbia Institute of Technology (the "Institute"), which comprise the consolidated statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, the consolidated statements of operations and accumulated surplus, remeasurement gains, changes in net debt and cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Institute for the years ended March 31, 2013 and March 31, 2012 and the consolidated statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 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.

Grant Thornton LLP

Vancouver, Canada

May 28, 2013

Chartered accountants

British Columbia Institute of Technology
Consolidated statements of financial position

(in thousands of dollars)

	March 31 2013	March 31 2012	April 1 2011 (Note 3)
Financial assets			
Cash and cash equivalents	**$ 46,130**	$ 32,312	$ 43,386
Accounts receivable (Note 4)	**6,523**	11,094	9,225
Inventories for resale	**1,415**	1,635	1,754
Due from government and other government organizations (Note 5)	**4,022**	2,649	3,248
Portfolio investments (Note 6)	**3,795**	3,783	3,384
Debt sinking funds (Note 7)	**4,145**	3,724	5,345
Investments in government business enterprises (Note 8)	**14,253**	13,769	11,769
	80,283	68,966	78,111
Liabilities			
Accounts payable and accrued liabilities (Note 9)	**28,220**	23,218	32,617
Due to government and other government organizations (Note 5)	**5,501**	5,297	2,306
Employee future benefits (Note 10)	**20,108**	18,902	17,901
Deferred tuition fees	**20,720**	19,091	18,331
Deferred revenue - other	**9,243**	5,996	4,032
Deferred contributions (Note 11)	**11,182**	11,224	15,708
Deferred capital contributions (Note 12)	**202,458**	203,950	207,485
Asset retirement obligation (Note 13)	**16,825**	16,384	5,231
Debt (Note 14)	**66,316**	68,227	80,461
Obligations under capital lease (Note 15)	**4,413**	5,060	2,532
	384,986	377,349	386,604
Net debt	**(304,703)**	(308,383)	(308,493)
Non-financial assets			
Tangible capital assets (Note 16)	**380,007**	379,701	374,233
Endowment investments (Note 6)	**19,733**	18,226	15,775
Inventories held for use	**82**	144	130
Prepaid expenses	**505**	443	1,231
	400,327	398,514	391,369
Accumulated surplus	**$ 95,624**	$ 90,131	$ 82,876
Accumulated surplus is comprised of:			
Accumulated operating surplus	**$ 94,708**	$ 90,131	$ 82,876
Accumulated remeasurement gains	**916**	-	-
	$ 95,624	$ 90,131	$ 82,876

Contingencies (Note 18)

On behalf of the Board

_________________ Governor _________________ Governor

See accompanying notes to the consolidated financial statements.

British Columbia Institute of Technology
Consolidated statements of operations and accumulated surplus

(in thousands of dollars)

Year ended March 31		Budget		**2013**		2012
Revenue						
Province of British Columbia grants	$	134,617	**$**	**135,152**	$	135,534
Government of Canada grants		-		**555**		282
Other government grants		-		**301**		-
Tuition fees		87,471		**90,179**		89,296
Sales and ancillary revenue		13,216		**12,445**		12,535
Industry services		11,703		**9,502**		8,360
Facilities rental, cost recoveries and other income		9,130		**6,563**		10,081
Investment income		930		**1,975**		2,665
Gifts and donations		3,200		**1,229**		1,438
Income from government business enterprises		-		**1,543**		2,000
Amortization of deferred contributions (Note 11)		3,000		**5,486**		8,500
Amortization of deferred capital contributions (Note 12)		12,615		**12,987**		12,220
		275,882		**277,917**		282,911
Expenses (Note 21)						
Academic and student support		41,289		**33,636**		35,275
Administrative support		46,949		**46,181**		48,248
Ancillary		14,608		**12,995**		14,954
Instruction		164,588		**168,361**		166,539
Externally funded and related entities		8,448		**12,931**		13,038
		275,882		**274,104**		278,054
Operating surplus before endowment contributions		-		**3,813**		4,857
Endowment contributions		-		**764**		2,398
Operating surplus	$	-		**4,577**		7,255
Accumulated operating surplus, beginning of year				**90,131**		82,876
Accumulated operating surplus, end of year			**$**	**94,708**	$	90,131

See accompanying notes to the consolidated financial statements.

British Columbia Institute of Technology
Consolidated statement of remeasurement gains

(in thousands of dollars)

Year ended March 31		2013
Accumulated remeasurement gains, beginning of year	$	-
Other comprehensive income from government business enterprises		201
Unrealized gains		715
Net remeasurement gains		916
Accumulated remeasurement gains, end of year	$	916

See accompanying notes to the consolidated financial statements.

British Columbia Institute of Technology
Consolidated statements of changes in net debt

(in thousands of dollars)

Year ended March 31	Budget	**2013**	2012
Operating surplus	$ -	**$ 4,577**	$ 7,255
Additions of tangible capital assets	(19,020)	**(25,394)**	(31,023)
Amortization of tangible capital assets	24,659	**23,879**	23,630
Loss on disposition of tangible capital assets	-	**1,209**	1,925
	5,639	**(306)**	(5,468)
Additions of endowment investments	-	**(764)**	(2,398)
Change in inventories held for use	-	**62**	(14)
Change in prepaid expense	-	**(62)**	788
	-	**(764)**	(1,624)
Net remeasurement gains	-	**916**	-
Unrealized gains on endowment investments	-	**(743)**	(53)
	-	**173**	(53)
Decrease in net debt	$ 5,639	**3,680**	110
Net debt, beginning of year		**(308,383)**	(308,493)
Net debt, end of year		**$ (304,703)**	$ (308,383)

See accompanying notes to the consolidated financial statements.

British Columbia Institute of Technology
Consolidated statements of cash flows

(in thousands of dollars)

Year ended March 31		2013		2012
Cash provided by (used in):				
Operations				
Operating surplus	**$**	**4,577**	$	7,255
Items not involving cash				
Income from government business enterprises		**(1,543)**		(2,000)
Amortization of tangible capital assets		**23,879**		23,630
Employee future benefits		**1,206**		1,001
Asset retirement obligation accretion expense		**441**		141
Loss on disposition of tangible capital assets		**1,209**		1,925
Amortization of deferred contributions				
Capital		**(12,987)**		(12,220)
Other externally restricted funds		**(5,486)**		(8,500)
Change in non-cash operating working capital (Note 19)		**13,500**		(4,061)
		24,796		7,171
Investments				
Purchases of tangible capital assets		**(23,915)**		(15,520)
Changes in investments, net		**(804)**		(2,850)
Contribution from government business enterprises		**1,260**		-
Asset retirement obligation liabilities settled		**(110)**		(126)
		(23,569)		(18,496)
Financing				
Capital contributions received		**11,495**		8,685
Other contributions received		**5,444**		4,016
Debt sinking funds		**(421)**		1,621
Capital lease payments		**(2,016)**		(1,837)
Debt repayments		**(1,911)**		(12,234)
		12,591		251
Increase (decrease) in cash and cash equivalents		**13,818**		(11,074)
Cash and cash equivalents, beginning of year		**32,312**		43,386
Cash and cash equivalents, end of year	**$**	**46,130**	$	32,312

Supplemental cash flow information (Note 19)

See accompanying notes to the consolidated financial statements.

1. General

British Columbia Institute of Technology (the "Institute") is an agent of the Crown and operates under the College and Institute Act, R.S.B.C. 1996. The Act is administered by the Minister of Advanced Education. As an agent of the government, the Institute is not liable to taxation except to the extent the government is liable.

The purpose of the Institute is to provide courses of instruction in advanced technological and vocational fields.

The Institute receives a significant portion of its revenue and capital funding from the Province of British Columbia (the "Province").

2. Summary of significant accounting policies

Basis of presentation

These 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 which are consistent with Canadian public sector accounting standards except in regard to the accounting for government transfers.

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions. Funding received for the acquisition of depreciable capital assets is recorded as deferred contributions and is recognized as a recovery in the statement of operations equal to depreciation charged on related depreciable capital assets. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the Institute to recognize government transfers for capital assets into revenue on the same basis as the related amortization expense. For those transfers that do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the Institute would be a decrease in deferred capital contributions, an increase in accumulated surplus, and a change in revenues and annual surplus for each year.

2. Summary of significant accounting policies (continued)

Basis of consolidation

Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of organizations which are controlled by the Institute. Controlled organizations are consolidated except for government business enterprises 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, was incorporated March 30, 1999, under the Society 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; 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.

Investment in government business enterprises

Government business enterprises 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 to those of the Institute’s other than if other comprehensive income exists, it is accounted for as an adjustment to accumulated surplus (deficit) of the Institute. Inter-organizational transactions and balances have not been eliminated, except for any profit or loss on transactions between entities of assets that remain within the entities controlled by the Institute.

The following organizations are controlled government business enterprises and are accounted for by the modified equity method:

- Great Northern Way Campus Trust (the “Trust”) – the Trust 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 Trustee’s activities currently comprise two distinct business activities: property management & site development activities and educational activities.

- TTA Technology Training Associates Ltd. (“TTA”), which is a wholly-owned corporation, was incorporated July 12, 1999, under the Business Corporations Act (British Columbia). The purpose of TTA is to provide management training in the transportation field and facilitate the submission of international educational project proposals, principally to government organizations.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased.

2. Summary of significant accounting policies (continued)

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.

Tangible capital assets

Capital asset acquisitions are recorded at cost, except donated assets which are recorded at fair market value at the date of acquisition.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings and teaching facilities	40 years
Computers	4 years
Equipment	6 years
Library books	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 are not amortized until the asset is available for productive use.

Tangible capital assets are written-down when conditions indicate that they no longer contribute to the 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.

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 trusteed 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 life of the employees.

2. Summary of significant accounting policies (continued)

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 Institute concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is depreciated over the useful life of the asset. The fair value of the asset retirement obligation is estimated using the expected cash flow approach. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation or the discount rate. Changes in the obligation due to the passage of time are recognized in the statement of operations as accretion expense. Changes in the obligation due to changes in estimated cash flows or discount rates are recognized as an adjustment of the carrying amount of the related long-lived asset that is depreciated over the remaining life of the asset.

Revenue recognition

Tuition fees and receipts from sales of services and products are recognized as revenue at the time the products are delivered or the services are substantially provided.

Rental revenue is recognized over the period earned.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when 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 write-downs 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 collection is reasonably assured. 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 have been met.

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

iii Contributions to be retained in perpetuity are reported 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.

Financial instruments

Effective April 1, 2012, the Institute has adopted PS 3450 *Financial Instruments* which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This standard is effective April 1, 2012 and is required to be adopted prospectively. Recognition, derecognition and measurement policies followed in the consolidated financial statements for periods prior to April 1, 2012 are not reversed, and therefore, the consolidated financial statements of prior periods, including comparative information, have not been restated.

Financial instruments consist of cash and cash equivalents, account receivable, portfolio investments, debt sinking funds, accounts payable and accrued liabilities, debt and endowment investments.

Investments are measured at fair value. All other financial instruments are measured at cost or amortized cost.

Transaction costs are expensed for financial instruments measured at fair value. Transaction costs are added to the cost of the financial instruments for financial instruments measured at cost or amortized cost.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses until such time that the financial instrument is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the statement of operations and accumulated surplus and related balances reversed from the statement of remeasurement gains and losses.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

2. Summary of significant accounting policies (continued)

Budget figures

Budget figures have been provided for comparative purposes and have been derived from the 2012/2013 Fiscal Plan approved by the Board of Governors of the Institute on February 7, 2012.

Use of estimates

The preparation of 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 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.

3. Adoption of new financial reporting framework and correction of prior year figures

Adoption of new financial reporting framework

The Institute has adopted the financial reporting framework described in Note 2. These financial statements are the first financial statements for which the Institute has applied this financial reporting framework. The date of transition to these standards is April 1, 2011.

These financial statements have been prepared using policies specified by those standards that are in effect at the end of the reporting period ended March 31, 2013. The significant accounting policies that have been applied in the presentation of these financial statements are summarized in Note 2. These significant accounting policies have been applied throughout all periods presented in these financial statements, except with respect to the adoption of PS 3450 *Financial Instruments* which is required to be adopted prospectively.

The Institute has also applied PS 2125 *First-time Adoption by Government Organizations* in preparing these financial statements. The Institute has applied all of the mandatory exceptions and has elected to use the following exemptions allowed upon first time adoption:

- Retirement and post-employment benefits: The Institute has elected to recognize all cumulative actuarial gains and losses at April 1, 2011 directly in accumulated surplus.

The impact of the adoption to this financial reporting framework on accumulated surplus at April 1, 2011 and March 31, 2012, the consolidated statements of financial position as at April 1, 2011 and March 31, 2012 and the consolidated statements of operations and cash flows for the year ended March 31, 2012 is presented below.

3. Adoption of new financial reporting framework and correction of prior year figures (continued)

Adoption of new financial reporting framework (continued)

Key adjustments on the Institute's consolidated financial statements resulting from the adoption of these accounting standards are as follows:

a Government business enterprise

Previously under Canadian generally accepted accounting principles for not-for-profit organizations, the Institute's consolidated financial statements included the accounts of TTA and 25% of the assets, liabilities, net assets, revenues and expenses of operations of the Trust. Under Canadian public sector accounting standards, TTA and the Trust are accounted for by the modified equity method as described in Note 2.

b Asset retirement obligation

Previously under Canadian generally accepted accounting principles, increases in cash flows were discounted using the current rates. Decreases in cash flows were discounted using the rate in effect on initial recognition of the liability. The discount rate was therefore not revalued. Under the new standards, a revision of the discount rate is now a change to be taken into consideration in the asset retirement obligation similar to a revision to the timing or amount of cash flows.

c Employee future benefits

Previously under Canadian generally accepted accounting principles, the discount rate used for determining the Institute's employee future benefit obligation was based on the market yields of high-quality debt instruments having the same cash flows as the expected benefit payments. Under Canadian public sector accounting standards, the discount rate used to determine the accrued benefit obligation is the expected rate of return on plan assets or the cost of borrowing of the reporting entity.

d Endowment contributions

Previously under Canadian generally accepted accounting principles for not-for-profit organizations, endowment contributions were recorded as direct increases in net assets. Under Canadian public sector accounting standards, endowment contributions are recorded as revenues in the statement of operations.

Correction of prior year figures

At April 1, 2011, the balance of accounts payable and accrued liabilities was understated by $929 and cash and cash equivalents was overstated by $9 related to balances with government business enterprises. The Institute has recorded an adjustment of $938 to accumulated surplus to correct these balances.

British Columbia Institute of Technology
Notes to the consolidated financial statements

(in thousands of dollars)
March 31, 2013

3. Adoption of new financial reporting framework (continued)

Summary of adjustments

Consolidated statement of financial position as at April 1, 2011

	As previously reported	Government business enterprises	Asset retirement obligation	Employee future benefits	Presentation changes	Correction of prior year figures	Restated
Financial assets							
Cash and cash equivalents	$ 26,964	$ (1,260)	$ -	$ -	$ 17,691	$ (9)	$ 43,386
Restricted cash	17,691	-	-	-	(17,691)	-	-
Accounts receivable	11,760	(287)	-	-	(2,248)	-	9,225
Inventories for resale	1,884	-	-	-	(130)	-	1,754
Due from government and other government organizations	1,000	-	-	-	2,248	-	3,248
Portfolio investments	23,416	(4,257)	-	-	(15,775)	-	3,384
Debt sinking funds	5,345	-	-	-	-	-	5,345
Investments in government business enterprises	-	11,769	-	-	-	-	11,769
	88,060	5,965	-	-	(15,905)	(9)	78,111
Liabilities							
Accounts payable and accrued liabilities	34,458	(464)	-	-	(2,306)	929	32,617
Due to government and other government organizations	-	-	-	-	2,306	-	2,306
Employee future benefits	14,773	-	-	3,128	-	-	17,901
Deferred tuition fees	18,331	-	-	-	-	-	18,331
Deferred revenue - other	12,482	(1,130)	-	-	(7,320)	-	4,032
Deferred contributions	8,486	(98)	-	-	7,320	-	15,708
Deferred capital contributions	212,485	(5,000)	-	-	-	-	207,485
Asset retirement obligation	6,226	-	(995)	-	-	-	5,231
Short-term debt	500	-	-	-	(500)	-	-
Current portion of long-term liabilities	56,809	-	-	-	(56,809)	-	-
Debt	25,684	-	-	-	54,777	-	80,461
Obligations under capital lease	-	-	-	-	2,532	-	2,532
	390,234	(6,692)	(995)	3,128	-	929	386,604
Net debt	(302,174)	12,657	995	(3,128)	(15,905)	(938)	(308,493)
Non-financial assets							
Tangible capital assets	387,086	(12,477)	(376)	-	-	-	374,233
Endowment investments	-	-	-	-	15,775	-	15,775
Inventories held for use	-	-	-	-	130	-	130
Prepaid expenses	1,244	(13)	-	-	-	-	1,231
	388,330	(12,490)	(376)	-	15,905	-	391,369
Accumulated surplus	$ 86,156	$ 167	$ 619	$ (3,128)	$ -	$ (938)	$ 82,876

(in thousands of dollars)

3. Adoption of new financial reporting framework (continued)

Summary of adjustments (continued)

Consolidated statement of financial position as at March 31, 2012

	As previously reported	Government business enterprises	Asset retirement obligation	Employee future benefits	Presentation changes	Correction of prior year figures	Restated
Financial assets							
Cash and cash equivalents	$ 21,050	$ (3,800)	$ -	$ -	$ 15,071	$ (9)	$ 32,312
Restricted cash	15,071	-	-	-	(15,071)	-	-
Accounts receivable	12,846	-	-	-	(1,752)	-	11,094
Inventories for resale	1,779	-	-	-	(144)	-	1,635
Due from government and other government organizations	1,434	(537)	-	-	1,752	-	2,649
Portfolio investments	25,085	(3,076)	-	-	(18,226)	-	3,783
Debt sinking funds	3,724	-	-	-	-	-	3,724
Investments in government business enterprises	-	13,769	-	-	-	-	13,769
	80,989	6,356	-	-	(18,370)	(9)	68,966
Liabilities							
Accounts payable and accrued liabilities	29,205	(1,619)	-	-	(5,297)	929	23,218
Due to government and other government organizations	-	-	-	-	5,297	-	5,297
Employee future benefits	15,904	-	-	2,998	-	-	18,902
Deferred tuition fees	19,091	-	-	-	-	-	19,091
Deferred revenue - other	11,300	(529)	-	-	(4,775)	-	5,996
Deferred contributions	6,529	(80)	-	-	4,775	-	11,224
Deferred capital contributions	208,950	(5,000)	-	-	-	-	203,950
Asset retirement obligation	17,697	-	(1,313)	-	-	-	16,384
Current portion of long-term liabilities	3,713	-	-	-	(3,713)	-	-
Debt	69,574	-	-	-	(1,347)	-	68,227
Obligations under capital lease	-	-	-	-	5,060	-	5,060
	381,963	(7,228)	(1,313)	2,998	-	929	377,349
Net debt	(300,974)	13,584	1,313	(2,998)	(18,370)	(938)	(308,383)
Non-financial assets							
Tangible capital assets	393,479	(13,327)	(451)	-	-	-	379,701
Endowment investments	-	-	-	-	18,226	-	18,226
Inventories held for use	-	-	-	-	144	-	144
Prepaid expenses	496	(53)	-	-	-	-	443
	393,975	(13,380)	(451)	-	18,370	-	398,514
Accumulated surplus	$ 93,001	$ 204	$ 862	$ (2,998)	$ -	$ (938)	$ 90,131

(in thousands of dollars)

3. Adoption of new financial reporting framework (continued)

Summary of adjustments (continued)

Consolidated statement of operations and accumulated surplus for the year ended March 31, 2012

	As previously reported	Government business enterprises	Asset retirement obligation	Employee future benefits	Endowments	Correction of prior year figures	Restated
Total revenues	$ 285,246	$ (2,335)	$ -	$ -	$ -	$ -	$ 282,911
Total expenses	280,799	(2,372)	(243)	(130)	-	-	278,054
Operating surplus before endowment contributions	4,447	37	243	130	-	-	4,857
Endowment contributions	-	-	-	-	2,398	-	2,398
Operating surplus	$ 4,447	$ 37	$ 243	$ 130	$ 2,398	$ -	$ 7,255
Accumulated operating surplus, beginning of year	$ 86,156	$ 167	$ 619	$ (3,128)	$ -	$ (938)	82,876
Operating surplus	4,447	37	243	130	2,398	-	7,255
Endowment contributions	2,398	-	-	-	(2,398)	-	-
Accumulated operating surplus, end of year	$ 93,001	$ 204	$ 862	$ (2,998)	$ -	$ (938)	$ 90,131

(in thousands of dollars)

3. Adoption of new financial reporting framework (continued)

Summary of adjustments (continued)

Consolidated statement of cash flows for the year ended March 31, 2012

	As previously reported	Government business enterprises	Asset retirement obligation	Employee future benefits	Endowments	Correction of prior year figures	Restated
Operations	$ 2,450	$ 2,323	$ -	$ -	$ 2,398	$ -	$ 7,171
Investments	(16,179)	(2,317)	-	-	-	-	(18,496)
Financing	5,195	(2,546)	-	-	(2,398)	-	251
Decrease in cash and cash equivalents	(8,534)	(2,540)	-	-	-	-	(11,074)
Cash and cash equivalents, beginning of year	44,655	(1,260)	-	-	-	(9)	43,386
Cash and cash equivalents, end of year	$ 36,121	$ (3,800)	$ -	$ -	$ -	$ (9)	$ 32,312

(in thousands of dollars)

4. Accounts receivable

		March 31 2013		March 31 2012		April 1 2011
Student	**$**	**2,309**	$	1,514	$	1,865
Trade and other		**5,114**		10,930		8,742
Allowance for doubtful accounts		**(900)**		(1,350)		(1,382)
	$	**6,523**	$	11,094	$	9,225

5. Balances with government and other government organizations

Due from government and other government organizations

		March 31 2013		March 31 2012		April 1 2011
Federal government	**$**	**1,943**	$	932	$	1,782
Provincial government		**197**		1,434		1,000
Other government organizations		**1,882**		283		466
	$	**4,022**	$	2,649	$	3,248

Due to government and other government organizations

		March 31 2013		March 31 2012		April 1 2011
Federal government	**$**	**1,338**	$	1,283	$	387
Provincial government		**3,371**		3,230		1,876
Other government organizations		**792**		784		43
	$	**5,501**	$	5,297	$	2,306

6. Investments

Investments consist of:

		March 31 2013		March 31 2012		April 1 2011
Portfolio investments	**$**	**3,795**	$	3,783	$	3,384
Endowment investments		**19,733**		18,226		15,775
	$	**23,528**	$	22,009	$	19,159

(in thousands of dollars)

6. Investments (continued)

The underlying investments consist of:

	Fair value hierarchy level		**March 31 2013**		March 31 2012		April 1 2011
Equities	Level 1	**$**	**11,392**	$	10,199	$	9,130
Fixed income	Level 2		**12,136**		11,810		10,029
		$	**23,528**	$	22,009	$	19,159
Historical cost		**$**	**23,166**	$	22,409	$	19,439

7. Debt sinking funds

Contributions to the sinking funds are made for certain long-term debt obligations with the Province. Investments held in the sinking funds, including interest earned, are used to repay the related debt at maturity. The Institute makes annual principal and interest payments towards the sinking funds to the Province using revenue proceeds from the Downtown training centre. The sinking funds are held and invested by the Province to provide for the retirement of the bond.

Aggregate payments for the next five fiscal years and thereafter to meet sinking fund installments on externally restricted sinking funds and retirement provisions on notes, bonds and debentures are:

2014	$	113
2015		113
2016		113
2017		113
2018		113
Thereafter		455
	$	1,020

(in thousands of dollars)

8. Investments in government business enterprises

	April 1 2012	Contributions paid	Net earnings	Other comprehensive income	**March 31 2013**
Investment in Trust	$ 13,445	$ (1,260)	$ 1,536	$ 201	**$ 13,922**
Investment in TTA	324	-	7	-	**331**
	$ 13,769	$ (1,260)	$ 1,543	$ 201	**$ 14,253**

	April 1 2011	Contributions paid	Net earnings	Other comprehensive income	March 31 2012
Investment in Trust	$ 11,448	$ -	$ 1,997	$ -	$ 13,445
Investment in TTA	321	-	3	-	324
	$ 11,769	$ -	$ 2,000	$ -	$ 13,769

Condensed financial information of government business enterprises that are part of the Institute's reporting entity are as follows:

Great Northern Way Campus Trust

Statement of financial position	**25% share March 31 2013**	25% share March 31 2012	25% share April 1 2011
Total assets	**$ 21,445**	$ 19,769	$ 17,012
Total liabilities	**7,523**	6,324	5,564
Equity	**13,922**	13,445	11,448
Statement of operations	**2013**	2012	
Revenue	**$ 8,109**	$ 5,316	
Expenses	**(6,573)**	(3,319)	
Net earnings	**1,536**	1,997	
Other comprehensive income	**201**	-	
Net earnings and comprehensive income	**$ 1,737**	$ 1,997	

Total liabilities include $1,260 (March 31, 2012: $Nil; April 1, 2011: $Nil) payable to the Institute.

Revenue includes $1,061 (2012: $1,061) of rent and common area expense recoveries from the Institute.

(in thousands of dollars)

8. Investments in government business enterprises (continued)

TTA Technology Training Associates Ltd.

Statement of financial position		**March 31 2013**		March 31 2012		April 1 2011
Total assets	**$**	**1,088**	$	1,088	$	1,280
Total liabilities		**757**		764		959
Equity		**331**		324		321

Statement of operations		**2013**		2012
Revenue	**$**	**933**	$	929
Expenses		**(927)**		(926)
Earnings before income taxes		**6**		3
Income taxes		**(1)**		-
Net earnings	**$**	**7**	$	3

Revenue includes $146 (2012: $181) of project fees and project expense recoveries from the Institute.

9. Accounts payable and accrued liabilities

		March 31 2013		March 31 2012		April 1 2011
Trade payables	**$**	**14,685**	$	10,136	$	18,424
Salaries and benefits payable		**9,463**		9,676		9,706
Other		**4,072**		3,406		4,487
	$	**28,220**	$	23,218	$	32,617

10. Pension plans and employee future benefits

Pension plans

The Institute and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trusteed pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. The College Pension Plan has about 13,000 active members from college senior administration and instructional staff and approximately 5,000 retired members. The Municipal Pension Plan has about 176,000 active members, with approximately 5,700 from colleges.

(in thousands of dollars)

10. Pension plans and employee future benefits (continued)

Pension plans (continued)

The most recent valuation for the College Pension Plan as at August 31, 2009 indicated a $1 million funding surplus for basic pension benefits. The next valuation will be as at August 31, 2012, with results available in 2013. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2009 indicated a $1,024 million deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan. The Institute paid $12,280 for employer contributions to the plans in fiscal 2013 (2012: $12,344).

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.

Information about these employee future benefits is as follows:

	March 31 2013	March 31 2012	April 1 2011
Accrued benefit obligation	**$ 19,604**	$ 17,069	$ 17,030
Fair value of plan assets	**-**	-	-
Funded status	**(19,604)**	(17,069)	(17,030)
Balance of unamortized amounts	**920**	(567)	-
Accrued benefit liability	**(18,684)**	(17,636)	(17,030)
Employer's share of benefits (EI, CPP, pension)	**(1,424)**	(1,266)	(871)
Total liability	**$ (20,108)**	$ (18,902)	$ (17,901)

The obligation is not presently funded.

The significant assumptions used are as follows:

	March 31 2013	March 31 2012	April 1 2011
Accrued benefit obligations as of March 31			
Discount rate	**2.7%**	2.7%	2.7%
Benefit cost for year ended March 31			
Discount rate	**2.7%**	2.7%	2.7%
Assumed health care cost trend rates at March 31	**4.5% - 8.5%**	4.5% - 8.1%	4.5% - 8.5%

(in thousands of dollars)

10. Pension plans and employee future benefits (continued)

Employee future benefits (continued)

Other information regarding the Institute's benefits are as follows:

		2013		2012
Employer contributions	$	581	$	961
Components of net benefit expense				
Service cost	$	1,347	$	1,309
Interest cost		427		420
Long-term disability experience		(88)		(162)
Amortization of net actuarial loss		(57)		-
Net benefit expense	$	1,629	$	1,567

11. Deferred contributions

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations. Deferred contributions are primarily restricted for research purposes.

		2013		2012
Balance, beginning of year	$	11,224	$	15,708
Add: contributions received during the year relating to future periods		5,444		4,016
Less: amounts recognized as revenue		(5,486)		(8,500)
Balance, end of year	$	11,182	$	11,224

12. Deferred capital contributions

Contributions for capital that meet the definition of a liability are referred to as deferred capital contributions. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset. Treasury Board provided direction on accounting treatment as disclosed in Note 2.

Changes in the deferred capital contributions balance are as follows:

		2013		2012
Balance, beginning of year	$	203,950	$	207,485
Add: contributions received during the year		11,495		8,685
Less: amounts amortized to revenue		(12,987)		(12,220)
Balance, end of year	$	202,458	$	203,950

(in thousands of dollars)

12. Deferred capital contributions (continued)

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

		2013		2012
Unamortized capital contributions used to purchase assets	**$**	**201,750**	$	200,408
Unspent capital funding		**708**		3,542
	$	**202,458**	$	203,950

13. 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:

		2013		2012
Balance, beginning of year	**$**	**16,384**	$	5,231
Add: accretion expense		**441**		141
Add: revision in estimated cash flows		**110**		11,138
Less: liabilities settled		**(110)**		(126)
Balance, end of year	**$**	**16,825**	$	16,384

The accretion expense is included in interest expense. The undiscounted estimated cash flows required to settle the obligation are approximately $24,379 to be paid during the fiscal years 2013 to 2038. The estimated cash flows were discounted using the credit-adjusted risk-free rates of 2.69% (March 31, 2012: 4.95%; April 1, 2011: 4.95%).

14. Debt

		March 31 2013		March 31 2012		April 1 2011
BC Immigrant Investment Fund, 2.70% due August 2017 (i)	**$**	**51,917**	$	53,724	$	55,360
Province of British Columbia, 8% bond, due September 2023 (ii)		**12,888**		12,888		22,888
Royal Bank of Canada, 5.55% mortgage, due August 2013 (iii)		**1,511**		1,615		1,713
Ministry of Finance, commercial paper, 0.98%, due June 2011 (iv)		**-**		-		500
	$	**66,316**	$	68,227	$	80,461

(in thousands of dollars)

14. Debt (continued)

i Principal and interest payments are made to the BC Immigrant Investment Fund at $809 per quarter. The debt is unsecured.

ii Interest payments are made to the Province of British Columbia semi-annually. The Institute makes contributions to the sinking fund each year to repay the bond at maturity (Note 7). The bond is unsecured.

iii Principal and interest payments are made to Royal Bank of Canada at $16 per month. The mortgage is secured by a charge against a portion of the student residences.

iv Ministry of Finance commercial paper to be repaid out of grants from the Province. The commercial paper has an interest rate of 0.98% and the principle is due and payable in full on June 22, 2011. The debt is unsecured.

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

	BC Immigrant Investment Fund	Province of British Columbia	Royal Bank of Canada	Total
2014	$ 1,857	$ -	$ 1,511	$ 3,368
2015	1,907	-	-	1,907
2016	1,959	-	-	1,959
2017	2,013	-	-	2,013
2018	44,181	-	-	44,181
Thereafter	-	12,888	-	12,888
	$ 51,917	$ 12,888	$ 1,511	$ 66,316

15. Obligations under capital lease

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

2014	$ 2,005
2015	1,447
2016	1,027
2017	103
	4,582
Less: interest	169
Present value of minimum lease payments	$ 4,413

(in thousands of dollars)

16. Tangible capital assets

Cost	April 1 2012	Additions	Disposals	**March 31 2013**
Land	$ 44,808	$ -	$ -	**$ 44,808**
Buildings	411,721	11,457	(2,511)	**420,667**
Furniture and equipment	108,916	11,154	(1,361)	**118,709**
Computer hardware and software	26,996	1,128	(1,695)	**26,429**
Equipment under capital lease	9,126	1,369	(1,006)	**9,489**
Library holdings	4,466	286	-	**4,752**
	$ 606,033	$ 25,394	$ (6,573)	**$ 624,854**

Accumulated amortization	April 1 2012	Amortization	Accumulated amortization on disposals	**March 31 2013**
Land	$ -	$ -	$ -	**$ -**
Buildings	111,971	11,822	(1,609)	**122,184**
Furniture and equipment	87,449	6,548	(1,189)	**92,808**
Computer hardware and software	20,286	3,008	(1,569)	**21,725**
Equipment under capital lease	4,185	2,093	(997)	**5,281**
Library holdings	2,441	408	-	**2,849**
	$ 226,332	$ 23,879	$ (5,364)	**$ 244,847**

Net book value	April 1 2012	**March 31 2013**
Land	$ 44,808	**$ 44,808**
Buildings	299,750	**298,483**
Furniture and equipment	21,467	**25,901**
Computer hardware and software	6,710	**4,704**
Equipment under capital lease	4,941	**4,208**
Library holdings	2,025	**1,903**
	$ 379,701	**$ 380,007**

(in thousands of dollars)

16. Tangible capital assets (continued)

Cost		April 1 2011		Additions		Disposals		March 31 2012
Land	$	44,808	$	-	$	-	$	44,808
Buildings		393,437		20,686		(2,402)		411,721
Furniture and equipment		104,293		4,987		(364)		108,916
Computer hardware and software		28,559		672		(2,235)		26,996
Equipment under capital lease		6,410		4,365		(1,649)		9,126
Library holdings		10,962		313		(6,809)		4,466
	$	588,469	$	31,023	$	(13,459)	$	606,033

Accumulated amortization		April 1 2011		Amortization		Accumulated amortization on disposals		March 31 2012
Land	$	-	$	-	$	-	$	-
Buildings		102,643		9,940		(612)		111,971
Furniture and equipment		80,922		6,762		(235)		87,449
Computer hardware and software		18,028		4,408		(2,150)		20,286
Equipment under capital lease		3,755		2,116		(1,686)		4,185
Library holdings		8,888		404		(6,851)		2,441
	$	214,236	$	23,630	$	(11,534)	$	226,332

Net book value		April 1 2011		March 31 2012
Land	$	44,808	$	44,808
Buildings		290,794		299,750
Furniture and equipment		23,371		21,467
Computer hardware and software		10,531		6,710
Equipment under capital lease		2,655		4,941
Library holdings		2,074		2,025
	$	374,233	$	379,701

(in thousands of dollars)

17. Endowments

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

		2013		2012
Balance, beginning of year	**$**	**18,875**	$	16,477
Contributions received during the year		**764**		2,398
Balance, end of year	**$**	**19,639**	$	18,875

18. Contingencies

There are lawsuits pending in which the Institute is involved arising in the ordinary course of business. 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.

19. Supplemental cash flow information

Change in non-cash operating working capital		**2013**		2012
Accounts receivable	**$**	**4,571**	$	(1,869)
Inventories		**282**		105
Prepaid expenses		**(62)**		788
Due to government and other government organizations		**(1,373)**		599
Accounts payable and accrued liabilities		**5,002**		(9,399)
Due from government and other government organizations		**204**		2,991
Deferred tuition fees		**1,629**		760
Deferred revenue - other		**3,247**		1,964
	$	**13,500**	$	(4,061)

During the year, interest of $2,782 was paid (2012: $8,808).

Non-cash transactions		**2013**		2012
Receipt of donated capital assets	**$**	**873**	$	550
Equipment under capital lease		**1,369**		4,365
Increase in asset retirement obligation and capital assets		**110**		11,138

(in thousands of dollars)

20. Financial instruments

The Institute's financial instruments include cash and cash equivalents, portfolio investments, debt sinking funds, accounts receivable, accounts payable and accrued liabilities, and debt.

Fair value

The following classification system is used to describe the basis of the inputs used to measure the fair value of investments:

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 for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's-length transaction

The classification of portfolio investments is disclosed in Note 6.

Risk management

The Institute has exposure to the following risks from its use of financial instruments.

Credit risk

The Institute is exposed to the risk that the counterparty defaults or becomes insolvent. The Institute's investments in pooled funds that hold debt securities are exposed to such risk. Credit risk also arises from the possibility that student, trade and other receivables may not be collected.

This risk is mitigated by proactive credit managing and investment policies that include regular monitoring of each debtor's payment history and performance.

As at March 31, 2013, accounts receivable is comprised of:

	Under 90 days	Over 90 days	Total
Student	$ 2,230	$ 79	$ 2,309
Trade and other	4,718	396	5,114
Allowance for doubtful accounts	(652)	(248)	(900)
	$ 6,296	$ 227	$ 6,523

20. Financial instruments (continued)

Risk management (continued)

Market risk

There is a risk that fluctuations in market prices will affect the Institute’s net assets and the value of holdings in investments. Market risk is comprised of the following:

Interest rate risk

Interest rate risk refers to the effect on the market value of the Institute’s assets due to 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.

Foreign currency risk

Foreign currency exposure arises from the Institute’s foreign currency denominated investments. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value of investments.

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

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 manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meets its liabilities when due.

British Columbia Institute of Technology
Notes to the consolidated financial statements
(in thousands of dollars)
March 31, 2013

21. Expenses by object

		2013		2012
Salaries and wages	**$**	**149,676**	$	149,748
Employee benefits		**30,527**		28,449
Amortization of tangible capital assets		**23,879**		23,630
Supplies and general		**13,734**		13,078
Repairs and maintenance		**12,461**		13,890
Fees for service		**12,197**		10,627
Professional development		**7,373**		6,760
Cost of sales		**5,756**		5,776
Utilities		**5,050**		4,928
Student awards		**3,425**		3,544
Interest		**3,318**		8,856
Banking and insurance		**1,981**		1,959
Equipment and facilities leases		**1,833**		2,597
Printing and advertising		**1,759**		2,893
Telecommunications		**1,135**		1,319
	$	**274,104**	$	278,054

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