



VANCOUVER COMMUNITY COLLEGE
BOARD OF GOVERNORS PUBLIC MEETING AGENDA
Wednesday, May 28, 2014, 6:00 pm, Room 240, Downtown Campus
Dial In Number: 1-877-727-8553; Participant Code: 114416072#

Board of Governors: Cathy Young, Christian Avendano, Susan Ewanick, Ambra Simonella, Claire Marshall, Pam Ryan, Jim Storie, Janet Zlotnik, Ted McGurk, Rick Stokes, Sumit Ahuja

Ex-Officio: Doug Callbeck, Susie Findlay

Staff Resources: Bill Radford, Irene Young, Linda Sanderson, Kate Chandler, John Woudzia, Angela Blake

Regrets: Rachael DesLauriers (on work leave), Eugene Hodgson

Item	Topic	Time	Speaker	Pre-reading materials	Action	Page
1	Call to Order	--	Cathy Young	--	--	--
2	Adopt Agenda	--	Cathy Young	Agenda	Decision	1
3	Approve Minutes	1 min	Cathy Young	Minutes: February 26, 2014	Decision	3
4	Chair Remarks	2 min	Cathy Young	Verbal	Information	--
5	College Report	5 min	Doug Callbeck	VCC News and Events	Information	7
6	Education Council Report	10 min	Susie Findlay	IN – Education Council’s Advisory Role DN – Revisions to Granting of Credential Policy	Decision	8 9
7	Finance & Audit Committee Report - Approval of 2013/2014 Financial Statements and 2013/2014 FTE Statement - RFP for Refrigeration Equipment Repair and Maintenance	10 min	Ted McGurk / Irene Young	DN – 2013/2014 Financial Statements and FTE Enrolment 2013/2014 Financial Statements 2013/2014 FTE Statement IN – Decision to Procure Refrigeration Repair and Maintenance Services	Decision and Information	16 18 39 44
8	Update on President Recruitment	5 min	Susan Ewanick	Verbal	Information	--
9	Results of 2013/2014 Business Plan	5 min	Irene Young	IN – 2013/2014 Business Plan	Information	46



10	Constituency Group Updates • SUVCC • CUPE • VCCFA	5 min each	Nimmi Takkar/ Chris Joyce/ Karen Shortt	Verbal	Information	--
11	Next meeting date: September TBD	--	--	--	--	--
12	Termination Meeting duration: approximately 45 minutes					

**MINUTES OF THE PUBLIC MEETING OF THE
BOARD OF GOVERNORS
OF VANCOUVER COMMUNITY COLLEGE HELD ON
FEBRUARY 19, 2014 AT THE DOWNTOWN CAMPUS**

Committee Members: Eugene Hodgson (Chair), Christian Avendano, Rachel DesLauriers, Ambra Simonella, Pam Ryan, Janet Zlotnik, Ted McGurk, Rick Stokes
Ex-Officio: Doug Callbeck, Susie Findlay
Staff Resources/Guests: Irene Young, Bill Radford, Linda Sanderson, Catherine Clement, John Woudzia, Karen Shortt, Angela Blake, Wendy Avis
Regrets: Cathy Young, Susan Ewanick, Claire Marshall, Jim Storie

The meeting was called to order at 6:10 p.m. by Mr. Hodgson who acted as Chair of the meeting. Ms. Blake acted as Secretary of the meeting. Mr. Hodgson declared the meeting to be properly called and constituted.

APPROVAL OF AGENDA

UPON MOTION duly made, seconded and carried unanimously, the following resolution was approved and adopted:

RESOLVED THAT the agenda for the February 26, 2014 Public Board of Governors meeting is approved.

CHAIR REMARKS

Mr. Hodgson welcomed attendees to the meeting.

COLLEGE REPORT

Mr. Callbeck provided a summary of recent events at the College, as summarized in the VCC News and Events briefing note included in the meeting materials.

THIRD QUARTER REPORT

Ms. Irene Young referred to the third quarter report provided with the meeting materials and reviewed the key revenue and expenditure variances to budget, as well as changes with respect to program enrolment as compared to the prior year. She noted that they are reviewing the methodology used to forecast enrolment given some significant variances. Ms. Young followed with a discussion of increases in revenues and an update on the status of key performance indicators (KPIs). Mr. Woudzia provided an update on educational and student services, as further described in the meeting materials and discussed efforts to attract students. Ms. Young and Mr. Woudzia took questions from the Board with respect to future plans for particular program offerings.

ESL/ELSA UPDATE

Ms. Irene Young discussed the letter received from the Province the prior week with respect to ESL funding and noted that the funds earmarked for the College will be insufficient to deliver the same levels of FTEs as in the past. She advised that this may only be an initial grant and the College cannot

make major decisions with respect to ESL programming until the actual funding amount is determined. As such, the 2014/15 budget will have to be prepared without complete information, with adjustments to be made as more information becomes available. She noted that the transition funding is only for one year so will expire on March 31, 2015.

Mr. Radford provided an update on ELSA negotiations with the federal government. He advised that he expects a two year contract to be signed within approximately three weeks. He also discussed how VCC staff have been invited to Ottawa to meet with Citizenship and Immigration (CIC) to discuss funding matters. Mr. Hodgson commented that this is encouraging as it indicates the importance the federal government is placing on VCC and its role with respect to the provision of ELSA education.

FINANCE AND AUDIT COMMITTEE REPORT

Ms. Irene Young provided an update on recent activities of the Finance and Audit Committee, including on the status of the Motive Power project, advising that the Ministry attended the opening ceremony and that DWA Architects has completed working drawings for tenant improvements for the currently vacant warehouse. She advised that the project is out for tender, with the tender bids to close on Friday, and they are hoping to award all contracts by mid-next week. The premises are expected to be completed in time for BCIT to meet its eviction date of August 2014.

Mr. McGurk provided an update on the implementation of Enterprise Risk Management (ERM) at the College. He noted that the goal of ERM is to identify risks like ESL and ELSA funding issues in advance so the College can be prepared to meet risks when they happen. He noted that a draft report had been received and discussed at the in camera meeting of the Board earlier that evening and would be considered going forward.

Mr. McGurk also advised that, at the in camera meeting, the Board had also approved the opening of bank accounts with TD Canada Trust and the award of the laundry services contract to AlSCO Canada Corporation for the provision of laundry services for the Broadway and Downtown campuses, noting that AlSCO was the incumbent service provider and offered the best price proposal.

HUMAN RESOURCES COMMITTEE REPORT

Ms. Ryan provided a brief update on the status of the presidential search, noting that the search committee had met on February 25, 2014 with the executive search firm, who advised that stakeholder feedback sessions had been completed. Feedback from these sessions was used to create an executive profile for the position. A short list of candidates is expected from the search firm in March 2014.

SUSTAINABILITY UPDATE

Ms. Wendy Avis presented an update on the College's Strategic Energy Management Plan. She explained that, in March 2012, to assist VCC with energy management, BC Hydro sponsored an Energy Management Assessment (EMA) for the organization. The purpose of this assessment was to conduct a holistic analysis of energy-related practices at VCC and identify opportunities for organizational improvement. The 2012 EMA identified critical areas for energy management at VCC, which included the need for an Energy Manager. A dedicated Energy Manager sponsored by the BC Hydro Power Smart program was engaged in March 2013. A program compliance requirement for the Energy Manager was the creation of a Strategic Energy Management Plan (SEMP). The SEMP provides the framework

required to link together all aspects of energy management at VCC and give strategic direction for VCC to succeed in meeting its energy reduction targets.

In fiscal year 2012/13, VCC spent approximately \$1,100,000 on energy cost (\$740,000 for electricity, \$196,000 for natural gas and \$161,000 for steam). To enable VCC to achieve the 10% energy reduction target as set out in the 2011-2014 Strategic Plan, a number of cost-effective energy management initiatives were undertaken and, by the end of December 2013, results of energy monitoring indicated that the 10% energy reduction target has been achieved

Based on a review of the current campus operations, a detailed review of energy usage and opportunities identified by the VCC energy management team, a new energy reduction target of 20% was set. To meet the new target, VCC will need to allocate funding of approximately \$750,000 over the next three fiscal years. With potential BC Hydro incentives, the required funding may reduce to \$600,000. Based on the projects identified, the avoided costs related to energy management projects will grow during the implementation of the SEMP. After the six year period (2010/11 to 2016/17), the annual avoided costs will reach approximately \$300,000. This is based on actual rates from 2010 to 2013, the reported increases from BC Hydro from 2014 onwards, and estimated fuel rate increases. Not included in this figure is carbon offset costs. The cumulative avoided costs from fiscal year 2010/11 to 2016/17 are expected to be approximately \$720,000.

OTHER BUSINESS / ITEMS FOR INFORMATION – 2014/2015 GLE

Ms. Irene Young referred to the information note on this matter provided for the meeting and advised that the 2014/15 GLE had been approved by the Board at the in camera meeting earlier that evening.

CONSTITUENCY GROUP UPDATES

SUVCC

There was no update provided by any representative of SUVCC.

CUPE

The CUPE representative spoke briefly advising of CUPE's concerns with respect to the management of the ESL review process.

VCCFA

The VCCFA representative, Karen Shortt, addressed VCCFA's concerns with respect to how to manage the budget. She expressed appreciation for how staff resources have done that and the willingness of senior management to engage in dialogue. She also discussed the ESL review, highlighting statements from the 2012 GLE from 2012 that mandate government funding of ESL training. She encouraged the Board to tell convey this message to the Province, including with respect to how it fits in with the Province's Jobs Plan. Ms. Shortt also discussed the College's marketing initiatives, negotiations with respect to the ELSA funding contract and community action projects.

The Chair thanked Ms. Shortt for the excellent work of senior staff during the transition period and thanked the constituency representatives for their attendance at the meeting.

NEXT MEETING

It was confirmed that the next meeting would be held on April 30, 2014.

TERMINATION

There being no further business, the meeting was terminated at 7:13 p.m.

Eugene Hodgson
Chair

VCC NEWS AND EVENTS

April – May 2014

VCC News & Events

- VCC is on a mission to help financially squeezed students live well on a shoestring budget. On May 5 VCC launched the Live Well for Less content marketing campaign, a series of videos featuring tips and tricks to help students live well on a budget from experts across the college. The inaugural video was hosted by celebrity chef and VCC culinary instructor Shelley Robinson and has received nearly 1100 views in two weeks. Subsequent videos have featured VCC faculty and alumni from departments across the college. VCC has received positive feedback on the campaign via social media.
- In recognition of Canadian Mental Health Association's Mental Health Wellness week, VCC hosted Mental Health Wellness day - an inspiring event offering free activities, expert speakers and helpful information from community agencies, counsellors and nursing students.
- VCC's new Environmental Strategy was launched on Earth Day 2014. This Environmental Sustainability Strategy 2014 – 2017 will guide our actions over the next three years furthering education and engagement about sustainability practices and environmental impact.
- On April 24, 2014, thousands of people visited the Sungod Recreation Centre in Delta to experience dozens of trades and technical careers at over 75 interactive exhibits. This annual event is a partnership between VCC, the Delta School District, BCIT, and Kwantlen Polytechnic University as well as the many industry organizations and employers who came together to make this event a success.
- The Government of British Columbia unveiled a comprehensive strategy to re-engineer B.C.'s education and apprenticeship systems, entitled "B.C.'s Skills for Jobs Blueprint: Re-engineering Education and Training" on April 29. The Blueprint sets out three overarching objectives to maximize the potential of B.C.'s workforce:
 - A head-start to hands-on learning in our schools.
 - A shift in education and training to better match jobs in demand.
 - A stronger partnership with industry and labour to deliver training and apprenticeships.
- As part of the launch of B.C.'s Skills for Jobs Blueprint, government is also releasing the final results of the Industry Training Authority (ITA) review. The final report sets out a further 29 recommendations to strengthen B.C.'s trades training system and increase the number of apprentices and certified tradespeople in priority sectors like LNG.
- VCC is supporting Bike to Work Week by setting up two sponsored commuter stations on Wednesday, May 29 (Downtown campus) and Thursday, May 30 (Broadway campus). Raffles for gift certificates and free granola bars, fruit and coffee (courtesy of the VCC baking department) will be available at both commuter stations.
- Analytics show that website traffic to the VCC homepage increased by 46% from this time the previous year.

VCC in the News

- Crackle Creme - a specialty creme brûlée eatery in Strathcona that is owned by recent VCC grad Daniel Wong was featured in Scout Magazine in April.
- VCC alumna Merri Schwartz, co-operator of East Van Roasters, was featured recently in Montecristo Magazine. The feature centered on the unique business – making chocolate from bean to bar – and their team of employees, many of whom of living under the auspices of the PHS Community Services Society in the DTES.
- A recent feature in the Georgia Straight provided students with tips on how to crack the job market, and discussed the different ways that colleges, including VCC, help to prepare students to land a job.
- VCC's Live Well for Less series was featured on CBC Radio Early Edition along with a feature on CBC.ca. The story has resulted in more than 50 shares on social media and many positive comments from the general public, ex: "Brilliant, and kudos to VCC, its staff, and its students. They (seriously) should take this one on the road and offer presentations to UBC frosh, SFU, Cap College, UNBC, TRU, OK University, College of Northern Lights..."

Prepared by: Kate Chandler, Director of Communications and Government Relations

Date: May 23, 2014



INFORMATION NOTE

May 28, 2014

PREPARED FOR: Board of Governors

ISSUE: Education Council's Advisory Role re: Core Review

BACKGROUND: The College and Institute Act (the Act) outlines Education Council's (EDCO) duty to provide advice to the Board of Governors on matters specified in Section 23. Advice from EDCO may be forthcoming, pending the result of upcoming consultation with the College Executive.

DISCUSSION: At the May 13 meeting, EDCO struck a Core Review ad hoc committee (the Committee) to liaise with Interim President, Doug Callbeck, Core Review lead, Jim Soles, and other members of the College Executive to discuss the direction of VCC's Core Review Report (the Report). On that same day, the Committee met with Mr. Callbeck, Dr. Soles, and Vice President Bill Radford to gather information about the Report. The following day, the EDCO Chair sent a briefing note to Chairman Hodgeson, underlining EDCO's statutory responsibility to provide advice to the Board (and the Board's corresponding duty to seek advice from EDCO) on matters specified in Section 23 of the Act (see attached). Chairman Hodgeson respectfully acknowledged the value of EDCO's advice on the Report.

The Committee is scheduled to meet with members of the College Executive on May 22 for a final discussion about the Core Review Report. In anticipation of EDCO having to exercise its advisory role, an extraordinary EDCO meeting is tentatively scheduled for May 26 where the Committee's recommendations will be received and advice to the Board of Governors can be discussed and formalized in time for the May 28 in-camera meeting.

Prepared by:

Susie Findlay, Chair
Education Council

May 28, 2014



DECISION NOTE

May 28, 2014

- PREPARED FOR:** College Board of Governors
- ISSUE:** Revisions to the Granting of Credentials Policy (C.1.3)
- BACKGROUND:** Policy C.1.3 Granting of Credentials has gone through a rigorous review process at the Education Policy Committee, which also received and integrated community feedback into the new documents. Education Council approved the new policy and procedures at its March 11, 2014 meeting.
- DISCUSSION:** Minor changes were made to improve the clarity of the language. The key recommendations were:
- Policy Principle #7 requires every program to set a maximum duration a student can work on a credential. At the request of Education Council, this was changed from “optional” to “required.” This duration limit would need to be included in the Program Content Guide (PCG) and approved by Education Council (the template for PCGs will be updated accordingly).
 - Three credential types were added: Associate Degree, Advanced Certificate and Advanced Diploma. The Associate Degree is a well-established credential offered by many BC PSE institutions; VCC does not currently offer any but this opens the possibility without needing to revise this policy in the future. Advanced Certificates and Diplomas were requested by the Dean of Continuing Studies to allow the development of advanced, targeted programming.
 - A “VCC Award of Achievement” has been added, granting a greater level of recognition to the efforts of students advancing themselves through the attainment of specialized skills.
- Policy Committee recommended that the College develop a policy around the issuance of “Statements of Completions” and “VCC Awards of Achievement,” as no policy currently exists. It is a policy gap that should be filled.
- MOTION:** THAT Education Council recommends the Board of Governors approve the revised C.1.3 Granting of Credentials Policy and Procedures.

Prepared by:

Susie Findlay, Chair
Education Council

May 28, 2014

POLICY FORM

Policy No.	C.1.3
Title	Granting of Credentials Policy
Approving Jurisdiction	Board of Governors
Policy Sponsor	Vice President, Education & Student Services
Last Revised/Replaces	April 29, 2004 / March 27, 2008
Effective Date	May 28, 2014
Signed by	Chair, Board of Governors

The purpose of this policy is to inform current and prospective students, as well as the College community, of the requirements for the awarding of official credentials.

CONTEXT AND PURPOSE

The term “credential” refers to the confirmation by Vancouver Community College (VCC; the College) of the completion by a student of a defined program of required and elective courses that has been approved by the Education Council.

This Policy and related Procedures identifies the types of credentials issued by VCC and outlines the responsibilities of various bodies within the College for the issuance of credentials.

SCOPE AND LIMITS

This Policy and related Procedures applies to the issuance of all credentials by the College.

This Policy does not apply to Statements of Completion, VCC Awards of Achievement and non-credit courses/programs.

STATEMENT OF POLICY PRINCIPLES

1. The development and approval of all credentials is guided by needs as expressed by the communities served by VCC.
2. In order to maximize student mobility and success, credentials are also guided by Provincial Ministry guidelines, professional and industry association requirements, accreditation bodies and credentialing policies at other postsecondary institutions with which the College may wish to articulate.
3. All credentials are documented and issued through the Registrar’s Office.

4. The College identifies the minimum credit requirements for a student to be eligible for each type of VCC credential.
5. The College identifies the minimum requirement (courses to be taken through the College) in order for a student to be eligible for a VCC credential.
6. The College identifies the minimum grades required for graduation.
7. The College will identify a maximum duration a student may work on a credential. Any duration limit will be specified in the Program Content Guide. Normally, duration limits will be: three years for a certificate; five years for a diploma; and seven years for a degree. Extenuating circumstances may warrant an extension. Students must apply to the Registrar's Office or the Continuing Studies Office (for students in Continuing Studies) for an extension. The granting of the extension must be approved by the Dean responsible for the program.
8. The Registrar has the authority, on a case by case basis and in consultation with the responsible Dean/Department Leader or the Director of Student Services, to make exceptions to the minimum requirements.
9. Programs with approved credentials that do not meet the requirements laid out in this policy will transition to the new policy requirements when the program goes through a formal program renewal process, or at the initiative of the department.

DEFINITIONS

Refer to the related Procedures document for definitions which will enhance the reader's interpretation of this Policy.

RELATED POLICIES & LEGISLATION

College and Institute Act, (RSBC 1996) Chapter 52

C.1.1 Course/Program Grading Policy

C.1.4 Assignment of Credits to Courses Policy

C.3.9 Degree Standards Policy

D.3.5 Prior Learning Assessment Policy

D.4.1 Students with Disabilities Policy

New – Curriculum Development and Approval Policy

RELATED PROCEDURES

Refer to C.1.3 Granting of Credentials Procedures.

PROCEDURES FORM



Policy No.	C.1.3
Title	Granting of Credentials Procedures
Approving Jurisdiction	Board of Governors
Policy Sponsor	Vice President, Education & Student Services
Last Revised/Replaces	April 29, 2004 / March 27, 2008
Effective Date	May 28, 2014
Signed by	Chair, Board of Governors

DEFINITIONS

Credential: A defined program of required and elective courses that has been approved by the Education Council as leading to a particular credential.

Credential Type: The following credentials are recognized by the College and are approved by the Education Council and Board of Governors, unless otherwise dictated by external approval agencies:

Citation: A defined program of study usually involving less than one year of study and consisting of 6-19 credits.

Certificate: A defined program of study usually involving one year of study and consisting of 20-59 credits.

Diploma: A defined program of study usually involving two years of study and consisting of 60-119 credits.

Associate Degree: A defined program of study involving two years of university-level study with an Arts or Science focus and consisting of 60 credits. It is equivalent to the first two years of a four-year baccalaureate degree. Please see <http://bctransferguide.ca/associate/requirements/> for specific requirements.

Degree: A defined program of study in a specific program area usually involving four years of study and consisting of a Diploma equivalent plus an additional 60 credits, or a minimum of 120 credits.

Advanced Certificate: A defined program of study designed to provide students with specialized knowledge that builds on a previous credential, usually involving less than one year of study and consisting of 15-39 credits. A certificate, diploma or Bachelor's degree is required as a pre-requisite.

Advanced Diploma: A defined program of study designed to provide students with specialized knowledge that builds on a previous credential, usually involving one year or more of study and consisting of 40-119 credits. A diploma or Bachelor's degree is required as a pre-requisite.

Cumulative, Program Grade Point Average: A weighted average of grades earned in courses designated as eligible for inclusion in the requirements for a credential.

Insert Student: A student who has previously completed a portion of a VCC program and is returning to complete remaining courses in a program.

Parchment: The physical and legal document awarded to the recipient of a credential.

Prior Learning Assessment & Recognition (PLAR): An assessment of competency in skills acquired through non-academic means (i.e. work, volunteer experience, etc.). Please see Policy D.3.5 Prior Learning Assessment & Recognition.

Statement of Completion: A document awarded for the successful completion of a course or group of courses that do not lead to a credential.

VCC Award of Achievement: A document awarded for the successful completion of a course or group of courses that do not lead to a credential. The course or group of courses will include a minimum of 15 hours of instruction, and successful completion will be based on assessment criteria provided in the course outline(s), including but not limited to, participation or other subject-specific criteria as determined by the program area.

Transfer Credit: Recognition and acceptance of courses completed through another accredited post-secondary institution to be used for a VCC credential.

PROCEDURES

The Procedures related to the awarding of credentials is organized under the following headings: Determination of form and content of credential; Determination and approval of credentials; Determination of credential requirements; Process to determine eligibility for credential; Multiple credentials; Awarding of credential.

DETERMINATION OF FORM AND CONTENT OF CREDENTIAL

1. The Registrar's Office will determine the parchment to be awarded including the following: Type of paper and presentation format; Content; Signatures; Seal.
2. All credentials will have an official title that is descriptive of the discipline or general area of study, for example: Bachelor of _____; Diploma in _____; Certificate in _____
3. The Registrar will maintain a record of the official names of each credential and will post this information on the College website.

DETERMINATION AND APPROVAL OF CREDENTIALS

4. The process of developing programs and courses leading to credentials is documented in the Curriculum and Program Development Policy (*in development*). Consistent with the College and Institute Act, credentials are approved by the Board, on the advice of Education Council.
5. The Registrar's Office will maintain the master list of credentials offered by the College, including the requirements for successfully completing a credential.

DETERMINATION OF CREDENTIAL REQUIREMENTS

6. All College programs will have the following criteria for determining eligibility for the credential:
 - a. Twenty-five per cent (25%) of the prescribed program credits must be completed at VCC. All of these credits must be obtained within the last half of a program. Credits obtained through PLAR or Transfer Credit may not be counted towards the twenty-five percent.
 - b. A minimum cumulative, program grade point average of 2.0.
 - c. Successful completion of all program requirements as stated in the Program Content Guide at the point of the student's entry to the program.
 - d. All program requirements must be completed within a time period if a time period is specified in the Program Content Guide.
7. Exceptions to these minimum requirements may be considered by Education Council. These exceptions will be specified in the Program Content Guide.
8. Individual programs may be approved for criteria that are above the minimum established by the College. These criteria will be specified in the Program Content Guide.

PROCESS TO DETERMINE ELIGIBILITY FOR CREDENTIAL

9. The Registrar's Office will determine a student's eligibility for a College credential automatically, except for degree programs, insert students and Continuing Studies. The Department Leader of the program will be consulted as required.
 - a. Degree students and insert students must apply for their credential by submitting a Credential Request Form to the Registrar's Office.
 - b. Continuing Studies students must apply for their credential by submitting an Application for Graduation Certificate or Diploma to the Continuing Studies office. Upon receipt of this application, the student's eligibility for a credential will be determined by the department, and a request to issue the relevant credential will be made to the Registrar's Office.
10. The Department Leader may recommend the waiver of certain requirements for graduation. The Registrar has final approval over such waivers.

MULTIPLE CREDENTIALS

11. Credits earned for one credential may be used to meet some of the requirements of a second credential of the same type (e.g. two certificates), provided students complete 50% new course work.
12. In the case of an awarded credential being used to enter a more advanced credential (such as a diploma being used as the first two years towards a degree), credits from that credential cannot be applied as credit in the last two years. Credits can only be applied once within a credential.

AWARDING OF CREDENTIAL

13. All credentials are confirmed at one of the College's convocation ceremonies.

RELATED POLICY

Refer to C.1.3 Granting of Credentials Policy.



DECISION NOTE

PREPARED FOR: Board of Governors

ISSUE: Approval of the VCC 2013/14 Audited Financial Statements and the 2013/14 Audited FTE Enrolment Statement

BACKGROUND:

Section 55 of the *College and Institute Act* (the “Act”) requires that post-secondary institutions conduct an audit of their accounts and transactions once per year. The 2013/14 audited financial statements presented satisfy this audit requirement under the Act.

The Ministry of Advanced Education eliminated the requirement for institutions to audit their enrolment data in 2009, however VCC has chosen to continue the audit of its FTE enrolment statement. VCC has recently been advised that the Ministry is considering reinstating the enrolment audit requirement.

DISCUSSION:

This package includes:

- 2013/14 Audited Financial Statements
- 2013/14 Audited FTE Enrolment Statement

Financial Statements

There were no significant changes to VCC’s 2013/14 financial statements from prior years.

Highlights of VCC’s 2013/14 operating results:

- Net surplus for 2013/14 was \$0.
- Ministry funding was \$4.4 million higher than expected due to additional one time Labour Market Agreement (“LMA”) contracts and one time ESL funding used for ESL delivery transitioning.
- Tuition was under budget by \$1.3 million: Continuing Studies (\$451k) is under redevelopment; Hair Design and Esthetics (\$118k) due to renovation of spa/salon; Practical Nursing (\$182k) due to a delay in implementing the new program.
- Salaries were higher than budget by \$4.1 million due to increases from the last round of collective bargaining, the additional LMA contracts noted above and the ESL transition voluntary departure and early retirement offerings.

DECISION NOTE

Board of Governors – Public Meeting

May 28, 2014

File: VCCBOG-28-05-14

- Operating expenses were under budget by \$1.3 million due primarily to unspent funds in the areas of professional development strategic initiatives, strategic planning and curriculum development.

FTE Enrolment Statement

The FTE Enrolment Statement confirms that VCC delivered 6,075 Ministry funded FTEs in 2013/14, a decrease of 277 FTE or 4.3% over the 2012/13 fiscal year. The FTE utilization rate was 93% on a Ministry target of 6,537 for the 2013/14 year. A more detailed analysis of the variance will be provided at the June Finance and Audit Committee meeting.

RECOMMENDATION:

That the Board of Governors approve the 2013/14 Audited Financial Statements and the 2013/14 Audited FTE Enrolment Statement.

Attachments: Audited Financial Statements for the year ended March 31, 2014
Audited FTE Enrolment Statement for the year ended March 31, 2014

Prepared by: Irene Young

Dated: May 23, 2014

Financial Statements of

VANCOUVER COMMUNITY COLLEGE

Year ended March 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Vancouver Community College and
To the Minister of Advanced Education

We have audited the accompanying financial statements of Vancouver Community College which comprise the statement of financial position as at March 31, 2014, the statements of operations, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Vancouver Community College as at March 31, 2014, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with the financial reporting provisions of 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 financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Chartered Accountants

DATE

CITY, Canada

VANCOUVER COMMUNITY COLLEGE

Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
Financial assets		
Cash and cash equivalents	\$ 21,689,135	\$ 8,711,894
Investments (note 3)	3,926,630	14,714,343
Accounts receivable	2,370,290	1,598,873
Inventories for resale	1,107,049	980,160
Due from the Province of BC (note 4)	1,011,939	1,063,317
	<u>30,105,043</u>	<u>27,068,587</u>
Liabilities		
Accounts payable and accrued liabilities (note 5)	9,599,073	6,762,193
Due to the Province of BC and other government agencies (note 4)	317,331	926,535
Employee future benefits (note 6)	3,694,330	3,755,830
Deferred tuition fees	4,259,632	4,154,940
Deferred revenue	10,427,133	7,546,009
Deferred capital contributions (note 7)	83,289,624	88,082,423
	<u>111,587,123</u>	<u>111,227,930</u>
Net debt	<u>(81,482,080)</u>	<u>(84,159,343)</u>
Non-financial assets		
Tangible capital assets (note 8)	107,493,304	110,419,781
Inventories held for use	125,764	124,663
Prepaid expenses	557,627	309,514
	<u>108,176,695</u>	<u>110,853,958</u>
Accumulated surplus (note 9)	<u>\$ 26,694,615</u>	<u>\$ 26,694,615</u>

Commitments and contingencies (note 13)

See accompanying notes to financial statements.

VANCOUVER COMMUNITY COLLEGE

Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
	(note 11)		
Revenue			
Province of British Columbia grants	\$ 74,805,969	\$ 79,200,803	\$ 73,733,025
Tuition and student fees	20,903,588	19,623,275	18,765,773
Sales of goods and services	5,561,298	5,717,035	5,617,137
Other grants and contracts	718,822	766,800	873,629
Miscellaneous income	1,552,680	1,583,464	1,688,343
Investment income	350,004	283,131	360,597
Revenue recognized from deferred capital contributions	5,470,116	5,035,498	4,923,394
	109,362,477	112,210,006	105,961,898
Expenses			
Instruction and Instructional Support	105,544,391	108,136,343	101,888,840
Ancillary Operations	2,977,314	3,232,891	3,227,882
Special Purpose Funds	840,772	840,772	830,721
	109,362,477	112,210,006	105,947,443
Annual Surplus	-	-	14,455
Accumulated surplus, beginning of year	26,694,615	26,694,615	26,680,160
Accumulated surplus, end of year	\$ 26,694,615	\$ 26,694,615	\$ 26,694,615

See accompanying notes to financial statements.

VANCOUVER COMMUNITY COLLEGE

Statement of Net Debt

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
	(note 11)		
Annual surplus	\$ - \$	- \$	14,455
Acquisition of tangible capital assets	(4,448,000)	(5,746,116)	(10,661,153)
Amortization of tangible capital assets	8,508,936	8,672,593	7,876,576
	4,060,936	2,926,477	(2,784,577)
Acquisition of inventories	-	(125,764)	(124,335)
Acquisition of prepaid expenses	-	(557,627)	(309,842)
Use of inventories	-	124,335	157,716
Use of prepaid expenses	-	309,842	353,611
	-	(249,214)	77,150
Decrease (Increase) in net debt	4,060,936	2,677,263	(2,692,972)
Net debt, beginning of year	(84,159,343)	(84,159,343)	(81,466,371)
Net debt, end of year	\$ (80,098,407) \$	(81,482,080) \$	(84,159,343)

See accompanying notes to financial statements.

VANCOUVER COMMUNITY COLLEGE

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Annual surplus	\$ -	\$ 14,455
Items not involving cash:		
Amortization of tangible capital assets	8,672,593	7,876,576
Revenue recognized from deferred capital contributions	(5,035,498)	(4,923,394)
Change in employee future benefits	(61,500)	105,171
Change in non-cash operating working capital:		
Increase in accounts receivable	(771,417)	(17,295)
Decrease (increase) in inventories for resale	(126,889)	60,298
Decrease (increase) in due from the Province of BC	51,378	(930,195)
Decrease (increase) in prepaid expenses	(248,113)	44,097
Decrease (increase) in inventories held for use	(1,101)	33,053
(Decrease) increase in accounts payable and accrued liabilities	2,836,880	(218,170)
(Decrease) increase in due to the Province of BC and other government agencies	(609,204)	475,926
Increase in deferred tuition fees	104,692	280,545
Increase in deferred revenues	2,881,124	3,903,010
Net change in cash from operating activities	7,692,945	6,704,077
Capital activities:		
Cash used to acquire tangible capital assets	(5,746,116)	(10,661,153)
Net change in cash from capital activities	(5,746,116)	(10,661,153)
Financing activities:		
Deferred capital contributions received	242,699	5,796,962
Net change in cash from financing activities	242,699	5,796,962
Investing activities:		
Redemption (purchase) of investments	10,787,713	(192,337)
Net change in cash from investing activities	10,787,713	(192,337)
Net increase in cash and cash equivalents	12,977,241	1,647,549
Cash and cash equivalents, beginning of year	8,711,894	7,064,345
Cash and cash equivalents, end of year	\$ 21,689,135	\$ 8,711,894

See accompanying notes to financial statements.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2014

1. Authority and Purpose:

Vancouver Community College (the "College") is a post-secondary educational institution funded in part by the Province of British Columbia and incorporated under the College and Institute Act on November 28, 1978. The College is a not-for-profit entity governed by a Board of Governors, the majority of which are appointed by the provincial government of British Columbia. The College is exempt from income taxes under Section 149 of the Income Tax Act.

The College serves a diverse urban community by providing excellent programs and services that prepare learners for ongoing education, direct entry into employment, career advancement and greater participation in the community.

2. Summary of significant accounting policies:

The financial statements of Vancouver Community College are prepared by management in accordance with the basis of accounting described below. Significant accounting policies are as follows:

(a) Basis of accounting:

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

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

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable are to be reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors. Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of 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. Contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met. For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

2. Summary of significant accounting policies (continued):

(a) Basis of accounting (continued):

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410. As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

(b) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(c) Financial instruments:

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

(i) Fair value category: Portfolio investments in equity instruments that are quoted in an active market and derivative instruments 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 is recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and 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 Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

(ii) Cost category: Gains and losses are recognized in the Statement of Operations and Accumulated Surplus when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments is included in the cost of the related investments.

(iii) The College does not have any financial instruments that are recorded at fair value.

(iv) The following items are included in the cost category and measured as follows:

- (i) Accounts receivable are measured at amortized cost using the effective interest method
- (ii) Investments are comprised of term deposits, bearer deposit notes, and bankers' acceptances that are capable of prompt liquidation. The investments are cashable on demand and are recorded at amortized cost based on the transaction price on the trade date. All interest income, gains and losses are recognized in the statement of operations in the period in which they arise.
- (iii) Accounts payable and accrued liabilities are measured at amortized cost using the effective interest method.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

2. Summary of significant accounting policies (continued):

(d) Inventories for resale and assets held for sale:

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

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Interest during construction is capitalized whenever external debt is issued finance the construction of tangible capital assets. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives shown below. Land is not amortized as it is deemed to have a permanent value:

Asset	Basis
Buildings	30 - 50 years
Building improvements	15 years
Furniture and equipment	5 years
Computer hardware and software	4 years

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

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

(ii) Inventories held for use:

Inventories held for use are recorded at the lower of cost and replacement cost.

Cost includes the original purchase cost, plus shipping and applicable duties. Replacement cost is the estimated current cost to replace the items.

(iii) Prepaid expenses:

Prepaid expenses are recorded at cost and amortized over the period where the service benefits are received.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

2. Summary of significant accounting policies (continued):

(f) Employee future benefits:

- (i) The College and its employees make contributions to the College Pension and Municipal Pension Plans which are multi-employer joint trustee plans. These plans are defined benefit plans, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plans are not segregated by institution, the plans are accounted for as defined contribution plans and any contributions of the College to the plans are expensed as incurred.
- (ii) Sick leave benefits are also available to the College's employees. The costs of these benefits are actuarially determined based on length of service and best estimates of benefit usage, retirement ages and expected future salary and wage increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected employee average remaining service life. The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation completed in March 6, 2013 and projected to March 31, 2015.
- (iii) The College allows employees to accumulate unused vacation days for future use. Any unused vacation days are recorded as a liability when earned.
- (iv) The College provides long-service and gratuity benefits to the employees. The costs of these benefits are actuarially determined based on length of service and best estimates of benefit usage, retirement ages and expected future salary and wage increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected employee average remaining service life. The most recent valuation of the College's future employee benefits was completed March 6, 2013 and projected to March 31, 2015.
- (v) Retiring faculty employees are permitted to go on unpaid leave of absence between 3 months up to a maximum of 12 months. The costs associated with this benefit include a stipend of \$1,000 per month and the continuance of medical, extended health, dental and group life benefits. These benefits are recognized based on the net present value of the expected obligations.
- (vi) Employees who are members of the Faculty Association who are retiring at age 55 or over and who receive pension under the provisions of the Pension Act, receive a benefit where the College pays for Group Life Insurance premiums equivalent to the lesser of \$10,000 or the coverage in effect immediately preceding retirement for five years. These benefits are recognized based on the net present value of the expected obligations.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

2. Summary of significant accounting policies (continued):

(f) Employee future benefits (continued):

(vii) The College may offer an early retirement incentive to its eligible Faculty and CUPE employees based on a set of criteria. The incentive is voluntary and is offered based on certain eligibility requirements. The benefit is equivalent to a certain percentage of the annual salary ranging between 20% and 100%, depending on the number of years left before the age of 65. This benefit is paid out either as a lump sum amount or in annual installments. During the current year, 21 CUPE employees accepted an early retirement incentive. The total cost of these incentives were \$675,522. Of these incentives, \$653,553 is included in accounts payable as at March 31, 2014.

(g) Revenue recognition:

(i) Fees for services:

Tuition fees are collected in advance and recognized as revenue at the time services are provided.

Student fees and sales of goods and services are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured.

(ii) Contributions:

Unrestricted donations and grants are recorded as revenue when receivable if the amounts can be estimated and collection is reasonably assured.

Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded in accordance with Regulation 198/2011 which requires that they be recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of 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.

Contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

(iii) Investment income:

Investment income includes interest recorded on an effective interest method, 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.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

2. Summary of significant accounting policies (continued):

(h) Asset retirement obligations:

The College recognizes asset retirement obligations in the period in which it incurs a legal obligation associated with the retirement of a tangible long-lived asset, including leased premises resulting from the acquisition, construction, development, and/or normal use of the asset. The fair value of the asset retirement cost is capitalized as part of the carrying value of the related long-lived asset and is amortized over the life of the asset. The liability may be changed to reflect the passage of time and changes in the fair value assessment of the retirement obligation.

The College has determined that there were no significant asset retirement obligations to be recognized.

(i) Foreign currency translation:

The College's functional currency is the Canadian dollar. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities which were designated in the fair value category under the financial instrument standard are reflected in the financial statements in equivalent Canadian dollars at the exchange rate in effect on the statement of financial position date. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or statement of financial position date is recognized in the Statement of Operations.

(j) Segmented information:

A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. The College has provided definitions of segments used by the College as well as presented financial information in segmented format in note 15.

(k) Budget figures:

The budget figures have been derived from the 2013/14 Budget approved by the Board of Governors of the College on April 4, 2013. The budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Financial Assets. Note 11 reconciles the approved budget to the budget information reported in these financial statements.

(l) Use of estimates:

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures. Key areas where management has made estimates and assumptions include those related to the net realizable value of inventories for resale, useful lives of tangible capital assets, the present value of employee future benefits, provisions for contingencies and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

3. Investments:

Short-term investments consist of term deposits, bearer deposit notes, and bankers' acceptances with maturity dates with due dates between May 2014 and October 27, 2015. Interest on the investments range from 1.75% to 2.05%.

4. Due from (to) the Province of BC and other government agencies:

	2014	2013
Due from the Province of BC	\$ 1,011,939	\$ 1,063,317
	2014	2013
Due to the Province of BC	\$ -	\$ 553,606
Due to other government agencies	317,331	372,929
	\$ 317,331	\$ 926,535

The amounts are due on demand and are non-interest bearing.

5. Accounts payable and accrued liabilities:

	2014	2013
Accounts payables and accrued liabilities	\$ 1,941,322	\$ 3,713,942
Salaries and benefits payable	6,062,744	2,160,273
Student deposits	1,595,007	887,978
	\$ 9,599,073	\$ 6,762,193

6. Employee future benefits:

	Sick leave	Vacation leave	Long-service and gratuity	Total
Balance March 31, 2013	\$ 909,000	\$ 2,107,360	\$ 739,470	\$ 3,755,830
Current Service Cost	396,000	(44,953)	57,453	408,500
Interest costs	34,000	-	26,000	60,000
Benefits Paid	(449,000)	-	(73,000)	(522,000)
Net actuarial gain	-	-	(8,000)	(8,000)
Balance March 31, 2014	\$ 890,000	\$ 2,062,407	\$ 741,923	\$ 3,694,330
Expense (gain) - March 31, 2014	\$ 430,000	\$ (44,953)	\$ 75,453	\$ 460,500

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

6. Employee future benefits (continued):

	Sick leave	Vacation leave	Long-service and gratuity	Total
Balance March 31, 2012	\$ 891,000	\$ 2,035,574	\$ 724,085	\$ 3,650,659
Current Service Cost	385,000	71,786	48,385	505,171
Interest costs	34,000	-	25,000	59,000
Benefits Paid	(423,000)	-	(83,000)	(506,000)
Net actuarial loss	22,000	-	25,000	47,000
Balance March 31, 2013	\$ 909,000	\$ 2,107,360	\$ 739,470	\$ 3,755,830
Expense - March 31, 2013	\$ 441,000	\$ 71,786	\$ 98,385	\$ 171,971

The use and accumulation of unused vacation days is presented as a current service cost on a net basis.

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligation are as follows:

	2014	2013
Discount rates	3.90%	3.90%
Expected future inflation rates	2.00%	2.00%
Expected wage and salary increases	2.75%	2.75%

7. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of externally restricted grants and other funding received for the purchase of capital assets. Amortization of deferred capital contributions is recorded as revenue in the statement of operations over the useful life of the related asset.

	2014	2013
Balance at beginning of year	\$ 88,082,423	\$ 87,208,855
Contributions from government grants	174,737	5,796,558
Contributions from other sources	67,962	404
Less amortization to revenue	(5,035,498)	(4,923,394)
Balance, end of year	\$ 83,289,624	\$ 88,082,423

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

7. Deferred capital contributions (continued):

Deferred capital contributions are comprised of the following:

	2014	2013
Unamortized capital contributions	\$ 82,437,637	\$ 85,964,478
Unspent contributions	851,987	2,117,945
	\$83,289,624	\$ 88,082,423

8. Tangible capital assets:

2014	Land	Buildings	Building improvements	Furniture and equipment	Computer hardware and software	Total
Cost						
Beginning	\$ 7,744,768	\$ 144,414,647	\$ 2,147,163	\$ 66,359,528	\$ 20,392,570	\$ 241,058,676
Additions	-	-	1,578,499	1,763,061	2,404,556	5,746,116
Ending	7,744,768	144,414,647	3,725,662	68,122,589	22,797,126	246,804,792
Accumulated amortization						
Opening Balance	-	56,822,619	71,572	56,962,898	16,781,806	130,638,895
Amortization	-	3,609,867	195,761	3,124,668	1,742,297	8,672,593
	-	60,432,486	267,333	60,087,566	18,524,103	139,311,488
Net book value	\$ 7,744,768	\$ 83,982,161	\$ 3,458,329	\$ 8,035,023	\$ 4,273,023	\$ 107,493,304

2013	Land	Buildings	Building improvements	Furniture and equipment	Computer hardware and software	Total
Cost						
Beginning	\$ 7,744,768	\$ 144,414,647	\$ -	\$ 59,959,147	\$ 18,278,961	\$ 230,397,523
Additions	-	-	2,147,163	6,400,381	2,113,609	10,661,153
Ending	7,744,768	144,414,647	2,147,163	66,359,528	20,392,570	241,058,676
Accumulated amortization						
Opening Balance	-	53,212,751	-	54,354,099	15,195,469	122,762,319
Amortization	-	3,609,868	71,572	2,608,799	1,586,337	7,876,576
	-	56,822,619	71,572	56,962,898	16,781,806	130,638,895
Net book value	\$ 7,744,768	\$ 87,592,028	\$ 2,075,591	\$ 9,396,630	\$ 3,610,764	\$ 110,419,781

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

9. Accumulated surplus:

	2014	2013
Accumulated surplus is comprised of:		
Invested in tangible capital assets	\$ 25,055,663	\$ 24,202,515
Internally restricted	151,715	2,335,691
Unrestricted	1,487,237	156,409
	<u>\$ 26,694,615</u>	<u>\$ 26,694,615</u>

10. Related organization:

The Vancouver Community College Foundation ("the Foundation") is a separate society formed to raise funds to further the interests of the College and to provide scholarships and bursaries for students of the College. The College does not control the Foundation; therefore, the Foundation's assets, liabilities, revenues and expenses are not included in these financial statements.

The College had the following transactions with the Foundation:

	2014	2013
Foundation contributed awards and bursaries to the College	\$ 451,947	\$ 428,191
Foundation provided project funding and equipment to the College	121,738	201,167
Gifts in kind transferred from the Foundation to the College	48,518	27,053
Capital campaign donations transferred from the Foundation to the College	-	30
College contributed grants to the Foundation for capital campaigns	-	1,000,000
College contributed grants to the Foundation for scholarships and bursaries	-	50,000
College contributed grants to the Foundation for operating expenses	110,000	199,059
Foundation reimbursed the College for salaries expenses	105,512	250,809

As of March 31, 2014, the College had accounts receivable from the Foundation of \$22,596 (2013 - \$43,759) for expenses that were paid for by the College on behalf of the Foundation as well as capital campaign donations. At March 31, 2014, the Foundation had net assets of \$11 million (2013 - \$9.7 million).

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

11. Budget:

The 2013/2014 College budget was approved by the Board of Governors on April 4, 2013. The approved College budget did not include any budgeted amounts for Special Purpose funds. The Special Purpose fund budget was included in the disclosed College budget for comparison purposes. The following is a reconciliation between the College original approved budget and the amounts presented in these financial statements:

	College budget	Special purpose fund budget	Total budget presented
Revenues	\$ 108,522,000	\$ 840,477	\$ 109,362,477
Expenses	108,522,000	840,477	109,362,477

12. Contractual obligations:

(a) Building construction contracts:

During the year ended March 31, 2009, the College completed construction of a new campus building. At year end, the College has an outstanding letter of credit with the City of Vancouver, secured by a short-term GIC for \$237,500. This letter of credit will be held until Phase II of the campus redevelopment has been completed.

(b) Service contracts:

The College entered into a number of long term service contracts for equipment rentals and service contracts with expected payments as follows:

2015	\$ 2,260,079
2016	1,152,412
2017	472,903
2018	246,400
	\$ 4,131,794

13. Commitments and contingencies:

(a) Pension plans:

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan (the "Plan"), jointly trustee pension plans. The Board 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 6,000 retired members. The Municipal Pension Plan has about 179,000 active members, with approximately 5,700 from colleges.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

13. Commitments and contingencies (continued):

(a) Pension plans (continued):

The most recent actuarial valuation for the College Pension Plan as at August 31, 2012 indicated a \$105 million funding deficit for basic pension benefits. The next valuation will be as at August 31, 2015 with results available in 2016. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The College paid \$5,909,967 (2013- \$5,394,633) for employer contributions to the Plans in fiscal 2014.

(b) Contingent liabilities:

The College is currently engaged in or party to certain pending matters. A reasonable estimate of these future liabilities has been made where possible and is recorded in the financial statements as a liability. Where the outcomes of amounts or losses are uncertain, no amounts have been recorded.

14. Financial risk management:

The College has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board of Governors ensures that the College has identified its major risks and ensures that management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss to the College 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 College consisting of cash and cash equivalents, investments, and accounts receivable. The College assesses these financial assets, on a continuous basis for any amounts that are not collectible or realizable.

(b) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect College's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

It is management's opinion that the College is not exposed to significant market or interest rate risk arising from its financial instruments.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

14. Financial risk management (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they become due.

The College 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 meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the College's reputation.

15. Segmented information:

Segmented information has been identified based upon functional lines of service provided by the College. The College's services are provided by departments and their activities are reported by functional area in the body of the financial statements. Functional lines have been separately disclosed in the segmented information, along with the services they provide, as follows:

- (i) **Instruction and instructional support** – This segment includes activities related to delivering education. This includes instruction, education administration, student support, general administration, the cost of space, safety and equipment, deferred capital contributions and depreciation of tangible capital assets. This segment also includes funding from the Province of BC which is required to offset the shortfall between amortization of capital assets and the related deferred capital contributions.
- (ii) **Ancillary operations**- This segment includes the activities of the ancillary operations. An ancillary operation is one that is generally outside of the normal functions of instruction and research, provides goods and services to students, staff or others, and that charges a fee directly related to the cost of providing the goods or services. Ancillary operations include parking, food services, and bookstores. Costs associated with this segment include segment-related contracts; and general and financial administration and support costs.
- (iii) **Special purpose** – This segment includes special purpose and trust activities related to monies set aside from normal operations (and are often gifted to the College) to be used for a particular purpose (and fall outside of the scope of instruction, ancillary services). Costs associated with this segment include such things as general and financial administration, flow through funding to students and support costs related to these activities.

Certain allocation methodologies are employed in the preparation of segmented financial information. Sales of goods and services and miscellaneous income have been allocated to the segments that generated the revenue. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 2.

VANCOUVER COMMUNITY COLLEGE

Notes to Financial Statements (continued)

Year ended March 31, 2014

15. Segmented information (continued):

	Instruction and Instruction Support	Ancillary Services	Special Purpose	2014	2013
Revenue					
Province of British Columbia grants	\$ 78,811,979	\$ -	\$ 388,824	\$ 79,200,803	\$ 73,733,025
Tuition and student fees	19,623,275	-	-	19,623,275	18,765,773
Sales of goods and services	2,401,125	3,315,910	-	5,717,035	5,617,137
Other grants and contracts	766,800	-	-	766,800	873,629
Miscellaneous income	1,081,182	50,334	451,948	1,583,464	1,688,343
Investment income	283,131	-	-	283,131	360,597
Revenue recognized from deferred capital contributions	5,035,498	-	-	5,035,498	4,923,394
	108,002,990	3,366,244	840,772	112,210,006	105,961,898
Expenses					
Salaries	66,231,764	735,792	21,358	66,988,914	61,576,680
Benefits	14,710,493	187,389	1,928	14,899,810	14,214,395
Supplies and general expenses	6,426,595	27,536	813,886	7,268,017	7,322,361
Professional fees	3,814,145	4,847	3,600	3,822,592	4,304,613
Building and telecom	6,912,809	8,775	-	6,921,584	7,021,285
Cost of goods sold	1,367,944	2,268,552	-	3,636,496	3,631,533
Amortization of tangible capital assets	8,672,593	-	-	8,672,593	7,876,576
	108,136,343	3,232,891	840,772	112,210,006	105,947,443
Annual surplus (deficit)	\$ (133,353)	\$ 133,353	\$ -	\$ -	\$ 14,455

FTE Enrolment Statement of

VANCOUVER COMMUNITY COLLEGE

Year ended March 31, 2014



KPMG LLP
Chartered Accountants
 Metrotower II
 Suite 2400 - 4720 Kingsway
 Burnaby BC V5H 4N2

Telephone (604) 527-3600
 Fax (604) 527-3636
 Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Vancouver Community College and Minister of Advanced Education

We have audited the FTE Enrolment Statement of Vancouver Community College (the "College") for the year ended March 31, 2014 in accordance with the Student FTE Enrolment Reporting Manual issued by the Ministry of Advanced Education in April 2005 and modified October 2011.

Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement in accordance with the Student FTE Enrolment Reporting Manual, and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit 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 Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the Statement 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 entity'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 Statement.

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

Opinion

In our opinion, the FTE Enrolment Statement for the year ended March 31, 2014, is prepared, in all material respects, in accordance with the Student FTE Enrolment Reporting Manual issued by the Ministry of Advanced Education in April 2005 and modified October 2011.

Restriction on Use

Our report is intended solely for the Vancouver Community College and the Minister of Advanced Education and should not be used by other parties.

Chartered Accountants

DATE

Burnaby, Canada

VANCOUVER COMMUNITY COLLEGE

FTE Enrolment Statement

March 31, 2014

Advanced Education:	
Post-Secondary (note 3)	3,054
Developmental (note 3)	2,265
Contracts (ELSA) (note 4)	756
Advanced Education Funded FTEs	6,075
Industry Training Authority	1,508
Total Domestic FTEs	7,583
International	304
Total FTEs	7,888

See accompanying notes to FTE Enrolment Statement.

Approved on behalf of the Board:

President

Chair of the Board

VANCOUVER COMMUNITY COLLEGE

Notes to FTE Enrolment Statement

Year ended March 31, 2014

1. Basis of actual FTE calculation:

The Student FTE Enrolment Reporting Manual (the "Manual"), which was issued in April 2005 by the Ministry of Advanced Education (the "Ministry") and updated in October 2011, was used to calculate student FTE enrolment for all programs. Under the methodology prescribed by the Manual, student's course registrations are first assigned to a program, and FTE's are calculated based on a program divisor.

2. Report presentation:

This enrolment statement reports all student enrolments funded by the Ministry and the Industry Training Authority (ITA) as defined in the Student FTE Enrolment Reporting Manual.

This statement also reports on international student enrolments separately. These enrolments are shown separately as they are not counted towards meeting government enrolment targets.

3. Post-Secondary and Developmental FTEs:

Post Secondary and Developmental FTE actuals include 10.31 FTEs for students who registered directly through BC Campus' on-line registration system.

4. ELSA contract:

ELSA is a language and settlement training contract that is funded by the Ministry.

5. Target FTEs:

The Ministry sets annual FTE targets for Ministry funded seats. The Ministry targets were 6,537 FTEs for 2013/2014.

ITA has a separate accountability framework for enrolment that is not FTE-based. Therefore, the ITA component of the FTE targets is an estimate.



INFORMATION NOTE

PREPARED FOR: Board of Governors Public Meeting

ISSUE: Decision to procure refrigeration repair and maintenance services

DISCUSSION:

The Culinary Department has the need for annual maintenance and “as required” repair for refrigeration equipment (coolers/freezers). The majority of the services are done currently by Canadian Refrigeration.

The expenditure for Canadian Refrigeration averages \$50,000 per annum. The value of the opportunity over the next five years requires that the opportunity be advertised on BC Bid. Given that a variety of refrigeration suppliers could compete with Canadian Refrigeration for the refrigeration work, it was recommended to the Finance and Audit Committee at its May 15, 2014 meeting that a Request for Proposals be issued to provide repair and maintenance services on an “as required” basis for refrigeration equipment. At that meeting, the FAC authorized VCC to enter into an RFP process to provide refrigeration equipment maintenance and repair services, with an expected value greater than \$250,000 over the 5-year term of the contract.

For equipment maintenance, the business unit is to provide details of all refrigeration equipment components for which maintenance is required, including details of scheduled maintenance program and regulatory requirements. This information will be included in the RFP.

Evaluation will be based on:

- Experience and availability of parts required to maintain VCC equipment;
- Service approach and responsiveness;
- Commitment to environmental sustainability; and
- Price, expressed as a price per hour, during regular hours and after-hours emergency..

Proposals meeting all of the mandatory criteria will be further assessed against desirable criteria. Proposals meeting the minimum required score on desirable criteria will be evaluated for price. The highest scoring proposal will be identified.

Desirable Criteria	Weight	Minimum Score
a) Corporate Capacity	25	
b) Service Approach	30	
c) Environmental Considerations	5	
Subtotal	60	36
d) Pricing	40	
Total	100	

Procurement is planning a three-person evaluation committee comprised of evaluators from the Culinary and Facilities Departments and will assign a non-voting independent committee Chair to manage the process.

Prepared by: Irene Young

Dated: May 23, 2014



INFORMATION NOTE

PREPARED FOR: Board of Governors

TOPIC: 2013/14 Business Plan Report Out

BACKGROUND:

VCC's 2013/14 Business Plan was designed to help VCC achieve its strategic goals and the critical objectives for this year: 1) improving the quality of our educational offerings; 2) growth in new sources of revenue to ensure long-term sustainability; and 3) 100 per cent enrolment. The key performance indicators (attached) measure our success in reaching these objectives.

DISCUSSION:

Major accomplishments

- Renewed key programs (Hospitality Management)
- Commenced revitalizing Continuing Studies offerings and improved the revenue generated by that department;
- Expanded International Education offerings and increased enrolment of students;
- Leveraged key relationships that will improve the number of Aboriginal students attending VCC;
- Established partnerships and collaborative initiatives with other post-secondary and educational institutions (SFU, BCIT, VSB etc.);
- Negotiated partnership agreements with key businesses which resulted in better experiences for our students (L'Oreal, Vancity, Mark Brand Inc.);
- Partnered on educational projects with non-profits and public sector organizations;
- Improved VCC's ability to offer contract training which led to increased revenue;
- Introduced sustainable practices that significantly reduced the College's energy use and waste;
- Initiated HR changes to improve our leadership capacity, increase retention and reduce absences; and
- Created a new VCC brand look and introduced those elements into an award-winning ad campaign, an award-winning website.

Challenges & Risks

- Marketing continues to bring more students to the doors through the redesigned website and new marketing campaign. In 2013/14 website traffic to the homepage increased by 46 % over the previous year. However, this did not translate into increased enrolment; more work needs to be done to transform prospects into students.
- Long-term financial sustainability – need to continue to grow capacity to generate revenue
- ESL programming

- Program renewals /program prioritization
- Outcome of Core Review

Outlook

Working together, our Board, faculty, staff, students and partners have accomplished a great deal towards its strategic goals and critical objectives for 2013/14. However, we are not content to simply update the numbers for 2014/15. Instead, VCC needs to rethink what key pieces of work must be achieved this year.

One reason for this re-invention of the business plan is that in late April 2014, the provincial government introduced two pivotal documents: *B.C.s Skills for Jobs Blueprint: Re-engineering Education and Training* as well as *The Industry Training Authority and Trades Training in B.C.: Recalibrating for High Performance*. These plans set out a clear roadmap for the role post-secondary institutions are expected to play to support students and jobs in B.C.

VCC's 2014/15 business plan will aim to help the college respond to the priorities and directions set by government and continue to advance its strategic goals. Like all plans, it may need to be adjusted as circumstances change however; this will be our starting point.

Prepared by:

Kate Chandler

Date:

May 23, 2014

Key performance indicators

How will we know we have been successful? Overall, this business plan is designed to help VCC achieve its strategic goals and the critical objectives for this year: 1) improving the quality of our educational offerings; 2) growth in new sources of revenue to ensure long-term sustainability; and 3) 100 per cent enrolment. We will use the key performance indicators set out below to measure our success in reaching these objectives. Each of the key initiatives described in the Appendix to this document will be targeted to achieving these key performance indicators and will have associated measures of success.

RELEVANT, QUALITY EDUCATION – IMPROVING THE QUALITY OF OUR EDUCATION OFFERINGS			
KPI	2013/2014	2013/2014 – Actual	Comments
Education revitalization and Quality Assurance Framework	- Quality assurance framework adopted - Program review and renewal undertaken for 4-5 programs	- Simplified approval process for new programs and changes to programs implemented in May 2013. - Education Council By-Laws revised to align with the College and Institute Act. - Extensive revisions to the Hospitality Management Degree and Diploma programs to align with industry. - Established a new standing committee at Education Council to oversee recommendations for program renewal. - Key education and education support policies developed in consultation with college community.	- Revisions to Education Council and Board of Governors Election processes are underway. - DQAB Review Team to visit VCC on May 30, 2014, to conduct review of revised Hospitality degree program. Approval anticipated in June 2014 with formal launch of degree program in September with 25 student FTE and January, 2015, with additional 12.5 FTE (25 headcount). - Education and education support policies developed in 2013/14 include: Student Conduct; Appeals; Admissions; Faculty Qualifications; Academic Scheduling; Affiliation Agreements; Credentials; Assignment of Credits to programs; Program Review and Renewal.
Levels of satisfaction among students and industry	- PAC feedback/evaluation mechanism developed - Maintain or improve key student scores	PAC memberships revised in line with the new policy.	- PAC chairs to provide a summary activity report to the Board in Sept/Oct 2014. - The annual Student Census Survey has been revised and will be split into two parts. The New Student Survey will focus on the admission, recruitment and registration and the initial student services that a new student to VCC would experience. The Existing Student Survey will focus on the registration process and rating the services that are provided to students.

DIVERSIFIED SOURCES OF REVENUE – GROWTH IN NEW SOURCES OF REVENUE TO ENSURE LONG-TERM SUSTAINABILITY			
KPI	2013/2014 - Target	2013/2014 - Actual	Comments
Earned revenue as a percentage of total revenue	Earned revenue as a percentage of total revenue increased to 35%	37% achieved	Target has been exceeded.
100% ENROLMENT			
KPI	2013/2014 - Target	2013/2014 - Actual	Comments
Domestic enrolment	Achieve 100% domestic enrolment	93.5% domestic enrolment achieved	Strategic enrolment redesign initiative currently underway. Will examine registration, enrolment, academic scheduling, FTE calculation, and optimal program mix. Initiative will be undertaken within a business-process framework.
International enrolment	Increase international enrolment by 10% over 2012/2013	112%	Target has been exceeded.
Aboriginal enrolment	Aboriginal participation represents 2.9% of domestic enrolment	Achieved target	- Target based on self-reported VCC data - Verified provincial data shows that VCC has exceeded the target of 2.9% of domestic enrolment