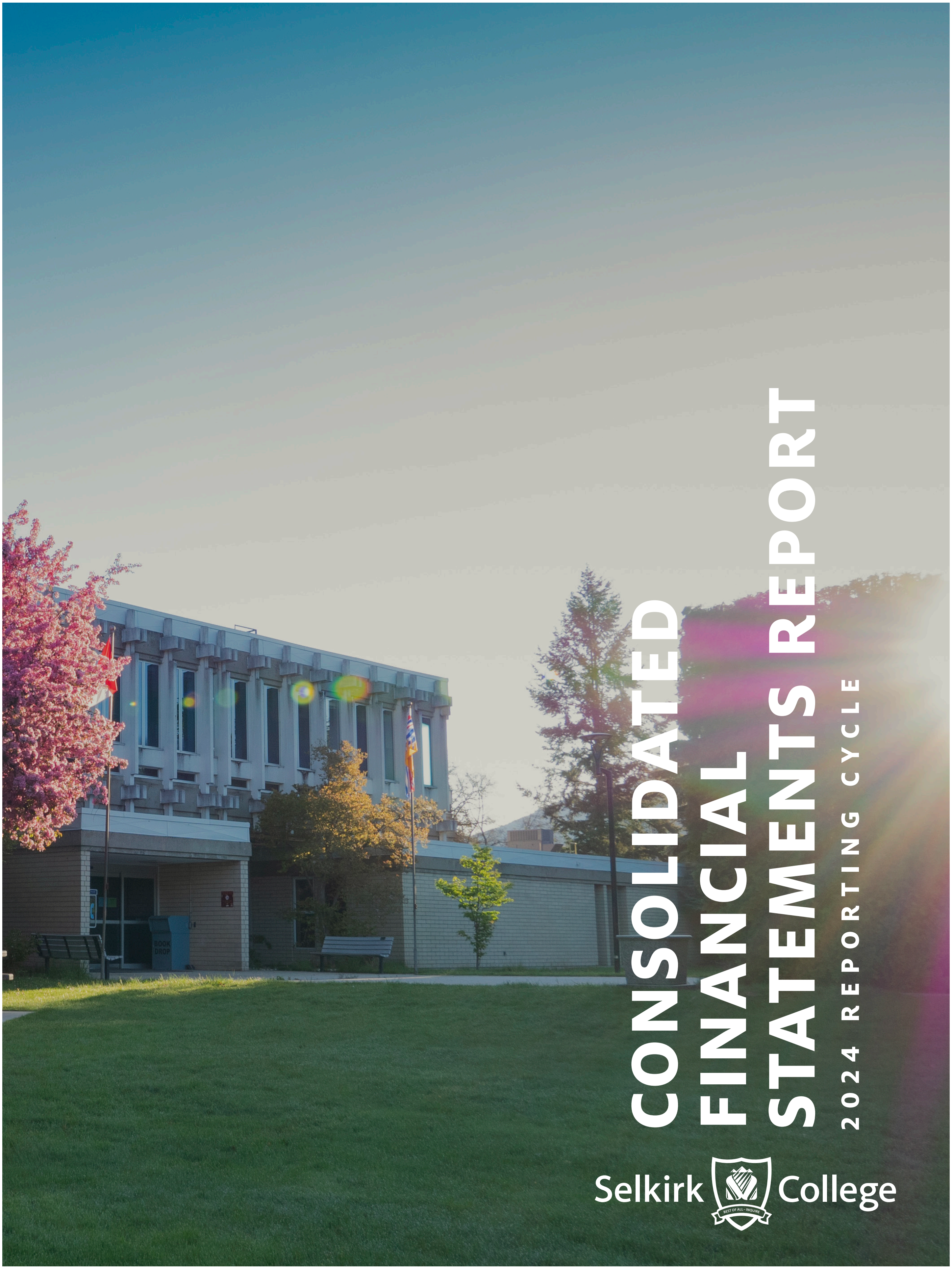

CONSOLIDATED FINANCIAL STATEMENTS REPORT

2024 REPORTING CYCLE

Selkirk College

SELKIRK COLLEGE

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

SELKIRK COLLEGE

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FOR THE YEAR ENDED MARCH 31, 2024

Selkirk College

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements and related financial information are the responsibility of Selkirk College management and have been approved by the Board of Governors of Selkirk College. The financial statements have been prepared by management in conformity with Canadian public sector accounting standards and Treasury Board direction outlined in note 2(a).

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Board of Governors has established a code of ethics and corporate directives, which require communication of the code to the employees.

The Board of Governors carries out its responsibility for the financial statements through the Board Finance/Audit Committee. This Committee meets with management and the external auditor to discuss and review financial matters and recommends the financial statements to the Board for approval. The external auditor has full and free access to the Finance/Audit Committee.

The financial statements for the year ended March 31, 2024 have been reported on by BDO Canada LLP. The Independent Auditors' Report outlines the scope of the audit and provides the audit opinion on the consolidated financial statements.

Maggie Matear

Maggie Matear, President & CEO

May 13, 2024

Lareena Rilkoff

Lareena Rilkoff, interim Vice President College Services, CFO

May 13, 2024

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BDO Canada LLP
1631 Dickson Avenue, Suite 400
Kelowna, BC V1Y 0B5 Canada

Independent Auditor's Report

To the Board of Governors of Selkirk College and the Minister of Advanced Education and Skills Training of the Province of British Columbia

Opinion

We have audited the consolidated financial statements of the Selkirk College (the "College"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, change in net debt, cash flows, and remeasurement gains and losses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements of Selkirk College for the year ended March 31, 2024 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(a) to the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and to Note 19 which describes the significant differences between such basis of accounting and Canadian public sector accounting standards.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and presentation of these consolidated financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards modified by B.C. Regulation 198/2011 "Restricted Contributions", and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
May 13, 2024

SELKIRK COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	$ 20,595,498	$ 21,655,920
Accounts receivable (Note 4)	5,934,885	2,914,320
Inventories for resale (Note 5)	405,412	504,212
	26,935,795	25,074,452
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	12,261,074	15,673,186
Deferred revenue (Note 7)	13,274,111	10,234,568
Employee future benefits (Note 8)	5,956,139	5,524,654
Asset retirement obligation (Note 9)	1,951,251	2,138,240
Deferred capital contributions (Note 10)	91,614,377	69,375,584
	125,056,952	102,946,232
NET DEBT	(98,121,157)	(77,871,780)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	103,392,552	83,256,120
Investments (Note 12)	11,841,717	10,698,857
Prepaid expenses	1,299,342	1,395,211
	116,533,611	95,350,188
ACCUMULATED SURPLUS (Note 13)	$ 18,412,454	$ 17,478,408

Margaret Sutherland
Chairperson, Board of Governors

Interim Vice President College Services, CFO

The accompanying notes form an integral part of these consolidated financial statements

SELKIRK COLLEGE
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31

	Budget (Note 2m)	2024	2023
REVENUE			
Government grants	$ 34,628,811	$ 40,794,131	$ 34,891,007
Skilled Trades BC funding	1,918,844	1,841,853	1,837,693
Tuition	14,542,480	15,510,604	12,702,518
Ancillary sales	2,403,000	2,438,934	2,056,489
Investment income	749,308	1,160,338	848,793
Donations	375,000	208,906	115,116
Amortization of deferred capital contributions	2,780,301	3,171,484	2,817,632
Contracts and other revenue	4,365,741	8,573,122	5,156,075
	61,763,485	73,699,372	60,425,323
EXPENSES (Note 17)			
Education programming	30,837,280	34,426,862	28,936,023
Student support	6,809,663	8,304,296	6,873,872
Research and innovation	3,221,569	4,485,029	3,384,858
Administrative support	7,262,288	6,903,606	6,837,347
Facilities and infrastructure support	13,200,835	15,985,118	12,261,987
Ancillary services	1,950,114	2,068,942	1,744,474
Awards and related costs	916,750	746,749	1,097,882
	64,198,499	72,920,602	61,136,443
Annual surplus (deficit) before endowment contributions and contribution revenue	(2,435,014)	778,770	(711,120)
Endowment contributions	-	155,276	201,013
Contribution revenue (Note 18)	-	-	3,973,999
ANNUAL SURPLUS (DEFICIT)	(2,435,014)	934,046	3,463,892
ACCUMULATED SURPLUS, beginning of year	17,478,408	17,478,408	14,014,516
ACCUMULATED SURPLUS, end of year	$ 15,043,394	$ 18,412,454	$ 17,478,408

The accompanying notes form an integral part of these consolidated financial statements

SELKIRK COLLEGE

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

FOR THE YEAR ENDED MARCH 31

	2024	2023
ANNUAL SURPLUS	$ 934,046	$ 3,463,892
Acquisition of tangible capital assets	(24,167,076)	(23,353,026)
Amortization of tangible capital assets	3,894,374	3,459,926
Revaluation of asset retirement obligation	136,270	-
	(20,136,432)	(19,893,100)
Consumption (acquisition) of prepaid expenses	95,869	(782,195)
Net effect of remeasurement gains	(1,142,860)	176,488
	(1,046,991)	(605,707)
CHANGE IN NET DEBT	(20,249,377)	(17,034,915)
NET DEBT, beginning of year	(77,871,780)	(60,836,865)
NET DEBT, end of year	$(98,121,157)	$ (77,871,780)

The accompanying notes form an integral part of these consolidated financial statements

SELKIRK COLLEGE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	$ 934,046	$ 3,463,892
Changes in Non-Cash Items		
Amortization of tangible capital assets	3,894,374	3,459,926
Amortization of deferred capital contributions	(3,171,484)	(2,817,632)
(Recovery) accretion of asset retirement obligation	(92,031)	17,421
	1,564,905	4,123,607
Changes in Financial Assets and Liabilities		
Accounts receivable	(3,020,565)	(1,105,161)
Prepaid expenses	95,869	(782,195)
Inventories for resale	98,800	(20,788)
Accounts payable and accrued liabilities	(3,412,112)	5,647,358
Deferred revenue	2,264,652	695,070
Employee future benefits	431,485	(171,740)
Asset retirement obligation	41,312	1,564,250
	(3,500,559)	5,826,794
CASH FLOWS USED IN CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(24,167,076)	(23,353,026)
Deferred capital contributions received	25,410,277	18,210,562
	1,243,201	(5,142,464)
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
(Increase) decrease in investments, net	(367,969)	176,488
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,060,422)	4,984,425
CASH AND CASH EQUIVALENTS, beginning of year	21,655,920	16,671,495
CASH AND CASH EQUIVALENTS, end of year	$ 20,595,498	$ 21,655,920

The accompanying notes form an integral part of these consolidated financial statements

SELKIRK COLLEGE

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

FOR THE YEAR ENDED MARCH 31

	2024	2023
ACCUMULATED REMEASUREMENT GAINS, beginning of year	$ 61,595	$ 358,438
Unrealized gain (loss) attributed to Investments	774,891	(296,843)
ACCUMULATED REMEASUREMENT GAINS, end of year	$ 836,486	$ 61,595

The accompanying notes form an integral part of these consolidated financial statements

1. Authority and Purpose

Selkirk College (the College) is incorporated under the authority of the *College and Institute Act* of British Columbia. The College is a not-for-profit entity governed by a Board of Governors and is exempt from income tax under section 149 of the *Income Tax Act*.

The College is a comprehensive college offering a full range of undergraduate, graduate, continuing studies programs, and applied research.

The College is economically dependent on the Provincial Government's Ministry of Post-Secondary Education and Future Skills (PSEFS) for the provision of operating and capital funding.

2. Summary of Significant Accounting Policies

(a) Basis of accounting

In 2010, directive was provided by the Province of British Columbia Treasury Board (Treasury Board) through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian Public Sector Accounting Standards (PSAS) established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada without any PS4200 elections from their first fiscal year commencing after January 1, 2012. Selkirk College's transition date was effective April 1, 2011.

In March 2011, PSAB released a new Canadian Public Sector Accounting Standard PS 3410 "Government Transfers". In November 2011, Treasury Board provided a directive in Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the College before or after this regulation was in effect. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Note 2(k)(i) and 2(k)(ii).

Further, the Office of the Comptroller General (OCG) provided direction in memorandum ref. 250955 on the treatment of endowment funds, financial instruments, pension plans and employee future benefits. The OCG direction requires:

(i) the College to treat endowment contributions as described in Note 2(k)(iii);

(ii) the College to implement PS 3450 Financial Instruments as at April 1, 2012; and

(iii) the College to apply the discount rate for pension plans and/or employee future benefits at the next valuation date or within three years of transition to PSAS.

These consolidated financial statements have been prepared in accordance with the financial reporting framework described above.

2. Summary of Significant Accounting Policies (continued)

(b) Reporting entity

The reporting entity includes Selkirk College and all related entities, which are accountable for the administration of their financial affairs and resources to the College and are either owned or controlled by the College.

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, change in net debt, and cash flows of the Selkirk College Foundation, which is a non-profit organization and registered charity controlled by Selkirk College.

On consolidation, all inter-fund and inter-organizational transactions, balances, and activities have been eliminated.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash-on-hand, bank balances, and guaranteed investment certificates or other highly liquid investments with a term to maturity of three months or less from the date of acquisition.

(d) Financial instruments

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

(i) Fair value category: Portfolio instruments that are quoted in an active market are reflected at fair market value as at the reporting date. Other financial instruments, which the College has designated to be recorded at fair market value, include cash and cash equivalents. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments is recorded as an expense. All financial instruments held by the College with unrealized gains and losses are endowment assets. Any unrealized gains and losses as a result of a change in fair market value for the period are reported as deferred revenue on the Consolidated Statement of Financial Position and as unrealized losses attributed to Investments on the Consolidated Statement of Remeasurement Gains and Losses. At the time of derecognition, the related realized gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus as investment income, or on the Consolidated Statement of Financial Position as deferred revenue if not yet spent as externally designated.

2. Summary of Significant Accounting Policies (continued)

(d) Financial instruments (continued)

The financial instruments measured at fair value held within investments are classified according to a hierarchy, which includes three levels, reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(ii) Cost category: all other financial instruments held by the College are measured at cost or amortized cost and include accounts receivable, accounts payable and accrued liabilities. Gains and losses are recognized in the Consolidated 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 transaction date. Transaction costs related to the acquisition of investments is included in the cost of the related investments.

(e) Inventories for resale

Inventories held for resale, including books and college supplies, are recorded at the lower of cost and net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is defined as the estimated selling price less any estimated costs necessary to make the sale.

(f) 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.

2. Summary of Significant Accounting Policies (continued)

(g) Tangible capital assets

Tangible capital assets are reported on the Consolidated Statement of Financial Position as non-financial assets. Purchased capital assets are recorded at cost and include amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset, excluding land, is amortized on a straight-line basis over their estimated useful life as follows:

Asset	Rate
Buildings and major renovations	40 years
Furniture and equipment	5 years
Information technology	
(equipment, software and infrastructure)	5-15 years
Leasehold improvements	5-40 years
Siteworks	10 years

Amortization of assets under construction will not commence until the asset is put into service.

(h) Inventories held for use

Inventories held for use are reported on the Consolidated Statement of Financial Position as non-financial assets and 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 price to replace the items.

(i) Employee future benefits

Employee future benefits include vacation pay, banked overtime, sick leave benefits and other compensated absences, extended health benefits, retirement severance benefits, pension benefits, and post-retirement benefits available to the College's current and past employees. The benefits that accumulate and do not vest are actuarially determined and reflect management's best estimate of future trends associated with such benefits and interest rates. Adjustments to these costs arising from changes in estimates and experienced gains and losses are amortized over the estimated average remaining service life of the employee groups on a straight-line basis.

The College and its employees make contributions to the College Pension Plan and the Municipal Pension Plan. These plans are defined benefit plans, providing a pension on retirement based on the member's age, length of service, and earnings. As the assets and liabilities of the plans are not segregated by institution, the plans are accounted for as a defined contribution plan and any contributions made by the College to the plans are expensed as incurred.

2. Summary of Significant Accounting Policies (continued)

(j) Asset retirement obligations

Effective April 1, 2022, the College has adopted the PS 3280 Asset Retirement Obligations (ARO). This standard establishes when to recognize and how to measure an asset retirement obligation. This standard may be applied retroactively, prospectively, or following a modified retroactive approach.

The College has completed its review of legal obligations within the scope of PS 3280 Asset Retirement Obligations. Certain building assets owned by the College contain some asbestos, and it is the College's practice to, if necessary, remediate any asbestos upon disposal of a tangible capital building asset. The estimated fair value of an ARO is capitalized as part of the related tangible capital asset and depreciated on the same basis as the underlying asset. ARO is adjusted for the passage of time, which is recognized as accretion expense, and for revisions to the timing or the amount of the estimated liability. Actual costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual costs incurred and the liability are recognized in the excess of revenues over expenses when remediation is completed. The calculation of the liability and the related assets has been provided in Note 9.

(k) Revenue recognition

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

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 College or the transfer of property is completed.

Restricted contributions and grants received or receivable 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 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 fiscal period in which the stipulation or restriction on the contribution have been met.

(iii) Contributions restricted to be retained in perpetuity, allowing only the investment income earned thereon to be spent are recorded as direct increases to accumulated surplus for the portion to be held in perpetuity and as deferred contributions for any restricted investment income earned thereon.

2. Summary of Significant Accounting Policies (continued)

(k) Revenue recognition (continued)

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 non-portfolio investments where the loss in value is determined to be other-than-temporary.

For investments recorded at fair value, unrealized gains and losses on non-financial assets related to restricted investments are included in deferred revenue.

(l) Use of estimates

The preparation of the consolidated 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 fair value of financial instruments, useful life of tangible capital assets, and the present value of employee future benefits and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in periods when the difference becomes known.

(m) Budget figures

Budget figures have been provided for comparative purposes and were approved by the Board of Governors of the College on March 28, 2023. The budget is reflected in the Consolidated Statement of Operations and Accumulated Surplus.

3. Cash and Cash Equivalents

Cash and cash equivalents include $3,037,109 (2023 - $1,541,409) in restricted cash for use on future capital projects, $7,804,790 (2023 - $6,163,714) in restricted cash for use on future special projects and $4,079,101 (2023 - $2,458,618) in cash and unspent donation receipts held by the Selkirk College Foundation.

4. Accounts Receivable

Accounts receivable consists of the following:

	2024	2023
Federal government	$ 419,170	$ 459,557
Provincial government	2,594,949	1,506,505
Other	2,920,766	948,258
	$ 5,934,885	$ 2,914,320

Accounts receivable includes $330,709 (2023 - $459,557) receivable from the federal government for GST.

5. Inventories for Resale

	2024	2023
Bookstore	$ 387,045	$ 480,821
Cafeteria	18,367	23,391
	$ 405,412	$ 504,212

In 2024, a total of $716,704 (2023 - $634,063) of inventories were included in the Consolidated Statement of Operations and Accumulated Surplus as an expense. None of the inventories are pledged as security for liabilities.

6. Accounts Payable and Accrued Liabilities

Accounts payable includes $993,983 (2023 - $840,095) payable to the federal government for payroll deductions withheld and $45,735 (2023 - $55,829) for GST.

7. Deferred Revenue

2024	Balance	Gain / (Loss)	Additions	Recognized	Transfer	Ending Balance
Endowment Funds	$ 1,718,751	$ 774,891	$ 383,184	$ (277,573)	$ (22,840)	$ 2,576,413
Tuition	1,568,466	-	15,856,420	(15,510,604)	-	1,914,282
Industry Trades Authority	466,380	-	1,850,657	(1,841,853)	-	475,184
Other	6,480,971	-	7,625,529	(5,821,108)	22,840	8,308,232
	$ 10,234,568	$ 774,891	$ 25,715,790	$ (23,451,138)	$ -	$ 13,274,111

2023	Balance	Gain / (Loss)	Additions	Recognized	Transfer	Ending Balance
Endowment Funds	$ 2,088,832	$ (296,843)	$ 263,670	$ (336,908)	$ -	$ 1,718,751
Tuition	1,347,471	-	12,923,513	(12,702,518)	-	1,568,466
Industry Trades Authority	465,624	-	1,838,449	(1,837,693)	-	466,380
Other	5,637,571	-	5,787,869	(4,944,469)	-	6,480,971
	$ 9,539,498	$ (296,843)	$ 20,813,501	$ (19,821,588)	$ -	$ 10,234,568

8. Employee Future Benefits

(a) Accumulated sick leave benefit and other retirement benefit arrangements liability:

Employees of the College are entitled to sick leave in accordance with the terms and conditions of their employment contracts. Sick leave credits accumulate for employees of the College as they render services. The College recognizes a liability and an expense for sick leave in the period in which employees render services in return for the benefits.

Retirement benefit payments represent the College's share of the cost to provide employees with various benefits upon retirement. The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation completed in April 2024. The accrued sick leave benefit liability is included as part of the employee future benefits.

8. Employee Future Benefits (continued)

Information about the accrued employee future benefits liabilities for the College's employee benefit plans is as follows:

	2024	2023
Accrued benefit obligation		
Balance, beginning of year	$ 1,082,500	$ 1,050,100
Actuarial gain due to new valuation (net)	(137,700)	-
Current service cost	179,200	189,900
Interest cost	38,600	37,100
Benefits paid	(147,500)	(194,600)
Accrued benefit obligation, end of year	$ 1,015,100	$ 1,082,500

(b) Accrued payroll benefits

The College accrues retirement allowances, holiday pay and sick leave as they are earned by the employee, however, it is expected that these unfunded liabilities will be met on a continuous basis over the long-term. Payment of these amounts will be funded from revenues of the period in which they are settled.

	2024	2023
Holiday pay	$ 4,200,634	$ 3,525,089
Sick leave *	1,179,037	1,230,455
Banked overtime	47,731	30,014
Retirement allowance	528,737	739,096
	$ 5,956,139	$ 5,524,654

* The balance includes estimated sick leave in addition to the accrued benefit obligation in Note 8(a).

(c) Pension liability

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan (jointly trusteed pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2023, the College Pension Plan has about 17,200 active members, and approximately 10,700 retired members. As at December 31, 2022, the Municipal Pension Plan has about 240,000 active members, including approximately 7,000 from colleges.

8. Employee Future Benefits (continued)

(c) Pension liability (continued)

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the College Pension Plan as at August 31, 2021, indicated a $202 million surplus for basic pension benefits on a going concern basis.

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a $3,761 million funding surplus for basic pension benefits on a going concern basis.

Selkirk College paid $3,803,899 for employer contributions to the plans in fiscal 2024 (2023 - $3,243,057).

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

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

9. Asset Retirement Obligation

In accordance with the adopted standard, PS 3280 Asset Retirement Obligations ("ARO") as outlined in Note 2(j), the College recognizes the liability for the fair value of an asset retirement obligation that can be reasonably estimated and is conditional on a future event. Management has identified certain building assets in the College's possession that contain asbestos and has performed fair value calculations for the abatement of the asbestos in those identified buildings. The College has applied the modified retrospective method in its recognition, which requires that the fair value of the ARO is recorded as a liability with a corresponding amount included in Tangible Capital Assets – Buildings on the accompanying Statement of Financial Position at the time the liability was incurred. The additional cost would be depreciated on a straight-line basis over 40 years. The assets would have been fully depreciated at this time, so there is $Nil impact on the net asset value. The ARO liabilities are accreted over the estimated useful life of the obligation with corresponding credits recorded as accumulated depreciation and ARO liabilities, respectively.

The buildings have estimated remaining useful lives of 9 years.

9. Asset Retirement Obligation (continued)

Key variables used in estimating the College's asset retirement obligations include the cost of capital (discount rate), inflation rate and timing of future costs. In 2024, estimated expenses were calculated at the net present value of future cash flows discounted using a weighted average cost of capital of 3.47% and inflated using an average inflation rate of 2.18%.

The impact on the balance sheet to add the ARO is as follows:

Asset Retirement Obligation	2024	2023
Balance, beginning of year	$ 2,138,240	$ 556,569
Accretion expense (recovery)	(92,031)	17,421
PS 3280 additions	41,312	1,564,250
Recoveries	(136,270)	-
Balance, end of year	$ 1,951,251	$ 2,138,240

The impact on the Tangible Capital Assets, Buildings is as follows:

Impact on Tangible Capital Assets, Buildings	2024	2023
Balance, beginning of year	$ 79,932,147	$ 71,335,469
PS 3280 additions	41,312	1,564,250
TCA additions	13,085,521	7,032,428
TCA recoveries	(136,270)	-
Balance, end of year	$ 92,922,710	$ 79,932,147

Impact on Accumulated Amortization, Buildings	2024	2023
Balance, beginning of year	$ 30,879,206	$ 29,348,489
Amortization	1,803,273	1,530,717
Balance, end of year	$ 32,682,479	$ 30,879,206

Net book value, Buildings	$ 60,240,231	$ 49,052,941

10. Deferred Capital Contributions

Contributions specified and used for the acquisition of tangible capital assets 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 the accounting treatment as disclosed in Note 2. Changes in the deferred capital contributions balance are as follows:

	2024	2023
Balance, beginning of year	$ 69,375,584	$ 53,982,654
Contributions received during the year	25,410,277	18,210,562
Revenue recognized from deferred capital contributions	(3,171,484)	(2,817,632)
Balance, end of year	$ 91,614,377	$ 69,375,584

Selkirk College received contributions of $1,243,202 that remain unspent at the end of fiscal year 2024 (2023 - $1,541,409).

11. Tangible Capital Assets

The College has no direct insurance coverage against liability or loss of any of its property and equipment except vehicles. PSEFS's University, College & Institute Protection Program provides the College with property insurance and claims for loss of College property must be submitted to the Province of British Columbia to be considered for compensation.

11. Tangible Capital Assets (continued)

	Land and land improvements	Buildings and major renovations	Furniture and equipment	Information technology	Leasehold improvements	Siteworks	Assets under-construction	2024 Total
Cost								
Opening balance	$ 90,000	$ 79,932,147	$ 27,520,757	$ 18,200,839	$ 14,180,887	$ 2,895,024	$ 13,992,145	$156,811,799
Additions	-	2,324,107	762,870	715,000	-	-	20,365,099	24,167,076
Disposals/Reductions	-	(136,270)	-	-	-	-	-	(136,270)
Transfers	-	10,802,726	-	-	-	-	(10,802,726)	-
Closing balance	90,000	92,922,710	28,283,627	18,915,839	14,180,887	2,895,024	23,554,518	180,842,605
Accumulated amortization								
Opening balance	-	30,879,206	26,817,898	5,361,700	8,260,478	2,236,397	-	73,555,679
Amortization	-	1,803,273	391,947	1,312,589	238,099	148,466	-	3,894,374
Closing balance	-	32,682,479	27,209,845	6,674,289	8,498,577	2,384,863	-	77,450,053
Net book value	$ 90,000	$ 60,240,231	$ 1,073,782	$ 12,241,550	$ 5,682,310	$ 510,161	$ 23,554,518	$103,392,552

11. Tangible Capital Assets (continued)

	Land and land improvements	Buildings and major renovations	Furniture and equipment	Information technology	Leasehold improvements	Siteworks	Assets under-construction	2023 Total
Cost								
Opening balance	$ 90,000	$ 71,335,469	$ 27,240,148	$ 17,626,053	$ 14,113,914	$ 2,895,024	$ 158,165	$133,458,773
Additions	-	8,596,678	280,609	574,786	66,973	-	13,833,980	23,353,026
Closing balance	90,000	79,932,147	27,520,757	18,200,839	14,180,887	2,895,024	13,992,145	156,811,799
Accumulated amortization								
Opening balance	-	29,348,489	26,488,507	4,152,292	8,023,718	2,082,747	-	$ 70,095,753
Amortization	-	1,530,717	329,391	1,209,408	236,760	153,650	-	3,459,926
Closing balance	-	30,879,206	26,817,898	5,361,700	8,260,478	2,236,397	-	73,555,679
Net book value	$ 90,000	$ 49,052,941	$ 702,859	$ 12,839,139	$ 5,920,409	$ 658,627	$ 13,992,145	$ 83,256,120

12. Investments

The investment portfolio is invested through a professional portfolio manager and consists of Canadian equity, bond and income funds. Financial instruments recorded at market value are comprised of the following portfolio investments that are quoted in an active market:

		Cost		Market Value	
		2024	2023	2024	2023
Equities	Level 1	$ 5,598,790	$5,407,972	$ 6,640,540	$ 5,753,886
Fixed income	Level 2	5,406,441	5,229,290	5,201,177	4,944,971
		$11,005,231	$10,637,262	$11,841,717	$10,698,857

The College holds a beneficial interest in funds held by the Vancouver Foundation. The fund is held in perpetuity and controlled by the Vancouver Foundation. As these amounts are not controlled by the College and are not an asset owned by the College, these fund balances are not recorded in the financial statements. Investment income earned on the fund is paid to the College annually and recorded as interest income. Investment income received by the College from the fund was $33,802 (2023 - $31,600).

13. Accumulated Surplus

Accumulated surplus is comprised of the following:

	2024	2023
Investment in tangible capital assets	$ 13,021,377	$ 15,421,946
Endowment fund	10,024,699	9,870,761
Unrealized remeasurement gain/(loss)	774,891	(296,843)
Unrestricted	187,626	(1,992,802)
Unfunded employee future benefits	(5,596,139)	(5,524,654)
Balance, end of year	$ 18,412,454	$ 17,478,408

14. Financial Instruments

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

(a) Liquidity risk

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

The College manages this risk by monitoring cash activities and expected outflows through budgeting and forecasting cash flows from operations and anticipated investing and capital activities. It is management's opinion that the College is not exposed to significant liquidity risk arising from its financial instruments.

(b) Market and interest rate risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Colleges income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on investments. The investment portfolios are governed by an investment policy which is monitored by management, the investment portfolio managers, and the Board of Directors of the Selkirk College Foundation. Diversification techniques are used to minimize 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 interest rate risk arising from its financial instruments.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The College is exposed to credit risk from its operating activities, which are primarily trade receivables, and its investing activities, which includes deposits with financial institutions and other financial instruments. Accounts receivables includes grant receivables from the Provincial Government, the Federal Government for GST rebates, and student receivables.

Credit risk on student receivables is mitigated by enrolment approval processes and ensuring that the majority of receivables are collected prior to the delivery of programs and other remedies such as withholding transcripts in the event of non-payment. The College undergoes continuous monitoring of amounts that are not collectible or realizable and accounts for a specific bad debt provision when management considers that the expected recovery is less than the amount receivable.

The College has deposited cash and investments held with reputable financial institutions and government programs and management believes the risk of loss is unlikely.

14. Financial Instruments (continued)

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	Fair Value	Amortized Cost	2024
Cash and cash equivalents	$ -	$ 20,595,498	$ 20,595,498
Accounts receivable	-	5,934,885	5,934,885
Accounts payable and accrued liabilities	-	12,261,074	12,261,074
Investments	11,841,717	-	11,841,717

	Fair Value	Amortized Cost	2023
Cash and cash equivalents	$ -	$ 21,655,920	$ 21,655,920
Accounts receivable	-	2,914,320	2,914,320
Accounts payable and accrued liabilities	-	15,673,186	15,673,186
Investments	10,698,857	-	10,698,857

15. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The College has multi-year research and other funding agreements whereby it has the opportunity to earn revenue as the College incurs eligible expenditures as defined within the funding agreements. Annual contractual rights over the next year is as follows:

	Total
2024/2025	$ 1,350,000

16. Contractual Obligations

The College has annual contractual operating lease payments over the next five years and thereafter as follows:

	Facilities and infrastructure support
2024/2025	$ 819,495
2025/2026	665,507
2026/2027	419,572
2027/2028	394,258
2028/2029	394,258
Thereafter	1,461,760
	$ 4,154,850

17. Expenses by Object

The following is a summary of expenses by object:

	2024	2023
Salaries, wages and benefits	$ 52,279,481	$ 44,492,625
Supplies and services	15,066,193	11,300,843
Operating lease payments	684,555	758,417
Student awards	1,001,691	1,009,403
Management fees	59,450	56,773
Amortization of tangible capital assets	3,894,374	3,459,926
(Recovery of ARO)/accretion	(92,031)	17,421
Bad debt expense, net of recovery	26,889	41,035
	$ 72,920,602	$ 61,136,443

18. Contribution Revenue

The College acquired the Trail Campus location in the prior fiscal year 2023 for a purchase price of $1. The fair market value at the date of acquisition was assessed as $3,974,000. A contributed tangible capital asset addition was recorded within the Statement of Financial Position along with contribution revenue of $3,973,999 in the Statement of Operations and Accumulated Surplus.

19. Impact of Accounting for Capital Contributions on a Deferral Basis

As set out in Notes 2(a) and (k), the College is required to defer recognition of government transfers for capital and recognize them in revenue over the life of the funded asset. This policy is not in accordance with PSAS which requires that such transfers be deferred only if the funding agreements contain stipulations that create a liability and then to recognize revenue over the period that the liability is extinguished.

The impact of this difference from PSAS is as follows:

Year ended March 31, 2024	understate revenue and understate annual surplus by $20,995,591.
Year ended March 31, 2024	overstate liabilities, overstate net debt and understate accumulated surplus by $90,371,175.
Year ended March 31, 2023	understate revenue and understate annual surplus by $13,851,520.
Year ended March 31, 2023	overstate liabilities, overstate net debt and understate accumulated surplus by $67,834,175.

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