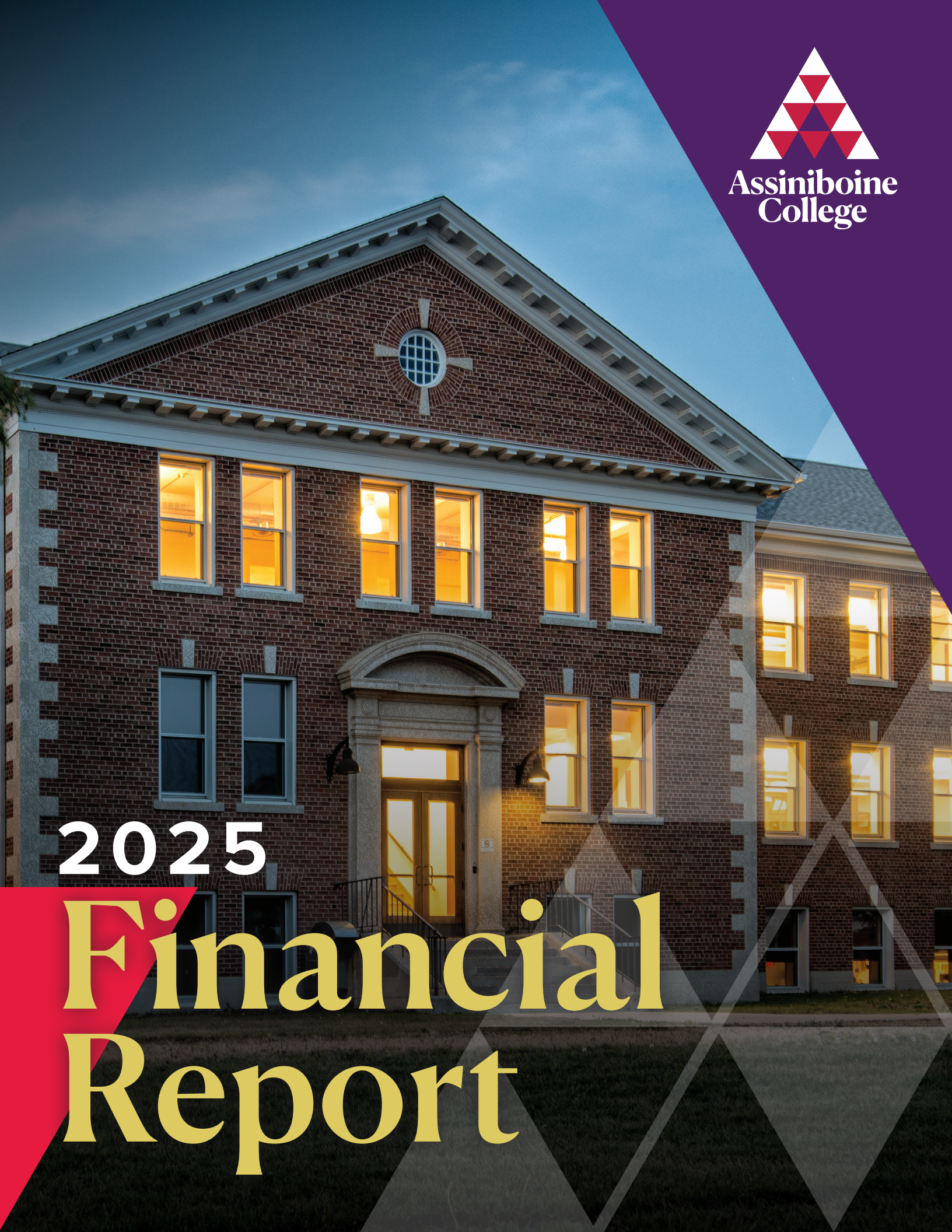
Assiniboine College



2025 Financial Report

Assiniboine College
Consolidated
Financial Statements
For the year ended June 30, 2024

Assiniboine College

Consolidated Financial Statements
For the year ended June 30, 2024

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Assiniboine College (the College) and all the information in this annual report are the responsibility of management and have been approved by the Board of Governors.

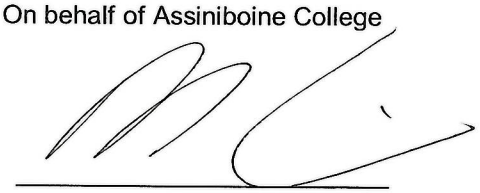
The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances in order to ensure that the consolidated financial statements are presented fairly in all material respects.

The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the College's assets are appropriately accounted for and adequately safeguarded.

The Board of Governors are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board of Governors meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the consolidated financial statements and the external auditor's report. The Board of Governors also consider the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Board of Governors.

On behalf of Assiniboine College





Tel: 204 727 0671
Fax: 1 833 888 1678
Toll Free: 800 775 3328
www.bdo.ca

BDO Canada LLP
148 - 10th Street
Brandon MB R7A 4E6 Canada

Independent Auditor's Report

To the Board of Governors of Assiniboine College

Opinion

We have audited the accompanying consolidated financial statements of Assiniboine College (the College), which comprise the consolidated Statement of Financial Position as at June 30, 2024, and the consolidated Statement of Remeasurement Gains and Losses, consolidated Statement of Changes in Net Assets, consolidated Statement of Operations, and consolidated statement of Cash Flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the College as at June 30, 2024, and its consolidated remeasurement gains and losses, consolidated changes in its net financial assets, consolidated results of operations, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 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.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Responsibility 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 College to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of business activities within the College to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the College audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants

Brandon, Manitoba
October 30, 2024

Assiniboine College
Consolidated Statement of Financial Position

June 30	2024	2023
Financial Assets		
(excluding portfolio investments restricted for endowments)		
Cash and short term investments (Note 3)	**$ 73,818,083**	$ 47,839,872
Accounts receivable (Note 4)	**4,761,665**	3,654,058
Inventories for resale (Note 5)	**10,812**	34,722
Due from Province of Manitoba (Note 6)	**1,999,250**	1,999,250
Portfolio Investments (Note 7)	**11,760,635**	7,532,723
	92,350,445	61,060,625
Liabilities		
Accounts payable and accrued liabilities (Note 8)	**14,888,282**	13,493,655
Deferred revenue (Note 9)	**25,977,279**	11,932,914
Employee Future Benefits (Note 10)	**4,997,374**	4,345,723
Long-term debt (Note 11)	**4,119,088**	2,344,388
	49,982,023	32,116,680
Net Financial Assets excluding portfolio investments restricted for endowments	**42,368,422**	28,943,945
Portfolio investments restricted for endowments (Note 7)	**4,045,390**	3,851,537
Net Financial Assets	**46,413,812**	32,795,482
Non-Financial Assets		
Tangible capital assets (Note 12)	**28,503,888**	20,242,792
Prepaid expenses	**1,047,460**	525,812
	29,551,348	20,768,604
Accumulated Surplus	**$ 75,965,160**	$ 53,564,086
Accumulated surplus is comprised of:		
Accumulated capital & other surpluses	**$ 75,303,341**	$ 53,155,708
Accumulated remeasurement gains	**661,819**	408,378
	$ 75,965,160	$ 53,564,086

On behalf of the Board:

Ruth Mealy
Board Chair

Shannon Brichon
Vice-President, Administration & Finance

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

Assiniboine College
Consolidated Statement of Remeasurement Gains & Losses

For the year ended June 30	2024	2023
Accumulated remeasurement gains, beginning of year	$ 408,378	$ 203,718
Unrealized gains attributed to:		
Portfolio investments - restricted to endowments	253,441	204,660
Accumulated remeasurement gains, end of year	$ 661,819	$ 408,378

Assiniboine College
Consolidated Statement of Changes in Net Financial Assets

For the year ended June 30	Budget	2024	2023
Annual Surplus	$ -	$ 22,172,495	$ 12,032,049
Capital activities			
Acquisition of tangible capital assets	-	(12,209,383)	(3,448,919)
Parkland Campus transfer amortization (Note 17)	-	1,764,003	-
Amortization of tangible capital assets	2,000,000	2,184,284	2,066,247
	2,000,000	13,911,399	10,649,377
Changes in non-financial assets			
Prepaids	-	(521,648)	526,402
Endowments	-	(24,862)	895,586
	-	(546,510)	1,421,988
Net remeasurement gains	-	253,441	204,660
Increase in net financial assets	2,000,000	13,618,330	12,276,025
Net financial assets, beginning of year	-	32,795,482	20,519,457
Net financial assets, end of year	$ 2,000,000	$ 46,413,812	$ 32,795,482

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

Assiniboine College
Consolidated Statement of Operations

For the year ended June 30	Budget	2024	2023
Revenue			
Academic training fees	$ 10,291,600	$ 10,345,941	$ 7,767,259
Government grants and reimbursements	42,391,233	38,789,807	34,174,475
Other grants and reimbursements	5,000	272,325	589,153
Research	743,085	578,793	368,747
Assiniboine international	6,892,230	11,186,556	7,276,683
Market driven training	4,737,920	5,164,803	4,298,903
Continuing studies	1,877,540	1,254,514	1,079,102
Ancillary services	250,000	356,887	286,546
Apprenticeship training	2,044,966	2,428,654	2,311,110
Academic division	2,148,880	2,610,623	2,040,767
Sundry and other revenue (Note 15)	2,881,751	15,575,937	7,227,269
	74,264,205	88,564,840	67,420,014
Expenditures (Note 16)			
Academic instruction	47,239,240	41,216,004	33,463,841
Student support and general operations	18,598,155	17,225,541	15,119,094
Facility operations & maintenance	7,438,361	7,073,856	6,235,892
Research	878,112	785,203	477,297
Ancillary services	110,337	91,741	91,841
	74,264,205	66,392,345	55,387,965
Annual Operating Surplus	$ -	$ 22,172,495	$ 12,032,049
Endowment contributions & transfers	-	(24,862)	895,586
Annual Surplus	-	22,147,633	12,927,635
Accumulated surplus, beginning of year	-	53,155,708	40,228,073
Accumulated surplus, end of year	$ -	$ 75,303,341	$ 53,155,708

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

Assiniboine College
Consolidated Statement of Cash Flows

For the year ended June 30	2024	2023
Cash Flows from Operating Activities		
Annual surplus for the year	**$ 22,172,495**	$ 12,032,049
Adjustments for		
Amortization of tangible capital assets	**2,184,284**	2,066,247
Parkland Campus asset transfer	**(4,388,093)**	-
	19,968,686	14,098,296
Changes in non-cash working capital balances		
Accounts receivable	**(1,107,607)**	(1,963,060)
Inventories	**23,910**	68,694
Prepaid expenses	**(521,648)**	526,402
Accounts payable and accrued liabilities	**1,394,627**	1,629,877
Deferred revenue	**14,044,365**	2,833,431
Employee future benefits	**651,651**	(423,792)
	14,485,298	2,671,552
	34,453,984	16,769,848
Cash Flows from Capital Activities		
Purchase of tangible capital assets (Note 17)	**(6,057,287)**	(3,448,919)
Increase in portfolio investments	**(4,168,324)**	(4,517,073)
	(10,225,611)	(7,965,992)
Cash Flows from Financing Activities		
Endowments	**(24,862)**	895,586
Repayment of long-term debt	**(316,060)**	(267,930)
Proceeds of long-term debt	**2,090,760**	-
	1,749,838	627,656
Increase in cash and cash equivalents during the year	**25,978,211**	9,431,512
Cash and cash equivalents, beginning of year	**47,839,872**	38,408,360
Cash and cash equivalents, end of year	**$ 73,818,083**	$ 47,839,872

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

1. Authority and Purpose

Assiniboine College (the College) operates under the authority of The Colleges Act, Chapter C150.1 of the Continuing Consolidation of the Statues of Manitoba. The College offers undergraduate programs in the fields of agriculture, environment, business, health and human services and trades and technology. The College is a not-for-profit organization and any surplus it generates is non-taxable.

2. Nature of Operations and Summary of Significant Accounting Policies

General

The College's consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

Consolidated Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the Assiniboine College Foundation Inc. and the Assiniboine Campus Community Radio Society Inc., organizations controlled by the College. Inter-organizational transactions and balances have been eliminated on consolidation.

Assiniboine College Foundation Inc. (the Foundation) was incorporated under the laws of the Province of Manitoba and commenced operations on July 20, 1995. The Foundation is a non-profit organization formed to foster, support and encourage the plans and initiatives of the College and its Alumni. The College has exclusive and ultimate control over the assets and the eventual disposition of all funds collected on its behalf. The financial statements of the Foundation are audited on an annual basis for the year ending June 30.

Assiniboine Campus Community Radio Society Inc. (the Radio Society) was incorporated under the laws of the Province of Manitoba. The Radio Society is a non-profit organization that was formed to provide a community radio station to Brandon and surrounding area and received a license to operate from the CRTC on December 10, 2002. The Radio Society is exempt from income taxes under the *Income Tax Act*. The financial statements of the Radio Society are prepared on an annual basis for the year ending June 30.

2. **Nature of Operations and Summary of Significant Accounting Policies (continued)**

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded on an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations, other than financial instruments related to endowment funds. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations, other than financial instruments related to endowment funds. Changes in fair value of financial instruments related to the endowment fund are recognized directly in net assets. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs related to the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

Tangible Capital Assets

Tangible capital assets purchased by the College are recorded at cost. Donated assets are recorded at fair market value on the date received. Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the assets. Amortization rates are as follows:

Buildings	2 % - 10 %
Computer systems/ computer equipment	10 % - 20 %
Furniture and equipment	10 %
Leasehold improvements	2 %
Laptop program	50 %
Vehicles	30 %

Amortization on tangible capital assets commences once the assets are put into service. Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the College's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

A base library was established at April 1, 1993. Library holdings are accounted for using the "base stock" method with current library acquisitions not capitalized because annual library acquisitions net of annual library dispositions are not significant. The base stock is reviewed annually to determine if adjustments are required to the total library stock held.

2. Nature of Operations and Summary of Significant Accounting Policies (continued)

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. The College evaluates all leases at the inception of the lease agreement to determine if it should be classified as a capital or operating lease. Where a capital lease is identified, the amount of the payment made each year is capitalized and amortized using the straight-line method over the lesser of five years or the remaining lease term. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

All leases held by the College are operating leases.

Revenue Recognition

Government transfers are recognized as revenue in the financial statements when the transfer has been authorized and any eligibility criteria have been met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

The College must recognize revenues from transactions with performance obligations when it fulfills (at a specific time) or as it (progressively) fulfills the performance obligation, i.e., when the payer has control over the benefits associated with the goods or services promised.

i) The College accounts for academic training fees, Assiniboine international, market driven training, continuing studies, academic division, and apprenticeship training as courses are delivered and the performance obligation is met.

ii) The College shall recognize ancillary service income (such as rental income for halls, parking) when services are rendered and the amount receivable is reasonably estimated and receipt is reasonably assured.

iii) Other revenues include, but are not limited to, various fees (application, technology, etc.), donations, scholarships, and interest income (see Note 15 for all other revenue steams). The College accounts for other revenues at the time of sale.

Investment income from restricted grants and donations is recognized as deferred revenue when the terms for use create a liability and is recognized as investment income when the terms of the grant or donation are met. Realized investment income of endowments is recognized in the Statement of Operations as capitalized investment income.

Endowment contributions are recognized as revenue in the year in which they are received. Endowed donations are required by donors to be maintained in perpetuity.

2. Nature of Operations and Summary of Significant Accounting Policies (continued)

Employee Future Benefits

The college provides severance benefits based on length of service and final earnings, payable on retirement, death, or permanent layoff. Accounting standards require the recognition of a liability and an expense for such employee future benefits in the period in which the employee renders service in return for the benefits. The recognition date begins on the hiring date or the date when credited service begins, and runs until the date when full eligibility is attained. The cost of these future benefits earned by employees is determined by an actuary using the projected benefit method pro rated on service and management's best estimates for the discount rate for liabilities, the rate of salary escalation and the ages of employees. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. There are no assets supporting the plan benefits.

Actuarial gains and losses are recognized in the period they arise.

Foreign Currency Translation

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

Endowment Funds

Endowment funds consist of restricted contributions to the College, subject to externally initiated stipulations The investment income from these funds must be used in accordance with the purposes specified by the donors.

Use of Estimates

Preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the collectability of accounts receivable, useful life of tangible capital assets, and the liabilities for pension, severance and retiring allowances, and other compensated absences. Where the actual results differ from the estimates, the impact will be recorded in the future periods when the difference becomes known.

Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. The College does not have and is not responsible for any such sites and therefore no liability for remediation of contamination has been recognized.

3. Cash and Short-term Investments

	2024	2023
Cash	$ 48,869,558	$ 23,923,972
Term deposits - Manitoba Finance	24,948,525	23,915,900
Cash and short-term investments	$ 73,818,083	$ 47,839,872

Cash includes bank accounts and term deposits with deposits dated 12-months or less. Term deposits bear interest at a rate of 5.06% - 5.41% (2023 - 3.97% - 4.53%) maturing between August 29, 2024 to November 1, 2024.

4. Accounts Receivable

	2024	2023
Current		
Tuition and contract training	$ 5,028,566	$ 3,905,049
Goods and Services tax rebate	93,743	42,160
Loans receivable - SA Capital Renovation Project	70,776	209,925
Assiniboine College Foundation Inc.	156,015	32,334
Allowance for doubtful accounts	(789,884)	(756,525)
	4,403,201	3,400,609
Non-current		
Education and training	156,015	32,334
Payroll advance	202,449	221,115
	$ 4,761,665	$ 3,654,058

The payroll advance represents funds advanced to employees as a result of timing differences in payroll dates due to a system conversion. The amounts are to be repaid to the College when employment ceases.

5. Inventories

	2024	2023
Books and supplies	$ 10,812	$ 34,722

Inventory expensed during the fiscal year was $3,893,888 (2023 - $3,063,526).

6. Due from Province of Manitoba

	2024	2023
Non-current		
Severance pay	$ 1,124,250	$ 1,124,250
Vacation pay	875,000	875,000
	$ 1,999,250	$ 1,999,250

The Province of Manitoba has guaranteed the receivable for severance and vacation pay in the amount of $1,999,250. The amount of this deferred funding was established in 1998 and was calculated as the severance and vacation pay owing at that time to employees for pre-1998 employee service. The amount of this receivable will not change as the liability for vacation and severance pay increases or decreases on an annual basis. The receivable is non-interest bearing and no payment terms have been established. To date, the College has paid out $4,330,559 in severance pay relating to pre-1998 employee service. No payments have been received from the Province with respect to this receivable.

7. Portfolio Investments

Investments are recorded at market value. Book value at June 30, 2024 was $15,278,754 ($11,427,342 in 2023). Investments with terms maturing beyond one year are held in various bonds and equity investments with interest rates ranging from 1.75% to 5.85% and maturity dates ranging from January 28, 2027 to December 2, 2051.

	2024	2023
Non-endowed portfolio investments	$ 11,760,635	$ 7,532,723
Restricted endowment investments carried at fair value	4,045,390	3,851,537
	$ 15,806,025	$ 11,384,260

8. Accounts Payable and Accrued Liabilities

	2024	2023
Trade accounts payable	$ 6,889,809	$ 4,462,063
Accrued wages and vacation pay	7,471,415	8,743,781
Assiniboine College Foundation Inc.	527,058	287,811
	$ 14,888,282	$ 13,493,655

9. Deferred Revenue

Deferred revenues represent funds received for tuition, contract training fees and other revenues for which services have not yet been provided. Changes in the deferred revenue are as follows:

	2024	2023
Balance, beginning of year	$ 11,932,914	$ 9,099,483
Contributions received and receivable		
Tuition and commitment fees	13,011,348	10,864,786
Contract training fees	58,934,043	54,319,732
Other deferrals/revenue	777,342	549,395
Provincial grant	50,909,693	17,744,657
	123,632,426	83,478,570
Recognized as revenue		
Tuition and commitment fees	(12,515,591)	(9,316,686)
Contract training fees	(60,094,947)	(52,913,163)
Other deferrals/revenue	(545,444)	(677,311)
Provincial grant	(36,432,079)	(17,737,979)
	(109,588,061)	(80,645,139)
Balance, end of year	$ 25,977,279	$ 11,932,914
Balance consists of:		
Tuition and commitment fees	$ 6,126,212	$ 5,630,455
Contract training fees	4,496,780	5,657,684
Other deferrals/revenue	876,673	644,775
Provincial grant	14,477,614	-
Deferred revenues	$ 25,977,279	$ 11,932,914

10. Employee Future Benefits

	2024	2023
Accrued sick leave liability	$ 1,065,600	$ 986,400
Accrued severance liability	3,931,774	3,359,323
	$ 4,997,374	$ 4,345,723

Accrued Sick Leave

The College provides sick days to their employees. The most recent actuarial valuation was at June 30, 2024.

The accrued benefit liability for accrued sick pay is reported in the College's Statement of Financial Position under Accrued Sick Pay Leave.

The benefit liability of College's accrued sick pay includes the following components:

	2024	2023
Accrued sick pay obligation, beginning of year	$ 986,400	$ 855,300
Current service cost	122,400	92,500
Interest cost	46,800	44,200
Benefits paid	(184,900)	(265,500)
Accrued sick pay obligation, end of year	970,700	726,500
Unamortized net actuarial gain	94,900	259,900
Accrued sick pay liability, end of year	$ 1,065,600	$ 986,400

The benefit expense of the College's employee future benefits includes the following components:

	2024	2023
Current service cost	$ 122,400	$ 92,500
Interest cost	46,800	44,200
Employee future benefit expense	$ 169,200	$ 136,700

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

	2024	2023
Discount rate on accrued sick pay obligation	5.00 %	4.90 %
Expected future inflation rate	3.50 %	3.50 %
Expected rate of compensation increase	2.00 %	2.00 %

10. Employee Future Benefits (continued)

Accrued Severance Liability

The College provides certain severance benefits payable upon retirement. The most recent actuarial valuation was as at June 30, 2024.

The accrued benefit liability for employee future benefits is reported in the College's Statement of Financial Position under Accrued Severance Liability

Information about the College's employee future benefits is as follows:

	2024	2023
Accrued severance pay obligation, beginning of year	$ 3,698,900	$ 4,030,000
Current service cost	255,300	231,100
Interest cost	179,300	231,600
Benefits paid	(334,600)	(234,600)
Expected accrued severance pay obligation, end of year	3,798,900	4,258,100
Unamortized net actuarial loss (gain)	363,700	(559,200)
Accrued severance pay obligation, end of year	4,162,600	3,698,900
Actual benefit payments	(230,826)	(339,577)
Accrued severance liability	$ 3,931,774	$ 3,359,323

The significant actuarial assumptions adopted in measuring the College's accrued severance liability and cost are as follows:

	2024	2023
Discount rate on accrued severance pay obligation	4.90 %	4.90 %
Expected future inflation rate	3.50 %	3.50 %
Expected rate of compensation increase	2.00 %	2.00 %

11. Long-term Debt

The long-term debt of the College includes a promissory note with the Province of Manitoba. Grants are received from the Province of Manitoba, Advanced Education, Skills and Immigration Department to offset the principal payments and interest expense of the promissory notes.

	Maturity Date	Interest Rate	2024	2023
Promissory Note - Province of Manitoba, Advanced Education, Skills & Immigration: Nursing Expansion	2032	2.50 %	**$2,076,458**	$2,344,388
Promissory Note - Province of Manitoba, Practical Nursing Expansion	2033	4.95 %	**471,750**	-
Promissory Note - Province of Manitoba, Mechatronics capital purchases	2064	5.00 %	**1,570,880**	-
Total net long-term debt			**$4,119,088**	$2,344,388

Principal and interest payments relating to the long-term debt over the next five years and thereafter are as follows:

	Principal Repayments	Interest
2025	$ 358,449	$ 148,696
2026	358,449	137,498
2027	358,449	126,299
2028	358,449	115,411
2029	358,449	103,901
Thereafter	2,326,843	1,246,239
	$ 4,119,088	$ 1,878,044

12. Tangible Capital Assets (in 000's)

The College received $6,152,096 (2023 - $14,500) of donated and transferred tangible capital assets in the year. The total book value of donated capital assets is $5,836,381 (2023 - $1,448,288).

For the year ended June 30, 2024	Land	Buildings	Computer systems/ equipment	Furniture and equipment	Leasehold improvements	Laptop program	Vehicles	Library holdings*	Construction in Progress	Total
Cost, beginning of year	$ 4	$ 3,405	$ 16,423	$ 27,079	$ 12,422	$ 280	$ 55	$ 661	$ -	$ 60,329
Additions	48	6,417	658	1,345	800	-	37	-	2,904	12,209
Cost, end of year	52	9,822	17,081	28,424	13,222	280	92	661	2,904	72,538
Accumulated amortization, beginning of year	-	1,865	15,398	20,322	2,338	107	56	-	-	40,086
Amortization	-	1,884	675	1,156	226	-	7	-	-	3,948
Accumulated amortization, end of year	-	3,749	16,073	21,478	2,564	107	63	-	-	44,034
Net carrying amount, end of year	$ 52	$ 6,073	$ 1,008	$ 6,946	$ 10,658	$ 173	$ 29	$ 661	$ 2,904	$ 28,504

For the year ended June 30, 2023	Land	Buildings	Computer systems/ equipment	Furniture and equipment	Leasehold improvements	Laptop program	Vehicles	Library holdings*	Construction in Progress	Total
Cost, beginning of year	$ 4	$ 3,405	$ 15,922	$ 24,509	$ 12,044	$ 280	$ 55	$ 661	$ -	$ 56,880
Additions	-	-	501	2,570	378	-	-	-	-	3,449
Cost, end of year	4	3,405	16,423	27,079	12,422	280	55	661	-	60,329
Accumulated amortization, beginning of year	-	1,692	14,691	19,351	2,124	107	55	-	-	38,020
Amortization	-	173	707	971	214	-	1	-	-	2,066
Accumulated amortization, end of year	-	1,865	15,398	20,322	2,338	107	56	-	-	40,086
Net carrying amount, end of year	$ 4	$ 1,540	$ 1,025	$ 6,757	$ 10,084	$ 173	$ (1)	$ 661	$ -	$ 20,243

* Library holdings are reported at estimated value.

13. Pension Costs and Obligations

The College makes contributions to the Civil Service Superannuation Plan, which is a multi-employer plan, on behalf of members of its staff. The plan provides defined pension benefits to employees based on their length of service and rates of pay. However, the plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The College is only one of a number of employers that participates in the plan and the financial information provided to the College on the basis of the contractual agreements is usually insufficient to reliably measure the College's proportionate share in the plan assets and liabilities on defined benefit accounting requirements. A liability has been recognized for the contributions adjusted for the time value of money and an equal expense has been recognized in net income.

14. Contractual Obligations

The College has entered into various leases for classroom space, office equipment, and a maintenance agreement for the Colleague computer system. The following disclosure represents the future payments:

2025	$ 133,290
2026	15,473
2027	14,800
2028	7,400

15. Other Revenue

	2024	2023
Fees	$ **1,496,557**	$ 1,054,468
Donations	**4,595,053**	3,207,116
Scholarships, awards, and bursaries	**816,815**	225,450
Unrealized gain/(loss) on non-endowed investments	**845,701**	420,122
Interest	**3,920,056**	2,089,181
Capital	**(685,849)**	(13,000)
Sales	**167,337**	222,499
Miscellaneous grants	**1,845**	9,050
Currency exchange	**25,264**	(2,893)
Commissions	**421**	7,623
Radio Society	**4,644**	7,653
Province of Manitoba - Parkland Campus asset transfer	**4,388,093**	-
	$ 15,575,937	$ 7,227,269

16. Expenses by Object

The following is a summary of expenses by object.

	Budget 2024	Actual 2024	Actual 2023
Advertising and PR	$ 947,846	$ 985,549	$ 459,990
Amortization	2,000,000	2,184,284	2,066,247
Bank charges, interest and bad debts	763,576	818,128	678,229
Building, Equipment, operations and maintenance	5,378,697	5,345,193	5,236,511
Bursaries, awards and scholarships	232,000	1,705,556	1,302,566
Computer supplies and licenses	2,036,873	2,212,428	1,635,692
Professional fees and contracted services	1,803,555	1,534,154	1,548,600
Salaries and benefits	52,210,590	44,647,100	37,593,421
Supplies, portage and freight	8,891,068	6,959,953	4,866,709
	$ 74,264,205	$ 66,392,345	$ 55,387,965

17. Cash Flows - Supplemental Information

The College paid interest on long term debt in the year of $94,780 (2023 - $62,251) (in actual $). In the year, the college received interest of $3,890,537 (2023 - $2,154,878) (in actual $).

The College's asset additions totalled $12,209,383 (in actual $), of which $6,057,287 is from cash transactions and $6,152,096 from an asset transfer. The asset transfer from the Province of Manitoba for the Parkland Campus includes the following additions:

	Cost	Amortization	Net Book Value
Buildings	$ 6,050,554	$ 1,712,806	$ 4,337,748
Equipment	53,892	51,197	2,695
Land	47,650	-	47,650
	$ 6,152,096	$ 1,764,003	$ 4,388,093

18. Comparative Figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

19. Financial Instruments

Financial Instrument Classification

The carrying value of each class of the College's financial instruments is provided in the following table.

	Fair Value	Amortized Cost	2024 Total	2023 Total
Cash and short-term investments	$ -	$ 73,818,083	$ 73,818,083	$ 47,839,872
Accounts receivable	-	4,761,665	4,761,665	3,654,059
Portfolio investments (quoted in active market)	4,045,390	11,760,635	15,806,025	11,384,260
Due from Province of Manitoba	-	1,999,250	1,999,250	1,999,250
	$ 4,045,390	$ 92,339,633	$ 96,385,023	$ 64,877,441

Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1, 2 and 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

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)

Level 3 – Inputs for the asset or liability that are not based on observable market date (unobservable inputs)

The fair value hierarchy requires the use of observable market data whenever such data exists. A financial instrument is classified at the lowest level of the hierarchy for which significant data has been taken into account in measuring fair value.

The financial instruments of the College all fall within level 1 of the fair value hierarchy.

Financial Instrument Risk Management

There have been no substantive changes in the College's exposure to financial instrument risks. The board monitors the financial statements including its financial instruments on a monthly basis to determine if there any increases or changes in its risk.

The principal financial instruments used by the entity, from which financial risk arises, are as follows: cash and short-term investments, receivables and payables and accrued liabilities.

19. Financial Instruments (continued)

Market Risk
Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk.

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The College is exposed to this risk through its interest bearing investments. Interest rates range from 1.75% to 5.85%. $175,542 matures in 2027, $612,706 in 2030, $606,076 in 2032, $179,045 in 2033 and the remainder $1,255,289 in 2034 to 2051. All investments held are associated with an interest rate.

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The College is exposed to minimal foreign exchange risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The College is not exposed to other price risk.

Liquidity Risk
Liquidity risk is the risk that the College will encounter difficulty in having available sufficient funds to meet its commitments. It is the College's policy to ensure that it will have sufficient cash and short-term investments to allow it to meet its liabilities when they come due.

Credit Risk
Credit risk is the risk of loss incurred by the College when a counterparty to a financial instrument fails to meet its contractual obligations. The College is exposed primarily to credit risk with respect to cash, accounts receivable and investments. The carrying amount of financial assets on the statement of financial position represents the maximum credit risk at the statement of financial position date.

The credit risk linked to cash is considered negligible since the counterparties are recognized financial institutions with good external credit ratings.

The credit risk related to grant accounts receivable is considered negligible since the amounts are receivable from the provincial and federal governments.

The credit risk associated with tuition and other receivables is limited, since the amounts come from a large customer base and payment is typically made in full when due. The College has established an allowance for doubtful accounts which represents its assessment of potential credit losses. The allowance for doubtful accounts is based on management's assessments and assumptions regarding current market conditions, customer analysis and historical payment trends.

Concentration of investment risk occurs when a significant portion of the portfolio is made up of investments whose values have similar characteristics or are sensitive to the same economic, political or other factors. Generally speaking, credit risk comes from investments in fixed income securities. The College's investment policy statements and procedures, which are reviewed annually, specify eligible investments as well as guidelines and restrictions for each category of eligible investments in order to reduce risk.

19. Financial Instruments (continued)

The College monitors the financial health of its investments on an ongoing basis with the help of its finance and audit committee, its investment subcommittee and its investment advisors.

The maximum exposure to credit risk was:

	2024	2023
Cash and short-term investments	**$73,818,083**	$47,839,872
Accounts receivable	**4,761,665**	3,654,058
Due from Province of Manitoba	**1,999,250**	1,999,250
Portfolio Investments (non-endowed)	**11,760,635**	7,532,723
Total	**$92,339,633**	$61,025,903



1430 VICTORIA AVENUE EAST BRANDON, MB
800.862.6307 | INFO@ASSINIBOINE.NET
ASSINIBOINE.NET

Assiniboine College

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