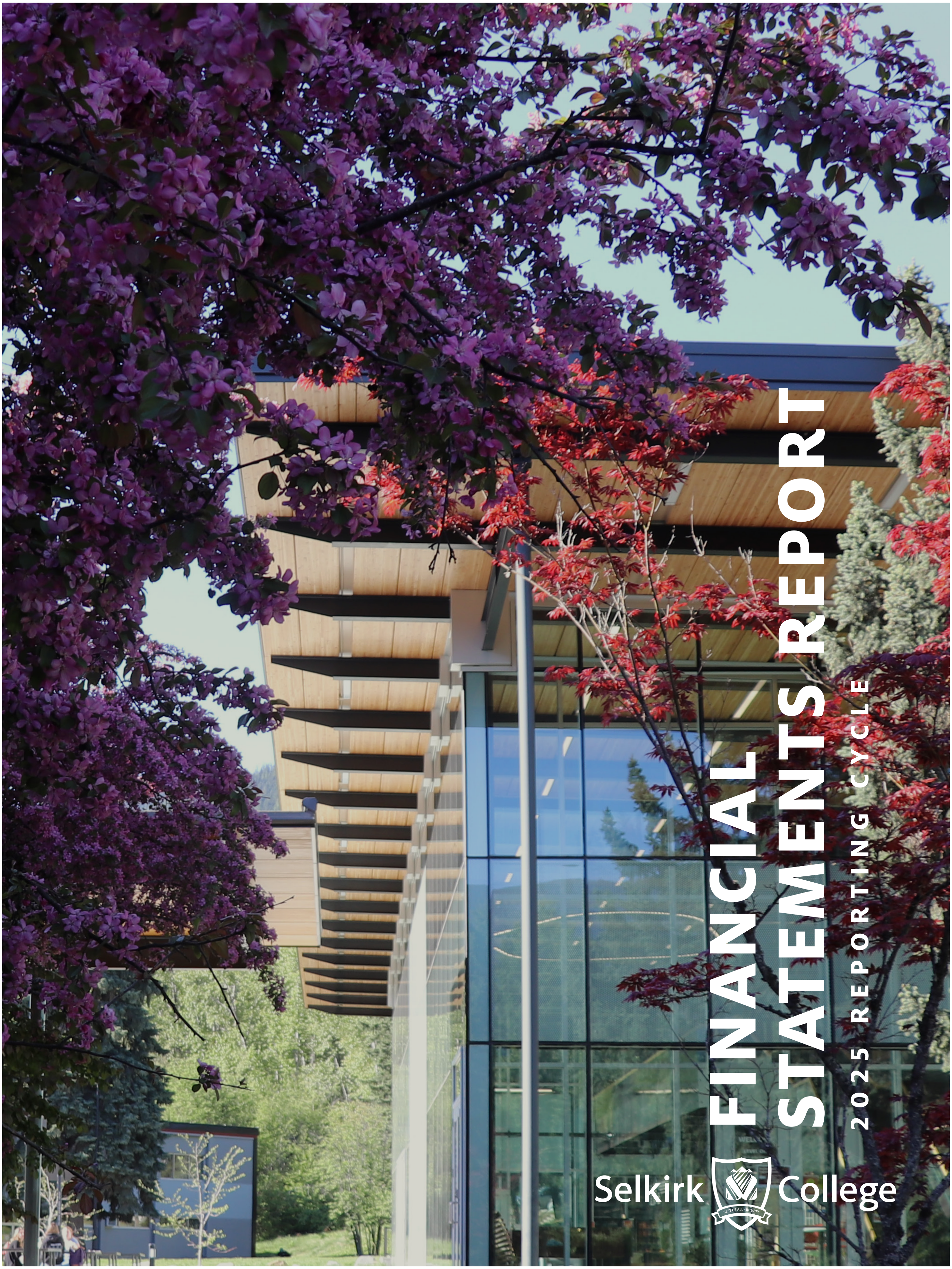
FINANCIAL
STATEMENTS REPORT
2025 REPORTING CYCLE
Selkirk College

SELKIRK COLLEGE

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

Selkirk College

Management's Responsibility for Financial Reporting

The accompanying 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, 2025 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 financial statements.

Maggie Matear

Maggie Matear, President & CEO

May 15, 2025

Lareena Rilkoff

Lareena Rilkoff, Vice President College Services

May 15, 2025

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

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 financial statements of the Selkirk College (the "College"), which comprise the statement of financial position as at March 31, 2025, and the 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 financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of Selkirk College for the year ended March 31, 2025 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 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 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 financial statements which describes the basis of accounting used in the preparation of these financial statements and to Note 19 which describes the significant differences between such basis of accounting and Canadian public sector accounting standards.

Emphasis of Matter – Restated Comparative Information

Without modifying our opinion, we draw attention to Note 20 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial statements

Management is responsible for the preparation and presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 15, 2025

SELKIRK COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2025	2024 (Restated - Note 20)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	$ 13,722,793	$ 20,595,498
Restricted cash (Note 3)	5,139,759	-
Accounts receivable (Note 4)	5,378,892	4,016,742
Inventories for resale (Note 5)	348,363	405,412
	24,589,807	25,017,652
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	13,324,939	12,261,074
Deferred revenue (Note 7)	12,156,455	13,274,111
Employee future benefits (Note 8)	6,452,339	5,956,139
Asset retirement obligation (Note 9)	1,906,043	1,951,251
Deferred capital contributions (Note 10)	92,194,469	89,696,234
	126,034,245	123,138,809
NET DEBT	(101,444,438)	(98,121,157)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	108,739,567	103,392,552
Investments (Note 12)	3,211,448	11,841,717
Prepaid expenses	1,049,321	1,299,342
	113,000,336	116,533,611
ACCUMULATED SURPLUS (Note 13)	$ 11,555,898	$ 18,412,454

Vice Chairperson, Board of Governors

Vice President College Services

The accompanying notes form an integral part of these financial statements

SELKIRK COLLEGE

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31

	Budget (Note 2m)	2025	2024
REVENUE			
Government grants	$ 40,620,062	$ 44,855,681	$ 40,794,131
Skilled Trades BC funding	1,865,424	1,817,426	1,841,853
Tuition	14,925,764	16,685,879	15,510,604
Ancillary sales	3,350,500	2,751,791	2,438,934
Investment income	867,187	780,883	1,160,338
Donations	200,000	152,871	208,906
Amortization of deferred capital contributions	3,707,993	3,824,960	3,171,484
Capital contributions related to asset write-offs (Note 10)	-	1,509,274	-
Contracts and other revenue	5,275,788	6,762,469	8,573,122
	70,812,718	79,141,234	73,699,372
EXPENSES (Note 17)			
Education programming	34,689,261	36,076,130	34,200,511
Student support	7,487,753	9,083,768	8,190,291
Research and innovation	3,631,275	4,982,104	4,485,029
Administrative support	8,129,808	7,248,855	6,903,606
Facilities and infrastructure support	15,454,153	17,313,688	15,985,118
Ancillary services	2,839,581	2,044,677	2,068,942
Awards and related costs	989,750	1,960,120	1,087,105
	73,221,581	78,709,342	72,920,602
Annual surplus (deficit) before endowment contributions	(2,408,863)	431,892	778,770
Endowment contributions	-	-	155,276
ANNUAL SURPLUS (DEFICIT)	(2,408,863)	431,892	934,046
ACCUMULATED SURPLUS, beginning of year	18,412,454	18,412,454	17,478,408
Removal of Selkirk College Foundation equity (Note 18)	-	(7,288,448)	-
ACCUMULATED SURPLUS, end of year	$ 16,003,591	$ 11,555,898	$ 18,412,454

The accompanying notes form an integral part of these financial statements

SELKIRK COLLEGE

STATEMENT OF CHANGES IN NET DEBT

FOR THE YEAR ENDED MARCH 31

	2025	2024
ANNUAL SURPLUS	$ 431,892	$ 934,046
Acquisition of tangible capital assets	(11,281,360)	(24,167,076)
Amortization of tangible capital assets	4,343,641	3,894,374
Revaluation of asset retirement obligation	(45,208)	136,270
Write-down of tangible capital assets	1,590,704	-
	(5,392,223)	(20,136,432)
Consumption of prepaids	250,021	95,869
Consumption of supplies inventories	57,049	-
Net effect of remeasurement gains (losses)	1,329,980	(1,142,860)
	1,637,050	(1,046,991)
CHANGE IN NET DEBT	(3,323,281)	(20,249,377)
NET DEBT, beginning of year	(98,121,157)	(77,871,780)
NET DEBT, end of year	$ (101,444,438)	$ (98,121,157)

The accompanying notes form an integral part of these financial statements

SELKIRK COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31

	2025	2024 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual Surplus	$ 431,892	$ 934,046
Changes in Non-Cash Items		
Amortization of tangible capital assets	4,343,641	3,894,374
Deconsolidation of Selkirk College Foundation	(7,288,448)	-
Amortization of deferred capital contributions	(3,824,960)	(3,171,484)
Recovery of asset retirement obligation	(45,208)	(92,031)
	(6,383,083)	1,564,905
Changes in Financial Assets and Liabilities		
Accounts receivable	436,834	(1,102,422)
Prepaid expenses	250,021	95,869
Inventories for resale	57,049	98,800
Accounts payable and accrued liabilities	1,063,865	(3,412,112)
Deferred revenue	1,982,040	2,264,652
Employee future benefits	496,200	431,485
Deconsolidation of Selkirk College Foundation	(4,061,613)	-
Asset retirement obligation	-	41,312
	224,396	(1,582,416)
CASH FLOWS USED IN CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(11,281,360)	(24,167,076)
Write-down of tangible capital assets	1,590,704	-
Deferred capital contributions received	8,373,259	25,410,277
Adjustment of deferred capital contributions	(2,050,064)	(1,918,143)
	(3,367,461)	(674,942)
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		
Deconsolidation of Selkirk College Foundation	8,249,586	-
Increase in investments, net	(456,384)	(367,969)
	7,793,202	(367,969)
NET DECREASE IN CASH AND CASH EQUIVALENTS	$ (1,732,946)	$ (1,060,422)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	20,595,498	21,655,920
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, end of year	$ 18,862,552	$ 20,595,498

The accompanying notes form an integral part of these financial statements

SELKIRK COLLEGE

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

FOR THE YEAR ENDED MARCH 31

	2025	2024
ACCUMULATED REMEASUREMENT GAINS, beginning of year	$ 836,486	$ 61,595
Deconsolidation of Selkirk College Foundation	(606,584)	-
Unrealized (loss) gain attributed to Investments	(230,484)	774,891
ACCUMULATED REMEASUREMENT (LOSSES) GAINS, end of year	$ (582)	$ 836,486

The accompanying notes form an integral part of these 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 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.

(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 and restricted cash. 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 Statement of Financial Position and as unrealized losses attributed to Investments on the Statement of Remeasurement Gains and Losses. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus as investment income, or on the 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 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 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 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 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 26, 2024. The budget is reflected in the Statement of Operations and Accumulated Surplus.

3. Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include $68,864 (2024 - $3,037,109) in restricted cash for use on future capital projects, $8,587,752 (2024 - $7,804,790) in restricted cash for use on future special projects and $388,528 (2024 - $4,079,101) in cash and unspent charitable activity revenue.

Restricted cash includes $5,139,759 (2024 - $0) for the Sons of Freedom Doukhobor Legacy Fund.

4. Accounts Receivable

Accounts receivable consists of the following:

	2025	2024 (Restated)
Federal government	$ 360,886	$ 419,170
Provincial government	1,693,868	2,594,949
Due From Selkirk College Foundation	2,603,427	-
Other	720,711	1,002,623
	$ 5,378,892	$ 4,016,742

Accounts receivable includes $312,765 (2024 - $330,709) receivable from the federal government for GST.

5. Inventories for Resale

	2025	2024
Bookstore	$ 326,811	$ 387,045
Cafeteria	21,552	18,367
	$ 348,363	$ 405,412

In 2025, a total of $738,479 (2024 - $716,704) of inventories were included in the 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 $5,139,759 (2024 - $0) for the Sons of Freedom Doukhobor Legacy Fund.

Accounts payable also includes $590,875 (2024 - $993,983) payable to the federal government for payroll deductions withheld and $84,923 (2024 - $45,735) for GST.

7. Deferred Revenue

2025	Balance	Gain / (Loss)	Additions	Recognized	Transfer	Ending Balance
Endowment funds	$ 2,576,413	$ (230,484)	$ 636,879	$ (163,966)	$(1,865,846)	$ 952,996
Tuition	1,914,282	-	16,998,775	(16,685,879)	-	2,227,178
Skilled Trades BC	475,184	-	1,830,415	(1,817,426)	-	488,173
Provincial grants	3,848,591	-	43,198,683	(43,036,773)	-	4,010,501
Federal grants	771,932	-	1,759,859	(1,818,908)	-	712,883
Foundation and charitable activities	978,626	-	40,586	-	(630,684)	388,528
Other	2,709,083	-	2,057,442	(1,390,329)	-	3,376,196
	$ 13,274,111	$ (230,484)	$ 66,522,639	$ (64,913,281)	$ (2,496,530)	$ 12,156,455

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
Skilled Trades BC	466,380	-	1,850,657	(1,841,853)	-	475,184
Provincial grants	2,245,720	-	41,547,710	(39,944,839)	-	3,848,591
Federal grants	782,004	-	1,739,681	(1,749,753)	-	771,932
Foundation and charitable activities	783,637	-	295,924	(123,775)	22,840	978,626
Other	2,669,610	-	1,666,827	(1,627,354)	-	2,709,083
	$ 10,234,568	$ 774,891	$ 63,340,403	$ (61,075,751)	$ -	$ 13,274,111

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 2025. 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:

	2025	2024
Accrued benefit obligation		
Balance, beginning of year	$ 1,015,100	$ 1,082,500
Actuarial gain due to new valuation (net)	(204,700)	(137,700)
Current service cost	103,900	179,200
Interest cost	45,100	38,600
Benefits paid	(115,000)	(147,500)
Accrued benefit obligation, end of year	$ 844,400	$ 1,015,100

(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.

	2025	2024
Holiday pay	$ 4,423,999	$ 4,200,634
Sick leave *	1,027,086	1,179,037
Banked overtime	34,712	47,731
Retirement allowance	966,542	528,737
	$ 6,452,339	$ 5,956,139

* 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, 2024, the College Pension Plan has about 18,000 active members, and approximately 11,200 retired members. As at December 31, 2023, the Municipal Pension Plan has about 256,000 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 $4,019,612 for employer contributions to the plans in fiscal 2025 (2024 - $3,803,899).

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 8 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 2025, estimated expenses were calculated at the net present value of future cash flows discounted using a weighted average cost of capital of 3.75% and inflated using an average inflation rate of 2.19%.

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

Asset Retirement Obligation	2025	2024
Balance, beginning of year	$ 1,951,251	$ 2,138,240
Accretion expense (recovery)	(45,208)	(92,031)
PS 3280 additions	-	41,312
Recoveries	-	(136,270)
Balance, end of year	$ 1,906,043	$ 1,951,251

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

Impact on Tangible Capital Assets, Buildings	2025	2024
Balance, beginning of year	$ 92,922,710	$ 79,932,147
PS 3280 additions	-	41,312
TCA additions	29,402,589	13,085,521
TCA recoveries	-	(136,270)
Balance, end of year	$ 122,325,299	$ 92,922,710

Impact on Accumulated Amortization, Buildings	2025	2024
Balance, beginning of year	$ 32,682,479	$ 30,879,206
Amortization	2,332,382	1,803,273
Balance, end of year	$ 35,014,861	$ 32,682,479

Net book value, Buildings	$ 87,310,438	$ 60,240,231

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:

	2025	2024 (Restated)
Balance, beginning of year	$ 89,696,234	$ 69,375,584
Contributions received during the year	8,373,259	25,410,277
Reallocate contributions for housing insurance costs	(540,790)	(1,918,143)
Revenue recognized from deferred capital contributions	(3,824,960)	(3,171,484)
Capital contributions related to asset write-off (Note 11)	(1,509,274)	
Balance, end of year	$ 92,194,469	$ 89,696,234

Selkirk College received contributions of $68,864 that remain unspent at the end of fiscal year 2025 (2024 - $1,243,202).

11. Tangible Capital Assets

The College has no direct insurance coverage against liability or loss of any of its property and equipment except vehicles. The Ministry of Post-Secondary Education and Future Skills ("PSEFS") 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.

During the year ended March 31, 2025, Selkirk College completed a review of a software project that had been in progress in prior years and was previously capitalized as work-in-progress within tangible capital assets. Based on this assessment, it was determined that the project no longer met the criteria for recognition as a tangible capital asset under Public Sector Accounting Standard PS 3150 – Tangible Capital Assets.

In accordance with PS 3150, capitalized costs must be associated with assets that are expected to provide future economic benefits or service potential. The College determined that the software was no longer technically feasible or cost-effective to complete and implement, and would not be placed into service. As a result, the costs incurred no longer met the recognition criteria and were written off.

The total cost of the write-off recognized in the current year was $1,590,704, which is presented as a reduction in tangible capital assets and as a corresponding loss on asset disposal within the financial statements. The cost of the write-off is included in the Facilities and Infrastructure Support functional expense line item on the Statement of Operations. The related deferred capital contributions of $1,509,274 were also written off in the current year (Note 10).

11. Tangible Capital Assets (continued)

	Land and land improvements	Buildings and major renovations	Furniture and equipment	Information technology	Leasehold improvements	Siteworks	Assets under-construction	2025 Total
Cost								
Opening balance	$ 90,000	$ 92,922,710	$ 28,283,627	$ 18,915,839	$ 14,180,887	$ 2,895,024	$ 23,554,518	$180,842,605
Additions	-	9,492,112	293,598	704,295	-	759,795	31,560	11,281,360
Disposals/Reductions	-	-	-		-	-	(1,590,704)	(1,590,704)
Transfers	-	19,910,477	-	-	-	2,053,337	(21,963,814)	-
Closing balance	90,000	122,325,299	28,577,225	19,620,134	14,180,887	5,708,156	31,560	190,533,261
Accumulated amortization								
Opening balance	-	32,682,479	27,209,845	6,674,289	8,498,577	2,384,863	-	77,450,053
Amortization	-	2,332,382	281,301	1,298,711	238,099	193,148	-	4,343,641
Closing balance	-	35,014,861	27,491,146	7,973,000	8,736,676	2,578,011	-	81,793,694
Net book value	$ 90,000	$ 87,310,438	$ 1,086,079	$ 11,647,134	$ 5,444,211	$ 3,130,145	$ 31,560	$108,739,567

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

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	
		2025	2024	2025	2024
Equities	Level 1	$ 1,613,136	$ 5,598,790	$ 1,622,991	$ 6,640,540
Fixed income	Level 2	1,598,894	5,406,441	1,588,457	5,201,177
		$3,212,030	$11,005,231	$ 3,211,448	$11,841,717

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 $39,109 (2024 - $33,802).

13. Accumulated Surplus

Accumulated surplus is comprised of the following:

	2025	2024 Restated
Investment in tangible capital assets	$ 16,613,963	$ 14,815,283
Endowment fund	2,581,980	10,024,699
Unrealized remeasurement gain/(loss)	(582)	836,486
Unrestricted	(1,187,124)	(1,307,875)
Unfunded employee future benefits	(6,452,339)	(5,956,139)
Balance, end of year	$ 11,555,898	$ 18,412,454

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 College's 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 Governors of Selkirk College. 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	2025
Cash and cash equivalents	$ -	$ 13,722,793	$ 13,722,793
Restricted cash	-	5,139,759	5,139,759
Accounts receivable	-	5,378,892	5,378,892
Accounts payable and accrued liabilities	-	13,324,939	13,324,939
Investments	3,211,448	-	3,211,448

	Fair Value	Amortized Cost (Restated)	2024 (Restated)
Cash and cash equivalents	$ -	$ 20,595,498	$ 20,595,498
Accounts receivable	-	4,016,742	4,016,742
Accounts payable and accrued liabilities	-	12,261,074	12,261,074
Investments	11,841,717	-	11,841,717

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 two years are as follows:

	Total
2025/2026	$ 1,000,000
2026/2027	$ 1,000,000
	$ 2,000,000

Columbia Basin Trust (CBT) Selkirk College project.

16. Contractual Obligations

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

	Facilities and infrastructure support
2025/2026	$ 646,609
2026/2027	375,360
2027/2028	91,360
2028/2029	91,360
2029/2030	91,360
Thereafter	1,370,400
	$ 2,666,449

17. Expenses by Object

The following is a summary of expenses by object:

	2025	2024
Salaries, wages and benefits	$ 56,229,165	$52,279,481
Supplies and services	13,943,996	15,066,193
Asset write-off (Note 11)	1,590,704	-
Operating lease payments	671,590	684,555
Student awards	1,923,320	1,001,691
Management fees	16,645	59,450
Amortization of tangible capital assets	4,343,641	3,894,374
(Recovery of ARO)/accretion	(45,208)	(92,031)
Bad debt expense, net of recovery	35,489	26,889
	$ 78,709,342	$ 72,920,602

18. Deconsolidation of the Selkirk College Foundation

During the year, it was determined that the Selkirk College Foundation no longer meets the criteria of a controlled entity as defined in the Public Sector Accounting Standards (PSAS), Section PS 1300 Government Reporting Entity. The Foundation is a separately registered not-for-profit organization that is governed by an independent board and operates independently of the College. As a result, beginning in the fiscal year ended March 31, 2025, the financial results of the Foundation are no longer consolidated with those of the College.

18. Deconsolidation of the Selkirk College Foundation (continued)

This change has been accounted for prospectively, in accordance with PSAS guidance. Comparative figures have not been restated.

As a result of the deconsolidation of the Foundation, the following adjustments were made to remove the Foundation's balances from the College's financial statements. These adjustments reflect the derecognition of assets, liabilities, and accumulated surplus related to the Foundation.

Impact of Deconsolidation on Consolidated Financial Position as at March 31, 2025:

Account	Increase / (Decrease)
Cash and Cash Equivalents (Bank - Foundation)	$ (3,100,475)
Due from Selkirk College Foundation	$ 1,178,163
Investments - Endowment	$ (8,856,170)
Receivables and Accruals	$ 620,822
Deferred Revenue (endowment/unrealized gains, contract)	$ 2,869,212
Accumulated Surplus (Equity Accounts)	$ 7,288,448

These changes represent the full derecognition of the Foundation's financial position, including cash, investments, receivables, deferred revenues, and all associated equity accounts.

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, 2025	understate revenue and understate annual surplus by $3,938,645.
Year ended March 31, 2025	overstate liabilities, overstate net debt and understate accumulated surplus by $92,125,606.
Year ended March 31, 2024	understate revenue and understate annual surplus by $19,201,686.
Year ended March 31, 2024	overstate liabilities, overstate net debt and understate accumulated surplus by $88,577,270.

20. Restatement of a Prior Year Statement of Financial Position

Subsequent to the issuance of the financial statements for the year ended March 31, 2024, management became aware of information that required an adjustment to the previously reported balances of accounts receivable and deferred capital contributions. It was determined that certain amounts recorded as accounts receivable and corresponding deferred capital contributions for the capital housing project were in fact received and should have been applied to the expenses and not deferred.

As a result, the accounts receivable and deferred capital contributions as at March 31, 2024, have each been reduced by $1,918,143. This adjustment has been recorded retrospectively and the comparative financial statements for the year ended March 31, 2024, have been restated accordingly.

The impact of the restatement on the previously reported financial position as at March 31, 2024, is as follows:

As at March 31, 2024	Previously Reported	Adjustment	Restated
Accounts Receivable	$ 5,934,885	$ (1,918,143)	$ 4,016,742
Deferred Capital Contributions	$ (91,614,377)	$ 1,918,143	$ (89,696,234)

There was no impact on the accumulated surplus of revenues over expenses for the year ended March 31, 2024, as the adjustment pertained solely to the recognition of asset and liability balances.

21. Comparative Figures

Comparative figures from the prior year have been reclassified to conform to the current year's presentation.

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