

BRANDON UNIVERSITY

ANNUAL FINANCIAL REPORT

For the year ended March 31, 2024



**BRANDON
UNIVERSITY**

BRANDON UNIVERSITY

Responsibility for Financial Statements

The Office of the Vice-President (Administration & Finance) of Brandon University is responsible for the preparation and presentation of the financial statements and accompanying notes. The financial statements are prepared in conformity with the accounting policies noted in the financial statements, and are reviewed and approved by the Board of Governors. The statements are examined by the Auditor General of Manitoba, whose opinion is included herein.

To fulfil its responsibility, the University maintains internal control systems to provide reasonable assurance that relevant and reliable financial information is produced.

Original signed by Julee Galvin

Julee Galvin
Chair, Board of Governors

Original signed by Scott Lamont

Scott J. B. Lamont, FCPA, FCGA, MBA
Vice-President (Administration & Finance)

June 15, 2024



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Independent Auditor's Report

To the Board of Directors of Brandon University

Opinion

We have audited the consolidated financial statements of Brandon University ("the Entity"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statement of operations and accumulated surplus, the consolidated statement of changes in net financial assets, the consolidated statement of remeasurement gains and losses, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 Brandon University as at March 31, 2024, and the consolidated results of its operations, consolidated changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Brandon University in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing Brandon University'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 an intention exists to liquidate Brandon University or to cease operations, or there is no realistic alternative but to do so. Those charged with governance are responsible for overseeing Brandon University's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error



and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Brandon University'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 Brandon University'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 Brandon University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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
June 15, 2024

Brandon University Consolidated Financial Statements

Consolidated Statement of Financial Position as at March 31, 2024

	2024	2023
Financial Assets (excluding portfolio investments restricted for endowments)		
Cash & cash equivalents (Note 4)	\$ 11,298,053	\$ 1,072,493
Accounts receivable (Note 5)	899,155	520,054
Inventories for resale (Note 6)	51,512	60,005
Other assets (Note 7)	52,087	51,094
Portfolio investments (Note 8)	<u>3,608,000</u>	<u>3,500,000</u>
	<u>15,908,807</u>	<u>5,203,646</u>
Liabilities		
Accounts payable & accrued liabilities (Note 9)	7,362,093	5,849,035
Unearned revenue	2,476,564	278,457
Employee future obligations (Note 10)	(3,298,319)	(1,042,875)
Deferred revenues (Note 14)	12,057,321	12,076,764
Long-term debt (Note 15)	27,952,111	16,579,838
Asset retirement obligation (Note 11)	<u>9,270,070</u>	<u>8,903,023</u>
	<u>55,819,840</u>	<u>42,644,242</u>
Net financial debt excluding portfolio investments restricted for endowments	<u>(39,911,033)</u>	<u>(37,440,596)</u>
Portfolio investments restricted for endowments (Note 7)	<u>84,138,666</u>	<u>75,451,551</u>
Net Financial Assets	<u>44,227,633</u>	<u>38,010,955</u>
Non-financial Assets		
Tangible capital assets (Notes 2(F) and 12)	52,437,574	53,855,237
Prepaid expenses	<u>500,212</u>	<u>422,846</u>
	<u>52,937,786</u>	<u>54,278,083</u>
Net Assets	<u>\$ 97,165,419</u>	<u>\$ 92,289,038</u>
Net assets comprised of (Note 16):		
Accumulated surplus	98,816,099	101,932,966
Accumulated remeasurement losses	<u>(1,650,680)</u>	<u>(9,643,928)</u>
	<u>\$ 97,165,419</u>	<u>\$ 92,289,038</u>

Approved by the Brandon University
Board of Governors on June 15, 2024

Original signed by Julee Galvin

Chair

Original signed by Scott Lamont

Vice-President (Administration & Finance)

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

Brandon University Consolidated Financial Statements

Consolidated Statement of Operations & Accumulated Surplus for the year ended March 31, 2024

	Budget	2024	2023
Revenues			
Tuition fees & other student fees	\$ 17,884,091	\$ 17,482,328	\$ 15,965,957
Grants			
Manitoba Advanced Education, Skills & Immigration	44,341,184	44,091,268	41,679,848
Province of Manitoba - Other	83,879	179,689	342,074
Government of Canada	2,311,220	2,179,952	2,419,585
Sales of goods & services	4,876,340	6,162,885	5,305,431
Donations	730,000	1,914,135	1,606,084
Miscellaneous	1,161,483	1,129,941	1,042,353
Investment income other than capitalized endowment income	<u>2,500,000</u>	<u>3,121,411</u>	<u>2,260,513</u>
	<u>73,888,197</u>	<u>76,261,609</u>	<u>70,621,845</u>
Expenses (Note 17)			
Learning	37,895,696	35,309,552	31,484,670
Academic & student support	14,875,569	14,909,785	14,337,857
Facility operations & maintenance	8,512,105	11,796,400	9,365,399
Ancillary operations	4,293,727	4,799,647	4,434,818
Institutional support	7,028,944	7,451,101	6,816,981
Research	<u>2,707,156</u>	<u>3,047,935</u>	<u>2,744,470</u>
	<u>75,313,197</u>	<u>77,314,420</u>	<u>69,184,195</u>
Annual operating surplus/(loss)	(1,425,000)	(1,052,811)	1,437,650
Endowment contributions & transfers	850,000	253,491	1,486,508
Capitalized endowment income/(loss)	<u>575,000</u>	<u>(172,627)</u>	<u>(756,692)</u>
Annual surplus/(loss)	-	(971,947)	2,167,466
Accumulated surplus, beginning of year	83,247,544	101,932,966	99,765,500
Transitional adjustment (Note 3)	<u>-</u>	<u>(2,144,920)</u>	<u>-</u>
Accumulated surplus, beginning of year, as restated	<u>83,247,544</u>	<u>99,788,046</u>	<u>99,765,500</u>
Accumulated surplus, end of year	<u>\$ 83,247,544</u>	<u>\$ 98,816,099</u>	<u>\$ 101,932,966</u>

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

Brandon University Consolidated Financial Statements

Consolidated Statement of Changes in Net Financial Assets for the year ended March 31, 2024

	Budget	2024	2023
Annual surplus/(deficit)	\$ -	\$ (971,947)	\$ 2,167,466
Acquisition of tangible capital assets	(9,450,555)	(5,440,386)	(5,137,824)
Amortization of tangible capital assets	3,391,325	2,904,332	3,265,275
Tangible capital asset disposals	-	1,246,309	-
Tangible capital asset write-down	-	2,707,408	-
Change in prepaids	-	(77,366)	149,796
Change in accumulated remeasurement gains	<u>-</u>	<u>7,993,248</u>	<u>(2,302,868)</u>
Increase/(Decrease) in net financial assets	(6,059,230)	8,361,598	(1,858,155)
Net financial assets, beginning of year	49,565,901	38,010,955	39,869,110
Transitional adjustment (Note 3)	<u>-</u>	<u>(2,144,920)</u>	<u>-</u>
Net financial assets, beginning of year, as restated	<u>49,565,901</u>	<u>35,866,035</u>	<u>39,869,110</u>
Net financial assets, end of year	<u>\$ 43,506,671</u>	<u>\$ 44,227,633</u>	<u>\$ 38,010,955</u>

Consolidated Statement of Remeasurement Gains & Losses for the year ended March 31, 2024

	2024	2023
Accumulated remeasurement losses, beginning of year	\$ (9,643,928)	\$ (7,341,060)
Unrealized gains/(losses) attributed to:		
Portfolio investments - restricted to endowments	<u>7,993,248</u>	<u>(2,302,868)</u>
Accumulated remeasurement losses, end of year	<u>\$ (1,650,680)</u>	<u>\$ (9,643,928)</u>

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

Brandon University Consolidated Financial Statements

Consolidated Statement of Cash Flows for the year ended March 31, 2024

	2024	2023
Cash Provided By (Used In) Operating Activities		
Net excess (shortfall) of revenues over expenses before interest	\$ (3,030,888)	\$ 1,377,612
Interest and other investment income received	2,948,784	1,503,821
Interest paid	<u>(889,843)</u>	<u>(713,967)</u>
Annual surplus (deficit)	(971,947)	2,167,466
Items not affecting cash flow		
Change in remeasurement losses	7,993,248	(2,302,868)
Amortization of capital assets	2,904,332	3,265,275
Loss on disposal of capital assets	1,246,309	-
Loss on write-down of capital assets	2,707,408	-
Net change in non-cash operating working capital		
Accounts receivable	(379,101)	625,246
Accounts payable and accrued liabilities	1,513,058	(209,861)
Deferred revenues	(19,443)	729,854
Employee future benefits	(2,255,444)	(4,379,278)
Other non-cash working capital	<u>350,368</u>	<u>635,090</u>
	<u>13,088,788</u>	<u>530,924</u>
Cash Used In Capital Activities		
Capital asset additions	<u>(5,440,386)</u>	<u>(5,137,824)</u>
Cash Used In Investing Activities		
Purchase of portfolio investments	<u>(108,000)</u>	<u>(1,580,750)</u>
Cash Provided By (Used In) Financing Activities		
Change in portfolio investments restricted for endowments	(8,687,115)	1,042,233
Long-term debt principal received/(repaid)	<u>11,372,273</u>	<u>(329,421)</u>
	<u>2,685,158</u>	<u>712,812</u>
Increase (decrease) in cash and cash equivalents	10,225,560	(5,474,838)
Cash and cash equivalents, beginning of year	<u>1,072,493</u>	<u>6,547,331</u>
Cash and cash equivalents, end of year	<u><u>\$ 11,298,053</u></u>	<u><u>\$ 1,072,493</u></u>

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

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

1. Authority and Purpose

Brandon University operates under the authority of the Brandon University Act of the Province of Manitoba. Brandon University offers undergraduate programs in arts, science, education, music, and health studies; and offers graduate programs in education, music, health studies, environmental & life sciences and rural development. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies and Reporting Practices

A. General

Brandon University's consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). The significant accounting policies of the University are as follows:

B. Consolidated Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the Brandon University Foundation, an organization controlled by Brandon University. Inter-organizational transactions and balances have been eliminated on consolidation.

i) The Brandon University Foundation is a registered charity operating under the authority of the Brandon University Foundation Incorporation Act. The Foundation is dedicated to promoting the advancement of higher education at Brandon University. The fund raising and fund management activities have been consolidated under an agreement between the Brandon University Foundation, Brandon University and the Brandon University Alumni Association which defines the responsibilities of each party. The parties to the agreement recognize and agree the University 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 December 31. The Foundation information is stated to the University's March 31 year-end for the consolidation in these statements.

C. Revenue Recognition

Government transfers without terms as to use are recognized as revenue in the period received or receivable. Unrestricted non-government contributions and grants are recorded as revenue in the year received or receivable.

Government transfers with stipulations as to use, and externally restricted contributions and grants, are recorded as deferred revenues if the terms for the use, or the terms along with the University's actions and communications as to use, create a liability. These transfers, contributions and grants are recognized as revenue in the year the stipulation or restriction on the contribution has been met.

The University 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 University accounts for tuition fees as courses are delivered and the performance obligation is met.

ii) The University shall recognize rental income for residences, halls, parking when services are rendered and the amount receivable is reasonably estimated and receipt is reasonably assured.

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

iii) Other revenues include, but are not limited to, miscellaneous fees (identification cards, insurance, fines, etc.), membership fees, and teaching materials.

The University accounts for miscellaneous expenses and teaching materials at the time of sale.

Investment income includes dividends, interest income and realized gains or losses on the sale of portfolio investments. 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.

D. Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, cash balances with Canadian banks and highly liquid temporary money market instruments convertible to cash within three months or less.

E. Portfolio Investments

Portfolio investments include both short-term and long-term investments.

Short-term investments are recorded at amortized cost and are unspent operating, capital and restricted funds invested to generate income used to fund general operations of the University. These investments are acquired principally for the purpose of selling in the near term and are part of a portfolio of identified instruments managed together and for which there is evidence of a recent pattern of short-term profit taking. All interest income is recognized in the period in which it arises.

Long-term investments are fixed income financial instruments, with maturity dates exceeding one year that are part of a portfolio of identified investments that are managed together. They are recorded at amortized cost and are unspent operating, capital and restricted funds invested to generate income used to fund general operations of the University.

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 one year and are not intended for sale in the ordinary course of business.

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

i) Tangible capital assets purchased by the University are recorded at cost. Donated assets are recorded at the fair market value on the date received. On the disposition of a capital asset, both the cost and any accumulated amortization are removed from the accounts. Tangible capital assets are amortized on a straight line basis over the estimated useful lives of the assets. Assets under construction or development are not amortized until the asset is available for use. Amortization rates are as follows:

Buildings	50 years
Furniture & equipment	10 years
Library collections	10 years
Leasehold improvements	5 years
Computer equipment	5 years
Vehicles	5 years

ii) Collections of works of art, gemstones and rare books have been donated to the University. These collections are not recorded as assets in the financial statements.

G. Inventories

Inventories for resale include paper products, merchandise and food. These inventories are measured at the lower of cost and net realizable value using a valuation allowance.

H. Endowment Funds

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

I. Employee Future Benefits

i) Pension Plan

The University contributes to the Brandon University Retirement Plan which is a trustee-administered pension plan for University employees. The pension expense is determined actuarially using the projected unit credit actuarial cost method pro-rated on service and management's best estimates of investment performance, salary escalation, retirement ages of employees and member mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of active employees (EARSL), commencing in the year following the year the respective annual actuarial gains or losses arise.

The accounts of the Brandon University Retirement Plan are not consolidated in the financial statements of the University. The financial statements of the Plan are audited on an annual basis for the year ending December 31. The University's pension liability is the net of pension obligations less Plan assets and adjusted for any unamortized actuarial gains or losses.

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

ii) Other Post-Employment Benefits and Compensated Absences

The University provides severance and retiring allowance benefits based on length of service and final earnings, payable on retirement. Accounting standards require the recognition of a liability and an expense for such post-employment benefits in the period in which the employee renders service in return for the benefits. The recognition date for rendered service 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 post-employment 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, the rate of salary escalation and the retirement ages of employees. The discount rate used to determine the accrued benefit obligation was the same rate as used to value the University pension plan. There are no assets supporting the plan benefits. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life (EARSL), commencing in the year following the year the respective annual actuarial gains or losses arise.

The University provides for compensated absences to certain employee groups for sick leave benefits that accumulate but do not vest. The cost of this benefit is estimated using the discounted cash flows of the average of the cost of the excess sick leave taken over the annual entitlement earned, as a series of payments over the average remaining service life of employees (EARSL). The discount rate used was the same rate used to estimate the University pension liability.

Certain other employees are entitled to 180 days of sick leave that are non-vesting, non-accumulating and are event driven. The benefit expense and liability are recorded when the event occurs.

J. 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 relate to the allowance for doubtful accounts, determination of useful lives of tangible capital assets for amortization, the estimated costs and applicability of the asset retirement obligations, and of 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 future periods when the difference becomes known.

K. Financial Instruments

The financial instruments of the University are classified at cost, fair value, or amortized cost.

Financial Statement Component	Measurement
Cash & cash equivalents	Cost
Portfolio investments	Amortized cost or fair value
Accounts receivable	Amortized cost
Accounts payable & accrued liabilities	Amortized cost
Long-term debt	Amortized cost

The amortized cost category uses the effective interest rate method.

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

L. Expenses by Function

The University uses the following categories as functions in the Statement of Operations:

Learning: expenses related to academic functions, direct and indirect, for activities supporting teaching and the learning environment. These include the faculties, English for Academic Purposes, Conservatory and education programs.

Academic and student support: expenses related to functions supporting the academic and student functions of the University. These include the Library, Student Services, Athletics and Campus Recreation.

Facility operations and maintenance: expenses related to centralized management and maintenance of grounds, equipment and buildings. This category also includes the amortization expenses of the University and debt servicing with the exception of that for Ancillary Services properties.

Ancillary operations: expenses related to the University's business operations providing sales of goods and services to external individuals and organizations. These include student residences, food services, parking, the bookstore, rental properties and the Healthy Living Centre.

Institutional support: expenses related to functions supporting institution wide administrative services including those of the Brandon University Foundation. This includes Executive Offices, Advancement & External Relations, Marketing & Communications, IT Services, Financial & Registration Services and Human Resources.

Research: all research expenses whether externally or internally funded.

M. Budget Figures

Budget figures have been provided for comparative purposes and have been derived from the Brandon University-wide budget approved by the Board of Governors of the University. The budget is included in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Debt.

N. Internally Restricted Funds and Reserves

The University sets aside certain accumulated surpluses to be used for future operating and capital activities. Additions to and from these funds and reserves are recorded as adjustments to the respective funds.

O. 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 University does not have and is not responsible for any such sites and therefore no liability for remediation of contamination has been recognized.

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

P. Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

3. First-time application of the accounting standard

On April 1, 2023, the University adopted the Public Sector Accounting Standard, Section PS 3400, Revenues. This standard has been adopted on a prospective basis. In accordance with the provisions of the standard, the University has made changes to its statements of financial position, operations and change in net financial assets for the year ended March 31, 2024. The effect of this first application is an increase in unearned revenue and a decrease in the accumulated surplus of \$2,144,920 as of April 1, 2023.

4. Cash & Cash Equivalents

	2024	2023
Cash	\$ 11,297,220	\$ 1,072,493
Cash equivalents	<u>833</u>	<u>-</u>
	<u>\$ 11,298,053</u>	<u>\$ 1,072,493</u>

5. Accounts Receivable

	2024	2023
Student receivables	\$ 540,239	\$ 286,461
Employee Payroll Deductions receivable	23,680	569
GST receivable	102,435	45,136
Health Living Centre receivables	30,268	9,707
Knowles-Douglas Commission receivable	40,953	25,428
Canada West Travel Subsidy receivable	-	15,459
Miscellaneous	366,580	312,294
Less: allowance for doubtful accounts	<u>(205,000)</u>	<u>(175,000)</u>
	<u>\$ 899,155</u>	<u>\$ 520,054</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

6. Inventories

Inventories are measured at the lower of cost and net realizable value. The year end carrying values and the amounts recognized as expense during the year were as follows:

	2024	2023	2024	2023
	Cost of Sales		Carrying Values	
Athletics	\$ 75,927	\$ 61,985	\$ 4,548	\$ 12,704
Food Services	861,344	724,095	43,561	42,221
Print Shop	<u>-</u>	<u>-</u>	<u>3,403</u>	<u>5,080</u>
	<u>\$ 937,271</u>	<u>\$ 786,080</u>	<u>\$ 51,512</u>	<u>\$ 60,005</u>

7. Other Assets

Other assets consist of the following:

	2024	2023
Cash value of life insurance policies	<u>\$ 52,087</u>	<u>\$ 51,094</u>

8. Portfolio Investments

Non-endowed guaranteed investment certificates

	2024	2023
Maturity		
Less than 1 year	\$ 2,084,000	\$ 2,500,000
1 - 5 years	<u>1,524,000</u>	<u>1,000,000</u>
	<u>\$ 3,608,000</u>	<u>\$ 3,500,000</u>

Restricted endowment investments

	2024	2023
Restricted endowment investments carried at cost:		
Cash & short term notes	\$ 674	\$ 876
Restricted endowment investments carried at fair value:		
Bonds	19,179,993	18,313,626
Equities	53,274,469	49,170,444
Real Estate	6,199,566	4,930,648
Infrastructure	<u>5,483,964</u>	<u>3,035,957</u>
	<u>\$ 84,138,666</u>	<u>\$ 75,451,551</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

9. Accounts Payable and Accrued Liabilities

	2024	2023
Accounts payable	\$ 6,181,052	\$ 4,665,574
Accrued vacation pay	1,152,932	1,158,480
Accrued property taxes	<u>28,110</u>	<u>24,981</u>
	<u>\$ 7,362,094</u>	<u>\$ 5,849,035</u>

10. Employee Future Benefits (Obligations)

	2024	2023
Pension plan (asset)/liability	\$ (5,507,000)	\$ (2,847,000)
Post-employment benefits	1,467,000	1,380,000
Compensated absences	<u>741,681</u>	<u>424,125</u>
	<u>\$ (3,298,319)</u>	<u>\$ (1,042,875)</u>

i) Pension Plan

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established April 1, 1974 for the benefit of the employees of Brandon University. The assets of the Plan are held in trust in the name of ten Trustees - eight elected by and from the Plan membership and two appointed by the Board of Governors. The Trustees oversee the administration of the Plan and set forth the investment guidelines. Their obligations and responsibilities are defined in a trust agreement with Brandon University. An asset manager invests the Plan assets according to the terms of an agreement with the trustees and as required by law. The Plan is registered with the Pension Commission of Manitoba and meets the requirements of the Pension Benefits Act of Manitoba and the Income Tax Act (Canada).

Unless otherwise stated, all Brandon University employees are eligible to become members of the Plan on their date of employment. Full-time and certain part-time employees are required to join the Plan. Membership is optional for other part-time and certain specified employees. The Plan receives its funds from the contributions of members, the required and special contributions of Brandon University and the income from investments.

An actuarial valuation of the plan, as required by The Pension Benefits Act of Manitoba, was conducted by Eckler Ltd., a firm of consulting actuaries, as at December 31, 2022. The next actuarial valuation is required as at December 31, 2024 and will be completed in 2025.

The defined benefit obligation has been calculated pursuant to CPA Canada Handbook section PS3250, using the projected unit credit actuarial method, prorated on service, and assumptions developed using management's best estimates of investment performance, salary escalation, retirement ages of employees and member mortality.

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

The University uses a December 31 measurement date for reporting plan assets and obligations.

Net assets available for benefits are comprised of:

	(in thousands of dollars)	
	December 31 2023	December 31 2022
Accounts receivable and other	\$ 407	\$ 952
Cash and short-term investments	530	1
Bonds and debentures	64,753	63,374
Canadian equities	43,454	38,379
Real estate equities	20,985	14,026
Foreign equities	<u>103,197</u>	<u>96,474</u>
Total net assets	<u>\$ 233,326</u>	<u>\$ 213,206</u>

The fair value of plan assets and the actuarial present value of benefits, as of December 31, were as follows:

	(in thousands of dollars)	
	December 31 2023	December 31 2022
Reconciliation of Plan Assets		
Fair value, beginning of year	\$ 212,910	\$ 249,962
Employer contributions	3,437	3,250
Employee contributions	2,708	2,439
Transfers from other plans	793	269
Benefit payments	(11,659)	(11,714)
Actual return/(loss) on plan assets (net of expenses)	<u>24,560</u>	<u>(31,296)</u>
	<u>\$ 232,749</u>	<u>\$ 212,910</u>

	(in thousands of dollars)	
	December 31 2023	December 31 2022
Accrued Benefit Obligation		
Accrued benefit obligation, beginning of year	\$ 209,804	\$ 203,065
Employer service cost	6,489	5,799
Interest cost	11,419	11,013
Benefit payments	(11,659)	(11,714)
Transfers from other plans	793	269
Plan Amendment	9,872	-
Actuarial (gains)/losses	<u>-</u>	<u>1,372</u>
Accrued benefit obligation, end of year	<u>\$ 226,718</u>	<u>\$ 209,804</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(in thousands of dollars)	
	December 31 2023	December 31 2022
Unamortized Actuarial (Gains)/Losses		
Net unamortized actuarial gains, beginning of year	\$ 1,967	\$ (49,267)
Net actuarial gain/(loss)	(12,980)	46,258
Amortization of actuarial loss	<u>9,675</u>	<u>4,976</u>
Net unamortized actuarial (gains)/losses, end of year	<u>\$ (1,338)</u>	<u>\$ 1,967</u>

The accrued pension liability and the net pension plan expense, as at March 31, are as follows:

	(in thousands of dollars)	
	March 31 2024	March 31 2023
Accrued Pension Asset/(Liability)		
Accrued pension liability, beginning of year	\$ 2,847	\$ (1,597)
Employer contributions	3,337	3,391
Net pension plan expense	<u>(677)</u>	<u>1,053</u>
Accrued pension asset/(liability), end of year	<u>\$ 5,507</u>	<u>\$ 2,847</u>

	(in thousands of dollars)	
	March 31 2024	March 31 2023
Net Benefit Plan Expense		
Current service cost, net of employee contributions	\$ 3,781	\$ 3,360
Interest accrued on benefits	11,419	11,013
Expected return on plan assets	(11,580)	(13,590)
Amortization of actuarial gain	(9,675)	(4,976)
Past service cost	9,872	-
Increase/(decrease) in valuation allowance	<u>(3,140)</u>	<u>3,140</u>
Net pension plan expense	<u>\$ 677</u>	<u>\$ (1,053)</u>

Significant Long-term Actuarial Assumptions Used in Measurement of the Pension Expense

	2024	2023
Discount rate	5.50 %	5.50 %
Rate of salary increase	3.00 %	3.00 %
Mortality rates	2020 VitaCurves Table projected with Scale CPM-B	

Significant Long-term Actuarial Assumptions Used in Measurement of the End of Year Obligations

	2024	2023
Discount rate	5.50 %	5.50 %
Rate of salary increase	3.00 %	3.00 %
Mortality rates	2020 VitaCurves Table projected with Scale CPM-B	

The unamortized net actuarial gains will be amortized over the expected average remaining service life (EARSL) which is 2024 - 10.0 years (2023 - 9.9 years).

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Solvency Deficiency Exemption

The Brandon University Retirement Plan is subject to the Manitoba Pension Benefits Act and Regulations. The University Pension Plans Exemption Regulation 141/2007 allowed the University to make an election to be exempt from solvency and transfer deficiency payments. "2(1) an employer in relation to a university plan may, by filing an election with the plan administrator, elect to be exempt from the solvency and transfer deficiency provisions." On January 19, 2009 the University filed such an election.

Funding of Going-Concern Deficiencies

With the exemption, the Plan will continue to be subject to the going-concern funding provisions of the Act. The University will be required to fund the matching contributions, as well as the actuarial cost of the defined benefits in excess of the matching costs. The financial position calculated on this basis is in a surplus position of \$24,022,000. Special payments are not currently required to be made. When the solvency ratio fall below 85%, the Plan is required to be valued annually. Otherwise, valuations are required every three years at minimum, or more often if determined by the Pension Trustees. The next going-concern valuation will be effective no later than December 31, 2025.

ii) Post-employment Benefits

Brandon University provides certain severance and retiring allowance benefits payable upon retirement. An actuarial valuation, using the accrued benefit method, to determine the value of severance pay and retiring allowance benefits is carried out every four years. The most recent actuarial valuation was as at March 31, 2021 with the next valuation due as at March 31, 2025.

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

	2024	2023
Accrued Benefit Obligation		
Accrued benefit obligation, beginning of year	\$ 1,199,000	\$ 1,142,000
Employer service cost	72,000	65,000
Interest cost	69,000	64,000
Benefit payments	(37,000)	(73,000)
Actuarial (gains)/losses	<u>49,000</u>	<u>1,000</u>
Accrued benefit obligation, end of year	<u>\$ 1,352,000</u>	<u>\$ 1,199,000</u>
	2024	2023
Accrued Benefit Liability		
Accrued benefit liability, beginning of year	\$ 1,380,000	\$ 1,343,000
Employer contributions	(37,000)	(73,000)
Benefit expense	<u>124,000</u>	<u>110,000</u>
Accrued benefit liability, end of year	<u>\$ 1,467,000</u>	<u>\$ 1,380,000</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	2024	2023
Benefit Plan Expense		
Employer service cost	\$ 72,000	\$ 65,000
Interest cost	69,000	64,000
Amortization of net actuarial loss	<u>(17,000)</u>	<u>(19,000)</u>
Benefit plan expense	<u>\$ 124,000</u>	<u>\$ 110,000</u>

The significant actuarial assumptions adopted in measuring the University's accrued benefit liability and benefit costs are as follows:

	2024	2023
Discount rate (accrued benefit obligation)	5.50%	5.50%
Rate of compensation increase (weighted average)	4.47%	4.47%

The unamortized net actuarial gains of \$115,000 (2023 - \$181,000) will be amortized over the expected average remaining service life (EARSL) which is 10.4 years (2023 - 10.4 years).

iii) **Compensated Absences**

The University provides certain employee groups with a sick leave entitlement that accumulates but does not vest. These plans accumulate at a rate of 1/2 day for each pay period to a maximum of 12 days per year. Each plan has a total accumulation allowed. Accumulated sick days may be used in future years. Sick leave, when paid, is paid at the salary in effect at the time of usage. The sick leave benefit is a consideration of the expectation of future benefit utilization. The expected cost of the liability is estimated using the discounted cash flows of the average cost of the excess sick leave taken over the annual entitlement earned, as a series of payments, over EARSL which is 10 years.

	2024	2023
Accrued benefit liability	\$ 480,698	\$ 412,895
Net benefit cost	\$ 67,803	\$ 16,967
Discount rate	5.50%	5.50%

The University provides certain other employees with their maximum sick leave entitlement of 180 days upon start of employment. This sick leave neither vests nor accumulates. The expected cost of the liability is recognized in the period in which the event occurs and is based on the salary that will be paid for the sick leave.

	2024	2023
Accrued benefit liability and benefit cost	<u>\$ 260,983</u>	<u>\$ 11,230</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

11. Asset Retirement Obligation

The University recognized an estimated liability for asset retirement obligation (ARO) of \$9,270,070 (2023 - \$8,903,023) for the removal and disposal of asbestos. The nature of the liability is related to asbestos containing materials within several of the University's facilities that will be required to be properly disposed of when the building is disposed of, or remediation work is undertaken. The assumptions used in estimating the liability include the various types of asbestos containing materials within each of the University's buildings, along with the standard of work that will be required to safely remove the asbestos containing materials. Additionally, assumptions were made around the remaining useful life of all the University buildings that contain asbestos materials to determine amortization of the asset and when remediation costs may be incurred.

The following is a reconciliation of the total liability for asset retirement obligations:

	2024	2023
Balance, beginning of year	\$ 8,903,023	\$ 8,535,976
Accretion expense	<u>367,047</u>	<u>367,047</u>
Balance, end of year	\$ <u>9,270,070</u>	\$ <u>8,903,023</u>

The following is a summary of the key assumptions on which the carrying amount of the asset retirement obligation is based:

- a. Total undiscounted amount of the estimated cash flows - \$13,333,247
- b. Expected timing of payment of the cash flows - based on estimated remaining useful life of buildings. The majority is expected to be incurred after 2042.
- c. Discount rate - 4.30%
- d. Inflation rate - 2.00%

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

12. Tangible Capital Assets

The University received \$41,338 of donated tangible capital assets in the year. The total book value of donated capital assets is \$2,498,050.

For the year ended March 31, 2024	Land	Buildings	Vehicles	Furniture and equipment	Library collections	Leasehold improvements	Assets under construction/ development	Total
Cost, beginning of year	\$ 501,755	\$ 97,813,315	\$ 48,281	\$ 26,728,195	\$ 14,374,587	\$ 736,703	\$ 3,024,877	\$ 143,227,713
Additions	-	2,675,100	-	835,862	242,892	1,686,532	-	5,440,386
Disposals	-	-	-	(34,757)	-	-	(1,220,548)	(1,255,305)
Write-down	-	-	-	(3,396,689)	-	-	-	(3,396,689)
Cost, end of year	501,755	100,488,415	48,281	24,132,611	14,617,479	2,423,235	1,804,329	144,016,105
Accumulated amortization, beginning of year	-	56,987,854	48,281	18,752,593	12,847,045	736,703	-	89,372,476
Amortization	-	1,759,004	-	781,120	315,743	48,465	-	2,904,332
Disposals	-	-	-	(8,996)	-	-	-	(8,996)
Write-down	-	-	-	(689,281)	-	-	-	(689,281)
Accumulated amortization, end of year	-	58,746,858	48,281	18,835,436	13,162,788	785,168	-	91,578,531
Net carrying amount, end of year	\$ 501,755	\$ 41,741,557	\$ -	\$ 5,297,175	\$ 1,454,691	\$ 1,638,067	\$ 1,804,329	\$ 52,437,574
For the year ended March 31, 2023	Land	Buildings	Vehicles	Furniture and equipment	Library collections	Leasehold improvements	Assets under construction/ development	Total
Cost, beginning of year	\$ 501,755	\$ 97,322,735	\$ 48,281	\$ 25,149,124	\$ 14,169,446	\$ 736,703	\$ 172,315	\$ 138,100,359
Additions	-	490,580	-	1,589,541	205,141	-	2,852,562	5,137,824
Disposals	-	-	-	(10,470)	-	-	-	(10,470)
Cost, end of year	501,755	97,813,315	48,281	26,728,195	14,374,587	736,703	3,024,877	143,227,713
Accumulated amortization, beginning of year	-	55,213,090	48,281	17,607,299	12,512,298	736,703	-	86,117,671
Amortization	-	1,774,764	-	1,155,764	334,747	-	-	3,265,275
Disposals	-	-	-	(10,470)	-	-	-	(10,470)
Accumulated amortization, end of year	-	56,987,854	48,281	18,752,593	12,847,045	736,703	-	89,372,476
Net carrying amount, end of year	\$ 501,755	\$ 40,825,461	\$ -	\$ 7,975,602	\$ 1,527,542	\$ -	\$ 3,024,877	\$ 53,855,237

The University holds collections of works of art, gemstones and rare books which have been donated. These collections are not included in the tangible capital assets as future benefits associated with these assets cannot reasonably be made. They are irreplaceable, not for sale, and their use is restricted to exhibition, research and academic purposes. An estimate of the value of the University collection is \$1,370,082 (2023 - \$1,358,307).

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

13. Financial Risk Management

Financial instruments are exposed to risk through the normal course of operations. These risks are managed through the University's collection procedures, investment guidelines and other internal policies, guidelines and procedures.

i) 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 consists of these three types of risk: interest rate risk, foreign currency risk and other price risk.

Interest rate risk is the risk fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The University is exposed to this risk through its interest bearing investments. The University's short-term investments are guaranteed investment certificates and bonds. Interest rates range from 5.10% to 5.55% with maturity dates from September, 2024 to September, 2025. The University's long-term investments are a guaranteed investment certificate and a principal protected note. The long-term guaranteed investment certificate matures in February 2027 and has an interest rate of 4.50%. The principal protected note matures in March 2025 paying a variable interest rate, if any, at maturity to a maximum of 18.50%. While the principal is protected, no interest will be payable unless the portfolio performance is positive.

Foreign currency risk is the risk the value of non-Canadian investments measured in Canadian dollars will fluctuate due to changes in foreign exchange rates. The University's exposure to foreign exchange risk is in foreign equities which is restricted for endowment investments and comprises 45% of the total benchmark portfolio.

Other price risk is the risk 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.

ii) Liquidity Risk

Liquidity risk is the risk the University will encounter difficulty in having available sufficient funds to meet its commitments.

The cash flow of operating funds is prepared on a just in time basis. The short-term and long-term investments of the University are invested so maturity dates coincide with cash requirements. As well, the University has access to a short-term line of credit with CIBC which is designed to ensure sufficient funds are available as required.

iii) Credit Risk

Credit risk arises from the possibility a loss may occur from the failure of another party to perform according to the terms of a contract. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at March 31 was:

	Carrying Amount	
	2024	2023
Cash & cash equivalents	\$ 11,298,053	\$ 1,072,493
Portfolio investments	87,746,666	78,951,551
Accounts receivable	<u>899,155</u>	<u>520,054</u>
Totals	<u>\$ 99,943,874</u>	<u>\$ 80,544,098</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

The cash equivalents and non-endowed portfolio investments of the University are purchases made with excess cash intended to be for short periods of time and are held in high quality instruments with a guaranteed credit rating of R1 or backed by an extremely strong borrower. Risk is limited for portfolio investments restricted for endowments by only acquiring high quality bonds and debentures, the majority being "A" rated or better.

The credit risk from accounts receivable is relatively low as the majority of receivables are from students and the balance from government agencies. Credit risk from student receivables is managed through registration cancellations and by maintaining standard collection procedures. There have been no substantive changes in the University's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

14. Deferred Revenues

Deferred revenues represent restricted funds received for research and special project purposes. Changes in the deferred revenues are as follows:

	2024	2023
Balance, beginning of year	\$ 12,076,764	\$ 11,346,910
Contributions received and receivable		
Province of Manitoba - Advanced Education, Skills and Immigration	955,000	955,000
Province of Manitoba - Other	107,285	143,049
Government of Canada	2,058,267	2,406,160
Donations	858,760	1,559,224
Investment income	2,256,463	2,412,588
Miscellaneous	<u>565,667</u>	<u>667,443</u>
	6,801,442	8,143,464
Recognized as revenue	(6,050,882)	(7,097,693)
Transfers to endowment & trust funds	<u>(770,003)</u>	<u>(315,917)</u>
Balance, end of year	<u>\$ 12,057,321</u>	<u>\$ 12,076,764</u>
Balance consists of:		
Endowment & trust funds	\$ 8,868,604	\$ 8,880,840
Research	2,276,002	2,483,020
Special purpose accounts	<u>912,715</u>	<u>712,904</u>
Deferred revenues	<u>\$ 12,057,321</u>	<u>\$ 12,076,764</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

15. Long-term Debt

The long-term debt of the University includes building mortgages and promissory notes with the Province of Manitoba. The buildings form part of the security for the full amount of the monies secured by the mortgage. 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
Mortgages Payable				
215 & 223 18th Street, Province of Manitoba	2054	4.50 %	\$ 445,371	\$ 452,137
1718 Princess Avenue, Province of Manitoba	2045	4.00 %	<u>208,722</u>	<u>218,355</u>
			<u>\$ 654,093</u>	<u>\$ 670,492</u>
Promissory Notes - Province of Manitoba, Advanced Education, Skills & Immigration				
Advance 1 - Physical Plant Building	2049	5.65 %	\$ 2,415,041	\$ 2,512,291
Advance 2 - Deferred Maintenance	2049	5.65 %	527,709	548,958
Advance 3 - Deferred Maintenance	2049	5.45 %	1,003,017	1,020,387
Advance 5 - Deferred Maintenance	2050	4.85 %	819,667	850,404
Advance 7 - Knowledge Infrastructure Program	2051	5.00 %	375,801	389,720
Advance 9 - Deferred Maintenance	2054	4.50 %	1,071,719	1,107,344
Advance 11 - Healthy Living Centre	2054	4.50 %	3,993,561	4,126,313
Advance 12 - Deferred Maintenance	2055	3.35 %	589,705	608,779
Advance 14 - Deferred Maintenance	2056	3.75 %	562,762	580,212
Advance 15 - Deferred Maintenance	2061	3.25 %	423,750	435,000
Advance 16 - Nursing Expansion	2032	2.50 %	2,918,000	3,282,750
Advance 17 - Deferred Maintenance	2062	4.65 %	435,938	447,188
Advance 18 - Deferred Maintenance	2063	5.30 %	7,161,348	-
Advance 17 - Brodie Building	2064	5.00 %	<u>5,000,000</u>	<u>-</u>
			<u>\$ 27,298,018</u>	<u>\$ 15,909,346</u>
Total Long-term Debt			<u>\$ 27,952,111</u>	<u>\$ 16,579,838</u>

Interest expense for the year on debt is \$889,843 (2023 - \$713,967) and is included in the Statement of Operations.

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

	Principal	Interest
2025	\$ 1,096,655	\$ 1,296,603
2026	1,098,006	1,247,140
2027	1,099,429	1,201,713
2028	1,100,927	1,159,142
2029	1,102,506	1,110,629
Thereafter	<u>22,454,588</u>	<u>15,743,221</u>
	<u>\$ 27,952,111</u>	<u>\$ 21,758,448</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

16. Net Assets

Net assets are comprised of the following:

	2024	2023
Accumulated surplus (deficit) from operations	\$ 6,158,959	\$ (3,205,264)
Internally restricted funds	1,407,845	1,251,752
Invested in tangible capital assets	15,215,393	28,372,376
Endowments	76,033,901	75,514,102
Accumulated remeasurement losses	<u>(1,650,680)</u>	<u>(9,643,928)</u>
	<u>\$ 97,165,418</u>	<u>\$ 92,289,038</u>

The accumulated surplus is comprised of the following:

- i) Accumulated surplus from operations representing balances from general operations, Ancillary Services, unrestricted research and special purpose activities, unrestricted consolidated entities, plus the amount required to cover the liabilities associated with employee future benefits.

	2024	2023
General operations & Ancillary Services	\$ (4,642,492)	\$ (1,519,577)
Unrestricted research & special purpose activities	2,268,962	2,429,857
Outstanding balances due to (from) capital fund (see ii below)	5,620,462	(4,092,226)
Brandon University Foundation unrestricted funds	794,750	117,268
Future obligations (Employee future benefits & property tax)	<u>2,117,277</u>	<u>(140,586)</u>
	<u>\$ 6,158,959</u>	<u>\$ (3,205,264)</u>

- ii) Investment in tangible capital assets represents funds spent on capital acquisitions less accumulated amortization. It also includes outstanding balances for ongoing capital projects. The outstanding balances are as follows:

	2024	2023
Capital acquisitions (net of asset retirement obligation and debt)	\$112,414,387	\$113,652,626
Accumulated amortization	<u>(91,578,532)</u>	<u>(89,372,476)</u>
	<u>\$ 20,835,855</u>	<u>\$ 24,280,150</u>

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Outstanding (surplus) capital balances:

Brodie Building	\$ (3,772,789)	\$ -
ERP - Renew BU	2,148,164	2,586,542
Energy Retrofit	233,496	236,246
Healthy Living Centre Building	877,679	878,679
Library Chiller Replacement	-	65,531
McMaster Hall Riser Replacements	(5,302,488)	105,330
Miscellaneous Campus Project Funds	(102,500)	-
Nursing - Brandon Renovation	-	(675)
Nursing - Office and Lab Equipment	-	(77,203)
Parking Lot 11 Renovation	-	200,956
Psychiatric Nursing - Winnipeg Renovation	-	(187,540)
Psychiatric Nursing - Office and Lab Equipment	(93,269)	(106,885)
Under Cable	<u>391,245</u>	<u>391,245</u>
	<u>\$ (5,620,462)</u>	<u>\$ 4,092,226</u>
Total	<u>\$ 15,215,393</u>	<u>\$ 28,372,376</u>

iii) Internally restricted funds and reserves represents amounts set aside by the University for the following specific purposes:

	2024	2023
Capital Activities		
Ancillary Services	\$ 552,529	\$ 318,527
Cello Repair	28,000	24,500
Kiln Replacement	24,000	24,000
Womens' Volleyball	-	15,000
Geography Lab Equipment	18,200	13,400
Healthy Living Centre	27,000	12,000
Piano Purchase	-	(50,000)
Telephone replacement	427,930	365,930
Vehicle replacement	<u>20,000</u>	<u>15,000</u>
	<u>\$ 1,097,659</u>	<u>\$ 738,357</u>
Operating Activities		
BU Graduate Diploma Education Program (BUDEP)	\$ 42,754	\$ 42,754
Community Based Education (CBE)	24,195	63,923
Opaskawayak Cree Nation (OCN)	-	(39,728)
Program for the Education of Native Teachers (PENT)	<u>243,237</u>	<u>446,446</u>
	<u>\$ 310,186</u>	<u>\$ 513,395</u>
Total	<u>\$ 1,407,845</u>	<u>\$ 1,251,752</u>

iv) Endowments consist of donations and capitalized investment income with external restrictions that are to be held in perpetuity and can only be used in accordance with the purposes specified by the donor.

v) Accumulated resmeasurement gains are a result of the re-evaluation of portfolio investments, restricted for endowments, based on market values.

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

17. Expenses By Object

The following is a summary of the expenses by object:

	2024	2023
Salaries - academic	\$ 28,849,611	\$ 27,328,182
Salaries - support	18,732,485	17,274,597
Benefits - annual cost	8,354,411	7,812,110
Benefits - change in employee future benefits liability	(2,660,000)	(4,444,000)
Travel	1,625,824	1,194,298
Supplies & consumable expenses	9,833,803	10,069,753
Cost of goods sold	937,271	786,080
Scholarships & bursaries	3,853,302	3,876,688
Interest on long-term debt	889,843	713,967
Utilities	1,260,369	1,307,244
Amortization	2,904,332	3,265,276
Loss on disposal of tangible capital assets	14,124	-
Loss on write-down of tangible capital assets	<u>2,719,045</u>	<u>-</u>
 Total	 <u>\$ 77,314,420</u>	 <u>\$ 69,184,195</u>

18. Brandon Centennial Auditorium Corporation Inc.

Under an arrangement between the University, the Province of Manitoba and the City of Brandon, the University built an Auditorium on its property for the benefit of the citizens of Western Manitoba. The expenditures for the building and furnishings were financed from contributions by the Governments of Canada and Manitoba, the City of Brandon and citizens through fundraising campaigns. The Auditorium has been leased to the Brandon Centennial Auditorium Corporation Inc. for a nominal consideration of \$1 under a 99 year lease which expires 2064 A.D. The University is reimbursed for services supplied to the auditorium as required by the agreement.

19. Knowles-Douglas Student Union Centre

The Knowles-Douglas Student Union Centre has been leased to the Knowles- Douglas Student Union Centre Inc. for the nominal consideration of \$1 per year under a 50 year lease which expires 2035 A.D. The University supplies certain services to the Centre as required by the lease.

20. Contractual Obligations

An agreement between the University and the Brandon University Students' Union Inc. provides for the equal sharing of profits of the University's bookstore operations. The Students' Union share of profits amounted to \$11,322 for the year ended March 31, 2024 (2023 - \$34,721).

21. Related Party Transactions

The University is related in terms of common control to all Province of Manitoba created departments, agencies and crown corporations. The University may enter into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

Brandon University

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

22. Comparative Figures

Comparative figures for the year ended March 31, 2023 have been reclassified where necessary to conform with the presentation adopted for the year ended March 31, 2024.