



University College of the North

2023-2024  
ANNUAL REPORT





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# MESSAGE FROM THE CHAIR



On behalf of the UCN Governing Council, I am pleased to present University College of the North's 2023-2024 Annual Report.

The past year has been one of significant progress for UCN. The management of UCN, under the leadership of President Doug Lauvstad, has continued their efforts in strategic planning to better serve the education, training, and workforce development needs of Northern Manitoba. UCN has become more than just a place of learning. It has grown into a cornerstone of our region's progress and a testament to the spirit and resilience of our northern communities.

I want to thank all the faculty, staff, students and UCN's partners and stakeholders, for helping UCN fulfill its mandate to ensure the education and training needs of northern Manitoba are met. As well, I would like to thank the members of UCN's Governing Council, Learning Council, and Council of Elders for their hard work, knowledge, and expertise in helping enrich the lives of the students and the communities we serve.

Pamela Marsden







# ABOUT UCN

University College of the North was established by an Act of the Legislature of Manitoba on July 1, 2004. University College of the North delivers degree, diploma, and certificate programs and courses to a small (85,000+) widely dispersed population spread out over the vast region of northern Manitoba. Approximately 70 per cent of this population is Indigenous.

**UCN has its main campus in The Pas, a campus in Thompson, and Workforce Development, Education and Training Centres in:**

Bunibonibee (Oxford House)  
Chemawawin (Easterville)  
Churchill  
Flin Flon  
Mathias Colomb (Pukatawagan)  
Misipawistik (Grand Rapids)  
Nisichawayasihk (Nelson House)  
Norway House  
Opaskwayak  
Pimicikamak (Cross Lake)  
St. Theresa Point  
Swan River  
Tataskweyak (Split Lake)

In 2023-24, UCN delivered education and training to 2432 full and part-time students, registered in 43 programs delivered to students from 40 locations throughout northern Manitoba.

UCN is an institution devoted to community and northern development and reflects the Aboriginal reality and cultural diversity of northern Manitoba.

**University College of the North will:**

- Provide an integrated college and university approach to offer northern Manitoba greater access to the breadth of post-secondary education
- Provide post-secondary education and training fundamental to the social and economic development of northern Manitoba in a culturally sensitive and collaborative manner

- Provide the learner with community centered education and training characterized by a culture of openness, inclusiveness and tolerance and respectful of Aboriginal and northern values
- Ensure that elders have a unique role in fostering an environment of openness, inclusiveness and tolerance that is respectful of Aboriginal and northern values





# 2023-2024 FISCAL YEAR IN REVIEW

During the 2023/24 fiscal year, UCN began to focus on the economic changes emerging from the COVID-19 pandemic and international events. Specifically, UCN began to orient itself to supporting the opportunities that arise from the need for industries to find new sources of critical minerals, as well as to respond to the growing needs for skilled labour and trained professionals to support Indigenous and northern community development, and to support the labour force needs in industry. During 2023/24, UCN focused on developing and offering new programs, engaging with industries and with communities, and strengthening UCN's internal capacity to support growth and transformation.



### Notable events in the fiscal year:

- April 2023: UCN reaffirmed its commitment to Indigenous education by re-signing the Manitoba Collaborative Indigenous Education Blueprint, joining other colleges, universities and school divisions in Manitoba to recommit to goals outlined in the original 2015 Blueprint.
- July 2023: The Government of Manitoba named UCN as the key training partner in northern Manitoba to support Manitoba's Critical Minerals Strategy.
- July 2023: UCN and Manitoba Public Insurance partner to deliver Class 5 driver education training throughout northern Manitoba to help create safer roads and improve workforce development and employment readiness for northerners.
- November 2023: UCN expands Health Care Aide certificate training to three communities to help address critical shortages of health care workers.
- November 2023: UCN expands Health Care Aide certificate training to three communities to help address critical shortages of health care workers.
- January 2024: UCN announced that it will offer Pre-Law beginning in September, 2024.
- February 2024: UCN appointed its first Vice-President Indigenous Initiatives and Reconciliation.
- March 2024: With the financial support of the Government of Canada and the Government of Manitoba, UCN announced the expansion of its Early Childhood Education programs across northern Manitoba.
- March 2024: UCN was named one of the top 25 employers in Manitoba

# MISSION, VISION AND STRATEGIC DIRECTIONS

## **Mission Statement**

University College of the North serves Northern communities and people with education, training, teaching, learning and research, while being inclusive and respectful of diverse Indigenous and Northern values.

## **Vision Statement**

Guided by the Seven Sacred Teachings, University College of the North is building better futures for a stronger North.

## **Support Student Success**

UCN will recruit more students, provide them with access to post-secondary opportunities, and support them through to graduation.

UCN will provide relevant and flexible programming leading to good job opportunities.

## **Advance an Agenda of Reconciliation**

Responding to the Calls to Action in the Truth and Reconciliation Commission's report, UCN's curriculum, systems, and processes will support and reflect the strengths of Indigenous peoples in the north.

UCN will create opportunities for self-determined economic and social development by Indigenous communities.

## **Engage with Communities and with Industries**

Recognizing that a strong Manitoba depends on a strong north, UCN will partner with industry and communities in programming, research, and economic development activities, including facilitating participation of northerners in the digital economy.

UCN will play a leading role in steering the north towards greater prosperity and greater resilience in an ever-changing world.

## **Ensure Responsible Administration**

Quality, effectiveness, and efficiency will permeate all that we do.



# GOVERNING COUNCIL MEMBERS

**CIANFLONE, Becky - Chair**  
LGIC Appointment

**FIDIERCHUK, Catherine**  
LGIC Appointment

**HART, Tracey LGIC**  
Appointment

**MARSDEN, Pamela - V-Chair**  
LGIC Appointment

**McINNIS, Anthony**  
LGIC Appointment

**McKENZIE, Glen**  
LGIC Appointment

**McLAUHLAN, Alan**  
LGIC Appointment

**WYATT ANDERSON, Connie**  
GC Appointment

**BOYES, Jerry**  
College Faculty Appointment

**HYDE, Keith**  
University Faculty  
Appointment

**NABESS, Roger**  
Non-Faculty Appointment

**JONASSON, Martha**  
Council of Elders

**STOTT, Greg/PETER, Selvin**  
Learning Council

**OLUBOYE, Darasimi**  
Student Association Council,  
Thompson

**LAUVSTAD, Doug**  
President & Vice-Chancellor

**JEBB, Edwin**  
Chancellor

# COUNCIL OF ELDERS MEMBERS

**BIGNELL, Mabel - Chair**  
Opaskwayak Cree Nation

**DONOVAN, John**  
Thompson

**GARRICK, Mervin**  
Pimicikamak Cree Nation

**HEAD-STEPPAN, Margaret**  
Flin Flon

**JONASSON, Martha V-Chair**  
Wabowden

**MENDEL, Tim**  
Swan River

**SPENCE, Martha**  
Tastaskweyak Cree Nation  
(Split Lake)

**WEENUSK, Tommy**  
Bunibonibee Cree Nation

**MARSDEN, Pamela**  
Governing Council  
Appointment

**GUIBOCHE, Gina**  
Learning Council  
Appointment



# FINANCIAL STATEMENTS



# UNIVERSITY COLLEGE OF THE NORTH

## FINANCIAL STATEMENTS

MARCH 31, 2024

P.O. Box 3000  
THE PAS, MANITOBA, CANADA, R9A 1M7  
(204) 627-8500  
[www.ucn.ca](http://www.ucn.ca)



# UNIVERSITY COLLEGE OF THE NORTH

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MARCH 31, 2024

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## **STATEMENT OF RESPONSIBILITY**

The accompanying financial statements are the responsibility of the management of University College of the North and have been prepared in accordance with Canadian public sector accounting standards, prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Governing Council of University College of the North met with management and external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

MNP LLP as University College of the North's appointed external auditors, have audited the financial statements. The Auditors report is addressed to the Governing Council of the University College of the North and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of University College of the North in accordance with Canadian public sector accounting standards.

Pam Marsden  
Chair, UCN Governing Council

To the Governing Council of University College of the North:

## Opinion

We have audited the financial statements of University College of the North ("UCN"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UCN as at March 31, 2024, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of UCN 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.

## Other Information

Management is responsible for the other information. The other information comprises the Entity's annual report. The other information comprises the information included in the Annual report and the financial statements including our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## MNP LLP

True North Square

242 Hargrave Street, Suite 1200, Winnipeg MB, R3C 0T8

1.877.500.0795 T: 204.775.4531 F: 204.783.8329



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

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

In preparing the financial statements, management is responsible for assessing UCN'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 UCN or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing UCN'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 UCN'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 UCN'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 UCN 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.

Winnipeg, Manitoba

June 20, 2024

**MNP LLP**  
Chartered Professional Accountants

# UNIVERSITY COLLEGE OF THE NORTH

STATEMENT 1

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 21,048,002	\$ 19,983,811
Accounts receivable (Note 5)	4,012,111	3,378,441
Due from Province of Manitoba (Note 6)	1,546,089	1,546,089
Inventories for resale	<u>347,161</u>	<u>375,331</u>
	<u>26,953,363</u>	<u>25,283,672</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	6,308,161	3,467,600
Accrued vacation benefits	2,992,196	2,697,458
Accrued severance benefits (Note 8)	4,793,818	4,850,827
Unearned revenue (Note 9)	5,226,297	2,797,451
Long term debt (Note 10)	<u>3,617,103</u>	<u>4,055,649</u>
	<u>22,937,575</u>	<u>17,868,985</u>
Net financial assets excluding portfolio investments endowed	4,015,788	7,414,687
Portfolio investments (Note 11)	<u>1,463,012</u>	<u>1,307,879</u>
Net financial assets	<u>5,478,800</u>	<u>8,722,566</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	23,874,483	19,016,278
Prepaid expenses	<u>963,233</u>	<u>901,913</u>
	<u>24,837,716</u>	<u>19,918,191</u>
Accumulated surplus (Note 16)	<u>\$ 30,316,516</u>	<u>\$ 28,640,757</u>

Approved by the Governing Council

**Original document signed**  
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# UNIVERSITY COLLEGE OF THE NORTH

STATEMENT 2

## STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (Note 22)	2024 (Note 24)	2023 (Note 24)
<b>REVENUES</b>			
Grants			
Advanced Education and Training	\$ 38,137,337	\$ 40,222,738	\$ 37,239,156
Other Province of Manitoba	1,397,782	1,421,187	1,973,674
Government of Canada	462,500	1,680,407	1,155,469
Ancillary sales	2,085,300	2,268,368	2,071,082
Donations	-	75,913	51,455
Investment income	475,000	1,486,179	738,848
Contract Training	1,900,000	2,921,734	2,359,743
Tuition & Fees	2,468,100	2,740,102	2,467,487
Other Revenue	1,073,900	1,319,474	1,560,767
Gain on disposal of tangible capital assets	-	28,107	9,000
	<u>47,999,919</u>	<u>54,164,209</u>	<u>49,626,681</u>
<b>EXPENSES</b>			
Academic	21,316,399	21,052,704	19,120,093
Administration	11,422,600	9,524,863	8,745,717
Ancillary salaries and services	2,782,099	3,057,825	3,031,585
Continuing education	434,700	273,341	337,785
Contract training	1,653,000	2,908,193	2,685,491
Information technology	2,427,200	3,078,436	2,361,778
Library	1,490,482	1,312,275	1,302,108
Plant	5,180,500	5,486,105	5,496,925
Program support	5,911,799	5,673,976	5,286,109
Student awards	-	120,732	56,684
	<u>52,618,779</u>	<u>52,488,450</u>	<u>48,424,275</u>
ANNUAL SURPLUS (DEFICIT)	(4,618,860)	1,675,759	1,202,406
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>28,640,757</u>	<u>28,640,757</u>	<u>27,438,351</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 24,021,897</u>	<u>\$ 30,316,516</u>	<u>\$ 28,640,757</u>

# UNIVERSITY COLLEGE OF THE NORTH

STATEMENT 3

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31

	BUDGET (Note 22)	2024	2023
Annual surplus (deficit)	\$ <u>(4,618,860)</u>	\$ <u>1,675,759</u>	\$ <u>1,202,406</u>
Acquisition of tangible capital assets	-	<b>(6,524,318)</b>	(2,144,941)
Amortization of tangible capital assets	-	<b>1,583,468</b>	1,397,321
Proceeds from disposal of tangible capital assets	-	<b>59,900</b>	9,000
Gain on disposal of tangible capital assets	-	<b>(28,107)</b>	(9,000)
Change in assumption for asset retirement obligations	<u>-</u>	<u><b>50,852</b></u>	<u>-</u>
	<u>-</u>	<u><b>(4,858,205)</b></u>	<u>(747,620)</u>
Decrease in prepaid expenses	<u>-</u>	<u><b>(61,320)</b></u>	<u>(83,090)</u>
CHANGE IN NET FINANCIAL ASSETS FOR YEAR	(4,618,860)	<b>(3,243,766)</b>	371,696
NET FINANCIAL ASSETS, <i>beginning of year</i>	<u>8,722,566</u>	<u><b>8,722,566</b></u>	<u>8,350,870</u>
NET FINANCIAL ASSETS, <i>end of year</i>	\$ <u><u>4,103,706</u></u>	\$ <u><u><b>5,478,800</b></u></u>	\$ <u><u>8,722,566</u></u>

# UNIVERSITY COLLEGE OF THE NORTH

STATEMENT 4

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2024	2023
<b>CASH FLOW FROM</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 1,675,759	\$ 1,202,406
Add (deduct) items not affecting cash:		
Gain on disposal of tangible capital assets	(28,107)	(9,000)
Amortization of tangible capital assets	1,583,468	1,397,321
Accretion of asset retirement obligation	<u>6,990</u>	<u>6,995</u>
	<u>3,238,110</u>	<u>2,597,722</u>
Add (deduct) change in non-cash working capital:		
Accounts receivable	(633,670)	(1,093,709)
Inventories for resale	28,170	(39,055)
Prepaid expenses	(61,320)	(83,090)
Unearned revenue	2,428,846	(255,066)
Accrued vacation benefits	294,738	(96,541)
Accrued severance benefits	(57,009)	117,010
Accounts payable and accrued liabilities	<u>2,884,423</u>	<u>(142,508)</u>
	<u>4,884,178</u>	<u>(1,592,959)</u>
	<u>8,122,288</u>	<u>1,004,763</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(6,524,318)	(2,144,941)
Proceeds from disposal of tangible capital assets	<u>59,900</u>	<u>9,000</u>
	<u>(6,464,418)</u>	<u>(2,135,941)</u>
<b>INVESTING ACTIVITY</b>		
Net purchase of portfolio investments	<u>(155,133)</u>	<u>(554)</u>
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	<u>(438,546)</u>	<u>(435,887)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR</b>	<b>1,064,191</b>	<b>(1,567,619)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>19,983,811</u></b>	<b><u>21,551,430</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 21,048,002</u></b>	<b><u>\$ 19,983,811</u></b>
<b>CASH FLOW SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ 1,362,224	\$ 538,748
Interest paid	\$ 105,675	\$ 117,284



# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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### 1. NATURE OF OPERATIONS

The University College of the North (UCN) operates under the authority of *The University College of the North Act* Chapter U55 of the *Continuing Consolidation of the Statutes of Manitoba*, which came into force July 1, 2004. This Act provides for the continuation of Keewatin Community College, as established under *The Colleges Act* as a board-governed institution on April 1, 1993.

The purpose of UCN is to provide post-secondary education in northern Manitoba. It should be learner and community-centred, be characterized by a culture of openness, inclusiveness and tolerance, and be respectful of Aboriginal and northern values and beliefs.

The educational purposes of UCN are to serve the educational needs of Aboriginal and northern Manitobans and to enhance the economic and social well-being of northern Manitoba.

UCN has a tax-exempt status as a registered charity under *The Income Tax Act*.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of UCN have been prepared in accordance with Canadian public sector accounting standards (PSAS). Significant accounting policies are as follows:

#### a) Basis of accounting

The financial statements of UCN have been prepared in accordance with Canadian public sector accounting standards using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of obligation to pay.

#### b) Basis of reporting

These financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds and operations which are controlled by UCN. This includes the UCN Fund, the Inter-Universities Services (IUS) Fund, the Student Award Fund and the Endowment Fund.

*UCN Fund* - consists of transactions relating to educational and ancillary activities of UCN.

*IUS Fund* - consists of transactions related to educational programs of Inter-Universities Services Program which is administered by UCN.

*Student Award Fund* - consists of transactions related to donations for student scholarships and bursaries.

*Endowment Fund* - consists of transactions related to endowments for students scholarships and bursaries.

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### c) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments with maturity dates of less than 90 days when purchased.

#### d) Portfolio investments

Portfolio investments are recorded at amortized cost. Investments held for endowment purposes are recorded as financial assets below Net Financial Assets Excluding Portfolio Investments Endowed.

#### e) Endowments

Endowments consists of externally restricted donations received by UCN, the principal of which is required to be maintained in perpetuity. Investment income earned by the endowments are reinvested to grow the value of the endowments.

#### f) Inventories for resale

Inventories for resale is recorded at the lower of cost or net realizable value.

#### g) 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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

#### h) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset, and costs associated with asset retirement obligations. Donated assets are recorded at their estimated fair value upon acquisition.

Amortization of capitalized assets is recorded on a straight line basis, using the half year rule, commencing in the year of acquisition over the following periods:

Automotive equipment	5 years
Computer equipment	5 years
Other equipment	10 years
Buildings	40 years
Building Improvements	10 years

Library holdings are valued using the "base stock" method and accordingly are recorded at the value transferred upon governance at April 1, 1993. No amortization is taken on library holdings, and subsequent library acquisitions are expensed in the year of acquisition.

Construction in progress is not amortized until construction is complete.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### i) Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for UCN to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset. At each financial reporting date, UCN reviews the carrying amount of the liability. UCN recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. UCN continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

#### j) Financial instruments

The financial instruments at UCN consist of cash and cash equivalents, short-term investments, accounts receivable, due from Province of Manitoba - vacation and severance benefits, accounts payable and accrued liabilities, accrued vacation benefits and long-term debt.

UCN classifies its financial instruments as either fair value or amortized cost. UCN's accounting policy for each category is as follows:

##### Fair value

These financial instruments are initially and subsequently carried at fair value. Transaction costs are expensed as incurred.

##### Amortized cost

Financial instruments in this category are initially measured at fair value and are subsequently carried at amortized cost using the effective interest method, less any impairment losses on financial assets. Transaction costs are added to the carrying value of the financial instrument.

If an impairment loss is determined by UCN and there is no realistic prospect of recovery the financial asset(s) are written down to net recoverable value with the writedown being recognized in the statement of operations.



# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### k) Revenue recognition

##### Government Transfers

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

##### Tuition & Fees, Contract Training, Ancillary Sales and Other Revenue

Revenues are recognized for transactions with performance obligations when or as UCN satisfies a performance obligation by delivering the promised goods or services to the payor. If a transaction has multiple performance obligations UCN allocates the transaction price to each distinct good or service based on the stand-alone selling price as the basis of allocation.

For transactions without performance obligations, UCN recognizes revenues when it has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

The components of hybrid transactions containing those with and without performance obligations are recognized separately.

UCN considers variable or contingent consideration, concessionary terms and non-cash consideration in the determination of the transaction price, when these elements are present.

For transactions in which UCN is acting as Principal and has control of the goods or services prior to satisfying the performance obligation to the payor, revenue is recognized on a gross basis. For instances in which UCN is acting as Agent and is only arranging for the provision of goods or services to a payor on behalf of another party, only the fee or commission, if any, is recognized as revenue.

Refund liabilities are recognized when UCN expects to refund some or all of the consideration received from a payor.

##### Voluntary and Non-Reciprocal Contributions

These amounts which are substantially comprised of donations (other than endowment) and non-government grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. If there are external restrictions associated with the amount, revenue is recognized when the terms of the restrictions are met.

##### Endowment Donations

Endowment donations are recognized in the year of receipt.

##### Investment Income

Investment income includes interest recorded on an accrual basis and is recognized as revenue when received or receivable. The total investment earnings on restricted endowment investments are initially deferred and recorded as investment income when the terms of the restrictions are met.

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### l) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates included in the financial statements include allowance for doubtful accounts, net realizable value of inventories for resale, amortization, asset retirement obligation and accrued severance benefits costs.

#### m) Severance benefits

UCN accrues its obligation for employee future benefits relating to severance. The cost of severance benefits earned by employees is actuarially determined using the accrued benefits cost method.

Actuarial gains or losses are amortized on a straight line basis over the expected average remaining service life of the active employees, commencing in the year following the year the respective annual actuarial gains or losses arise.

#### n) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

### 3. ADOPTION OF NEW ACCOUNTING STANDARD

Effective April 1, 2023, UCN adopted the new accounting standard PS 3400 Revenue on a prospective basis. The standard outlines how revenue should be recognized, measured, and disclosed. It differentiates between transactions with performance obligations (exchange transactions) and those without (non-exchange transactions), providing guidance on when and how revenue is recognized in each case.

The adoption of PS 3400 did not have a significant impact on UCN's financial statements and resulted in a new revenue recognition policy and additional deferrals of revenue for which unfulfilled performance obligations were present.

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 4. FINANCIAL INSTRUMENT CLASSIFICATION

Financial instruments are classified as follows:

	Fair Value	2024 Amortized Cost	Total
Cash and cash equivalents	\$ -	\$ 21,048,002	\$ 21,048,002
Portfolio investments	-	1,463,012	1,463,012
Accounts receivable	-	4,012,111	4,012,111
Due from Province of Manitoba	-	1,546,089	1,546,089
Accounts payable and accrued liabilities	-	6,126,438	6,126,438
Accrued vacation benefits	-	2,992,196	2,992,196
Long term debt	-	3,617,103	3,617,103
	<u>\$ -</u>	<u>\$ 40,804,951</u>	<u>\$ 40,804,951</u>
	Fair Value	2023 Amortized Cost	Fair Value
Cash and cash equivalents	-	19,983,811	19,983,811
Portfolio investments	-	1,307,879	1,307,879
Accounts receivable	-	3,378,441	3,378,441
Due from Province of Manitoba	-	1,546,089	1,546,089
Accounts payable and accrued liabilities	-	3,242,015	3,242,015
Accrued vacation benefits	-	2,697,458	2,697,458
Long term debt	-	4,055,649	4,055,649
	<u>\$ -</u>	<u>\$ 36,211,342</u>	<u>\$ 36,211,342</u>

#### Fair Value Hierarchy

PS 3450 – Financial Instruments – requires the disclosure of a three-level hierarchy for the fair value measurements based upon the transparency of inputs to the valuation of financial instruments carried on the Statement of Financial Position at fair value.

The three levels of the fair value hierarchy are 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)

Level 3 – Inputs for the asset or liability that are not based on observable market data.

There were no financial instruments measured at fair value on the statement of financial position for the years ending March 31, 2024 and March 31, 2023.

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 5. ACCOUNTS RECEIVABLE

	2024	2023
Students	\$ 1,299,641	\$ 1,030,721
Contract Training	722,676	1,227,524
Due from Advanced Education and Training	133,160	133,165
Due from Adult Learning & Literacy	206,550	206,550
Other	<u>1,843,627</u>	<u>1,130,078</u>
	4,205,654	3,728,038
Less: Allowance for doubtful accounts	<u>(193,543)</u>	<u>(349,597)</u>
	<u>\$ 4,012,111</u>	<u>\$ 3,378,441</u>

### 6. DUE FROM PROVINCE OF MANITOBA

The Province of Manitoba has recognized its liability to UCN for the opening balances of accrued employee severance benefits and vacation benefits as at April 1, 1998, when Keewatin Community College (precursor to UCN) assumed responsibility for these expenditures.

The amount recorded as due from Province of Manitoba – vacation benefits was initially based on the estimated value of the corresponding liability as at April 1, 1998. Subsequent to April 1, 1998, the Province has included in its ongoing annual funding to UCN, an amount equal to the current period's expense for vacation pay entitlements.

The amount recorded as due from Province of Manitoba – severance benefits is the value of the corresponding actuarial liability for severance benefits as at April 1, 1998. There has been no change to the value subsequent to April 1, 1998 because the Province has provided, in its ongoing annual funding to UCN, an amount equivalent to the change in the post employment liability including annual interest accretion related to the receivable. The receivable will be paid by the Province when it is determined that the funding is required to discharge the related severance benefits.

	2024	2023
Accrued vacation benefits	\$ 752,589	\$ 752,589
Accrued severance benefits	<u>793,500</u>	<u>793,500</u>
	<u>\$ 1,546,089</u>	<u>\$ 1,546,089</u>

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accrued liabilities	\$ 3,816,860	\$ 1,226,691
Wages and benefits payable	1,272,959	1,014,204
Asset retirement obligation	181,723	225,585
Trade accounts payable	991,443	993,908
Due to Student Associations	<u>45,176</u>	<u>7,212</u>
	<u>\$ 6,308,161</u>	<u>\$ 3,467,600</u>

UCN is responsible for asset retirement obligations related to the future removal and disposal of asbestos containing materials present in building assets. The estimate of the liability was determined based on asbestos assessment reports completed by an environmental, engineering, building science and health and safety consulting firm. Estimated total undiscounted expenditures are \$544,932 which are anticipated to be incurred in 2052. An inflation rate of 2.0% (2023 - 2.0%) and a discount rate of 4.0% (2023 - 3.2%) have been applied.

A reconciliation of the beginning and ending aggregate carrying amount of the liability is:

	2024	2023
Opening aggregate liability	\$ 225,585	\$ 218,590
Change in assumptions	(50,852)	
Accretion	<u>6,990</u>	<u>6,995</u>
Closing aggregate liability	<u>\$ 181,723</u>	<u>\$ 225,585</u>



# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 8. ACCRUED SEVERANCE BENEFITS

	2024	2023
Severance Benefit Liability:		
Balance, beginning of period	\$ 4,009,548	\$ 4,050,845
Actuarial gain	(83,901)	(232,702)
Benefits accrued	235,060	230,382
Interest on accrued benefits	192,458	255,048
Severance paid	<u>(346,308)</u>	<u>(294,025)</u>
Balance, end of period	4,006,857	4,009,548
Net unamortized actuarial gain	<u>786,961</u>	<u>841,279</u>
Severance liability	<u>\$ 4,793,818</u>	<u>\$ 4,850,827</u>
Severance Benefit Expense:		
Interest on accrued benefits	\$ 192,458	\$ 255,048
Employer service cost	235,060	230,382
Amortization of net actuarial gain over EARSL	<u>(138,219)</u>	<u>(78,785)</u>
Total expense related to severance benefit	<u>\$ 289,299</u>	<u>\$ 406,645</u>

An actuarial valuation of the severance obligations as at March 31, 2024 was conducted by Ellement Consulting Group. The key actuarial assumptions were updated as at March 31, 2024 based on information provided by the actuary. The key actuarial assumptions were a rate of return of 4.80% (2023 - 4.80%), 2.00% inflation (2023 - 2.00%), salary rate increases of 3.50% (2023 - 3.50%). The accrued benefit cost method with salary projection was used and the liabilities have been extrapolated to March 31, 2023 using the projection formula provided by the actuary. The expected effective date of the next actuarial valuation will be no later than March 31, 2024.

During the year UCN experienced an actuarial gain of \$83,901 (2023 - actuarial gain of \$232,702). The amortization on the actuarial net gain in 2024 is \$138,219 (UCN gain \$131,311; IUS gain \$6,908) and in 2023 is \$78,785 (UCN gain \$69,191; IUS gain \$9,594).

### 9. UNEARNED REVENUE

Unearned revenue represents the unearned portion of grants received where external stipulations outlined by agreement have not been met and other unearned revenue from unearned tuition, student residence charges and other amounts received relating to future fiscal periods.

	2024	2023
Contract training	\$ 1,846,027	\$ 1,464,153
Grants	2,820,102	839,740
Other	<u>560,168</u>	<u>493,558</u>
	<u>\$ 5,226,297</u>	<u>\$ 2,797,451</u>

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 10. LONG TERM DEBT

	2024	2023
Apartment Buildings:		
Promissory note due to the Province of Manitoba bearing interest at 3.75% (2023 - 3.75%), due March 31, 2032, repayable in monthly blended installments of \$8,300 (2023 - \$8,300).	\$ 687,502	\$ 759,848
DPN Expansion:		
Promissory note due to the Province of Manitoba bearing interest at 2.50% (2023 - 2.50%), due March 31, 2032, repayable in monthly installments of \$30,516 plus interest (2023 - \$30,516 plus interest).	<u>2,929,601</u>	<u>3,295,801</u>
	<u>\$ 3,617,103</u>	<u>\$ 4,055,649</u>

Principal repayments in each of the next five years and thereafter are estimated as follows:

2025	\$ 441,306
2026	444,171
2027	447,146
2028	450,234
2029	453,440
thereafter	<u>1,380,806</u>
	<u>\$ 3,617,103</u>

### 11. PORTFOLIO INVESTMENTS

Portfolio investments are endowed. The composition of portfolio investments measured at amortized cost is as follows:

	2024	2023
One year fixed term	<u>\$ 1,463,012</u>	<u>\$ 1,307,879</u>

Portfolio investments are held with the Province and mature between June 7, 2024 and February 11, 2025 (2023 - June 7, 2023 and February 24, 2024) and bear interest between 4.88% and 5.35% (2023 - 2.95% and 4.71%)

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 12. TANGIBLE CAPITAL ASSETS

Cost	Automotive equipment	Computer equipment	Other equipment	Buildings and improvements	Construction in progress	Land	Library holdings	2024 Total
Opening balance	\$ 1,035,301	\$ 2,583,989	\$ 6,086,586	\$ 21,339,633	\$ 1,689,562	\$ 494,667	\$ 714,161	\$ 33,943,899
Additions	1,131,096	158,388	991,875	740,662	3,502,297	-	-	6,524,318
Transfers	-	-	-	40,443	(40,443)	-	-	-
Adjustments	-	-	-	(50,852)	-	-	-	(50,852)
Disposals	<u>(238,785)</u>	<u>(214,996)</u>	<u>(366,710)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(820,491)</u>
Closing balance	1,927,612	2,527,381	6,711,751	22,069,886	5,151,416	494,667	714,161	39,596,874
Accumulated amortization								
Opening balance	807,672	2,192,206	4,755,265	7,172,478	-	-	-	14,927,621
Amortization	187,885	136,736	318,253	940,594	-	-	-	1,583,468
Disposals	<u>(209,895)</u>	<u>(214,996)</u>	<u>(363,807)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(788,698)</u>
Closing balance	785,662	2,113,946	4,709,711	8,113,072	-	-	-	15,722,391
Net book value	<u>\$ 1,141,950</u>	<u>\$ 413,435</u>	<u>\$ 2,002,040</u>	<u>\$ 13,956,814</u>	<u>\$ 5,151,416</u>	<u>\$ 494,667</u>	<u>\$ 714,161</u>	<u>\$ 23,874,483</u>
Cost								
Automotive equipment		Computer equipment	Other equipment	Buildings and improvements	Construction in progress	Land	Library holdings	2023 Total
Opening balance	\$ 1,028,896	\$ 2,410,813	\$ 5,859,582	\$ 21,318,359	\$ 18,493	\$ 494,667	\$ 714,161	\$ 31,844,971
Additions	29,752	178,188	244,658	21,274	1,671,069	-	-	2,144,941
Disposals	<u>(23,347)</u>	<u>(5,012)</u>	<u>(17,654)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,013)</u>
Closing balance	1,035,301	2,583,989	6,086,586	21,339,633	1,689,562	494,667	714,161	33,943,899
Accumulated amortization								
Opening balance	758,144	2,091,767	4,459,272	6,267,130	-	-	-	13,576,313
Amortization	72,875	105,451	313,647	905,348	-	-	-	1,397,321
Disposals	<u>(23,347)</u>	<u>(5,012)</u>	<u>(17,654)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,013)</u>
Closing balance	807,672	2,192,206	4,755,265	7,172,478	-	-	-	14,927,621
Net book value	<u>\$ 227,629</u>	<u>\$ 391,783</u>	<u>\$ 1,331,321</u>	<u>\$ 14,167,155</u>	<u>\$ 1,689,562</u>	<u>\$ 494,667</u>	<u>\$ 714,161</u>	<u>\$ 19,016,278</u>

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 13. PENSION COSTS AND OBLIGATIONS

UCN's employees are contributing members of the provincially operated Civil Service Superannuation Plan or the Teacher's Retirement Allowances Fund defined benefit pension plans. Until March 31, 2009, the accumulated superannuation liabilities were funded directly by the Province of Manitoba, rather than UCN itself for all employees hired prior to October 1, 2002. Employees hired on or after October 1, 2002 were funded directly by UCN. Commencing April 1, 2009, UCN was required to match all their employees' current pension contributions.

The total contributions for the year ending March 31, 2024 was \$1,776,504 (2023 - \$1,761,538). These contributions represent the total pension obligations of UCN. UCN is not required under present legislation to make any further contributions with respect to any actuarial deficiencies of the plan. As at December 31, 2022, the Civil Service Superannuation Fund had a deficit of \$6.0 billion and the Teacher's Retirement Allowances Fund had a deficit of \$1.5 billion.

### 14. CONTRACTUAL OBLIGATIONS

UCN has entered into various contracts to rent office equipment, lease facility space, and for services provided by third parties for security, maintenance, and snow removal. Contractual obligations over the next five years are as follows:

2025	\$3,443,848
2026	2,388,808
2027	1,118,576
2028	1,172,147
2029	1,213,752

### 15. CONTINGENCIES

UCN is named as a defendant in litigations where legal action has commenced or is anticipated. While the ultimate outcomes of these proceedings cannot be predicted at this time, management and its legal counsel are of the opinion that, either the outcomes will not have a material effect on the financial position of UCN, or the outcomes are not determinable. UCN believes they have made adequate provision in the financial statements in respect of these claims, as of March 31, 2024.

### 16. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024	2023
Nominal surplus		
- UCN fund	\$ 1,819,656	\$ 5,614,059
- Inter-Universities Services fund	3,650,074	3,189,053
- Student award fund	165,309	152,547
- Endowment fund	1,494,496	1,428,668
Tangible capital assets net of related borrowings		
- UCN fund	<u>23,186,981</u>	<u>18,256,430</u>
	<u>\$ 30,316,516</u>	<u>\$ 28,640,757</u>

### 17. ECONOMIC DEPENDENCE

UCN receives the majority of its revenue from and consequently is economically dependant on the Province of Manitoba for continued operations.

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 18. RELATED PARTY TRANSACTIONS

UCN is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown Corporations. UCN enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount. The amount of \$2,121,388 (2023 - \$2,121,388) in facility costs was paid to Manitoba Finance for the rental of buildings. Funds available for short-term investments are invested with the Province of Manitoba. At March 31, 2024 \$20,726,543 (2023 - \$20,833,518), included in both cash and cash equivalents and portfolio investments, was invested with the Province of Manitoba.

### 19. RISK MANAGEMENT

Financial instruments are exposed to risk through the normal course of operations. UCN has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, market risk, interest rate risk and foreign currency risk. These risks are managed through the UCN's collection procedures, investment guidelines and other internal policies, guidelines and procedures.

#### 1. Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The carrying amount of financial assets represents that maximum credit exposure. The maximum exposure to credit risk was:

	Carrying Amount	
	2024	2023
Cash and cash equivalents	\$ 21,048,002	\$ 19,983,811
Portfolio investments	1,463,012	1,307,879
Accounts receivable	4,012,111	3,378,441
Due from Province of Manitoba - vacation and severance benefits	<u>1,546,089</u>	<u>1,546,089</u>
Totals	<u>\$ 28,069,214</u>	<u>\$ 26,216,220</u>

The investments of UCN are purchases made with excess cash intended to be for short periods of time. The investments held by UCN are not exposed to significant credit risk as they are held by the Province of Manitoba.

The credit risk from accounts receivable is relatively low as the majority of receivables are from students, contract training and from government agencies. Credit risk from student receivables is managed through registration cancellation and by maintaining standard collection procedures. Credit risk for contract training is managed through standard collection procedures. Amounts due from the the Province of Manitoba are typically collected when due.

UCN establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, client analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

	0-60 Days	61-120 Days	121-365 Days	365+ Days	Total
Student receivables	\$ 907,484	\$ 381,166	\$ 470,347	\$ 263,320	\$ 2,022,317
Government receivables	762,533	-	-	69,912	832,445
Other receivables	<u>1,350,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350,892</u>
Gross receivables	3,020,909	381,166	470,347	333,232	4,205,654
Less: Allowance for doubtful accounts	<u>(4,028)</u>	<u>(13,976)</u>	<u>(68,434)</u>	<u>(107,105)</u>	<u>(193,543)</u>
Net receivables	<u>\$ 3,016,881</u>	<u>\$ 367,190</u>	<u>\$ 401,913</u>	<u>\$ 226,127</u>	<u>\$ 4,012,111</u>



# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 19. RISK MANAGEMENT *(continued)*

Due from Province of Manitoba – vacation benefits are based on the estimated value of the corresponding liability as at April 1, 1998 when Keewatin Community College (precursor to UCN) assumed responsibility for these expenditures.

Due from Province of Manitoba – severance benefits are based on the corresponding actuarial liability for severance benefits as at April 1, 1998. The receivable will be paid by the Province when it is determined that the funding is required to discharge the related vacation and severance benefits.

### 2. Liquidity Risk

Liquidity risk is the risk that UCN 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 funds of UCN are invested so that maturity dates coincide with cash requirements. Term investments can be withdrawn prior to the maturity date if needed.

The following table sets out the contractual maturities of financial liabilities;

	2024			
	Within 6 Months	6 months to 1 Year	1-5 Years	5 Years +
Accounts payable and accrued liabilities	\$ 5,826,515	\$ 289,636	\$ 10,287	\$ 181,723
Accrued vacation benefits	2,491,404	400,514	100,278	-
Long term debt	<u>220,302</u>	<u>221,004</u>	<u>1,794,993</u>	<u>1,380,804</u>
	<u>\$ 8,538,221</u>	<u>\$ 911,154</u>	<u>\$ 1,905,558</u>	<u>\$ 1,562,527</u>

### 3. Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect UCN's income or the fair values of its financial instruments.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. UCN is exposed to limited interest rate risk as all investments held are short-term in nature and are held by the Province of Manitoba and the long term debt is fixed rate.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. UCN is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in a foreign currency.

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 20. EXPENSE BY OBJECT

The statement of operations reports expenditures by function. The following reports expenditures by object.

	2024 Budget	2024	2023
Advertising	\$ 290,500	\$ 383,633	\$ 374,711
Amortization of tangible capital assets	1,604,700	1,583,468	1,397,321
Bad debts (recovery)	150,000	(110,082)	118,411
Cost of goods sold	887,500	1,024,556	945,167
Facility cost	2,121,000	2,121,388	2,121,388
Equipment and furniture	1,563,983	1,711,396	1,224,802
Insurance	112,200	150,284	107,150
Interest on long term debt	105,600	105,675	117,284
Library acquisitions	196,100	112,057	120,033
Repairs and maintenance	87,000	262,500	243,366
Operational supplies and expenses	8,726,998	7,767,921	6,715,272
Property taxes	543,700	534,432	541,751
Rentals and leases	532,000	469,478	416,740
Salaries	34,145,999	34,538,914	32,306,075
Scholarships and bursaries	-	120,732	56,684
Telephone and data communications	448,700	449,258	471,416
Travel	802,799	894,959	765,372
Utilities	300,000	367,881	381,332
	<u>\$ 52,618,779</u>	<u>\$ 52,488,450</u>	<u>\$ 48,424,275</u>

### 21. LINE OF CREDIT

UCN has an approved borrowing limit of \$2,000,000 at an interest rate of Royal Bank Prime Rate less 0.30%, 6.90% (2023 - Royal Bank Prime Rate less 0.30%, 6.40%), and is secured by a guarantee from the Province of Manitoba with no fixed terms of repayment. At March 31, 2024 the balance was nil (2023 - nil).

### 22. BUDGET

UCN's 2024 fiscal year budget was approved by the Governing Council on June 26, 2023.

### 23. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period.

# UNIVERSITY COLLEGE OF THE NORTH

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

### 24. DISCLOSURE OF FUNDS

UCN uses funds to report transactions in accordance with specific activities or objectives. The presentation by fund is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 2. The fund results for the year are as follows:

	UCN Fund		IUS Fund		Student Award Fund		Endowment Fund		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues										
Grants										
Post-Secondary Education	\$ 39,164,734	\$ 36,220,675	998,004	998,004	\$ 60,000	\$ 20,477	\$ -	\$ -	\$ 40,222,738	\$ 37,239,156
Other Province of Manitoba	1,421,187	1,973,674	-	-	-	-	-	-	1,421,187	1,973,674
Government of Canada	1,680,407	1,155,469	-	-	-	-	-	-	1,680,407	1,155,469
Subtotal	42,266,328	39,349,818	998,004	998,004	60,000	20,477	-	-	43,324,332	40,368,299
Other revenue	10,048,616	8,674,081	651,939	495,614	73,494	57,722	65,828	30,965	10,839,877	9,258,382
Total revenue	52,314,944	48,023,899	1,649,943	1,493,618	133,494	78,199	65,828	30,965	54,164,209	49,626,681
Expenses										
Amortization	1,573,282	1,394,156	10,186	3,165	-	-	-	-	1,583,468	1,397,321
Debt servicing	105,675	117,284	-	-	-	-	-	-	105,675	117,284
Other	15,705,550	13,984,829	434,111	562,084	120,732	56,684	-	-	16,260,393	14,603,597
Salaries and benefits	33,794,289	31,756,268	744,625	549,805	-	-	-	-	34,538,914	32,306,073
Total expenses	51,178,796	47,252,537	1,188,922	1,115,054	120,732	56,684	-	-	52,488,450	48,424,275
Annual Surplus	1,136,148	771,362	461,021	378,564	12,762	21,515	65,828	30,965	1,675,759	1,202,406
Surplus, beginning of year	23,870,489	23,099,127	3,189,053	2,810,489	152,547	131,032	1,428,668	1,397,703	28,640,757	27,438,351
Surplus, end of year	\$ 25,006,637	\$ 23,870,489	\$ 3,650,074	\$ 3,189,053	\$ 165,309	\$ 152,547	\$ 1,494,496	\$ 1,428,668	\$ 30,316,516	\$ 28,640,757

**HERE YOU CAN.**  
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