The Centennial College of Applied Arts & Technology

Financial Statements

For the year ended March 31, 2024

The Centennial College of Applied Arts & Technology
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Management's Responsibility for Financial Reporting

The financial statements of Centennial College of Applied Arts and Technology (the "College") are the responsibility of management and have been approved by the Board of Governors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (“PSAB for Government NPOs”). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

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

The College`s insurance liabilities have been reviewed by management in consultation with its broker. There are no material liabilities in either fact or contingency as at the date of this report.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit and Risk Management Committee (the "Committee").

The Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditor`s report. The Committee reports its findings to the Board for consideration when approving the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The financial statements have been audited by BDO Canada LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. BDO Canada LLP has full and free access to the Committee.

Craig

College President

Associate Vice President, Finance

June 11, 2024

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Independent Auditor's Report

To the Board of Governors of The Centennial College of Applied Arts and Technology

Opinion

We have audited the financial statements of The Centennial College of Applied Arts and Technology (the "College"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2024, and the results of its operations, its cash flows, and its remeasurement gains and losses 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 the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these 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 the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 11, 2024

The Centennial College of Applied Arts & Technology
Statement of Financial Position

March 31		2024		2023 (Restated) (Note 22)
Assets				
Current				
Cash (Note 3)	$	**104,269,600**	$	120,775,472
Investments (Notes 2, 3)		**311,977,705**		291,241,611
Accounts receivable		**20,961,397**		17,346,951
Inventory		**531,328**		471,812
Prepaid expenses		**12,503,894**		11,956,022
		450,243,924		441,791,868
Prepaid land lease (Note 5)		**7,202,423**		7,297,192
Construction in progress (Note 7)		**-**		94,958,246
Capital assets (Note 8)		**486,019,415**		393,470,470
	$	**943,465,762**	$	937,517,776
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	$	**63,825,970**	$	72,456,721
Deferred revenue (Note 9)		**185,282,160**		248,159,190
Vacation pay		**16,905,340**		15,111,404
Bank loans (Note 10)		**-**		751,999
Term debt (Note 11)		**2,434,210**		3,335,691
Current portion of long-term debt (Note 11)		**2,587,175**		2,496,579
		271,034,855		342,311,584
Post-employment benefits and compensated absences (Note 12)		**7,016,000**		6,948,000
Long-term debt (Note 11)		**8,949,702**		11,536,877
Residence and culinary arts centre liability (Note 4)		**20,821,749**		20,653,490
Residence and culinary arts centre deferred revenue (Note 4)		**49,774,139**		50,973,516
Deferred contributions (Note 13)		**9,371,281**		6,717,073
Deferred capital contributions (Note 14)		**187,982,916**		190,346,838
Deferred capital contributions relating to prepaid land lease (Note 5)		**7,202,423**		7,297,192
Deferred capital contributions relating to construction in progress (Note 15)		**102,962**		69,628
Interest rate swap (Note 11)		**58,670**		144,734
Asset retirement obligations (Note 21)		**8,040,244**		6,118,726
		570,354,941		643,117,658
Net Assets				
Unrestricted				
Operating		**102,417,261**		45,075,026
Post-employment benefits and compensated absences (Note 12)		**(7,016,000)**		(6,948,000)
Vacation pay		**(16,905,340)**		(15,111,404)
		78,495,921		23,015,622
Invested in capital assets (Note 16)		**213,948,956**		206,679,475
Internally restricted (Note 17)		**52,651,146**		42,106,443
Externally restricted (Note 18)		**22,667,245**		21,497,505
		367,763,268		293,299,045
Accumulated remeasurement gains		**5,347,553**		1,101,073
		373,110,821		294,400,118
	$	**943,465,762**	$	937,517,776

On behalf of the Board: Susan Caldwell Chair ____________ President

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

The Centennial College of Applied Arts & Technology
Statement of Operations

For the year ended March 31	2024	2023 (Restated) (Note 22)
Revenue		
Grants and reimbursements (Schedule 1)	**$ 79,069,785**	$ 77,983,232
Enrolment revenues	**407,017,382**	335,297,437
Contract training	**1,230,205**	884,104
Deferred contributions recognized as revenue (Note 13)	**5,888,351**	5,885,424
Amortization of deferred capital contributions and land lease	**13,142,911**	11,766,664
Other income	**43,810,286**	31,710,616
Ancillary operations (Schedule 2)	**4,407,662**	3,732,626
	554,566,582	467,260,103
Expenses		
Salaries and benefits	**293,616,676**	248,173,438
Operating expenses	**111,704,448**	93,363,459
Plant and property expenses	**27,546,177**	23,936,723
Amortization of capital assets and prepaid land lease (Notes 5, 8)	**38,778,098**	37,643,366
Bursaries and scholarships	**5,888,351**	5,910,424
Ancillary operations (Schedule 2)	**3,738,349**	2,712,058
	481,272,099	411,739,468
Excess of revenue over expenses for the year	**$ 73,294,483**	$ 55,520,635

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

The Centennial College of Applied Arts & Technology
Statement of Changes in Net Assets

	March 31, 2024				
	Unrestricted	Capital	Restricted		
	General	Invested in Capital assets (Note 16)	Internally Restricted (Note 17)	Externally Restricted (Note 18)	Total
Balance, beginning of year	$ 23,015,622	$ 206,679,475	$ 42,106,443	$ 21,497,505	$ 293,299,045
Endowments received during the year	-	-	-	1,169,740	1,169,740
Transfers, internally restricted scholarships & bursaries	(4,393,458)	-	4,393,458	-	-
Transfers, internally restricted building improvements fund	(6,151,245)	-	6,151,245	-	-
Excess (deficiency) of revenues over expenses	98,892,519	(25,598,036)	-	-	73,294,483
Investment in capital assets	(32,867,517)	32,867,517	-	-	-
Balance, end of year	$ 78,495,921	$ 213,948,956	$ 52,651,146	$ 22,667,245	$ 367,763,268

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

The Centennial College of Applied Arts & Technology
Statement of Changes in Net Assets

	March 31, 2023 (Restated – Note 22)				
	Unrestricted	Capital	Restricted		
	General	Invested in Capital assets (Note 16)	Internally Restricted (Note 17)	Externally Restricted (Note 18)	Total
Balance, beginning of year (as previously reported)	$ (37,383,898)	$ 175,522,079	$ 79,469,058	$ 19,930,504	$ 237,537,743
Change in accounting policy (Note 22)	-	(1,326,334)	-	-	(1,326,334)
Balance, beginning of year (restated)	$ (37,383,898)	$ 174,195,745	$ 79,469,058	$ 19,930,504	$ 236,211,409
Endowments received during the year	-	-	-	1,567,001	1,567,001
Transfers, internally restricted scholarships & bursaries	(5,816,569)	-	5,816,569	-	-
Transfers, internally restricted building improvements fund	43,179,184	-	(43,179,184)	-	-
Excess (deficiency) of revenues over expenses	81,328,660	(25,808,025)	-	-	55,520,635
Investment in capital assets	(58,291,755)	58,291,755	-	-	-
Balance, end of year	$ 23,015,622	$ 206,679,475	$ 42,106,443	$ 21,497,505	$ 293,299,045

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

The Centennial College of Applied Arts & Technology
Statement of Cash Flows

For the year ended March 31		2024		2023
				(Restated) (Note 22)
Cash provided by (used in)				
Operating activities				
Excess of revenue over expenses for the year	$	**73,294,483**	$	55,520,635
Items not involving cash:				
Amortization of unrestricted capital assets		**25,635,187**		25,876,702
Amortization of restricted capital assets		**13,048,142**		11,671,895
Amortization of prepaid land lease		**94,769**		94,769
Amortization of deferred capital contributions		**(13,048,142)**		(11,671,895)
Amortization of deferred capital contributions relating to prepaid land lease		**(94,769)**		(94,769)
Amortization of deferred revenue on residence and culinary arts centre		**(1,199,377)**		(1,199,376)
Deferred contributions recognized as revenue in the year		**(5,888,351)**		(5,885,424)
Accretion of asset retirement obligation		**258,359**		196,614
		92,100,301		74,509,151
Changes in non-cash working capital items				
Accounts receivable		**(3,614,446)**		(3,960,488)
Inventory		**(59,516)**		(56,163)
Prepaid expenses		**(547,872)**		(1,420,311)
Accounts payable and accrued liabilities		**(8,630,751)**		24,915,319
Accrual for vacation pay		**1,793,936**		761,315
Accrual for post-employment benefits and compensated absences		**68,000**		353,000
Deferred revenue		**(62,877,030)**		66,304,596
Net increase in asset retirement obligation (Note 21)		**1,166,440**		-
		19,399,062		161,406,419
Investing activities				
Decrease in long-term receivable		**-**		2,366,926
Purchase of investments		**(254,368,213)**		(327,333,105)
Proceeds on disposal of investments		**237,792,535**		184,901,677
		(16,575,678)		(140,064,502)
Financing activities				
Deferred contributions received during the year		**8,542,559**		5,716,971
Repayment of bank loans		**(751,999)**		(188,000)
Repayment of term debt		**(3,398,060)**		(3,254,231)
Increase in residence and culinary centre liability (Note 22)		**168,259**		153,032
Endowment contributions received		**1,169,740**		1,567,001
		5,730,499		3,994,773
Capital activities				
Contributions received for capital purposes		**10,684,220**		47,738,006
Contributions received for construction in progress		**33,334**		33,341
Purchase of assets under construction (Note 7)		**(14,862,453)**		(41,749,838)
Purchase of capital assets		**(20,914,856)**		(60,133,333)
		(25,059,755)		(54,111,824)
Decrease in cash during the year		**(16,505,872)**		(28,775,134)
Cash, beginning of year		**120,775,472**		149,550,606
Cash, end of year	**$**	**104,269,600**	$	120,775,472

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

The Centennial College of Applied Arts & Technology
Statement of Remeasurement Gains

For the year ended March 31		2024		2023
Accumulated remeasurement gains (losses), beginning of year	$	**1,101,073**	$	(378,445)
Unrealized gains attributable to:				
Derivative - interest rate swap		**86,064**		233,711
Unrestricted investments		**4,160,416**		1,245,807
Net remeasurement gains for the year		**4,246,480**		1,479,518
Accumulated remeasurement gains, end of year	$	**5,347,553**	$	1,101,073

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

Description of Organization

The Centennial College of Applied Arts and Technology (the “College”), established in 1967, is an Ontario college of applied arts and technology duly established pursuant to Ontario regulation 34/03 made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The College is an agency of the Crown and provides post-secondary, vocationally oriented education in the areas of applied arts, business, health sciences and technology.

The College is a government not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

1. Significant Accounting Policies

Basis of presentation

The financial statements of the College have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (“PSAS for Government NPOs”).

Revenue recognition

The College follows the deferral method of accounting for contributions, which includes donations and government grants. Enrolment and contract training revenues are recognized as income to the extent that the related courses and services are provided within the fiscal year of the College.

Other income and ancillary revenues including parking, bookstore, residence and other sundry revenues are recognized when products are delivered or services are provided to the student or client where the sales price is fixed and determinable, and collection is reasonably assured.

Unrestricted contributions are recognized as revenue when received or receivable.

Externally restricted contributions and restricted investment income are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in endowed net assets.

Valuation of inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in first-out basis.

1. **Significant Accounting Policies** (continued)

Capital assets

Purchased capital assets and assets procured through use of a private sector partner are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its net realizable value.

Construction in progress is recorded separately from capital assets until construction is complete and the asset is put into service.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Buildings	20, 40 or 69 years
Buildings - AROs	7 or 50 years
Large machinery	20 years
Building improvements	10 years
Site improvements	10 years
Leasehold improvements	Over the term of the lease
Computer software	5 years
Furniture, equipment and computers	5 or 10 years

Vacation Pay

The College recognizes vacation pay as an expense on the accrual basis.

Retirement and post-employment benefits and compensated absences

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vested sick leave and non-vested sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

(i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight-line basis.

(ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

1. **Significant Accounting Policies** (continued)

Retirement and post-employment benefits and compensated absences *(continued)*

(iii) The cost of vested and non-vested sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

(iv) The discount used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

Financial instruments

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

(i) **Fair value**

This category includes cash and investments with the exception of guaranteed investment certificates (GIC's). The College has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the College manages and reports performance of it on a fair value basis. The College's interest rate swap is considered to be a derivative financial instrument and is included in this category.

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

(ii) **Amortized cost**

This category includes guaranteed investment certificates (GIC's), accounts receivable, accounts payable and accrued liabilities, vacation pay, bank loans, term debt, long-term debt, and residence and culinary arts centre liability. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial instruments *(continued)*

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write down being recognized in the statement of operations.

Foreign currency translation

Transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities are translated at current rates of exchange with the resulting gains and losses recognized in the statement of operations.

Management estimates

The preparation of financial statements in conformity with PSAS for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Areas of key estimation include determination of allowance for doubtful accounts, deferred revenue, actuarial estimation of post-employment benefits and compensated absences liabilities, fair value of investments, fair value of the interest rate swap, amortization of capital assets, deferred capital contributions and asset retirement obligations.

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.

2. Financial Instrument Classification

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

			2024
	Fair Value	**Amortized Cost**	**Total**
Cash	**$ 104,269,600**	**$ -**	**$ 104,269,600**
Investments	**256,243,461**	**55,734,244**	**311,977,705**
Accounts receivable	**-**	**20,961,397**	**20,961,397**
Accounts payable and accrued liabilities	**-**	**63,825,970**	**63,825,970**
Accrued vacation pay	**-**	**16,905,340**	**16,905,340**
Term debt	**-**	**2,434,210**	**2,434,210**
Long-term debt	**-**	**11,536,877**	**11,536,877**
Residence and culinary arts centre liability (Note 4)	**-**	**20,821,749**	**20,821,749**
Interest rate swap	**58,670**	**-**	**58,670**

			2023
	Fair Value	Amortized Cost	Total
Cash	$ 120,775,472	$ -	$ 120,775,472
Investments	146,961,819	144,279,792	291,241,611
Accounts receivable	-	17,346,951	17,346,951
Accounts payable and accrued liabilities	-	72,456,721	72,456,721
Accrued vacation pay	-	15,111,404	15,111,404
Bank loans	-	751,999	751,999
Term debt	-	3,335,691	3,335,691
Long-term debt	-	14,033,456	14,033,456
Residence and culinary arts centre liability (Note 4)	-	20,653,490	20,653,490
Interest rate swap	144,734	-	144,734

Investments consist of guaranteed investment certificates (GIC's), bonds and other investments related to the internally restricted and externally restricted net assets (see Notes 17 and 18). Maturity profile of investments held is as follows:

2. Financial Instrument Classification (continued)

	Within 1 year	2 to 5 years	6 to 10 years	Total Value
March 31, 2024	**$ 96,271,705**	**$ 168,475,816**	**$ 45,126,583**	**$ 309,874,104**
	31%	**54%**	**15%**	**100%**

	Within 1 year	2 to 5 years	6 to 10 years	Total Value
March 31, 2023	$ 128,349,920	$ 138,638,495	$ 22,784,072	$ 289,772,487
	45%	48%	8%	100%

Investments also includes $2,103,601 (2023 - $1,469,124) in equity shares which have no maturity profile. These investments are related to externally restricted net assets.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

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

- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

				2024
	Level 1	**Level 2**	**Level 3**	**Total**
Cash	$ 104,269,600	$ -	$ -	$ 104,269,600
Investments	256,186,806	55,790,899	-	311,977,705
Interest rate swap	-	-	58,670	58,670
	$ 360,456,406	**$ 55,790,899**	**$ 58,670**	**$ 416,305,975**

				2023
	Level 1	Level 2	Level 3	Total
Cash	$ 120,775,472	$ -	$ -	$ 120,775,472
Investments	144,740,816	146,500,795	-	291,241,611
Interest rate swap	-	-	144,734	144,734
	$ 265,516,288	$ 146,500,795	$ 144,734	$ 412,161,817

2. Financial Instrument Classification (continued)

There were no transfers from Level 1 to Level 2 for the year ended March 31, 2024 (2023 - Nil). There were no transfers in or out of Level 3 (2023 – Nil). For a sensitivity analysis of financial instruments recognized in Level 3, see Note 19 – Interest rate risk, as the prevailing interest rate is the most significant input into the fair value of the instrument.

3. Cash and Investments

The College's cash and investments include amounts restricted for specific purposes that are not available to be spent at the College's discretion. Cash and investments consist of guaranteed investment certificates (GICs), bond portfolios, other similar investments, and daily interest earned investments with interest earned at the Banker's Acceptance rate less 0.15%. The amounts available for operations are as follows:

	2024	2023
Cash	**$ 104,269,600**	$ 120,775,472
Investments	**311,977,705**	291,241,611
Total cash and investments	**416,247,305**	412,017,083
Less amounts restricted for:		
Cash held in trust	**6,005,756**	5,813,823
Endowments - externally restricted, less amounts receivable (Note 18)	**22,667,245**	21,497,505
Endowments - internally restricted, less amounts receivable (Note 17)	**27,651,146**	23,257,688
Deferred contributions (Note 13)	**9,371,281**	6,717,073
Restricted grants included as part of deferred revenue (Note 9)	**17,272,633**	20,988,687
Unspent deferred capital contributions less amounts receivable (Note 14, 15)	**1,306,388**	1,063,811
Unrestricted cash and investments	**$ 331,972,856**	$ 332,678,496
Internally restricted building fund (Note 17)	**25,000,000**	18,848,755
Net unrestricted cash and investments (excluding building fund)	**$ 306,972,856**	$ 313,829,741

4. Centennial Residence and Culinary Arts Centre

The College has entered into an alternative financing arrangement for the construction and operation of the Centennial Residence and Culinary Arts Centre. Under the terms of this agreement the partner is responsible for constructing, maintaining and operating the student residence portion of the facility in exchange for an initial 49-year ground lease and the right to collect student residence fees over the same period. The College has agreed to sublease a portion of the facility over the same term for the operation of the School of Hospitality, Tourism and Culinary Arts in exchange for annual rent payments and an agreed upon pre-payment. The effective date of completion of the building was September 1, 2016.

As at September 1, 2016, the residence building was recorded as an asset valued at $84,492,191. The related liability has been proportionately split between deferred revenue and a financial liability. The initial deferred revenue was $58,769,465 which represents the College granting the partner the right to provide residence services to students of the College and receive the related rental fees, in exchange for the partner's capital investment in the facility. The amount of deferred revenue will be brought into income on a straight-line basis over the term of the 49-year lease agreement. The initial financial liability of $25,722,726 represents the subleased premises for which the College is required to make annual rent payments. At September 1, 2016, the College had made prepayments of $6,430,433 to the partner, resulting in a net initial financial liability of $19,292,293. This financial liability was recorded at the present value of minimum lease payments going forward as in accordance with the terms of the 49 years lease agreement. The prepayment amount of $6,430,433 was borrowed from the International Student Scholarship Endowment Fund. The College is paying the fund interest of 5% annually until the amount is returned to the fund.

Effective April 1, 2023 the College adopted new Public Sector Accounting Handbook Standard, Section PS 3160, Public Private Partnerships. As a result of the adoption, certain amounts related to this financing arrangement have been restated. Refer to Note 22.

As at March 31, 2024, the building has a net book value of $72,645,905 (2023 Restated - $73,827,139 refer to Note 22) and accumulated amortization of $11,846,286 (2023 Restated - $10,665,052 refer to Note 22).

Included in other income is $1,199,377 (2023 - $1,199,377) representing the amortization of the deferred revenue and included in other expenses is $1,973,613 (2023 Restated - $1,958,390 refer to Note 22) representing the interest expense on the financial liability.

5. Prepaid Land Lease

The College has negotiated a land lease with the University of Toronto. This amount recorded as a prepaid land lease includes the original payment made to the University of Toronto less accumulated amortization for a ninety-nine-year lease for land upon which the College has constructed the Morningside campus. The amount will be expensed over the term of the lease.

6. Long Term Receivable

The College financed the construction costs of the Progress Campus Student Centre and the Athletic and Wellness Centre on behalf of the Centennial College Student Association Inc. ("CCSAI"). The receivable from CCSAI for the Progress Campus Student Centre was fully repaid in the prior year and the receivable for the Athletic and Wellness Centre was repaid in the current year.

The College acquired a bank loan and term debt to finance the construction costs on behalf of CCSAI. During the current year, the bank loan was repaid and at March 31, 2024 only the term debt remained outstanding (see Note 11 (ii)).

7. Construction in Progress

The Construction in progress (CIP) balance as at March 31, 2024 is nil (2023 - $94,958,246). Prior year CIP costs primarily related to the construction of the College's A Block building at Progress Campus. Construction on this project is now complete and the building is available for operational use. As a result, the amounts previously included in CIP have been transferred to capital assets and amortization of the assets has commenced.

8. Capital Assets

	2024		2023	
				(Restated) (Note 22)
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 5,924,536**	**$ -**	$ 5,924,536	$ -
Buildings (Note 22)	**524,737,637**	**176,149,019**	426,022,443	165,608,464
Buildings- AROs	**2,835,548**	**1,895,241**	2,338,829	1,858,090
Large machinery	**58,904,165**	**11,290,106**	58,684,105	8,414,078
Building improvements	**83,908,007**	**59,093,161**	83,751,180	52,748,123
Site improvements	**6,470,888**	**1,093,285**	1,754,007	766,825
Leasehold improvements	**10,269,352**	**6,294,817**	10,124,710	5,070,602
Computer software	**38,647,474**	**26,165,668**	33,623,120	20,995,499
Furniture, equipment and computers	**127,161,750**	**90,858,645**	105,404,159	78,694,938
	$ 858,859,357	**$ 372,839,942**	$ 727,627,089	$ 334,156,619
Net book value		**$ 486,019,415**		$ 393,470,470

Amortization expense for the year is $38,778,098 (2023 Restated - $37,643,366 refer to Note 22) comprised of amounts relating to the prepaid land lease of $94,769 (2023 - $94,769) and capital assets of $38,683,329 (2023 - $37,548,597).

9. Deferred Revenue

	2024	2023
Advance tuition fees	**$ 166,267,438**	$ 225,315,350
Unexpended grants	**17,272,633**	20,988,687
Other	**1,742,089**	1,855,153
	$ 185,282,160	$ 248,159,190

10. Bank Loans

The College has a $20 million (2023 - $20 million) operating line of credit. No amount has been drawn upon this operating line of credit as of March 31, 2024 (2023 - $nil). The College has $540,000 (2023 - $2,006,624) in letters of credit outstanding as of March 31, 2024. During the current year, the previously unused $2,145,000 credit facility was retired and the demand instalment loan facility was repaid.

11. Term Debt and Long-term Debt

(i) The College has partially financed the acquisition of the T-Block (previous student residence) building through an unsecured non-revolving swap bank loan, repayable in monthly installments of $90,900 principal and interest and is due on demand. The College has fixed its interest rate at 6.82% through an interest rate swap for the term of the loan. The interest rate includes a credit spread of 0.35%. The interest rate swap is a derivative financial instrument. It has effectively locked in a fixed rate through 2026.

The fair value of the interest rate swap (in favour of the counterparty) of $58,670 (2023 - $144,734) and changes in its fair value are recorded in the statement of remeasurement gains and losses.

(ii) The College has partially financed the building of the Athletic & Wellness Centre, Progress Campus through a fifteen-year unsecured term loan from the Ontario Financing Authority (OFA). The term loan carries interest, compounded semi-annually, equal to the Province of Ontario's cost of funds for a fifteen-year amortizing bond plus 0.40%. The maturity date of the term loan is November 30, 2026.

11. Term Debt and Long-term Debt (continued)

(iii) The College has partially financed the construction of the library and student hub at Ashtonbee Campus through a fifteen-year unsecured term loan from the Ontario Financing Authority (OFA). The term loan carries interest equal to the Province of Ontario's cost of funds for a fifteen-year amortizing bond plus 0.275%. The maturity date of the term loan is September 26, 2029.

	2024	2023
Term debt on the T-Block (Note i)	**$ 2,434,210**	$ 3,335,691

Long-term Debt

	2024	2023
OFA loan on the Athletic & Wellness Centre (Note ii)	**$ 4,236,136**	$ 5,547,553
OFA loan on the Library - Ashtonbee Campus (Note iii)	**7,300,741**	8,485,903
Total long-term debt	**11,536,877**	14,033,456
Less: current portion	**(2,587,175)**	(2,496,579)
	$ 8,949,702	$ 11,536,877

Assuming the demand loan is not called (note i), the principal amounts due within the next five years are as follows:

	Student Residence	**Athletic & Wellness Centre**	**Ashtonbee Campus Library**	**Total**
2025	$ 961,487	$ 1,360,495	$ 1,226,680	$ 3,548,662
2026	1,025,573	1,411,410	1,269,653	3,706,636
2027	447,150	1,464,231	1,314,131	3,225,512
2028	-	-	1,360,167	1,360,167
2029	-	-	2,130,110	2,130,110
	$ 2,434,210	$ 4,236,136	$ 7,300,741	$ 13,971,087

12. Post-Employment Benefits and Compensated Absences

The following tables outline the components of the College's post-employment benefits and compensated absences liabilities and the related income and expenses.

	2024			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	**$ 1,978,000**	**$ 9,839,000**	**$ 156,000**	**$ 11,973,000**
Value of plan assets	**(474,000)**	**-**	**-**	**(474,000)**
Unamortized actuarial gains (losses)	**10,000**	**(4,461,000)**	**(32,000)**	**(4,483,000)**
Total liability	**$ 1,514,000**	**$ 5,378,000**	**$ 124,000**	**$ 7,016,000**

	2023			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 1,812,000	$ 8,475,000	$ 183,000	$ 10,470,000
Value of plan assets	(431,000)	-	-	(431,000)
Unamortized actuarial gains (losses)	35,000	(3,115,000)	(11,000)	(3,091,000)
Total liability	$ 1,416,000	$ 5,360,000	$ 172,000	$ 6,948,000

	2024			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Current year benefit cost	**$ 130,000**	**$ 525,000**	**$ 4,000**	**$ 659,000**
Interest on accrued benefit obligation	**5,000**	**289,000**	**5,000**	**299,000**
Amortized actuarial (gains) losses	**(26,000)**	**224,000**	**6,000**	**204,000**
Total expense	**$ 109,000**	**$ 1,038,000**	**$ 15,000**	**$ 1,162,000**

12. Post-Employment Benefits and Compensated Absences (continued)

	2023			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Current year benefit cost	$ 205,000	$ 700,000	$ 9,000	$ 914,000
Interest on accrued benefit obligation	4,000	219,000	6,000	229,000
Amortized actuarial (gains) losses	(26,000)	74,000	54,000	102,000
Total expense	$ 183,000	$ 993,000	$ 69,000	$ 1,245,000

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology pension plan, a multi-employer plan, described below.

Retirement benefits

CAAT Pension Plan

Employees of the College are members of the Colleges of Applied Arts and Technology Pension Plan (the “Plan”), which is a multi-employer jointly-sponsored defined benefit plan for eligible employees public colleges and related employers in Ontario. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan’s governors to ensure the long-term viability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan’s pension surplus or deficit as insufficient information is available to identify the College’s share of the underlying pension assets and liabilities. The most recent triennial actuarial valuation filed with pension regulators as at January 1, 2023 indicated an actuarial surplus of $4.7 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of $19,808,667 in 2024 (2023 - $16,669,269), which has been included in the statement of operations

12. Post-Employment Benefits and Compensated Absences (continued)

Post-employment benefits

The College extends post employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The College also provides continuation of medical and dental benefits to certain employee groups while receiving long-term disability benefits. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The major actuarial assumptions employed for the valuation are as follows:

(a) Discount rate

The present value as at March 31, 2024 of the future benefits was determined using a discount rate 3.50% (2023 – 3.40%).

(b) Drug costs

Drug costs increases were assumed to decrease at a rate of 6.01% per annum in 2024 (2023 - 6.16%) to an ultimate rate of 4.0% in 2040.

(c) Hospital and other medical

Hospital and other medical costs were assumed to increase at 6.01% per annum (2023 – 6.16%).

Medical premium increases were assumed to increase at 6.01% per annum in 2024 (2023 - 6.16%) to an ultimate rate of 4.0% in 2040.

(d) Dental costs

Dental costs were assumed to increase at 4.0% per annum (2023 - 4.0%).

(e) Retirement rates

3.10% per annum starting at eligibility for reduced pension, increasing to 16% per annum after reaching eligibility for unreduced pension, with the remainder at age 65.

(f) Expected return on assets

For the fiscal 2024 disclosure, expected return on assets was assumed to increase at 4.20% (2023 – 1.50%) per annum.

12. Post-Employment Benefits and Compensated Absences (continued)

Compensated absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

Non-Vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leaves are the College's best estimates of expected rates of:

	2024	2025	Thereafter
Wage and salary escalation - support staff	1.00%	1.00%	1.00%
Wage and salary escalation - academic staff	1.00%	1.00%	1.00%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 26.2% and 0 to 51 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

13. Deferred Contributions

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2024	2023
Balance, beginning of year	$ 6,717,073	$ 9,950,291
Less amounts recognized as revenue in the year	(5,888,351)	(5,885,424)
Add amounts received during the year	8,542,559	2,652,206
Balance, end of year	$ 9,371,281	$ 6,717,073

Comprised of:

	2024	2023
Scholarship and bursaries	$ 5,192,714	$ 3,914,015
Endowment interest funds - externally restricted	3,532,712	2,200,172
Joint employment stability reserve	645,855	602,886
	$ 9,371,281	$ 6,717,073

14. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. The changes in the deferred capital contributions balances are as follows:

	2024	2023
Balance, beginning of year	**$ 190,346,838**	$ 154,280,727
Less amortization of deferred capital contributions	**(13,048,142)**	(11,671,895)
Add contributions received for capital purposes	**10,684,220**	47,738,006
Balance, end of year	**$ 187,982,916**	$ 190,346,838

As at March 31, 2024 there was $1,426,572 unspent to date of which $1,203,426 (2023 - $994,183) had been received before March 31, 2024 and $223,146 (2023 – nil) was recognized as amounts receivable at March 31, 2024.

15. Deferred Capital Contributions Relating to Construction in Progress

Deferred capital contributions relating to construction in progress represents the amount of restricted funding received for capital projects currently in progress.

	2024	2023
Balance, beginning of year	**$ 69,628**	$ 36,287
Add contributions received for capital purposes	**33,334**	33,341
Balance, end of year	**$ 102,962**	$ 69,628

As at March 31, 2024, unspent deferred capital contributions received relating to construction in progress were $102,962 (2023 - $69,628).

16. Investment in Capital Assets

a) Investment in capital assets represents the following:

	2024	2023
		(Restated) (Note 22)
Capital assets (Note 8)	**$ 486,019,415**	$ 393,470,470
Construction in progress (Note 7)	**-**	94,958,246
Less: Net book value of capitalized asset retirement obligations	**(940,307)**	(480,739)
	$ 485,079,108	$ 487,947,977
Less amounts financed by:		
Residence and culinary arts centre liability	**20,821,749**	20,653,490
Residence and culinary arts centre deferred revenue	**49,774,139**	50,973,516
Accounts payable and accrued liabilities	**6,833**	2,919,694
Term debt (Note 11)	**13,971,087**	17,369,147
Deferred capital contributions - spent (Notes 14, 15)	**186,556,344**	189,352,655
Balance, end of year	**$ 213,948,956**	$ 206,679,475

b) Change in net assets invested in capital assets is calculated as follows:

	2024	2023
		(Restated) (Note 22)
Excess (deficiency) of revenue over expenses:		
Amortization of deferred capital contributions related to capital assets (Note 14)	**$ 13,048,142**	$ 11,671,895
Amortization of capital assets (Note 8)	**(38,683,329)**	(37,548,597)
Amortization of asset retirement obligations	**37,151**	68,677
	$ (25,598,036)	$ (25,808,025)
Net change in investment in capital assets		
Purchase of capital assets and CIP	**$ 35,777,309**	$ 101,883,171
Amount funded by deferred capital contributions	**(10,251,831)**	(47,261,581)
Amounts funded by account payable	**2,912,861**	(630,411)
Amounts funded by residence and culinary arts centre liability	**(168,259)**	(153,032)
Amounts funded by residence and culinary arts centre deferred revenue	**1,199,377**	1,199,377
Repayment of term debt and long-term debt	**3,398,060**	3,254,231
	32,867,517	58,291,755
	$ 7,269,481	$ 32,483,730

17. Internally Restricted Net Assets

Internally restricted net assets represent money set aside by College senior management towards:

(i) An international student scholarship endowment fund established by the College senior management and approved by the Board of Governors. Contributions to this fund includes an annual amount equal to 1% of international education tuition fees, matching funds from the College on certain donation campaigns, annual adjustments to the group insurance premiums paid for international students and other discretionary transfers from the College. During the year, $4,732,726 (2023 - $6,251,974) was transferred into the International student scholarship endowment fund and matching funds from the General Fund and $339,268 (2023 - $435,405) was disbursed from the fund to be used to directly award international student scholarships. As of March 31, 2024, the College's internally restricted scholarship and fundraising fund amounted to $27,651,146 (2023 – $23,257,688).

(ii) A building improvements fund is an internally restricted building improvement fund approved by the College Board of Governors to provide the necessary resources required for the realization of the college's master campus plan. Funds set aside in prior years were for use in the College's A Block Expansion Project ("A Block Project"). During the year, $11,460,404 (2023 - $43,179,184) was transferred to the general fund to be invested in this project leaving a remaining unused balance in the fund of $7,388,351 (2023 – $nil) which was also transferred back to the general fund at March 31, 2024.

In addition, the Board of Governors approved the internal restriction of $25,000,000 (2023 - $nil) to support the Downsview National Mobility and Technology Hub project ("Downsview Project"). The total budgeted cost of the Downsview Project is $350,000,000.

The changes in the building improvement fund are as follows:

	2024	2023
Balance, beginning of year	**$ 18,848,755**	$ 62,027,939
Disbursed for use in the A Block Project	**(11,460,404)**	(43,179,184)
Unused funds from the A Block Project	**(7,388,351)**	-
Funds set aside for the Downsview Project	**25,000,000**	-
Balance, end of year	**$ 25,000,000**	$ 18,848,755

18. Externally Restricted Net Assets

Externally restricted net assets include restricted donations received by the College where the endowment principal is required to be maintained intact. The investment income generated from these endowments must be used in accordance with the various purposes established by donors. The College ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

18. Externally Restricted Net Assets (continued)

Investment income on externally restricted endowments that was disbursed during the year has been recorded in the statement of operations since this income is available for disbursement as scholarships and bursaries and the donors' conditions have been met. The unspent portion of investment income is recorded in deferred contributions.

Externally restricted endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund (OSOTF) and the Ontario Trust for Student Support (OTSS). Under these programs, the government matched funds raised by the College. The purpose of the program was to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College.

Schedule of Changes in Endowment Fund Balances for the Year Ended March 31,

	2024				
	OSOTF I	**OSOTF II**	**OTSS**	**Other**	**Total**
Fund balance, beginning of year	**$ 343,800**	**$ 1,391,901**	**$ 11,949,080**	**$ 7,812,724**	**$ 21,497,505**
Cash donations received	**-**	**-**	**-**	**1,169,740**	**1,169,740**
Fund balance, end of year	**$ 343,800**	**$ 1,391,901**	**$ 11,949,080**	**$ 8,982,464**	**$ 22,667,245**

	2023				
	OSOTF I	OSOTF II	OTSS	Other	Total
Fund balance, beginning of year	$ 343,800	$ 1,391,901	$ 11,949,080	$ 6,245,723	$ 19,930,504
Cash donations received	-	-	-	1,567,001	1,567,001
Fund balance, end of year	$ 343,800	$ 1,391,901	$ 11,949,080	$ 7,812,724	$ 21,497,505

Schedule of Changes in Expendable Funds Available for Awards for the Year Ended March 31,

	2024				
	OSOTF I	**OSOTF II**	**OTSS**	**Other**	**Total**
Balance, beginning of year	**$ 80,233**	**$ 291,054**	**$ 1,381,443**	**$ 447,423**	**$ 2,200,153**
Investment income, net of direct investment related expenses	**26,208**	**106,106**	**894,843**	**647,902**	**1,675,059**
Bursaries awarded	**-**	**(49,000)**	**(90,000)**	**(203,500)**	**(342,500)**
Balance, end of year	**$ 106,441**	**$ 348,160**	**$ 2,186,286**	**$ 891,825**	**$ 3,532,712**
Bursaries awarded (#)	**-**	**40**	**69**	**158**	**267**

18. Externally Restricted Net Assets (continued)

	2023				
	OSOTF I	OSOTF II	OTSS	Other	Total
Balance, beginning of year	$ 88,690	$ 337,292	$ 1,995,211	$ 523,185	$ 2,944,378
Investment income, net of direct investment related expenses	(8,457)	(34,238)	(293,946)	(24,489)	(361,130)
Bursaries awarded	-	(12,000)	(319,822)	(51,273)	(383,095)
Balance, end of year	$ 80,233	$ 291,054	$ 1,381,443	$ 447,423	$ 2,200,153
Bursaries awarded (#)	-	9	165	139	313

19. Financial Instrument Risk Management

Credit risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, investments, debt holdings in its investment portfolio, long-term receivable and accounts receivable. The College holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to $100,000 (2023 - $100,000).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The College's investment policy operates within the constraints of the investment guidelines issued by the Ministry of Colleges and Universities ("MCU") and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management during the year. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of A or better, or corporate investments having a rating of A (R-1) or better.

Credit risk on accounts receivable and long-term receivables are mitigated by financial and system controls on past due accounts.

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections.

19. Financial Instrument Risk Management (continued)

Credit risk (continued)

The amounts outstanding at year end were as follows:

Amount past due	**2024**				
	Total	**Current**	**> 30 days**	**61 - 90 days**	**> 90 days**
Government receivables	**$ 7,522,737**	**$ 7,522,737**	**$ -**	**$ -**	**$ -**
Student receivables	**4,838,038**	**449,354**	**131,445**	**2,547,562**	**1,709,677**
Non student receivables	**1,068,746**	**689,286**	**167,349**	**114,060**	**98,051**
Other receivables	**10,015,110**	**10,015,110**	**-**	**-**	**-**
Gross receivables	**$ 23,444,631**	**$ 18,676,487**	**$ 298,794**	**$ 2,661,622**	**$ 1,807,728**
Less: impairment allowances	**$ (2,483,234)**				
Net receivables	**$ 20,961,397**				

Amount past due	2023				
	Total	Current	> 30 days	61 - 90 days	> 90 days
Government receivables	$ 2,319,146	$ 2,319,146	$ -	$ -	$ -
Student receivables	4,423,410	233,137	73,963	2,422,325	1,693,985
Non student receivables	1,205,629	727,205	294,488	43,574	140,362
Other receivables	11,866,861	11,866,861	-	-	-
Gross receivables	$ 19,815,046	$ 15,146,349	$ 368,451	$ 2,465,899	$ 1,834,347
Less: impairment allowances	$ (2,468,095)				
Net receivables	$ 17,346,951				

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The College's investment policy operates within the constraints of the investment guidelines issued by the Ministry of Colleges and Universities. The policy's application is monitored by management and the Board of Governors. Diversification techniques are utilized to minimize risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

19. Financial Instrument Risk Management (continued)

Currency risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign College levels when adverse changes in foreign currency College rates occur. The College carries a bank balance and conducts transactions in both US dollars and Canadian dollars. The College also holds bank accounts in Australia, India, Singapore and South Korea; however, the College does not conduct material transactions in currencies other than US and Canadian dollars. The College mitigates currency risk by demanding payment of receivables in Canadian or US dollars and the College employs a natural hedge by directing the College's US dollar holdings to support foreign operations.

The College has the following financial instruments denominated in foreign currencies:

2024

Cash	Currency	Amount in Foreign Currency	Exchange Amount	Exchange Rate (%)	Amount in Canadian Dollars
United States Dollars	USD	$ 1,876,083	$ 666,009	135.50%	$ 2,542,092
Australian Dollars	AUD	5,227	(613)	88.27%	4,614
Indian Rupee	INR	8,692,800	(8,551,542)	1.63%	141,258
Singapore Dollar	SGD	3,858	15	100.39%	3,873
South Korean Wan	KRW	123,313,028	(123,189,222)	0.10%	123,806
Vietnam Dollars	VND	1,287,012,500	(1,286,948,149)	0.01%	64,351
					$ 2,879,994

Accounts Payable and Accrued Liabilities					
United States Dollars	USD	$ 275,857	$ 97,929	135.50%	$ 373,786

19. Financial Instrument Risk Management (continued)

Currency risk (continued)

2023								
Cash	Currency		Amount in Foreign Currency		Exchange Amount	Exchange Rate (%)		Amount in Canadian Dollars
United States Dollars	USD	$	3,618,538	$	1,278,429	135.33%	$	4,896,967
Australian Dollars	AUD		5,909		(555)	90.60%		5,354
Indian Rupee	INR		2,280,388		(2,242,830)	1.65%		37,558
Singapore Dollar	SGD		923		16	101.76%		939
South Korean Wan	KRW		67,893,141		(67,822,735)	0.10%		70,406
Vietnam Dollars	VND		1,288,280,860		(1,288,203,563)	0.01%		77,296
							$	5,088,520
Accounts Payable and Accrued Liabilities								
United States Dollars	USD	$	130,664	$	46,163	135.33%	$	176,827

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The College is exposed to this risk through its interest-bearing investments and bank loans.

The College mitigates interest rate risk on its term debt through a derivative financial instrument that exchanges the variable rate inherent in the term debt for a fixed rate (see Note 11 (i)). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

At March 31, 2024, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of the interest rate swap of $30,190 (2023 - $59,300)

The College's investment portfolio has interest rates ranging from 1.73% to 5.90% (2023 – 1.75% to 7.00%) with maturities ranging from June 2, 2024 to May 3, 2032. As at March 31, 2024, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of investments of $5,237,294 (2023 - $3,878,522)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

19. Financial Instrument Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and by maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities assuming demand loans are not called):

	2024				
	Within 6 months	**6 months to 1 year**	**1 - 5 years**	**> 5 years**	**Total**
Accounts payable and accrued liabilities	**$ 63,825,970**	**$ -**	**$ -**	**$ -**	**$ 63,825,970**
Term debt	**1,755,047**	**1,793,611**	**9,700,134**	**722,295**	**13,971,087**
Lease liability	**4,326**	**10,383**	**51,916**	**20,755,124**	**20,821,749**
	$ 65,585,343	**$ 1,803,994**	**$ 9,752,050**	**$ 21,477,419**	**$ 98,618,806**

	2023				
	Within 6 months	6 months to 1 year	1 - 5 years	> 5 years	Total
Accounts payable and accrued liabilities	$ 72,456,721	$ -	$ -	$ -	$ 72,456,721
Bank loans	94,000	94,000	563,999	-	751,999
Term debt	1,680,596	1,717,383	11,841,058	2,130,110	17,369,147
Lease liability	6,428	10,825	53,677	19,093,150	19,164,080
	$ 74,237,745	$ 1,822,208	$ 12,458,734	$ 21,223,260	$109,741,947

Derivative financial liabilities mature as described in Note 11.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity prices. The College is exposed to this risk through its investments held in securities.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

20. Commitments and Contingencies

The College is committed to estimated minimum annual payments under operating lease agreements over the next five years and thereafter as follows:

2025	$ 1,035,554
2026	593,607
2027	393,565
2028	290,877
2029	290,877
Thereafter	2,489,055
Total commitments	$ 5,093,535

The College has been named as a defendant in several litigations alleging actual and punitive damages. The College has made a provision management believes will be sufficient based on the amount of the claims, however management is not able to determine the final outcome of these claims. Settlement, if any, will be accounted for during the period of resolution.

21. Asset Retirement Obligations

The College's financial statements include an asset retirement obligation for the remediation of asbestos contained within campus buildings. The related asset retirement costs are being amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 3.32% (2023 - 3.32%). The estimated total undiscounted future expenditures are $24.2 million (2023 - $7.7 million), which are expected to be incurred in either 6 years or 50 years, which is the estimated remaining useful life of the buildings.

During the year additional asset retirement obligations of $1,663,159 were recognized along with an associated asset of $496,719.

	2024	2023
Balance, beginning of year	**$ 6,118,726**	$ 5,922,112
Add: additional asset retirement obligations	**1,663,159**	-
Add: accretion costs	**258,359**	196,614
Balance, end of year	**$ 8,040,244**	$ 6,118,726

22. Change in Accounting Policy

Effective April 1, 2023, the College adopted new Public Sector Accounting Handbook Standard, Section PS 3160, Public Private Partnerships. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standard requires consideration of performance terms of the contract regarding the useful life of an asset as well as use the implicit interest rate to calculate the financial liability related to the public private partnership.

This change in accounting policy has been applied retroactively with restatement of prior periods, using the modified retrospective approach. The impact of the adoption of this standard was as follows:

	2023
Statement of Operations	
Increase in operating expenses	$ 163,076
Decrease in amortization expense of capital assets	(543,096)
Increase in excess of revenue over expenses for the year	380,020
Statement of Financial Position	
Increase in capital assets (net book value)	$ 543,096
Increase in residence and culinary arts centre liability	1,489,410
Decrease in invested in capital assets	(946,314)

23. Intake Cap on International Student Permits

On January 22, 2024 the Federal Government of Canada announced an intake cap on international student permit applications from a period of two years, resulting in a reduction of approximately 35% of approved study from 2023 levels. At the end of 2024, the Government will re-assess the number of new study permits that will be processed in 2025.

A significant portion of the College's tuition revenues is derived from international students and the College is assessing the impact of this announcement on its ability to earn revenue from international students.

Certain amounts currently included in deferred revenue may be required to be classified to accounts payable and accrued liabilities once management has assessed the impact of this announcement.

24. Comparative Figures

Certain comparative figures included in these financial statements have been reclassified to conform to the presentation adopted for the current year.

The Centennial College of Applied Arts & Technology
Schedule of Grants and Reimbursements
Schedule 1

For the year ended March 31	2024	2023
General operating grant	**$ 44,679,903**	$ 47,649,848
Apprenticeship	**9,401,518**	9,670,216
Special project grants	**13,158,717**	13,224,690
Grant in lieu of municipal taxation	**618,000**	645,450
Sick leave gratuities	**-**	115,378
Other grants	**11,211,647**	6,677,650
	$ 79,069,785	$ 77,983,232

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

The Centennial College of Applied Arts & Technology
Schedule of Ancillary Operations
Schedule 2

For the year ended March 31

						2024
	Bookstores	Centennial Place	Parking	Food Service	MyCard	Total
Revenue	$ 252,346	$ 240,606	$ 3,276,513	$ 218,279	$ 419,918	$ 4,407,662
Expenses						
Cost of goods sold	-	-	570,323	-	-	570,323
Salaries and benefits	81,741	-	-	-	211,205	292,946
Rent and taxes	-	-	137,993	-	-	137,993
Contract services	-	-	1,155,280	29,254	4,411	1,188,945
Other operating expense	-	-	1,223,882	17,718	306,542	1,548,142
	81,741	-	3,087,478	46,972	522,158	3,738,349
Excess (deficiency) of revenue over expenses	$ 170,605	$ 240,606	$ 189,035	$ 171,307	$ (102,240)	$ 669,313

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

The Centennial College of Applied Arts & Technology
Schedule of Ancillary Operations
Schedule 2

For the year ended March 31

						2023
	Bookstores	**Centennial Place**	**Parking**	**Food Service**	**MyCard**	**Total**
Revenue	$ 222,635	$ 258,955	$ 2,531,856	$ 99,481	$ 619,699	$ 3,732,626
Expenses						
Cost of goods sold	-	-	434,527	-	-	434,527
Salaries and benefits	77,816	-	-	-	183,868	261,684
Rent and taxes	-	-	149,727	-	-	149,727
Contract services	-	-	677,451	27,327	5,668	710,446
Other operating expense	-	-	1,133,807	1,887	19,980	1,155,674
	77,816	-	2,395,512	29,214	209,516	2,712,058
Excess of revenue over expenses	$ 144,819	$ 258,955	$ 136,344	$ 70,267	$ 410,183	$ 1,020,568

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