CONSOLIDATED FINANCIAL STATEMENTS

The Humber College Institute of Technology and Advanced Learning

March 31, 2022

The Humber College Institute of Technology and Advanced Learning

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For the year ended March 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of The Humber College Institute of Technology and Advanced Learning (the “College”) are the responsibility of management and have been approved by the Board of Governors (the “Board”).

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 series of standards applicable to government not-for-profit organizations. Where alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Consolidated 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 consolidated financial statements are presented fairly, in all material respects.

The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and 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 is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit and Finance Committee (the “Committee”).

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

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

Chris Whitaker	Sanjay Puri
President & CEO	Vice President, Administration & CFO
May 25th, 2022	May 26, 2022

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 1**

Consolidated Statement of Financial Position

		March 31, 2022		March 31, 2021
ASSETS				
Current assets				
Cash	$	**121,686,021**	$	117,701,987
Investments		**302,204,381**		283,405,874
Grants receivable (Note 4)		**1,656,255**		1,123,386
Accounts receivable (Note 5)		**13,384,799**		7,595,845
Loan receivable (Note 7)		**134,436**		87,132
Prepaid expenses		**4,336,453**		3,219,318
Total current assets		**443,402,345**		413,133,542
INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER (Note 6)		**10,985,428**		11,738,450
LONG-TERM LOAN RECEIVABLE (Note 7)		**2,007,862**		3,159,921
PREPAID LAND LEASE (Note 8)		**2,818,032**		2,850,361
CAPITAL ASSETS (Note 9)		**526,191,335**		517,499,814
TOTAL ASSETS	$	**985,405,002**	$	948,382,088
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	**32,858,478**	$	24,658,841
Accrued payroll and employee benefits		**14,234,454**		12,516,425
Accrued vacation pay		**19,427,814**		19,976,533
Deferred revenue		**139,046,901**		91,746,516
Due to University of Guelph-Humber (Note 6)		**24,620,886**		27,262,744
Due to IGNITE Student Union (Note 10)		**4,589,097**		8,475,622
Bank loan (Note 11)		**19,392,782**		21,574,386
Total current liabilities		**254,170,412**		206,211,067
POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (Note 12)		**8,676,000**		8,768,000
DEFERRED CONTRIBUTIONS (Note 13)		**17,035,340**		16,846,366
DEFERRED CAPITAL CONTRIBUTIONS (Note 14)		**187,585,829**		194,679,156
INTEREST RATE SWAP (Note 11)		**1,940,894**		3,690,818
TOTAL LIABILITIES		**469,408,475**		430,195,407
NET ASSETS				
Unrestricted				
Operating		**30,044,708**		32,435,351
Post-employment benefits and compensated absences (Note 12)		**(8,676,000)**		(8,768,000)
Vacation pay		**(19,427,814)**		(19,976,533)
Total unrestricted net assets		**1,940,894**		3,690,818
INVESTED IN CAPITAL ASSETS (Note 15)		**320,340,981**		301,911,275
INTERNALLY RESTRICTED (Note 16)		**197,189,510**		199,903,092
EXTERNALLY RESTRICTED (Note 17)		**16,243,047**		16,058,756
		535,714,432		521,563,941
ACCUMULATED REMEASUREMENT LOSSES		**(19,717,905)**		(3,377,260)
TOTAL NET ASSETS		**515,996,527**		518,186,681
TOTAL LIABILITIES AND NET ASSETS	$	**985,405,002**	$	948,382,088

See accompanying notes to the consolidated financial statements

On behalf of the Board of Governors:

Ana Fernandes
Chair, Board of Governors

Chris Whitaker
President & CEO

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 2**

Consolidated Statement of Operations

For the year ended		**March 31, 2022**		March 31, 2021
REVENUE				
Grants and reimbursements	**$**	**164,975,997**	$	151,998,581
Tuition and other fees		**296,638,576**		249,462,712
Interest and investment income		**8,789,244**		14,975,119
Other (Note 18)		**50,035,610**		39,875,541
Amortization of deferred capital contributions (Note 14)		**10,528,747**		10,193,315
TOTAL REVENUE		**530,968,174**		466,505,268
EXPENSES				
Salaries and benefits		**299,376,426**		276,821,486
Contract services		**102,039,806**		68,771,221
Maintenance, utilities and municipal taxes		**14,971,960**		12,918,168
Advertising and marketing		**6,801,582**		6,621,382
Supplies, equipment and other expenses		**31,988,964**		30,794,390
Information technology, software and licenses		**12,414,434**		10,341,805
Student assistance		**10,616,119**		11,917,069
Amortization of capital assets		**38,792,683**		36,626,095
TOTAL EXPENSES		**517,001,974**		454,811,616
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	**$**	**13,966,200**	$	11,693,652

See accompanying notes to the consolidated financial statements

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 4**

Consolidated Statement of Cash Flows

		March 31, 2022		March 31, 2021
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Excess of revenue over expenses for the year	**$**	**13,966,200**	$	11,693,652
Non-cash items:				
Amortization of capital assets		**38,792,683**		36,626,095
Amortization of deferred capital contributions		**(10,528,747)**		(10,193,315)
Gain on sale of capital assets		**-**		(1,040,349)
Share of excess of revenue over expenses for the year from University of Guelph-Humber (Note 6)		**(9,037,056)**		(10,039,211)
		33,193,080		27,046,872
Change in post-employment benefits and compensated absences		**(92,000)**		233,000
Endowment contributions		**184,291**		212,101
Realized gain on investments reclassified to statement of operations		**(459,963)**		(2,881,050)
Net change in non-cash working capital items (Note 20)		**42,733,868**		25,530,973
Cash provided by operating activities		**75,559,276**		50,141,896
INVESTING				
Distribution from University of Guelph-Humber (Note 6)		**9,790,530**		9,237,589
Net increase in investments (net of fair market value adjustment)		**(18,798,507)**		(88,748,911)
Change in unrealized investment accumulated remeasurement losses		**(17,630,606)**		(2,963,379)
Cash used in investing activities		**(26,638,583)**		(82,474,701)
FINANCING				
Deferred contributions (net of fair market value adjustment)		**188,974**		10,213,989
Receipt of loan receivable (Note 7)		**1,104,755**		83,555
Repayment of bank loan (Note 11)		**(2,181,604)**		(2,065,525)
Cash (used in) provided by financing activities		**(887,875)**		8,232,019
CAPITAL				
Purchase of capital assets and construction in progress		**(47,484,204)**		(39,127,060)
Proceeds on sale of capital assets		**-**		2,953,000
Contributions received for capital purposes		**3,435,420**		2,347,304
Cash used in capital activities		**(44,048,784)**		(33,826,756)
Net increase (decrease) in cash during the year		**3,984,034**		(57,927,542)
Cash, beginning of year		**117,701,987**		175,629,529
Cash, end of year	**$**	**121,686,021**	$	117,701,987

See accompanying notes to the consolidated financial statements

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 3**

Consolidated Statement of Changes in Net Assets

	March 31, 2022				
	Unrestricted	**Internally restricted** (Note 16)	**Invested in capital assets** (Note 15)	**Externally restricted** (Note 17)	**Total**
Balance, beginning of year	**$ 3,690,818**	**$ 199,903,092**	**$ 301,911,275**	**$ 16,058,756**	**$ 521,563,941**
Excess of revenue over expenses for the year	**13,966,200**	**-**	**-**	**-**	**13,966,200**
Change in internally restricted net assets	**2,713,582**	**(2,713,582)**	**-**	**-**	**-**
Net change in invested in capital assets (Note 15)	**(18,429,706)**	**-**	**18,429,706**	**-**	**-**
Endowment contributions	**-**	**-**	**-**	**184,291**	**184,291**
Balance, end of year	**$ 1,940,894**	**$ 197,189,510**	**$ 320,340,981**	**$ 16,243,047**	**$ 535,714,432**

	March 31, 2021				
	Unrestricted	Internally restricted (Note 16)	Invested in capital assets (Note 15)	Externally restricted (Note 17)	Total
Balance, beginning of year	$ 5,062,674	$ 197,704,440	$ 291,044,419	$ 15,846,655	$ 509,658,188
Excess of revenue over expenses for the year	11,693,652	-	-	-	11,693,652
Change in internally restricted net assets	(2,198,652)	2,198,652	-	-	-
Net change in invested in capital assets (Note 15)	(10,866,856)	-	10,866,856	-	-
Endowment contributions	-	-	-	212,101	212,101
Balance, end of year	$ 3,690,818	$ 199,903,092	$ 301,911,275	$ 16,058,756	$ 521,563,941

See accompanying notes to the consolidated financial statements

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 5**

Consolidated Statement of Remeasurement Gains and Losses

		March 31, 2022		March 31, 2021
Accumulated remeasurement (losses) gains at the beginning of year	**$**	**(3,377,260)**	$	1,033,083
Unrealized (losses) gains attributable to:				
Derivative - interest rate swap		**1,749,924**		1,434,086
Investments - operating fund		**(17,630,606)**		(2,963,379)
Realized gain on investments, reclassified to the statement of operations		**(459,963)**		(2,881,050)
Net remeasurement losses for the year		**(16,340,645)**		(4,410,343)
Accumulated remeasurement losses at end of year	**$**	**(19,717,905)**	$	(3,377,260)

See accompanying notes to the consolidated financial statements

1. DESCRIPTION OF THE ORGANIZATION

The College system was created by an Act of the Ontario Legislature on December 30, 1966. Regulation 771 empowered the Ministry of Education (now named Ministry of Colleges and Universities, "MCU") to establish individual colleges. On February 23, 1967, Humber College of Applied Arts and Technology became a reality. By Ontario Regulation 34/03 filed on February 11, 2003, the name of the College was changed to The Humber College Institute of Technology and Advanced Learning (the "College").

The College's mission statement is as follows:

"Humber develops global citizens with the knowledge and skills to lead and innovate."

The College's consolidated financial statements include the accounts of the Humber College Educational Foundation, which is controlled by the College, and the College's 50% interest in the University of Guelph-Humber joint venture (the "Joint Venture"). These consolidated financial statements do not reflect the assets, liabilities and results of operations of IGNITE Student Union ("IGNITE") or the various other student organizations and clubs of the College.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated 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 Public Sector Accounting Board ("PSAB for Government NPOs"). The significant accounting policies are as follows:

Revenue recognition

The College follows the deferral method of accounting for contributions, which include donations and government grants.

Tuition fees and contract training revenues are recorded as revenue rateably over the term to which the tuition fees revenue applies to the extent that the related courses and services are provided to the student or client.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Ancillary revenues, including corporate training, retail operations, food services, student residence, parking 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.

Contributions externally restricted for purposes other than endowments are recognized as revenue in the year in which the related expenses are recognized. Externally restricted contributions for the purchase or construction of depreciable capital assets are deferred and amortized over the life of the related capital asset.

Endowment contributions are recognized as direct increases in net assets in the period in which they are received. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Capital assets

Purchased capital assets are recorded at cost while contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Buildings	25 to 40 years
Site improvements	10 to 25 years
Leasehold improvements	10 to 20 years
Furniture and equipment	3 to 10 years
Automotive equipment	5 years
Software	5 to 7 years

Construction in progress costs are capitalized as incurred and are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets, once the assets are placed in service. 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.

Vacation pay

The College recognizes vacation pay as an expense on an 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, vesting sick leave and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(iii) The cost of vesting and non-vesting 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 assumptions and/or experience are recognized over the estimated average remaining service life of the employees.

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

Investment in University of Guelph-Humber

The investment in the Joint Venture is accounted for using the modified equity method. No adjustment is made for the basis of accounting of the Joint Venture being different than PSAB for Government NPOs.

Financial instruments

The College classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired or liability incurred except for those instruments designated into the fair value category. The College's accounting policy for each category is as follows:

<u>Fair value</u>
This category includes cash, investments, and derivatives. The College's interest rate swap is considered to be a derivative financial instrument and is included in this category. The College invests its externally restricted funds in pooled funds with its investment management firm. These funds are considered to be equity instruments and are included in this category.

Financial instruments in this fair value category are initially recognized at cost and subsequently measured at fair value. Unrealized changes in fair value related to unrestricted funds are recognized in the consolidated statement of remeasurement gains and losses until they are realized, when they are transferred to the consolidated statement of operations.

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 consolidated statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is transferred and recognized in the consolidated statement of operations.

Unrealized changes in fair value related to externally restricted funds are recognized in deferred contributions until the criterion attached to the restrictions has been met, when they are transferred to the consolidated statement of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Amortized cost
This category includes grants receivable, accounts receivable, loan receivable, long-term loan receivable, accounts payable and accrued liabilities, accrued payroll and employee benefits, accrued vacation pay, due to University of Guelph-Humber, due to IGNITE, and bank loan. 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, except for contributions, which are initially recognized at fair value.

Writedowns 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 writedown being recognized in the consolidated statement of operations.

Management estimates

The preparation of consolidated financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Due to inherent uncertainty involved in making such estimates, actual results could differ from those estimates. Areas of key estimation include determination of fair value of investments, determination of fair value of derivatives, determination of percentage of completion of construction in progress, deferred tuition revenue, allowance for doubtful accounts, capital asset amortization, amortization of deferred capital contributions and actuarial estimation of post-employment benefits and compensated absences liabilities.

Public sector salary disclosure act

The Public Sector Salary Disclosure Act, 1996 (the “Act”) requires the disclosure of the salaries and benefits of employees in the public sector who are paid a salary of $100,000 or more in a year. The College complies with this Act by providing the information to Ministry of Colleges and Universities (“MCU”) for disclosure on the public website.

3. 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.

	2022		
	Fair Value	**Amortized Cost**	**Total**
Cash	**$ 121,686,021**	**$ -**	**$ 121,686,021**
Investments	**302,204,381**	**-**	**302,204,381**
Grants receivable	**-**	**1,656,255**	**1,656,255**
Accounts receivable	**-**	**13,384,799**	**13,384,799**
Loan receivable	**-**	**134,436**	**134,436**
Long-term loan receivable	**-**	**2,007,862**	**2,007,862**
Accounts payable and accrued liabilities	**-**	**32,858,478**	**32,858,478**
Accrued payroll and employee benefits	**-**	**14,234,454**	**14,234,454**
Accrued vacation pay	**-**	**19,427,814**	**19,427,814**
Due to University of Guelph-Humber	**-**	**24,620,886**	**24,620,886**
Due to IGNITE	**-**	**4,589,097**	**4,589,097**
Bank loan	**-**	**19,392,782**	**19,392,782**
Interest rate swap	**1,940,894**	**-**	**1,940,894**

	2021		
	Fair Value	Amortized Cost	Total
Cash	$ 117,701,987	$ -	$ 117,701,987
Investments	283,405,874	-	283,405,874
Grants receivable	-	1,123,386	1,123,386
Accounts receivable	-	7,595,845	7,595,845
Loan receivable	-	87,132	87,132
Long-term loan receivable	-	3,159,921	3,159,921
Accounts payable and accrued liabilities	-	24,658,841	24,658,841
Accrued payroll and employee benefits	-	12,516,425	12,516,425
Accrued vacation pay	-	19,976,533	19,976,533
Due to University of Guelph-Humber	-	27,262,744	27,262,744
Due to IGNITE	-	8,475,622	8,475,622
Bank loan	-	21,574,386	21,574,386
Interest rate swap	3,690,818	-	3,690,818

Investments consist of cash, daily interest deposits, guaranteed investment certificates, Canadian federal bonds, Canadian provincial bonds, Canadian corporate bonds and pooled funds.

Maturity profile of investments held at fair value is as follows:

	2022				
	Within 1 year	**1 to 5 years**	**5 to 10 years**	**Over 10 years**	**Total**
Fair value	**$ 55,670,172**	**$ 113,405,867**	**$ 133,128,342**	**$ -**	**$ 302,204,381**
Percent of Total	**18.4%**	**37.5%**	**44.1%**	**0.0%**	

	2021				
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	Total
Fair value	$ 72,698,703	$ 73,736,623	$ 136,970,548	$ -	$ 283,405,874
Percent of Total	25.7%	26.0%	48.3%	0.0%	

3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

The following table provides an analysis of investments 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).

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash	**$ 121,686,021**	**$ -**	**$ -**	**$ 121,686,021**
Investments	**302,204,381**	**-**	**-**	**302,204,381**
Interest rate swap	**-**	**-**	**1,940,894**	**1,940,894**
Total	**$ 423,890,402**	**$ -**	**$ 1,940,894**	**$ 425,831,296**

	2021			
	Level 1	Level 2	Level 3	Total
Cash	$ 117,701,987	$ -	$ -	$ 117,701,987
Investments	283,405,874	-	-	283,405,874
Interest rate swap	-	-	3,690,818	3,690,818
Total	$ 401,107,861	$ -	$ 3,690,818	$ 404,798,679

There were no other transfers between levels for the years ended March 31, 2022 and 2021. For a sensitivity analysis of financial instruments recognized in Level 3, see Note 21.

4. GRANTS RECEIVABLE

Grants receivable represent amounts receivable from the MCU and other agencies to fund programs delivered by the College.

5. ACCOUNTS RECEIVABLE

	2022	2021
Investment interest receivable	**$ 1,896,626**	$ 2,402,862
Commodity taxes receivable	**2,593,710**	1,932,002
Other accounts receivable	**3,509,460**	1,848,728
Student accounts receivable	**8,921,196**	5,745,430
Allowance for doubtful accounts	**(3,536,193)**	(4,333,177)
Total current accounts receivable	**$ 13,384,799**	$ 7,595,845

Other accounts receivable represent sundry receivables such as revenues earned by faculties, for corporate training or teaching sessions, research project related receivables and commissions earned on ancillary businesses.

6. INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER

In 1999, the College entered into a Memorandum of Understanding with the University of Guelph, known as the University of Guelph-Humber joint venture. The purpose of the Joint Venture is to provide students with a four-year collaborative learning opportunity which results in the conferment of both a university degree and a college diploma.

The following is the College's combined 50% share of the components of the financial statements of the Joint Venture:

	2022	2021
Total assets	**$ 16,159,561**	$ 17,091,595
Total liabilities	**5,174,133**	5,352,693
Net assets	**$ 10,985,428**	$ 11,738,902
Revenue	**$ 33,577,769**	$ 34,154,559
Expenses	**24,540,713**	24,115,348
Excess of revenue over expenses for the year	**$ 9,037,056**	$ 10,039,211
Cash provided by operating activities	**$ 10,703,655**	$ 9,857,246
Cash used in investing activities	**(913,125)**	(619,657)
Cash used in financing activities	**(9,790,530)**	(9,237,589)
Net cash flows	$ -	$ -

Excess of revenue over expenses for the year has been included in other revenue (see Note 18).

During the year, the College earned $14,446,750 (2021 - $13,264,033) of fees from the Joint Venture for services provided which has been included in other revenue (Note 18).

The amount due to the Joint Venture is unsecured, non-interest bearing and due on demand.

During the year, the Joint Venture distributed $9,790,530 (2021 - $9,237,589) to the College which was applied against the investment.

6. INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER (continued)

The Joint Venture is a not-for-profit organization, and follows the recommendations of CPA Canada Handbook Part III – Accounting Standards for Not-for-Profit Organizations. As such, there may be differences between the accounting policies of the College under PSAB and the Joint Venture under Part III of the CPA Handbook. Under the modified equity approach, the College makes no adjustment to the amounts disclosed or recognized in its consolidated financial statements for these differences. For the year ended March 31, 2022, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these consolidated financial statements.

7. LONG-TERM LOAN RECEIVABLE

On October 23, 2018, the College entered into a mortgage agreement with Colleges Ontario to provide a mortgage supporting the purchase of Colleges Ontario's new office facility. The original loan amount of $3,430,245 is amortized over 25 years, bearing interest at 4.20% fixed rate per annum, receivable in monthly payments of $18,487 on the first day of each month. The initial term of the mortgage is 5 years, open, maturing on December 3, 2023. During the year, Colleges Ontario made a lump-sum payment of $1,000,000, in addition to its monthly payments.

	2022	2021
Loan receivable	**$ 2,142,298**	$ 3,247,053
Less: Current portion included in loan receivable	**134,436**	87,132
Total long-term loan receivable	**$ 2,007,862**	$ 3,159,921

8. PREPAID LAND LEASE

In 2014, the College negotiated a land lease with the City of Toronto. This amount, recorded as a prepaid land lease, includes the original payment made to the City of Toronto for a ninety-five year lease upon which the College has constructed an administrative building. The amount is being expensed over the term of the lease.

9. CAPITAL ASSETS

	2022		
	Cost	**Accumulated Amortization**	**Net Book Value**
Land	**$ 22,366,293**	**$ -**	**$ 22,366,293**
Buildings	**515,418,090**	**184,804,078**	**330,614,012**
Site improvements	**155,043,109**	**71,669,384**	**83,373,725**
Leasehold improvements	**83,726,061**	**81,091,556**	**2,634,505**
Furniture and equipment	**109,309,778**	**86,758,798**	**22,550,980**
Automotive equipment	**3,096,827**	**2,720,987**	**375,840**
Software	**46,956,433**	**25,272,660**	**21,683,773**
Artwork	**204,370**	**-**	**204,370**
	936,120,961	**452,317,463**	**483,803,498**
Construction in progress	**42,387,837**	**-**	**42,387,837**
	$ 978,508,798	**$ 452,317,463**	**$ 526,191,335**

	2021		
	Cost	Accumulated Amortization	Net Book Value
Land	$ 18,499,352	$ -	$ 18,499,352
Buildings	510,231,436	172,819,564	337,411,872
Site improvements	142,815,168	58,240,622	84,574,546
Leasehold improvements	83,726,061	80,743,871	2,982,190
Furniture and equipment	101,167,021	78,226,486	22,940,535
Automotive equipment	2,998,808	2,548,186	450,622
Software	41,900,841	20,946,052	20,954,789
Artwork	204,370	-	204,370
	901,543,057	413,524,781	488,018,276
Construction in progress	29,481,538	-	29,481,538
	$ 931,024,595	$ 413,524,781	$ 517,499,814

10. DUE TO IGNITE Student Union

The amount due to IGNITE is unsecured, bears interest at the bank’s prime rate less 1.60% with an effective rate at March 31, 2022 of 1.10% (2021 – 0.85%) and is due on demand.

11. BANK LOAN

The College has unsecured loan facilities with the Bank of Montreal to a maximum amount of $62,000,000 to finance the construction of two student residences, an interest rate swap arrangement and an operating line of credit. The College has utilized $19,392,782 (2021 - $21,574,386) under this facility as described below. The balance of the facility is available in either prime rate loans bearing interest at the bank's prime rate of 2.70% (2021 – 2.45%) per annum or Bankers' Acceptances bearing interest of 0.96% (2021 – 0.41%) plus 1.25% per annum.

The original loan of $45,000,000 obtained on April 1, 2004 for the residences is scheduled to be repaid over twenty-five years, bears interest at prime rate per annum and is repayable monthly on the first of each month in blended payments of $275,802 and is scheduled to be repaid by April 1, 2029.

The loan is due on demand and has therefore been classified as current. The College has fixed its interest rate at 5.98% (2021 – 5.98%) through an interest rate swap arrangement for the term of the loan. The interest rate includes a bank stamping fee of 0.50%. The interest rate swap is a derivative financial instrument. It has effectively locked in a fixed rate through 2029.

The fair value of the interest rate swap, in favour of the counterparty, of $1,940,894 (2021 - $3,690,818) is recorded in the consolidated statement of financial position with the fluctuations in fair value being recorded in the consolidated statement of remeasurement gains and losses.

The scheduled principal amounts payable within the next five years and thereafter are as follows:

2023	$ 2,304,204
2024	2,433,695
2025	2,570,462
2026	2,714,916
2027	2,867,488
Thereafter	6,502,017
Total	**$ 19,392,782**

Interest and bank fees on the demand loan amounted to $1,220,106 (2021 - $1,347,117) and is included in supplies, equipment and other expenses.

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 expenses.

12. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

	2022			
	Post-employment Benefits	**Non-vesting sick leave**	**Vesting sick leave**	**Total liability**
Accrued employee future benefits obligations	**$ 2,301,000**	**$ 8,726,000**	**$ 278,000**	**$ 11,305,000**
Value of plan assets	**(628,000)**	**-**	**-**	**(628,000)**
Unamortized actuarial gains (losses)	**84,000**	**(2,074,000)**	**(11,000)**	**(2,001,000)**
Total liability	**$ 1,757,000**	**$ 6,652,000**	**$ 267,000**	**$ 8,676,000**

	2021			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 2,420,000	$ 9,823,000	$ 338,000	$ 12,581,000
Value of plan assets	(575,000)	-	-	(575,000)
Unamortized actuarial gains (losses)	96,000	(3,325,000)	(9,000)	(3,238,000)
Total liability	$ 1,941,000	$ 6,498,000	$ 329,000	$ 8,768,000

	2022			
	Post-employment Benefits	**Non-vesting sick leave**	**Vesting sick leave**	**Total expense**
Current year benefit cost (recovery)	**$ (153,000)**	**$ 785,000**	**$ 11,000**	**$ 643,000**
Interest cost on accrued benefit obligation	**3,000**	**171,000**	**5,000**	**179,000**
Amortized actuarial (gains) losses	**(22,000)**	**234,000**	**(11,000)**	**201,000**
Total expense (recovery)	**$ (172,000)**	**$ 1,190,000**	**$ 5,000**	**$ 1,023,000**

12. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

	2021			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 89,000	$ 1,037,000	$ 11,000	$ 1,137,000
Interest cost on accrued benefit obligation	3,000	162,000	7,000	172,000
Amortized actuarial (gains) losses	(12,000)	228,000	(18,000)	198,000
Total expense	$ 80,000	$ 1,427,000	$ -	$ 1,507,000

Post-employment benefits and compensated absences expense has been included in salaries and benefits expense.

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology Pension Plan (the “Plan”), a multi-employer plan, described below:

Retirement Benefits

CAAT Pension Plan

All full-time employees of the College, and any part-time employees who opt to participate, are members of the Plan, a multi-employer jointly-sponsored defined benefit plan for eligible employees of public colleges and other employers in Canada. The College makes contributions to the Plan equal to those of employees. Contribution rates are set by the Plan’s governors to ensure the long-term viability of the Plan. Since the Plan is a multi-employer plan, the College’s contributions are accounted for as if the plan were a defined contribution plan with the College’s contributions expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates related to full-time members. 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 actuarial valuation filed with pension regulators as at January 1, 2022 indicated an actuarial surplus of $4.4 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of $23,036,942 in 2022 (2021 - $21,987,155), which has been included in the consolidated statement of operations in salaries and benefits.

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 provide continuation of medical and dental benefits to certain employee groups while receiving long-term disability benefits. The related benefit liabilities were determined by an actuarial valuation study commissioned by the College Employer Council.

12. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

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

a) *Discount rate*

The present value as at March 31, 2022 of the future benefits was determined using a discount rate of 2.90% (2021 – 1.70%).

b) *Drug Costs*

Drug costs were assumed to increase at a 6.29% rate in 2022 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

c) *Medical Costs*

Medical premium increases were assumed to increase at 6.29% per annum in 2022 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

d) *Dental costs*

Dental costs were assumed to increase at 4.00% per annum in 2022 (2021 – 4.00%).

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. Certain employee groups 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.

12. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

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

a) *Discount rate*

The present value as at March 31, 2022 of the future benefits was determined using a discount rate of 2.90% (2021 – 1.70%).

b) *Wage and salary escalation rates*

Academic full-time and academic partial load salaries were assumed to increase at a rate of 2.00% in 2020 and 1.00% per annum thereafter.

Support staff full-time salaries were assumed to increase at a rate of 1.00% per annum in 2020, 2.00% in 2021, 1.25% in 2022 and 1.00% per annum thereafter.

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 0.00% 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 grants and donations for awards, scholarships and bursaries, and other restricted purposes. The change in the deferred contributions balance are as follows:

	2022	2021
Balance, beginning of year	**$ 16,846,366**	$ 6,632,377
Amounts received during the year	**58,536,780**	54,204,036
Amounts recognized as revenue during the year	**(58,347,806)**	(43,990,047)
Balance, end of year	**$ 17,035,340**	$ 16,846,366

Deferred contributions are comprised of:

Externally restricted funds (net of fair market value adjustments)	**$ 4,501,195**	$ 4,066,570
Joint employment stability funds	**496,588**	421,686
Student building levy	**5,975,007**	2,188,022
Other restricted grants and contributions	**6,062,550**	10,170,088
Balance, end of year	**$ 17,035,340**	$ 16,846,366

14. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount and unspent amount of restricted donations and grants received for the purchase of capital assets. The change in the deferred capital contributions balance are as follows:

14. DEFERRED CAPITAL CONTRIBUTIONS (continued)

	2022	2021
Balance, beginning of year	**$ 194,679,156**	$ 202,525,167
Add: contributions received for capital purposes	**3,435,420**	2,347,304
Less: amortization of deferred capital contributions	**(10,528,747)**	(10,193,315)
Balance, end of year	**$ 187,585,829**	$ 194,679,156

15. INVESTED IN CAPITAL ASSETS

Invested in capital assets consists of the following:

	2022	2021
Net book value of capital assets (Note 9)	**$ 526,191,335**	$ 517,499,814
Less amounts financed by:		
Bank loan (Note 11)	**19,392,782**	21,574,386
Spent deferred capital contributions	**186,457,572**	194,014,153
Balance, end of year	**$ 320,340,981**	$ 301,911,275

The change in invested in capital assets is as follows:

	2022	2021
Amortization of deferred capital contributions	**$ 10,528,747**	$ 10,193,315
Amortization of capital assets	**(38,792,683)**	(36,626,095)
Acquisition of capital assets and construction in progress	**47,484,205**	39,127,060
Gain on sale of capital assets	**-**	1,040,349
Proceeds on sale of capital assets	**-**	(2,953,000)
Amounts funded by deferred capital contributions	**(2,972,167)**	(1,980,298)
Repayment of bank loan	**2,181,604**	2,065,525
Total change in invested in capital assets	**$ 18,429,706**	$ 10,866,856

16. INTERNALLY RESTRICTED NET ASSETS

The College, by resolution of the Board of Governors, internally restricts amounts from net assets as follows:

	2022	2021
Strategic investments	**$ 167,844,510**	$ 173,533,092
Operating contingency	**29,345,000**	26,370,000
Total internally restricted net assets	**$ 197,189,510**	$ 199,903,092

17. 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 various purposes established by the 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.

Investment income on endowments that was disbursed during the year has been recorded in the consolidated statement of operations since this income is available for disbursement as 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 MCU from the Ontario Student Opportunity Trust Fund 1 ("OSOTF 1") matching program, the Ontario Student Opportunity Trust Fund 2 ("OSOTF 2") matching program, and the Ontario Trust for Student Support Fund ("OTSS") matching program. Under these programs the government matched the funds raised by the College. The purpose of these programs is to assist students who, for financial reasons, would not otherwise be able to attend College.

Changes in expendable funds available for awards under the OSOTF 1, OSOTF 2 and OTSS matching programs are as follows:

	OSOTF 1	OSOTF 2	OTSS	TOTAL	TOTAL
Balance, beginning of year	$ 109,941	$ 37,278	$ 770,233	$ 917,452	$ 519,092
Investment income, net of direct expenses	96,072	38,637	617,528	752,238	791,699
Bursaries awarded	(34,400)	(32,350)	(280,624)	(347,374)	(393,339)
Balance, end of year	$ 171,613	$ 43,566	$ 1,107,137	$ 1,322,317	$ 917,452
Bursaries awarded (#)	31	21	173	225	270

The bursaries awarded under OTSS comprise 125 to OSAP recipients totaling $206,612 and 48 to non-OSAP recipients totaling $74,012.

18. OTHER REVENUE

Other revenue consists of the following:

	2022	2021
Excess of revenue over expenses from Joint Venture	$ 9,036,915	$ 10,039,211
Fees from Joint Venture	14,446,750	13,264,033
Residence fees	7,185,187	2,077,978
Parking revenue	1,468,460	37,067
Miscellaneous revenues	17,898,298	14,457,253
Total other revenue	$ 50,035,610	$ 39,875,541

19. COMMITMENTS

The College has entered into a ninety-nine (99) year lease agreement with Her Majesty the Queen in Right of Ontario for the property now known as the Robert A. Gordon Learning Centre. The base rent is one dollar ($1) per year for the term of the lease which expires January 31, 2094.

The College has provided letters of credit to certain third parties amounting to $1,032,194 (2021 - $1,032,194) primarily related to possible defaults in agreements for certain construction projects.

The College has also entered into various other agreements to lease premises. The anticipated annual payments for the next five fiscal years under current lease arrangements are as follows:

2023	$ 2,655,444
2024	2,605,538
2025	2,515,852
2026	2,560,853
2027	2,625,820
Total commitments	**$ 12,963,507**

20. CONSOLIDATED STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

Grants receivable	**$ (532,869)**	$ 2,409,474
Accounts receivable	**(5,788,954)**	1,295,905
Prepaid expenses	**(1,117,135)**	856,966
Prepaid land lease	**32,329**	32,329
Accounts payable and accrued liabilities	**8,199,186**	(4,709,110)
Accrued payroll and employee benefits	**1,718,029**	566,026
Accrued vacation pay	**(548,719)**	1,206,490
Deferred revenue	**47,300,385**	23,114,237
Due to University of Guelph-Humber	**(2,641,858)**	(2,349,453)
Due to IGNITE Student Union	**(3,886,525)**	3,108,109
Net change, non-cash working capital	**$ 42,733,869**	$ 25,530,973

21. 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, bond holdings in its investment portfolio, grants receivable, accounts receivable, loan receivable, and long-term loan receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to $100,000 at each financial institution.

21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

The College's investment guideline operates within the constraints of the investment directive issued by the MCU. The guideline puts limits on its portfolio investments including portfolio composition limits, issuer type limits, investment quality limits, aggregate issuer limits and sector limits. All portfolios are measured for performance by the Committee on an annual basis while monitored by management on a monthly basis.

The maximum exposure to investment credit risk is outlined in Note 3.

A significant portion of accounts receivable are due from students. Credit risk is mitigated by the highly diversified nature of the student population.

Grants receivable are ultimately due from the MCU, as well as other government entities. Credit risk is mitigated by the governmental nature of the funding source.

The College measures its exposure to credit risk based on how long the amounts have been outstanding or the academic term that the receivable relates to. An impairment allowance is set up based on the College's historical experience regarding collections. The credit risk related to the College's accounts receivable for tuition revenue has increased due to the impact of COVID-19, which could lead to potential losses. The amounts outstanding at year end were as follows:

Student Receivables

As at March 31, 2022

	Total	Future Terms	Winter 2022	Fall 2021	Summer 2021	Winter 2021 & Prior
Student receivable	**$ 8,921,196**	**$ 5,864,144**	**$ 934,600**	**$ 437,077**	**$ 255,196**	**$ 1,430,179**
Less: impairment allowance	**(3,057,052)**	**-**	**(934,600)**	**(437,077)**	**(255,196)**	**(1,430,179)**
Net receivables	**$ 5,864,144**	**$ 5,864,144**	**$ -**	**$ -**	**$ -**	**$ -**

As at March 31, 2021

	Total	Winter 2021	Fall 2020	Summer 2020	Winter 2020 & Prior
Student receivable	$ 5,745,430	$ 3,328,085	$ 936,018	$ 274,628	$ 1,206,699
Less: impairment allowance	(4,080,614)	(1,893,396)	(718,768)	(261,751)	(1,206,699)
Net receivables	$ 1,664,816	$ 1,434,689	$ 217,250	$ 12,877	$ -

21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

Government Grants and Other Receivables

As at March 31, 2022			Past Due			
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government grants receivable	$ 1,656,255	$ 1,656,255	$ -	$ -	$ -	$ -
Interest receivable	1,896,626	1,896,626	-	-	-	-
Commodity taxes receivable	2,593,710	2,593,710	-	-	-	-
Other accounts receivable	3,509,460	2,128,370	841,384	50,725	9,841	479,141
Gross receivables	9,656,051	8,274,961	841,384	50,725	9,841	479,141
Less: impairment allowances	(479,141)	-	-	-		(479,141)
Net receivables	$ 9,176,910	$ 8,274,961	$ 841,384	$ 50,725	$ 9,841	$ -

As at March 31, 2021			Past Due			
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government grants receivable	$ 1,123,386	$ 1,123,386	$ -	$ -	$ -	$ -
Interest receivable	2,402,862	2,402,862	-	-	-	-
Commodity taxes receivable	1,932,002	1,932,002	-	-	-	-
Other accounts receivable	1,848,728	423,658	1,042,656	129,851	278	252,285
Gross receivables	7,306,978	5,881,908	1,042,656	129,851	278	252,285
Less: impairment allowances	(252,563)	-	-	-	(278)	(252,285)
Net receivables	$ 7,054,415	$ 5,881,908	$ 1,042,656	$ 129,851	$ -	$ -

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.

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 guideline operates within the constraints of the investment directive issued by the MCU. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize risk. The guideline puts certain sector limits and individual issuer limits on the asset mix of investments.

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.

21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

The extent of any future impact on the College's investments or operations as a result of COVID-19 and the current geopolitical events is unknown.

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 currency exchange rates when adverse changes in foreign currency College rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

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 loan.

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). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

At March 31, 2022, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the market value of the interest rate swap of $720,500 (2021 - $982,700).

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 markets. The College is exposed to this risk through its externally restricted funds being held in pooled fund investments with its investment management firm. At March 31, 2022, a 10% movement in equity prices with all other variables held constant would have an estimated effect on the fair value of the College's equities of $2,561,837 (2021 - $2,262,804).

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.

21. 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 maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

The following table sets out the expected maturities, representing undiscounted cash-flows of financial liabilities:

	2022		
	Within 1 year	**1 to 5 years**	**Over 5 years**
Accounts payable and accrued liabilities	**$ 32,858,478**	**$ -**	**$ -**
Accrued payroll and employee benefits	**14,234,454**	**-**	**-**
Accrued vacation pay	**9,713,907**	**9,713,907**	**-**
Bank loan	**2,304,204**	**13,615,194**	**3,473,384**
Due to University of Guelph-Humber	**24,620,886**	**-**	**-**
Due to IGNITE Student Union	**4,589,097**	**-**	**-**
	$ 88,321,026	**$ 23,329,101**	**$ 3,473,384**

	2021		
	Within 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	$ 24,658,841	$ -	$ -
Accrued payroll and employee benefits	12,516,425	-	-
Accrued vacation pay	9,988,266	9,988,267	-
Bank loan	2,181,603	10,023,277	9,369,506
Due to University of Guelph-Humber	27,262,744	-	-
Due to IGNITE Student Union	8,475,622	-	-
	$ 85,083,501	$ 20,011,544	$ 9,369,506

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.

22. COVID-19 PANDEMIC

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus, the "COVID-19 outbreak". In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

With continued intermittent campus closures, gradual resumption of on campus presence, change of learning modalities and varying travel restrictions imposed by governments during the fiscal year, the College experienced an increase in post-secondary student enrolments and ancillary revenues including

22. COVID-19 PANDEMIC (continued)

student residence, parking, retail and food services over the prior year. Student enrolments and ancillary revenues have not returned to expected and pre-pandemic levels.

The College plans to deliver its educational offerings for the 2022-23 academic year through a combination of hybrid teaching models, online curriculum and in person learning, which may have implications on a number of course offerings and enrollment. Additionally, if there are changes to public health measures such as in person capacity limits or requirements for closures of the College's campuses, it may have a negative impact on future revenue streams.

As the impacts of COVID-19 persist, there could be further impact on the College, its students and its funding sources. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, and its workforce. The severity and length of the pandemic remains uncertain and continues to evolve and thus, the College is not able to fully estimate the effects of the COVID-19 pandemic on its results of operations, financial condition, or liquidity at this time.