

CONSOLIDATED FINANCIAL STATEMENTS

The Humber College Institute of Technology and Advanced Learning

March 31, 2025

The Humber College Institute of Technology and Advanced Learning

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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.

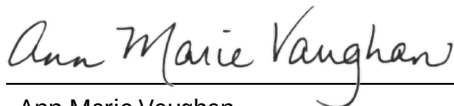
The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College's assets are appropriately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



Ann Marie Vaughan
President & CEO

June 11, 2025



Sanjay Puri
Vice President, Administration & CFO

June 11, 2025



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Independent Auditor's Report

To the Board of Governors of The Humber College Institute of Technology and Advanced Learning

Opinion

We have audited the consolidated financial statements of The Humber College Institute of Technology and Advanced Learning (the "College"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of operations, consolidated statement of net assets, consolidated statement of cash flows and consolidated statement of remeasurement gains and losses for the year ended March 31, 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the College as at March 31, 2025, and its consolidated results of its operations, its consolidated cash flows, and its consolidated 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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing 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.



Independent Auditor's Report (Continued)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the College to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 12, 2025

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING
Consolidated Statement of Financial Position (in thousands)

Statement 1

	March 31, 2025	March 31, 2024
ASSETS		
Current assets		
Cash	\$52,799	\$73,871
Investments (Note 2 and 3)	333,239	314,253
Grants receivable (Note 4)	990	4,720
Accounts receivable (Note 5)	22,598	20,956
Prepaid expenses	7,348	5,334
Total current assets	416,974	419,134
INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER (Note 6)	7,697	9,109
PREPAID LAND LEASE (Note 7)	2,721	2,753
CAPITAL ASSETS (Note 8 and 15)	641,592	626,380
TOTAL ASSETS	\$1,068,984	\$1,057,376
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$39,638	\$42,186
Accrued payroll and employee benefits	25,337	20,148
Accrued vacation pay	21,482	20,248
Deferred revenue	128,566	152,499
Due to University of Guelph-Humber (Note 6)	18,906	21,120
Due to IGNITE Student Union (Note 9)	4,748	4,030
Asset retirement obligations (Note 14)	486	2,110
Bank loan (Note 10)	12,084	14,655
Total current liabilities	251,247	276,996
POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (Note 11)	10,400	8,915
DEFERRED CONTRIBUTIONS (Note 12)	37,616	27,575
DEFERRED CAPITAL CONTRIBUTIONS (Note 13)	170,810	179,256
ASSET RETIREMENT OBLIGATIONS (Note 14)	13,801	16,376
INTEREST RATE SWAP (Note 10)	712	496
TOTAL LIABILITIES	484,586	509,614
NET ASSETS		
Unrestricted		
Operating	32,594	29,659
Post-employment benefits and compensated absences (Note 11)	(10,400)	(8,915)
Vacation pay	(21,482)	(20,248)
Total unrestricted net assets	712	496
INVESTED IN CAPITAL ASSETS (Note 15)	461,673	436,547
INTERNALLY RESTRICTED (Note 16)	112,242	114,588
EXTERNALLY RESTRICTED (Note 17)	17,681	17,309
	592,308	568,940
ACCUMULATED REMEASUREMENT LOSSES	(7,910)	(21,178)
TOTAL NET ASSETS	584,398	547,762
TOTAL LIABILITIES AND NET ASSETS	\$1,068,984	\$1,057,376

See accompanying notes to the consolidated financial statements

On behalf of the Board of Governors:



Scott Allison
Chair, Board of Governors



Ann-Marie Vaughan
President & CEO

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING
Consolidated Statement of Operations (in thousands)

Statement 2

For the year ended	March 31, 2025	March 31, 2024
REVENUE		
Grants and reimbursements	\$166,510	\$163,475
Tuition and other fees	391,306	377,972
Interest and investment income	10,733	12,766
Other (Note 18)	75,378	73,061
Amortization of deferred capital contributions (Note 13)	11,822	12,034
TOTAL REVENUE	655,749	639,308
EXPENSES		
Salaries and benefits	376,041	357,419
Contract services	100,188	106,198
Maintenance, utilities and municipal taxes	20,420	19,796
Advertising and marketing	12,305	8,162
Supplies, equipment and other expenses	41,590	41,339
Information technology, software and licenses	15,795	15,700
Student assistance	18,990	14,224
Amortization of capital assets	47,424	42,219
TOTAL EXPENSES	632,753	605,057
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 22,996	\$ 34,251

See accompanying notes to the consolidated financial statements

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING
Consolidated Statement of Changes in Net Assets (in thousands)

Statement 3

	March 31, 2025				Total
	Unrestricted	Internally restricted (Note 16)	Invested in capital assets (Note 15)	Externally restricted (Note 17)	
Balance, beginning of year	\$496	\$114,588	\$436,547	\$17,309	\$568,940
Excess of revenue over expenses for the year	22,996	-	-	-	22,996
Change in internally restricted net assets	2,346	(2,346)	-	-	-
Net change in invested in capital assets (Note 15)	(25,126)	-	25,126	-	-
Endowment contributions	-	-	-	372	372
Balance, end of year	\$712	\$112,242	\$461,673	\$17,681	\$592,308

	March 31, 2024				Total
	Unrestricted	Internally restricted (Note 16)	Invested in capital assets (Note 15)	Externally restricted (Note 17)	
Balance, beginning of year	\$2,525	\$144,737	\$370,117	\$16,668	\$534,047
Excess of revenue over expenses for the year	34,251	-	-	-	34,251
Change in internally restricted net assets	30,149	(30,149)	-	-	-
Net change in invested in capital assets (Note 15)	(66,430)	-	66,430	-	-
Endowment contributions	-	-	-	641	641
Balance, end of year	\$496	\$114,588	\$436,547	\$17,309	\$568,940

See accompanying notes to the consolidated financial statements

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING
Consolidated Statement of Cash Flows (in thousands)

Statement 4

	March 31, 2025	March 31, 2024
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenses for the year	\$22,996	\$34,251
Non-cash items:		
Amortization of capital assets	47,424	42,219
Amortization of deferred capital contributions	(11,822)	(12,034)
Accretion expense of asset retirement obligations (Note 14)	194	292
Share of excess of revenue over expenses for the year from University of Guelph-Humber (Note 6)	(5,563)	(7,080)
	53,229	57,648
Change in post-employment benefits and compensated absences	1,485	(83)
Remediation costs of asset retirement obligations (Note 14)	(4,393)	(492)
Endowment contributions	372	641
Net change in non-cash working capital items (Note 20)	(21,448)	1,392
Cash provided by operating activities	29,245	59,106
INVESTING		
Distribution from University of Guelph-Humber (Note 6)	6,975	7,745
Net increase in investments (net of fair market value adjustment)	(18,986)	18,362
Change in investment accumulated remeasurement losses	13,484	2,563
Cash (used in) provided by investing activities	1,473	28,670
FINANCING		
Deferred contributions (net of fair market value adjustment)	10,041	8,971
Repayment of bank loan (Note 10)	(2,571)	(2,434)
Cash (used in) provided by financing activities	7,470	6,537
CAPITAL		
Purchase of capital assets and construction in progress	(62,636)	(98,563)
Contributions received for capital purposes	3,376	7,237
Cash (used in) provided by capital activities	(59,260)	(91,326)
Net increase (decrease) in cash during the year	(21,072)	2,987
Cash, beginning of year	73,871	70,884
Cash, end of year	\$52,799	\$73,871

See accompanying notes to the consolidated financial statements

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING
Consolidated Statement of Remeasurement Gains and Losses (in thousands)

Statement 5

	March 31, 2025	March 31, 2024
Accumulated remeasurement (losses) gains at the beginning of year	\$ (21,178)	\$ (24,209)
Unrealized (losses) gains attributable to:		
Derivative - interest rate swap	(216)	468
Investments - operating fund	12,250	2,851
Realized gain on investments, reclassified to the statement of operations	1,234	(288)
Net remeasurement gains (losses) for the year	13,268	3,031
Accumulated remeasurement (losses) gains at end of year	\$ (7,910)	\$ (21,178)

See accompanying notes to the consolidated financial statements

The Humber College Institute of Technology and Advanced Learning
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in thousands of dollars)
For the year ended March 31, 2025

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, Universities, Research Excellence and Security, "MCURES") 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 consolidated financial statements include the accounts of the Humber College Educational Foundation, which is controlled by the College. The College accounts for its 50% interest in the University of Guelph-Humber joint venture (the "Joint Venture") using the modified equity method. 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 ("PSAS for Government NPOs"). The significant accounting policies are as follows:

Revenue recognition

The College follows the Public Sector Accounting Standard, Section PS 3400: Revenue. PS 3400 differentiates between revenue arising from transactions that include performance obligations (Exchange Transactions), and transactions that do not have performance obligations (Non-exchange Transactions). Additionally, it provides guidance on discerning whether an entity functions as a principal or agent in a transaction.

Tuition and other fees 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.

Ancillary revenues, including retail operations, 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.

The Humber College Institute of Technology and Advanced Learning
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in thousands of dollars)
For the year ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Interest and investment income as defined in the College's investment guidelines are recognized when earned in the year for short and long-term operating funds that are managed internally and externally, respectively.

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 35 years
Leasehold improvements	10 to 20 years
Furniture and equipment	3 to 35 years
Automotive equipment	5 years
Software	5 to 7 years
Buildings - asset retirement obligations	49 to 65 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, the 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:

- (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

The Humber College Institute of Technology and Advanced Learning
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in thousands of dollars)
For the year ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 PSAS for Government NPOs.

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 on a straight-line basis over the productive useful life of the building. If the related building is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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:

Fair value

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.

The Humber College Institute of Technology and Advanced Learning
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in thousands of dollars)
For the year ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments in this fair value category are initially recognized at cost and subsequently measured at fair value. Unrealized changes in fair value 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. 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.

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 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.

Amortized cost

This category includes grants receivable, accounts 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.

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 consolidated statement of operations.

Management estimates

The preparation of consolidated financial statements in conformity with PSAS 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, compensated absences liabilities and asset retirement obligations.

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 MCURES for disclosure on the public website.

The Humber College Institute of Technology and Advanced Learning
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in thousands of dollars)
For the year ended March 31, 2025

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.

	2025		
	Fair Value	Amortized Cost	Total
Cash	\$52,799	-	\$52,799
Investments	333,239	-	333,239
Grants receivable	-	\$990	990
Accounts receivable	-	22,598	22,598
Accounts payable and accrued liabilities	-	39,638	39,638
Accrued payroll and employee benefits	-	25,337	25,337
Accrued vacation pay	-	21,482	21,482
Due to University of Guelph-Humber	-	18,906	18,906
Due to IGNITE	-	4,748	4,748
Bank loan	-	12,084	12,084
Interest rate swap	712	-	712

	2024		
	Fair Value	Amortized Cost	Total
Cash	\$73,871	-	\$73,871
Investments	314,253	-	314,253
Grants receivable	-	\$4,720	4,720
Accounts receivable	-	20,956	20,956
Accounts payable and accrued liabilities	-	42,186	42,186
Accrued payroll and employee benefits	-	20,148	20,148
Accrued vacation pay	-	20,248	20,248
Due to University of Guelph-Humber	-	21,120	21,120
Due to IGNITE	-	4,030	4,030
Bank loan	-	14,655	14,655
Interest rate swap	496	-	496

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:

	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	Total
Fair value	\$91,041	\$107,686	\$99,757	\$34,755	\$333,239
Percent of Total	27.3%	32.3%	29.9%	10.5%	

The Humber College Institute of Technology and Advanced Learning
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in thousands of dollars)
For the year ended March 31, 2025

3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

	2024				Total
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	
Fair value	\$85,966	\$121,648	\$106,639	-	\$314,253
Percent of Total	27.4%	38.7%	33.9%	0.0%	

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).

	2025			Total
	Level 1	Level 2	Level 3	
Cash	\$52,799	-	-	\$52,799
Investments	333,239	-	-	333,239
Interest rate swap	-	-	(712)	(712)
Total	\$386,038	-	\$(712)	\$385,326

	2024			Total
	Level 1	Level 2	Level 3	
Cash	\$73,871	-	-	\$73,871
Investments	314,253	-	-	314,253
Interest rate swap	-	-	(496)	(496)
Total	\$388,124	-	\$(496)	\$387,628

There were no other transfers between levels for the years ended March 31, 2025 and 2024. For a sensitivity analysis of financial instruments recognized in Level 3, see Note 21.

Foreign currency translation

Transactions in foreign currencies are translated into Canadian dollars at the exchange rate, at the time of these transactions. Assets and liabilities are translated at the current exchange rate which may result in gains and losses recognized in the consolidated statement of operations.

The Humber College Institute of Technology and Advanced Learning
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(expressed in thousands of dollars)
For the year ended March 31, 2025

4. GRANTS RECEIVABLE

Grants receivable represents amounts receivable from the MCURES and other agencies to fund programs delivered by the College.

5. ACCOUNTS RECEIVABLE

	2025	2024
Investment interest receivable	\$2,722	\$2,420
Commodity taxes receivable	3,117	4,943
Other accounts receivable	1,829	4,319
Student accounts receivable	18,393	12,528
Allowance for doubtful accounts	(3,463)	(3,254)
Total accounts receivable	\$22,598	\$20,956

Other accounts receivable represents sundry receivables such as revenues earned by faculties, for corporate training or teaching sessions, research projects 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 50% share of the components of the financial statements of the Joint Venture:

	2025	2024
Total assets	\$12,823	\$13,939
Total liabilities	5,126	4,830
Net assets	\$7,697	\$9,109
Revenue	\$31,454	\$32,825
Expenses	25,892	25,745
Excess of revenue over expenses for the year	\$5,562	\$7,080
Cash provided by operating activities	\$7,793	\$8,170
Cash used in investing activities	(818)	(425)
Cash used in financing activities	(6,975)	(7,745)
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 \$14,842 (2024 - \$15,546) of fees for teaching, administrative staff, IT, Student and Facilities services from the Joint Venture for services rendered which has been included as part of other revenue (Note 18).

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

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

During the year, the Joint Venture distributed \$6,975 (2024 - \$7,745) to the College which was applied against the investment.

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, 2025, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these consolidated financial statements.

7. 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.

8. CAPITAL ASSETS

	2025		
	Cost	Accumulated Amortization	Net
Land	\$22,366	-	\$22,366
Buildings	683,185	223,031	460,154
Site improvements	206,793	117,081	89,712
Leasehold improvements	83,726	82,134	1,592
Furniture and equipment	150,725	111,864	38,861
Automotive equipment	3,045	2,841	204
Software	47,469	39,384	8,085
Artwork	204	-	204
Buildings - asset retirement obligations	5,458	4,456	1,002
	1,202,971	580,791	622,180
Construction in progress	19,412	-	19,412
	\$1,222,383	\$580,791	\$641,592

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8. CAPITAL ASSETS (continued)

	2024		
	Cost	Accumulated Amortization	Net
Land	\$22,366	-	\$22,366
Buildings	515,418	208,690	306,728
Site improvements	192,252	100,400	91,852
Leasehold improvements	83,726	81,787	1,939
Furniture and equipment	137,534	103,851	33,683
Automotive equipment	3,138	2,903	235
Software	47,403	34,697	12,706
Artwork	204	-	204
Buildings - asset retirement obligations	5,458	4,248	1,210
	1,007,499	536,576	470,923
Construction in progress	155,457	-	155,457
	\$1,162,956	\$536,576	\$626,380

9. 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, 2025 of 3.35% (2024 – 5.60%) and is due on demand.

10. BANK LOAN

The College has unsecured loan facilities to a maximum amount of \$62,000 to finance the construction of two student residences, an interest rate swap arrangement and an operating line of credit. The College has utilized \$12,084 (2024 - \$14,655) of the \$45,000 term demand loan under this facility as described below. The balance of the facilities is available in either prime rate loans bearing interest at the bank's prime rate of 4.95% (2024 – 7.20%) per annum or Canadian Overnight Repo Rate Average of 2.91% (2024- Bankers' Acceptances bearing interest of 5.32%) plus 1.25% per annum.

The original loan of \$45,000 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 \$276 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% (2024 – 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 \$712 (2024 - \$496) 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.

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10. BANK LOAN (continued)

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

2026	2,715
2027	2,867
2028	3,029
2029	3,199
2030	274
Total	\$12,084

Interest and bank fees on the demand loan amounted to \$793 (2024 - \$943) and is included in supplies, equipment and other expenses.

11. 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.

	2025			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$3,390	\$12,870	\$108	\$16,368
Value of plan assets	(685)	-	-	(685)
Unamortized actuarial (gains) losses	-	(5,214)	(69)	(5,283)
Total liability	\$2,705	\$7,656	\$39	\$10,400

	2024			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$2,636	\$12,483	\$106	\$15,225
Value of plan assets	(639)	-	-	(639)
Unamortized actuarial (gains) losses	28	(5,626)	(73)	(5,671)
Total liability	\$2,025	\$6,857	\$33	\$8,915

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

	2025			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	\$708	\$919	\$2	\$1,629
Interest cost on accrued benefit obligation	6	448	4	458
Amortized actuarial (gains) losses	(24)	655	-	631
Total expense	\$690	\$2,022	\$6	\$2,718

	2024			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost (recovery)	\$34	\$734	\$6	\$774
Interest cost on accrued benefit obligation	6	367	6	379
Amortized actuarial (gains) losses	(29)	285	4	260
Total expense (recovery)	\$11	\$1,386	\$16	\$1,413

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 of the College who opt to participate, 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 of public colleges and other 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.

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

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. The most recent actuarial valuation filed with pension regulators as at January 1, 2025 indicated an actuarial surplus of \$6,141 (January 1, 2024 - \$5,263). In 2024, the College made contributions to the Plan and its associated retirement compensation arrangement of \$28,214 (2024 - \$28,012) which has been included in salaries and benefits in the statement of operations.

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.

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

a) *Discount rate*

The present value as at March 31, 2025 of the future benefits was determined using a discount rate of 3.20% (2024 – 3.50%).

b) *Drug Costs*

Drug costs were assumed to decrease at a rate of 5.91% (2024 – 6.16%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

c) *Medical Costs*

Medical premiums were assumed to decrease at a rate of 5.91% per annum (2024 – 6.16%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

d) *Dental costs*

Dental costs were assumed to increase at a rate of 4.00% per annum (2024 – 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.

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

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.

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, 2025 of the future benefits was determined using a discount rate of 3.20% (2024 – 3.50%).

b) *Wage and salary escalation rates*

Academic full-time and academic partial load salaries were assumed to increase at a rate of 3.00% in 2021, 3.00% in 2022, 3.50% in 2023, 3.00% in 2024 and 2.50% per annum thereafter.

Support staff full-time salaries were assumed to increase at a rate of 2.00% per annum in 2021, 4.25% in 2022, 3.00% in 2023, 3.00% in 2024 and 2.50% 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 23.5% and 0 to 54 days respectively for age groups ranging from 20 and under to 65 and over, in bands of 5 years.

12. 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:

	2025	2024
Balance, beginning of year	\$27,575	\$18,604
Amounts received during the year	77,470	71,975
Amounts recognized as revenue during the year	(67,429)	(63,004)
Balance, end of year	\$37,616	\$27,575

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12. DEFERRED CONTRIBUTIONS (continued)

Deferred contributions are comprised of:

	2025	2024
Externally restricted funds (net of fair market value adjustments)	\$6,422	\$4,361
Joint employment stability funds	729	666
Student building levy	17,768	9,632
Other restricted grants and contributions	12,697	12,916
Balance, end of year	\$37,616	\$27,575

13. 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:

	2025	2024
Balance, beginning of year	\$179,256	\$184,053
Add: contributions received for capital purposes	3,376	7,237
Less: amortization of deferred capital contributions	(11,822)	(12,034)
Balance, end of year	\$170,810	\$179,256

14. ASSET RETIREMENT OBLIGATIONS

The College's financial statements include asset retirement obligations for the expected future remediation of asbestos contained within campus buildings. The related asset retirement costs are being amortized on a straight-line basis over the productive useful life of these buildings. The liability has been estimated using a net present value technique with a discount rate of 3.4% (2024 - 3.4%). The estimated total undiscounted future expenditures are \$22,896 (2024 - \$28,205), which are to be incurred over the remaining productive useful life of the buildings. The liability is expected to be settled at the end of the buildings' productive useful lives.

The carrying amount of the liability is as follows:

	2025	2024
Balance, beginning of year	\$18,486	\$18,686
Less: remediation costs incurred during the year	(4,393)	(492)
Add: accretion costs	194	292
Asset retirement obligations, closing	\$14,287	\$18,486
Less: current portion	(486)	(2,110)
Asset retirement obligations (long-term)	\$13,801	\$16,376

Note that the total amount of the liability may change due to changes in estimates noted above, such as the discount rate, estimated total undiscounted future expenditures, and expected remediation date.

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15. INVESTED IN CAPITAL ASSETS

Invested in capital assets consists of the following:

	2025	2024
Net book value of capital assets (Note 8)	\$641,592	\$626,380
Less amounts financed by:		
Bank loan (Note 10)	12,084	14,655
Spent deferred capital contributions	166,833	173,968
Asset retirement obligations (Note 8)	1,002	1,210
Balance, end of year	\$461,673	\$436,547

The change in invested in capital assets is as follows:

	2025	2024
Amortization of deferred capital contributions	\$11,822	\$12,034
Amortization of capital assets	(47,424)	(42,219)
Amortization of asset retirement obligations	208	193
Acquisition of capital assets and construction in progress	62,637	98,562
Amounts funded by deferred capital contributions	(4,687)	(4,574)
Repayment of bank loan	2,570	2,434
Total change in invested in capital assets	\$25,126	\$66,430

16. INTERNALLY RESTRICTED NET ASSETS

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

	2025	2024
Strategic investments	\$72,242	\$84,588
Operating contingency	40,000	30,000
Total internally restricted net assets	\$112,242	\$114,588

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.

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17. EXTERNALLY RESTRICTED NET ASSETS (continued)

Externally restricted endowment funds include grants provided by the MCURES 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	2025 TOTAL	2024 TOTAL
Balance, beginning of year	\$101	\$23	\$560	\$684	\$1,342
Investment income, net of direct expenses	54	(8)	204	250	(357)
Bursaries awarded	(25)	(6)	(197)	(228)	(300)
Balance, end of year	\$130	\$9	\$567	\$706	\$685
Bursaries awarded (#)	16	4	110	130	189

The bursaries awarded under OTSS comprise 82 to OSAP recipients totaling \$142 and 28 to non-OSAP recipients totaling \$55.

18. OTHER REVENUE

Other revenue consists of the following:

	2025	2024
Excess of revenue over expenses from Joint Venture	\$5,562	\$7,080
Fees from Joint Venture	14,842	15,546
Residence fees	19,706	16,655
Parking fees	5,668	5,201
Miscellaneous	29,600	28,579
Total other revenue	\$75,378	\$73,061

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 (2024 - \$1,032) primarily related to possible defaults in agreements for certain construction projects.

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19. COMMITMENTS (continued)

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

2026	\$2,869
2027	3,013
2028	3,119
2029	3,233
2030	3,357
and Thereafter	21,951
Total commitments	\$37,542

20. CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2025	2024
Grants receivable	\$ 3,730	\$912
Accounts receivable	(1,642)	(7,432)
Prepaid expenses	(2,014)	1,104
Prepaid land lease	32	33
Accounts payable and accrued liabilities	(2,548)	8,777
Accrued payroll and employee benefits	5,189	265
Accrued vacation pay	1,234	1,254
Deferred revenue	(23,933)	(1,948)
Due to University of Guelph-Humber	(2,214)	(1,711)
Due to IGNITE Student Union	718	138
Net change, non-cash working capital	\$(21,448)	\$1,392

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, and accounts 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 at each financial institution.

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21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

The College's investment guideline operates within the constraints of the investment directive issued by the MCURES. 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 MCURES, 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 amounts outstanding at year end were as follows:

Student Receivables

	Total	Future Terms	Winter 2025	Fall 2024	Summer 2024	Winter 2024 & Prior
Student receivable	\$18,393	\$14,229	\$2,535	\$523	\$182	\$924
Less: impairment allowance	(3,036)	(116)	(1,291)	(523)	(182)	(924)
Net receivables	\$15,357	\$14,113	\$1,244	-	-	-

	Total	Future Terms	Winter 2024	Fall 2023	Summer 2023	Winter 2023 & Prior
Student receivable	\$12,528	\$10,368	\$1,225	\$295	\$89	\$551
Less: impairment allowance	(2,491)	(513)	(1,043)	(295)	(89)	(551)
Net receivables	\$10,037	\$9,855	\$182	-	-	-

Government Grants and Other Receivables

As at March 31, 2025	Past Due					
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government grants receivable	\$ 990	\$ 990				
Interest receivable	2,722	2,722				
Commodity taxes receivable	3,116	3,116				
Other accounts receivable	1,829	412	782	208	-	427
Gross receivables	8,657	7,240	782	208	-	427
Less: impairment allowances	(427)					(427)
Net receivables	\$ 8,230	\$ 7,240	\$ 782	\$ 208	\$ -	\$ -

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21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

	As at March 31, 2024		Past Due			
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government grants receivable	\$ 4,720	\$ 4,720				
Interest receivable	2,420	2,420				
Commodity taxes receivable	4,943	4,943				
Other accounts receivable	4,319	2,045	1,402	85	22	765
Gross receivables	16,402	14,128	1,402	85	22	765
Less: impairment allowances	(765)					(765)
Net receivables	\$ 15,637	\$ 14,128	\$ 1,402	\$ 85	\$ 22	\$ -

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 MCURES. 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.

The extent of any future impact on the College's investments or operations as a result of current geopolitical events is yet to be determined.

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.

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21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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

At March 31, 2025, 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 \$463 (2024 - \$364).

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, 2025, 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 \$2,354 (2024 - \$2,398).

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.

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:

	2025		
	Within 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$39,638	-	-
Accrued payroll and employee benefits	25,337	-	-
Accrued vacation pay	10,741	10,741	-
Bank loan	2,714	9,370	-
Asset Retirement Obligations	486	-	-
Due to University of Guelph-Humber	18,906	-	-
Due to IGNITE Student Union	4,748	-	-
	\$102,570	\$20,111	\$ -

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21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

	2024		
	Within 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$42,186	-	-
Accrued payroll and employee benefits	20,148	-	-
Accrued vacation pay	10,124	10,124	-
Bank loan	2,570	12,085	-
Asset Retirement Obligations	2,110	-	-
Due to University of Guelph-Humber	21,120	-	-
Due to IGNITE Student Union	4,030	-	-
	\$102,288	\$22,209	\$ -

Derivative financial liabilities mature as described in Note 10.

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. INTERNATIONAL STUDENT PERMITS

On January 22, 2024, the Minister of Immigration, Refugees and Citizenship Canada (IRCC) announced that the Government of Canada has set an intake cap on new international student permit applications for a period of two years. For calendar year 2024, the cap resulted in approximately 360,000 approved study permits, which represents a decrease of 35% from calendar year 2023. On March 26, 2024, the Ontario government provided each college in the province their allocation for fiscal year 2024-25. Humber used all its Provincial Attestation Letters (PALs) and received an additional allocation for the year.

For fiscal year 2025-26, Humber received a similar number of PALs as the previous fiscal year but there has been a significant change in the number of applications received, year over year. Based on this, Humber expects a reduction in new international student intake which will impact international tuition fees and other related revenues. Humber constantly monitors its international student enrolment numbers and takes timely action to mitigate any impacts.