Grant Thornton

Financial Statements

The Confederation College of Applied Arts and Technology

March 31, 2024

Independent Auditor's Report

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

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Confederation College of Applied Arts & Technology as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Grant Thornton LLP

Thunder Bay, Canada
June 6, 2024

Chartered Professional Accountants
Licensed Chartered Accountants

The Confederation College of Applied Arts and Technology
Statement of Financial Position

As at		March 31, 2024		March 31, 2023
Assets				
Current				
Cash	$	**23,879,586**	$	25,844,216
Current Portion of GIC Investments (Note 4)		**39,351,035**		24,000,000
Accounts receivable (Note 5)		**4,524,945**		5,532,778
Inventory		**731,416**		816,389
Current portion of notes and long-term receivable (Note 6)		**262,674**		257,684
Grants receivable		**1,823,734**		6,415,830
Prepaid expenses		**871,725**		715,891
		71,445,115		63,582,788
Investment portfolio - endowments restricted (Note 7)		**12,699,799**		11,512,461
GIC Investments (Note 3)		**28,940,076**		26,000,000
Notes and long-term receivable (Note 6)		**6,109,694**		6,363,053
Construction in progress (Note 8)		**1,455,021**		236,397
Capital assets (Note 8)		**78,078,732**		67,061,565
	$	**198,728,437**	$	174,756,264
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 10)	$	**27,102,636**	$	29,810,203
Deferred revenue (Note 11)		**8,279,300**		8,889,711
Vacation payable		**3,044,426**		2,967,929
Current portion of long-term debt (Note 13)		**356,492**		358,832
		38,782,854		42,026,675
Post-employment benefits and compensated absences (Note 14)		**2,229,000**		2,227,000
Deferred capital contributions (Note 15)		**56,219,320**		58,702,661
Deferred capital contributions - construction in progress (Note 15)		**1,241,272**		-
Asset Retirement Obligation (Note 12)		**3,528,428**		3,417,160
Public Private Partnership Obligations (Note 9)		**13,303,371**		-
Long-term debt (Note 13)		**8,407,411**		8,763,903
		123,711,656		115,137,399
Net Assets				
Unrestricted				
Operating	$	**9,613,961**	$	9,595,752
Post-employment benefits and compensated absences		**(2,229,000)**		(2,227,000)
Vacation Pay		**(3,044,426)**		(2,967,929)
		4,340,535		4,400,823
Invested in capital assets (Note 16)		**3,151,130**		2,975,153
Internally and externally restricted (Note 17)		**55,274,857**		40,972,856
Endowments restricted (Note 18)		**12,250,259**		11,270,032
		70,676,246		55,218,041
		75,016,781		59,618,864
	$	**198,728,437**	$	174,756,264

On behalf of the Board:

President

Chair, Board of Governors

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

The Confederation College of Applied Arts and Technology

Statement of Operations

For the year ended March 31	2024	2023
Revenue		
MCU Post Secondary Grant	$ 5,295,767	$ 8,925,631
MCU Performance Funding	13,313,152	11,129,416
MCU Northern & Rural	12,433,823	12,882,071
Other MCU Grant	2,412,569	2,760,291
Other Provincial Revenue	7,470,944	7,574,657
Tuition - Domestic	6,787,258	6,690,572
Tuition - International	31,639,792	21,716,912
Tuition - International Recovery Fee	1,634,250	1,136,625
Student Fees Revenue	5,360,405	4,263,825
Contract Training	3,378,472	6,125,231
Special Programs	6,610,550	9,414,070
Ancillary Operations	3,053,872	2,439,248
Facilities Renewal Fund (FRP)	2,253,400	2,277,900
Investment Income	4,202,562	2,399,998
Other Revenue	2,282,885	3,503,281
Deferred Capital Contribution	3,160,393	5,361,753
	111,290,094	108,601,482
Expenses		
Full Time Salaries & Benefits	$ 47,066,471	$ 43,334,211
Part Time Salaries & Benefits	14,329,625	12,799,023
Plant and Property Maintenance	1,039,104	1,168,993
Utilities	1,482,973	1,348,883
Contract Services	12,357,972	14,567,243
Furniture & Equipment	322,899	399,178
Office and Instructional Supplies	3,998,668	3,928,760
Insurance	2,027,016	1,441,516
Professional Dues & Audit Fees	4,252,012	3,450,115
Bank and Other Charges	345,834	400,124
Scholarships and Tuition Set-Aside	719,113	1,096,210
Travel and Professional Development	923,870	828,345
Rental of Facilities	469,160	480,116
Miscellaneous	1,497,382	2,137,491
Telecommunications & Software	2,268,992	1,962,695
Depreciation	4,376,381	7,135,681
Accretion	111,268	109,255
	97,588,742	96,587,842
Excess of revenue over expenses	$ 13,701,352	$ 12,013,640

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

The Confederation College of Applied Arts and Technology
Statement of Changes in Net Assets

For the year ended March 31					2024	2023
	Unrestricted	Capital	Internally and Externally Restricted	Endowments Restricted	Total	Total
Balance, beginning of year	$ 4,400,823	$ 2,975,153	$ 40,972,856	$ 11,270,032	$ 59,618,864	$ 46,753,915
Adjustment for Public Private Partnership	114,337				114,337	-
Change in endowments during the year (Note 18)	-	-	-	980,227	980,227	773,867
Change in internally and externally restricted net assets (Note 17)		-	602,001	-	602,001	77,442
Excess of revenue over expenses	13,701,352			-	13,701,352	12,013,640
Transfer from unrestricted to internally restricted	(13,700,000)	-	13,700,000	-	-	-
Investment in capital assets (Note 15)	(175,977)	175,977		-	-	-
Balance, end of year	$ 4,340,535	$ 3,151,130	$ 55,274,857	$ 12,250,259	$ 75,016,781	$ 59,618,864

The Confederation College of Applied Arts and Technology
Statement of Cash Flows

For the year ended March 31	2024	2023
Net inflow (outflow) of cash related to the following		
Operating		
Excess of revenue over expenses	$ 13,701,352	$ 12,013,640
Items not involving cash:		
Amortization of deferred capital contributions	(3,160,393)	(5,361,753)
Depreciation of capital assets	4,376,381	7,135,681
Accretion of ARO Liability	111,268	109,255
Public Private Partnership liability	(166,292)	
Change in post-employment benefits	(6,000)	35,000
Change in accrued sick leave liability	8,000	(44,000)
	14,864,316	13,887,823
Change in non-cash working capital balances (Note 21)	2,287,587	(2,448,359)
	17,151,903	11,439,464
Financing		
Capital Lease payments	(20,082)	(20,082)
Repayment of long-term debt	(338,750)	(328,912)
	(358,832)	(348,994)
Capital		
Deferred capital contributions	1,918,324	3,846,661
Construction in progress	(1,218,624)	(381,000)
Purchase of capital assets	(1,809,549)	(5,441,952)
	(1,109,849)	(1,976,291)
Investing		
Decrease in notes and long-term loans receivable	248,369	243,927
(Increase) in investment portfolio - Endowments restricted	(1,187,338)	(528,550)
Increase in restricted assets	602,001	77,442
(Increase) in GIC investments	(18,291,111)	(50,000,000)
Increase in endowments, net awards	980,227	773,867
	(17,647,852)	(49,433,315)
Net cash outflow for the year	(1,964,630)	(40,319,136)
Cash, Beginning of year	25,844,216	66,163,351
Cash, End of year	23,879,586	25,844,216

Description of Organization

The Confederation College of Applied Arts and Technology (The College), established in 1967, is an Ontario college of applied arts and technology duly established pursuant to Ontario regulation 34/03 made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The College is an agency of the Crown and offers a full range of programs and educational services including full-time post-secondary programs, part-time credit and non-credit courses, specialty programs for business and industry, pre-employment and skills training programs, apprenticeship and cooperative/workplace training programs.

The College is a not-for-profit organization and, as such, is exempt from income taxes under Section 149 of the Income Tax Act (Canada).

1. Amendments and Adoption of Accounting Policies

PS 3160 Public Private Partnership

Effective April 1, 2023 the College adopted a new accounting standard PS 3160 Public Private Partnerships (P3), which is applied retroactively without prior period restatement, where infrastructure is procured by a public sector entity using a private sector partner that is obligated to design, build, acquire or better the infrastructure, finance the infrastructure past the point where it is ready for use and operate and/or maintain the infrastructure. The standard requires recognition of an asset and liability for P3s that are impacted as well as providing direction on subsequent measurement of the liability.

The impact on the 2024 opening balances as a result of adopting the new standard is as follows:

Increase in capital assets	$ 14,800,000
Increase in accumulated amortization	$ 1,216,000
Increase in public private performance obligations	$ 13,469,663
Increase in opening accumulated deficit	$ 114,337

PS 3400 Revenue

The Public Sector Accounting Board issued amendments to Section PS 3400 Revenue, which provide additional guidance on the application of requirements related to identifying the transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). PS 3400 Revenue does not impact standards that already exist, such as contributions.

The College adopted the amendments as at April 1, 2023 and applied the accounting policy prospectively. As a result of applying the amendments, there were no significant impacts to the College’s financial statements.

2. Significant Accounting Policies

Basis of Presentation

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

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 recognized as income to the extent that the related courses and services are provided within the fiscal year of the College.

Operating grants from the Ministry of Colleges and Universities and other government agencies are recorded as revenue in the year to which they relate. Grants approved but not received at the end of the fiscal year are accrued. Where a portion of a grant relates to a future year it is deferred and recognized in the subsequent year.

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

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

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

Cash and Cash Equivalents

Cash is defined as cash and short-term investments with maturity dates of less than 90 days.

Inventory

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

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services or the value of future economic benefits associated with the capital asset is less than book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

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

Aircraft	-	10 years
Buildings	-	40 years
Major equipment	-	10 years
Leasehold improvements	-	10 years
Site improvements	-	5 years
Furniture and equipment	-	5 years
Library books	-	5 years

Construction in progress relates to capital projects that are incomplete and not in service as at March 31, 2024. Amortization will commence upon substantial completion at the applicable rates noted above.

2. Significant Accounting Policies (cont'd)

Retirement and Post-Employment Benefits and Compensated Benefits

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 cost 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 assumption 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.

Financial Instruments

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

Fair Value

This category includes cash and equity instruments quoted in an active market. The College has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the College manages and reports performance of it on a fair value basis.

Equity instruments and bonds are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value for unrestricted investments are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. Changes in fair value on restricted investments are recognized as increases/decreases in the endowments restricted fund.

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

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

2. Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Amortized Cost

This category includes accounts receivable, guaranteed investment certificates (GICs) and notes and long-term receivable, grants receivable, accounts payable and accrued liabilities, long-term debt and vacation pay. 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.

The guaranteed investment certificates (GICs) are invested in various certificates with maturity terms of 182 days to 5 years, at interest rates ranging from 4.54% to 5.85%. The College's management has the ability and intention to hold the investments to maturity.

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

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 statement of operations.

Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the College is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

Management Estimates

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

Asset Retirement Obligations

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

2. Significant Accounting Policies (cont'd)

Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all the following criteria are

- 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 reporting date and adjusted for the passage of time and for any revisions to the timing or amount required to settle obligation or the discount rate. As all asset retirement obligations are estimated to be settled by the end of 2071, the College used an inflation rate of 2% to determine the future value of the estimated obligation. This inflation rate is in line with the Bank of Canada's inflation-control target.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The discount rate used to determine the asset retirement cost was determined using a weighted average reflecting the Government's cost of borrowing on initial recognition and on subsequent changes to expected cash flows, which is most closely associated with the period to settlement of the obligation.

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.

	2024		
	Fair Value	**Amortized Cost**	**Total**
Cash	**$ 23,879,586**	**$ -**	**$ 23,879,586**
Accounts receivable	**-**	**4,524,945**	**4,524,945**
GIC Investments	**-**	**68,291,111**	**68,291,111**
Investment portfolio	**12,699,799**	**-**	**12,699,799**
Notes and long-term receivable	**-**	**6,372,368**	**6,372,368**
Accounts payable and accrued liabilities	**-**	**27,102,636**	**27,102,636**
Long-term debt	**-**	**8,763,903**	**8,763,903**
	$ 36,579,385	**$ 115,054,963**	**$ 151,634,348**

	2023		
	Fair Value	Amortized Cost	Total
Cash	$ 25,844,216	$ -	$ 25,844,216
Accounts receivable	-	5,532,778	5,532,778
GIC Investments	-	50,000,000	50,000,000
Investment portfolio	11,512,461	-	11,512,461
Notes and long-term receivable	-	6,620,737	6,620,737
Accounts payable and accrued liabilities	-	29,810,203	29,810,203
Long-term debt	-	9,122,735	9,122,735
	$ 37,356,677	$ 101,086,453	$ 138,443,130

The College’s bank accounts are held at one chartered bank and as a result are exposed to the credit risk arising from this concentration to the extent that the account balances exceed the federally insured limits. The bank accounts earn interest at prime less 1.75% (5.45% at March 31, 2024).

The College's Guaranteed Investment Certificates (GICs) are held at one chartered bank, with various maturity dates ranging from 182 days to 5 years. Interest is earned at rates from 4.45 % to 5.85% over the various GICs.

The College’s credit facilities include an approved operating line of credit with the Royal Bank of $1,500,000 with interest at bank prime less 0.6% (6.6% at March 31, 2024). At year end the outstanding balance under this credit facility agreement was $nil (2023 - $nil).

In addition, the College, has an approved revolving credit facility with the Royal Bank in the amount of $1,650,000. Of this amount, $nil (2023 - $nil) was outstanding at March 31, 2024.

The College also has total approved financing with the Ontario Financing Authority in the amount of $13,335,844. Of this amount, $8,755,535 (2023-$9,094,285) was outstanding at year end as described in Note 13. Of the approved amount, $6,360,051 (2023 - $6,606,127) is repayable by SUCCI (Student Union of Confederation College Inc.).

3. Financial Instrument Classification (cont'd)

Included in the investment portfolio are Canadian Bonds with a maturity profile as indicated below.

	2024				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value: Bonds	$ 998,381	$ 2,146,263	$ 1,946,912	$ 916,824	$ 6,008,380
Total	$ 998,381	$ 2,146,263	$ 1,946,912	$ 916,824	$ 6,008,380
Percent of total	17%	36%	32%	15%	

	2023				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value: Bonds	$ 1,084,062	$ 2,178,564	$ 1,244,507	$ 712,157	$ 5,219,290
Total	$ 1,084,062	$ 2,178,564	$ 1,244,507	$ 712,157	$ 5,219,290
Percent of total	21%	42%	24%	13%	

The following table provides an analysis of financial instruments that are measured at fair value subsequent to initial recognition, 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).

3. Financial Instrument Classification (cont'd)

	2024			
	Level 1	Level 2	Level 3	Total
Cash	$ 23,879,586	$ -	$ -	$ 23,879,586
Investment portfolio	3,502,707	9,197,092	-	12,699,799
	$ 27,382,293	$ 9,197,092	$ -	$ 36,579,385

	2023			
	Level 1	Level 2	Level 3	Total
Cash	$ 25,844,216	$ -	$ -	$ 25,844,216
Investment portfolio	3,592,156	7,920,305	-	11,512,461
	$ 29,436,372	$ 7,920,305	$ -	$ 37,356,677

There were transfers of $1,276,787 between Level 1 and Level 2 for the years ended March 31, 2024 and transfers of $973,561 for 2023. There were also no transfers in or out of Level 3.

4. GIC Investments

Investments consist of Guaranteed Investment Certificates of $68,291,111 (2023 - $50,000,000) maturing dates ranging from May 2024 to December 2028 yielding interest rates of 4.45% to 5.85%.

5. Accounts Receivable

Accounts receivable are comprised of balances receivable from students, Sponsoring agencies and Corporate clients for contract training. Credit risk is mitigated to some extent by requiring that payment be received before a student is allowed to register, unless they have certain pre-qualified conditions, such as funding through the Ontario Student Assistance Program, sponsorship funding, or split-fee tuition fee option.

	2024	2023
Students and sponsors	**$ 289,695**	$ 369,300
General	**4,441,097**	5,368,640
Allowance for doubtful accounts	**(205,847)**	(205,162)
	$ 4,524,945	$ 5,532,778

6. Notes and Long-term Receivable

In April 2016, the Student Union of Confederation College Inc. (SUCCI) entered into a funding and contribution agreement with the College to finance a contribution towards the new Wellness Centre. Amounts are to be paid to the College until the SUCCI contribution of $8.5 million, together with the deemed Ontario Financing Authority (OFA) Interest rate thereon per annum, is paid in full. The OFA debt is repayable over the next 20 years, and bears a fixed interest rate of 2.969% (Note 13). The current portion of the long-term receivable represents the principal loan payments due within one year.

		2024		2023
General	**$**	**12,317**	$	14,610
SUCCI Student Levy Receivable		**6,360,051**		6,606,127
Total		**6,372,368**		6,620,737
Current Portion		**262,674**		257,684
	$	**6,109,694**	$	6,363,053

7. Investment Portfolio - Endowments Restricted

The College's investment portfolio is comprised of a number of different securities carrying a variety of terms and conditions. Investments consist of the following:

		2024				2023		
		Market		**Cost**		Market		Cost
Endowed								
Canadian equities	**$**	**3,240,100**	**$**	**2,941,236**	$	2,982,893	$	2,880,206
Canadian fixed income		**6,008,380**		**6,397,587**		5,219,290		5,981,451
Foreign equities		**3,188,713**		**3,144,982**		2,996,119		3,301,362
Cash and equivalents account		**262,606**		**262,162**		314,159		308,992
	$	**12,699,799**	**$**	**12,745,967**	$	11,512,461	$	12,472,011

The cash and equivalents account does not earn interest. Canadian and foreign bonds are comprised of a number of different bonds held within pooled funds, with maturity dates ranging from 2024 to 2065, and yield an average of 4.94% (2023 – 4.81%) over the term of the investments.

8. Capital Assets

	2024		2023	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	$ **295,057**	$ **-**	$ 295,057	$ -
Site improvements	**2,071,108**	**2,037,435**	2,071,108	2,026,211
Buildings	**111,245,293**	**56,996,273**	111,245,293	54,707,480
Bridge	**2,910,386**	**661,505**	2,910,386	545,089
Leasehold improvements	**333,188**	**333,188**	333,188	333,188
Furniture and equipment	**98,792,797**	**94,413,825**	96,983,251	92,327,033
Library books	**20,000**	**20,000**	20,000	20,000
Major equipment	**2,710,418**	**2,678,452**	2,710,418	2,631,918
Airplanes	**4,808,457**	**1,728,235**	4,876,157	2,138,182
ARO - Building	**1,006,586**	**693,439**	1,006,586	677,463
ARO - Equipment	**73,299**	**57,505**	73,299	56,614
Public Private Partnership	**14,800,000**	**1,368,000**	-	-
Work in Progress	**1,455,021**	**-**	236,397	-
	$ **240,521,610**	$ **160,987,857**	$ 222,761,140	$ 155,463,178
Capital Assets Net book value		$ **79,533,753**		$ 67,297,962

9. Public Private Partnership Asset and Deferred Revenue

The College has alternative financing arrangements with Campus Development Corp (the "Partner") for the construction and operation of student residence buildings, Spruce and Cedar, on its Thunder Bay campus. Under the terms of these agreements, the Partner is responsible for constructing, maintaining and operating the student residences in exchange for the right to collect student residence fees over the period of 89 years. At the end of the period, the legal title of the buildings will transfer to the College. The College has recorded these buildings as Public Private Partnership Assets which are being amortized over 30 years to their estimated residual values of $10,240,000, where the College will have the first right to purchase the asset . The related deferred revenue, which is also being amortized over the Public Private Partnership period of 89 years, represents the College granting the Partner the right to provide residence services to students of the College and receive rental fees in exchange for the Partner's capital investment.

At year-end, these buildings have a net book value of $13,432,000 and corresponding liability of $13,303,371.

Included in other revenue is $166,292 representing the amortization of the Public Private Partnership deferred revenue and included in other expenses is $152,000 representing the amortization of the Public Private Partnership assets.

10. Accounts Payable and Accrued Liabilities

		2024		2023
Trade	$	**23,588,960**	$	27,193,835
Accrued liabilities		**644,763**		615,002
Government remittances		**848,434**		1,141,381
Accrued salaries		**2,020,479**		859,985
	$	**27,102,636**	$	29,810,203

11. Deferred Revenue

		2024		2023
Ontario Ministry of Colleges and Universities				
Apprentice training	$	**-**	$	1,387
Competitive CERF Program		**193,980**		0
Collaborative nursing		**214,925**		214,925
Employment programs		**-**		772,827
Nursing enrolement		**276,693**		276,693
Second career		**540,727**		536,185
CODE SCWI		**560,978**		194,288
College service fee		**304,270**		466,227
Contract training		**123,984**		0
IT residence infrastructure		**-**		52,441
Miscellaneous contracts and projects		**2,382,466**		3,499,559
Post-secondary Tuition		**3,193,873**		2,520,259
Student IT fee		**397,576**		191,427
Student tech fee		**89,828**		163,493
	$	**8,279,300**	$	8,889,711

12. Asset Retirement Obligation

The College's financial statements include an asset retirement obligation for the removal of asbestos in several buildings owned by the College as well as a liability for the removal of hazardous materials in equipment. The related asset retirement costs are being amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 3.29% (2023: 3.29%) where the majority will be incurred over the next 35 years. The liability for all retirement obligations is expected to be settled by the end of 2071.

Asbestos Obligation:

The College owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building, resulting in a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, Confederation College recognized an obligation related to the removal and post-removal care of the asbestos in these buildings as of April 1, 2022. These buildings have a revised useful life of 80 years from the date they were constructed with the recent rehabilitation and enhancements to extend the useful life of the buildings.

	2024		2023	
	Building	**Equipment**	Building	Equipment
Balance at Beg. Of Year	**$ 3,305,988**	**$ 111,172**	$ 3,200,685	$ 107,220
Accretion	**108,767**	**2,501**	105,303	3,952
	$ 3,414,755	**$ 113,673**	$ 3,305,988	$ 111,172
Total ARO Liability		**$ 3,528,428**		$ 3,417,160

13. Long-term Debt

		2024	2023
Ontario Financing Authority loan for Wellness Centre repayable at $303,132 semi-annually including interest at 2.969% due 2042	$	**8,755,535**	9,094,285
Current portion		**348,124**	338,750
Total		**8,407,411**	8,755,535

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

Date		OFA
2025		348,124
2026		359,973
2027		370,069
2028		381,130
2029		392,530
Thereafter		6,903,709
	$	8,755,535

Of the approved amount of the OFA loan for the Wellness Centre, $6.3 million is repayable by SUCCI (Student Union of Confederation College Inc.) (Note 6).

Obligations Under Capital Leases

		2024	2023
Kubota Capital Lease for Tractor, repayable $1,618 monthly repaid in year 2025	$	**8,368**	28,450
Current portion		**8,368**	20,082
Total		**-**	8,368

Obligations under capital leases are secured by certain plant and office equipment. The future minimum lease payments for the next five years and thereafter are as follows:

Date		Amount
2025		8,368
	$	8,368

14. Post-employment Benefits and Compensated Absences Liability

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

	2024			
	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 584,000	$ 2,123,000	$ 51,000	$ 2,758,000
Value of plan assets	(138,000)	-	-	(138,000)
Unamortized actuarial gains (losses)	35,000	(423,000)	(3,000)	(391,000)
	$ 481,000	$ 1,700,000	$ 48,000	$ 2,229,000

	2023			
	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 581,000	$ 1,824,000	$ 45,000	$ 2,450,000
Value of plan assets	(137,000)	-	-	(137,000)
Unamortized actuarial gains (losses)	43,000	(127,000)	(2,000)	(86,000)
	$ 487,000	$ 1,697,000	$ 43,000	$ 2,227,000

	2024			
	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 6,000	$ 73,000	$ 1,000	$ 80,000
Interest on accrued benefit obligation	2,000	61,000	2,000	65,000
Amortized actuarial losses	(9,000)	48,000	2,000	41,000
	$ (1,000)	$ 182,000	$ 5,000	$ 186,000

	2023			
	Post-employee Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 48,000	$ 130,000	$ 1,000	$ 179,000
Interest on accrued benefit obligation	2,000	58,000	1,000	61,000
Amortized actuarial losses	(10,000)	16,000	(71,000)	(65,000)
	$ 40,000	$ 204,000	$ (69,000)	$ 175,000

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

14. Post-Employment Benefits and Compensated Absences Liability (cont'd.)

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 Colleges of Applied Arts and Technology Pension Plan (the “Plan”), a multi-employer jointly-sponsored defined benefit plan for public colleges in Ontario and other employers. 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 being 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, 2024 indicated an actuarial surplus on a going concern basis of $5.3 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of $5,089,878 (2023 - $4,585,243), which has been included 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 related benefit liability was 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, 2024 of the future benefits was determined using a discount rate of 3.5% (2023 - 3.4%).

b) Hospital and other medical

Medical premium increases were assumed to increase at 6.16% per annum in 2024 and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040 (2023 – 4.0% in 2040).

14. Post-Employment Benefits and Compensated Absences Liability (Cont'd.)

Post-Employment Benefits (Cont'd)

c) Dental costs

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

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 payment for their accumulated sick days at 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

Non-Vesting Sick Leave

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

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

	2024	2023
Wage and salary escalation		
Academic	**3.00%**	1.00%
Support	**3.00%**	1.00%
Discount rate	**3.50%**	3.40%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 23.5% and 0 to 51 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

15. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations and is calculated on the same basis as the amortization expense related to the acquired/constructed capital assets. The changes in the deferred capital contributions balances are as follows:

	2024	2023
Balance, beginning of year	$ **58,702,661**	$ 60,217,753
Add contributions for capital purposes	**1,918,324**	3,846,661
Less amortization of deferred capital contributions	**(3,160,393)**	(5,361,753)
Balance, end of year	**57,460,592**	58,702,661
Deferred capital contributions relating to construction in progress, end of year	**1,241,272**	-
Deferred capital contributions balance, end of year	$ **56,219,320**	$ 58,702,661

16. Net Assets - Investment in Capital Assets

	2024	2023
Capital assets, net book value	$ **79,533,753**	$ 67,297,962
Public Private Partnership assets, net book value	**-**	-
Less amounts financed by:		
Working capital	**313,620**	313,620
SUCCI Student Levy receivable (Note 6)	**6,360,051**	6,606,127
Long-term debt (Note 12)	**(8,763,903)**	(9,122,735)
Asset Retirement Obligation	**(3,528,428)**	(3,417,160)
Public Private Partnership liability	**(13,303,371)**	-
Deferred capital contributions (Note 15)	**(57,460,592)**	(58,702,661)
Invested in capital assets, end of year	$ **3,151,130**	$ 2,975,153

17. Net Assets - Internally and Externally Restricted

Internally restricted net assets represents money set aside by College senior management for various strategic initiatives and committed for specific purposes as identified below.

	2024	2023
Tuition set aside for student assistance	**$ 1,764,290**	$ 1,971,019
Scholarships and bursaries	**661,340**	264,308
Contributions for capital expenditures	**226,017**	192,626
Donations	**1,166,611**	788,304
Special Projects	**38,661,000**	24,961,000
TEC Hub Campaign Commitment	**-**	-
Parking Lot Development	**2,400,000**	2,400,000
Critical IT Infrastructure Upgrade	**1,602,032**	1,602,032
Long-term Sustainability	**8,293,567**	8,293,567
Environmental Sustainability	**500,000**	500,000
	$ 55,274,857	$ 40,972,856

The Ministry of Colleges and Universities requires a certain portion of the additional tuition fee revenue generated by announced fee increases to be set aside for student assistance.

18. Net Assets - Endowments Restricted

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

18. Net Assets - Endowments Restricted (Cont'd)

Externally restricted endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund ("OSOTF") Phase I and II, and the Ontario Trust for Student Support ("OTSS") programs and other such restricted contributions that were not matched. Under these government programs, the government matches funds raised by the College. The purpose of the programs is to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College. The investment income generated from endowments must be used in accordance with the OSOTF and the OTSS guidelines.

The College has recorded the following amounts under the programs:

OSOTF I

		2024		2023
Schedule of changes in Endowment Fund Balance				
Fund balance, beginning of year	$	**3,638,394**	$	3,676,894
Prior year corrections to Award Allocations		**(15,894)**		(39,500)
Cash donations received		**1,215**		1,000
Fund balance, end of year		**3,623,715**		3,638,394
Schedule of changes in Expendable Funds Available for Awards				
Fund balance, beginning of year		**1,450,377**		1,613,577
Corrections to Endowed/Realized Gain Amounts (Rate Stabilization)		**400,876**		(152,002)
Unrealized investment gain (loss) net of direct investment-related expenses and preservation of capital contributions		**130,725**		132,217
Bursaries awarded (2024 = 166, 2023 = 180)		**(103,450)**		(143,415)
Expendable fund balance, end of year		**1,878,528**		1,450,377
Total endowment fund balance, end of year	$	**5,502,243**	$	5,088,771
Market value of fund, end of year	$	**5,502,243**	$	5,088,771

18. Net Assets - Endowments Restricted (Cont'd)

OSOTF II Second Phase

	2024	2023
Schedule of changes in Endowment Fund Balance		
Fund balance, beginning of year	$ **252,078**	$ 252,078
Eligible cash donations received	**-**	-
	252,078	252,078
Schedule of changes in Expendable Funds Available for Awards		
Fund balance, beginning of year	**218,791**	225,256
Corrections to Endowed/Realized Gain Amounts (Rate Stabilization)	**37,569**	(13,788)
Unrealized investment gain (loss) net of direct investment-related expenses and preservation of capital contributions	**12,213**	11,993
Bursaries awarded (2024 = 10, 2023 = 10)	**(5,000)**	(4,670)
Expendable fund balance, end of year	**263,573**	218,791
Total endowment fund balance, end of year	$ **515,651**	$ 470,869
Market value of fund, end of year	$ **515,651**	$ 470,869

OTSS

	2024	2023
Schedule of changes in Endowment Fund Balance		
Fund balance, beginning of year	$ **4,502,041**	$ 3,404,907
Eligible cash donations received	**36,294**	1,097,134
	4,538,335	4,502,041
Schedule of changes in Expendable Funds Available for Awards		
Fund balance, beginning of year	**1,208,351**	1,323,453
Corrections to Endowed/Realized Gain Amounts (Rate Stabilization)	**454,071**	(136,050)
Unrealized investment gain (loss) net of direct investment-related expenses and preservation of capital contributions	**151,884**	118,341
Bursaries awarded (2024 = 148, 2023 = 127)	**(120,276)**	(97,393)
Expendable fund balance, end of year	**1,694,030**	1,208,351
Total endowment fund balance, end of year	$ **6,232,365**	$ 5,710,392
Market value of fund, end of year	$ **6,232,365**	$ 5,710,392

18. Net Assets - Endowments Restricted (Cont'd)

Reports of OTSS awards issued for the period of April 1, 2023 to March 31, 2024:

Status of Recipients	OSAP Number	Recipients Amount	Non-OSAP Number	Recipients Amount	Number	Total Amount
Full-time	**69**	**$ 65,500**	**77**	**$ 54,776**	**146**	**$ 120,276**
Part-time	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Total	**69**	**$ 65,500**	**77**	**$ 54,776**	**146**	**$ 120,276**

	2024	2023
Grand total of endowment funds, end of year	**$ 12,250,259**	$ 11,270,032

19. Commitments

The College has leased realty for the Aviation Centre of Excellence at an annual rental of approximately $94,245, with annual increases of 2.5%, and an expiry date of 2053.

20. Contingencies

In the normal course of operations, the College is involved in a number of grievances and disputes. As of the date of this financial statement preparation, the likelihood and impact of these matters on the College's financial statements is unknown. Should any costs be incurred as a result of these matters, they will be expensed in the year of settlement.

21. Statement of Cash Flows

The change in non-cash working capital balances consists of the following:

		2024		2023
Grants receivable	$	**4,592,096**	$	(5,015,991)
Accounts receivable		**1,007,833**		(965,255)
Inventory		**84,973**		(41,715)
Prepaid expenses		**(155,834)**		(395,791)
Accounts payable and accrued liabilities		**(2,707,567)**		4,946,372
Vacation payable		**76,497**		1,347
Deferred revenue		**(610,411)**		(977,326)
	$	**2,287,587**	$	(2,448,359)

22. Capital Disclosures

The College considers its capital to be the balance retained in net assets, which is generally the difference between its assets and liabilities as reported on the statement of financial position and includes unrestricted net assets, internally restricted net assets, investment in capital assets and restricted endowment net assets. The College receives funding from the provincial government for the delivery of its programs. These funds are maintained and disbursed under the terms of the funding agreements and management is responsible for adhering to the provisions of these agreements.

The College's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its programs to the public. Colleges are required, under the current Ministry guidelines, to balance their budgets each year through a combination of managing expenses and utilizing reserves. Any in-year deficit not covered by reserves (accumulated deficits) must be recovered within two successive years under the Ministry's deficit recovery procedures.

Management maintains its capital by ensuring that annual operating and capital budgets are developed and approved by the Board of Governors based on both known and estimated sources of funding and financing available each year. These budgets are shared with all management to ensure that the capital of the College is maintained and are also published on the College's website or distributed to the public in hard copy upon request.

23. 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, debt holdings in its investment portfolio, notes and long-term 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 $300,000 (2023 - $300,000).

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

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

Accounts receivable are ultimately due from students, sponsors or corporate agencies. An amount of $205,847 (2023 - $205,162) has been set up as an allowance for doubtful accounts. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population, and other internal controls built into the registration process.

Market Risk

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

The College's investment policy operates within the constraints of the investment guidelines issued by the 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 Policy limits the investment in any one corporate issuer to a maximum of 10% of the College's total fixed income bonds.

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.

23. Financial Instrument Risk Management (Cont'd)

Currency risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign College levels when adverse changes in foreign currency College rates occur.

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.

As at March 31, 2024, the total amount of cash, securities and other non-current assets denominated in a foreign currency was $3,188,713 (2023 - $2,729,308). The College’s estimate of the effect on net assets as at March 31, 2024 due to a 1.00% increase or decrease in the exchange rates, with all other variables held constant, would approximately amount to an increase or decrease of $31,887 (2023 - $27,293).

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 (see note 6) and long-term debt (see note 13).

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 equity holdings within its investment portfolio. At March 31, 2024, total equity in the portfolio was $6,428,813, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of $642,881. Equities represent approximately 51% of the fair value of the College's endowed investments, which is held for long-term investment gains, which mitigates the impact to market fluctuations on the value of the equities.

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.

23. Financial Instrument Risk Management (Cont'd)

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.

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.

24. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.