

CONSOLIDATED FINANCIAL STATEMENTS

The Humber College Institute of Technology and Advanced Learning

March 31, 2018



The Humber College Institute of Technology and Advanced Learning

TABLE OF CONTENTS

For the year ended March 31, 2018

Consolidated Financial Statements

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Statement 1 Consolidated Statement of Financial Position

Statement 2 Consolidated Statement of Operations

Statement 3 Consolidated Statement of Changes in Net Assets

Statement 4 Consolidated Statement of Cash Flows

Statement 5 Consolidated Statement of Remeasurement Gains and Losses

Notes to Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 series of standards applicable to government not-for-profit organizations. Where alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

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

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

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

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



Chris Whitaker
President & CEO Humber College ITAL
May 29, 2018



Rani Dhaliwal
Sr. Vice President, Planning &
Corporate Services & CFO



Tel: 905 270-7700
Fax: 905 270-7915
Toll-free: 866 248 6660
www.bdo.ca

BDO Canada LLP
1 City Centre Drive, Suite 1700
Mississauga ON L5B 1M2 Canada

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of The Humber College Institute of Technology and Advanced Learning, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Humber College Institute of Technology and Advanced Learning as at March 31, 2018, and the results of its operations, cash flows and remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Mississauga, Ontario
May 29, 2018

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING
Consolidated Statement of Financial Position

Statement 1

	March 31, 2018	March 31, 2017
ASSETS		
Current assets		
Cash	\$ 168,737,895	\$ 137,548,619
Investments	179,988,625	176,038,144
Grants receivable (Note 4)	2,396,852	397,271
Accounts receivable (Note 5)	13,859,573	16,780,850
Prepaid expenses	3,087,345	3,397,039
Total current assets	368,070,290	334,161,923
INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER (Note 6)	13,567,805	13,629,307
LONG-TERM ACCOUNTS RECEIVABLE (Note 7)	2,988,295	6,767,821
PREPAID LAND LEASE (Note 8)	2,947,348	2,979,677
CAPITAL ASSETS (Note 9)	450,471,995	420,847,740
TOTAL ASSETS	\$ 838,045,733	\$ 778,386,468
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 30,412,862	\$ 25,392,244
Accrued payroll and employee benefits	7,939,095	7,843,410
Accrued vacation pay	16,705,136	15,445,412
Deferred revenue	49,946,568	38,335,339
Due to University of Guelph-Humber (Note 6)	29,758,652	29,295,745
Due to IGNITE (Note 10)	5,271,295	4,286,499
Bank loan (Note 11)	27,447,106	29,200,160
Total current liabilities	167,480,714	149,798,809
POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (Note 12)	8,858,000	9,269,000
DEFERRED CONTRIBUTIONS (Note 13)	11,740,559	9,926,544
DEFERRED CAPITAL CONTRIBUTIONS (Note 14)	197,928,176	190,234,523
INTEREST RATE SWAP (Note 11)	4,793,620	6,978,571
TOTAL LIABILITIES	390,801,069	366,207,447
NET ASSETS		
Unrestricted		
Operating	30,356,756	31,692,983
Post-employment benefits and compensated absences (Note 12)	(8,858,000)	(9,269,000)
Vacation pay	(16,705,136)	(15,445,412)
Total unrestricted net assets	4,793,620	6,978,571
INVESTED IN CAPITAL ASSETS (Note 15)	248,008,950	209,927,587
INTERNALLY RESTRICTED (Note 16)	183,371,996	186,750,371
EXTERNALLY RESTRICTED (Note 17)	15,863,718	15,501,063
	452,038,284	419,157,592
ACCUMULATED REMEASUREMENT LOSSES	(4,793,620)	(6,978,571)
TOTAL NET ASSETS	447,244,664	412,179,021
TOTAL LIABILITIES AND NET ASSETS	\$ 838,045,733	\$ 778,386,468

See accompanying notes to the consolidated financial statements

On behalf of the Board of Governors:


 Brian Gray
 Chair, Board of Governors


 Chris Whitaker
 President & CEO Humber College ITAL

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING
Consolidated Statement of Operations

Statement 2

For the year ended	March 31, 2018	March 31, 2017
REVENUE		
Grants and reimbursements	\$ 156,240,365	\$ 153,672,065
Tuition and other fees	205,744,166	189,158,038
Interest income	6,060,397	5,256,812
Other (Note 6)	59,786,863	58,542,115
Amortization of deferred capital contributions (Note 14)	7,648,000	10,974,796
TOTAL REVENUE	435,479,791	417,603,826
EXPENSES		
Salaries and benefits	245,645,513	243,918,314
Contract services	45,427,384	40,596,218
Maintenance, utilities and municipal taxes	16,872,200	15,600,058
Advertising and marketing	8,560,317	8,489,391
Supplies, equipment and other expenses	42,573,009	41,043,427
Information technology, software and licenses	7,702,771	6,780,413
Student assistance	6,148,000	6,613,186
Amortization of capital assets	30,032,560	31,271,327
TOTAL EXPENSES	402,961,754	394,312,334
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 32,518,037	\$ 23,291,492

See accompanying notes to the consolidated financial statements

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

Statement 3

	March 31, 2018				Total
	Unrestricted	Internally restricted (Note 16)	Invested in capital assets (Note 15)	Externally restricted (Note 17)	
Balance, beginning of year	\$ 6,978,571	\$ 186,750,371	\$ 209,927,587	\$ 15,501,063	\$ 419,157,592
Excess of revenue over expenses for the year	32,518,037	-	-	-	32,518,037
Change in internally restricted net assets	3,378,375	(3,378,375)	-	-	-
Net change in invested in capital assets	(38,081,363)	-	38,081,363	-	-
Endowment contributions	-	-	-	362,655	362,655
Balance, end of year	\$ 4,793,620	\$ 183,371,996	\$ 248,008,950	\$ 15,863,718	\$ 452,038,284

	March 31, 2017				Total
	Unrestricted	Internally restricted (Note 16)	Invested in capital assets (Note 15)	Externally restricted (Note 17)	
Balance, beginning of year	\$ 8,923,473	\$ 186,287,000	\$ 185,154,564	\$ 15,289,434	\$ 395,654,471
Excess of revenue over expenses for the year	23,291,492	-	-	-	23,291,492
Change in internally restricted net assets	(463,371)	463,371	-	-	-
Net change in invested in capital assets	(24,773,023)	-	24,773,023	-	-
Endowment contributions	-	-	-	211,629	211,629
Balance, end of year	\$ 6,978,571	\$ 186,750,371	\$ 209,927,587	\$ 15,501,063	\$ 419,157,592

See accompanying notes to the consolidated financial statements

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING
Consolidated Statement of Cash Flows

Statement 4

	March 31, 2018	March 31, 2017
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenses for the year	\$ 32,518,037	\$ 23,291,492
Non-cash items:		
Amortization of capital assets	30,032,560	31,271,327
Amortization of deferred capital contributions	(7,648,000)	(10,974,796)
Share of excess of revenue over expenses for the year from University of Guelph-Humber (Note 6)	(12,035,476)	(12,195,087)
	42,867,121	31,392,936
Change in post-employment benefits and compensated absences	(411,000)	(117,000)
Endowment contributions	362,655	211,629
Net change in non-cash working capital items (Note 19)	24,478,203	4,452,542
Cash provided by operating activities	67,296,979	35,940,107
INVESTING		
Distribution from University of Guelph-Humber (Note 6)	12,096,979	11,590,147
Net (decrease) increase in investments (net of fair market value adjustment)	(3,950,481)	15,881,026
Cash provided by investing activities	8,146,498	27,471,173
FINANCING		
Deferred contributions (net of fair market value adjustment)	1,814,015	1,178,340
Repayment of bank loan (Note 11)	(1,753,054)	(1,659,777)
Cash provided by financing activities	60,961	(481,437)
CAPITAL		
Purchase of capital assets and construction in progress	(59,656,815)	(55,733,969)
Contributions received for capital purposes	15,341,653	13,180,701
Cash used in capital activities	(44,315,162)	(42,553,268)
Net increase in cash during the year	31,189,276	20,376,575
Cash, beginning of year	137,548,619	117,172,044
Cash, end of year	\$ 168,737,895	\$ 137,548,619

See accompanying notes to the consolidated financial statements

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

Statement 5

	March 31, 2018	March 31, 2017
Accumulated remeasurement losses at the beginning of year	\$ (6,978,571)	\$ (8,922,891)
Unrealized gains attributable to:		
Derivative - interest rate swap	2,184,951	1,944,320
Net remeasurement gains for the year	2,184,951	1,944,320
Accumulated remeasurement losses at end of year	\$ (4,793,620)	\$ (6,978,571)

See accompanying notes to the consolidated financial statements

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

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 Advanced Education and Skills Development) to establish individual colleges. On February 23, 1967, Humber College of Applied Arts and Technology became a reality. By Ontario Regulation 34/03 filed on February 11, 2003, the name of the College was changed to The Humber College Institute of Technology and Advanced Learning (the "College").

The College's mission statement is as follows:

"Humber develops broadly educated, highly skilled and adaptable citizens to be successful in careers that significantly contribute to the communities they serve locally, nationally and globally."

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Revenue recognition

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

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Ancillary revenues, including child care centres, corporate training, retail operations, food services, student residence, parking and other sundry revenues, are recognized when products are delivered or services are provided to the student or client where the sales price is fixed and determinable, and collection is reasonably assured.

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

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

Capital assets

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

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

Construction in progress costs are capitalized as incurred and are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets, once the assets are placed in service. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its net realizable value.

Vacation pay

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

Retirement and post-employment benefits and compensated absences

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.
- (ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- (iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumptions and/or experience are recognized over the estimated average remaining service life of the employees.
- (iv) The discount rate used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

Investment in University of Guelph-Humber

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

Financial instruments

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

Fair value

This category includes cash, derivatives and pooled funds quoted in an active market. The College's interest rate swap is considered to be a derivative financial instrument and is included in this category. The College invests a portion of its externally restricted funds in pooled funds with its investment management firm. These funds are considered to be equity instruments and are included in this category.

Financial instruments in this 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.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 investments not considered to be equity instruments, grants receivable, accounts receivable, long-term 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.

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 consolidated statement of operations.

Management estimates

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

Public sector salary disclosure act

The Public Sector Salary Disclosure Act, 1996 (the "Act") requires the disclosure of the salaries and benefits of employees in the public sector who are paid a salary of \$100,000 or more in a year. The College complies with this Act by providing the information to Ministry of Advanced Education and Skills Development ("MAESD") for disclosure on the public website.

3. FINANCIAL INSTRUMENT CLASSIFICATION

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

	2018		
	Fair Value	Amortized Cost	Total
Cash	\$ 168,737,895	\$ -	\$ 168,737,895
Investments	18,992,729	160,995,896	179,988,625
Grants receivable	-	2,396,852	2,396,852
Accounts receivable	-	13,859,573	13,859,573
Long-term accounts receivable	-	2,988,295	2,988,295
Accounts payable and accrued liabilities	-	30,412,862	30,412,862
Accrued payroll and employee benefits	-	7,939,095	7,939,095
Accrued vacation pay	-	16,705,136	16,705,136
Due to University of Guelph-Humber	-	29,758,652	29,758,652
Due to IGNITE	-	5,271,295	5,271,295
Bank loan	-	27,447,106	27,447,106
Interest rate swap	4,793,620	-	4,793,620

	2017		
	Fair Value	Amortized Cost	Total
Cash	\$ 137,548,619	\$ -	\$ 137,548,619
Investments	18,745,472	157,292,672	176,038,144
Grants receivable	-	397,271	397,271
Accounts receivable	-	16,780,850	16,780,850
Long-term accounts receivable	-	6,767,821	6,767,821
Accounts payable and accrued liabilities	-	25,392,244	25,392,244
Accrued payroll and employee benefits	-	7,843,410	7,843,410
Accrued vacation pay	-	15,445,412	15,445,412
Due to University of Guelph-Humber	-	29,295,745	29,295,745
Due to IGNITE	-	4,286,499	4,286,499
Bank loan	-	29,200,160	29,200,160
Interest rate swap	6,978,571	-	6,978,571

Cash and investments consist of cash, daily interest deposits, Canadian treasury bills, Canadian federal bonds, Canadian provincial bonds, Canadian corporate bonds and mutual funds.

Maturity profile of investments held at amortized cost is as follows:

	2018				
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	Total
Carrying value	\$ 4,101,717	\$ 85,776,932	\$ 71,117,247	\$ -	\$ 160,995,896
Percent of Total	3%	53%	44%	0%	

	2017				
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	Total
Carrying value	\$ 5,745,438	\$ 81,642,757	\$ 69,904,477	\$ -	\$ 157,292,672
Percent of Total	4%	52%	44%	0%	

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2018			
	Level 1	Level 2	Level 3	Total
Cash	\$ 168,737,895	\$ -	\$ -	\$ 168,737,895
Investments	18,992,729	-	-	18,992,729
Interest rate swap	-	-	4,793,620	4,793,620
Total	\$ 187,730,624	\$ -	\$ 4,793,620	\$ 192,524,244

	2017			
	Level 1	Level 2	Level 3	Total
Cash	\$ 137,548,619	\$ -	\$ -	\$ 137,548,619
Investments	18,745,472	-	-	18,745,472
Interest rate swap	-	-	6,978,571	6,978,571
Total	\$ 156,294,091	\$ -	\$ 6,978,571	\$ 163,272,662

There were no transfers between levels for the years ended March 31, 2018 and 2017. For a sensitivity analysis of financial instruments recognized in Level 3, see Note 20.

4. GRANTS RECEIVABLE

Grants receivable represent amounts receivable from the MAESD to fund programs delivered by the College.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

5. ACCOUNTS RECEIVABLE

	2018	2017
Investment interest receivable	\$ 966,787	\$ 854,664
Commodity taxes receivable	3,872,594	3,001,687
Current portion of long-term accounts receivable (Note 7)	4,000,000	4,000,000
Other accounts receivable	2,693,554	3,155,701
Student accounts receivable	4,617,649	7,521,320
Allowance for doubtful accounts	(2,291,011)	(1,752,522)
Total current accounts receivable	\$ 13,859,573	\$ 16,780,850

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

6. INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER

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

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

	2018	2017
Total assets	\$ 18,898,829	\$ 18,589,208
Total liabilities	5,330,572	4,959,901
Net assets	\$ 13,568,257	\$ 13,629,307
Revenue	\$ 34,267,087	\$ 34,262,570
Expenses	22,231,611	22,067,483
Excess of revenue over expenses for the year	\$ 12,035,476	\$ 12,195,087
Cash provided by operating activities	\$ 12,779,966	\$ 11,792,994
Cash used in investing activities	(682,987)	(202,847)
Cash used in financing activities	(12,096,979)	(11,590,147)
Net cash flows	\$ -	\$ -

Excess of revenue over expenses for the year has been included in other revenue.

During the year, the College earned \$12,911,601 (2017 - \$12,305,940) of fees from the Joint Venture for services provided which has been included in other revenue.

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

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

During the year, the Joint Venture distributed \$12,096,979 (2017 - \$11,590,147) to the College which was applied against the investment.

The Joint Venture is a not-for-profit organization, and as such follows the recommendations of CPA Canada Handbook Part III – Accounting Standards for Not-for-Profit Organizations. As such, there are 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 financial statements for these differences. For the year ended March 31, 2018, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these financial statements.

7. LONG-TERM ACCOUNTS RECEIVABLE

The College, in concert with the IGNITE, agreed to direct the building levy assessed upon students to fund new and renovate facilities at both campuses. The levy generates approximately \$4,000,000 per annum.

	2018	2017
Long-term accounts receivable	\$ 6,988,295	\$ 10,767,821
Less: Current portion included in accounts receivable (Note 5)	4,000,000	4,000,000
Total long-term accounts receivable	\$ 2,988,295	\$ 6,767,821

8. PREPAID LAND LEASE

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

9. CAPITAL ASSETS

	2018		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 19,415,944	\$ -	\$ 19,415,944
Buildings	436,686,815	138,757,495	297,929,320
Site improvements	77,288,016	28,093,476	49,194,540
Leasehold improvements	83,726,061	76,741,086	6,984,975
Furniture and equipment	73,115,283	53,801,026	19,314,257
Automotive equipment	3,313,024	2,480,592	832,432
Software	14,539,329	14,254,807	284,522
Artwork	204,370	-	204,370
	708,288,842	314,128,482	394,160,360
Construction in progress	56,311,635	-	56,311,635
	\$ 764,600,477	\$ 314,128,482	\$ 450,471,995

	2017		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 17,058,944	\$ -	\$ 17,058,944
Buildings	436,686,815	128,525,948	308,160,867
Site improvements	76,290,754	21,774,280	54,516,474
Leasehold improvements	83,726,061	74,420,248	9,305,813
Furniture and equipment	68,658,785	45,740,580	22,918,205
Automotive equipment	3,012,623	2,116,631	895,992
Software	14,539,330	11,539,390	2,999,940
Artwork	204,370	-	204,370
	700,177,682	284,117,077	416,060,605
Construction in progress	4,787,135	-	4,787,135
	\$ 704,964,817	\$ 284,117,077	\$ 420,847,740

10. DUE TO IGNITE

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, 2018 of 1.85% (2017 - 0.95%) and is due on demand.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

11. BANK LOAN

The College has unsecured loan facilities with the Bank of Montreal to a maximum amount of \$62,000,000 to finance the construction of two student residences, an interest rate swap arrangement and an operating line of credit. The College has utilized \$27,447,106 (2017 - \$29,200,160) under this facility as described below. The balance of the facility is available in either prime rate loans bearing interest at the bank's prime rate of 3.45% (2017 - 2.70%) per annum or Bankers' Acceptances bearing interest of 1.63% (2017 - 0.90%) plus 1.25% per annum.

The original loan of \$45,000,000 obtained on April 1, 2004 for the residences is scheduled to be repaid over twenty-five years, bears interest at prime rate per annum and is repayable monthly on the first of each month in blended payments of \$275,802 and is scheduled to be repaid on 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% (2017 - 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 \$4,793,620 (2017 - \$6,978,571) is recorded in the consolidated statement of financial position with the fluctuations in fair value being recorded in the consolidated statement of remeasurement gains and losses.

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

2019	\$	1,851,571
2020		1,955,624
2021		2,065,526
2022		2,181,603
2023		2,304,204
Thereafter		17,088,578
Total	\$	27,447,106

Interest and bank fees on the demand loan amounted to \$1,689,461 (2017 - \$1,792,627) and is included in supplies, equipment and other expenses.

12. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

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

	2018			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 2,208,000	\$ 8,541,000	\$ 589,000	\$ 11,338,000
Value of plan assets	(501,000)	-	-	(501,000)
Unamortized actuarial gains (losses)	138,000	(2,209,000)	92,000	(1,979,000)
Total liability	\$ 1,845,000	\$ 6,332,000	\$ 681,000	\$ 8,858,000

	2017			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 2,081,000	\$ 9,214,000	\$ 285,000	\$ 11,580,000
Value of plan assets	(303,000)	-	-	(303,000)
Unamortized actuarial gains (losses)	184,000	(2,743,000)	551,000	(2,008,000)
Total liability	\$ 1,962,000	\$ 6,471,000	\$ 836,000	\$ 9,269,000

	2018			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost (recovery)	\$ (90,000)	\$ 462,000	\$ 21,000	\$ 393,000
Interest on accrued benefit obligation	3,000	166,000	13,000	182,000
Amortized actuarial (gains) losses	(17,000)	(7,000)	26,000	2,000
Total expense (recovery)	\$ (104,000)	\$ 621,000	\$ 60,000	\$ 577,000

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

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

	2017				
	Post-employment Benefits	Non-vesting leave	sick leave	Vesting sick leave	Total expense
Current year benefit cost (recovery)	\$ (92,000)	\$ 496,000	\$	17,000 \$	421,000
Interest on accrued benefit obligation	3,000	131,000		6,000	140,000
Amortized actuarial (gains) losses	(15,000)	(166,000)		33,000	(148,000)
Total expense (recovery)	\$ (104,000)	\$ 461,000	\$	56,000 \$	413,000

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

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

Retirement Benefits

CAAT Pension Plan

Full-time employees of the College are members of the Plan, which is a multi-employer jointly-sponsored defined benefit plan for eligible employees of public colleges and other employers in Ontario. Other than regular full-time employees may elect to join the Plan on or any time after their date of hire. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long term viability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit. The most recent actuarial valuation filed with pension regulators as at January 1, 2018 indicated an actuarial surplus of \$2.3 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of \$19,399,569 in 2018 (2017 - \$19,329,659), which has been included in the consolidated 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 Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

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

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

a) *Discount rate*

The present value as at March 31, 2018 of the future benefits was determined using a discount rate of 2.60% (2017 – 2.00%).

b) *Drug Costs*

Drug costs were assumed to increase at a 8.00% rate in 2018 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2034.

c) *Hospital and other medical*

Hospital and other medical costs were assumed to increase at 4.00% per annum in 2018 (2017 – 4.00%).

Medical premium increases were assumed to increase at 6.80% per annum in 2014 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2034.

d) *Dental costs*

Dental costs were assumed to increase at 4.00% per annum in 2018 (2017 – 4.00%).

Compensated Absences

Vesting Sick Leave

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

Non-Vesting Sick Leave

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

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

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

a) *Discount rate*

The present value as at March 31, 2018 of the future benefits was determined using a discount rate of 2.60% (2017 – 2.00%).

b) *Wage and salary escalation rates*

Academic full-time and academic partial load salaries were assumed to increase at a rate of 1.80% in 2016, 1.75% in 2017, 2.00% in 2018, 2019, 2020 and 1.50% per annum thereafter.

Support staff full-time salaries were assumed to increase at a rate of 0.50% per annum in 2017 and 1.50% 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 23.70% and 0 to 48.0 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

13. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and donations for awards, scholarships and bursaries, arboretum projects and other restricted purposes. The changes in the deferred contributions balance are as follows:

	2018	2017
Balance, beginning of year	\$ 9,926,544	\$ 8,748,204
Amounts received during the year	47,405,437	44,542,558
Amounts recognized as revenue during the year	(45,591,422)	(43,364,218)
Balance, end of year	\$ 11,740,559	\$ 9,926,544

Deferred contributions are comprised of:

	2018	2017
Externally restricted trust funds	\$ 4,147,349	\$ 3,519,583
Joint employment stability funds	246,342	286,611
Other restricted grants and contributions	7,346,868	6,120,350
Balance, end of year	\$ 11,740,559	\$ 9,926,544

14. DEFERRED CAPITAL CONTRIBUTIONS

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

14. DEFERRED CAPITAL CONTRIBUTIONS (continued)

	2018	2017
Balance, beginning of year	\$ 190,234,523	\$ 188,028,618
Add: contributions received for capital purposes	15,341,653	4,666,170
Add: contributions receivable from Building Levy	-	8,514,531
Less: amortization of deferred capital contributions	(7,648,000)	(10,974,796)
Balance, end of year	\$ 197,928,176	\$ 190,234,523

15. INVESTED IN CAPITAL ASSETS

Invested in capital assets consists of the following:

	2018	2017
Net book value of capital assets (Note 9)	\$ 450,471,995	\$ 420,847,740
Less amounts financed by:		
Bank loan (Note 11)	27,447,106	29,200,160
Spent deferred capital contributions	175,015,939	181,719,993
Balance, end of year	\$ 248,008,950	\$ 209,927,587

The change in invested in capital assets is as follows:

	2018	2017
Amortization of deferred capital contributions	\$ 7,648,000	\$ 10,974,796
Amortization of capital assets	(30,032,560)	(31,271,327)
Acquisition of capital assets and construction in progress	59,656,815	55,733,969
Amounts funded by deferred capital contributions	(943,946)	(12,324,192)
Repayment of bank loan	1,753,054	1,659,777
Total change in invested in capital assets	\$ 38,081,363	\$ 24,773,023

16. INTERNALLY RESTRICTED NET ASSETS

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

	2018	2017
Strategic Investments	\$ 160,871,996	\$ 166,150,371
Operating Contingency	22,500,000	20,600,000
Total internally restricted net assets	\$ 183,371,996	\$ 186,750,371

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

17. EXTERNALLY RESTRICTED NET ASSETS

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

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

Externally restricted endowment funds include grants provided by the MAESD 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:

				2018	2017
	OSOTF 1	OSOTF 2	OTSS	TOTAL	TOTAL
Balance, beginning of year	\$ 99,673	\$ 48,956	\$ 661,232	\$ 809,861	\$ 850,323
Investment income, net of direct expenses	33,505	13,932	214,430	261,867	300,740
Bursaries awarded	(31,680)	(24,650)	(348,614)	(404,944)	(341,202)
Balance, end of year	\$ 101,498	\$ 38,238	\$ 527,048	\$ 666,784	\$ 809,861
Bursaries awarded (#)	44	15	193	252	215

The bursaries awarded under OTSS comprise 109 to OSAP recipients totaling \$185,850 and 84 to non-OSAP recipients totaling \$162,764.

18. 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 unconditional loan guarantees to certain third parties amounting to \$840,196 (2017 - \$655,828) primarily related to possible defaults in financial agreements for certain construction projects.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

18. COMMITMENTS (continued)

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

2019	\$	743,317
2020		276,628
2021		274,506
2022		36,201
Total commitments	\$	1,330,652

19. CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2018	2017
Grants receivable	\$ (1,999,581)	\$ 746,568
Accounts receivable	2,921,277	(1,905,320)
Prepaid expenses	309,693	(1,174,266)
Long-term accounts receivable	3,779,526	632,182
Prepaid land lease	32,329	32,329
Accounts payable and accrued liabilities	5,020,618	4,382,636
Accrued payroll and employee benefits	95,685	(6,037,050)
Accrued vacation pay	1,259,724	410,464
Deferred revenue	11,611,229	7,069,124
Due to University of Guelph-Humber	462,907	900,175
Due to IGNITE	984,796	(604,300)
Net change, non-cash working capital	\$ 24,478,203	\$ 4,452,542

20. 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, accounts receivable, grants receivable, long-term accounts receivable and long-term grants receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$100,000 (2017 - \$100,000).

The College's investment guideline puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits and corporate sector limits. All fixed income portfolios are measured for performance by the Committee on annual basis while monitored by management on a monthly basis.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

20. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

The College's investment guideline operates within the constraints of the investment directive issued by the MAESD and permits the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality. The directive also permits the College's funds to be invested in certain corporate investments having a minimum rating of A-1+ or AAA by Standard and Poor's rating agency.

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 MAESD, 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

As at March 31, 2018

	Total	Winter 2018	Fall 2017	Summer 2017	Winter 2017 & Prior
Student receivable	\$ 4,617,649	\$ 2,094,766	\$ 781,697	\$ 278,349	\$ 1,462,837
Less: impairment allowance	(2,205,519)	(493,866)	(460,895)	(149,217)	(1,101,541)
Net receivables	\$ 2,412,130	\$ 1,600,900	\$ 320,802	\$ 129,132	\$ 361,296

As at March 31, 2017

	Total	Winter 2017	Fall 2016	Summer 2016	Winter 2016 & Prior
Student receivable	\$ 7,521,320	\$ 4,927,237	\$ 847,548	\$ 257,911	\$ 1,488,624
Less: impairment allowances	(1,740,344)	(360,123)	(361,517)	(96,870)	(921,834)
Net receivables	\$ 5,780,976	\$ 4,567,114	\$ 486,031	\$ 161,041	\$ 566,790

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

20. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

Government Grants and Other Receivables

	As at March 31, 2018		<i>Past Due</i>			
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government grants receivable	\$ 2,396,852	\$ 2,396,852	\$ -	\$ -	\$ -	\$ -
Interest receivable	966,787	966,787	-	-	-	-
Commodity taxes receivable	3,872,594	3,872,594	-	-	-	-
Other accounts receivable	6,719,462	6,134,200	361,898	134,566	3,306	85,492
Gross receivables	13,955,695	13,370,433	361,898	134,566	3,306	85,492
Less: impairment allowances	(85,492)	-	-	-	-	(85,492)
Net receivables	\$ 13,870,203	\$ 13,370,433	\$ 361,898	\$ 134,566	\$ 3,306	\$ -

	As at March 31, 2017		<i>Past Due</i>			
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government grant receivable	\$ 397,271	\$ 397,271	\$ -	\$ -	\$ -	\$ -
Interest receivable	854,664	854,664	-	-	-	-
Commodity taxes receivable	3,001,687	3,001,687	-	-	-	-
Other accounts receivable	7,155,700	6,497,953	428,087	141,493	28,735	59,432
Gross receivables	11,409,322	10,751,575	428,087	141,493	28,735	59,432
Less: impairment allowances	(12,178)	-	-	-	-	(12,178)
Net receivables	\$ 11,397,144	\$ 10,751,575	\$ 428,087	\$ 141,493	\$ 28,735	\$ 47,254

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 MAESD. 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.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

20. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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.

Currency risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign College levels when adverse changes in foreign currency College rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

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

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The College is exposed to this risk through its interest bearing investments and bank loan.

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

At March 31, 2018, 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 \$1,680,310 (2017 - \$2,090,348).

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, 2018 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 \$1,899,273 (2017 - \$1,874,000).

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

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 Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

20. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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

	2018		
	Within 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 30,412,862	\$ -	\$ -
Accrued payroll and employee benefits	7,939,095	-	-
Accrued vacation pay	8,352,568	8,352,568	-
Bank loan	1,851,571	8,506,957	17,088,578
Due to University of Guelph-Humber	29,758,652	-	-
Due to IGNITE	5,271,295	-	-
	\$ 83,586,043	\$ 16,859,525	\$ 17,088,578

	2017		
	Within 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 25,392,244	\$ -	\$ -
Accrued payroll and employee benefits	7,843,410	-	-
Accrued vacation pay	7,722,706	7,722,706	-
Bank loan	1,753,053	8,054,324	19,392,783
Due to University of Guelph-Humber	29,295,745	-	-
Due to IGNITE	4,286,499	-	-
	\$ 76,293,657	\$ 15,777,030	\$ 19,392,783

Derivative financial liabilities mature as described in Note 11.

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