

CONSOLIDATED FINANCIAL STATEMENTS

The Humber College Institute of Technology and Advanced Learning

March 31, 2024

The Humber College Institute of Technology and Advanced Learning

TABLE OF CONTENTS

For the year ended March 31, 2024

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.

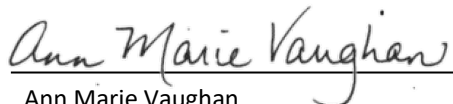
The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College's assets are appropriately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

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

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



Ann Marie Vaughan
President & CEO

May 30, 2024



Sanjay Puri
Vice President, Administration & CFO

May 30, 2024



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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of The Humber College Institute of Technology and Advanced Learning (the "College"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statement of operations, consolidated statement of net assets, consolidated statement of cash flows and consolidated statement of rereasurement gains and losses for the year ended March 31, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
May 31, 2024

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

Statement 1

	March 31, 2024	March 31, 2023
ASSETS		
Current assets		
Cash	\$73,871	\$70,884
Investments	314,253	332,615
Grants receivable (Note 4)	4,720	5,632
Accounts receivable (Note 5)	20,956	13,524
Prepaid expenses	5,334	6,438
Total current assets	419,134	429,093
INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER (Note 6)	9,109	9,774
PREPAID LAND LEASE (Note 7)	2,753	2,786
CAPITAL ASSETS (Note 8 and 15)	626,380	570,036
TOTAL ASSETS	\$1,057,376	\$1,011,689
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$42,186	\$33,409
Accrued payroll and employee benefits	20,148	19,883
Accrued vacation pay	20,248	18,994
Deferred revenue	152,499	154,447
Due to University of Guelph-Humber (Note 6)	21,120	22,831
Due to IGNITE Student Union (Note 9)	4,030	3,892
Asset retirement obligations (Note 14)	2,110	-
Bank loan (Note 10)	14,655	17,089
Total current liabilities	276,996	270,545
POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (Note 11)	8,915	8,998
DEFERRED CONTRIBUTIONS (Note 12)	27,575	18,604
DEFERRED CAPITAL CONTRIBUTIONS (Note 13)	179,256	184,053
ASSET RETIREMENT OBLIGATIONS (Note 14)	16,376	18,686
INTEREST RATE SWAP (Note 10)	496	964
TOTAL LIABILITIES	509,614	501,850
NET ASSETS		
Unrestricted		
Operating	29,659	30,517
Post-employment benefits and compensated absences (Note 11)	(8,915)	(8,998)
Vacation pay	(20,248)	(18,994)
Total unrestricted net assets	496	2,525
INVESTED IN CAPITAL ASSETS (Note 15)	436,547	370,117
INTERNALLY RESTRICTED (Note 16)	114,588	144,737
EXTERNALLY RESTRICTED (Note 17)	17,309	16,668
	568,940	534,047
ACCUMULATED REMEASUREMENT LOSSES	(21,178)	(24,209)
TOTAL NET ASSETS	547,762	509,838
TOTAL LIABILITIES AND NET ASSETS	\$1,057,376	\$1,011,689

See accompanying notes to the consolidated financial statements

On behalf of the Board of Governors:



 Tom Barlow
 Chair, Board of Governors



 Ann-Marie Vaughan
 President & CEO

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

Statement 2

For the year ended	March 31, 2024	March 31, 2023
REVENUE		
Grants and reimbursements	\$163,475	\$160,381
Tuition and other fees	377,972	318,076
Interest and investment income	12,766	11,283
Other (Note 18)	73,061	65,285
Amortization of deferred capital contributions (Note 13)	12,034	11,419
TOTAL REVENUE	639,308	566,444
EXPENSES		
Salaries and benefits	357,419	317,630
Contract services	106,198	99,161
Maintenance, utilities and municipal taxes	19,796	18,744
Advertising and marketing	8,162	7,978
Supplies, equipment and other expenses	41,339	44,245
Information technology, software and licenses	15,700	12,680
Student assistance	14,224	11,412
Amortization of capital assets	42,219	40,129
TOTAL EXPENSES	605,057	551,979
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 34,251	\$ 14,465

See accompanying notes to the consolidated financial statements

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

Statement 3

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

March 31, 2023					
	Unrestricted	Internally restricted (Note 16)	Invested in capital assets (Note 15)	Externally restricted (Note 17)	Total
Balance, beginning of year	\$1,941	\$180,632	\$320,341	\$16,243	\$519,157
Excess of revenue over expenses for the year	14,465	-	-	-	14,465
Change in internally restricted net assets	35,895	(35,895)	-	-	-
Net change in invested in capital assets (Note 15)	(49,776)	-	49,776	-	-
Endowment contributions	-	-	-	425	425
Balance, end of year	\$2,525	\$144,737	\$370,117	\$16,668	\$534,047

See accompanying notes to the consolidated financial statements

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

Statement 4

	March 31, 2024	March 31, 2023
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenses for the year	\$34,251	\$14,465
Non-cash items:		
Amortization of capital assets	42,219	40,129
Amortization of deferred capital contributions	(12,034)	(11,419)
Accretion expense of asset retirement obligations (Note 14)	292	615
Share of excess of revenue over expenses for the year from University of Guelph-Humber (Note 6)	(7,080)	(7,380)
	57,648	36,410
Change in post-employment benefits and compensated absences	(83)	322
Remediation costs of asset retirement obligations (Note 14)	(492)	-
Endowment contributions	641	425
Net change in non-cash working capital items (Note 20)	1,392	12,496
Cash provided by operating activities	59,106	49,653
INVESTING		
Distribution from University of Guelph-Humber (Note 6)	7,745	8,591
Net increase in investments (net of fair market value adjustment)	18,362	(30,411)
Change in investment accumulated remeasurement losses	2,563	(5,468)
Cash (used in) provided by investing activities	28,670	(27,288)
FINANCING		
Deferred contributions (net of fair market value adjustment)	8,971	3,102
Repayment of loan receivable	-	2,142
Repayment of bank loan (Note 10)	(2,434)	(2,304)
Cash (used in) provided by financing activities	6,537	2,940
CAPITAL		
Purchase of capital assets and construction in progress	(98,563)	(82,548)
Proceeds on sale of capital assets	-	89
Contributions received for capital purposes	7,237	6,351
Cash (used in) provided by capital activities	(91,326)	(76,107)
Net increase (decrease) in cash during the year	2,987	(50,802)
Cash, beginning of year	70,884	121,686
Cash, end of year	\$73,871	\$70,884

See accompanying notes to the consolidated financial statements

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

Statement 5

	March 31, 2024	March 31, 2023
Accumulated remeasurement (losses) gains at the beginning of year	\$ (24,209)	\$ (19,718)
Unrealized (losses) gains attributable to:		
Derivative - interest rate swap	468	977
Investments - operating fund	2,851	(5,000)
Realized gain on investments, reclassified to the statement of operations	(288)	(468)
Net remeasurement gains (losses) for the year	3,031	(4,491)
Accumulated remeasurement (losses) gains at end of year	\$ (21,178)	\$ (24,209)

See accompanying notes to the consolidated financial statements

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

1. DESCRIPTION OF THE ORGANIZATION

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

The College’s mission statement is as follows:

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Capital assets

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

Buildings	25 to 40 years
Site improvements	10 to 35 years
Leasehold improvements	10 to 20 years
Furniture and equipment	3 to 35 years
Automotive equipment	5 years
Software	5 to 7 years
Buildings - asset retirement obligations	49 to 65 years

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

- (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.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- (iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumptions and/or experience are recognized over the estimated average remaining service life of the employees.
- (iv) The discount rate used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

Investment in University of Guelph-Humber

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

Asset retirement obligations

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

Financial instruments

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

Fair value

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments in this fair value category are initially recognized at cost and subsequently measured at fair value. Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses until they are realized, when they are transferred to the consolidated statement of operations. Unrealized changes in fair value related to externally restricted funds are recognized in deferred contributions until the criterion attached to the restrictions has been met, when they are transferred to the consolidated statement of operations.

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

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

Amortized cost

This category includes grants receivable, accounts receivable, loan receivable, accounts payable and accrued liabilities, accrued payroll and employee benefits, accrued vacation pay, due to University of Guelph-Humber, due to IGNITE, and bank loan. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for contributions, which are initially recognized at fair value.

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

Management estimates

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

Public sector salary disclosure act

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

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

	2023		
	Fair Value	Amortized Cost	Total
Cash	\$70,884	-	\$70,884
Investments	332,615	-	332,615
Grants receivable	-	\$5,632	5,632
Accounts receivable	-	13,524	13,524
Accounts payable and accrued liabilities	-	33,409	33,409
Accrued payroll and employee benefits	-	19,883	19,883
Accrued vacation pay	-	18,994	18,994
Due to University of Guelph-Humber	-	22,831	22,831
Due to IGNITE	-	3,892	3,892
Bank loan	-	17,089	17,089
Interest rate swap	964	-	964

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

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

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

	2023				Total
	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	
Fair value	\$97,460	\$103,772	\$131,383	-	\$332,615
Percent of Total	29.3%	31.2%	39.5%	0.0%	

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

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

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

	2023			Total
	Level 1	Level 2	Level 3	
Cash	\$70,884	-	-	\$70,884
Investments	332,615	-	-	332,615
Interest rate swap	-	-	(964)	(964)
Total	\$403,499	-	\$(964)	\$402,535

There were no other transfers between levels for the years ended March 31, 2024 and 2023. For a sensitivity analysis of financial instruments recognized in Level 3, see Note 21.

4. GRANTS RECEIVABLE

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

5. ACCOUNTS RECEIVABLE

	2024	2023
Investment interest receivable	\$2,420	\$2,600
Commodity taxes receivable	4,943	2,861
Other accounts receivable	4,319	1,802
Student accounts receivable	12,528	9,636
Allowance for doubtful accounts	(3,254)	(3,375)
Total accounts receivable	\$20,956	\$13,524

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

6. INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER

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

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

	2024	2023
Total assets	\$13,939	\$15,037
Total liabilities	4,830	5,263
Net assets	\$9,109	\$9,774
Revenue	\$32,825	\$33,129
Expenses	25,745	25,749
Excess of revenue over expenses for the year	\$7,080	\$7,380
Cash provided by operating activities	\$8,170	\$8,714
Cash used in investing activities	(425)	(123)
Cash used in financing activities	(7,745)	(8,591)
Net cash flows	-	-

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

During the year, the College earned \$15,546 (2023 - \$15,882) of fees from the Joint Venture for services provided which has been included in other revenue (Note 18).

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

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

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

During the year, the Joint Venture distributed \$7,745 (2023 - \$8,591) to the College which was applied against the investment.

The Joint Venture is a not-for-profit organization, and follows the recommendations of CPA Canada Handbook Part III – Accounting Standards for Not-for-Profit Organizations. As such, there may be differences between the accounting policies of the College under PSAB and the Joint Venture under Part III of the CPA Handbook. Under the modified equity approach, the College makes no adjustment to the amounts disclosed or recognized in its consolidated financial statements for these differences. For the year ended March 31, 2024, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these consolidated financial statements.

7. PREPAID LAND LEASE

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

8. CAPITAL ASSETS

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

8. CAPITAL ASSETS (continued)

	2023		Net
	Cost	Accumulated Amortization	
Land	\$22,366	-	\$22,366
Buildings	515,418	196,768	318,650
Site improvements	164,211	85,741	78,470
Leasehold improvements	83,726	81,439	2,287
Furniture and equipment	121,719	95,532	26,187
Automotive equipment	3,083	2,797	286
Software	47,377	30,011	17,366
Artwork	204	-	204
Buildings - asset retirement obligations	5,458	4,055	1,403
	963,562	496,344	467,219
Construction in progress	102,817	-	102,817
	<u>\$1,066,380</u>	<u>\$496,344</u>	<u>\$570,036</u>

9. DUE TO IGNITE STUDENT UNION

The amount due to IGNITE is unsecured, bears interest at the bank's prime rate less 1.60% with an effective rate at March 31, 2024 of 5.60% (2023 – 5.10%) and is due on demand.

10. BANK LOAN

The College has unsecured loan facilities to a maximum amount of \$62,000 to finance the construction of two student residences, an interest rate swap arrangement and an operating line of credit. The College has utilized \$14,655 (2023 - \$17,089) 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 7.20% (2023 – 6.70%) per annum or Bankers' Acceptances bearing interest of 5.32% (2023 – 4.94%) plus 1.25% per annum.

The original loan of \$45,000 obtained on April 1, 2004 for the residences is scheduled to be repaid over twenty-five years, bears interest at prime rate per annum and is repayable monthly on the first of each month in blended payments of \$276 and is scheduled to be repaid by April 1, 2029.

The loan is due on demand and has therefore been classified as current. The College has fixed its interest rate at 5.98% (2023 – 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 \$496 (2023 - \$964) 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 Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

10. BANK LOAN (continued)

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

2025	\$ 2,570
2026	2,715
2027	2,867
2028	3,029
2029	3,199
Thereafter	275
Total	\$14,655

Interest and bank fees on the demand loan amounted to \$943 (2023 - \$1,086) and is included in supplies, equipment and other expenses.

11. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

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

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

	2023			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$2,603	\$10,690	\$272	\$13,565
Value of plan assets	(632)	-	-	(632)
Unamortized actuarial (gains) losses	53	(3,965)	(23)	(3,935)
Total liability	\$2,024	\$6,725	\$249	\$8,998

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

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

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

	2023			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost (recovery)	\$302	\$675	\$10	\$987
Interest cost on accrued benefit obligation	5	259	6	270
Amortized actuarial (gains) losses	(29)	94	41	106
Total expense (recovery)	\$278	\$1,028	\$57	\$1,363

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

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

Retirement Benefits

CAAT Pension Plan

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

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

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates 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 \$28,012 in 2024 (2023 - \$24,513), which has been included in the consolidated statement of operations in salaries and benefits.

Post-Employment Benefits

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

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 3.50% (2023 – 3.40%).

b) *Drug Costs*

Drug costs were assumed to increase at a rate of 6.16% (2023 – 6.16%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

c) *Medical Costs*

Medical premiums were assumed to increase at a rate of 6.16% per annum (2023 – 6.16%) and decrease proportionately thereafter to an ultimate rate of 4.00% in 2040.

d) *Dental costs*

Dental costs were assumed to increase at a rate of 4.00% per annum (2023 – 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.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

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

Non-Vesting Sick Leave

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

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

a) *Discount rate*

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

b) *Wage and salary escalation rates*

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

Support staff full-time salaries were assumed to increase at a rate of 2.00% per annum in 2021, 4.25% in 2022, 3.00% in 2023, 3.00% in 2024 and 2.50% per annum thereafter.

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0.00% to 23.5% and 0 to 54 days respectively for age groups ranging from 20 and under to 65 and over, in bands of 5 years.

12. DEFERRED CONTRIBUTIONS

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

	2024	2023
Balance, beginning of year	\$18,604	\$17,035
Amounts received during the year	71,975	57,363
Amounts recognized as revenue during the year	(63,004)	(55,794)
Balance, end of year	\$27,575	\$18,604

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

12. DEFERRED CONTRIBUTIONS (continued)

Deferred contributions are comprised of:

	2024	2023
Externally restricted funds (net of fair market value adjustments)	\$4,361	\$2,889
Joint employment stability funds	666	588
Student building levy	9,632	8,559
Other restricted grants and contributions	12,916	6,568
Balance, end of year	\$27,575	\$18,604

13. DEFERRED CAPITAL CONTRIBUTIONS

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

	2024	2023
Balance, beginning of year	\$184,053	\$187,586
Add: contributions received for capital purposes	7,237	7,886
Less: amortization of deferred capital contributions	(12,034)	(11,419)
Balance, end of year	\$179,256	\$184,053

14. ASSET RETIREMENT OBLIGATIONS

The College's financial statements include asset retirement obligations for the expected future remediation of asbestos contained within campus buildings. The related asset retirement costs are being amortized on a straight-line basis over the productive useful life of these buildings. The liability has been estimated using a net present value technique with a discount rate of 3.4% (2023 - 3.4%). The estimated total undiscounted future expenditures are \$28,205 (2023 - \$29,831), which are to be incurred over the remaining productive useful life of the buildings. The liability is expected to be settled at the end of the buildings' productive useful lives.

The carrying amount of the liability is as follows:

	2024	2023
Balance, beginning of year	\$18,686	\$18,071
Less: remediation costs incurred during the year	(492)	-
Add: accretion costs	292	615
Asset retirement obligations, closing	\$18,486	\$18,686
Less: current portion	(2,110)	-
Asset retirement obligations (long-term)	\$16,376	\$18,686

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

15. INVESTED IN CAPITAL ASSETS

Invested in capital assets consists of the following:

	2024	2023
Net book value of capital assets (Note 8)	\$626,380	\$570,036
Less amounts financed by:		
Bank loan (Note 10)	14,655	17,089
Spent deferred capital contributions	173,968	181,427
Asset retirement obligations (Note 8)	1,210	1,403
Balance, end of year	\$436,547	\$370,117

The change in invested in capital assets is as follows:

	2024	2023
Amortization of deferred capital contributions	\$12,034	\$11,419
Amortization of capital assets	(42,219)	(40,129)
Amortization of asset retirement obligations	193	110
Acquisition of capital assets and construction in progress	98,562	82,457
Amounts funded by deferred capital contributions	(4,574)	(6,385)
Repayment of bank loan	2,434	2,304
Total change in invested in capital assets	\$66,430	\$49,776

16. INTERNALLY RESTRICTED NET ASSETS

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

	2024	2023
Strategic investments	\$84,588	\$113,002
Operating contingency	30,000	31,735
Total internally restricted net assets	\$114,588	\$144,737

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.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

17. EXTERNALLY RESTRICTED NET ASSETS (continued)

Externally restricted endowment funds include grants provided by the MCU from the Ontario Student Opportunity Trust Fund 1 ("OSOTF 1") matching program, the Ontario Student Opportunity Trust Fund 2 ("OSOTF 2") matching program, and the Ontario Trust for Student Support Fund ("OTSS") matching program. Under these programs the government matched the funds raised by the College. The purpose of these programs is to assist students who, for financial reasons, would not otherwise be able to attend College.

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

	OSOTF 1	OSOTF 2	OTSS	2024 TOTAL	2023 TOTAL
Balance, beginning of year	\$192	\$40	\$1,110	\$1,342	\$1,322
Investment income, net of direct expenses	(62)	1	(296)	(357)	374
Bursaries awarded	(29)	(18)	(253)	(300)	(355)
Balance, end of year	\$101	\$23	\$561	\$685	\$1,341
Bursaries awarded (#)	20	16	153	189	217

The bursaries awarded under OTSS comprise 109 to OSAP recipients totaling \$180 and 44 to non-OSAP recipients totaling \$73.

18. OTHER REVENUE

Other revenue consists of the following:

	2024	2023
Excess of revenue over expenses from Joint Venture	\$7,080	\$7,380
Fees from Joint Venture	15,546	15,882
Residence fees	16,655	14,404
Parking fees	5,201	4,582
Miscellaneous	28,579	23,037
Total other revenue	\$73,061	\$65,285

19. COMMITMENTS

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

The College has provided letters of credit to certain third parties amounting to \$1,032 (2023 - \$1,032) primarily related to possible defaults in agreements for certain construction projects.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

19. COMMITMENTS (continued)

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

2025	\$2,663
2026	2,750
2027	2,853
2028	2,911
2029	2,973
and Thereafter	21,762
Total commitments	\$35,912

20. CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2024	2023
Grants receivable	\$ 912	\$(3,976)
Accounts receivable	(7,432)	(139)
Prepaid expenses	1,104	(2,101)
Prepaid land lease	33	32
Accounts payable and accrued liabilities	8,777	551
Accrued payroll and employee benefits	265	5,649
Accrued vacation pay	1,254	(434)
Deferred revenue	(1,948)	15,400
Due to University of Guelph-Humber	(1,711)	(1,789)
Due to IGNITE Student Union	138	(697)
Net change, non-cash working capital	\$ 1,392	\$12,496

21. FINANCIAL INSTRUMENT RISK MANAGEMENT

Credit risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, bond holdings in its investment portfolio, grants receivable, accounts receivable, loan receivable, and long-term loan receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$100 at each financial institution.

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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

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

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

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

The College measures its exposure to credit risk based on how long the amounts have been outstanding or the academic term that the receivable relates to. An impairment allowance is set up based on the College's historical experience regarding collections. The amounts outstanding at year end were as follows:

Student Receivables

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

	Total	Future Terms	Winter 2023	Fall 2022	Summer 2022	Winter 2022 & Prior
Student receivable	\$9,636	\$6,946	\$1,064	\$371	\$108	\$1,147
Less: impairment allowance	(2,923)	(365)	(932)	(371)	(108)	(1,147)
Net receivables	\$6,713	\$6,581	\$132	-	-	-

Government Grants and Other Receivables

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

As at March 31, 2023	<i>Past Due</i>					
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government grants receivable	\$5,632	\$5,632	-	-	-	-
Interest receivable	2,600	2,600	-	-	-	-
Commodity taxes receivable	2,862	2,862	-	-	-	-
Other accounts receivable	1,802	944	345	44	18	452
Gross receivables	12,896	12,038	345	44	18	452
Less: impairment allowances	(452)	-	-	-	-	(452)
Net receivables	\$12,444	\$12,038	\$345	\$44	\$18	\$0

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

Market risk

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

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

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

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

Currency risk

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

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

Interest rate risk

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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

The College mitigates interest rate risk on its term debt through a derivative financial instrument that exchanges the variable rate inherent in the term debt for a fixed rate (see Note 10). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

At March 31, 2024, 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 \$364 (2023 - \$524).

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, 2024, a 10% movement in equity prices with all other variables held constant would have an estimated effect on the fair value of the College's equities of \$2,398 (2023 - \$3,007).

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

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

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

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

The Humber College Institute of Technology and Advanced Learning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(expressed in thousands of dollars)

For the year ended March 31, 2024

21. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

	2023		
	Within 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$33,409	-	-
Accrued payroll and employee benefits	19,883	-	-
Accrued vacation pay	9,497	9,497	-
Bank loan	2,434	14,380	275
Due to University of Guelph-Humber	22,831	-	-
Due to IGNITE Student Union	3,892	-	-
	\$91,946	\$23,877	\$275

Derivative financial liabilities mature as described in Note 10.

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

22. ADOPTION OF NEW REVENUE RECOGNITION STANDARD PS 3400

Effective April 1, 2023, the College implemented the new Public Sector Accounting Standard, Section PS 3400: Revenue. PS 3400 differentiates between revenue arising from transactions that include performance obligations (Exchange Transactions), and transactions that do not have performance obligations (Non-exchange Transactions). Additionally, it provides guidance on discerning whether an entity functions as a principal or agent in a transaction.

Following the adoption of PS 3400, a comprehensive assessment was conducted to scrutinize the College's revenue streams. A comparison was made between the existing revenue recognition policies and practices of the College and the guidelines outlined in PS 3400. Any disparities identified were evaluated to assess their impact, and adjustments were made where necessary to align with PS 3400.

23. INTERNATIONAL STUDENT PERMITS

On January 22, 2024, the Minister of Immigration, Refugees and Citizenship Canada (IRCC) announced that the Government of Canada has set an intake cap on new international student permit applications for a period of two years. For calendar year 2024, the cap will result in approximately 360,000 approved study permits, which represents a decrease of 35% from calendar year 2023.

On March 26, 2024, the Ontario government provided each college in the province their allocation for fiscal year 2024-25. Based on Humber's initial allocation, the College will experience a reduction in new international student intake going forward which will impact international tuition revenues and other related revenues. The College is addressing the impact of this measure by monitoring the first-year international student enrolments and revising the fiscal year 2024-25 budget to mitigate its effect.