AUDITED FINANCIAL STATEMENTS

YEAR ENDING
MARCH 31, 2022

St. Lawrence College

Consolidated Financial Statements of

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

And Independent Auditors’ Report Thereon

Year ended March 31, 2022

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Index of Consolidated Financial Statements and Supplementary Schedules
Year ended March 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of the St. Lawrence College of Applied Arts and Technology (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 for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board. When 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 judgments. 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 Committee.

The Audit Committee is appointed by the Board and meets regularly 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 Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements. The Audit 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 KPMG LLP, the external auditors, in accordance with Canadian generally accepted auditing standards, on behalf of the Board. KPMG LLP has full and free access to the Audit Committee.

Glenn Vollebregt,
President & CEO

Erin Farrell
Acting Sr. Vice-President, Corporate Services & CFO

June 7, 2022

KPMG LLP
863 Princess Street, Suite 400
Kingston ON K7L 5N4
Canada
Tel 613-549-1550
Fax 613-549-6349

INDEPENDENT AUDITORS' REPORT

To the Board of Governors of St. Lawrence College of Applied Arts and Technology

Opinion

We have audited the consolidated financial statements of the St. Lawrence College of Applied Arts and Technology ("the College"), which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2022, its results of operations, its cash flows and remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements"*** section of our auditors' 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 other 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.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the consolidated financial statements and the auditors' report thereon, included in the Annual Report document.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the consolidated financial statements and the auditors' report thereon, included in Annual Report document as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the 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.

Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group of the College to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 7, 2022

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position — Statement 1

As at March 31, 2022, with comparative figures for 2021

	2022	2021
Assets		
Current assets:		
Cash	$ 102,838,937	$ 43,274,400
Investments (note 2)	16,351,170	16,509,606
Grants and accounts receivable (note 16(a))	8,813,160	15,417,592
Prepaid expenses	2,085,696	1,848,479
	130,088,963	77,050,077
Long-term receivables (note 3)	4,254,552	5,015,139
Long-term investments (note 2)	14,621,799	13,915,116
Capital assets (note 4)	98,422,549	99,005,482
	$ 247,387,863	$ 194,985,814
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 24,441,082	$ 17,342,281
Deferred revenue (note 5)	63,350,427	23,074,372
Trust funds for student enhancement fees (note 6)	574,747	508,860
Current portion of long-term debt (note 8)	1,654,514	1,849,614
	90,020,770	42,775,127
Bankers' acceptance loans due on demand (note 8)	3,455,384	3,981,564
	93,476,154	46,756,691
Employee future benefits (note 7(b))	673,000	715,000
Sick leave benefit entitlement (note 7(c))	2,572,000	2,521,000
Long-term debt (note 8)	9,875,866	11,004,199
Interest rate swaps (note 8(d))	1,305,751	2,390,258
Deferred capital contributions (note 9)	55,348,535	55,526,599
Total liabilities	163,251,306	118,913,747
Net assets:		
Invested in capital assets (note 10)	28,676,917	29,525,581
Restricted for endowments (note 11)	12,375,844	11,663,840
Internally restricted (note 12)	3,084,438	2,524,817
Unrestricted (note 13)	36,114,985	28,393,102
	80,252,184	72,107,340
Accumulated remeasurement gains	3,884,373	3,964,727
Total net assets	84,136,557	76,072,067
Commitments (note 14)		
Contingent liabilities (note 15)		
	$ 247,387,863	$ 194,985,814

See accompanying notes to these consolidated financial statements.

Approved by the Board of Governors:

________________ Chair ________________ President

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Statement 2

Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
Revenue:		
Grants and reimbursements (schedule 1)	$ 59,676,555	$ 52,744,039
Tuition and related fees	68,596,143	63,469,588
Ancillary (schedule 1)	5,120,485	2,148,821
Contract educational services	973,617	942,101
Other	2,607,965	1,709,723
Amortization of deferred capital contributions (note 9)	4,537,238	4,172,714
Realized gain on settlement of interest rate swap	775,448	-
Realized (loss) / gain on sale of investments	(6,508)	5,041
Donations	602,163	476,858
Interest	1,363,436	1,032,406
Total revenue	144,246,542	126,701,291
Expenses:		
Salaries, wages and benefits (schedule 2)	87,834,949	80,685,863
Non-payroll (schedule 3)	39,710,209	30,041,335
Amortization of capital assets	9,110,374	8,928,938
Employee future benefits (recovery) / expense (note 7(b))	(42,000)	13,000
Sick leave benefit expense (note 7(c))	51,000	103,000
Other non-pension benefits expense / (recovery)	149,170	(194,726)
Total expenses	136,813,702	119,577,410
Excess of revenue over expenses	$ 7,432,840	$ 7,123,881

See accompanying notes to these consolidated financial statements.

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative figures for 2021

Statement 3

	Invested in capital assets	Restricted for endowments	Internally restricted	Unrestricted	Total
Balance, April 1, 2021	$ 29,525,581	$ 11,663,840	$ 2,524,817	$ 28,393,102	$ 72,107,340
Excess / (deficiency) of revenue over expenses (note 10)	(4,573,136)	-	-	12,005,976	7,432,840
Net change in investment in capital assets (note 10)	3,724,472	-	-	(3,724,472)	-
Transfer between funds (note 12)	-	-	559,621	(559,621)	-
Endowment contributions (note 5)	-	712,004	-	-	712,004
Balance, March 31, 2022	$ 28,676,917	$ 12,375,844	$ 3,084,438	$ 36,114,985	$ 80,252,184

	Invested in capital assets	Restricted for endowments	Internally restricted	Unrestricted	Total
Balance, April 1, 2020	$ 31,013,954	$ 11,206,741	$ 4,375,365	$ 17,930,300	$ 64,526,360
Excess / (deficiency) of revenue over expenses (note 10)	(4,756,224)	-	-	11,880,105	7,123,881
Net change in investment in capital assets (note 10)	3,267,851	-	-	(3,267,851)	-
Transfer between funds (note 12)	-	-	(1,850,548)	1,850,548	-
Endowment contributions	-	457,099	-	-	457,099
Balance, March 31, 2021	$ 29,525,581	$ 11,663,840	$ 2,524,817	$ 28,393,102	$ 72,107,340

See accompanying notes to these consolidated financial statements.

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Statement 4

Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
Cash provided by / (used in):		
Operating activities:		
Excess of revenue over expenses	$ 7,432,840	$ 7,123,881
Adjustments for:		
Amortization of deferred capital contributions	(4,537,238)	(4,172,714)
Amortization of capital assets	9,110,374	8,928,938
Gain on settlement of interest rate swap	(775,448)	-
Loss / (gain) on sale of investments	6,508	(5,041)
Gain on disposal of capital assets	(50,371)	(11,759)
Changes in non-cash operating working capital:		
Decrease / (increase) in grants and accounts receivable	6,604,432	(8,065,858)
(Increase) / decrease in prepaid expenses	(237,217)	245,080
Increase / (decrease) in accounts payable and accrued liabilities	7,098,801	(1,355,428)
Increase in deferred revenue	40,276,055	2,107,932
Accrual for employee future benefits and sick leave benefit entitlement	9,000	116,000
	64,937,736	4,911,031
Capital activities:		
Purchase of capital assets	(8,527,441)	(3,844,661)
Receipt of deferred capital contributions	6,652,582	2,598,750
(Reduction) / receipt of unspent deferred capital contributions	(2,293,408)	1,395,287
Proceeds on sale of capital assets	50,371	12,900
	(4,117,896)	162,276
Financing activities:		
Endowment contributions	712,004	457,099
Increase in trust funds for student enhancement fees	65,887	27,009
Principal payments on long-term debt and bankers' acceptance loans	(1,849,613)	(2,023,081)
	(1,071,722)	(1,538,973)
Investing activities:		
Decrease in long-term receivables	760,587	725,757
Increase in investments, net of remeasurement gains	(944,168)	(3,904,676)
	(183,581)	(3,178,919)
Increase in cash	59,564,537	355,415
Cash, beginning of year	43,274,400	42,918,985
Cash, end of year	$ 102,838,937	$ 43,274,400

See accompanying notes to these consolidated financial statements.

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Remeasurement Gains and Losses — Statement 5

Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
Accumulated remeasurement gains, beginning of year	$ 3,964,727	$ 3,027,057
Unrealized gains / (losses) attributable to:		
Investments designated at fair value	(395,921)	(31,093)
Derivatives – interest rate swaps (note 8(d))	1,084,507	973,804
	688,586	942,711
Realized (losses) / gains reclassified to the statement of operations:		
Settlement of interest rate swap	(775,448)	-
Disposition of investments	6,508	(5,041)
Net remeasurement (losses) / gains for the year	(80,354)	937,670
Accumulated remeasurement gains, end of year	$ 3,884,373	$ 3,964,727

See accompanying notes to these consolidated financial statements.

The St. Lawrence College of Applied Arts and Technology (the "College") was established as a community college in 1967 and operates under the authority of the Province of Ontario. The College offers full-time, post-secondary programs and part-time courses and certificate programs at campuses located in Kingston, Brockville and Cornwall. The College is a registered charity and is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The St. Lawrence College Foundation (the "Foundation") is incorporated without share capital under the Ontario Corporations Act. The Foundation operates under a memorandum of understanding with the College's Board of Governors. Accordingly, the results and operations of the Foundation are included in the College's consolidated financial statements. The objectives of the Foundation are to solicit, receive, manage and distribute money and other funds to support the educational services provided by the College and its affiliated institutions.

1. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, including the 4200 standards for government not-for-profit organizations. These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the College and its controlled not-for-profit Foundation. All significant intercompany balances and transactions have been eliminated upon consolidation.

(b) Revenue recognition:

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

Operating grants are recorded as revenue in the period to which they relate. Grants earned but not received by the end of the fiscal year are accrued. Where a portion of a grant received relates to a future year, that portion is deferred and recognized in the year to which it relates.

Tuition and related fees are recorded as revenue based on the academic period of the related courses. Fees are recognized as income based on the proportion of the academic period that occurs within the fiscal year of the College. Fees received for courses that commence after the end of the fiscal year of the College are recorded as deferred revenue.

Revenues from contract educational services, federal training and ancillary operations are recognized when the related products are delivered or services are provided by the College.

1. **Significant accounting policies (continued):**

(b) Revenue recognition (continued):

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

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized as revenue on a straight-line basis over the useful life of the related capital assets.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Donations of assets are recorded at fair value when a fair value can be reasonably estimated. Pledges receivable are not recorded as an asset in the accompanying consolidated financial statements.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value. Any unamortized deferred capital contribution amount related to the capital asset is recognized in revenue in the Consolidated Statement of Operations, provided that all restrictions have been complied with.

Construction in progress costs are capitalized as incurred and represent the cost of capital assets currently under construction. Amortization is not recognized until construction is complete and the assets are ready for productive use.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	10, 20 and 40 years
Site improvements and parking	10 years
Equipment	2 to 10 years

1. Significant accounting policies (continued):

(d) Employee future benefits and sick leave benefit entitlement:

The College is a member of the Colleges of Applied Arts and Technology ("CAAT") Pension Plan, which is a multi-employer, defined benefit plan. The College also provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental and non-vesting sick leave. The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method prorated on service. The most recent actuarial valuation of the pension plan for funding purposes was as of January 1, 2022, and the next required valuation will be as of January 1, 2025. The most recent actuarial valuation dates of the other employee future benefit plans are disclosed in note 7(b).

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.

(ii) The costs of the multi-employer defined benefit pension plan are the College's contributions due to the plan in the period.

(iii) The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

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

1. Significant accounting policies (continued):

(e) Financial instruments:

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

Fair Value

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

Financial instruments classified as fair value are initially recognized at cost and subsequently carried 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. Changes in fair value on restricted investments are recognized as deferred revenue until the restriction on its use is realized, at which time the balance is transferred to the Consolidated Statement of Operations.

Transaction costs related to financial instruments classified as fair value 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 removed and recognized in the Consolidated Statement of Operations.

Amortized cost

This category includes accounts receivable, long-term receivables, accounts payable and accrued liabilities, bankers' acceptance loans and long-term debt.

Financial instruments classified as amortized cost 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 classified as amortized cost are added to the carrying value of the instrument.

Write-downs on financial assets classified as amortized cost 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.

1. Significant accounting policies (continued):

(f) Management estimates:

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards, including the 4200 standards for government not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Areas of key estimation include determination of fair value for investments and interest rate swaps, allowance for doubtful accounts, amortization of capital assets and deferred capital contributions and actuarial estimation of employee future benefits and sick leave benefit entitlement liabilities.

Financial instruments are classified into value hierarchy levels 1, 2 or 3 for the purposes of describing the basis of inputs used to determine the fair market value of those amounts recorded at fair value as described below:

- Level 1 – Fair value measurements are those derived from unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Fair value measurements are those derived from observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Fair value measurements are those derived from unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(g) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction. Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Realized foreign exchange gains and losses are recognized in the Consolidated Statement of Operations.

(h) Student organizations:

These consolidated financial statements do not reflect the assets, liabilities, revenues or expenses of the various student organizations at the College.

2. Investments:

Investments reported under current assets represent excess operating funds that are comprised of the following:

	Level	2022	2021
Cash	1	$ 28,668	$ 11,555
Fixed income	2	16,322,502	16,498,051
		$ 16,351,170	$ 16,509,606

Long-term investments include $12,375,844 (2021 - $11,503,418) of investments externally restricted for endowments as described in note 11 and $2,245,955 of deferred restricted investment income (2021 - $2,411,698) as described in note 5(c). Long term investments are comprised of the following:

	Level	2022	2021
Cash	1	$ -	$ 5,256
Mutual funds	1	14,621,799	13,148,747
Fixed income	2	-	761,113
		$ 14,621,799	$ 13,915,116

During the year, there were $767,959 in transfers from Level 2 to Level 1 (2021 - $285,115). There were no transfers into or out of Level 3 during the year.

Fixed income investments have interest rates from 0.21% to 3.50% (2021 – 0.05% to 4.10%) and mature between 2022 and 2026 (2021 – 2022 and 2025). The fixed income investments are fixed rate with a weighted average effective interest rate of 2.01% (2021 – 1.73%).

2. Investments (continued):

The maturity profile of fixed income investments held is as follows:

As at March 31, 2022	Within 1 year	1 - 5 years	6 - 10 years	Total
Carrying value	$ 9,862,920	$ 6,459,582	$ -	$ 16,322,502
Percentage of total	60.4%	39.6%	0.0%	100.0%

As at March 31, 2021	Within 1 year	1 - 5 years	6 - 10 years	Total
Carrying value	$ 12,829,937	$ 4,429,227	$ -	$ 17,259,164
Percentage of total	74.3%	25.7%	0.0%	100.0%

3. Long-term receivables:

Long-term receivables are comprised of the following:

(a) Student levies for Student Life & Innovation Centre:

The student levies receivable represent the students' contribution towards the construction of the Student Life & Innovation Centre on the Kingston campus. The student levies will be charged to full-time students of the Kingston campus until April 2032 in accordance with the fee protocol agreements jointly agreed to by the College and its student governments.

	2022	2021
Long-term accounts receivable	$ 4,484,750	$ 5,202,564
Less: Current portion included in grants and accounts receivable	(724,860)	(775,960)
	$ 3,759,890	$ 4,426,604

3. Long-term receivables (continued):

(b) Receivable from Kingston Student Association for Student Life & Innovation Centre:

The receivable from the Kingston Student Association represents the outstanding balance of the Kingston Student Association's pledge to contribute approximately $1,300,000 to partially fund the construction of the Student Life & Innovation Centre on the Kingston campus. The balance of the pledge is an unsecured, interest-free receivable, due in annual instalments of approximately $60,000 until March 2032.

	2022	2021
Long-term accounts receivable	$ 550,662	$ 644,535
Less: Current portion included in grants and accounts receivable	(56,000)	(56,000)
	$ 494,662	$ 588,535

4. Capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	$ 745,393	$ -	$ 745,393	$ 745,393
Buildings	194,685,939	111,690,528	82,995,411	85,987,514
Construction in progress	2,454,109	-	2,454,109	894,724
Site improvements and parking	9,093,603	6,301,983	2,791,620	2,220,022
Equipment	66,843,334	57,407,318	9,436,016	9,157,829
	$ 273,822,378	$ 175,399,829	$ 98,422,549	$ 99,005,482

Cost and accumulated amortization at March 31, 2021 amounted to $265,809,494 and $166,804,012 respectively.

5. Deferred revenue:

	2022	2021
Tuition and related fees	$ 46,838,363	$ 14,395,589
Externally restricted donations	1,951,684	1,758,673
Expenses of future periods	14,560,380	6,920,110
	$ 63,350,427	$ 23,074,372

5. Deferred revenue (continued):

(a) Tuition and related fees:

Deferred revenue related to student tuition fees represent fees collected by the College for which the term of the program or course extends beyond the fiscal year of the College.

(b) Externally restricted donations:

Deferred contributions related to externally restricted donations represent unspent donations restricted by the donors for special projects, student bursaries and other financial assistance.

	2022	2021
Donations	$ 849,848	$ 505,006
Restricted investment income, net of fees	21,111	28,948
	870,959	533,954
Amount recognized as revenue in the year	(618,052)	(401,562)
	252,907	132,392
Donations utilized for additions to capital assets	(59,896)	(45,276)
Net increase	193,011	87,116
Balance, beginning of year	1,758,673	1,671,557
Balance, end of year	$ 1,951,684	$ 1,758,673
Represented by:		
Foundation fund for bursaries and special projects	$ 656,732	$ 718,017
Funds for bursaries	1,294,952	1,040,656
	$ 1,951,684	$ 1,758,673

(c) Expenses of future periods:

Deferred revenues related to expenses of future periods represent amounts collected by the College where the related products or services have not yet been provided by the College, or where related expenses have not yet been incurred.

	2022	2021
Balance, beginning of year	$ 6,920,110	$ 1,764,985
Amount recognized as revenue in the year	(3,623,139)	(1,122,926)
Amount received related to future years	11,418,550	3,293,718
Restricted investment income (note 11)	782,828	481,443
Unrealized (losses) / gains on long-term investments	(6,734)	2,847,679
Amount permanently endowed and moved to net assets	(477,870)	-
Investment income used to pay bursaries (note 11)	(453,365)	(344,789)
Balance, end of year	$14,560,380	$ 6,920,110

5. Deferred revenue (continued):

(c) Expenses of future periods (continued):

	2022	2021
Represented by:		
Tuition and related fees	$ 3,192,286	$ 3,175,159
Grants and reimbursements	8,182,642	719,360
Ancillary revenue	496,206	262,486
Contract educational services	96,474	75,615
Employment stability funds	246,250	232,482
Restricted investment income (note 11)	1,195,212	1,343,618
Unrealized gains on long-term investments	1,036,913	1,051,426
Other	114,397	59,964
	$14,560,380	$ 6,920,110

6. Trust funds for student enhancement fees:

The College holds student enhancement fees on behalf of student associations. Representatives of the student associations determine the disbursement of the funds.

	2022	2021
Student enhancement fees collected	$ 1,310,888	$ 1,168,630
Enhancement fees paid to student associations	(1,240,802)	(1,141,621)
Enhancement fees utilized for student approved activities and recognized as revenue	(4,199)	-
Net increase	65,887	27,009
Balance, beginning of year	508,860	481,851
Balance, end of year	$ 574,747	$ 508,860

7. Employee future benefits and sick leave benefit entitlement:

(a) Pension plan:

All full-time employees of the College, and any part-time employees who opt to participate, are members of the Colleges of Applied Arts and Technology ("CAAT") Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit pension plan for public Colleges in Ontario and select other employers across Canada. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the highest five consecutive years prior to retirement, termination or death.

7. Employee future benefits and sick leave benefit entitlement (continued):

(a) Pension plan (continued):

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan and by placing Plan assets in trust and through the Plan investment policy.

The College makes contributions to the Plan equal to those of its employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the plan were a defined contribution plan, with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates related to full-time members. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2022 indicated an actuarial surplus on a going concern basis of $4.4 billion (January 1, 2021 - $3.3 billion). Contributions to the Plan and its associated retirement compensation arrangements made during the year by the College amounted to $6,765,785 (2021 - $6,414,998) and are included as an expense in the Consolidated Statement of Operations.

(b) Employee future benefits:

The College provides extended health care, dental insurance and life insurance benefits to certain of its employees under a multi-employer plan under CAAT. This coverage may be extended to the post-employment period. The most recent actuarial valuation of these employee future benefits was completed February 5, 2020 for the non-pension post-retirement plan and February 8, 2022 for the continuation of medical and dental benefits and the life waiver of premium benefit for employees currently on long-term disability. The results of these valuations have been extrapolated to March 31, 2022. The related benefit liability was determined by independent actuaries on behalf of the college system as a whole.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The College recognizes as expense for current services the amount of its required contribution in a given year and the change in the accrued benefit liability in the year.

7. Employee future benefits and sick leave benefit entitlement (continued):

(b) Employee future benefits (continued):

The following tables outline the components of the College's employee future benefits liability and the related expense (recovery):

	2022	2021
Accrued benefit obligations	$ 751,000	$ 767,000
Fair value of plan assets	(202,000)	(179,000)
Funded status – plan deficit	549,000	588,000
Unamortized actuarial gains	124,000	127,000
Employee future benefits liability	$ 673,000	$ 715,000

	2022	2021
Current service cost	$ 4,000	$ 4,000
Interest on accrued benefit obligation	1,000	1,000
Experience (gains) / (losses)	(35,000)	20,000
Benefit payments	(4,000)	(5,000)
Amortized actuarial gains	(8,000)	(7,000)
Employee future benefits (recovery) / expense	$ (42,000)	$ 13,000

The significant actuarial assumptions adopted in estimating the College's accrued benefit liability are as follows:

	2022	2021
Discount rate	2.90%	1.70%
Dental benefit cost escalation	4.0%	4.0%
Medical benefits cost escalation:		
Hospital and other medical	6.29%, decreasing to 4.0% in 2040	6.42%, decreasing to 4.0% in 2040

7. Employee future benefits and sick leave benefit entitlement (continued):

(c) Sick leave benefit entitlement:

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick leave is paid out at the salary in effect at the time of usage. The most recent actuarial valuation of these sick leave benefits was completed February 11, 2020 and the results of this valuation have been extrapolated to March 31, 2022. The related benefit liability was determined by independent actuaries on behalf of the college system as a whole.

The following tables outline the components of the College's sick leave benefit entitlement:

	2022	2021
Accrued benefit obligation	$ 2,906,000	$ 3,250,000
Unamortized actuarial losses	(334,000)	(729,000)
Sick leave benefit entitlement liability	$ 2,572,000	$ 2,521,000

	2022	2021
Current service cost	$ 261,000	$ 343,000
Interest on accrued benefit obligation	57,000	53,000
Benefit payments	(345,000)	(368,000)
Amortized actuarial losses	78,000	75,000
Sick leave benefit expense	$ 51,000	$ 103,000

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 26.2% (2021 – 0% to 26.2%) and 0 to 51.0 days (2021 – 0 to 51.0 days) respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

7. Employee future benefits and sick leave benefit entitlement (continued):

(c) Sick leave benefit entitlement (continued):

The unamortized actuarial gains and losses are amortized over the expected average remaining service life as listed below:

		2022	2021
Accumulated sick leave	Academic	10.0 years	10.0 years
benefit entitlements	Academic Partial-Load	4.7 years	4.7 years
	Support	10.2 years	10.2 years
Employee future benefits		11.3 years	11.3 years

The significant actuarial assumptions adopted in estimating the College's accrued benefit liability are as follows:

	2022	2021
Discount rate	2.90%	1.70%
Salary escalation - Academic	1.0% in 2023 and thereafter	1.0% in 2022 and thereafter
Salary escalation - Support	1.00% in 2023 and thereafter	1.25% in 2022, and 1.0% thereafter

8. Long-term debt:

(a) Long-term debt is comprised of the following:

	2022	2021
Bankers' acceptance loans due on demand (note 8(b)):		
5.997%, repayable approximately $133,000 quarterly including interest, matured September 10, 2021	$ -	$ 274,580
6.01%, repayable approximately $28,000 monthly including interest, maturing July 4, 2028	1,789,949	2,015,477
6.02%, repayable approximately $21,000 monthly including interest, maturing August 1, 2028	1,357,822	1,526,169
6.06%, repayable approximately $13,000 monthly including interest, maturing September 1, 2028	833,795	935,413
Fixed rate term loans (note 8(c)):		
5.12%, repayable $9,466 monthly including interest, maturing February 1, 2030	738,032	811,772
5.29%, repayable $15,522 monthly including interest, maturing November 1, 2030	1,292,578	1,407,150
5.35%, repayable $67,895 monthly including interest, maturing March 1, 2031	5,809,538	6,299,166
2.94%, repayable $251,663 semi-annually including interest, maturing February 15, 2029	3,164,050	3,565,650
	14,985,764	16,835,377
Current portion	(1,654,514)	(1,849,614)
Bankers' acceptance loans due on demand	(3,455,384)	(3,981,564)
	$ 9,875,866	$ 11,004,199

8. Long-term debt (continued):

(b) The 5.997% and 6.01% bankers' acceptance loans due on demand were used to finance the construction of the student residence on the Kingston campus. The 6.02% and 6.06% bankers' acceptance loans due on demand were used to finance the construction of a fitness facility and the expansion of the cafeteria, respectively, on the Kingston campus. The 5.997% was repaid in full as scheduled during the year. It is the intention of the College to repay the remaining loans based on the payment schedules in note 8(a), unless payment is required earlier by the lender. These loans are economically hedged through interest rate swaps to the fixed interest rates noted above. The College also incurs a bank stamping fee of 0.30% (2021 – 0.30% to 0.32%) on the outstanding principal balance of each loan which is paid monthly. No specific security has been pledged for these loans.

Based on a detailed analysis and feasibility study it is expected that operational costs of the student residence, including the principal and interest payments on the related bankers' acceptance loans, will be financed from operational revenue generated by the residence as required by the Ministry of Colleges and Universities ("MCU"). If an operating deficit is incurred, it will be financed by the excess of revenue over expenses from other ancillary operations.

It is expected that the management fees, utilities and other costs of the fitness facility, including the principal and interest payments on the related bankers' acceptance loan, will be financed from student fees.

Assuming early repayment of the bankers' acceptance loans is not required by the lender, principal due on the bankers' acceptance loans in each of the next five years and thereafter is as follows:

2023	$	526,180
2024		558,765
2025		593,368
2026		630,114
2027		669,136
Thereafter		1,004,003
Total	$	3,981,566

Loan interest and stamping fees totalling $256,974 (2021 - $312,958) have been recorded as interest on long-term debt in the Consolidated Statement of Operations.

(c) The 5.12% fixed rate term loan was used to finance the construction of the Cornwall student residence, the 5.29% loan was used to finance the construction of the Brockville student residence, the 5.35% loan was used to finance the construction of an addition to the Kingston student residence and the 2.935% loan was used to finance construction related to the College's Hello Future project in Kingston. The College incurs a monthly bank stamping fee of 0.80% (2021 – 0.25%) on the outstanding principal balance of the student residence loans which have been economically hedged through interest rate swaps to the fixed interest rates noted above.

8. Long-term debt (continued):

(c) (continued):

Based on a detailed analysis and feasibility study it is expected that operational costs of the student residences, including the principal and interest payments on the related loans, will be financed from operational revenue generated by the residences as required by the MCU. If an operating deficit is incurred, it will be financed by the excess of revenue over expenses from other ancillary operations.

No specific security has been pledged for these loans.

Principal due on the fixed rate term loans in each of the next five years and thereafter is as follows:

2023	$	1,128,334
2024		1,179,493
2025		1,233,133
2026		1,289,382
2027		1,348,373
Thereafter		4,825,483
Total	$	11,004,198

(d) The College is party to interest rate swap contracts to manage interest rate exposures for economic hedging and risk management purposes.

The interest rate swap contracts convert the floating rate interest obligations of certain loans into fixed rate obligations and thus manage the College's exposure to interest rate risk. The specific loans with interest rate swaps and the fixed rates payable under those interest rate swaps are disclosed in notes 8(b) and 8(c). The maturity dates of the interest rate swaps are the same as the maturity dates of the associated long-term debt, ranging from 2028 to 2031. The fair value of the interest rate swaps will vary based on prevailing market interest rates and the remaining term to maturity. The change in fair value of the interest rate swaps was an unrealized gain of $1,084,507 (2021 – $973,804) for the year ended March 31, 2022.

The interest rate swaps are level 3 financial instruments and are measured at fair value using a valuation technique, taking into account market interest rates. The fair value of interest rate swaps is based on broker quotes.

9. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of contributions, enhancement fees and donations utilized for additions to capital assets. The amortization of capital contributions is recorded as revenue in the Consolidated Statement of Operations.

	2022	2021
Balance, beginning of year	$ 55,526,599	$ 55,705,276
Amounts used for capital purposes:		
Contributions from MCU	3,082,634	3,621,661
Contributions from MLTSD	944,333	-
Donations	211,593	221,408
Other contributions	-	145,225
Contributions from federal government	120,614	5,743
Amortization of deferred capital contributions	(4,537,238)	(4,172,714)
Balance, end of year	$ 55,348,535	$ 55,526,599

The balance of deferred capital contributions consists of the following:

	2022	2021
Unamortized capital contributions	$ 54,759,868	$ 52,644,524
Unspent capital contributions	588,667	2,882,075
	$ 55,348,535	$ 55,526,599

10. Invested in capital assets:

(a) The College's investment in capital assets is calculated as follows:

	2022	2021
Capital assets	$ 98,422,549	$ 99,005,482
Less amounts financed by:		
Bankers' acceptance loans	(3,981,566)	(4,751,639)
Term bank loans	(11,004,198)	(12,083,738)
Deferred capital contributions	(54,759,868)	(52,644,524)
	$ 28,676,917	$ 29,525,581

(b) The change in net assets invested in capital assets is calculated as follows:

	2022	2021
Excess of expenses over revenue:		
Amortization of deferred capital contributions	$ 4,537,238	$ 4,172,714
Amortization of capital assets	(9,110,374)	(8,928,938)
	$ (4,573,136)	$ (4,756,224)
Net change in investment in capital assets:		
Additions to capital assets	$ 8,527,441	$ 3,844,661
Disposal of capital assets	-	(1,141)
Amount funded by deferred capital contributions	(6,652,582)	(2,598,750)
Repayment of:		
Bankers' acceptance loans	770,073	990,090
Term bank loans	1,079,540	1,032,991
	$ 3,724,472	$ 3,267,851

11. Net assets restricted for endowments:

	2022	2021
Ontario Student Opportunity Trust Fund (OSOTF):		
Phase I	$ 979,561	$ 943,751
Phase II	1,197,303	1,103,095
Ontario Trust for Student Support (OTSS)	5,099,235	4,901,309
Endowed Bursaries	5,099,745	4,715,685
	$ 12,375,844	$ 11,663,840

11. Net assets restricted for endowments (continued):

Ontario Student Opportunity Trust Fund:

The externally restricted endowments include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund matching program to award student aid as a result of raising an equal amount of endowed donations. The College has recorded the following amounts under the program:

(a) Phase I:

Schedule of Changes in Endowment Fund Balance for the year ended March 31, 2022

Fund balance, beginning of year	$	943,751
Cash donations received		-
Permanent endowment of amounts previously deferred (note 5(c))		35,810
Fund balance, end of year (A)	$	979,561

Schedule of Changes in Expendable Funds Available for Awards for the year ended March 31, 2022

Balance, beginning of year	$	112,016
Realized investment income, net of direct investment-related expenses and preservation of capital contributions		66,704
Permanent endowment of amounts previously deferred (note 5(c))		(35,810)
Bursaries awarded (total number 45, 34 OSAP recipients)		(41,347)
Balance, end of year (B)	$	101,563
Endowment total based on book value (A+B)	$	1,081,124

The fair value of this endowment as at March 31, 2022 is $1,147,417 (2021 - $1,131,620).

11. Net assets restricted for endowments (continued):

Ontario Student Opportunity Trust Fund (continued):

(b) Phase II:

Schedule of Changes in Endowment Fund Balance for the year ended March 31, 2022

Fund balance, beginning of year	$	1,103,095
Cash donations received		-
Permanent endowment of amounts previously deferred (note 5(c))		94,208
Fund balance, end of year (A)	$	1,197,303

Schedule of Changes in Expendable Funds Available for Awards for the year ended March 31, 2022

Balance, beginning of year		266,307
Realized investment income, net of direct investment-related expenses and preservation of capital contributions		100,953
Permanent endowment of amounts previously deferred (note 5(c))		(94,208)
Bursaries awarded (total number 56, 35 OSAP recipients)		(62,905)
Balance, end of year (B)	$	210,147
Endowment total based on book value (A+B)	$	1,407,450

The fair value of this endowment as at March 31, 2022 is $1,526,116 (2021 - $1,502,499).

11. Net assets restricted for endowments (continued):

Ontario Trust for Student Support:

(c) Ontario Trust for Student Support:

Schedule of Changes in Endowment Fund Balance for the year ended March 31, 2022

Fund balance, beginning of year	$ 4,901,309
Cash donations received	-
Permanent endowment of amounts previously deferred (note 5(c))	197,926
Fund balance, end of year (A)	$ 5,099,235

Schedule of Changes in Expendable Funds Available for Awards for the year ended March 31, 2022

Balance, beginning of year	$ 544,930
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	281,836
Permanent endowment of amounts previously deferred (note 5(c))	(197,926)
Bursaries awarded (total number 183, 123 OSAP recipients)	(192,426)
Balance, end of year (B)	$ 436,414
Endowment total based on book value (A+B)	$ 5,535,749

The fair value of this endowment as at March 31, 2022 is $5,982,534 (2021 - $5,844,218).

12. Net assets internally restricted:

	Funds for student assistance	College residences	Pay parking	Strategic Initiatives	2022 Total
Balance, beginning of year	$ 9,911	$ (127,367)	$ 1,310,440	$1,331,833	$ 2,524,817
Transfer from / (to) unrestricted surplus	-	281,179	(421,104)	699,546	559,621
Balance, end of year	$ 9,911	$ 153,812	$ 889,336	$2,031,379	$ 3,084,438

12. Net assets internally restricted (continued)

	Funds for student assistance	College residences	Pay parking	Strategic Initiatives	2021 Total
Balance, beginning of year	$ 9,911	$ 1,926,934	$ 1,674,867	$ 763,653	$ 4,375,365
Transfer from / (to) unrestricted surplus	-	(2,054,301)	(364,427)	568,180	(1,850,548)
Balance, end of year	$ 9,911	$ (127,367)	$ 1,310,440	$1,331,833	$ 2,524,817

13. Unrestricted surplus:

	2022	2021
Unrestricted surplus:		
Operating	$ 45,247,968	$ 37,198,693
Vacation pay accrued liability	(5,887,983)	(5,569,591)
Sick leave entitlement	(2,572,000)	(2,521,000)
Employee future benefits	(673,000)	(715,000)
	$ 36,114,985	$ 28,393,102

14. Commitments:

The College rents equipment and premises under long-term operating leases expiring up to the March 31, 2027 fiscal year. Future minimum payments, by year and in aggregate, under these operating leases as at March 31, 2022 are as follows:

2023	$ 513,726
2024	504,348
2025	334,197
2026	315,849
2027	89,973
	$ 1,758,093

15. Contingent liabilities:

(a) Letters of credit:

The College is contingently liable under letters of credit amounting to $51,500 (2021 - $290,000), which have been issued in the normal course of business.

15. Contingent liabilities (continued):

(b) Contingencies:

The College is involved with outstanding and pending litigation and claims which arise in the normal course of operations, primarily as a result of grievances filed under the provisions of the union collective agreements. In management's opinion any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the College. Losses in excess of the provision recorded in the consolidated financial statements, if any, arising from these contingencies will be accounted for in the year in which they are determined.

16. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The College is exposed to credit risk relating to its cash, grants and accounts receivable and current and long-term investments. 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 $300,000 (2021 - $300,000).

Accounts receivable are comprised of government, student receivables, the current portion of long-term receivables and other receivables. Student receivables are ultimately due from students, and credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population. Government receivables are ultimately due primarily from MCU, as well as other government entities, and credit risk is mitigated by the governmental nature of the funding source. Other receivables arise during the course of the College's normal operations and are due from a diverse customer base. The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections.

Student and other receivables not impaired are collectible based on the College's assessment and past experience regarding collection rates. The maximum exposure to credit risk of the College at March 31, 2022 is the carrying value of these assets.

16. Financial risks and concentration of risk (continued):

(a) Credit risk (continued):

The amounts outstanding at year end were as follows:

As at March 31, 2022	Current	1 - 30 days	31 - 60 days	61 - 90 days	91+ days	Total
Government receivables	$ 1,508,042	$ -	$ -	$ -	$ -	$ 1,508,042
Student receivables	314	9,225	27,598	272,117	91,593	400,847
Current portion of long-term receivables	780,860	-	-	-	-	780,860
Other receivables	6,152,011	37,453	52,133	16,551	65,297	6,323,445
Gross receivables	8,441,227	46,678	79,731	288,668	156,890	9,013,194
Impairment allowances	-	-	-	(121,952)	(78,082)	(200,034)
Net receivables	$ 8,441,227	$ 46,678	$ 79,731	$ 166,716	$ 78,808	$ 8,813,160

As at March 31, 2021	Current	1 - 30 days	31 - 60 days	61 - 90 days	91+ days	Total
Government receivables	$ 4,766,520	$ -	$ -	$ -	$ -	$ 4,766,520
Student receivables	326	24,380	62,022	320,052	51,385	458,165
Current portion of long-term receivables	831,960	-	-	-	-	831,960
Other receivables	9,359,946	145,751	16,528	2,172	53,452	9,577,849
Gross receivables	14,958,752	170,131	78,550	322,224	104,837	15,634,494
Impairment allowances	(20,825)	-	-	(161,992)	(34,085)	(216,902)
Net receivables	$ 14,937,927	$ 170,131	$ 78,550	$ 160,232	$ 70,752	$ 15,417,592

16. Financial risks and concentration of risk (continued):

(a) Credit risk (continued):

The maximum exposure to investment credit risk is outlined in note 2.

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

(b) 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 investment policies of the College and the Foundation operate within the constraints of the investment guidelines issued by the MCU. The policies' application is monitored by management, the investment managers and the Board of Governors. Diversification techniques are utilized to minimize risk.

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

(i) Currency risk:

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

(ii) 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, bankers' acceptance loans and long-term debt.

The College mitigates interest rate risk on its long-term debt through derivative financial instruments (interest rate swaps) that exchange the variable rate inherent in the bankers' acceptance loans and long-term debt for a fixed rate as described in note 8(d). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the long-term debt.

16. Financial risks and concentration of risk (continued):

(b) Market risk (continued):

(ii) Interest rate risk (continued):

The College's fixed income portfolio has interest rates ranging from 0.21% to 3.50% with maturities ranging from 2022 to 2026. The fixed income investments are fixed rate with a weighted average effective interest rate of 2.01% (2021 – 1.73%). At March 31, 2022 a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of fixed income investments of $162,444 (2021 - $172,008).

(iii) 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 mutual fund holdings within its investment portfolio. At March 31, 2022, a 10% movement in the stock markets, with all other variables held constant, would have an estimated effect on the fair values of the College's mutual fund holdings of $1,462,180 (2021 - $1,314,875).

(c) Liquidity risk:

Liquidity risk is the risk that the College will not be able to meet all of its 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 College also maintains an unsecured line of credit with a Canadian chartered bank in the amount of $3,500,000 (2021 - $3,500,000) to cover short-term funding needs. There was no balance outstanding on the line of credit at March 31, 2022 (2021 – $nil). Accounts payable are all current and the terms of the long-term debt are disclosed in note 8.

Derivative financial liabilities mature as described in note 8(d).

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

16. Financial risks and concentration of risk (continued):

(c) Liquidity risk (continued):

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities, assuming early repayment of the bankers' acceptance loans is not required by the lender:

As at March 31, 2022	Within 6 months	6 - 12 months	1 - 5 years	5+ years	Total
Accounts payable and accrued liabilities	$24,441,082	$ -	$ -	$ -	$ 24,441,082
Bankers' acceptance loans	259,138	267,042	3,161,958	293,428	3,981,566
Long-term debt	557,923	570,412	5,050,380	4,825,483	11,004,198
Lease commitments	259,461	254,265	1,244,367	-	1,758,093
	$ 25,517,604	$ 1,091,719	$ 9,456,705	$ 5,118,911	$ 41,184,939

As at March 31, 2021	Within 6 months	6 – 12 months	1 – 5 years	5+ years	Total
Accounts payable and accrued liabilities	$17,342,281	$ -	$ -	$ -	$ 17,342,281
Bankers' acceptance loans	518,606	251,469	2,977,563	1,004,001	4,751,639
Long-term debt	533,813	545,725	6,178,714	4,825,486	12,083,738
Lease commitments	163,133	130,122	641,442	-	934,697
	$ 18,557,833	$ 927,316	$ 9,797,719	$ 5,829,487	$ 35,112,355

17. Fundraising campaigns:

The College is not currently engaged in any active campaigns but continues to fundraise for ongoing College priorities and collect funds for pledges made to previous campaigns, including the Uncommon campaign, which finished in 2020, as well as The Difference We Make campaign, which finished in 2013 and raised funds to finance capital asset acquisitions and program development with a focus on the Cornwall campus. As at March 31, 2022 pledges arising from these campaigns amounted to $97,726 (2021 - $247,814), which are not recorded in the College's consolidated financial statements until collected.

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Revenue

Schedule 1

Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
Grants and reimbursements:		
Provincially funded grants and reimbursements:		
Post-secondary activity	$ 41,885,262	$ 42,975,336
Employment services and skills training programs	13,585,054	7,186,377
Apprenticeship training programs	2,740,608	1,871,096
Other grants and reimbursements	1,465,631	711,230
	$ 59,676,555	$ 52,744,039
Ancillary operations:		
Residences	$ 4,141,771	$ 1,762,972
Parking lots	479,954	157,671
Event and banquet services	293,907	69,725
Bookstores commission	108,247	92,947
Facilities rent	96,606	63,918
Food services contract	-	1,588
	$ 5,120,485	$ 2,148,821

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Salaries, Wages and Benefits Expenses

Schedule 2

Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
Salaries:		
Academic:		
Full-time	$ 21,429,153	$ 21,314,890
Partial load and part-time	13,990,076	10,813,722
Excluded/sessional	910,162	1,159,261
Coordinators' allowance	271,905	432,823
Bonus/overtime	103,008	138,392
Administrative	14,245,717	13,072,557
Support:		
Full-time	15,519,399	14,236,282
Part-time	4,900,369	4,497,738
Bonus/overtime	116,014	89,512
Professional development leave	93,737	128,167
Benefits:		
Academic	7,159,674	6,606,172
Administrative	3,630,902	3,220,014
Support	5,464,833	4,976,333
	$ 87,834,949	$ 80,685,863

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Non-Payroll Expenses

Schedule 3

Year ended March 31, 2022, with comparative figures for 2021

	2022	2021
Other contract services	$ 12,258,603	$ 7,341,055
Scholarships, bursaries and student assistance	3,353,976	1,949,643
Software licenses and maintenance	3,210,480	3,200,393
Building and ground maintenance	2,305,719	2,218,559
Utilities	1,987,456	1,620,950
Participant wages, benefits and support allowances	1,948,476	855,780
Contracted cleaning and garbage removal services	1,803,467	1,326,049
Instructional supplies and equipment	1,783,440	1,385,068
Contract teaching services	1,626,366	2,002,699
Promotion/public relations	1,587,598	1,140,277
Other supplies	1,219,469	1,061,070
Contracted security services	1,160,984	959,194
Interest on long-term debt	856,123	964,003
Equipment purchase and rental	740,635	410,524
Professional fees	691,161	624,686
Equipment maintenance	635,009	466,217
Insurance	608,397	564,413
Taxes	465,184	544,257
Rent	315,500	299,825
Telecommunications	295,510	287,937
Professional development	210,490	172,000
Bad debts	175,347	411,086
Staff employment	153,475	49,645
Membership fees and dues	134,732	94,191
Other interest and bank charges	91,919	73,079
Travel	81,065	16,939
Cost of sales	9,628	1,796
	$ 39,710,209	$ 30,041,335

St. Lawrence College