Consolidated Financial Statements of

LOYALIST COLLEGE OF APPLIED ARTS & TECHNOLOGY

Year ended March 31, 2024

LOYALIST COLLEGE OF APPLIED ARTS & TECHNOLOGY
Table of Contents

Year ended March 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Loyalist College of Applied Arts & 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 and Risk Committee.

The Audit and Risk 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 and Risk Committee reports its findings to the Board for consideration when approving the consolidated financial statements. The Audit and Risk 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 and Risk Committee.

Mark Kirkpatrick President & Chief Executive Officer	John Pinsent, MBA, CPA, CGA Senior Vice President Corporate Services & Chief Financial Officer

May 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Loyalist College of Applied Arts & Technology

Opinion

We have audited the consolidated financial statements of Loyalist College of Applied Arts & Technology (the College), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- 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
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the " financial statements").

In our opinion, the accompanying 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 operations, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

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

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Report 2023-2024.

Our opinion on the 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 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 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 financial statements and the auditor's report thereon, included in the Annual Report 2023-2024 as at the date of this auditor's 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 auditor's report.

We have nothing to report in this regard.

Other Matter – Comparative Information

As part of the audit of the financial statements for the year ended March 31, 2024, we also audited the adjustments that were applied to recast certain comparative information presented for the year ended March 31, 2023. In our opinion, such adjustments are appropriate and have been appropriately applied.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

We also:

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

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

- 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 regarding the financial information of the entities or business activities within 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

May 30, 2024

LOYALIST COLLEGE OF APPLIED ARTS & TECHNOLOGY

Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023 (Recast – note 21)
Assets		
Current assets:		
Cash	$ 13,691,062	$ 53,830,883
Short-term investments (note 6(a))	66,435,205	76,242,397
Accounts receivable	3,968,304	3,960,259
Grants receivable	3,150,325	2,652,152
Inventory	67,115	64,964
Prepaid expenses	6,511,594	6,362,121
	93,823,605	143,112,776
Tangible capital assets (note 5)	79,727,591	63,909,233
Investments, net (note 6(b))	14,803,363	13,642,750
	$ 188,354,559	$ 220,664,759

	2024	2023 (Recast – note 21)

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	$ 9,119,013	$ 7,416,736
Accrued vacation entitlement	3,927,301	3,262,555
Grants refundable	1,070,615	1,691,066
Deferred revenue (note 8(a))	66,973,495	107,563,692
Current portion of term loans payable (note 7)	509,593	642,340
	81,600,017	120,576,389
Term loans payable (note 7)	963,352	1,472,946
Accrued future employee benefits (note 15)	115,659	310,466
Accrued non-vested sick leave (note 15)	1,630,000	1,609,000
Accrued post-retirement benefits (note 15)	435,000	410,000
Accrued WSIB employment benefits(note 15)	278,600	284,300
Accrued asset retirement obligation (note 16)	5,231,576	5,896,745
Deferred capital contributions (note 8(b))	34,210,520	34,176,643
	124,464,724	164,736,489
Net assets:		
Unrestricted:		
Operating sufficiency	14,816,139	23,536,118
Unfunded asset retirement obligation	(5,231,576)	(5,896,745)
Post-employment benefits and compensated expenses	(2,459,259)	(2,613,766)
Vacation	(3,927,301)	(3,262,555)
Residences (note 10(b))	(724,950)	(287,178)
Parking lot	–	(65,398)
	2,473,053	11,410,476
Investment in capital assets (note 9(a))	44,970,322	28,590,522
Endowment (note 10(a))	12,741,529	12,244,637
Internally restricted (note 10(b))	3,704,931	3,682,635
	63,889,835	55,928,270
Commitments (notes 11 and 14)		
Contingencies (note 12)		
	$ 188,354,559	$ 220,664,759

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Jennifer Mary Anderson Chair

President

LOYALIST COLLEGE OF APPLIED ARTS & TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Ministry of Colleges and Universities and other government grants	$ 28,834,063	$ 29,653,690
Amortization of deferred capital contributions (note 9(b))	3,151,932	3,012,718
Tuition fees and non-tuition incidental fees	51,234,614	47,294,636
Ancillary	3,102,235	2,771,303
Contracted services and other	75,988,975	77,173,742
Interest, dividends and realized gains/losses on investments (note 6(e))	6,579,339	4,220,322
	168,891,158	164,126,411
Expenses:		
Contracted services and fees	63,514,604	61,742,954
Salaries and wages	55,590,314	46,651,718
Employee and other benefits	13,637,025	10,483,749
Amortization of tangible capital assets	7,073,634	5,966,697
Maintenance and utilities	5,101,222	4,596,123
Insurance and bank charges	4,250,461	4,432,201
Supplies and minor equipment	4,169,711	4,044,835
Ancillary	2,228,628	2,027,609
Transportation and communication	2,112,611	1,453,821
Other	1,387,163	893,444
Scholarships and bursaries	1,241,017	1,158,694
Student assistance	750,000	750,000
Property taxes	288,283	220,676
Interest on term loans payable	81,812	105,300
	161,426,485	144,527,821
Excess of revenue over expenses	$ 7,464,673	$ 19,598,590

See accompanying notes to consolidated financial statements.

LOYALIST COLLEGE OF APPLIED ARTS & TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

	Investment in capital assets	Endowment	Internally restricted	Unrestricted	2024 Total	2023 Total
	(note 9)	(note 10(a))	(note 10(b))			(Recast – note 21)
Balance, beginning of year, as previously stated	$ 28,590,522	$ 12,244,637	$ 3,682,635	$ 11,410,476	$ 55,928,270	$ 39,854,073
Correction of an error (note 21)	–	–	–	–	–	(3,779,119)
Balance, beginning of year, as recast	28,590,522	12,244,637	3,682,635	11,410,476	55,928,270	36,074,954
Excess (deficiency) of revenue over expenses	(3,921,702)	–	(206,464)	11,592,839	7,464,673	19,598,590
Interfund transfers	–	–	228,760	(228,760)	–	–
Endowment contributions	–	496,892	–	–	496,892	254,726
Net change in investment in capital assets	20,301,502	–	–	(20,301,502)	–	–
Balance, end of year	$ 44,970,322	$ 12,741,529	$ 3,704,931	$ 2,473,053	$ 63,889,835	$ 55,928,270

See accompanying notes to consolidated financial statements.

LOYALIST COLLEGE OF APPLIED ARTS & TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 7,464,673	$ 19,598,590
Items not involving cash:		
Amortization of deferred capital contributions	(3,151,932)	(3,012,718)
Amortization of capital assets	7,073,634	5,966,697
Increase (decrease) in accrued future employee benefits	(194,807)	17,553
Increase (decrease) in accrued non-vested sick leave	21,000	(37,000)
Decrease in accrued vested sick leave	–	(124,000)
Increase in accrued post-retirement benefits	25,000	46,000
Increase (decrease) in accrued WSIB employment benefits	(5,700)	284,300
Net change in non-cash operating working capital (note 13)	(39,501,467)	17,469,477
	(28,269,599)	40,208,899
Investing activities:		
Decrease (increase) in investments	8,646,579	(26,100,791)
Decrease in pledges receivable	–	170
	8,646,579	(26,100,621)
Financing activities:		
Repayment of term loans payable	(642,341)	(618,721)
Capital activities:		
Endowment contributions	496,892	254,726
Receipt of contributions related to capital assets	3,185,809	4,662,266
Purchase of capital assets	(22,891,992)	(17,715,040)
Accrued asset retirement obligation, remediation costs incurred	(665,169)	–
	(19,874,460)	(12,798,048)
Increase (decrease) in cash	(40,139,821)	691,509
Cash, beginning of year	53,830,883	53,139,374
Cash, end of year	$ 13,691,062	$ 53,830,883

See accompanying notes to consolidated financial statements.

Loyalist College of Applied Arts & Technology (the “College”) operates as a community college, under its current mission to create learning opportunities leading to success in both employment and lifelong learning. The College was incorporated under the Department of Education Act in 1968 as a not-for-profit organization and is a registered charity. Accordingly, the College is exempt from the payment of income taxes provided certain criteria in the Income Tax Act (Canada) are met. Ontario Colleges are governed by the Ontario Colleges of Applied Arts and Technology Act, 2002 and regulations.

1. Significant accounting policies:

The 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:

(a) Basis of consolidation:

The consolidated financial statements include the accounts of Loyalist College of Applied Arts & Technology and The Loyalist College Foundation, a registered charity controlled by the College. All intercompany balances and transactions have been eliminated upon consolidation.

(b) Use of estimates:

The preparation of consolidated financial statements 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 consolidated financial statements, and the reported amounts of revenue and expenses during the year. Estimates relate to the fair value for investments, valuation of accounts receivables, useful estimated life of capital assets, actuarial estimation of employee future benefits, non-vested and vested sick leave, post-retirement benefits, and estimated costs and timing of asset retirement obligations. Actual results could differ from these estimates.

(c) 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:

(i) Fair value:

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

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

(i) Fair value (continued):

These financial instruments are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value of externally restricted amounts are recognized in the Consolidated Statement of Financial Position as deferred revenue until they are realized, when they are transferred to the Consolidated Statement of Operations. A Statement of Remeasurement Gains and Losses has not been provided as there are no significant unrestricted unrealized gains or losses at March 31, 2024.

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

(ii) Amortized cost:

This category includes accounts receivable, grants receivable, accounts payable and accrued liabilities, accrued vacation entitlement, grants refundable, and term loans payable. 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.

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

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.

(d) Revenue recognition:

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

Pledged contributions for the College are recognized when the related pledge documentation is received, less an allowance for estimated uncollectable amounts, giving consideration as to the source of pledges and any changed financial position.

Tuition fees and non-tuition incidental fees and ancillary fees are recognized as revenue based on the portion 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.

Fees that have been levied for a specific purpose have been internally restricted by the College for that purpose.

1. Significant accounting policies (continued):

(d) Revenue recognition (continued):

Operating grants are recorded as revenue in the period to which they relate. Grants earned but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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

Externally restricted contributions, 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 into revenue on a straight-line basis, at a rate corresponding with the amortization rate for 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.

Other operating revenues are recognized as the College satisfies the performance obligation by providing the promised goods or services.

(e) Capital assets:

Purchased capital assets are recorded at cost, which includes interest incurred before the commencement of commercial operations. Contributed capital assets are recorded at fair value at the date of contribution when fair value is reasonably determinable. Otherwise, contributed assets are recorded at a nominal amount. Repairs and maintenance costs are charged to expenses. Betterments, which extend the estimated life of an asset, are capitalized.

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

Asset	Useful life
Site improvements	10 years
Buildings	40 years
Building improvements	20 years
Furniture and equipment	3 to 5 years
Vehicles	5 years
Leasehold improvements	10 years

1. Significant accounting policies (continued):

(e) Capital assets (continued):

Costs of construction in progress are capitalized as incurred. Amortization is not recognized until project completion.

The carrying value of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount is not recoverable and exceeds its fair value. Capital assets have been reviewed for full or partial impairment. Management has determined there are none.

Where a legal obligation exists to remediate or otherwise retire a capital asset recognized by the College, the estimated cost of the asset retirement obligation is included in the cost of the related capital asset.

(f) Vacation pay:

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

(g) Accrued future employee benefits, non-vesting and vesting sick leave:

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 most recent actuarial valuation of the pension plan for funding purposes was as of January 1, 2024, and the next required valuation will be as of January 1, 2027. The most recent actuarial valuation dates of the other employee future benefit plans are disclosed in note 15.

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 are the employer's contributions due to the plan in the period.

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

1. Significant accounting policies (continued):

(g) Accrued future employee benefits, non-vesting and vesting sick leave (continued):

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

(h) Accrued benefit obligation Workplace Safety and Insurance Board (WSIB):

The College is a Schedule 2 employer under WSIB Act, and as such assumes the responsibility for financing its workplace safety insurance costs. An actuarial valuation was completed as of March 31, 2023 with the results extrapolated to March 31, 2024 to estimate the accrued benefit obligation for workplace safety.

(i) Accrued asset retirement obligations:

The College recognizes the fair value of an asset retirement obligation ("ARO") when all of the following criteria have been met:

- 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.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability are recognized in the Consolidated Statement of Operations at the time of remediation.

2. Change in accounting policies:

On April 1, 2023, the College adopted the following accounting standards applicable for fiscal years beginning on or after April 1, 2023:

- PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.
- PS 3160 Public Private Partnerships (P3s) provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

The College determined that the adoption of these new standards did not have any impact on the amounts presented in the consolidated financial statements.

3. Financial instrument classification:

The following table provides classification of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below:

	Fair Value	Amortized cost	2024 Total
Cash	$ 13,691,062	$ –	$ 13,691,062
Short-term investments	66,435,205	–	66,435,205
Accounts receivable	–	3,968,304	3,968,304
Grants receivable	–	3,150,325	3,150,325
Investments	14,803,363	–	14,803,363
Accounts payable and accrued liabilities	–	(9,119,013)	(9,119,013)
Accrued vacation entitlement	–	(3,927,301)	(3,927,301)
Grants refundable	–	(1,070,615)	(1,070,615)
Term loans payable	–	(1,472,945)	(1,472,945)
	$ 94,929,630	$ (8,471,245)	$ 86,458,385

	Fair Value	Amortized cost	2023 Total
Cash	$ 53,830,883	$ –	$ 53,830,883
Short-term investments	76,242,397	–	76,242,397
Accounts receivable	–	3,960,259	3,960,259
Grants receivable	–	2,652,152	2,652,152
Investments	13,642,750	–	13,642,750
Accounts payable and accrued liabilities	–	(7,416,736)	(7,416,736)
Accrued vacation entitlement	–	(3,262,555)	(3,262,555)
Grants refundable	–	(1,691,066)	(1,691,066)
Term loans payable	–	(2,115,286)	(2,115,286)
	$ 143,716,030	$ (7,873,232)	$ 135,842,798

3. Financial instrument classification (continued):

The following table provides an analysis of financial instruments 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; and
- 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).
- 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.

	Level 1	Level 2	2024 Total
			(note 6(c))
Cash	$ 13,691,062	$ –	$ 13,691,062
Short-term investments	66,435,205	–	66,435,205
Investments	9,886,772	4,916,591	14,803,363
	$ 90,013,039	$ 4,916,591	$ 94,929,630

	Level 1	Level 2	2023 Total
			(note 6(c))
Cash	$ 53,830,883	$ –	$ 53,830,883
Short-term investments	76,242,397	–	76,242,397
Investments	8,720,744	4,922,006	13,642,750
	$ 138,794,024	$ 4,922,006	$ 143,716,030

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

4. Employee notes receivable:

In order to complement the College's professional development policy, the College provides demand interest-free loans and loans at nominal interest rates to certain full-time staff for the purchase of specified computer equipment and credential studies. These loans in the amount of $10,160 (2023 - $Nil) have been included in accounts receivable on the Consolidated Statement of Financial Position.

5. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
				(Recast – note 21)
Land	$ 411,550	$ –	$ 411,550	$ 411,550
Artwork	254,870	–	254,870	254,870
Site improvements	13,252,460	5,478,671	7,773,789	5,020,246
Buildings and building improvements	108,523,392	54,933,303	53,590,089	50,199,585
Furniture and equipment	39,416,947	33,471,066	5,945,881	5,518,314
Vehicles	479,870	244,055	235,815	83,986
Leasehold improvements	539,629	289,077	250,552	194,993
Construction in progress	11,265,045	–	11,265,045	2,225,689
	$ 174,143,763	$ 94,416,172	$ 79,727,591	$ 63,909,233

Cost and accumulated amortization of capital assets at March 31, 2023 have been recast as disclosed in note 21 and amounted to $152,313,040 and $88,403,807, respectively.

6. Investments:

(a) Short-term investments are comprised of GICs with a fair market value of $66,435,205 (2023 - $76,242,397) and a cost of $65,000,000 (2023 - $75,000,000). The effective interest rates range from 5.60% to 5.65% (2023 - 4.00% to 5.05%) and will mature in July 2024 and January 2025 (2023 - July 2023 and January 2024).

6. Investments (continued):

(b) As noted in note 1(c) to these consolidated financial statements, investments are recorded at fair value at the Consolidated Statement of Financial Position date. The fair market value of investments are as follows:

	2024	2023
Fixed-income securities:		
Federal	$ 584,397	$ 754,468
Provincial and provincial guaranteed	1,495,700	1,224,346
Municipal	324,366	259,014
Corporate - Rated A or better	2,512,128	2,684,177
	4,916,591	4,922,005
Pooled funds:		
Money market fund	1,005,355	450,005
Equity securities:		
Canadian	4,111,198	3,902,948
United States	2,454,557	2,252,961
International	2,315,662	2,114,831
	8,881,417	8,270,740
	$ 14,803,363	$ 13,642,750

The book value of investments at March 31, 2024 are $13,425,148 (2023 - $12,852,872).

(c) The investments have varying maturity dates, but may be liquidated in the short-term, based on the College’s needs. The effective interest rates range from 0.63% to 5.68% (2023 - 0.63% to 4.95%) for these investments.

(d) The expected maturity dates for fixed-income securities are as follows:

	2024	2023
Maturing within one year	$ 75,758	$ 203,993
Maturing between one and five years	1,635,989	1,633,055
Maturing over five years	3,204,844	3,084,957
	$ 4,916,591	$ 4,922,005

6. Investments (continued):

(e) Net investment income is comprised of the following:

	2024	2023
Interest income	$ 6,423,977	$ 4,065,103
Dividend income	296,275	265,738
Realized losses on disposition of investments	(64,047)	(35,572)
	6,656,205	4,295,269
Less: Interest and investment management fees	(76,866)	(74,947)
	$ 6,579,339	$ 4,220,322

7. Term loans payable:

Term loans payable consisting of the following unsecured amounts:

	2024	2023
Renovation loan – OFA loan bearing interest at 2.641% and repayable by semi-annual blended payments of principal and interest of $157,355 payable on May 7 and November 7 until maturity on May 7, 2024.	$ 155,305	$ 459,869
Residence expansion – two residences plus commons building Part 1 – loan bearing interest at 4.83% and repayable by semi-annual blended payments of principal and interest of $206,851 payable on August 28 and February 28 until maturity on August 28, 2027.	1,317,640	1,655,417
	1,472,945	2,115,286
Less current portion	509,593	642,340
	$ 963,352	$ 1,472,946

The principal portion of the term loans repayable over the next four years, based on terms and agreements in effect as at March 31, 2024, are as follows:

2025	$ 509,593
2026	371,606
2027	389,772
2028	201,974
	$ 1,472,945

8. Deferred contributions:

(a) Deferred revenue:

Deferred revenue is comprised of:

	2024	2023
Ministry of Colleges, Universities and other grants	$ 872,594	$ 837,332
Tuition fees	63,266,092	104,813,543
Externally restricted donations	592,946	326,721
Other	92,387	45,250
Restricted investment income	945,496	945,496
Unrealized gains on long-term investments	1,203,980	595,350
	$ 66,973,495	$ 107,563,692

(b) Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations and grants for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Consolidated Statement of Operations at the same rate as amortization is recorded on the related capital assets.

Deferred revenue relating to tangible capital assets is comprised of the following:

	2024	2023
Balance, beginning of year	$ 34,176,643	$ 32,527,095
Add amounts related to the following sources:		
Federal/Province of Ontario grants and capital campaign	3,185,809	4,662,266
Deduct amounts related to the following:		
Amounts recognized as revenue in the year	(3,151,932)	(3,012,718)
Balance, end of year	$ 34,210,520	$ 34,176,643

8. Deferred contributions (continued):

(b) Deferred capital contributions (continued):

The balance of deferred capital contributions consists of the following:

	2024	2023
Unamortized capital contributions	$ 33,284,324	$ 33,203,425
Unspent capital contributions	926,196	973,218
	$ 34,210,520	$ 34,176,643

9. Investment in capital assets:

(a) Investment in capital assets at March 31 represents the following:

	2024	2023 (Recast – note 21)
Tangible capital assets, at cost	$ 174,143,763	$ 152,313,040
Accumulated amortization of tangible capital assets	(94,416,172)	(88,403,807)
Term loans payable - current portion	(509,593)	(642,340)
Term loans payable - long-term portion	(963,352)	(1,472,946)
Deferred capital contributions	(33,284,324)	(33,203,425)
	$ 44,970,322	$ 28,590,522

(b) Change in investment in capital assets is calculated as follows:

	2024	2023
Excess of expenses over revenue:		
Amortization of deferred contributions related to capital assets	$ 3,151,932	$ 3,012,718
Less amortization of capital assets	(7,073,634)	(5,966,697)
	$ (3,921,702)	$ (2,953,979)

9. Investment in capital assets (continued):

(b) (continued):

	2024	2023
Purchase of capital assets	$ 22,891,992	$ 17,715,040
Amounts funded by:		
Capital contributions	(3,232,831)	(4,951,069)
Repayment of term loans payable	642,341	618,721
	$ 20,301,502	$ 13,382,692

10. Restrictions on net assets:

(a) Endowment:

The externally restricted endowment contributions have been donated or received as grants from governments specifically for student assistance. Income earned is expendable to provide financial assistance to students.

(b) Internally restricted:

These funds have been restricted by the Board of Governors to be expended on the following:

	2024	2023
Work-integrated learning	$ 1,132,472	$ 928,799
Student government activity	879,347	1,046,204
Student government - health centre	640,996	640,996
Student centre	317,188	317,188
Information technology fee	261,192	261,192
Student facilities enhancement	253,794	33,092
Alumni	219,942	125,831
Student Office for Alternative Resources	–	329,333
	$ 3,704,931	$ 3,682,635

Residence funds have been set aside to deal with the costs of future major renovations and repairs for these areas. Residence is in a deficit position due to the reduction in 2023/24 revenue. The deficit of the Residence is therefore included against the unrestricted surplus in the current year. All other internally restricted funds represent net accumulated funds collected from students that the College has internally appropriated.

11. Commitments:

(a) The College has entered into three agreements which allow outside parties to use certain of the College's facilities as a bookstore, a cafeteria and for print and mail services, respectively. If the College prematurely terminates the contracts, the College is liable to pay the depreciated value of leasehold improvements paid for by the other parties to the agreements. It is not anticipated that any of the contracts will be terminated prior to the date anticipated in the respective contracts.

(b) The College entered into an agreement with a third party for the construction and operation of student residences. The residences are owned and operated by the third party and the College has agreed to guarantee the residence occupancy at 96%. Management has assessed the likelihood of any actual guaranteed payments.

(c) The College has entered into agreements for certain capital projects. The total value of these commitments at March 31, 2024 is $24,941,764.

12. Contingencies:

(a) Litigation:

The nature of the College’s activities is such that there is usually litigation pending or in prospect at any time. With respect to claims at March 31, 2024, management believes that the College has valid defenses and appropriate insurance coverages in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the College’s financial position.

(b) Insurance:

The College is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public insurance risks for some forty institutions. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment in the event members' premiums are insufficient to cover losses and expenses.

13. Net change in non-cash operating working capital:

Cash provided from (used in) non-cash operating working capital is compiled as follows:

	2024	2023
Accounts receivable	$ (8,045)	$ 1,247,393
Grants receivable	(498,173)	(975,933)
Inventory	(2,151)	(25,013)
Prepaid expenses	(149,473)	(964,801)
Accounts payable and accrued liabilities	1,702,277	(2,003,019)
Accrued vacation entitlement	664,746	29,575
Grants refundable	(620,451)	(1,549,684)
Deferred revenue	(40,590,197)	21,710,959
	$ (39,501,467)	$ 17,469,477

14. Lease commitments

The College leases certain premises and equipment for which the future minimum lease payment are as follows:

2025	$ 835,790
2026	550,386
2027	404,243
2028	364,620
2029	309,383
2030	290,971
Total	$ 2,755,393

15. Accrued future employee benefits and compensated absences liability:

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

2024	Employee future benefits	Non-vesting sick leave	Vesting sick leave	Accrued post-retirement benefits	Accrued post-retirement benefits WSIB
Accrued employee future benefits obligations	$ 115,659	$ 2,105,000	$ –	$ 554,000	$ 278,600
Fair value of plan assets	–	–	–	(133,000)	–
Unamortized actuarial gains (losses)	–	(475,000)	–	14,000	–
Total liability	$ 115,659	$ 1,630,000	$ –	$ 435,000	$ 278,600

2023	Employee future benefits	Non-vesting sick leave	Vesting sick leave	Accrued post-retirement benefits	Accrued post-retirement benefits WSIB
Accrued employee future benefits obligations	$ 310,466	$ 1,822,000	$ –	$ 513,000	$ 284,300
Fair value of plan assets	–	–	–	(123,000)	–
Unamortized actuarial gains (losses)	–	(213,000)	–	20,000	–
Total liability	$ 310,466	$ 1,609,000	$ –	$ 410,000	$ 284,300

15. Accrued future employee benefits and compensated absences liability (continued):

	Employee future benefits	Non-vesting sick leave	Vesting sick leave	Accrued post-retirement benefits	2024 Accrued post-retirement benefits WSIB
Current year benefit cost	$ (194,807)	$ 148,000	$ –	$ 34,000	$ (5,700)
Interest on accrued benefit obligation	–	63,000	–	1,000	–
Benefit payments	–	(238,000)	–	(3,000)	–
Amortization of unamortized actuarial gains	–	48,000	–	(7,000)	–
Total expense (recovery)	$ (194,807)	$ 21,000	$ –	$ 25,000	$ (5,700)

	Employee future benefits	Non-vesting sick leave	Vesting sick leave	Accrued post-retirement benefits	2023 Accrued post-retirement benefits WSIB
Current year benefit cost	$ 17,533	$ 97,000	$ 1,000	$ 56,000	$ 284,300
Interest on accrued benefit obligation	–	41,000	1,000	1,000	–
Benefit payments	–	(175,000)	(126,000)	(7,000)	–
Amortization of unamortized actuarial gains	–	–	–	(4,000)	–
Total expense (recovery)	$ 17,533	$ (37,000)	$ (124,000)	$ 46,000	$ 284,300

The above amounts are included in employee and other benefits on the Consolidated Statement of Operations.

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

15. Accrued future employee benefits and compensated absences liability (continued):

Retirement benefits:

CAAT pension plan

Substantially all employees of the College are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit plan for eligible employees of public colleges and related employers in Ontario. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governor's to ensure the long-term viability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The Plan's most recent actuarial valuation filed with pension regulators as at January 1, 2024 indicated an actuarial surplus of $5.3 billion (January 1, 2023 - $4.7 billion). The College made contributions to the Plan and its associated retirement compensation arrangement of $5,574,233 (2023 - $4,552,841), which has been included in employee and other benefits in the Consolidated Statement of Operations.

Post-employment benefits:

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The most recent actuarial valuation of these employee future benefits was completed February 28, 2023 for the non-pension post-retirement plan, August 31, 2022 for the non-vesting cumulative sick leave benefit plans, and March 31, 2023 for the vested cumulative sick leave benefit plan. The results of these valuations have been extrapolated to March 31, 2024. The College recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

(a) Discount Rate

The present value as at March 31, 2024 of the future benefits was determined using a discount rate of 3.5% (2023 - 3.4%).

(b) Medical

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

(c) Dental Costs

Dental costs were assumed to increase at 4.0% per annum in 2024 (2023 - 4.0%).

15. Accrued future employee benefits and compensated absences liability (continued):

Compensated absences:

Vesting sick leave

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

Non-vesting sick leave

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

The significant actuarial assumptions used in the valuation of vesting and non-vesting sick leave are below.

Wage and salary escalation:

3.50% in 2023 and 3.00% in 2024, reducing to 2.50% thereafter for full-time and partial load academic staff. These increases are inclusive of the 1% per year that were previously in Kaplan award of September 2022.

3.50% in 2023 and 3.00% in 2024, reducing to 2.50% thereafter for part-time support staff.

3.00% in 2023 and 2024, reducing to 2.50% thereafter for full-time support staff.

3.50% in 2023 and 3.00% in 2024, reducing to 2.50% thereafter for administration staff.

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 23.50% and 0 to 54 days, respectively, for age groups ranging from 20 and under to 65 and over in bands of 5 years.

15. Accrued future employee benefits and compensated absences liability (continued):

Compensated absences (continued):

Non-vesting sick leave (continued)

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

Accumulated sick leave benefit entitlements for 10.0 years (2023 - 10.0 years) for academic

Accumulated sick leave benefit entitlements for 10.2 years (2023 - 10.2 years) for support

Employee future benefits for 11.3 years (2023 - 11.3 years)

WSIB accrued benefit obligation

The actuarial valuation of the liabilities in the amount of $278,600 represents the actuarial present value (discount rate 3.8%) as of March 31, 2024 of all pension payments to workers and survivors, temporary and long term loss of earning benefits, health care costs, rehabilitant costs and administration expenses expected to be made in future years which relate to claims that accrued on or before March 31, 2024, including latent occupational diseases that will be adjudicated after that, with respect to the college’s employees. This is based on the College’s self-insured arrangements in Ontario.

The related benefit liability was determined by an actuarial valuation study commissioned by LifeWorks as at March 31, 2023. The results of the valuation have been extrapolated to March 31, 2024.

16. Accrued asset retirement obligation:

The College's asset retirement obligations relate to the legally required removal or remediation of asbestos-containing materials in certain buildings. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation. As remediation plans are not defined, the full amount has been recognized as a long-term liability.

16. Accrued asset retirement obligation (continued):

The change in the estimated obligation during the year consists of the following:

	2024	2023 (Recast – note 21)
Balance, beginning of year, as previously stated	$ 5,896,745	$ 2,117,626
Correction of an error (note 21)	–	3,779,119
Balance, beginning of year, as recast	5,896,745	5,896,745
Less: obligations settled during the year	665,169	–
Balance, end of year	$ 5,231,576	$ 5,896,745

17. Ontario student opportunity trust fund:

(a) Year-End Report for Phase One of the Ontario Student Opportunity Trust Fund of Loyalist College of Applied Arts and Technology:

At the direction of the Ministry of Colleges & Universities (MCU), separate disclosure of the Ontario Student Opportunity Trust Fund of Loyalist College of Applied Arts and Technology which is included as part of the Foundation is required. As at March 31, 2024, the activity within the fund is summarized as follows:

(i) Schedule of Changes in Endowment Fund Balance for the year ended March 31:

	2024	2023
Fund balance, beginning of year	$ 2,051,571	$ 2,027,993
Preservation of capital	40,525	23,578
Fund balance, end of year	$ 2,092,096	$ 2,051,571

17. Ontario student opportunity trust fund (continued):

(a) (Continued):

(ii) Details of Changes in Expendable Funds Available for Awards for the year ended March 31:

		2024		2023
Fund balance, beginning of year	$	100,097	$	114,366
Realized investment income net of direct investment related expenses and preservation of capital contributions		45,460		35,760
Bursaries awarded - 87 (2023 - 68)		(50,200)		(50,029)
Fund balance, end of year	$	95,357	$	100,097
Endowment total based on book value	$	2,187,454	$	2,151,668

The market value of the endowment as at March 31, 2024 was $2,432,867 (2023 - $2,273,974).

(b) Year-End Report for the Phase Two of the Ontario Student Opportunity Trust Fund of Loyalist College of Applied Arts and Technology:

(i) Schedule of Changes in Endowment Fund Balance for the year ended March 31:

		2024		2023
Fund balance, beginning of year	$	899,539	$	889,160
Preservation of capital		17,780		10,379
Fund balance, end of year	$	917,319	$	899,539

17. Ontario student opportunity trust fund (continued):

(b) (Continued):

(ii) Schedule of Changes in Expendable Funds Available for Awards for the year ended March 31:

	2024	2023
Fund balance, beginning of year	$ 47,155	$ 62,318
Realized investment income net of direct investment related expenses and preservation of capital contributions	19,944	15,742
Bursaries awarded - 31 (2023 - 14)	(24,640)	(30,905)
Fund balance, end of year	$ 42,459	$ 47,155
Endowment total based on book value	$ 959,779	$ 946,694

The market value of the endowment as at March 31, 2024 was $1,067,457 (2023 - $1,000,506).

18. Ontario trust for student support:

(a) Schedule of Changes in Endowment Fund Balance for the year ended March 31:

	2024	2023
Fund balance, beginning of year	$ 5,073,212	$ 5,014,392
Preservation of capital	100,723	58,820
Fund balance, end of year	$ 5,173,935	$ 5,073,212

18. Ontario trust for student support (continued):

(b) Schedule of Changes in Expendable Funds Available for Awards for the year ended March 31:

	2024	2023
Fund balance, beginning of year	$ 291,115	$ 302,159
Realized investment income net of direct investment related expenses and preservation of capital contributions	112,987	89,210
Bursaries awarded - 145 (2023 - 94)	(141,658)	(100,254)
Fund balance, end of year	$ 262,444	$ 291,115
Endowment total based on book value	$ 5,436,378	$ 5,364,327

The market value of the endowment as at March 31, 2024 was $6,046,294 (2023 - $5,669,327).

Status of	OSAP Recipients		Non-OSAP Recipients		Total	
Recipients	Number	Amount	Number	Amount	Number	Amount
Full-time	129	$ 138,126	50	$ 3,533	179	$ 141,659

(c) Please see OTSS Directive May 31, 2009 for Ministry's position on spending of endowment principal.

(d) In order to prevent erosion of capital due to inflation, the College has a preservation of capital policy that provides for a portion of the investment income to be added to the endowment capital. In this case, only the portion of investment income available for spending is reported under “investment income” in the schedule of changes in expendable funds available for awards.

19. Foundation award for student support:

(a) Schedule of Changes in Endowment Fund for the year ended March 31:

	2024	2023
Fund balance, beginning of year	$ 3,012,693	$ 2,864,862
Cash donations received	168,640	113,362
Preservation of capital	64,208	34,469
Fund balance, end of year	$ 3,245,541	$ 3,012,693

19. Foundation award for student support (continued):

(b) Schedule of Changes in Expandable Funds for the year ended March 31, 2024:

	2024	2023
Fund balance, beginning of year	$ 249,086	$ 208,041
Realized investment income	72,026	52,278
Bursaries awarded	(39,226)	(11,233)
Fund balance, end of year	$ 281,886	$ 249,086
Endowment total based on book value	$ 3,527,427	$ 3,261,779

The market value of the endowment as at March 31, 2024 was $3,923,175 (2023 - $3,447,186).

20. Financial instrument risk management:

(a) Fair value:

Financial instruments consist of cash, accounts receivable, grants receivable, portfolio investments, accounts payable and accrued liabilities, vacation entitlement, grants refundable and long-term debt. The carrying amounts approximate their fair market value due to the immediate or short-term maturity of these financial instruments.

(b) Credit risk:

Credit risk is the risk of financial loss to the College if a debtor fails to make payments when due. The College is exposed to this risk relating to its cash, receivables and its debt holdings in its investment portfolio.

The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. The College has access to a $2 million line of credit with a federal regulated chartered bank. As at March 31, 2024, $Nil has been drawn on the line of credit (2023 - $Nil).

Accounts receivable are short term in nature and are net of management's estimate of allowances for doubtful accounts. It is in management's opinion that they are not subject to material credit risk.

Accounts receivable are primarily due from students. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population.

20. Financial instrument risk management (continued):

(b) Credit risk (continued):

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. The amounts outstanding at year end were as follows:

		Past Due				Net
	Current	> 90 days	> 1 year	Total	Allowances	receivables
Accounts receivable	$ 4,153,092	$ 15,212	$ –	$ 4,168,304	$ 200,000	$ 3,968,304
Grants receivable	3,150,325	–	–	3,150,325	–	3,150,325
	$ 7,303,417	$ 15,212	$ –	$ 7,318,629	$ 200,000	$ 7,118,629

Amounts past due but not allowed for are deemed by management to be collectible based on historical experience regarding collections.

The College's investment policy and the Ministry's Banking, Investing and Borrowing Policy puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, and aggregate issuer limits. The debt security portfolio remains very high quality with a weighted average of an A rating or better under the College's investment policy. All fixed income portfolios are measured for performance on a not less than semi-annual basis and monitored by management on a monthly basis.

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

(c) 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.

An investment policy is in place and its application is monitored by the Finance & Investment Committee and the Board of Governors. Diversification techniques are utilized to minimize risk.

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

20. Financial instrument risk management (continued):

(c) Market risk (continued):

(i) 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 exchange levels when adverse changes in foreign currency exchange rates occur.

The College records its operations in Canadian dollars. The College is exposed to currency fluctuations on some of its securities held in U.S. and international equity securities with a carrying value of $2,454,557 (CAD) (2023 - $2,252,961 (CAD)) and $2,315,662 (CAD) (2023 - $2,114,831 (CAD)), respectively, as they are denominated in U.S. dollars, and other foreign currencies. These potential currency fluctuations could have a significant impact on the market value of these securities.

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

(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 risk through its interest-bearing investments (fixed-income securities and fixed-income pooled funds).

The College maintains an investment portfolio; containing both fixed-income securities complying with the MCU BIB policy equity securities.

The College maintains policies, procedures and methods used to measure the risk.

As prevailing interest rates increase or decrease, the market values of these interest-bearing investments change. If interest rates were to change by 1%, with all other variables being held constant, then the effect on the market value of the portfolio, with a carrying value of $4,916,591 (2023 - $4,922,006) would be approximately a 6.0% (2023 - 6.3%) change. The College has structured its portfolio in a manner as to be able to allow debt securities to be held to maturity to reduce any potential interest rate risk.

In addition to the above, the College is exposed to interest rate risk as it has term loans payable in the amount of $1,472,945 (2023 - $2,115,286) bearing interest at a fixed rate as described in note 7 to these consolidated financial statements. As prevailing interest rates fluctuate, the market value of these debts will fluctuate. Risk is mitigated by the College's intention and ability to hold the debt to maturity.

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

20. Financial instrument risk management (continued):

(c) Market risk (continued):

(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 equity holdings within its investment portfolio.

The College's equity portfolio with a carrying value of $8,881,417 (2023 - $8,270,740), includes U.S., International and Canadian stocks with fair values that move with their respective Stock Exchange Composite Index. A 1% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equity portfolio of approximately 0.59% (2023 - 0.61%).

For pooled equity funds that the College did not sell during the period, the change would be recognized in the asset value and in unrealized gain (loss) on held-for-trading financial instruments. For pooled equity funds that the College did sell during the period, the change during the period and changes prior to the period would be recognized as net realized gains in income during the period.

An investment policy is in place and its application is monitored by the Finance & Investment Committee of the Board of Directors of the Loyalist College Foundation. Diversification techniques are utilized to minimize risk. The policy limits the investment in Canadian equities, US equities and International equities to a maximum of 55%, 20% and 20% respectively and a minimum of 25%, 7% and 8%, respectively.

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

(d) Liquidity risk:

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows, maintaining liquidity in their investment portfolios, and budgeting expenditures to meet cash needs. There are no material liabilities that can be called unexpectedly at the demand of a lender or client. There are no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business.

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

20. Financial instrument risk management (continued):

(e) Other risks:

On January 22, 2024, the Government of Canada (the "Government") announced an intake cap on international student permit applications for a period of two years, resulting in a reduction of approximately 35% of approved study permits from 2023 across the country. At the end of 2024, the Government will re-assess the number of new study permits that will be processed in 2025.

In addition, as a result of these policy changes, international students who begin their studies at public-private partnership campuses in Ontario after May 15, 2024 will no longer be eligible for post-graduate work permits, which affects the sustainability of these partnerships.

A significant portion of the College's tuition revenues is derived from international students. The extent of the impact of the intake cap on the College's business, operational and financial performance for the upcoming year is manageable, but the long-term impacts of the federal government's decision is uncertain and difficult to assess at this time.

Management is incorporating the potential impacts of the intake cap on its approved capital and operating budget for the year ending March 31, 2025. Management has also assessed its operational and liquidity risks and believes there are no significant issues, given the College has a strong working capital base and access to liquid resources to support continued operations in the coming year.

21. Recast of comparative information:

On April 1, 2022, the College adopted Public Sector Accounting Standard 3280 Asset Retirement Obligations. The standard was adopted on the modified retrospective basis at the date of adoption. In accordance with the provisions of the standard, the College recorded an asset retirement obligation in the amount of $2,117,626, representing the estimated cost of remediation as at the date, and a decrease to opening net assets of $2,117,626, representing forty years of accumulated amortization expense on the related tangible capital assets.

During the year, management hired an external engineer to re-assess the extent of asbestos-containing materials in the buildings owned by the College. Through this process, management became aware that the accrued asset retirement obligation liability recorded on the date of adoption was understated by $3,779,119. As no remediation work occurred during the year ended March 31, 2023, there is no impact on the Consolidated Statement of Operations.

21. Recast of comparative information (continued):

The impact of this correction has been recorded retroactively in the March 31, 2023 comparative information, as follows:

	April 1, 2022
Net assets, beginning of year, as previously stated	$ 39,854,074
To correct error in relation to the understatement of accrued asset retirement obligations	(3,779,119)
Net assets, beginning of year, as recast	$ 36,074,954

	March 31, 2023
Net assets, beginning of year, as previously stated	$ 59,707,389
To correct error in relation to the understatement of accrued asset retirement obligations	(3,779,119)
Net assets, end of year, as recast	$ 55,928,270

	March 31, 2023
Accrued asset retirement obligation, beginning and end of year, as previously stated	$ 2,117,626
To correct error in relation to the understatement of accrued asset retirement obligations	3,779,119
Accrued asset retirement obligation, beginning and end of year, as recast	$ 5,896,745

	Tangible capital assets, at cost	Accumulated amortization of tangible capital assets	Net book value, March 31, 2023
Balance, beginning of year, previously stated	$ 148,533,921	$ (84,624,688)	$ 63,909,233
To correct error in relation to the understatement of accrued asset retirement obligations	3,779,119	(3,779,119)	–
Balance, end of year, as recast	$ 152,313,040	$ (88,403,807)	$ 63,909,233