CANADORE COLLEGE
OF APPLIED ARTS AND TECHNOLOGY

Financial Statements
For the year ended March 31, 2021

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Financial Statements
For the year ended March 31, 2021

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Independent Auditor's Report

To the Board of Governors of Canadore College of Applied Arts and Technology

Opinion

We have audited the financial statements of Canadore College of Applied Arts and Technology (the College), which comprise the statement of financial position as at March 31, 2021, the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2021, and its results of operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of 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.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
May 25, 2021

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Financial Position

March 31	2021	2020
Assets		
Current		
Cash and cash equivalents	$ 103,382,046	$ 61,148,321
Accounts receivable (note 4)	5,101,500	6,355,825
Grants receivable	4,592,767	3,936,120
Prepaid expenses	1,095,884	535,327
	114,172,197	71,975,593
Restricted cash and investments (note 2)	5,697,771	5,607,441
Other receivables (note 5)	488,816	489,459
Capital assets (note 6)	74,701,631	77,881,172
	$ 195,060,415	**$ 155,953,665**
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 18,655,146	$ 15,528,731
Deferred revenue (note 7)	83,685,079	53,961,353
Vacation pay	3,454,197	3,041,223
Current portion of long-term debt (note 8)	884,391	857,135
	106,678,813	**73,388,442**
Long-term debt (note 8)	8,957,116	9,872,148
Post-employment benefits and compensated absences (note 9)	2,206,394	2,129,706
Deferred contributions (note 10)	461,295	278,203
Deferred capital contributions (note 11)	54,567,614	56,155,077
	66,192,419	**68,435,134**
Net Assets		
Unrestricted (deficiency)	1,552,948	(5,569,997)
Invested in capital assets (note 13)	12,938,464	14,092,645
Internally restricted (note 14)	2,000,000	-
Externally restricted (note 12)	5,697,771	5,607,441
	22,189,183	**14,130,089**
	$ 195,060,415	**$ 155,953,665**

Contingencies (note 15)
Global Pandemic (note 20)

On behalf of the Board:

Robert G. McIntosh

_______________________ Chair

Greg Bunton

_______________________ President

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

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Changes in Net Assets

March 31, 2021	Unrestricted	Invested in Capital Assets	Internally Restricted	Externally Restricted	Total
Net assets (deficiency), beginning of year	$ (5,569,997)	$ 14,092,645	$ -	$ 5,607,441	$ 14,130,089
Endowments received during the year	-	-	-	90,330	90,330
Excess (deficiency) of revenues over expenses for the year	10,091,130	(2,122,366)	-	-	7,968,764
Inter fund transfer (note 13)	(968,185)	968,185	-	-	-
Transfer to internally restricted (note 14)	(2,000,000)	-	2,000,000	-	-
Net assets (deficiency), end of year	**$ 1,552,948**	**$ 12,938,464**	**$ 2,000,000**	**$ 5,697,771**	**$ 22,189,183**

March 31, 2020	Unrestricted	Invested in Capital Assets	Internally Restricted	Externally Restricted	Total
Net assets (deficiency), beginning of year	$ (5,759,263)	$ 13,465,048	$ -	$ 5,525,081	$ 13,230,866
Endowments received during the year	-	-	-	82,360	82,360
Excess (deficiency) of revenues over expenses for the year	3,047,248	(2,230,385)	-	-	816,863
Inter fund transfer (note 13)	(2,857,982)	2,857,982	-	-	-
Net assets (deficiency), end of year	**$ (5,569,997)**	**$ 14,092,645**	**$ -**	**$ 5,607,441**	**$ 14,130,089**

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Operations

For the year ended March 31	2021	2020
Revenues		
Grants and reimbursements	$ 28,264,216	$ 27,902,085
Student fees - domestic	11,558,906	13,871,575
Student fees - international	90,803,884	54,614,433
Ancillary	842,026	2,568,681
Investment income	891,140	1,143,935
Other	5,401,346	6,560,188
Amortization of deferred capital contributions	4,054,127	3,993,939
	141,815,645	110,654,836
Expenses		
Salaries and benefits	40,947,787	39,540,313
Instructional supplies and field work	1,086,392	1,334,978
Utilities and plant services	4,394,376	3,934,970
Contracted and professional services	7,010,106	9,645,678
International activities	63,578,287	37,219,076
General expenditures and supplies	3,775,676	5,123,063
Information technology, furniture and equipment, purchases and rentals	2,906,918	2,769,441
Scholarships, bursaries and awards	1,007,495	1,087,933
Ancillary	2,895,412	2,861,993
Interest on long-term debt	201,526	396,344
Loss (gain) on disposal of capital assets	1,432	(8,899)
Amortization of capital assets	6,041,474	5,933,083
	133,846,881	109,837,973
Excess of revenues over expenses for the year	$ 7,968,764	$ 816,863

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

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Cash Flows

For the years ended March 31	2021	2020
Net inflow (outflow) of cash related to the following activities		
Operating		
Excess of revenues over expenses	$ 7,968,764	$ 816,863
Items not involving cash:		
Amortization of capital assets	6,041,474	5,933,083
Amortization of deferred capital contributions	(4,054,127)	(3,993,939)
Loss (gain) on disposal of capital assets	1,432	(8,899)
Accrual for post-employment benefits and compensated absences	76,688	55,706
	10,034,231	2,802,814
Change in non-cash operating working capital:		
Accounts receivable	1,254,325	(1,657,153)
Grants receivable	(656,647)	977,975
Prepaid expenses	(560,557)	139,747
Other receivables	643	-
Accounts payable and accrued liabilities	3,126,416	2,648,991
Accrual for vacation pay	412,974	184,352
Deferred revenue	29,723,726	21,878,416
	43,335,111	26,975,142
Financing		
Repayment of long-term debt	(887,776)	(1,230,024)
Deferred contributions	183,092	(121,082)
	(704,684)	(1,351,106)
Capital		
Purchase of capital assets	(2,861,934)	(3,597,704)
(Loss) gain on disposal of capital assets	(1,432)	8,899
Contributions received for capital purposes	2,466,664	1,825,035
	(396,702)	(1,763,770)
Increase in cash and cash equivalents	42,233,725	23,860,266
Cash and cash equivalents, beginning of year	61,148,321	37,288,055
Cash and cash equivalents, end of year	$ 103,382,046	$ 61,148,321

1. SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Canadore College of Applied Arts and Technology ("Canadore" or the "College"), established in 1967, is an Ontario College of applied arts and technology duly established pursuant to Ontario Regulation 34/03 made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The College is an agency of the Crown and provides postsecondary education to full-time and part-time students.

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

Basis of Presentation

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

Revenue Recognition

The College follows the deferral method of accounting for contributions, which include donations and government grants. Tuition fees and contract training revenues are recognized as income to the extent that the related courses and services are provided within the fiscal year of the College.

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

Unrestricted contributions are recognized as revenue when received or receivable.

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

Restricted contributions for the purchase of capital assets are deferred and amortized to revenue at a rate corresponding with the amortization rate for the related capital assets.

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

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Restricted investment income that must be maintained as an endowment is credited to net assets. Unrestricted investment income is recognized as revenue when earned.

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses. Betterments that extend the estimated useful 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 the 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

Construction in progress costs are capitalized as incurred and transferred to applicable capital asset categories and amortized once the assets are placed in service.

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

Buildings and building improvements	25-40 years
Site improvements	10 years
Furniture and equipment	5 years
Computer equipment and computers under capital lease	3-5 years
Equipment	5-10 years

Retirement and Post-Employment Benefits and Compensated Absences

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

(i) The costs of post-employment future benefits are actuarially determined using management's best estimates 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 pension and the employer's contributions due to the plan in the period.

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

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

Vacation Pay

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

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

The College has designated its bond portfolio that would otherwise be classified into the amortized cost category as fair value as the College manages and reports performance on a fair value basis.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

The bond portfolio is initially recognized at cost and subsequently carried at fair value. Changes in fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met.

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

Amortized Cost

This category includes accounts receivable, other receivables, accounts payable and accrued liabilities, operating loan, long-term debt and obligations under capital lease. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest 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.

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

Management Estimates

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

2. FINANCIAL INSTRUMENT CLASSIFICATION

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

	2021		
	Fair Value	**Amortized Cost**	**Total**
Cash and cash equivalents	$ 103,382,046	$ -	$ 103,382,046
Accounts receivable	-	5,101,500	5,101,500
Grants receivable	-	4,592,767	4,592,767
Restricted cash and investments (i)	5,697,771	-	5,697,771
Accounts payable and accrued liabilities	-	18,655,146	18,655,146
Vacation pay	-	3,454,197	3,454,197
Long-term debt	-	9,841,507	9,841,507
	$ 109,079,817	$ 41,645,117	$ 150,724,934

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

	2020		
	Fair Value	**Amortized Cost**	**Total**
Cash and cash equivalents	$ 61,148,321	$ -	$ 61,148,321
Accounts receivable	-	6,355,825	6,355,825
Grants receivable	-	3,936,120	3,936,120
Restricted cash and investments (i)	5,607,441	-	5,607,441
Accounts payable and accrued liabilities	-	15,528,731	15,528,731
Vacation pay	-	3,041,223	3,041,223
Long-term debt	-	10,729,283	10,729,283
	$ 66,755,762	$ 39,591,182	$ 106,346,944

(i) Included in restricted cash and investments is $4,462,494 (2020 - $4,853,843) in bonds and equities and $1,235,277 (2020 - $753,598) in interest bearing accounts with interest rates ranging from 1.83% to 11.35% (2020 – 1.75% to 11.35%) with maturities as follows:

	2021				
	Within 1 year	**2 to 5 years**	**6 to 10 years**	**Over 10 Years**	**Total**
Carrying value	$ 2,078,813	$ 1,291,480	$ 516,150	$ 576,051	$ 4,462,494
Percent of total	47%	29%	12%	12%	

	2020				
	Within 1 year	**2 to 5 years**	**6 to 10 years**	**Over 10 Years**	**Total**
Carrying value	$ 2,160,918	$ 1,165,241	$ 979,120	$ 548,564	$ 4,853,843
Percent of total	45%	24%	20%	10%	

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;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 103,382,046	$ -	$ -	$ 103,382,046
Restricted cash and investments	5,697,771	-	-	5,697,771
	$109,079,817	**$ -**	**$ -**	**$109,079,817**

	2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 61,148,321	$ -	$ -	$ 61,148,321
Restricted cash and investments	5,607,441	-	-	$ 5,607,441
	$ 66,755,762	**$ -**	**$ -**	**$ 66,755,762**

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2021 and 2020. There were also no transfers in or out of Level 3.

3. CREDIT FACILITY AGREEMENT

The College has an operating loan under a credit facility agreement with a Canadian chartered bank. The maximum draw permitted under this agreement is $8,000,000 with an interest rate of prime less 0.75%. At March 31, 2021, the outstanding balance under this credit facility was $Nil (2020 - $Nil).

4. ACCOUNTS RECEIVABLE

	2021	**2020**
Trade receivables	$ 4,442,040	$ 5,530,147
Student receivable (net of $322,830 (2020 - $220,000) allowance)	272,404	394,739
Harmonized Sales Tax receivable	303,532	364,618
Accrued interest receivable	83,524	66,321
	$ 5,101,500	**$ 6,355,825**

5. OTHER RECEIVABLES

The College, in conjunction with Nipissing University, entered into an agreement with the Corporation of the City of North Bay whereby the City would construct sewer and water services on behalf of the Education Centre. Project funding was provided by the Northern Ontario Heritage Fund Corporation and is repayable when the funds are received from the City of North Bay (see note 8).

As at March 31, the following amounts remain outstanding:

	2021	2020
Accounts receivable from City of North Bay repayable from future lot levies for water and sewer connections	$ 488,816	$ 489,459

6. CAPITAL ASSETS

2021	Cost	Accumulated Amortization	Net Book Value
Land	$ 2,401,279	$ -	$ 2,401,279
Site improvements	2,101,741	514,861	1,586,880
Buildings	109,809,167	53,036,454	56,772,713
Furniture and equipment	29,341,960	25,545,952	3,796,008
Computer equipment	8,363,946	7,703,310	660,636
Computers under capital lease	1,670,105	1,670,105	-
Equipment	22,524,042	13,039,927	9,484,115
	$ 176,212,240	**$ 101,510,609**	**$ 74,701,631**

2020	Cost	Accumulated Amortization	Net Book Value
Land	$ 2,401,279	$ -	$ 2,401,279
Site improvements	2,101,741	304,687	1,797,054
Buildings	109,809,167	50,512,350	59,296,817
Furniture and equipment	28,624,528	24,350,915	4,273,613
Computer equipment	7,904,677	7,418,450	486,227
Computers under capital lease	1,670,105	1,670,105	-
Equipment	21,044,457	11,418,275	9,626,182
	$ 173,555,954	**$ 95,674,782**	**$ 77,881,172**

7. DEFERRED REVENUE

	2021	2020
Advanced tuition fees	$ 79,206,309	$ 51,224,947
Alumni Association	237,504	216,645
Student Athletics	128,538	(13,530)
Grants and other	4,112,728	2,533,291
	$ 83,685,079	**$ 53,961,353**

8. LONG-TERM DEBT

	2021	2020
Student Residence		
3.0% Mortgage, payable in monthly installments of $36,473, including principal and interest, maturing October 27, 2029	$ 3,311,259	$ 3,644,877
3.477% Mortgage payable in semi-annual installments of $116,263 including principal and interest, maturing November 10, 2026	1,249,506	1,433,768
3.222% Mortgage payable in semi-annual installments of $63,446 including principal and interest, maturing July 1, 2027	738,820	839,468
Capital Financing		
2.71% Fixed rate term loan, payable in semi-annual installments of $86,125 including principal and interest, maturing March 28, 2022	168,811	333,138
3.95% Fixed rate term loan, payable in semi-annual installments of $114,404 including principal and interest, maturing March 5, 2049	3,854,295	3,928,573
Parry Sound Campus Forgivable Mortgage		
Interest free mortgage, reduced without payment, by 10% of the original principal per year for each year of operation of the Parry Sound Campus	30,000	60,000
Infrastructure Upgrades		
Interest free incentive term-loan payable to Northern Ontario Heritage Fund Corporation to be repaid from proceeds received from the City of North Bay for future lot levies for water and sewer connections (see note 5)	488,816	489,459
	9,841,507	10,729,283
Current portion of long-term debt	884,391	857,135
	$ 8,957,116	$ 9,872,148

8. LONG-TERM DEBT (continued)

Principal due within each of the next five years and thereafter on long-term debt is as follows:

2022	$ 884,391
2023	739,108
2024	763,417
2025	788,533
2026	814,482
Thereafter	5,851,576
	$ 9,841,507

9. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY

The following table outlines the components of the College's post-employment benefits and compensated absences liabilities and related expenses:

	2021				
	Post-employment benefits	**Non-vested sick leave**	**Vested sick leave**	**Parental leave**	**Total liability**
Accrued employee future benefits obligation	$ 452,000	$ 1,547,000	$ -	$ 114,394	$ 2,113,394
Value of plan assets	(106,000)	-	-	-	(106,000)
Unamortized actuarial gains (losses)	115,000	84,000	-	-	199,000
Total liability	$ 461,000	$ 1,631,000	$ -	$ 114,394	$ 2,206,394

	2020				
	Post-employment benefits	**Non-vested sick leave**	**Vested sick leave**	**Parental leave**	**Total liability**
Accrued employee future benefits obligation	$ 410,000	$ 1,593,000	$ -	$ 80,706	$ 2,083,706
Value of plan assets	(91,000)	-	-	-	(91,000)
Unamortized actuarial gains (losses)	112,000	25,000	-	-	137,000
Total liability	$ 431,000	$ 1,618,000	$ -	$ 80,706	$ 2,129,706

9. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

	2021				
	Post-employment benefits	**Non-vested sick leave**	**Vested sick leave**	**Parental leave**	**Total expense**
Current year benefit costs (recovery)	$ 36,000	$ 163,000	$ -	$ 114,394	$ 313,394
Interest on accrued benefit obligation	1,000	25,000	-	-	26,000
Amortized actuarial losses (gains)	(4,000)	-	-	-	(4,000)
Total expense	$ 33,000	$ 188,000	$ -	$ 114,394	$ 335,394

	2020				
	Post-employment benefits	**Non-vested sick leave**	**Vested sick leave**	**Parental leave**	**Total expense**
Current year benefit costs (recovery)	$ (8,000)	$ 76,000	$ -	$ 80,706	$ 148,706
Interest on accrued benefit obligation	1,000	28,000	-	-	29,000
Amortized actuarial losses (gains)	(4,000)	(1,000)	-	-	(5,000)
Total expense	$ (11,000)	$ 103,000	$ -	$ 80,706	$ 172,706

The total expense for post-employment benefits and compensated absences is included in salaries and benefits on the Statement of Operations. The total amount paid during the year for post-employment benefits and compensated absences was $178,000 (2020 - $117,000).

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

Retirement Benefits

<u>CAAT Pension Plan</u>

All full time employees of the College, and any part time employees who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), a multi-employer jointly-sponsored defined benefit plan for public colleges in Ontario and other employers across Canada. The College makes contributions to the plan equal to those of employees. Contribution rates are set by the Plan's governors to ensure 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, 2021 indicated an actuarial surplus on a going concern basis of $3.3 billion. The College made contributions to the Plan and its associated retirement compensation arrangement in the amount of $3,508,198 in 2021 (2020 - $3,241,973), which has been included in salaries and benefits on the Statement of Operations.

9. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

Post-Employment Benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

a) *Discount rate*
The present value as at March 31, 2021 of the future benefits was determined using a discount rate of 1.7% (2020 – 1.6%).

b) *Drug costs*
Drug costs were assumed to increase at 8.0% per annum in 2020, grading down to 4.0% per annum in 2040. Beyond 2020 there are no further eligible members.

c) *Hospital and other medical*
Hospital and other medical costs were assumed to increase at 4.0% per annum 2020. Beyond 2020 there are no further eligible members. Medical premium increases were assumed to increase at 6.42% per annum in 2021 (2020 – 6.55%), grading down to 4.0% per annum in 2040.

d) *Dental costs*
Dental costs were assumed to increase at 4.0% per annum in 2021 (2020 – 4.0%).

Compensated Absences

<u>Non-Vested Sick Leave</u>

The College allocates to certain employees groups a specified number of days each year to 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 provide 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 sick 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.

9. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES LIABILITY (continued)

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

	2021	2020
Wage and salary escalation		
Academic full-time and partial load	2% in 2020, 1.0% per annum thereafter	1.8% in 2016, 1.75% in 2017, 2% in 2018, 2019, 2020, 1.5% per annum thereafter
Support staff full-time	1.0% in 2020, 2% in 2021, 1.25% in 2022, and 1.0% per annum thereafter	0.5% per annum in 2016 and 2017, 1.5% per annum thereafter

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 26.2% (2020 - 0% to 23.7%) and 0% to 9.4% (2020 – 0 days to 48.0 days) respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

10. DEFERRED CONTRIBUTIONS

	2021	2020
Balance, beginning of year	$ 278,203	$ 399,285
Contributions received	71,321	86,117
Interest earned on contributions during the year	107,269	121,854
Unrealized gains (losses) on investments	272,537	(105,699)
Amounts transferred to revenue	(268,035)	(223,354)
Balance, end of year	**$ 461,295**	**$ 278,203**

Deferred contributions are comprised of:

	2021	2020
Scholarships, bursaries and awards	$ 54,696	$ 65,702
Endowment fund interest and unrealized gains	194,584	1,854
Joint employment stability reserve	212,015	210,647
Balance, end of year	**$ 461,295**	**$ 278,203**

11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. The changes in deferred capital contribution balances are as follows:

	2021	2020
Balance, beginning of year	$ 56,155,077	$ 58,323,981
Contributions received for capital purposes	2,466,664	1,825,035
Amortization of deferred capital contributions	(4,054,127)	(3,993,939)
Balance, end of year	**$ 54,567,614**	**$ 56,155,077**

12. EXTERNALLY RESTRICTED NET ASSETS

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

Investment income on externally restricted endowments that was disbursed during the year has been recorded in the statement of operations since this income is available for disbursement as scholarships and bursaries and the donors' conditions have been met. The unspent portion of investment income is recorded in deferred contributions. Investment income on endowed assets recognized and deferred was $185,253 and $75,983 respectively (2020 - $179,553 and $155,790).

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

Schedule of changes in endowment fund balances:

	2021					2020
	OSOTF I	**OSOTF II**	**OTSS**	**Other**	**Total**	**Total**
Fund balance, beginning of year	$1,713,852	$ 275,744	$2,308,446	$1,309,399	$5,607,441	$5,525,081
Cash donations received	-	-	-	90,330	90,330	82,360
Fund balance, end of year	$1,713,852	$ 275,744	$2,308,446	$1,399,729	$5,697,771	$5,607,441

12. EXTERNALLY RESTRICTED NET ASSETS (continued)

Schedule of changes in expendable funds available for awards:

	2021					2020
	OSOTF I	**OSOTF II**	**OTSS**	**Other**	**Total**	**Total**
Balance, beginning of year	$ 41,795	$ (1,662)	$ 83,247	$ 32,410	$ 155,790	$ 164,236
Investment income, net of direct investment related expenses	20,735	3,410	28,547	16,663	69,355	142,864
Bursaries awarded	(29,121)	(7,562)	(51,574)	(60,905)	(149,162)	(151,310)
Balance, end of year	$ 33,409	$ (5,814)	$ 60,220	$ (11,832)	$ 75,983	$ 155,790

13. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets represents the following:

	2021	2020
Capital assets	$ 74,701,631	$ 77,881,172
Less amounts financed by:		
Deferred capital contributions	(54,567,614)	(56,155,077)
Long-term debt	(7,195,553)	(7,633,450)
	$ 12,938,464	**$ 14,092,645**

Changes in net assets invested in capital assets is calculated as follows:

	2021	2020
Purchase of capital assets	$ 2,861,934	$ 3,597,704
Principal payment of long-term debt	437,896	794,559
Interest on long-term debt	133,587	299,653
Less: proceeds on disposal of fixed assets	1,432	(8,899)
Less: amounts financed by deferred capital contributions	(2,466,664)	(1,825,035)
	$ 968,185	**$ 2,857,982**

14. INTERNALLY RESTRICTED FUNDS

The College restricts amounts from the net asset balance, as approved by the Board of Governors. Internally restricted net assets consists of the following:

	2021	2020
International Studies Programming	$ 2,000,000	$ -

15. CONTINGENCIES

In the normal course of operations the College is in the process of dealing with a number of grievances that may go to arbitration. As of the date of financial statement preparation the likelihood and impact of these grievances on the College's financial statements is unknown. Should any costs be incurred as a result of the arbitration process, such costs will be expensed in the year of settlement.

In the normal course of operations the College is involved in certain legal matters and litigations, the outcome of which is not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved.

16. CANADORE STUDENTS' COUNCIL

Included in assets and liabilities at year end is $1,520,227 (2020 - $1,009,230) in student fees collected on behalf of Canadore Students' Council (the "CSC") and not disbursed during the year. On behalf of CSC the College disbursed funds in the amount of $754,387 (2020 - $976,396) for expenses incurred during the year on behalf of the College's students. These expenses and the associated fees collected have not been recognized in the College's statement of operations. In 2018, funds held in trust under the previous student council body representing Canadore College students in the amount of $1,885,529 were disbursed to a newly appointed trustee, external to and independent of the College, representing CSC and the College. The assets held in trust are intended to be used for expenditures of a capital nature to enhance the educational experience of members of the Canadore community. These funds are not in the sole control of the College and therefore have not been recognized in these financial statements. As at March 31, 2021 these funds had a market value of $2,357,733 (2020 - $1,726,864).

17. THE CANADORE COLLEGE FOUNDATION

The Canadore College Foundation (the "Foundation") was created for the purpose of raising funds for capital and other purposes to assist the College in continuing to provide outstanding applied education. Funds received from the Foundation during the year totaled $399,594 (2020 - $546,898). The College has an outstanding receivable from the Foundation as at March 31, 2021 in the amount of $Nil (2020 –$Nil). The College provides support when required, office space, basic infrastructure and associated services, computer and other equipment, services of certain College departments in return for a management fee that is calculated annually in the amount of $33,000 (2020 - $155,000). The Foundation is not controlled by the College and therefore is not consolidated in these financial statements.

18. ECONOMIC DEPENDENCE

The College receives approximately 20% (2020 – 25%) of its revenues from the Ministry of Colleges and Universities.

19. FINANCIAL INSTRUMENT RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk related to its cash, debt holdings in its investment portfolio, other receivables and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to $300,000 (2020 - $300,000).

The College's investment policy operates within the constraints of the investment guidelines issued by the Ministry of Colleges and Universities and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of A or better, or corporate investments having a rating of A (R-1) or better. The maximum exposure to investment credit risk is outlined in note 2.

Credit Risk

Accounts receivable are ultimately 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. 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:

	2021				
	Total	**1-30 days**	**31-60 days**	**61-90 days**	**91-120 days**
Government receivables	$ 4,896,299	$4,896,299	$ -	$ -	$ -
Student receivables	595,234	930	6,238	144,349	443,717
Other receivables	4,525,564	3,440,900	418,952	129,074	536,638
Gross receivables	10,017,097	8,338,129	425,190	273,423	980,355
Less: impairment allowances	(322,830)	-	-	-	(322,830)
Net receivables	$ 9,694,267	$8,338,129	$ 425,190	$ 273,423	$ 657,525

	2020				
	Total	**1-30 days**	**31-60 days**	**61-90 days**	**91-120 days**
Government receivables	$ 4,300,738	$ 4,300,738	$ -	$ -	$ -
Student receivables	614,739	4,188	44,584	161,119	404,848
Other receivables	5,596,468	3,707,073	366,545	30,435	1,492,415
Gross receivables	10,511,945	8,011,999	411,129	191,554	1,897,263
Less: impairment allowances	(220,000)	-	-	-	(220,000)
Net receivables	$10,291,945	$ 8,011,999	$ 411,129	$ 191,554	$1,677,263

Student receivables not impaired are considered collectible based on the College's assessment and experience regarding collections rates.

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

19. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

Market Risk

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

The College operates within the constraints of the investment guidelines issued by the Ministry of Colleges and Universities. The policy's 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 prior year in the exposure to risk or policies, procedures and methods used to measure risk.

Currency Risk

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

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

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value of 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, bank loans and long-term debt.

The College's guaranteed investment and bond portfolio has interest rates ranging from 1.83% to 11.35% (2020 – 1.75% to 11.35%) with maturities ranging from July 23, 2021 to June 2, 2048 (2020 – June 30, 2020 to June 2, 2048).

At March 31, 2021, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of guaranteed investment certificates and bonds of $43,472 (2020 - $50,111). A 1% fluctuation in interest rates would have an estimated impact on interest expense related to the College's bank loans of $93,227 (2020 - $101,798) and no impact on interest income related to the College's other long-term receivable.

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

19. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2021, a 5% movement in the stock markets with all other variables held constant would have an estimated effect on the fair value of the College's investments of $140,075 (2020 - $177,542).

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

Liquidity Risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

	2021			
	Within 6 months	**6 months to 1 year**	**1 to 5 years**	**over 5 years**
Accounts payable	$18,655,146	$ -	$ -	$ -
Long-term debt	442,196	442,195	3,105,540	5,851,576
	$19,097,342	$ 442,195	$ 3,105,540	$ 5,851,576

	2020			
	Within 6 months	**6 months to 1 year**	**1 to 5 years**	**over 5 years**
Accounts payable	$15,528,731	$ -	$ -	$ -
Long-term debt	428,568	428,567	3,175,449	6,696,699
	$15,957,299	$ 428,567	$ 3,175,449	$ 6,696,699

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

20. GLOBAL PANDEMIC

In winter 2020 the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of the global pandemic continued into fiscal 2021 the College did realize a decline in specific revenues and a change in academic delivery model that required investment in technology. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the full extent of the related financial impact cannot be reasonably estimated in its entirety at this time. To manage the risk associated with the uncertainty the College focused on collecting receivables, student recruitment and support efforts, managing expenditures, both operating and capital in nature, and increasing opportunities for revenue diversification to ensure the College is able to continue delivering on its mandate as an Ontario College of applied arts and technology under advised local and provincial public health measures. The College has been approved for funding in the amount of $5,527,000 to assist with the financial impacts of COVID-19, of which $988,600 has been recognized to March 31, 2021.

20. COMPARATIVE FIGURES

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