CANADORE COLLEGE
OF APPLIED ARTS AND TECHNOLOGY

Financial Statements
For the year ended March 31, 2023

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Financial Statements
For the year ended March 31, 2023

Management’s Responsibility for Financial Reporting

The financial statements of The Canadore College of Applied Arts and Technology (the “College”) are the responsibility of management and have been approved by the Board of Governors.

The 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 (“PSAB for Government NPOs”). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the 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 liabilities have been reviewed by management. There are no material liabilities in either fact or contingency as at the date of this report that have been omitted from these financial statements.

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

The Audit Committee is appointed by the Board of Governors 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 financial statements and the external auditor’s report. The Committee reports its findings to the Board for consideration when approving the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

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

President and CEO

Chief Financial Officer

June 6, 2023

BDO

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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, 2023, the statements of changes in net assets, remeasurement gains and losses, 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, 2023, 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
June 6, 2023

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Financial Position

March 31	2023	2022 As Restated (note 22)
Assets		
Current		
Cash and cash equivalents	$ 110,508,338	$ 125,493,300
Accounts receivable (note 4)	10,074,461	5,391,699
Grants receivable	4,452,459	3,893,030
Prepaid expenses	1,558,358	868,308
	126,593,616	**135,646,337**
Internally restricted cash and investments (notes 2 and 14)	36,025,783	18,000,000
Restricted cash and investments (note 2)	5,912,801	5,805,076
Other receivables (note 5)	488,599	488,816
Capital assets (note 6)	73,121,775	74,176,034
	$ 242,142,574	**$ 234,116,263**
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 26,074,487	$ 32,022,272
Deferred revenue (note 7)	91,392,820	96,456,938
Deferred contributions (note 10)	109,881	300,820
Current portion of long-term debt (note 8)	799,506	777,764
	118,376,694	**129,557,794**
Long-term debt (note 8)	8,070,925	8,870,647
Post-employment benefits and compensated absences (note 9)	2,186,105	2,057,000
Asset retirement obligation (note 21)	2,573,603	2,689,209
Deferred capital contributions (note 11)	52,028,701	54,556,428
	64,859,334	**68,173,284**
Net Assets		
Unrestricted	4,342,710	2,112,382
Invested in capital assets (note 13)	12,711,242	10,460,011
Internally restricted (note 14)	36,025,783	18,000,000
Externally restricted (note 12)	5,912,801	5,805,076
	58,992,536	36,377,469
Accumulated remeasurement (losses) gains	(85,990)	7,716
	58,906,546	**36,385,185**
	$ 242,142,574	**$ 234,116,263**

Contingencies (note 15)

On behalf of the Board:

_______________________________ Chair

_______________________________ 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, 2023

	Unrestricted	Invested in Capital Assets	Internally Restricted	Externally Restricted	Total
Net assets, beginning of year	$ 2,112,382	$ 10,460,011	$ 18,000,000	$ 5,805,076	$ 36,377,469
Endowments received during the year	-	-	-	107,725	107,725
Excess (deficiency) of revenues over expenses for the year	24,961,877	(2,454,535)	-	-	22,507,342
Inter fund transfer (note 13)	(4,705,766)	4,705,766	-	-	-
Transfer to internally restricted (note 14)	(18,025,783)	-	18,025,783	-	-
Net assets, end of year	**$ 4,342,710**	**$ 12,711,242**	**$ 36,025,783**	**$ 5,912,801**	**$ 58,992,536**

March 31, 2022

	Unrestricted	Invested in Capital Assets	Internally Restricted	Externally Restricted	Total
Net assets, beginning of year	$ 1,552,948	$ 12,938,464	$ 2,000,000	$ 5,697,771	$ 22,189,183
Change in accounting policy (note 22)	(2,587,022)	82,661	-	-	$ (2,504,361)
Net assets, beginning of year, as restated	(1,034,074)	13,021,125	2,000,000	5,697,771	19,684,822
Endowments received during the year	-	-	-	107,305	107,305
Excess (deficiency) of revenues over expenses for the year	18,941,685	(2,356,343)	-	-	16,585,342
Inter fund transfer (note 13)	204,771	(204,771)	-	-	-
Transfer to internally restricted (note 14)	(16,000,000)	-	16,000,000	-	-
Net assets, end of year	**$ 2,112,382**	**$ 10,460,011**	**$ 18,000,000**	**$ 5,805,076**	**$ 36,377,469**

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Remeasurement Gains and Losses

For the year ended March 31	2023	2022
Accumulated remeasurement gains, beginning of year	$ 7,716	$ -
Unrealized (losses) gains attributable to:		
Fixed income	-	-
Equity instruments	(66,805)	7,716
	(66,805)	7,716
Realized (losses) gains attributable to:		
Fixed income	-	-
Equity instruments	(26,901)	-
	(26,901)	-
Net remeasurement (losses) gains for the year	(93,706)	7,716
Accumulated remeasurement (losses) gains, end of year	**$ (85,990)**	**$ 7,716**

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

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Operations

For the year ended March 31	2023	2022 As Restated (note 22)
Revenues		
Grants and reimbursements	$ 25,788,537	$ 32,223,454
Student fees - domestic	14,521,159	13,055,009
Student fees - international	131,534,899	121,161,645
Ancillary	2,273,563	1,382,820
Investment income	5,225,500	1,114,665
Other	7,538,376	6,396,670
Amortization of deferred capital contributions	4,590,679	4,436,114
Gain on disposal of capital assets	-	47,639
	191,472,713	179,818,016
Expenses		
Salaries and benefits	50,918,722	45,669,400
Instructional supplies and field work	1,492,312	1,075,757
Utilities and plant services	10,019,997	7,854,442
Contracted and professional services	10,070,602	9,366,714
International activities	75,174,587	80,043,388
General expenditures and supplies	6,117,041	4,674,822
Information technology, furniture and equipment, purchases and rentals	3,148,936	3,328,824
Scholarships, bursaries and awards	1,590,243	1,936,860
Ancillary	3,058,699	2,316,698
Interest on long-term debt	222,794	222,148
Loss on disposal of capital assets	388	-
Accretion expense	106,224	102,187
Amortization of capital assets	7,044,826	6,641,434
	168,965,371	163,232,674
Excess of revenues over expenses for the year	$ 22,507,342	$ 16,585,342

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

CANADORE COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Cash Flows

For the year ended March 31	2023	2022 As Restated (note 22)
Net inflow (outflow) of cash related to the following activities		
Operating		
Excess of revenues over expenses	$ 22,507,342	$ 16,585,342
Items not involving cash:		
Amortization of capital assets	7,044,826	6,641,434
Amortization of deferred capital contributions	(4,590,679)	(4,436,114)
Accretion expense	106,224	102,187
Loss (gain) on disposal of capital assets	388	(47,639)
Accrual for post-employment benefits and compensated absences	129,105	(149,394)
Unrealized (loss) gain on externally resticted cash and investments	(93,706)	7,716
	25,103,500	18,703,532
Change in non-cash operating working capital:		
Accounts receivable	(4,682,762)	(290,199)
Grants receivable	(559,429)	699,737
Prepaid expenses	(690,050)	227,576
Other receivables	217	-
Accounts payable and accrued liabilities	(5,947,782)	9,913,081
Deferred revenue	(5,064,118)	12,771,859
Deferred contributions	(190,939)	(160,475)
	7,968,637	41,865,111
Investing		
Internally restricted cash and investments	(18,025,783)	(16,000,000)
Financing		
Repayment of long-term debt	(777,980)	(943,096)
Advances of long-term debt	-	750,000
Cash outlays for asset retirement obligation	(221,830)	-
	(999,810)	(193,096)
Capital		
Purchase of capital assets	(5,990,570)	(6,058,777)
Proceeds on disposal of capital assets	(388)	47,639
Contributions received for capital purposes	2,062,952	4,450,377
	(3,928,006)	(1,560,761)
(Decrease) increase in cash and cash equivalents	(14,984,962)	24,111,254
Cash and cash equivalents, beginning of year	125,493,300	101,382,046
Cash and cash equivalents, end of year	$ 110,508,338	$ 125,493,300

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

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 and investments held in equity instruments are initially recognized at cost and subsequently measured 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.

Unrealized changes in fair value on unrestricted investment accounts are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

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 and long-term debt. 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.

Liability for Asset Retirement Obligations

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

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, actuarial estimation of post-employment benefits and compensated absences liabilities and inputs for asset retirement obligations.

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:

	2023		
	Fair Value	Amortized Cost	Total
Cash and cash equivalents	$ 110,508,338	$ -	$ 110,508,338
Accounts receivable	-	10,074,461	10,074,461
Grants receivable	-	4,452,459	4,452,459
Internally restricted cash and investments (i)	36,025,783	-	36,025,783
Restricted cash and investments (ii)	5,912,801	-	5,912,801
Accounts payable and accrued liabilities	-	26,074,487	26,074,487
Long-term debt	-	8,870,431	8,870,431
	$ 152,446,922	$ 49,471,838	$ 201,918,760

	2022		
	Fair Value	Amortized Cost	Total
Cash and cash equivalents	$ 125,493,300	$ -	$ 125,493,300
Accounts receivable	-	5,391,699	5,391,699
Grants receivable	-	3,893,030	3,893,030
Internally restricted cash and investments (i)	18,000,000	-	18,000,000
Restricted cash and investments (ii)	5,805,076	-	5,805,076
Accounts payable and accrued liabilities	-	32,022,272	32,022,272
Long-term debt	-	9,648,411	9,648,411
	$ 149,298,376	$ 50,955,412	$ 200,253,788

(i) Included in internally restricted cash and investments are cash balances and equity holdings

(ii) Included in restricted cash and investments is $4,700,266 (2022 - $4,855,472) in bonds and equities and $1,212,535 (2022 - $949,604) in interest bearing accounts with interest rates ranging from 0.85% to 11.35% (2022 – 0.8% to 11.35%) with maturities as follows:

	2023				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 Years	Total
Carrying value	$ 2,673,369	$ 1,514,697	$ 304,445	$ 207,755	$ 4,700,266
Percent of total	57%	32%	6%	3%	

	2022				
	Within 1 year	2 to 5 years	6 to 10 years	Over 10 Years	Total
Carrying value	$ 2,240,739	$ 1,299,568	$ 866,854	$ 448,311	$ 4,855,472
Percent of total	46%	27%	18%	8%	

2. 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;

- 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).

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 110,508,338	$ -	$ -	$ 110,508,338
Internally restricted cash and investments	36,025,783	-	-	36,025,783
Restricted cash and investments	5,912,801	-	-	5,912,801
	$ 152,446,922	**$ -**	**$ -**	**$ 152,446,922**

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 125,493,300	$ -	$ -	$ 125,493,300
Internally restricted cash and investments	18,000,000	-	-	18,000,000
Restricted cash and investments	5,805,076	-	-	5,805,076
	$ 149,298,376	**$ -**	**$ -**	**$ 149,298,376**

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2023 and 2022. 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, 2023, the outstanding balance under this credit facility was $Nil (2022 - $Nil).

4. ACCOUNTS RECEIVABLE

	2023	**2022**
Trade receivables (net of $Nil (2022 - $33,900) allowance)	$ 8,759,596	$ 4,296,725
Student receivable (net of $115,000 (2022 - $145,000) allowance)	244,892	139,098
Harmonized Sales Tax receivable	991,857	845,097
Accrued interest receivable	78,116	110,779
	$ 10,074,461	**$ 5,391,699**

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:

	2023	2022
Accounts receivable from City of North Bay repayable from future lot levies for water and sewer connections	$ 488,599	$ 488,816

6. CAPITAL ASSETS

2023	Cost	Accumulated Amortization	Net Book Value
Land	$ 3,160,956	$ -	$ 3,160,956
Site improvements	2,101,741	935,209	1,166,532
Buildings	111,400,499	58,339,311	53,061,188
Furniture and equipment	34,087,233	28,885,162	5,202,071
Computer equipment	9,785,264	8,684,044	1,101,220
Computers under capital lease	1,670,105	1,670,105	-
Equipment	24,218,223	16,351,201	7,867,022
Construction in progress	1,562,786	-	1,562,786
	$ 187,986,807	**$ 114,865,032**	**$ 73,121,775**

2022	Cost	Accumulated Amortization	Net Book Value
Land	$ 3,160,956	$ -	$ 3,160,956
Site improvements	2,101,741	725,035	1,376,706
Buildings	110,795,771	55,796,905	54,998,866
Furniture and equipment	32,415,105	26,991,752	5,423,353
Computer equipment	8,901,482	8,142,136	759,346
Computers under capital lease	1,670,105	1,670,105	-
Equipment	23,025,309	14,568,502	8,456,807
	$ 182,070,469	**$ 107,894,435**	**$ 74,176,034**

7. DEFERRED REVENUE

	2023	2022
Advanced tuition fees	$ 87,388,673	$ 92,185,000
Alumni Association	165,778	402,723
Student Athletics	324,836	199,141
Grants and other	3,513,533	3,670,074
	$ 91,392,820	**$ 96,456,938**

8. LONG-TERM DEBT

	2023	2022
Student Residence		
2.14% Mortgage, payable in monthly installments of $35,394, including principal and interest, maturing October 27, 2029	$ 2,580,365	$ 2,945,598
3.477% Mortgage payable in semi-annual installments of $116,263 including principal and interest, maturing November 10, 2026	861,366	1,058,780
3.222% Mortgage payable in semi-annual installments of $63,446 including principal and interest, maturing July 1, 2027	527,610	634,902
Capital Financing		
3.95% Fixed rate term loan, payable in semi-annual installments of $114,404 including principal and interest, maturing March 5, 2049	3,696,728	3,777,053
3.2% Fixed rate term loan, payable in monthly installments of $4,235 including principal and interest, maturing December 20, 2041	715,763	743,262
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)	488,599	488,816
	8,870,431	9,648,411
Current portion of long-term debt	799,506	777,764
	$ 8,070,925	$ 8,870,647

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

2024	$ 799,506
2025	823,342
2026	847,085
2027	871,455
2028	598,759
Thereafter	4,930,284
	$ 8,870,431

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:

	2023				
	Post-employment benefits	Non-vested sick leave	Vested sick leave	Parental leave	Total liability
Accrued employee future benefits obligation	$ 512,000	$ 1,793,000	$ -	$ 88,105	$ 2,393,105
Value of plan assets	(125,000)	-	-	-	(125,000)
Unamortized actuarial gains (losses)	111,000	(193,000)	-	-	(82,000)
Total liability	$ 498,000	$ 1,600,000	$ -	$ 88,105	$ 2,186,105

	2022				
	Post-employment benefits	Non-vested sick leave	Vested sick leave	Parental leave	Total liability
Accrued employee future benefits obligation	$ 447,000	$ 1,369,000	$ -	$ -	$ 1,816,000
Value of plan assets	(121,000)	-	-	-	(121,000)
Unamortized actuarial gains (losses)	113,000	249,000	-	-	362,000
Total liability	$ 439,000	$ 1,618,000	$ -	$ -	$ 2,057,000

	2023				
	Post-employment benefits	Non-vested sick leave	Vested sick leave	Parental leave	Total expense
Current year benefit costs (recovery)	$ 66,000	$ 85,000	$ -	$ -	$ 151,000
Interest on accrued benefit obligation	1,000	40,000	-	-	41,000
Amortized actuarial losses (gains)	(5,000)	-	-	-	(5,000)
Total expense	$ 62,000	$ 125,000	$ -	$ -	$ 187,000

	2022				
	Post-employment benefits	Non-vested sick leave	Vested sick leave	Parental leave	Total expense
Current year benefit costs (recovery)	$ (15,000)	$ 123,000	$ -	$ -	$ 108,000
Interest on accrued benefit obligation	1,000	27,000	-	-	28,000
Amortized actuarial losses (gains)	(5,000)	-	-	-	(5,000)
Total expense	$ (19,000)	$ 150,000	$ -	$ -	$ 131,000

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 $57,895 (2022 - $280,394).

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

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

Retirement Benefits

CAAT Pension Plan

All full time employees of the College, and any part time employees who opt to participate, are members of the 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, 2023 indicated an actuarial surplus on a going concern basis of $4.7 billion. The College made contributions to the Plan and its associated retirement compensation arrangement in the amount of $4,077,237 in 2023 (2022 - $3,711,215), which has been included in salaries and benefits on the Statement of Operations.

Post-Employment Benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The 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, 2023 of the future benefits was determined using a discount rate of 3.4% (2022 – 2.9%).

b) *Hospital and other medical*
Medical premium increases were assumed to increase at 6.16% per annum in 2023 (2022 – 6.29%), grading down to 4.0% per annum in 2040.

c) *Dental costs*
Dental costs were assumed to increase at 4.0% per annum in 2023 (2022 – 4.0%).

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

Compensated Absences

Non-Vested Sick Leave

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.

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

	2023	2022
Wage and salary escalation		
Academic full-time and partial load	2% in 2020, 1.0% per annum thereafter	2% in 2020, 1.0% per annum thereafter
Support staff full-time	1.0% in 2020, 2% in 2021, 1.25% in 2022, and 1.0% per annum thereafter	1.0% in 2020, 2% in 2021, 1.25% in 2022, and 1.0% per annum thereafter

The probability that the employee will use more sick days than the annual entitlement and the excess number of sick days used are within ranges of 0% to 26.2% (2022 - 0% to 26.2%) and 0% to 9.4% (2022 – 0% to 9.4%) respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

10. DEFERRED CONTRIBUTIONS

	2023	2022
Balance, beginning of year	$ 300,820	$ 461,295
Contributions received	73,532	34,300
Interest earned on contributions during the year	71,054	303,141
Unrealized gains (losses) on investments	(103,227)	(383,492)
Amounts recognized to revenue	(232,298)	(114,424)
Balance, end of year	**$ 109,881**	**$ 300,820**

Deferred contributions are comprised of:

	2023	2022
Scholarships, bursaries and awards	$ 117,471	$ 47,859
Endowment fund interest and unrealized gains	(223,943)	39,784
Joint employment stability reserve	216,353	213,177
Balance, end of year	**$ 109,881**	**$ 300,820**

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:

	2023	2022
Balance, beginning of year	$ 54,556,428	$ 54,567,614
Contributions received for capital purposes	2,062,952	4,450,377
Disposal of capital assets	-	(25,449)
Amortization of deferred capital contributions	(4,590,679)	(4,436,114)
Balance, end of year	**$ 52,028,701**	**$ 54,556,428**

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 $193,303 and $99,175 respectively (2022 - $153,204 and $259,675).

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:

	2023					2022
	OSOTF I	**OSOTF II**	**OTSS**	**Other**	**Total**	**Total**
Fund balance, beginning of year	$1,713,852	$ 275,744	$2,308,446	$1,507,034	$5,805,076	$5,697,771
Cash donations received	-	-	-	107,725	107,725	107,305
Fund balance, end of year	$1,713,852	$ 275,744	$2,308,446	$1,614,759	$5,912,801	$5,805,076

12. EXTERNALLY RESTRICTED NET ASSETS (continued)

Schedule of changes in expendable funds available for awards:

	2023					2022
	OSOTF I	**OSOTF II**	**OTSS**	**Other**	**Total**	**Total**
Balance, beginning of year	$ 125,118	$ (185)	$ 117,581	$ 17,161	$ 259,675	$ 75,983
Investment income, net of direct investment related expenses	9,601	1,569	13,130	8,503	32,803	300,838
Bursaries awarded	(40,987)	(10,689)	(69,161)	(72,466)	(193,303)	(117,146)
Balance, end of year	$ 93,732	$ (9,305)	$ 61,550	$ (46,802)	$ 99,175	$ 259,675

13. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets represents the following:

	2023	**2022**
Capital assets	$ 73,121,775	$ 74,176,034
Less amounts financed by:		
Deferred capital contributions	(52,028,701)	(54,556,428)
Long-term debt relating to capital assets	(8,381,832)	(9,159,595)
	$ 12,711,242	**$ 10,460,011**

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

	2023	**2022**
Purchase of capital assets	$ 5,990,570	$ 6,058,777
Principal payment of long-term debt	777,760	943,096
Less: advances of long-term debt	-	(750,000)
Less: proceeds on disposal of fixed assets	388	(47,639)
Less: amounts financed by deferred capital contributions	(2,062,952)	(4,450,377)
Other	-	(1,958,628)
	$ 4,705,766	**$ (204,771)**

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:

	2023	2022
International Studies Programming	$ 2,000,000	$ 2,000,000
Domestic Studies Programming	250,000	250,000
Strategic Initiatives	18,150,000	9,450,000
Capital Infrastructure	12,100,000	6,300,000
Resourcing Requirements	3,500,000	-
Scholarships and Bursaries	25,783	-
	$ 36,025,783	**$ 18,000,000**

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.

In November 2019 the province of Ontario passed Bill 124 entitled "Protecting a Sustainable Public Sector for Future Generations Act, 2019". This legislation limited compensation increases for Ontario Public Sector unionized and non-unionized employees for a three year window. In November 2022 the Ontario Superior Court declared this legislation to be void and of no effect. The impact to the College, if any, as a result of this Ontario Superior Court ruling is not determinable and as such would only be recorded in the fiscal year it becomes known.

16. CANADORE STUDENTS' COUNCIL

Included in assets and liabilities at year end is $2,518,903 (2022 - $1,916,598) 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 $1,235,692 (2022 - $1,055,410) 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, 2023 these funds had a market value of $2,444,915 (2022 - $2,495,046).

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 $31,625 (2022 - $132,300). The College has an outstanding receivable from the Foundation as at March 31, 2023 in the amount of $23,624 (2022 – $108,155). 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 on a quarterly basis in the amount of $24,439 (2022 - $26,550). The Foundation is not controlled by the College and therefore is not consolidated in these financial statements.

18. ECONOMIC DEPENDENCE

The College receives approximately 13% (2022 – 18%) of its revenues from the Ministry of Colleges and Universities.

19. COMMITMENTS

On May 30, 2016, the College entered into a fifteen year agreement with a private sector entity to deliver some of the College's international academic student programming. Included in expenses is $56,381,042 (2022 - $59,443,270) relating to this contract.

20. FINANCIAL INSTRUMENT RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk 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 $500,000 (2022 - $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.

20. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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:

	2023				
	Total	**1-30 days**	**31-60 days**	**61-90 days**	**91-120 days**
Government receivables	$ 5,444,316	$ 5,444,316	$ -	$ -	$ -
Student receivables	359,892	74,189	25,071	90,103	170,529
Other receivables	8,837,712	6,650,233	695,085	676,898	815,496
Gross receivables	14,641,920	12,168,738	720,156	767,001	986,025
Less: impairment allowances	(115,000)	-	-	-	(115,000)
Net receivables	$ 14,526,920	$12,168,738	$ 720,156	$ 767,001	$ 871,025

	2022				
	Total	**1-30 days**	**31-60 days**	**61-90 days**	**91-120 days**
Government receivables	$ 4,738,127	$ 4,738,127	$ -	$ -	$ -
Student receivables	284,098	17,179	41,412	89,022	136,485
Other receivables	4,441,404	2,388,999	529,036	478,086	1,045,283
Gross receivables	9,463,629	7,144,305	570,448	567,108	1,181,768
Less: impairment allowances	(178,900)	-	-	-	(178,900)
Net receivables	$ 9,284,729	$ 7,144,305	$ 570,448	$ 567,108	$1,002,868

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

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

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.

20. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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 0.85% to 11.35% (2022 – 0.8% to 11.35%) with maturities ranging from June 15, 2023 to April 23, 2046 (2022 – April 7, 2022 to June 2, 2048).

At March 31, 2023, 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 $50,232 (2022 - $50,563). A 1% fluctuation in interest rates would have an estimated impact on interest expense related to the College's bank loans of $83,818 (2022 - $91,596) 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.

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, 2023, 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 $150,289 (2022 - $123,334).

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

20. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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):

	2023			
	Within 6 months	**6 months to 1 year**	**1 to 5 years**	**over 5 years**
Accounts payable	$26,074,487	$ -	$ -	$ -
Long-term debt	399,753	399,752	3,140,641	4,930,284
	$26,474,240	$ 399,752	$ 3,140,641	$ 4,930,284

	2022			
	Within 6 months	**6 months to 1 year**	**1 to 5 years**	**over 5 years**
Accounts payable	$32,022,272	$ -	$ -	$ -
Long-term debt	388,882	388,881	3,341,389	5,529,258
	$32,411,154	$ 388,881	$ 3,341,389	$ 5,529,258

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.

21. ASSET RETIREMENT OBLIGATION

The College's financial statements include an asset retirement obligation related to the remediation required for asbestos present in the building and townhouses located at the College Drive campus and the building located at Commerce Court and underground tanks located at the Commerce Court campus. The related asset retirement costs are being amortized on a straight line basis. This amount was determined based on total undiscounted expenditures of $4,112,998 present valued at a discount rate of 3.95% over a period of 15 years for the buildings that contain asbestos and four years for the underground tanks. Payment to settle the asset retirement obligations will occur at the end of their life in full.

The carrying amount of the liability is as follows:

	2023	2022
Balance, beginning of year	$ 2,689,209	$ 2,587,022
Less: cash outlays	(221,830)	-
Add: Accretion expense	106,224	102,187
Balance, end of year	$ 2,573,603	$ 2,689,209

22. CHANGE IN ACCOUNTING POLICY

On April 1, 2022, the College adopted Public Sector Accounting Standard 3280 – Asset Retirement Obligations. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standard requires an obligation to be recognized related to legal obligations associated with the retirement of capital assets. This standard was applied using the modified retrospective method which requires a full restatement using assumptions and discount rates that are current as of April 1, 2022, to calculate the adjustments. The impact of adoption of this standard was as follows:

	2022
As at April 1:	
Increase in capital assets:	
Buildings, cost	$ 307,505
Buildings, accumulated amortization	224,844
	82,661
Increase in asset retirement obligation	2,587,022
Decrease in unrestricted net assets, beginning of year	2,587,022
Increase in invested in capital assets, beginning of year	82,661
As at March 31:	
Increase in amortization expense	4,863
Increase in accretion expense	102,187
Decrease in excess of revenues over expenses for the year	107,050
Increase in capital assets	77,798
Increase in asset retirement obligation	102,187
Decrease in unrestricted net assets	102,187
Decrease in invested in capital assets	4,863