Consolidated Financial Statements

THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of The St. Clair College of Applied Arts and Technology (the "College") are the responsibility of management and have been approved by the Board of Governors (the "Board").

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

The College's insurance liabilities have been reviewed by management in consultation with its broker. There are no material liabilities in either fact or contingency as at the date of this report.

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

The Audit and Finance Committee is appointed by the Board and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the consolidated financial statements and the external auditors' report.

The Audit and Finance Committee reports its findings to the Board for consideration when approving the consolidated financial statements. The Audit and Finance Committee also considers, for review and approval by the Board, the engagement or reappointment of the external auditors.

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

Michael Silvaggi
President

Marc Jones
Senior Vice President, Finance, Administration &
Chief Financial Officer

May 27, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the financial statements and schedules, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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 the 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.

KPMG

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada
May 27, 2025

THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 57,771,016	$ 69,253,915
Accounts receivable (note 17)	10,285,731	10,686,888
Temporary investments (note 2)	172,473,772	247,983,107
Prepaid expenses	9,773,045	13,482,450
	250,303,564	341,406,360
Long-term investments (note 2)	51,692,864	25,331,540
Construction in progress (note 3)	634,450	10,531,702
Capital assets (note 4)	258,048,190	229,155,963
	$ 560,679,068	$ 606,425,565
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 37,797,510	$ 51,691,811
Deferred revenue (note 6)	42,756,484	104,754,305
Vacation pay	5,679,109	6,347,329
Current portion of long-term debt (note 7)	2,064,908	2,148,344
	88,298,011	164,941,789
Long-term debt (note 7)	17,171,470	19,236,378
Post-employment benefits and compensated absences (note 8)	4,193,999	3,693,000
Deferred contributions (note 9)	14,612,106	15,822,921
Deferred capital contributions (note 10)	129,392,841	129,088,671
Deferred capital contributions relating to construction in progress (note 11)	-	500,000
Asset retirement obligations (note 5)	787,876	844,076
	254,456,303	334,126,835
Net assets:		
Unrestricted:		
Operating	42,385,242	24,714,971
Post-employment benefits and compensated absences	(4,193,999)	(3,693,000)
Vacation pay	(5,679,109)	(6,347,329)
	32,512,134	14,674,642
Invested in capital assets (note 12)	110,053,421	88,714,272
Externally restricted (note 13)	23,799,904	22,788,044
Internally restricted (note 14)	139,857,306	146,121,772
	306,222,765	272,298,730
Commitments (note 15)		
Contingent liabilities (note 16)		
	$ 560,679,068	$ 606,425,565

See accompanying notes to consolidated financial statements.

Approved by the Board of Governors

Garry Rossi Director   Director

THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

		2025		2024
Revenue:				
Grants and reimbursements	$	41,993,968	$	41,024,596
Capital support grants		148,538		106,258
Tuition revenue		115,022,250		120,522,313
Public college private partnership (note 19)		96,838,064		103,870,335
Contract training		15,585,471		15,971,420
Amortization of deferred capital contributions		6,568,325		6,380,664
Other income		29,788,934		33,439,626
Donations		797,509		476,169
Foundation		3,948,600		4,489,550
Ancillary operations		14,153,147		13,980,148
		324,844,806		340,261,079
Expenses:				
Salaries and benefits		109,267,703		104,006,644
Operating expenditures		69,876,059		72,798,868
Public college private partnership (note 19)		76,828,545		81,533,338
Post-employment benefits and compensated absences		501,000		137,000
Foundation		3,948,600		4,489,550
Bursaries and scholarships		793,054		468,169
Amortization of capital assets		15,076,411		13,912,840
Other expenditures out of capital support grants		141,027		106,284
Ancillary operations		15,496,515		13,484,259
Loss on disposal of capital assets		3,717		52,202
		291,932,631		290,989,154
Excess of revenue over expenses	$	32,912,175	$	49,271,925

See accompanying notes to consolidated financial statements.

THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	Unrestricted	Invested in capital assets (note 12)	Externally restricted (note 13)	Internally restricted (note 14)	2025 Total	2024 Total
Balance, beginning of year	$ 14,674,642	88,714,272	22,788,044	146,121,772	$ 272,298,730	$ 239,406,866
Endowment and annual funds received (transferred) during the year	-	-	1,011,860	-	1,011,860	(15,582,029)
Excess (deficiency) of revenues over expenses	41,423,978	(8,511,803)	-	-	32,912,175	49,271,925
Transfer of unrestricted to internally restricted	6,264,466	-	-	(6,264,466)	-	(798,032)
Net change in investment in capital assets (note 12b)	(29,850,952)	29,850,952	-	-	-	-
Balance, end of year	$ 32,512,134	$ 110,053,421	$ 23,799,904	$ 139,857,306	$ 306,222,765	$ 272,298,730

See accompanying notes to consolidated financial statements.

THE ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

		2025		2024
Cash provided by (used in):				
Operations:				
Excess of revenue over expenses	$	32,912,175	$	49,271,925
Items not involving cash:				
Amortization of capital assets		15,076,411		13,912,840
Amortization of deferred capital contributions		(6,568,325)		(6,380,664)
Accrual for post-employment benefits and compensated absences		500,999		137,000
Deferred contributions recognized as revenue in the year		(3,948,600)		(4,489,550)
Unrealized loss (gain) on long-term investments		1,255,354		(1,132,932)
Loss on disposal of capital assets		3,717		52,202
		39,231,731		51,370,821
Changes in non-cash operating working capital:				
Accounts receivable		401,157		(530,760)
Prepaid expenses		3,709,405		(2,305,011)
Accounts payable and accrued liabilities		(13,894,301)		18,347,527
Accrual for vacation pay		(668,220)		392,076
Deferred revenue		(61,997,821)		(34,239,876)
		(33,218,049)		33,034,777
Financing activities:				
Deferred contributions		2,737,785		18,431,966
Repayment of long-term debt		(2,148,344)		(2,037,497)
Internally restricted scholarship reserve transfer		-		(798,032)
Endowment and annual contributions (transfers), net		1,011,860		(15,582,029)
		1,601,301		14,408
Capital activities:				
Contributions received for capital purposes		6,872,495		7,144,008
Contributions paid for construction in progress		(500,000)		(31,340)
Proceeds on disposal of capital assets		-		26,177
Purchase of capital assets and construction in progress		(34,075,103)		(32,914,199)
Asset retirement obligations settlement		(56,200)		(175,769)
		(27,758,808)		(25,951,123)
Investing activities:				
Purchase of long-term investments		(27,616,678)		(7,639,628)
Redemption (purchase) of temporary investments		75,509,335		(13,525,992)
		47,892,657		(21,165,620)
Decrease in cash		(11,482,899)		(14,067,558)
Cash, beginning of year		69,253,915		83,321,473
Cash, end of year	$	57,771,016	$	69,253,915

See accompanying notes to financial statements.

The St. Clair College of Applied Arts and Technology (the "College"), was incorporated in 1965 under the laws of the Province of Ontario, and 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, vocationally oriented education in the areas of applied arts, business, health sciences and technology.

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

1. Significant accounting policies:

(a) Basis of presentation:

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

The consolidated financial statements include the accounts of the College and its wholly controlled entity, St. Clair College Foundation. All significant inter-organization balances and transactions have been eliminated on consolidation.

These consolidated financial statements do not reflect the assets, liabilities and results of operations of the various student organizations.

(b) Revenue recognition:

Revenue is recognized when the College has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred.

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.

Gifts in-kind are recorded at fair value in the year of receipt.

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Ancillary revenues including parking, bookstore, residence, St. Clair College Centre for the Arts 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 and if the amount to be received can be reasonably estimated and collection is reasonably assured.

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 into revenue on a straight-line basis corresponding with the amortization rate for the related capital assets.

Endowment contributions, having externally imposed restrictions requiring that the principal be maintained intact, 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.

Pledges are recorded as revenue when management can make a reasonable estimate of the amount and collection is reasonably assured. The College received pledges in the amount of $290,000 (2024 - $280,000) which have not been recorded in the accompanying financial statements.

1. Significant accounting policies (continued):

(c) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with maturities of 30 days or less when purchased.

(d) Short-term investments:

Short-term investments are recorded at fair value. Subsequent changes in the fair value of short-term investments are adjusted through the statement of financial position.

(e) Long-term investments:

Long-term investments are recorded at fair value. Subsequent changes in the fair value of restricted long-term investments are adjusted through the statement of financial position.

(f) Investment income:

Realized gains and losses on the sale of investments are determine using the average cost of securities sold. Interest and dividend income is recorded on the accrual basis.

(g) Endowment funds:

Endowed funds consist of external contributions that the donor has designated as a permanent endowment. The endowed funds cannot be expended by the Foundation. The annual income earned on the endowed funds may be expended only for the externally restricted purposes specified by the donor.

(h) 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 expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

1. Significant accounting policies (continued):

(h) Capital assets (continued):

Construction in progress is not recorded as a capital asset or amortized until it is put into 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:

Asset	Basis
Buildings	40 years
Site improvements	10 years
Furniture & equipment	5 years
Leasehold improvements	5 years
Computer equipment	3 years

(i) Vacation pay:

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

(j) Retirement and post-employment benefits and compensated absences:

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

(i) The costs of the post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.

1. Significant accounting policies (continued):

(j) Retirement and post-employment benefits and compensated absences (continued):

(ii) The costs of the post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.

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

(iv) 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.

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

(k) Financial instruments:

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

(i) Fair value:

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

1. Significant accounting policies (continued):

(k) Financial instruments (continued):

(i) Fair value (continued):

They are initially recognized at cost and subsequently carried at fair value. Changes in fair value on restricted assets are recognized as a deferred contribution 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.

As the College has no financial instruments recognized at fair value which are not deferred, the College does not have a statement of remeasurement gains and losses.

(ii) Amortized cost:

This category includes accounts receivable, accounts payable, accrued liabilities and other liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

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

1. Significant accounting policies (continued):

(l) Asset retirement obligations:

An asset retirement obligation ("ARO") is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos in several buildings owned by the College has been recognized based on estimated remediation costs of asbestos removal upon repair of affected areas or upon sale or closure of the building.

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability recorded within the consolidation financial statements is recognized in the consolidated statement of operations at the time of remediation.

The estimated undiscounted fair value of the ARO liability resulted in an accompanying increase to Building Capital Asset. The increase to the tangible capital asset is amortized in accordance with the amortization accounting policy for the College as outlined in (h).

(m) Use of 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 estimates. Areas of key estimation includes the determination of fair value for long-term investments, allowance for doubtful accounts, the carrying amount of capital assets, the valuation and estimated timing of asset retirement obligations, and actuarial estimation of post-employment benefits and compensated absences liabilities.

2. Financial instrument classification:

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

2025	Fair value	Amortization at cost	Total
Cash and cash equivalents	$ 57,771,016	$ -	$ 57,771,016
Accounts receivable	-	10,285,731	10,285,731
Temporary investments	172,473,772	-	172,473,772
Long-term investments	51,692,864	-	51,692,864
Accounts payable and accrued liabilities	-	37,797,510	37,797,510
Long-term debt	-	19,236,378	19,236,378
	$281,937,652	$ 67,319,619	$349,257,271

2024	Fair value	Amortization at cost	Total
Cash and cash equivalents	$ 69,253,915	$ -	$69,253,915
Accounts receivable	-	10,686,888	10,686,888
Temporary investments	247,983,107	-	247,983,107
Long-term investments	25,331,540	-	25,331,540
Accounts payable and accrued liabilities	-	51,691,811	51,691,811
Long-term debt	-	21,384,722	21,384,722
	$342,568,562	$ 83,763,421	$426,331,983

Temporary investments consist of highly liquid investments, including guaranteed investment certificates with maturities of less than one year. Long-term investments consist of equity instruments in public companies, bonds, and term deposits. Long-term investments include $26,016,220 (2024 - $25,331,540) of investments externally restricted for endowment purposes (see Note 13).

2. Financial instrument classification (continued):

Long-term investments consist of the following:

	2025	2024
Fair value:		
Term deposits	$ 25,676,644	$ -
Corporate and government bonds	12,994,935	17,033,158
Shares in public companies and mutual funds	13,021,285	8,298,382
	$ 51,692,864	$ 25,331,540

	2025	2024
Cost:		
Term deposits	$ 25,676,644	$ -
Corporate and government bonds	12,727,974	16,955,196
Shares in public companies and mutual funds	12,408,267	6,241,011
	$ 50,812,885	$ 23,196,207

Maturity profile of bonds held is as follows:

2025	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	No specific maturity	Total
Carrying value	$ 347,326	$5,467,851	$1,828,064	$ 471,718	$4,879,976	$12,994,935
Percent of total	3%	41%	14%	4%	38%	100%
						$12,994,935

2024	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total
Carrying value	$ 2,083,808	$10,398,055	$4,105,286	$ 446,009	$17,033,158
Percent of total	12%	61%	24%	3%	100%
					$17,033,158

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).

2025	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 57,771,016	$ -	$ -	$ 57,771,016
Temporary investments	172,473,772	-	-	172,473,772
Long-term investments	51,692,864	-	-	51,692,864
Total	$281,937,652	$ -	$ -	$281,937,652

2024	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 69,253,915	$ -	$ -	$ 69,253,915
Temporary investments	247,983,107	-	-	247,983,107
Long-term investments	25,331,540	-	-	25,331,540
Total	$342,568,562	$ -	$ -	$342,568,562

There was no movement between Levels 2 and 3 during the year.

3. Construction in progress:

Construction in progress represents costs incurred on certain building and equipment which was not available for use. Once the building and equipment is put in service, the total costs will be reclassified to capital assets and amortization will commence. As at March 31, 2025, construction in progress amounted to $634,450 (2024 - $10,531,702).

4. Capital assets:

2025	Cost	Accumulated amortization	Net book value
Land	$ 6,036,323	$ -	$ 6,036,323
Buildings, including asset retirement costs	321,467,836	105,318,635	216,149,201
Site improvements	34,163,318	15,674,351	18,488,967
Furniture & equipment	95,758,346	78,859,664	16,898,682
Computer equipment	3,284,624	2,975,882	308,742
Leasehold improvements	4,748,700	4,582,425	166,275
	$ 465,459,147	$ 207,410,957	$ 258,048,190

2024	Cost	Accumulated amortization	Net book value
Land	$ 6,036,323	$ -	$ 6,036,323
Buildings, including asset retirement costs	289,198,003	98,263,951	190,934,052
Site improvements	29,918,427	13,589,861	16,328,566
Furniture & equipment	95,146,091	79,835,742	15,310,349
Computer equipment	2,774,531	2,562,855	211,676
Leasehold improvements	4,748,700	4,413,703	334,997
	$ 427,822,075	$ 198,666,112	$ 229,155,963

Amortization expense for the year is $15,076,411 (2024 - $13,912,840).

5. Asset retirement obligations:

The College owns and operates several buildings that are known to have asbestos and there is a legal obligation to remove it upon repair of the affected areas or upon sale or closure of the building. Following the adoption of PS 3280 – Asset Retirement Obligations, the College recognized an obligation related to the remediation of asbestos in these buildings as estimated at April 1, 2021. The buildings had an estimated useful life of 40 years when they were acquired between 1970-2012.

	2025	2024
Balance, beginning of year	$ 844,076	$ 1,019,845
Less: obligations settled during the year	(56,200)	(175,769)
Balance, end of year	$ 787,876	$ 844,076

6. Deferred revenue:

	2025	2024
Advanced tuition fees	$ 33,888,109	$ 95,388,591
Unearned grants	6,164,778	6,618,428
Unearned rent	395,298	364,258
Other	2,308,299	2,383,028
	$ 42,756,484	$104,754,305

7. Long-term debt:

The College has a $5,000,000 operating line of credit. No amount has been drawn upon this operating line of credit as at March 31, 2025 (2024 - $nil). The other long-term debt outstanding at year-end consists of:

	2025	2024
6.63% debt, payable $128,585 monthly including interest, due March 28, 2028	$ 4,187,304	$ 5,408,405
2.147% debt, payable $200,975 semi-annually including interest, due May 14, 2025	198,840	590,207
4.730% debt, payable $628,383 semi-annually including interest, due September 2, 2042	14,850,234	15,386,110
	19,236,378	21,384,722
Current portion of long-term debt	(2,064,908)	(2,148,344)
	$ 17,171,470	$ 19,236,378

7. Long term debt (continued):

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

2026	$ 2,064,908
2027	1,982,088
2028	2,105,485
2029	645,964
2030	676,853
Thereafter	11,761,080
	$ 19,236,378

Security on the 6.63% long-term debt consists of a general assignment of the rents associated with the College’s Windsor residence and a continuing interest in any and all monies deposited into an escrow account.

Security on the 2.147% long-term debt consists of entitlement to the Minister of Finance to deduct from monies appropriated by the Ontario Legislature for payment to the College, amounts equal to any amounts that the College fails to pay under these long-term debt arrangements.

Security on the 4.730% long-term debt consists of entitlement to the Minister of Finance to deduct from monies appropriated by the Ontario Legislature for payment to the College, amounts equal to any amounts that the College fails to pay under these long-term debt arrangements.

8. Post-employment benefits and compensated absences liability:

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

2025	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 1,066,000	$ 4,477,000	$ -	$ 5,543,000
Value of plan assets	(210,000)	-	-	(210,000)
Unamortized actuarial gains (losses)	91,000	(1,230,000)	-	(1,139,000)
Total liability	$ 947,000	$ 3,247,000	$ -	$ 4,194,000

2024	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 865,000	$ 4,235,000	$ 52,000	$ 5,152,000
Value of plan assets	(204,000)	-	-	(204,000)
Unamortized actuarial gains (losses)	125,000	(1,376,000)	(4,000)	(1,255,000)
Total liability	$ 786,000	$ 2,859,000	$ 48,000	$ 3,693,000

2025	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 195,000	$ 391,000	$ 1,000	$ 587,000
Interest on accrued benefit obligation	3,000	155,000	1,000	159,000
Amortized actuarial (losses) gains	(32,000)	228,000	61,000	257,000
Total expense	$ 166,000	$ 774,000	$ 63,000	$ 1,003,000

8. Post-employment benefits and compensated absences liability (continued):

2024	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 7,000	$ 322,000	$ 1,000	$ 330,000
Interest on accrued benefit obligation	3,000	124,000	2,000	129,000
Amortized actuarial (losses) gains	(13,000)	97,000	-	84,000
Total expense	$ (3,000)	$ 543,000	$ 3,000	$ 543,000

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

(a) Retirement benefits:

CAAT Pension Plan:

A majority of the College's employees are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit plan for eligible employees of public colleges and related employers in Ontario. The College makes contributions to the Plan equal to those of employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the plan were a defined contribution plan with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. 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, 2025, indicated an actuarial surplus of $6.1 billion (2024 - $5.3 billion). The College made contributions to the Plan and its associated retirement compensation arrangement of $8,420,280 (2024 - $8,510,363), which has been included in the statement of operations.

8. Post-employment benefits and compensated absences liability (continued):

(b) 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 valuations are as follows:

(i) Discount rate:

The present value as at March 31, 2025 of the future benefits was determined using a discount rate of 3.20% (2024 – 3.50%).

(ii) Medical premium:

Medical premium increases were assumed to increase at 6.04% per annum in 2025 (2024 – 6.16%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040.

(iii) Dental costs:

Dental costs were assumed to increase at 4.0% per annum in 2025 (2024 – 4.0%).

8. Post-employment benefits and compensated absences liability (continued):

(c) Compensated absences:

Non-vesting sick leave:

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

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

	2025	2024
Wage and salary escalation:		
Academic	2.5%	3.0%
Support	2.5%	3.0%
Discount rate	3.2%	3.5%

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 23.5% and 0 to 54 respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

9. Deferred contributions:

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2025	2024
Balance, beginning of year	$ 15,822,921	$ 1,880,504
Less: bursaries awarded in the year	(3,948,600)	(4,489,550)
Add: amounts received in the year	983,884	16,517,869
Add: unrealized (loss) gain on long-term investments	(1,255,354)	1,132,932
Add: investment income received in the year	3,009,255	781,166
Balance, end of year	$ 14,612,106	$ 15,822,921

Deferred contributions are comprised of:

	2025	2024
Scholarships and bursaries	$ 14,460,606	$ 15,671,421
Joint employment stability reserve	151,500	151,500
	$ 14,612,106	$ 15,822,921

10. 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 the deferred capital contributions balances are as follows:

	2025	2024
Balance, beginning of year	$129,088,671	$ 128,325,327
Less: amortization of deferred capital contributions	(6,568,325)	(6,380,664)
Add: contributions received for capital purposes	6,872,495	7,144,008
Balance, end of year	$129,392,841	$ 129,088,671

As at March 31, 2025 there were $nil (2024 - $nil) of deferred capital contributions received which were not spent.

11. Deferred capital contributions relating to construction in progress:

Deferred capital contributions relating to construction in progress represents the amount of grants and other restricted funding received primarily for construction of building and equipment in progress.

	2025	2024
Balance, beginning of year	$ 500,000	$ 531,340
Less: amounts transferred to assets in the year	(500,000)	(531,340)
Add: contributions received for capital purposes	-	500,000
Balance, end of year	$ -	$ 500,000

12. Investment in capital assets:

(a) Investment in capital assets represents the following:

	2025	2024
Capital assets	$258,048,190	$ 229,155,963
Construction in progress	634,450	10,531,702
Less amounts financed by:		
Long-term debt	(19,236,378)	(21,384,722)
Deferred capital contributions	(129,392,841)	(129,088,671)
Deferred capital contributions – construction	-	(500,000)
Balance, end of year	$110,053,421	$ 88,714,272

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

	2025	2024
Deficiency of revenues over expenditures:		
Amortization of deferred capital contributions related to capital assets	$ 6,568,325	$ 6,380,664
Amortization of capital assets	(15,076,411)	(13,912,840)
Loss on disposal of assets	(3,717)	(52,202)
	$ (8,511,803)	$ (7,584,378)
Net change in investment in capital assets:		
Purchase and contribution of capital assets and transfers from construction in progress	$ 34,075,103	$ 32,914,199
Disposal of capital assets	(3,717)	(78,379)
Amounts funded by deferred capital contributions	(6,872,495)	(7,144,008)
Amounts funded by deferred capital contributions – construction	500,000	31,340
Loss on disposal of capital assets, net of expenses	3,717	52,202
Repayment of long-term debt	2,148,344	2,037,497
	$ 29,850,952	$ 27,812,851

13. 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 donors. The College ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Investment income on 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 $856,650 and $2,774,264 respectively (2024 - $770,850 and $621,659).

Externally restricted endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support. Under these programs, the government matches funds raised by the College. The purpose of the programs are to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College. The programs have been discontinued.

14. Internally restricted net assets:

Internally restricted net assets are funds restricted by the College Board of Governors for future expenses. The balance for future expenses relates to the following:

2025	Financial Sustainability	Deferred Maintenance	Strategic Capital Project	Risk Management	Total
Balance, beginning of year	$ 73,920,568	$ 36,756,589	$ 25,444,615	$ 10,000,000	$146,121,772
Add: contributions	-	15,076,412	20,000,000	-	35,076,412
Less: transfer for spend	-	(15,946,263)	(25,394,615)	-	(41,340,878)
Balance, end of year	$ 73,920,568	$ 35,886,738	$ 20,050,000	$ 10,000,000	$139,857,306

14. Internally restricted net assets (continued):

2024	Financial Sustainability	Deferred Maintenance	Strategic Capital Project	Risk Management	International Scholarships	Total
Balance, beginning of year	$ 70,111,102	$ 25,878,768	$ 22,095,384	$ -	$ 5,056,127	$123,141,381
Add: contributions	3,809,466	22,047,790	13,000,000	10,000,000	240,059	49,097,315
Less: transfer for spend	-	(11,169,969)	(9,650,769)	-	(5,296,186)	(26,116,924)
Balance, end of year	$ 73,920,568	$ 36,756,589	$ 25,444,615	$ 10,000,000	$ -	$146,121,772

15. Commitments:

The College is committed to estimated minimum annual payments under operating lease agreements over the next five years as follows:

2026	$ 8,773,565
2027	4,314,813
2028	2,899,866
2029	1,151,589
2030	156,951

16. Contingent liabilities:

The College has been named as defendant or co-defendant in several actions for damages. The outcome and the amount of the losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in these financial statements. The amount will be accounted for in the period when and if such losses are determined.

17. Risk management:

(a) Credit risk:

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, debt holdings in its investment portfolio, and accounts receivable. The College holds its term deposits with a provincially regulated credit union that is protected by the Deposit Insurance Corporation of Ontario and with Canadian banking institutions that are protected by the Canadian Deposit Insurance Corporation. In the event of default, the College's term deposits are insured up to $101,740,000 (2024 - $151,724,041). In addition, the College holds part of its equity investments with an investment firm that is protected by the Canadian Investor Protection Fund (CIPF). In the event of CIPF member default, the College's equity investments are insured up to $1,000,000 (2024 - $1,000,000).

The investment policy sets issuer type limits on the bond portfolio and operates in accordance with the Ontario Financial Administration Act by placing a composition limit on the bond portfolio. All fixed income portfolios are measured for performance on a monthly basis and monitored by management on a monthly basis. The policy limits the funds to be invested in bonds of a single issuer to a maximum of 10% of the market value of the bond portfolio, except for bonds issued by the Government of Canada and Canadian provinces. The maximum exposure to investment credit risk is outlined in Note 2.

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:

17. Risk management (continued):

(a) Credit risk (continued):

			Past due			
	Total	Current	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government receivables	$ 4,187,866	$ 4,187,866	$ -	$ -	$ -	$ -
Student receivables	2,699,835	2,858	4,483	2,403	(1,774)	2,691,865
Other receivables	4,235,640	2,744,188	406,599	469,722	612,525	2,606
Gross receivables	11,123,341	6,934,912	411,082	472,125	610,751	2,694,471
Less: impairment allowance	(837,610)	-	-	-	-	(837,610)
Net receivables	$ 10,285,731	$ 6,934,912	$ 411,082	$ 472,125	$ 610,751	$ 1,856,861

The amount of other receivables aged greater than 90 days relates to banquet and general receivables for College services and accrued interest from the Foundation’s investment portfolio and scholarship donations. Student receivables not impaired are collectible based on the College’s assessment and past experience regarding collection rates.

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.

17. Risk management (continued):

(b) Market risk:

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

The investment policy's application is monitored by the Foundation Board, management, and the investment managers. Diversification techniques are utilized to minimize risk. The policy limits the investment in any single issuer to a maximum of 10% of the market value of the bond portfolio and 10% (2024 - 5%) of the market value of the equity portfolio. An exception exists for bonds issued by the Government of Canada and Canadian provinces.

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.

(c) Currency risk:

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign levels when adverse changes in foreign currency rates occur. The College is exposed to this risk through its equity holdings within its investment portfolio.

At March 31, 2025, a 1% fluctuation in foreign exchange rates, with all other variables held constant, would have an estimated impact on the fair values of the College's non-Canadian holdings of $38,698 (2024 - $25,278).

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.

17. Risk management (continued):

(d) Interest rate risk:

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

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

The College mitigates interest rate risk on its bank loans through fixed rates (see Note 7). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the bank loans.

The College's bond portfolio has interest rates ranging from 1.2% to 6.5% (2024 – 1% to 9%) with maturities ranging from November 4, 2025 to May 18, 2077 (2024 – June 2, 2024 to May 18, 2077).

At March 31, 2025, a 1% rise or drop in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of $695,366 loss and $695,366 gain respectively (2024 - $650,156 loss and $650,156 gain). The College's bank loans as described in Note 7 would not be impacted as the rate of the loans is fixed.

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.

(e) 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, 2025, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of $1,184,077 (2024 - $724,449).

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.

17. Risk management (continued):

(f) 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):

2025	Within 6 months	6 months to 1 year	1 – 5 years	> 5 years
Accounts payable	$ 31,474,987	$ 3,301,900	$ 3,020,623	$ -
Long-term debt	1,117,814	947,093	6,119,610	11,051,861
	$ 32,592,801	$ 4,248,993	$ 9,140,233	$ 11,051,861

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.

(g) Other risk:

On January 22, 2024, the Government of Canada (the “Government”) announced an intake cap on international student permit applications for a period of two years, resulting in a reduction of approximately 35% of approved study permits from 2023.

On September 18, 2024, the Government announced a further reduction to the intake cap on international student study permits for 2025 of 10% from the approved 2024 target. The 2025 cap will be maintained at the same level for 2026. Also included in this announcement was a change to Post-Graduation Work Permits (“PGWPs”), aligning work permit eligibility to labour market needs. Further details on the implementation of this change were released throughout Fall 2024, resulting in a significant reduction of the programs eligible for PGWPs.

17. Risk management (continued):

(g) Other risk (continued):

As a result of these policy changes, students at St. Clair College's public-private partnership, in the Greater Toronto Area, will no longer be eligible for post-graduate work permits, which affects the sustainability of this partnership. The last planned enrolment for the public-private partnership will be in 2025-2026, which represents the flow-through enrolment from the last intake in Spring 2024.

A significant portion of the College's tuition revenues is derived from international students and the College continues to assess the impact of this announcement on its ability to earn revenue from international students.

18. Related parties:

St. Clair College Foundation:

The St. Clair College Foundation (the "Foundation") which is consolidated within these financial statements, was established to raise funds for the use of the College. The Foundation is a registered charity and is classified as a public Foundation under the Income Tax Act and, as such, is exempt from tax. Resources of the Foundation are for the benefit of the College and are to be used for purposes agreed upon by the College and the Foundation. During the year, an amount of $3,091,950 (2024 - $3,718,700), including $nil of in-kind donations (2024 - $nil) was received from the Foundation.

The College administers the receipt and disbursement of funds on behalf of the St. Clair College Foundation at no charge.

19. Public college private partnership:

In 2014, the College began a public college-private partnership with a private career college for some post-secondary program delivery to international students. The College assesses and collects the gross student tuition and fees from the students and remits the applicable funds to the private partner. In return, the College receives a fee-for-service payment from the private partner. The partnership began winding down in fiscal 2025.