



ΕΓΗΓΟΙΙ ΗΘΙΓ ΙΠΚΙ ΗΕΡΥΕΒΟΪΥΕΥΕΡΥΔΥΙΕΕΕΕΘΕΘΥΪΪΪΪ



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**We have audited the consolidated financial statements of Holland College (the 'College'), which comprise the consolidated statement of financial position as at March 31, 2022, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.**

**In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the**



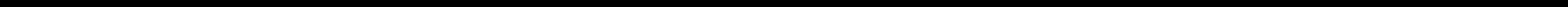
**In preparing the consolidated financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate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

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



**Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated**

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	<b>2021 Total</b>
<b>beginning of the year</b>	<b>\$ (20,585,350)</b>
	<b>1,621,517</b>
	<b>-</b>
	<b>22,228,000</b>
<b>end of the year</b>	<b>9,654</b>



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**Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The College is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations, if there is a concentration of transactions carried out with the same counterparty, or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The College's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable. Of the College's \$16,027,516 (2021 - \$16,100,732) in trade receivables, government agencies accounted for 84% (2021 - 88%). The majority of the College's receivables are from government sources and the College works to ensure they meet all eligibility criteria in order to qualify to receive the funding. The risk related to receivables, other than from government sources, has decreased from the prior year as a result of the decreased balance of accounts receivable.**

**Liquidity risk is the risk that the College will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the College will not have sufficient funds to settle a transaction on the due date, will be forced to sell financial assets at a value, which is less than what they are worth, or may be unable to settle or recover a financial asset. The College is exposed to this risk mainly in respect of its accounts payable.**

**The College's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The College maintains a portion of its invested assets in liquid securities. This risk has increased from the prior year due to an increase in payables and accruals.**

**The College is exposed to fluctuations in equity markets on its defined benefit plan assets which are invested in various marketable securities. This risk has increased over the prior year as pension obligations have increased.**

**Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College is exposed to interest rate risk through its long term debt obligations which are issued with floating interest rates. To manage its current and anticipated exposure to interest rate risks, the College has entered into rate swap contracts whereby it has fixed the interest rate on a total of \$38,898,000 (2021 - \$38,898,000) of notional principal against the floating interest position assumed by the Royal Bank of Canada. The carrying value for the swap contracts is the notional principal noted above. The swap contracts have effective interest rates and maturity dates as disclosed in Note 7.**

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