

Higher Education
Quality Council
of Ontario

An agency of the Government of Ontario



Conseil ontarien
de la qualité de
l'enseignement supérieur

Un organisme du gouvernement de l'Ontario

Higher Education Quality Council of Ontario

2024-25 Annual Report



Mandate

“To assist the Ministry of Colleges, Universities, Research Excellence and Security in improving all aspects of the postsecondary education sector, including improving the quality of education provided in the sector, access to postsecondary education and accountability of postsecondary educational institutions” (HEQCO Act, 2005).

Mission

HEQCO informs the future of Ontario higher education through authoritative research, effective communication of meaningful data and evidence-based options for solutions to the challenges facing Ontario’s postsecondary system.

Vision

HEQCO seeks to influence the key decisions, practices and policies that will guide Ontario’s public postsecondary system to national and international leadership and provide Ontarians with the greatest opportunities for social mobility and economic success.

Values

Continuously pursue independent, high-quality research: HEQCO maintains a distinctive position in the research community as a credible, authoritative and influential agency through a foundation of independent, objective, high-quality analysis to provide the best evidence-based advice to government and postsecondary institutions. By remaining attentive to emerging trends, HEQCO has the agility to pursue promising new avenues of research as opportunities arise.

Engage with leaders and practitioners worldwide: HEQCO’s work is strengthened through relationships with postsecondary institutions, non-profit agencies and community organizations. Through these connections, we ensure that the very best thinking from around the world is made available to Ontario decision-makers as a catalyst for informed decisions, collaboration and innovation. HEQCO’s global perspective on higher education research, policy and practice brings the best ideas, findings and insights to Ontario. Many of Ontario’s postsecondary education (PSE) challenges are shared by jurisdictions across Canada and worldwide.

Communicate with our audiences in accessible and meaningful ways: HEQCO contributes to the effective movement of evidence-based solutions into policy development and best practice, through understandable and direct communication. To help bridge the gap between complex research knowledge and its active use in the PSE sector, HEQCO’s work is written in an accessible style and publicly available.

Advocate for data collection and transparency: HEQCO remains an advocate for a more transparent, open and holistic approach to higher education data, in partnership with educational institutions, organizations and governments. Data is the lifeblood of evidence-based policy decision-making and HEQCO will continue to seek out solutions to the significant and persistent data gaps that exist at both the provincial and national level.

Recognize that accountability is a foundational tool for system improvement: HEQCO explores system design models across the globe to improve postsecondary access and quality in Ontario.

Respond to government priorities and mandates: HEQCO ensures that evidence-based research and evaluation of the highest quality informs policy decision-making and practice, in alignment with the Ministry of Colleges, Universities, Research Excellence and Security.

Be equipped to achieve our goals: HEQCO is committed to ensuring that our organizational structure and staff capabilities maximize impact and drive toward the achievement of our vision for Ontario postsecondary education.

Message from the President and CEO

During this reporting cycle, the impact of recent changes to federal regulations bearing on international enrolments and program eligibility for post graduate work permits played out across the postsecondary system in Ontario.

The financial pressures faced by colleges and universities forced difficult decisions around campus and program closures, staffing, program offerings and student support. Analyses of institutional efficiency were required of institutions that received stability funding from the Ontario government. These activities highlighted the mission-critical need for robust, valid, reliable data and analyses within institutions and across the sector. Over the past year, HEQCO contributed focused, relevant and timely research on these and related topics to assist and inform government and the sector.

HEQCO publications provided insight into connections between higher education and the labour market, the role of private institutions for both international students and the sector and the rapid expansion of generative AI. These projects were informed through sector consultations and provide clear analyses and recommendations aimed at improving student success and maintaining a sustainable and thriving system. HEQCO also produced two valuable resources for faculty and student support staff with our guidebooks on work-integrated learning and Indigenous ways of knowing.

Through our annual Letter of Direction, HEQCO's expertise was sought by the Ministry of Colleges, Universities, Research Excellence and Security (MCURES) to better understand both enrolment projections and population demographics, as well as part-time college enrolment and funding. This was in addition to our ongoing role reporting on the results of the government's policies regarding freedom of speech on college and university campuses.

HEQCO's unique role in the sector allows us to serve as a convenor of expertise on critical issues impacting government, institutions and students. Our consortia projects bring expertise from all corners of the higher education community to examine a wide range of challenging issues. Our Consortium on International Education wrapped up in 2024-25 and we will be sharing work from those projects in the upcoming year. We recently launched a new consortium focusing on generative AI and its potential uses and implications for PSE in Ontario.

Conducting high-quality research in higher education requires access to data, which remains a constant challenge in Ontario. We thank our excellent partners who collaborated with us this past year to navigate this barrier. We continue to work with colleagues in MCURES on realizing the potential of our data-sharing agreement and look

forward to continuing progress on this file. Thank you to our Board of Directors for their ongoing guidance and support, in particular our Chair Shelley McGill.

A handwritten signature in black ink, appearing to read 'Janice Deakin', with a stylized flourish at the end.

Janice Deakin, PhD, ICD.D, President and CEO

2024-25 Research Project Highlights

Labour Market Preparation and Transitions

Government, institutions and students are focused on graduates' pathways into the labour market. Two HEQCO reports in 2024-25 explored the barriers to employment post-graduation and the tools and services that can help learners navigate this transition. *Navigating the Transition From School to Work: The Impact of Career Development Activities and Services on Graduate Labour Market Outcomes* examined the tools available for graduating students and found that experiential learning, sector-specific resources and networking were the most helpful to graduates' successful transition into the labour market. *School-to-Work Transitions: PSE Graduates' Labour Market Outcomes Based on Identity Characteristics* found that these services and activities did not benefit all graduates equally. Students from some historically marginalized groups still struggled to establish themselves in the labour market despite making use of available supports.

HEQCO also examined alignment between programming offered through Public College-Private Partnerships (PCPPs) and Ontario's labour market. *Public College-Private Partnerships: Lessons Learned for Ontario's Postsecondary Education System* found that programming at PCPPs was misaligned with Ontario's labour market needs. PCPP graduates with diploma or graduate certificates may have entered Ontario's labour market with credentials not required for many of the available jobs.

Postsecondary Non-completion

HEQCO continued its focus on Ontario students who enrolled in but did not complete a PSE credential. *Examining the Role of Sociodemographic Characteristics in Postsecondary Non-completion and Labour Market Outcomes* found that students who faced barriers accessing PSE also saw lower completion rates. These non-completers also faced worse employment outcomes after graduation. Indigenous, Black and West Asian students had higher rates of non-completion and were among the lowest earners one year after leaving PSE.

Private Career Colleges and International Education

Private institutions are a significant but underexamined part of Ontario's PSE sector. Two HEQCO reports examined the role of private career colleges (PCCs) in the provincial system with a focus on their role in international enrolments. *Understanding the Regulatory Landscape of Private Career Colleges* was produced as part of HEQCO's Consortium on International Education. The report details that a significant proportion of PCC enrolments were made up of international students. However, there remains a lack of detailed and current research on how career colleges in the province are established, governed and regulated to meet sector goals. HEQCO's *Public College-Private Partnerships: Lessons Learned for Ontario's Postsecondary Education System* report documented the ways in which

Ontario's policy environment supported growth in international college enrolments despite misalignments between PCPP programming and labour market needs.

Supporting Work-integrated Learning and Indigenous Knowledge

Work-integrated learning (WIL) experiences such as internships, placements, co-ops and clinical practicums are important features of PSE programs that help students develop work-ready skills outside of the classroom. Since its publication in 2016, *A Practical Guide for Work-integrated Learning* has been among the most popular publications ever produced by HEQCO. In 2024-25, HEQCO revised and updated the guide to include a focus on effective and inclusive WIL programming.

Since the publication of the Truth and Reconciliation Commission's Calls to Action in 2015, many postsecondary institutions have been working to develop and implement a decolonization strategy and the inclusion of Indigenous content. HEQCO worked with an institutional partner to develop *The Indigenous Knowledge Implementation Packsack: A Handbook for Embedding Indigenous Ways of Knowing in Your Teaching*. The handbook offers guidance to postsecondary instructors working to extend their teaching practice to include Indigenous knowledges and ways of knowing.

Generative AI

Generative AI (GenAI) is quickly transforming higher education, creating an opportunity for Ontario's PSE sector to reimagine how it supports student success. Doing so will require collaboration between students, faculty, departments and institutions, which includes engaging in ongoing dialogue and sharing best practices. *Using Generative AI to Make Learning More Accessible: Insights from Ontario PSE Students and Staff* examined how GenAI can be used to make learning more accessible for all students, including those with disabilities, and the barriers to its use faced by students, instructors and staff in PSE. HEQCO also launched a new consortium on GenAI in 2025 to produce research on this important topic.

Letter of Direction Projects

In the agency's 2024-25 Letter of Direction, MCURES (then the Ministry of Colleges and Universities) requested that HEQCO conduct projects examining domestic enrolment projections and population demographics, as well as the funding model for part-time college enrolment. *Understanding Domestic Postsecondary Enrolment: Exploring Influential Demographic Factors and Data Needs in Ontario's Postsecondary Sector* and *Impacts of Ontario's Part-time Funding Model on Colleges and Students* were submitted to the Ministry. Publicly available reports using this material are being published in 2025-26.

Freedom of Speech on Campus

MCURES requires that publicly funded colleges and universities develop, implement and comply with a free speech policy that meets the minimum standard set by the Ministry.

The objective of the Ontario Campus Free Speech Policy is to ensure that all colleges and universities have a strong and clear policy that is consistent across institutions.

Regulations under the HEQCO Act were amended, requiring HEQCO to report on how free speech is addressed by postsecondary institutions and provide reports and

recommendations to the Minister based on the results of its review. The *2024 Freedom of Speech on Campus Annual Report to the Ontario Government* was published in December 2024.

Agency Performance Metrics

HEQCO's performance metrics capture the impact and scope of the research agenda and the responsible, efficient use of public funds. These metrics are intended to provide transparent, output-driven measures that are relevant and straightforward. In 2024-25, HEQCO achieved all agency performance targets identified in the 2024–2027 Business Plan.

Performance Metric	Target	2024-25 Performance
Research output	12	12
Knowledge mobilization and sector outreach	12 annually based on current staffing FTE	18
Percentage of administrative overhead	<10%	4.86%
Maximizing funding deployment while managing within budget	>90% of budgeted funds deployed	98.05%
Percentage of subscriber growth	5% growth from previous year	7.9% growth
Readership	Maintain, within 5%, the three-year average of top 20 products	Approximately 10% growth over three-year average
Distribution	20 products based on current FTE and research framework	25

Research

Research is at the core of HEQCO's work. Metrics for reporting research impact are challenging to develop, and strict quantitative measures may not capture the scope and reach of HEQCO's work.

Research output: The number of HEQCO-authored/published publications, including research reports, government evaluations and assessment projects (including the freedom of speech annual review) and briefing notes.

- Target: 12
- ✓ 2024-25 Performance: 12

Knowledge mobilization and sector outreach: The number of times HEQCO staff present at conferences, roundtables and seminars on HEQCO research projects, or serve as a convener for sector stakeholders. These include virtual/remote conferences or events.

- Target: 12 annually based on current staffing FTE

- ✓ 2024-25 Performance: 18

Administration

As a government agency, HEQCO works to responsibly and efficiently use public funds in a way that provides value to the government and people of Ontario. The metrics included for operational performance are intended to measure the success of HEQCO in making effective use of its allocated financial resources.

Percentage of administrative overhead: The ratio of administrative overhead to actual expenses. This includes the salaries, benefits, IT, office equipment and operations costs of non-research staff.

- Target: <10%
- ✓ 2024-25 Performance: 4.86%

Maximizing funding deployment while managing within budget: Delivering HEQCO's mandate within the annual operating budget while maximizing mobilization of funding for research purposes. (Note: as a provincial agency HEQCO is prohibited from operating with costs beyond allocated funding revenues.)

- Target: >90% of budgeted funds deployed
- ✓ 2024-25 Performance: 98.05%

HEQCO has twenty full-time equivalent (FTE) staff encompassing research, administration and governance functions including three designated executives. In addition, HEQCO continues to provide five work-integrated learning opportunities, totalling an additional 3.5 FTE positions, for Ontario postsecondary students and recent graduates through HEQCO's internship program. HEQCO FTE staffing has remained unchanged for the last three fiscal years.

Communications

Addressing the challenges facing higher education requires more than government policy. HEQCO's commitment to sharing its work publicly helps inform MCURES as well as institutional leaders, faculty, students, employers and the general public, and allows for informed discussions that help address the difficult problems facing the sector. The metrics for assessing communications help capture not only individual report readership, but how many are interested in continuing to read HEQCO's work. These metrics reflect the knowledge mobilization goals of HEQCO's communication activities.

Percentage of subscriber growth: The growth percentage of the collective subscribers to HEQCO's email mailing list, X account, Facebook page, LinkedIn page and any future social media platforms.

- Target: 5% growth from previous year
- ✓ 2024-25 Performance: 7.9% growth

Readership: The number of visitors to research product pages, including reports, commentary and resources, on HEQCO's website.

- Target: Maintain, within 5%, the three-year average of top 20 products
- ✓ 2024-25 Performance: Approximately 10% growth over three-year average

(Note: changes to the analytics system in 2023 prevent the direct comparison needed for an exact percentage comparison. Future years will allow for a more precise comparison.)

Distribution and outreach: The number of direct email outreaches to stakeholders/target audiences through accessible, bilingual products with a focus on digital formats on the HEQCO website. These include research products, blogs and commentary, marketing materials and communications products.

- Target: 20 products based on current FTE and research framework
- ✓ 2024-25 Performance: 25

Financial Requirements

Approximately 85% of HEQCO's \$4.1M operating budget is allocated to internal and external research, which is the core business of the agency. The remaining funds support council governance, executive services and administration of the agency.

HEQCO Revenue & Expenditure Summary (in 000s)

		2024/2025	2024/2025	
	Account Descriptions	Business Plan	Actual	Notes
REVENUE	Transfer payments	4,100.00	4,020.16	1
	Less capital purchases	17.00	16.95	
	Conference registration revenue	-	-	
	Deferred revenue	20.00	17.39	
	Interest	24.00	21.88	
	Total revenue	4,127.00	4,042.48	
EXPENSES	Council governance & executive services	9.5%	9.7%	
	Board per diem	5.8	4.4	
	Salaries & benefits	327.5	345.1	2
	Travel & communications	5.0	5.1	
	Services, supplies & equipment	22.0	36.0	2
	Depreciation expenses	1.7	1.5	
	Subtotal	361.99	392.05	
	Research	84.8%	85.4%	
	Research contracts, seminars & workshops, data purchases, translation, communications	896.01	886.71	
	Salaries & benefits	2,393.81	2,301.82	
	Travel & communications	13.00	14.67	
	Services, supplies & equipment	247.56	235.98	
	Depreciation expenses	17.00	14.80	
	Subtotal	3,567.38	3,453.98	
	Administration	5.7%	4.9%	
	Salaries & benefits	181.47	182.40	
	Travel & communications	0.20	0.16	
	Services, supplies & equipment	14.66	12.77	
	Depreciation expenses	1.30	1.11	
	Subtotal	197.64	196.44	
	Total resource requirements	4,127.00	4,024.48	

Notes:

- 1 2024-2025 surplus due to MCURES of \$79,844
- 2 President & CEO recruitment and transition costs

2024-25 Publications

Research Reports	Date
<i>Ontario Learning Since the COVID-19 Pandemic: An Updated Look at Student Experiences and Outcomes in 2021–2022</i>	April 24, 2024
<i>Examining the Role of Sociodemographic Characteristics in Postsecondary Non-completion and Labour Market Outcomes</i>	June 5, 2024
<i>Public College–Private Partnerships: Lessons Learned for Ontario's Postsecondary Education System</i>	July 31, 2024
<i>Understanding the Regulatory Landscape of Private Career Colleges</i>	August 28, 2024
<i>The Indigenous Knowledge Implementation Packsack: A Handbook for Embedding Indigenous Ways of Knowing in Your Teaching</i>	September 11, 2024
<i>Navigating the Transition From School to Work: The Impact of Career Development Activities and Services on Graduate Labour Market Outcomes</i>	October 23, 2024
<i>Using Generative AI to Make Learning More Accessible: Insights from Ontario PSE Students and Staff</i>	November 20, 2024
<i>A Practical Guide for Work-integrated Learning</i>	December 4, 2024
<i>School-to-Work Transitions: PSE Graduates' Labour Market Outcomes Based on Identity Characteristics</i>	January 28, 2025

Evaluations for Government	Date
<i>Impacts of Ontario's Part-time Funding Model on Colleges and Students</i>	September 27, 2024
<i>Understanding Domestic Postsecondary Enrolment: Exploring Influential Demographic Factors and Data Needs in Ontario's Postsecondary Sector</i>	October 25, 2024
<i>Freedom of Speech on Campus Annual Report to the Ontario Government</i>	December 18, 2024

2024-25 Presentations by HEQCO Research Staff

May 2, 2024: Georgian College Professional Development Workshop

May 10, 2024: Ontario School Counsellors Association (OSCA) Board Meeting

May 22, 2024: Canadian Bureau of International Education (CBIE) National Dialogue Event

May 29, 2024: University of Guelph Virtual Accessibility Conference

June 4, 2024: Canadian Association of College & University Student Services

June 5, 2024: CBIE Ontario Regional Meeting

June 13, 2024: Society for Teaching and Learning in Higher Education (STHLE) Conference

June 24, 2024: Co-operative Education and Work-Integrated Learning Canada (CEWIL) Research Committee Meeting

June 24, 2024: The Dais Roundtable on International Education

July 9, 2024: IROC Conference

September 24, 2024: The Dais Roundtable on International Education

October 21, 2024: Canadian Institutional Research and Planning Association (CIRPA) Conference

October 23, 2024: Colleges Ontario Heads of Continuing Education

October 30, 2024: Ontario Universities Council on Quality Assurance Learning Outcomes Symposium

November 4, 2024: CBIE Conference

November 8, 2024: Strategic Enrolment Management & Marketing (SEMM) Conference

November 13, 2024: Centre for Innovation in Campus Mental Health (CICMH) Conference

November 21, 2024: Experiential & Work-Integrated Learning Ontario Conference

Board of Directors, 2024-25

HEQCO's board of directors is responsible for approving the overall strategic direction of the council and ensuring that its activities remain firmly aligned with its mandate.

To meet these responsibilities, the board works closely with management to develop and approve the organization's annual business plan and budget.

Board members are appointed by the Lieutenant Governor in Council pursuant to the *Higher Education Quality Council of Ontario Act, 2005*. Board members draw on their backgrounds in business, academia and government to guide and support the success of HEQCO's initiatives.

Shelley McGill (Board Chair)

Appointed: March 4, 2022 (first term), March 4, 2025 (second term)

Expiration Date: March 3, 2025 (first term), March 3, 2028 (second term)

Meetings Attended: 2024 - June 5, July 11, September 19, October 30, December 12
2025 - January 9, March 12

2024-25 Remuneration: \$1,800.00

Deborah Dubenofsky

Appointed: December 2, 2021 (first term), December 12, 2024 (second term)

Expiration Date: December 1, 2024 (first term), December 11, 2027 (second term)

Meetings Attended: 2024 - June 5, July 11, September 19, October 30
2025 - January 9, March 12

2024-25 Remuneration: \$1,300.00

Armand LaBarge

Appointed: July 13, 2023

Expiration Date: July 12, 2026

Meetings Attended: 2024 - June 5, July 11, September 19, October 30, December 12
2025 - January 9, March 12

2024-25 Remuneration: \$1,300.00

Higher Education Quality Council of Ontario
Financial Statements
For the year ended March 31, 2025

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MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

The accompanying financial statements of Higher Education Quality Council of Ontario (the "Council") are the responsibility of the Council's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

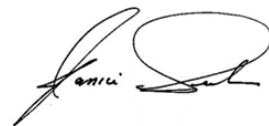
The Council's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Council meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Council. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Council's financial statements.



Deborah Dubenofsky
Chair, Audit Committee



Janice Deakin
President and CEO

June 19, 2025

Date



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BDO Canada LLP
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

Independent Auditor's Report

To the Directors of Higher Education Quality Council of Ontario

Opinion

We have audited the financial statements of Higher Education Quality Council of Ontario (the "Council"), which comprise the statement of financial position as at March 31, 2025, and the statements of 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 Council 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 report. We are independent of the Council 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 these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council'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.



Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Council'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 Council'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 Council 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
Oakville, Ontario
Date

Higher Education Quality Council of Ontario
Statement of Financial Position
As at March 31, 2025

	2025	2024
Assets		
Cash	\$ 215,631	\$ 428,266
HST recoverable	75,473	81,416
Interest receivable	1,578	3,541
Prepaid expenses	47,304	29,789
	339,986	543,012
Tangible capital assets (Note 5)	10,997	11,434
	350,983	545,446
Liabilities		
Accounts payable and accrued liabilities	260,142	275,187
Due to Ministry of Colleges, Universities, Research Excellence and Security (Note 3)	79,844	267,825
Deferred capital contributions (Note 4)	10,997	11,434
	350,983	554,446
Net Assets	\$ -	\$ -

Approved by the Board



Chair, Audit Committee



Board Chair

Higher Education Quality Council of Ontario
Statement of Operations
Year Ended March 31, 2025

	2025	2024
Revenue		
Provincial funding	\$ 4,003,207	\$ 3,815,472
Amortization of deferred capital contributions (Note 4)	17,387	18,784
Conference Registration Fees collected (Note 9)	-	56,305
Interest income	21,881	36,004
	4,042,475	3,926,565
 Expenses (Note 6)		
Governance	392,053	378,350
Research	3,453,983	3,352,781
Administration	196,439	195,434
	4,042,475	3,926,565
 Excess of revenue over expenses	\$ -	\$ -

Higher Education Quality Council of Ontario
Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	\$ -	\$ -
Items not affecting cash		
Amortization of deferred capital contributions	(17,387)	(18,784)
Amortization of tangible capital assets	17,387	18,784
Net changes in non-cash working capital		
HST recoverable	5,943	(11,241)
Interest receivable	1,964	(267)
Prepaid expenses	(17,515)	14,194
Accounts payable and accrued liabilities	(15,046)	(19,260)
Due to Ministry of Colleges, Universities, Research Excellence and Security	(187,981)	56,748
	(212,635)	40,174
Capital activities		
Acquisition of tangible capital assets	(16,950)	(16,703)
Financing activities		
Contributions for purchase of tangible capital assets	16,950	16,703
Increase (decrease) in cash for the year	(212,635)	40,174
Cash, beginning of year	428,266	388,092
Cash, end of year	\$ 215,631	\$ 428,226

1. THE ORGANIZATION

Formation and Status

The authority to create the Higher Education Quality Council of Ontario (the "Council") was established in the Higher Education Quality Council of Ontario Act, 2005 (the "Act"). The Council is a Crown Agency of the Ministry of Colleges, Universities, Research Excellence and Security ("MCURES") (formerly Ministry of Training, Colleges and Universities or "MTCU") and is classified as an operational services agency.

The Higher Education Quality Council is a corporation without share capital and is not subject to the Corporations Act or the Corporation Information Act. The Council is subject to section 132, subsection 134(1) and section 136 of The Business Corporations Act. As an agent of the Crown, the Council is not subject to income tax.

The Council is, and exercises its powers only as, an agent of the Crown. Limits on the Council's ability to undertake certain activities are set out in both the Act and The Memorandum of Understanding between the Council and MTCU dated December 6, 2006 and as renewed in The Memorandum of Understanding dated January 9, 2013.

Council Operations

The objective of the Council is to assist the Ministry of Colleges, Universities, Research Excellence and Security in improving all aspects of the post-secondary education sector, including improving the quality of education provided in the sector, access to post-secondary education and accountability of post-secondary educational institutions.

The Council is governed by a Board of Directors who is appointed by Order-in-Council.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Higher Education Quality Council of Ontario are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) for government not-for-profit organizations, including the 4200 series of standards as issued by the Public Sector Accounting Board (PSAS for Government NPO). No statement of remeasurement gains or losses has been presented as no remeasurement gains or losses have occurred during the current or prior year.

Significant accounting policies followed by the Council are as follows:

Accrual Basis of Accounting

Revenue (including interest) and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the year in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the year the goods or services are acquired, a legal liability is incurred or transfers are due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Government Transfer Payments

The Council is funded solely by the Province of Ontario in accordance with budget arrangements established by the MCURES. These financial statements reflect agreed funding arrangements approved by the MCURES.

Government transfer payments from the MCURES are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and reasonable estimates of the amount can be made.

Allocation of Expenses

The Council engages in providing research, support and advocacy for improvement of all aspects of the post secondary education sector. The cost of each object includes salaries and benefits, research activities, and other operating expenses that are directly related to providing the services. Salaries and benefits are allocated to governance, research and administration based on the activity to which they relate or benefit. Research related contracts and projects have been allocated to research. Other operating expenses have been charged to governance, research and administration based on head count at year-end.

Deferred Contributions

Certain amounts, including transfer payments from the MCURES, are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Funding is only recognized as revenue in the fiscal year the related expenses are incurred or services performed.

Any amounts received that are used to fund the acquisition of tangible capital assets are recorded as deferred capital contributions and are recognized over the useful life of the asset reflective of the provision of its services. Deferred capital contributions are amortized into revenue in accordance with the amortization policy applied to the related capital asset recorded.

Tangible Capital Assets

Tangible capital assets are recorded at historical cost. The cost of tangible capital assets contributed is recorded at the estimated fair value on the date of contribution. Where an estimate of fair value cannot be made, the tangible capital asset would be recognized at nominal value.

Maintenance and repair costs are recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a tangible capital asset are capitalized. Computer software license fees are recognized as an expense when incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Tangible Capital Assets (Cont'd)

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer equipment	3 years
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The Council reviews the carrying amount, amortization and useful lives of its capital assets regularly. If the capital asset no longer has any long-term service potential to the Council, the excess of the net carrying amount over any residual value is recognized as an expense in the statement of operations.

Financial Instruments

The Council initially measures its financial assets and liabilities at fair value. The Council subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and interest receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Ministry of Colleges, Universities, Research Excellence and Security.

Leases and Rent Expense

Leases are accounted for as operating leases wherein rental payments are initially recorded in the statement of operations and are adjusted to a straight-line basis over the term of the related lease. The difference between the straight-line rent expense and the rental payments, as stipulated under the lease agreement, is included in accounts payable and accrued liabilities.

Use of Estimates

The preparation of these financial statements in conformity with PSAS for Government NPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates relate primarily to amortization of tangible capital assets and related amortization of deferred capital contributions, which are based on the estimated useful lives of the tangible capital assets.

3. DUE TO MINISTRY OF COLLEGES, UNIVERSITIES, RESEARCH EXCELLENCE AND SECURITY

In accordance with the Council's Memorandum of Understanding, funding received in excess of expenditures may be required to be repaid and is recorded as due to MCURES.

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4. DEFERRED CAPITAL CONTRIBUTIONS

During the year, the Council utilized \$16,950 (2024 - \$16,703) of its MCURES funding for additional capital asset purchases. The MCURES funds used to purchase these capital assets have been included as part of deferred capital contributions and are to be amortized into revenue on the same basis as the amortization of the purchased assets.

	2025	2024
Balance, beginning of year	\$ 11,434	\$ 13,515
Contributions received	16,950	16,703
Less: amounts recognized in revenue	(17,387)	(18,784)
	\$ 10,997	\$ 11,434

5. TANGIBLE CAPITAL ASSETS

Cost	Computer Equipment	Total 2025	Total 2024
Balance, beginning of the year	\$ 215,526	\$ 215,526	\$ 198,823
Additions	16,950	16,950	16,703
Balance, end of year	\$ 232,476	\$ 232,476	\$ 215,526

Accumulated Amortization	Computer Equipment	Total 2025	Total 2024
Balance, beginning of the year	\$ 204,092	\$ 204,092	\$ 185,308
Additions	17,387	17,387	18,784
Balance, end of year	\$ 221,479	\$ 221,479	\$ 204,092

Net book value	\$ 10,997	\$ 10,997	\$ 11,434
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Higher Education Quality Council of Ontario
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6. EXPENSES BY OBJECT

	Governance	Research	Administration	Total 2025	Total 2024
Salaries and benefits	\$ 349,499	\$ 2,301,823	\$ 182,398	\$ 2,833,720	\$ 2,831,911
Research activities	-	886,715	-	886,715	749,201
Other operating expenses	42,554	265,445	14,041	322,040	345,453
	\$ 392,053	\$ 3,453,983	\$ 196,439	\$ 4,042,475	\$ 3,926,565

7. PENSION AGREEMENTS

The Council makes contributions on behalf of its staff to the Public Service Pension Plan administered by the Ontario Pension Board (OPB), which is a multi-employer plan. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

In 2023, OPB filed an actuarial valuation of the Plan as at December 31, 2022. For purposes of the funding valuation, asset gains and losses relative to the discount rate are smoothed over a three-year period. The funding shortfall of \$2.33 billion that existed at the end of 2022 is being amortized by special payments by the Plan Sponsor. The plan's funding ratio at December 31, 2022 is estimated at 94%.

The contribution rates in 2024/2025 were 7.4% (2024 - 7.4%) of the Year's Maximum Pensionable Earnings (YMPE) plus 10.5% (2024 - 10.5%) on earnings above the YMPE.

Contributions in the amount of \$153,825 (2024 - \$154,427) are included in expenses in the statement of operations, and \$6,368 (2024 - \$4,621) is included in accounts payable and accrued liabilities.

8. FINANCIAL RISK MANAGEMENT

The Council is exposed to financial risks, including credit and liquidity risk. The Council has adopted an integrated risk management framework. The framework provides a consistent methodology to manage risks. Management believes exposure to other risks, including interest rate and market risks, is minimal.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Council is subject to credit risk related to its cash. Credit risk with respect to cash is managed by holding cash balances at a high credit quality financial institution in Canada.

8. FINANCIAL RISK MANAGEMENT (Cont'd)

Liquidity Risk

Liquidity risk results from the Council's potential inability to meet its obligations associated with financial liabilities as they come due. The Council manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities to ensure it has sufficient available funds to meet current and foreseeable financial requirements. The Council's exposure to liquidity risk relates to the amount of accounts payable and accrued liabilities. The Council is dependent on the continued support of the MCURES for its continued operations.

The above risks remain unchanged from prior year.

9. CONFERENCE REVENUE

HEQCO now hosts a bi-annual conference event and has plans to hold its next event in November 2025. The current year financial statements do not include any conference-related revenue or expenses as there was no conference in the 2024/2025 fiscal year.