Financial Statements of

TRINITY COLLEGE

And Independent Auditor's Report thereon

Year ended April 30, 2024

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Corporation of Trinity College

Opinion

We have audited the financial statements of Trinity College (the Entity), which comprise:

- the statement of financial position as at April 30, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, 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 Entity as at April 30, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Entity 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 accounting standards for not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

October 17, 2024

TRINITY COLLEGE

Statement of Financial Position
(In thousands of dollars)

April 30, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 14,277	$ 2,022
Accounts receivable, net of allowance of $317 (2023 - $291)	5,509	2,649
Prepaid expenses	136	149
	19,922	4,820
Investments (note 3)	128,671	137,620
Pension asset (note 9)	8,395	9,372
Capital assets (note 4)	12,718	12,718
Construction-in-progress (note 4)	61,697	25,220
	$ 231,403	$ 189,750
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 16,380	$ 8,334
Deferred revenue	1,304	1,529
	17,684	9,863
Post-employment health plan liability (note 9)	8,079	8,311
Loans payable (notes 6, 16(a) and 16(b))	21,081	5,200
Deferred contributions (note 7)	9,926	10,139
Deferred capital contributions (note 8)	43,971	32,687
	100,741	66,200
Net assets:		
Invested in capital assets (note 10)	9,585	8,891
Internally restricted (note 11)	–	–
Endowments (note 12)	90,931	84,543
Unrestricted net assets	30,146	30,116
	130,662	123,550
Credit facilities (note 16)		
Commitment and contingency (note 17)		
Subsequent events (notes 6 and 18)		
	$ 231,403	$ 189,750

See accompanying notes to financial statements.

On behalf of the Board:

Mostafa Asadi _______________ Director

Mostafa Asadi, Chair, Board of Trustees

Barbara Dirks _______________ Director

Chair, Audit & Finance Committee

TRINITY COLLEGE

Statement of Operations
(In thousands of dollars)

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Student fees	$ 9,725	$ 8,939
Grants from University of Toronto (note 2)	4,632	4,362
Grants, donations and investment income used for restricted purposes (note 7)	3,946	3,610
Sales, services and sundry	3,632	2,469
Unrestricted donations and bequests	1,910	922
Amortization of deferred capital contributions (note 8)	859	892
Government and other grants	404	451
	25,108	21,645
Expenses:		
Salaries and current benefits	13,508	12,272
Food service and catering	4,414	4,005
Amortization of capital assets	1,611	1,621
Supplies and services	2,905	2,468
Pension and post-employment benefits	1,726	1,716
Student awards	1,504	1,423
Repairs and maintenance	1,048	891
Utilities	956	784
	27,672	25,180
Excess of expenses over revenue before investment income	(2,564)	(3,535)
Investment income (note 3)	3,004	6,369
Excess of revenue over expenses	$ 440	$ 2,834

See accompanying notes to financial statements.

TRINITY COLLEGE

Statement of Changes in Net Assets
(In thousands of dollars)

Year ended April 30, 2024, with comparative information for 2023

	Invested in capital assets (note 10)	Internally restricted (note 11)	Endowments (note 12)	Unrestricted net assets	2024 Total	2023 Total
Net assets, beginning of year as previously reported	$ 8,891	$ –	$ 84,543	$ 30,116	$ 123,550	$ 116,913
Adoption of amendments to CPA Canada Section 3462 (note 1(l))	–	–	–	–	–	(489)
Net assets, beginning of year, as restated	–	–	–	–	–	116,424
Excess (deficiency) of revenue over expenses	(752)	–	–	1,192	440	2,834
Net change in invested in capital assets	1,446	(1,351)	–	(95)	–	–
Allocation to endowments (preservation of capital) (note 3)	–	–	2,610	–	2,610	(2,645)
Donations and bequests	–	–	3,778	–	3,778	3,401
Transfer to internally restricted (note 11)	–	1,351	–	(1,351)	–	–
Transfer from deferred contributions (note 7)	–	–	–	–	–	5
Change in employee future benefits	–	–	–	284	284	3,531
Net assets, end of year	$ 9,585	$ –	$ 90,931	$ 30,146	$ 130,662	$ 123,550

See accompanying notes to financial statements.

TRINITY COLLEGE

Statement of Cash Flows
(In thousands of dollars)

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 440	$ 2,834
Adjustments for non-cash and non-operating items:		
Unrealized loss (gain) in value of pooled fund investments (note 3)	(5,938)	1,658
Allocation to endowments (preservation of capital) (note 3)	2,610	(2,645)
Amortization of capital assets	1,611	1,621
Amortization of deferred capital contributions	(859)	(892)
Pension and post-employment benefit expenses	1,726	1,716
Pension and post-employment benefits funding	(697)	(1,559)
Change in non-cash operating working capital and deferred contribution balances:		
Accounts receivable	(2,860)	(1,437)
Prepaid expenses	13	(45)
Accounts payable and accrued liabilities	8,046	3,377
Deferred revenue	(225)	(267)
Net change in deferred contributions (note 7)	11,548	4,075
	15,415	8,436
Financing activities:		
Contributions restricted for capital purposes (note 8)	382	384
Endowment donations and bequests	3,778	3,401
Loans payable	15,881	(21)
	20,041	3,764
Investing activities:		
Investments, net	14,887	468
Purchase of capital assets, net of disposals	(1,611)	(884)
Expenditure of construction-in-progress	(36,477)	(12,970)
	(23,201)	(13,386)
Increase (decrease) in cash and cash equivalents	12,255	(1,186)
Cash and cash equivalents, beginning of year	2,022	3,208
Cash and cash equivalents, end of year	$ 14,277	$ 2,022

See accompanying notes to financial statements.

Trinity College (the "College") is a university federated with the University of Toronto. Degrees in the Faculty of Arts and Science are awarded, under the terms of federation, by the University of Toronto. Degrees in the Faculty of Divinity are awarded conjointly with the University of Toronto.

The College is exempt from income taxes and is a registered charity pursuant to the provisions of the Income Tax Act (Canada).

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue recognition and contributions:

The College follows the deferral method of accounting for contributions. Externally restricted contributions other than endowment contributions are recorded as deferred contributions in the statement of financial position and recognized as revenue in the year in which the corresponding expense is incurred.

Contributions for the purchase of capital assets or for construction projects are recorded as deferred until expended and amortized on the same basis as the related capital asset.

Unrestricted contributions, including unrestricted bequests, are recorded as revenue when received.

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

Restricted investment income is recorded as deferred contributions in the statement of financial position and recognized as revenue in the year in which the corresponding expense is recognized. Unrestricted investment income is recognized as revenue when earned.

Student fees, sales, services and sundry revenue are recognized when the services are provided or the goods are sold.

1. Significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents consists of cash on hand, deposits in bank accounts and other short-term investments.

(c) Investments:

The College's pooled funds and segregated investments are recorded at fair value, which is based on quoted market prices.

Investment income is measured on a total return basis, which includes both realized and unrealized capital gains and losses. The allocation of investment gains or losses depends on the source and use of funds, as described in section (d) below.

(d) Allocation of investment gains/losses:

Investment gains or losses are allocated in different ways, depending on the type of fund, as follows:

(i) Deferred contributions:

Deferred contributions consist of the unspent accumulation of expendable donations, grants and investment income for restricted purposes.

Unspent expendable balances from endowments and non-endowed funds with nominal balances receive no allocation of investment gains or losses. Other deferred contributions are generally allocated investment income based on the 91-day treasury bill rate for the previous year (2024 - 4.99%; 2023 - 4.30%). For large balances, a 40% premium is applied, resulting in a rate of 6.99% (2023 - 6.02%).

1. **Significant accounting policies (continued):**

(ii) Endowments:

Endowments consist mainly of funds, including lectureships, scholarships, prizes and bursaries subject to externally imposed restrictions that the capital be maintained. Endowments include some internally-endowed funds (note 12). The College's policy is to preserve the real value of endowments over time. To achieve this objective, investment gains or losses are allocated as follows:

- 4.00% (2023 - 4.00%), the expected long-term real rate of return, of the opening balance of each endowment is made available annually for the purpose of the endowment (this constitutes the endowment's investment income); and

- the rate of return for the year ended March 31, minus the 4.00% (2023 - 4.00%) expendable draw and a 1.00% administrative fee, is applied to the opening balance of each endowment as capital preservation (indexation). Indexation may be positive or negative.

The actual rate of return on invested funds for the year ended March 31, 2024 was a gain of 8.47% (2023 - gain of 1.62%).

(iii) Operations:

The balance of investment gains or losses, after deducting the allocations above, is recorded as investment income in the statement of operations (note 3).

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The College has elected to carry financial instruments at fair value.

1. Significant accounting policies (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The following risks have remained consistent with the prior year.

(i) Market risk:

Market risk arises from the possibility that changes in market prices will affect the value of financial instruments. Accounts receivable and accounts payable are not subject to significant market risk. The College manages the market risk of its investment portfolio by investing in pooled funds in a widely diversified group of asset classes managed by external investment managers. The College monitors the performance of investment managers and their compliance with investment policies on a regular basis.

(ii) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument may fail to honour an obligation. The College is exposed to credit risk in cash and accounts receivable. The College's credit risk exposure is considered to be low.

1. Significant accounting policies (continued):

(iii) Liquidity risk:

Liquidity risk is the risk that an entity will have difficulty raising funds to meet commitments in a timely fashion. The College manages liquidity risk by investing a sufficient amount to meet foreseeable needs in a highly-liquid short-term investment pool. In addition, a large proportion of its investment portfolio is in pooled funds that can be redeemed in a reasonable period should the need arise.

(iv) Foreign exchange risk:

The value of securities denominated in a currency other than the Canadian dollar will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

(f) Capital assets:

Capital assets are stated at cost at the date of purchase or fair value at the date of acquisition in the case of contributed capital assets. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer, partially or fully, contributes to the College's ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized on a straight-line basis over the estimated useful lives as follows:

Buildings	25 years
Equipment	10 years
Computer hardware	3 years
Library holdings	5 years

(g) Collections:

Collections consist of archival materials, works of art and silver and are recorded at a nominal value in the financial statements. Donation receipts are issued for fair value in accordance with the guidelines of the Canada Revenue Agency.

1. Significant accounting policies (continued):

(h) Construction-in-progress:

On completion of the projects, costs are reclassified to the respective capital asset categories and amortized in accordance with the College's policy.

(i) Foreign currency exchange:

Assets and liabilities are translated at the rate of exchange in effect as at the date of the statement of financial position. Transfers of funds to and from U.S. dollar accounts are translated at the rate of exchange in effect on the date of each transaction. Investment income from U.S. securities, if applicable, is translated at the average rate of exchange for the fiscal year.

(j) Employee future benefits:

The College maintains a defined benefit pension plan and a retirement health care plan covering substantially all of its employees. Pension benefits are based on years of service and best average salary. The health care plan provides retirees with the same health and dental coverage that they enjoyed as active employees.

Annual benefit cost is recorded in the statement of operations while actuarial gains and losses and past service costs are recognized in the statement of changes in net assets. The benefit liability (or net benefit asset if applicable) continues to be recorded in the statement of financial position.

The accrued benefit obligation for both plans is determined in accordance with the CPA Handbook Accounting Part III Section 3463. An actuarial valuation report for the pension plan's funding is required at least every three years. An actuarial valuation for the health care plan is recommended every three years. In years between valuations, the College uses a roll-forward technique to estimate the accrued benefit obligation using most recent valuation assumptions.

The measurement date of plan assets, which are recorded at fair value, and of the accrued benefit obligations, coincides with the College's fiscal year.

1. Significant accounting policies (continued):

(k) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include the carrying amount of capital assets, and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

(l) Change in accounting policy:

In 2023, for any benefit plan whereby an actuarial valuation is not required to comply with legislation, regulatory or contractual requirements, the defined benefit obligation must be measured as of the statement of financial position date using an actual valuation for accounting purposes. Previously the accounting guidance allowed for the obligation to be measured using an actuarial valuation for funding purposes. As allowable under the transitional provisions of Section 3463 the cumulative effect of applying the amendment is recorded in opening net assets at the date that the amendment is first applied without restatement of prior period comparatives. As such, for the College's post-employment health benefits plan was impacted by this policy change, an adjustment of $489 has been recorded in the statement of changes in net assets as a reduction to unrestricted net assets.

2. Arrangements with the University of Toronto:

Under a 1910 agreement with the University of Toronto and subsequent amending agreements, most of the lands occupied by the College are assigned for its use for as long as the College is federated with the University of Toronto. These lands include the areas occupied by the main building on Hoskin Avenue, the Larkin Academic Building, the main and north wings of St. Hilda's College, and the site of the Lawson Centre for Sustainability. No value is recorded for this assignment. The remaining lands (the Devonshire property and the area occupied by the southern portion of St. Hilda's College) are owned freehold by the College.

2. Arrangements with the University of Toronto (continued):

The financial relationship between the College and the University of Toronto in Arts and Science is governed by a memorandum of agreement under which the University of Toronto receives credit for government grants and tuition fees generated by the College's students, and in return reimburses the College for space and services provided by the College to Arts and Science students. The reimbursement comes through a block grant which funds library, registrarial, academic support, physical plant and other services on a formula basis, and an instructional grant, which funds part of the cost of College academic programs. The College supplements these grants with its own resources.

A separate agreement between the University of Toronto, the Toronto School of Theology ("T.S.T.") and its member institutions establishes the financial arrangements for the Faculty of Divinity at the College. All government grants for divinity students flow through the University of Toronto to the T.S.T. where they are distributed to each member institution according to an agreed formula. Tuition and related fees for divinity students, which must comply with regulations of the Ministry of Colleges and Universities (Ontario), are set by the College in consultation with the T.S.T. and are recognized as revenue to the College.

In November 2019, the College entered into an agreement with the University of Toronto to modify the 1910 Agreement governing the College's federation with the University of Toronto, such that the College would relinquish a portion of its land use rights (a surface parking lot near the University's Goldring Centre) in exchange for a compensatory payment restricted for future capital investment. The effective date of the modification agreement was June 30, 2020.

Borrowing arrangements have been negotiated with the University of Toronto, see notes 6 and 16.

The agreements were renegotiated and amended subsequent to year end, see note 18.

(In thousands of dollars)

3. Investments:

The College's investments are managed by independent investment counsel. A summary of the holdings is set out below:

	2024		2023	
	Cost	Fair value	Cost	Fair value
Pooled fund investments:				
Cash	$ 1	$ 1	$ 6,064	$ 6,064
Fiera Short Term Investment Fund Series A	13,196	13,196	26,351	26,350
Fiera Active Fixed Income Fund Series A	9,627	8,459	12,799	11,752
Fiera Integrated Fixed Income - Short Term Fund Series A	8,830	8,589	12,225	11,873
Fiera Canadian Equity Ethical ESG Fund Series A	24,562	35,095	20,843	28,235
Fiera Preferred Shares Fund Series A	4,751	5,493	4,938	4,928
Fiera Global Equity Fund Series A	11,053	15,002	8,903	11,642
Fiera Global Equity Fund Series C	12,601	14,853	10,408	11,478
ACM Commercial Mortgage Fund	4,816	4,671	4,568	4,430
Fiera Diversified Real Assets Fund Series A	15,031	16,551	14,839	16,430
Fiera Cash in Action Fund	4,083	4,083	–	–
Greenchip Global Equity Fund	2,498	2,653	2,372	2,791
	111,049	128,646	124,310	135,973
Cash	–	–	1,627	1,627
Segregated holdings	–	25	–	20
	$ 111,049	$ 128,671	$ 125,937	$ 137,620

Sources and allocations of investment income are as follows:

	2024	2023
Unrealized gain (loss) in value of pooled fund investments	$ 5,938	$ (1,658)
Interest, dividends and pooled fund distributions	3,420	3,495
Realized gain on sale of investments	4	6,040
Total investment gain	9,362	7,877
Allocation for restricted purposes (note 7)	(3,748)	(4,153)
Allocation to endowments (preservation of capital)	(2,610)	2,645
Investment income recognized in the statement of operations	$ 3,004	$ 6,369

(In thousands of dollars)

4. Capital assets and construction-in-progress:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land (note 2)	$ 1	$ –	$ 1	$ 1
Buildings	43,312	32,648	10,664	10,559
Equipment	11,552	9,743	1,809	1,834
Computer hardware	1,219	1,219	–	14
Library holdings	8,531	8,287	244	310
	$ 64,615	$ 51,897	$ 12,718	$ 12,718

Construction-in-progress as at April 30, 2024 is $61,697 (2023 - $25,220), relating to the planning and design of the construction of the Lawson Centre for Sustainability.

Lawson Centre for Sustainability:

The College is engaged in the construction of a mixed-use residential and academic building, the Lawson Centre for Sustainability, which broke ground in the summer 2023 and is expected to open before the Fall 2025 academic term. The facility's projected cost as at April 30, 2024 is approximately $176,500, to be funded by a combination of donations, external debt, and operations. The building will provide approximately 350 additional residence beds along with numerous classrooms, a dining facility, and additional learning and ancillary spaces.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of nil (2023 - nil), which includes amounts payable for harmonized sales tax and payroll related taxes.

(In thousands of dollars)

6. Loans payable:

In 2011, the College obtained a $262 interest-free loan from the City of Toronto in connection with its solar panel project. The loan was repayable in 48 equal quarterly instalments of $5 with the first payment made July 1, 2011. The loan was fully paid off in the prior year.

During 2022, the College obtained a $5,200 loan from the University of Toronto in connection with losses incurred by the College in ancillary operations due to the COVID-19 pandemic. The loan bears a fixed interest rate of 3.857% and the interest cost of this loan will be covered by the University of Toronto. The loan was repayable in three equal instalments of $1,733 with the first payment due on September 30, 2024 (fiscal 2025). In June 2024, the College entered into a new loan facility agreement ("2024 Loan Facility") of $5,200 replacing the existing loan of $5,200. The current portion is nil. The long-term portion is $5,200. The details of the 2024 Loan Facility are disclosed as a subsequent event (note 18).

7. Deferred contributions:

Changes in the deferred contribution balances are summarized as follows:

	2024	2023
Grants	$ 2	$ 2
Donations	11,253	3,206
Allocation of investment income (note 3)	3,748	4,153
Other deferred contributions	491	324
Revenue recognized from restricted funds	(3,946)	(3,610)
	11,548	4,075
Transfer to endowments	–	(5)
Transfer to deferred capital contributions (note 8)	(11,761)	(2,592)
Change during the year	(213)	1,478
Balance, beginning of year	10,139	8,661
Balance, end of year	$ 9,926	$ 10,139

(In thousands of dollars)

8. Deferred capital contributions:

Changes in the deferred capital contribution balances are summarized as follows:

	2024	2023
Balance, beginning of year	$ 32,687	$ 30,603
Less:		
Amortization of deferred capital contributions	(859)	(892)
Add:		
Contributions received	382	384
Transfer from deferred contributions (note 7)	11,761	2,592
Balance, end of year	$ 43,971	$ 32,687

The balance of unamortized capital contributions related to capital assets consists of the following:

	2024	2023
Unamortized capital contributions used to purchase assets	$ 43,749	$ 23,847
Unspent capital contributions	222	8,840
	$ 43,971	$ 32,687

9. Pension and post-employment health benefits:

The College provides pension and post-employment health benefits to its employees. Information on these plans is as follows:

	Pension benefit plan		Health benefit plan	
	2024	2023	2024	2023
Accrued benefit obligation	$ (38,173)	$ (36,315)	$ (8,079)	$ (8,311)
Fair value of plan assets	46,568	45,687	–	–
Benefit asset (liability)	$ 8,395	$ 9,372	$ (8,079)	$ (8,311)

(In thousands of dollars)

9. Pension and post-employment health benefits (continued):

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligations are as follows:

	2024		2023	
	Pension benefits	Health benefits	Pension benefits	Health benefits
Discount rate	6.00%	5.20%	6.00%	4.70%
Rate of compensation increase	4.00%	n/a	4.00%	n/a

Health care cost trend rate: 5.00% annual increase assumed for 2024 (2023 - 5.00%).

Dental care cost trend rate: 4.50% annual increase assumed for 2024 (2023 - 4.50%) and thereafter.

The College measures its accrued benefit obligation and the fair value of plan assets for accounting purposes as at the College's fiscal year end.

The most recent pension actuarial valuation for funding purposes was performed as at January 1, 2023.

In addition, an actuarial valuation of the health care plan was performed as at July 1, 2022.

10. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2024	2023
Capital assets	$ 12,718	$ 12,718
Construction-in-progress	61,697	25,220
Amounts financed by:		
Deferred capital contributions (note 8)	(43,749)	(23,847)
Loans payable	(21,081)	(5,200)
	$ 9,585	$ 8,891

(In thousands of dollars)

10. Investment in capital assets:

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

	2024	2023
Deficiency of revenue over expenses:		
Amortization of deferred capital contributions	$ 859	$ 892
Amortization of capital assets	(1,611)	(1,621)
	(752)	(729)
Net change in investment in capital assets:		
Purchase of capital assets, net of disposals	1,611	884
Expenditure on construction-in-progress	36,477	12,970
Amounts funded by:		
Deferred capital contributions	(20,761)	(6,956)
Loan	(15,881)	(3,949)
Repayment of loan	–	21
	1,446	2,970
Change during the year	694	2,241
Balance, beginning of year	8,891	6,650
Balance, end of year	$ 9,585	$ 8,891

11. Internally restricted:

Internally restricted net assets are funds set aside that reflect the application of Board of Trustees policy. The Board of Trustees established a policy to set aside unrestricted bequests for the planning, design and construction of the Lawson Centre for Sustainability.

(In thousands of dollars)

12. Endowments:

Undesignated capital campaign donations and unrestricted net assets are, from time to time, transferred to endowments in connection with matching agreements and other arrangements.

Unrestricted net assets that have been transferred to endowments, along with associated indexation, are recorded below as "internally-endowed funds".

As at April 30, endowments comprise:

	2024	2023
Externally restricted funds	$ 81,499	$ 75,426
Campaign-related restricted funds	6,336	6,124
Internally-endowed funds	3,096	2,993
	$ 90,931	$ 84,543

13. Ontario Student Opportunity Trust Fund:

Endowments include funds established under the provincial programs which provided matching grants for eligible donations for student aid. Provincial guidelines require the disclosure of funds established under the Ontario Student Opportunity Trust Fund - Phase 1 program ("OSOTF 1") which ran from 1996-2000:

	2024	2023
OSOTF 1:		
Fund balance, beginning of year	$ 6,361	$ 6,583
Allocation to endowment capital	221	(223)
Additions	1	1
Fund balance, end of year	$ 6,583	$ 6,361

(In thousands of dollars)

13. Ontario Student Opportunity Trust Fund (continued):

	2024	2023
Expendable balance, beginning of year	$ 515	$ 513
Investment income	254	263
Bursaries awarded (2024 - 96; 2023 - 94)	(266)	(261)
Expendable balance, end of year	$ 503	$ 515

The fair value of the OSOTF 1 endowment as at April 30, 2024 was $7,086 (2023 - $6,876).

14. Canadian Universities Reciprocal Insurance Exchange:

The College participates in a reciprocal exchange of insurance risks in association with 50 other Canadian universities named CURIE (the Canadian Universities Reciprocal Insurance Exchange). This self-insurance co-operative involves a contractual agreement to share the property and liability insurance risks of member universities for a term which runs from January 1, 2023 to December 31, 2027. The previous term expired on December 31, 2022.

The projected costs of claims are funded through members' premiums based on actuarial projections. CURIE has obtained reinsurance from commercial insurers to cover claims in excess of $5,000 to a maximum of $1,235,000 per occurrence for property losses and claims in excess of $5,000 to a maximum of $45,000 per occurrence for liability and errors or omissions losses. In the event premiums are not sufficient to cover claims settlements, the member universities would be subject to assessments in proportion to their participation.

As at December 31, 2023, CURIE had a surplus of $107,548 (2022 - $97,444), of which the College's pro rata share is 0.25% (2022 - 0.26%).

15. Bank operating demand loan:

As at April 30, 2024, the College has an undrawn operating demand loan of $3,000 (2023 - $3,000) to assist with its temporary operating cash needs. The demand loan is secured through the delivery of a negative pledge from the College agreeing not to encumber its assets, resolution from the Board of Trustees approving the request of the loan and any other documents, instruments or agreements that may be required by the bank prior to the advance of funds. Interest is payable at the bank's prime rate plus 0.75%, payable monthly in arrears.

16. Credit facilities:

(a) Bank of Montreal loan:

On December 21, 2022, the College secured a $90,000 loan from the Bank of Montreal to finance the Lawson Centre for Sustainability. The College established two facilities for the loan: Facility 1 and Facility 2. Two amendments were executed during the fiscal year 2023-2024. The first amendment to the credit agreement was dated on September 22, 2023 and the second amendment was dated on April 24, 2024.

Facility 1 is a non-revolving green construction loan facility comprising the advances made during the construction period up to the full facility amount. Principal amount, plus the capitalized interest on the principal amount, will be repaid on or before the project completion date (estimated Fall 2025) through Facility 2. Facility 1 is priced at a choice of, or a combination of, prime plus 0.35% and/or CORRA rate loans plus 1.12%.

Facility 2 is a 10-year non-revolving takeout loan and is priced at a choice of, or a combination of, prime plus 0.25% and/or CORRA plus 2.00% and/or fixed rate, commencing at the project completion date. For the first two years, interest only payments are payable; starting in year three after the project completion date, principal and interest payments calculated over an amortization period of 28 years will be payable to the lender monthly.

Security under this agreement includes the College's personal property including all present and after acquired personal property of the College related to the Lawson Centre for Sustainability project.

During the year, $250 (2023 - nil) in draws have been made, nil (2023 - nil) interest fees have been paid, and nil (2023 - nil) in interest expenses have been recorded in the statement of operations.

(b) University of Toronto loan:

On December 21, 2022, the College secured a $15,000 loan from the University of Toronto to finance the Lawson Centre for Sustainability to be repaid over 25 years, the interest rate will be set at the time of the drawdown based on the Canadian swap curve yield (25-year term) plus 2%. Interest is not payable until two years after the completion of the Lawson Centre for Sustainability project.

16. Credit facilities (continued)

During the year, $15,000 (2023 - nil) in draws have been made, nil (2023 - nil) interest fees have been paid, and nil (2023 - nil) in interest expenses have been recorded in the statement of operations.

(c) Letter of credit:

As at April 30, 2024, the College has a $1,235 (2023 - $1,235) irrevocable standby letter of credit for the guarantee of the provision of the Lawson Centre for Sustainability's landscape development works payable to the City of Toronto.

17. Commitment and contingency:

During the ordinary course of business there may be claims or potential claims in progress at any time. Losses related to those claims are recorded in the year in which a reasonable estimate of the liability can be determined. No provision has been accrued in these financial statements.

18. Subsequent events:

(a) 2024 Loan Facility from the University of Toronto:

In June 2024, the College entered into the agreement with the University of Toronto for the re-financing of the $5,200 COVID-19 Ancillary Support Loan. The University of Toronto will provide the a new short-term operating loan (the "2024 Loan Facility") to repay the existing $5,200 COVID-19 Ancillary Support Loan.

The 2024 Loan Facility will be drawn in full for the amount of $5,200 on September 2, 2024 by the College for the purpose of repaying the $5,200 COVID-19 Ancillary Support Loan to the University of Toronto, and, therefore, extinguish the COVID-19 Ancillary Support Loan Agreement dated March 8, 2022.

The loan bears no interest under the terms of the agreement. The new 2024 Loan Facility in the amount of $5,200 is to be repaid by College to the University of Toronto in four annual instalments beginning September 1, 2026.

(In thousands of dollars)

18. Subsequent events (continued):

The principal payments are as follows:

2026	$ 1,300
2027	1,300
2028	1,300
2029	1,300
	$ 5,200

(b) New funding for the Lawson Centre for Sustainability:

In June 2024, the College received $5,000 funding from the University of Toronto for the Lawson Centre for Sustainability.

(c) Funding for the Federated Universities (Operating Agreement):

A new funding proposal was received from the University of Toronto on April 29, 2024, containing improvements to the funding formula of the block grant. The agreement was executed on June 12, 2024. Funding under this agreement will increase the block grant by 54% from $3,900 in 2023/24 to $6,000. The new funding will be phased in over a three-year period.