## Management Responsibility for Financial Reporting

1

## Independent Auditors' Report

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## Financial Statements

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## Schedule to Financial Statements

| Schedule of Expenses                                 | 19   |
The accompanying financial statements and all other information contained in this annual report are the responsibility of the management of Conrad Grebel University College. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, and have been approved by the Board of Governors.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of Conrad Grebel University College. Management maintains a system of internal accounting and administration controls which are designed to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial information. Such information also includes data based on management's best estimates and judgements. Management has determined that the enclosed financial statements are presented fairly and on a consistent basis with prior years, in all material respects.

The Board of Governors reviews and approves the annual financial statements. In addition, the Finance and Development Committee meets with the financial officers of Conrad Grebel University College and the external auditors, and reports to the Board of Governors thereon.

The financial statements have been audited by the external auditors, Graham Mathew Professional Corporation, Chartered Professional Accountants authorized to practise public accounting by the Chartered Professional Accountants of Ontario, in accordance with Canadian generally accepted auditing standards. The external auditors have full and free access to management, the Finance and Development Committee and the Board of Governors.

The Independent Auditors' Report, dated October 5, 2021, expresses their unqualified opinion on the 2021 financial statements.

Marcus Shantz
President

Sara Cressman
Director of Finance
INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
Conrad Grebel University College

Opinion

We have audited the accompanying financial statements of Conrad Grebel University College (the College), which comprise the statement of financial position as at April 30, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at April 30, 2021, and its financial performance 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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 the Board of Governors 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.

Auditors' 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 auditors' 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 AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cambridge, Ontario
October 5, 2021

Chartered Professional Accountants, authorized to practise public accounting by the Chartered Professional Accountants of Ontario
## STATEMENT OF FINANCIAL POSITION
### APRIL 30, 2021

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short-term deposits (note 11)</td>
<td>2,853,168</td>
<td>4,498,916</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>157,326</td>
<td>355,462</td>
</tr>
<tr>
<td>Inventory</td>
<td>15,223</td>
<td>17,691</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>45,034</td>
<td>42,507</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td><strong>3,070,751</strong></td>
<td><strong>4,914,576</strong></td>
</tr>
<tr>
<td>Investments (note 3)</td>
<td>8,774,922</td>
<td>7,909,815</td>
</tr>
<tr>
<td>Capital assets (note 4)</td>
<td>18,574,082</td>
<td>15,225,997</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>30,419,755</strong></td>
<td><strong>28,050,388</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities (note 5)</td>
<td>2,280,024</td>
<td>2,544,162</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>305,859</td>
<td>85,007</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>2,585,883</strong></td>
<td><strong>2,629,169</strong></td>
</tr>
<tr>
<td>Employee future benefits obligation (note 12)</td>
<td>1,568,100</td>
<td>1,325,000</td>
</tr>
<tr>
<td>Loans payable (note 9)</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>Deferred contributions (note 10)</td>
<td>12,288,236</td>
<td>11,718,109</td>
</tr>
<tr>
<td>Deferred endowment income (note 15)</td>
<td>2,009,453</td>
<td>973,663</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>18,951,672</strong></td>
<td><strong>16,645,941</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS (NOTE 18)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>3,010,736</td>
<td>3,215,119</td>
</tr>
<tr>
<td>Endowment</td>
<td>7,953,055</td>
<td>7,292,258</td>
</tr>
<tr>
<td>Internally restricted</td>
<td>468,073</td>
<td>860,964</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>36,219</td>
<td>36,106</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>11,468,083</strong></td>
<td><strong>11,404,447</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>30,419,755</strong></td>
<td><strong>28,050,388</strong></td>
</tr>
</tbody>
</table>

The explanatory notes form an integral part of these financial statements.
## Conrad Grebel University College

### STATEMENT OF OPERATIONS

**YEAR ENDED APRIL 30, 2021**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic</td>
<td>5,626,634</td>
<td>5,839,297</td>
</tr>
<tr>
<td>Residential and service fees</td>
<td>995,623</td>
<td>2,240,387</td>
</tr>
<tr>
<td>Constituent conference support</td>
<td>146,462</td>
<td>146,462</td>
</tr>
<tr>
<td>Donations</td>
<td>406,519</td>
<td>335,270</td>
</tr>
<tr>
<td>Rental</td>
<td>59,689</td>
<td>162,242</td>
</tr>
<tr>
<td>Investment income (note 13)</td>
<td>451,995</td>
<td>411,440</td>
</tr>
<tr>
<td>Other</td>
<td>34,663</td>
<td>81,440</td>
</tr>
<tr>
<td>Deferred contributions included in income (note 10)</td>
<td>736,131</td>
<td>912,697</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>8,457,716</strong></td>
<td><strong>10,129,235</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic (page 19)</td>
<td>5,743,514</td>
<td>6,435,328</td>
</tr>
<tr>
<td>Residential (page 19)</td>
<td>1,585,607</td>
<td>2,023,166</td>
</tr>
<tr>
<td>Other (page 19)</td>
<td>55,362</td>
<td>100,734</td>
</tr>
<tr>
<td>Scholarships and bursaries</td>
<td>464,884</td>
<td>505,830</td>
</tr>
<tr>
<td>Fundraising and development</td>
<td>91,736</td>
<td>133,078</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>920,066</td>
<td>754,803</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>8,861,169</strong></td>
<td><strong>9,952,939</strong></td>
</tr>
</tbody>
</table>

**Excess (deficiency) of revenue over expenditure**

|                | 2021 (403,453) | 2020 (176,296) |

The explanatory notes form an integral part of these financial statements.
## STATEMENT OF CHANGES IN NET ASSETS

**YEAR ENDED APRIL 30, 2021**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Invested in Capital Assets</th>
<th>Endowment</th>
<th>Internally Restricted</th>
<th>2021 Total</th>
<th>2020 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>36,106</td>
<td>3,215,119</td>
<td>7,292,258</td>
<td>860,964</td>
<td>11,404,447</td>
<td>11,452,175</td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenditure</td>
<td>499,681</td>
<td>(512,680)</td>
<td>-</td>
<td>(390,454)</td>
<td>(403,453)</td>
<td>176,296</td>
</tr>
<tr>
<td>Interfund transfers (note 6)</td>
<td>(499,568)</td>
<td>308,297</td>
<td>113,608</td>
<td>77,663</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endowment contributions</td>
<td>-</td>
<td>-</td>
<td>245,319</td>
<td>-</td>
<td>245,319</td>
<td>226,386</td>
</tr>
<tr>
<td>Change in unrealized gain (loss) on investments held for endowments (note 14)</td>
<td>-</td>
<td>-</td>
<td>301,870</td>
<td>-</td>
<td>301,870</td>
<td>(1,258,003)</td>
</tr>
<tr>
<td>Other remeasurement items (note 12)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(80,100)</td>
<td>(80,100)</td>
<td>807,593</td>
</tr>
<tr>
<td><strong>Net Assets, end of year</strong></td>
<td><strong>36,219</strong></td>
<td><strong>3,010,736</strong></td>
<td><strong>7,953,055</strong></td>
<td><strong>468,073</strong></td>
<td><strong>11,468,083</strong></td>
<td><strong>11,404,447</strong></td>
</tr>
</tbody>
</table>
## STATEMENT OF CASH FLOWS
### YEAR ENDED APRIL 30, 2021

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Cash provided by (used in)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenditure</td>
<td>(403,453)</td>
<td>176,296</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>920,066</td>
<td>754,803</td>
</tr>
<tr>
<td>Amortization of deferred contributions</td>
<td>(736,131)</td>
<td>(912,697)</td>
</tr>
<tr>
<td>Non-cash employee future benefits expense</td>
<td>163,000</td>
<td>33,043</td>
</tr>
<tr>
<td>Net change in deferred revenue</td>
<td>220,852</td>
<td>(316,917)</td>
</tr>
<tr>
<td>Net change in non-cash working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>198,136</td>
<td>(175,860)</td>
</tr>
<tr>
<td>Inventory</td>
<td>2,468</td>
<td>(400)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(2,527)</td>
<td>(2,582)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(264,129)</td>
<td>1,086,472</td>
</tr>
<tr>
<td></td>
<td>98,282</td>
<td>642,158</td>
</tr>
<tr>
<td><strong>Financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred endowment income</td>
<td>1,035,790</td>
<td>693,130</td>
</tr>
<tr>
<td>Deferred contributions</td>
<td>1,306,258</td>
<td>2,025,659</td>
</tr>
<tr>
<td>Loans payable</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2,842,048</td>
<td>2,718,789</td>
</tr>
<tr>
<td><strong>Investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(4,268,153)</td>
<td>(2,680,624)</td>
</tr>
<tr>
<td>Net purchases of investments</td>
<td>(449,636)</td>
<td>(1,203,202)</td>
</tr>
<tr>
<td>Endowment contributions</td>
<td>245,319</td>
<td>226,386</td>
</tr>
<tr>
<td>Capital preservation of endowment</td>
<td>(113,608)</td>
<td>(106,003)</td>
</tr>
<tr>
<td></td>
<td>(4,586,078)</td>
<td>(3,763,443)</td>
</tr>
<tr>
<td><strong>Net change in cash position</strong></td>
<td>(1,645,748)</td>
<td>(402,496)</td>
</tr>
<tr>
<td>Cash and short-term deposits, beginning of year</td>
<td>4,498,916</td>
<td>4,901,412</td>
</tr>
<tr>
<td><strong>Cash and short-term deposits, end of year</strong></td>
<td>2,853,168</td>
<td>4,498,916</td>
</tr>
</tbody>
</table>

The explanatory notes form an integral part of these financial statements.
1. Purpose of the Organization

Conrad Grebel University College ("the College") is a liberal arts college founded by the Mennonite Church and affiliated with the University of Waterloo. The mission and programs of the College are rooted in and inspired by its Christian identity and its Mennonite heritage. Conrad Grebel University College receives approximately 50% of its funding from government grants and tuition for the teaching it does for the University of Waterloo. The College is a registered charity and is therefore exempt from income taxes.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and includes the significant accounting policies summarized below:

(a) Revenue recognition

The College follows the deferral method of accounting for contributions, which include donations and grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Endowment contributions are recognized as direct increases in net assets in the period in which the contributions are received.

Tuition and other academic fees are recorded as revenue on the accrual basis of accounting. All fees that relate to an academic term occurring within the fiscal year are included as revenue. Fees billed and collected that relate to academic terms commencing after the end of the fiscal year are included in deferred revenue.

Sales, services and other revenue are recognized at point of sale or when these services have been provided.

(b) Cash and short-term investments

Cash and short-term investments consist of cash on deposit and short-term investments with a short-term maturity of twelve months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

(c) Financial instruments

Investments are shown on the statement of financial position at their fair values at the year-end date, with changes in fair value recognized in the statement of operations. All other financial assets and liabilities are recorded at amortized cost less any discovered impairment. Financial instruments include cash and short-term deposits, accounts receivable, investments, accounts payable and accrued liabilities, and loans payable.

(d) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant estimates made by management include the estimated life of capital assets and assumptions used in the valuation of pension and other post-employment retirement benefit obligations.
2. Summary of Significant Accounting Policies (Continued)

(e) Contributed services and materials

Donations of materials and services, other than capital assets, are not reflected in these financial statements because of the impracticality of the record keeping and valuation thereof.

(f) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of the contribution.

Capital assets are amortized over their estimated useful lives on the straight-line basis using the following rates:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Amortization Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and additions</td>
<td>10 - 40 years</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>3, 5 or 10 years</td>
</tr>
<tr>
<td>Library acquisitions</td>
<td>5 years</td>
</tr>
<tr>
<td>Assets under construction</td>
<td>not amortized</td>
</tr>
</tbody>
</table>

Land and significant collections of art work are not amortized.

The College capitalizes interest charges associated with significant construction projects until construction is completed. No interest was capitalized in the current or prior year.

(g) Employee future benefits

Conrad Grebel University College provides the following future benefits to its employees:

1. University of Waterloo Pension Plan

The employees of the College are participants in the University of Waterloo administered pension plan, which is a multiemployer defined benefit pension plan. Under this plan, the College's contributions are limited to a rate established by the University of Waterloo annually. The College's contributions amounted to $549,644 ($575,177 in 2020). The latest actuarial valuation of the pension plan was performed as at January 1, 2021. The next required actuarial valuation for the benefit plans is January 1, 2022. Canadian accounting standards for not-for-profit organizations require that a multiemployer plan be accounted for following the standards for defined contribution plans as insufficient information is available to account for the plan as a defined benefit plan. The College is one of a number of Organizations that participates in the plan and the financial information provided to the College on the basis of contractual agreements is usually insufficient to reliably measure the College's proportionate share in the plan assets. The total overall plan surplus (deficit) for the multiemployer plan is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of plan assets</td>
<td>$2,168,965,684</td>
<td>$1,878,568,000</td>
</tr>
<tr>
<td>Accrued benefit obligation</td>
<td>$2,236,875,075</td>
<td>$2,054,055,000</td>
</tr>
<tr>
<td>Plan surplus (deficit)</td>
<td>(67,909,391)</td>
<td>(175,487,000)</td>
</tr>
</tbody>
</table>
2. Summary of Significant Accounting Policies (Continued)

(g) Employee future benefits obligation (continued)

2. Post-employment Non-Pension Benefits

The College also provides other employee future benefits in the form of extended health care and life insurance coverage. The College recognizes the benefit obligation, net of the fair value of plan assets on the Statement of Financial Position. Current service and finance costs are expensed during the year, while remeasurements and past service costs arising from plan amendments are immediately recognized as a direct increase or decrease in net assets. The latest actuarial valuation for the benefit plans was performed as at January 1, 2021. The next required actuarial valuation for the benefit plans is January 1, 2022. The College measures its accrued benefit obligation for accounting purposes as at April 30 of each year.

3. Supplemental Pension Plan

The College has a Payroll Pension Plan to provide supplemental pension plan benefits in excess of the Income Tax Act maximum pension of the University of Waterloo Pension Plan to qualifying employees. The latest actuarial valuation for the benefit plans was performed as at January 1, 2021. The next required actuarial valuation for the benefit plans is January 1, 2022. In the current year, the pension liability associated with the plan amounted to $0. Currently the College has no employees who qualify, therefore the obligation is $0. The College obligation is accounted for as a defined benefit plan.

The defined benefit obligation at the year-end date is determined using the most recent actuarial valuation prepared for funding purposes.

(h) Inventory

Inventory of food and supplies is stated at the lower of cost and net realizable value on the first-in, first-out basis.

(i) Archives

Archive materials purchased by, or donated to, the College are expensed as received. During the year, no amounts were expensed for archive materials.

3. Investments

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th></th>
<th>2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Purchases</td>
<td>Investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and (Transfers)</td>
<td>Gain (Loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Canadian equity funds</td>
<td>4,534,920</td>
<td>248,377</td>
<td>833,896</td>
<td>3,452,647</td>
</tr>
<tr>
<td>International equity funds</td>
<td>1,964,912</td>
<td>(50,610)</td>
<td>602,810</td>
<td>1,412,712</td>
</tr>
<tr>
<td>Long-term term deposits</td>
<td>651,082</td>
<td>(597,283)</td>
<td>-</td>
<td>1,248,365</td>
</tr>
<tr>
<td>Alternative - CED Co-op</td>
<td>122,725</td>
<td>(24,522)</td>
<td>-</td>
<td>147,247</td>
</tr>
<tr>
<td>U.S. equity funds</td>
<td>1,501,283</td>
<td>(259,075)</td>
<td>111,514</td>
<td>1,648,844</td>
</tr>
<tr>
<td></td>
<td>8,774,922</td>
<td>(683,113)</td>
<td>1,548,220</td>
<td>7,909,815</td>
</tr>
</tbody>
</table>
4. Capital Assets

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Land</td>
<td>211,545</td>
<td>175,904</td>
</tr>
<tr>
<td>Building and additions</td>
<td>25,381,926</td>
<td>8,686,146</td>
</tr>
<tr>
<td>Furnishings and equipment</td>
<td>2,452,645</td>
<td>1,911,656</td>
</tr>
<tr>
<td>Library acquisitions</td>
<td>899,544</td>
<td>804,260</td>
</tr>
<tr>
<td>Assets under construction</td>
<td>1,095,528</td>
<td>-</td>
</tr>
<tr>
<td>Art work</td>
<td>110,860</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30,152,048</td>
<td>11,577,966</td>
</tr>
</tbody>
</table>

5. Accounts Payable and Accrued Liabilities

There were no amounts payable with respect to government remittances as of the year end date.

6. Interfund Transfers

The statement of changes in net assets reflects the amounts transferred between funds in order to fund disbursements for various items including capital purchases, activities and research, etc. These internally restricted amounts are not available for any other purpose without approval of the Board of Governors. Interfund transfers for the year are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted $</th>
<th>Invested in Capital Assets $</th>
<th>Endowment $</th>
<th>Internally Restricted $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of capital assets</td>
<td>(144,841)</td>
<td>144,841</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of internal mortgage</td>
<td>(75,456)</td>
<td>75,456</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Awards and bursaries</td>
<td>(249,100)</td>
<td>-</td>
<td>-</td>
<td>249,100</td>
</tr>
<tr>
<td>Added to reserves</td>
<td>83,437</td>
<td>88,000</td>
<td>-</td>
<td>(171,437)</td>
</tr>
<tr>
<td>Capital preservation of endowment</td>
<td>(113,608)</td>
<td>-</td>
<td>113,608</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(499,568)</td>
<td>308,297</td>
<td>113,608</td>
<td>77,663</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted $</th>
<th>Invested in Capital Assets $</th>
<th>Endowment $</th>
<th>Internally Restricted $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of capital assets</td>
<td>113,578</td>
<td>113,578</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of internal mortgage</td>
<td>150,912</td>
<td>150,912</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Awards and bursaries</td>
<td>225,000</td>
<td>-</td>
<td>-</td>
<td>225,000</td>
</tr>
<tr>
<td>Added to reserves</td>
<td>313,685</td>
<td>1,000,000</td>
<td>-</td>
<td>(686,315)</td>
</tr>
<tr>
<td>Capital preservation of endowment</td>
<td>106,003</td>
<td>-</td>
<td>106,003</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(909,178)</td>
<td>1,264,490</td>
<td>106,003</td>
<td>(461,315)</td>
</tr>
</tbody>
</table>
7. Interfund Amounts

As set out in note 18, the College uses fund accounting to segregate assets and liabilities designated for various purposes. As at the year end, the following amounts had been loaned between funds:

| Unrestricted Funds loaned to Endowment Funds, interest payable at prime, no fixed terms of repayment | $107,065 | - | - | (107,065) |
| Internal mortgage payable by Invested in Capital Assets Fund to Unrestricted Funds, non-interest bearing, repayable in monthly instalments of $12,576, maturing January 2029 | 1,232,451 | (1,232,451) | - | - |
| Internally restricted funds loaned to Invested in Capital Assets Fund and Unrestricted Funds, non-interest bearing, no fixed terms of repayment | (78,084) | (2,187,955) | 2,266,039 | - |
| Net amounts receivable from (owing to) other funds | 1,261,432 | (3,420,406) | 2,266,039 | (107,065) |

8. Commitments

The College has entered into various agreements to acquire repair and maintenance services and for the use of office equipment. The commitments of the College for the next five years regarding these agreements are as follows:

<table>
<thead>
<tr>
<th></th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>66,752</td>
</tr>
<tr>
<td>2023</td>
<td>22,323</td>
</tr>
<tr>
<td>2024</td>
<td>16,053</td>
</tr>
<tr>
<td>2025</td>
<td>16,053</td>
</tr>
<tr>
<td>2026</td>
<td>5,293</td>
</tr>
</tbody>
</table>

During 2019 fiscal year, the College entered into contracts for completion of a kitchen addition and dining room renovation. The work was substantially completed as of April 30, 2021, anticipated remaining costs of $1,130,815 will be paid during 2021.
9. Loans Payable

Loans payable to various supporters of the College
(3 loans in total), interest at 2%, with interest only payments
until December 2023, maturing December 2025, with option
for lenders to demand repayment beginning January 2024.

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$500,000</td>
<td>NIL</td>
</tr>
</tbody>
</table>

10. Deferred Contributions

Deferred contributions include restricted funding received in the current period that is related to the
subsequent period, unamortized grants, donations and investment income received and used for the
purchase of capital assets and the unspent portion of certain scholarships, bursaries and awards.

Deferred contributions included in income represent monies deferred in the prior year, which were
spent on their intended purpose.

The amortization of deferred contributions is recorded in income on the statement of operations.

The changes for the year are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Internally Invested in Capital Assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2021</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>480,005</td>
<td>214,436</td>
<td>11,023,668</td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>198,392</td>
<td>91,742</td>
<td>1,016,124</td>
</tr>
<tr>
<td>Amounts amortized into revenue</td>
<td>(259,436)</td>
<td>(76,315)</td>
<td>(400,380)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>418,961</td>
<td>229,863</td>
<td>11,639,412</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Internally Invested in Capital Assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2020</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>594,182</td>
<td>258,542</td>
<td>9,752,423</td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>361,765</td>
<td>106,780</td>
<td>1,557,114</td>
</tr>
<tr>
<td>Amounts amortized into revenue</td>
<td>(475,942)</td>
<td>(150,886)</td>
<td>(285,869)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>480,005</td>
<td>214,436</td>
<td>11,023,668</td>
</tr>
</tbody>
</table>
11. Cash

Bank operating loans, currently unused, are available to a maximum of $2,500,000, bearing interest at the bank's prime rate per annum and secured by an all purpose collateral mortgage.

12. Employee Future Benefits Obligation

As set out in note 2(g) the College i) has committed to providing post-employment non-pension benefits to all employees in the form of extended health care and life insurance coverage; and to ii) extend benefits under a Supplemental Pension Plan to qualifying employees (currently the College has no qualifying employees). Information about the College's obligations under these plans, which are accounted for as defined benefit plans, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Employee Future Non-Pension Benefits</th>
<th>Supplemental Pension Plan</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$1,325,000</td>
<td>-</td>
<td>$1,325,000</td>
</tr>
<tr>
<td>2020</td>
<td>1,984,000</td>
<td>115,550</td>
<td>2,099,550</td>
</tr>
</tbody>
</table>

Employee future benefits expense: 163,000 - 163,000, 158,600 - (125,557), 33,043

Other remeasurement losses (gains): 80,100 - 80,100, (817,600) - 10,007, (807,593)

Total increase (decrease) in employee future benefits obligation: 243,100 - 243,100, (659,000) - (115,550), (774,550)

Balance, end of year: 1,568,100 - 1,568,100, 1,325,000 - 1,325,000

Contributions to the benefit plans were as follows: 18,300 - 18,300, 69,100 - 69,100

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

- Discount rate: 5.30% - n/a, 5.60% - 5.60%
- Salary increase rate: n/a - n/a, n/a - 4.00%
- Consumer Price Index: 2.00% - n/a, 2.00% - 2.00%
13. Investment Income

Investment income earned is reported as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income earned on unrestricted resources</td>
<td>15,472</td>
<td>39,347</td>
</tr>
<tr>
<td>Income earned on internally restricted resources</td>
<td>24,817</td>
<td>9,084</td>
</tr>
<tr>
<td>Decrease in unrealized gain on internally restricted investments during year</td>
<td>-</td>
<td>(7,019)</td>
</tr>
<tr>
<td>Investment income from endowments</td>
<td>411,706</td>
<td>370,028</td>
</tr>
<tr>
<td><strong>Total investment income recognized</strong></td>
<td>451,995</td>
<td>411,440</td>
</tr>
</tbody>
</table>

14. Endowment Investment Income

Contributions restricted to endowments consist of restricted donations received by the College that are required to be held in perpetuity. The investment income generated from external and internal endowments must be used for the purposes designated by the donors or Board of Governors. The College ensures that all funds received for restricted purposes are expended for those purposes for which they were provided.

The College accounts for investment income earned on funds held for endowment as follows:

1. Realized investment income, which comprises interest, dividends, and realized gains and losses on the disposition of securities is divided into two components:
   i. The College has established a policy of adding an inflationary amount to endowments for the purpose of protecting the real value thereof. As of April 30, 2021, $618,357 is estimated to have been contributed by The College for this purpose.
   ii. Realized investment income in excess of the amount added to endowments for the purpose of capital preservation is added to deferred endowment income until it is disbursed in accordance with the terms of the various endowments, at which time it is recognized as revenue in the statement of operations.

2. Unrealized gains or losses on investments held for endowment purposes are treated as additions to or deductions from the endowments and recorded as an addition to or reduction in net assets.

The College has earned the following investment income on endowment funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Added to endowment funds for purposes of capital preservation</td>
<td>113,608</td>
<td>106,003</td>
</tr>
<tr>
<td>Available for disbursement in accordance with the terms of the various endowments</td>
<td>1,333,888</td>
<td>957,155</td>
</tr>
<tr>
<td>Unrealized gains (losses) on investments held for endowment purposes, recorded as an addition (deduction) to net assets</td>
<td>301,870</td>
<td>(1,258,003)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,749,366</td>
<td>(194,845)</td>
</tr>
</tbody>
</table>
15. Deferred Endowment Income

Deferred endowment income comprises realized investment income earned on funds held for endowment purposes that has not been added to endowments for the purpose of capital preservation (note 14), but which has not yet been disbursed in accordance with the terms of the various endowments. The changes for the year are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>973,663</td>
<td>280,533</td>
</tr>
<tr>
<td>Realized investment income available for disbursement</td>
<td>1,333,888</td>
<td>957,155</td>
</tr>
<tr>
<td>Amounts disbursed in the year</td>
<td>(298,098)</td>
<td>(264,025)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>2,009,453</td>
<td>973,663</td>
</tr>
</tbody>
</table>

16. Abundance Canada Endowment Funds

Abundance Canada, a public foundation, has received endowment funds on behalf of the College that are not reported in the financial statements. The funds are held by Abundance Canada under the agreement that as long as the College exists, the earnings on these funds are to be paid to the College. The amount of funds the College received and disbursed was $15,553 in 2021 ($8,447 in 2020). The fair market value of the endowment funds held by Abundance Canada on behalf of the College totalled $358,789 as at April 30, 2021 and $345,037 as at April 30, 2020.

17. Financial Instruments

The College is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity’s risk exposure and concentrations at the year end date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The College is exposed to this risk mainly in respect of its employee future benefits liability. There was no significant change in the College's exposure to liquidity risk during the year.

Credit risk

The College is exposed to credit risk with respect to the accounts receivable. The College provides credit to its clients in the normal course of its operations. There was no significant change in the College's exposure to credit risk during the year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The College is mainly exposed to currency risk and other price risk.

Currency risk

Some assets are exposed to foreign exchange fluctuations. As at April 30, 2021, cash of $75,059 ($60,089 in 2020) originated in US dollars and was converted into Canadian dollars at the year end rate of exchange.
17. Financial Instruments (Continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument, its issuer, or factors affecting all similar financial instruments traded in the market. The College is exposed to other price risk through its investments. There was no significant change in the College's exposure to other price risk during the year.

18. Nature of Net Assets

The net asset classes described below represent resources which are either unrestricted as to use, internally restricted by the Board of Governors or endowments.

Endowment

Resources contributed to the College subject to a restriction that they be held in perpetuity are reported as Endowment Funds. The College maintains endowment funds for a variety of purposes, according to the wishes of donors. Investment income earned on endowment funds is accounted for as described in Note 14. The College ensures that all funds received for restricted purposes are expended for those purposes for which they were provided.

Investment income on endowments is recorded in the statement of operations if it is available for spending at the discretion of the College or if the conditions of any restrictions have been met.

Internally Restricted

The internally restricted balance includes the scholarship and bursary fund and the reserve fund accounts.

The scholarship and bursary fund accounts for monies specifically designated for scholarships, awards and bursaries.

The reserve fund consists of the following reserves and obligations, which may be used as approved by the Board of Governors: capital reserve, reserves for employee future benefits and operational reserve.

- The College may charge capital replacements, repairs and capital projects to the capital reserve.
- The reserves for employee future benefits were created to fund expenses related to the pension and to fund the costs of extended health benefits for retired employees.
- The operational reserve includes monies set aside by the College to ensure the fiscal stability of the College and may be used to address fiscal changes and program opportunities.
- The reserve fund also includes employee future benefit obligations.
18. Nature of Net Assets (Continued)

**Unrestricted**

The unrestricted balance includes the operating fund which accounts for the costs of academic, residential, administrative and other operating expenditures of the College funded by fees, grants and other general income.

**Invested in Capital Assets**

The invested in capital assets balance accounts for the cost of capital assets owned by the College.

Net assets at April 30th are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>36,219</td>
<td>36,106</td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>3,010,736</td>
<td>3,215,119</td>
</tr>
<tr>
<td>Endowment</td>
<td>7,953,055</td>
<td>7,292,258</td>
</tr>
<tr>
<td>Internally restricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarship and bursary</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>529,497</td>
<td>617,497</td>
</tr>
<tr>
<td>Employee future benefit obligations</td>
<td>(1,568,100)</td>
<td>(1,325,000)</td>
</tr>
<tr>
<td>Reserves for employee future benefit obligations</td>
<td>61,424</td>
<td>167,414</td>
</tr>
<tr>
<td>Operational reserve</td>
<td>1,445,252</td>
<td>1,401,053</td>
</tr>
<tr>
<td></td>
<td>468,073</td>
<td>860,964</td>
</tr>
</tbody>
</table>

19. Uncertainty Regarding COVID-19

The COVID-19 pandemic continues to impact the economy. It is not possible to estimate the remaining length and severity of the pandemic, or the impact on the financial results and operations of the College.
## Conrad Grebel University College

### SCHEDULE OF EXPENSES

**YEAR ENDED APRIL 30, 2021**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Academic</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General academic</td>
<td>2,169,975</td>
<td>2,560,695</td>
</tr>
<tr>
<td>Peace and Conflict Studies</td>
<td>636,379</td>
<td>750,187</td>
</tr>
<tr>
<td>Music</td>
<td>1,114,460</td>
<td>1,220,648</td>
</tr>
<tr>
<td>Library</td>
<td>165,966</td>
<td>202,071</td>
</tr>
<tr>
<td>Archives</td>
<td>105,131</td>
<td>105,221</td>
</tr>
<tr>
<td>Administration</td>
<td>1,033,388</td>
<td>1,086,881</td>
</tr>
<tr>
<td>Physical plant</td>
<td>358,139</td>
<td>421,380</td>
</tr>
<tr>
<td>Seniors and Spirituality</td>
<td>79,976</td>
<td>88,245</td>
</tr>
<tr>
<td></td>
<td>5,743,514</td>
<td>6,435,328</td>
</tr>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>515,656</td>
<td>587,121</td>
</tr>
<tr>
<td>Physical plant</td>
<td>313,760</td>
<td>355,137</td>
</tr>
<tr>
<td>Dietary</td>
<td>756,191</td>
<td>1,080,908</td>
</tr>
<tr>
<td></td>
<td>1,585,607</td>
<td>2,023,166</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conrad Grebel Review</td>
<td>28,214</td>
<td>30,298</td>
</tr>
<tr>
<td>HST recovery</td>
<td>(6,065)</td>
<td>(11,544)</td>
</tr>
<tr>
<td>Community education programs</td>
<td>2,700</td>
<td>41,581</td>
</tr>
<tr>
<td>Portfolio management</td>
<td>3,171</td>
<td>7,969</td>
</tr>
<tr>
<td>Education and tuition support</td>
<td>27,342</td>
<td>32,430</td>
</tr>
<tr>
<td></td>
<td>55,362</td>
<td>100,734</td>
</tr>
</tbody>
</table>

The explanatory notes form an integral part of these financial statements.