

**CONRAD GREBEL UNIVERSITY COLLEGE**

**FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2023**



|  | <b>Page</b> |
|--|-------------|
| <b>Management Responsibility for Financial Reporting</b> | 1           |
| <b>Independent Auditors' Report</b>                      | 2 - 3       |
| <b>Financial Statements</b>                              |             |
| Statement of Financial Position                          | 4           |
| Statement of Operations                                  | 5           |
| Statement of Changes in Net Assets                       | 6           |
| Statement of Cash Flows                                  | 7           |
| Explanatory Financial Notes                              | 8 - 18      |
| <b>Schedule to Financial Statements</b>                  |             |
| Schedule of Expenses                                     | 19          |



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**MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING**  
**APRIL 30, 2023**

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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 17, 2023, expresses their unqualified opinion on the 2023 financial statements.

A handwritten signature in purple ink, appearing to read "Marcus Shantz".

Marcus Shantz  
President

A handwritten signature in black ink, appearing to read "Sara Cressman".

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, 2023, 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, 2023, 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.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario  
October 17, 2023

Chartered Professional Accountants, authorized to practise public  
accounting by the Chartered Professional Accountants of Ontario



STATEMENT OF FINANCIAL POSITION  
APRIL 30, 2023

|   | 2023<br>\$        | 2022<br>\$        |
|---|-------------------|-------------------|
| <b>ASSETS</b>                                     |                   |                   |
| Cash and cash equivalents (note 10)               | 2,465,461         | 2,064,036         |
| Accounts receivable                               | 113,749           | 77,599            |
| Inventory   | 23,643            | 20,883            |
| Prepaid expenses                                  | 69,365            | 55,818            |
| <b>Current assets</b>                             | <b>2,672,218</b>  | <b>2,218,336</b>  |
| Investments (note 3)                              | 10,622,803        | 10,156,945        |
| Property, plant and equipment (note 4)            | 17,627,349        | 18,232,597        |
|   | <b>30,922,370</b> | <b>30,607,878</b> |
| <b>LIABILITIES</b>                                |                   |                   |
| Accounts payable and accrued liabilities (note 5) | 1,533,544         | 1,501,977         |
| Deferred revenue                                  | 435,934           | 439,646           |
| Deferred contributions (note 9)                   | 611,148           | 513,445           |
| Deferred endowment income (note 14)               | 532,981           | 454,716           |
| Loans payable (note 8)                            | 1,000,000         | -                 |
| <b>Current liabilities</b>                        | <b>4,113,607</b>  | <b>2,909,784</b>  |
| Employee future benefits obligation (note 11)     | 2,050,800         | 1,890,300         |
| Loans payable (note 8)                            | -                 | 1,000,000         |
| Deferred contributions (note 9)                   | 11,942,039        | 11,699,759        |
| Deferred endowment income (note 14)               | 1,222,205         | 1,431,634         |
| <b>Total liabilities</b>                          | <b>19,328,651</b> | <b>18,931,477</b> |
| <b>NET ASSETS (NOTE 17)</b>                       |                   |                   |
| Invested in property, plant and equipment         | 2,325,308         | 2,654,789         |
| Endowment   | 9,325,582         | 8,711,234         |
| Internally restricted                             | ( 93,164)         | 274,286           |
| Unrestricted                                      | 35,993            | 36,092            |
|   | <b>11,593,719</b> | <b>11,676,401</b> |
|   | <b>30,922,370</b> | <b>30,607,878</b> |

APPROVED ON BEHALF OF THE BOARD:

Andrew Roth  
Andrew Roth (Oct 23, 2023 15:25 EDT) Director

Morgan Grainger  
Morgan Grainger (Oct 23, 2023 14:27 CDT) Director



STATEMENT OF OPERATIONS  
YEAR ENDED APRIL 30, 2023

|  | 2023              | 2022              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Revenue</b>                                     |                   |                   |
| Academic   | 5,791,531         | 5,789,385         |
| Residential and service fees                       | 2,393,666         | 1,904,237         |
| Constituent conference support                     | 146,462           | 146,462           |
| Annual fund donations                              | 378,873           | 394,910           |
| Rental   | 150,039           | 92,204            |
| Investment income (note 12)                        | 764,278           | 505,763           |
| Other  | 55,239            | 37,683            |
| Deferred contributions included in income (note 9) | 836,315           | 766,183           |
|  | <b>10,516,403</b> | 9,636,827         |
| <b>Expenditure</b>                                 |                   |                   |
| Academic (page 19)                                 | 6,841,541         | 6,289,647         |
| Residential (page 19)                              | 2,109,593         | 1,987,301         |
| Other (page 19)                                    | 494,629           | 92,864            |
| Scholarships and bursaries                         | 528,106           | 496,068           |
| Fundraising and development                        | 128,418           | 123,839           |
| Amortization of property, plant and equipment      | 977,378           | 992,709           |
|  | <b>11,079,665</b> | 9,982,428         |
| <b>Deficiency of revenue over expenditure</b>      | <b>( 563,262)</b> | <b>( 345,601)</b> |

**STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED APRIL 30, 2023**

|   | Unrestricted<br>\$ | Invested in<br>Property, Plant<br>and Equipment<br>\$ | Endowment<br>\$  | Internally<br>Restricted<br>\$ | 2023<br>Total<br>\$ | 2022<br>Total<br>\$ |
|---|--------------------|---|------------------|--------------------------------|---------------------|---------------------|
| Net assets, beginning of year                   | 36,092             | 2,654,789   | 8,711,234        | 274,286                        | 11,676,401          | 11,468,083          |
| Excess (deficiency) of revenue over expenditure | 751,847            | ( 914,009)  | -                | ( 401,100)                     | ( 563,262)          | ( 345,601)          |
| Interfund transfers (note 6)                    | ( 751,946)         | 584,528   | 185,368          | ( 17,950)                      | -                   | -                   |
| Endowment contributions                         | -                  | -   | 428,980          | -                              | 428,980             | 623,019             |
| Opening net liability adjustment (note 11)      | -                  | -   | -                | -                              | -                   | ( 838,700)          |
| Other remeasurement items (note 11)             | -                  | -   | -                | 51,600                         | 51,600              | 769,600             |
| <b>Net assets, end of year</b>                  | <b>35,993</b>      | <b>2,325,308</b>                                      | <b>9,325,582</b> | <b>( 93,164)</b>               | <b>11,593,719</b>   | <b>11,676,401</b>   |





STATEMENT OF CASH FLOWS  
YEAR ENDED APRIL 30, 2023

|   | 2023<br>\$       | 2022<br>\$        |
|---|------------------|-------------------|
| <b>Cash provided by (used in)</b>             |                  |                   |
| <b>Operating activities:</b>                  |                  |                   |
| Deficiency of revenue over expenditure        | ( 563,262)       | ( 345,601)        |
| Amortization of property, plant and equipment | 977,378          | 992,709           |
| Amortization of deferred contributions        | ( 836,315)       | ( 766,183)        |
| Non-cash employee future benefits expense     | 212,100          | 253,100           |
| Net change in deferred revenue                | ( 3,712)         | 133,787           |
| Net change in non-cash working capital:       |                  |                   |
| Accounts receivable                           | ( 36,150)        | 79,727            |
| Inventory                                     | ( 2,760)         | ( 5,660)          |
| Prepaid expenses                              | ( 13,547)        | ( 10,784)         |
| Accounts payable                              | 31,568           | ( 56,050)         |
|   | ( 234,700)       | 275,045           |
| <b>Financing activities:</b>                  |                  |                   |
| Deferred endowment income                     | ( 131,164)       | ( 123,103)        |
| Deferred contributions                        | 1,176,298        | 691,151           |
| Loans payable                                 | -                | 500,000           |
|   | 1,045,134        | 1,068,048         |
| <b>Investing activities:</b>                  |                  |                   |
| Purchase of property, plant and equipment     | ( 372,131)       | ( 1,373,221)      |
| Net purchases of investments                  | ( 465,858)       | ( 1,134,457)      |
| Endowment contributions                       | 428,980          | 623,019           |
|   | ( 409,009)       | ( 1,884,659)      |
| <b>Net change in cash position</b>            | <b>401,425</b>   | <b>( 541,566)</b> |
| Cash and cash equivalents, beginning of year  | 2,064,036        | 2,605,602         |
| <b>Cash and cash equivalents</b>              | <b>2,465,461</b> | <b>2,064,036</b>  |



## 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 56% 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 cash equivalents

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

### (c) Financial instruments

Investments in equity instruments that are quoted in an active market 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 cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, and loans payable.



**2. Summary of Significant Accounting Policies (Continued)**

**(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 property, plant and equipment and assumptions used in the valuation of pension and other post-employment retirement benefit obligations.

**(e) Contributed services and materials**

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

**(f) Property, plant and equipment**

Purchased property, plant and equipment are recorded at cost. Contributed property, plant and equipment are recorded at fair value at the date of the contribution.

Property, plant and equipment are amortized over their estimated useful lives on the straight-line basis using the following rates:

|                           |                  |
|---------------------------|------------------|
| Building and additions    | 10 - 40 years    |
| Furnishings and equipment | 3, 5 or 10 years |
| Library acquisitions      | 5 years          |

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 in the year amounted to \$575,788 (\$569,042 in 2022). The latest actuarial valuation of the pension plan was performed as at January 1, 2023. The next required actuarial valuation for the benefit plans is January 1, 2024. 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 participate 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.



EXPLANATORY FINANCIAL NOTES  
YEAR ENDED APRIL 30, 2023

2. Summary of Significant Accounting Policies (Continued)

(g) Employee future benefits (continued)

The total overall plan surplus (deficit) for the multiemployer plan is as follows:

|                               | 2023<br>\$       | 2022<br>\$            |
|-------------------------------|------------------|-----------------------|
| Fair value of plan assets     | 2,306,582,000    | 2,161,008,000         |
| Accrued benefit obligation    | 2,298,740,000    | 2,343,247,000         |
| <b>Plan surplus (deficit)</b> | <b>7,842,000</b> | <b>( 182,239,000)</b> |

It is estimated that the College accounts for approximately 1% of the active members of the pension plan.

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, 2023. The next required actuarial valuation for the benefit plans is January 1, 2024. The College measures its accrued benefit obligation for accounting purposes as at April 30 of each year.

(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.

3. Investments

|                                 | 2023              |  |                                 | 2022              |
|---------------------------------|-------------------|--|---------------------------------|-------------------|
|                                 | \$                | Net Purchases<br>and (Transfers)<br>\$ | Investment<br>Gain (Loss)<br>\$ | \$                |
| Canadian equity funds           | 4,170,915         | 1,604                                  | 29,346                          | 4,139,965         |
| International equity funds      | 2,099,948         | 196,938                                | 172,970                         | 1,730,040         |
| Cash & short-term term deposits | 1,692,552         | ( 31,829)                              | -                               | 1,724,381         |
| Alternative investments         | 223,585           | ( 31,775)                              | 7,865                           | 247,495           |
| U.S. equity funds               | 2,435,803         | ( 194,548)                             | 315,287                         | 2,315,064         |
|                                 | <b>10,622,803</b> | <b>( 59,610)</b>                       | <b>525,468</b>                  | <b>10,156,945</b> |



EXPLANATORY FINANCIAL NOTES  
YEAR ENDED APRIL 30, 2023

| 4. Property, Plant and Equipment | 2023              |                                   |                         | 2022                    |
|----------------------------------|-------------------|-----------------------------------|-------------------------|-------------------------|
|                                  | Cost<br>\$        | Accumulated<br>Amortization<br>\$ | Net<br>Book Value<br>\$ | Net<br>Book Value<br>\$ |
| Land                             | 211,545           | 175,904                           | 35,641                  | 35,641                  |
| Building and additions           | 27,055,052        | 10,115,241                        | 16,939,811              | 17,541,857              |
| Furnishings and equipment        | 2,634,712         | 2,189,217                         | 445,495                 | 451,870                 |
| Library acquisitions             | 996,520           | 900,978                           | 95,542                  | 92,369                  |
| Art work                         | 110,860           | -                                 | 110,860                 | 110,860                 |
|                                  | <b>31,008,689</b> | <b>13,381,340</b>                 | <b>17,627,349</b>       | <b>18,232,597</b>       |

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:

|  | 2023               |   |                 |                                |
|--|--------------------|---|-----------------|--------------------------------|
|  | Unrestricted<br>\$ | Invested in<br>Property, Plant<br>and Equipment<br>\$ | Endowment<br>\$ | Internally<br>Restricted<br>\$ |
| Purchase of property, plant<br>and equipment | ( 95,254)          | 433,616   | -               | ( 338,362)                     |
| Repayment of internal mortgage               | ( 150,912)         | 150,912   | -               | -                              |
| Awards and bursaries                         | ( 189,000)         | -   | -               | 189,000                        |
| Added to reserves                            | ( 131,412)         | -   | -               | 131,412                        |
| Capital preservation of endowment            | ( 185,368)         | -   | 185,368         | -                              |
|  | <b>( 751,946)</b>  | <b>584,528</b>  | <b>185,368</b>  | <b>( 17,950)</b>               |

|  | 2022               |   |                 |                                |
|--|--------------------|---|-----------------|--------------------------------|
|  | Unrestricted<br>\$ | Invested in<br>Property, Plant<br>and Equipment<br>\$ | Endowment<br>\$ | Internally<br>Restricted<br>\$ |
| Purchase of property, plant<br>and equipment | ( 97,576)          | 97,576  | -               | -                              |
| Repayment of internal mortgage               | ( 150,912)         | 150,912   | -               | -                              |
| Awards and bursaries                         | ( 214,805)         | -   | -               | 214,805                        |
| Added to reserves                            | ( 127,315)         | -   | -               | 127,315                        |
| Capital preservation of endowment            | ( 135,160)         | -   | 135,160         | -                              |
|  | <b>( 725,768)</b>  | <b>248,488</b>  | <b>135,160</b>  | <b>342,120</b>                 |



EXPLANATORY FINANCIAL NOTES  
YEAR ENDED APRIL 30, 2023

**7. Interfund Amounts**

As set out in note 17, 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<br>Funds<br>\$ | Invested in<br>Property, Plant<br>and Equipment<br>\$ | Internally<br>Restricted<br>\$ | Endowment<br>\$   |
|---|-----------------------------|---|--------------------------------|-------------------|
| Unrestricted Funds loaned to Endowment Fund, non-interest bearing, no fixed terms of repayment  | 111,770                     | -   | -                              | ( 111,770)        |
| Internal mortgage payable by Invested in Property, Plant and Equipment Fund to Unrestricted Funds, non-interest bearing, repayable in monthly instalments of \$10,708, maturing July 2030 | 930,627                     | ( 930,627)  | -                              | -                 |
| Internally Restricted Funds loaned to Invested in Property, Plant and Equipment Fund and Unrestricted Funds, non-interest bearing, no fixed terms of repayment                            | ( 540,080)                  | ( 1,867,555)  | 2,407,635                      | -                 |
| <b>Net amounts receivable from (owing to) other funds</b>   | <b>502,317</b>              | <b>( 2,798,182)</b>                                   | <b>2,407,635</b>               | <b>( 111,770)</b> |

| <b>8. Loans Payable</b>  | <b>2023</b><br>\$ | 2022<br>\$ |
|--|-------------------|------------|
| Loans payable to various supporters of the College (4 loans in total), interest at 2%, with interest only payments during the first three years, maturing December 2025, with option for lenders to demand repayment beginning January 2024. | 1,000,000         | 1,000,000  |
| Current portion due within one year  | 1,000,000         | -          |
|  | -                 | 1,000,000  |

**9. 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 property, plant and equipment and the unspent portion of certain scholarships, bursaries and awards.



EXPLANATORY FINANCIAL NOTES  
YEAR ENDED APRIL 30, 2023

9. Deferred Contributions (Continued)

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 current portion of deferred contributions is comprised of the unrestricted deferred contributions, which are available for use at any time.

The changes for the year are as follows:

|                                | 2023               |                                |   |                   |
|--------------------------------|--------------------|--------------------------------|---|-------------------|
|                                | Unrestricted<br>\$ | Internally<br>Restricted<br>\$ | Invested in<br>Property, Plant<br>and Equipment<br>\$ | Total<br>\$       |
| Balance, beginning of year     | 513,445            | 214,588                        | 11,485,171  | 12,213,204        |
| Restricted contributions       | 432,185            | 310,851                        | 433,262   | 1,176,298         |
| Amounts amortized into revenue | ( 334,482)         | ( 75,441)                      | ( 426,392)  | ( 836,315)        |
| <b>Balance, end of year</b>    | <b>611,148</b>     | <b>449,998</b>                 | <b>11,492,041</b>                                     | <b>12,553,187</b> |
| Current                        | 611,148            | -                              | -   | 611,148           |
| Long-term                      | -                  | 449,998                        | 11,492,041  | 11,942,039        |
|                                | <b>611,148</b>     | <b>449,998</b>                 | <b>11,492,041</b>                                     | <b>12,553,187</b> |

|                                | 2022               |                                |   |                   |
|--------------------------------|--------------------|--------------------------------|---|-------------------|
|                                | Unrestricted<br>\$ | Internally<br>Restricted<br>\$ | Invested in<br>Property, Plant<br>and Equipment<br>\$ | Total<br>\$       |
| Balance, beginning of of year  | 418,961            | 229,863                        | 11,639,412  | 12,288,236        |
| Restricted contributions       | 356,239            | 82,688                         | 252,224   | 691,151           |
| Amounts amortized into revenue | ( 261,755)         | ( 97,963)                      | ( 406,465)  | ( 766,183)        |
| <b>Balance, end of year</b>    | <b>513,445</b>     | <b>214,588</b>                 | <b>11,485,171</b>                                     | <b>12,213,204</b> |
| Current                        | 513,445            | -                              | -   | 513,445           |
| Long-term                      | -                  | 214,588                        | 11,485,171  | 11,699,759        |
|                                | <b>513,445</b>     | <b>214,588</b>                 | <b>11,485,171</b>                                     | <b>12,213,204</b> |



EXPLANATORY FINANCIAL NOTES  
YEAR ENDED APRIL 30, 2023

**10. 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.

**11. Employee Future Benefits Obligation**

As set out in note 2(g) the College has committed to providing post-employment non-pension benefits to all employees in the form of extended health care and life insurance coverage. Information about the College's obligations under this plan, which is accounted for as a defined benefit plan, is as follows:

|   | 2023<br>\$       | 2022<br>\$        |
|---|------------------|-------------------|
| Balance, beginning of year  | 1,890,300        | 1,568,100         |
| Net liability adjustment (note 18)                                      | -                | 838,700           |
| <b>Adjusted balance beginning of year</b>                               | <b>1,890,300</b> | <b>2,406,800</b>  |
| Employee future benefits expense  | 212,100          | 253,100           |
| Other remeasurement gains   | ( 51,600)        | ( 769,600)        |
| <b>Total increase (decrease) in employee future benefits obligation</b> | <b>160,500</b>   | <b>( 516,500)</b> |
| <b>Balance, end of year</b>   | <b>2,050,800</b> | <b>1,890,300</b>  |
| <b>Contributions to the benefit plans were as follows:</b>              | <b>15,300</b>    | <b>16,900</b>     |

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

|               |       |      |
|---------------|-------|------|
| Discount rate | 4.85% | 4.7% |
|---------------|-------|------|

**12. Investment Income**

Investment income earned is reported as follows:

|  |                |                |
|--|----------------|----------------|
| Income earned on unrestricted resources          | 35,474         | 10,201         |
| Income earned on internally restricted resources |                | 1,098          |
| Investment income from endowments                | 728,804        | 494,464        |
| <b>Total investment income recognized</b>        | <b>764,278</b> | <b>505,763</b> |





EXPLANATORY FINANCIAL NOTES  
YEAR ENDED APRIL 30, 2023

**13. 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 endowments must be used for the purposes designated by the donors or Board of Governors.

Investment income, which comprises interest, dividends and changes in the fair value of investments, is divided into three 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, 2023, \$937,885 is estimated to have been transferred by The College from unrestricted funds to endowment funds for this purpose.
- ii. The annual endowment draw calculation determines the amount available for distribution.
- iii. The difference between the investment income less i. and ii. is added to the Endowment Stabilization Reserve if a positive amount and deducted if a negative amount.

|  | <b>2023</b> | 2022 |
|--|-------------|------|
|  | \$          | \$   |

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

|   |                |         |
|---|----------------|---------|
| Added to endowment funds for purposes of capital preservation                     | <b>185,368</b> | 135,160 |
| Income earned on endowments in excess of amount retained for capital preservation | <b>412,293</b> | 246,225 |
|   | <b>597,661</b> | 381,385 |

**14. Deferred Endowment Income**

Deferred endowment income comprises investment income earned on funds held for endowment purposes that has not been added to endowments for the purpose of capital preservation (note 13), but which has not yet been disbursed in accordance with the terms of the various endowments. The cumulative unused annual endowment draws are available to spend while the Endowment Stabilization Reserve will become available to spend as described in note 13. The changes for the year are as follows:

|  |                   |            |
|--|-------------------|------------|
| Balance, beginning of year                   | <b>1,886,350</b>  | 2,009,453  |
| Investment income available for disbursement | <b>412,293</b>    | 246,225    |
| Amounts disbursed in the year                | <b>( 543,457)</b> | ( 369,328) |
| <b>Balance, end of year</b>                  | <b>1,755,186</b>  | 1,886,350  |
| Less: Current portion                        | <b>532,981</b>    | 454,716    |
| <b>Long-term deferred endowment income</b>   | <b>1,222,205</b>  | 1,431,634  |



## 15. 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 was \$19,760 in 2023 (\$12,500 in 2022). The fair market value of the endowment funds held by Abundance Canada on behalf of the College totalled \$348,106 as at April 30, 2023 and \$355,428 as at April 30, 2022.

## 16. 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, 2023, cash of \$168,578 (\$127,312 in 2022) originated in US dollars and was converted into Canadian dollars at the year end rate of exchange.

#### 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.



## 17. 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 13.

### Internally Restricted

Internally restricted funds comprise the following:

- The scholarship and bursary fund, which accounts for funds specifically designated for scholarships, bursaries and awards.
- The capital reserve fund, to which the College may charge capital replacements, major repairs and other capital projects.
- Various operational reserves established to finance specific expenditures.

As set out in notes 2(g) and 11, the College has an actuarially determined liability of \$2,050,800 in respect of a plan to provide post-retirement, non-pension benefits to employees. The College has elected to reflect this liability as an offset to its other reserves. The operational reserves include a reserve of \$433,657 designated to fund this liability.

### 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 Property, Plant and Equipment

The invested in property, plant and equipment balance accounts for the cost of property, plant and equipment owned by the College.



EXPLANATORY FINANCIAL NOTES  
YEAR ENDED APRIL 30, 2023

17. Nature of Net Assets (Continued)

Net assets at April 30th are as follows:

|   | 2023         | 2022         |
|---|--------------|--------------|
|   | \$           | \$           |
| Unrestricted                              | 35,993       | 36,092       |
| Invested in property, plant and equipment | 2,325,308    | 2,654,789    |
| Endowment                                 | 9,325,582    | 8,711,234    |
| Internally restricted                     |              |              |
| Scholarship and bursary                   | -            | -            |
| Capital reserve                           | 615,705      | 822,655      |
| Employee future benefit obligations       | ( 2,050,800) | ( 1,890,300) |
| Operational reserves                      | 1,341,931    | 1,341,931    |
|   | ( 93,164)    | 274,286      |

18. Change in Accounting Policy

On November 11, 2020, the Accounting Standards Board of CPA Canada adopted amendments to Section 3462 of Part II of the CPA Canada Handbook - Employee Future Benefits. Adoption of the amended requirements is required for fiscal years beginning on or after January 1, 2022, although earlier adoption is permitted. The College elected to adopt the amendments during the 2022 fiscal year.

Previously, organizations were permitted to use either an accounting valuation approach or a funding valuation approach to measure liabilities under defined benefit obligations; the College elected to use a funding valuation approach to measure its obligations under the College's post-retirement employee benefit plan. Amended Section 3462 permits the use of a funding valuation approach only for plans with a legislative, regulatory, or contractual requirement to prepare a funding valuation. As there is no such requirement for the College's post-retirement employee benefit plan, the College is now required to measure its obligations under that plan using an accounting valuation approach. As a result of the change in valuation approaches during 2022, the College's liability under its post-retirement employee benefit plan was discounted to present value using a discount rate of 4.7%; previously, the liability was discounted using a rate of 5.3%.

In accordance with the permitted transitional provisions applicable to these amendments, the cumulative effect of applying these amendments was recorded as an increase to the employee future benefit liability and an offsetting decrease in net assets of \$838,700 as at May 1, 2021.



**SCHEDULE OF EXPENSES  
YEAR ENDED APRIL 30, 2023**

|                               | 2023<br>\$       | 2022<br>\$       |
|-------------------------------|------------------|------------------|
| <b>Academic</b>               |                  |                  |
| General academic              | 2,358,401        | 3,237,821        |
| Peace and Conflict Studies    | 752,615          | 699,165          |
| Music                         | 1,372,439        | 1,243,891        |
| Library                       | 182,768          | 163,082          |
| Archives                      | 131,377          | 121,178          |
| Administration                | 1,565,290        | 1,054,031        |
| Physical plant                | 442,989          | 456,590          |
| Seniors and Spirituality      | 87,262           | 83,489           |
|                               | <b>6,841,541</b> | <b>6,289,647</b> |
| <b>Residential</b>            |                  |                  |
| Administrative                | 422,220          | 493,425          |
| Physical plant                | 419,934          | 428,909          |
| Dietary                       | 1,267,439        | 1,064,967        |
|                               | <b>2,109,593</b> | <b>1,987,301</b> |
| <b>Other</b>                  |                  |                  |
| Interest expense              | 20,000           | 18,301           |
| Conrad Grebel Review          | 30,149           | 30,576           |
| HST recovery                  | ( 12,008)        | ( 8,859)         |
| Community education programs  | 87,937           | 33,478           |
| Education and tuition support | 25,528           | 19,368           |
| Roof replacement              | 343,023          | -                |
|                               | <b>494,629</b>   | <b>92,864</b>    |











# Grebel Statements Signature please

Final Audit Report

2023-10-23

|                 |  |
|-----------------|--|
| Created:        | 2023-10-23                                   |
| By:             | Liz Kensett (liz.kensett@uwaterloo.ca)       |
| Status:         | Signed                                       |
| Transaction ID: | CBJCHBCAABAA9qaw8B5XJ7hiAyK0m_Sk5O8QuYyZRaco |

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