

---

# Financial statements of United College

April 30, 2023

---

---

Independent Auditor's Report	1-2
Statement of financial position – assets	3
Statement of financial position – liabilities and fund balances	4
Statement of operations	5
Statement of changes in net assets	6
Statement of cash flows	7
Notes to the financial statements	8-15

---

## Independent Auditor's Report

To the Board of Governors of  
United College

### Opinion

We have audited the financial statements of United 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 (collectively referred to as the "financial statements").

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 the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
October 12, 2023

**United College**  
**Statement of financial position – assets**  
As at April 30, 2023

	2023	2022
	\$	\$
<b>Assets</b>		
<b>Operating fund</b>		
Cash	191,900	1,092,338
Accrued Investment Income	65,369	7,349
Accounts receivable	616,688	95,503
Due from other funds	714,886	203,380
Prepaid expenses	148,494	41,017
Short-term Investments	1,363,568	1,633,826
Long-term Investments	1,523,739	553,580
	<b>4,624,644</b>	<b>3,626,993</b>
<b>Academic fund</b>		
Cash	2,139	4,628
Accrued investment income	983	695
Due from other funds	—	—
Short-term investments	25,689	42,261
Long-term Investments	993,007	939,857
	<b>1,021,818</b>	<b>987,441</b>
<b>Lectureship fund</b>		
Cash	1,699	3,526
Accrued investment income	780	530
Short-term investments	20,396	32,204
Long-term Investments	796,019	755,319
	<b>818,894</b>	<b>791,579</b>
<b>Capital fund</b>		
Cash	2,078	2,854
Due from other funds	263,075	—
Capital assets	19,783,705	20,161,852
	<b>20,048,858</b>	<b>20,164,706</b>
<b>Development fund</b>		
Cash	297,362	205,840
Cash due to other organizations	87,665	114,634
Accrued investment income	488	384
Due from other funds	—	23,774
Short-term Investments	12,767	23,395
Long-term investments	462,553	433,484
	<b>860,835</b>	<b>801,511</b>
<b>Student awards fund</b>		
Cash	6,488	13,580
Accrued Investment Income	2,978	2,037
Due from other funds	116,136	—
Short-term investments	77,904	124,009
Long-term Investments	3,068,334	2,911,760
	<b>3,271,840</b>	<b>3,051,386</b>
<b>Total all funds</b>		
<b>Current</b>		
Cash	501,666	1,322,766
Cash due to other organizations	87,665	114,634
Accounts receivable	616,688	95,503
Accrued investment income	70,598	10,995
Prepaid expenses	148,494	41,017
Due from other funds	1,094,097	227,154
Investments	1,500,324	1,855,695
	<b>4,019,532</b>	<b>3,667,764</b>
<b>Long-term</b>		
Investments	6,843,652	5,594,000
Capital assets	19,783,705	20,161,852
	<b>26,627,357</b>	<b>25,755,852</b>
	<b>30,646,889</b>	<b>29,423,616</b>

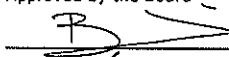

The accompanying notes are an integral part of the financial statements.

**United College**  
**Statement of financial position – liabilities and fund balances**  
As at April 30, 2023

	2023	2022
	\$	\$
<b>Liabilities and fund balances</b>		
Operating fund		
Accounts payable and accrued liabilities	1,467,727	1,126,323
Government remittances payable	8,619	6,036
Deferred revenue	965,578	737,588
Employee future benefits liability	745,377	673,245
Due to other funds	359,572	23,774
Fund balance	<u>1,077,771</u>	<u>1,060,027</u>
	<u>4,624,644</u>	<u>3,626,993</u>
Academic fund		
Due to other funds	92,185	31,991
Fund balance	<u>929,633</u>	<u>955,450</u>
	<u>1,021,818</u>	<u>987,441</u>
Lectureship fund		
Due to other funds	60,045	33,009
Fund balance	<u>758,848</u>	<u>758,570</u>
	<u>818,893</u>	<u>791,579</u>
Capital fund		
Accrued interest (receivable) payable	(22,003)	99,455
Due to other funds	—	78,600
Loans payable	18,057,734	18,662,499
Interest rate swap derivative (asset) liability	(16,169)	218,182
Fund balance	<u>2,029,297</u>	<u>1,105,970</u>
	<u>20,048,859</u>	<u>20,164,706</u>
Development fund		
Due to other funds	107,511	—
Deferred revenue	160,492	212,027
Due to other organizations	87,665	114,634
Fund balance	<u>505,167</u>	<u>474,850</u>
	<u>860,835</u>	<u>801,511</u>
Student awards fund		
Due to other funds	474,784	59,780
Fund balance	<u>2,797,056</u>	<u>2,991,606</u>
	<u>3,271,840</u>	<u>3,051,386</u>
<b>Total all funds</b>		
Current		
Accounts payable and accrued liabilities	1,467,727	1,126,323
Government remittances payable	8,619	6,036
Accrued interest payable	(22,003)	99,455
Deferred revenue	1,126,070	949,615
Due to other organizations	87,665	114,634
Current portion of loans payable	634,829	604,765
Due to other funds	<u>1,094,097</u>	<u>227,154</u>
	<u>4,397,004</u>	<u>3,127,982</u>
Long-term		
Employee future benefits liability	745,377	673,245
Loans payable	17,422,905	18,057,734
Interest rate swap derivative liability (asset)	(16,169)	218,182
	<u>22,549,117</u>	<u>22,077,143</u>
<b>Fund balances</b>	<u>8,097,772</u>	<u>7,346,473</u>
	<u>30,646,889</u>	<u>29,423,616</u>

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 Director  
 Director

**United College**  
**Statement of operations**  
**Year ended April 30, 2023**

	Operating funds	Operating funds	Capital fund	Capital fund	Development fund	Development fund	Student awards fund	Student awards fund	Lectureship fund	Lectureship fund	Academic fund	Academic fund	Total all funds	Total all funds
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>														
Residence	4,871,831	4,871,831	—	—	—	—	—	—	—	—	—	—	—	4,871,831
Academic	1,589,567	1,589,567	—	—	—	—	—	—	—	—	—	—	—	1,589,567
GreenHouse	368,011	376,271	—	—	—	—	—	—	—	—	—	—	—	368,011
Indigenous	245,675	263,271	—	—	—	—	—	—	—	—	—	—	—	245,675
Ancillary and other revenue	699,710	431,499	77,052	27,054	12,731	24,702	60,689	77,637	20,330	15,774	20,689	20,689	20,689	245,675
Investment	114,804	37,320	388	—	40,169	66,052	52,210	21,999	—	—	—	—	—	431,499
Donations	7,592,579	7,592,579	37,470	35	52,900	117,818	113,409	89,636	20,330	15,774	20,689	20,689	20,689	147,249
	<b>8,743,957</b>	<b>7,592,579</b>	<b>37,470</b>	<b>35</b>	<b>117,818</b>	<b>117,818</b>	<b>113,409</b>	<b>89,636</b>	<b>20,330</b>	<b>15,774</b>	<b>20,689</b>	<b>20,689</b>	<b>9,084,753</b>	<b>7,795,367</b>
<b>Expenditures</b>														
Residence	1,899,797	1,418,023	—	—	—	—	—	—	—	—	—	—	—	1,899,797
Academic	1,251,664	1,091,437	—	—	—	—	—	—	—	—	—	—	—	1,251,664
GreenHouse	526,528	547,489	—	—	—	—	—	—	—	—	—	—	—	526,528
Indigenous	246,525	268,915	—	—	—	—	—	—	—	—	—	—	—	246,525
Program and ancillary	246,723	114,859	—	25,666	2,980	—	—	17,036	—	—	—	—	—	289,425
Administration	1,275,690	1,135,632	—	—	—	—	—	—	—	—	—	—	—	1,275,690
Facilities	1,091,074	996,741	—	—	—	—	—	—	—	—	—	—	—	1,091,074
Interest	—	784,939	—	795,145	—	—	—	—	—	—	—	—	—	784,939
Depreciation	—	1,066,343	—	1,114,931	—	—	—	—	—	—	—	—	—	1,066,343
Bursaries and awards	5,573,056	3,831,282	1,919,076	25,666	2,980	2,980	31,765	33,251	17,036	—	—	—	33,251	1,114,931
	<b>6,538,001</b>	<b>5,573,056</b>	<b>1,919,076</b>	<b>25,666</b>	<b>2,980</b>	<b>2,980</b>	<b>31,765</b>	<b>33,251</b>	<b>17,036</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,445,236</b>	<b>7,517,917</b>
<b>Excess of revenues over expenditures</b>														
(Expenditures over revenues) before the undated	2,205,956	2,019,483	(1,753,812)	92,152	49,830	92,152	81,644	66,385	3,294	15,774	20,689	20,689	639,553	277,470
Change in market value of interest rate swap	(85,582)	(87,734)	(1,910,040)	—	—	—	—	—	—	—	—	—	—	234,381
Change in market value of investments	(84,862)	(115,019)	234,351	4,373	14,783	4,373	78,360	26,681	6,985	20,349	26,704	26,704	(26,715)	52,462
Empire (future benefits) recovery	—	—	—	—	—	—	—	—	—	—	—	—	—	(84,862)
<b>Excess of revenues over expenditures</b>	<b>2,035,542</b>	<b>1,816,730</b>	<b>(1,519,461)</b>	<b>96,525</b>	<b>64,703</b>	<b>96,525</b>	<b>160,004</b>	<b>93,066</b>	<b>40,279</b>	<b>36,123</b>	<b>47,393</b>	<b>47,393</b>	<b>750,337</b>	<b>2,534,518</b>

The accompanying notes are an integral part of the financial statements.

United College  
Statement of changes in net assets  
Year ended April 30, 2023

Description	Operating fund		Capital fund		Development fund		Development fund		Lectureship fund		Lectureship fund		Academic fund		Academic fund		Total all funds	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Fund balances beginning of year as previously reported	1,060,027	926,986	1,105,870	(1,180,286)	474,850	524,835	2,991,606	2,831,602	758,570	722,447	955,450	948,049	7,246,473	4,773,633				
Fund balances beginning of year as restated	1,060,027	(285,330)	1,105,870	(1,180,286)	474,850	524,835	2,991,606	2,831,602	758,570	722,447	955,450	948,049	7,246,473	(285,330)				
Excess of revenues over expenditures (expenditures over revenues)	2,035,542	1,816,730	(1,519,463)	409,555	96,325	64,703	93,066	160,004	10,279	36,123	34,376	47,393	795,236	2,554,518				
Fund transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating fund/Student awards fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lectureship fund/Student awards fund	-	-	287,616	-	-	-	(287,616)	-	-	-	-	-	-	-	-	-	-	-
Student awards fund/Capital fund	-	-	-	4,550	-	(4,550)	-	-	-	-	-	-	-	-	-	-	-	-
Capital fund/Development fund	66,209	110,138	-	(66,209)	-	(110,138)	-	-	-	-	-	-	-	-	-	-	-	-
Development fund/Operating fund	50,000	(1,872,141)	-	-	-	-	-	-	(10,000)	-	-	-	-	-	-	-	-	-
Operating fund/Operating fund	(24,000)	39,892	2,155,172	1,872,141	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital fund/Operating fund	80,193	316,652	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Academic fund/Operating fund	972	-	-	-	-	-	-	-	-	-	(60,193)	(39,992)	-	-	-	-	-	-
Reassessment and other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, end of year	1,077,773	1,860,027	2,039,297	1,105,970	503,146	474,850	2,797,056	2,931,606	758,849	758,570	929,823	955,450	8,027,772	206,652				



**United College**  
**Statement of cash flows**  
Year ended April 30, 2023

	2023	2022
Notes	\$	\$
<b>Operating activities</b>		
Cash from operations - all funds		
Excess of expenditures over revenues	750,327	2,534,518
Items not affecting cash		
Non-cash employee future benefits expense	73,104	103,577
Change in market value of interest swap	(234,351)	(2,319,605)
Change in market value of investments	38,715	(52,462)
Depreciation	1,066,343	1,114,931
Changes in non-cash operating working capital components		
Accounts receivable	(521,185)	54,936
Accrued investment income	(59,603)	275
Prepaid expenses	(107,477)	54,859
Accounts payable and accrued liabilities	257,553	(187,302)
Government remittances payable	2,583	5,444
Accrued interest payable	(121,458)	(16,791)
Deferred revenue	176,455	400,845
	<b>1,321,006</b>	<b>1,693,225</b>
<b>Financing activity</b>		
Repayment of loans payable	(604,765)	(580,345)
<b>Investing activities</b>		
Purchase of investments	(4,241,525)	(5,851,908)
Proceeds on disposal/maturity of investments	3,308,529	5,230,890
Purchases of capital assets	(604,345)	(260,602)
	<b>(1,537,340)</b>	<b>(881,620)</b>
Change in cash	(821,100)	231,261
Cash, beginning of year	1,322,766	1,091,505
<b>Cash, end of year</b>	<b>501,666</b>	<b>1,322,766</b>

The accompanying notes are an integral part of the financial statements.

**1. Purpose of the College**

United College ("the College") is affiliated with the University of Waterloo ("the University") for the purpose of providing academic programs, student services and residential community life to students of the University. The College is a not-for-profit corporation established by Letters Patent. The College is a registered charity and is exempt from income taxes.

The College has the following funds:

*Operating fund*

This fund finances the academic programs, student services, residence and administration of the College.

*Academic fund*

This fund finances the development of new academic activity.

*Lectureship fund*

This fund is a restricted endowment fund for financing lectureships sponsored by the College. The use of capital is governed by the expenditure rate set by the Board of Governors ("the Board") from time to time. This rate is based on the investment return of the fund such that the purchasing power of the capital is maintained against inflation.

*Development fund*

This fund finances specific projects connected with the College facilities, services and programs (academic and non-academic). Some of the contributions are specifically designated by the donors for capital projects identified as priorities by the College which are not financed by the Operating Fund. Undesignated donations are applied to projects identified as priorities by the Board.

*Student awards fund*

This fund finances a program of scholarships, residence awards, prizes, and bursaries for students studying or living at the College or, in some cases, at the University. The fund contains both restricted endowment funds and unrestricted funds. The use of capital of the restricted portion of the fund is governed by the expenditure rate set by the Board from time to time. This rate is based on the investment return of the fund such that the purchasing power of the capital is maintained against inflation.

*Capital fund*

This fund finances the acquisition of capital assets of the College as well as providing security for any associated financing of the College. Fully depreciated buildings and contents are not reflected in these numbers. Any new acquisitions and renovations are recorded in this fund.

## **2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations principles and reflect the following policies:

### *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost, except for the following which are measured at fair value at the year-end date:

- investments in listed shares, bonds, mutual funds and other actively traded financial instruments; and
- the interest rate swaps (Note 5), which are not designated in a qualifying hedging relationship.

Interest earned on short-term investments, dividends received on shares, unrealized gains and losses on listed shares, mutual funds and bonds, and realized gains and losses on sale of short-term investments are included in income in the Statement of Operations.

With respect to financial assets measured at cost or amortized cost, the College recognizes in net earnings an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows.

For the interest rate swaps (Note 5), interest on the loans payable is recognized using the stated interest rate plus or minus amortization of any initial premium or discount and any financing fees and transaction costs associated with the loans payable. Net amounts receivable or payable on the interest rate swap are recorded on the accrual basis of accounting and are recognized as an adjustment to interest on the loans payable in the period in which they accrue.

### *Capital assets*

Capital assets are recorded at cost. Depreciation is recorded on the straight-line basis using the following annual rates:

Buildings	40 years
Building improvements	10 years
Furnishings and fixtures	5-10 years
Computer equipment	3-10 years

### *Cultural artifacts*

Cultural artifacts are recorded at their cost, or in the case of donated items, at their fair value at the time of donation. Cultural artifacts are not amortized, but rather are reviewed for possible impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

### *Maintenance and renewal provision*

The College has a policy by which 1.5% of the replacement value of the buildings is included as a budgeted expense in the Operating fund annually for current and future building and replacement expenses. For the 2023 fiscal year, a portion of that amount totaling \$620,077 representing the amount by which the budgeted amount exceeded the actual spending in the Operating fund for building repair and replacement expenses, was transferred to the Capital fund and is included in the "Capital fund/Operating fund" fund transfer amount of \$2,155,172 (\$1,872,141 in 2022) on the Statement of Changes in Net Assets for 2023. Of the amount transferred to the Capital fund, \$445,722 was spent on capital items during the year. A cumulative balance of \$665,470 (\$491,116 in 2022) remains to fund future capital expenditures.

## **2. Significant accounting policies (continued)**

### *Impairment of long-lived assets*

Long-lived assets, such capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If the asset's carrying value exceeds the total undiscounted cash flows expected from the use and disposition of the asset, an impairment loss is recognized.

### *Employee future benefits plans*

The College is party to a multi-employer retirement benefit plan (the Plan) under agreement with the University. The Plan provides for benefits to employees of the College under a contributory, defined benefit pension plan as well as a non-contributory, non-pension health care benefit plan. The College also has a supplementary retirement arrangement for its senior management. The College accrues its obligations under its non-pension health care benefit plan and supplementary retirement arrangement.

- The cost of the College's non-pension retirement benefits and supplementary retirement arrangement earned by employees is actuarially determined using the projected benefit method pro-rated on services and the University's best estimates of compensation escalation, retirement ages of employees and expected health care costs;
- the accrued benefit obligation net of the fair value of any plan assets, adjusted for any valuation allowance, in the statement of financial position; and
- the current service cost of the plan for the year.

### *Revenue recognition – provincial college funding, residence fees, grants and donations*

Provincial funding is recorded on an accrual basis. Residence fees and grants are recorded in the accounts on an earned basis with the unearned portion recorded as deferred revenue. Donations are recorded in the financial statements when received. Non-monetary donations to the College, the fair value of which can be readily and reliably determined, are recorded as donation revenue when received.

### *Government assistance*

Government assistance is recorded in the financial statements when there is reasonable assurance that the College has complied with, and will continue to comply with, all conditions necessary to obtain the assistance. Government assistance received in the form of the Canada Emergency Wage Subsidy ("CEWS") is used to help offset the College's cost of wages negatively impacted by COVID-19. Government assistance in the form of the CEWS, is reflected as other revenue.

### *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the employee future benefits liability, interest rate swap derivative liability and amortization of capital assets. Actual results could differ from these estimates.

**2. Significant accounting policies (continued)**

*Early adoption of the amendments to Section 3463 Reporting Employee Future Benefits by Not-for-Profit Organizations*

Effective May 1, 2021, the College early adopted the amendments to Section 3463 Reporting Employee Future Benefits by Not-for-Profit Organizations, which requires not-for-profit organizations to apply changes in Section 3462 of Part II of the CPA Canada Handbook, Employee Future Benefits. The amended standard removes the accommodation to allow the use of a funding valuation for defined benefit plans without a legislative, regulatory, or contractual funding valuation requirement.

The College adopted the amendments to Section 3462 at the beginning of the first fiscal year in which these amendments are first applied in accordance with the transitional provisions in Section 3463. As such, as part of the transitional provisions applicable to these amendments, the cumulative effect of applying these amendments as at May 1, 2021 was recorded as an increase to the employee future benefit liability and offsetting decreases in accumulated re-measurement gains and net assets of \$288,330. The adoption of these amendments had no impact on the financial statements of the College for the year ended April 30, 2021.

**3. Accounts receivable**

	<b>2023</b>	2022
	\$	\$
Accounts receivable	<b>693,050</b>	165,819
Allowance for doubtful accounts	<b>(76,362)</b>	(70,316)
	<b>616,688</b>	95,503

**4. Capital assets**

	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>2023 Net book value</b>	2022 Net book value
	\$	\$	\$	\$
Buildings	<b>23,953,642</b>	<b>6,860,305</b>	<b>17,093,337</b>	17,645,498
Building improvements	<b>4,777,275</b>	<b>3,155,026</b>	<b>1,622,249</b>	1,444,245
Furnishings and fixtures	<b>2,844,652</b>	<b>1,882,087</b>	<b>962,565</b>	942,525
Computer equipment	<b>450,959</b>	<b>412,266</b>	<b>38,693</b>	62,723
Cultural artifacts	<b>66,861</b>	<b>—</b>	<b>66,861</b>	66,861
	<b>32,093,389</b>	<b>12,309,684</b>	<b>19,783,705</b>	20,161,852

Included in accounts payable at year-end is \$171,180 (\$87,329 in 2022) of capital asset additions.

**5. Loans payable**

	<b>2023</b>	2022
	<b>\$</b>	\$
Canadian Bankers Acceptances Certificate of Deposit maturing on May 2, 2022 with a stamping fee of 0.60% financed over an amortization period of 30 years	<b>8,275,965</b>	8,603,096
Canadian Bankers Acceptances Certificate of Deposit maturing on May 2, 2022 with a stamping fee of 0.95% financed over an amortization period of 28 years	<b>1,019,284</b>	1,060,671
Canadian Bankers Acceptances Certificate of Deposit maturing on May 2, 2022 with a stamping fee of 0.77% financed over an amortization period of 30 years	<b>8,762,485</b>	8,998,732
	<b>18,057,734</b>	18,662,499
Less: current portion	<b>634,829</b>	604,765
	<b>17,422,905</b>	18,057,734

The estimated repayments over the next five years and thereafter are as follows:

	<u>\$</u>
2024	634,829
2025	659,116
2026	693,650
2027	725,045
2028	754,823
Thereafter	<u>14,590,271</u>
	<u>18,057,734</u>

Interest expense on the loans payable during the year was \$764,939 (\$795,145 in 2022).

Under the terms of the debt agreement, the College is required to satisfy restrictive covenants for certain financial ratios. The College was in compliance with these covenants at year-end.

**5. Loans payable (continued)**

The College has interest rate swap agreements that involve the exchange of Canadian Bankers Acceptances Certificate of Deposit interest rates for fixed interest rates on a notional amount. The fair values of the interest rate swap agreements are as follows:

	<b>2023</b>	2022
	<b>\$</b>	\$
Interest rate swap agreement on a beginning notional amount of \$11,631,260 effective as of November 3, 2008 and maturing on November 1, 2038. Interest rate of 4.75% plus a stamping fee of 0.60%	<b>830,250</b>	1,063,521
Interest rate swap agreement on a beginning notional amount of \$1,400,000 effective as of June 1, 2011 and maturing on December 1, 2038. Interest rate of 4.07% plus a stamping fee of 0.95%	<b>53,591</b>	69,044
Interest rate swap agreement on a beginning notional amount of \$10,000,000 effective as of September 1, 2017 and maturing on November 1, 2037. Interest rate of 2.27% plus a stamping fee of 0.77%	<b>(900,010)</b>	(914,383)
	<b>(16,169)</b>	218,182

The agreements provide for reductions in the notional amount that coincide with principal repayments of the underlying variable rate debt.

The decrease in the liability has been recorded as change in market value of interest rate swap in the Statement of Operations – Capital Fund in the amount of \$234,351 (\$2,319,605 decrease in 2022).

**6. Employee future benefits**

*Defined benefit retirement arrangement*

The College has a supplementary retirement arrangement for its senior executives. For accounting purposes, the College measures its employee future benefit liability for the supplementary retirement arrangement as at April of 30 each year. The most recent actuarial valuation for funding purposes was as of January 1, 2022.

Information about the College's defined benefit retirement arrangement plan is as follows:

	<b>2023</b>	2022
	<b>\$</b>	\$
Employee future benefit liability - accrued benefit obligation	<b>214,477</b>	217,245
Funded status - plan deficit	<b>214,477</b>	217,245
Change during year		
Employee future benefits expense	<b>18,062</b>	19,181
Remeasurement and other items	<b>(9,072)</b>	(47,930)
Adoption of amendments to Employee future benefits	<b>—</b>	57,330
Benefit payments	<b>(11,758)</b>	(11,226)
Total change in employee future benefits liability during the year	<b>(2,768)</b>	17,355

**6. Employee future benefits (continued)**

The actuarial assumption adopted for the discount rate in measuring the College's obligation was 4.75% (4.50% in 2022).

*Multi-employer defined benefit pension plan*

The College's pension plan is a multi-employer defined benefit pension plan. The total plan expense was \$11,758 (\$11,442 in 2022).

*Non-pension health care defined benefit plan*

The College has a non-pension health care plan for its employees. For accounting purposes, the College measures its employee future benefit liability for this plan as at April 30 of each year. The most recent actuarial valuation was as of April 30, 2023.

Information about the College's non-pension health care benefit plan is as follows:

	<b>2023</b>	2022
	\$	\$
Employee future benefit liability - accrued benefit obligation	<b>530,900</b>	456,000
Funded status - plan deficit	<b>530,900</b>	456,000
Change during year		
Employee future benefits expense	<b>69,800</b>	107,822
Change to accumulated re-measurement (gains)/losses	<b>8,100</b>	(278,722)
Remeasurement and other items	—	231,000
Benefit Payments	<b>(3,000)</b>	(12,200)
Total change in employee future benefits liability during the year	<b>74,900</b>	47,900

The actuarial assumption adopted for the discount rate in measuring the College's accrued non-pension benefit obligation was 4.85% (4.70% in 2022).

For measurement purposes, a 5.14% and 4.76% (4.93% and 4.55% in 2022) annual rate of increase in the per capita cost of prescription drug benefits and other medical benefits, respectively, is assumed for 2022. Both the prescription drug benefits rate and the other medical benefits rate are assumed to decrease gradually to 4.05% in 2040.



**7. Financial instruments**

*Financial assets*

The cost and fair value of the investments of the College are summarized as follows:

	<b>Cost</b>	<b>Fair value</b>	Cost	Fair value
	\$	\$	\$	\$
Short-term investments	<b>1,467,964</b>	<b>1,500,324</b>	1,846,664	1,855,695
Long-term investments				
Fixed income	<b>1,213,375</b>	<b>1,252,243</b>	—	—
Equity	<b>4,561,588</b>	<b>5,591,409</b>	4,397,955	5,594,000
	<b>5,774,963</b>	<b>6,843,652</b>	4,397,955	5,594,000

*Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The College is exposed to interest rate risk arising from its investments and its loans payable, which bear interest at variable rates. The College uses an interest rate swap agreement to manage its exposure to interest rate risk through its loans payable. The swap agreement fixes the interest rate on the College's loans payable, as described in Note 5.

The investment balances include short-term guaranteed investment certificates and money market funds maturing from June 2023 through September 2024 bearing interest at rates of 2.25% through 4.37% at a cost of \$2,593,953 and a market value of \$2,665,181 (cost of \$1,846,664 and a market value of \$1,855,695 in 2022).

*Credit risk*

Credit risk is the risk that counterparties fail to perform as contracted. The College is subject to credit risk related to the payment of residence fees by students. The College is not subject to any particular concentration of credit risk given the size and diversity of individual accounts due to the College.

Counterparty credit risk related to the interest rate swap agreement is considered to be negligible as the College deals with a highly rated financial institution.

*Liquidity risk*

The College's objective is to have sufficient liquidity to meet its liabilities when due. The College monitors its cash balances and cash flows generated from operations to meet its requirements. As at April 30, 2023, the most significant financial liabilities are loans payable and accounts payable and accrued liabilities.

**8. Comparative Figures**

Certain of prior year's comparative figures have reclassified to conform with current year's presentation.