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# Financial statements of United College

April 30, 2024

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## 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, 2024, 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, 2024, 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.

The logo for Deloitte LLP, featuring the word "Deloitte" in a cursive script followed by "LLP" in a clean, sans-serif font.

Chartered Professional Accountants  
Licensed Public Accountants  
October 17, 2024

**United College**  
**Statement of financial position – assets**  
As at April 30, 2024

	2024	2023
	\$	\$
<b>Assets</b>		
Operating fund		
Cash	343,901	191,900
Accrued investment income	40,473	65,369
Accounts receivable	455,316	616,688
Due from other funds	745,968	714,886
Prepaid expenses	62,066	148,494
Short-term investments	2,258,904	1,363,568
Long-term investments	993,039	1,523,739
	<b>4,899,667</b>	<b>4,624,644</b>
Academic fund		
Cash	2,820	2,139
Accrued investment income	1,014	983
Short-term investments	95,976	25,689
Long-term investments	1,078,506	993,007
	<b>1,178,316</b>	<b>1,021,818</b>
Lectureship fund		
Cash	2,302	1,699
Accrued investment income	828	779
Due from other funds	550	—
Short-term investments	78,344	20,396
Long-term investments	865,190	796,019
	<b>947,214</b>	<b>818,893</b>
Capital fund		
Cash	1,314	2,078
Accrued interest receivable	34,633	22,003
Due from other funds	363,538	263,075
Interest rate swap derivative asset	1,024,624	16,169
Capital assets	18,990,913	19,783,706
	<b>20,415,022</b>	<b>20,087,031</b>
Development fund		
Cash	85,586	297,362
Cash due to other organizations	87,665	87,665
Accrued investment income	552	488
Due from other funds	278,952	—
Short-term investments	52,154	12,767
Long-term investments	507,739	462,553
	<b>1,012,648</b>	<b>860,835</b>
Student awards fund		
Cash	8,143	6,488
Accrued investment income	2,931	2,978
Due from other funds	82,279	116,136
Short-term investments	277,165	77,904
Long-term investments	3,319,273	3,068,334
	<b>3,689,791</b>	<b>3,271,840</b>
Total all funds		
Current		
Cash	444,066	501,666
Cash due to other organizations	87,665	87,665
Accounts receivable	455,316	616,688
Accrued interest receivable	34,633	22,003
Accrued investment income	45,798	70,597
Prepaid expenses	62,066	148,494
Due from other funds	1,471,287	1,094,097
Investments	2,762,543	1,500,324
	<b>5,363,374</b>	<b>4,041,534</b>
Long-term		
Investments	6,763,747	6,843,652
Interest rate swap derivative asset	1,024,624	16,169
Capital assets	18,990,913	19,783,706
	<b>26,779,284</b>	<b>26,643,527</b>
	<b>32,142,658</b>	<b>30,685,061</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, 2024

	2024	2023
	\$	\$
<b>Liabilities and fund balances</b>		
Operating fund		
Accounts payable and accrued liabilities	1,344,271	1,467,727
Government remittances payable	24,990	8,619
Deferred revenue	927,293	965,578
Employee future benefits liability	640,427	745,377
Due to other funds	638,687	359,572
Fund balance	1,323,999	1,077,771
	<b>4,899,667</b>	<b>4,624,644</b>
Academic fund		
Due to other funds	153,361	92,185
Fund balance	1,024,955	929,633
	<b>1,178,316</b>	<b>1,021,818</b>
Lectureship fund		
Due to other funds	84,198	60,045
Fund balance	863,016	758,848
	<b>947,214</b>	<b>818,893</b>
Capital fund		
Due to other funds	55,000	—
Loans payable	17,422,904	18,057,734
Fund balance	2,937,118	2,029,297
	<b>20,415,022</b>	<b>20,087,031</b>
Development fund		
Due to other funds	31,632	107,511
Deferred revenue	116,234	160,492
Due to other organizations	87,665	87,665
Fund balance	777,117	505,167
	<b>1,012,648</b>	<b>860,835</b>
Student awards fund		
Due to other funds	508,409	474,784
Fund balance	3,181,382	2,797,056
	<b>3,689,791</b>	<b>3,271,840</b>
Total all funds		
Current		
Accounts payable and accrued liabilities	1,344,271	1,467,727
Government remittances payable	24,990	8,619
Deferred revenue	1,043,527	1,126,070
Due to other organizations	87,665	87,665
Current portion of loans payable	659,116	634,829
Due to other funds	1,471,287	1,094,097
	<b>4,630,856</b>	<b>4,419,007</b>
Long-term		
Employee future benefits liability	640,427	745,377
Loans payable	16,763,788	17,422,905
	<b>22,035,071</b>	<b>22,587,289</b>
<b>Fund balances</b>	<b>10,107,587</b>	<b>8,097,772</b>
	<b>32,142,658</b>	<b>30,685,061</b>

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, 2024

	Operating fund 2024	Operating fund 2023	Capital fund 2024	Capital fund 2023	Development fund 2024	Development fund 2023	Student awards fund 2024	Student awards fund 2023	Lectureship fund 2024	Lectureship fund 2023	Academic fund 2024	Academic fund 2023	Total all funds 2024	Total all funds 2023
Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>														
Residence	5,948,269	5,726,190	—	—	—	—	—	—	—	—	—	—	5,948,269	5,726,190
Academic	1,559,257	1,589,567	—	—	—	—	—	—	—	—	—	—	1,559,257	1,589,567
GreenHouse	294,953	368,011	—	—	—	—	—	—	—	—	—	—	294,953	368,011
Indigenous	278,474	245,675	—	—	—	—	—	—	—	—	—	—	278,474	245,675
Indigenous Entrepreneurship	363,157	—	—	—	—	—	—	—	—	—	—	—	363,157	—
Ancillary and other revenue	899,515	699,710	—	77,082	5,023	27,064	—	—	—	—	—	—	904,538	803,856
Investment	125,900	114,804	462	388	33,941	24,702	89,050	77,637	25,233	20,330	30,885	25,578	305,471	263,439
Donations	—	—	—	—	66,470	66,052	10,943	21,999	550	—	—	—	77,963	88,051
	<b>9,469,525</b>	<b>8,743,957</b>	<b>462</b>	<b>77,470</b>	<b>105,434</b>	<b>117,818</b>	<b>99,993</b>	<b>99,636</b>	<b>25,783</b>	<b>20,330</b>	<b>30,885</b>	<b>25,578</b>	<b>9,732,082</b>	<b>9,084,789</b>
<b>Expenditures</b>														
Residence	1,982,679	1,899,797	—	—	—	—	—	—	—	—	—	—	1,982,679	1,899,797
Academic	1,440,230	1,251,664	—	—	—	—	—	—	—	—	—	—	1,440,230	1,251,664
GreenHouse	497,347	526,528	—	—	—	—	—	—	—	—	—	—	497,347	526,528
Indigenous	308,950	246,525	—	—	—	—	—	—	—	—	—	—	308,950	246,525
Indigenous Entrepreneurship	353,157	—	—	—	—	—	—	—	—	—	—	—	353,157	—
Program and ancillary	385,926	246,723	—	—	14,332	25,666	—	—	14,153	17,036	—	—	414,411	289,425
Administration	1,404,313	1,275,690	—	—	—	—	—	—	—	—	—	—	1,404,313	1,275,690
Facilities	1,360,750	1,091,074	—	—	—	—	—	—	—	—	—	—	1,360,750	1,091,074
Interest	—	—	737,606	764,939	—	—	—	—	—	—	—	—	737,606	764,939
Depreciation	—	—	1,058,132	1,066,343	—	—	—	—	—	—	—	—	1,058,132	1,066,343
Bursaries and awards	—	—	—	—	—	—	79,924	33,251	—	—	—	—	79,924	33,251
	<b>7,733,352</b>	<b>6,538,001</b>	<b>1,795,738</b>	<b>1,831,282</b>	<b>14,332</b>	<b>25,666</b>	<b>79,924</b>	<b>33,251</b>	<b>14,153</b>	<b>17,036</b>	<b>—</b>	<b>—</b>	<b>9,637,499</b>	<b>8,445,236</b>
Excess of revenues over expenditures (expenditures over revenues) before the undernoted	1,736,173	2,205,956	(1,795,276)	(1,753,812)	91,102	92,152	20,069	66,385	11,630	3,294	30,885	25,578	94,583	639,553
Change in market value of interest rate swap	—	—	1,008,455	234,351	—	—	—	—	—	—	—	—	1,008,455	234,351
Change in market value of investments	155,006	(85,552)	—	—	68,259	4,373	362,757	26,681	102,537	6,985	125,614	8,798	814,173	(38,715)
Employee future benefits (expense) recovery	(77,631)	(84,862)	—	—	—	—	—	—	—	—	—	—	(77,631)	(84,862)
<b>Excess of revenues over expenditures (expenditures over revenues)</b>	<b>1,813,548</b>	<b>2,035,542</b>	<b>(786,821)</b>	<b>(1,519,461)</b>	<b>159,361</b>	<b>96,525</b>	<b>382,826</b>	<b>93,066</b>	<b>114,167</b>	<b>10,279</b>	<b>156,499</b>	<b>34,376</b>	<b>1,839,580</b>	<b>750,327</b>

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

**United College**  
**Statement of changes in net assets**  
Year ended April 30, 2024

	<b>Operating fund 2024</b>	Operating fund 2023	<b>Capital fund 2024</b>	Capital fund 2023	<b>Development fund 2024</b>	Development fund 2023	<b>Student awards fund 2024</b>	Student awards fund 2023	<b>Lectureship fund 2024</b>	Lectureship fund 2023	<b>Academic fund 2024</b>	Academic fund 2023	<b>Total all funds 2024</b>	Total all funds 2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Fund balances beginning of year as previously reported</b>	<b>1,077,771</b>	1,060,027	<b>2,029,297</b>	1,105,970	<b>505,166</b>	474,850	<b>2,797,056</b>	2,991,606	<b>758,849</b>	758,570	<b>929,633</b>	955,450	<b>8,097,772</b>	7,346,473
Excess of revenues over expenditures (expenditures over revenues)	<b>1,813,548</b>	2,035,542	<b>(786,821)</b>	(1,519,461)	<b>159,361</b>	96,525	<b>382,826</b>	93,066	<b>114,167</b>	10,279	<b>156,499</b>	34,376	<b>1,839,580</b>	750,326
Fund transfers														
Student awards fund/Capital fund	—	—	—	287,616	—	—	—	(287,616)	—	—	—	—	—	—
Development fund/Operating fund	<b>(114,090)</b>	66,209	—	—	<b>114,090</b>	(66,209)	—	—	—	—	—	—	—	—
Lectureship fund/Operating fund	<b>10,000</b>	10,000	—	—	—	—	—	—	<b>(10,000)</b>	(10,000)	—	—	—	—
Development/Student awards fund	—	—	—	—	<b>(1,500)</b>	—	<b>1,500</b>	—	—	—	—	—	—	—
Capital fund/Operating fund	<b>(1,694,642)</b>	(2,155,172)	<b>1,694,642</b>	2,155,172	—	—	—	—	—	—	—	—	—	—
Academic fund/Operating fund	<b>61,177</b>	60,193	—	—	—	—	—	—	—	—	<b>(61,177)</b>	(60,193)	—	—
Remeasurement and other items	<b>170,235</b>	972	—	—	—	—	—	—	—	—	—	—	<b>170,235</b>	972
<b>Fund balance, end of year</b>	<b>1,323,999</b>	1,077,771	<b>2,937,118</b>	2,029,297	<b>777,117</b>	505,166	<b>3,181,382</b>	2,797,056	<b>863,016</b>	758,849	<b>1,024,955</b>	929,633	<b>10,107,587</b>	8,097,771

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



**United College**  
**Statement of cash flows**  
Year ended April 30, 2024

	2024	2023
	\$	\$
Note		
<b>Operating activities</b>		
Cash from operations - all funds		
Excess of expenditures over revenues	<b>1,839,580</b>	750,327
Items not affecting cash		
Non-cash employee future benefits expense	<b>65,285</b>	73,104
Change in market value of interest swap	<b>(1,008,455)</b>	(234,351)
Change in market value of investments	<b>(814,173)</b>	38,715
Depreciation	<b>1,058,132</b>	1,066,343
Changes in non-cash operating working capital components		
Accounts receivable	<b>161,372</b>	(521,185)
Accrued investment income	<b>24,799</b>	(59,603)
Prepaid expenses	<b>86,428</b>	(107,477)
Accounts payable and accrued liabilities	<b>38,531</b>	257,553
Government remittances payable	<b>16,371</b>	2,583
Accrued interest receivable	<b>(12,630)</b>	(121,458)
Deferred revenue	<b>(82,543)</b>	176,455
	<b>1,372,697</b>	1,321,006
<b>Financing activity</b>		
Repayment of loans payable	<b>(634,830)</b>	(604,765)
<b>Investing activities</b>		
Purchase of investments	<b>(4,774,861)</b>	(4,241,525)
Proceeds on disposal/maturity of investments	<b>4,406,720</b>	3,308,529
Purchases of capital assets	<b>(427,326)</b>	(604,345)
	<b>(795,467)</b>	(1,537,341)
Change in cash	<b>(57,600)</b>	(821,100)
Cash, beginning of year	<b>501,666</b>	1,322,766
<b>Cash, end of year</b>	<b>444,066</b>	501,666

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 2024 fiscal year, a portion of that amount totaling \$199,229 representing the amount by which the budgeted amount exceeded the actual spending in the Operating fund for building repair and replacement expenses, was transferred along with additional funds of \$122,978 (\$150,398 in 2023) to the Capital fund and is included in the "Capital fund/Operating fund" fund transfer amount of \$1,694,642 (\$2,155,172 in 2023) on the Statement of Changes in Net Assets for 2024. Of the amount transferred to the Capital fund, \$265,340 was spent on capital items during the year. A cumulative balance of \$722,337 (\$665,470 in 2023) 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.

*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.

**3. Accounts receivable**

	<b>2024</b>	2023
	\$	\$
Accounts receivable	<b>544,747</b>	693,050
Allowance for doubtful accounts	<b>(89,431)</b>	(76,362)
	<b>455,316</b>	616,688

**4. Capital assets**

	Cost \$	Accumulated depreciation \$	2024 Net book value \$	2023 Net book value \$
Buildings	23,955,048	7,458,491	16,496,557	17,093,338
Building improvements	4,953,091	3,417,538	1,535,553	1,622,249
Furnishings and fixtures	2,883,615	2,047,846	835,769	962,565
Computer equipment	500,112	443,939	56,173	38,693
Cultural artifacts	66,861	—	66,861	66,861
	<b>32,358,727</b>	<b>13,367,814</b>	<b>18,990,913</b>	<b>19,783,706</b>

Included in accounts payable at year-end is \$9,193 (\$171,180 in 2023) of capital asset additions.

**5. Loans payable**

	2024 \$	2023 \$
Canadian Bankers Acceptances Certificate of Deposit maturing on May 1, 2024 with a stamping fee of 0.60% financed over an amortization period of 30 years	<b>7,930,950</b>	8,275,965
Canadian Bankers Acceptances Certificate of Deposit maturing on May 1, 2024 with a stamping fee of 0.95% financed over an amortization period of 28 years	<b>975,327</b>	1,019,284
Canadian Bankers Acceptances Certificate of Deposit maturing on May 1, 2024 with a stamping fee of 0.77% financed over an amortization period of 30 years	<b>8,516,627</b>	8,762,485
	<b>17,422,904</b>	18,057,734
Less: current portion	<b>659,116</b>	634,829
	<b>16,763,788</b>	17,422,905

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

	\$
2025	659,116
2026	693,650
2027	725,045
2028	754,823
2029	791,524
Thereafter	13,798,746
	<u>17,422,904</u>

Interest expense on the loans payable during the year was \$737,606 (\$764,939 in 2023).

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>2024</b>	2023
	<b>\$</b>	<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>305,014</b>	830,250
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>(4,802)</b>	53,591
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>(1,324,837)</b>	(900,010)
	<b>(1,024,624)</b>	(16,169)

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 \$1,008,455 (\$234,351 decrease in 2023).

**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, 2024.

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

*Defined benefit retirement arrangement (continued)*

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

	<b>2024</b>	2023
	<b>\$</b>	\$
Employee future benefit liability - accrued benefit obligation	<b>201,227</b>	214,477
Funded status - plan deficit	<b>201,227</b>	214,477
Change during year		
Employee future benefits expense	<b>13,731</b>	18,062
Remeasurement and other items	<b>(14,635)</b>	(9,072)
Benefit payments	<b>(12,346)</b>	(11,758)
Total change in employee future benefits liability during the year	<b>(13,250)</b>	(2,768)

The actuarial assumption adopted for the discount rate in measuring the College's obligation was 5.15% (4.75% in 2023).

*Multi-employer defined benefit pension plan*

The College's pension plan is a multi-employer defined benefit pension plan. The total plan expense was \$12,346 (\$11,758 in 2023).

*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, 2024.

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

	<b>2024</b>	2023
	<b>\$</b>	\$
Employee future benefit liability - accrued benefit obligation	<b>439,200</b>	530,900
Funded status - plan deficit	<b>439,200</b>	530,900
Change during year		
Employee future benefits expense	<b>74,700</b>	69,800
Change to accumulated re-measurement (gains)/losses	<b>(155,600)</b>	8,100
Benefit Payments	<b>(10,800)</b>	(3,000)
Total change in employee future benefits liability during the year	<b>(91,700)</b>	74,900

The actuarial assumption adopted for the discount rate in measuring the College's accrued non-pension benefit obligation was 5.25% (4.85% in 2023).

For measurement purposes, a 5.36% and 4.98% (5.14% and 4.76% in 2023) annual rate of increase in the per capita cost of prescription drug benefits and other medical benefits, respectively, is assumed for 2024. 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</b>		
	<b>\$</b>	<b>value</b>	<b>Cost</b>	<b>Fair</b>
		<b>\$</b>	<b>\$</b>	<b>value</b>
				<b>\$</b>
Short-term investments	<b>2,703,181</b>	<b>2,762,543</b>	1,467,964	1,500,324
Long-term investments				
Fixed income	<b>417,000</b>	<b>432,457</b>	1,213,375	1,252,243
Equity	<b>4,578,807</b>	<b>6,331,290</b>	4,561,588	5,591,409
	<b>4,995,807</b>	<b>6,763,747</b>	5,774,963	6,843,652

*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 May 2024 through August 2025 bearing interest at rates of 4.18% through 5.50% at a cost of \$2,473,273 and a market value of \$2,548,092 (cost of \$2,593,953 and a market value of \$2,665,181 in 2023).

*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, 2024, the most significant financial liabilities are loans payable and accounts payable and accrued liabilities.