

---

# Financial statements of United College

April 30, 2025

---

---

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	8-14

---

## 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, 2025, 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, 2025, 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.

Chartered Professional Accountants  
Licensed Public Accountants  
[DATE]

**United College**  
**Statement of financial position – assets**  
As at April 30, 2025

	Notes	2025 \$	2024 \$
<b>Assets</b>			
Operating fund			
Cash		1,029,628	343,901
Accrued investment income		29,205	40,473
Accounts receivable		246,272	455,316
Due from other funds		463,996	745,968
Prepaid expenses		36,981	62,066
Short-term investments		1,646,690	2,258,904
Long-term investments		1,253,655	993,039
		<b>4,706,427</b>	<b>4,899,667</b>
Academic fund			
Cash		5,582	2,820
Accrued investment income		4,084	1,014
Short-term investments		87,589	95,976
Long-term investments		1,219,109	1,078,506
		<b>1,316,364</b>	<b>1,178,316</b>
Lectureship fund			
Cash		4,700	2,302
Accrued investment income		3,438	828
Due from other funds		550	550
Short-term investments		73,751	78,344
Long-term investments		981,037	865,190
		<b>1,063,476</b>	<b>947,214</b>
Capital fund			
Cash		266	1,314
Accrued interest receivable		—	34,633
Due from other funds		224,060	363,538
Interest rate swap derivative asset		—	1,024,624
Capital assets		18,762,385	18,990,913
		<b>18,986,711</b>	<b>20,415,022</b>
Development fund			
Cash		47,319	85,586
Cash due to other organizations		87,665	87,665
Accrued investment income		3,097	552
Due from other funds		395,032	278,952
Short-term investments		66,410	52,154
Long-term investments		620,424	507,739
		<b>1,219,947</b>	<b>1,012,648</b>
Student awards fund			
Cash		16,919	8,143
Accrued investment income		12,378	2,931
Due from other funds		94,239	82,279
Short-term investments		265,480	277,165
Long-term investments		3,231,297	3,319,273
		<b>3,620,313</b>	<b>3,689,791</b>
Total all funds			
Current			
Cash		1,104,414	444,066
Cash due to other organizations		87,665	87,665
Accounts receivable		246,272	455,316
Accrued interest receivable	3	—	34,633
Accrued investment income		52,202	45,798
Prepaid expenses		36,981	62,066
Due from other funds		1,177,877	1,471,287
Investments	7	2,139,920	2,762,543
		<b>4,845,331</b>	<b>5,363,374</b>
Long-term			
Investments	7	7,305,522	6,763,747
Interest rate swap derivative asset	5	—	1,024,624
Capital assets	4	18,762,385	18,990,913
		<b>26,067,907</b>	<b>26,779,284</b>
		<b>30,913,238</b>	<b>32,142,658</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, 2025

	Notes	2025 \$	2024 \$
<b>Liabilities and fund balances</b>			
Operating fund			
Accounts payable and accrued liabilities		1,185,809	1,344,271
Government remittances payable		20,358	24,990
Deferred revenue		833,176	927,293
Employee future benefits liability		689,668	640,427
Due to other funds		571,576	638,687
Fund balance		1,405,840	1,323,999
		<b>4,706,427</b>	<b>4,899,667</b>
Academic fund			
Due to other funds		301,600	153,361
Fund balance		1,014,764	1,024,955
		<b>1,316,364</b>	<b>1,178,316</b>
Lectureship fund			
Due to other funds		108,100	84,198
Fund balance		955,376	863,016
		<b>1,063,476</b>	<b>947,214</b>
Capital fund			
Due to other funds		—	55,000
Accrued Interest Payable		121,051	—
Loans payable		16,763,788	17,422,904
Interest rate swap derivative liability		370,745	—
Fund balance		1,731,127	2,937,118
		<b>18,986,711</b>	<b>20,415,022</b>
Development fund			
Due to other funds		142,305	31,632
Deferred revenue		77,594	116,234
Due to other organizations		87,665	87,665
Fund balance		912,383	777,117
		<b>1,219,947</b>	<b>1,012,648</b>
Student awards fund			
Due to other funds		54,296	508,409
Fund balance		3,566,017	3,181,382
		<b>3,620,313</b>	<b>3,689,791</b>
Total all funds			
Current			
Accounts payable and accrued liabilities		1,185,809	1,344,271
Government remittances payable		20,358	24,990
Accrued Interest Payable	2	121,051	—
Deferred revenue		910,770	1,043,527
Due to other organizations		87,665	87,665
Current portion of loans payable	5	693,650	659,116
Due to other funds		1,177,877	1,471,287
		<b>4,197,180</b>	<b>4,630,856</b>
Long-term			
Employee future benefits liability	6	689,668	640,427
Loans payable	5	16,070,138	16,763,788
Interest rate swap derivative liability	5	370,745	—
		<b>21,327,731</b>	<b>22,035,071</b>
<b>Fund balances</b>			
		<b>9,585,507</b>	<b>10,107,587</b>
		<b>30,913,238</b>	<b>32,142,658</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, 2025

	Operating fund 2025	Operating fund 2024	Capital fund 2025	Capital fund 2024	Development fund 2025	Development fund 2024	Student awards fund 2025	Student awards fund 2024	Lectureship fund 2025	Lectureship fund 2024	Academic fund 2025	Academic fund 2024	Total all funds 2025	Total all funds 2024
Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>														
Residence	6,154,611	5,948,269	—	—	—	—	—	—	—	—	—	—	6,154,611	5,948,269
Academic	1,567,793	1,559,257	—	—	—	—	—	—	—	—	—	—	1,567,793	1,559,257
GreenHouse	331,717	294,953	—	—	—	—	—	—	—	—	—	—	331,717	294,953
Indigenous	235,193	278,474	—	—	—	—	—	—	—	—	—	—	235,193	278,474
Indigenous Entrepreneurship	383,996	363,157	—	—	—	—	—	—	—	—	—	—	383,996	363,157
Ancillary and other revenue	1,010,355	899,515	—	—	15,272	5,023	—	—	—	—	—	—	1,025,627	904,538
Investment	141,356	125,900	2,450	462	32,879	33,941	99,559	89,050	27,643	25,233	32,800	30,885	336,687	305,471
Donations	—	—	—	—	92,801	66,470	12,959	10,943	—	550	—	—	105,760	77,963
	<b>9,825,021</b>	<b>9,469,525</b>	<b>2,450</b>	<b>462</b>	<b>140,952</b>	<b>105,434</b>	<b>112,518</b>	<b>99,993</b>	<b>27,643</b>	<b>25,783</b>	<b>32,800</b>	<b>30,885</b>	<b>10,141,384</b>	<b>9,732,082</b>
<b>Expenditures</b>														
Residence	2,068,534	1,982,679	—	—	—	—	—	—	—	—	—	—	2,068,534	1,982,679
Academic	1,483,332	1,440,230	—	—	—	—	—	—	—	—	—	—	1,483,332	1,440,230
GreenHouse	497,352	497,347	—	—	—	—	—	—	—	—	—	—	497,352	497,347
Indigenous	245,163	308,950	—	—	—	—	—	—	—	—	—	—	245,163	308,950
Indigenous Entrepreneurship	373,996	353,157	—	—	—	—	—	—	—	—	—	—	373,996	353,157
Program and ancillary	428,757	385,926	—	—	21,097	14,332	—	—	13,902	14,153	—	—	463,756	414,411
Administration	1,563,192	1,404,313	—	—	—	—	—	—	—	—	—	—	1,563,192	1,404,313
Facilities	1,321,901	1,360,750	—	—	—	—	—	—	—	—	—	—	1,321,901	1,360,750
Interest	—	—	714,899	737,606	—	—	—	—	—	—	—	—	714,899	737,606
Depreciation	—	—	1,077,425	1,058,132	—	—	—	—	—	—	—	—	1,077,425	1,058,132
Bursaries and awards	—	—	—	—	—	—	26,000	79,924	—	—	—	—	26,000	79,924
	<b>7,982,227</b>	<b>7,733,352</b>	<b>1,792,324</b>	<b>1,795,738</b>	<b>21,097</b>	<b>14,332</b>	<b>26,000</b>	<b>79,924</b>	<b>13,902</b>	<b>14,153</b>	<b>—</b>	<b>—</b>	<b>9,835,550</b>	<b>9,637,499</b>
Excess of revenues over expenditures (expenditures over revenues) before the undernoted	1,842,794	1,736,173	(1,789,874)	(1,795,276)	119,855	91,102	86,518	20,069	13,741	11,630	32,800	30,885	305,834	94,583
Change in market value of interest rate swap	—	—	(1,395,396)	1,008,455	—	—	—	—	—	—	—	—	(1,395,396)	1,008,455
Change in market value of investments	37,317	155,006	—	—	79,799	68,259	319,004	362,757	88,619	102,537	105,248	125,614	629,987	814,173
Employee future benefits (expense)	(77,082)	(77,631)	—	—	—	—	—	—	—	—	—	—	(77,082)	(77,631)
<b>Excess of revenues over expenditures (expenditures over revenues)</b>	<b>1,803,029</b>	<b>1,813,548</b>	<b>(3,185,270)</b>	<b>(786,821)</b>	<b>199,654</b>	<b>159,361</b>	<b>405,522</b>	<b>382,826</b>	<b>102,360</b>	<b>114,167</b>	<b>138,048</b>	<b>156,499</b>	<b>(536,657)</b>	<b>1,839,580</b>

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

**United College**  
**Statement of changes in net assets**  
Year ended April 30, 2025

	Operating fund 2025	Operating fund 2024	Capital fund 2025	Capital fund 2024	Development fund 2025	Development fund 2024	Student awards fund 2025	Student awards fund 2024	Lectureship fund 2025	Lectureship fund 2024	Academic fund 2025	Academic fund 2024	Total all funds 2025	Total all funds 2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Fund balances beginning of year as previously reported</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>	8,097,772
Excess of revenues over expenditures (expenditures over revenues)	<b>1,803,029</b>	1,813,548	<b>(3,185,270)</b>	(786,821)	<b>199,654</b>	159,361	<b>405,522</b>	382,826	<b>102,360</b>	114,167	<b>138,048</b>	156,499	<b>(536,657)</b>	1,839,580
Fund transfers														
Capital expenditures/Development fund	-	-	<b>152,714</b>	-	<b>(152,714)</b>	-	-	-	-	-	-	-	-	-
Development fund/Operating fund	<b>(88,326)</b>	(114,090)	-	-	<b>88,326</b>	114,090	-	-	-	-	-	-	-	-
Lectureship fund/Operating fund	<b>10,000</b>	10,000	-	-	-	-	-	-	<b>(10,000)</b>	(10,000)	-	-	-	-
Development/Student awards fund	-	-	-	-	-	(1,500)	-	1,500	-	-	-	-	-	-
Capital fund/Operating fund	<b>(1,826,565)</b>	(1,694,642)	<b>1,826,565</b>	1,694,642	-	-	-	-	-	-	-	-	-	-
Academic fund/Operating fund	<b>148,239</b>	61,177	-	-	-	-	-	-	-	-	<b>(148,239)</b>	(61,177)	-	-
Operating Fund/Student Award Fund	<b>20,887</b>	-	-	-	-	-	<b>(20,887)</b>	-	-	-	-	-	-	-
Remeasurement and other items	<b>14,577</b>	170,235	-	-	-	-	-	-	-	-	-	-	<b>14,577</b>	170,235
<b>Fund balance, end of year</b>	<b>1,405,840</b>	1,323,999	<b>1,731,127</b>	2,937,118	<b>912,383</b>	777,117	<b>3,566,017</b>	3,181,382	<b>955,376</b>	863,016	<b>1,014,764</b>	1,024,955	<b>9,585,507</b>	10,107,587

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



**United College**  
**Statement of cash flows**  
Year ended April 30, 2025

	Note	2025 \$	2024 \$
<b>Operating activities</b>			
Cash from operations - all funds			
Excess of (expenditures over revenues)			
revenues over expenditures		(536,657)	1,839,580
Items not affecting cash			
Non-cash employee future benefits expense		63,818	65,285
Change in market value of interest swap		1,395,369	(1,008,455)
Change in market value of investments		(629,987)	(814,173)
Depreciation		1,077,425	1,058,132
Changes in non-cash operating working capital components			
Accounts receivable		209,044	161,372
Accrued investment income		(6,404)	24,799
Prepaid expenses		25,085	86,428
Accounts payable and accrued liabilities		(158,462)	38,531
Government remittances payable		(4,632)	16,371
Accrued interest receivable/payable		155,684	(12,630)
Deferred revenue		(132,757)	(82,543)
		<b>1,457,526</b>	<b>1,372,697</b>
<b>Financing activity</b>			
Repayment of loans payable		(659,116)	(634,830)
<b>Investing activities</b>			
Purchase of investments		(10,162,949)	(4,774,861)
Proceeds on disposal/maturity of investments		10,873,784	4,406,720
Purchases of capital assets	4	(848,897)	(427,326)
		<b>(138,062)</b>	<b>(795,467)</b>
Change in cash		<b>660,348</b>	<b>(57,600)</b>
Cash, beginning of year		<b>444,066</b>	<b>501,666</b>
<b>Cash, end of year</b>		<b>1,104,414</b>	<b>444,066</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.

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

### *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 2025 fiscal year, a portion of that amount totaling \$350,177 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 \$89,239 (\$122,978 in 2024) to the Capital fund and is included in the "Capital fund/Operating fund" fund transfer amount of \$1,826,566 (\$1,694,642 in 2024) on the Statement of Changes in Net Assets for 2025. Of the amount transferred to the Capital fund, \$391,496 was spent on capital items during the year. A cumulative balance of \$768,883 (\$722,337 in 2024) remains to fund future capital expenditures.

### *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

	2025 \$	2024 \$
Accounts receivable	356,786	544,747
Allowance for doubtful accounts	(110,514)	(89,431)
	<b>246,272</b>	<b>455,316</b>

### 4. Capital assets

	Cost \$	Accumulated depreciation \$	2025 Net book value \$	2024 Net book value \$
Buildings	24,511,021	8,064,213	16,446,808	16,496,557
Building improvements	5,129,179	3,682,619	1,446,560	1,535,553
Furnishings and fixtures	3,000,452	2,225,816	774,636	835,769
Computer equipment	500,112	472,592	27,520	56,173
Cultural artifacts	66,861	—	66,861	66,861
	<b>33,207,625</b>	<b>14,445,240</b>	<b>18,762,385</b>	<b>18,990,913</b>

Included in accounts payable at year-end is nil (\$9,193 in 2024) of capital asset additions.

### 5. Loans payable

	2025 \$	2024 \$
Canadian Bankers Acceptances Certificate of Deposit maturing on May 1, 2025 with a pricing spread of 0.921% financed over an amortization period of 30 years	7,570,559	7,930,950
Canadian Bankers Acceptances Certificate of Deposit maturing on May 1, 2025 with a pricing spread of 1.245% financed over an amortization period of 28 years	929,276	975,327
Canadian Bankers Acceptances Certificate of Deposit maturing on May 1, 2025 with a pricing spread of 1.065% financed over an amortization period of 30 years	8,263,953	8,516,627
	<b>16,763,788</b>	<b>17,422,904</b>
Less: current portion	693,650	659,116
	<b>16,070,138</b>	<b>16,763,788</b>

## 5. Loans payable (continued)

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

	\$
2026	693,650
2027	725,045
2028	754,823
2029	791,524
2030	828,677
Thereafter	12,970,069
	<u>16,763,788</u>

Interest expense on the loans payable during the year was \$714,899 (\$737,606 in 2024).

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.

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:

	2025 \$	2024 \$
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>891,473</b>	305,014
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>66,665</b>	(4,802)
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>(587,393)</b>	(1,324,837)
	<u><b>370,745</b></u>	<u>(1,024,624)</u>

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

The increase 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 \$1,395,396 (\$1,008,455 decrease in 2024).

## 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.

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

	<b>2025</b>	2024
	<b>\$</b>	\$
Employee future benefit liability - accrued benefit obligation	<b>200,668</b>	201,227
Funded status - plan deficit	<b>200,668</b>	201,227
Change during year		
Employee future benefits expense	<b>14,556</b>	13,731
Remeasurement and other items	<b>(2,377)</b>	(14,635)
Benefit payments	<b>(12,738)</b>	(12,346)
Total change in employee future benefits liability during the year	<b>(559)</b>	(13,250)

The actuarial assumption adopted for the discount rate in measuring the College's obligation was 4.5% (5.15% in 2024).

### *Multi-employer defined benefit pension plan*

The College's pension plan is a multi-employer defined benefit pension plan. The total plan expense was \$12,738 (\$12,346 in 2024).

### *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>2025</b>	2024
	<b>\$</b>	\$
Employee future benefit liability - accrued benefit obligation	<b>489,000</b>	439,200
Funded status - plan deficit	<b>489,000</b>	439,200
Change during year		
Employee future benefits expense	<b>73,500</b>	74,700
Change to accumulated re-measurement (gains)/losses	<b>(12,200)</b>	(155,600)
Benefit Payments	<b>(11,500)</b>	(10,800)
Total change in employee future benefits liability during the year	<b>49,800</b>	(91,700)

## 6. Employee future benefits (continued)

### *Non-pension health care defined benefit plan (continued)*

The actuarial assumption adopted for the discount rate in measuring the College's accrued non-pension benefit obligation was 4.9% (5.25% in 2024).

For measurement purposes, a 5.58% and 5.19% (5.36% and 4.98% in 2024) annual rate of increase in the per capita cost of prescription drug benefits and other medical benefits, respectively, is assumed for 2025. 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:

	Cost \$	Fair value \$	Cost \$	Fair value \$
Short-term investments	2,130,024	2,139,920	2,703,181	2,762,543
Long-term investments				
Fixed income	925,500	925,470	417,000	432,457
Equity	5,552,588	6,380,053	4,578,807	6,331,290
	6,478,088	7,305,523	4,995,807	6,763,747

### *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 July 2025 through October 2026 bearing interest at rates of 3.6% through 5.50% at a cost of \$1,592,500 and a market value of \$1,664,289 (cost of \$2,473,273 and a market value of \$2,548,092 in 2024).

### *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, 2025, the most significant financial liabilities are loans payable and accounts payable and accrued liabilities.