

Financial Statements of

TRINITY COLLEGE

And Independent Auditor's Report thereon

Year ended April 30, 2025

**KPMG LLP**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Corporation of Trinity College

Opinion

We have audited the financial statements of Trinity College (the Entity), which comprise:

- the statement of financial position as at April 30, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2025, and its results of 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. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

October 16, 2025

TRINITY COLLEGE

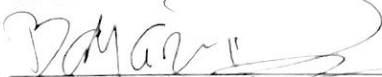
Statement of Financial Position
(In thousands of dollars)

April 30, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,176	\$ 14,277
Accounts receivable, net of allowance of \$332 (2024 - \$317)	2,545	5,509
Prepaid expenses	113	136
	12,834	19,922
Investments (note 3)	142,857	128,671
Pension asset (note 9)	7,287	8,395
Capital assets (note 4)	12,663	12,718
Construction-in-progress (note 4)	134,222	61,697
	\$ 309,863	\$ 231,403
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 31,561	\$ 16,380
Deferred revenue	1,144	1,304
	32,705	17,684
Post-employment health plan liability (note 9)	8,832	8,079
Loans payable (notes 6, 16(a) and 16(b))	65,008	21,081
Deferred contributions (note 7)	10,870	9,926
Deferred capital contributions (note 8)	52,928	43,971
	170,343	100,741
Net assets:		
Invested in capital assets (note 10)	38,377	9,585
Internally restricted (note 11)	—	—
Endowments (note 12)	97,355	90,931
Unrestricted net assets	3,788	30,146
	139,520	130,662
Credit facilities (note 16)		
Commitment and contingency (note 17)		
	\$ 309,863	\$ 231,403

See accompanying notes to financial statements.

On behalf of the Board.



Director



Director

TRINITY COLLEGE

Statement of Operations
(In thousands of dollars)

Year ended April 30, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Student fees	\$ 10,418	\$ 9,725
Grants from University of Toronto (note 2)	6,951	4,632
Grants, donations and investment income used for restricted purposes (note 7)	4,182	3,946
Sales, services and sundry	4,145	3,632
Unrestricted donations and bequests	2,215	1,910
Amortization of deferred capital contributions (note 8)	859	859
Government and other grants	430	404
	29,200	25,108
Expenses:		
Salaries and current benefits	14,606	13,508
Food service and catering	4,961	4,414
Amortization of capital assets	1,678	1,611
Supplies and services	3,216	2,905
Pension and post-employment benefits (note 9)	2,613	1,726
Student awards	1,694	1,504
Repairs and maintenance	1,324	1,048
Utilities	1,072	956
	31,164	27,672
Excess of expenses over revenue before investment income	(1,964)	(2,564)
Investment income (note 3)	4,081	3,004
Excess of revenue over expenses	\$ 2,117	\$ 440

See accompanying notes to financial statements.

TRINITY COLLEGE

Statement of Changes in Net Assets (In thousands of dollars)

Year ended April 30, 2025, with comparative information for 2024

					2025	2024
	Invested in capital assets (note 10)	Internally restricted (note 11)	Endow- ments (note 12)	Unrestricted net assets	Total	Total
Net assets, beginning of year	\$ 9,585	\$ —	\$ 90,931	\$ 30,146	\$ 130,662	\$ 123,550
Excess of revenue over expenses (expenses over revenue)	(819)	—	—	2,936	2,117	440
Net change in invested in capital assets	29,611	(1,530)	—	(28,081)	—	—
Allocation to endowments (note 3)	—	—	6,299	—	6,299	2,610
Donations and bequests	—	—	124	—	124	3,778
Transfer to internally restricted (note 11)	—	1,530	—	(1,530)	—	—
Transfer from deferred contributions (note 7)	—	—	1	(1)	—	—
Change in employee future benefits	—	—	—	318	318	284
Net assets, end of year	\$ 38,377	\$ —	\$ 97,355	\$ 3,788	\$ 139,520	\$ 130,662

See accompanying notes to financial statements.

TRINITY COLLEGE

Statement of Cash Flows
(In thousands of dollars)

Year ended April 30, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 2,117	\$ 440
Adjustments for non-cash and non-operating items:		
Unrealized loss (gain) in value of pooled fund investments (note 3)	11,450	(5,938)
Allocation to endowments (note 3)	6,299	2,610
Amortization of capital assets	1,678	1,611
Amortization of deferred capital contributions	(859)	(859)
Pension and post-employment benefit expenses	2,613	1,726
Pension and post-employment benefits funding	(434)	(697)
Change in non-cash operating working capital and deferred contribution balances:		
Accounts receivable	2,964	(2,860)
Prepaid expenses	23	13
Accounts payable and accrued liabilities	15,181	8,046
Deferred revenue	(160)	(225)
Net change in deferred contributions (note 7)	1,165	11,548
	42,037	15,415
Financing activities:		
Contributions restricted for capital purposes (note 8)	9,595	382
Endowment donations and bequests	124	3,778
Loans payable	41,749	15,250
	51,468	19,410
Investing activities:		
Investments, net	(25,636)	14,887
Purchase of capital assets, net of disposals	(1,623)	(1,611)
Expenditure of construction-in-progress	(70,347)	(35,846)
	(97,606)	(22,570)
Increase (decrease) in cash and cash equivalents	(4,101)	12,255
Cash and cash equivalents, beginning of year	14,277	2,022
Cash and cash equivalents, end of year	\$ 10,176	\$ 14,277
Non-cash supplemental:		
Expenditure of construction-in-progress from interest accrued on loans payable	\$ (1,999)	\$ (631)
Increase in loans payable from interest accrued and included in construction-in-progress	1,999	631

See accompanying notes to financial statements.

TRINITY COLLEGE

Notes to Financial Statements
(In thousands of dollars)

Year ended April 30, 2025

Trinity College (the "College") is a university federated with the University of Toronto. Degrees in the Faculty of Arts and Science are awarded, under the terms of federation, by the University of Toronto. Degrees in the Faculty of Divinity are awarded conjointly with the University of Toronto.

The College is exempt from income taxes and is a registered charity pursuant to the provisions of the Income Tax Act (Canada).

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue recognition and contributions:

The College follows the deferral method of accounting for contributions. Externally restricted contributions other than endowment contributions are recorded as deferred contributions in the statement of financial position and recognized as revenue in the year in which the corresponding expense is incurred.

Contributions for the purchase of capital assets or for construction projects are recorded as deferred until expended and amortized on the same basis as the related capital asset.

Unrestricted contributions, including unrestricted bequests, are recorded as revenue when received.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recorded as deferred contributions in the statement of financial position and recognized as revenue in the year in which the corresponding expense is recognized. Unrestricted investment income is recognized as revenue when earned.

Student fees, sales, services and sundry revenue are recognized when the services are provided or the goods are sold.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

1. Significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents consists of cash on hand, deposits in bank accounts and other short-term investments.

(c) Investments:

The College's pooled funds and segregated investments are recorded at fair value, which is based on quoted market prices.

Investment income is measured on a total return basis, which includes both realized and unrealized capital gains and losses. The allocation of investment gains or losses depends on the source and use of funds, as described in section (d) below.

(d) Allocation of investment gains/losses:

Investment gains or losses are allocated in different ways, depending on the type of fund, as follows:

(i) Deferred contributions:

Deferred contributions consist of the unspent accumulation of expendable donations, grants and investment income for restricted purposes.

Unspent expendable balances from endowments and non-endowed funds with nominal balances receive no allocation of investment gains or losses. Other deferred contributions are generally allocated investment income based on the 91-day treasury bill rate for the previous year (2025 - 3.60%; 2024 - 4.99%). For large balances, a 40% premium is applied, resulting in a rate of 5.04% (2024 - 6.99%).

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

1. Significant accounting policies (continued):

(ii) Endowments:

Endowments consist mainly of funds, including lectureships, scholarships, prizes and bursaries subject to externally imposed restrictions that the capital be maintained. Endowments include some internally-endowed funds (note 12). The College's policy is to preserve the real value of endowments over time. To achieve this objective, investment gains or losses are allocated as follows:

- 4.00% (2024 - 4.00%), the expected long-term real rate of return, of the opening balance of each endowment is made available annually for the purpose of the endowment (this constitutes the endowment's investment income); and
- the rate of return for the year ended April 30, minus the 4.00% (2024 - 4.00%) expendable draw and a 1.00% administrative fee, is applied to the opening balance of each endowment as capital preservation (indexation). Indexation may be positive or negative.

The actual rate of return on invested funds for the year ended April 30, 2025 was a gain of 11.95% (2024 - gain of 8.47%).

(iii) Operations:

The balance of investment gains or losses, after deducting the allocations above, is recorded as investment income in the statement of operations (note 3).

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The College has elected to carry financial instruments at fair value.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

1. Significant accounting policies (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The following risks have remained consistent with the prior year.

(i) Market risk:

Market risk arises from the possibility that changes in market prices will affect the value of financial instruments. Accounts receivable and accounts payable are not subject to significant market risk. The College manages the market risk of its investment portfolio by investing in pooled funds in a widely diversified group of asset classes managed by external investment managers. The College monitors the performance of investment managers and their compliance with investment policies on a regular basis.

(ii) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument may fail to honour an obligation. The College is exposed to credit risk in cash equivalents and accounts receivable. The College's credit risk exposure is considered to be low.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

1. Significant accounting policies (continued):

(iii) Liquidity risk:

Liquidity risk is the risk that an entity will have difficulty raising funds to meet commitments in a timely fashion. The College manages liquidity risk by investing a sufficient amount to meet foreseeable needs in a highly-liquid short-term investment pool. In addition, a large proportion of its investment portfolio is in pooled funds that can be redeemed in a reasonable period should the need arise.

(iv) Foreign exchange risk:

The value of securities denominated in a currency other than the Canadian dollar will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

(f) Capital assets:

Capital assets are stated at cost at the date of purchase or fair value at the date of acquisition in the case of contributed capital assets. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer, partially or fully, contributes to the College's ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized on a straight-line basis over the estimated useful lives as follows:

Buildings	25 years
Equipment	10 years
Computer hardware	3 years
Library holdings	5 years

Costs of construction-in-progress projects, including interest, are capitalized. Interest costs are capitalized during the construction period. There were no temporary or partial impairments or disposals of assets during the year. Amortization is not recognized until project completion.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

1. Significant accounting policies (continued):

(g) Collections:

Collections consist of archival materials, works of art and silver and are recorded at a nominal value in the financial statements. Donation receipts are issued for fair value in accordance with the guidelines of the Canada Revenue Agency.

(h) Construction-in-progress:

On completion of the projects, costs are reclassified to the respective capital asset categories and amortized in accordance with the College's policy.

(i) Foreign currency exchange:

Assets and liabilities are translated at the rate of exchange in effect as at the date of the statement of financial position. Transfers of funds to and from U.S. dollar accounts are translated at the rate of exchange in effect on the date of each transaction. Investment income from U.S. securities, if applicable, is translated at the average rate of exchange for the fiscal year.

(j) Employee future benefits:

The College maintains a defined benefit pension plan and a retirement health care plan covering substantially all of its employees. Pension benefits are based on years of service and best average salary. The health care plan provides retirees with the same health and dental coverage that they enjoyed as active employees.

Annual benefit cost is recorded in the statement of operations while actuarial gains and losses and past service costs are recognized in the statement of changes in net assets. The benefit liability (or net benefit asset if applicable) continues to be recorded in the statement of financial position.

The accrued benefit obligation for both plans is determined in accordance with the CPA Handbook Accounting Part III, Section 3463. An actuarial valuation report for the pension plan's funding is required at least every three years. An actuarial valuation for the health care plan is recommended every three years. In years between valuations, the College uses a roll-forward technique to estimate the accrued benefit obligation using most recent valuation assumptions.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

1. Significant accounting policies (continued):

The measurement date of plan assets, which are recorded at fair value, and of the accrued benefit obligations, coincides with the College's fiscal year.

(k) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include the carrying amount of capital assets, and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

2. Arrangements with the University of Toronto:

Under a 1910 agreement with the University of Toronto and subsequent amending agreements, most of the lands occupied by the College are assigned for its use for as long as the College is federated with the University of Toronto. These lands include the areas occupied by the main building on Hoskin Avenue, the Larkin Academic Building, the main and north wings of St. Hilda's College, and the site of the Lawson Centre for Sustainability. No value is recorded for this assignment. The remaining lands (the Devonshire property and the area occupied by the southern portion of St. Hilda's College) are owned freehold by the College.

The financial relationship between the College and the University of Toronto in Arts and Science is governed by a memorandum of agreement under which the University of Toronto receives credit for government grants and tuition fees generated by the College's students, and in return reimburses the College for space and services provided by the College to Arts and Science students. The reimbursement comes through a block grant which funds library, registrarial, academic support, physical plant and other services on a formula basis, and an instructional grant, which funds part of the cost of College academic programs. In June 2024, a new operating agreement was executed between the College and the University of Toronto which contained improvements to the funding formula of the block grant. Funding under this agreement increased the block grant in fiscal year 2024. The funding increase is phased over a three-year period. During the year, the College received an additional \$502 related to the fiscal year 2024 funding increase. The College supplements these grants with its own resources.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

2. Arrangements with the University of Toronto (continued):

A separate agreement between the University of Toronto, the Toronto School of Theology ("T.S.T.") and its member institutions establishes the financial arrangements for the Faculty of Divinity at the College. All government grants for divinity students flow through the University of Toronto to the T.S.T. where they are distributed to each member institution according to an agreed formula. Tuition and related fees for divinity students, which must comply with regulations of the Ministry of Colleges and Universities (Ontario), are set by the College in consultation with the T.S.T. and are recognized as revenue to the College.

In November 2019, the College entered into an agreement with the University of Toronto to modify the 1910 Agreement governing the College's federation with the University of Toronto, such that the College would relinquish a portion of its land use rights (a surface parking lot near the University's Goldring Centre) in exchange for a compensatory payment restricted for future capital investment. The effective date of the modification agreement was June 30, 2020.

Borrowing arrangements have been negotiated with the University of Toronto, see notes 6 and 16.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

3. Investments:

The College's investments are managed by independent investment counsel. A summary of the holdings is set out below:

	2025		2024	
	Cost	Fair value	Cost	Fair value
Pooled fund investments:				
Cash	\$ 2	\$ 2	\$ 1	\$ 1
Fiera Short Term Investment Fund Series A	14,201	14,201	13,196	13,196
Fiera Active Fixed Income Fund Series A	3,149	3,043	9,627	8,459
Fiera Integrated Fixed Income - Short Term Fund Series A	2,950	3,002	8,830	8,589
Fiera Canadian Equity Ethical ESG Fund Series A	33,757	37,376	24,562	35,095
Fiera Preferred Shares Fund Series A	1,151	1,407	4,751	5,493
Fiera Global Equity Fund Series A	2,253	3,220	11,053	15,002
Fiera Global Equity Fund Series C	2,644	3,182	12,601	14,853
ACM Commercial Mortgage Fund	5,073	5,035	4,816	4,671
Fiera Diversified Real Assets Fund Series A	15,147	17,317	15,031	16,551
Fiera Cash in Action Fund	4,249	4,249	4,083	4,083
Fiera ASFI - Active Universe Ethical FFF Class A	25,245	24,969	—	—
Fiera Atlas Global Companies Fund Class A	24,197	22,869	—	—
Greenchip Global Equity Fund	2,667	2,952	2,498	2,653
	136,685	142,824	111,049	128,646
Segregated holdings	—	33	—	25
	\$ 136,685	\$ 142,857	\$ 111,049	\$ 128,671

Sources and allocations of investment income are as follows:

	2025	2024
Unrealized gain (loss) in value of pooled fund investments	\$ (11,450)	\$ 5,938
Interest, dividends and pooled fund distributions	3,456	3,420
Realized gain on sale of investments	22,252	4
Total investment gain	14,258	9,362
Allocation for restricted purposes (note 7)	(3,878)	(3,748)
Allocation to endowments	(6,299)	(2,610)
Investment income recognized in the statement of operations	\$ 4,081	\$ 3,004

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

4. Capital assets and construction-in-progress:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land (note 2)	\$ 1	\$ —	\$ 1	\$ 1
Buildings	44,522	33,790	10,732	10,664
Equipment	11,679	10,063	1,616	1,809
Computer hardware	1,428	1,289	139	—
Library holdings	8,608	8,433	175	244
	\$ 66,238	\$ 53,575	\$ 12,663	\$ 12,718

Construction-in-progress as at April 30, 2025 is \$134,222 (2024 - \$61,697), relating to the planning and design of the construction of the Lawson Centre for Sustainability. Included in construction-in-progress as at April 30, 2025 is \$2,630 (2024 - \$631) of capitalized interest.

Lawson Centre for Sustainability:

The College is engaged in the construction of a mixed-use residential and academic building, the Lawson Centre for Sustainability, which broke ground in summer 2023 and is expected to open in summer 2026. The facility's projected cost as at April 30, 2025 is approximately \$180,000, to be funded by a combination of donations, external debt, and operations. The building will provide approximately 350 additional residence beds along with numerous classrooms, a dining facility, and additional learning and ancillary spaces.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of nil (2024 - nil), which includes amounts payable for harmonized sales tax and payroll related taxes.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

6. Loans payable:

During 2022, the College obtained a \$5,200 loan from the University of Toronto in connection with losses incurred by the College in ancillary operations due to the COVID-19 pandemic ("COVID-19 Ancillary Support Loan"). The loan bore a fixed interest rate of 3.857% and the interest cost of this loan was covered by the University of Toronto. The loan was repayable in three equal instalments of \$1,733 with the first payment due on September 30, 2024 (fiscal year 2025).

In June 2024, the College entered into a new loan facility agreement ("2024 Loan Facility") of \$5,200 replacing the existing COVID-19 Ancillary Support Loan of \$5,200. The 2024 Loan Facility was drawn in full for the amount of \$5,200 on September 2, 2024 by the College for the purpose of repaying the \$5,200 COVID-19 Ancillary Support Loan. The loan bears no interest and is to be repaid by the College to the University of Toronto in four equal annual installments beginning September 1, 2026.

In March 2025, the 2024 Loan Facility amended the repayment schedule to be in eight installments commencing September 1, 2027 (fiscal year 2028). The current portion is nil. The long-term portion is \$5,200. The repayment schedule of the loan is as follows:

2028	\$	250
2029		500
2030		500
2031		750
2032		750
Thereafter		2,450
	\$	5,200

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

7. Deferred contributions:

Changes in the deferred contribution balances are summarized as follows:

	2025	2024
Grants	\$ 2	\$ 2
Donations	1,145	11,253
Allocation of investment income (note 3)	3,878	3,748
Other deferred contributions	322	491
Revenue recognized from restricted funds	(4,182)	(3,946)
	1,165	11,548
Transfer to endowments	(1)	—
Transfer to deferred capital contributions (note 8)	(220)	(11,761)
Change during the year	944	(213)
Balance, beginning of year	9,926	10,139
Balance, end of year	\$ 10,870	\$ 9,926

8. Deferred capital contributions:

Changes in the deferred capital contribution balances are summarized as follows:

	2025	2024
Balance, beginning of year	\$ 43,971	\$ 32,687
Less:		
Amortization of deferred capital contributions	(859)	(859)
Add:		
Contributions received	9,596	382
Transfer from deferred contributions (note 7)	220	11,761
Balance, end of year	\$ 52,928	\$ 43,971

The balance of unamortized capital contributions related to capital assets consists of the following:

	2025	2024
Unamortized capital contributions used to purchase assets (note 10)	\$ 43,500	\$ 43,749
Unspent capital contributions	9,428	222
	\$ 52,928	\$ 43,971

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

9. Pension and post-employment health benefits:

The College provides pension and post-employment health benefits to its employees. Information on these plans is as follows:

	Pension benefit plan		Health benefit plan	
	2025	2024	2025	2024
Accrued benefit obligation	\$ (40,853)	\$ (38,173)	\$ (8,832)	\$ (8,079)
Fair value of plan assets	48,140	46,568	—	—
Benefit asset (liability)	\$ 7,287	\$ 8,395	\$ (8,832)	\$ (8,079)

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

	2025		2024	
	Pension benefits	Health benefits	Pension benefits	Health benefits
Discount rate	6.00%	4.90%	6.00%	5.20%
Rate of compensation increase	4.00%	n/a	4.00%	n/a

Health care cost trend rate: 5.00% annual increase assumed for 2025 (2024 - 5.00%).

Dental care cost trend rate: 4.50% annual increase assumed for 2025 (2024 - 4.50%) and thereafter.

The College measures its accrued benefit obligation and the fair value of plan assets for accounting purposes as at the College's fiscal year end.

The most recent pension actuarial valuation for funding purposes was performed as at January 1, 2023.

In addition, an actuarial valuation of the health care plan was performed as at July 1, 2022.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

10. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2025	2024
Capital assets	\$ 12,663	\$ 12,718
Construction-in-progress	134,222	61,697
Amounts financed by:		
Deferred capital contributions (note 8)	(43,500)	(43,749)
Loans payable	(65,008)	(21,081)
	<u>\$ 38,377</u>	<u>\$ 9,585</u>

(b) Change in net assets invested in capital assets is calculated as follows:

	2025	2024
Deficiency of revenue over expenses:		
Amortization of deferred capital contributions	\$ 859	\$ 859
Amortization of capital assets	(1,678)	(1,611)
	(819)	(752)
Net change in investment in capital assets:		
Purchase of capital assets, net of disposals	1,623	1,611
Expenditure on construction-in-progress	72,525	36,477
Amounts funded by:		
Deferred capital contributions	(610)	(20,761)
Loan	(43,927)	(15,881)
	<u>29,611</u>	<u>1,446</u>
Change during the year	28,792	694
Balance, beginning of year	9,585	8,891
Balance, end of year	<u>\$ 38,377</u>	<u>\$ 9,585</u>

11. Internally restricted:

Internally restricted net assets are funds set aside that reflect the application of Board of Trustees policy. The Board of Trustees established a policy to set aside unrestricted bequests for the planning, design and construction of the Lawson Centre for Sustainability.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

12. Endowments:

Undesignated capital campaign donations and unrestricted net assets are, from time to time, transferred to endowments in connection with matching agreements and other arrangements.

Unrestricted net assets that have been transferred to endowments, along with associated indexation, are recorded below as "internally-endowed funds".

As at April 30, endowments comprise:

	2025	2024
Externally restricted funds	\$ 87,269	\$ 81,499
Campaign-related restricted funds	6,775	6,336
Internally-endowed funds	3,311	3,096
	<u>\$ 97,355</u>	<u>\$ 90,931</u>

13. Ontario Student Opportunity Trust Fund:

Endowments include funds established under the provincial programs which provided matching grants for eligible donations for student aid. Provincial guidelines require the disclosure of funds established under the Ontario Student Opportunity Trust Fund - Phase 1 program ("OSOTF 1") which ran from 1996-2000:

	2025	2024
OSOTF 1:		
Fund balance, beginning of year	\$ 6,583	\$ 6,361
Allocation to endowment capital	458	221
Additions	1	1
Fund balance, end of year	<u>\$ 7,042</u>	<u>\$ 6,583</u>

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

13. Ontario Student Opportunity Trust Fund (continued):

	2025	2024
Expendable balance, beginning of year	\$ 503	\$ 515
Investment income	263	254
Bursaries awarded (2025 - 102; 2024 - 96)	(232)	(266)
Expendable balance, end of year	\$ 534	\$ 503

The fair value of the OSOTF 1 endowment as at April 30, 2025 was \$7,576 (2024 - \$7,086).

14. Canadian Universities Reciprocal Insurance Exchange:

The College participates in a reciprocal exchange of insurance risks in association with 50 other Canadian universities named CURIE (the Canadian Universities Reciprocal Insurance Exchange). This self-insurance co-operative involves a contractual agreement to share the property and liability insurance risks of member universities for a term which runs from January 1, 2023 to December 31, 2027.

The projected costs of claims are funded through members' premiums based on actuarial projections. CURIE has obtained reinsurance from commercial insurers to cover claims in excess of \$5,000 to a maximum of \$1,235,000 per occurrence for property losses and claims in excess of \$5,000 to a maximum of \$45,000 per occurrence for liability and errors or omissions losses. In the event premiums are not sufficient to cover claims settlements, the member universities would be subject to assessments in proportion to their participation.

As at December 31, 2024, CURIE had a surplus of \$130,337 (2024 - \$107,548), of which the College's pro rata share is 0.24% (2024 - 0.25%).

15. Bank operating demand loan:

As at April 30, 2025, the College has an undrawn operating demand loan of \$3,000 (2024 - \$3,000) to assist with its temporary operating cash needs. The demand loan is secured through the delivery of a negative pledge from the College agreeing not to encumber its assets, resolution from the Board of Trustees approving the request of the loan and any other documents, instruments or agreements that may be required by the bank prior to the advance of funds. Interest is payable at the bank's prime rate plus 0.75%, payable monthly in arrears.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

16. Credit facilities:

(a) Bank of Montreal loan:

On December 21, 2022, the College secured a \$90,000 loan from the Bank of Montreal to finance the Lawson Centre for Sustainability. The College established two facilities for the loan: Facility 1 and Facility 2. Two amendments were executed during the fiscal year 2024. The first amendment to the credit agreement was dated on September 22, 2023 and the second amendment was dated on April 24, 2024.

Facility 1 is a non-revolving green construction loan facility comprising the advances made during the construction period up to the full facility amount. Principal amount, plus the capitalized interest on the principal amount, will be repaid on or before the project completion date (estimated Winter 2025) through Facility 2. Facility 1 is priced at a choice of, or a combination of, prime plus 0.35% and/or CORRA rate loans plus 1.12%.

Facility 2 is a 10-year non-revolving takeout loan and is priced at a choice of, or a combination of, prime plus 0.25% and/or CORRA plus 2.00% and/or fixed rate, commencing at the project completion date. For the first two years, interest only payments are payable; starting in year three after the project completion date, principal and interest payments calculated over an amortization period of 28 years will be payable to the lender monthly.

Security under this agreement includes the College's personal property including all present and after acquired personal property of the College related to the Lawson Centre for Sustainability project.

During the year, \$41,928 (2024 - \$250) in draws have been made, \$67 (2024 - nil) interest fees have been paid, and nil (2024 - nil) in interest expenses have been recorded in the statement of operations.

(b) University of Toronto loan:

On December 21, 2022, the College secured a \$15,000 loan from the University of Toronto to finance the Lawson Centre for Sustainability to be repaid over 25 years, the interest rate will be set at the time of the drawdown based on the Canadian swap curve yield (25-year term) plus 2%. Interest is not payable until two years after the completion of the Lawson Centre for Sustainability project.

TRINITY COLLEGE

Notes to Financial Statements (continued)
(In thousands of dollars)

Year ended April 30, 2025

16. Credit facilities (continued)

During the year, nil (2024 - \$15,000) in draws have been made, nil (2024 - nil) interest fees have been paid, and nil (2024 - nil) in interest expenses have been recorded in the statement of operations.

(c) Letter of credit:

As at April 30, 2025, the College has a \$1,317 (2024 - \$1,235) irrevocable standby letter of credit for the guarantee of the provision of the Lawson Centre for Sustainability's landscape development works payable to the City of Toronto.

17. Commitment and contingency:

During the ordinary course of business there may be claims or potential claims in progress at any time. Losses related to those claims are recorded in the year in which a reasonable estimate of the liability can be determined. No provision has been accrued in these financial statements.

18. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.