Financial Statements of

TRINITY COLLEGE

And Independent Auditor's Report thereon

Year ended April 30, 2026

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

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, 2026
- 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, 2026, 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 29, 2026

TRINITY COLLEGE

Statement of Financial Position
(In thousands of dollars)

April 30, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	$ 12,638	$ 10,176
Accounts receivable, net of allowance of $338 (2025 - $332)	1,579	2,545
Prepaid expenses	172	113
	14,389	12,834
Investments (note 3)	125,187	142,857
Pension asset (note 9)	6,459	7,287
Capital assets (note 4)	12,846	12,663
Construction-in-progress (note 4)	182,881	134,222
	$ 341,762	$ 309,863
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 5,421	$ 31,561
Deferred revenue	1,061	1,144
	6,482	32,705
Post-employment health plan liability (note 9)	9,377	8,832
Loans payable (notes 6, 14(a) and 14(b))	111,498	65,008
Deferred contributions (note 7)	11,841	10,870
Deferred capital contributions (note 8)	58,225	52,928
	197,423	170,343
Net assets:		
Invested in capital assets (note 10)	26,004	38,377
Endowments (note 11)	99,247	97,355
Unrestricted net assets	19,088	3,788
	144,339	139,520
Credit facilities (note 14)		
Contingency (note 15)		
Subsequent events (note 16)		
	$ 341,762	$ 309,863

See accompanying notes to financial statements.

On behalf of the Board:

Mostafa Asadi
Mostafa Asadi (Oct 5, 2026 11:19:08 EDT) Director

Barbara Dirks, Chair of Finance & Audit (Oct 2, 2026 15:03:36 CDT) Director

TRINITY COLLEGE

Statement of Operations
(In thousands of dollars)

Year ended April 30, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Student fees	$ 10,861	$ 10,418
Grants from University of Toronto (note 2)	7,129	6,951
Grants, donations and investment income used for restricted purposes (note 7)	4,382	4,182
Sales, services and sundry	4,260	4,145
Unrestricted donations and bequests	2,913	2,215
Amortization of deferred capital contributions (note 8)	588	859
Government and other grants	455	430
	30,588	29,200
Expenses:		
Salaries and current benefits	14,633	14,606
Food service and catering	5,087	4,961
Supplies and services	3,970	3,216
Pension and post-employment benefits (note 9)	2,374	2,613
Student awards	1,787	1,694
Amortization of capital assets	1,381	1,678
Repairs and maintenance	1,374	1,324
Utilities	1,227	1,072
	31,833	31,164
Excess of expenses over revenue before investment income	(1,245)	(1,964)
Investment income (note 3)	3,531	4,081
Excess of revenue over expenses	$ 2,286	$ 2,117

See accompanying notes to financial statements.

TRINITY COLLEGE

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

Year ended April 30, 2026, with comparative information for 2025

	Invested in capital assets (note 10)	Endowments (note 11)	Unrestricted net assets	2026 Total	2025 Total
Net assets, beginning of year	$ 38,377	$ 97,355	$ 3,788	$ 139,520	$ 130,662
Excess of revenue over expenses (expenses over revenue)	(793)	–	3,079	2,286	2,117
Net change in invested in capital assets	(11,580)	–	11,580	–	–
Allocation to endowments (note 3)	–	261	–	261	6,299
Donations and bequests	–	1,631	–	1,631	124
Remeasurements of employee future benefits	–	–	641	641	318
Net assets, end of year	$ 26,004	$ 99,247	$ 19,088	$ 144,339	$ 139,520

See accompanying notes to financial statements.

TRINITY COLLEGE

Statement of Cash Flows
(In thousands of dollars)

Year ended April 30, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 2,286	$ 2,117
Adjustments for non-cash items:		
Unrealized loss in value of pooled fund investments (note 3)	5,032	11,450
Allocation to endowments (note 3)	261	6,299
Amortization of capital assets	1,381	1,678
Amortization of deferred capital contributions	(588)	(859)
Pension and post-employment benefit expenses	2,374	2,613
Pension and post-employment benefits funding	(360)	(434)
Change in non-cash operating working capital and deferred contribution balances:		
Accounts receivable	966	2,964
Prepaid expenses	(59)	23
Accounts payable and accrued liabilities	(26,140)	15,181
Deferred revenue	(83)	(160)
Net change in deferred contributions (note 7)	1,152	1,165
	(13,778)	42,037
Financing activities:		
Contributions restricted for capital purposes (note 8)	5,704	9,595
Endowment donations and bequests	1,631	124
Loans payable	42,901	41,749
	50,236	51,468
Investing activities:		
Investments, net	12,638	(25,636)
Purchase of capital assets	(1,564)	(1,623)
Expenditure of construction-in-progress	(45,070)	(70,347)
	(33,996)	(97,606)
Increase (decrease) in cash and cash equivalents	2,462	(4,101)
Cash and cash equivalents, beginning of year	10,176	14,277
Cash and cash equivalents, end of year	$ 12,638	$ 10,176
Non-cash supplemental:		
Expenditure of construction-in-progress from interest accrued on loans payable	$ (3,589)	$ (1,999)
Increase in loans payable from interest accrued and included in construction-in-progress	3,589	1,999

See accompanying notes to financial statements.

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 (CPA 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.

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) 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 earned on restricted funds, and endowment distributions that have not yet been expended for their intended purposes. Restricted funds are invested in a dedicated restricted fund investment pool. Investment returns are recognized based on the performance of that pool in accordance with the College's investment policy.

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 11). The College's policy is to preserve the real value of endowments over time, while providing a stable annual spending allocation to support the purposes for which the endowments were established.

Investment gains or losses are allocated as follows:

- 4.00% (2025 - 4.00%) of the balance of each endowment is made available annually for expenditure, recorded in deferred contributions, in accordance with the purpose of the endowment;

- 1.00% (2025 - 1.00%) of the balance of each endowment is allocated annually as an administrative fee to support the administration of endowment funds and recorded in investment income; and

- the remaining investment return for the year is allocated to endowment capital as capital preservation (indexation). Indexation may be positive or negative.

The actual rate of return on invested funds for the year ended April 30, 2026 was 5.30% (2025 - 11.95%).

(iii) Operations:

Investment gains or losses attributable to unrestricted funds are recognized as investment income in the statement of operations.

(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 investments at fair value.

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 impairment charge.

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.

1. Significant accounting policies (continued):

(iii) Liquidity risk:

Liquidity risk is the risk that an entity will have difficulty meeting obligations associated with financial liabilities as they become due. The College manages liquidity risk through maintenance of liquid investment balances, access to credit facilities and monitoring of debt covenant compliance.

(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.

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) 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.

The cost of the defined benefit pension plan is determined using an actuarially determined funding valuation. The accrued benefit obligation and the related pension plan assets are measured as at the reporting date. The funded status of the plan, representing the difference between the fair value of plan assets and the accrued benefit obligation, is recognized in the statement of financial position. Current service costs and finance costs are recognized in the statement of operations in the period in which they are incurred. Remeasurements and other items arising from differences between actual and expected experience and from changes in actuarial assumptions are recognized in the statement of changes in net assets.

(j) 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 the block grant with full increase applied. The College supplements these grants with its own resources.

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, Universities, Research Excellence and Security, 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 14(b).

3. Investments:

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

	2026		2025	
	Cost	Fair value	Cost	Fair value
Cash	$ 1,406	$ 1,406	$ 2	$ 2
Pooled fund investments:				
Fiera Short Term Investment Fund Series A	25,710	25,710	14,201	14,201
Fiera Active Fixed Income Fund Series A	–	–	3,149	3,043
Fiera Integrated Fixed Income - Short Term Fund Series A	–	–	2,950	3,002
Fiera Canadian Equity Ethical ESG Fund Series A	–	–	5,000	8,314
Fiera Canadian Equity Ethical Fossil Fuel Free Fund - Class A	30,705	31,873	28,757	29,062
Fiera Preferred Shares Fund Series A	–	–	1,151	1,407
Fiera Global Equity Fund Series A	–	–	2,253	3,220
Fiera Global Equity Fund Series C	–	–	2,644	3,182
ACM Commercial Mortgage Fund	5,508	5,442	5,073	5,035
Fiera Diversified Real Assets Fund Series A	–	–	15,147	17,317
Fiera Cash in Action Fund	4,357	4,357	4,249	4,249
Fiera ASFI Active Universe Ethical FFF Class A	24,558	23,973	25,245	24,969
Fiera Atlas Global Companies Fund Class A	29,045	28,224	24,197	22,869
Greenchip Global Equity Fund	2,757	4,173	2,667	2,952
	124,046	125,158	136,685	142,824
Segregated holdings	–	29	–	33
	$ 124,046	$ 125,187	$ 136,685	$ 142,857

3. Investments (continued):

Sources and allocations of investment income are as follows:

	2026	2025
Unrealized loss in value of pooled fund investments	$ (5,032)	$ (11,450)
Interest, dividends and pooled fund distributions	4,031	3,456
Realized gain on sale of investments	9,053	22,252
Net investment gain	8,052	14,258
Allocation for restricted purposes (note 7)	(4,260)	(3,878)
Allocation to endowments	(261)	(6,299)
Investment income recognized in the statement of operations	$ 3,531	$ 4,081

4. Capital assets and construction-in-progress:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land (note 2)	$ 1	$ –	$ 1	$ 1
Buildings	45,772	34,652	11,120	10,732
Equipment	11,888	10,438	1,450	1,616
Computer hardware	1,431	1,359	72	139
Library holdings	8,710	8,507	203	175
	$ 67,802	$ 54,956	$ 12,846	$ 12,663

Construction-in-progress as at April 30, 2026 is $182,881 (2025 - $134,222), relating to the planning, design and construction of the Lawson Centre for Sustainability. Included in construction-in-progress as at April 30, 2026 is $6,219 (2025 - $2,630) of capitalized interest (notes 14(a) and 14(b)).

4. Capital assets and construction-in-progress (continued):

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. The facility's projected cost as at April 30, 2026 is approximately $197,000, to be funded by a combination of donations, external debt, and operations. The building will provide approximately 350 additional residence beds along with several classrooms, a dining facility, and additional learning and ancillary spaces.

A partial occupancy permit was issued by the City of Toronto on April 30, 2026, authorizing occupancy of designated residential floors, common areas and publicly accessible spaces. This satisfies the applicable occupancy related condition precedent under the Bank of Montreal credit agreement (note 14(a)) and supports the commencement of operations and revenue generation. The building is expected to be in full operation for Fall 2026.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of nil (2025 - nil), which includes amounts payable for harmonized sales tax and payroll related taxes.

6. Loan payable:

In June 2024, the College entered into a new loan facility agreement ("2024 Loan Facility") of $5,200. The 2024 Loan Facility was drawn in full for the amount of $5,200 on September 2, 2024 by the College.

6. Loan payable (continued):

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

7. Deferred contributions:

Deferred contributions represent unspent externally restricted grants and donations for specific purposes. The changes in the deferred contributions balance are as follows:

	2026	2025
Grants	$ 3	$ 2
Donations	1,136	1,145
Allocation of investment income (note 3)	4,260	3,878
Other deferred contributions	135	322
Revenue recognized from restricted funds	(4,382)	(4,182)
	1,152	1,165
Transfer to endowments	–	(1)
Transfer to deferred capital contributions (note 8)	(181)	(220)
Change during the year	971	944
Balance, beginning of year	10,870	9,926
Balance, end of year	$ 11,841	$ 10,870

8. Deferred capital contributions:

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

	2026	2025
Balance, beginning of year	$ 52,928	$ 43,971
Less:		
Amortization of deferred capital contributions	(588)	(859)
Add:		
Contributions received	5,704	9,596
Transfer from deferred contributions (note 7)	181	220
Balance, end of year	$ 58,225	$ 52,928

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

	2026	2025
Unamortized capital contributions used to purchase assets (note 10)	$ 58,225	$ 43,500
Unspent capital contributions	–	9,428
	$ 58,225	$ 52,928

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	
	2026	2025	2026	2025
Accrued benefit obligation	$ (42,353)	$ (40,853)	$ (9,377)	$ (8,832)
Fair value of plan assets	48,812	48,140	–	–
Benefit asset (liability)	$ 6,459	$ 7,287	$ (9,377)	$ (8,832)

9. Pension and post-employment health benefits (continued):

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

	2026		2025	
	Pension benefits	Health benefits	Pension benefits	Health benefits
Discount rate	6.00%	5.10%	6.00%	4.90%
Rate of compensation increase	4.00%	n/a	4.00%	n/a

Health care cost trend rate: 5.00% annual increase assumed for 2026 (2025 - 5.00%).

Dental care cost trend rate: 4.50% annual increase assumed for 2026 (2025 - 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, 2025.

10. Invested in capital assets:

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

	2026	2025
Capital assets	$ 12,846	$ 12,663
Construction-in-progress	182,881	134,222
Amounts financed by:		
Deferred capital contributions (note 8)	(58,225)	(43,500)
Loans payable	(111,498)	(65,008)
	$ 26,004	$ 38,377

10. Investment in capital assets (continued):

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

	2026	2025
Deficiency of revenue over expenses:		
Amortization of deferred capital contributions	$ 588	$ 859
Amortization of capital assets	(1,381)	(1,678)
	(793)	(819)
Net change in investment in capital assets:		
Purchase of capital assets	1,564	1,623
Expenditure on construction-in-progress	48,659	72,525
Amounts funded by:		
Deferred capital contributions	(15,313)	(610)
Loans, including accrued interest	(46,490)	(43,927)
	(11,580)	29,611
Change during the year	(12,373)	28,792
Balance, beginning of year	38,377	9,585
Balance, end of year	$ 26,004	$ 38,377

11. 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:

	2026	2025
Externally restricted funds	$ 89,133	$ 87,269
Campaign-related restricted funds	6,794	6,775
Internally-endowed funds	3,320	3,311
	$ 99,247	$ 97,355

12. 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:

	2026	2025
OSOTF 1:		
Fund balance, beginning of year	$ 7,042	$ 6,583
Allocation to endowment capital	(74)	458
Additions	1	1
Fund balance, end of year	$ 6,969	$ 7,042

	2026	2025
Expendable balance, beginning of year	$ 534	$ 503
Investment income	282	263
Bursaries awarded (2026 - 114; 2025 - 102)	(263)	(232)
Transfer from endowment fund	24	–
Expendable balance, end of year	$ 577	$ 534

The fair value of the OSOTF 1 endowment as at April 30, 2026 was $7,546 (2025 - $7,576).

13. 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.

13. Canadian Universities Reciprocal Insurance Exchange (continued):

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 to a maximum of $1,235 per occurrence for property losses and claims in excess of $5 to a maximum of $45 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, 2025, CURIE had a surplus of $133,886 (2025 - $130,337), of which the College's pro rata share is 0.25% (2025 - 0.24%).

14. Credit facilities:

(a) Bank of Montreal facilities:

On December 21, 2022, the College entered a credit agreement with Bank of Montreal, which was amended on September 22, 2023, April 24, 2024, December 15, 2025 and April 24, 2026, that include the following:

(i) The College has access to an uncommitted demand revolving operating credit facility up to $5,000 (2025 - $3,000) to assist with temporary operating cash requirements. Borrowings are available by way of prime rate loans and letters of credit, are repayable on demand and bear interest at the bank's prime rate plus 0.75%, payable monthly in arrears. No amounts (2025 - nil) were drawn at year-end.

(ii) Facility 1 is a $90,000 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 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%.

14. Credit facilities (continued):

(iii) 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 Term CORRA plus an applicable margin determined by the lender at the time of funding and/or Daily Compounded CORRA plus an applicable margin determined by the lender at the time of funding 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.

The credit facilities are secured by a general security agreement over substantially all present and future personal property of the College, subject to certain exclusions as defined in the credit agreement.

As at year end, $88,653 (2025 - $43,205) was outstanding, inclusive of interest capitalized to construction-in-progress (note 4) of $3,574 (2025 - $1,027).

(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. The loan is repayable over 25 years. Interest is based on the Canadian swap curve yield (25-year term) plus 2%, as determined in accordance with the loan agreement.

As at year end, $17,645 (2025 - $16,603) was outstanding, inclusive of interest capitalized to construction-in-progress (note 4) of $2,645 (2025 - $1,603).

(c) Letter of credit:

As at April 30, 2026, the College has a $1,317 (2025 - $1,317) 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.

15. 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.

16. Subsequent events:

(a) Bank of Montreal facilities:

Subsequent to year-end, Facility 1 was converted to Facility 2. Facility 2 is a non-revolving term loan maturing on May 31, 2036. Following conversion to Facility 2, interest-only payments are required until June 2028, after which principal and interest payments will commence in accordance with the credit agreement.

Additionally, the College entered into an interest rate swap agreement to fix the interest on $67,500 (75%) of the facility at 3.515% through maturity, with the remaining balance subject to floating interest rates. The interest rate swap was executed on May 29, 2026, subsequent to year-end, in accordance with the terms agreed prior to year-end. As the interest rate swap was not in effect as at April 30, 2026, no amounts have been recognized in the financial statements.

(b) University of Toronto loan:

Subsequent to year-end, the construction period under the University of Toronto credit facility concluded on June 11, 2026 and the stabilization period commenced on June 12, 2026. In accordance with the loan agreement, interest payments became payable during the Stabilization Period. The outstanding balance of the facility, including capitalized interest, was approximately $17,788 upon commencement of the stabilization period.

2026-04-30 Approved Audited Financial Statements

Final Audit Report 2026-10-05

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