



TRINITY COLLEGE

## **BURSAR'S REPORT YEAR ENDED APRIL 30, 2017**

### AUDITED FINANCIAL STATEMENTS

There were no changes in accounting standards this year.

\$1.5 million of cash presented in investments and \$288,000 of cash presented in accounts payable in the prior year have been reclassified to cash. Besides this reclassification, the presentation of the audited financial statements is in substantially the same form as last year.

#### Statement of Financial Position (Balance Sheet)

The College's main financial asset is the investment portfolio, which was valued at \$96.8 million at April 30, 2017, up 12.4% from a balance of \$86.1 million at April 30, 2016.

The Statement of Financial Position also records a pension asset of \$4.2 million, up from \$1.5 million the previous year. The fair value of the pension fund (\$30.826 million) increased by 10.9% from the previous year (\$27.789 million), while the fund's obligations of \$26.6 million remained almost unchanged from the previous year \$26.2 million in 2016. (see note 9 of the financial statements).

The pension obligation is derived from the most recent triennial valuation effective July 1, 2014. The next funding valuation will be as at July 1, 2017.

Capital assets are recorded at \$15.6 million compared to \$13.8 million the previous year. The \$1.8 million increase from prior year is due to the archives reading room and adjacent storage space being capitalized during the year and other capital asset purchases, which are partially offset by depreciation. For insurance purposes, the value of the College's buildings and contents exceeds \$150 million.

#### Statement of Operations

The year saw revenues decrease approximately 1.7%, while expenses rose 4.6%, resulting in a deficit before investment income of \$1.6 million, up significantly from the previous year (a deficit of \$440,000). Factoring in an investment income of \$6.3 million, the College's surplus on an accounting basis was \$4.6 million, vs. a deficit of \$766,000 for 2016.

These figures do not reflect the College's budget policy of (1) a 4% investment draw and (2) allocating unrestricted bequests to unrestricted net assets (the "General Endowment"). This policy is designed to achieve stability in year-over-year results. Adjusting for these items, there was a deficit on a "budget" basis of \$245,000 in 2016-17, compared with a surplus of \$16,000 in 2015-16 (see Schedule 1).

### SUPPLEMENTARY SCHEDULES

The enclosed supplementary schedules are not audited, but correspond to the audited financial statements wherever possible.

Five-year Financial Highlights - Operations (Schedule 1):

This schedule translates the accounting figures into the financial model used by the College for planning and budget purposes. As noted above, there was deficit of \$245,000 for 2016-17, compared to \$16,000 for 2015-2016, on a “budget” basis.

Cash inflow/outflow, a rough measure of the cash impact of operations on the General Endowment, was \$40,000 for 2016-17.

Five-year Financial Highlights – Balance Sheet (Schedule 2):

This schedule provides a five-year history of major asset and liability classes.

Statement of Operations – Detail (Schedule 3):

This schedule breaks down the components of operations, and discloses the significant positive contribution from Ancillary (residence) activities. The restricted funds column nets to zero by definition, as income is recorded only in sufficient amounts to cover corresponding spending for restricted purposes.

Schedule

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|---|--|
| 1 | Five-year Financial Highlights – Operations    |
| 2 | Five-year Financial Highlights – Balance Sheet |
| 3 | Statement of Operations – Detail               |

Jason MacIntyre  
Bursar & CAO

August 28, 2017

SCHEDULE 1

FIVE-YEAR FINANCIAL HIGHLIGHTS - OPERATIONS  
(\$000s)

	2012-13	2013-14	2014-15	2015-16	2016-17
	\$	\$	\$	\$	\$
<b>Revenue</b>					
Fees	5,767	6,019	6,164	6,488	6,789
Grants	3,284	3,297	3,377	3,374	3,646
Revenue for restricted purposes	3,477	3,361	3,923	4,014	4,027
Sales & services	2,203	2,237	2,579	2,835	2,997
Annual fund donations & bequests	1,094	991	1,056	2,119	1,059
	<u>15,825</u>	<u>15,905</u>	<u>17,099</u>	<u>18,830</u>	<u>18,518</u>
<b>Expenses</b>					
Salaries and wages	7,242	7,287	7,814	8,527	8,900
Future benefits (pension, health)	1,217	1,233	1,262	1,193	1,364
Current benefits	893	884	958	1,001	1,034
Supplies and services	1,796	1,813	1,943	1,895	1,870
Repairs and maintenance	820	751	810	897	947
Utilities	650	699	706	678	742
Amortization of capital assets	1,649	1,489	1,680	1,622	1,674
Student awards	986	952	1,117	1,098	1,159
Food services and catering	2,096	2,044	2,187	2,359	2,472
	<u>17,349</u>	<u>17,152</u>	<u>18,477</u>	<u>19,270</u>	<u>20,162</u>
Deficit before investment income	(1,524)	(1,247)	(1,378)	(440)	(1,644)
Investment income (loss)	4,956	1,574	3,049	(326)	6,260
Surplus (deficit) - accounting basis	<u>3,432</u>	<u>327</u>	<u>1,671</u>	<u>(766)</u>	<u>4,616</u>
Less: Unrestricted bequests	(347)	(199)	(256)	(1,179)	(253)
Adjustment for long-term capital preservation	<u>(3,441)</u>	<u>(21)</u>	<u>(1,494)</u>	<u>1,961</u>	<u>(4,608)</u>
Net income (loss) - budget basis	<u>(356)</u>	<u>106</u>	<u>(80)</u>	<u>16</u>	<u>(245)</u>
<b>Cash used in operations and for capital purchases</b>					
Net income (loss) - budget basis	(356)	106	(80)	16	(245)
Add back: non-cash operating items					
Post-retirement benefits expense	1,217	1,233	1,262	1,117	1,364
Increase (decr.) in vacation accrual	13	(40)	(9)	(74)	1
Amortization, net	572	598	615	607	645
Less: cash outlays					
Pension and retirement contributions	(933)	(976)	(972)	(877)	(1,055)
Capital purchases	(150)	(380)	(447)	(306)	(446)
Cash inflow (outflow)	<u>363</u>	<u>541</u>	<u>369</u>	<u>483</u>	<u>264</u>
Construction in progress	<u>(3,388)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(224)</u>
Net cash inflow (outflow)	<u>(3,025)</u>	<u>541</u>	<u>369</u>	<u>483</u>	<u>40</u>

**SCHEDULE 2**

**FIVE-YEAR FINANCIAL HIGHLIGHTS - BALANCE SHEET  
(AS AT APRIL 30)  
(\$000s)**

	2013	2014	2015	2016	2017
	\$	\$	\$	\$	\$
<b>Assets</b>					
Current assets	1,581	1,776	834	547	2,476
Investments	76,561	81,417	90,732	87,626	96,764
Pension asset	--	2,122	2,847	1,544	4,187
Capital assets	16,041	15,472	15,428	16,019	16,343
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<b>Total Assets</b>	<b>94,183</b>	<b>100,786</b>	<b>109,841</b>	<b>105,736</b>	<b>119,770</b>
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<b>Liabilities</b>					
Current liabilities	1,579	1,939	1,890	2,187	2,166
Pension liability	76	--	--	--	--
Post-employment health plan liability	6,091	5,625	6,957	7,301	6,442
Loan payable	196	175	153	131	109
Deferred contributions	6,148	6,001	7,002	7,755	5,847
Deferred capital contributions	8,987	8,583	8,312	7,474	9,485
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	<b>23,077</b>	<b>22,323</b>	<b>24,314</b>	<b>24,848</b>	<b>24,049</b>
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<b>Net Assets</b>					
Capital assets	6,836	6,618	6,451	6,150	5,951
Endowments	47,359	51,468	57,279	54,813	61,218
Unrestricted net assets	16,911	20,377	21,797	19,925	28,552
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	<b>71,106</b>	<b>78,463</b>	<b>85,527</b>	<b>80,888</b>	<b>95,721</b>
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<b>Total Liabilities and Net Assets</b>	<b>94,183</b>	<b>100,786</b>	<b>109,841</b>	<b>105,736</b>	<b>119,770</b>
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**SCHEDULE 3**

**STATEMENT OF OPERATIONS - DETAIL**  
**(\$000s)**

	General	Ancillary	Restricted	<b>Total 2016-17</b>	<b>Total 2015-16</b>
<b>REVENUE</b>					
Student Fees	581	6,208		<b>6,789</b>	6,488
Grants - University of Toronto	3,238			<b>3,238</b>	3,103
Government Grants	408			<b>408</b>	271
Unrestricted donations & bequests	1,059			<b>1,059</b>	2,119
Revenue for restricted purposes			2,998	<b>2,998</b>	2,999
Sales and services	977	2,020		<b>2,997</b>	2,835
Amortization of deferred capital contributions	1,029			<b>1,029</b>	1,015
	<u>7,292</u>	<u>8,228</u>	<u>2,998</u>	<u><b>18,518</b></u>	<u>18,830</u>
<b>EXPENDITURE</b>					
Salaries and benefits	8,587	2,467	243	<b>11,297</b>	10,721
Supplies and services	1,312	255	303	<b>1,870</b>	1,893
Repairs and maintenance	373	553	21	<b>947</b>	897
Utilities	315	427		<b>742</b>	678
Amortization of capital assets	1,333	341		<b>1,674</b>	1,622
Student awards	7		1,152	<b>1,159</b>	1,098
Library books	1			<b>1</b>	2
Offsets to operating revenue/expenses	(1,279)		1,279	<b>0</b>	0
Food service and catering		2,472		<b>2,472</b>	2,361
	<u>10,649</u>	<u>6,515</u>	<u>2,998</u>	<u><b>20,162</b></u>	<u>19,272</u>
<b>NET before investment income</b>	(3,357)	1,713	0	<b>(1,644)</b>	(442)
<b>INVESTMENT INCOME (LOSS)</b>	6,260			<b>6,260</b>	(326)
<b>NET (accounting basis)</b>	2,903	1,713	0	<b>4,616</b>	(768)
<b>ALLOCATION OF BEQUESTS</b>	(253)			<b>(253)</b>	(1,179)
<b>ALLOCATION from (to) UNRESTRICTED NET ASSETS</b>	(4,608)			<b>(4,608)</b>	1,963
<b>NET INCOME (LOSS) 2016-17</b>	<u><b>(1,958)</b></u>	<u><b>1,713</b></u>	<u><b>0</b></u>	<u><b>(245)</b></u>	
<b>NET INCOME (LOSS) 2015-16</b>	<u>(1,605)</u>	<u>1,621</u>	<u>0</u>		<u>16</u>

(May not add due to rounding)