

Financial Statements of

ST. THOMAS MORE COLLEGE

And Independent Auditor's Report thereon

Year ended April 30, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of St. Thomas More College

Opinion

We have audited the financial statements of St. Thomas More College (the College), which comprise:

- the statement of financial position as at April 30, 2025
- the statement of revenues and expenses and surplus for the year then ended
- the statement of equity in property and equipment for the year then ended
- the statements 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 College 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 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.

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.



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 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 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.



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- 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'. Below the signature is a long, horizontal, slightly curved line.

Saskatoon, Canada

June 24, 2025

St. Thomas More College



Statement of Financial Position

April 30, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 1,907,869	\$ 1,953,859
Receivables (note 3)	562,088	527,845
Prepaid expenses and deposits	116,355	147,023
Short-term investments (note 4)	2,205,142	2,373,158
	4,791,454	5,001,885
Long-term investments (note 4)	28,549,613	25,974,062
Property and equipment (note 5)	16,267,182	16,654,512
	\$ 49,608,249	\$ 47,630,459
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 1,362,635	\$ 1,064,574
Current portion of long-term debt (note 8)	1,814,683	233,618
	3,177,318	1,298,192
Long-term debt (note 8)	3,205,837	5,370,520
Deferred capital grants (note 9)	1,627,826	1,671,907
Deferred capital contributions (note 9)	1,650,730	1,692,643
Restricted and trust funds (note 10)	6,129,266	5,283,183
Net assets:		
Equity in property and equipment	7,968,106	7,685,824
Reserves (note 11)	4,828,277	4,345,126
Endowments (note 12)	20,019,188	19,045,073
Surplus	1,001,701	1,237,991
	33,817,272	32,314,014
Commitments (note 13)		
	\$ 49,608,249	\$ 47,630,459

See accompanying notes to financial statements.

On behalf of the Board:

 Director
 Director

St. Thomas More College

Statement of Revenue and Expenses and Surplus

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

	2025	2024
Operating revenue:		
Government of Saskatchewan grants	\$ 7,056,800	\$ 6,896,600
Tuition - credit instruction	7,850,873	7,821,267
Other	887,830	590,019
Investment income (note 4)	532,819	500,587
	16,328,322	15,808,473
Operating expenses:		
Academic salaries	6,147,360	5,513,819
Administrative and support salaries	3,185,572	2,575,244
USask infrastructure services (note 13)	1,840,137	1,833,409
Supplies and services	1,679,877	1,642,187
Employee benefits	1,637,919	1,472,272
Amortization of property and equipment	633,000	573,754
Scholarships and bursaries	329,319	315,738
Utilities	234,963	239,660
Bad debts expense	117,662	148,980
	15,805,809	14,315,063
Operating revenue less expenses	522,513	1,493,410
Loss on disposal of capital assets	-	(198,772)
Ancillary revenues (note 14)	29,296	40,662
Ancillary expenses (note 14)	(22,666)	(73,329)
	6,630	(231,439)
Excess of revenue over expenses	529,143	1,261,971
Surplus, beginning of year	1,237,991	1,871,775
Reserve transfer:		
Building reserve (note 11)	(483,151)	(1,663,923)
Transfer from (to) equity in property and equipment for:		
Amortization of property and equipment	633,000	573,754
Property and equipment purchases, net of disposals	(245,670)	(255,428)
Net decrease in debt	(583,618)	(604,665)
Deferred capital grants and contributions	50	137,800
Amortization of deferred capital grants and contributions	(86,044)	(83,293)
Surplus, end of year	\$ 1,001,701	\$ 1,237,991

See accompanying notes to financial statements.

St. Thomas More College

Statement of Equity in Property and Equipment

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

	2025	2024
Equity in property and equipment, beginning of year	\$ 7,685,824	\$ 7,453,992
Property and equipment purchases, net of disposals	245,670	255,428
Deferred capital grants and contributions	(50)	(137,800)
Amortization of deferred capital grants and contributions	86,044	83,293
Amortization of property and equipment	(633,000)	(573,754)
Net decrease in debt related to property and equipment	583,618	604,665
	<u>\$ 7,968,106</u>	<u>\$ 7,685,824</u>

See accompanying notes to financial statements.

St. Thomas More College

Statement of Cash Flows

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

	2025	2024
Cash flows from (used in):		
Operations:		
Excess of revenue over expenses	\$ 529,143	\$ 1,261,971
Items not involving cash:		
Amortization of property and equipment	633,000	573,754
Loss on disposal of equipment	-	198,772
Amortization of deferred capital grants	(44,081)	(41,332)
Amortization of deferred capital contributions	(41,963)	(41,961)
	1,076,099	1,951,204
Change in non-cash operating working capital:		
Receivables	(34,243)	928,610
Inventories	-	16,430
Prepaid expenses and deposits	30,668	(39,489)
Accounts payable and accrued liabilities	298,061	(205,579)
	1,370,585	2,651,176
Financing:		
Decrease in long-term debt	(583,618)	(604,665)
Increase in restricted and trust funds	846,083	866,628
Increase in deferred capital grants	-	137,500
Increase in deferred capital contributions	50	300
Increase in endowments	974,115	2,620,138
	1,236,630	3,019,901
Investing:		
Purchase of property and equipment	(245,670)	(454,722)
Net change in short-term investments	168,016	(1,319,820)
Net change in long-term investments	(2,575,551)	(3,834,967)
Proceeds on disposal of equipment	-	522
	(2,653,205)	(5,608,987)
Net increase (decrease) in cash	(45,990)	62,090
Cash, beginning of year	1,953,859	1,891,769
Cash, end of year	\$ 1,907,869	1,953,859

See accompanying notes to financial statements.

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

1. Authority and purpose

St. Thomas More College (the "College") is a corporation operating under the authority of the St. Thomas More College Act, 2001 of the Statutes of Saskatchewan. The primary role of the College is to operate a Catholic College that is federated with the University of Saskatchewan and offers university-level instruction in humanities and social sciences. The College is a registered charity and is therefore exempt from income taxes, pursuant to section 149 of the Income Tax Act (Canada).

2. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in the CPA Handbook.

(a) Revenue Recognition

The college recognizes contributions in accordance with the deferral method of accounting for contributions for not-for-profit organizations.

Contributions and investment income externally restricted for purposes other than endowments are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for the purposes designated by external parties.

Unrestricted contributions are recognized as revenue when received or receivable if amounts can be reasonably estimated and collection is reasonably assured. Due to the uncertainty involved in collecting pledged donations, they are not recognized until received.

Endowment contributions and restricted investment income earned on endowments are not available for disbursements and are recognized as direct increases in net assets in the period in which they are received and earned.

Externally restricted contributions received toward the acquisition of property and equipment are deferred and amortized to revenue on the same basis as the related depreciable property and equipment are amortized.

Tuition and other fees are recognized as revenue based on the academic period of the related courses and programs.

Other types of revenue are recognized in the period to which they relate.

(b) 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results may differ from these estimates.

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

2. Significant accounting policies (continued)

(c) Investments:

Short-term and long-term investments are stated at fair value (note 4) and valued at year-end quoted market prices, where available, or at cost less impairment if the equity instruments are not quoted in an active market. Realized and unrealized investment income for operations is recognized in the statement of revenue and expenses. Realized and unrealized investment income for restricted and trust funds and endowments is allocated to the respective funds and recognized upon disbursement.

Short-term investments consist only of cash and cash equivalents held within the College's investment holdings.

(d) Restricted and trust funds:

Contributions received which are to be expended for specific purposes are recorded as restricted and trust funds. These funds are included in operating and other revenue as the amounts are used for specified purposes.

(e) Reserves:

The College provides reserves as set out in note 11 by appropriations from operations.

(f) Property and equipment:

Property and equipment are stated at cost and amortized over the estimated useful lives of the assets as follows:

Asset	Method	Rate
Buildings and building components	Straight line	20-50 years
Computer equipment	Straight line	3-5 years
Furniture and equipment	Straight line	10 years
Library collection	Straight line	5-10 years

(g) Pensions:

The College's employees participate in the University of Saskatchewan defined benefit and money purchase pension plans. The College follows defined contribution accounting for its participation in these plans and, accordingly, expenses contributions it is required to make in the year.

(h) New Canadian Accounting Standards for Not-For-Profit Organizations:

There were no material amendments to Canadian Accounting Standards for Not-For-Profit Organizations effective for the year ended April 30, 2025.

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

3. Receivables

	2025	2024
University of Saskatchewan, net allowance for bad debts	\$ 510,357	\$ 458,736
Employee loans and advances	24,482	37,339
Sundry	27,249	31,770
	\$ 562,088	\$ 527,845

Receivables from the University of Saskatchewan are presented net of an allowance for bad debts on tuition of \$148,980 (2024 - \$148,980). During the fiscal year, a new agreement between the College and the University of Saskatchewan set a revised method of recording the bad debts in that the University of Saskatchewan will charge the College 1.5% of tuition per year to account for bad debts on tuition. In 2024, bad debt was allocated as an allowance upon the possibility of a return on the bad debt, while the new agreement has factored bad debt as an expense item with no possibility of a return on bad debt. Therefore, bad debt expense for the year of \$117,662 has been expensed with a direct reduction of accounts receivable.

4. Investments

	2025	2024
Portfolio investments, at fair value	\$ 30,702,088	\$ 28,130,009
Portfolio investments, at cost less impairment	-	150,000
Life insurance policies	52,667	67,211
	\$ 30,754,755	\$ 28,347,220

Long-term investments	\$ 28,549,613	\$ 25,974,062
Short-term investments	2,205,142	2,373,158
	\$ 30,754,755	\$ 28,347,220

Investments held for:	2025	2024
Restricted funds, excluding research grants and trusts	\$ 5,907,290	\$ 4,957,021
Endowments	20,019,188	19,045,073
Internally restricted investments	4,828,277	4,345,126
	\$ 30,754,755	\$ 28,347,220

The College has \$4,828,277 (2024 - \$4,345,126) of internally restricted investments that can be used by the College to fund its reserves.

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

4. Investments (continued)

The College's Board of Governors has approved a Restricted Fund and Endowment Management Policy which outlines the rules governing its endowment funds. Funds are invested in accordance with the College's Investment Policy, which is approved by the College's Board of Governors. The primary objectives for the College's investment portfolio are:

- to earn a real rate of return of 4% after expenses over the long-term. This will fulfill the fund's objectives to meet its expenditure requirements and maintain capital in real terms; and
- to earn a rate of return that exceeds a benchmark that is comprised of market indices relevant to the actual asset mix, as established from time to time by the Finance and Audit Committee of the Board of Governors.

The asset allocation of the investment portfolio at April 30, 2025 was as follows:

	2025	2024
Growth securities	62%	55%
Fixed income	20%	25%
Cash and cash equivalents	7%	8%
Other	11%	12%

Investment income has been allocated as follows:

	2025	2024
Operations	\$ 532,819	\$ 500,587
Restricted funds (note 10)	363,639	267,099
Endowments (note 12)	1,482,373	1,183,027
	\$ 2,378,831	\$ 1,950,713

5. Property and equipment

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Building and building components	\$ 22,438,623	\$ 6,732,640	\$ 15,705,983	\$ 16,053,155
Computer equipment	2,357,673	2,184,265	173,408	228,152
Furniture and equipment	2,141,150	1,803,641	337,509	325,182
Library collection	774,244	723,962	50,282	48,023
	\$ 27,711,690	\$ 11,444,508	\$ 16,267,182	\$ 16,654,512

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

6. Accounts payable and accrued liabilities

	2025	2024
Trade payables	\$ 429,911	\$ 432,140
Accrued wages and benefits	932,252	632,203
Government remittances	472	231
	\$ 1,362,635	\$ 1,064,574

7. Short-term debt

The College maintains a demand operating line of credit with a limit of \$1.5 million for day-to-day working capital needs as required. Payments are interest-only at a floating interest rate of prime less 0.5% on any outstanding balances. The line of credit is secured by a general security agreement. At April 30, 2025, and April 30, 2024, no amounts were drawn under this facility.

8. Long-term debt

	2025	2024
Toronto Dominion Mortgage repayable in blended monthly installments of \$17,617 with a fixed interest rate of 5.55%. Due May 9, 2025, and was renewed subsequent to year-end. The loan was renewed with a fixed interest rate of 3.87%, and is subject to renewal on May 9, 2027.		
Secured by a general security agreement.	\$ 1,671,822	\$ 2,117,210
Toronto Dominion Mortgage repayable in blended monthly installments of \$20,936 with a fixed interest rate of 3.30%. Due November 17, 2042, subject to renewal in May, 2032.		
Secured by a general security agreement.	3,348,698	3,486,928
	5,020,520	5,604,138
Less current portion	1,814,683	233,618
	\$ 3,205,837	\$ 5,370,520

Interest incurred on long-term debt and expensed in these statements was \$226,437 (2024 - \$207,563).

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

8. Long-term debt (continued)

Principal repayments required on the mortgages in each of the next five fiscal years and thereafter are estimated as follows:

April 30, 2026	\$ 1,814,683
April 30, 2027	147,647
April 30, 2028	152,328
April 30, 2029	157,698
April 30, 2030	162,981
Thereafter	2,585,183
	<hr/> 5,020,520 <hr/>

9. Deferred capital grants and contributions

Deferred capital grants consist of government grants and relate to the deferred Sask Centenary Fund, funds received for a new elevator, funds received for the North Building Renewal Project, and funds received for a partial library roof replacement. Grants are deferred and recognized as revenue as the related assets are amortized. The change in the deferred capital grant balance is as follows:

	2025	2024
Balance, beginning of year	\$ 1,671,907	\$ 1,575,739
Additions during the year	-	137,500
Amounts amortized to revenue	(44,081)	(41,332)
	<hr/> \$ 1,627,826 <hr/>	<hr/> \$ 1,671,907 <hr/>

Deferred capital contributions relate to donations for the building additions. Contributions are deferred and recognized as revenue as the related assets are amortized. The change in the deferred capital contribution balance is as follows:

	2025	2024
Balance, beginning of year	\$ 1,692,643	\$ 1,734,304
Additions during the year	50	300
Amounts amortized to revenue	(41,963)	(41,961)
	<hr/> \$ 1,650,730 <hr/>	<hr/> \$ 1,692,643 <hr/>

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

10. Restricted and trust funds

The funds restricted for scholarships and bursaries and other restricted funds include deferred contributions that will be recognized to income when the associated expense occurs.

	Balance 2024	Investment income	Donations	Distributions from endowments	Recognized for scholarships and bursaries	Other net changes	Balance 2025
Research Grants	\$ 291,184	\$ -	\$ -	\$ -	\$ -	\$ (104,749)	\$ 186,435
Faculty, student and other trusts	34,978	-	-	-	-	563	35,541
Scholarships and bursaries	2,160,403	154,526	98,842	243,673	(290,135)	(1,000)	2,366,309
Other restricted funds	2,796,618	209,113	370,656	478,654	-	(314,060)	3,540,981
	\$ 5,283,183	\$ 363,639	\$ 469,498	\$ 722,327	\$ (290,135)	\$ (419,246)	\$ 6,129,266

11. Reserves

	Balance 2024	Appropriations	Balance 2025
Building	\$ 4,345,126	483,151	\$ 4,828,277

12. Endowments

Contributions restricted for endowments consist of externally restricted donations received by the College as well as funds internally restricted by the College, exercising its discretion. Endowment contributions are designated by donors as permanent assets of the College. To best respect donors' wishes, the College maintains and manages the capital donated and the endowment investment returns to ensure stable and sustainable annual expenditures are made from endowment accounts to support scholarships, academic programs and operations designated by donors. The College allocates investment returns to each endowment based on their respective balances according to College's Restricted Fund and Endowment Management Policy. By allocating nominal investment returns to endowments, the College can maintain the real purchasing power of the capital inside the endowment assuming nominal investment returns outpace inflation through the College's disbursement rate on a long-term basis. An annual spending distribution of 4% of the endowment fund's average market value for the four preceding fiscal years is transferred to the expendable restricted fund, provided there is adequate accumulated investment income and in accordance with the Restricted Fund and Endowment Management Policy.

The endowment balances include internal funds appropriated from reserves totalling \$1,759,095 (2024 - \$1,759,095). These represent funds transferred from reserves, under the discretion of the College's Board of Governors, to support activities and programs of the associated endowments.

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

12. Endowments (continued)

	Balance 2024	Investment income	Donations	Distributions from endowments	Balance 2025
Scholarships and bursaries	\$ 6,054,467	\$ 469,185	\$ 14,750	\$ (243,673)	\$ 6,294,729
Other endowments	4,754,381	368,183	5,000	(189,181)	4,938,383
Professorship in Child Development	4,215,006	327,812	40,569	(126,635)	4,456,752
Leslie and Irene Dubé Chair for Catholic Studies	2,623,721	205,011	50,000	(106,281)	2,772,451
Chair in Indigenous Spirituality and Reconciliation	1,397,498	112,182	103,750	(56,557)	1,556,873
	\$ 19,045,073	\$ 1,482,373	\$ 214,069	\$ (722,327)	\$ 20,019,188

13. Commitments

The College has an Academic and Financial Partnership Agreement ("AFPA") with the University of Saskatchewan ("USask") that is in effect from May 1, 2020 - April 30, 2025. Under the AFPA, tuition revenue earned by the College is based on an agreed upon proportion of total tuition pool generated from courses taught by both the College and USask, all the tuition generated from courses exclusive to the College, and all the international student tuition from all College courses. This agreement is to enhance coordination and cooperation between the College and USask. The AFPA also establishes an Annual Service Fee of 12.6% (2024 - 12.6%) based on the combined government operating grant and tuition revenue. During 2024-2025 the tuition generated was \$7,850,873 (2024 - \$7,821,267) and Annual Service Fee payable was \$1,840,137 (2024 - \$1,833,409).

14. Ancillary operations

Ancillary operations include rental operations, chapel, and other non-operating income. Choices ancillary operations were outsourced to the University of Saskatchewan Culinary Services as of August 2023 and are no longer operated by the College.

15. Pension contributions

The College's employees participate in money purchase (defined contribution plans with equal contributions by employees and the College) and defined benefit pension plans which are administered by USask. The annual employer contributions for 2025 of \$593,671 (2024 - \$568,081) are recorded as expenses in these financial statements.

The College's employees participate in various pension plans administered by USask. Almost all the College's employees belong to defined contribution pension plans (money purchase). There are three employees that belong to the Academic Defined Benefit plan (AcDB) administered by USask. There were no changes to the AcDB and NonAcDB during 2025. The AcDB and NonAcDB pension plans both filed valuations with the provincial regulators as at December 31, 2023. Both plans were fully funded on a going concern basis. The next valuation must be performed as at December 31, 2026.

St. Thomas More College

Notes to the Financial Statements

Year ended April 30, 2025

16. Contributions

The College received \$695,593 (2024 - \$2,475,349) in donations for the 2024 fiscal year. Chapel donations of \$12,026 (2024 - \$8,352) are included in ancillary operations on the statement of revenues and expenses and surplus.

17. Financial instruments and risk management

The carrying values of cash, receivables and accounts payable and accrued liabilities and debt obligations approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The fair value of long-term investments was determined by reference to various market data, as appropriate.

Except for the vulnerability of long-term investments in the global markets, the College is not exposed to market risk or significant credit risk. Credit risk related to cash is minimized by dealing with financial institutions that have strong credit ratings. Credit risk related to accounts receivable is considered not significant.

The College is not exposed to interest rate risk on long-term debt as a result of all long-term debt being subject to fixed rates. Interest rate risk related to short-term debt is considered minimal.

18. Capital management

The College's overall objective when managing capital is to ensure the College has adequate capital to fund property and equipment, future projects and ongoing operations. The College manages its capital through an annual budgeting process and by appropriating amounts to reserves for anticipated future projects and other priorities. In addition, the College manages capital with respect to endowments in accordance with a Restricted Fund and Endowment Management Policy that is approved by the College's Board of Governors, as outlined in Note 4.

The College is not subject to any other externally imposed capital requirements and its approach to capital management remains unchanged from the prior year.