

Consolidated financial statements of

TRINITY WESTERN UNIVERSITY

And Independent Auditor's Report thereon

Year ended April 30, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Trinity Western University

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Trinity Western University (the "University"), which comprise:

- the consolidated statement of financial position as at April 30, 2024
- the consolidated statement of operations and changes in fund balances for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 University as at April 30, 2024, and its results of operations and 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 University 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.



Other Matter – Comparative information

The consolidated financial statements for the year ended April 30, 2023 were audited by another auditor who expressed an unmodified opinion on these financial statements on August 15, 2023.

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 University'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University'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 University'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 University'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 Society 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Vancouver, Canada
October 18, 2024

TRINITY WESTERN UNIVERSITY

Consolidated Statement of Financial Position

April 30, 2024, with comparative information for 2023

	Notes	2024	2023
Assets			
Current asset:			
Cash		\$ 60,325,783	\$ 46,730,815
Restricted cash		552,021	-
Accounts receivable	3 and 15	4,602,649	3,750,052
Inventory		245,576	225,526
Prepaid expenses		2,460,223	2,373,299
		68,186,252	53,079,692
Other asset	4	876,342	1,095,428
Investments	5	41,213,833	36,997,550
Tangible capital assets	6	204,388,181	206,367,792
		\$ 314,664,608	\$ 297,540,462
Liabilities and Fund Balances			
Current liabilities:			
Accounts payable and accrued liabilities	3 and 15	\$ 7,113,200	\$ 5,750,848
Student deposits and deferred income		36,300,115	31,136,414
Promissory notes		1,289,244	1,721,577
		44,702,559	38,608,839
Long-term debt	7	11,623,992	13,427,072
Student deposits and deferred income		27,252,838	21,065,081
		83,579,389	73,100,992
Unrestricted fund	8	313,283	311,464
Restricted funds:			
Capital fund		169,437,899	166,375,974
Specific purpose fund		19,693,000	20,798,076
Endowment fund		41,641,037	36,953,956
		231,085,219	224,439,470
Contingent liabilities	11		
Commitments	14		
		\$ 314,664,608	\$ 297,540,462

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

Approved on behalf of the Board of Governors:

Matthew St. John

Leighton Friesen

TRINITY WESTERN UNIVERSITY

Consolidated Statement of Operations and Changes in Fund Balances

Year ended April 30, 2024, with comparative information for 2023

	Notes	Unrestricted	Capital	Specific purpose	Endowment	Total 2024	Total 2023
Revenue:							
Tuition and fees		\$ 104,469,951	\$ -	\$ -	\$ -	\$ 104,469,951	\$ 89,006,260
Donations		1,067,532	95,023	1,661,637	1,882,391	4,706,583	6,710,010
Other	9	18,778,066	151,233	3,419,971	-	22,349,270	18,768,630
		124,315,549	246,256	5,081,608	1,882,391	131,525,804	114,484,900
Expenses:							
Compensation		63,511,951	21,714	1,732,919	-	65,266,584	59,303,718
Operating costs		33,939,627	234,637	3,829,598	-	38,003,862	27,393,796
Scholarships and bursaries		11,782,657	-	1,438,727	-	13,221,384	13,768,442
Interest		-	602,933	-	-	602,933	603,525
Overhead and other		1,555,444	-	11,140	-	1,566,584	1,906,990
		110,789,679	859,284	7,012,384	-	118,661,347	102,976,471
Excess (deficiency) of revenue over expenses before the following non-cash items		13,525,870	(613,028)	(1,930,776)	1,882,391	12,864,457	11,508,429
Amortization of tangible capital assets		-	(9,183,650)	-	-	(9,183,650)	(8,485,059)
Amortization of other assets		-	-	(219,086)	-	(219,086)	(219,086)
Change in fair value of investments		3,184,028	-	-	-	3,184,028	624,706
		3,184,028	(9,183,650)	(219,086)	-	(6,218,708)	(8,079,439)
Excess (deficiency) of revenue over expenses		16,709,898	(9,796,678)	(2,149,862)	1,882,391	6,645,749	3,428,990
Interfund transfers	10	(16,708,079)	12,858,603	1,044,786	2,804,690	-	-
Changes in fund balances for the year		1,819	3,061,925	(1,105,076)	4,687,081	6,645,749	3,428,990
Fund balances at the beginning of the year		311,464	166,375,974	20,798,076	36,953,956	224,439,470	221,010,480
Fund balances at the end of the year		\$ 313,283	\$ 169,437,899	\$ 19,693,000	\$ 41,641,037	\$ 231,085,219	\$ 224,439,470

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

TRINITY WESTERN UNIVERSITY

Consolidated Statement of Cash Flows

Year ended April 30, 2024, with comparative information for 2023

	Notes	2024	2023
Operating activities:			
Excess of revenues over expenditures:	\$	6,645,749	\$ 3,428,990
Add back (deduct) items not involving cash:			
Amortization of tangible capital assets		9,183,650	8,485,059
Amortization of other assets		219,086	219,086
Donated tangible capital asset additions		(1,550)	(11,230)
Change in fair value of investments		(3,184,028)	(624,706)
		12,862,907	11,497,199
Changes in operating working capital:			
Accounts receivable		(852,597)	(125,405)
Inventory		(20,050)	35,609
Prepaid expenses		(86,924)	(458,096)
Accounts payable and accrued liabilities		1,362,352	(2,582,182)
Student deposits and deferred income		11,351,458	16,371,693
Promissory notes		(432,333)	(805,960)
		24,184,813	23,932,858
Financing activity:			
Repayment of long-term debt		(1,803,080)	(908,529)
Investing activities:			
Purchase of tangible capital assets		(7,359,829)	(10,979,317)
Proceeds from disposal of tangible capital asset		157,340	182,322
Purchase of investments		(36,674,301)	(2,792,125)
Proceeds from investments		35,642,046	-
		(8,234,744)	(13,589,120)
Change in cash during the year		14,146,989	9,435,209
Cash at beginning of year		46,730,815	37,295,606
Cash at end of year	\$	60,877,804	\$ 46,730,815
Cash consists of:			
Unrestricted amounts	\$	60,325,783	\$ 46,730,815
Restricted amounts		552,021	-
Cash at end of year	\$	60,877,804	\$ 46,730,815

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

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

1. Business operations:

Purpose and authority

The mission of Trinity Western University, as an arm of the Church, is to develop godly Christian leaders: positive, goal-oriented university graduates with thoroughly Christian minds; growing disciples of Jesus Christ who glorify God through fulfilling the Great Commission, serving God and people in the marketplaces of life.

Established in 1962, Trinity Western University ("TWU", the "University") operates under the authority of the Trinity Western University Act of the Province of British Columbia. TWU is a Christian liberal arts and sciences university offering undergraduate, graduate and continuing education programs. TWU is a not-for-profit entity, governed by a Board of Governors. TWU is a registered charity and is therefore exempt from income taxes under section 149 of the Canadian Income Tax Act and section 501(c)(3) of the Internal Revenue Code in the United States of America.

2. Significant accounting policies:

These consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations, under Part III of the CPA Canada Handbook – Accounting and reflect the following significant accounting policies:

(a) Principles of consolidation:

These consolidated financial statements include the accounts of the University and its controlled not-for-profit organization, Trinity Western University Foundation.

(b) Fund accounting:

The accounts of TWU provide for separate fund balances to be maintained in order to recognize restrictions imposed on the use of available resources. The Statement of Financial Position and Statement of Cash Flows combine the assets and liabilities of all funds. The Statement of Operations and Changes in Fund Balances segregates the Unrestricted, Capital, Specific Purpose and Endowment funds.

TWU follows the restricted fund method of accounting for contributions. For financial reporting purposes, the accounts have been classified into the following funds:

- (i) The Unrestricted Fund reports on TWU's program delivery, administrative and ancillary activities. Ancillaries (Note 9) include Housing Services, Dining Services, Conference Services and the University Bookstore.
- (ii) The Capital Fund reports the net investment in tangible capital assets.
- (iii) The Specific Purpose Fund reports funds received but not yet expended for specific projects.
- (iv) The Endowment Fund reports donations received to be held permanently, the income of which is to be used primarily for scholarships. Realized investment gains and losses from the Endowment Fund are reported in the Unrestricted Fund, unless restricted by the donor.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

2. Significant accounting policies (continued):

- (c) Presentation of the Trinity Western University Foundation – US (“TWUF – US”, the “US Foundation”):

TWUF - US, which is controlled by the University, is not consolidated in the University's financial statements. Information on this controlled not-for-profit organization is disclosed in Note 3.

- (d) Financial instruments:

Financial assets and financial liabilities are initially recognized at fair value when the University becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except for investments in listed shares and derivative financial instruments that are not designated in a qualifying hedging relationship are measured at fair value at the statement of financial position date. The fair value of listed shares is based on the latest closing price and the fair value quote received from the bank counterparty is used as a proxy for the fair value of derivative financial instruments.

Interest earned on short term investments, unrealized gains and losses on listed shares, and realized gains and losses on sale of short-term investments are included in other income in the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the University recognizes in net earnings an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows.

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 University 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.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

2. Significant accounting policies (continued):

(e) Revenue recognition:

Tuition and fees and ancillaries are recognized as revenue at the time the goods are delivered or the services are provided. Deferred revenue is recorded for payments made prior to services rendered with amounts relating to services to occur in greater than 12 months being classified as non-current.

Restricted contributions are recognized as revenue of one of the restricted funds in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions subject to internal restrictions are allocated to the appropriate restricted fund through an inter-fund transfer.

Endowment donations are recognized as revenue in the Endowment Fund.

The sources of donation revenues described above are individuals, corporations and foundations.

Gifts in kind are recorded at fair market value on the date of their donation, or at nominal value when fair market value cannot be reasonably determined. Donated services are not recognized in these financial statements.

Other income is recognized in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(f) Recognition of pledges:

Pledges are recorded in the financial statements when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

(g) Inventory:

Inventory is comprised of items held for resale by the University Bookstore and is valued at the lower of cost and net realizable value. Cost is determined on the average cost basis. Net realizable value is the selling price less the cost necessary to make the sale. During the year the University expensed \$229,884 (2023 - \$385,032) of inventory on the statement of operations and changes in fund balances.

(h) Tangible capital assets:

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at their fair market value on the date of the contribution.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

2. Significant accounting policies (continued):

(h) Tangible capital assets (continued):

Effective April 1, 2023, the University changed its policy from not taking amortization in the year of acquisition and a full year of amortization taken in the year of disposal to using straight-line basis over the estimated useful life of the asset, with amortization taken in the year the assets are put into use. Estimated useful life is as follows:

Building, roads and parking lots	8 - 40 years
Leasehold improvements	Over lease term
Furniture and equipment	10 years
Library collection	10 years
Computer and equipment	3 - 7 years
Vehicles	5 years

An impairment loss is recognized in tangible capital assets when the asset no longer has any long-term service potential to the University. The amount of the impairment loss is determined as the excess of its net carrying amount over any residual value and will be recognized in the statement of operations.

(i) Other asset:

Other asset is recorded at cost and is amortized on a straight-line basis over the term of the related agreement.

(j) Asset retirement obligations:

Legal obligations related to asset retirement obligations are recognized when a reasonable estimate of fair value can be made. These obligations are recorded at fair value with a corresponding increase in asset value. The liability is accreted over the life of the asset to fair value and the increase in asset value is amortized over the remaining useful life of the asset. This includes future removal and site restoration costs as required due to environmental law or contract. Management has determined that the University has no asset retirement obligations at April 30, 2024.

(k) Foreign currency translation:

Transactions in foreign currencies are translated at the exchange rate in effect at the transaction date. Monetary items denominated in a foreign currency and non-monetary items carried at market are adjusted at the statement of financial position date to reflect the exchange rate in effect at that date. Exchange gains and losses are included in the determination of net income for the period.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

2. Significant accounting policies (continued):

(l) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Key areas of estimation, as a result of matters that are inherently uncertain, include the provision for doubtful accounts in respect of receivables, the useful lives of tangible capital assets, accrued liabilities, and liabilities under legal contingencies. Actual results could differ from those estimates.

(m) Retirement plans:

The University and its employees make contributions to registered retirement plans. Contributions to the plans are expensed as incurred.

3. Related party transactions:

The University has significant influence on the following not-for-profit organizations, which are not consolidated in these financial statements:

(a) Trinity Western University Foundation - US (TWUF - US):

TWUF - US (the "US Foundation") was incorporated under the Washington Non-Profit Corporation Act in 1980 to support and benefit Christian colleges associated with the Evangelical Free Churches of America and receive charitable donations for the benefit of TWU. TWUF - US is not subject to income taxes. The President of TWU is a member of the board of directors of TWUF - US, as such the University has significant influence on the US Foundation as per the Canadian accounting standards for not-for profit organizations.

(b) The Associated Canadian Theological Schools Society (ACTS):

ACTS is incorporated under the Society Act of British Columbia. The primary purpose of ACTS is to support and facilitate excellent theological education, Christian leadership training, and the provision of resources for effective Christian ministry primarily at the graduate level and to support the creation and maintenance of effective joint academic programs among those registered charities that are members of the Society that grant the credits and confer the degrees offered through such joint academic programs. TWU is one of the three full members of ACTS. Each full member may appoint three individuals to the Board of Directors and elect additional directors from associate members, where applicable, subject to certain restrictions. As a full member, among other responsibilities, TWU is obligated to financially support the jointly-managed systems and infrastructure facilitated by the ACTS according to the amounts, fees and formula approved by the Board. During the year these financial support payments totaled \$255,863 (2023 - \$196,524).

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

3. Related party transactions (continued):

Financial summaries for not-for-profit organizations for which the University has control and significant influence on are as follows:

	TWUF March 31, 2024	TWUF-US December 31, 2023	ACTS April 30, 2024	2024 Total	2023 Total
Financial position:					
Total assets	\$ 124,531	\$ 4,076,867	\$ 1,387,393	\$ 5,588,791	\$ 5,328,400
Total liabilities	-	(1,508,747)	(735,130)	(2,243,877)	(2,551,371)
Total net assets	124,531	2,568,120	652,263	3,344,914	2,777,029
Results of operations:					
Total revenues	2,851	1,156,237	2,547,194	3,706,282	2,757,324
Total expenses	(1,032)	(658,500)	(3,304,861)	(3,964,393)	(4,385,500)
Contributions towards expenses and extraordinary items	-	-	889,389	889,389	578,884
Excess (deficiency) of revenues over expenses	1,819	497,737	131,722	631,278	(1,049,292)
Cash flows:					
Cash provided by operations	1,819	(72,295)	(36,133)	(106,609)	15,960
Cash used in investing activities	-	103,139	(109,679)	(6,540)	147,745
Cash used in financing activities	-	-	83,372	83,372	(236,464)
Net cash flow	\$ 1,819	\$ 30,844	\$ (62,440)	\$ (29,777)	\$ (72,759)

During the fiscal year TWU received the following amounts from related parties:

	TWUF	TWUF-US	ACTS	2024 Total	2023 Total
Donations	\$ -	\$ 217,538	\$ -	\$ 217,538	\$ 318,731
Recovery of salaries	-	-	210,524	210,524	343,162
Provision of goods and services	-	-	808,345	808,345	726,714
	\$ -	\$ 217,538	\$ 1,018,869	\$ 1,236,407	\$ 1,388,607

These transactions are in the normal course of operations and are measured at the exchange amounts. Included in accounts (payable) receivable are the following amounts with related parties:

	2024	2023
TWUF	\$ -	\$ -
TWUF-US	1,601	16,141
ACTS	(139,790)	(81,532)
	\$ 138,189	\$ (65,391)

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

4. Other asset:

The University has prepaid for the multi-year access and operating agreements with the Township of Langley (the "Township") to utilize a portion of the Langley Events Centre until April 2029.

The University recorded amortization of \$219,086 during the year ended April 30, 2023 (2023 - \$219,086) and the current portion of \$219,086 has been included in prepaid expenses on the statement of financial position.

5. Investments:

The composition of the portfolio investments is as follows:

	2024 Fair Value	2024 Fund allocation
Core endowment - portfolio investments:		
Canadian Equity Fund	\$ 9,135,305	22.2%
Global Equity	7,285,430	17.7%
International Equity	7,140,825	17.3%
Fixed Income Fund	15,463,058	37.5%
Alternative Investments	1,575,775	3.8%
Total Connor, Clark & Lunn ("CC&L") investments	40,600,393	98.5%
Other funds	613,440	1.5%
	\$ 41,213,833	100.0%

	2023 Fair Value	2023 Fund allocation
Core endowment - portfolio investments:		
Cash equivalents	\$ 2,511,946	6.8%
Canadian equities	7,809,352	21.1%
US equities	8,117,756	21.9%
International equities	6,200,390	16.8%
Fixed income Fund	11,814,120	31.9%
Total Mawer investments	36,453,564	98.5%
Other funds	543,986	1.5%
	\$ 36,997,550	100.00%

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

5. Investments (continued):

On October 31, 2023 investments held in Mawer were transferred to CC&L.

During the year ended April 30, 2024, the return on investment on the core endowment portfolio was 8.5% (2023 - 5.3%), after all related fees.

The University monitors the performance of investment managers through its Independent Investment Committee ("IIC"). The IIC is comprised of two Board members and one external advisor. The IIC reports to the University's Board of Governors through its Finance Committee. IIC's primary responsibilities are the regularly monitor investment manager performance and recommend changes to investment policy and strategy and to replace or expand investments managers when considered necessary.

The market return on investments includes interest income, dividends, capital gains and unrealized gains/losses. During the year ended April 30, 2024, the University recorded an unrealized gain on investments of \$3,184,028 (2023 - \$624,706) and recognized investment income of \$86,348 (2023 - \$1,343,123).

6. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 54,867,298	\$ -	\$ 54,867,298	\$ 54,850,486
Buildings, roads and parking lots	179,321,866	46,236,726	133,085,140	134,750,233
Leasehold improvements	7,405,598	3,627,476	3,778,122	4,561,478
Furniture and equipment	17,612,102	9,403,680	8,208,422	7,458,964
Library collection	7,115,076	6,071,479	1,043,597	872,696
Computer equipment	14,580,136	11,228,819	3,351,317	3,809,724
Vehicles	226,920	172,635	54,285	64,211
	\$ 281,128,996	\$ 76,740,815	\$ 204,388,181	\$ 206,367,792

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

7. Long-term debt:

(a) Loan payable:

The University has a loan payable to Canadian Western Trust relating to the sponsorship of its RRSP/RRIF program. The loan is revocable with an indefinite term contract, it bears interest at an average rate of 4.70%, the rates are adjusted semi-annually, and it is secured by a fixed charge on specific land and building.

(b) Loan facilities:

The University has two loan facilities with RBC that mature on June 11, 2025, with the balance outstanding in aggregate not to exceed \$40,000,000 and with allocation between the two loan facilities at the University's discretion:

- (i) Operating loan: Revolving, non-amortizing, with interest at the RBC prime rate minus 0.30%. No balance has been drawn on this loan facility as at April 30, 2024 (nil drawn at April 30, 2023).
- (ii) Term loan: Non-revolving, 25 year straight-line amortization, with interest at the RBC prime rate minus 0.30%. No balance has been drawn on this loan facility as at April 30, 2024 (nil drawn at April 30, 2023).

The RBC loan facilities are secured by the following:

- (i) A general security agreement creating a first fixed charge and security interest over all present and after acquired personal property of the University.
- (ii) A fixed charge on specific land and buildings of up to \$50,000,000.
- (iii) Assignment of rents and insurance.
- (iv) Environmental and indemnity agreements on specific properties.

The University is required to satisfy certain restrictive financial covenants under the terms of the loan facilities. Once drawn, the loan facilities would be due on demand following an occurrence of an event of default as defined in the agreement.

Total cash interest paid on long-term alternative debt borrowings during the year is \$585,394 (2023 - \$420,599).

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

8. Restricted fund balances:

The restricted portions of the following funds are as follows:

	Capital	Specific purpose	Endowment	2024 Total
Externally restricted	\$ 356,483	\$ 7,330,794	\$ 30,908,520	\$ 38,595,797
Internally restricted	169,081,416	12,362,206	10,732,517	192,176,139
	\$ 169,437,899	\$ 19,693,000	\$ 41,641,037	\$ 230,771,936

	Capital	Specific purpose	Endowment	2023 Total
Externally restricted	\$ 506,290	\$ 8,024,835	\$ 29,026,127	\$ 37,557,252
Internally restricted	165,869,684	12,773,241	7,927,829	186,570,754
	\$ 166,375,974	\$ 20,798,076	\$ 36,953,956	\$ 224,128,006

The externally restricted portion of the Capital Fund is comprised of unspent donations for capital projects. The Specific Purpose Fund is comprised of amounts restricted for various purposes including scholarships, program development, athletic sponsorships, and student related activities. The externally restricted portion of the Endowment Fund is comprised of donations from external sources.

The internally restricted portion of the funds is comprised of investments in tangible capital assets, interfund transfers, and endowment investment earnings net of scholarship distributions.

9. Other income:

The components of other income are as follows:

	Unrestricted	Capital	Specific purpose	2024 Total	2023 Total
Ancillaries	\$ 12,704,007	\$ -	\$ -	\$ 12,704,007	\$ 10,477,594
Miscellaneous	1,294,654	151,233	944,527	2,390,414	2,052,029
Grants	285,162	-	2,357,893	2,643,055	2,013,957
Investment and other	3,286,369	-	-	3,286,369	2,861,919
Parking and rental	1,207,874	-	117,551	1,325,425	1,363,131
	\$ 18,778,066	\$ 151,233	\$ 3,419,971	\$ 22,349,270	\$ 18,768,630

During the year ended March 31, 2023, the University applied for and received benefits under the Canada Recovery Hiring Program. There were no amounts received for the program during the current year (2023 - \$502,348). These amounts were recorded as unrestricted grants in other income on the statement of operations and changes in fund balances.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

10. Interfund transfer:

Transfers between the various funds during the fiscal year 2024 are summarized as follows:

	Unrestricted	Capital	Specific purpose	Endowment
Interest on long-term debt	\$ (602,933)	\$ 602,933	\$ -	\$ -
Capital asset purchases	(3,451,836)	3,648,676	(196,840)	-
Appropriations	(9,016,342)	8,600,577	415,765	-
Investment loss, net of scholarship expenses	(3,039,518)	6,417	228,411	2,804,690
Travel Studies	(597,450)	-	597,450	-
	\$ (16,708,079)	\$ 12,858,603	\$ 1,044,786	\$ 2,804,690

11. Contingent liabilities:

(a) Evangelical Free Church of Canada:

By an agreement dated June 26, 2020, TWU has agreed to provide Evangelical Free Church of Canada ("EFCC") specific office premises on campus for a 50-year term. EFCC has contributed certain direct, indirect and consequential costs related to the construction of the leased premises. During the terms of the lease agreement, certain costs will be charged as rent to EFCC, but no base rent will be payable by EFCC for the expanded premises.

At any time after the tenth anniversary of the lease commencement date, EFCC can terminate the lease by providing a minimum of two years notice of termination. TWU has agreed to repay EFCC an amount of 80% of the undepreciated value of EFCC's investment, should EFCC choose to vacate the office premises. The amount calculated under the formula that could become payable in 2032 is \$1,951,493 if EFCC terminates the lease at the earliest date permitted. Since it is unknown whether EFCC will exercise their option to terminate the lease no provision has been made in the financial statements. If the payment clause were to be exercised, the University would record the cost as a capital asset addition.

(b) Northwest Baptist Theological College:

By an agreement dated June 26, 2020, TWU has agreed to provide Northwest Baptist Theological College ("NWB") specific office premises on campus for a 25 year term. NWB has contributed certain direct, indirect and consequential costs related to the construction of the leased premises. During the terms of the lease agreement, certain costs will be charged as rent to NWB, but no base rent will be payable by NWB for the expanded premises.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

11. Contingent liabilities (continued):

(b) Northwest Baptist Theological College (continued):

At any time after the tenth anniversary of the lease commencement date, NWB can terminate the lease by providing a minimum of two years notice of termination. TWU has agreed to repay NWB an amount of 80% of the undepreciated value of NWB's investment, should NWB choose to vacate the office premises. The amount calculated under the formula that could become payable in 2032 is \$695,194 if NWB terminates the lease at the earliest date permitted. Since it is unknown whether NWB will exercise their option to terminate the lease no provision has been made in the financial statements. If the payment clause were to be exercised, the University would record the cost as a capital asset addition.

(c) Canadian University Reciprocal Insurance Exchange:

Since 1988 Trinity Western University has been a member of the Canadian University Reciprocal Insurance Exchange ("C.U.R.I.E"), a self-insurance co-operative providing property and general liability insurance coverage to 64 university subscribers in Canada.

Under this co-operative arrangement, the University participates in the periodic return of excess premiums and shares in any losses realized by C.U.R.I.E., in proportion to its participation in C.U.R.I.E. For the current fiscal year, there was a return of \$27,867 (\$16,054 in 2023) related to the return of excess premiums; there are no anticipated member assessments based on C.U.R.I.E.'s current financial position.

(d) Letter of guarantee:

In accordance with the Post-secondary Education Choice and Excellence Act of the Province of Ontario [S.O. 2000, Chap. 36], the University has provided a \$150,000 letter of guarantee to the Ministry of Training, Colleges and Universities to operate the Laurentian Leadership Centre in Ottawa.

(e) Canada Institute of Linguistics ("CANIL") ground lease:

The University has entered into a ground lease that allows CANIL to construct and occupy a building on University lands for a period of 35 years with four tenant renewal options of five years each. The initial lease term ends in 2039. Under the terms of the arrangement, CANIL may vacate the premises at any time and require TWU to purchase its interest in the building according to a reducing balance formula. At April 30, 2024 the amount calculated under the formula was approximately \$1,045,697 (\$1,112,729 in 2023). At the end of the lease term, including all renewals, title and ownership of the building will pass to the University. No amounts have been recorded in these financial statements with respect to the CANIL lease. If the payment clause were to be exercised, the University would record the cost as a capital asset addition.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

11. Contingent liabilities (continued):

(f) The Associated Canadian Theological Schools Society (ACTS):

As one of the three full members of the ACTS, TWU guaranteed a maximum of \$100,000 of a \$300,000 working capital line of credit provided to ACTS by its banker. At April 30, 2023, the balance outstanding on the line of credit is nil (nil in 2023).

12. Retirement plans:

Trinity Western University makes a defined contribution to registered retirement plans for employees. Both the employee and employer portions vest immediately. Employees have full discretion to invest the funds within the University sponsored program. There is no past service liability with respect to this program.

The University paid \$1,459,422 (2023 - \$1,405,178) for employer contributions.

13. Trinity Western Advancement Fund:

Trinity Western University established a permanent Endowment Fund with the Vancouver Foundation in 1985, known as the Trinity Western Advancement Fund:

	2024	2023
Endowment Fund:		
Aggregate contributed principal	\$ 387,000	\$ 387,000
Market Value - April 1	\$ 601,712	\$ 628,002
Fund Earnings	63,781	1,744
Transfer to Award Fund	(28,944)	(28,034)
Market value - March 31	636,549	601,712
Award Fund:		
Balance - April 1	14,088	12,658
Transfer from Endowment Fund	28,944	28,034
Distribution to TWU	(28,317)	(26,604)
Balance - March 31	\$ 14,715	\$ 14,088

Under the terms of the Fund, the capital and any addition thereto shall be held permanently by Vancouver Foundation, the income from which shall be used for scholarships, bursaries and for such other educational purposes as may be determined by the University's Board of Governors from time to time.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

14. Commitments:

The University's future minimum operating lease payments on furniture and equipment and premises are as follows:

2025	\$	260,661
2026		120,000

15. Government remittances:

Included in accounts receivables is \$150,881 (2023 - \$85,482) of sales taxes receivable.

Included in accounts payable is \$33,539 (2023 - \$43,765) of government remittances.

16. Capital disclosures:

The University's capital consists of restricted capital, special purpose and endowment funds, unrestricted funds and long-term debt, as shown on the Statement of Financial Position.

The University manages the capital structure and makes adjustments to it in light of changes in economic conditions and working capital requirements. The University has adopted prudent investment and budgetary policies with the goal of maintaining liquidity and earning a sustainable return on capital. These policies are designed to enable the University to meet its obligations as they fall due, fund its capital and special purpose funds, and build long-term financial stability. In order to facilitate the management of its capital requirements, the University prepares annual budgets and multi-year financial plans that are updated as necessary for review with the Board of Governors.

17. Financial risks:

(a) Market risk:

The University's market risk arises from its investment in marketable securities (Note 5). This exposes the University to changes in its investment value which fluctuates based on changes in market prices. Refer to Note 5 on how the University manages its market risk.

The fair value of the marketable securities disclosed in Note 5 are based on quoted market prices.

TRINITY WESTERN UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2024

17. Financial risks (continued):

(b) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The University is subject to interest rate cash flow risk with respect to its floating rate debt. When interest rate risk exposure is considered significant, the University manages this risk by entering into interest rate swap agreements the term of the corresponding obligation.

During the year ended April 30, 2024 and 2023 there was no balance owing on the RBC revolving loan facility and therefore no swap agreements were entered in these years.

(c) Credit risk:

The University provides credit to its students in the normal course of its operations, and maintains an allowance for doubtful accounts. The allowance for doubtful accounts balance at April 30, 2024 is \$538,995 (2023 - \$518,843).

(d) Currency risk:

Investments in foreign securities are exposed to currency risk due to fluctuations to foreign exchange rate. The University does not hold investments in foreign currencies.

(e) Liquidity risk:

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The University manages its liquidity risk by monitoring its operating requirements. The University prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to the risk exposures outlined above from the prior year.

18. Comparative Information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year. There was no impact on the prior year excess of revenue over expenses or fund balances as a result of these reclassifications.