The Michener Institute of Education at UHN

Financial statements

March 31, 2025

Shape the future
with confidence

Independent auditor's report

To the Board of Governors of
The Michener Institute of Education at UHN

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **The Michener Institute of Education at UHN** ["Michener"], which comprise the statement of financial position as at March 31, 2025, and the statement of operations, statement of changes in net assets, statement of cash flows and statement of remeasurement gains for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Michener as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 report. We are independent of Michener 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 public sector accounting standards, 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 Michener'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 Michener or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Michener'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 these 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 Michener'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 Michener'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 Michener 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.

We 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.

Report on other legal and regulatory requirements

As required by the *Not-for-Profit Corporations Act* (Ontario), we report that, in our opinion, Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 12, 2025

The Michener Institute of Education at UHN

Statement of financial position

As at March 31

	2025	2024
	$	$
Assets		
Current		
Cash and cash equivalents	**10,098,652**	7,378,635
Short-term investments *[note 3]*	**540,182**	787,347
Accounts receivable *[notes 6, 10 and 14]*	**8,295,523**	8,313,528
Prepaid expenses	**985,729**	669,190
Total current assets	**19,920,086**	17,148,700
Long-term investments *[note 3]*	**12,064,134**	11,074,994
Capital assets, net *[note 4]*	**27,447,096**	28,127,560
	59,431,316	56,351,254
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities *[notes 6 and 10[a]]*	**8,299,583**	10,196,788
Deferred revenue	**4,092,258**	4,246,574
Deferred contributions *[note 6]*	**1,062,001**	106,691
Total current liabilities	**13,453,842**	14,550,053
Deferred capital contributions *[note 7]*	**22,034,893**	23,004,800
Asset retirement obligation *[note 8]*	**1,467,359**	1,427,827
Total liabilities	**36,956,094**	38,982,680
Commitments *[note 12]*		
Net assets		
Unrestricted	**4,049,687**	3,241,019
Internally restricted *[note 9]*	**13,972,354**	10,171,251
Endowed *[note 9]*	**4,060,460**	3,915,785
	22,082,501	17,328,055
Accumulated remeasurement gains	**392,721**	40,519
Total net assets	**22,475,222**	17,368,574
	59,431,316	56,351,254

See accompanying notes

Approved on behalf of the Board:

Shirlee Sharkey
Chair, Board of Trustees

Stu Kedwell
Chair, Finance and Audit Committee

The Michener Institute of Education at UHN

Statement of operations

Year ended March 31

	2025	**2024**
	$	$
Revenue		
Ontario Ministry of Health	**23,256,206**	17,004,785
Tuition	**12,894,760**	12,269,442
Grants	**2,116,370**	2,556,850
Ancillary operations	**1,046,592**	799,884
Rental income	**614,632**	538,128
Other	**33,146**	528,179
Investment income	**514,202**	588,784
Scholarships and bursary fund contributions	**356,872**	373,933
Amortization of deferred capital contributions *[note 7]*	**2,746,532**	1,941,949
	43,579,312	36,601,934
Expenses		
Compensation *[notes 10[a], [b] and 11]*	**25,065,798**	23,587,444
Other operating	**4,053,209**	3,980,933
Building occupancy costs	**3,034,635**	3,026,855
Educational support	**2,048,865**	2,011,616
Education program	**696,004**	221,181
Scholarship and bursary awards	**440,390**	432,347
Amortization of capital assets *[note 4]*	**3,579,997**	2,586,353
	38,918,898	35,846,729
Excess of revenue over expenses for the year	**4,660,414**	755,205

See accompanying notes

The Michener Institute of Education at UHN

Statement of changes in net assets

Year ended March 31

	2025				2024
	Unrestricted	Internally restricted	Endowed	Total	Total
	$	$	$	$	$
Balance, beginning of year	**3,241,019**	**10,171,251**	**3,915,785**	**17,328,055**	16,539,899
Excess of revenue over expenses for the year	**4,660,414**	**—**	**—**	**4,660,414**	755,205
Interfund transfers *[note 9]*	**(3,851,746)**	**3,801,103**	**50,643**	**—**	—
Donations received	**—**	**—**	**10,000**	**10,000**	11,790
Reinvested investment income, externally endowed funds *[notes 6 and 9]*	**—**	**—**	**82,638**	**82,638**	20,722
Reinvested investment income, internally endowed income restricted funds *[notes 6 and 9]*	**—**	**—**	**1,394**	**1,394**	439
Balance, end of year	**4,049,687**	**13,972,354**	**4,060,460**	**22,082,501**	17,328,055

See accompanying notes

The Michener Institute of Education at UHN

Statement of cash flows

Year ended March 31

	2025	2024
	$	$
Operating activities		
Excess of revenue over expenses for the year	**4,660,414**	755,205
Add (deduct) items not involving cash		
Net unrealized gains and reinvested investment income	**(305,741)**	(223,275)
Amortization of capital assets	**3,573,352**	2,586,353
Amortization of deferred capital contributions	**(2,746,532)**	(1,941,949)
Accretion expense and change in estimates on asset retirement obligation	**39,532**	(30,867)
Loss on disposal of capital assets	**6,645**	—
	5,227,670	1,145,467
Changes in non-cash working capital balances related to operations		
Accounts receivable	**18,005**	(1,471,865)
Prepaid expenses	**(316,539)**	(163,850)
Accounts payable and accrued liabilities *[note 13]*	**(2,660,152)**	(310,832)
Deferred revenue	**(154,316)**	579,530
Deferred contributions	**955,310**	4,000
Cash provided by (used in) operating activities	**3,069,978**	(217,550)
Capital activities		
Purchase of capital assets *[note 13]*	**(2,153,065)**	(9,621,724)
Proceeds from the sale of capital assets	**16,479**	—
Cash used in capital activities	**(2,136,586)**	(9,621,724)
Financing activities		
Contributions for capital purposes	**1,776,625**	6,876,577
Endowment contributions	**10,000**	11,790
Cash provided by financing activities	**1,786,625**	6,888,367
Net increase (decrease) in cash during the year	**2,720,017**	(2,950,907)
Cash and cash equivalents, beginning of year	**7,378,635**	10,329,542
Cash and cash equivalents, end of year	**10,098,652**	7,378,635
Cash and cash equivalents represented by		
Cash	**2,598,652**	128,635
Cash equivalents	**7,500,000**	7,250,000
	10,098,652	7,378,635

See accompanying notes

The Michener Institute of Education at UHN

Statement of remeasurement gains

Year ended March 31

	2025	2024
	$	$
Accumulated remeasurement gains (losses), beginning of year	**40,519**	(266,286)
Net realized gains attributable to investments, reclassified to statement of operations	**(444,837)**	(276,955)
Unrealized gains attributable to investments, net	**797,039**	583,760
Accumulated remeasurement gains, end of year	**392,721**	40,519

See accompanying notes

Notes to financial statements

March 31, 2025

1. Description of the organization

The Michener Institute of Education at UHN's ["Michener"] vision is to be the leader in applied health science education through excellence and innovation. Michener is dedicated to the education of pre-eminent applied health science practitioners capable of providing transformational leadership, performance and evidence-based best practice.

Michener is a registered charitable organization incorporated under the laws of the Province of Ontario as a corporation without share capital and as such is generally exempt from income taxes.

The University Health Network ["UHN"] exercises control over Michener and the business relationship between Michener and UHN is governed by service agreements.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with the *Public Sector Accounting Handbook*, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. Michener applies the standards for government not-for-profit organizations that include Sections PS 4200 to PS 4270.

Revenue recognition

Michener follows the deferral method of accounting for contributions. Contributions are recorded in the accounts when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the period in which the related expenses are incurred. Donations restricted for the purchase of capital assets are recorded as deferred capital contributions and amortized to income at the same rate as the capital assets funded by the contributions. Donations where the donor requires that the principal must be maintained permanently are recorded as direct increases of endowed net assets in the year in which they are received.

Tuition revenue is recognized when courses and seminars are held.

Rental and other income are recognized when the goods have been sold or when the services have been provided.

Investment income, which consists of interest, dividends, and realized gains and losses, net of related fees is recorded as investment income in the statement of operations, except to the extent that it is reinvested in endowments for capital preservation, in which case it is added to or deducted from endowment net assets *[note 9]*. Unrealized gains and losses are recorded in the statement of remeasurement gains.

Contributed goods and services

Donated goods and services are not recorded in the accounts of Michener, except when such goods and services are valued by a qualified appraiser, a valuation report is provided to Michener, and when such goods and services are used in the normal course of operations.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid term deposits, which have maturities of less than 90 days from the date of purchase or are readily convertible to cash with no penalty, unless they are held for investment purposes in which case they are classified as investments.

Capital assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair market value at the date of contribution. Capital assets are amortized on a straight-line basis at annual rates based on the estimated useful lives of the assets as follows:

Building	2%
Furniture and fixtures	10%–20%
Teaching equipment	10%–20%

Construction in progress comprises construction and development costs. No amortization is recorded until construction is substantially complete and the assets are ready for productive use.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate the asset no longer contributes to Michener's ability to provide goods and services, or the value of future economic benefits associated with the asset is less than its book value. The impairment loss is measured based on the extent to which the carrying value exceeds the fair value, if any.

Asset retirement obligations

Asset retirement obligations are recorded in the period during which a legal obligation associated with the retirement of a capital asset is incurred and when a reasonable estimate of this amount can be made. The asset retirement obligation is initially measured at the best estimate of the amount required to retire a capital asset at the financial statement date. A corresponding amount is added to the carrying amount of the related capital asset and is then amortized over its remaining useful life. Changes in the liability due to the passage of time are recognized as an accretion expense in the statement of operations, with a corresponding increase in the liability.

The estimated amounts of future costs to retire the assets are reviewed annually and adjusted to reflect the then current best estimate of the liability. Adjustments may result from changes in the assumptions used to estimate the undiscounted cash flows required to settle the obligation, including changes in estimated probabilities, amounts and timing of settlement, as well as changes in the legal requirements of the obligation and in the discount rate. These changes are recognized as an increase or decrease in the carrying amount of the asset retirement obligation, with a corresponding adjustment to the carrying amount of the related asset. If the related capital asset is no longer in productive use, all subsequent changes in the estimate of the liability for asset retirement obligations are recognized as an expense in the period incurred.

A liability continues to be recognized until it is settled or otherwise extinguished.

Employee benefit plan

Defined contribution accounting is applied for the Healthcare of Ontario Pension Plan [“HOOPP”], a multi-employer pension plan, whereby contributions are expensed on an accrual basis, as Michener has insufficient information to apply defined benefit plan accounting.

Use of estimates

The preparation of 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 as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Accounts requiring significant estimates include accounts receivable and the collectibility thereof, useful lives of capital assets, accrued liabilities and asset retirement obligations.

The amount of revenue recognized from the Ontario Ministry of Health [the “Ministry”] requires a number of estimates based on the application of the funding agreement. Michener has a multi-year funding agreement with the Ministry whereby the Ministry will fund certain post-secondary programs relating to applied health sciences, subject to various terms and conditions agreed to by the parties. Michener and the Ministry entered into a three-year Transfer Payment Agreement effective April 1, 2018 for a three-year period ending on March 31, 2021 and through subsequent amending agreements this was extended through to March 31, 2027. Michener’s educational programs are funded by grants from the Ministry in accordance with Michener’s requirements based on an approved operating budget. The funding specifically excludes amortization, but includes expenditures on capital assets, if pre-approved. The operating grants shown in the statement of operations represent total funding for the period. The Ministry requires any deficit incurred on funded operations to be absorbed by Michener, while any excess of revenue over expenses on funded operations is to be refunded to the Ministry.

Financial instruments

Financial instruments are classified in one of the following categories: [i] fair value, or [ii] cost or amortized cost. Michener determines the classification of its financial instruments at initial recognition.

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the importance of the data used to perform each valuation. The fair value hierarchy is made up of the following levels:

Level 1 – Valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities;
Level 2 – Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – Valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs].

Investments reported at fair value consist of equity instruments that are quoted in an active market, as well as investments in pooled funds, derivative contracts and any other investments where the investments are managed on a fair value basis and the fair value option is elected. Transaction costs are recognized in the statement of operations in the period during which they are incurred. Investments at fair value are remeasured at their fair value at the end of each reporting period. Any revaluation gains and losses are recognized in the statement of remeasurement gains and are cumulatively reclassified to the statement of operations upon disposal or settlement.

Investments in securities not designated to be measured at fair value are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost using the effective interest rate method, less any provision for impairment.

All investment transactions are recorded on a trade date basis.

A write-down is recognized in the statement of operations for a portfolio investment in either category when there has been a loss in the value of the investment considered as an other than temporary loss. Subsequent changes to the remeasurement of portfolio investments in the fair value category are reported in the statement of remeasurement gains. If the loss in value of a portfolio investment subsequently reverses, the write-down to the statement of operations is not reversed until the investment is sold.

Other financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

3. Investments

Details of the investments are as follows:

	2025	2024
	$	$
Short-term investments		
Cash and cash equivalents	**431,423**	333,793
Short-term securities	**108,759**	453,554
	540,182	787,347
Long-term investments		
Corporate bonds	**2,736,406**	2,710,331
Government bonds	**5,154,589**	4,264,581
Equities	**4,173,139**	4,100,082
	12,064,134	11,074,994
	12,604,316	11,862,341

Investments in government and corporate bonds are reported at fair value and represent Level 2 investments in the fair value hierarchy. Investments in equities are reported at fair value and represent Level 1 investments in the fair value hierarchy.

During the years ended March 31, 2025 and 2024, there were no transfers between the fair value hierarchy levels.

Notes to financial statements

March 31, 2025

4. Capital assets

Capital assets consist of the following:

	2025		
	Cost $	**Accumulated amortization** $	**Net book value** $
Land	**1,158,262**	**—**	**1,158,262**
Building *[note 8]*	**52,627,090**	**31,631,328**	**20,995,762**
Furniture and fixtures	**4,956,050**	**4,179,422**	**776,628**
Teaching equipment	**22,001,881**	**17,965,322**	**4,036,559**
Construction in progress	**479,885**	**—**	**479,885**
	81,223,168	**53,776,072**	**27,447,096**

	2024		
	Cost $	**Accumulated amortization** $	**Net book value** $
Land	1,158,262	—	1,158,262
Building *[note 8]*	34,346,302	29,076,722	5,269,580
Furniture and fixtures	3,961,542	3,893,823	67,719
Teaching equipment	21,194,627	17,408,743	3,785,884
Construction in progress	17,846,115	—	17,846,115
	78,506,848	50,379,288	28,127,560

During the year, fully amortized assets of $79,803 [2024 – $26,369] were written off as they were no longer in use. In addition, assets with a cost of $119,889 [2024 – nil] and accumulated amortization of $96,765 [2024 – nil] were sold for proceeds of $16,479, resulting in a loss on disposal of $6,645, which is recorded in amortization of capital assets in the statement of operations.

5. Credit facility

Michener has an operating line of credit to a maximum of $3,500,000. Any advances on this line of credit incur interest at the bank's prime lending rate less 0.25% per annum. There were no advances against the line of credit as at March 31, 2025 and 2024. The operating line is collateralized by a general security agreement representing a first charge on Michener's personal property.

6. Deferred contributions

Deferred contributions consist of the following:

	2025	2024
	$	$
Deferred contributions, beginning of year	**106,691**	38,691
Contributions received during the year	**2,027,670**	1,502,092
Amounts recorded in accounts receivable	**6,927,260**	—
Amount available for spending related to externally endowed funds *[note 9]*	**127,938**	82,022
Amount available for spending relating to internally endowed funds *[note 9]*	**2,674**	1,719
Amount recognized as revenue during the year	**(8,046,200)**	(1,441,013)
Investment income transferred to externally endowed funds *[note 9]*	**(82,638)**	(20,722)
Investment income transferred to internally endowed funds *[note 9]*	**(1,394)**	(439)
Amounts transferred to accounts payable and accrued liabilities	**—**	(55,659)
Deferred contributions, end of year	**1,062,001**	106,691

7. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. The changes in the deferred capital contributions balance are as follows:

	2025	2024
	$	$
Deferred capital contributions, beginning of year	**23,004,800**	18,070,172
Contributions for capital purposes	**1,776,625**	6,876,577
Amortization of deferred capital contributions	**(2,746,532)**	(1,941,949)
Deferred capital contributions, end of year	**22,034,893**	23,004,800

8. Asset retirement obligation

The asset retirement obligation relates to Michener's building, and is based on internal expert assessments and/or third-party engineering reports that estimate the costs of remediating asbestos in the walls of the building. The building has no set retirement date; however, the remaining useful life is four years [2024 – five years] and the asset retirement obligation is amortized over a seven-year [2024 – eight-year] period, on a straight-line basis.

The estimated total undiscounted expenditures are $1,533,816 [2024 – $1,533,816]. The liability is calculated using a discount rate of 4.53% [2024 – 4.16%] and an inflation rate of 2.24% [2024 – 2.16%]. No settlement amounts were paid during the years ended March 31, 2025 and 2024 towards the liability. Michener does not anticipate that it will be able to recover any asset retirement costs from a third party. In addition, it has no legal requirement to fund this obligation and, as such, has not set aside any assets designated for payment of this liability.

The changes in the asset retirement obligation are as follows:

	2025	2024
	$	$
Asset retirement obligation, beginning of year	**1,427,827**	1,458,694
Change in assumptions	**(24,059)**	(87,892)
Accretion expense	**63,591**	57,025
Asset retirement obligation, end of year	**1,467,359**	1,427,827

9. Net assets

Internally restricted net assets represent amounts set aside by the Board of Governors [the "Board"] for The Education Development Fund, which are used to meet the educational objectives of Michener. During the year, the Board transferred $3,801,103 and $50,643 [2024 – $288,911 and $32,927] from unrestricted net assets to internally restricted net assets and internally endowed funds, respectively.

The endowed net assets represent funds whereby the donor or the Board has stipulated that the principal be maintained in perpetuity. Endowed funds totalling $4,040,460 [2024 – $3,915,785] are subject to externally imposed restrictions for income to be used for scholarships and bursaries.

	2025	2024
	$	$
Internally endowed	**1,092,419**	1,040,382
Externally endowed	**2,968,041**	2,875,403
	4,060,460	3,915,785

For externally endowed funds and internally endowed funds with external restrictions on spending, Michener transfers all investment income to deferred contributions and recognizes amounts to income, as investment income, equal to the amount of scholarships and bursaries made in the year. The excess of investment income earned over the disbursements made is reinvested in the endowed funds as preservation of capital. During the year, $82,638 [2024 – $20,722] was reinvested in externally endowed funds and $1,394 [2024 – $439] was reinvested in internally endowed funds.

Notes to financial statements

March 31, 2025

10. Related party transactions

[a] The business relationship between UHN and Michener is governed by service agreements pursuant to which UHN provides certain management services on a cost-recovery basis.

For the year ended March 31, 2025, services totalling $3,828,542 [2024 – $5,998,627] were provided by UHN for senior management and other services and are recorded in compensation expense in the statement of operations. As at March 31, 2025, Michener has $777,842 [2024 – $1,936,847] recorded in accounts payable and accrued liabilities relating to amounts owing to UHN. As at March 31, 2025, Michener has $392,842 [2024 – $4,689,759] recorded in accounts receivable relating to amounts owing from UHN.

[b] UHN and Michener entered into a management agreement for The Institute for Education Research at UHN [“TIER”] in which Michener will provide management services on a cost-recovery basis.

For the year ended March 31, 2025, services totalling $310,843 [2024 – $722,788] were provided by Michener for the management of TIER and are recorded in compensation expense in the statement of operations.

These transactions occur in the normal course of operations and are recorded at the exchange amount, which is the amount agreed upon by both parties.

11. Pension plan

Substantially all of the employees of Michener are members of HOOPP, which is a multi-employer, defined benefit, final average earnings and contributory pension plan. HOOPP is accounted for as a defined contribution plan. Michener’s contributions to HOOPP during the year amounted to $1,554,701 [2024 – $1,357,204]. These amounts are included in compensation expense in the statement of operations. The most recent valuation for financial reporting purposes completed by HOOPP as at December 31, 2024 discloses net assets available for benefits of $123.0 billion with pension obligations of $112.6 billion, resulting in a surplus of $10.4 billion.

12. Commitments

Michener is committed to future annual rental payments under leases for office equipment of $62,106, which expire in fiscal 2026.

13. Statement of cash flows

Other information related to cash flows is as follows:

	2025	**2024**
	$	$
Changes in capital asset purchases funded by accounts payable and accrued liabilities	**(762,947)**	1,158,553

Notes to financial statements

March 31, 2025

14. Financial instruments and risk management

Michener is exposed to various financial risks through its transactions in financial instruments. Michener's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Credit risk

Michener's principal financial assets are cash and cash equivalents, accounts receivable and investments. The carrying amounts of financial assets on the statement of financial position represent Michener's maximum credit exposure as at the statement of financial position date.

Michener is exposed to credit risk in connection with its accounts receivable and investments. The accounts receivable disclosed in the statement of financial position are net of an allowance for doubtful accounts of nil [2024 – $13,260], estimated by management of Michener based on previous experience and its assessment of the current economic environment. Michener is exposed to credit risk in the event of non-payment by students for registered courses. The risk is mitigated by the fact that fees are normally paid in advance and the balance is made up of small individual balances.

With respect to credit risk arising from investment activities, Michener manages this risk through its investment policy that has established criteria for the selection of investments that include benchmarks.

Liquidity risk

Liquidity risk is the risk Michener will not be able to meet its financial obligations when they come due. Michener manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities, and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

Interest rate risk

Michener is exposed to interest rate risk with respect to its investments in fixed income investments because the fair value will fluctuate due to changes in market interest rates. Michener manages this risk through its investment policy that has established criteria for the selection of investments that include benchmarks.

In addition, Michener is exposed to interest rate risk with respect to advances on its demand credit facility because cash flows will fluctuate as the interest rate is linked to the bank's prime rate, which changes from time to time.

Other price risk

Michener is exposed to other price risk through changes in market prices [other than changes arising from interest rate risk or currency risk] in connection with its investments in equity securities and pooled funds. Michener manages this risk through its investment policy that has established criteria for the selection of investments that include benchmarks.

A 10% change in the market prices of these investments, with all other variables held constant, would have a $417,314 [2024 – $410,008] impact on accumulated remeasurement gains.

15. Comparative financial statements

The comparative financial statements have been reclassified from financial statements previously presented to conform to the presentation of the 2025 financial statements.