



Audit & Finance Committee Motion

Mortgage Payout Motion

The Audit & Finance Committee recommends that Council approve the retirement of a College mortgage with BMO-Bank of Montreal by using \$5,457,550 from reserves due and payable on June 30, 2025.

Debt Retirement Analysis

Benefits of Mortgage Reduction:

- Saves \$1,035,502 in interest.
- Frees up \$2,270,858 in cashflow over 5 years.
- Reduces long-term debt risk and improves debt-to-equity ratio.

Table 1.0 – Mortgage Options

	Renewal (5-Year Fixed)	Loan Retirement Option
Mortgage Balance at Renewal Date	\$5,457,550	\$5,457,550
Mortgage Interest Rate	4.250%	0.000%
Monthly Cash Outflow	\$37,848	\$0
Total Cash Outflow (Over 5 Years)	\$2,270,858	\$0
Total Interest Paid (Over 5 Years)	\$1,035,502	\$0
Remaining Balance After 5 Years	\$4,222,193	\$0
Cash Outflow at Renewal Date	\$0	\$5,457,550
Cumulative Cash Outflow Over 5 Years	\$2,270,858	\$0
Mortgage Balance at Beginning of Year 6	\$4,222,193	\$0
Total Cash Flow Impact	\$6,493,051	\$5,457,550

Note:

After a cash draw of \$5,457,550 the College reserve fund balance will be \$20,479,952.