Trent University
Financial Statements
April 30, 2002

Index

Trent University's Mission Statement

"Trent University aspires to be Canada's outstanding small university known for its commitment to liberal undergraduate education in the humanities, social sciences and natural sciences and to the centrality of the individual student. Within a collegial setting the University offers undergraduate and graduate programs, both traditional and interdisciplinary, which seek to advance learning through the creative interaction of teaching and research of the highest quality."

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY
YEAR ENDED APRIL 30, 2002

The management of the University is responsible for the preparation of the financial statements, the notes thereto and all other financial information contained in this annual report.

Management has prepared the financial statements in accordance with accounting principles generally accepted for Canadian universities and in accordance with guidelines developed by the Canadian Institute of Chartered Accountants. Management believes the financial statements present fairly the University's position as at April 30, 2002, and the results of its operations of the year then ended. In order to achieve the objective of fair presentation in all material respects, the use of reasonable estimates and judgements were employed. Additionally, management has ensured that financial information presented elsewhere in this annual report has been prepared in a manner consistent with that in the financial statements.

In fulfilling its responsibilities and recognizing the limits in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reasonable basis for the preparation of financial statements.

The University's Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for approving the financial statements. The Board of Governors carries out its responsibility for review of the financial statements and the annual report principally through its Investment & Audit Committee. The majority of the members of the Investment & Audit Committee are not officers or employees of the University. The Investment & Audit Committee meets regularly with management as well as with the external auditors to discuss the results of audit examinations and financial reporting matters, and to satisfy itself that each party is properly discharging its responsibilities. The external auditors have full access to the Investment & Audit Committee with and without presence of management.

The financial statements for the year ended April 30, 2002, have been reported on by McColl Turner LLP, Chartered Accountants, the auditors appointed by the Board of Governors. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information in the financial statements.

A.S. Young Vice-President Administration	B.M. Patterson President and Vice-Chancellor

September, 2002

Introduction to Trent University's Financial Statements 2001-2002

The following four pages provide background and additional statistical data that capture trends in revenues and expenditures for the last five years. The charts and graphs provide two pictures – one related to total revenues and expenditures for the University and the other related to operating accounts only. This information is intended to complement that contained in the financial statements providing the reader with a context for the year's results.

Over this decade, the demand for university education in the Province of Ontario is projected to grow by as much as 40% (88,900 additional students). This increased demand is the result of a combination of factors including secondary school reforms that eliminate a 5th year of high school study, the timing of which results in two groups of students graduating in the same year. This phenomenon, referred to as the "double cohort", will occur in concert with a substantial demographic growth in 18 to 24 year olds, an increasing rate of participation in university education, and changing workplace requirements in the new economy that demand higher educational attainment.

Trent will be part of the solution and will grow its domestic undergraduate population by approximately 1,600 student spaces by 2005. This growth will mean that Trent's overall size will grow to over 7,000 students including some 420 international students and 275 graduate students. The government, for its part, has committed funding for growth at "full average cost" for these students, without which its commitment to accessibility would not be possible and indeed Ontario's universities including Trent would not be able to respond.

Plans are underway to hire new faculty to accommodate the increased enrollment demand for Trent's programs and over the three-year period from 2002/3 to 2004/5, 76 new tenure track faculty members will join this academic community 17 of whom will support the Trent@Durham satellite operation. The latter are associated with a new 10-year agreement with the University of Ontario Institute of Technology and Durham College, funding for which was secured from the Ontario government during the 2001/2 fiscal year.

Facilities have come under stress in our institutions as funding for aging infrastructure has not been adequately provided for in annual facility renewal grants. Recognizing anticipated enrolment increases would require expanded facilities, in May of 2000, the government announced a $26.23 million grant to Trent that would expand and refurbish the Science complex on Trent's Symons Campus and build new academic and office space to address humanities and social sciences space needs. In addition, the university has committed an additional $3.6 million as a matching component of the program, to be raised through various partnership developments and private fund raising. The development of 250 new residential beds has also been incorporated into the building program. Combined, this represents over $43 million dollars of new investment at Trent, the largest capital infusion in the university's history. There is much excitement on campus as new purpose-built facilities move from design to construction in preparation for September 2003.

The data provided on the following pages identifies four distinct trends –

- As a percentage share of operating revenue, a changing proportion of government grants to tuition emerges operationally. Grants now represent less than half (49.3%) of operating revenue and tuition accounts for 45.8%.
- The University has become increasingly dependent on tuition fees since 1997-1998, and government policy demands that 30% of tuition increases must be directed to student aid which leaves only 70% of tuition increases available to cover ongoing operating expenses.
- The major expenditure in the budget continues to be in salaries and benefits which represent 85.1% of operating expenditures before appropriations. This is not surprising in a knowledge-intensive organization, but combined with other restrictions, continues to challenge our competitiveness.
- More institutional funds are dedicated to scholarships and bursaries for students. Trent's increase has been from $1.4 million in 1998 to over $5.1 million in 2002.

With tuition increases capped at 2 percent (less 0.3% for student aid), it is critical that we seek and diversify new sources of funds and expand our resource base beyond that received from government and direct fees paid by students. We will continue to seek improvements in our operational efficiency to cover annual inflationary costs; however, with substantial growth ahead, this will be a significant challenge while sustaining a balanced budget and implementing the plan to reduce our cumulative operating deficit from $7.4 million. Staying focussed will be important as we strive to grow but maintain the quality of our programs and attract talented people as competition for faculty and staff increases both provincially and nationally.

The progress made in achieving a balanced operating budget since 2000-2001 is a result of many in this community embracing change. It has not been easy for some. Critical success factors in our financial stability have been an enhanced recruitment strategy and new academic directions. Included in this effort are the implementation of a new joint degree program in nursing, increases in our international student numbers, expansion of our emphasis programs in teaching, indigenous environmental studies, globalization and international political economy, and numerous new articulation agreements for students that support seamless paths from community college programs to higher education at Trent.

Building on the successful conclusion of a $17m capital campaign in 2001, the University has launched a new fund raising program seeking $6.4 million dollars in support of new facilities, enhanced research capacity, matching fund requirements to support various government infrastructure programs and graduate scholarships.

As you examine our financial statements, OPERATING activities include the University's academic programs, general operations and its ancillary operations. The ancillary operations of the University include services provided to students such as housing, food services, the bookstore, and commercial operations such as conferences and printing services.

INTERNALLY restricted activities are funds set aside for specific purposes and include internally funded research and trust activities. EXTERNALLY restricted activities include the operations, which are funded from revenues received from external sources. The sources for these funds specify to the University how the funds must be spent and typically include research activities funded from federal or provincial government grants, and trust activities funded from donations.

Research activities continue to increase at Trent. Since 1990 the University has increased research revenue in real terms, and expressed as a percentage of total revenue, from 2.3% to its current level of 14.1%. This attests to the strength of our faculty base that is so important to our future.

ENDOWMENTS increased by 6% over last year from $18.4 to $19.5 million. This includes a new scholarship program established in 1997 by the Ontario Government that matched dollar for dollar, funds raised by the University for this purpose. As required, interest from these funds will be allocated to students based on financial need. This particular endowment fund totals over $7 million.

Prof. Bonnie M. Patterson
President & Vice Chancellor
September, 2002

SUMMARY OF TOTAL REVENUE AND EXPENDITURE

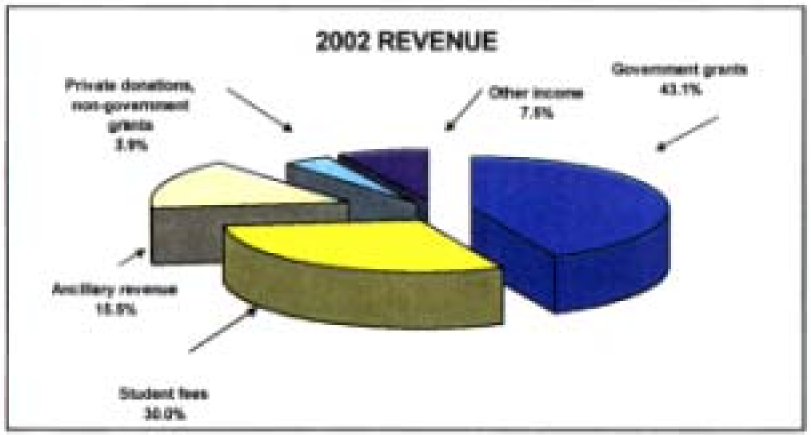
(includes unrestricted, internally restricted, externally restricted, investments in capital assets)
(millions of dollars)

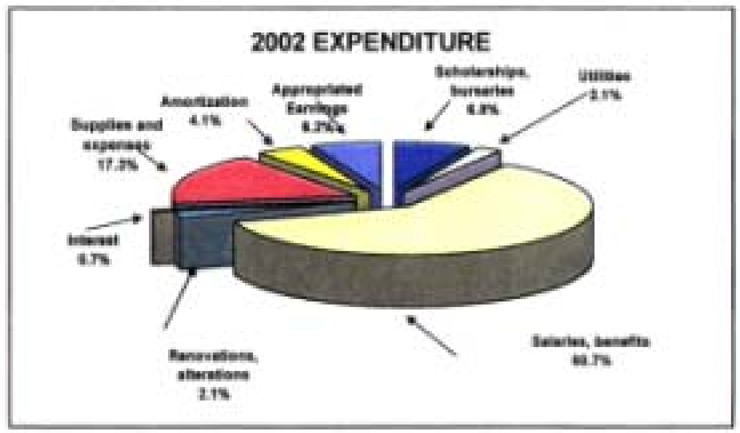
REVENUE

2002	2001	2000	1999	1998		2002	2001	2000	1999	1998
$32.8	$30.0	$27.9	$24.6	$24.1	Government grants	43.1%	45.3%	45.1%	46.2%	44.1%
22.8	20.6	19.1	16.4	15.7	Student fees	30.0%	31.2%	30.9%	30.8%	28.7%
11.8	11.4	10.4	9.0	12.3	Ancillary revenue	15.5%	17.2%	16.8%	16.9%	22.5%
3.0	1.6	2.6	1.8	1.3	Private donations, non-government grants	3.9%	2.4%	4.2%	3.4%	2.4%
5.7	2.6	1.8	1.5	1.3	Other income	7.5%	3.9%	3.0%	2.7%	2.3%
$76.1	$66.2	$61.8	$53.3	$54.7		100.0%	100.0%	100.0%	100.0%	100.0%

EXPENDITURE

2002	2001	2000	1999	1998		2002	2001	2000	1999	1998
$45.6	$43.4	$41.4	$40.1	$38.8	Salaries and benefits	60.7%	65.2%	63.4%	70.6%	68.1%
5.1	4.5	3.5	2.5	1.4	Scholarships and bursaries	6.8%	6.8%	5.4%	4.4%	2.5%
1.6	1.7	1.4	1.2	1.2	Utilities	2.1%	2.6%	2.1%	2.1%	2.1%
1.6	0.5	0.4	1.1	1.3	Renovations and alterations	2.1%	0.8%	0.6%	1.9%	2.3%
0.5	0.5	0.5	0.3	0.3	Interest	0.7%	0.8%	0.8%	0.5%	0.5%
13.0	11.6	11.8	8.9	10.4	Supplies and expenses	17.3%	17.4%	18.1%	15.7%	18.2%
3.1	4.0	3.9	3.6	3.4	Amortization	4.1%	5.9%	6.0%	6.4%	6.0%
4.6	0.4	2.4	(0.9)	0.2	Appropriated Earnings	6.2%	0.5%	3.6%	-1.6%	0.3%
$75.1	$66.6	$65.3	$56.8	$57.0		100.0%	100.0%	100.0%	100.0%	100.0%





SUMMARY OF OPERATING REVENUE AND EXPENDITURE

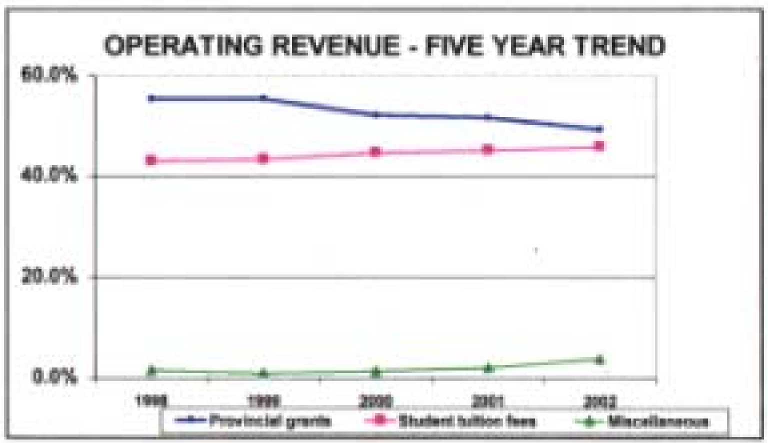
(millions of dollars)

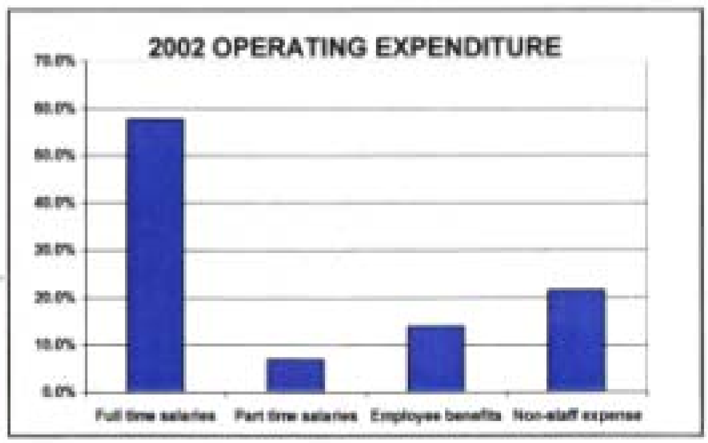
REVENUE

2002	2001	2000	1999	1998		2002	2001	2000	1999	1998
$24.5	$23.6	$22.3	$21.0	$20.2	Provincial grants	49.3%	51.7%	52.1%	55.4%	55.4%
22.8	20.6	19.1	16.4	15.7	Student tuition fees	45.8%	45.1%	44.6%	43.3%	43.0%
0.5	0.5	0.8	0.1		Donations and grants	1.0%	1.1%	1.9%	0.3%	
2.0	1.0	0.6	0.4	0.6	Miscellaneous	3.9%	2.1%	1.4%	1.0%	1.6%
$49.8	$45.7	$42.8	$37.9	$36.5		100.0%	100.0%	100.0%	100.0%	100.0%

EXPENDITURE

2002	2001	2000	1999	1998		2002	2001	2000	1999	1998
$39.2	$38.1	$36.6	$34.6	$33.1	Salaries, benefits	81.0%	83.4%	83.4%	87.6%	89.2%
4.1	3.7	2.9	2.2	1.2	Scholarships, bursaries	8.5%	8.1%	6.6%	5.6%	3.2%
0.7	0.8	0.6	0.5	0.5	Utilities	1.4%	1.8%	1.4%	1.3%	1.3%
0.2	0.1	0.1	0.1	0.2	Renovations, alterations	0.4%	0.2%	0.2%	0.3%	0.5%
1.9	2.0	2.3	2.4	2.1	Supplies and expenses	3.9%	4.4%	5.2%	6.0%	5.8%
2.3	1.0	1.4	(0.3)		Appropriated Earnings	4.8%	2.1%	3.2%	-0.8%	
$48.4	$45.7	$43.9	$39.5	$37.1		100.0%	100.0%	100.0%	100.0%	100.0%





MCCOLL TURNER

McColl Turner LLP
Chartered Accountants
362 Queen St., Peterborough, ON
K9H 3J6

Telephone 705 743 5020
Facsimile 705 743 5081
Email ptho@mccollturner.com

AUDITORS' REPORT

To the Board of Governors
Trent University

We have audited the statement of financial position of Trent University as at April 30, 2002 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the University's administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by administration, as well as evaluating the overall financial statement presentation

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

McColl Turner LLP

Peterborough, Ontario
August 1, 2002

Trent University

Statement of Financial Position
April 30, 2002
(with comparative figures for April 30, 2001)
(thousands of dollars)

	2002	2001
ASSETS		
Current		
Cash and short term investments	$ 10,998	$ 6,470
SuperBuild funds (note 15)	29,554	28,826
Accounts receivable	3,356	1,899
Inventories	117	100
Prepaid expenses and deposits	647	785
	44,672	38,080
Long term investments (note 3)	21,989	20,705
Capital assets (note 4)	56,812	54,452
	$ 123,473	$ 113,237
LIABILITIES AND DEFERRED CAPITAL CONTRIBUTIONS		
Current		
Accounts payable and accrued liabilities	$ 4,147	$ 4,010
Current portion of long term debt	748	755
Deferred revenue (note 5)	13,581	12,101
Deferred SuperBuild revenue (note 15)	29,554	28,826
	48,030	45,692
Long term debt (note 6)	10,981	12,598
	59,011	58,290
Deferred capital contributions (note 7)	36,855	33,870
NET ASSETS		
Deficit (note 8)	(12,030)	(12,902)
Internally restricted (note 9)	6,342	3,424
Investment in capital assets (note 10)	13,826	12,148
Endowments (note 11)	19,469	18,407
	27,607	21,077
	$ 123,473	$ 113,237

Approved by the Board of Governors

Governor B. M. Patterson Governor [illegible]

The accompanying notes are an integral part of the financial statements

Statement 2

Trent University

Statement of Changes in Net Assets
Year Ended April 30, 2002
(with comparative figures for April 30, 2001)
(thousands of dollars)

	2002					2001
	Deficit	Internally Restricted	Investment in Capital Assets	Endowment	Total	Total
Net assets (deficit), beginning of year	$ (12,902)	$ 3,424	$ 12,148	$ 18,407	$ 21,077	$ 19,918
Excess of revenue over expense for the year	5,468	-	-	-	5,468	15
Change in internally restricted funds	(2,918)	2,918	-	-	-	
Change in investment in capital assets	(1,678)	-	1,678	-	-	
Endowment contributions credited directly to endowment	-	-	-	1,062	1,062	1,144
Net assets (deficit), end of year	$ (12,030)	$ 6,342	$ 13,826	$ 19,469	$ 27,607	$ 21,077

The accompanying notes are an integral part of the financial statements

Statement 3

Trent University

Statement of Operations
Year Ended April 30, 2002
(with comparative figures for April 30, 2001)
(thousands of dollars)

	2002	2001
REVENUE		
Government grants	$ 32,758	$ 30,044
Tuition fees	22,830	20,596
Ancillary sales of services	11,763	11,341
Donations and grants	2,987	1,621
Investment income	1,431	1,144
Miscellaneous revenue	4,327	1,518
	76,096	66,264
EXPENSE		
Salaries and benefits	45,666	43,372
Scholarships and bursaries	5,057	4,572
Utilities	1,617	1,692
Renovations and alterations	1,610	502
Supplies and expenses	13,032	11,567
Interest	490	511
Amortization		
Library acquisitions	855	890
Other capital assets	2,301	3,143
	70,628	66,249
EXCESS OF REVENUE OVER EXPENSE FOR THE YEAR	5,468	15
Change in Internally Restricted Net Assets	(2,918)	(429)
Change in Investment in Capital Assets	(1,678)	(2)
DECREASE (INCREASE) IN DEFICIT FOR THE YEAR	872	(416)
DEFICIT - beginning of year	(12,902)	(12,486)
DEFICIT- end of year	$ (12,030)	$ (12,902)

The accompanying notes are an integral part of the financial statements

Trent University

Statement of Cash Flows
Year Ended April 30, 2002

(with comparative figures for April 30, 2001)
(thousands of dollars)

	2002	2001
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expense for the year	$ 5,468	$ 15
Amortization of capital assets	3,156	4,033
Decrease in non-cash working capital items (net)	1,007	2,827
Increase in deferred capital contributions	2,985	1,076
	12,616	7,951
ENDOWMENT ACTIVITIES		
Endowment contributions	1,062	1,144
FINANCING AND INVESTING ACTIVITIES		
SuperBuild project funding (note 15)	728	28,826
Increase (repayment) of long term debt	(2,352)	919
Purchase of capital assets	(5,514)	(4,228)
Increase in long term investments	(1,284)	(1,614)
	(8,422)	23,903
NET INCREASE IN CASH FOR THE YEAR	5,256	32,998
CASH POSITION - beginning of year	35,296	2,298
CASH POSITION - end of year	$ 40,552	$ 35,296
CASH POSITION REPRESENTED BY:		
Cash and short term investments	$ 10,998	$ 6,470
SuperBuild funds	29,554	28,826
	$ 40,552	$ 35,296

The accompanying notes are an integral part of the financial statements

1. AUTHORITY

Trent University operates under the authority of The Trent University Act, 1962-63. The University is a registered charity and, under the provisions of section 149 of the Income Tax Act, is exempt from paying income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(a) General

The financial statements of the University have been prepared by management in accordance with accounting principles generally accepted in Canada and consistently applied.

The combined financial statements reflect the assets, liabilities, revenue, expenses and other transactions of all the operations of the University and organizations that the University has the primary economic interest in or controls.

The University accounts identify financial activity separately for operating transactions, internally restricted transactions, externally restricted transactions and endowment related transactions.

- Operating transactions are for general activities.
- Internally restricted related transactions are generally for funds designated for specific activities by university management.
- Externally restricted related transactions are associated with funds received from external sources which can only be spent in accordance with the restrictions provided by the sources providing the funds.
- Revenue and expense from operating, internally restricted and externally restricted transactions are reported in the Statement of Operations.
- Endowment related transactions include contributions which are designated as endowment by the source providing the funds and contributions designated as endowment by university management. Internally and externally restricted endowment contributions are reported on the statement of Changes in Net Assets.

The financial statements do not include the assets, liabilities, revenue and expenses of the Trent University Foundation (see note 14).

(b) Inventories

Inventories are valued at the lower of cost and net realizable value.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) Capital assets
Capital assets are recorded at cost, or in the case of donated assets, at fair market value on the date of the donation.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years	Library books and serials	5 years
Equipment and furnishings	10 years	Rare collections	no amortization
Computer equipment	5 years	System software	5 years
Vehicles	5 years		

(d) Investments
Investments are stated at cost (market values of long term investments are reported in note 3).

(e) Revenue recognition
The University follows the deferral method of accounting for revenue derived from the provision of service and from revenue contributions. Contributions may either be operating, internally restricted, externally restricted or endowed.

- Revenue received by the University for the provision of goods and services is recognized when goods and services are provided. Student fees are recognized as revenue when courses are provided.
- Operating contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Internally restricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Externally restricted contributions for purposes other than endowment are deferred and recognized as revenue in the year in which related expenses are incurred. Externally restricted contributions can only be used for the purposes designated by external contributors. Pledged donations are not recorded until received due to the uncertainty involved in their collection.
- Contributions from donors and government for the acquisition of capital assets are deferred and recognized as revenue on the same basis as the related capital assets are amortized.
- Endowment contributions and related restricted investment revenue are reported as direct increases in net assets when received.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(f) Retirement Plans

The University maintains Contributory Defined Benefit Pension Plans and a supplemental retirement arrangement which cover eligible faculty and staff. The assets, liabilities and results of operations of the Plans are included in the financial statements of Trent University Pension Funds. The current year's charge to operations in respect of funding the plan includes, as applicable, current service costs, and amortization of past service costs and valuation adjustments.

(g) Fund raising activities

Gifts and grants from fundraising activities are recorded when received. Pledges are recorded upon payment.

(h) Sabbaticals and other leaves

The cost of sabbaticals and leaves are recorded when paid.

(i) Contributed services

Volunteers as well as members of the University community including alumni contribute an extensive number of hours per year to assist the institution in carrying out its service delivery activities. Such contributed services are not recognized in the financial statements.

(j) Financial instruments

The carrying amounts reported in the statement of financial position for accounts receivable, accounts payable, and accrued liabilities and long term debt approximate fair market value. The market value of long term investments has been reported in note 3.

(thousands of dollars)

3. LONG TERM INVESTMENTS

Investments are monitored by a Committee of the Board of Governors. Investments are managed by investment managers subject to asset mix and performance benchmarks contained in the investment policy of the Board of Governors. The investment managers report on a regular basis to the Committee of the Board. Investments are held in pooled funds.
The cost and market values of the investments in the pooled funds at April 30 were:

	2002 Cost	2002 Market	2001 Cost	2001 Market
Cash	$ 406	$ 406	$ 256	$ 256
Bonds	7,190	7,434	7,084	7,324
Equities	14,393	14,265	13,365	14,640
	$ 21,989	$ 22,105	$ 20,705	$ 22,220

Long term investments include investments of endowment funds $19,456 (2001 - $18,518) and of employee early retirement plans $2,533 (2001 - $2,187).

4. CAPITAL ASSETS

Capital assets and accumulated amortization consists of the following:

	2002 Cost	2002 Accumulated Amortization	2002 Net Book Value	2001 Cost	2001 Accumulated Amortization	2001 Net Book Value
Land and site improvements	$ 7,028	$ -	$ 7,028	$ 7,028	$ -	$ 7,028
Buildings	71,446	33,842	37,604	70,067	32,958	37,109
Equipment, software	30,923	21,333	9,590	27,454	19,917	7,537
Library books, serials	18,342	15,752	2,590	17,675	14,897	2,778
	$ 127,739	$ 70,927	$ 56,812	$ 122,224	$ 67,772	$ 54,452

The net investment in capital assets is set out in note 10.

(thousands of dollars)

5. DEFERRED REVENUE

Deferred revenue represents unexpended amounts received in the current and prior years for services to be provided in a future year. Details of the year-end balances are as follows:

	2002	2001
Externally restricted donations	$ 4,189	$ 3,685
Student fees	1,477	1,230
Federal and Provincial Government grants	7,490	6,898
Other	425	288
	$ 13,581	$ 12,101

6. LONG TERM DEBT

Long term debt consists of:

	2002	2001
Canada Mortgage and Housing Corporation debentures for the Residential Colleges	$ 3,212	$ 4,498
Physics Building extension	1,186	1,267
Bradburn House renovations	641	673
Faculty voluntary early retirement program	6,061	6,365
Future cost of post-retirement benefits	629	550
	11,729	13,353
Amount due within one year shown as current liability	748	755
	$ 10,981	$ 12,598

Canada Mortgage and Housing Corporation debentures bear interest at rates from 5 3/8% to 8 1/4% and will mature on various dates between 2017 and 2024; annual instalments of principal and interest of $426 are included in expenses.

The financing for the Physics Building extension represents a fourteen year loan with the Bank of Montreal at a fixed rate of 6.48% payable in monthly blended instalments of $13 secured by an assignment of rents.

(thousands of dollars)

6. LONG TERM DEBT (continued)

The loan regarding the Bradburn House is a fifteen year mortgage with the Bank of Montreal at a fixed rate of 7.2%, payable in blended monthly instalments of $6, secured by specific land and buildings. The final payment falls due August 31, 2014.

The faculty voluntary early retirement programs reflect payments required by individual contracts over varying future periods. The current and future costs of these programs have been reflected in the deficit and are based on the effective early retirement dates. Future costs will be funded from future revenues; therefore, the recognition of future costs in current year's expenditure increases the deficit (note 8).

The University has adopted, on a retroactive basis without restatement of prior periods, the method of accounting for future employee benefits as required by The CICA Handbook. This method requires that the cost of providing post-retirement benefits be reflected in the year of the employee's service rather than as paid.

The principal repayments estimated in each of the next five years are as follows:

2002-2003	$ 748
2003-2004	735
2004-2005	760
2005-2006	781
2006-2007	799

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of externally restricted contributions used for the purchase of capital assets. Details of the changes in the deferred contributions balance are as follows:

	2002	2001
Balance - beginning of year	$ 33,870	$ 32,794
Add contributions received for capital acquisitions	4,560	3,233
Less amortization of deferred capital contributions	(1,575)	(2,157)
Balance - end of year	$ 36,855	$ 33,870

(thousands of dollars)

8. DEFICIT

Details of the deficit are as follows:

	2002	2001
Deficit as per Statement 1	$ (12,030)	$ (12,902)
Deduct: Expenditure of future costs of Faculty voluntary early retirement plan which will be covered by revenues in future years	3,774	4,424
Expenditure of accrued staff vacation pay which will be covered by revenues in future years	828	721
Balance of deficit for general University operations	$ (7,428)	$ (7,757)

9. INTERNALLY RESTRICTED NET ASSETS

Details of internally restricted net assets are as follows:

	2002	2001
Internally restricted research and trust	$ 458	$ 389
Funds committed for specific purposes	5,884	3,035
Total cumulative surplus	$ 6,342	$ 3,424

(thousands of dollars)

10. INVESTMENT IN CAPITAL ASSETS

The investment in capital assets consist of the following:

	2002	2001
Capital assets (note 4)	$ 56,812	$ 54,452
Less amounts financed by long term debt:		
Long term debt pertaining to capital assets	(5,039)	(6,438)
Deferred capital contributions (note 7)	(36,855)	(33,870)
Less amounts financed internally	(1,092)	(1,996)
	$ 13,826	$ 12,148

11. ENDOWMENTS

Details of year end balances are as follows:

	2002		2001	
	Cost	Market	Cost	Market
Student assistance	$ 9,106	$ 10,864	$ 8,570	$ 10,947
General endowment	1,710	2,509	1,646	2,561
Library	918	1,397	901	1,462
Research	47	60	46	62
Colleges, departments, other	3,083	4,786	2,765	4,738
Reinvested realized earnings	4,605		4,479	
	$ 19,469	$ 19,616	$ 18,407	$ 19,770

While most endowment funds are externally restricted, some of the funds are internally restricted.

Reinvested realized earnings is the amount of earnings available for allocation to unit holders based on the Board's investment earnings distribution policy. The policy allows a maximum distribution of 4% on the average four-year rolling unit value at December 31.

(thousands of dollars)

11. ENDOWMENTS (continued)

Student Assistance - Ontario Student Opportunity Trust Fund
Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund. Under the program the Government matched funds raised by the University. The purpose of the program is to assist academically qualified individuals who for financial reasons would not otherwise be able to attend university.

	2002	2001
Endowment balance including preservation of capital, beginning of year	$ 7,097	$ 6,899
Donations	22	8
Funds transferred from Expendable Trust Funds	30	-
Preservation of Capital	168	195
Matching funds from the Government of Ontario	-	(5)
Endowment balance, end of year	$ 7,317	$ 7,097
Expendable funds available for bursaries, beginning of year	$ 354	$ 306
Investment income	264	254
Transferred to Endowment Funds	(30)	-
Bursaries awarded	(194)	(206)
Expendable funds available for bursaries in subsequent years	$ 394	$ 354

In the 2002 fiscal year, 239 Ontario Student Opportunity Trust Fund bursaries were awarded to students who attended Trent University.

(thousands of dollars)

12. RETIREMENT PLANS

Actuarial valuations prepared during the year, which were based on projections of employees' compensation levels to the time of retirement, estimated that the present value of the accrued pension benefits and the value of net assets available to provide for these benefits, at market value, as of July 1 were as follows:

	July 1 2001	July 1 2000
Accrued retirement plans benefits		
Faculty pension plan	$ 75,216	$ 70,586
Non-faculty pension plan	45,322	41,666
Supplemental retirement arrangement	12,177	11,257
	$ 132,715	$ 123,509

	July 1 2001	July 1 2000
Retirement fund assets (market values)		
Faculty pension plan	$ 93,424	$ 99,329
Non-faculty pension plan	55,606	58,986
Supplemental retirement arrangement	4,202	3,240
	$ 153,232	$ 161,555

The current year's charge to operations was $1,224 (2001 - $1,078) for all retirement plans.

During 1998, the University split the faculty and non-faculty registered pension plan and established a supplemental retirement arrangement. The assets, liabilities and results of operations of the Plans are included in the financial statements of Trent University Pension Funds.

(thousands of dollars)

13. CONTINGENT LIABILITIES

Reciprocal Insurance
Trent University is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public insurance risks for some forty institutions. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment in the event members' premiums are insufficient to cover losses and expenses. As at December 31, 2001, CURIE had a surplus of $7,226 (2000 - $6,694).

14. TRENT UNIVERSITY FOUNDATION

The Trent University Foundation was incorporated as a separate crown corporation without share capital under the University Foundations Act, 1992, effective August 25, 1994. The Directors are appointed by the Lieutenant Governor in Council of Ontario. The objects of the Foundation are to solicit, receive, manage and distribute at its discretion money and other property to support education and research at the University. At the end of March 31, 2002, the Foundation had received gifts of a total appraised value of $11 for the year.

15. SUPERBUILD PROJECT FUNDING

In May 2000, Trent University received SuperBuild funding of $26,230 from the Province of Ontario for new arts and science facilities. In addition, Trent received $1,410 of $2,810 cooperative infrastructure funding in a joint project with Sir Sandford Fleming College of Applied Arts and Technology, to establish a broad band network between the institutions. As at April 30, 2002, the SuperBuild Project has incurred the following revenues and expenditures:

		2001		2002
Principal funding received	$	27,640	27,640	
Interest accrued on unexpended balance		2,799	1,579	
Private donations		1,173		183
Project expenditures		(2,058)		(576)
Net SuperBuild Project Funds	$	29,554	28,826	

(thousands of dollars)

16. STATUTORY SALARY DISCLOSURE REQUIREMENT

In accordance with the requirement of the Public Sector Salary Disclosure Act, 1995, of the Province of Ontario, Trent University paid the following employees of the University a salary in excess of $100,000 during the calendar year 2001(in dollars):

Name	Position	Salary	Taxable Benefit
Bandyopadhyay, P.	Professor of Comparative Dev. Studies	$104,893	$ 454
Berrill, M.	Professor of Biology	$107,076	$ 454
Boundas, C.	Professor of Philosophy	$ 104,893	$ 454
Brunger, A	Professor of Geography	$109,308	$ 454
Conolly, L.W.	Professor of English Literature	$111,289	$ 474
Dellamora, R.	Professor of English/Cultural Studies	$104,893	$ 454
Dillon, P.	Professor of Chemistry/ERS	$104,893	$ 454
Eadie, T.M.	University Librarian	$105,754	$ 457
Earnshaw, J.	Associate Professor of Physics	$ 100,389	$ 395
Evans, W.F.	Professor of Physics/ERS	$107,474	$ 462
Hagman, R.S.	Professor of Anthropology	$102,335	$ 443
Helmuth, H.	Professor of Anthropology	$104,893	$ 454
Hutchinson, T.	Professor of Biology/ERS	$108,318	$ 469
Johnston, R.G.	Professor of Physics	$104,918	$ 2,869
Jones, E.H.	Professor of History	$106,606	$ 461
Kane, S.H.	Professor of English/Cultural Studies	$106,806	$ 461
Kitchen, H.M.	Professor of Economics	$106,606	$ 461
Lasenby, D.	Professor of Biology	$105,005	$ 454
Mackay, D.N.	Professor of Environmental/Research Studies	$ 108,318	$ 469
Mackle, S.	Vice-President of Advancement	$116,573	$ 1,679
Maxwell, E.A.	Professor of Mathematics	$104,893	$ 454
McCalla, P.D.	Professor of Philosophy	$ 102,222	$ 593
McCaskill, D.	Professor of Native Studies	$105,762	$ 1,268
McLachlan, I.	Professor of Cultural Studies	$130,108	$ 454
Miloy, J.S.	Professor of History/Native Studies	$102,821	$ 5,770

(thousands of dollars)

16. STATUTORY SALARY DISCLOSURE REQUIREMENT (continued) (in dollars):

Name	Position	Salary	Taxable Benefit
Nader, G.A.	Professor of Geography	$107,892	$ 523
Neufeld, J.E.	Professor of English Literature	$104,893	$ 454
Patterson, B.	President and Vice Chancellor	$182,500	$19,697
Pollock, Z.H.	Professor of English Literature	$104,893	$ 454
Reker, G.T.	Professor of Psychology	$ 106,606	$ 498
Robson, S.T.	Professor of History	$101,197	$ 726
Slavin, A.J.	Professor of Physics	$105,763	$ 455
Smith, C.T.	Professor of Psychology	$101,197	$ 580
Syrett, J.	Professor of History	$104,893	$ 454
Taylor, C.H.	Dean of Arts & Science	$119,893	$ 1,333
Taylor, G.D.	Vice-President (Academic) & Provost	$139,119	$ 559
Tromly, F.B.	Professor of English Literature	$107,474	$ 462
Vastokas, J.	Professor of Anthropology	$110,500	$ 469
Wadland, J.H.	Professor of Canadian Studies	$104,049	$ 451
Young, A.S.	Vice-President (Administration)	$135,898	$ 545

17. COMPARATIVE INFORMATION

Certain of the 2001 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2002.