



Financial Statements

April 30, 2004

Trent University
Financial Statements
April 30, 2004

Index

Trent University's Mission Statement.....	2
Statement of Administrative Responsibility.....	3
Introduction to Trent University's Financial Statements	4 - 5
Summary of Total Revenue and Expenditure	6
Summary of Operating Revenue and Expenditure	7
Auditors' Report	8
Financial Statements	
Statement of Financial Position	9
Statement of Changes in Net Assets	10
Statement of Operations.....	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 27



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, 2004

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, 2004, 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, 2004, 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.



D. O'Leary
Vice-President Administration



B.M. Patterson
President and Vice-Chancellor

September, 2004

Introduction to Trent University's Financial Statements 2003-04

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-end 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 eliminated a 5th year of high school study. This phenomenon, referred to as the “double cohort”, has occurred 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 to provide greater access for students and will grow its overall size to over 7,000 students including some 420 international students and up to 300 graduate students. A Board of Governors approved Strategic Directions document for Trent University, will provide the focus for university developments through 2010.

Plans have been implemented to hire new faculty to accommodate the increased enrollment demand for Trent's programs and over the four-year period from 2002-03 to 2005-06, over 70 new tenure track faculty members will join this academic community, several of whom will support Trent University operations on the campus of the University of Ontario Institute of Technology (UOIT) in Oshawa. The Oshawa hirings are associated with a new 10-year agreement with the UOIT and Durham College, funding for which was secured from the Ontario government during the 2001-02 fiscal year.

Recognizing anticipated enrolment increases would require expanded facilities, in May of 2000, the government announced a \$26.23 million grant to Trent that expanded and refurbished the science facilities on Trent's Symons Campus. The grant also helped build an integrated academic and residential complex to address classroom space needs and faculty requirements in Business Administration, Economics, Mathematics and Native Studies departments. In addition, the University committed an additional \$3.6 million as a matching component of the program, to be raised through various partnership developments and private fundraising and \$13.5 million in capital debt financing to add 250 residence rooms. Additional temporary classrooms and conference space has been made available through a four year lease of facilities on Argyle Street in Peterborough. Combined, this represents over \$55 million dollars of new investment at Trent, the largest capital investment in the University's history. That said, existing campus facilities remain in need of renewal across all universities in the province. The 2002 facilities condition audit found that the estimated deferred maintenance is \$1.3 billion in Ontario's universities. Currently, the provincial government is providing \$27 million, which represents 17% of that required to maintain the status quo.

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 has emerged. Grants represent 49.8% of operating revenue and tuition accounts for 46.9%.
- The University has become increasingly dependent on tuition fees over the last six years. Current government policy has frozen fees and compensated Trent with one time funding in 2004-05 of \$383,000. This significantly limits the University's ability to fund inflationary cost pressures that run over 5 per cent annually.
- The major expenditure in the budget continues to be in salaries and benefits, which represent 79.7% of operating expenditures before appropriations. This is not surprising in a knowledge-intensive organization, but combined with other restrictions, continues to challenge our competitiveness and the quality of education provided.

Introduction to Trent University's Financial Statements 2003-04 (continued)

- More institutional funds are dedicated to scholarships and bursaries for students. Trent's increase has been from \$2.5 million in 1999 to over \$7.2 million in 2004.

With government support virtually frozen, 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 help offset annual inflationary costs, however, with substantial growth associated with double cohort flow-through anticipated, this will be a significant challenge. Staying focused 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 in 2003-2004, and a reduction in our cumulative deficit, 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 and new Baccalaureate programs in Education and Forensic Sciences. As well, 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 degree programs at Trent have increased student interest in Trent University.

A fundraising program seeking \$10.8 million dollars in support of new facilities, enhanced research capacity, matching fund requirements to support various government infrastructure programs, graduate scholarships and undergraduate needs-based financial aid is underway.

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 that 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 8.0%. This attests to the strength of our faculty capability that is so important to our future.

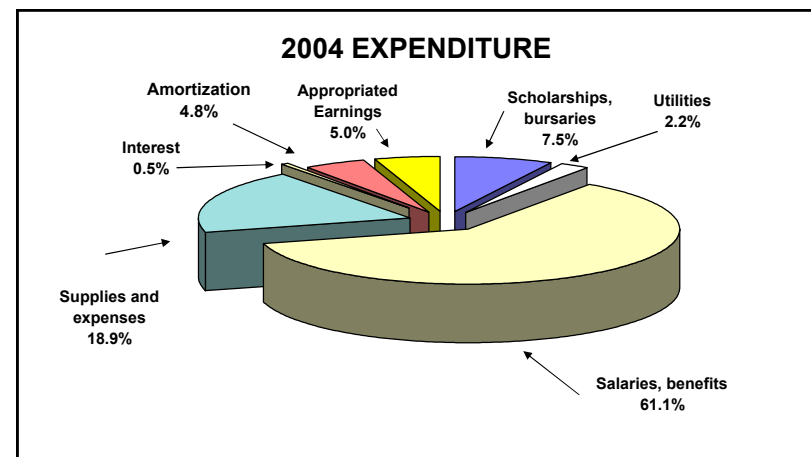
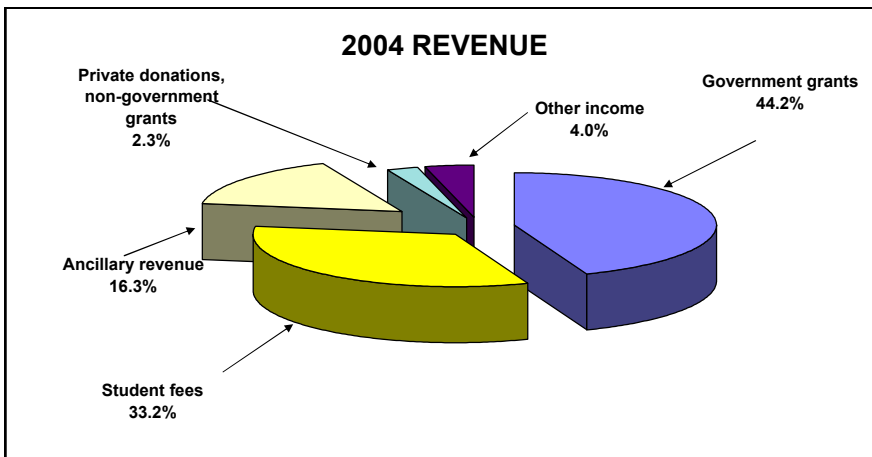
ENDOWMENTS increased by 6.9% over last year from \$20.2 to \$21.6 million. A significant component of that endowment, over \$7 million, is used to support students directly with financial assistance.

Professor Bonnie M. Patterson
President & Vice Chancellor
September, 2004

SUMMARY OF TOTAL REVENUE AND EXPENDITURE
(includes unrestricted, internally restricted, externally restricted, investments in capital assets)
(millions of dollars)

REVENUE										
2004	2003	2002	2001	2000		2004	2003	2002	2001	2000
\$42.8	\$38.7	\$32.8	\$30.0	\$27.9	Government grants	44.2%	45.2%	43.1%	45.3%	45.1%
32.1	27.0	22.8	20.6	19.1	Student fees	33.2%	31.5%	30.0%	31.1%	30.9%
15.8	13.3	11.8	11.4	10.4	Ancillary revenue	16.3%	15.5%	15.5%	17.2%	16.8%
2.2	2.9	3.0	1.6	2.6	Private donations, non-government grants	2.3%	3.4%	3.9%	2.4%	4.2%
3.8	3.8	5.7	2.6	1.8	Other income	4.0%	4.4%	7.5%	4.0%	3.0%
\$96.7	\$85.7	\$76.1	\$66.2	\$61.8		100.0%	100.0%	100.0%	100.0%	100.0%

EXPENDITURE										
2004	2003	2002	2001	2000		2004	2003	2002	2001	2000
\$58.5	\$50.3	\$45.6	\$43.4	\$41.4	Salaries and benefits	61.1%	59.3%	60.7%	65.2%	63.4%
7.2	5.9	5.1	4.5	3.5	Scholarships and bursaries	7.5%	7.0%	6.8%	6.8%	5.4%
2.1	1.7	1.6	1.7	1.4	Utilities	2.2%	2.0%	2.1%	2.6%	2.1%
0.5	0.2	0.5	0.5	0.5	Interest	0.5%	0.2%	0.7%	0.8%	0.8%
18.1	17.8	14.6	12.1	12.2	Supplies and expenses	18.9%	21.0%	19.4%	18.2%	18.7%
4.6	3.6	3.1	4.0	3.9	Amortization	4.8%	4.2%	4.1%	6.0%	6.0%
4.8	5.3	4.6	0.4	2.4	Appropriated Earnings	5.0%	6.3%	6.2%	0.4%	3.6%
\$95.8	\$84.8	\$75.1	\$66.6	\$65.3		100.0%	100.0%	100.0%	100.0%	100.0%

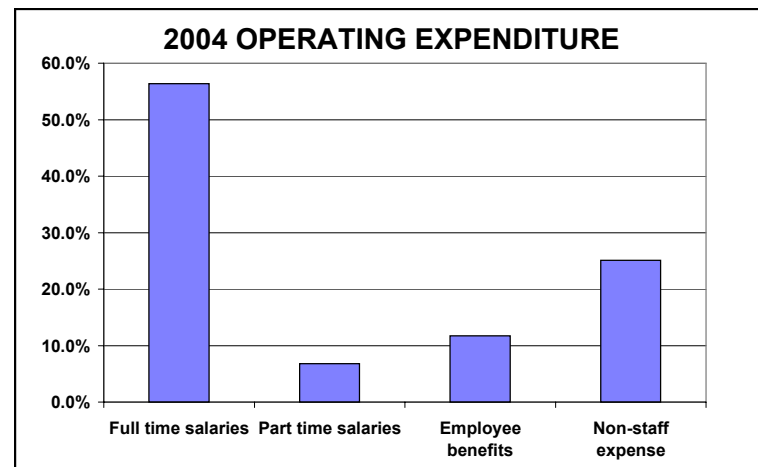
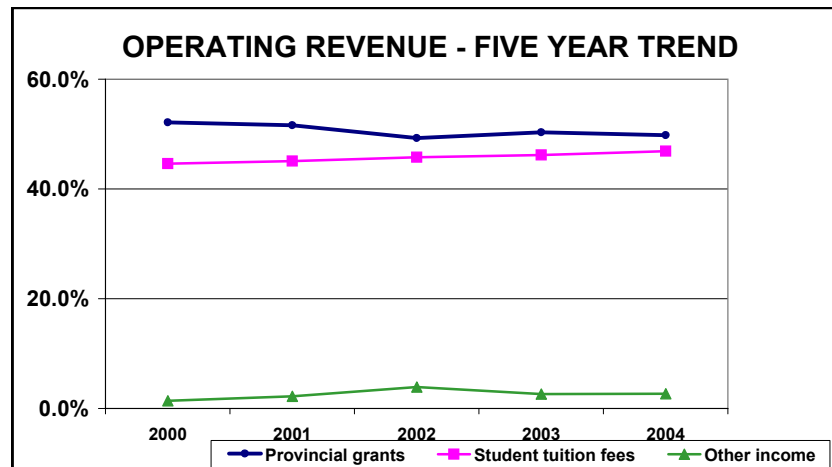


SUMMARY OF OPERATING REVENUE AND EXPENDITURE

(millions of dollars)

REVENUE										
2004	2003	2002	2001	2000		2004	2003	2002	2001	2000
\$34.0	\$29.3	\$24.5	\$23.6	\$22.3	Provincial grants	49.8%	50.3%	49.3%	51.6%	52.1%
32.1	27.0	22.8	20.6	19.1	Student tuition fees	46.9%	46.2%	45.8%	45.1%	44.6%
0.4	0.5	0.5	0.5	0.8	Donations and grants	0.6%	0.9%	1.0%	1.1%	1.9%
1.9	1.6	2.0	1.0	0.6	Other income	2.7%	2.6%	3.9%	2.2%	1.4%
\$68.4	\$58.4	\$49.8	\$45.7	\$42.8		100.0%	100.0%	100.0%	100.0%	100.0%

EXPENDITURE										
2004	2003	2002	2001	2000		2004	2003	2002	2001	2000
\$50.8	\$43.0	\$39.2	\$38.1	\$36.6	Salaries and benefits	75.0%	74.5%	81.0%	83.4%	83.4%
5.8	4.6	4.1	3.7	2.9	Scholarships and bursaries	8.6%	8.0%	8.5%	8.1%	6.6%
1.1	0.8	0.7	0.8	0.6	Utilities	1.6%	1.4%	1.4%	1.8%	1.4%
6.0	4.9	2.1	2.1	2.4	Supplies and expenses	8.9%	8.5%	4.3%	4.6%	5.4%
4.0	4.4	2.3	1.0	1.4	Appropriated earnings	5.9%	7.6%	4.8%	2.1%	3.2%
\$67.7	\$57.7	\$48.4	\$45.7	\$43.9		100.0%	100.0%	100.0%	100.0%	100.0%



AUDITORS' REPORT

To the Board of Governors Trent University

We have audited the statement of financial position of Trent University as at April 30, 2004 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, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Peterborough, Ontario
August 19, 2004

Trent University
Statement of Financial Position
April 30, 2004
(with comparative figures for April 30, 2003)
(thousands of dollars)

	2004	2003
ASSETS		
Current		
Cash and short term investments	\$ 22,202	\$ 20,430
SuperBuild funds (note 15)	169	14,515
Accounts receivable	2,060	2,643
Inventories	88	124
Prepaid expenses and deposits	<u>326</u>	<u>479</u>
	24,845	38,191
Long term investments (note 3)	23,688	22,871
Capital assets (note 4)	<u>109,459</u>	<u>72,828</u>
	<u>\$ 157,992</u>	<u>\$ 133,890</u>
LIABILITIES AND DEFERRED CAPITAL CONTRIBUTIONS		
Current		
Accounts payable and accrued liabilities	\$ 11,801	\$ 7,890
Current portion of long term debt	977	782
Deferred revenue (note 5)	12,224	13,155
Deferred SuperBuild revenue (note 15)	<u>169</u>	<u>14,515</u>
	25,171	36,342
Long term debt (note 6)	<u>22,640</u>	<u>10,612</u>
	47,811	46,954
Deferred capital contributions (note 7)	<u>68,538</u>	<u>52,442</u>
NET ASSETS		
Deficit (note 8)	(10,154)	(11,115)
Internally restricted (note 9)	10,968	11,360
Investment in capital assets (note 10)	19,263	14,090
Endowments (note 11)	<u>21,566</u>	<u>20,159</u>
	41,643	34,494
	<u>\$ 157,992</u>	<u>\$ 133,890</u>

Approved by the Board of Governors

Governor  Governor 

The accompanying notes are an integral part of the financial statements

Trent University
Statement of Changes in Net Assets
Year Ended April 30, 2004
(with comparative figures for April 30, 2003)
(thousands of dollars)

	2004					2003
	Deficit	Internally Restricted	Investment in Capital Assets	Endowment	Total	Total
Net assets (deficit), beginning of year	\$ (11,115)	\$ 11,360	\$ 14,090	\$ 20,159	\$ 34,494	\$ 27,607
Excess of revenue over expense for the year	5,742	-	-	-	5,742	6,197
Change in internally restricted funds	392	(392)	-	-	-	-
Change in investment in capital assets	(5,173)	-	5,173	-	-	-
Endowment contributions credited directly to endowment	-	-	-	1,407	1,407	690
Net assets (deficit), end of year	<u>\$ (10,154)</u>	<u>\$ 10,968</u>	<u>\$ 19,263</u>	<u>\$ 21,566</u>	<u>\$ 41,643</u>	<u>\$ 34,494</u>

The accompanying notes are an integral part of the financial statements

Statement 3

Trent University
Statement of Operations
Year Ended April 30, 2004
(with comparative figures for April 30, 2003)
(thousands of dollars)

	<u>2004</u>	<u>2003</u>
REVENUE		
Government grants	\$ 42,775	\$ 38,688
Tuition fees	32,131	27,068
Ancillary sales of services	15,827	13,262
Donations and grants	2,174	2,906
Investment income	1,358	1,276
Miscellaneous	<u>2,463</u>	<u>2,521</u>
	<u>96,728</u>	<u>85,721</u>
EXPENSE		
Salaries and benefits	58,478	50,269
Scholarships and bursaries	7,160	5,882
Utilities	2,153	1,733
Supplies and expenses	18,104	17,766
Interest	482	255
Amortization		
Library acquisitions	797	786
Other capital assets	<u>3,812</u>	<u>2,833</u>
	<u>90,986</u>	<u>79,524</u>
EXCESS OF REVENUE OVER EXPENSE FOR THE YEAR	<u>5,742</u>	<u>6,197</u>
Change in Internally Restricted Net Assets	392	(5,018)
Change in Investment in Capital Assets	<u>(5,173)</u>	<u>(264)</u>
DECREASE IN DEFICIT FOR THE YEAR	961	915
DEFICIT – beginning of year	<u>(11,115)</u>	<u>(12,030)</u>
DEFICIT – end of year	<u>\$ (10,154)</u>	<u>\$ (11,115)</u>

The accompanying notes are an integral part of the financial statements

Statement 4

Trent University
Statement of Cash Flows
Year Ended April 30, 2004
(with comparative figures for April 30, 2003)
(thousands of dollars)

	<u>2004</u>	<u>2003</u>
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expense for the year	\$ 5,742	\$ 6,197
Amortization of capital assets	4,609	3,619
Decrease in non-cash working capital items (net)	3,785	4,191
Increase in deferred capital contributions	<u>16,096</u>	<u>15,587</u>
	<u>30,232</u>	<u>29,594</u>
 ENDOWMENT ACTIVITIES		
Endowment contributions	<u>1,407</u>	<u>690</u>
 FINANCING AND INVESTING ACTIVITIES		
SuperBuild project funding (net of expenditures) (note 15)	(14,346)	(15,039)
Proceeds from long term debt	12,430	-
Repayment of long term debt	(207)	(335)
Purchase of capital assets	(41,273)	(19,635)
Increase in long term investments	<u>(817)</u>	<u>(882)</u>
	<u>(44,213)</u>	<u>(35,891)</u>
 NET DECREASE IN CASH FOR THE YEAR	 (12,574)	 (5,607)
 CASH POSITION - beginning of year	 <u>34,945</u>	 <u>40,552</u>
 CASH POSITION - end of year	 <u>\$ 22,371</u>	 <u>\$ 34,945</u>
 CASH POSITION REPRESENTED BY:		
Cash and short term investments	\$ 22,202	\$ 20,430
SuperBuild funds	<u>169</u>	<u>14,515</u>
	<u>\$ 22,371</u>	<u>\$ 34,945</u>

The accompanying notes are an integral part of the financial statements

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

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.

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

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

Long term investments are stated at cost or, if there is a decline in market value below cost that is considered to be other than a temporary decline, the investments are written down to market value. 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.

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

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. The cost of providing post-retirement benefits will be reflected in the year of the employee's service rather than as paid.

(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.

Trent University
Notes to the Financial Statements
April 30, 2004
(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:

	2004		2003	
	Cost	Market	Cost	Market
Cash	\$ 234	\$ 234	\$ 381	\$ 381
Bonds	7,878	8,099	6,361	6,744
Equities	<u>15,576</u>	<u>15,817</u>	<u>16,129</u>	<u>13,732</u>
	<u>\$ 23,688</u>	<u>\$ 24,150</u>	<u>\$ 22,871</u>	<u>\$ 20,857</u>

Long term investments include investments of endowment funds \$20,756 (2003 - \$20,101) and of employee early retirement plans \$2,931 (2003 - \$2,770).

4. CAPITAL ASSETS

Capital assets and accumulated amortization consists of the following:

	2004			2003		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land and site improvements	\$ 7,028	\$ -	\$ 7,028	\$ 7,028	\$ -	\$ 7,028
Buildings	76,028	37,569	38,459	72,799	35,629	37,170
Equipment, software	33,870	23,311	10,559	31,498	22,380	9,118
Library books, serials	19,872	17,335	2,537	18,982	16,538	2,444
Construction in progress	<u>50,876</u>	<u>-</u>	<u>50,876</u>	<u>17,068</u>	<u>-</u>	<u>17,068</u>
	<u>\$ 187,674</u>	<u>\$ 78,215</u>	<u>\$ 109,459</u>	<u>\$ 147,375</u>	<u>\$ 74,547</u>	<u>\$ 72,828</u>

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

Trent University
Notes to the Financial Statements
April 30, 2004
(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:

	2004	2003
Externally restricted donations	\$ 3,666	\$ 3,659
Student fees	2,154	2,035
Federal and Provincial Government grants	5,771	6,999
Other	<u>633</u>	<u>462</u>
	<u>\$ 12,224</u>	<u>\$ 13,155</u>

6. LONG TERM DEBT

Long term debt consists of:

	2004	2003
Canada Mortgage and Housing Corporation debentures for the Residential Colleges	\$ 3,059	\$ 3,138
Physics Building extension	1,008	1,100
Bradburn House renovations	571	607
Gzowski College Residence	12,272	-
Capital lease	57	-
Faculty voluntary early retirement program	6,103	6,024
Future cost of post-retirement benefits	<u>547</u>	<u>525</u>
	23,617	11,394
Amount due within one year shown as current liability	<u>977</u>	<u>782</u>
	<u>\$ 22,640</u>	<u>\$ 10,612</u>

Canada Mortgage and Housing Corporation debentures bear interest at rates from 5 7/8% to 8 1/4% and will mature on various dates between 2017 and 2024; annual instalments of principal and interest of \$313 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. The final payment falls due May 31, 2012.

Trent University
Notes to the Financial Statements
April 30, 2004
(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 residence and dining portion of the Peter Gzowski College/First Peoples House of Learning is funded through an interest rate swap agreement with the Bank of Montreal to mature on May 1, 2034 with an effective rate of interest of 6.415%. Annual principal and interest payments are \$922.

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

2004-2005	\$	977
2005-2006		1,010
2006-2007		1,038
2007-2008		1,051
2008-2009		965

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:

	2004	2003
Balance - beginning of year	\$ 52,442	\$ 36,855
Add contributions received for capital acquisitions	18,928	18,064
Less amortization of deferred capital contributions	<u>(2,832)</u>	<u>(2,477)</u>
Balance - end of year	<u>\$ 68,538</u>	<u>\$ 52,442</u>

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

8. DEFICIT

Details of the deficit are as follows:

	<u>2004</u>	<u>2003</u>
Deficit as per Statement 1	\$ (10,154)	\$ (11,115)
Deduct: Expenditure of future costs of Faculty voluntary early retirement plan which will be covered by revenues in future years	3,350	3,292
Expenditure of accrued staff vacation pay which will be covered by revenues in future years	<u>1,050</u>	<u>905</u>
Balance of deficit for general University operations	<u>\$ (5,754)</u>	<u>\$ (6,918)</u>

9. INTERNALLY RESTRICTED NET ASSETS

Details of internally restricted net assets are as follows:

	<u>2004</u>	<u>2003</u>
Internally restricted research and trust	\$ 701	\$ 735
Funds committed for specific purposes	<u>10,267</u>	<u>10,625</u>
	<u>\$ 10,968</u>	<u>\$ 11,360</u>

10. INVESTMENT IN CAPITAL ASSETS

The investment in capital assets consist of the following:

	<u>2004</u>	<u>2003</u>
Capital assets (note 4)	\$ 109,459	\$ 72,828
Less amounts financed by long term debt:		
Long term debt pertaining to capital assets	(16,967)	(4,845)
Deferred capital contributions (note 7)	(68,538)	(52,442)
Less amounts financed internally	<u>(4,691)</u>	<u>(1,451)</u>
	<u>\$ 19,263</u>	<u>\$ 14,090</u>

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

11. ENDOWMENTS

Details of year end balances are as follows:

	2004		2003	
	Cost	Market	Cost	Market
Student assistance	\$ 10,851	\$ 12,741	\$ 9,748	\$ 10,331
General endowment	1,848	2,669	1,720	2,249
Library	1,079	1,567	937	1,265
Research	47	60	47	53
Colleges, departments, other	3,537	5,268	3,297	4,474
Reinvested realized earnings	<u>4,204</u>		<u>4,410</u>	
	<u>\$ 21,566</u>	<u>\$ 22,305</u>	<u>\$ 20,159</u>	<u>\$ 18,372</u>

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.

Trent University
Notes to the Financial Statements
April 30, 2004
(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.

	2004	2003
Endowment balance including preservation of capital, beginning of year	\$ 7,280	\$ 7,317
Donations	6	19
Funds transferred from (to) Expendable Trust Funds	3	(25)
Preservation of capital	<u>(145)</u>	<u>(31)</u>
Endowment balance, end of year	<u>\$ 7,144</u>	<u>\$ 7,280</u>
Expendable funds available for bursaries, beginning of year	\$ 388	\$ 394
Investment income	255	262
Transferred to (from) Endowment Funds	(3)	25
Bursaries awarded	<u>(267)</u>	<u>(293)</u>
Expendable funds available for bursaries in subsequent years	<u>\$ 373</u>	<u>\$ 388</u>

In the 2004 fiscal year, 484 Ontario Student Opportunity Trust Fund bursaries were awarded to students who attended Trent University.

Trent University
Notes to the Financial Statements
April 30, 2004
(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 2003	July 1 2002
Accrued retirement plans benefits		
Faculty pension plan	\$ 89,580	\$ 79,179
Non-faculty pension plan	51,594	47,953
Supplemental retirement arrangement	12,315	14,108
	<u>\$ 153,489</u>	<u>\$ 141,240</u>
	July 1 2003	July 1 2002
Retirement fund assets (market values)		
Faculty pension plan	\$ 89,948	\$ 90,142
Non-faculty pension plan	53,016	53,359
Supplemental retirement arrangement	6,569	5,252
	<u>\$ 149,533</u>	<u>\$ 148,753</u>

The current year's charge to operations was \$1,507 (2003 - \$1,335) for all retirement plans.

The University has 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.

Trent University
Notes to the Financial Statements
April 30, 2004
(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, 2003, CURIE had a surplus of \$100 (2002 - \$4,072).

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.

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, 2004, the SuperBuild Project has incurred the following revenues and expenditures:

	2004	2003
Principal funding received	\$ 27,640	\$ 27,640
Interest accrued on unexpended balance	3,838	3,412
Private donations	1,887	1,493
Federal grant	733	-
Project expenditures	<u>(35,894)</u>	<u>(18,030)</u>
	(1,796)	14,515
Financed internally	<u>1,965</u>	<u>-</u>
Net SuperBuild Project funds	<u>\$ 169</u>	<u>\$ 14,515</u>

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

16. COMMITMENTS AND CONTINGENCIES WITH RESPECT TO CONSTRUCTION IN PROGRESS

In prior years, the University entered into contracts for the construction of Science Complex Renovations/New Science Wing and Peter Gzowski College/First Peoples House of Learning. As at April 30, 2004, certain lawsuits and liens have been claimed and counter-claimed with respect to the construction project. While the outcome of these matters is subject to future resolution, management's evaluation and analysis of such matters indicates that the probable ultimate resolution of these disputes will not have a material effect on the current year's financial statements.

17. SUBSEQUENT EVENT

On July 15, 2004, the University suffered flood damage to certain buildings and contents. While the University believes that it will receive compensation for these losses, and has filed appropriate claims, there is a possibility for losses beyond these claims which may impact the 2005 financial statements of the University that are not presently determinable.

18. 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 2003 (in dollars):

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Taxable Benefit</u>
Ahlstrand, B.	Associate Professor of Business Administration	\$100,378	\$ 596
Aitken, G.	Associate Professor of MLL (Spanish)	\$102,075	\$ 611
Arvin, M.	Professor of Economics	\$106,335	\$ 606
Bandyopadhyay, P.	Professor of Sociology	\$109,912	\$ 703
Benbaruk-Lapointe, H.	Associate Professor of MLL (French)	\$102,074	\$ 611
Berrill, M.	Professor of Biology	\$117,412	\$ 703
Bordo, J.	Associate Professor, Cultural Studies	\$114,158	\$ 595
Boundas, C.	Professor of Philosophy	\$111,321	\$ 792
Brown, S.	Master of Champlain College	\$107,463	\$ 564
Brownscombe, G.	Acting Vice President (Administration)	\$100,839	\$ 544
Brunger, A.	Professor of Geography	\$117,832	\$ 703

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

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

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Taxable Benefit</u>
Buttle, J.	Professor of Geography	\$104,987	\$ 629
Campbell, K.	Associate Professor of Business Administration	\$100,158	\$ 6,458
Cogley, G.	Professor of Geography	\$117,484	\$ 699
Conolly, L.W.	Professor of English Literature	\$124,213	\$ 735
Curtis, D.	Professor of Economics	\$119,331	\$ 715
Dawson, P.	Professor of Physics	\$117,728	\$ 640
Dellamora, R.	Professor of English Literature/Cultural Studies	\$111,321	\$ 703
Dillon, P.	Professor of Chemistry/ERS	\$119,331	\$ 715
Dodge, B.	Professional Librarian	\$101,152	\$ 601
Drewes, T.	Professor of Economics	\$121,348	\$ 611
Driscoll, J.	Associate Professor of Canadian Studies/Political Studies	\$100,298	\$ 600
Eadie, T.M.	University Librarian	\$125,580	\$ 677
Eathorne, G.	Associate Professor of English Literature	\$100,158	\$ 600
Evans, D.	Professor of ERS	\$112,654	\$ 675
Evans, W.F.	Professor of Physics/ERS	\$121,246	\$ 726
Fekete, J.	Professor of Cultural Studies	\$119,331	\$ 715
Fewster, C.	Associate Professor of MLL (German)	\$100,158	\$ 600
Garcia-Sanchez, F.	Professor of MLL (Spanish)	\$106,795	\$ 549
Genoe, M.	Associate Dean of Julian Blackburn College	\$109,158	\$ 654
Glassco, D.	Associate Professor of English Literature	\$100,158	\$ 4,784
Hagman, R.S.	Professor of Modern Languages & Literature	\$122,610	\$ 2,377
Healy, P.	Professor of Anthropology	\$119,978	\$ 703
Heitlinger, A.	Professor of Sociology	\$119,331	\$ 715
Hodgson, B.	Professor of Philosophy	\$106,903	\$ 640
Hurley, R.	Associate Professor of Computer Science/Studies	\$108,114	\$ 503
Hutchinson, T.	Professor of ERS/Biology	\$121,358	\$ 726
Jamieson, S.	Professor of Anthropology	\$104,776	\$ 572
Jennings, J.	Associate Professor of History	\$101,152	\$ 601
Johnston, G.	Professor of English Literature	\$119,611	\$ 715
Jones, E.H.	Professor of History	\$121,246	\$ 726
Jury, J.	Professor of Physics/Computer Science/Studies	\$131,291	\$ 726
Kane, S.H.	Professor of English/Cultural Studies	\$119,381	\$ 715
Kennett, D.	Professor of Psychology	\$108,332	\$ 585
Kinzl, K.	Professor of Ancient History & Classics/History	\$117,412	\$ 703

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

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

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Taxable Benefit</u>
Kitchen, H.M.	Professor of Economics	\$120,324	\$ 716
Kruger, A.	Principal of Lady Eaton College	\$106,223	\$ 615
Lasenby, D.	Professor of Biology	\$117,412	\$ 703
Lewars, E.	Professor of Chemistry	\$117,412	\$ 703
Lewis, L.	Associate Professor of Nursing	\$106,927	\$ 549
Lowe, D.	Associate Professor of Psychology	\$100,158	\$ 600
Mackle, S.	Vice-President (Advancement)	\$116,773	\$ 679
Mahy, D.	Associate Vice President (Human Resources)	\$103,875	\$ 612
Maxwell, C.	Associate Professor of Biology	\$100,214	\$ 600
Metcalf, C.	Dean of Research & Graduate Studies	\$112,152	\$ 3,377
Milloy, J.	Professor of Canadian Studies/History	\$117,412	\$ 10,297
Mitchell, O.	Professor of English Literature	\$121,246	\$ 726
Morrison, D.	Professor of International Development Studies	\$121,246	\$ 726
Muldoon, J.	Professor of Economics	\$100,158	\$ 600
Nader, G.A.	Professor of Geography	\$117,412	\$ 703
Neufeld, J.E.	Professor of English Literature	\$117,412	\$ 703
Neumann, M.	Professor of Philosophy	\$101,152	\$ 601
Newhouse, D.	Associate Professor of Native Studies/Business Admin.	\$102,075	\$ 611
Noriega, T.	Professor of MLL (Spanish)	\$114,572	\$ 686
Nutch, F.	Associate Professor of Sociology	\$106,957	\$ 611
Paehlke, R.	Professor of Political Studies/ERS	\$121,246	\$ 726
Page, D.	Associate Professor of Ancient History&Classics/History	\$100,158	\$ 600
Palmer, B.	Professor of Canadian Studies	\$117,412	\$ 703
Parker, J.	Associate Professor of Psychology	\$112,322	\$ 526
Patterson, B.	President and Vice Chancellor	\$217,350	\$ 23,031
Peterman, M.	Principal of Catharine Parr Traill College	\$117,412	\$ 703
Pollock, Z.H.	Professor of English Literature	\$118,408	\$ 704
Poole, D.	Associate Dean of Arts & Science/Teaching & Learning	\$105,383	\$ 631
Regoczei, S.	Associate Professor of Computer Science/Studies	\$100,158	\$ 600
Reker, G.T.	Professor of Psychology	\$120,324	\$ 716
Sangster, J.	Professor of History/Women's Studies	\$103,070	\$ 617
Sheinin, D.	Professor of History	\$102,574	\$ 548
Simmons Smith, N.	University Secretary/Secretary to Board of Governors and Senior Advisor to President	\$102,406	\$ 584

Trent University
Notes to the Financial Statements
April 30, 2004
(thousands of dollars)

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

<u>Name</u>	<u>Position</u>	<u>Salary</u>	<u>Taxable Benefit</u>
Slavin, A.J.	Professor of Physics	\$120,324	\$ 716
Smith, C.T.	Professor of Psychology	\$120,324	\$ 716
So, J.	Professor of Anthropology	\$114,572	\$ 686
Standen, D.	Professor of History	\$119,331	\$ 715
Storey, I.	Principal of Otonabee College	\$106,951	\$ 664
Struthers, J.	Professor of Canadian Studies/History	\$112,654	\$ 675
Sutcliffe, J.	Associate Dean of Science	\$109,098	\$ 648
Tamplin, M.	Associate Professor of Anthropology/Computer Science/Studies	\$100,158	\$ 600
Taylor, C.H.	Dean of Arts & Science	\$132,412	\$ 793
Taylor, G.D.	Vice-President (Academic)	\$143,292	\$ 833
Torgerson, D.	Professor of Cultural Studies/ERS/Political Studies	\$116,459	\$ 652
Tromly, F.B.	Professor of English Literature	\$121,246	\$ 726
Wadland, J.H.	Professor of Canadian Studies	\$118,408	\$ 704
Walden, K.	Professor of History	\$108,820	\$ 652
Watson, P.	Associate Professor of Psychology	\$102,790	\$ 600
White, B.	Professor of Biology	\$128,412	\$ 703