Financial Statements
April 30, 2015

TRENT UNIVERSITY

Trent University
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STATEMENT OF ADMINISTRATIVE RESPONSIBILITY
YEAR ENDED APRIL 30, 2015

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 Canadian accounting standards for not-for-profit organizations developed by Chartered Professional Accountants Canada. Management believes the financial statements present fairly the University's financial position as at April 30, 2015 and the results of its operations and cash flows for 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 Audit Committee. The majority of the members of the Audit Committee are not officers or employees of the University. The 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 Audit Committee with and without presence of management.

The financial statements for the year ended April 30, 2015 have been reported on by McColl Turner LLP, Chartered Accountants, the auditors appointed by the Board of Governors. The independent auditors' report outlines the scope of their audit and their opinion on the presentation of the information in the financial statements.

Steven Pillar
Vice-President, Finance & Administration

Leo Groarke, PhD
President and Vice-Chancellor

October 2, 2015

SUMMARY OF TOTAL REVENUE AND EXPENSE

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

(millions of dollars)

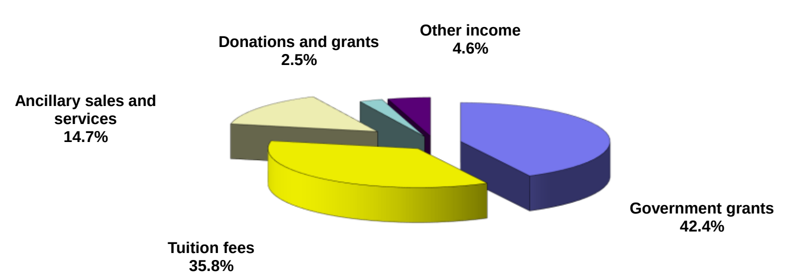
REVENUE

2015	2014	2013	2012	2011		2015	2014	2013	2012	2011
$65.1	$67.6	$67.0	$66.7	$65.4	Government grants	42.4%	43.9%	45.0%	46.3%	46.7%
55.2	53.6	50.9	47.5	44.5	Tuition fees	35.8%	34.8%	34.3%	32.9%	31.7%
22.7	22.7	22.2	22.7	22.2	Ancillary sales and services	14.7%	14.7%	14.9%	15.7%	15.8%
3.9	4.1	4.1	2.9	4.2	Donations and grants	2.5%	2.7%	2.8%	2.0%	3.0%
7.1	6.0	4.4	4.4	3.9	Other income	4.6%	3.9%	3.0%	3.1%	2.8%
$154.0	$154.0	$148.6	$144.2	$140.2		100.0%	100.0%	100.0%	100.0%	100.0%

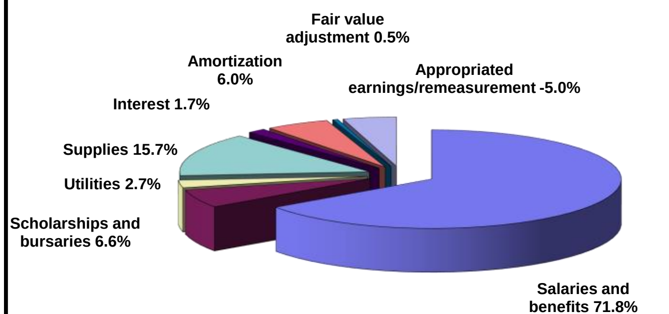
EXPENSE

2015	2014 restated	2013	2012	2011		2015	2014 restated	2013	2012	2011
$108.3	$100.5	$99.8	$97.8	$92.7	Salaries and benefits	71.8%	66.4%	67.6%	67.5%	66.5%
9.9	9.9	9.3	9.4	8.9	Scholarships and bursaries	6.6%	6.5%	6.3%	6.5%	6.4%
4.1	3.9	3.3	3.5	2.8	Utilities	2.7%	2.6%	2.2%	2.4%	2.0%
23.7	22.5	23.1	21.8	23.6	Supplies	15.7%	14.9%	15.7%	15.0%	16.9%
2.6	2.7	2.8	2.6	1.6	Interest	1.7%	1.8%	1.9%	1.8%	1.1%
9.0	8.9	9.0	9.9	9.3	Amortization	6.0%	5.9%	6.1%	6.8%	6.7%
0.8	(0.8)	0.1	1.4	0.5	Fair value adjustment	0.5%	-0.5%	0.1%	1.0%	0.4%
(7.5)	3.7	0.1	(1.5)	0.0	Appropriated earnings/remeasurement	-5.0%	2.4%	0.1%	-1.0%	0.0%
$150.9	$151.3	$147.5	$144.9	$139.4		100.0%	100.0%	100.0%	100.0%	100.0%

2015 REVENUE



2015 EXPENSE



SUMMARY OF OPERATING REVENUE AND EXPENSE

(millions of dollars)

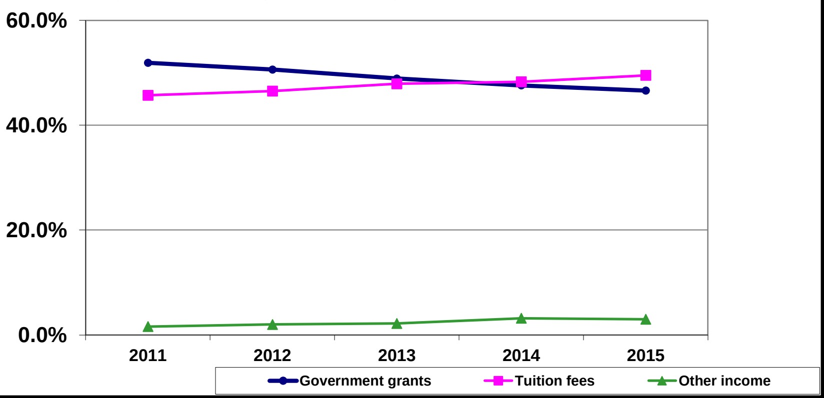
REVENUE

2015	2014	2013	2012	2011		2015	2014	2013	2012	2011
$52.0	$52.8	$51.8	$51.7	$50.4	Government grants	46.6%	47.6%	48.9%	50.6%	51.9%
55.2	53.6	50.8	47.5	44.5	Tuition fees	49.5%	48.3%	47.9%	46.5%	45.7%
1.0	1.0	1.1	0.9	0.8	Donations and grants	0.9%	0.9%	1.0%	0.9%	0.8%
3.4	3.6	2.3	2.0	1.6	Other income	3.0%	3.2%	2.2%	2.0%	1.6%
$111.6	$111.0	$106.0	$102.1	$97.3		100.0%	100.0%	100.0%	100.0%	100.0%

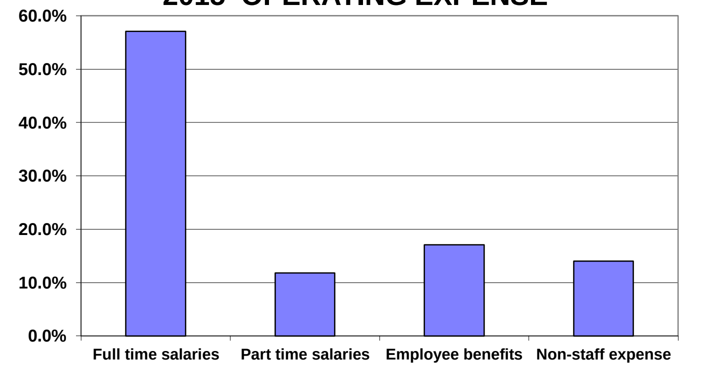
EXPENSE

2015	2014 restated	2013	2012	2011		2015	2014 restated	2013	2012	2011
$95.0	$86.7	$85.7	$84.1	$79.5	Salaries and benefits	86.0%	79.7%	82.5%	82.8%	82.7%
7.3	7.3	6.6	6.4	6.2	Scholarships and bursaries	6.6%	6.7%	6.4%	6.3%	6.4%
2.9	2.8	2.3	2.3	1.9	Utilities	2.6%	2.6%	2.2%	2.3%	2.0%
7.0	5.3	6.0	5.6	5.9	Supplies	6.3%	4.9%	5.8%	5.5%	6.1%
1.2	1.2	1.3	1.0	0.7	Interest	1.1%	1.1%	1.3%	1.0%	0.7%
(0.1)	(0.1)	(0.1)	0.1	(0.1)	Fair value adjustment	-0.1%	-0.1%	-0.1%	0.1%	-0.1%
(2.8)	5.5	2.0	2.0	2.1	Appropriated earnings	-2.5%	5.1%	1.9%	2.0%	2.2%
$110.5	$108.7	$103.8	$101.5	$96.2		100.0%	100.0%	100.0%	100.0%	100.0%

OPERATING REVENUE - FIVE YEAR TREND



2015 OPERATING EXPENSE



McCOLL TURNER LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Governors
Trent University

Report on the Financial Statements

We have audited the accompanying financial statements of Trent University, which comprise the statement of financial position as at April 30, 2015, and the statements of changes in net assets, operations and deficit and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

McColl Turner LLP

Licensed Public Accountants

Peterborough, Ontario
October 2, 2015

Trent University

Statement of Financial Position
April 30, 2015
(with comparative figures for April 30, 2014)
(thousands of dollars)

	2015	2014
ASSETS		
Current		
Cash and cash equivalents	$ 22,770	$ 18,499
Accounts receivable (note 4)	9,668	14,078
Inventories	67	53
Prepaid expenses and deposits	1,037	1,017
	33,542	33,647
Investments (note 5)	56,324	51,162
Capital assets (note 6)	210,423	211,678
	$ 300,289	$ 296,487
LIABILITIES AND DEFERRED CAPITAL CONTRIBUTIONS		
Current		
Accounts payable and accrued liabilities (note 7)	$ 17,243	$ 13,210
Current portion of long term debt	1,430	1,364
Deferred revenue (note 8)	22,596	18,383
	41,269	32,957
Long term debt (note 9)	56,105	56,512
Deferred capital contributions (note 10)	96,016	96,015
Employee future benefits (note 11)	48,448	54,824
	241,838	240,308
NET ASSETS		
Deficit (note 12)	(49,882)	(53,031)
Internally restricted (note 13)	11,512	15,500
Investment in capital assets (note 14)	44,107	45,110
Endowments (note 15)	52,714	48,600
	58,451	56,179
	$ 300,289	$ 296,487

Approved by the Board of Governors

Governor ______________________ Governor ______________________

Contingent Liabilities and Commitments (note 17)
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, 2015
(with comparative figures for April 30, 2014)
(thousands of dollars)

	2015					2014
	Deficit	Internally Restricted	Investment in Capital Assets	Endowments	Total	Total
Net assets (deficit), beginning of year	$ (53,031)	$ 15,500	$ 45,110	$ 48,600	$ 56,179	$ 43,709
Excess of revenue over expense (expense over revenue)	(4,431)	-	-	-	(4,431)	6,446
Change in internally restricted net assets	3,988	(3,988)	-	-	-	-
Change in investment in capital assets	1,003	-	(1,003)	-	-	-
Employee future benefits remeasurements	2,589	-			2,589	1,135
Change in endowments	-	-	-	4,114	4,114	4,889
Net assets (deficit), end of year	$ (49,882)	$ 11,512	$ 44,107	$ 52,714	$ 58,451	$ 56,179

The accompanying notes are an integral part of the financial statements

Statement 3

Trent University

Statement of Operations and Deficit
Year Ended April 30, 2015
(with comparative figures for April 30, 2014)
(thousands of dollars)

	2015	2014
REVENUE		
Government grants	$ 65,082	$ 67,616
Tuition fees	55,226	53,633
Ancillary sales and services	22,696	22,644
Donations and grants	3,918	4,149
Investment income	2,493	2,190
Miscellaneous	4,570	3,824
	153,985	154,056
EXPENSE		
Salaries and benefits	108,294	100,453
Scholarships and bursaries	9,897	9,896
Utilities	4,102	3,909
Supplies	23,709	22,522
Interest on long-term debt	2,648	2,739
Amortization of capital assets	8,995	8,915
Change in fair value of financial instruments	771	(824)
	158,416	147,610
EXCESS OF REVENUE OVER EXPENSE (EXPENSE OVER REVENUE) FOR THE YEAR	(4,431)	6,446
Change in internally restricted net assets	3,988	(3,408)
Change in investment in capital assets	1,003	(1,488)
Employee future benefits remeasurements	2,589	1,135
DECREASE IN DEFICIT FOR THE YEAR	3,149	2,685
DEFICIT – beginning of year	(53,031)	(55,716)
DEFICIT – end of year	$ (49,882)	$ (53,031)

The accompanying notes are an integral part of the financial statements

Statement 4

Trent University

Statement of Cash Flows

Year Ended April 30, 2015

(with comparative figures for April 30, 2014)

(thousands of dollars)

	2015	2014
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expense		
(expense over revenue) for the year	$ (4,431)	$ 6,446
Add (deduct) non-cash items:		
Amortization of capital assets	8,995	8,915
Amortization of deferred capital contributions	(4,420)	(4,530)
Change in fair value of financial instruments	839	(693)
Employee future benefits contributions	(12,692)	(9,957)
Employee future benefits expense (note 11)	8,905	8,911
	(2,804)	9,092
Change in non-cash working capital items (note 16)	12,622	1,338
	9,818	10,430
INVESTING ACTIVITIES		
Net increase in endowments	2,542	1,801
Purchase of endowment long term investments, net of disposals	(2,243)	(2,966)
Purchase of other long term investments, net of disposals	(1,258)	(1,136)
Purchase of capital assets, net of disposals	(7,740)	(9,029)
	(8,699)	(11,330)
FINANCING ACTIVITIES		
Accrued construction holdbacks	(17)	37
Repayment of long term debt	(1,252)	(1,188)
Deferred capital contributions received	4,421	2,370
	3,152	1,219
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	4,271	319
CASH POSITION - beginning of year	18,499	18,180
CASH POSITION - end of year	$ 22,770	$ 18,499

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 dedicated to academic research and to providing post-secondary and post-graduate education. 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 Part III of the Chartered Professional Accountants Canada (CPA Canada) Handbook which sets out generally accepted accounting principles for not-for-profit organizations in Canada.

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 transactions.

- Operating transactions are for general activities.
- Internally restricted transactions are generally for funds designated for specific activities by university administration.
- Externally restricted 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 and deficit.
- Endowment transactions include contributions which are designated as endowment by the source providing the funds and contributions designated as endowment by university administration. Internally and externally restricted endowment contributions are reported on the statement of changes in net assets.

(b) Cash and cash equivalents

Cash and cash equivalents represent operating cash on deposit and units in a money market fund which are readily convertible to cash. Cash and cash equivalents are reported at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) Inventories

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

(d) Investments

Investments are recorded at fair value.

(e) 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		

Costs of capital projects in progress, including interest, are capitalized. Interest costs are capitalized during the construction period. Amortization is not recognized until project completion.

(f) 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 endowments.

- 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 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.
- Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

- 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.

(g) Retirement plans

The University maintains contributory defined benefit pension plans which cover eligible faculty and staff and other retirement and post-employment benefits and accounts for these plans using the immediate recognition approach. Under this approach, the University recognizes the amount of the defined benefit pension obligation net of the fair value of plan assets in the statement of financial positon. Current service and finance costs are expensed during the year. Remeasurements and other items, representing the total of the difference between actual and expected return on plan assets, actuarial gains and losses and past service costs are recognized as a direct increase or decrease in net assets. The pension obligation is measured using actuarial valuations prepared using the funding discount rate at the date of the financial statements.

The cost of pensions is determined using the projected benefit method prorated on services and management's best estimates regarding assumptions about a number of future conditions, including investment returns, salary changes, withdrawals and mortality rates. The fair market value of assets is used for disclosure and calculation of pension costs, effective on the measurement date which is April 30 of each year.

(h) Fundraising activities

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

(i) Sabbaticals and other leaves

The cost of sabbaticals and leaves are recorded when paid.

(j) 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(k) Financial instruments

The University's financial assets and liabilities consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and long term debt. Financial assets and liabilities are initially recognized at fair value. They are subsequently measured at amortized cost which approximates fair value due to their short term maturities, except for investments, which are quoted in an active market and are measured at fair value, and an interest rate swap which is included in long term debt and is measured at fair value.

Changes in fair value of long term investments for employee early retirement plans are recognized in the statement of operations and deficit. Changes in fair value of long term investments for endowments are recognized in the statement of changes in net assets.

The University uses an interest rate swap agreement to address exposure to changes in interest rates. This derivative financial instrument does not qualify for hedge accounting. Fair value is determined by discounting the future cash flows associated with the agreement using the current Ontario Infrastructure Project Corporation rate as an estimate of the borrowing rate that would otherwise be available to the University. Changes in fair value are reported in net income as expense or income. The University does not enter into financial instruments for speculative purposes.

Investments are exposed to market, foreign currency and interest rate price risks. The University manages these risks through the investment policy of the Board of Governors. Investments are monitored by a Committee of the Board of Governors and managed by investment managers subject to asset mix and performance benchmarks contained in the investment policy. The investment managers report on a regular basis to the Committee of the Board. There have been no changes to risk exposure in the past year.

The University is exposed to liquidity risk and manages this risk by ensuring sufficient liquid resources are available for operations. The objective is to have sufficient liquid resources to continue operating and to provide flexibility to take advantage of opportunities that will advance its mission. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. To assist with operational needs, the University has an available line of credit up to $12,000, if required. As at April 30, 2015, the University has met its objective of having sufficient liquid resources to meet its current obligations. There have been no changes to risk exposure in the past year.

(l) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingencies at the date of the financial statements and the reported amount of revenue and expenses during the period. Significant areas requiring the use of estimates relate to the assumptions used in the determination of

(thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

fair value of interest rate swap agreement, useful life of capital assets, valuation allowances for receivables, accrued liabilities and obligations related to employee future benefits. Actual results could differ from those estimates. The estimates are reviewed periodically and as adjustments become necessary, they are reported in income in the year in which they become known.

3. ADOPTION OF SECTION 3463, EMPLOYEE FUTURE BENEFITS

Effective May 1, 2014, the University adopted Section 3463, Reporting Employee Future Benefits by Not-for-Profit Organizations of the CPA Canada Handbook on a retrospective basis. Section 3463.01 provides that a not-for-profit organization applies Section 3462 except as otherwise provided for in Section 3463.

In accordance with Section 3463, remeasurements and other items are recognized directly in net assets on the statement of financial position, rather than in the statement of operations, and presented as a separately identified item in the statement of changes in net assets. In adopting Section 3463, the University now determines its obligations for its defined benefit pension plans using funding assumptions rather than using accounting assumptions.

The following table provides a reconciliation of the net assets as at May 1, 2013 and the excess revenue over expenses for the year ended April 30, 2014 as previously reported with those computed after adopting Section 3463:

	Excess revenue over expenses for the year ended April 30, 2014	Net assets as at May 1, 2013
Balance, as previously reported	$ 7,647	$ 87,579
Defined benefit pension obligations:		
Remeasurements (i)	(1,201)	(135,015)
Use of funding discount rates (ii)		91,145
Restated balances	$ 6,446	$ 43,709

i. Remeasurements:

Prior to adopting Section 3463, the University recorded its defined benefit plans in accordance with the deferral and amortization approach. Under this approach, unamortized actuarial losses in excess of 10% of the greater of the fair value of plan assets and accrued benefit obligations at the beginning of the year were amortized over the average remaining service period of active employees. Section 3463 requires that the defined benefit liability be recognized in the statement of financial position and that the costs for the plans be recognized in the period. As a result of this change,

(thousands of dollars)

3. ADOPTION OF SECTION 3463, EMPLOYEE FUTURE BENEFITS (continued)

the University's excess revenue over expenses for the year ended April 30, 2014 decreased by $1,201 and net assets at May 1, 2013 decreased by $135,015.

ii. Use of funding discount rates:

The University, as provided for in Section 3463, now measures its defined benefit pension obligations using actuarial valuations prepared using funding discount rate assumptions, rather than using accounting discount rate assumptions. At May 1, 2013, the pension obligation increased by $91,145.

4. ACCOUNTS RECEIVABLE

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The University is exposed to credit risk with respect to the accounts receivable. The University assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. There have been no changes to risk exposure in the past year. Accounts receivable are recorded net of current allowance for doubtful accounts of $2,452 (2014 - $2,941).

5. INVESTMENTS

The cost and fair values of the long term investments at April 30 were:

	2015		2014	
	Fair value	Cost	Fair value	Cost
Cash	$ 1,708	$ 1,727	$ 1,515	$ 1,529
Bonds	20,701	19,959	18,727	18,708
Equities	33,915	25,687	30,920	23,635
	$ 56,324	$ 47,373	$ 51,162	$ 43,872

Investments, at fair value, include investments of endowment funds $53,834 (2014 - $50,019), and endowment lands fund $2,490 (2014 - $1,143).

(thousands of dollars)

6. CAPITAL ASSETS

Capital assets and accumulated amortization consists of the following:

	2015			2014		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Land and site improvements	$ 31,755	$ -	$ 31,755	$ 32,425	$ -	$ 32,425
Buildings	246,660	85,267	161,393	242,841	79,742	163,099
Equipment, software	58,677	45,308	13,369	56,096	43,096	13,000
Library books, serials	24,875	23,415	1,460	24,667	23,162	1,505
Work in progress	2,446	-	2,446	1,649	-	1,649
	$ 364,413	$ 153,990	$ 210,423	$ 357,678	$ 146,000	$ 211,678

The net investment in capital assets is set out in note 14. During the year, the University received contributed assets in the amount of $1,018. These assets were recorded in the financial statements at fair value.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable for payroll related taxes of $2,742 (2014 - $2,537). Also included in accounts payable and accrued liabilities are retirement incentive benefits in the amount of $4,742 which represents the full charge to operations.

8. DEFERRED REVENUE

Deferred revenue represents unexpended amounts received in the current and prior years for services to be provided in a future year and consists of the following:

	2015	2014
Externally restricted donations	$ 9,784	$ 7,777
Student fees	1,858	1,810
Federal and Provincial government grants	9,446	7,960
Other	1,508	836
	$ 22,596	$ 18,383

(thousands of dollars)

9. LONG TERM DEBT

Long term debt consists of the following:

	2015	2014
Canada Mortgage and Housing Corporation debentures for the residential colleges	$ 1,703	$ 1,874
Gzowski College Residence	14,347	13,687
DNA Building Modules A and B	6,327	6,466
Traill College, Life & Health Sciences Module C & Athletics	20,596	20,989
Oshawa Campus	12,215	12,473
Life & Health Sciences Module D	2,181	2,181
Accrued construction holdbacks	60	77
Other	106	129
	57,535	57,876
Amount due within one year shown as current liability	1,430	1,364
	$ 56,105	$ 56,512

Canada Mortgage and Housing Corporation debentures bear interest at rates from 5.875% to 8.25% and will mature on various dates between 2017 and 2024 payable in annual blended instalments of $313.

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 due to mature on May 1, 2034 with an effective rate of interest of 6.415%. Total principal and interest payments in 2015 were $946 (2014 - $973). The fair value is based on discounted cash flows at 3.12%. The amortized cost is $10,042 (2014 - $10,311).

Ontario Infrastructure Projects Corporation (OIPC) has provided financing for several capital projects. The DNA Building Modules A and B debenture bears interest at a fixed rate of 5.26% payable in annual blended instalments of $477 to mature on November 2, 2037. The Traill College Reno, Life & Health Sciences Centre Module C and Athletics Reno and New Wing debenture bears interest at a fixed rate of 4.79% payable in annual blended instalments of $1,394 to mature on February 1, 2041. The Oshawa Campus debenture bears interest at a fixed rate of 3.75% payable in annual blended instalments of $723 to mature on January 16, 2042. In addition, construction advances of $2,181 have been received for the Life & Health Sciences Centre Module D, which was converted to a debenture on May 1, 2015 at a fixed rate of 3.02% payable in annual blended instalments of $111 to mature on May 1, 2045.

Accrued construction holdbacks total $60 as at April 30, 2015 (2014 - $77). These holdbacks will be released on project completion and this has been provided for in the business plan of the project.

(thousands of dollars)

9. LONG TERM DEBT (continued)

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

2015-2016	$ 1,430
2016-2017	1,445
2017-2018	1,516
2018-2019	1,582
2019-2020	1,560

10. 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 capital contributions balance are as follows:

	2015	2014
Balance - beginning of year	$ 96,015	$ 98,175
Add contributions received for capital acquisitions	4,421	2,370
Less amortization of deferred capital contributions	(4,420)	(4,530)
Balance - end of year	$ 96,016	$ 96,015

(thousands of dollars)

11. EMPLOYEE FUTURE BENEFITS

The estimated accrued benefit obligations and plan assets available to provide these benefits were as follows:

	2015			
	Faculty Pension Plan	Non-Faculty Pension Plans	Other Plans	Total
Fair value of plan assets	182,826	114,127	2,910	299,863
Accrued benefit obligations	223,829	118,557	5,925	348,311
Funded status (deficit)	(41,003)	(4,430)	(3,015)	(48,448)
Remeasurements	274	2,223	92	2,589

	2014			
	Faculty Pension Plan	Non-Faculty Pension Plans	Other Plans	Total
Fair value of plan assets	166,845	104,314	2,818	273,977
Accrued benefit obligations	210,958	111,834	6,009	328,801
Funded status (deficit)	(44,113)	(7,520)	(3,191)	(54,824)
Remeasurements	593	642	(100)	1,135

The significant actuarial assumptions used in determining the accrued benefit obligations were as follows:

	2015		
	Faculty Pension Plan	Non-Faculty Pension Plans	Other Plans
Discount rate	5.80%	5.80%	5.80%
Rate of compensation increase	3.75%	3.75%	3.75%
Rate of inflation	2.25%	2.25%	2.25%

(thousands of dollars)

11. EMPLOYEE FUTURE BENEFITS (continued)

	2014		
	Faculty Pension Plan	Non-Faculty Pension Plans	Other Plans
Discount rate	5.80%	5.80%	5.80%
Rate of compensation increase	3.75%	3.75%	3.75%
Rate of inflation	2.00%	2.00%	2.00%

The current year's charge to operations was $8,905 (2014 - $8,911) for all retirement plans.

The latest actuarial valuations for the registered pension plans were performed as of July 1, 2013 for the Faculty plan and July 1, 2014 for the Non-faculty plan. The next required actuarial valuations will be July 1, 2016 and July 1, 2017 respectively. The University measures its accrued benefit obligations and the fair value of plan assets for financial statement purposes as at April 30 each year.

12. DEFICIT

Details of the deficit are as follows:

	2015	2014
Operating and Ancillary funds	$ (8,535)	$ (10,296)
Employee future benefits remeasurements	(41,347)	(42,735)
	$ (49,882)	$ (53,031)

13. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consist of the following:

	2015	2014
Internally restricted research and trust	$ 1,298	$ 1,235
Funds committed for specific purposes	10,214	14,265
	$ 11,512	$ 15,500

(thousands of dollars)

14. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets consists of the following:

	2015	2014
Capital assets (note 6)	$ 210,423	$ 211,678
Less:		
Long term debt pertaining to capital assets (note 9)	(57,535)	(57,876)
Deferred capital contributions (note 10)	(96,016)	(96,015)
Financed internally	(12,765)	(12,677)
	$ 44,107	$ 45,110

15. ENDOWMENTS

Endowments consist of the following:

	2015		2014	
	Fair value	Cost	Fair value	Cost
Student assistance	$ 34,868	$ 27,283	$ 31,973	$ 26,565
General endowment	3,298	1,973	3,037	1,912
Library	2,021	1,225	1,877	1,204
Research	435	337	395	323
Colleges, departments, other	12,092	8,605	11,318	8,531
Reinvested realized earnings		4,436		2,782
	$ 52,714	$ 43,859	$ 48,600	$ 41,317

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 annual distribution of 4% on the average four-year rolling unit value at December 31.

(thousands of dollars)

16. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

The change in non-cash working capital items consists of the following:

	2015	2014
Accounts receivable	$ 4,410	$ (3,786)
Inventories	(14)	(2)
Prepaid expenses and deposits	(20)	(54)
Accounts payable and accrued liabilities	4,033	3,458
Deferred revenue	4,213	1,722
	$ 12,622	$ 1,338

17. CONTINGENT LIABILITIES AND COMMITMENTS

a) 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, 2014, CURIE had a surplus of $69,258 (2013 - $66,207).

b) The nature of the University's activities are such that there may be litigation pending or in the prospect at any time. With respect to claims at April 30, 2015, administration believes that the University has valid defences and appropriate insurance coverage in place. In the event that any claims are successful, such claims are not expected to have a material effect on the University's financial position.

c) In November 2012, the University finalized the Lease, Acquisition and Transfer Agreement, Shareholders' Agreement, General Conveyance and Indemnity Agreement transactions with a wholly-owned subsidiary of Peterborough Utilities Inc. for the lease of the powerhouse site and existing structure and for the transfer of the redevelopment project. The Transferee completed the project and operation commenced on June 16, 2013. The Transferee assumed responsibility for the operation of the redeveloped facility. At the end of the twenty year lease term, the University will exchange its interest in the project site for a 50% ownership of the Total Project.

18. COMPARATIVE FIGURES

Certain 2014 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2015.

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