Financial Statements
April 30, 2016

TRENT UNIVERSITY

Trent University
Financial Statements
April 30, 2016

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STATEMENT OF ADMINISTRATIVE RESPONSIBILITY
YEAR ENDED APRIL 30, 2016

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, 2016 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, 2016 have been reported on by McColl Turner LLP, Chartered Professional 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	Leo Groarke, PhD
Vice-President, Finance & Administration	President and Vice-Chancellor

September 30, 2016

SUMMARY OF TOTAL REVENUE AND EXPENSE

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

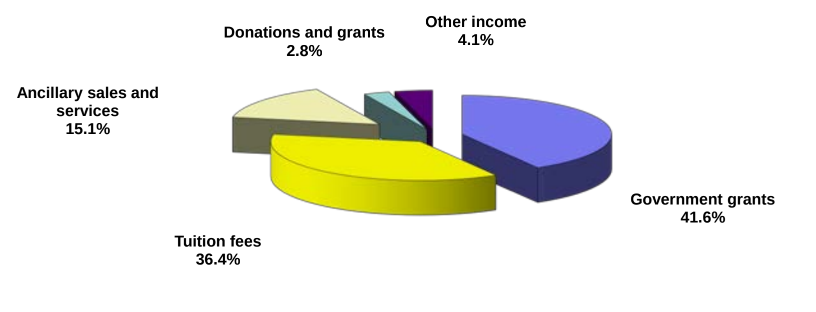
REVENUE

2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
$65.5	$65.1	$67.6	$67.0	$66.7	Government grants	41.6%	42.4%	43.9%	45.0%	46.3%
57.3	55.2	53.6	50.9	47.5	Tuition fees	36.4%	35.8%	34.8%	34.3%	32.9%
23.7	22.7	22.7	22.2	22.7	Ancillary sales and services	15.1%	14.7%	14.7%	14.9%	15.7%
4.4	3.9	4.1	4.1	2.9	Donations and grants	2.8%	2.5%	2.7%	2.8%	2.0%
6.5	7.1	6.0	4.4	4.4	Other income	4.1%	4.6%	3.9%	3.0%	3.1%
$157.4	$154.0	$154.0	$148.6	$144.2		100.0%	100.0%	100.0%	100.0%	100.0%

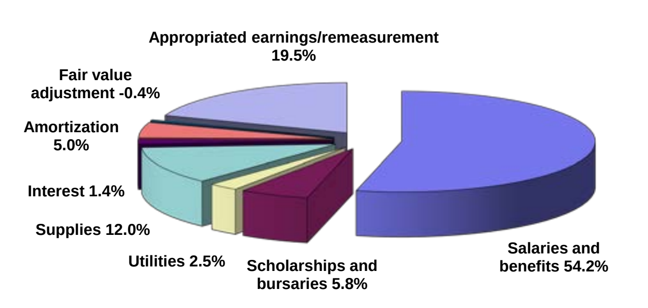
EXPENSE

2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
$98.8	$108.3	$100.5	$99.8	$97.8	Salaries and benefits	54.2%	71.8%	66.4%	67.6%	67.5%
10.5	9.9	9.9	9.3	9.4	Scholarships and bursaries	5.8%	6.6%	6.5%	6.3%	6.5%
4.5	4.1	3.9	3.3	3.5	Utilities	2.5%	2.7%	2.6%	2.2%	2.4%
22.0	23.7	22.5	23.1	21.8	Supplies	12.0%	15.7%	14.9%	15.7%	15.0%
2.6	2.6	2.7	2.8	2.6	Interest	1.4%	1.7%	1.8%	1.9%	1.8%
9.2	9.0	8.9	9.0	9.9	Amortization	5.0%	6.0%	5.9%	6.1%	6.8%
(0.8)	0.8	(0.8)	0.1	1.4	Fair value adjustment	-0.4%	0.5%	-0.5%	0.1%	1.0%
35.6	(7.5)	3.7	0.1	(1.5)	Appropriated earnings/remeasurement	19.5%	-5.0%	2.4%	0.1%	-1.0%
$182.4	$150.9	$151.3	$147.5	$144.9		100.0%	100.0%	100.0%	100.0%	100.0%

2016 REVENUE



2016 EXPENSE



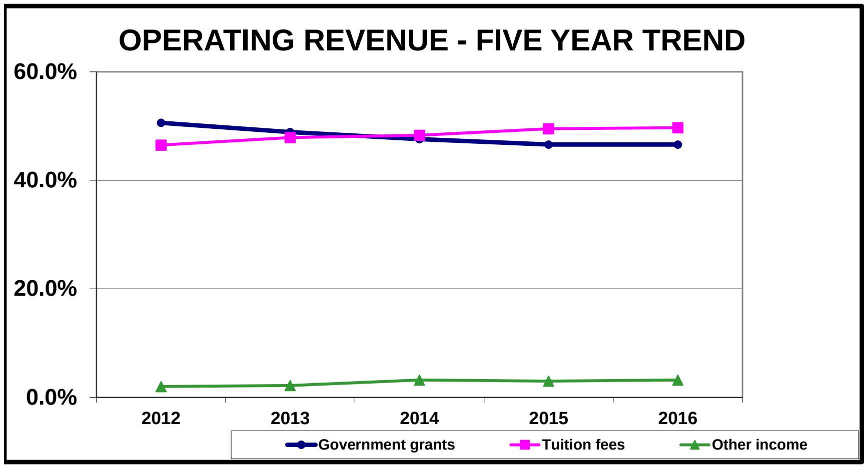
SUMMARY OF OPERATING REVENUE AND EXPENSE
(millions of dollars)

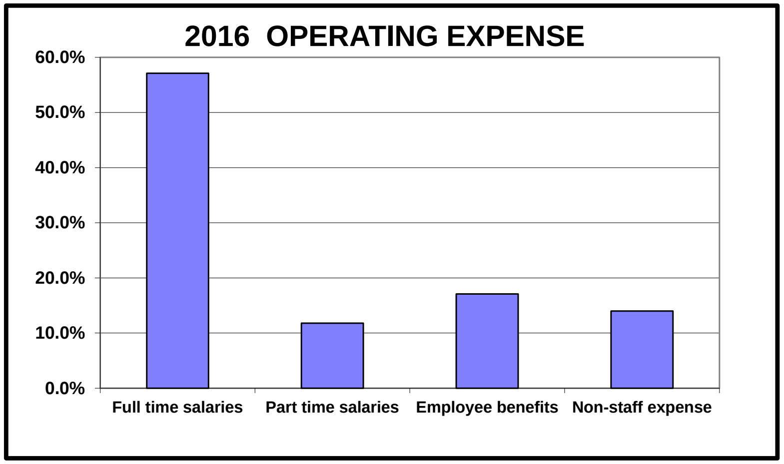
REVENUE

2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
$53.7	$52.0	$52.8	$51.8	$51.7	Government grants	46.6%	46.6%	47.6%	48.9%	50.6%
57.3	55.2	53.6	50.8	47.5	Tuition fees	49.7%	49.5%	48.3%	47.9%	46.5%
0.5	1.0	1.0	1.1	0.9	Donations and grants	0.5%	0.9%	0.9%	1.0%	0.9%
3.7	3.4	3.6	2.3	2.0	Other income	3.2%	3.0%	3.2%	2.2%	2.0%
$115.2	$111.6	$111.0	$106.0	$102.1		100.0%	100.0%	100.0%	100.0%	100.0%

EXPENSE

2016	2015	2014	2013	2012		2016	2015	2014	2013	2012
$85.7	$95.0	$86.7	$85.7	$84.1	Salaries and benefits	80.0%	86.0%	79.7%	82.5%	82.8%
7.4	7.3	7.3	6.6	6.4	Scholarships and bursaries	6.9%	6.6%	6.7%	6.4%	6.3%
3.2	2.9	2.8	2.3	2.3	Utilities	3.0%	2.6%	2.6%	2.2%	2.3%
5.3	7.0	5.3	6.0	5.6	Supplies	4.9%	6.3%	4.9%	5.8%	5.5%
1.8	1.2	1.2	1.3	1.0	Interest	1.7%	1.1%	1.1%	1.3%	1.0%
0.2	(0.1)	(0.1)	(0.1)	0.1	Fair value adjustment	0.2%	-0.1%	-0.1%	-0.1%	0.1%
3.5	(2.8)	5.5	2.0	2.0	Appropriated earnings	3.3%	-2.5%	5.1%	1.9%	2.0%
$107.1	$110.5	$108.7	$103.8	$101.5		100.0%	100.0%	100.0%	100.0%	100.0%





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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, 2016, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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, 2016 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
September 30, 2016

Statement 1

Trent University

Statement of Financial Position
April 30, 2016
(with comparative figures for April 30, 2015)
(thousands of dollars)

	2016	2015
ASSETS		
Current		
Cash and cash equivalents	$ 24,317	$ 22,770
Accounts receivable (note 3)	13,280	9,668
Inventories	57	67
Prepaid expenses and deposits	1,143	1,037
	38,797	33,542
Investments (note 4)	54,697	56,324
Capital assets (note 5)	210,346	210,423
	$ 303,840	$ 300,289
LIABILITIES AND DEFERRED CAPITAL CONTRIBUTIONS		
Current		
Accounts payable and accrued liabilities (note 6)	$ 14,615	$ 17,243
Current portion of long term debt	1,438	1,430
Deferred revenue (note 7)	24,628	22,596
	40,681	41,269
Long term debt (note 8)	53,601	56,105
Deferred capital contributions (note 9)	96,966	96,016
Employee future benefits (note 10)	78,194	48,448
	269,442	241,838
NET ASSETS		
Deficit	(74,875)	(49,882)
Internally restricted (note 11)	13,524	11,512
Investment in capital assets (note 12)	44,622	44,107
Endowments (note 13)	51,127	52,714
	34,398	58,451
	$ 303,840	$ 300,289

Approved by the Board of Governors

Governor ____________________ Governor ____________________

Contingent Liabilities and Commitments (note 15)
The accompanying notes are an integral part of the financial statements

Trent University

Statement of Changes in Net Assets
Year Ended April 30, 2016

(with comparative figures for April 30, 2015)
(thousands of dollars)

	2016					2015
	Deficit	Internally Restricted	Investment in Capital Assets	Endowments	Total	Total
Net assets (deficit), beginning of year	$ (49,882)	$ 11,512	$ 44,107	$ 52,714	$ 58,451	$ 56,179
Excess of revenue over expense (expense over revenue)	10,645	-	-	-	10,645	(4,431)
Change in internally restricted net assets	(2,012)	2,012	-	-	-	-
Change in investment in capital assets	(515)	-	515	-	-	-
Employee future benefits remeasurements (note 10)	(33,111)	-	-	-	(33,111)	2,589
Change in endowments	-	-	-	(1,587)	(1,587)	4,114
Net assets (deficit), end of year	$ (74,875)	$ 13,524	$ 44,622	$ 51,127	$ 34,398	$ 58,451

The accompanying notes are an integral part of the financial statements

Statement 3

Trent University
Statement of Operations and Deficit
Year Ended April 30, 2016
(with comparative figures for April 30, 2015)
(thousands of dollars)

	2016	2015
REVENUE		
Government grants	$ 65,455	$ 65,082
Tuition fees	57,266	55,226
Ancillary sales and services	23,746	22,696
Donations and grants	4,435	3,918
Investment income	2,123	2,493
Miscellaneous	4,405	4,570
	157,430	153,985
EXPENSE		
Salaries and benefits	98,770	108,294
Scholarships and bursaries	10,481	9,897
Utilities	4,523	4,102
Supplies	21,986	23,709
Interest on long-term debt	2,610	2,648
Amortization of capital assets	9,185	8,995
Change in fair value of financial instruments	(770)	771
	146,785	158,416
EXCESS OF REVENUE OVER EXPENSE (EXPENSE OVER REVENUE) FOR THE YEAR	10,645	(4,431)
Change in internally restricted net assets	(2,012)	3,988
Change in investment in capital assets	(515)	1,003
Employee future benefits remeasurements	(33,111)	2,589
DECREASE (INCREASE) IN DEFICIT FOR THE YEAR	(24,993)	3,149
DEFICIT – beginning of year	(49,882)	(53,031)
DEFICIT – end of year	$ (74,875)	$ (49,882)

The accompanying notes are an integral part of the financial statements

Statement 4

Trent University

Statement of Cash Flows
Year Ended April 30, 2016
(with comparative figures for April 30, 2015)
(thousands of dollars)

	2016	2015
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expense		
(expense over revenue) for the year	$ 10,645	$ (4,431)
Add (deduct) non-cash items:		
Amortization of capital assets	9,185	8,995
Amortization of deferred capital contributions	(4,574)	(4,420)
Change in fair value of financial instruments	(954)	839
Employee future benefits contributions	(11,747)	(12,692)
Employee future benefits expense (note 10)	8,382	8,905
	10,937	(2,804)
Change in non-cash working capital items (note 14)	(4,304)	12,622
	6,633	9,818
INVESTING ACTIVITIES		
Net increase in endowments	2,189	2,542
Purchase of endowment long term investments, net of disposals	(2,191)	(2,243)
Purchase of other long term investments, net of disposals	(98)	(1,258)
Purchase of capital assets, net of disposals	(9,108)	(7,740)
	(9,208)	(8,699)
FINANCING ACTIVITIES		
Accrued construction holdbacks	(60)	(17)
Repayment of long term debt	(1,342)	(1,252)
Deferred capital contributions received	5,524	4,421
	4,122	3,152
NET CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	1,547	4,271
CASH POSITION - beginning of year	22,770	18,499
CASH POSITION - end of year	$ 24,317	$ 22,770

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, 2016, 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. 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 $2,569 (2015 - $2,452).

4. INVESTMENTS

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

	2016		2015	
	Fair value	Cost	Fair value	Cost
Cash	$ 1,542	$ 1,567	$ 1,708	$ 1,727
Bonds	20,072	19,824	20,701	19,959
Equities	33,083	28,271	33,915	25,687
	$ 54,697	$ 49,662	$ 56,324	$ 47,373

Investments, at fair value, include investments of endowment funds $52,249 (2015 - $53,834), and endowment lands fund $2,448 (2015 - $2,490).

(thousands of dollars)

5. CAPITAL ASSETS

Capital assets and accumulated amortization consists of the following:

	2016			2015		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Land and site improvements	$ 31,755	$ -	$ 31,755	$ 31,755	$ -	$ 31,755
Buildings	249,652	90,768	158,884	246,660	85,267	161,393
Equipment, software	61,183	44,990	16,193	58,677	45,308	13,369
Library books, serials	24,971	23,628	1,343	24,875	23,415	1,460
Work in progress	2,171	-	2,171	2,446	-	2,446
	$ 369,732	$ 159,386	$ 210,346	$ 364,413	$ 153,990	$ 210,423

The net investment in capital assets is set out in note 13. During the year, the University received contributed assets in the amount of $814 (2015 - $1,018). These assets were recorded in the financial statements at fair value.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable for payroll related taxes of $2,704 (2015 - $2,742). Also included in accounts payable and accrued liabilities are retirement incentive benefits in the amount of $1,576 (2015 - $4,742).

7. 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:

	2016	2015
Externally restricted donations	$ 10,414	$ 9,784
Student fees	4,806	1,858
Federal and Provincial government grants	7,852	9,446
Other	1,556	1,508
	$ 24,628	$ 22,596

(thousands of dollars)

8. LONG TERM DEBT

Long term debt consists of the following:

	2016	2015
Canada Mortgage and Housing Corporation debentures for the residential colleges	$ 1,520	$ 1,703
Gzowski College Residence	12,966	14,347
DNA Building Modules A and B	6,180	6,327
Traill College, Life & Health Sciences Module C & Athletics	20,185	20,596
Oshawa Campus	11,947	12,215
Life & Health Sciences Module D	2,159	2,181
Accrued construction holdbacks	-	60
Other	82	106
	55,039	57,535
Amount due within one year shown as current liability	1,438	1,430
	$ 53,601	$ 56,105

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 2016 were $944 (2015 - $946). The fair value is based on discounted cash flows at 3.42%. The amortized cost is $9,756 (2015 - $10,042).

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. The Life & Health Sciences Centre Module D debenture bears interest at a fixed rate of 3.02% payable in annual blended instalments of $111 to mature on May 1, 2045.

Accrued construction holdbacks total $0 as at April 30, 2016 (2015 - $60). These holdbacks will be released on project completion and this has been provided for in the business plan of the project.

(thousands of dollars)

8. LONG TERM DEBT (continued)

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

2016-2017	$1,438
2017-2018	1,509
2018-2019	1,575
2019-2020	1,553
2020-2021	1,634

9. 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:

	2016	2015
Balance - beginning of year	$ 96,016	$ 96,015
Add contributions received for capital acquisitions	5,524	4,421
Less amortization of deferred capital contributions	(4,574)	(4,420)
Balance - end of year	$ 96,966	$ 96,016

(thousands of dollars)

10. EMPLOYEE FUTURE BENEFITS

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

	2016			
	Faculty Pension Plan	Non-Faculty Pension Plans	Other Plans	Total
Fair value of plan assets	178,626	112,521	2,722	293,869
Accrued benefit obligations	237,896	127,738	6,429	372,063
Funded status (deficit)	(59,270)	(15,217)	(3,707)	(78,194)
Remeasurements	(20,099)	(12,264)	(748)	(33,111)

	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

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

	2016		
	Faculty Pension Plan	Non-Faculty Pension Plans	Other Plans
Discount rate	5.60%	5.60%	5.60%
Rate of compensation increase	3.75%	3.75%	3.75%
Rate of inflation	2.25%	2.25%	2.25%

(thousands of dollars)

10. EMPLOYEE FUTURE BENEFITS (continued)

	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%

The current year's charge to operations was $8,382 (2015 - $8,905) 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.

11. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consist of the following:

	2016	2015
Internally restricted research and trust	$ 1,345	$ 1,298
Funds committed for specific purposes	12,179	10,214
	$ 13,524	$ 11,512

(thousands of dollars)

12. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets consists of the following:

	2016	2015
Capital assets (note 5)	$ 210,346	$ 210,423
Less:		
Long term debt pertaining to capital assets (note 8)	(55,039)	(57,535)
Deferred capital contributions (note 9)	(96,966)	(96,016)
Financed internally	(13,719)	(12,765)
	$ 44,622	$ 44,107

13. ENDOWMENTS

Endowments consist of the following:

	2016		2015	
	Fair value	Cost	Fair value	Cost
Student assistance	$ 33,786	$ 28,441	$ 34,868	$ 27,283
General endowment	3,146	1,998	3,298	1,973
Library	2,104	1,421	2,021	1,225
Research	412	337	435	337
Colleges, departments, other	11,679	8,848	12,092	8,605
Reinvested realized earnings		5,002		4,436
	$ 51,127	$ 46,047	$ 52,714	$ 43,859

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)

14. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

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

	2016	2015
Accounts receivable	$ (3,612)	$ 4,410
Inventories	10	(14)
Prepaid expenses and deposits	(106)	(20)
Accounts payable and accrued liabilities	(2,628)	4,033
Deferred revenue	2,032	4,213
	$ (4,304)	$ 12,622

15. 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, 2015, CURIE had a surplus of $67,706 (2014 - $69,258).

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, 2016, 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.

d) The University entered into a Tri-Party Energy Performance Contract in December 2015. The Tri-party agreement requires a $15,490 capital investment from the University with an expected completion date of December 2017. As at April 30, 2016 the University has incurred expenses of $1,032. Upon completion of the project, annual energy cost savings are expected in the amount of $1,540 per year.

15. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

e) In December 2015 the University entered into an agreement with the Trent Central Student Association to construct a Student Centre. As part of this agreement the total expected costs of $16,000 will be jointly funded by the two parties. The University has committed to contributing $5,500 through fundraising and internal funding, while the Trent Central Student Association will fund $10,500 through a student levy. As at April 30, 2016 the University has incurred expenses of $823. The student centre is expected to open in September 2017.

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