Financial Statements
April 30, 2022

TRENT UNIVERSITY

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Financial Statements
April 30, 2022

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TRENT UNIVERSITY
Statement of Administrative Responsibility
Year Ended April 30, 2022

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

Management has prepared the financial statements in accordance with Canadian accounting standards for not-for-profit organizations developed by Chartered Professional Accountants of Canada. Management believes the financial statements present fairly the University's financial position as at April 30, 2022 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, reasonable estimates and judgements were employed.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal controls 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 the financial statements.

The University's Board of Governors is responsible for ensuring that management fulfills 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 financial report principally through its Audit and Investment Committee. The majority of the members of the Audit and Investment Committee are not officers or employees of the University. The Audit and Investment 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 and Investment Committee with and without the presence of management.

The financial statements for the year ended April 30, 2022 have been reported on by KPMG LLP, 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.

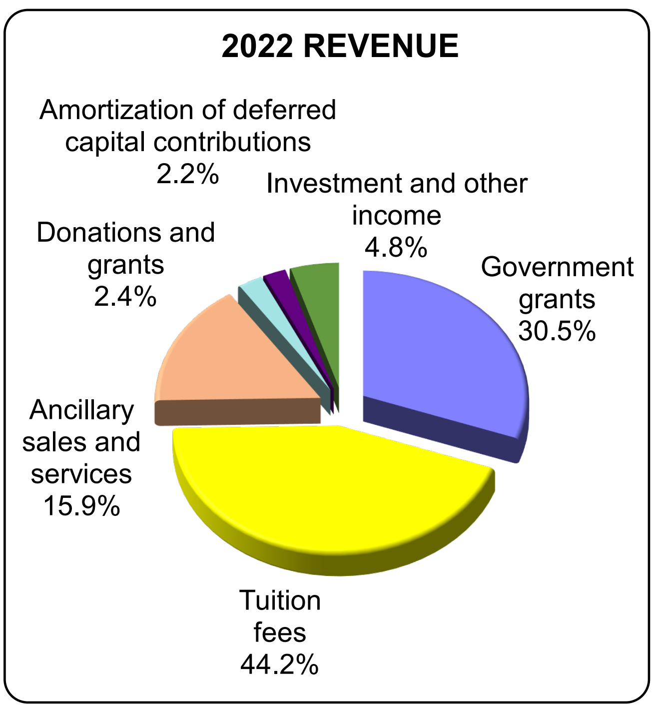
Tariq Al-Idrissi	Leo Groarke, PhD
Vice-President, Finance and Administration	President and Vice-Chancellor

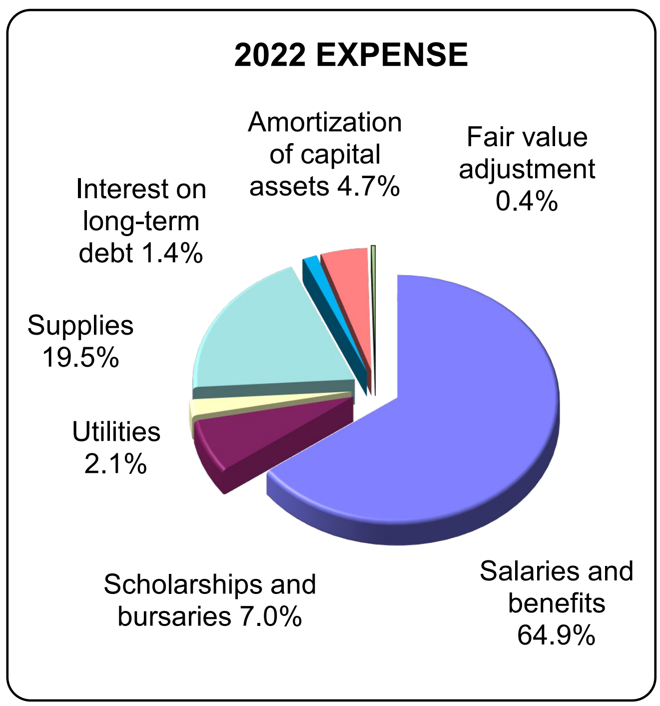
October 14, 2022

TRENT UNIVERSITY
Summary of Revenue and Expense - All Funds
Year Ended April 30, 2022
(millions of dollars)

2022	2021	2020	2019		**2022**	2021	2020	2019
$67.0	$70.1	$65.1	$66.2	Government grants	**30.5%**	35.7%	32.9%	33.7%
97.2	88.9	81.2	79.0	Tuition fees	**44.2%**	45.3%	41.0%	40.2%
34.8	18.7	33.2	32.9	Ancillary sales and services	**15.9%**	9.5%	16.8%	16.7%
5.2	3.4	4.2	3.6	Donations and grants	**2.4%**	1.7%	2.1%	1.8%
4.9	4.8	5.4	4.7	Amortization of deferred capital contributions	**2.2%**	2.5%	2.7%	2.4%
10.6	10.3	9.0	10.1	Investment and other income	**4.8%**	5.3%	4.5%	5.2%
$219.7	$196.2	$198.1	$196.5		**100.0%**	100.0%	100.0%	100.0%

2022	2021	2020	2019		**2022**	2021	2020	2019
$133.6	$126.9	$124.2	$117.3	Salaries and benefits	**64.9%**	68.5%	65.6%	64.2%
14.5	13.2	12.4	11.9	Scholarships and bursaries	**7.0%**	7.1%	6.5%	6.5%
4.4	4.0	3.9	3.5	Utilities	**2.1%**	2.2%	2.0%	1.9%
40.1	29.1	35.9	38.0	Supplies	**19.5%**	15.7%	19.1%	20.8%
2.9	2.9	2.9	2.8	Interest on long-term debt	**1.4%**	1.6%	1.6%	1.5%
9.6	9.7	9.6	9.4	Amortization of capital assets	**4.7%**	5.2%	5.1%	5.2%
0.7	(0.5)	0.2	(0.2)	Fair value adjustment	**0.4%**	(0.3%)	0.1%	(0.1%)
$205.8	$185.3	$189.2	$182.7		**100.0%**	100.0%	100.0%	100.0%



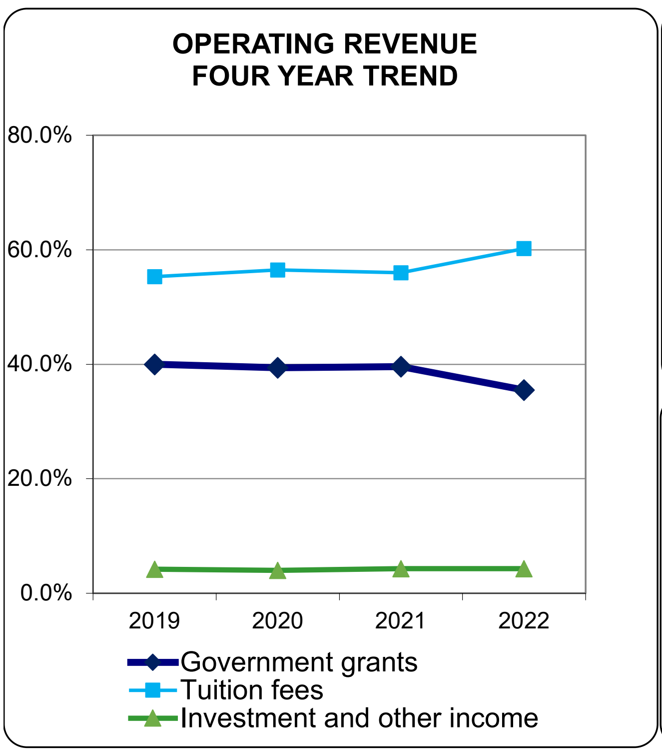


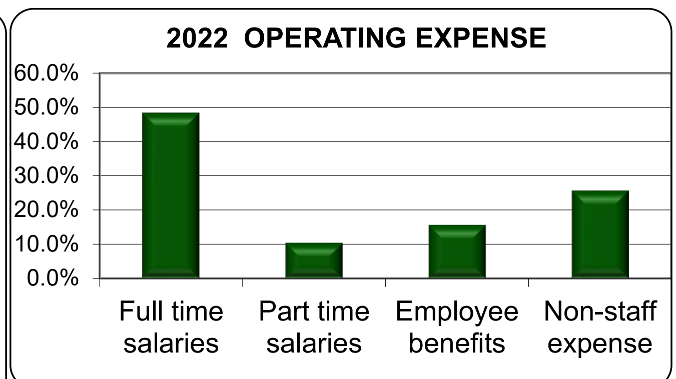
TRENT UNIVERSITY

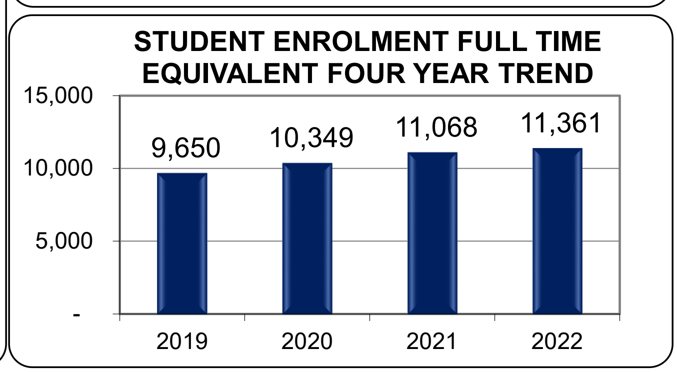
Summary of Operating Fund

Year Ended April 30, 2022
(millions of dollars)

2022	2021	2020	2019		**2022**	2021	2020	2019
$57.4	$62.8	$56.6	$57.1	Government grants	**35.5%**	39.6%	39.4%	40.0%
97.2	88.9	81.2	79.0	Tuition fees	**60.2%**	56.0%	56.5%	55.3%
0.0	0.2	0.2	0.7	Donations and grants	**0.0%**	0.1%	0.1%	0.5%
6.9	6.9	5.7	6.0	Investment and other income	**4.3%**	4.3%	4.0%	4.2%
$161.5	$158.8	$143.7	$142.8		**100.0%**	100.0%	100.0%	100.0%
$120.9	$117.6	$113.9	$107.1	Salaries and benefits	**75.0%**	74.1%	79.4%	74.1%
11.0	10.4	9.7	8.8	Scholarships and bursaries	**6.8%**	6.6%	6.8%	6.1%
3.2	3.0	2.9	2.4	Utilities	**2.0%**	1.9%	2.0%	1.7%
8.9	9.6	8.4	9.7	Supplies	**5.5%**	6.0%	5.9%	6.7%
2.0	2.0	2.0	1.9	Interest on long-term debt	**1.2%**	1.3%	1.4%	1.4%
7.5	3.4	3.6	4.2	Appropriated earnings	**4.7%**	2.1%	2.5%	2.9%
7.1	10.7	2.2	6.9	Interfund transfers	**4.4%**	6.7%	1.5%	4.8%
0.7	2.0	0.7	3.3	Transfer to endowments	**0.4%**	1.3%	0.5%	2.3%
161.3	158.7	143.4	144.3		**100.0%**	100.0%	100.0%	100.0%
$0.2	$0.1	$0.3	($1.5)	Excess (deficit) from operations				
(0.2)	(0.2)	(0.1)	0.1	Fair value adjustment				
3.8	4.9	5.6	4.9	Pension actuarial adjustment				
$3.8	$4.8	$5.8	$3.5					







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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Trent University

Opinion

We have audited the financial statements of Trent University, which comprise:

- the statement of financial position as at April 30, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Trent University as at April 30, 2022 and its results of operations, its changes in net assets, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our report.

We are independent of Trent University in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in Trent University's Summary of Revenue and Expense- All Funds and Summary of Operating Fund ("annual report").

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in Trent University's annual report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing Trent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Trent University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Trent University's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Trent University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Trent University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Trent University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

October 14, 2022

TRENT UNIVERSITY
Statement of Financial Position
April 30, 2022
(thousands of dollars)

	2022	2021
ASSETS		
Current		
Cash and cash equivalents	**$ 52,611**	$ 52,885
Accounts receivable (note 3)	**13,042**	17,191
Prepaid expenses	**2,134**	1,808
Short-term investments (note 4(a))	**27,000**	-
	94,787	71,884
Long-term investments (note 4(b))	**88,597**	91,136
Capital assets (note 5)	**235,184**	238,355
	$ 418,568	$ 401,375
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities (note 6)	**$ 24,803**	$ 21,102
Deferred revenue (note 7)	**47,384**	41,511
	72,187	62,613
Long-term debt (note 8(a))	**71,000**	71,000
Deferred capital contributions (note 9)	**100,378**	102,532
Employee future benefits liability (note 10)	**44,731**	74,585
	288,296	310,730
Net Assets		
Unrestricted	**(69,543)**	(100,961)
Internally restricted (note 11)	**44,881**	33,806
Investment in capital assets (note 12)	**68,025**	70,900
Endowments (note 13)	**86,909**	86,900
	130,272	90,645
Contingent liabilities and commitments (note 16)		
Subsequent events (note 19)		
	$ 418,568	$ 401,375

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Governors

Governor

Governor

TRENT UNIVERSITY
Statement of Changes in Net Assets
Year Ended April 30, 2022
(thousands of dollars)

	2022				
	Unrestricted	**Internally Restricted**	**Investment in Capital Assets**	**Endowments**	**Total**
Net assets (deficit), beginning of year	**$ (100,961)**	**$ 33,806**	**$ 70,900**	**$ 86,900**	**$ 90,645**
Excess of revenue over expense	**13,879**	**-**	**-**	**-**	**13,879**
Change in internally restricted net assets (note 11)	**(11,075)**	**11,075**	**-**	**-**	**-**
Change in investment in capital assets (note 12)	**2,875**	**-**	**(2,875)**	**-**	**-**
Employee future benefits remeasurements (note 10)	**25,990**	**-**	**-**	**-**	**25,990**
Change in endowments (note 13)	**(251)**	**-**	**-**	**9**	**(242)**
Net assets (deficit), end of year	**$ (69,543)**	**$ 44,881**	**$ 68,025**	**$ 86,909**	**$ 130,272**

	2021				
	Unrestricted	Internally Restricted	Investment in Capital Assets	Endowments	Total
Net assets (deficit), beginning of year	(107,679)	33,661	57,965	72,477	56,424
Excess of revenue over expense	10,930	-	-	-	10,930
Change in internally restricted net assets (note 11)	(145)	145	-	-	-
Change in investment in capital assets (note 12)	(12,935)	-	12,935	-	-
Employee future benefits remeasurements (note 10)	11,398	-	-	-	11,398
Change in endowments (note 13)	(2,530)	-	-	14,423	11,893
Net assets (deficit), end of year	$ (100,961)	$ 33,806	$ 70,900	$ 86,900	$ 90,645

The accompanying notes are an integral part of the financial statements.

TRENT UNIVERSITY
Statement of Operations
Year Ended April 30, 2022
(thousands of dollars)

	2022	2021
REVENUE		
Government grants	$ **66,954**	$ 70,114
Tuition fees	**97,220**	88,880
Ancillary sales and services	**34,829**	18,702
Donations and grants	**5,202**	3,418
Amortization of deferred capital contributions	**4,916**	4,803
Investment income	**2,561**	3,235
Miscellaneous	**8,012**	7,031
	219,694	196,183
EXPENSE		
Salaries and benefits	**133,569**	126,878
Scholarships and bursaries	**14,534**	13,197
Utilities	**4,370**	4,051
Supplies	**40,110**	29,041
Interest on long-term debt	**2,939**	2,939
Amortization of capital assets	**9,561**	9,675
Change in fair value of financial instruments	**732**	(528)
	205,815	185,253
EXCESS OF REVENUE OVER EXPENSE	**13,879**	10,930
Change in internally restricted net assets (note 11)	**(11,075)**	(145)
Change in investment in capital assets (note 12)	**2,875**	(12,935)
Employee future benefits remeasurements (note 10)	**25,990**	11,398
Internally endowed amounts	**(251)**	(2,530)
INCREASE IN FUND BALANCE FOR THE YEAR	**31,418**	6,718
FUND BALANCE - beginning of year	**(100,961)**	(107,679)
FUND BALANCE - end of year	$ **(69,543)**	$ (100,961)

The accompanying notes are an integral part of the financial statements.

TRENT UNIVERSITY
Statement of Cash Flows
Year Ended April 30, 2022
(thousands of dollars)

	2022	2021
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenue over expense for the year	**$ 13,879**	$ 10,930
Add (deduct) non-cash items:		
Amortization of capital assets	**9,561**	9,675
Amortization of deferred capital contributions (note 9)	**(4,916)**	(4,803)
Loss on disposal of capital assets	**68**	154
Change in fair value of financial instruments	**16,799**	(8,788)
Change in employee future benefits liability	**(29,854)**	(16,432)
Employee future benefits remeasurements (note 10)	**25,990**	11,398
	31,527	2,134
Change in non-cash working capital items (note 15)	**13,397**	6,681
	44,924	8,815
INVESTMENT ACTIVITIES		
Purchase of short term investments	**(27,000)**	-
Purchase of long term investments, net of disposals	**(14,260)**	(5,006)
Purchase of capital assets	**(6,458)**	(21,582)
	(47,718)	(26,588)
FINANCING ACTIVITIES		
Change in endowments	**(242)**	11,893
Deferred capital contributions received (note 9)	**2,762**	5,182
	2,520	17,075
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(274)**	(698)
CASH AND CASH EQUIVALENTS - beginning of year	**52,885**	53,583
CASH AND CASH EQUIVALENTS - end of year	**$ 52,611**	$ 52,885

The accompanying notes are an integral part of the financial statements.

1. AUTHORITY

Trent University (the 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 (Canada), 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 financial statements reflect the assets, liabilities, revenue, expenses and other transactions of all the operations of the University.

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. Revenue and expense from operating are reported in the statement of operations.

Internally restricted transactions are generally for funds designated for specific activities by University administration. These transactions are reported in the statement of operations.

Externally restricted transactions are associated with funds received from external sources which can only be spent in accordance with the restrictions provided by the funding sources. These transactions are reported in the statement of operations to the extent the funds are spent and restrictions are met.

Endowment transactions include contributions which are designated as endowment by the external source providing the funds and contributions designated as endowment by University administration. Externally restricted endowment contributions are directly reported on the statement of changes in net assets.

(b) Cash and cash equivalents

Cash and cash equivalents represent operating cash on deposit and are reported at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) Investments

Investments are recorded at fair value. The fair value of investments recorded in the financial statements is determined as follows:

- Short-term investments maturing within one year are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.
- Bonds and equities are valued at year-end quoted market prices using closing prices.

(d) 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:

Land and site improvements	no amortization
Buildings and components	15 - 40 years
Capital lease and leasehold improvements	9 - 50 years
Equipment and furnishings	10 years
Computer equipment	5 years
Vehicles	5 years
Library books and serials	5 years
System software	5 years

Costs of capital projects in progress are capitalized. Interest costs attributable to the construction of major new facilities are capitalized during the construction period. Amortization commences when the project is substantially complete.

The carrying value of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount is not recoverable and exceeds its fair value.

The value of artwork and library rare collections have been excluded from the financial statements except for a nominal value. Donated collections are recorded as revenue at values based on appraisals by independent appraisers and are expensed in the year received. Purchased collections are expensed in the year they are acquired.

(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 unrestricted, externally restricted, or endowments.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(e) Revenue recognition (continued)

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. 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. Sales and services and ancillary revenue is recognized at the point of sale or when the service has been provided.

Externally restricted contributions for purposes other than endowment or the acquisition of capital assets 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. Externally restricted endowment contributions and related restricted investment revenue are reported as direct increases in net assets. Contributions for the acquisition of capital assets are deferred and recognized as revenue on the same basis as the related capital assets are amortized.

Pledged donations are not recorded until received due to the uncertainty involved in their collection.

(f) Retirement plans

The University maintains a contributory defined benefit pension plan which covers eligible staff and other retirement and post-employment benefits and accounts for the plan 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 position. 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.

(g) 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(g) Financial instruments (continued)

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

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year. If an indicator of impairment exists, the University determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount the University expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(h) Fundraising activities

Gifts and grants from fundraising activities are recorded when received.

(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.

(k) 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 expense during the period. Areas requiring the use of estimates relate to the assumptions used in the determination of the useful life of capital assets, valuation allowances for receivables, and obligations related to the employee future benefits liability. Actual results could differ from those estimates.

(Tabular amounts in thousands of dollars)

3. ACCOUNTS RECEIVABLE

	2022	2021
Student receivables	$ 6,124	$ 6,472
Government receivables	2,550	4,767
Research receivables	2,145	2,863
Other receivables	3,875	5,576
	14,694	19,678
Less allowance for doubtful accounts	(1,652)	(2,487)
	$ 13,042	$ 17,191

4. INVESTMENTS

(a) Short-term investments

Short-term investments consist of fixed income securities in the form of guaranteed investment certificates which yield interest at rates of 2.06% to 3.15% and mature between August 2022 and April 2023.

(b) Long-term investments

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Cash equivalents	$ 2,639	$ 2,642	$ 2,555	$ 2,595
Bonds	32,974	33,544	33,044	34,058
Equities	52,984	53,027	55,537	38,300
	$ 88,597	$ 89,213	$ 91,136	$ 74,953

Long-term investments, at fair value, are allocated as follows:

	2022 Fair Value	2021 Fair Value
Endowment funds	$ 85,948	$ 85,408
Endowment lands investment funds	-	3,509
Sinking funds related to long-term debt	2,649	2,219
	$ 88,597	$ 91,136

(Tabular amounts in thousands of dollars)

5. CAPITAL ASSETS

	2022 Cost	2022 Accumulated Amortization	2022 Net Book Value
Land and site improvements	$ 37,721	$ -	$ 37,721
Buildings and components	296,902	125,752	171,150
Building and leasehold improvements under capital lease	14,624	1,940	12,684
Equipment, vehicles, furnishings and software	63,318	53,141	10,177
Library books and serials	24,347	24,275	72
Collections	1	-	1
Work-in-progress	3,379	-	3,379
	$ 440,292	$ 205,108	$ 235,184

	2021 Cost	2021 Accumulated Amortization	2021 Net Book Value
Land and site improvements	$ 37,371	$ -	$ 37,371
Buildings and components	293,502	119,189	174,313
Building and leasehold improvements under capital lease	14,784	1,482	13,302
Equipment, vehicles, furnishings and software	65,480	54,890	10,590
Library books and serials	24,347	24,236	111
Collections	1	-	1
Work-in-progress	2,667	-	2,667
	$ 438,152	$ 199,797	$ 238,355

Management has assessed for full or partial impairment and determined there is none.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities is comprised primarily of trade accounts payable, government remittances, and payroll related accruals. The University's government remittances payable at the end of the year were current and amounted to $3,117,419 (2021 - $1,947,353).

(Tabular amounts in thousands of dollars)

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:

	2022	2021
Externally restricted donations	$ 1,324	$ 1,348
Trust funds	12,253	10,362
Research funds	11,745	11,948
Student fees	14,616	10,424
Federal and Provincial government grants	78	221
Other	7,368	7,208
	$ 47,384	$ 41,511

8. LONG-TERM DEBT

(a) Long-term debt

In February 2017, the University refinanced its then existing long-term debt by issuing series A senior unsecured debentures in the amount of $71,000,000, bearing interest at 4.139% per annum, payable semi-annually, with the principal amount maturing on February 17, 2057. The University has established a sinking fund for the repayment of the $71,000,000 at maturity. At April 30, 2022, the fair value of the sinking fund is $2,649,331 (2021 - $2,218,940).

(b) Bank credit facility

The University has available an operating line of credit of up to $12,000,000, which was not utilized at April 30, 2022 (2021 - $Nil). The interest rate on the operating line of credit, when drawn, is the Bank's prime lending rate from time to time. Amounts are repayable on demand. This bank credit facility is currently being used to accommodate the Standby Letter of Credit to address pension solvency payments. Please refer to note 10.

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of grants and donations for the purchase of capital assets. The changes in the deferred capital contributions balance are as follows:

	2022	2021
Balance, beginning of year	$ 102,532	$ 102,153
Contributions received for capital acquisitions	2,762	5,182
Amortization of deferred capital contributions	(4,916)	(4,803)
Balance, end of year	$ 100,378	$ 102,532

(Tabular amounts in thousands of dollars)

10. EMPLOYEE FUTURE BENEFITS LIABILITY

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

	2022	2021
Discount rate	5.25%	5.25%
Rate of compensation increase	3.75%	3.75%
Rate of inflation	2.00%	2.00%

Information regarding the University's benefit plans is as follows:

	2022			
	Faculty Pension Plans	Non-Faculty Pension Plan	Other Plans	Total
Accrued benefit obligation	$ 26,953	$ 182,389	$ 7,851	$ 217,193
Fair value of plan assets	-	(169,741)	(2,721)	(172,462)
Accrued benefit liability	$ 26,953	$ 12,648	$ 5,130	$ 44,731
Current service costs	$ 4,669	$ 4,008	$ 82	$ 8,759
Finance costs	2,460	401	228	3,089
Net benefit cost	$ 7,129	$ 4,409	$ 310	$ 11,848
Investment gains (losses)	$ 13,148	$ (8,766)	$ (176)	$ 4,206
Actuarial gains (losses) on accrued benefit obligation	27,438	4,431	(340)	31,529
Change in valuation allowance	(9,655)	-		(9,655)
Past service costs	-	-	(90)	(90)
Net remeasurements gains (losses) and other items	$ 30,931	$ (4,335)	$ (606)	$ 25,990

(Tabular amounts in thousands of dollars)

10. EMPLOYEE FUTURE BENEFITS LIABILITY (continued)

	2021			
	Faculty Pension Plans	Non-Faculty Pension Plan	Other Plans	Total
Accrued benefit obligation	$ 313,248	$ 178,814	$ 7,581	$ 499,643
Fair value of plan assets	(253,953)	(168,024)	(3,081)	(425,058)
Accrued benefit liability	$ 59,295	$ 10,790	$ 4,500	$ 74,585
Current service costs	$ 4,712	$ 3,319	$ 95	$ 8,126
Finance costs	3,721	765	220	4,706
Net benefit cost	$ 8,433	$ 4,084	$ 315	$ 12,832
Investment gains	$ 25,449	$ 16,794	$ 224	$ 42,467
Actuarial losses on accrued benefit obligation	(16,569)	(13,806)	(622)	(30,997)
Past service costs	-	-	(72)	(72)
Net remeasurements gains (losses) and other items	$ 8,880	$ 2,988	$ (470)	$ 11,398

(a) Faculty Pension Plans

The Trent University faculty association is a member of a jointly sponsored multi-employer pension plan, the University Pension Plan (UPP). Founded by Queen's University at Kingston, the University of Toronto, and the University of Guelph, the UPP was formally established on January 1, 2020 to cover active members (employees) and inactive members (pensioners and deferred vested members) in the existing plans at all three founding universities. On July 1, 2021, the UPP became the official pension provider for the founding participants. The UPP is open to other Ontario universities.

The assets and liabilities of the University's registered Faculty Pension Plan were transferred to the UPP as at January 1, 2022, the effective date of the commencement of accrual of the benefits and contributions under the UPP and the termination of the registered Faculty Pension Plan. The Standby Letter of Credit used to cover special solvency payments also expired on conversion.

10. EMPLOYEE FUTURE BENEFITS LIABILITY (continued)

(a) Faculty Pension Plans (continued)

Any pension surplus or deficit of the UPP is a joint responsibility of the members and employers and may affect future contribution rates for members and employers. Contribution rates are determined by the UPP's Joint Sponsors (representing employees and employers). The University does not recognize any share of the UPP's pension surplus or deficit as insufficient information is available to identify the University's share of the underlying pension assets and liabilities. The most recent UPP actuarial valuation filed with pension regulators as at July 1, 2021 indicated an initial actuarial surplus on a going concern basis of $1,079,068.

Employer contributions made to the UPP during the four months since conversion amounted to $1,401,352 (2021 - $Nil). These amounts are included in salaries and benefits in the Statement of Operations.

The University is also required to fund any net pension obligations (determined based on the UPP's actuarial assumptions) related to service costs up to the transition date of January 1, 2022. Refer to Note 16(i) for additional information.

The Supplementary Retirement Arrangement (SRA) for the faculty association was not transferred to the UPP; the obligations under the SRA remain the responsibility of the University.

At April 30, 2022, the actuarial valuation for the SRA and other faculty-related plans used the economic assumptions consistent with the Non-Faculty Pension Plan and the demographic assumptions of the faculty membership consistent with the demographics of the Faculty Pension Plan prior to conversion to the UPP.

(b) Non-Faculty Pension Plan

The latest actuarial valuations for funding purposes for the registered Non-Faculty Pension Plan was performed as of July 1, 2021. The next required actuarial valuation will be July 1, 2022. The University measures its accrued benefit obligations and the fair value of plan assets for financial statement purposes as at April 30 each year.

Regulations governing provincially regulated pension plans establish certain solvency requirements that assume the plan is wound up on the valuation date. New solvency special payments towards the solvency deficiency become effective twelve months following the date of the valuation. In May 2020, the University received government approval to use Standby Letters of Credit to cover all or part of these special solvency payments.

Pursuant to the July 2020 valuation for the Non-Faculty Pension Plan, special solvency payments of $2,331,780 were required for the period July 2021 to June 2022. In May 2021, the University issued a Standby Letter of Credit with a cumulative amount of $2,360,635 to cover these special payments.

(Tabular amounts in thousands of dollars)

10. EMPLOYEE FUTURE BENEFITS LIABILITY (continued)

(b) Non-Faculty Pension Plans (continued)

Pursuant to the July 2021 valuation for the Non-Faculty Pension Plan, the special solvency payments for the period July 2022 to June 2023 were required to increase to $2,475,612. In June 2022, the University amended and extended the Standby Letter of Credit to cover the increased special solvency payments. This Standby Letter of Credit now has a cumulative amount of $4,934,115 to June 2023.

The University and members of the Non-Faculty Pension Plan are exploring opportunities to transition to a jointly sponsored pension plan in the near future, which will impact the requirement for solvency special payments and likely allow the Standby Letter of Credit to expire.

11. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are funds set aside to support various commitments and initiatives to enhance the quality, structure and organization of programs and activities for the student body as well as protect against possible adverse circumstances caused by changes in student enrolment, funding levels and salary cost escalations. The internally restricted net assets are as follows:

	2022	2021
Departmental operating budget carryforward funds	$ 15,911	$ 11,782
Capital and infrastructure projects	13,889	8,226
Sinking fund for debenture retirement (note 8(a))	2,500	2,000
Ancillary operations	5,912	2,965
Research and trust funds	2,234	1,545
Other funds committed for specific purposes	4,435	7,288
	$ 44,881	$ 33,806

12. INVESTMENT IN CAPITAL ASSETS

		2022	2021
Capital assets (note 5)		$ 235,184	$ 238,355
Add:	Unspent deferred capital contributions	11	1,910
Less:	Long-term debt pertaining to capital assets	(64,068)	(64,068)
	Deferred capital contributions (note 9)	(100,378)	(102,532)
	Donated assets (note 16(g))	(1,850)	(1,850)
	Financed internally	(874)	(915)
		$ 68,025	$ 70,900

(Tabular amounts in thousands of dollars)

13. ENDOWMENTS

Endowment funds are restricted donations received by the University and contributions internally restricted by the University, in exercising its discretion. The endowment principal is required to be maintained intact. The investment income generated from these endowments must be used in accordance with the various purposes established by the donors. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Student assistance	$ 48,375	$ 37,372	$ 48,613	$ 35,278
General endowment	6,964	5,279	6,979	4,952
Library	2,948	1,923	3,085	1,910
Research	2,042	1,863	2,009	1,734
Colleges, departments, other	26,580	21,917	26,214	20,194
Reinvested realized earnings	-	19,213	-	7,309
	$ 86,909	$ 87,567	$ 86,900	$ 71,377

Reinvested realized earnings is the amount of earnings available for allocation to unit holders based on the Board of Governor's investment earnings distribution policy. The policy allows a maximum annual distribution of 3.5% (2021 - 3.5%) on the average four-year rolling unit value at December 31.

	2022		
	Externally Restricted	Internally Restricted	Total
Balance, beginning of year, at fair value	$ 73,760	$ 13,140	$ 86,900
Endowment contributions	3,168	897	4,065
Investment income (loss) net of fees and expenses	(1,228)	(216)	(1,444)
Transfer to disbursement fund	(2,182)	(430)	(2,612)
Balance, end of year, at fair value	$ 73,518	$ 13,391	$ 86,909

	2021		
	Externally Restricted	Internally Restricted	Total
Balance, beginning of year, at fair value	$ 61,867	$ 10,610	$ 72,477
Endowment contributions	2,291	2,208	4,499
Investment income (loss) net of fees and expenses	11,657	671	12,328
Transfer to disbursement fund	(2,055)	(349)	(2,404)
Balance, end of year, at fair value	$ 73,760	$ 13,140	$ 86,900

(Tabular amounts in thousands of dollars)

14. ONTARIO STUDENT TRUST FUND

Externally restricted endowments include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund (OSOTF) and the Ontario Trust for Student Support (OTSS) programs. Under these programs, the government matched endowed donations made to the University.

Phase I - Ontario Student Opportunity Trust Fund

Schedule of changes in expendable funds available for awards for the year ended April 30:

	2022	2021
Expendable funds available for awards, beginning of year	$ 560	$ 496
Net transfers from endowment fund	291	279
Bursaries awarded	(200)	(215)
Expendable funds available for awards, end of year	$ 651	$ 560
Total OSOTF, Phase I, end of year	$ 6,966	$ 6,875
Number of bursaries awarded	251	321

Schedule of changes in endowment fund balance for the year ended April 30:

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Endowment balance, beginning of year	$ 7,010	$ 6,315	$ 7,018	$ 6,307
Unrealized gain (loss) for the year	115	-	(16)	-
Investment income, net of fees and expenses	291	291	283	283
Net transfer to expendable funds	(291)	(291)	(275)	(275)
Endowment balance, end of year	$ 7,125	$ 6,315	$ 7,010	$ 6,315

(Tabular amounts in thousands of dollars)

14. ONTARIO STUDENT TRUST FUND (continued):

Phase II - Ontario Student Opportunity Trust Fund

Schedule of changes in expendable funds available for awards for the year ended April 30:

	2022	2021
Expendable funds available for awards, beginning of year	$ 182	$ 156
Net transfers from endowment fund	66	65
Bursaries awarded	(40)	(39)
Expendable funds available for awards, end of year	$ 208	$ 182
Total OSOTF, Phase II, end of year	$ 1,697	$ 1,671
Number of bursaries awarded	54	94

Schedule of changes in endowment fund balance for the year ended April 30:

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Endowment balance, beginning of year	$ 1,643	$ 1,489	$ 1,651	$ 1,489
Unrealized gain (loss) for the year	27	-	(8)	-
Investment income, net of fees and expenses	66	66	65	65
Net transfer to expendable funds	(66)	(66)	(65)	(65)
Endowment balance, end of year	$ 1,670	$ 1,489	$ 1,643	$ 1,489

(Tabular amounts in thousands of dollars)

14. ONTARIO STUDENT TRUST FUND (continued):

Ontario Trust Fund Student Success (OTSS)

Schedule of changes in expendable funds available for awards for the year ended April 30:

	2022	2021
Expendable funds available for awards, beginning of year	$ 977	$ 888
Net transfers from endowment fund	471	342
Bursaries awarded	(265)	(253)
Expendable funds available for awards, end of year	$ 1,183	$ 977
Total OTSS, end of year	$ 12,421	$ 12,095
Number of bursaries awarded	407	309

Schedule of changes in endowment fund balance for the year ended April 30:

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Endowment balance, beginning of year	$ 12,250	$ 11,118	$ 11,587	$ 10,960
Unrealized gains for the year	289	-	505	-
Investment income, net of fees and expenses	591	591	454	454
Net transfer to expendable funds	(471)	(471)	(296)	(296)
Endowment balance, end of year	$ 12,659	$ 11,238	$ 12,250	$ 11,118

15. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

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

	2022	2021
Accounts receivable	$ 4,149	$ (2,243)
Prepaid expenses	(326)	(218)
Accounts payable and accrued liabilities	3,701	495
Deferred revenue	5,873	8,647
	$ 13,397	$ 6,681

16. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Canadian Universities Reciprocal Insurance Exchange

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, 2021, the date of the latest financial statements available, CURIE had a surplus of $105,790,060 (2020 - $99,448,896).

(b) Litigation

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, 2022, administration believes that the University has valid defenses 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. Accordingly, no provision has been made in the financial statements.

(c) Powerhouse Agreement

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. (Transferee) for the lease of the powerhouse site and existing structure and for the transfer of the redevelopment project. The Transferee completed the project and operations 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) Energy Performance Contract

In December 2015, the University entered into a Tri-Party Energy Performance Contract. The Tri-Party agreement requires a $15,499,561 capital investment from the University. Monthly lease payments commenced January 2019 and are contingent on annual energy cost savings, which are expected to be in the amount of $1,549,956 per year. The original scope of work is substantially complete.

In March 2021, the University amended the Tri-Party Energy Performance Contract to include the installation of a battery energy storage system. This amended agreement requires a further $9,458,913 capital investment from the University. Monthly lease payments on the additional improvements are also contingent on annual energy cost savings, which are expected to be in in the amount of $1,098,000 per year commencing June 2023. The work on the improvements is expected to be completed by June 2023.

16. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(d) Energy Performance Contract (continued)

The monthly lease payments under the amended Tri-Party Energy Performance Contract are expected to end in May 2031.

Only those costs associated with this project that fall outside the Tri-Party agreement are capitalized. As at April 30, 2022 the University has incurred capital costs of $3,768,252 (2021 - $2,822,404).

(e) Student Centre Loan Guarantee

In December 2015, the University entered into an agreement with the Trent Central Student Association (TCSA) to construct a Student Centre and lease a portion of the building to the TCSA. As part of this agreement, the University has guaranteed payment of a $10,500,000 loan facility for the TCSA to assist in financing the construction of the Student Centre. The balance outstanding on the loan at April 30, 2022 is $8,548,581 (2021 - $8,775,391). The lease began in September 2017 once the construction was complete. The lease is for a period of 30 years, with the option to extend for seven periods of ten years each.

(f) Cleantech Commons

In October 2018, the University entered into a Lease Agreement with the City of Peterborough (the City) for the development of the Cleantech Commons, a research and innovation park on 85 acres of Trent-owned lands. The University will retain ownership of the Cleantech Commons lands. Under the 110-year head ground lease with the City, the City will develop the Cleantech Commons and will sublet serviced sites in the research park to mutually agreed upon subtenants in a phased manner. The University will share in the net revenue generated through rent paid to the City by the subtenants.

In July 2020, the Federal Economic Development Agency for Southern Ontario agreed to make a non-repayable contribution of up to $4,800,000 in support of the development of an accelerator/technology demonstration space, the Trent Enterprise Centre (TEC), located within the Cleantech Commons. These contributions were payable over a four-year period and include $500,000 in support of programming costs incurred by the Peterborough Innovation Cluster. The University's contribution towards the project is expected to be $2,000,000. The project will establish and equip the Cleantech lab, create pilot manufacturing spaces, and offer business advisory services. Once fully operational, the TEC will support ten to fifteen scalable companies at any given time in the lab/pilot space. The project originally had an expected completion date of March 31, 2024. In March 2022, the Contribution Agreement was amended to extend the project. Contributions will now be payable over a five-year period and the new expected completion date is March 31, 2025.

16. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(g) Durham Campus Development

In May 2019, the Corporation of the City of Oshawa transferred approximately 1.85 acres of land adjacent to the Durham GTA campus for the development of a student residence and academic space. At the time of transfer, the donated land had an estimated fair market value of $1,850,000, which is reflected in these financial statements.

In June 2019, the University entered into a Lease Agreement with Campus Development Oshawa Corp. (CDOC) for the purpose of constructing on the donated land a multi-storey building containing a 200-bed student residence and academic space, as well as associated site improvements including landscaping and parking facilities (together referred to as 'the Project'). The date of occupancy occurred on September 1, 2020.

The term of the lease is 50 years less one day after the occupancy date, with an option to extend the term for five additional periods of five years. During the term of the lease, CDOC will retain ownership of the Project and be responsible for the operation and maintenance of the Project. Upon expiration of the lease, the Project and all fixtures to the land become the absolute property of the University.

On the occupancy date, the University made to CDOC a one-time payment of $9,800,000 plus applicable taxes as rent to occupy the academic space for the initial term of the lease. The payment is recorded as a capital lease in the University's financial statements. No additional rent will be payable for the University's continued occupancy of the academic space during any extension terms. The University is responsible for the operating expenses related to the academic space.

During the term of the lease, the University will make occupancy payments derived from student residence fees to CDOC. During the first 30 years of the initial term, the University will provide CDOC with guaranteed occupancy payments. During the year, the University expensed $1,008,454 (2021 - $1,111,011) of guaranteed occupancy payments. The University has implemented strategies to mitigate the risk of expensing additional occupancy payments post-pandemic. The University will participate in student revenues in excess of established occupancy rates and in net non-student revenue. CDOC will be responsible for the operating expenses related to the residence.

16. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(h) Other Lands Development

In May 2018, the University signed a Development Agreement with the City of Peterborough effective August 2018 under which the University transferred 24 acres of other lands to the City for the development of a City-owned Arena Complex and further agreed not to sell, lease or encumber for a 15-year period to December 31, 2032 approximately 23 acres of other Trent-owned lands for potential sports fields development by the City.

On May 20, 2021, the City transferred the 24 acres back to the University as the City chose an alternate site for the development of their Arena Complex. The University remains obligated not to sell, lease or encumber the 23 acres of Trent-owned lands as identified in the original agreement. The agreement also provides that the University may provide an alternate site, agreeable to the City acting reasonably, if the University requires the identified lands for a purpose which is contrary to this obligation. At this time, the University does not believe it necessary to propose an alternate site to the City, and is currently using the identified lands for University purposes, which is not in contravention of the University's obligations to the City.

(i) University Pension Plan

As stated in Note 10(a), the University remains responsible to fund any net pension obligations (determined based on the UPP's actuarial assumptions) related to service costs up to the transition date of January 1, 2022. Based on the actuarial valuation performed as at January 1, 2022, using the UPP actuarial assumptions, the University had a past service surplus of $9,893,828 and as such did not have a pension obligation on transition to the plan. The pension obligation for past service may fluctuate in the future based on changes to the UPP's actuarial assumptions and for changes in experience in future periods. The past service pension obligation will continue to be the responsibility of the University to fund for the first nine and a half years starting January 1, 2022, after which the responsibility for such changes becomes gradually shared over the next ten years with the other participants of the UPP. The past service surplus determined as at January 1, 2022 is not recorded in the University's financial statements as the expected future benefit will be recognized under the UPP.

(j) Jalynn Bennett Amphitheatre

In April 2022, the University entered into a contractual agreement for the construction of the Jalynn Bennett Amphitheatre, a new, three-season performance space situated in the courtyard of the Traill College in Peterborough. The estimated cost of construction of the new facility is $1,151,500 plus taxes and associated fees. In March 2022, the Minister of Canadian Heritage agreed to contribute up to $560,068 towards this project, with the remaining costs funded by donations, fundraising and University appropriations. Construction began in May 2022 with the aim to complete the project by Fall 2022.

(Tabular amounts in thousands of dollars)

16. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(k) Minimum lease payments

The University leases premises for student residence. The future aggregate minimum lease payments for the next five years under operating leases are as follows:

	2022	2021
2022	$ -	$ 3,856
2023	3,590	3,365
2024	1,899	2,499
2025	1,762	2,499
2026	929	1,153
2027	929	871
	$ 9,109	$ 14,243

17. FINANCIAL RISKS

(a) Credit risk

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 and investments. The University assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The credit risk related to investments is considered to be negligible because the University restricts investments to those with investment grade ratings by recognized credit rating services. There have been no changes to this risk exposure in 2022.

(b) Interest rate risk

The University is exposed to interest rate risk on its fixed interest rate financial instruments, which subject the University to a fair value risk. The University manages this risk 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 of Governors. There have been no changes to this risk exposure in 2022.

17. FINANCIAL RISKS (continued)

(c) Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The University 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. There have been no changes to this risk exposure in 2022.

(d) Currency risk

The University is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including underlying investments in pooled funds denominated in foreign currencies because the fair value and future cash flows will fluctuate due to the changes in the relative value of the foreign currencies against the Canadian dollar. The University manages this risk 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 currency risk exposure in 2022.

(e) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. The University's investment policies detail the objectives, management and guidelines of investment, as well as providing for an appropriate risk tolerance strategy.

18. IMPACT OF COVID-19

On March 11, 2020, the COVID-19 outbreak (the "pandemic") was declared a pandemic by the World Health Organization. The pandemic has had a significant financial, market and social dislocating impact.

With the declaration of the pandemic, Trent University halted in-person activity, restricted access to its physical facilities, and moved to a remote/online education format in March 2020 based on recommendations from Public Health Ontario. The entire 2020/2021 year was moved to a remote/online format with some exceptions where access to campus facilities were required.

18. IMPACT OF COVID-19 (continued)

The University began a phased re-opening of the campus for the fall 2021 semester, with a return to in-person classes complemented with hybrid delivery and fully online course offerings where appropriate. On campus classes transitioned back to online delivery at the beginning of the winter term in January 2022 following advice of Public Health officials to address the Omicron variant of concern. During the period of online course delivery, the campus remained open where possible. On-campus classes resumed on January 31, 2022.

The University had in place a mandatory vaccination and masking policy as required by the Province of Ontario for the 2021/2022 academic year. Both the vaccination and masking policy were in place on the campus until April 27, 2022. The masking requirement was extended for all classrooms and labs into the summer 2022 semester through to May 31, 2022. Given the rapidly evolving public health situation, the University remains flexible to adapt to changing Public Health guidelines as required, including the possibility of returning to remote learning and operations and mandatory masking.

As is typical for the University, course offerings were primarily online during the spring/summer 2022 semester. The University fully returned to campus for the fall 2022 semester, on-campus operations returned to pre-pandemic levels and all activities placed on hold due to the public health measures resumed as planned. At this time, the expectation is that almost all classes will be taught on campus for the 2022/2023 academic year.

Management has assessed the going concern assumptions and believes there are no issues given the University has a strong working capital base and access to sufficient liquid resources to sustain operations in the coming year.

19. SUBSEQUENT EVENTS

In May 2022, the University entered into a contractual agreement for roof replacements for buildings located on its Symons campus in Peterborough. The construction cost plus taxes and associated fees will be partly funded through the University's annual allocation of Facilities Renewal Program funding, with the remainder funded by University appropriations. Construction began in May 2022 and is scheduled to be completed in Fall 2022.

In May 2022, the University signed a purchase agreement to acquire property adjacent to the Traill College in Peterborough. The purchase price plus closing costs will be funded by University appropriations. The closing date is May 15, 2023.

The total estimated cost of these two subsequent events is $3,975,000.