

Financial Statements

April 30, 2025

TRENT UNIVERSITY
Financial Statements
April 30, 2025

Index

Statement of Administrative Responsibility	2
Summary of Revenue and Expense - All Funds	3
Summary of Operating Fund	4
Independent Auditor's Report	5 - 7
Financial Statements	
Statement of Financial Position	8
Statement of Changes in Net Assets	9
Statement of Operations	10
Statement of Cash Flows	11
Notes to the Financial Statements	12-36

TRENT UNIVERSITY
Statement of Administrative Responsibility
Year Ended April 30, 2025

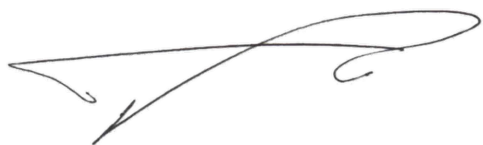
The management of Trent University (the University) is responsible for the preparation of the financial statements, the notes thereto and all other financial information contained in this financial report.

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, 2025 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, 2025 have been reported on by KPMG LLP, the auditors appointed by the Board of Governors. The Independent Auditor's Report outlines the scope of their audit and their opinion on the presentation of the information in the financial statements.



Tariq Al-Idrissi
Vice-President, Finance and Administration



Cathy Bruce, PhD
President and Vice-Chancellor

October 10, 2025

TRENT UNIVERSITY

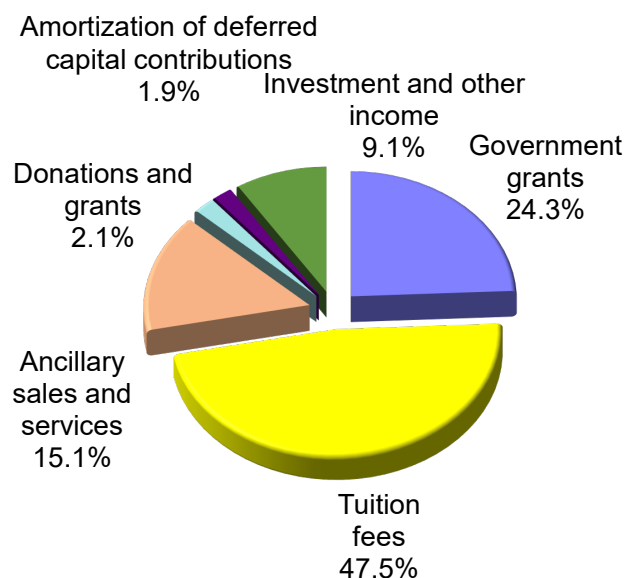
Summary of Revenue and Expense - All Funds

Year Ended April 30, 2025

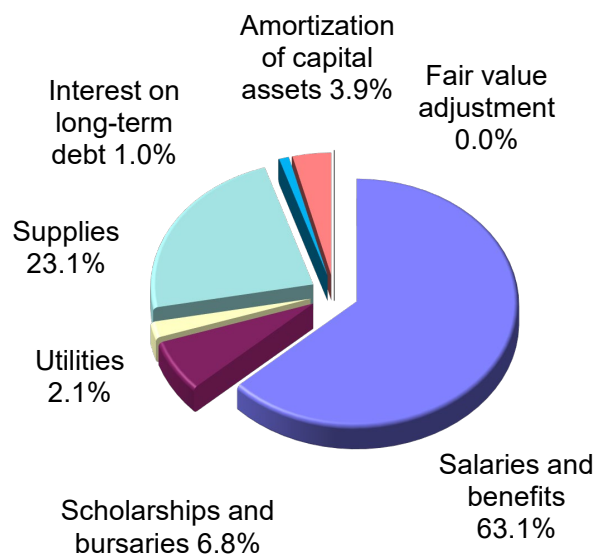
(millions of dollars)

2025	2024	2023	2022		2025	2024	2023	2022
\$72.5	\$79.4	\$70.1	\$67.0	Government grants	24.3%	26.3%	28.1%	30.0%
141.7	141.0	110.6	97.2	Tuition fees	47.5%	46.8%	44.3%	43.6%
45.1	45.6	40.6	34.8	Ancillary sales and services	15.1%	15.1%	16.3%	15.6%
6.2	5.2	5.1	5.2	Donations and grants	2.1%	1.7%	2.0%	2.3%
5.5	5.2	5.0	4.9	Amortization of deferred capital contributions	1.9%	1.7%	2.0%	2.2%
27.2	25.1	18.1	14.0	Investment and other income	9.1%	8.4%	7.3%	6.3%
\$298.2	\$301.5	\$249.5	\$223.1		100.0%	100.0%	100.0%	100.0%
\$178.5	\$161.1	\$141.6	\$133.6	Salaries and benefits	63.1%	63.1%	63.3%	63.9%
19.2	15.4	14.8	14.5	Scholarships and bursaries	6.8%	6.0%	6.6%	6.9%
5.9	5.6	4.9	4.3	Utilities	2.1%	2.2%	2.2%	2.0%
65.4	60.0	49.8	43.6	Supplies	23.1%	23.6%	22.3%	20.8%
2.9	2.9	2.9	2.9	Interest on long-term debt	1.0%	1.0%	1.3%	1.4%
11.1	10.6	9.7	9.6	Amortization of capital assets	3.9%	4.1%	4.3%	4.7%
(0.1)	0.0	0.0	0.7	Fair value adjustment	0.0%	0.0%	0.0%	0.3%
\$282.9	\$255.6	\$223.7	\$209.2		100.0%	100.0%	100.0%	100.0%

2025 REVENUE



2025 EXPENSE

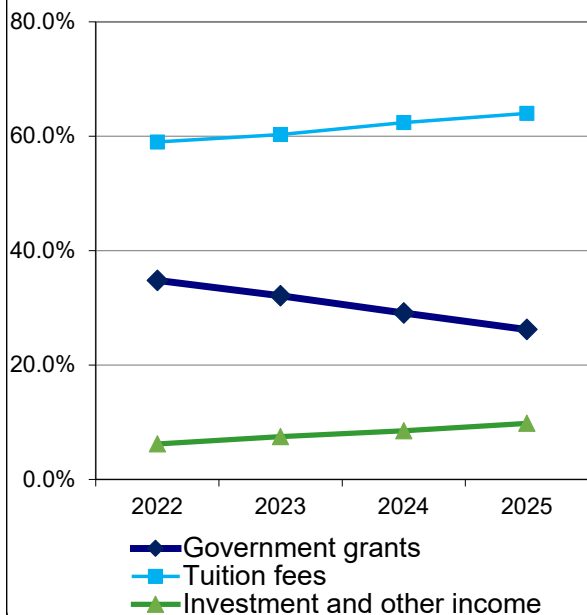


TRENT UNIVERSITY
Summary of Operating Fund
Year Ended April 30, 2025
(millions of dollars)

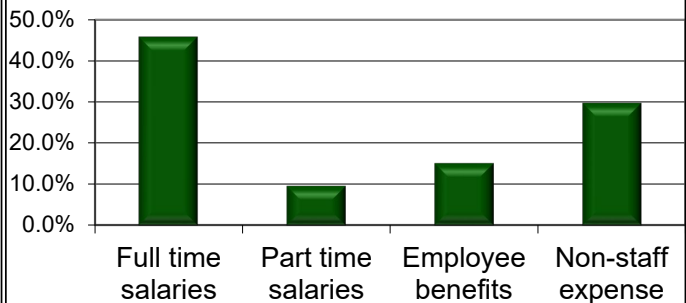
April 30, 2025

2025	2024	2023	2022		2025	2024	2023	2022
\$58.0	\$65.8	\$58.8	\$57.4	Government grants	26.2%	29.1%	32.1%	34.8%
141.7	141.0	110.6	97.2	Tuition fees	64.0%	62.4%	60.3%	59.0%
0.1	0.1	0.3	0.0	Donations and grants	0.0%	0.0%	0.1%	0.0%
21.6	19.3	13.7	10.3	Investment and other income	9.8%	8.5%	7.5%	6.2%
\$221.4	\$226.2	\$183.4	\$164.9		100.0%	100.0%	100.0%	100.0%
\$153.1	\$140.1	\$123.4	\$120.9	Salaries and benefits	69.2%	62.0%	67.4%	73.4%
14.7	11.8	11.3	11.0	Scholarships and bursaries	6.6%	5.2%	6.2%	6.7%
4.5	4.2	3.6	3.2	Utilities	2.0%	1.9%	2.0%	1.9%
24.3	21.7	14.5	12.3	Supplies	11.0%	9.5%	7.9%	7.5%
2.0	2.0	2.0	2.0	Interest on long-term debt	0.9%	0.9%	1.1%	1.2%
10.1	31.1	21.2	7.5	Appropriated earnings	4.6%	13.8%	11.6%	4.6%
11.6	13.7	6.3	7.1	Interfund transfers	5.2%	6.1%	3.4%	4.3%
1.1	1.4	0.7	0.7	Transfer to endowments	0.5%	0.6%	0.4%	0.4%
221.4	226.0	183.0	164.7		100.0%	100.0%	100.0%	100.0%
\$0.0	\$0.2	\$0.4	\$0.2	Excess from operations				
0.1	0.0	0.0	(0.2)	Fair value adjustment				
0.1	1.0	1.2	3.8	Pension actuarial adjustment				
\$0.2	\$1.2	\$1.6	\$3.8					

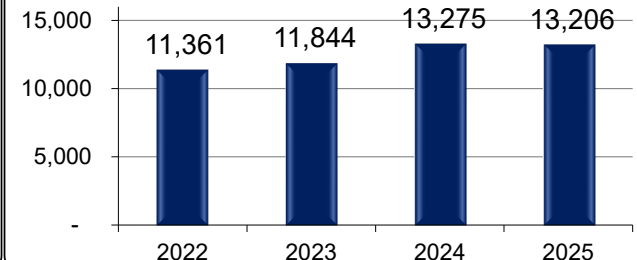
**OPERATING REVENUE
FOUR YEAR TREND**



2025 OPERATING EXPENSE



**STUDENT ENROLMENT FULL TIME
EQUIVALENT FOUR YEAR TREND**



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INDEPENDENT AUDITOR'S 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, 2025
- 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, 2025 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 "***Auditor's 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 auditor's 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 auditor's report thereon, included in Trent University's annual report as at the date of this auditor's 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 auditor's 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.

Auditor's 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 auditor's 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.



Page 3

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 auditor's 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 auditor's 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, stylized font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

October 10, 2025

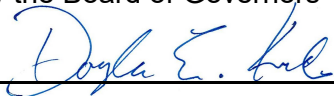
TRENT UNIVERSITY
Statement of Financial Position
April 30, 2025
(thousands of dollars)

	<u>2025</u>	<u>2024</u>
ASSETS		
Current		
Cash	\$ 69,532	\$ 87,740
Accounts receivable (note 3)	21,075	17,570
Prepaid expenses	3,986	2,909
Current portion of investments (note 4)	81,255	71,797
	<u>175,848</u>	<u>180,016</u>
Investments (note 4)	115,326	103,935
Capital assets (note 5)	244,819	238,317
Employee future benefits asset (note 11)	6,922	-
	<u>\$ 542,915</u>	<u>\$ 522,268</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 30,805	\$ 28,290
Deferred revenue (note 7)	55,364	62,111
Current portion of capital lease obligation (note 9)	73	99
	<u>86,242</u>	<u>90,500</u>
Long-term debt (note 8(a))	71,000	71,000
Capital lease obligation (note 9)	230	334
Deferred capital contributions (note 10)	102,034	103,699
Employee future benefits liability (note 11)	32,065	36,344
	<u>291,571</u>	<u>301,877</u>
Net Assets		
Unrestricted	(56,828)	(60,479)
Internally restricted (note 12)	117,954	105,616
Investment in capital assets (note 13)	81,506	72,942
Endowments (note 14)	108,712	102,312
	<u>251,344</u>	<u>220,391</u>
Contingent liabilities and commitments (note 18)	<u>\$ 542,915</u>	<u>\$ 522,268</u>

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, 2025
(thousands of dollars)

	2025				
	Unrestricted	Internally Restricted	Investment in Capital Assets	Endowments	Total
Net assets (deficit), beginning of year	\$ (60,479)	\$ 105,616	\$ 72,942	\$ 102,312	\$ 220,391
Excess of revenue over expense	15,315	-	-	-	15,315
Change in internally restricted net assets (note 12)	(12,338)	12,338	-	-	-
Change in investment in capital assets (note 13)	(8,564)	-	8,564	-	-
Employee future benefits remeasurements (note 11)	11,106	-	-	-	11,106
Change in endowments (note 14)	(1,868)	-	-	6,400	4,532
Net assets (deficit), end of year	\$ (56,828)	\$ 117,954	\$ 81,506	\$ 108,712	\$ 251,344

	2024				
	Unrestricted	Internally Restricted	Investment in Capital Assets	Endowments	Total
Net assets (deficit), beginning of year	(64,476)	69,431	68,027	95,119	168,101
Excess of revenue over expense	45,944	-	-	-	45,944
Change in internally restricted net assets (note 12)	(36,185)	36,185	-	-	-
Change in investment in capital assets (note 13)	(4,915)	-	4,915	-	-
Employee future benefits remeasurements (note 11)	1,017	-	-	-	1,017
Change in endowments (note 14)	(1,864)	-	-	7,193	5,329
Net assets (deficit), end of year	\$ (60,479)	\$ 105,616	\$ 72,942	\$ 102,312	\$ 220,391

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

TRENT UNIVERSITY
Statement of Operations
Year Ended April 30, 2025
(thousands of dollars)

	<u>2025</u>	<u>2024</u>
REVENUE		
Government grants	\$ 72,468	\$ 79,447
Tuition fees	141,701	140,973
Ancillary sales and services	45,120	45,589
Donations and grants	6,230	5,218
Amortization of deferred capital contributions (note 10)	5,530	5,158
Investment income (note 4)	11,515	11,768
Miscellaneous (note 16)	15,631	13,394
	<u>298,195</u>	<u>301,547</u>
EXPENSE		
Salaries and benefits	178,474	161,057
Scholarships and bursaries	19,195	15,389
Utilities	5,921	5,638
Supplies	65,422	59,993
Interest on long-term debt	2,939	2,939
Amortization of capital assets	11,065	10,575
Change in fair value of employee future benefits financial instruments	(136)	12
	<u>282,880</u>	<u>255,603</u>
EXCESS OF REVENUE OVER EXPENSE	15,315	45,944
Change in internally restricted net assets (note 12)	(12,338)	(36,185)
Change in investment in capital assets (note 13)	(8,564)	(4,915)
Employee future benefits remeasurements (note 11)	11,106	1,017
Internally endowed amounts (note 14)	<u>(1,868)</u>	<u>(1,864)</u>
INCREASE IN UNRESTRICTED FUND BALANCE FOR THE YEAR	3,651	3,997
UNRESTRICTED FUND BALANCE - beginning of year	<u>(60,479)</u>	<u>(64,476)</u>
UNRESTRICTED FUND BALANCE - end of year	<u>\$ (56,828)</u>	<u>\$ (60,479)</u>

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

TRENT UNIVERSITY
Statement of Cash Flows
Year Ended April 30, 2025
(thousands of dollars)

	<u>2025</u>	<u>2024</u>
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenue over expense for the year	\$ 15,315	\$ 45,944
Add (deduct) non-cash items:		
Amortization of capital assets	11,065	10,575
Amortization of deferred capital contributions (note 10)	(5,530)	(5,158)
Loss on disposal of capital assets	63	359
Change in fair value of financial instruments	976	(4,119)
Change in employee future benefits liability/asset	(11,201)	(2,126)
Employee future benefits remeasurements (note 11)	11,106	1,017
	<u>21,794</u>	<u>46,492</u>
Change in non-cash working capital items (note 17)	(8,814)	3,151
	<u>12,980</u>	<u>49,643</u>
INVESTMENT ACTIVITIES		
Change in investments	(21,825)	(23,985)
Purchase of capital assets	(17,630)	(14,089)
	<u>(39,455)</u>	<u>(38,074)</u>
FINANCING ACTIVITIES		
Change in external endowments	4,532	5,329
Capital lease payments	(130)	(266)
Deferred capital contributions received (note 10)	3,865	8,894
	<u>8,267</u>	<u>13,957</u>
INCREASE IN CASH	(18,208)	25,526
CASH - beginning of year	<u>87,740</u>	<u>62,214</u>
CASH - end of year	<u>\$ 69,532</u>	<u>\$ 87,740</u>

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

TRENT UNIVERSITY

Notes to the Financial Statements

April 30, 2025

(Tabular amounts in thousands of dollars)

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

Cash represents operating cash on deposit and is reported at fair value.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) Capital assets

Capital assets are recorded at cost, or in the case of donated assets, at fair market value on the date of the donation. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land and site improvements	no amortization
Buildings and components	15 - 40 years
Capital lease and leasehold improvements	Initial term of lease
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 which is not amortized. 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.

(d) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Assets acquired under capital leases are amortized as described in Note 2(c). Obligations under capital leases are reduced by the principal portion of lease payments. The imputed interest portion of lease payments is charged to expense.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(e) Revenue recognition

The University follows the deferral method of accounting for revenue derived from the provision of service and from revenue contributions. Contributions include government grants and donations and grants and may either be unrestricted, externally restricted, or endowments.

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) Employee future benefit plans

The University is a member of the University Pension Plan (UPP), which is a multi-employer jointly sponsored, defined benefit plan. The University's contributions are accounted for as if the plan were a defined contribution plan due to the plan being a multi-employer plan. The University's contributions are expensed in the period they come due.

The University provides eligible staff with 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 obligation net of the fair value of the 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.

Effective May 1, 2022, the University adopted the amendment to Accounting Standards for Private Enterprises, Section 3462 of the CPA Canada Handbook to measure the defined benefit obligations for all other plans without a funding valuation requirement using an accounting valuation. The accounting discount rates are determined based on the yield of high quality corporate bonds at the time of the financial statements.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(f) Employee future benefit plans (continued)

The cost of these plans 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, 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.

The fair value of investments recorded in the financial statements is determined as follows:

- Fixed income securities include guaranteed investment certificates which are stated at cost, which together with accrued investment 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.
- Pooled fund investments, consisting of infrastructure and real estate funds, are valued at the unit values supplied by the pooled fund administrators, which represent the University's proportionate share of underlying net assets at fair values determined using quoted market prices or alternative valuation methods where quoted market prices are not available.

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.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(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, valuation of level III investments, and obligations related to the employee future benefits liability/asset. Actual results could differ from those estimates.

(l) Change in accounting policy

Effective May 1, 2024, the University retrospectively adopted the new Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements. Under the policy, the University has chosen the simplification approach, whereby expenditures related to elements in cloud computing arrangements are recorded as an expense as incurred. The adoption of this accounting policy did not result in changes to the prior year comparative figures for the year ended April 30, 2024, or opening net assets at May 1, 2023.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

3. ACCOUNTS RECEIVABLE

	2025	2024
Student receivables	\$ 15,504	\$ 11,660
Government receivables	5,679	3,388
Research receivables	842	1,158
Other receivables	2,829	4,195
	<u>24,854</u>	<u>20,401</u>
Less allowance for doubtful accounts	(3,779)	(2,831)
	<u>\$ 21,075</u>	<u>\$ 17,570</u>

4. INVESTMENTS AND INVESTMENT INCOME

Details of investments at fair value are as follows:

	2025	2024
Cash equivalents	\$ 328	\$ 634
Fixed income securities	81,255	71,797
Bonds	25,686	23,556
Equities	63,548	59,357
Infrastructure funds	12,048	10,923
Real estate funds	13,716	9,465
	<u>196,581</u>	<u>175,732</u>
Less current portion of fixed income securities	(81,255)	(71,797)
	<u>\$ 115,326</u>	<u>\$ 103,935</u>

Investments are allocated as follows:

	2025	2024
Endowment funds	\$ 110,591	\$ 99,968
Sinking funds related to long-term debt	4,735	3,967
Short-term fixed income securities	81,255	71,797
	<u>\$ 196,581</u>	<u>\$ 175,732</u>

Investment income is comprised of the following:

	2025	2024
Realized income on investments	\$ 11,622	\$ 10,989
Unrealized gains (losses) on investments	(107)	779
	<u>\$ 11,515</u>	<u>\$ 11,768</u>

Fixed income securities consist of guaranteed investment certificates which yield interest at rates of 3.55% to 4.63% (2024 - 5.30% to 6.40%) and mature between June 2025 and April 2026 (2024 - June 2024 and April 2025).

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

5. CAPITAL ASSETS

	Cost	2025 Accumulated Amortization	Net Book Value
Land and site improvements	\$ 40,099	\$ -	\$ 40,099
Buildings and components	318,665	146,627	172,038
Building and leasehold improvements under capital lease	17,475	4,145	13,330
Equipment, vehicles, furnishings and software	51,260	40,308	10,952
Library books and serials	24,347	24,347	-
Collections	1	-	1
Work-in-progress	8,399	-	8,399
	<u>\$ 460,246</u>	<u>\$ 215,427</u>	<u>\$ 244,819</u>

	Cost	2024 Accumulated Amortization	Net Book Value
Land and site improvements	\$ 38,590	\$ -	\$ 38,590
Buildings and components	307,974	139,343	168,631
Building and leasehold improvements under capital lease	17,437	3,325	14,112
Equipment, vehicles, furnishings and software	57,100	46,126	10,974
Library books and serials	24,347	24,339	8
Collections	1	-	1
Work-in-progress	6,001	-	6,001
	<u>\$ 451,450</u>	<u>\$ 213,133</u>	<u>\$ 238,317</u>

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 for payroll-related taxes payable at the end of the year were current and amounted to \$2,153,650 (2024 - \$1,869,362).

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(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:

	2025	2024
Externally restricted donations	\$ 2,233	\$ 1,582
Trust funds	16,673	14,742
Research funds	10,814	10,906
Student fees	16,056	27,737
Federal and Provincial government grants	1,104	45
Other	8,484	7,099
	<u>\$ 55,364</u>	<u>\$ 62,111</u>

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, 2025, the fair value of the sinking fund is \$4,735,183 (2024 - \$3,966,568).

(b) Bank credit facility

The University has available an operating line of credit of up to \$12,000,000. 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. The line of credit was not drawn on for operating purposes at April 30, 2025 (2024 - \$Nil).

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

9. CAPITAL LEASE OBLIGATION

The University has financed certain vehicles by entering into capital leasing arrangements. Capital lease repayments are due as follows:

	2025	2024
2025	\$ -	\$ 120
2026	94	120
2027	91	120
2028	101	120
2029	75	45
Total minimum lease payments	361	525
Less amount representing interest	(58)	(92)
Present value of net minimum capital lease payments	303	433
Less current portion of capital lease obligation	(73)	(99)
	<u>\$ 230</u>	<u>\$ 334</u>

Interest and lease charges of \$32,413 (2024 - \$12,682) relating to capital lease obligations has been included in interest expense. The net book value of vehicles under capital lease is \$533,978 (2024 - \$617,143).

10. 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:

	2025	2024
Balance, beginning of year	\$ 103,699	\$ 99,963
Contributions received for capital acquisitions	3,865	8,894
Amortization of deferred capital contributions	(5,530)	(5,158)
Balance, end of year	<u>\$ 102,034</u>	<u>\$ 103,699</u>

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

11. EMPLOYEE FUTURE BENEFITS LIABILITY (ASSET)

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

	2025	2024
Discount rate - non-faculty pension plan	-	5.50%
Discount rate - all other plans	4.68%	5.19%
Rate of compensation increase - active participants	3.75%	3.75%
Rate of compensation increase - disabled participants	2.50%	2.50%
Rate of inflation	2.00%	2.00%

The significant UPP transfer assumptions used for the conversion of the Non-Faculty pension plan were as follows:

Discount rate	5.45%	-
Rate of compensation increases - active participants	4.00%	-
Rate of compensation increases - disabled participants	2.00%	-
Rate of inflation	2.00%	-

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

	2025			
	Faculty Pension Plans	Non-Faculty Pension Plan	Other Plans	Total
Accrued benefit obligation	\$ 26,186	\$ 6,220	\$ 8,377	\$ 40,783
Fair value of plan assets	-	(13,142)	(2,498)	(15,640)
Reclassification of wind-up surplus		6,922		6,922
Accrued benefit liability	\$ 26,186	\$ -	\$ 5,879	\$ 32,065
Current service costs	\$ 184	\$ 4,679	\$ 109	\$ 4,972
Finance costs	1,312	142	242	1,696
Net benefit cost	\$ 1,496	\$ 4,821	\$ 351	\$ 6,668
Investment gains (losses)	-	18,032	148	18,180
Actuarial gains (losses) on accrued benefit obligation	(283)	698	(1,258)	(843)
Change in valuation	-	(6,220)	-	(6,220)
Past service costs	-	-	(11)	(11)
Net remeasurements gains (losses) and other items	\$ (283)	\$ 12,510	\$ (1,121)	\$ 11,106

The conversion of the Non-Faculty Pension Plan to the University Pension Plan (UPP), as described below, resulted in a wind-up surplus held in the Plan amounting to \$6,922,000 as at April 30, 2025. This surplus has been reclassified as an employee future benefit asset above, and presented separately on the University's Statement of Financial Position.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

11. EMPLOYEE FUTURE BENEFITS LIABILITY (ASSET) (continued)

	2024			
	Faculty Pension Plans	Non-Faculty Pension Plan	Other Plans	Total
Accrued benefit obligation	\$ 26,172	\$ 195,178	\$ 7,302	\$ 228,652
Fair value of plan assets	-	(189,928)	(2,380)	(192,308)
Accrued benefit liability	\$ 26,172	\$ 5,250	\$ 4,922	\$ 36,344
Current service costs	\$ 219	\$ 4,329	\$ 109	\$ 4,657
Finance costs	1,167	336	224	1,727
Net benefit cost	\$ 1,386	\$ 4,665	\$ 333	\$ 6,384
Investment gains (losses)	-	3,157	(2)	3,155
Actuarial losses on accrued benefit obligation	(1,293)	(756)	(61)	(2,110)
Past service costs	-	-	(28)	(28)
Net remeasurements gains and other items	\$ (1,293)	\$ 2,401	\$ (91)	\$ 1,017

The Trent University faculty association (Faculty), employees represented by Ontario Public Sector Employees Union (OPSEU) Local 365 and exempt administrative staff (non-Faculty Staff) are members of a jointly sponsored multi-employer pension plan, the University Pension Plan. The assets and liabilities of the University's registered Faculty Pension Plan were transferred to the UPP as at January 1, 2022 and the assets and liabilities of the University's registered Non-Faculty Pension Plan were transferred to the UPP as at January 1, 2025. On the respective conversion dates, the accrual of the benefits and contributions under the UPP commenced for each group. The Standby Letters of Credit used to cover special solvency payments prior to the transition also expired on the respective conversion dates.

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 January 1, 2025 indicated an actuarial surplus on a going concern basis of \$244,568,000 (January 1, 2024 - \$249,277,000).

TRENT UNIVERSITY

Notes to the Financial Statements

April 30, 2025

(Tabular amounts in thousands of dollars)

11. EMPLOYEE FUTURE BENEFITS LIABILITY (ASSET) (continued)

With respect to the Faculty, employer contributions made to the UPP for the fiscal year amounted to \$5,408,357 (2024 - \$5,024,505). Employer contributions made to the UPP for the four months since conversion for Non-Faculty Staff amounted to \$1,508,185 (2024 - \$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 respective conversion dates. During the fiscal year, the University made payments in the amount of \$2,194,511 (2024 - \$1,339,370) towards its past service pension obligation for the Faculty as determined by the actuarial valuation for the UPP as at January 1, 2024. No such payments were required for the recently-converted Non-Faculty Staff during this fiscal year. Refer to Note 18(l) for additional information.

On conversion date, the registered Faculty Pension Plan was terminated as all the assets and liabilities were transferred to the UPP. The registered Non-Faculty Pension Plan had an estimated windup surplus of \$12,965,246 on conversion, which is required to remain in the Non-Faculty Pension Plan as the maximum amount of assets that can be transferred to the UPP under the *Pension Benefits Act* is an amount equal to a plan's windup liabilities. The registered Non-Faculty Pension Plan cannot be terminated until the windup surplus is distributed in accordance with the *Pension Benefits Act* and the terms of the Non-Faculty Pension Plan. Distribution of the remaining windup assets is expected by Fall 2026.

The Supplementary Retirement Arrangements (SRA) for the faculty association and senior exempt administrative staff were not transferred to the UPP. The obligations under the SRA remain the responsibility of the University.

12. 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:

	2025	2024
Departmental operating budget carryforward funds	\$ 20,768	\$ 20,639
Capital and infrastructure projects	30,056	35,644
Sinking fund for debenture retirement (note 8(a))	4,000	3,500
Ancillary operations	11,495	11,732
Research and trust funds	7,591	5,081
Other funds committed for specific purposes	44,044	29,020
	<u>\$ 117,954</u>	<u>\$ 105,616</u>

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

13. INVESTMENT IN CAPITAL ASSETS

	2025	2024
Capital assets (note 5)	\$ 244,819	\$ 238,317
Add: Unspent deferred capital contributions	5,023	5,004
Less: Long-term debt pertaining to capital assets	(64,068)	(64,068)
Capital lease obligation (note 9)	(303)	(433)
Deferred capital contributions (note 10)	(102,034)	(103,699)
Donated assets (note 18(g))	(1,850)	(1,850)
Financed internally	(81)	(329)
	<u>\$ 81,506</u>	<u>\$ 72,942</u>

14. 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.

	2025 Fair Value	2024 Fair Value
Student assistance	\$ 57,869	\$ 55,649
General endowment	6,242	5,861
Library	3,642	3,395
Research	3,687	2,870
Colleges, departments, other	37,272	34,537
	<u>\$ 108,712</u>	<u>\$ 102,312</u>

The Board of Governor's investment earnings distribution policy allows a maximum annual distribution of 3.5% (2024 - 3.5%) on the average four-year rolling unit value at December 31.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

14. ENDOWMENTS (continued)

	Externally Restricted	2025 Internally Restricted	Total
Balance, beginning of year, at fair value	\$ 85,843	\$ 16,469	\$ 102,312
Endowment contributions	1,562	1,134	2,696
Realized Investment income	7,260	1,537	8,797
Unrealized investment loss	(713)	(64)	(777)
Investment fees and expenses	(973)	(209)	(1,182)
Transfer to disbursement fund	(2,604)	(530)	(3,134)
Balance, end of year, at fair value	\$ 90,375	\$ 18,337	\$ 108,712

	Externally Restricted	2024 Internally Restricted	Total
Balance, beginning of year, at fair value	\$ 80,514	\$ 14,605	\$ 95,119
Endowment contributions	3,183	1,427	\$ 4,610
Realized Investment income	2,483	392	\$ 2,875
Unrealized investment income	3,108	679	\$ 3,787
Investment fees and expenses	(768)	(148)	\$ (916)
Transfer to disbursement fund	(2,677)	(486)	\$ (3,163)
Balance, end of year, at fair value	\$ 85,843	\$ 16,469	\$ 102,312

In order to provide more long-term protection for some of the internally restricted funds included in the endowments of the University, the Board of Governors have a Declaration of Trust Agreement which segregates, preserves and administers certain internally restricted endowment funds in trust. At April 30, 2025, the total fair value of the internally restricted endowment funds under the Declaration of Trust Agreement was \$7,541,022 (2024 - \$6,075,473).

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

15. 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, at cost:

	2025	2024
Expendable funds available for awards, beginning of year	\$ 817	\$ 709
Net transfers from endowment fund	321	300
Bursaries awarded	(246)	(192)
Expendable funds available for awards, end of year	\$ 892	\$ 817
Total OSOTF, Phase I, end of year	\$ 7,208	\$ 7,132
Number of bursaries awarded	221	220

Schedule of changes in endowment fund balance for the year ended April 30, at fair value:

	2025	2024
Endowment balance, beginning of year	\$ 7,394	\$ 8,264
Unrealized losses for the year	(178)	(870)
Investment income, net of fees and expenses	322	300
Net transfer to expendable funds	(321)	(300)
Endowment balance, end of year	\$ 7,217	\$ 7,394

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

15. 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,
at cost:

	2025	2024
Expendable funds available for awards, beginning of year	\$ 268	\$ 242
Net transfers from endowment fund	71	67
Bursaries awarded	(55)	(41)
Expendable funds available for awards, end of year	\$ 284	\$ 268
Total OSOTF, Phase II, end of year	\$ 1,774	\$ 1,758
Number of bursaries awarded	77	75

Schedule of changes in endowment fund balance for the year ended April 30, at fair value:

	2025	2024
Endowment balance, beginning of year	\$ 1,730	\$ 1,924
Unrealized losses for the year	(40)	(194)
Investment income, net of fees and expenses	72	67
Net transfer to expendable funds	(72)	(67)
Endowment balance, end of year	\$ 1,690	\$ 1,730

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

15. 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, at cost:

	2025	2024
Expendable funds available for awards, beginning of year	\$ 1,525	\$ 1,330
Net transfers from endowment fund	531	491
Bursaries awarded	(277)	(296)
Expendable funds available for awards, end of year	\$ 1,779	\$ 1,525
Total OTSS, end of year	\$ 13,297	\$ 12,946
Number of bursaries awarded	471	521

Schedule of changes in endowment fund balance for the year ended April 30, at fair value:

	2025	2024
Endowment balance, beginning of year	\$ 13,160	\$ 13,985
Unrealized losses for the year	(148)	(912)
Investment income, net of fees and expenses	627	578
Net transfer to expendable funds	(530)	(491)
Endowment balance, end of year	\$ 13,109	\$ 13,160

16. MISCELLANEOUS INCOME

	2025	2024
Non-credit tuition	\$ 5,920	\$ 5,075
Non-tuition student fees	5,241	4,771
Miscellaneous income	4,470	3,548
	\$ 15,631	\$ 13,394

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

17. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

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

	2025	2024
Accounts receivable	\$ (3,505)	\$ 405
Prepaid expenses	(1,077)	(624)
Accounts payable and accrued liabilities	2,515	2,628
Deferred revenue	(6,747)	742
	<u>\$ (8,814)</u>	<u>\$ 3,151</u>

18. 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 seventy eight Canadian universities and colleges. 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, 2024, the date of the latest financial statements available, CURIE had an accumulated comprehensive income of \$130,336,783 (2023 -\$107,548,349).

(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, 2025, 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.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

18. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(d) Energy Performance Contract

In December 2015, the University entered into a Tri-Party Energy Performance Contract. The Tri-Party agreement required 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 currently estimated at \$850,000 per year.

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 required a further \$9,458,913 capital investment from the University. Monthly lease payments on the additional improvements commenced June 2023 and are also contingent on annual energy cost savings, which are currently estimated at \$467,500 per year.

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

(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 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, 2025 is \$7,828,457 (2024 - \$8,075,303). 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 included \$500,000 in support of programming costs incurred by the Peterborough Innovation Cluster and \$4,300,000 to build and equip labs, pilot manufacturing spaces and associated offices and workspaces within the TEC building. In June 2021, the University established an appropriation of \$4,300,000 for the University's matching contribution towards the project. The project originally had an expected completion date of March 31, 2024 but was amended in February 2024 to extend the project to March 31, 2026.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

18. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(f) Cleantech Commons (continued)

During this fiscal year, the parameters of the project changed. The University agreed to reduce the scope of the project to planning and design work necessary to develop the TEC facility that focuses on providing scale-up and "lab to commercial stage" piloting and acceleration facilities to growth stage cleantech focused companies. The TEC plans will enable the University to collaborate with partnering institutions on future developments at the Cleantech Commons. In March 2025, the Contribution Agreement was amended to reflect this change in the project parameters. The contribution was reduced to \$871,234 and the project was completed on March 31, 2025.

(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 a Developer 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 Property). 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, the Developer will retain ownership of the Property and be responsible for the operation and maintenance of the Property. Upon expiration of the lease, the Property and all fixtures to the land become the absolute property of the University. The University retains ownership of the land during the lease term.

On the occupancy date, the University made a one-time payment to the Developer as rent to occupy the academic space for the initial term of the lease, which is reflected 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 the Developer. During the first 30 years of the initial term, the University will provide the Developer with guaranteed occupancy payments. During the year, the University expensed \$646,270 (2024 - \$709,809) of guaranteed occupancy payments. The University will participate in student revenues in excess of established occupancy rates and in net non-student revenue. The Developer is responsible for the operating expenses related to the residence space.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

18. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(g) Durham Campus Development (continued)

In September 2024, the University entered into an amending agreement to temporarily change the use of space currently housing 50 student residence beds to office space for academic and administrative use for a three-year term September 1, 2024 to August 31, 2027. The term may be extended, at the University's option, for five periods of three years each or may be terminated with not less than twelve months written notice. The rent paid in respect of the temporary space during the year was \$516,181 (2024 - \$Nil). Future rent payments for the initial term of the lease are included in minimum lease payments in Note 18(m).

(h) Gidigaa Migizi College Residence and Otonabee College Residence Project

In June 2025, the University entered into a Ground Lease Agreement with a Developer for the purpose of constructing on the Peterborough Symons campus two multi-storey buildings: (i) a new college residence, Gidigaa Migizi College Residence, containing a 740-bed student residence, food services, academic and administrative spaces and associated amenities, and (ii) a new Otonabee College Residence facility housing 648 student residence beds and associated amenities (together referred to as the Project). The expected date of substantial completion is August 16, 2028 with occupancy on or before September 1, 2028.

The term of the lease is 49 years from the Commencement Date, defined as the date on which a minimum of 650 beds in the residences is available to be occupied by University students. The Developer has the option to extend the term for four additional periods of ten years each. During the term of the lease, the Developer 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. The University will retain ownership of the land during the lease term.

On the Commencement Date, the Developer will pay a one-time rent payment to the University. Additional rent will be paid to the University when specified return on investment hurdles are achieved. The University will not be providing an occupancy guarantee to the Developer. The Developer will be responsible for the operating expenses related to the residence and associated amenity spaces, including residence life services that will be provided by the University.

For the same term (including any extensions) as the Ground Lease Agreement, the University will sublease the academic and administrative spaces from the Developer. Base rent payable monthly in advance to the Developer will be based on a specified percentage of total costs to deliver the subleased premises, escalating 5% every five years during the initial term of the lease. Annual sublease base rent shall not increase during the extension terms. The University will have the option to make a one-time cash payment to the Developer of up to 25% of the estimated total costs at the time of exercising the option, which will reduce the annual sublease base rent. The University will be responsible for the operating expenses related to the academic and administrative subleased spaces.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

18. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(h) Gidigaa Migizi College Residence and Otonabee College Residence Project (continued)

In September 2025, the Board of Governors authorized the execution of the necessary agreements to purchase 50% of Class B shares at a price of \$1.50 per share, currently estimated to provide an ownership stake in the Project of 35.6% and a total equity investment of \$15,004,061.

(i) Other Lands Development

In May 2018, the University signed a Development Agreement with the City of Peterborough effective August 2018 which included an obligation by the University not to sell, lease or encumber for a 15-year period to December 31, 2032 approximately 23 acres of Trent-owned lands for potential sports fields development by the City. 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.

(j) Land Leases

The University has land lease agreements with a Developer for the purpose of constructing and operating on Trent-owned lands buildings comprised of town houses and/or apartment units. The buildings shall be used and occupied primarily as residential housing for students, facility personnel and employees at the University. All construction is at the sole cost of the Developer.

The term of each lease is 99 years after the date on which the construction is substantially complete. During the term of each lease, the Developer retains ownership of the buildings and is responsible for the operation and maintenance of the buildings. Upon expiration of the leases, the buildings and all improvements to the land become the absolute property of the University. The University retains title to the land at all times during the leases.

The leases include minimum rent payable by the Developer to the University during the term of the leases and additional rent commencing in the twentieth lease year and continuing for the balance of the lease terms based on a percentage of gross revenues earned by the Developer during each lease year.

(k) Parking Lot Expansion Project

In November 2024, the University entered into a contractual agreement for the construction of three new parking lots on the Symons campus in Peterborough. The estimated cost of construction of the new lots is \$5,960,002 plus taxes and associated fees, which will be partly funded from University appropriations and parking services reserves. Costs incurred to April 30, 2025 were \$2,008,451, which are included in capital assets work-in-progress. Construction began in November 2024. Construction was completed on two of the three lots in August 2025 with the third lot to be completed by December 2025.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

18. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(I) University Pension Plan

As stated in Note 11, the University remains responsible to fund any pre-conversion net pension obligations (determined based on the UPP's actuarial assumptions) related to service costs up to the conversion dates of January 1, 2022 for the Faculty Pension Plan and January 1, 2025 for the Non-Faculty Pension Plan. Based on the actuarial valuations performed on conversion, using the UPP actuarial assumptions, the University had an initial surplus for both plans and as such did not have a pension obligation on transition to the UPP.

The pension obligation for pre-conversion service may fluctuate in the future based on changes to the UPP's actuarial assumptions and for changes in experience in future periods. The pre-conversion pension obligation will continue to be the responsibility of the University for the first nine and a half years starting January 1, 2022 for the Faculty and for the first ten years starting January 1, 2025 for the Non-Faculty Staff, after which the responsibility for such changes becomes gradually shared over the next ten years with the other participants of the UPP.

Based on the actuarial valuation performed as at January 1, 2025, the University has a pre-conversion service deficit for the Faculty Pension Plan of \$20,435,000 (2024 -\$18,973,000). Annual special payments, payable monthly, are required to address this deficit as follows:

	2025	2024
January 2023 to December 2037	\$ 985	\$ 985
January 2024 to December 2038	893	893
January 2025 to December 2039	228	-
	<u>\$ 2,106</u>	<u>\$ 1,878</u>

The University does not have any pre-conversion service deficit for the Non-Faculty Pension Plan at this time.

The University's pre-conversion deficit is not recorded in the University's financial statements. The University has a provision in its operating budget to cover the required pre-conversion special payments obligations.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

18. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(m) Minimum lease payments

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

	2025	2024
2025	\$ -	5,299
2026	5,540	3,899
2027	5,556	3,592
2028	2,992	1,084
2029	1,269	275
2030	993	-
	<u>\$ 16,350</u>	<u>\$ 14,149</u>

19. 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's investment policy restricts investments to those with investment grade ratings by recognized credit rating services. There have been no changes to this risk exposure in 2025.

(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 2025.

TRENT UNIVERSITY
Notes to the Financial Statements
April 30, 2025
(Tabular amounts in thousands of dollars)

19. 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 2025.

(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 2025.

(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 through diversification of the investment portfolio. There have been no changes to market risk exposure in 2025.

20. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform with the current year's presentation.